

INTELLECTUAL PROPERTY SECTION NEWSLETTER

November 2008

Upcoming IP Section Events:

December IP Section Luncheon

December 3, 2008 - Denver Chop House, Large Banquet Room

1 Ethics Credit (Pending Approval)

11:00 a.m. - Networking and Appetizers

11:45 a.m. - Program and Lunch

In *Medtronic Navigation, Inc. v. BrainLAB Medizinische Computersystems GMBH*, 417 F.Supp.2d 1188 (D.Colo. 2006), aff'd, 222 Fed.Appx. 952 (Fed. Cir. 2007), Judge Matsch set aside a \$51 million jury verdict in favor of Medtronic, granted summary judgment of non-infringement in favor of BrainLAB and ordered sanctions against Medtronic and its attorneys, McDermott, Will & Emery. Earlier this month, Judge Matsch ordered Medtronic and its attorneys to pay \$4.4 million in attorneys' fees and costs to BrainLAB. The IP Section is pleased to announce that Jay Campbell, lead trial counsel for BrainLAB will present on the lessons learned from the *Medtronic v. BrainLAB* case, and the ethical pitfalls of advocating infringement/non-infringement positions after a claim construction ruling.

Cost: \$35 for IP Section Members and CU/DU Law Students may attend for free. Reservations and cancellations for the monthly luncheon must be made prior to noon Tuesday, December 2, 2008. RSVP by calling (303) 860-1115 ext. 727 or by e-mailing lunches@cobar.org. When making your reservation, specify that you are attending the December IP Section Lunch, and include your name (and spelling), email address and phone number. Please specify beef, chicken or vegetarian for your lunch selection.

Cancellations after noon, December 2, 2008 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.

ANNOUNCEMENTS

January IP Section Luncheon
January 20, 2009 - 11:45 AM – 1:15 PM
CableLabs, Louisville, CO

CableLabs®

The IP Section is pleased to announce that CableLabs has agreed to host the January IP Section Luncheon. The event will involve a Venture Capitalist Panel with Moderator to discuss IP issues facing early stage companies and the attorneys that represent them. More details about this event will be announced soon. The IP Section thanks Jud Cary for agreeing to host this event.

SAVE THE DATE:

March IP Section Event
Silicon Flatirons Conference
March 19, 2009 - 3:30 PM - 7:00 PM
Wolf Law Building - University of Colorado at Boulder
Evaluating Software Patents



Silicon Flatirons

The IP Section is pleased to co-sponsor this Silicon Flatirons Conference. Over the last several years, the Supreme Court and the Federal Circuit have taken a number of steps suggesting that the law governing software patents is still very much in flux. In terms of the scope of patent law's reach (*Bilski*) to applicable remedies (eBay), the courts have taken seriously concerns about the state of the patent system and its impact on innovation the software and information technology sectors. At the same time, Congress--spurred by a coalition of IT firms--has considered a number of reform measures geared to address concerns that the patent system is rewarding bad patents and encouraging inefficient litigation. At this conference, multiple panels of distinguished commentators will evaluate both the premises underlying the call for a fundamental reform--and, indeed, the possible abolishment of--software patents as well as some specific suggestions for changing how patents are granted and how patent litigation operates. In particular, panels will evaluate whether software patents should exist at all, whether patent litigation serves a constructive role in facilitating innovation and commercialization of new technologies, and whether patents play an important role in spurring the development of new technologies and enabling start-up firms to attract financing. The Conference will conclude with a roundtable of three leading commentators on the role of patents and innovation.

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

ANNOUNCEMENTS

April IP Section Luncheon

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

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

Other Events of Interest:

Silicon Flatirons Conference

December 5, 2008, 1:00 PM, CU Law School

The Law and Ethics of Network Monitoring

What are and what should be the limits to network monitoring, if any? A network engineer may argue that "it's my network, so I can do what I want with it," while a privacy activist might argue instead for common carrier privacy obligations for all ISPs. How do the wiretap laws govern network monitoring, if at all? Without having to resort to law, can systems administrators agree to a code of conduct that draws lines of monitoring across which they may not cross? Do these laws and ethical boundaries vary based on the type of network or the identity of person doing the monitoring, meaning different rules for employers, ISPs, researchers, and universities? Should they vary? Join the Silicon Flatirons Center as we explore these questions and more relating to this fascinating topic at the intersection of law, technology, business, and policy. For more information and to sign-up, visit <http://www.silicon-flatirons.org>.

Announcements:

Call for Editors of the IP Section of The Colorado Lawyer

The IP Section is seeking two volunteers to act as Co-Editors of the IP Section of The Colorado Lawyer for 2009. If you are interested, please email John Posthumus (posthumusj@gtlaw.com) and Michael Drapkin (mldrapkin@townsend.com) a short statement expressing your interest.

Interested in Helping Intellectual Property Law Students?

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

Mentoring Program

The IPLS is hosting a mentoring program that matches students interested in intellectual property law with attorneys who practice within their area of interest. The IPLS is looking for 25-30 attorneys to volunteer to attend lunch or coffee with a matched student to discuss the practice area and career advice.

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Ideally, the meeting would occur in February or March. Following the one-on-one meetings, the IPLS will host a Saturday morning brunch in April so that the students have the opportunity to network with other mentors and gain greater insight into the practice of intellectual property law. Total time required is approximately five hours.

Resume Review Day

Because students interested in practicing intellectual property law often have specialized backgrounds, their resumes are tailored differently than students practicing in other areas. The IPLS is looking for attorneys who are willing to volunteer their time on February 21st from 1 PM - 4 PM to review and assist students with their application materials. Total time required is approximately three hours.

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

Call for Suggestions or Ideas

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

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

IP Newsletter

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

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IP Section Website

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

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

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

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

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

RECENTLY-FILED I.P. CASES: U.S.D.C. of COLORADO

CAPTION	TYPE	CASE NO.	JUDGE	FILING ATTORNEY(S) - Local
Baxa Corporation v. Specialty Medical Products, Inc et al	Trademark Infringement	08cv2255	Richard P. Matsch	Kenneth Spencer Chang Townsend and Townsend and Crew, LLP
BMW of North America, LLC et al v. Autoworks Colorado, Inc	Trademark Infringement	08cv2345	Robert E. Blackburn	Stefania C. Scott Ireland, Stapleton, Pryor & Pascoe, P.C.
Brass Smith, LLC v. Hubert Co	Patent Infringement	08cv2241	Marcia S. Krieger	Robert R. Brunelli Sheridan Ross, P.C.
Canon USA, Inc v. Evans et al	Trademark Infringement	08cv2279	Christine M. Arguello	Ericka Houck Englert Brownstein Hyatt Farber Schreck, LLP
Home Design Services, Inc v. Bohnenkamp Construction, Inc. et al.	Copyright Infringement	08cv2391	Walker D. Miller	Anthony M. Lawhon Parrish, Lawhon & Yarnell, PA Naples, FL
Home Design Services, Inc v. Dorsey Builders, LLC et al.	Copyright Infringement	08cv2388	Walker D. Miller	Anthony M. Lawhon Parrish, Lawhon & Yarnell, PA Naples, FL
Home Design Services, Inc v. Integrity Contracting, LLC et al	Copyright Infringement	08cv2322	Richard P. Matsch	Ian Thomas Holmes Parrish, Lawhon & Yarnell, P.A Naples, FL
Home Design Services, Inc v. JG Molzahn Construction, Inc. et al.	Copyright Infringement	08cv2381	Richard P. Matsch	Anthony M. Lawhon Parrish, Lawhon & Yarnell, PA Naples, FL
Intelligent Designs 2000 Corp v. Rooster Products International, Inc	Patent Infringement	08cv2261	Robert E. Blackburn	Robert R. Brunelli Sheridan Ross, P.C.
New Tech Machinery Corp v. Englert, Inc.	Patent Infringement	08cv2212	Christine M. Arguello	Conor Fitzgerald Farley Lee Frederick Johnston Michael R. Henson Holland & Hart, LLP

RECENTLY-FILED I.P. CASES: U.S.D.C. of COLORADO

CAPTION	TYPE	CASE NO.	JUDGE	FILING ATTORNEY(S) - Local
Summer Infant (USA), Inc v. BreathableBaby, LLC	Patent Infringement	08cv2292	Robert E. Blackburn	Conor Fitzgerald Farley Lee Frederick Johnston Michael R. Henson Holland & Hart, LLP
UMG Recordings, Inc.; Virgin Records America, Elektra Entertainment Group, Inc.; Motown Record Company; LAFACE Records v. Coggins	Copyright Infringement	08cv2202	Lewis T. Babcock	Andrew Bigan Mohraz Holme Roberts & Owen, LLP

CASE ALERTS

Notes on Recent IP Decisions in Colorado

CCC Group, Inc. v. Martin Engineering Company, 2008 U.S. Dist. LEXIS 70758 (D. Colo. Sept. 17, 2008) (Matsch, J.)

Plaintiff CCC Group, Inc. asserted three patents against defendant Martin Engineering Company directed to methods and apparatus for controlling dust emissions in bulk material handling operations. At the close of plaintiff's case-in-chief, Martin moved for judgment as a matter of law, and the court granted that motion with respect to two of the three patents, finding them invalid from the plaintiff's evidence. The jury returned a verdict in favor of the plaintiff on the third patent, finding it willfully infringed. The jury awarded damages as a reasonable royalty. Martin filed a combined motion for judgment as a matter of law or in the alternative, for a new trial. The court granted Martin's motion on grounds that plaintiff failed to prove literal infringement. Plaintiff also failed to prove infringement under the doctrine of equivalents because its amendments and arguments made to the patent examiner to obtain allowance of the patent surrendered the asserted equivalents under the doctrine of prosecution history estoppel. Plaintiff also failed to present evidence that would support a finding of equivalence. Finally, the court held that an alternative basis for vacating the verdict was that a particular element ("chute member"), correctly construed, would have defeated infringement.

Sportsman's Warehouse, Inc. v. Fair, 2008 U.S. Dist. LEXIS 61090 (D. Colo. Aug. 5, 2008) (Miller, J.)

Plaintiff Sportsman's Warehouse filed an action for declaratory judgment against Steven G. Fair, a sculptor, who asserted that Sportsman's Warehouse displayed a bronze sculpture of an elk titled "I'm The Boss" that allegedly infringed Fair's copyrighted sculpture titled "Royal Entrance." Sportsman's Warehouse joined Stephen C. LeBlanc, sculptor of "I'm The Boss" as a necessary party. LeBlanc cross-claimed against Fair for a declaratory judgment that "I'm The Boss" and a similar work titled "The Challenger" did not infringe "Royal Entrance." The court granted Sportsman's Warehouse and LeBlanc's motions for summary judgment, holding that Fair held a "thin" copyright in his depiction of a realistic elk, and the LeBlanc and Sportsman's had not infringed protectable elements, if any, in "Royal Entrance." The court also held that Fair had failed to demonstrate that LeBlanc had access to the copyrighted work when he created "I'm The Boss" and "The Challenger" and further, that LeBlanc had created a small, or "maquette" version of "I'm The Boss" prior to Fair's creation of "Royal Entrance." Accordingly, those earlier-created elements of "I'm The Boss" were filtered out by the court as unprotectable by Fair's copyright under the Tenth Circuit's "abstraction-filtration-comparison" test.

Both of the case notes above were prepared for this Newsletter by Peter A. Gergely, Merchant & Gould, P.C.

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Copyright Cases

Kelley v. Chicago Park District (N.D.Ill. 9/29/08)

Arrangement of growing wildflowers was not an original work

Kelley alleged that CPD violated the Visual Artists Rights Act ("VARA") when it removed his wildflower plantings that were existing as an exhibit in Grant Park in Chicago. While the work at issue could be considered either a painting or a sculpture under VARA, the court concluded that it was not subject to copyright protection. Kelley's work was simply not an original work of authorship. Kelley failed to explain what aspects of the exhibit were original, leaving the court to assume that he was the first person to ever conceive of and express an arrangement of growing wildflowers in an ellipse-shaped enclosed area. Even if the work was copyrightable, it would not be protected by VARA because the statute did not protect "site-specific" art. Kelley's work clearly qualified as such given that the theoretical concepts that motivated the design of the piece required that it be placed in Grant Park.

Rodriguez v. Heidi Klum Co., LLC (S.D.N.Y. 9/30/08)

Project Runway and plaintiffs' treatment were not similar.

The court granted HKC's summary judgment motion, noting that Rodriguez had only demonstrated the hypothetical possibility that HKC had received her treatment. Even if Rodriguez could show that HKC had access to her treatment, she could not establish actual copying because there was no substantial similarity between American Runway and Project Runway. Rodriguez's treatment envisioned a show where aspiring fashion designers competed to create the best moderately priced clothing line. Project Runway was focused on the search for the next fashion designer, not the creation of a clothing line. In addition, the similarities cited by Rodriguez were predominantly scenes a faire. The concept, feel, and theme of HKC's show were distinguishable from those of Rodriguez's show.

Capcom Co., Ltd. v. The MKR Group, Inc. (N.D.Cal. 10/10/08)

Alleged similarities were driven by unprotectable concept.

The court granted Capcom's motion to dismiss MKR's counterclaims in this declaratory judgment action. A comparison of the movie Dawn of the Dead and the videogame "Dead Rising" revealed profound differences. In fact, MKR had not identified any similarity between the videogame and any protected element of the movie. The few similarities were driven by the unprotectable concept of humans battling zombies in a mall during a zombie outbreak. The alleged similarities constituted nothing more than a string of disconnected facts and generic ideas that were not protected under copyright law. MKR's trademark claims failed because the contested elements did not rise to the level of a violation of trademark law. The use of Romero's name on the disclaimer was a nominative fair use.

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Hudson v. Universal Studios, Inc. (S.D.N.Y. 10/23/08)

Any similarity existed only at the most general level.

The court granted Universal's summary judgment motion, explaining that there was no substantial similarity between the two works at issue. Any similarity between the two works existed only at the most general level, in that both were set in prisons and dealt with the issue of wrongful incarceration. These were similarities only in the ideas that the works sought to represent and accordingly, were not protectable elements of artistic expression. What little resemblance there was between the play Bronx House and the movie Life was attributable solely to unprotectable elements. There was no substantial similarity in the total concept and feel, theme, setting, or plot of the two works. The common elements consisted of unprotectable facts and ideas and/or scenes a faire and a close inspection of the elements showed no similarity in how these ideas were expressed.

CHM Industries v. Structural & Steel Products (N.D.Tex. 10/24/08)

Only certificate gives rise to presumption of validity.

The court denied CHM's motion for a preliminary injunction, rejecting CHM's contention that it was entitled to a presumption of validity due to its filing of an application for registration. The court explained that the statutory presumption of validity did not arise as a result of effective registration, but only upon the issuance of a certificate of registration. Further, it was not clear that CHM had complied with the statutory formalities. SSP pointed out that CHM failed to disclose to the Copyright Office that the works were derivative works. Even if the presumption applied, SSP had offered some evidence to rebut it. In addition, CHM had failed to show the distinguishable variance needed to establish originality. CHM also failed to explain how SPP's designs were similar to its designs.

Kwan v. Schlein (S.D.N.Y. 10/30/08)

False claim of authorship went to core of copyright.

The magistrate judge recommended granting in part and denying in part Kwan's motion to dismiss certain of the counterclaims asserted by two defendants. First, the counterclaims filed by Business Resource Bureau, Inc. ("BRB") and Schlein for fraud on the Copyright Office had to be dismissed because the allegations failed to state a cause of action. There was no precedent supporting the use of a claim for fraud on the Copyright Office as an affirmative cause of action, rather than as a defense to a copyright certificate's validity. Second, BRB's unfair competition counterclaim involving a false claim of authorship went to the core of copyright and was therefore preempted. Nor was this claim viable if it was construed as an assertion of reverse passing off. BRB's unjust enrichment claim was also preempted.

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Domain Name Cases

O'Reilly Automotive, Inc. v. Lorenzen (NAF 9/24/08)

Facts illustrated fair competition and not bad faith.

While the disputed domain name was, for all practical purposes, identical to O'Reilly's registered mark, Lorenzen's registration of the domain name predated O'Reilly's current registration for the "Parts City" mark. Although O'Reilly offered the registrations of its predecessor as proof that its rights predated those of Lorenzen, those registrations were allowed to lapse. Further, there had been no showing of secondary meaning in relation to this common descriptive term. Lorenzen was a competitor in selling automotive parts, which supported Lorenzen's contention that he was using the domain name to develop portals for the sale of auto and truck equipment. These acts were sufficient to indicate rights or legitimate interests in the disputed domain name. The facts of this case involved fair competition and not bad faith registration or use.

Hotel Connect Ltd. v. Martin (WIPO 10/6/08)

Site had features commonly used by cybersquatters.

The panel was satisfied that Martin had registered and was using the domain name for a bad faith purpose. In the absence of any response, the panel inferred that Martin was aware of HC and its "HotelConnect" mark when he registered the domain name in 2003. It seemed improbable that Martin would have been unaware of HC, a major player in the same field, with a name almost identical to the subject domain name, when he registered the domain name. The existence of a link to HC's website on the site corresponding to the domain name tended to support the inference that Martin was aware of HC and its business when he registered the domain name. Martin's website had certain of the characteristics typically found with sites operated by cybersquatters.

Harry Winston, Inc. v. Katherman (WIPO 10/18/08)

Respondent's intention was to parody famous mark.

Katherman selected the name "Hairy Winston" and associated domain name for use with her pet boutique business. It seemed to the panel that in such a context, the parody was likely to be appreciated for what it was. If anyone misread the name, the mistake would be so fleeting as to be of no consequence. What Katherman did could constitute trademark infringement, but the panel was satisfied that Katherman, when registering the domain name, had no intention of deceiving Internet users. The panel was convinced that Katherman's intention in registering and using the domain name was to parody HWI's famous mark and that she was justified in believing that the parody would successfully differentiate the parody from the original such as to obviate any significant risk of confusion or deception.

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Trademark Cases

In re SBH, Inc. (TTAB not citable 9/17/08)

Term was clearly the subject of investment advice.

SBH applied to register the mark "Securities Insurance" for investment advice. The examining attorney refused registration on the basis of mere descriptiveness and also due to SBH's failure to submit an acceptable specimen showing use of the mark. The Board affirmed as to the first ground, but reversed as to the second basis. The term "Securities Insurance" was properly defined as indemnification for stocks or bonds. As such, it was the subject of investment advice and was therefore merely descriptive. As for the substitute specimen, the examining attorney rejected it for failure to make the requisite association between the applied-for mark and the identified services. Essentially, the examining attorney felt the need for the specimen to expressly state "investment advice" or some synonymous term. But there was no need for the specimen to spell out the specific nature and type of services.

Dudley v. HealthSource Chiropractic, Inc. (W.D.N.Y. 9/30/08)

Party was not likely to succeed on merits of ACPA claim.

The court denied Dudley's motion for a preliminary injunction, noting that while the mark "HealthSource Chiropractic" was descriptive, it had acquired secondary meaning. The court reached this conclusion despite the fact that Dudley had spent only a few thousand dollars on advertising the mark over the past five years. However, there was no evidence that HSC plagiarized Dudley's mark; the facts showed that HSC's motive in selecting its mark was benign. In addition, the facts showed that HSC had filed two trademark registrations and had used the mark before registering its domain name and before knowing about Dudley's domain name. Moreover, HSC's domain name consisted of its legal name. The record showed that HSC was not a cybersquatter, as evidenced by its increasing number of franchisees. In sum, the court held that Dudley was not likely to succeed on its claim under the Anticybersquatting Consumer Protection Act.

Pacific Sunwear v. Olaes Enterprises, Inc. (Cal.App. 10/9/08)

Significant infringement claim would trigger warranty.

The trial court granted summary judgment in favor of Olaes in Pacific's breach of warranty lawsuit. The suit alleged that Olaes breached a California UCC warranty requiring certain sellers to warrant that their goods were free of the "rightful claim" of any third person by way of infringement or the like. Pacific sought damages for the alleged breach to compensate it for litigation expenses incurred in defending against a third-party trademark infringement suit that arose out of its sale of t-shirts purchased from Olaes. The trial court concluded that the third-party claim did not constitute a "rightful claim" of infringement under the provision mentioned above and thus, was not a breach of warranty. This court

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reversed, finding that a "rightful claim" was a non-frivolous claim of infringement that had any significant and adverse effect on the buyer's ability to make use of the purchased goods.

In re Astilean (TTAB not citable 10/7/08)

Mark merely identified name of proprietary process.

Astilean applied to register the mark "Speedfeet" for a unit of measuring distance in the field of health, fitness, and exercise. The examining attorney refused registration on the ground that the proposed mark merely identified a process or system and due to Astilean's failure to submit an acceptable specimen. The Board affirmed, explaining that the designation sought to be registered would be understood by purchasers as the name of a method or system that Astilean used to calculate a unit of measuring distance in connection with walking or running. The specimens submitted by Astilean did not use "Speedfeet" as a mark identifying the involved services and distinguishing them from the services of others. The commercial impression created by "Speedfeet" was solely that of the name of the proprietary process that Astilean used in rendering the services.

Anheuser-Busch, Inc. v. VIP Products, LLC (E.D.Mo. 10/16/08)

Parody argument did not defeat likelihood of confusion.

The court granted in part and denied in part Anheuser's motion for a preliminary injunction to bar VIP from making, distributing, marketing, and selling a dog squeeze toy called "Buttwiper." Anheuser's evidence of actual confusion came primarily from a survey, which reported a thirty percent confusion rate among potential purchasers of dog toys. The survey was conducted in a technically proper manner using relevant and non-confusing questions. For this reason, the court found that there was credible evidence of a thirty percent confusion rate between "Budweiser" and "Buttwiper." In addition, the facts showed that VIP's principal directed a graphic designer to create a knock-off of the "Budweiser" trade dress for use on the product. The court concluded that VIP's parody defense did not defeat the likelihood of confusion established by Anheuser.

In re Behavioral Recognition Systems (TTAB not citable 10/8/08)

Goods did not exclude behavior recognition software.

BRS applied to register the "AISight" mark and design for computer hardware and behavior recognition software that enabled video surveillance cameras to monitor abnormal behavior. The examining attorney refused registration on the basis of a likelihood of confusion with the registered mark "Eyesite" for various security and surveillance apparatus, videoconferencing equipment, telecommunications systems, cameras, and other goods and services. The Board affirmed the refusal to register, finding that the parties' marks were quite similar in terms of appearance, sound, connotation, and commercial impression. In addition, the Board found that behavior recognition software was a component of

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sophisticated video surveillance systems. To this extent, BRS's and registrant's goods were legally identical. Registrant's goods were not limited so as to exclude behavior recognition software.

Nutrishare, Inc. v. BioRx, LLC (S.D.Cal. 10/23/08)

Marks differed in overall pronunciation and connotation.

The court denied NI's motion for a preliminary injunction in this action alleging trademark infringement and unfair competition stemming from BioRx's use of its "NutriThrive" mark. The "Nutrishare" mark qualified as a suggestive term for total parenteral nutrition ("TPN") products (used for intravenous feeding). Given that NI had been the only exclusive home-based TPN provider for many years and had expended significant time and resources building its unique position in the marketplace, its promotional efforts may have strengthened its mark. However, the court held that the factor relating to the strength of NI's mark was neutral. In addition, the court found that the fact that the products and services offered by the parties substantially overlapped favored BioRx. As for the marks, viewed as a whole, they were not significantly similar. The parties used identical marketing channels, though it appeared that BioRx had attempted to distinguish its branding from NI.

ComponentOne, LLC v. ComponentArt, Inc. (W.D.Pa. 10/27/08)

Survey's stimuli did not properly replicate parties' marks.

The court granted CAI's summary judgment motion and denied CO's motion to strike. In the court's view, "Component" was the common term used to describe the reusable software designed to be integrated into larger software applications that the parties made and sold and was therefore generic. Further, the terms "one" and "art" were obviously substantially dissimilar. In addition, CO's mark was weak given its laudatory nature. Given the expensive nature of the involved products, the court agreed with CAI that the relevant buyers were sophisticated. The evidence presented by CO amounted only to isolated and idiosyncratic instances of actual confusion. As to CO's survey, its stimuli did not replicate the parties' marks as a potential purchaser would encounter the involved goods and services. Since the survey failed to replicate market conditions, the court afforded it extremely minimal weight as circumstantial evidence of actual confusion.

E.S.S. Entertainment 2000 v. Rock Star Videos (9th Cir. 11/5/08)

Modification of mark was protected by 1st Amendment.

The issue in this case was whether a producer of a videogame in the "Grand Theft Auto" series had a defense under the 1st Amendment against a claim of trademark infringement. The court answered this question in the affirmative, noting that to include a strip club that was similar in look and feel to the "Play Pen" had at least some artistic relevance. Further, nothing indicated that the buying public would

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reasonably have believed that ESS produced the videogame, or that Rock operated a strip club. Considering all of the facts, Rock's modification of ESS's mark (from "Play Pen" to "Pig Pen") was not expressly misleading and therefore, was protected by the 1st Amendment.

Wrenn v. Boy Scouts of America (N.D.Cal. 10/28/08)

"Youthscouts" mark infringed Boy Scouts' marks.

BSA asserted that the "Youthscouts" mark infringed its "Boy Scouts of America," "Cub Scouts," "Eagle Scouts," and related marks. Wrenn argued that BSA's claim over the terms "Scouts" and "Scouting" was untenable because these were generic terms for goods and services related to scouting programs. The court found that BSA's composite marks were not generic because, taken as a whole, the marks did not refer to a genus. The composite marks, viewed in their entirety, were suggestive because one had to use imagination to link the generic understanding of "scout" to a youth development program. In any event, the marks had attained secondary meaning stemming from their long use in commerce. The court ultimately concluded that Wrenn's mark for a youth organization infringed BSA's marks because there was a significant likelihood of confusion.

Auburn University v. Moody (M.D.Ala. 11/4/08)

Fans would be confused as to the existence of a license.

The court granted AU's motion for a preliminary injunction, noting that AU had demonstrated a likelihood of success on the merits. The court had no difficulty in concluding that Moody used AU's marks "Auburn" and "War Eagle" in commerce in connection with the sale of the six-finger foam hand. AU's marks were strong and the facts showed that AU licensed a similar product to the one being sold by Moody. In addition, the customer base was identical and both parties used the Internet to market their goods. Because AU had numerous licensed vendors, it was not unreasonable to conclude that AU fans would surmise that both foam hands were marketed by AU and that Moody was simply another licensed vendor. The facts showed that Moody began his venture clearly intending to derive benefit from his anticipated success of the Auburn Tigers and the use of AU's marks.

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Patent Cases

Ex parte Marshall (BPAI not binding 6/17/08)

Assertion of common knowledge was not persuasive.

The examiner rejected various claims of the '292 application on the basis of obviousness and the Board reversed. The examiner argued that one skilled in the art would have been motivated to apply the method of incorporating a non-natural base into a primer as taught by Switzer with the method of PCR using non-natural bases as taught by Benner in order to have increased specificity when amplifying and detecting nucleic acids. In the Board's view, none of the sections of Benner cited by the examiner discussed the primers that should be used in the amplification methods, much less whether the primers should contain non-natural bases. While the examiner contended that it was common knowledge in the art that the presence of a non-natural base in a primer imparted greater specificity of that primer for its respective template, there was no evidence supporting this assertion. In addition, the Board did not agree with the examiner that Switzer disclosed a primer having a non-natural base.

Ex parte Gunji (BPAI not binding 6/16/08)

No evidence to support claim of undue experimentation.

The examiner rejected various claims of the '480 application for lack of enablement and the Board reversed. The examiner did not dispute that appellants had fully enabled a DNA that encoded a mutant LysE protein comprising the amino acid sequence of SEQ ID NO: 2 except that the glycine residue at position 56 was replaced with another amino acid residue. The examiner's concern was that there was no description in the specification or the art that provided particular residues whose encoding was important within the disclosed sequence so that its mutant LysE nature was maintained except for amino acid residue glycine 56. However, the examiner failed to provide an evidentiary basis to explain why it would require undue experimentation for one skilled in the art to make and test DNAs within the scope of the claimed invention following the methodology set forth in the specification or otherwise known to those in this art at the time the invention was made.

Prism Technologies LLC v. VeriSign, Inc. (D.Del. 9/30/08)

Pre-filing investigation was adequate to support claims.

The court denied VeriSign's motion to declare this case exceptional and for an award of attorney fees. VeriSign contended that Prism did not have a good faith belief regarding infringement at the time it filed this action, but rather was executing a business strategy designed to attempt to extract settlements from defendants. In the court's view, while Prism could have conducted a more thorough investigation before filing this action, Prism's pre-filing investigation was adequate to support its claims of infringement in the circumstances of this case. In addition, Prism's withdrawal of its infringement claims regarding VeriSign's "Go Secure" products once Prism understood that it could not obtain evidence sufficient to

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maintain these claims was evidence of Prism's good faith conduct of the litigation. Thus, VeriSign had not met its burden of establishing an exceptional case.

Positive Technologies, Inc. v. LG Display Co., Ltd. (E.D.Tex. 9/24/08)

No gap existed in party's complete ownership interest.

The court denied LG's motion to dismiss based on Positive's lack of standing. LG argued that Positive lacked prudential standing when this suit was filed because Schwartz owned twenty-five percent of the patents, but was never joined as a party. LG further asserted that the reassignment executed after this suit was filed did not remedy the standing defect. However, Positive did have rights when it brought this suit, in that it owned seventy-five percent of the patents. Moreover, even though the reassignment did not expressly grant Positive the right to sue for past damages, there was no need for such a provision given that the reassignment was effective as of the date of the original assignment to Schwartz. As a result, there was no gap in Positive's complete ownership interest in the patents: it owned one hundred percent of the patents at all relevant times.

Zhengxing v. U.S. Patent & Trademark Office (D.D.C. 9/30/08)

Plaintiff clearly failed to exhaust administrative remedies.

The court granted the PTO's motion to dismiss for lack of subject matter jurisdiction. Zhengxing's claim was clearly one cognizable under the Federal Tort Claims Act ("FTCA") and Zhengxing had not exhausted her administrative remedies. While Zhengxing asserted that her claim was an intellectual property claim, there was no provision that authorized a patent applicant to sue the PTO for damages for its handling of an application. Nor was there any provision waiving sovereign immunity of the United States to authorize such an action. Because the FTCA was a limited waiver of the sovereign immunity of the United States, exhaustion of administrative remedies was required for the court to have subject matter jurisdiction. Zhengxing filed this action prematurely because she did not receive or wait for a final agency denial.

In re Ciprofloxacin Hydrochloride Antitrust Lit. (Fed.Cir. 10/15/08)

Anti-competitive effects were within exclusionary zone.

The issue here was whether settlement agreements between a patent holder and generic manufacturers violated the antitrust laws. The agreements involved a reverse payment from the patent holder to the generic manufacturer, but did not implicate the 180-day exclusivity period. The trial court held that any anti-competitive effects caused by the settlement agreements between Bayer, the patent holder, and the generic manufacturers were within the exclusionary zone of the patent and thus, could not be redressed by federal antitrust law. The Federal Circuit affirmed, noting that the essence of the agreements was to exclude defendants from profiting from the patented invention and this was well within Bayer's rights as the patentee. The mere fact that the agreements insulated Bayer from patent validity challenges by the generic defendants was not in itself an antitrust violation.

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New Medium LLC v. Barco NV (N.D.Ill. 10/16/08)

Material fabrication warranted cancellation of the patents.

Barco argued that NM engaged in inequitable conduct in a proceeding to reexamine the '780 patent and that as a result, the court should bar NM from enforcing the '780 and '637 patents (a patent closely related to the '780 patent). Barco's charge related to the statement in Cooper's report indicating that he had never met nor talked with any of the experts who had submitted expert reports prior to contacting them in the last month. This statement was false, as Cooper had contact with Klughart; in fact, Cooper had asked Klughart to bid on a project relating to another suit in which Cooper was involved. It appeared likely that Cooper, knowing that Klughart wanted to do business with him, expected that Klughart's report would strongly favor Cooper's position in the reexamination proceeding. Cooper's statement was clearly a deliberate fabrication that was obviously material. The appropriate sanction in this case was cancellation of the patents.

Joyal Products, Inc. v. Johnson Electric (D.N.J. 10/17/08)

Subject was sufficiently complex to require expert testimony.

The court granted Joyal's motion for summary judgment on Johnson's affirmative defenses and declaratory judgment counterclaim. The court agreed with Joyal that Johnson, having abruptly withdrawn its expert witness on the issue of invalidity, lacked sufficient evidence to prove invalidity at trial. The court rejected Johnson's contention that the technology at issue was abundantly simple. The subject matter of this case (involving commutator fusing technology) was sufficiently complex to fall beyond the grasp of an ordinary layperson and therefore, Johnson was required to present expert testimony at trial to prove invalidity. Lacking such testimony, the court deemed it appropriate to dismiss Johnson's invalidity defenses and counterclaim. Even if the court had allowed Johnson to proceed, Johnson had failed to demonstrate that it could establish a prima facie case of invalidity.

Dexas International, Ltd. v. Saunders Mfg. Co. (N.D.Tex. 10/7/08)

Plaintiff possessed all substantial rights in involved patents.

The court denied Saunders's motion for partial summary judgment, noting that the patent license at issue expressly stated that Dexas was granted an exclusive license to manufacture and distribute products under the patents-in-suit and all rights to sue for past and future infringement of those patents. This language was evidence of the patentee's intent to assign proprietary rights and as an exclusive licensee, Dexas had standing to sue if it possessed all substantial rights in the patents. Dexas had essentially been granted the right to exclude others from practicing the patents-in-suit. The broad conveyance of the right to manufacture and distribute with absolutely no retention of any right by the patentee weighed in favor of a finding that Dexas possessed all substantial rights in the patents. The patentee's retention of the right to veto sublicensing was not a significant detraction from the grant of rights.

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Network Video Technologies v. Nitek Int'l., LLC (N.D.Cal. 10/20/08)

Facts did not show premature declaratory judgment action.

The court denied Nitek's motion to dismiss for lack of subject matter jurisdiction. NVT argued that the press release and statements made by Nitek's employees to NVT's sales representatives and customers presented sufficient evidence to establish an actual controversy for declaratory judgment jurisdiction. NVT alleged that its customers and sales force, who bought and sold NVT's products for use in a system that competed with Nitek's system, became fearful of the legal risks associated with purchasing NVT's products. In the court's view, this fear was rational and real under patent law. The facts alleged, under all the circumstances, did not present a premature or unripe filing of a declaratory judgment action, but instead evidenced a sufficient controversy between two parties that had each acknowledged their adverse interests. The alleged injury-in-fact was fairly traceable to the patentee and constituted an immediate and real controversy.

In re Bilski (Fed. Cir. 10/30/08)

Claims not directed to patent eligible subject matter (9-3).

The Board sustained the examiner's rejection of all eleven claims of Bilski's '892 application. The Federal Circuit affirmed the Board's decision because it concluded that Bilski's claims were not directed to patent eligible subject matter. In reaching its decision, the Federal Circuit stated that its reliance on the "machine or transformation" test as the applicable test for analysis of process claims was sound. In this case, Bilski's process as claimed did not transform any article to a different state or thing. The process as claimed encompassed the exchange of only options, which were simply legal rights to purchase some commodity at a given price in a given time period. The claim entirely failed the "machine or transformation" test and was not drawn to patent eligible subject matter. While the claimed process contained physical steps, it did not involve transforming an article into a different state or thing.

Broadcom Corp. v. Qualcomm, Inc. (C.D.Cal. 10/29/08)

Party was entitled to restitution of sunset royalties.

The court granted Qualcomm's request for the return of royalties it paid to Broadcom on the '686 patent pursuant to an injunction that had since been reversed as to that patent. The issue of whether a party could recover royalties paid pursuant to a court order that was subsequently reversed was a matter of first impression. Qualcomm argued that the return of the '686 patent sunset royalties was warranted under the law of restitution, as well as the law of contempt. The court ultimately agreed, noting that restitution was necessary to avoid Broadcom's unjust enrichment. In this regard, the court found that Qualcomm's payment of royalties was sufficiently analogous to the payment of a bond. In addition, royalties were analogous to a civil contempt award. Because it never had a legally cognizable interest in the underlying revenue stream, Broadcom was never entitled to royalties.

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Mass Engineered Design, Inc. v. Ergotron, Inc. (E.D.Tex. 10/31/08)

Production of attorney notes was warranted as a sanction.

The court granted MED's motion to compel the production of attorney interview notes taken during Ergotron's April 2008 meeting with Waraksa. It was clear that the notes at issue constituted mental impressions and that they were properly classified as non-discoverable work product. However, because of the conduct of Ergotron's counsel in dealing with MED's former and now adverse attorney, production of the notes was warranted as a sanction. Before the meeting, Ergotron had ample notice that Waraksa had been MED's Canadian attorney. In addition, Ergotron was aware that Waraksa had become adverse to MED and was willing to speak freely concerning privileged information. Ergotron's counsel had a duty not to solicit such information from Waraksa. As a result, the court concluded that Ergotron's interview was conducted with at least reckless disregard to MED's privilege. Accordingly, Ergotron was required to produce the notes in their entirety.

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