

Colorado Bar Association
INTELLECTUAL PROPERTY SECTION
NEWSLETTER

August 2009

August IP Section Event

**Global Patent Litigation Strategy:
Using International Patent Litigation Data Effectively to
Secure a First Win**

Michael Elmer, Finnegan - Palo Alto, CA

August 27, 2009; 11: 45 a.m. – 1:15 p.m.
Denver ChopHouse, Large Banquet Room

In an increasingly global marketplace, and with the ever-present reality of limited resources, the question facing many corporate patentees is now “Where in the world should I sue?” and, more specifically, “Where in the world should I sue first?” A favorable first litigation outcome can significantly increase the chance of a favorable settlement globally.

The *Global IP Litigation Project* gathers, analyzes, and compares objective global patent litigation data. Michael Elmer of Finnegan initiated the project in 2002 as a basis for client counseling in case evaluation, forum shopping, and foreign filing strategies. Mr. Elmer continues to manage this project which includes data from 30 countries, including industry-specific patentee win rate data for 2006 and 2007. He will present the global comparative patentee win rate data and discuss both U.S. and global patent litigation forum shopping strategies.

PRESENTER:

Michael Elmer is Special Counsel at Finnegan's Palo Alto office, and has more than 40 years of experience in virtually every aspect of intellectual property law, including ex parte, inter partes, and litigated IP matters. Since becoming Senior Counsel, Mr. Elmer has focused much of his work on the coordination of the *Global IP Litigation Project*. Mr. Elmer's broad litigation experience includes serving as lead or co-counsel in cases in seven U.S. Courts of Appeals, including the Court of Appeals for the Federal Circuit; thirty-five U.S. District Courts; the U.S. International Trade Commission; the U.S. Patent and Trademark Office Board of Appeals; and numerous state courts. Mr. Elmer has lectured extensively both in the U.S. and abroad on global patent litigation including the resolution and evaluation of international patent disputes.

Cost: \$35 for IP Section Members, \$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 emailing lunches@cobar.org before Noon on Tuesday, August 25, 2009.

Cancellations after Tuesday, August 25, 2009 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 August Luncheon, leave your phone number, and specify if you would prefer a vegetarian lunch.

UPCOMING EVENTS:

September IP Section Event

EMERGING TRENDS AND STRATEGIES IN REEXAMINATION

[Steve Kunin](#), Oblon Spivak - Washington, DC

[Hal Wegner](#), Foley Lardner - Washington, DC

September 23, 2009; 11: 30 a.m. - 1:15 p.m.

The Ritz-Carlton, Denver

2 CLE credits applied for

The emerging popularity of reexamination largely stems from an increased willingness of some Federal District Courts to stay a patent litigation in the face of an initiated reexamination. Thus, reexam proceedings typically involve patents that are subject to very high profile litigation disputes. The increasing use of *inter partes* reexamination raises a number of new practice concerns, as well.

New strategies are evolving in these high stakes proceedings at the Patent Office. Join two of the nation's foremost experts in both patent law and reexamination as they share their insights into how the playing field is evolving. The new PTO leadership has many reexamination initiatives in the pipeline, and Steve Kunin and Hal Wegner are uniquely positioned to provide updates on the latest developments.

Sign-up information is forthcoming shortly.

October IP Section Event

THE VALUE OF PATENTS IN EARLY STAGE COMPANIES

[Ted Sichelman](#), Fellow – University of California, Berkeley, Boalt Hall School of Law

October 29, 2009; 11: 45 a.m. – 1:15 p.m.

Denver ChopHouse, Large Banquet Room

Professor Sichelman will present his groundbreaking research findings on why start-ups patent, and the effects of the patent system on entrepreneurial companies. He will also share his insight on the commercialization of inventions and the financing of start-up and early-stage technology companies.

Sign-up information is forthcoming shortly.

Report on Past IP Section Events:

Report on July 23, 2009 IP Section Luncheon (You Tube, My Space and The User Generated Content Revolution: Key Legal Issues and Potential Liability)

At the July 23rd IP Section event, Ashlie Beringer, an entertainment lawyer specializing in representing new media, Internet and technology companies in Gibson, Dunn & Crutcher's Palo Alto office, discussed legal issues and cases arising from the creation, collection, and use of user generated content (UGC) on the Internet. Ms. Beringer began by describing what UGC is (content produced or submitted by **end users**, not professional media producers) and provided common examples of UGC, such as photos on Flickr, videos on YouTube or, feedback and ratings on Yelp!, and any other text or content contributed to websites. Ms. Beringer highlighted that the increased prevalence of UGC has caused a fundamental shift in the paradigm for how content is created, viewed, shared, and used on the Internet. No longer is the Internet populated with content created by professionals, but it's created by anyone, generally for not monetary gain to the author or creator. More importantly UGC has forced courts to interpret copyright law in light of the changes imposed by UGC.

The main focus of Ms. Beringer's talk was the statutory framework in place in the U.S. that gives a procedural framework for dealing with UGC, as well as providing some protections from legal liability to certain actors who use or display UGC. First, the Digital Millennium Copyright Act (DMCA) contains a safeharbor provision that provides online service providers (OSP) protection from copyright infringement liability for displaying UGC, so long as the OSP meets the statute's criteria. A primary requirement of the DMCA is that an OSP must not have knowledge (actual or constructive) of the alleged infringement; if it does, the OSP is not shielded from liability. Additionally, if the OSP has the right/ability to control the infringing activity, the OSP cannot receive a financial benefit from the infringement activity. Finally, the OSP must expeditiously remove or disable access to the allegedly infringing content, provide standard technical measures to prohibit infringing material, designate an agent to receive notices under the DMCA, and comply with the notice and takedown procedures in the DMCA. For copyright owners, the DMCA provides a procedural framework through which a copyright owner may require an online service provider to take down allegedly infringing material. Ms. Beringer walked the group through the process that a copyright owner must follow in order to have the allegedly infringing material removed, as well as the steps the service provider and the party who posted the problematic material may take to contest the takedown request. The copyright owner must identify the allegedly infringing material and provide its location, give contact information, swear that the person submitting the takedown request is the copyright owner or has the right to act on his/her behalf, and have a good faith belief that the use of the material is not authorized (which includes consideration of whether the use is allowed under the fair use doctrine – see *Lenz v. Universal Music Corp.* (N.D. Cal. 2008)). After receipt of the request, the OSP must remove the material and take reasonable steps to notify the user responsible for the material. Finally, there is a counter-notification process if the user of the allegedly infringing content believes the use is authorized.

The current “hot” case in the area of UGC is the *Viacom v. YouTube*, where Viacom, a content owner, is suing YouTube for displaying and distributing Viacom’s copyrighted video material without a license. Viacom has claimed that YouTube has unfairly shifted the burden to police copyright violations to the owners, and that YouTube has failed to take reasonable measures to police and respond to infringement claims. In support of its claim, Viacom claims to have found over 150,000 infringing video clips that have been viewed over 1.5 billion times. YouTube has predictably claimed it is protected by the DMCA safeharbor, and Viacom is claiming YouTube is not eligible because it had knowledge, receives revenue from the content, and has the capacity to control the infringement. The case is currently in discovery, but will be closely followed in the coming months.

To end her talk, Ms. Beringer directed the audience to the Communications Decency Act (CDA) which states no provider of an interactive computer service shall be the publisher or speaker of any content provided by a third party. In essence, the CDA was intended to protect online service providers from tort claims based on the publication of third party’s UGC. To the delight of OSP’s, the CDA has been interpreted broadly, and has held to protect OSPs from not only defamation type claims, but also breach of contract, negligence, unfair trade practices, and federal civil rights laws. Unfortunately, time did not allow her to finish the discussion on the CDA.

Matt McKinney is a technology transactions attorney at Campbell Law Group, www.campbelllawgroup.com in Boulder.

ANNOUNCEMENTS:

IP Section Bylaws

The IP Section leadership has generated a set of proposed bylaws based on comments and input from members and the Advisory Council seated last fall. The bylaws can be downloaded via the following link: http://www.ipsectioncolorado.org/content/Bylaws/Proposed_Bylaws.pdf.

Please let Mike Drapkin, John Posthumus, or Nina Wang know if you have any comments, or post your input for other members to see at: <http://www.ipsectioncolorado.org/>.

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 2010. Please forward any comments you may have to Nina Wang at nwang@faegre.com.

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 Nina Wang at nwang@faegre.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.

IP Section Blog

The IP Section blog is at <http://www.ipsectioncolorado.org/>. You can find news from and links to other Colorado and national IP resources, connect with other IP Section members, provide input to Section Officers, and get up-to-date information about IP Section activities. Be sure to register to get the full benefit of the blog.

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

CAPTION	TYPE	CASE NO.	JUDGE	FILING ATTORNEY(S)
Health Grades, Inc. v. American Registry, LLC	Trademark	09cv1645	Richard P. Matsch	Kris J. Kostolansky Rothgerber Johnson & Lyons, LLP
Big O Tires, et al. v. Wilke et al.	Trademark	09cv1696	Walker D. Miller	Harold R. Bruno III Robinson, Waters & O'Dorisio, P.C.
SRC, Computers, LLC v. SRC, Inc.	Trademark	09cv1716	Walker D. Miller	Annie Chu Haselfeld Donald A. Degnan Holland & Hart, LLP
SCS Interactive, Inc. et al. v. Vortex Aquatic Structures International Inc.	Patent	09cv1732	Robert E. Blackburn	Robert R. Brunelli Sheridan Ross, P.C.
Creel v. IUniverse, Inc., et al.	Copyright	09cv1753	Christine M. Arguello	David A. Weinstein David A. Weinstein Law Offices
Touch, LLC v. Roxy In Denver, Inc. et al.	Trademark	09-cv1794	Zita L. Weinshienk	Gayle Lynn Strong Greenberg Traurig, LLP
Saladworks, LLC v. Chopper Custom Salad Works, Inc.	Trademark	09cv1813	Marcia S. Krieger	Scott C. Sandberg Jessica E. Yates Snell & Wilmer LLP
Home Design Services, Inc. v. Stremel Homes, LLC, et al.	Copyright	09cv1817	Philip A. Brimmer	Ian Thomas Holmes
Home Design Services, Inc. v. Sun Country Enterprises, Inc., et al.	Copyright	09cv1818	Walker D. Miller	Ian Thomas Holmes
Home Design Services, Inc. v. McClelland, et al.	Copyright	09cv1828	Christine M. Arguello	Ian Thomas Holmes
Home Design Services, Inc. v. Hardin Lumber, et al.	Copyright	09cv1829	Robert E. Blackburn	Ian Thomas Holmes
Home Design Services, Inc. v. Bunch Construction, LLC et al.	Copyright	09cv1830	Richard P. Matsch	Ian Thomas Holmes

Please email Nina Wang at nwang@faegre.com with any interesting Colorado District Court IP decisions or IP news involving Colorado Companies (e.g., issued patents, trademark or copyrights).

IP LAW DEVELOPMENTS FROM BNA

Patents

More Than Forty Briefs Submitted In

First Stage of Supreme Court's Bilski Review

At least 43 amicus briefs, along with the petitioners' brief on the merits, were filed Aug. 6 in a case before the U.S. Supreme Court weighing the scope of patentable subject matter (*Bilski v. Doll*, U.S., No. 08-964, briefs filed 8/6/09).

Although the filings met the deadline for briefs in support of petitioners, 25 of the briefs supported neither party, but rather focused on overturning the machine-or-transformation test for patentable subject matter. The briefs were submitted by representatives from a broad array of industries.

Supreme Court Agrees to Hear Case

The U.S. Court of Appeals for the Federal Circuit held in the ruling below, in assessing the patentability of a claimed risk-hedging method, that a process may not be patented unless it is tied to a particular machine or transforms a particular article to a different thing. *In re Bilski*, (Fed. Cir. 2008) (en banc) (212 PTD, 11/3/08).

The petition seeking Supreme Court review was filed Jan. 28 by the law firm Finnegan, Henderson, Farabow, Garrett & Dunner, Washington, D.C., on behalf of the rejected patent applicants, but citing as the real party in interest EQT IP Ventures LLP, Las Vegas (17 PTD, 1/29/09).

"Bilski goes to the heart of patent law by asking what can be patented," said brief author J. Michael Jakes of Finnegan in the firm's press release in January. "The Supreme Court has not addressed this fundamental issue since 1981, and, in light of the very limiting test put forth by the Federal Circuit in *Bilski*, the time is right for the Supreme Court to weigh in."

The petition presented two questions:

Whether the Federal Circuit erred by holding that a "process" must be tied to a particular machine or apparatus, or transform a particular article into a different state or thing ("machine-or-transformation" test), to be eligible for patenting under 35 U.S.C. §101, despite this Court's precedent declining to limit the broad statutory grant of patent eligibility for "any" new and useful process beyond excluding patents for "laws of nature, physical phenomena, and abstract ideas."

Whether the Federal Circuit's "machine-or-transformation" test for patent eligibility, which effectively forecloses meaningful patent protection to many business methods, contradicts the clear Congressional intent that patents protect "method[s] of doing or conducting business." 35 U.S.C. §273.

The government opposed certiorari in a brief filed by Solicitor General Elena Kagan, supporting the machine-or-transformation test (86 PTD, 5/7/09). But the Supreme Court granted the petition June 1 (103 PTD, 6/2/09).

Petitioners' Brief

The petitioners' Aug. 6 brief on the merits in favor of overturning the Federal Circuit's decision begins by describing the patent application in some detail, and includes the application itself as an appendix.

The focus in the Federal Circuit's decision was on Claim 1 of the application—the only independent claim—which defines three steps for setting up transactions between buyers and providers of a commodity to hedge against risk in the future prices of that commodity. The petitioners' brief expands the scope of the discussion to dependent Claim 4, which provides a price determination model for weather-related risk, and Claim 7, detailed in a flow chart showing five steps and two decision points in arriving at an optimal price.

In arguing how the Federal Circuit's test conflicts with Supreme Court precedent, the petitioners' brief makes the following points:

- “The Supreme Court has twice expressly declined to hold that the ‘machine-or-transformation’ test is the only test for determining whether a process is patentable under §101,” citing *Gottschalk v. Benson*, 409 U.S. 63, (1972), and *Parker v. Flook*, (1978).

The brief notes that the Federal Circuit relied on a statement in a subsequent case, *Diamond v. Diehr*, 450 U.S. 175, (1981). “But the Court in *Diehr* cited the transformation test as only an example (using the signal ‘e.g.’) of how a process could satisfy §101,” the brief states.

- There is no basis for creating a separate test for the “process” category of patentable subject matter. (Section 101 defines three other categories as well—machine, manufacture, and composition of matter). Again, the brief cites *Benson* for support.
- A required tie to a machine has been disavowed by the court since *Cochrane v. Deener*, 94 U.S. 780 (1876), which stated, “That a process may be patentable, irrespective of the particular form of the instrumentalities used, cannot be disputed.”

The alternative transformation requirement “links patent eligibility to the age of iron and steel at a time of subatomic particles and terabytes,” the brief says, citing Judge Randall R. Rader's dissenting opinion in *Bilski*. The brief also claims support going back to *The Telephone Cases*, 126 U.S. 1 (1887), which recognized the patentability of Alexander Graham Bell's method for modifying an electrical current to send and receive speech.

- The Supreme Court “has repeatedly cautioned against adopting special, rigid rules for patent cases, where this Court's precedents follow a broader, more flexible framework,” the brief asserts, with citations to other cases not involving statutory subject matter.

The petitioners also argue that Section 273 of the Patent Act, 35 U.S.C. §273(b), broadly defines business methods as “a method of doing or conducting business,” with no mention of ties to machines or transforming articles.

The brief then makes a policy argument, asking the court not to “disrupt the settled expectations of the inventing community,” and finally argues for a simple test for patentability. The petitioners acknowledge the three exclusions to patentability of abstract ideas, laws of nature, and natural phenomena (“fundamental principles,” in the Federal Circuit's terms), but cite Diehr for the holding that “a practical application of one of these principles may be patented.”

Under this “practical application” standard, the Bilski claims are patentable, according to the brief. The petitioners defend Claim 1 on its own terms, but add that “even if claim 1 does recite an abstract idea, it is still patentable because the abstract idea is practically applied, as shown by an analysis of claim 4.”

Financial Services Industry Amici

Bilski's application created a conflict in the financial services industry prior to the Federal Circuit's oral argument on the case, and thereafter. In fact, the court asked amici on either side of the issue to present their views at the oral argument.

Thus, William F. Lee of Wilmer Cutler Pickering Hale and Dorr, Boston, argued to the en banc Federal Circuit on behalf of financial services industry amici that included Bank of America, against patentability of Bilski's claims. A brief from that group is expected again, in September.

On the opposite side, John F. Duffy of Fried Frank Harris Shriver & Jacobson, Washington, D.C., argued that the appellate court should be very careful in interpreting Section 101 because Congress chose to express it broadly. Duffy was appearing on behalf of amicus Regulatory DataCorp Inc., which licenses patents on risk-management technology.

Again representing RDC, Duffy submitted a brief that was also supported by American Express Co., Palm Inc., Rockwell Automation Inc., and SAP America, Inc. Going back to the first Patent Act of 1790, amici argue that the Federal Circuit's test is an “uncertain and unprecedented gloss imposed” on “the original meaning and history of the statutory text.” After a detailed discussion of the history of the Patent Act, Duffy concludes that “Congress has repeatedly selected words with broad ordinary meanings in defining patentable subject matter.”

As to business methods specifically, Duffy notes that the Supreme Court had the opportunity to add a “business method exception” to patentability, and declined to do so, in *Dann v. Johnston*, 425 U.S. 219, 189 USPQ 257 (1976). “The arguments for a business method exception have not improved since 1976,” he adds, taking issue with Federal Circuit Judge Haldane Robert Mayer's attempt to establish such an exception in his dissenting opinion accompanying the appellate court's en banc ruling.

The following parties in the financial services industry also filed amicus briefs.

- Timothy F. McDonough, an inventor with a business method patent “for implementing a service contract futures exchange,” argues that the economic and policy effects of the test “hamper the formation of capital in the services sector of the economy.”
- A group, led by Double Rock Corp., defining itself as “mid-sized and smaller members of the financial service, ecommerce, and computer-related industries” filed a brief largely agreeing with the petitioners.

The brief, written by Charles R. Macedo of Amster, Rothstein & Ebenstein, New York, also addresses an issue left unresolved even if the Federal Circuit's test is accepted, asking the Supreme Court to “clarify that a computer-implemented invention which operates on a general-purpose computer is nonetheless patent-eligible as long as it does not preempt a fundamental principle.”

High Technology Briefs

The only brief specifically claiming support for affirmance of the ultimate decision in *Bilski* was submitted by the Business Software Alliance, though the brief contends that the Federal Circuit applied the wrong test. The group argues that “the Court should adopt a standard that prevents patents on the building blocks of innovation—principally through the non-preemption doctrine—while staying true to the broad ordinary meaning of ‘process.’ ”

International Business Machines Corp., whose prior chief intellectual property counsel, David J. Kappos, was just confirmed as the next director of the Patent and Trademark Office, submitted a brief with counsel of record Catherine E. Stetson of Hogan & Hartson, Washington, D.C. As was the case when Kappos was in charge, the company calls for a “technological contribution” test for patentability.

The brief sides with Mayer's dissent, saying “Contrary to the *Bilski* majority view, the concept of scientific or technological innovation is not an ambiguous one. As Judge Mayer pointed out, ‘the meaning of those terms is not particularly difficult to grasp.’ ”

No specific definition of “technical contribution” is given in the brief, but it appears to be encapsulated by the following quote: “The ‘most fundamental attribute of the useful arts’ is that they ‘relate to controlling the forces and materials of nature and putting them to work in a practical way for utilitarian ends serving mankind's physical welfare.’ Robert I. Coulter, *The Field of the Statutory Useful Arts*, Part II, 34 *J. Patent Office Soc'y* 487, 498-499 (1952).”

Many others in the high technology industry submitted briefs as well.

- Accenture and Pitney Bowes Inc. echoed the argument made in several briefs that Section 101 should be broad, and Sections 102, 103, and 112 should define the “conditions and requirements” for patentability.
- Borland Software submitted a brief arguing in part that the Federal Circuit's machine-or-transformation test “raises barriers for new and emerging technologies in software-related industries.”
- John L. Cooper of Farella Braun & Martell, San Francisco, submitted a brief on behalf of Dolby Laboratories Inc., DTS Inc., and SRS Labs Inc. saying the test is ambiguous.
- A group of “Entrepreneurial Software Companies” submitted a brief, written by Robert Greene Sterne of Sterne, Kessler, Goldstein & Fox, Washington, D.C. Included in that group is CyberSource Corp., a patent owner that lost a case applying the machine-or-transformation test. *CyberSource Corp. v. Retail Decision Inc.*, No. 04-cv-03268-MHP (N.D. Cal. Mar. 26, 2009) (65 *PTD*, 4/8/09). The district court judge in that case concluded that “The closing bell may be ringing for business method patents.”

The brief discusses the impact of the test in inconsistent subsequent decisions by the lower courts and by the Patent and Trademark Office, and argues that “The inability to appropriately protect software-related innovation is crippling the ability of small- and mid-size entrepreneurial software businesses to compete in the market against more established companies.”

- A brief from Telecommunication Systems Inc. agrees, saying it “has witnessed firsthand the mischief caused by the new patent-eligibility legal standards,” in that it “recently became a defendant in a civil action ... to invalidate” its wireless text messaging patents.
- On Time Systems Inc. of Eugene, Ore., argues that “manipulation of intangibles alone is an insufficient reason to preclude patentability.”
- Yahoo! Inc., in a brief submitted by Christopher J. Wright of Wiltshire & Grannis, Washington, D.C., says that the proper test should build on the “useful, concrete, and tangible” test of *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998).

In addition to those three attributes, the brief says, “To be patent-eligible under §101, a process must also be circumscribed in scope, limited by clearly defined steps that are stable, predictable, and reproducible—i.e., it must be ‘machine-like.’”

However, the company notes, the *Bilski* patent does not pass this test: “*Bilski* does not claim a specific series of steps that are stable, predictable, and reproducible—and that failure, rather than the absence of a machine or a physical transformation, is why his claims should not be patent-eligible.”

- Teles AG is a German high-technology company claiming to be “a typical ‘American’ success story.” Its amicus brief in part discusses the American system in a global context, saying that “entrepreneurs seek return on investment for innovation in jurisdictions with robust patent systems.” The company says that the United States would be put at a competitive disadvantage if the court were “to depart from broad, flexible patentability standards.”

Medical Sciences Briefs

The Pharmaceutical Research and Manufacturers of America filed a brief supporting neither party, but said that “however the scope of patentability is assessed under § 101, inventors [must] retain the ability to patent medical processes, especially methods of diagnosis and treatment that make use of pharmaceuticals.”

Counsel of record on the brief, Harry J. Roper of Jenner & Block, Chicago, wrote that the machine-or-transformation test is unnecessary, but even if the Supreme Court accepts the test, “it should make clear that medical process patents that make use of pharmaceuticals fall within it.”

The Biotechnology Industry Organization submitted a brief along with the Advanced Medical Technology Association, the Wisconsin Alumni Research Foundation, and the Regents of the University of California.

The brief argues that “biotechnology and medical technology research and development require unusually high-risk investment that, in turn, requires broad, well-established patent-

eligibility standards.” The amici claim that the Bilski test would “stifle biotechnology and medical technology innovation.”

Prometheus Laboratories Inc. filed a brief as well. This filing is of interest because of the company's fight for patentability in another Federal Circuit case. Prometheus Laboratories Inc. v. Mayo Collaborative Services, No. 2008-1403 (Fed. Cir. oral argument Aug. 5, 2009).

At oral argument, Richard P. Bress of Latham & Watkins, Washington, D.C., who also authored the brief, argued that Bilski should be read more broadly to mean that the tie can be to any other patentable subject matter—machine, manufacture, or composition of matter. Prometheus's patented process claims are “tethered to a composition of matter,” a metabolite, so the claims arguably meet the “machine” prong of the Bilski test as well, Bress said.

A brief filed by the San Diego Intellectual Property Law Association, or SDIPLA, agrees with that argument, and extends it similarly to the other, transformation prong of the test.

Author Robert C. Laurenson says that “the term ‘article’ in the transformation prong of the test should be changed to ‘subject matter’ to conform with the original enunciation of the transformation centered definition set forth in *Cochrane*.” With that change, he argues that “transformations or reductions of intangible subject matter (data, signals) representative of or constituting physical activity or objects are patent eligible transformations.”

Other medical industry participants submitted briefs also.

- Monogram Biosciences Inc. and Genomic Health Inc. submitted an amicus brief on behalf of neither party, with a “focus on how the machine-or-transformation test could affect personalized medicine companies, and claim 13 of U.S. Patent No. 4,940,658, the claim that was the subject matter of” *Laboratory Corporation of America Holdings d/b/a/ LabCorp. v. Metabolite Laboratories Inc.*, 548 U.S. 124, 79 USPQ2d 1065 (2006) (121 PTD, 06/23/06).

In that case, the Supreme Court reversed a decision to grant certiorari where statutory subject matter was at issue, with a dissent by three justices questioning the patentability of a certain diagnostic method. The brief concludes that “diagnostic claims drawn to methods of predicting response in a patient are patent-eligible because they do not describe a fundamental principle.”

- Novartis Corp. submitted a brief, authored by Jeffrey A. Lamken of Baker Botts, Washington, D.C. The pharmaceutical giant's brief echoes the analysis of the Monogram/Genomic Health brief, saying that diagnostic method patents merit protection “because they are applications of ‘laws of nature,’ ” and that the LabCorp claim should have been found to be patent-eligible.

- A brief by Georgia Biomedical Partnership Inc. largely adopts the approach of the petitioners' brief.

- A brief filed by Medtronic Inc., a manufacturer of medical products for use in the diagnosis, monitoring, and treatment of various diseases, generally makes a policy argument supporting patents for diagnostic methods, monitoring, medical data management, and personalized medicine, providing examples of each.

- The University of South Florida, with “a diverse portfolio of patents and pending patent applications across a wide range of medical technologies,” claims that “the Framers of the Constitution intended to promote advances in medical diagnosis and treatment,” citing several 18th century references that medicine was considered to be one of the “useful arts.”
- Caris Diagnostics Inc. repeats the petitioners' legal arguments, and in emphasizing the petitioners' policy argument, says that “repercussions for the future of biotechnology, particularly diagnostics, if the decision below is affirmed would be staggering.”

Finally, a brief was filed—though not reported on the Supreme Court's website—by the man who pioneered the biotechnology patenting field, Ananda M. Chakrabarty (76 PTD, 4/23/09). His patent for genetically engineering a bacterium that could break down components of crude oil was the basis for the Supreme Court's decision allowing patentability of such methods in *Diamond v. Chakrabarty*, 447 U.S. 303, 206 USPQ 193 (1980).

Chakrabarty is now working on research on infectious diseases and drug design and discovery. His brief expresses concern that “methodologies to determine which genetic variant may represent drug susceptibility or a lack of it ... may not involve any machine, or transformation of an article to another state or thing,” and so be unpatentable under the *Bilski* test.

IP Law Associations, Academics Weigh In

The American Intellectual Property Law Association has been submitting amicus briefs throughout the process, and took the opportunity to contribute once again. Its arguments echo many of those made by the petitioners and RDC.

The brief also cites concerns about post-*Bilski* cases, concluding that “although arising in connection with a ‘business method’ patent, the ‘machine or transformation’ test sweeps across many other technologies, existing and future.”

The Intellectual Property Owners Association argues in its brief that “the Machine or Transformation test is not the exclusive test” for patentability. It asks the Supreme Court “to expressly authorize the courts and the PTO to develop alternative approaches to analyze particular claimed inventions on a case-by-case basis, within the broader framework. Said another way, IPO advocates that ... the Machine or Transformation test is a clue, but not the only clue, to patentability under §101.”

The SDIPLA brief provides a similar approach, suggesting a flexible test whereby “A tribunal has the freedom to select between alternative definitions or tests for patent eligibility, one transformation centered, the other preemption oriented, depending on the circumstances and technology involved, except that when the claim recites a fundamental principle such as a mathematical algorithm (or scientific principle or natural phenomenon), the tribunal must apply the preemption centered definition.”

Additional regional and international associations filing amicus briefs were:

- Association Internationale Pour la Protection de la Propriété Intellectuelle (AIPPI);
- Austin Intellectual Property Law Association;

- Boston Patent Law Association;
- Conejo Valley Bar Association;
- Fédération Internationale des Conseils en Propriété Industrielle;
- Houston Intellectual Property Law Association;
- Intellectual Property Law Association of Chicago; and
- Washington State Patent Law Association.

The State of Oregon also submitted a brief, authored by Gary W. Odom and Jordan M. Kuhn of Patent Hawk, Portland, Ore., as did private practitioner Raymond C. Meiers; practitioner John P. Sutton; Eagle Forum Education & Legal Defense; Legal OnRamp, a law-centered social networking website; practitioners Robert R. Sachs and Daniel R. Brownstone; and AwakenIP LLC, a provider of intellectual property consulting services.

Academia was represented by briefs from the Franklin Pierce Law Center, Concord, N.H., written by professor Ann M. McCrackin, and “20 law and business professors,” headed by Mark A. Lemley of the Stanford Law School. Kevin Emerson Collins, professor at the Indiana University School of Law—Bloomington, also filed a brief.

The PTO's respondent's brief is due Sept. 25, with amici in support of the PTO due a week after that. The intellectual property law section of the American Bar Association has indicated that it intends to file a brief in support of the PTO.

By Tony Dutra
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Trademarks/Generic Marks

Court Affirms Ruling That 'Hotels.com' Is

Generic Term for Hotel Information, Services

The Trademark Trial and Appeal Board had sufficient evidence to conclude that the term “hotels.com” is generic with respect to providing online information and reservation services, the U.S. Court of Appeals for the Federal Circuit ruled July 23 (In re Hotels.com LP, Fed. Cir., No. 2008-1429, 7/23/09).

Affirming the board's decision upholding a trademark examining attorney's refusal to register the mark, the court emphasized that many of the trademark applicant's competitors used the elements “hotels” and “.com” in offering their online travel services.

Term Not Distinctive

Hotels.com LP submitted an application to the Patent and Trademark Office to register the term “Hotels.com” as a service mark relating to “providing information for others about

temporary lodging; travel agency services, namely, making reservations and bookings for temporary lodging for others by means of telephone and the global computer network.”

The trademark examining attorney rejected the application, stating that the term was “merely descriptive” of hotel reservation services and that there was insufficient proof of acquired distinctiveness. The TTAB affirmed the rejection after finding that the term “hotels.com” was generic with respect to the relevant services. In re Hotels.com LP, 87 USPQ2d 1100 (T.T.A.B. March 24, 2008). According to the board, “.com” is a marker for internet commerce and is insufficient to make the term “hotels” distinctive.

Hotels.com appealed, arguing that the addition of “.com” obviated any genericness of the term “hotels.” Furthermore, the applicant argued that the term “hotels.com” may be generic with respect to a hotel, but is not generic with respect to a source of information and travel services.

No Error Found

Judge Pauline Newman found no error in the TTAB's ruling. The court noted that the board reviewed definitions found in reference works, and examined several reservation-related websites. The court said:

The TTAB found that hotels are the “focus” of the applicant's services, citing the applicant's advertisements The TTAB found that the word “hotels” “names a key aspect of applicant's services, i.e., that aspect of applicant's information services and reservation services that deal with hotels,” and concluded that HOTELS.COM is properly viewed in the same way and having the same meaning as the word “hotels” by itself. ... The TTAB found that the composite term HOTELS.COM communicates no more than the common meanings of the individual components, that is, that the applicant operates a commercial website via the internet, that provides information about hotels, but adds nothing as an indication of source. ... The TTAB concluded that the combination of HOTELS and .COM does not produce a new meaning in combination.

The court agreed with the board's separate consideration of the two portions of the term. “Otherwise registrable marks do not acquire generic character by participating in electronic commerce; for as the TTAB pointed out, registrability does not depend on the .com combination,” the court said.

The board was correct in stating that “hotels” does not lose its genericness with the addition of “.com,” according to the court. The court compared the facts here to In re Reed Elsevier Properties Inc., 482 F.3d 1376, 82 USPQ2d 1378 (Fed. Cir. 2007) (73 PTCJ 732, 4/20/07), which refused registration for “Lawyers.com” as a generic term for “providing an online interactive database featuring information exchange in the fields of law, legal news, and legal services.”

The court agreed with the board that the numerous travel-related websites using the components “hotels” and “.com” in their domain names showed that it was competitively necessary for Hotels.com's competitors to use those elements.

The court thus concluded that there was sufficient evidence to support the ruling that “Hotels.com” was generic with respect to the relevant services.

Chief Judge Paul R. Michel and Judge Arthur J. Gajarsa joined the court's opinion

Hotels.com was represented by Gary D. Krugman of Sughrue Mion, Washington, D.C. The PTO was represented by Raymond T. Chen of the PTO's Office of the Solicitor, Arlington, Va.

By Anandashankar Mazumdar
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Copyrights

Public Interest Organization Offers Privacy

Recommendations to Google in Book Search

Google Inc. must commit to a strong privacy regime for the new Google Book Search service in advance of the settlement fairness hearing this fall, a report issued by the Center for Democracy and Technology said July 27.

The report analyzed the privacy risks associated with the proposed expansion of Google Book Search, and highlighted how Google can best adapt to its new role as traditional library functions are centralized and moved online. The report also asked the court to approve the tentative settlement between Google and publishers, but to retain oversight in order to monitor implementation of a privacy plan.

Leslie Harris, president of the CDT, said in a press statement, "The new service will considerably increase public access to millions of books containing much of the world's written knowledge and ideas and will transform how the public conducts research, interacts with written text and shares information and ideas with others."

Google should issue a set of privacy commitments that explains both its general approach to protecting reader privacy and its process for addressing privacy in greater detail as the service matures, the report recommended.

"This report should be the beginning of a continuing discussion about how Google can protect privacy rights as the settlement is implemented. Since the reading public was not represented in the settlement negotiations it is the court's responsibility to make sure privacy is protected as library collections move online," CDT policy analyst Andrew McDiarmid said in the statement.

Google Book Settlement

Google's proposed settlement with publishers and authors over its searchable book database is awaiting a Southern District of New York court's approval.

The settlement, tentatively agreed to last October, would resolve two class action lawsuits brought against Google in 2005 by several authors and publishers, challenging Google's arrangement with several large libraries to digitize the entire contents of their collections and make the resulting database searchable over the internet (209 PTD, 10/29/08).

Under the agreement, Google would pay \$125 million in exchange for the right to scan millions of books into an electronic internet-accessible format. The settlement also calls for royalties

from the online sale of books to be split 63-37 between the Books Rights Registry, representing rights holders, and Google.

The court in May pushed back the final hearing on the settlement from June 11 to Oct. 7 (81 PTD, 4/30/09).

Most recently the European Commission announced that it was seeking comments from authors and publishers as to how the settlement will affect European copyright holders (139 PTD, 7/23/09).

Earlier, the court issued an order indicating that U.S. Department of Justice had opened an antitrust investigation into the proposed agreement (Authors Guild v. Google Inc., S.D.N.Y., No. 05 Civ. 8136 (DC), hearing scheduled 7/2/09) (128 PTD, 7/8/09). In a letter to Judge Denny Chin, the DOJ said it had reviewed public comments expressing concern that aspects of the settlement agreement may violate the Sherman Act.

By Nathan Pollard
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The Intellectual Property Section has entered a partnership to offer reprints of case law updates from BNA's Patent, Trademark and Copyright Journal. These summaries are provided under license by the BNA. BNA offers a variety of resources related to intellectual property in addition to its daily Patent, Trademark and Copyright Journal. To gain access to BNA IP products, BNA offers a FREE Temporary Username & Password for 15 days usage. To obtain access, please e-mail gtanguay@bna.com.

CLASSIFIED ADVERTISING

Classified advertisements are printed by the IP Section free of charge and will run for three months, unless we receive a request to drop or continue running the ad. Submit or resubmit your ad by e-mailing the proposed text to Nina Wang at nwang@faegre.com.

Trademark Paralegal

Trademark paralegal with 17 years of experience. I can assist you with USPTO filings and with creation and upkeep of your docket. I have worked in firms in Denver but currently would prefer to work on a contract basis. References available. Call Jennifer Rothschild at 303-850-9297. (expires 09/09)

Teaching Fellowship in Transactional Law

The University of Denver Sturm College of Law, Student Law Office, invites applications for a three-year clinical teaching fellowship in transactional law. The fellowship is designed for experienced lawyers who are interested in exploring the possibility of a career in law school clinical teaching.

The Student Law Office currently houses five clinical programs including a Civil Rights Clinic, a Criminal Defense Clinic, a Mediation Clinic, a Community Law Clinic, and an Environmental Law Clinic. The transactional fellow, in collaboration with supervising faculty, will be responsible for designing, creating and implementing a transactional component which will be added to our existing Community Law Clinic. The transactional component of the Community Law Clinic will provide legal services for a variety of clients including non-profits, small businesses and other community groups.

The three-year fellowship will provide the fellow the opportunity to supervise and train law students who are representing clients. The fellow will also teach classes, attend workshops designed to train the fellow as a clinical teacher and pursue a scholarly agenda. Fellows in the Clinic will be integrated into the intellectual life of the law school and the larger University. Fellows are invited to attend faculty workshops at which works in progress will be presented, and to attend mentoring sessions for faculty.

Fellowship requirements: Applicants must have at least five years of legal experience, must have a demonstrated commitment to public interest lawyering and must possess strong academic credentials. Applicants must be admitted to the Colorado Bar or willing to seek admission.

Fellowship salary and benefits: Salary is competitive and is based on years of legal experience. Benefits include excellent University of Denver Sturm College of Law medical, vacation, and other fringe benefits and full access to all law school and other university facilities.

Application procedure and materials: Applicants should submit the following materials through <http://www.dujobs.org/hr> and to Professor Christine Cimini, Director of Clinical Programs, University of Denver Sturm College of Law, 2255 E. Evans Ave., Denver, CO 80208. Materials

can also be sent electronically to Professor Cimini through the clinic's administrative assistant at lsaraceno@law.du.edu:

1. a cover letter describing your prior legal, teaching, and other relevant experience; your aspirations regarding clinical teaching; and any other information relevant for assessing your potential as a clinical teacher and supervising attorney;
2. a detailed resume;
3. under other documents: a writing sample (10-15 pages); and
4. a list of at least three references.

The University of Denver is committed to enhancing the diversity of its faculty and staff and encourages applications from women, minorities, people with disabilities and veterans. DU is an EEO/AA employer. (expires 9/09)

Patent Attorney

Registered patent attorney with a B.S. in Computer Science. Admitted to practice in Arizona and in front of the U.S. Patent and Trademark Office. Willing to work in all transactional areas of intellectual property law. Please contact Ryan Marsh at ryan.b.marsh@gmail.com or (623) 707-5736. Full-time employment is desired. (expires 10/09)

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