

Colorado Bar Association

# INTELLECTUAL PROPERTY SECTION NEWSLETTER

May 2008

## Upcoming Sponsored Events:

### CBA - Intellectual Property Law Section

**June 4-6, 2008**

#### **6th Annual Rocky Mountain Intellectual Property Institute**

June 5-6, 2008

Marriott Downtown - Denver

*and*

Fundamentals of IP

June 4, 2008

The 6th Annual Rocky Mountain IP Institute will include presentations on the key branches of IP law, and provide opportunities to meet or reconnect with 300 practitioners from throughout the state and region.

Co-sponsored by the Intellectual Property Section of the Colorado Bar Association; the Stanford Program in Law, Science and Technology; and the ABA Section on Science and Technology

- Networking opportunities with more than 300 IP Practitioners
- Updates on patent litigation, licensing, trademarks, trade secrets, and trade dress
- Hear from practice leaders from around the nation
- In-house counsel from major technology companies
- Learn more about real-world impact of recent decisions on IP litigation
- Trends in licensing and transactional work, including IP finance
- Disturbing developments in attorney ethics in e-discovery

About the Primer:

IP Fundamentals 2008 is an opportunity to learn more about two of most common areas in where IP intersects with transactional practice, technology licensing, and brand protection. In the morning, our panel of trademark specialists will guide participants through the process of protecting their brands, policing infringement, and exploiting its value. In the afternoon, our panel will guide participants through the six most heavily negotiated areas of a complex technology license.

<http://www.cobar.org/index.cfm/ID/20590/DPCLC/Annual-CLE-Conferences/>

**July 14-15, 2008**

AIPLA Patent Cooperation Treaty Seminar, Denver, CO

*We are still soliciting ideas for our Luncheon programs of 2008. 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**

### **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 Michael Drapkin at [mldrapkin@townsend.com](mailto:mldrapkin@townsend.com).

### **IP Section Website**

The Colorado Bar Association website has undergone a significant overhaul, and is now up and running, and 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](mailto:melissan@cobar.org).

## JurisNotes

### Patent Cases

#### **Honeywell Int'l., Inc. v. Hamilton Sunstrand Corp. (Fed Cir 4/18/08)**

*Fed Cir - Party failed to rebut presumption of surrender*

The trial court barred Honeywell from asserting the doctrine of equivalents. Because Honeywell did not show that the alleged equivalent was unforeseeable at the time of the narrowing amendment or that the amendment bore no more than a tangential relationship to the alleged equivalent, the Federal Circuit affirmed. The record supported the trial court's finding that one skilled in the art would have known of the use of inlet guide vanes ("IGV") position to distinguish between high and low flow in order to resolve the double solution problem during 1982-83. Honeywell could have foreseen and included the alleged equivalent in the claims when they were amended. As a result, Honeywell did not rebut the presumption of surrender with evidence of unforeseeability. Finally, because the alleged equivalent focused on the IGV limitation, it bore a direct relation to the equivalent.

#### **PowerOasis, Inc. v. T-Mobile USA, Inc. (Fed Cir 4/11/08)**

*Fed. Cir. Claims were limited to filing date of CIP application.*

The trial court granted summary judgment that various claims of the '658 and '400 patents were invalid as anticipated. In reaching this decision, the trial court held that none of the asserted claims of the two patents were entitled to the benefit of the filing date of Power's original application because the earlier application did not provide a written description of the invention claimed in the patents-in-suit. The Federal Circuit affirmed the grant of summary judgment of invalidity with respect to all asserted claims. The trial court's determination that the original application did not provide a written description of "customer interface" as set forth in the involved claims was correct. The original application described a vending machine with a "display" or "user interface" as part of the vending machine, rather than a vending machine with a "customer interface" located on a customer's device.

#### **Monsanto Co. v. Parr (ND Ind 4/21/08)**

*Direct infringement by customers could be inferred here.*

The court granted Monsanto's motion for a preliminary injunction, noting that the direct infringement by Parr's customers could be inferred in this case. The fact that Parr both advised his customers that they could save Roundup Ready soybeans and cleaned that seed in preparation for planting was sufficient to establish that the farmers actually planted the saved seed. This defeated any argument that because Parr was not directly involved in the act of replanting the saved seed itself, he had not induced a direct infringement. While Parr claimed that neither the sole act of saving seed nor the sole act of cleaning seed was an infringement, these acts could not be viewed in isolation in the context of Parr's seed cleaning business. The testimony of three of Parr's customers was probative evidence of his intent to induce farmers to save Roundup Ready soybeans.

#### **Eaton Corp. v. ZF Meritor LLC (ED Mich 4/3/08)**

*Question of obviousness had to be decided by a jury.*

The court denied ZF's motion for summary judgment of invalidity of claims 8 and 9 of the '350 patent. ZF contended that the combination of Eaton's Cote patent and the Krauss paper

rendered claims 8 and 9 of the '350 patent invalid as obvious. One issue was whether a person of ordinary skill in the art in 1994 would have been able to readily find the Krauss paper. The court concluded that there was a genuine issue of fact in this regard. However, in light of the body of work being done in the field of automated manual transmissions in commercial vehicles, the court could not say as a matter of law that it would have been obvious to one skilled in the art to combine the Cote and Krauss references in order to come up with the invention covered by claims 8 and 9 of the '350 patent. Thus, even if the Krauss paper was found to be prior art, summary judgment of invalidity would still be denied.

### **Prometheus Labs. v. Mayo Collaborative Services (SD Cal 3/28/08)**

*Patents-in-suit merely recited natural phenomena.*

The court granted Mayo's motion for summary judgment of patent invalidity. In the court's view, the patents-in-suit claimed the correlations between certain thiopurine drug metabolite levels and therapeutic efficacy and toxicity, which were natural phenomena. What the inventors claimed to have discovered was that particular combinations of 6-TG and 6-MMP correlated with therapeutic efficacy and toxicity in patients taking AZA drugs. The key therapeutic aspect of such thiopurine drugs was that they were converted naturally by enzymes within the patient's body to form an agent that was therapeutically active. Thus, 6-TG and 6-MMP were products of the natural metabolizing of thiopurine drugs and the inventors merely observed the relationship between these naturally produced metabolites and therapeutic efficacy and toxicity. Accordingly, the claimed correlations were the work of nature. Because the claims covered the correlations themselves, it followed that the claims wholly preempted the correlations.

### **Copyright Cases**

#### **Fonovisa, Inc. v. Does 1-9 (WD Pa 4/3/08)**

*Expectation of privacy outweighed by prima facie case.*

Fonovisa and others (collectively "Fonovisa") sued various unknown individuals for copyright infringement. The court granted the motion for severance filed by Doe 3, but denied Doe 3's motion to quash, motion to dismiss, and motion to vacate.

Fonovisa claims copyright ownership and/or exclusive licensing rights with respect to certain copyrighted sound recordings. Fonovisa alleges that each defendant uses an online media distribution system to download and/or distribute to the public certain of the copyrighted recordings. Fonovisa has identified each defendant only by the IP address assigned to that defendant by his or her ISP on the date and time of that defendant's alleged infringing activity. In order to obtain the names and addresses of each defendant, Fonovisa filed an ex parte application for leave to take immediate discovery. In the application, Fonovisa requested leave to serve a Rule 45 subpoena on defendants' ISP. After being provided with an opportunity to object by the ISP, Doe 3 filed an objection in the form of several motions.

Regarding the motion to dismiss, Fonovisa had alleged sufficient facts to show that an actual "distribution" occurred. Fonovisa provided a sample list of the recordings that each defendant was alleged to have downloaded and had provided sufficient details as to each defendant regarding his or her IP address, the P2P network used, and number of audio files accessed. Concerning the motion for severance, the infringement claims alleged against Does 1-9 were not logically related and therefore, did not constitute the same transaction or occurrence.

There was no indication that the defendants were jointly or severally liable to Fonovisa and no facts showing that they had acted in concert. Other than alleging that defendants used the same P2P network to access the Internet and download the recordings through the same ISP, Fonovisa had failed to allege any other facts to connect the defendants. Given the different factual contexts of the alleged infringement for each defendant and the absence of any evidence showing joint action, Fonovisa had failed to satisfy the requirements for permissive joinder. As to the motion to quash, Fonovisa's need for disclosure outweighed Doe 3's 1st Amendment interest in remaining anonymous. Moreover, Doe 3's minimal expectation of privacy was outweighed by Fonovisa's prima facie showing of infringement.

### **Siegel v. Warner Bros. Entertainment, Inc. (CD Cal 3/26/08)**

*Creator's heirs regain copyright in Superman material.*

Siegel sought a declaration that she had successfully terminated the 1938 grant by her late husband and his creative partner of the copyright in their creation of the comic book superhero "Superman," thereby recapturing her late husband's half of the copyright. It was clear that all of the material in the promotional announcement obtained statutory copyright protection before the earliest possible date covered by Siegel's termination notices. Thus, the publication date for at least one of the comics containing the announcements fell outside the reach of the termination notice. Therefore, Warner could continue to exploit the image of a person with extraordinary strength clad in a black and white leotard and cape. What remained of the copyright that was still subject to termination was the entire storyline, the distinctive blue leotard, the red cape and boots, and super abilities.

### **London-Sire Records, Inc. v. Doe (D Mass 3/31/08)**

*Transfer of electronic file constitutes a "distribution."*

The court concluded that it had insufficient information to allow London to take expedited discovery to determine the identities of individual computer users who had used file-sharing software to download and disseminate music without paying for it. The movants were entitled to some 1st Amendment protection of their anonymity, albeit limited. How much expectation of privacy defendants had with regard to their identity depended on the terms of the Internet service agreements, which had not been provided to the court. In discussing the relevant issues, the court concluded that London had alleged an actual distribution and had provided some concrete evidence to support this allegation. In addition, while London had not alleged a physical distribution, the relevant statute conferred on copyright owners the right to control purely electronic distributions of their work. The transmission of an electronic file constituted a "distribution" as defined by copyright law.

## **Trade Mark Cases**

### **Philip Morris USA, Inc. v. Lee (WD Tex 4/10/08)**

*Defendant's acts did not establish willful blindness.*

After a bench trial, the court entered summary judgment in favor of Philip, finding Lee liable for trademark infringement, unfair competition, and other claims. However, the court concluded that Lee did not willfully infringe the "Marlboro" marks. While mindful of Lee's education and prior experience as an importer, the court found that Lee's knowledge did not extend to the cigarette industry. Thus, Lee had no reason to suspect that the cigarettes were counterfeit based on the price advertised by Synergy. Although Lee could have undertaken more

scrutinizing efforts to verify the authenticity of the cigarettes, his efforts did not show willful blindness. The court found that Lee acted negligently by failing to take greater steps to resolve his suspicions regarding the authenticity of the cigarettes.

### **Innovation Ventures, LLC v. N2G Distributing, Inc. (ED Mich 4/14/08)**

*Product packaging constituted protected trade dress.*

The court granted Innovation's motion for a preliminary injunction, noting that its "5 Hour Energy" drink product packaging, despite containing some generic and descriptive elements, constituted protected arbitrary, fanciful, or suggestive trade dress. The overall product packaging (the color scheme, fonts, and graphical depiction of the landscape and figure) created a protected overall product image. In addition, Innovation had presented compelling evidence of intentional copying. N2G's packaging contained the exact same color scheme, the same black type italicized font for the logo, and the depiction of a silhouetted athletic figure ascending a silhouetted mountain. N2G even copied word-for-word Innovation's "caution" warnings. The evidence showed that energy drink makers had been able to produce visually different non-infringing designs on a 2 or 2.5 ounce bottle.

### **Future Lawn, Inc. v. Maumee Bay Landscape (ND Ohio 4/1/08)**

*Different prefixes did not lessen likelihood of confusion.*

The court granted in part and denied in part FLI's summary judgment motion and denied Maumee's summary judgment motion. FLI's "843-TURF" mark was a strong mark entitled to the protection of the Lanham Act. Further, the services offered by FLI and Maumee were related, as both parties provided landscaping, gardening, and lawn maintenance services. In addition, the region in which these services were provided overlapped. While the parties were based some distance from each other and the prefixes of their TURF phone numbers communicated this fact, this did not moderate the likelihood of confusion. Customers were not likely to give much heed to the particular phone exchange when recalling that they wished to call the TURF phone number to get their grass cut. In short, the court held that Maumee's use of "720-TURF" created a likelihood of confusion.

### **No. American Medical v. Axiom Worldwide, Inc. (11th Cir 4/7/08)**

*Use of marks in metatags constituted use in commerce.*

The 11th Circuit affirmed in part and vacated and remanded in part the trial court's grant of a preliminary injunction in favor of NAM. The facts of this case were absolutely clear that Axiom used NAM's marks as metatags as part of its effort to promote and advertise its products on the Internet. Such use constituted a use in commerce in connection with the advertising of goods. Further, the trial court's finding that a likelihood of confusion existed was not clearly erroneous. Axiom's metatags precisely mimicked NAM's "IDD Therapy" and "Accu-Spina" marks. Moreover, Axiom intended to gain a competitive advantage by associating its product with NAM's marks. Nor did the trial court err in its finding of a likelihood of success on the merits of NAM's false advertising claims. However, the trial court erred when it presumed that NAM would suffer irreparable harm merely because the ads were literally false.

## **Rodgers v. Wright (SD NY 3/31/08)**

*Foreign infringement was furthered by domestic acts.*

The court granted Rodgers' summary judgment motion and denied Wright's summary judgment motion, noting that the "Chic" mark was at least moderately strong. The release of several albums under the "Chic" mark along with consistent touring since 1977 had created a tendency in the minds of consumers to associate the mark in the context of musical groups with Rodgers' band. The marks used by Wright were sufficiently similar to the "Chic" mark so as to cause confusion. Wright competed with Rodgers, performing similar music in the same markets. Wright attempted to take advantage of the name recognition and goodwill associated with the mark. The court disagreed that Wright's performances in Europe were extraterritorial acts that could not be enjoined, as Wright materially advanced her foreign infringement via the domestic infringement.

## **False Advertising Case**

### **Sanderson Farms v. Tyson Foods, Inc. (D Md 4/15/08)**

*False advertising claim not precluded by USDA approval*

Sanderson alleges that Tyson advertises its chicken as raised without antibiotics by means of various media. Sanderson also alleges that Tyson advertises that its chicken is raised without antibiotics that impact antibiotic resistance in humans. Sanderson alleges that both claims are false because Tyson uses in its feed hydrophobic molecules called ionophores, which kill microorganisms in chicken. Sanderson argues that ionophores are in fact antibiotics. The USDA originally approved Tyson's use of a "Raised Without Antibiotics" label, but revoked that approval after concluding that ionophores are antibiotics. Tyson qualified its label to read "Raised Without Antibiotics that impact antibiotic resistance in humans."

Tyson argued that Sanderson's claims failed as a matter of law because the allegedly false and misleading language was approved for use on Tyson's chicken labels by the USDA, the agency responsible for regulating poultry labels. Ultimately, the court held that a label approved by the USDA did not insulate a company from an allegation of non-label false advertising. The USDA had revoked Tyson's unqualified label "Raised Without Antibiotics" and stated that it was USDA policy that ionophores were antibiotics. Tyson could not rely on the USDA's former position to defend itself against allegations that it continued to run false and misleading ads featuring such language. As to the qualified claim, Tyson had current approval from the USDA to carry this language on its labels. Moreover, the USDA had jurisdiction to approve all aspects of poultry product labels. However, the USDA did not have any congressional authority to review ads. Sanderson's false advertising claim related solely to allegedly false and misleading non-label advertising, which was not within the jurisdiction of the USDA. The complaint fairly encompassed any labeling that, despite including language approved by the USDA, contained additional images and slogans that effectively turned the labeling into an ad. Language that was technically accurate on a label could be manipulated in an ad to create a message that was false and misleading.

Intellectual Property Notes is published by [JurisNotes.com](http://JurisNotes.com), Inc.

Jason Sanders, Townsend and Townsend and Crew, compiled the Notes for this newsletter.

Editor: Margie S. Schweitzer, J.D.; email [Margie@JurisNotes.com](mailto:Margie@JurisNotes.com); phone 503-763-8717; fax 503-763-8718.

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## **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 Michael Drapkin, Townsend and Townsend and Crew, [mldrapkin@townsend.com](mailto:mldrapkin@townsend.com)

### **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](mailto: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](mailto:craig@neugeborenlaw.com).  
(Exp.7.08)

### **Services Offered**

Patent Attorney seeks overflow work. University of Michigan Law School 1977, PTO-1984. Patent applications, amendments, inventor counseling, infringement analysis, etc. Experience in large corporation and law firms. Member of CO and TX Bars. Henry L. Smith, Jr., 9273 S. Cornell Circle, Highlands Ranch, CO 80130-4141. Phone/fax 303-346-5045.

Website: [www.hlsmithlaw.com](http://www.hlsmithlaw.com)

(Exp.6.08)

Intellectual Property transactional attorney seeks overflow work. Stanford Law School 1987. Experience in large telecommunication corporation and large law firms (CA/MA). Member of CO, CA, and MA bars. Phone: (719) 238-6207. Email: [bleanunezlaw@comcast.net](mailto:bleanunezlaw@comcast.net).

(Exp.8.08)

## **IP Section Officer Contact Information:**

### Chair:

Craig A. Neugeboren, Esq.  
Neugeboren O'Dowd PC  
1035 Pearl Street, Suite 400  
Boulder, CO 80302  
303.625.1016  
craig@neugeborenlaw.com  
www.neugeborenlaw.com

### Vice-Chair:

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

### Secretary/Treasurer:

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

All correspondence, phone calls, facsimiles and emails concerning this newsletter, as well as advertising submissions should be directed to Michael Drapkin.