

Colorado Bar Association
INTELLECTUAL PROPERTY SECTION
NEWSLETTER

December 2008

Upcoming IP Section Events:

January IP Section Luncheon

Strategic Intellectual Property Issues for Emerging Technology Companies
January 20, 2009, 11:30-1:15
CableLabs, Louisville, CO

As the capital available to early stage companies becomes more scarce, the need to carefully craft IP investment strategies increases in importance. The IP Section of the Colorado Bar Association is pleased to bring together a special Panel to discuss the development of IP investment strategies in early stage companies, with a focus on how IP can add value in different technology sectors and at different stages in a company's life cycle. The goal is to provide insight, from those who invest in and purchase early stage companies, into the characteristics of IP (and Patents in particular) that consistently add value in both the short and longer term.

The event will be a moderated Panel including:

Richard Ogawa, IP Counsel for khosla ventures. Richard crafts the IP strategy for many of the key portfolio companies of khosla ventures, the revolutionary Valley VC firm providing venture assistance, strategic advice, and capital to entrepreneurs. The firm focuses on breakthrough scientific work in clean technology, along with traditional venture areas like the Internet, computing, mobile, and silicon technology.

Ian Blasch, Managing Director of the Ventures Group at Micron. Ian oversees all of the direct investing and passive investing activities of Micron. Ian holds responsibilities for defining investment strategy and integrating the activities of Micron Ventures into Micron's business units. Ian was the CEO and founder of Tiqit Computer, the first company to integrate Windows XP into a handheld computer.

Bill Cadogan, Chairman of Mutual Capital Partners. Bill is the former CEO of ADC Telecom, taking it from a \$200 million revenue business to over \$3 billion during the course of his tenure as CEO. Bill has also sat on the boards of Siara (acquired by Redback for \$4.3 billion), Optivision (ultimately ONI, IPO), Excel Switching (acquired by Lucent for \$ 1 billion), Applied EPI (acquired by Veeco for \$100 million), Pentair, Ceridian, and Banta (Fortune 500 companies).

Please note that this luncheon will be held at CableLabs located at 858 Coal Creek Circle, Louisville, CO 80027-9750. More information about CableLabs, including directions, can be found at <http://www.cablelabs.com/>

Cost: \$35 for IP Section Members and Silicon Flatirons Sponsors, \$45 for the General Public, and CU/DU Law Students are Free. Includes a catered lunch and parking. RSVP by calling (303) 860-1115 ext. 727 or by e-mailing lunches@cobar.org.

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. If leaving a message, please spell your name, specify that you are attending the Intellectual Property Section January Luncheon, and leave your phone number.

February IP Section Luncheon

**Roderick McKelvie, Partner, Covington and Burling
February 11, 2009, 11:45 AM - 1:15 PM,
Denver Chop House, Large Banquet Room**

The IP Section Leadership is pleased to announce that former Judge Roderick McKelvie has agreed to present at the February IP Section Luncheon. Mr. McKelvie, who is currently a partner at Covington & Burling, has handled intellectual property and commercial matters at the trial and appellate level, including over 20 jury trials. From 1992 to 2002, he served as a United States District Court Judge for the District of Delaware. During those 10 years, he presided over more than 200 patent infringement cases, including more than 30 patent infringement trials. While on the bench and since his resignation he has worked to improve the procedures for presenting complex cases to juries, including having developed model jury instructions for patent infringement cases and the Federal Judicial Center's video for jurors, An Introduction to the Patent System. He is currently Chair of the Federal Circuit's ad hoc Committee on Model Jury Instructions. Mr. McKelvie will speak on current issues faced by the Court and parties in patent infringement cases.

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 Tuesday, February 10, 2009. 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 February IP Section Lunch, and include your name (and spelling), email address and phone number. Please specify beef, chicken or vegetarian for your lunch selection.

Cancellations after February 10, 2009 at Noon 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.

March IP Section Event - Silicon Flatirons Conference

Evaluating Software Patents

March 19, 2009 - 3:30 PM - 7:00 PM

Wolf Law Building, University of Colorado at Boulder

The IP Section Leadership is pleased to co-sponsor this Silicon Flatirons Conference.

Over the last several years, the Supreme Court and the Federal Circuit have taken a number of steps suggesting that the law governing software patents is still very much in flux. In terms of the scope of patent law's reach (Bilski) to applicable remedies (Ebay), the courts have taken seriously concerns about the state of the patent system and its impact on innovation the software and information technology sectors. At the same time, Congress--spurred by a coalition of IT firms--has considered a number of reform measures geared to address concerns that the patent system is rewarding bad patents and encouraging inefficient litigation.

At this conference, multiple panels of distinguished commentators will evaluate both the premises underlying the call for a fundamental reform--and, indeed, the possible abolishment of--software patents as well as some specific suggestions for changing how patents are granted and how patent litigation operates. In particular, panels will evaluate whether software patents should exist at all, whether patent litigation serves a constructive role in facilitating innovation and commercialization of new technologies, and whether patents play an important role in spurring the development of new technologies and enabling start-up firms to attract financing. The Conference will conclude with a roundtable of three leading commentators on the role of patents and innovation.

Cost: \$25 for IP Section Members and CU/DU Law Students may attend for free. For more information and to sign-up, visit <http://www.silicon-flatirons.org>.

SAVE THE DATE:

April IP Section Luncheon

April 2, 2009, 11:45 AM - 1:15 PM, Denver Chop House, Large Banquet Room

The IP Section Leadership is pleased to announce that Mr. Thomas Irving has agreed to present at the April Section Luncheon. More details about this event will be announced soon.

REPORTS:

December IP Section Lunch - Lessons learned from *Medtronic v. BrainLAB*

On December 3, 2008, over 60 attorneys attended an informative presentation by Jay Campbell and Josh Ryland, attorneys who represented BrainLAB in *Medtronic Navigation, Inc. v. BrainLAB Medizinische Computersystems GMBH*, 417 F.Supp.2d 1188 (D.Colo. 2006). In *Medtronic*, Judge Matsch set aside a \$51 million jury verdict and ordered \$4.3 million in sanctions against Medtronic and its attorneys as a result of their misconduct during the trial. Jay and Josh began their presentation with an overview of the sophisticated brain surgery technology at issue in the case. Then, relying on an effective and entertaining combination of actual voice recordings from trial, trial exhibits and court orders, Jay and Josh discussed the kind of conduct by Medtronic's counsel that Judge Matsch found to be sanctionable. First, during trial, Medtronic repeatedly compared the accused BrainLAB product to Medtronic's own product, rather than to the claims of the asserted patent. Moreover, Medtronic continued to rely on the construction of disputed claim terms that was contrary to the construction entered into by the Court. Judge Matsch called such conduct an "abuse of advocacy" that led the jury to find in favor of Medtronic, "contrary to the court's instructions."

The award of fees against both Medtronic and its counsel, McDermott, Will & Emery, totaled over \$4.3 million. This cautionary tale for all patent litigators was further underscored by a number of other sanctions cases where courts have sternly disapproved of litigation misconduct and awarded sanctions ranging from multi-million dollar fee awards to removal of counsel from practice before the court. Jay and Josh presented several practice tips that patent litigators should follow to avoid such dire outcomes: (1) continually assess your case and manage client's expectations; (2) take a step back from "group think" and objectively evaluate your trial tactics; (3) if it starts with "with all due respect," don't say it!; and, most relevant to Medtronic, (4) if you disagree with the court's claim construction, take an appeal to the Federal Circuit rather than building a trial strategy on a contrary construction. Slides from the presentation will be available on the Colorado Bar Association website.

This report was prepared for the Newsletter by Lucky Vidmar, Greenberg Traurig, LLP.

Other IP Events:

INTA Roundtable - Survey Evidence in Trademark Disputes Thursday, January 29, 2009 - Noon - 1 pm Brownstein Hyatt Farber Schreck, LLP

This roundtable will cover such topics as reviewing and analyzing surveys from past trademark cases; finding out what is required in using surveys as evidence and learning strategies and techniques for developing proper surveys. This Roundtable is the perfect vehicle to network and trade thoughts with your peers, compare and learn new strategies, and address common issues and challenges facing the trademark and intellectual property communities. Roundtable to be held at: Brownstein Hyatt Farber Schreck, LLP, 410 Seventeenth Street, Suite 2200, Denver, CO 80202-4432; Tel: 303-223-1100.

For more information, please contact Chris Parent (cparent@bhfs.com) and Martha Bauer (mbauer@bhfs.com).

ANNOUNCEMENTS:

Local Patent Rules Committee (the following was emailed to IP Section members on December 9, 2008):

On October 9, 2008, the IP Section Leadership announced the formation of a *Special IP Section Advisory Council*, which has been working with the current Officers over the past several months to generate a comprehensive plan to reshape the IP Section to better serve its membership.

We all strongly believe that Colorado is developing into a hub for the development and growth of emerging technologies, and that the IP Bar should provide an IP infrastructure that spurs and supports this growth. The IP Section Leadership, along with the Advisory Council and other IP leaders that we have spoken to, overwhelmingly believe that a critical piece of the IP infrastructure is local patent rules that would provide predictability and efficiency for patent litigations filed in Colorado.

As a result, the IP Section Leadership is pleased to announce the formation of committees to investigate the propriety of local patent rules in Colorado. Specifically, a *Working Committee* of approximately 8-10 members will lead this effort on behalf of the IP Section, and will begin meeting in January 2009. An *Oversight Committee* will follow the Working Committee's progress and, as needed, provide input and assistance to the Working Committee.

Over the next year, the Working Committee will (i) develop statistics to illustrate whether the adoption of local patent rules can improve efficiencies, decrease costs, enable settlements, and lower reversal rates at the Fed Circuit; (ii) study other jurisdictions that have local patent rules, and identify best practices for process and substance of rules adoption using associate teams; (iii) provide the Colorado District Court Judges with statistical evidence and best

practice findings; and (iv) based on feedback and guidance of the Judges, develop local patent rules for review and comment by the Oversight Committee, and eventually the Court.

As noted, the Working Committee will lead this high profile effort on behalf of the IP Section, and a significant time commitment will be required of its members in the first half of 2009. We anticipate that the interest in serving on the Working Committee will far exceed the number of seats on the Committee. We will announce the Working Committee in January.

The Oversight Committee will be the first group to review and comment on any substantive proposals, and thus will have the opportunity to substantively contribute to this effort. They will also receive email communications that will be circulated during the tenure of the Working Committee through a "listserv" type email distribution list. The Oversight Committee will provide an opportunity to all interested IP Section members to participate in this effort. We will announce information about participating on the Oversight Committee in January.

If you are interested in being considered for the Working Committee, please email a statement of interest to John Posthumus (posthumusj@gtlaw.com) and Michael Drapkin (mldrapkin@townsend.com). The deadline for submission is December 23, 2008. Please contact Michael or John if you have any questions or comments.

Final Call for Editors of the IP Section of The Colorado Lawyer

The IP Section Leadership will be selecting two Colorado IP Attorneys to act as Co-Editors of the IP Section of The Colorado Lawyer for 2009. If you are interested, please email John Posthumus (posthumusj@gtlaw.com) and Michael Drapkin (mldrapkin@townsend.com) a short statement expressing your interest. The deadline for submission is December 19, 2008.

Interested in Helping Intellectual Property Law Students?

The Denver University Sturm College of Law Intellectual Property Law Society (IPLS) is looking for volunteers to help with two projects in the upcoming spring semester.

1. Mentoring Program

The IPLS is hosting a mentoring program that matches students interested in intellectual property law with attorneys who practice within their area of interest. The IPLS is looking for 25-30 attorneys to volunteer to attend lunch or coffee with a matched student to discuss the practice area and career advice. Ideally, the meeting would occur in February or March. Following the one-on-one meetings, the IPLS will host a Saturday morning brunch in April so that the students have the opportunity to network with other mentors and gain greater insight into the practice of intellectual property law. Total time required is approximately five hours.

2. Resume Review Day

Because students interested in practicing intellectual property law often have specialized backgrounds, their resumes are tailored differently than students practicing in other areas. The IPLS is looking for attorneys who are willing to volunteer their time on February 21st from

1pm-4pm to review and assist students with their application materials. Total time required is approximately three hours.

For more information contact Steph Schonewald at SSchonewald09@law.du.edu or Rick Zelenka at RZelenka10@law.du.edu.

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 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. International Patent Protection Panel
2. User Generated Content and IP Issues
3. Export Control
4. Colorado Federal District Court Judge: Viewpoint on Claim Construction Hearings
5. Mock Licensing Negotiation
6. The Use of Mock Juries and Trials
7. Electronic Discovery Issues in IP Cases
8. The Use of Surveys in Trademark Infringement and Dilution Litigation
9. Copyright Exhaustion

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 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.

Recently Filed U.S.D.C. Colorado Cases

CAPTION	TYPE	CASE NO.	JUDGE	FILING ATTORNEY(S) - Local
Auxilium Pharmaceuticals, Inc et al v. Upsher-Smith Laboratories, Inc	Patent Infringement	08cv2651	Walker D. Miller	Peter John Korneffel, Jr. Brownstein, Hyatt, Farber Schreck, LLP
B & R Plastics, Inc v. Kikkerland Design, Inc	Patent Infringement	08cv2646	Robert E. Blackburn	Erik G. Fischer Fischer & Fischer, LLP
Centennial Journal Publications of Colorado, LLC v. Freeze	Trademark Infringement	08cv2492	Robert E. Blackburn	Robert B. Schultz Schultz & Associates
Home Design Services, Inc v. Landis Homes, LLC et al	Copyright Infringement	08cv2601	Marcia S. Krieger	Anthony M. Lawhon Parrish, Lawhon & Yarnell, PA Naples, FL
Home Design Services, Inc v. Triple D Construction, Inc Et A	Copyright Infringement	08cv2495	Walker D. Miller	Anthony M. Lawhon Parrish, Lawhon & Yarnell, PA Naples, FL
Kirmuss & Associates et al v. Premier Communications Corporation Et A	Patent Infringement	08cv2618	Wiley Y. Daniel	Gregory Scot Tamkin Dorsey & Whitney, LLP
QFA Royalties, LLC et al v. Lecount et al	Trademark Infringement	08cv2634	Richard P. Matsch	Burkley Nolen Riggs William Frederick Jones Moye White, LLP
Sater Design Collection, Inc, The v. Fred Bishop Enterprises, Inc Et A	Copyright Infringement	08cv2448	Marcia S. Krieger	Ian Thomas Holmes Parrish, Lawhon & Yarnell, P.A.
Shamrock Foods Company v. Porto Fino LLC et al	Trademark Infringement	08cv2553	Robert E. Blackburn	Conor Fitzgerald Farley Lee Frederick Johnston Holland & Hart, LLP

Notes on Recent IP Decisions in Colorado

Please email John Posthumus at posthumusj@gtlaw.com with any interesting Colorado District Court IP decisions or IP news involving Colorado Companies (e.g., issued patents, trademark registrations or decisions).

JurisNotes

Trademark Cases

World Triathlon v. Traditional Medicinal (TTAB not citable 11/3/08)

No showing of wide recognition outside field of triathlons.

TM applied to register the mark "Iron Woman" for dietary and nutritional supplements, as well as for herb teas. World opposed registration based on a likelihood of confusion with and dilution of its Iron-formative marks, including "Ironman" for presentation of athletic contests, "Ironman Triathlon Nutrition" for food and vitamin supplements, "Ironman Triathlon" for bottled water, "Ironwoman" for clothing, and "Iron Girl" for clothing. The Board sustained the opposition as to the supplements on the basis of a likelihood of confusion, but dismissed the opposition as to the herb teas. The Board was not persuaded that World's "Ironman" marks were famous, nor did the Board find that the evidence showed a family of marks. When viewed as a whole, the similarities between the marks outweighed the dissimilarities. In addition, the parties' supplements were closely related, if not virtually identical, products. But there was no evidence showing the relatedness of bottled water and herb tea.

Kohler Co. v. Kohler Homes (TTAB not citable 11/4/08)

Mark was famous within home construction industry.

KH sought to register the mark "Kohler Homes" for custom construction of homes and Kohler Associates Architects (both referred to as "KH") filed an application for registration of the mark "Kohler Associates Architects" for architectural design. KC opposed registration on the basis of a likelihood of confusion with and dilution of the marks "The Bold Look of Kohler" for plumbing fixtures and fittings, "Kohler" for plumbing fittings, and "Kohler" for bathtubs, sinks, lavatories, and related goods. The Board sustained the opposition on the basis of a likelihood of confusion, noting that KC's "Kohler" mark was famous in connection with bathroom fixtures and within the home construction industry generally. The conditions and activities surrounding the marketing of the goods were such that they could be encountered by the same persons under circumstances that could give rise to a likelihood of confusion.

E. Gluck Corp. v. Rothenhaus (S.D.N.Y. 11/3/08)

Facts strongly favored a finding of likely consumer confusion.

The court denied the motion to dismiss filed by Rothenhaus and granted in part and denied in part Gluck's motion for a preliminary injunction. Gluck's "Now" mark was suggestive, as it suggested a watch's function: telling the present time. Further, the mark being used by Rothenhaus was very similar to Gluck's mark; both parties used the word "Now" on the faces of watches. Although Rothenhaus used the phrase "The Now Watch" and not "Now" alone on his other materials, the addition of the generic term "watch" and the article "the" did not adequately distinguish the marks. Both products were currently sold on the Internet and it appeared that Rothenhaus intended to market his products to retailers in mainstream settings,

where Gluck's products were also sold. In addition, Gluck had a persuasive argument that Rothenhaus did not adopt his mark in good faith.

In re Bodegas Portia, S.L. (TTAB not citable 11/7/08)

Term was not unique to registrant in field of wine.

BP filed an application to register the "Portia Summa" mark and design for wines. The examining attorney refused registration based on a likelihood of confusion with the registered mark "Summa Vineyard" for wine and the Board reversed the refusal. The marks were dissimilar in appearance in that BP's mark prominently contained the word "Portia" in bold letters in its center, surrounded by a circle and rectangle design, with the word "Summa" in much smaller and fainter letters. The word "Portia" was the dominant portion of BP's mark and its presence, as well as that of the distinctive design element therein, rendered BP's mark notably dissimilar from that of registrant in appearance. Further, the evidence suggested that the term "Summa" was not unique to registrant in the field of wine and was used by others to identify their wineries, wines, and wine tasting events.

Schott AG v. Scott (TTAB citable 11/13/08)

Amended notices could not cure failure to properly serve.

The Board granted Scott's motions to dismiss the respective oppositions for SAG's failure to comply with the applicable service requirements. SAG did not dispute the absence of a proof of service certificate or its failure to actually forward a copy of either notice of opposition upon filing. Thus, SAG had conceded that it did not comply with the pertinent service requirements. The amended service rules had been posted on the PTO site nine months prior to SAG's filing of its notices of opposition. SAG's appeals to equity and policy could not substitute for failure to comply with a clear rule, applicable to all opposers for many months prior to the filing of the involved notices of opposition. Further, SAG could not, by filing amended notices, cure its failure to properly serve the original notices of opposition. Rather, each of the oppositions had to be dismissed as a nullity.

Welsh v. Big Ten Conference, Inc. (N.D.Ill. 11/21/08)

Party could not assert a trademark right in idea for name.

The court granted in part and denied in part Big's motion to dismiss Welsh's amended complaint and request for attorney fees. Welsh's theory was that he owned the rights to certain trade secrets (namely the "Big Ten Network" and the business ideas it encompassed as described in Welsh's business plan) and that Big obtained its registration for the "Big Ten Network" mark by not telling the PTO that Welsh had rights in those trade secrets. Even assuming that Welsh established trade secrets to the name and associated concept, those rights did not automatically translate into trademark rights. Welsh could not assert a trademark right in his idea for the name or content of "Big Ten Network." Welsh's actions did not rise to the required level of "use" to trigger protection under the Lanham Act and did not give rise to a

colorable claim of ownership of the mark that rendered Big's failure to disclose Welsh's prior use of the term a violation of the Lanham Act.

Land O' Lakes, Inc. v. Hugunin (TTAB citable 11/20/08)

Applicant failed to establish Morehouse or laches defenses.

Hugunin contended that, as a matter of law, the opposition was barred by virtue of the prior registration and by the doctrine of laches. The Board, however, held that Hugunin had not established that he was entitled to judgment as a matter of law with respect to his *Morehouse* or laches defenses. Hugunin claimed ownership of a registration for the mark "Land O Lakes" for fishing tackle. This registration expired by operation of law as a result of Hugunin's failure to file an affidavit or declaration under Section 8. Hugunin argued that he was entitled to rely on the *Morehouse* defense because the Office did not cancel his registration until after he had already filed a new application for the same mark and goods. But the date of expiration of Hugunin's registration was not dependent on the date that the Office undertook the ministerial function of entering the cancellation into the PTO database.

In re Mittal Steel Technologies Ltd. (TTAB not citable 11/18/08)

Mark had acquired distinctiveness for involved services.

MST submitted an application to register the mark "Mittal Steel" for land, air, and sea transport services, shipping of cargo and freight, storage of ore, metals, and alloys, galvanizing services, steel tempering, and other services. The examining attorney refused registration on the basis that the mark was primarily merely a surname and that MST's evidence of acquired distinctiveness was not sufficient to overcome the refusal to register. The Board reversed the refusal, noting that MST's showing of acquired distinctiveness demonstrated that it had made extensive use of "Mittal Steel" as a trademark in numerous countries and that it had generated substantial revenues under the mark in the United States. The evidence also showed that MST had generated significant media coverage for its goods and services offered under the mark. Thus, MST succeeded in showing that its mark had acquired distinctiveness as used with the involved services.

In re Hyatt (TTAB not citable 11/18/08)

Because of shared dominant term, marks were similar.

Hyatt applied to register the mark "IQ Lock" for electric, electronic, and electro-mechanical locks and lock cylinders, electronic keys, software for programming lock cylinders, and other goods. The examining attorney refused registration on the basis of a likelihood of confusion with the registered mark "Assa Twin IQ" for metal locks, metal lock cylinders, electronic keys, software for programming keys, electronic locks, and other goods. The Board affirmed the refusal to register, observing that Hyatt had appropriated as the dominant part of his mark an essential and dominant element of the cited registered mark. Because of the shared dominant term "IQ," the marks were similar in appearance and sound. The word "Lock" in the applied-for

mark and the words "Assa" and "Twin" in the registered mark did not significantly change the commercial impression created by "IQ" alone.

Copyright Cases

Epic Games, Inc. v. Altmeyer (S.D.Ill.11/5/08)

Plaintiff clearly met standard for issuance of an ex parte TRO.

The court granted in part and denied in part Epic's motion for an ex parte TRO and impoundment order. Epic had certainly demonstrated a likelihood of success on the merits with respect to Altmeyer's piracy of the Gears of War 2 game. Epic had produced evidence that it held all relevant copyrights to the game, that Altmeyer was advertising the availability of the game before its official release, and that no official copies were available on the market yet. As to Epic's claims under the Digital Millennium Copyright Act, given the evidence with respect to the modification procedures and the statement of Epic's investigator, Epic had a likelihood of success in proving that the modification had only a limited commercially significant purpose other than to circumvent a technological measure that controlled access to a protected work. Moreover, Epic had no adequate remedy at law and the balance of equities clearly weighed in favor of Epic.

Miller v. Holtzbrinck Publishers, LLC (S.D.N.Y. 11/11/08)

Certain of party's state law claims were preempted.

The court dismissed Miller's claims against all defendants, but granted Miller leave to amend her claim for fraudulent inducement and misrepresentation. It was clear that Miller's claims for tortious interference and conversion were preempted by federal copyright law. Both claims depended on Miller's allegations that the substance of her manuscript was published as a book bearing the names of defendants Hunter and Valentine as authors, without Miller's permission. In addition, both claims sought to redress a legal or equitable right that was equivalent to exclusive rights protected by copyright law. Moreover, these claims did not contain any additional elements that would render them qualitatively different from a copyright infringement claim. Any rights that Miller had stemmed from copyright law.

Bouchat v. Baltimore Ravens L.P. (D.Md. 11/21/08)

Uses at issue had an essentially historical character.

The court entered judgment in favor of BR, ultimately concluding that BR's use of Bouchat's copyrighted work constituted fair use. The uses at issue had an essentially historical purpose and character. The team and the NFL displayed 1996-98 season photos of Ravens players and showed action clips at football games for a primarily historical purpose. Moreover, the visibility of the Flying B Logo on the players' uniforms was incidental to the primary purpose. Further, the uses at issue were not, except in the most tangential sense, commercial. Even in connection with the sale of films of past seasons, the purpose was to make available a depiction of past events as they occurred. In addition, the Flying B Logo, although depicted in its entirety, was not a major component of the entire work in which it was used.

TEGG Corp. v. Beckstrom Electric Co. (W.D.Pa. 11/26/08)

Conspiracy claim was preempted by copyright law.

The court granted the motion to dismiss filed by Extensia Technologies, Inc. and granted in part and denied in part the motion to dismiss filed by Beckstrom. As for the conspiracy claim, Tegg alleged that Extensia and Beckstrom formed an agreement to provide unauthorized access to Tegg's copyrighted software and databases, used that access to gain an advantage in developing EMX software, and agreed to collaborate in marketing the software. The court held that the agreement element of such a claim, to the extent that it covered an agreement to commit copyright infringement, did not establish conduct that was qualitatively different from a copyright infringement claim. The court reached the same conclusion with regard to the element of intent. Likewise, the act of marketing with intent to interfere with existing contractual relationships did not constitute an extra element necessary to protect the tortious interference claim from preemption.

Crawford v. Midway Games, Inc. (C.D.Cal. 12/2/08)

Screenplay and game only shared same general premise.

The court granted Midway's summary judgment motion, noting that there was minimal evidence supporting a reasonable possibility of access to Crawford's screenplay. In addition, the court found few, if any, similarities between Crawford's screenplay and Midway's videogame that were protectable. For the most part, the works only shared the general idea that the United States government had created a special program aimed at employing soldiers or special agents that possessed paranormal or psionic powers. Beyond this unprotectable general premise, it was difficult to identify other similarities in ideas, let alone similarities in the expression of those ideas. The plots of the two works were clearly different and were most likely developed independently from each other. No reasonable juror could find that the two works were substantially similar in their expression of ideas.

Innovation Ventures v. N2G Distributing, Inc. (E.D.Mich. 12/2/08)

Medical caution label warranted copyright protection.

The court granted defendant Diehl's motion to dismiss and denied N2G's motion for partial summary judgment. N2G did not dispute that it copied Innovation's medical caution statement. Indeed, a review of the pictures of the caution statements on Innovation's and N2G's products revealed that they were identical. The court rejected N2G's contention that Innovation's medical caution statement was not entitled to copyright protection due to lack of originality. There was evidence that the idea in question was capable of various modes of expression. Each manufacturer had chosen different language and word order to emphasize or deemphasize various aspects of the warning. Therefore, the medical caution statement had the minimum level of originality necessary to warrant copyright protection.

Patent Cases

Baychar, Inc. v. Salomon/North America, Inc. (D.Me. 11/4/08)

By unnecessarily prolonging suit, party engaged in bad faith.

The court denied Burton's motion for an award of fees, but granted in part and denied in part Salomon's motion for such an award. The court found by clear and convincing evidence that Baychar vexatiously, frivolously, and in bad faith continued to pursue infringement claims against twenty products after Salomon established through uncontroverted evidence that they could not infringe the '810 patent. Salomon provided Baychar with sworn testimony that twenty of the twenty-two accused products did not contain phase change materials, an essential element of the '810 patent. When Baychar's own expert declined to state that the twenty products contained phase change materials that would infringe the '810 patent, Baychar's claims against those products ceased to be colorable and it was vexatious for Baychar not to withdraw the infringement claims then as to those products.

American Calcar v. American Honda Motor Co. (S.D.Cal. 11/3/08)

Patents were unenforceable due to inequitable conduct.

The court ultimately determined that the patents-in-suit were unenforceable due to inequitable conduct. The details of the 96RL were highly material to the patents-in-suit and it was clear that the index and searching functions of the 96RL were substantially similar to the system described in the '465 and '795 patents. The court rejected Calcar's contention that the 96RL navigation system was cumulative of two references cited in the patents-in-suit. The evidence supported the inference that the inventors had a significant amount of information about the 96RL. While some of this information came from an article, it was clear from reviewing the article that it could not have been the only source. Contradictory assertions in the record raised questions about credibility, from which the court could infer the requisite intent. The evidence supported the inference that Calcar had the 96RL manual and hence, had more information about the 96RL that was not disclosed to the PTO.

Dodge-Regupol, Inc. v. RB Rubber Products (M.D.Pa. 11/12/08)

Court lacked subject matter jurisdiction over counterclaims.

The court granted DRI's motion to dismiss, noting that DRI had withdrawn its infringement claims and had covenanted not to sue RB in the future for infringement of any claim of the '723 patent with respect to any of RB's current products or activities. As a result, the court lacked subject matter jurisdiction over RB's declaratory judgment counterclaims. RB's fear of litigation over future products did not preclude DRI's covenant not to sue from eliminating subject matter jurisdiction with respect to RB's declaratory judgment claims. Moreover, RB had not pointed to any potentially infringing products that were in the works, or even alleged that it planned to produce such products. RB's mere speculation that it might produce infringing products and could face suit from DRI for infringement in the future provided no basis for jurisdiction over its declaratory judgment counterclaims.

Honeywell Int'l., Inc. v. Universal Avionics Sys. (D.Del. 11/12/08)

Issue preclusion prevented re-litigation of lost profits.

The court granted defendants' motion to preclude Honeywell from relitigating its lost profits theory based on issue preclusion. There was no dispute that the lost profits sought by Honeywell in the '436 patent matter and the instant matter were those allegedly lost on the sale of the same Honeywell EGPWS devices due to defendants' sale of the same TAWS products. In addition, the opinions of Honeywell's expert against defendants for the '436 patent case and the present matter were substantially identical. None of the expert's analyses of the relevant factors in either case was patent specific or addressed the benefits of the '436 patent or the patents at issue here. Rather, the lost profits damage analysis viewed the benefits/inventions of all of the patents as a whole in relation to Honeywell's EGPWS product and the accused products. Thus, issue preclusion prevented Honeywell from relitigating its lost profits analysis in the present matter.

Merck Sharp & Dohme Pharm. v. Teva Pharm. (D.N.J. 11/5/08)

Crime-fraud exception to attorney-client privilege did not apply.

The court denied Teva's motion to compel production of all privileged communications concerning Merck's allegedly fraudulent conduct in obtaining the '473 patent. Teva alleged that Merck acquired the '473 patent by fraudulently concealing material prior art from the PTO. However, Teva only established mere speculation of misrepresentation to the PTO and not misrepresentation of a material fact, the first element of the crime-fraud exception. In addition, the withholding of unknown materials did not amount to an intent to deceive. Nor had Teva cited a single page of the more than eight hundred pages of prosecution history of the '473 patent or any facts outside the prosecution history to support its contention that without Merck's non-disclosure, the PTO would not have granted the patent. Finally, Teva failed to discuss any injury resulting from the alleged detrimental reliance of the PTO and therefore, any injury would amount to mere speculation.

Honeywell Int'l., Inc. v. Universal Avionics Sys. (D.Del. 11/12/08)

Facts established that defendant's conduct was not reckless.

The court granted Universal's motion for summary judgment of no willful infringement. According to Honeywell, Universal had not only actual knowledge of the '080 patent, but knew the risk posed by its TAWS system because of Rockwell's request for a patent infringement letter. The unrefuted testimony showed that before going to market with the TAWS product, Universal performed a patent review that included technical and legal analyses. The review involved a substantial number of patents, including the '080 patent. Universal's outside patent counsel was involved and did not identify any infringement issues. After consulting with patent counsel, Universal understood that no legal issues arose in relation to the TAWS product for any patent that was reviewed. Performing a patent review before entering the market with a new device demonstrated that Universal's conduct was not reckless. Furthermore, knowledge of a patent did not mean willfulness.

JKA, Inc. v. Anisa International, Inc. (D.R.I. 11/13/08)

Facts were sufficient to meet "stream of commerce plus" test.

The magistrate judge recommended denying Anisa's motion to dismiss for lack of jurisdiction, as well as its alternative motion for transfer. The facts were sufficient to meet the "stream of commerce plus" test. Anisa had done far more than simply release its product into the stream of commerce. First, Anisa placed its product into an established distribution channel by selling to Kmart and it knew at the time of such sale that Rhode Island would be a terminal point for the distribution of the product. Second, Anisa's vice-president of retail sales lived and worked in Rhode Island. Third, Anisa had additional contacts with the State of Rhode Island, including the sale of other goods to a pharmacy chain in the state and hiring a manufacturing representative based in Rhode Island. In sum, the court found that Anisa purposefully directed its activities at the residents of Rhode Island. In addition, JKA's claims arose out of or related to Anisa's activities in Rhode Island.

Nilssen v. General Electric Co. (N.D.Ill. 11/12/08)

Party was estopped from relitigating issue of exceptionality.

The court granted GE's motion for attorney fees and sanctions against Nilssen to the extent that it requested fees pursuant to 35 U.S.C. §285. In light of earlier rulings, GE argued that Nilssen was collaterally estopped from denying that this case was exceptional. In response, Nilssen contended that the issue of exceptionality was a factual inquiry that was unique to each case. The court found that this was a case in which the policies behind collateral estoppel supported a finding of exceptionality and, in turn, an award of fees to GE. It had previously been decided that Nilssen had engaged in inequitable conduct in obtaining and maintaining the involved patents. Nilssen's mere assertion of a good faith belief as to reversal on appeal did not excuse the filing of a groundless action in the first place. However, Nilssen's conduct was not so egregious that it justified the imposition of sanctions.

Qualcomm, Inc. v. Broadcom Corp. (Fed. Cir. 12/1/08)

Party was silent in the face of clear disclosure duty.

The trial court held that Qualcomm breached its duty to disclose the '104 and '767 patents to the Joint Video Team ("JVT") standards-setting organization. As a remedy, the trial court ordered the '104 and '767 patents unenforceable against the world. Additionally, the trial court determined that this was an exceptional case and awarded Broadcom its fees. The Federal Circuit affirmed the trial court's determinations that Qualcomm had a duty to disclose the asserted patents, that it breached this duty, and that the JVT misconduct and litigation misconduct were proper bases for the trial court's exceptional case finding. Because the scope of the remedy of unenforceability as applying to the world was too broad, the Federal Circuit vacated the unenforceability judgment and remanded with instructions to enter a remedy limited in scope to the H.264 compliant goods.

Tribune Star, Inc. v. The Walt Disney Co. (C.D.Ill. 11/24/08)

Sanctions proper since arguments did not pass red face test.

The court granted the summary judgment motion and motion for sanctions filed by defendants LG, Pantech, and WDIG. When read in light of the specification and prosecution history, it was clear that the reference to a "miniature infrared camera" in claims 7 and 9 envisioned a miniature camera that was capable of operating and generating images in at least the infrared spectrum. It was undisputed that the LG and Pantech models at issue here did not contain infrared cameras. No reasonable fact-finder could conclude that the allegedly infringing devices embodied the requirements of claims 7 and 9 of a video means consisting of a miniature infrared camera. Further, Tribune's conduct during prosecution of the '521 patent operated as an estoppel that prevented it from using the doctrine of equivalents to avoid the limitations posed by the amendments in question. The imposition of sanctions was appropriate in this case against both Tribune and its counsel.

Phillip M. Adams & Assoc., LLC v. Dell, Inc. (D.Utah 11/19/08)

Source code relevant to best mode and enablement issues.

The court denied PMA's motion for a protective order to preclude Dell from disclosing PMA's source code to Dell's independent expert. The court found that PMA's source code could be disclosed to Dell's expert and that the protective order would sufficiently protect against improper use of the source code. Further, the court concluded that PMA had not met its burden under the protective order procedures to successfully deny disclosure to Dell's expert. The source code in question was clearly relevant, within the scope of discovery, to the issue of whether the patents-in-suit contained an enabling disclosure. PMA's source code was also relevant to the issue of whether a best mode existed and was disclosed in PMA's patents. PMA's source code that existed at the time PMA applied for its patents was obviously relevant to the issue of whether Adams subjectively knew of a mode of practicing his claimed inventions superior to the modes disclosed in the patents.

Procter & Gamble Co. v. Kraft Foods Global, Inc. (Fed. Cir. 12/5/08)

Trial court failed to consider and balance required factors.

Procter appealed the trial court's interlocutory order granting Kraft's motion for a stay pending inter partes reexamination before the PTO of Procter's '418 patent. Because the stay order effectively denied Procter's motion for a preliminary injunction, the Federal Circuit had jurisdiction to hear this interlocutory appeal. Further, the Federal Circuit held that the trial court abused its discretion by effectively denying Procter's motion without proper consideration of the merits. Specifically, the trial court erred by not considering and balancing the required factors for injunctive relief. However, the trial court correctly rejected Procter's contention that it lacked the authority to stay the case on Kraft's (the accused infringer's) request. In light of the foregoing, the Federal Circuit vacated the stay and remanded for consideration of the merits of Procter's motion for a preliminary injunction.

Domain Name Cases

ECOM Electronic Components v. Alta R. (WIPO 10/27/08)

Changes to website did not cure earlier bad faith.

Alta's denial of knowledge of Ecom and its explanation for the choice of the domain name were just not credible. The chances of Alta having thought of the term "Axega" independently, without any knowledge of Ecom or its mark, were exceedingly small. The facts showed that while the domain name was parked, it contained some links to third-party sites operated by Ecom's competitors. Alta could not disclaim responsibility for those links. In addition, some of the language used by Alta in its response suggested that Alta's denial of knowledge was less than emphatic. Nor was there any explanation as to why Alta had done nothing to advance its stated objective for registering the domain name in over two and a half years. Moreover, the panel found that Alta's changes to its website in July 2008 did not "cure" its earlier bad faith registration and use of the domain name.

American Airlines v. American Int'l. Vacations (NAF 10/27/08)

Reasons for registration were inherently improbable.

It was apparent that AIV had not undertaken any demonstrable preparations to use the disputed domain name in connection with a bona fide offering of goods or services. Further, the reasons given by AIV for choosing the domain name were inherently improbable. Given the fact that the domain name used the famous "AA" mark and linked it to vacation-related services, it was far more probable that the domain name was chosen to invoke the name and services of Airlines and to give the impression that it was a domain name of Airlines associated with vacations. The conduct of AIV in registering the domain name and using it to divert business away from Airlines constituted bad faith registration and use.

Lucky Vidmar, Greenberg Traurig, LLP, compiled the Notes for this newsletter based on the information published by [JurisNotes.com, Inc.](http://JurisNotes.com) Editor: Margie S. Schweitzer, J.D.; email Margie@JurisNotes.com; phone 503-763-8717; fax 503-763-8718.

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IP Section Officer Contact Information

Chair:

Clay James, Esq.
Sun Microsystems, Inc.
500 Eldorado Boulevard
UBRM01-205
Broomfield, CO 80021
303.272.7769
clayton.james@sun.com

Vice-Chair:

Michael Drapkin, Esq.
Townsend and Townsend and Crew
1200 17th Street, Suite 2700
Denver, CO 80202
303.571.4000
mldrapkin@townsend.com

Secretary/Treasurer:

John Posthumus, Esq.
Greenberg Traurig, LLP
1200 17th Street, Suite 2400
Denver, CO 80202
303.572.6500
posthumusj@gtlaw.com

All correspondence, phone calls, facsimiles and emails concerning this newsletter, as well as advertising submissions should be directed to John Posthumus at posthumusj@gtlaw.com.