

Colorado Bar Association
**INTELLECTUAL PROPERTY SECTION
NEWSLETTER**

August 2008

Upcoming Events:

AUGUST IP SECTION LUNCHEON

August 28, 2008 - The Westin Hotel Tabor Center, Augusta Room

**Intellectual Property Policy and The Presidential Election:
A Discussion on Its Future By Leading Policy Advisors to the
Candidates**

11:00 a.m. - Networking and Appetizers

11:45 a.m. - Program and Lunch

Join the IP Section of the Colorado Bar Association and Silicon Flatirons on the last day of the Democratic National Convention as we bring together representatives from both the McCain and Obama presidential campaigns to speak about the respective campaigns' positions on IP and technology policy issues.

This will be the first time that either campaign has agreed to publicly discuss topics such as patent reform, piracy, counterfeiting and judicial appointments.

Representing the McCain campaign will be Ed Reines, Senior Partner at Weil Gotshal, president of the Federal Circuit Bar Association and a member of Senator McCain's Justice Advisory Committee, and Ray Gifford, Partner at Kamlet, Shepherd & Reichert .

Representing the Obama campaign will be Arti Rai, Elvin R. Latty Professor of Law at Duke Law School, and Christopher Sprigman, Professor of Law at University of Virginia School of Law.

Jonathan Alter, Newsweek Senior Editor and Columnist, will moderate.

Cost: \$75 for IP Section Members and Silicon Flatirons Sponsors, \$20 for CU/DU Law Students, \$95 for the General Public.

Includes plated lunch and valet parking. RSVP by calling (303) 860-1115 ext. 727 or by e-mailing lunches@cobar.org. When making your reservation, specify that you are

attending the **August** IP Section Lunch, and include your name (and spelling), email address and phone number.

Cancellations and no-shows will be billed for the cost of the program. Checks can be sent to the Colorado Bar Association, 1900 Grant St., Suite 900, Denver, CO 80203. Also, please call or e-mail your RSVP when sending a check. Checks should be made payable to the CBA.

Please email any comments to John Posthumus at posthumusj@gtlaw.com and Michael Drapkin at mldrapkin@townsend.com.

Announcement: Venue Change for Fall IP Section Luncheons

The IP Section is pleased to announce that, for this fall, we will be changing the Luncheon venue from the Pepsi Center to the Large Banquet Room at the Denver ChopHouse, which accommodates up to 120 attendees. Access to the ChopHouse is excellent for those driving in, and those who work Downtown. The IP Section will arrange for free parking to be provided.

September IP Section Luncheon September 16, 2008 - Denver ChopHouse, Large Banquet Room Open Source Update 2008

Presented by Maria Woods (General Counsel, StillSecure) and Jason Haislmaier (Partner, Holme Roberts & Owen LLP)

The past year has been very active with respect to the growth and elevated profile of legal issues relating to open source software. As development and deployment of open source projects continues to expand, so too has the complexity of the legal issues involved. In this environment, software users and licensors can ill-afford to ignore the impact of the legal issues posed by open source software. Companies that are not taking steps to implement open source compliance measures on their own terms are increasingly finding themselves required to comply with terms set by someone else or may be leaving themselves exposed to claims by open source licensors or their competitors. This session will discuss the changing open source legal landscape and what you need to know to stay on top of the legal issues posed by these changes.

Topics include:

- Changes in Open Source Compliance—how to evolve your open source compliance efforts beyond merely risk mitigation to help add value to your business;
- The "BusyBox" Lawsuits—the first lawsuits filed in the U.S. seeking to enforce the GNU General Public License (GPL), brought by the developers of the popular open source software application BusyBox;

- Open Source Software Patent Infringement—Software patents asserted by and against users and developers of Linux and other open source software such as Red Hat, Novell, Sun Microsystems and Net App; and
- The Impact of GPLv3—the ongoing use and adoption of version 3 of the most popular open source license in the world.

Cost: \$35 for IP Section Members and CU/DU Law Students may attend for free. Reservations and cancellations for the monthly luncheon must be made prior to noon Monday, September 15, 2008. RSVP by calling (303) 860-1115 ext. 727 or by e-mailing lunches@cobar.org. When making your reservation, specify that you are attending the **September** IP Section Lunch, and include your name (and spelling), email address and phone number.

Cancellations after that date and time and no-shows will be billed for the cost of the program. Checks can be sent to the Colorado Bar Association, 1900 Grant St., Suite 900, Denver, CO 80203. Also, please call or e-mail your RSVP when sending a check. Checks should be made payable to the CBA.

Additional Fall IP Section Luncheons:

October IP Section Luncheon

October 10, 2008 - Denver ChopHouse, Large Banquet Room

Insurance Coverage for IP and Technology Claims -- Data Privacy, Infringement and Errors & Omissions Coverage

Presented by Mary E. McCutcheon, James Morando, and Dennis M. Cusack. Description of the event will be provided in the September Newsletter.

November IP Section Luncheon

November 11, 2008 - Denver ChopHouse, Large Banquet Room

“Bilski Event”

The IP Section is pleased to announce a luncheon event involving David Hanson, the attorney that argued on behalf of Mr. Bilski before the en banc panel of the Federal Circuit on May 8, 2008. More details about this exciting event will be announced soon.

Other Upcoming IP and Technology Events:

2008 Technology Roundtable

August 26, 2008 - Denver Performing Arts Complex,

Ricketson Theatre

9:00 am – 11:30 am

The global economy is in the midst of a massive transformation akin to the transition from the agricultural age to the industrial age. Workers are now increasingly in service professions, often with the ability (and sometimes the requirement) to work from anywhere (or everywhere). In this environment, companies also are free to locate anywhere across the globe. As a result, American companies increasingly face challenges from China and India as readily as from across the US.

While in theory entrepreneurs can start companies anywhere, in practice they do so where there are desirable places to live, where educated employees are available, and where state-of-the-art infrastructure exists, especially wired broadband and wireless connections. In fact, access to broadband connectivity is now a prerequisite to participate not only in the economic, civic, and cultural benefits arising from Internet access, but increasingly to access affordable and effective educational options and health care services, as well.

In this context, policymakers from government, business, academia, and not-for-profit organizations, might well ask:

1. Does the US provide a fertile ground for technological development and entrepreneurship?
2. Does the US provide all Americans with the opportunity to participate in the information age? In particular, should the US adopt a broadband policy, and if so, what should it look like?
3. What can the US do to reform patent and copyright laws in order to promote technology innovation and creativity?
4. How can the US support graduate school training and basic research in order to compete globally on the science and technology landscape?

For more information visit <http://www.2008rmr.org/Roundtable-Technology.asp>.

September Silicon Flatirons Event

September 5th, 1:00 PM - CU Law School

Deregulation Revisited: A Tribute to Fred Kahn

To say that Fred Kahn is the archetype and inspiration for the deregulatory policies that have transformed a series of network industries over the last thirty years is no exaggeration. His academic leadership and vision, captured in *The Economics of Regulation*, attracted needed attention and insights to a field long viewed as a staid exercise in natural monopoly regulation. At the New York Public Service Commission, Fred established a standard for leadership and thoughtful policymakers that elevated the role of such commissions across the country and began to change conventional thinking about telecommunications and electricity regulation. Finally, at the Civil Aeronautics Board, Fred Kahn took the helm of an agency on autopilot and re-evaluated the wisdom of command-and-control regulations that are widely viewed as preventing entry and protecting incumbents. In so doing, he not only helped to transform the

regulation of airlines in this country, but made clear that enlightened leadership can make an enormous difference in public policymaking.

Thirty years after the singular accomplishment of spurring the enactment of the Airline Deregulation Act of 1978, it is an opportune occasion to reflect both on the deregulatory initiatives of the last thirty years and, in particular, on Fred Kahn's teachings and contributions to that effort. An increasing number of commentators who previously advocated deregulation "no longer believe that deregulation has been a complete, an unqualified, success," as Judge Richard Posner recently put it. This judgment begs the questions: what lessons can we learn from the deregulatory initiative in airlines, what to make of deregulatory efforts in telecommunications and energy, and whether the U.S. economy has indeed outpaced its foreign rivals in part because of its more nimble and less regulated market environment. In this conference, we will bring together a group of policymakers, former policymakers, academics, and industry leaders from across the last several decades to evaluate the legacy of deregulation, with particular attention to and appreciation for Fred Kahn's leadership and teachings in the area.

For more information visit <http://www.silicon-flatirons.org/events.php?id=207>.

September Colorado Chapter of the Federal Bar Association Event September 9th, 11:30 AM - Brown Palace Hotel Admittance to the Bar of the United States Supreme Court

The Colorado Chapter of the Federal Bar Association offers a unique opportunity to be admitted to the Bar of the United States Supreme Court and to be sworn in to the Bar by General William K. Suter, Clerk of the United States Supreme Court. The event is September 9, 2008, from 11:30 a.m. to 2:00 p.m. at the Brown Palace Hotel. The deadline for reservations (and submission of Supreme Court admission applications) is August 15. Two CLE credits have been requested.

For information and registration, go to <http://www.fedbar.org/colorado.html>.

Call for Suggestions or Ideas

The IP Section Officers are also soliciting your suggestions and ideas for topics and speakers for our Luncheon programs for 2008/2009. The following is a list of topics that we are considering for future programs. Please forward any comments you may have to John Posthumus at posthumusj@gtlaw.com:

1. VC Panel with Moderator to Discuss IP Issues Facing Early Stage Companies (**Set: January 2009**)
2. International Patent Protection Panel
3. User Generated Content and IP Issues
4. Export Control

5. Colorado Federal District Court Judge: Viewpoint on Claim Construction Hearings
6. Mock Licensing Negotiation
7. The Use of Mock Juries and Trials
8. Electronic Discovery Issues in IP Cases
9. The Use of Surveys in Trademark Infringement and Dilution Litigation
10. Copyright Exhaustion

REPORT ON JULY EVENT

AIPLA 2008 Patent Cooperation Treaty Seminar Overview (provided by Corina Aschenbrenner, Townsend and Townsend and Crew LLP)

The IP Section sponsored the 2008 AIPLA Patent Cooperation Treaty Seminar held on July 14th and 15th in Denver. The panel members consisted of Samson Helfgott, Carl Oppedahl, Carol Bidwell, Esther Keplinger and Korbinian Kopf, all of which were welcomed by a large turnout for this event. Attendees consisted of private sector attorneys, in-house counsel, patent agents and paralegals. Both days of the conference were well attended filling approximately 90 seats to capacity.

The wide array of PCT topics including something for everyone, the novice and the expert. The speakers began with a basic introduction to PCT filings discussing procedures and timelines, choosing a receiving office, signature requirements, International Search Reports, and the examination process. Building on the momentum of the morning, the panel continued with an intense review of PCT prosecution including Article 19 Amendments, Chapter II, and Article 34 Amendments and Arguments. The panel discussion continued with strategies for entering EPO Regional Phase and US National Phase. A question and answer period followed conducted by Samson Helfgott, Carl Oppedahl, and Korbinian Kopf, wherein the speakers provided insight on strategies for PCT and foreign filings covering everything from crafting claims, to evaluating application strategies based on client size and technology of the invention. The panel members also discussed the benefits of advanced filing strategies such as bypass applications. In addition, speakers Carol Bidwell and Esther Keplinger provided insight into the application and examination process from inside the USPTO. Their discussions included practical matters such as PCT Safe, electronic filing, April 2007 & July 2008 changes to PCT Practice and a detailed review of resource tools. Carol Bidwell and Esther Keplinger also provided detailed information about how to fix application mistakes, docketing, and the future of the PCT. Valuable resource tools were identified and reviewed. This information intensive atmosphere relaxed into a humorous atmosphere where panel members and attendees alike swapped stories about vanishing inventors and application translation errors.

Due to the personable nature of the panel members, break times became one on one question and answer periods wherein all types of application filing scenarios were discussed. By the end of the seminar emails were shared and everyone was discussing topics for the 2009 Patent Cooperation Treaty Seminar.

IP Newsletter

Subject to editorial discretion and review, the IP Section newsletter is open to the submission of short articles and columns on IP topics of interest. If you are interested in contributing, please contact John Posthumus at posthumusj@gtlaw.com.

IP Section Website

Don't forget to check out the newly overhauled Colorado Bar Association website. Please refer to it often for updates on news and events.

<http://www.cobar.org/group/index.cfm?EntityID=PATENT>

The Colorado Bar Association has posted member directories for each practice section on-line. See ours at:

<http://www.cobar.org/directory/sections.cfm?section=PATENT>

Our contact at the Colorado Bar is Melissa Nicoletti, the Director of Sections and Committees. She can be reached at (303) 824-5321, or melissan@cobar.org.

Local IP Case Alert

Biomedical Technology Solutions, Inc. v. DEMOLIZER.com (D. Colo. 2008) (provided by Gayle Strong, Greenberg Traurig)

A default judgment was entered in *Biomedical Technology Solutions, Inc. v. DEMOLIZER.com*, (07-CV-02664), believed to be the first in rem action filed in Colorado against a domain name under the *Anticybersquatting Consumer Protection Act* (ACPA), 15 U.S.C. §1125(d)(2)(A). The ACPA allows a plaintiff trademark owner to file an in rem action against a domain name in the judicial district in which the domain name registrar is located if the domain name owner is not subject to personal jurisdiction in any United States District Court.

Judge Wiley Daniel made a finding of compliance with the requirements of service of process in an in rem action under 15 U.S.C. §1125(d)(2)(A) based on the plaintiff sending the complaint to both the email address and the physical address of the domain name registrant on file with Godaddy.com, Inc., the domain name registrar in this case that has an office located in the District of Colorado in Greenwood Village, Colorado. The service of the complaint by email and an attempt to deliver the complaint to the physical address of record in India (that was refused by the domain name registrant) was deemed sufficient to satisfy the plaintiff's service of process obligations under the ACPA.

Judge Daniel determined that service of process via email had been effective and was proper in this case, in part because plaintiff's counsel had received communications from the registrant by email during a prior UDRP proceeding, and received email communications subsequent to the delivery of the complaint to the domain name registrant's email address, thereby indicating the registrant's receipt of the complaint.

Under these circumstances, Judge Daniel held that email service had provided the registrant with actual notice of the lawsuit and an opportunity to respond. Judge Daniel further deemed email service of process in these circumstances compliant with the due diligence requirement of 15 U.S.C. § 1125(d)(2)(A), and, consistent with other jurisdictions, waived any requirement of publication of the action under the ACPA. Not only did Judge Daniel direct entry of default, he sua sponte ordered entry of default judgment, enabling the plaintiff to obtain immediate transfer of the domain name.

This case is the first in rem action under the ACPA decided in the District of Colorado. The domain name registrar, Godaddy.com, Inc., had recently established an office in Denver, bringing with it proper in rem jurisdiction in this District over disputes involving domain names registered with GoDaddy by foreign registrants that are not subject to personal jurisdiction in the U.S. courts.

JurisNotes

Patent Cases

Fisher Tool Co. v. Mayhew Steel Products (9th Cir 6/30/08)

Ample reason supported decision to file infringement suit.

Gillet, a French company, makes hose clamp pliers and holds patents covering the design of its pliers. When Gillet discovered that Fisher was selling a product similar to its hose clamp pliers in the United States, it sued for patent infringement. Eventually, the trial court construed the patent claims narrowly and Gillet ultimately dropped the suit. Fisher then sued Gillet and its attorneys, claiming that the suit was a malicious prosecution and a violation of antitrust laws. The trial court granted summary judgment in favor of Matthews on the ground that Fisher failed to show that Matthews lacked probable cause to bring the suit. The trial court was right in concluding that Matthews had abundant probable cause to think that Fisher's pliers infringed Gillet's patent. Two of the firm's attorneys performed independent infringement analyses and the firm obtained a third analysis from an outside patent attorney. There was no evidence that the infringement analyses fell below professional standards or were done in bad faith. Although the trial court ultimately construed Gillet's patent more narrowly than the attorneys predicted, this did not prove that the attorneys' analyses were completely lacking in merit. Based on the facts available to the attorneys, they could have reasonably concluded that the infringement case was tenable.

Roche Palo Alto LLC v. Apotex, Inc. (Fed. Cir. 07/09/08)

Reverse doctrine of equivalents was inapplicable

Apotex appealed the trial court's grant of summary judgment in favor of Roche, finding that the '493 patent was valid and infringed by the formulation covered by Apotex's ANDA. Apotex argued that the trial court erred in failing to find non-infringement by the ANDA-2 formulation under the reverse doctrine of equivalents. Relying on the declaration of its scientific expert, Apotex argued that one skilled in the art would recognize that the principle of the '493 patent was the use of octoxynol 40 in an amount sufficient to cause the formation of micelles, thereby providing robust stability to the formulation by preventing interactions between KT and BAC. According to the Federal Circuit, Apotex had failed to set forth a prima case of non-infringement under the reverse doctrine of equivalents because it did not properly establish the principle of the '493 patent. There was no support in the claims or specification for micelle formation or for robust stabilization of the formulation by prevention of KT/BAC interactions. Moreover, there was no indication that the examiner, in allowing the claims, attributed the unexpected results of octoxynol 40 to its superiority in forming micelles. The intrinsic evidence was therefore inconsistent with Apotex's proffered principle of the '493 patent. The claims and the specification clearly encompassed formulations comprising a broad concentration range of octoxynol 40. Regarding the issue of claim preclusion, the trial court did not err in finding that the ANDA-1 and ANDA-2 formulations were essentially the same because any differences were unrelated to the claims of the '493 patent.

Jang v. Boston Scientific Corp. (Fed. Cir. 7/15/08)

Consent judgment suffered from certain ambiguities

Jang sued BSC and Scimed Life Systems, Inc. (collectively "BSC") for breach of contract and related claims. The parties eventually entered into a stipulation and consent judgment. Jang later alleged that BSC breached a contract with him by failing to make required payments. The right to these payments depended on whether the sale of certain devices by BSC were "covered by" (i.e., would have infringed) the '021 and '743 patents, originally issued to Jang and later assigned to BSC via a contract executed in 2002. The Federal Circuit held that the consent judgment suffered from two ambiguities. First, it was impossible to discern from the stipulated judgment which of the trial court's claim construction rulings would actually affect the issue of infringement. Jang challenged seven aspects of the trial court's claim construction on appeal. Given the sparse record and the lack of any explanation as to which constructions would support a judgment of infringement, the Federal Circuit could not determine with certainty which of the claim construction disputes actually had an effect on the infringement issue. Second, the stipulated judgment provided no factual context for the claim construction issues presented by the parties. In particular, nothing in the stipulated judgment provided any context with respect to how the disputed claim construction rulings related to the accused products. There was no explanation in the

stipulation as to why the accused products would not infringe under the trial court's claim construction or why they would infringe under the alternative claim constructions offered by Jang. Nor was it possible to infer this information from the record. It was not even clear from the stipulation which claims of the two patents were asserted. Under these circumstances, a remand for clarification was both necessary and appropriate.

Howard Florey Institute v. Dudas (E.D.Va 7/7/08)

PTO lacked authority to waive filing date provisions

An attorney received an email from HFI's Australian counsel with instructions to file the attached patent application on May 20, 2005. The application was prepared and dispatched by courier, who left the office with the application sealed in an Express Mail envelope. The courier boarded a train to travel to the main post office, which was open until midnight. After boarding the train, the courier fell asleep and awoke just as the conductor announced his stop. The courier then left the train without the package and without his personal effects. The courier panicked and wandered from one train station to the next searching for his belongings. The courier did not arrive home until after midnight, where a voicemail message was waiting indicating that the courier's bag had been recovered and could be retrieved the next day. The application was then re-dated and delivered to the USPS for express mailing. The application received a filing date of May 21, 2005. The courier was later diagnosed with having suffered an acute panic attack on May 20, 2005. HFI filed a petition requesting a waiver of [37 C.F.R. §1.10](#) in order that the application be accorded a filing date of May 20, 2005. HFI argued that extraordinary circumstances evolved after its attorneys dispatched the application, resulting in unavoidable delay. The PTO dismissed the petition, noting that there was nothing extraordinary about a courier falling asleep on a train and leaving his belongings behind. The court found that the PTO's decision that HFI failed to establish that this was an extraordinary situation where justice required waiver of a rule was arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with the law. The application could have been filed in a timely manner if the courier had not suffered an acute panic attack and the failure to consider that evidence was an abuse of discretion. Further, because the panic attack was the ultimate cause of the delay in the filing of the application, justice required waiver of the rule. However, the court also concluded that the PTO did not have the authority to waive or suspend the statutory provisions dealing with when a patent application was deemed filed with the agency. This harsh result was mandated by the language of the applicable statutes.

IRIS Corp. Berhad v. The United States (Fed. Cl. 7/7/08)

License did not convey all substantial rights in patent

The court denied the government's motion to dismiss for lack of standing, but granted its motion to join Williams as a party plaintiff. Regarding the motion to dismiss, it was clear that under the governing license agreement, Iris did not convey all substantial rights in

the '412 patent to Williams. Under the express terms of this agreement, Iris was acknowledged to be the owner of, as well as the party responsible for maintaining, the '412 patent and retained the right to develop, market, and sell the invention claimed by the '412 patent. However, the absence of Williams from this suit could adversely affect the rights of the government and the third-party defendants, in that they could face multiple suits if Williams was not joined as a party plaintiff. In addition, because the validity of the '412 patent was contested, Williams, as well as Iris, had a clear interest in this issue.

Innovative Therapies, Inc. v. Kinetic Concepts, Inc. (D.Del. 7/14/08)

No actual controversy existed at time of initial filing

The magistrate judge recommended granting KCI's motion to dismiss due to the lack of declaratory judgment subject matter jurisdiction. Innovative's original complaint identified various pieces of evidence that allegedly established subject matter jurisdiction. Missing from this recitation was any allegation of an affirmative act by KCI directed toward Innovative that could meet the relevant requirements for declaratory judgment. While statements made by Burke were not entirely equivocal, they nevertheless left a degree of contingency that rendered them something less than an affirmative act of the type required. It followed that there was no actual controversy between Innovative and KCI as of the date that Innovative filed its original complaint and accordingly, declaratory judgment jurisdiction was lacking at that time. That an actual controversy arose shortly after the original filing did not cure the jurisdictional defect.

Serdarevic v. Advanced Medical Optics, Inc. (Fed. Cir. 7/16/08)

Inventorship claim was clearly barred by laches

Serdarevic claimed that she was the inventor or co-inventor of technology related to laser vision correction disclosed in six patents issued between 1987 and 1998. Serdarevic brought suit against the current owner of the patents, its corporate parent, and the named inventors, seeking correction of inventorship and alleging state law claims of unjust enrichment and fraud against the named inventors. The Federal Circuit affirmed trial court's finding of laches because Serdarevic learned of the patents-in-suit in 1998 and did not file suit until 2006. Serdarevic argued that the presumption did not apply to her inventorship claim for the '388 patent because the reexamination certificate did not issue until 2000. The Federal Circuit rejected Serdarevic's contention that the issuance of a reexamination certificate reset the six-year clock for the presumption of laches. Serdarevic had not identified any way in which the reexamination proceedings changed her inventorship claim. The trial court also held that Serdarevic had not met her burden of production on either reasonable delay or prejudice. Serdarevic argued that the eight-year delay was excusable due to her unfamiliarity with the U.S. patent system, her inability to obtain legal counsel, and Serdarevic's efforts to license her

inventorship rights. Even taken together, Serdarevic's excuses were insufficient to rebut the presumption that her eight-year delay was unreasonable. Regarding the presumption of prejudice, three witnesses with knowledge of Serdarevic's inventorship claim had died during this period of delay.

Advanced Magnetic Closures v. Rome Fastener (S.D.N.Y. 7/17/08)

Thrust of lawsuit was nothing more than a tissue of lies

The court granted in part and denied in part Romag's motion for an award of fees and costs. The court refused to believe that Bauer, lacking any training or experience in the field, was able to successfully design around the industry standard patent. Bauer's testimony bore clear indicia of fabrication and asserted a dubious timeline. Bauer's deliberate misconduct in claiming the invention as his own set in motion the entire chain of events driving this litigation. Accordingly, equity commanded the invalidation of the '773 patent for inequitable conduct. Regarding the issue of litigation misconduct, several litigation decisions made by AMC and its counsel compelled the determination that this case was extraordinary. Tests performed by a third-party (Bell) were concealed by AMC because they undermined the analysis of Ratnam, AMC's expert. AMC's reliance on the Ratnam report and its failure to disclose the Bell tests were motivated by bad faith and constituted impermissible litigation misconduct. It was clear that AMC pursued this case to trial without the basic evidence necessary to support its patent infringement claim. AMC failed to present any testimony that compared the claims of the '773 patent to the allegedly infringing snap. AMC's reliance on tenuous circumstantial evidence was plainly insufficient when its case called for the measurement of a scientifically verifiable property: the increased magnetic attraction provided by a hole in one or both rivets. AMC did not simply fail to adduce sufficient evidence of infringement, but came to trial knowing that it could not possibly meet the relevant standards. Moreover, every aspect of this case that was connected in some way to the validity of the '773 patent was nothing more than a tissue of lies. In short, AMC's claim was a colossal waste of time for all involved.

Research Corporation Technologies v. Microsoft (Fed. Cir. 8/1/08)

Experiments were not material to the patented invention

Inventors conducted further tests after filing their patent application. Without opinion, the trial court granted Microsoft's motions for summary judgment of non-infringement and invalidity. After a trial on the issue of inequitable conduct, it was held that RCT's patents were unenforceable because the inventors did not disclose inventor's post-filing tests to the PTO. Because inventors' work occurred after they had filed their patent applications, these experiments were not material to their inventive activity. In the circumstances of this case, the inventors had no obligation to report their later tests to the PTO. The experiments did not attempt to test the patented invention, but instead sought to explore the consequences of manipulating the power spectrum. In other

words, these post-filing experiments were basic scientific research, not a verification of the patented technology. Because the trial court focused exclusively on candor, its findings and conclusions improperly excluded proffered testimony on the immateriality of these experiments. In sum, the trial court completely ignored the materiality prong. Furthermore, the trial court's analysis of the intent prong was clearly erroneous. For instance, the trial court focused improperly on comments that one inventor made at trial regarding the purposes of the patent system. It was clear that Microsoft's summary judgment motions were granted without a proper analysis regarding inequitable conduct. The record showed many potential fact issues that would prevent entry of summary judgment. Finally, the Federal Circuit held that upon remand, reassignment to a different judge was warranted, as the strongly expressed convictions of the trial court in this case might not be easily and objectively reconsidered.

Copyright Cases

Gold Cross Safety v. PHH Vehicle Mgmt. (D.N.J. 6/25/08)

Acts could be viewed as use beyond scope of agreement

Gold's predecessor created interactive driver safety videotapes and workbooks. In 1997, PHH, which provides commercial car and truck fleet management services, entered into a contract with Gold's predecessor to sell copies of the driver safety workbooks and loan copies of the driver safety videotapes to PHH's customers. In 2006, Gold asked PHH to account for the videotapes it had provided to PHH for the driver safety programs. PHH was only able to account for a small fraction of the tapes that Gold had provided to it over the years. According to Gold, instead of loaning the videotapes to its customers, PHH had sold the unaccounted for videotapes. Gold sued for copyright infringement. PHH argued that Gold's allegations stated merely breach of contract claims and not claims of copyright infringement because the treatment of the videotapes was governed by the terms of the parties' agreement. The court disagreed, holding that even in the presence of a binding agreement regarding the distribution of copyrighted material, a claim for copyright infringement could be asserted so long as the alleged distribution was prohibited by a condition restricting the authorized distribution. As alleged in the complaint, PHH sold or transferred ownership of the copyrighted videotapes despite only being authorized to loan the tapes to clients. These acts could reasonably be viewed as use of copyrighted material beyond the scope of the distribution permitted under the agreement and accordingly, Gold had properly alleged a claim for copyright infringement. The court rejected PHH's contention that the first sale doctrine precluded Gold's copyright claim, as the court was unable to presume, at this

junction, that Gold sold, rather than licensed, copies of the videotapes to PHH under the agreement.

CBS Broadcasting v. EchoStar Communications (11th Cir. 7/7/08)

Party was not in violation of permanent injunction

EchoStar is a provider of satellite television programming. In 1998, plaintiffs filed suit claiming that EchoStar was infringing their copyrights by providing distant network programming to served households. The trial court found in favor of plaintiffs and entered a permanent injunction. Two days before the effective date of the injunction, EchoStar entered into a lease agreement with National Programming Service, LLC ("NPS"), a satellite programming provider. Under the agreement, NPS leased a transponder on EchoStar's satellite. In compliance with the injunction, EchoStar disconnected distant network channels to all of its distant network subscribers. Upon becoming aware of the lease agreement, plaintiffs moved the trial court to issue an order to show cause why EchoStar should not be held in contempt of the injunction. The 11th Circuit agreed with the trial court in finding that the injunction did not prohibit EchoStar from acting as a passive conduit for NPS's retransmission of distant network programming. The court held that only NPS could be fairly viewed as establishing and operating the channel of communications for point-to-multipoint distribution. Accordingly, only NPS qualified as a satellite carrier engaged in the retransmission of distant network programming. As seen from the lease agreement, EchoStar's role was marginal and could only be viewed as ensuring the proper technical functioning of the transponder and the satellite. The statute clearly contemplated lessees obtaining the status of satellite carriers and the same clear intent was not expressed with respect to lessors. EchoStar, as a passive lessor of equipment, did not qualify as a satellite carrier with respect to NPS's retransmissions of distant network programming and therefore, EchoStar was not in violation of the injunction.

Eagle Services Corp. v. H2O Industrial Services (7th Cir. 7/9/08)

Lawsuit was clearly frivolous and brought in bad faith

H2O prevailed in this suit, but the trial court refused to award H2O attorney fees. The 7th Circuit reversed and remanded, noting that it was apparent that this suit was filed in order to cramp the style of a competitor and perhaps to warn off other Eagle employees who might seek to compete with Eagle. This suit could not have been brought in good faith because Eagle never had any basis for thinking that Indiana would have shut down H2O had it not copied Eagle's manual. Even if there was a copyright violation, the suit was clearly frivolous. Given the facts presented here, under any standard for shifting fees from a losing plaintiff to a winning defendant, H2O would be entitled to an award of fees.

Thornton v. J Jargon Co. (M.D.Fla. 07/8/08)

Trivia test constituted a protectable compilation

Thornton is the author of a trivia test containing twenty-nine questions targeted to members of the baby boom generation. In addition, the test features a five paragraph essay regarding the qualifications for baby boomer status. Thornton alleged that theater programs for "Menopause the Musical" contain an unauthorized reproduction of his copyrighted work, "The Official Baby Boomer Qualifying Exam." The court found that Thornton's work was sufficiently original and constituted a protectable compilation based on the selection of facts and quotations with common interest to baby boomers, the conversion of these facts and quotations into trivia questions, the unique arrangement of the questions, and the inclusion of original and creative material. Thornton selected the facts and quotations underlying the questions, all of which purported to correspond to topics of interest and special knowledge of baby boomers. Thornton arranged the questions in a specific, unique order and included original narrative. Further, a jury question existed regarding the issue of substantial similarity. Each of Jargon's questions was based on a fact or quotation tested in Thornton's work. Ten of the Age Test questions contained identical wording to the copyrighted work and ten other questions were phrased with only minor differences. The Age Test's questions were also in the same order as the questions posed in Thornton's test. However, the Age Test did not contain any introductory paragraphs, excluded five of Thornton's questions, and removed some of Thornton's original material from four of his questions.

Mass. Museum of Contemporary Art v. Buchel (D.Mass. 7/11/08)

Unfinished works have limited protection

In 2006, Museum and Buchel agreed to work together on the construction of an art installation entitled "Training Ground for Democracy." Museum, at its own expense, acquired and installed nearly all of the components of the exhibit, attempting to follow the largely absent artist's general instructions. During the latter stages of the work's fabrication, disputes between the artist and Museum's staff grew bitter and eventually the relationship had broken down and Buchel informed Museum of his decision to abandon the project. The installation, now more than eighty percent complete, was covered with tarpaulins. Eventually, Museum made the decision that it wished to remove the coverings and show the partially finished work, without making any mention of Buchel. Neither the [Copyright Act](#) nor the [Visual Artists Rights Act](#) ("VARA") provided a mechanism for relief to an artist such as Buchel based on the decision of Museum to allow patrons to walk past covered components of an unfinished installation. Nothing in either provision gave Buchel the right to dictate what Museum did with what he had left behind, so long as the remnant was not expressly labeled as Buchel's work. No right of artistic attribution or integrity, as those terms were used by VARA, was implicated, let alone violated, in these circumstances. Beyond the repeated insistence of Congress on

the narrow scope of VARA, there was good reason to suspect that unfinished works of art received only limited protection. Certainly, VARA itself made no mention of unfinished work. Apart from the absence of any direct reference, the legislative history hinted that Congress did not intend VARA to apply to unfinished works. Commentary referred to works that artists "had created" without ever mentioning works in progress. It was doubtful that VARA even covered the assembled materials that constituted the unfinished installation in question. In any event, display of the unfinished installation would have violated neither Buchel's right of attribution nor his right of integrity. Regarding the right of attribution, this was not a case of Museum planning to present Buchel's work as its own, or presenting its own or someone else's work as Buchel's. As to the right of integrity, no completed work of art ever existed for Museum to distort, mutilate, or modify.

MDY Industries, LLC v. Blizzard Entertainment (D.Ariz. 7/14/08)

Users of bot program exceeded scope of game license

MDY owned a program known as "Glider" that played Blizzard's "World of Warcraft" for a user while away from his or her computer. Glider thereby enabled the user to advance more quickly within the game than would otherwise have been possible. Blizzard argued that users of Warcraft were licensees who were permitted to copy the game client software only in conformance with the End User License Agreement ("EULA") and a Terms of Use Agreement ("TOU") and that when users launched Warcraft using Glider, they exceeded the license and created infringing copies of that software. MDY countered that users of Glider did not infringe Blizzard's copyright because they were licensed to copy the game client software to RAM. MDY further argued that provisions on the use of bots set forth in the EULA and TOU were mere contract terms and not limitations of the scope of the license granted by Blizzard. However, the court agreed with Blizzard that the license was limited. The court found that copying the game client software to RAM while engaged in the unauthorized activity of using "bots" to modify the game experience constituted copyright infringement. In rejecting the contention that Warcraft users were "owners" of the game client software pursuant to [17 U.S.C. §117](#), the court stated that the transactions between Blizzard and persons who acquired copies of its game client software were licenses. Blizzard was entitled to summary judgment with respect to liability on its copyright infringement claims. However, MDY was entitled to summary judgment with regard to Blizzard's claim under the [Digital Millennium Copyright Act](#) as it pertained to the game client software code. A user had full access to the code once the software had been placed on the user's computer and no bypassing of security devices was necessary.

Del Amo v. Baccash (C.D.Cal. 7/15/08)

No nexus between infringing acts and indirect profits

Del alleged that Baccash misappropriated fourteen copyrighted photos of adult entertainers and used them on his website to promote Baccash's online video rental business. Despite Baccash's display of the photos, Internet users could not download or purchase any of the infringed photos from Baccash's site. Profits from Baccash's business resulted from collection of membership fees. Regarding Del's copyright damages, Del had presented no evidence showing a causal link between Baccash's infringement and his rental business profits. There was simply no evidence showing that Baccash's display of Del's photos resulted in increased memberships in Baccash's video rental website. Instead, the evidence showed that the infringing photos were among over 50,000 photos of 20,000 adult performers displayed on the site. Del had only presented evidence of Baccash's indirect profits resulting from Baccash's display of photos, some of which included Del's photos. Del had submitted no expert testimony to help prove that Baccash's display of Del's photos resulted in increased membership revenues. While Del contended that his photos were specifically used to draw customers to the site in question, there was no evidence connecting Baccash's display of the infringed photos, among many other photos displayed, to Baccash's membership fees profits.

Trademark Cases

Klise Mfg. Co. v. Braided Accents, LLC (TTAB 07/03/08)

Likelihood of confusion claim was barred by laches defense

Klise petitioned to cancel BA's registration for the mark "Braided Accents" and braid design for building materials made of wood, including moldings, doorframes, and rails. The petition was based on Klise's assertion of a likelihood of confusion with its registered "Accent" mark for decorative trim moldings made of wood or wood substitutes, as well as an application for this same mark for use with wood trim, non-metal door frames, picture frames, and other goods. The Board dismissed the petition based on its determination that Klise's likelihood of confusion claim was barred by BA's laches defense. Klise had actual notice of BA's use of its mark as early as 1998 or 1999 (both of which preceded the publication date of the application for the subject registration, which was January 2, 2001). Klise did not file its petition for cancellation until March 2006. It was not disputed that BA had greatly expanded its operations in recent years. The length of delay was significant and prejudice to BA would result should its registration be cancelled given that BA had continued to invest in and expand its business during this period of delay. The Board rejected Klise's request to apply the doctrine of progressive encroachment in this proceeding. There was no evidence to suggest that BA was ever put on notice by Klise as to any possible encroachment upon Klise's business. Further, BA had not changed the nature or type of its goods being sold under the mark.

In re Kellogg North America Co. (TTAB 6/30/08)

Mark would be seen as highly suggestive figure of speech

Kellogg sought to register the mark "Crazy Good" for toaster pastries and fruit preserve filled pastry products. The examining attorney refused registration on the basis of mere descriptiveness and the Board reversed. The examining attorney argued that the applied-for mark was laudatory and therefore, merely descriptive. Specifically, the examining attorney contended that "Crazy Good" would be perceived by the relevant purchasing public as a laudatory phrase inasmuch as it immediately and directly conveyed that Kellogg's baked goods were "extremely good" or "good to an exceeding degree." Although a close question at first blush, the record indicated that the applied-for mark was a highly suggestive figure of speech that would be understood by consumers as an exaggeration of the goodness of Kellogg's toaster pastries, rather than a literally true term that merely described goods that were exceedingly good in some particular way. At a minimum, the record was insufficient to demonstrate satisfactorily that the term "Crazy Good" would be viewed by consumers of Kellogg's pastry products as describing with particularity only the highest level of quality or excellence of such products. At best, the evidence submitted by the examining attorney left reasonable doubt as to the asserted mere descriptiveness of the mark when used in connection with the involved goods.

Tiffany (NJ) Inc. v. eBay, Inc. (S.D.N.Y. 07/14/08)

Use was protected under nominative fair use doctrine

This suit concerned the sale of counterfeit Tiffany silver jewelry on eBay's website. Tiffany sought to hold eBay liable for direct and contributory trademark infringement, unfair competition, false advertising, and dilution on the ground that eBay facilitated and allowed these counterfeit items to be sold on its site. The court found that eBay's use of Tiffany's marks in its advertising, on its homepage, and in sponsored links was a protected, nominative fair use of the marks. In addition, eBay was not liable for contributory trademark infringement because when Tiffany put eBay on notice of specific items that Tiffany believed to be infringing, eBay immediately removed those listings. When eBay possessed the requisite knowledge, it took appropriate steps to remove listings and suspend service. Liability could not be imposed on eBay for its refusal to take the preemptive steps urged by Tiffany in light of eBay's generalized knowledge that counterfeit goods might be sold on its site.

Physicians Formula v. Cosmed, Inc. (TTAB 6/23/08)

Similarities between marks outweighed dissimilarities

Formula petitioned to cancel Cosmed's registration for the mark "Physicians Complex" for cosmetics, skin care products, sunblock, and related goods based on a likelihood of

confusion with its registered mark "Physicians Formula" for lotions, skin cleansers, make-up, sunscreen, and other goods. Formula provides hypoallergenic cosmetics under the "Physicians Formula" mark and has done so since 1940. Cosmed has offered skin care products under its "Physicians Complex" mark since 1994. Regarding the issue of a likelihood of confusion, it was clear that the parties' goods were identical in part or closely related. Moreover, the parties' actual trade channels were, in part, identical. The goods of both parties were relatively inexpensive and would be purchased without a great deal of deliberation. Formula's mark was similar to Cosmed's mark in that both shared the identical word "Physicians" as their first term; this was the dominant feature in the commercial impression created thereby. As a whole, both marks suggested that physicians endorsed or recommended the parties' products. Indeed, both Formula and Cosmed indicated that they had sought to establish such a connotation in the minds of consumers of their goods and both had marketed their products directly to physicians and other medical professionals. In terms of appearance, sound, connotation, and overall commercial impression, the similarities between the parties' marks that resulted from the presence of "Physicians" as the first term outweighed the dissimilarities resulting from the different second terms.

Nat'l. Audubon Society v. Design Factory (TTAB 7/3/08)

Color elements of mark were insufficient to avoid confusion

Design filed an application to register the "Audubon Garden" mark and design for various garden ornaments, including vases, statues, and planters. NAS opposed registration based on a likelihood of confusion with its registered "Audubon" marks for conservation, environmental, and educational services, various garden products (including birdhouses, bird food, planters, and garden stakes), and other goods. The Board sustained the opposition, noting that both NAS's and Design's goods included backyard and gardening products that would be sold alongside one another in garden stores and nurseries. In addition, NAS's marks were strong, particularly with respect to its conservation services. The color elements of Design's mark were insufficient to avoid a likelihood of confusion and merely emphasized the nature of Design's products. While differences existed, the marks were substantially similar.

In re Cortina N.V. (TTAB 7/1/08)

Mark was suggestive, rather than merely descriptive

Cortina applied to register the mark "Safety Joggers" for work shoes and boots and headwear. The examining attorney refused registration on the basis of mere descriptiveness and the Board reversed. There was no evidence in the record showing that the term "Safety Joggers" would convey an immediate idea of an ingredient, quality, characteristic, feature, function, purpose, or use of work shoes and boots. Rather, it required imagination, thought, and perception to determine how "Safety Joggers" related to work shoes and boots. The applied-for mark suggested that Cortina's work

shoes and boots featured the comfort and agility of athletic shoes. Thus, the Board found that the applied-for mark was suggestive, rather than merely descriptive.

WWP, Inc. v. Wounded Warriors, Inc. (D.Neb. 7/14/08)

Term was descriptive and lacked secondary meaning

WWP and Wounded are both nonprofit organizations offering charitable services to injured veterans. Wounded began operations by providing items such as televisions, CD players, DVDs, and other items for patients to use in a particular military hospital located in Germany. WWP provides injured service members with backpacks filled with essential care and comfort items. WWP holds a registration for a service mark depicting one soldier carrying another on his back with the words "wounded warrior project" below. The parties came into conflict when WWP became aware that Wounded was operating in the United States and that its mission had changed to that of providing condominium retreats for injured veterans and their families. There was no question regarding confusion, as the evidence showed that some individuals had mistakenly donated funds to Wounded thinking that they were donating to WWP. But the existence of a disclaimer indicated that WWP's registered mark conferred it no exclusive rights in the words "wounded warrior project." The charitable mission of the organization was readily apparent in the name. In addition, WWP had failed to prove secondary meaning. Although WWP had expended considerable sums on advertising, there was insufficient evidence to suggest that this spending had created secondary meaning. There was no showing of an exclusive association in the minds of consumers between "wounded warrior" and WWP. Although consumer confusion was manifest, WWP was unlikely to be able to prove either that the term "wounded warrior project" was a valid and protectable mark or that WWP owned it. Therefore, WWP was unlikely to succeed on the merits of its trademark claim.

CG Roxane LLC v. Fiji Water Co. LLC (N.D.Cal. 7/16/08)

Evidence clearly demonstrated that mark was generic

Roxane, which sells Crystal Geyser bottled water, began using the phrase "Bottled at the Source" on its bottles in 1990. In 2002, Roxane filed an application with the PTO to register this mark, which the PTO initially refused due to mere descriptiveness. However, the PTO ultimately granted the registration in 2003. Fiji, also in the bottled water industry, began using the phrase "Bottled at Source" in 1997 on its water bottles. Regarding the issue of the mark's validity, the term "bottled at the source" described a type of water that was made or bottled at the source, as opposed to bottled from a tap or municipal source. The term did not indicate the source of the bottled water. There was substantial evidence regarding competitors' use of Roxane's mark, including almost two dozen competitors using "bottled at the source" on their bottles. Fiji also provided documents showing fifty other bottled water companies using this term to describe their products. Even discounting those products that did not appear to be sold in the United States, Fiji had still proven that at least seventy competitors used the phrase. There

was also substantial evidence of the media and popular press using the phrase to describe a type of water or manufacturing process. Roxane's use of the term was likewise inconsistent with its assertion that the mark was not generic. The evidence clearly demonstrated that the mark was generic and therefore invalid. Alternatively, the phrase was descriptive and lacked secondary meaning. In addition to the foregoing, the court noted that the trade dress used by Roxane and Fiji was very dissimilar. Fiji's bottle had a tropical theme and was square, while Roxane's bottle had an alpine theme and was cylindrical. In any event, it was abundantly clear that Fiji had a complete defense under the fair use doctrine

In re Lafayette Street Partners, LLC (TTAB 7/9/08)

Combination of terms projected an obvious incongruity

Lafayette applied to register the mark "Chinatown Brasserie" and design for restaurant services. The examining attorney refused registration on the ground that the mark was primarily geographically deceptively misdescriptive of the identified services and the Board reversed. The examining attorney argued that Chinatown was a defined neighborhood in New York City, that Lafayette was located a half a mile north of Chinatown, and that Chinatown was known for its restaurants and Chinese cuisine. The Board reversed, holding that the primary significance of "Chinatown," as used in the proposed mark, was not that of a generally known geographic location. The record indicated that "Chinatown" was used generally to refer to neighborhoods with a predominantly Chinese population. The Chinese restaurants located in Chinatown were not associated with a particular food or a style or quality of cuisine that would distinguish them from Chinese restaurants in other places. Further, taken as a whole, the mark suggested an incongruous combination of Chinese and other non-Chinese cuisine. The menu for Lafayette's restaurant reflected this same incongruous combination. It was this suggestive meaning and not that of a geographical location that the entire mark projected. Moreover, the Board held that there was no services-place association. There was no evidence that Chinatown was associated with a distinct type or style of Chinese cuisine.

George & Co. v. Imagination Entertainment Ltd. (E.D.Va. 7/25/08)

Mark would not be recognized as merely an acronym

The court granted summary judgment in favor of Imagination. The issue was whether Imagination's use of "Left Center Right" created a likelihood of confusion with George's "LCR" mark. George's mark, which fell on the suggestive side of the spectrum, was distinctive and conceptually strong. George's game had received some national media attention and there was no dispute that the parties' products were nearly identical. These products were inexpensive and were not items that consumers would study before purchasing. Although these factors supported George's claim of infringement,

they were outweighed by other factors. George's claim was severely weakened by the utter dissimilarity between "LCR" and "Left Center Right." George's mark was sufficiently fanciful that it would not be recognized as merely a shortened form of "Left Center Right," even in the context of the game.

Time Warner v. Fleet Wholesale Supply (TTAB 7/10/08)

Parties' goods were clearly complementary in nature

Fleet filed an application to register the mark "Road Runner" for batteries. Time opposed based on a likelihood of confusion with its family of marks containing the term "Road Runner" and a cartoon character design for a wide variety of goods and services, including battery powered toys and games, computer games, cartridges and cassettes for use in battery powered devices, and online forum services. Time also asserted dilution, deception, and a false suggestion of a connection as grounds for its opposition. The Board sustained the opposition on the basis of a likelihood of confusion, noting that Time's marks had acquired significant fame for its goods and services. The Board held that battery operated action figures and handheld video games, on the one hand, and batteries for use therein, on the other hand, were complementary in nature.

Domain Name Cases

Flexo Solutions LLC v. Demand Domains, Inc. (NAF 07/2/08)

Links related to descriptive meaning of domain name.

Flexo has used the mark "My Blinds" since April 2007 and has a registration for this mark with a design element, and also as a word mark, for use with blinds and window treatments. In May 2008, DDI acquired the domain name "myblinds.com" which has been used for click-through ads for various sites offering window treatments since 2002. Despite Flexo's assertions to the contrary, the disputed domain name was composed of two common words. It appeared that the domain name had been used for an advertising site well before Flexo registered its marks and began using them. Further, DDI's site contained links that were directly related to the descriptive meaning of the domain name. Thus, DDI had a legitimate interest in using the domain name for an advertising site. Based on the evidence, the panel was inclined to believe DDI's assertion that it acquired the domain name primarily because of its generic nature and commercial potential as a pointer to an advertising site and not primarily because it was identical to Flexo's mark. The panel noted that the corresponding site did not reference Flexo's marks. It was not likely that consumers would confuse what was clearly a click-through advertising site with Flexo.

Authorize.Net LLC v. Cardservice High Sierra (WIPO 6/30/08)

Domain name was registered with complainant's consent

ANL provides software and services for payment processing using the "Authorize.Net" mark. ANL holds various registrations for this mark, with the first registration issuing in 2001 (claiming a first use in commerce in 1996). Cardservice, an authorized affiliate and reseller of ANL's services, registered the domain name "authorized.net" in 1998. At some point, ANL asked Cardservice to add language to its website to indicate that certain marks (including "Authorize.Net") belonged to ANL. Cardservice complied with this request. In February 2008, ANL's parent company sent Cardservice a letter stating that the latter's registration and use of the disputed domain name was a violation of its trademark rights. The panel noted that ANL's burden in this case was steep because Cardservice's long use had been known to ANL given that, for almost a decade, Cardservice had been one of ANL's resellers that generated business for ANL. In fact, such use was very likely expressly permitted by ANL. Implicitly, the use was permitted from 1999 until 2005, when ANL requested the trademark acknowledgement (and then again until the cease and desist letter in 2008). Nine years of knowing continuous use without complaint certainly created a very credible claim to a right or legitimate interest. ANL undeniably profited directly from each referral from Cardservice's website that generated a commission. The only apparent change in circumstances was ANL's change of mind more than nine years after Cardservice's first use. Neither Cardservice's conduct generally nor the specific use of ANL's mark on Cardservice's website appeared to have changed significantly over the years. There was simply no proof that when Cardservice registered the disputed domain name almost ten years ago that it did so for any reason other than to participate in ANL's affiliate program with the latter's full knowledge and consent. Nor was there any allegation of facts from which the panel could infer bad faith at that time.

Kay Hill, Ltd. v. Texas Int'l. Property Associates (NAF 7/9/08)

Complainant failed to prove common law trademark rights

KHL contended that it had sold its products under the "Tabutoys.com" mark since June 2003, which predated Property's registration of the disputed domain name in January 2006. However, KHL asserted no additional evidence in support of its claim for common law rights. A mere recital of a first date of use in commerce was insufficient. Thus, KHL had failed to show that its mark had achieved secondary meaning sufficient to prove common law rights prior to the date on which its trademark application was filed. Because Property's registration of the disputed domain name occurred prior to KHL's application for trademark rights, Property could not have registered the domain name in bad faith.

Trouble v. Bisikirska (WIPO 7/7/08)

No showing that party's reputation prompted registration

Agnes Trouble is a fashion designer and retailer who sells clothing, leather goods, jewelry, watches, cosmetic products, and fashion accessories in many stores around the world under the "Agnes B" mark, for which Trouble holds various registrations. Agnieszka Bisikirska, a resident of Poland, is an actress and singer who uses the name "Agnes" in connection with such activities. Bisikirska registered the domain name "agnesbi.com" in January 2008. The domain name takes users to a page on Myspace Music, which offers a description of Bisikirska's career, displays pictures from TV appearances, and displays videos of Bisikirska's performances. Bisikirska claims that the domain name represents her artistic nickname. There were obvious similarities between Bisikirska's name and the disputed domain name. The question was whether Bisikirska chose to adopt the subject domain name because of those similarities or because of any association that the domain name might have with Trouble. Ultimately, Trouble failed to prove on the balance of probabilities that it was with her business and reputation in mind that the domain name was registered. There was no suggestion that Bisikirska's Myspace Music page was anything other than genuine. But it was questionable to what extent Bisikirska had used the term "Agnes Bi" (as opposed to "Agnes") for her activities. In addition, there was virtually no evidence that this name was used prior to the registration of the domain name. As a consequence, the panel was not prepared to find that Bisikirska had been commonly known by the name embodied in the domain name. While Trouble contended that she and her business were very famous worldwide, there was no evidence before the panel as to the extent of that fame. Significantly, given the fact that Bisikirska was Polish, there was no evidence before the panel from which it could reasonably conclude that Bisikirska, as a Pole, would be more likely than not to know of Trouble's activities. There was simply no showing that Bisikirska registered the subject domain name with knowledge of Trouble's use of the "Agnes B" name.

Hardy v. Amrit Resort (WIPO 7/21/08)

Mark was not internationally well known at relevant time

Hardy asserts that since 1998, he has been offering for sale on a worldwide basis quality herbal supplements for intestinal cleansing marketed under the "Colonix" mark. Amrit operates a health resort in Nepal featuring herbal medicine and colonic treatments. Amrit registered the domain name "colonix.com" in 2002. While the domain name previously resolved to the website of Amrit's resort, once the company ran into financial trouble, the domain name began pointing to a parking page with links to third-party advertisers engaged in travel to Nepal. Amrit did not file a response in this matter. Hardy's mark was suggestive, but it was possible that Amrit manufactured the term "colonix" independently since Amrit offered colonics as health treatments at its resort hotel. The use of "x" as an alternative plural form in English was hardly unprecedented. In the absence of a response, the panel had to decide whether there was sufficient evidence to conclude that Amrit, more likely than not, deliberately emulated Hardy's mark, rather than registering a domain name of its own invention. Hardy's contention that the former must have occurred was problematic because it was difficult to establish that Amrit, an entity located in Nepal, was likely aware of Hardy's

mark in 2002, when the mark was used primarily in the United States. The mark had only begun to appear in advertising on herbal health websites earlier that year and there was no evidence indicating that such sites attracted substantial numbers of visitors from Asia or resulted in sales or media mention in Nepal. The evidence did not demonstrate either that the mark was widely known in Nepal in 2002 or that it was especially likely to be known to Amrit. Hence, Hardy failed to prove that Amrit registered the domain name in a bad faith attempt to mislead Internet users for commercial gain.

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