Colorado Bar Association

INTELLECTUAL PROPERTY SECTION NEWSLETTER

June 2008

Upcoming Events:

July 14-15, 2008

AIPLA 2008 Patent Cooperation Treaty Seminar, Denver, CO

Grand Hyatt Denver

Bringing together some of the foremost U.S. and European experts on PCT, the AIPLA PCT Road Show will take place July 14 and 15 (Monday and Tuesday) at the Grand Hyatt Denver. This two-day program will explain recent changes such as restoration of priority, incorporation by reference, and the newly available Korean Patent Office searching authority. It will also cover strategic decisions such as choice of Receiving Office and choice of International Searching Authority. Sessions will also address frequently made mistakes and how to fix them.

Colorado Bar Association IP Section Members can register for a discounted price. Please use the link the link for additional information and registration: http://www.cobar.org/repository/PCTBrochure2008Colorad.pdf

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We are soliciting ideas for our Luncheon programs of 2008/2009. If you are interested in presenting on a current Intellectual Property topic or have suggestions for topics or speakers, please forward your comments to any of the current Section officers.

Other Announcements

New IP Section Officer Named

At the June 6 luncheon during the 2008 Rocky Mountain Intellectual Property & Technology Institute, the Section formally announced that John R. Posthumus, Esq., of Greenberg Traurig, LLP, has been appointed as the Section's newest officer. John will be the Secretary/Treasurer of the Section during this coming year. Among other duties, in this capacity John will be responsible for this Newsletter. John can be reached at 303.572.6500 or posthumusj@gtlaw.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 John Posthumus at posthumusj@gtlaw.com.

IP Section Website

The Colorado Bar Association website has undergone a significant overhaul, and is now up and running. 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.

Supreme Court Case Alert - LG Electronics v. Quanta (06/09/08)

The increased interest of the U.S. Supreme Court in patent cases shows no sign of slowing down. On June 6, 2008, the Court issued its decision in the much-anticipated case *Quanta v. LG Electronics*, ____ U.S. ____ (2008) holding that an authorized and unconditional sale of a product substantially embodying a patented invention exhausts the patent owner's rights in the apparatus and method patent claims.

In 2000, LG Electronics ("LGE") licensed to Intel its entire portfolio of patents on computer systems and components. The license agreement gave Intel the right to manufacture products that would otherwise infringe any of the patents owned by LGE. The license agreement also expressly disclaimed any implied license to Intel customers who combine products covered by the license with non-Intel products. Quanta Computer, Inc. along with a number of other computer manufacturers bought microprocessors and chipsets from Intel and installed them into the computers that they assemble and market. LGE sued Quanta and the other manufacturers claiming that they infringe a set of LGE's patents covering memory cache coherency management. LGE asserted patents that were not infringed by the Intel microprocessors and chipsets alone. Rather, the asserted patents are infringed only once the Intel products are combined with other non-Intel components in the accused devices.

The trial court held that LGE's patent rights in its apparatus claims were exhausted by Intel's sales. The Federal Circuit reversed, holding that patent exhaustion does not apply in this situation because the sales of microprocessors by Intel were conditional. The Federal Circuit agreed with the trial court that patent exhaustion does not apply at all for method claims. The Supreme Court, in a unanimous decision, reversed both of these holdings. The Supreme Court held that LGE's patent rights were exhausted because the LGE-Intel license agreement authorized Intel to sell to Quanta products that substantially embody patents in suit. The Supreme Court also held that patent exhaustion applies equally to method claims as it does to apparatus claims.

Strictly speaking, the Court's decision is fairly narrow, focusing on the particular terms and the structure of the LGE-Intel license. The Court itself noted that if LGE explicitly withheld from the Intel license Intel's right to sell the licensed microprocessors to unlicensed third-parties, then the doctrine of patent exhaustion would not apply under the facts of this case.

Many practitioners may find another part of the Supreme Court opinion more interesting. In discussing "the extent to which a product must embody a patent in order to trigger exhaustion," the Court held that exhaustion arises out of a sale of products that "constitute a material part of the patented invention and all but completely practice the patent." The Court went on to note that, in this case, "everything inventive about each patent is embodied in the Intel Products." The steps that Quanta had to perform to manufacture the full infringing system were "common and noninventive." For these reasons, the Court held that Intel's microprocessors embodied LGE's asserted patents. The Court's focus on the "noninventive" aspects of the invention tips the hat to the Court's discussion of the same idea from the KSR case. Similarly, the Court relied on this idea to find a way to apply the exhaustion of doctrine across several patents. While the Court agreed that, in principle, "exhaustion does not apply across patents," the Court held that multiple patent rights are exhausted where "the device practices patent A *while substantially embodying* patent B." (emphasis in the original). While the Court did not elaborate in detail the source of the "substantially embodying" language nor its focus on the "noninventive"

aspects of the claims, the Court's view appears to echo the doctrine of obviousness-type double-patenting under which the claims in patent B and the claims in another one of the same patentee's patents, e.g. patent A, are "so alike that granting both exclusive rights would effectively extend the life of the patent." *Perricone v. Medicis Pharma. Corp.*, 432 F.3d 1368, (Fed. Cir. 2005). Here, without explicitly referencing the nonstatutory double-patenting doctrine, the Court expresses the same equitable principles that guide the doctrine. The Court seems to have imputed patent exhaustion onto patent B, even though only patent A was directly implicated in the sale, as a remedy for what the Court construed to be an improper extension of the right to enforce patent B through the inclusion of "common and noninventive" elements/steps onto the devices claimed in patent A. Without inventive material distinguishing the claims of patent A and patent B, the scope of the patentee's rights were limited by the Court to the rights under the single patent, just as they may be limited by using the doctrine of double-patenting because the claims are not patentably distinct.

Finally, the Supreme Court reversed the Federal Circuit's holding that patent exhaustion doctrine does not apply to method claims. Interestingly, in doing so, the Court never addressed (or even cited) the cases relied upon by the Federal Circuit to reach its decision, i.e. *Glass Equip. Dev., Inc. v. Besten, Inc.*, 174 F.3d 1337 (Fed. Cir. 1999) and *Bandag, Inc. v. Al Bolser's Tire Stores, Inc.*, 750 F.2d 903 (Fed. Cir. 1984) both of which held that the patent exhaustion doctrine is inapplicable where the infringement issues concerned patents claiming a method of using the sold equipment. Rather, the Court relied on *Univis Lens* and another one of its own cases of the same vintage, *Ethyl Gasoline Corp. v. United States*, 309 U. S. 436, 446 (1940), to find that "a patented method may not be sold in the same way as an article or device, but methods nonetheless may be 'embodied' in a product, the sale of which exhausts patent rights." In reaching the conclusion that method claims are subject to exhaustion just like apparatus claims, the Court noted that the opposite conclusion would render the doctrine of patent exhaustion toothless because the patent owners would have no trouble rewriting their apparatus claims into method claims in order to avoid exhaustion.

While this holding is not likely to be controversial, it does leave some questions unanswered. First, practitioners should assume that Federal Circuit's *Glass Equipment* and *Bandag* cases are no longer good law in so far as they hold that method claims cannot be exhausted by an authorized sale. Second, the Court's discussion of exhaustion of method claims did not specify how broadly the patentee's rights in those claims have been exhausted. There is probably no dispute that LGE's method claims are exhausted to the degree that Quanta practices the method using the microprocessors purchased from Intel. But the Court's opinion is less clear about whether Quanta's purchase of the goods embodying LGE's method claims may allow Quanta to practice the patented method even when it is not using the Intel microprocessors.

In summary, the Supreme Court continued its recent practice of emphatically reversing the Federal Circuit, although the *Quanta* decision is rather narrow and focused on the facts of the case. For example, the Court avoided any sweeping pronouncements regarding the patent exhaustion doctrine, holding that a differently-worded license between LGE and Intel may have led to a different outcome. Also, the Court did not engage in any discussion of the doctrine of implied patent licenses and its interplay with the doctrine of patent exhaustion. For all these reasons, the Supreme Court's only patent case of this year's term will likely not gain the fame and notoriety of the previous terms' cases, such as *eBay Inc. v. MercExchange*, L.L.C., 547 U.S. 388 (2006) or *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (2007).

This case note was prepared specially for this newsletter by Alex Furman and Lucky Vidmar, Greenberg Traurig, LLP.

JurisNotes

Patent Cases

Hologic, Inc. v. SenoRx, Inc. (N.D.Cal. 4/25/08)

No preliminary injunction where Plaintiffs' harms could be compensated economically

The court denied Hologic's motion for a preliminary injunction. SenoRx's argument that the lumens of the Contura could not be the inner spatial volume was unpersuasive. As a result, Hologic had established a high likelihood of success on the merits by showing that the Contura infringed claim 36 of the '204 patent. However, SenoRx succeeded in raising a substantial question as to invalidity of the '204 patent, though it had not yet proven that the '204 patent was invalid based on the Ashpole article by clear and convincing evidence. As to the '142 patent, there remained a question regarding the issue of indefiniteness given the ambiguity concerning the "volume" versus "surface" distinction. The court denied injunctive relief, in part, due to the fact that Hologic's harms could be compensated economically and given the public interest in expanding treatment possibilities for cancer.

Applied Medical Resources v. U.S. Surgical Corp. (C.D.Cal. 4/29/08)

Jury was not misled regarding controlling claim construction

The court denied Applied's JMOL motion, as well as its motion for a new trial. The court concluded that it had committed no error in permitting Surgical to present evidence regarding the outer portions of the septum valve. In the court's view, the outer portions were relevant to the way in which the ring-levers-teeth ("RLT") embodiment disclosed in the '553 patent allowed its valve portions to float. The jury was never misled regarding the controlling claim construction. Neither the court nor Surgical ever stated to the jury that claim 18 required outer portions. Although claim 18 did not require outer portions of the septum valve, the outer portions were relevant to the way in which the RLT performed the floating function. Therefore, evidence explaining the way in which the accused device or the RLT performed the floating function was probative evidence on the issue of infringement.

Decisioning.com, Inc. v. Federated Dept. Stores (Fed. Cir. 05/07/08)

Term excluded consumer owned personal computers

Contrary to the trial court's analysis, the Federal Circuit held that one skilled in the art would not understand the term "remote interface" to encompass a consumer owned personal computer. The common meaning of the term "kiosk" strongly suggested to one skilled in the art that the remote interface was installed in a publicly accessible location. Appellees' systems that were accessed solely via consumer owned personal computers did not literally infringe. In addition, Decisioning was precluded from asserting that those systems infringed under the doctrine of equivalents.

Solomon Technologies, Inc. v. ITC (Fed. Cir. 5/7/08)

Prosecution history showed disclaimer of certain devices

Patent owner appealed ITC's finding of no violation and refused to enter an order excluding Toyota's hybrid vehicles. Federal Circuit affirmed, finding that the prosecution history could not have been clearer in showing a disclaimer of devices that used shafts to connect the motor and transmission elements. Thus, as the ALJ found, devices such as the Toyota transaxles were disclaimed because of their use of rotor shafts between the motor-generators and the transmission unit. The presence of the rotor shaft supported the ALJ's determination that the accused devices did not have an "integral combination" of a motor element and transmission unit. Neither did the ALJ err in finding that, based on the use of rotor shafts rather than disks, the Toyota transaxles were not structurally equivalent to the structure disclosed in the specification of the '932 patent.

Lucent Technologies, Inc. v. Gateway, Inc. (Fed. Cir. 05/08/08)

Trial court clearly erred in its construction of term

Because the trial court erred in its construction of "terminal device," the Federal Circuit vacated the trial court's grant of summary judgment of non-infringement of the '131 patent and remanded for further proceedings. However, the Federal Circuit affirmed the trial court's grant of summary judgment of non-infringement of the '954 patent. Regarding the '131 patent, neither the abstract nor the summary of the invention supported the trial court's construction of "terminal device." In fact, the definition ascribed by the trial court was in conflict with the teachings of the detailed description, which clearly indicated a role for the host processor in controlling the appearance of objects on the display and controlling at least the relative positioning of objects on the display. In addition, the prosecution history did not contain a clear disavowal of any control by the host processor over object location.

Acumed LLC v. Stryker Corp. (Fed. Cir. 05/13/08)

No showing that action was barred by claim preclusion

In 2004, Acumed sued Stryker for infringement of the '444 patent directed to an intermedullary nail for fixing fractures of the proximal humeral cortex. The accused product in that case was Stryker's T2 Proximal Humeral Nail ("T2 PHN"). During discovery in that matter, Acumed learned that Stryker had developed a longer version of the T2 known as the T2 Long. Acumed did not amend its complaint in that matter to add a claim based on the T2 Long because Stryker was not marketing the T2 Long in the United States during discovery. After the close of discovery in that case, Stryker began marketing and selling the T2 Long in the United States. The trial court offered to allow Acumed to add a claim of infringement based on the T2 Long, but warned that doing so would necessitate postponing the trial date. Preferring to avoid a delay, Acumed decided to postpone its T2 Long infringement claim and the parties proceeded to trial solely on the T2 PHN infringement claim. A jury concluded that the T2 PHN infringed the '444 patent. Acumed sued Stryker again, this time asserting infringement of the same patent by the T2 PHN. Federal Circuit held that claim preclusion does not apply unless the accused device in the action before the court was essentially the same as the accused device in a prior action between the parties that was resolved by a judgment on the merits. Federal Circuit disagreed

with Stryker’s contention that a claim was barred by claim preclusion merely because it could have been raised in a prior action between the parties that was resolved on the merits.

E.I. du Pont de Nemours v. MacDermid Printing (Fed. Cir. 05/14/08)

No validity issue existed due to uncertainty of priority date

The trial court denied du Pont’s motion for a preliminary injunction and the Federal Circuit vacated and remanded. The trial court abused its discretion in finding that a substantial question as to validity existed because of uncertainty regarding the priority date. Based on the undisputed facts contained in the prosecution history, the non-provisional application was entitled to the filing date of the provisional application as a matter of law. The trial court's reliance on lack of evidence and conflicting attorney argument to find a substantial question of validity was an abuse of discretion. Because the facts that du Pont contended entitled the '859 patent to the effective filing date of the provisional application were not disputed, the Federal Circuit could resolve this question in the first instance.

Mangosoft, Inc. v. Oracle Corp. (Fed. Cir. 05/14/08)

Specification and claim language supported construction of the term “local”

The Federal Circuit affirmed trial court’s summary judgment of non-infringement, noting that the claim language, specification, prosecution history, and reliable extrinsic evidence supported the trial court's construction of the term "local" (in reference to a computer storage device). In contrast, Mangosoft's construction would read "local" to mean something beyond the breadth of anything in the claims or the specification by giving the term attributes of control. Nothing in the intrinsic record described or supported such an expansive meaning. Moreover, the broader construction proffered by Mangosoft would render the claim term "local" superfluous. The trial court's construction accorded "local" its ordinary meaning by distinguishing "local" memory devices from those that were shared, networked, or remote.

L.A. Biomedical Research Institute v. White (9th Cir. 05/15/08)

It was error for court to exclude co-inventorship instruction

White obtained a jury verdict in his favor in this contract dispute over ownership of a patent. Because the jury instructions contained prejudicial errors, the 9th Circuit reversed and remanded for a new trial. The pertinent language of the contract at issue indicated convincingly that the parties intended for patent law to apply in interpreting the agreement. Consequently, it was clear error for the trial court to give the agency instruction and to exclude the co-inventorship language proposed by Institute. This error was prejudicial because it allowed the jury to decide the case on a legally impermissible ground. In addition, the corroboration instruction, without a corresponding admission against interest instruction, was given in error because it misstated the law by requiring corroborating evidence.

The Hertz Corp. v. Enterprise Rent-A-Car Co. (D. Mass 06/02/08)

Pre-issuance conduct relevant to Walker Process claim

The court granted in part and denied in part defendants' motion to dismiss. Defendants argued that plaintiffs could not maintain a cause of action under Walker Process because an essential (and missing) element was the enforcement of a patent procured by fraud on the PTO. Defendants noted that they had made no post-issuance attempt to enforce the '038 patent. While the court agreed with defendants that post-issuance conduct of a patentee had to be the focus in analyzing such a claim, it did not share defendants' conviction that consideration of pre-issuance conduct was entirely irrelevant. In addition, the court concluded that plaintiffs' allegations of fraud on the PTO had been sufficiently pled. Finally, the court found that plaintiffs had sufficient grounds to bring a declaratory judgment action.

McKesson Automation, Inc. v. Swisslogic Holding (D.Del. 05/30/08)

Plaintiff failed to establish sole ownership of patents

The magistrate judge recommended that defendants' motion to dismiss be granted on the ground that plaintiff lacked standing to sue. Specifically, plaintiff failed to meet its burden to show that it owned one hundred percent of the rights in the patents-in-suit due to uncertainties surrounding the 1990 transactions. Plaintiff failed to establish the foundational fact of repayment of the Heilman note. The evidence submitted by plaintiff to establish this point was equivocal at best. It was true, as plaintiff emphasized, that at no point between January 1991 and the initiation of this litigation did anyone act as if he believed that any of the patent rights were owned or controlled by Heilman. However, Heilman was refusing to disclaim his potential interest in the patent rights and did not recall if the note was repaid.

Copyright Cases

Atlantic Recording Corp. v. Howell (D.Ariz. 4/28/08)

No showing of actual distribution of most sound recordings

Atlantic and other recording companies sued Howell for copyright infringement on the basis of his alleged use of the KaZaA file-sharing system. Atlantic argued that Howell violated its distribution right in the sound recordings merely by making them available for the public to copy. The court denied Atlantic's summary judgment motion, explaining that the act of merely making a copy of a sound recording available did not constitute "distribution." Unless a copy of the work changed hands in one of the designated ways, a "distribution" had not taken place. Likewise, an offer to distribute did not constitute "distribution." Atlantic had not proven an actual distribution of forty-two of the copyrighted sound recordings at issue here and as a result, its summary judgment motion failed as to those recordings. As to the remaining twelve sound recordings, the record did not conclusively indicate that Howell was responsible for making them publicly available. In short, there existed a disputed issue of fact regarding Howell's responsibility for sharing the files.

Oravec v. Sunny Isles Luxury Ventures, L.C. (11th Cir. 05/14/08)

Similarities between designs existed only at conceptual level

Defendants are parties associated with the Trump Palace and the Trump Royale, twin high-rise condominiums. Oravec alleged that these parties infringed his architectural designs through the development and construction of the Trump buildings. In the mid-1990s, Oravec developed a design for a high-rise building that featured the use of alternating concave and convex segments and elevator cores protruding through the roofline. Oravec received a copyright registration for this design in 1996. After making refinements, Oravec obtained an additional registration in 1997. The court found that the similarities between the Oravec designs and the Trump buildings existed only at a conceptual level. No reasonable jury could find the competing works substantially similar without implicitly finding that Oravec owned a copyright in an idea. The key distinctive features of Oravec's designs were their use of alternating concave and convex sections and their use of three partially exposed elevator towers extending above the rooflines. While such features were also present in the Trump buildings, a comparison of the works revealed numerous significant differences in the expression of these elements. Although Oravec's designs and the Trump buildings had a number of features in common, those elements were similar only at the broadest level of generality. At the level of protected expression, the differences were so significant that no reasonable jury could find the works substantially similar. The court rejected Oravec's argument that he could establish substantial similarity on the basis of his selection of design elements. The selection that Oravec was seeking to protect was too generalized to qualify as protected expression. The copyright claimed by Oravec would encompass any building that combined a concave/convex structure, external and protruding elevator towers, and various common building features. Finally, Oravec's 2004 registration did not entitle him to claim architectural work protection for his registered pictorial, graphic, or sculptural work.

Walker v. Viacom International, Inc. (N.D.Cal. 05/13/08)

Similarities between characters limited to stock elements

Walker sued Viacom and others for copyright infringement claiming that, in 1991, he drew a four-panel, black and white comic strip titled "Mr. Bob Spongee, The Unemployed Sponge." The main character is Bob Spongee, a single dimension, rectangular-shaped kitchen sponge with arms, legs and shoes, round googly eyes, line eyebrows, a dot for a nose, and a line for a mouth. According to the strip, Bob Spongee lives with his wife Linda and daughter Bubbles on Apple Street in a small house. Walker created novelty sponges consisting of colored kitchen sponges on which he drew a mouth and nose and to which he affixed prefabricated "googly eyes." Walker glued his comic strip to the back of these sponges and distributed them in shopping centers, flea markets, and other areas. Walker also advertised his sponge in the classified section of the local paper. The character depicted in the ad differs from the comic strip drawing in that the ad sponge wears a hat and shirt, has hair, different shaped eyes, a larger rounded nose, and a different shaped mouth.

The court disagreed with Walker’s contention that the Bob Spongee character was entitled to copyright protection as a standalone character. Not only was the comic strip character not distinctive, but Bob Spongee was not consistently depicted between the comic strip, the sponge

doll, and the newspaper ad. This lack of consistency defeated Walker's claim that the standalone character was protected. Accordingly, Walker's copyright infringement claim had to be based on the Bob Spongee comic strip. There was no evidence that the comic strip was widely disseminated and no showing that Viacom had access to Walker's work prior to the creation of SpongeBob SquarePants. Moreover, the only way in which the two characters were physically similar was that they were both rectangular anthropomorphic sponges, with arms and legs and big round eyes. However, these were simply stock images that flowed from the idea of humanizing a sponge. In addition, the differences between the comic strip version of Bob Spongee and SpongeBob SquarePants were numerous. The latter was three-dimensional, textured, had no eyebrows, wore clothes, had buckteeth, and a pickle-shaped nose. The dissimilarities were so significant that Viacom was entitled to summary judgment. In addition, there was extensive evidence of Viacom's independent creation of its character.

Trademark Cases

Aktieselskabet AF 21 v. Fame Jeans, Inc. (D.C.Cir. 4/2908)

Party may introduce new issues not brought before TTAB.

After the TTAB granted summary judgment in favor of Fame in an opposition proceeding, Aktieselskabet filed this action, alleging several new grounds for its opposition. The trial court dismissed the complaint, holding that the new grounds were waived because Aktieselskabet failed to present them to the TTAB and because its complaint failed to meet the *Twombly* pleading standard. The DC Circuit held that a district court should hear new claims in a trademark opposition and also disagreed with the trial court's interpretation of *Twombly*. In this court's view, *Twombly* left the longstanding fundamentals of notice pleading intact. Even so, it was clear that some of Aktieselskabet's claims were legally flawed. As to the likelihood of confusion claim, Aktieselskabet adequately alleged priority only in the sense of its marketing of "Jack & Jones" clothing in the United States.

Estate of Coll-Monge v. Inner Peace Movement (D.C.Cir. 05/06/08)

Trial court erred in its "related companies" holding.

Plaintiff in this case was a co-founder of the defendant, a non-profit corporation. Plaintiff, the registrant of the mark, controlled the use of the mark by the Defendant. The DC Circuit held that the trial court erred in holding that a non-profit corporation could not be a related company whose use of a trademark was controlled by a mark's registrant. The statutory provision at issue did not expressly require formal corporate control. Instead, the statute required control over only the use of the mark with regard to the nature and quality of the goods or services. The court found that sufficient factual issues remained to determine whether Plaintiff controlled the marks under the “related companies” doctrine.

Citizens Banking Corp. v. Citizens Financial Group (E.D.Mich. 05/06/08)

Given significant third-party use, term was descriptive

After a bench trial, the court found in favor of CFG, noting that CBC's use of the term "Citizens" had to be considered in context with the hundreds of national banks and financial service providers. Because of the frequent use of the term "Citizens," the court held that CBC's use of the term was merely descriptive. Further, the evidence suggested a "mere survival" level of advertising, not one that would establish reputation. CBC had simply not demonstrated secondary meaning by a preponderance of the evidence. Even if CBC had done so, it had still failed to prove a likelihood of confusion. Evidence was introduced at trial of the existence of over three hundred banks nationwide with "Citizens" in their name, at least six of which were located in Michigan. CBC's own studies and internal discussions supported the conclusion that its mark was weak.

Hammerton, Inc. v. Heisterman (D.Utah 50/08/08)

Party failed to identify elements comprising trade dress

The court granted in part and denied in part Heisterman's summary judgment motion, explaining that Hammerton had not properly identified the combination of design elements that comprised its alleged trade dress. Hammerton's trade dress claims had substantially evolved during the history of this case, with the most significant changes coming after the close of discovery. Hammerton was obligated to disclose its alleged trade dress during discovery pursuant to Heisterman's discovery requests. In bringing its trade dress infringement claim, Hammerton sought to prevent Heisterman from "knocking off" its products, relief that was simply not afforded under the Lanham Act. Hammerton was not entitled to prevent Heisterman from copying its products without articulating the combination of elements in those products that was nonfunctional and had achieved secondary meaning.

Johnson & Johnson v. American Nat'l. Red Cross (S.D.N.Y. 05/14/08)

Party offered no evidence of palming off or misappropriation

Johnson sued the American National Red Cross (“ANRC”) and a number of ANRC’s licenses for unfair competition, dilution, and other claims. Johnson claimed that ANRC itself violated 18 U.S.C. §706, the federal statute promulgated laws to protect the "Red Cross" name and emblem, when it licensed four companies to manufacture and sell products displaying the "Red Cross" name and emblem. The court disagreed, holding that §706 contained no limitation on the purposes for which ANRC could use the "Red Cross" name and emblem. Entering into a license agreement was a standard business arrangement undertaken "for the purpose of trade" and "to induce the sale of any article," and therefore did not contravene §706. The fact that the ultimate purpose of these licensing activities was a charitable purpose only further emphasized their legitimacy under §706. The real question was whether the permission that the statute gave to ANRC to use its logo for any purpose inherently contemplated that such uses would entail subsequent or subordinate uses by others, such as Johnson, in order to carry out the uses permitted by ANRC. It could hardly be otherwise, for every charitable use of the name and emblem by ANRC inevitably involved some subsequent "use" by a third-party. No reasonable interpretation of the statute prohibited such use. The court also dismissed Johnson’s argument

that ANRC's activities violated the Geneva Convention. Even if they did, such violations would not constitute a basis for granting summary judgment. Johnson had introduced no evidence of palming off or misappropriation. ANRC and the other codefendants were attempting to profit from ANRC's own goodwill and reputation, not Johnson's. As to the dilution claim, Johnson could not show that the "Red Cross" name and emblem were distinctive designations of Johnson's goods.

Trade Secret Cases

SP Midtown, Ltd. v. Urban Storage, L.P. (Tex.App. 05/08/08)

Information in rental logs could be trade secrets

The trial court granted summary judgment in favor of Urban and the appellate court affirmed in part, reversed in part, and remanded in part. Evidence existed showing that the information contained in the daily rental logs was not known outside of SP's business. The physical copies of the logs were kept inside a filing cabinet, which was not accessible to the public. There was no publicly available way to ascertain the customers' names contained in these documents. There was also evidence that SP made an effort to keep this information secret. The information contained in the daily rental logs would allow competitors to undercut SP's prices and take its business. Therefore, SP presented more than a scintilla of evidence to create a genuine issue of material fact as to whether the daily rental logs constituted trade secrets.

UDRP Cases

Advanta Corp. v. Advanta Solutions, LLC (04/24/08)

Respondent had rights in disputed domain name

Plaintiff is a provider of credit cards and it has used the "Advanta" mark since 1987. Respondent registered the domain name "advantasolutions.com" in 1999 for use with its business of developing web-enabled software solutions. The evidence demonstrated that ASL's use of the disputed domain name was in connection with a bona fide offering of good or services. In addition, the evidence showed that ASL was commonly known by the domain name. There was nothing in this case even approaching a prima facie case that use of the disputed domain name was a direct infringement of AC's trademark rights. Any finding of infringement of AC's common law rights would be purely speculative. So far as AC's registered rights were concerned, it had been shown that they were either not yet registered, registered long after ASL's registration and first use of the domain name, or registered to third-parties in classes having no conceivable nexus to ASL's activities or for potentially dissimilar marks. Therefore, the panel concluded that ASL had rights or legitimate interests in the contested domain name.

Ancien Restaurant Chartier v. Tucows.com (WIPO 05/06/08)

Domain was acquired due to its attraction as a surname

Ancien is the proprietor of a well-known restaurant in Paris that was established in 1896. Ancien holds various registrations for the "Chartier" mark dating from 1995. The domain name "chartier.com" was originally registered un 1996 by NetIdentity, which was acquired by Tucows in 2006. At the time, NetIdentity held a large collection of domain names consisting of common surnames. It appeared that "Chartier" was a relatively common French surname. Ancien's restaurant was itself founded by a person with this surname. Tucows explained that the disputed domain name was acquired because of its attraction as a surname, for use in the NetIdentity business of providing personalized email and webhosting services that allowed individuals to have email addresses and websites that incorporated their own names. There was nothing in the evidence to suggest that the domain name was acquired by Tucows for any other purpose. Neither Tucows nor its predecessor had any knowledge of Ancien or its mark prior to receipt of the cease and desist letter. The evidence suggested that when it registered the subject domain name, Tucows had in mind the thousands of individuals with the family name "Chartier," not the prospect of selling or leasing the domain name to one particular business using this same name. Tucows was in the business of acquiring large numbers of domain names and the panel accepted its evidence that Tucows had no actual knowledge of Ancien's mark at the relevant time. Although the complaint failed, the panel held that a finding of reverse domain name hijacking was not appropriate. There was no evidence of malice or intended harassment and the complaint was not so obviously hopeless at the outset to find that it was brought in bad faith.

Alex Furman and Lucky Vidmar, Greenberg Traurig, LLP, compiled the Notes for this newsletter.

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Employment Opportunities

Patent Attorney

Sheridan Ross is currently seeking a registered patent attorney with 4-6 years experience in area of intellectual property litigation and patent opinion work. The candidate should also have experience in drafting and prosecuting U.S. and foreign patent applications.

Founded in 1954, Sheridan Ross P.C. is one of the largest intellectual property boutique law firms in the Rocky Mountain region. From our office in Denver, Colorado, we provide a full range of intellectual property services, including patent prosecution, trademark and copyright law, intellectual property litigation, and technology transactions and licensing.

All applicants should be licensed attorneys who are registered to practice before the U.S. Patent and Trademark Office. Excellent academic credentials and writing skills are required. Please submit resume, transcript(s) and writing sample to Miriam D. Trudell, Esq. at mtrudell@sheridanross.com. No phone inquiries, please.
(Exp. 07/08)

Patent Attorney

Neugeboren O'Dowd PC - Growing intellectual property practice in downtown Boulder is looking for a mid-level associate to handle various aspects of patent and trademark prosecution, litigation support and overall IP portfolio management. USPTO and Colorado bar admission required. While no particular technical background is required, experience in any of the mechanical, electrical, and/or software fields is highly preferred. Flexible hours and compensation schemes available and encouraged. Send resumes, writing samples, and references to craig@neugeborenlaw.com.
(Exp. 07/08)

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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.