



THE NEW YORK PATENT, TRADEMARK AND COPYRIGHT LAW ASSOCIATION

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CLE Weekend in the Poconos

Dale Carlson and his Committee on Continuing Legal Education provided another CLE weekend for NYPTC members, their families and guests last spring at Skytop Lodge in the Poconos. In addition to the educational sessions on Saturday and Sunday morning, those attending enjoyed a host of recreational activities.

The Saturday morning session was a panel discussion of "Prosecution of the Commercially Important Patent Application". The focus of the session was preparation of a patent in a manner which would enhance the likelihood of successfully prosecuting a motion for preliminary injunction upon issuance of the patent.

The session was led by Larry Kastriner. As a preliminary matter, Mr. Kastriner outlined the four evidentiary hurdles which a patentee must overcome to establish a right to preliminary relief: likelihood of success on the merits, irreparable harm, balance of the hardships in favor of the patentee and public interest. Mr. Kastriner noted that two presumptions assist the patentee in his quest for preliminary relief: the presumption of validity afforded by 35 U.S.C. §282 and the presumption of irreparable harm announced by the Federal Circuit in *Roche Products, Inc. v. Bolar Pharmaceutical Co.*, 733 F. 2d 858 (Fed. Cir. 1984).

Following Mr. Kastriner's remarks, the panel — composed of Mr. Kastriner, Stan Lieberstein, Bob Pearlman and Terri Gillis — staged a mock interview among the patent attorneys, the inventor and the marketing manager of the assignee of the invention. The invention was modeled on the so-called "umbrella" stroller which was the subject of United States Patent No. 3,390,893 to MacLaren.

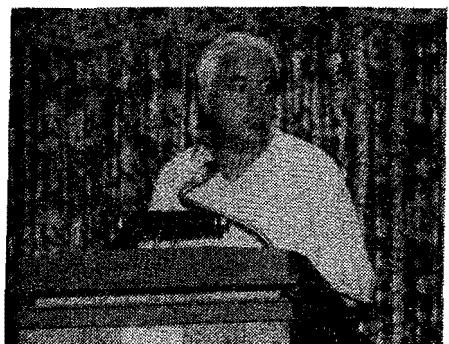
The interview included questions

designed to illustrate the importance of the duty of disclosure, particularly as it relates to the activities of the inventor and his assignee prior to the filing of the application. The panelists also sought to illustrate the importance of balancing the risks of overclaiming and running afoul of the prior art against the risks of claiming so narrowly as to require reliance on the doctrine of equivalents to cover the commercial forms the invention may assume. Section 112 and inventorship issues were also explored with the inventor and assignee.

Following the mock interview the panel members addressed various strategy questions posed by Mr. Kastriner. The context in which the prior art should be presented — in particular whether it should be addressed in the text of the application and/or in an information disclosure statement — was discussed. There was some debate concerning the substantive issue of what activities are, in fact, bars to securing a patent. However, with respect to an application likely to be the subject of a preliminary injunction motion, there was a general consensus that all references and activities which an adversary might suggest are available as prior art should be presented to the Patent and Trademark Office in order to enhance the presumption of validity.

Also discussed was the appropriateness and timing of an examiner interview during prosecution. The importance of making the details of any interview clearly of record was pointed out, and subsequently emphasized by Assistant Commissioner Tegtmeier during his remarks.

Following the Saturday panel, Assistant Commissioner Rene Tegtmeier briefly discussed the status of the Patent and Trademark Office. He noted that efforts were being made to avoid the line-by-line cuts required by



John Tramonte welcomes members to the CLE Weekend.

the Gramm-Rudman-Hollings law. Rather, it was hoped that the cuts could be redistributed in order to avoid cuts in profitable areas or areas requiring improvement, such as automation. Because of the cuts, efforts to cut patent pendency to 18 months by 1987 have now become 18 months ASAP. Commissioner Tegtmeier noted that efforts were being made to improve the quality of Office Actions, in particular to insure clear statements by Examiners of the bases for rejections. Finally, the steps being taken to improve reexamination practice and the statistics concerning reexaminations to date were outlined.

The Sunday morning panel presented a mock hearing on a motion for preliminary injunction. The subject of the motion was the We-Shove-It Company's infringement of the U-Push-It Company's umbrella stroller patent.

As a preliminary matter, the panel leader, James J. Foster, discussed the law relating to securing a preliminary injunction in a patent case. Mr. Foster reviewed pre-Federal Circuit law of preliminary injunctions in patent cases, noting that it had been extremely difficult to obtain this type of preliminary relief. He then cited Federal Circuit decisions, beginning with *Smith International v. Hughes Tool Co.*, and concluded that the new Court had done away with major roadblocks against

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preliminary injunctions, including the "beyond question" doctrine. While Mr. Foster predicted that use of preliminary injunctions may become widespread, heralding a major change in the way commercially important patents are enforced, others present expressed some skepticism as to whether the Federal Circuit had made any significant changes in preliminary injunction law or whether any great increase in the use of preliminary relief was likely.

The mock hearing which followed was presided over by the Honorable Frederick B. Lacey, who had been a United States District Court Judge for the District of New Jersey for approximately fifteen years, until leaving for private practice in February 1986. The motion for the preliminary injunction was presented by Stephen R. Smith and the case against the preliminary injunction was handled by Stephen Judlowe. The witnesses were portrayed by Herb Blecker and Janet Dore.

The hearing focused on the equitable issues of irreparable harm, balance of hardships and public interest. On behalf of the patent owner, the U-Push-It Company, evidence of research and development expenses, public damage through loss of domestic jobs to the foreign infringer's plant, financial instability of the infringer, and the like were presented. The We-Shove-It Company countered with evidence of the effects an injunction would have, including the public need for the infringing product to satisfy market demand and shutdown of the infringer's entire business with consequent loss of jobs and investments.

Albert Robin next chaired a panel discussion on recent developments in trade dress litigation. Andrew Baum discussed first the secondary meaning requirement in trade dress and product configuration cases. He started by



Participants in the Trademark Panel Discussion (l. to r.): Andrew Baum, Joel Lutzker and Albert Robin.

reviewing *Perfect Fit Industries, Inc. v. Acme Quilting Co., Inc.*, 618 F.2d 950, 205 USPQ 297 (2d Cir. 1980), which is often cited for the proposition that, under New York law, secondary meaning need not be proven in a trade dress case where there is evidence of intentional copying by the defendant. The rationale of that case is that secondary meaning was originally a trademark concept designed to limit the extent to which a manufacturer could monopolize words and symbols that are useful in describing products. Because the number of varieties of advertising display and packaging are "virtually endless", the Court found less of a need to hold to that requirement in trade dress cases. By this rationale, explained Mr. Baum, proof of secondary meaning could just as easily be dispensed with in cases arising under Section 43(a) of the Lanham Act. He noted that, curiously, the Second Circuit had not developed this doctrine, but that other courts, most notably the Fifth Circuit in *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 212 USPQ 904 (5th Cir. 1981), and its progeny, had done so. Outside the Second Circuit, said Mr. Baum, there seems to be some acceptance of the idea that trade dress can be inherently distinctive, and protectible without proof of second meaning.

Mr. Baum then discussed recent product configuration cases in the Second Circuit. Two of them, *Genvetro* and *Metro Kane*, applied *Perfect Fit* to enjoin intentionally copied product configurations despite the lack of proof of secondary meaning. Mr. Baum questioned whether these holdings violated the Sears-Compo doctrine, and raised the question of the proper geographic extent of any injunction issued under New York unfair competition Law. He noted that the

Metro-Kane decision is on appeal to the Second Circuit and that the Sears-Compo issue was being raised in the briefs.

Joel Lutzker then began his discussion of functionality by distinguishing between cases involving packaging/labelling and cases involving configuration of the product. Mr. Lutzker expressed the view that copying of the product is quite different from copying of its trade dress. He discussed the two types of functionality, utilitarian functionality and aesthetic functionality.

Mr. Lutzker mentioned that in the Second Circuit functionality was an element of the defendant's defense, unlike some Circuits in which lack of functionality is part of the plaintiff's *prima facie* case. He contrasted the pre *LeSportsac* definition of functionality, "an important ingredient in the commercial success of the product or the saleability of the goods" (*I.A. Fratelli Saporiti v. Charles Craig, Ltd.*, 725 Fd. 418, 222 USPQ 754 (2d Cir. 1984)), with the "reason for purchase" definition of *LeSportsac*.

Mr. Lutzker then discussed developments in other circuits. In *W.T. Rogers Co., Inc. v. Keene*, 778 F.2d 334, 228 USPQ 145 (7th Cir. 1985), Judge Posner considered the alternative policy considerations involved in product configuration cases, rejecting "aesthetic" functionality as a basis for denying protection and giving considerable weight to whether the granting of protection will hinder competition because of the limited number of options available.

In *Prufrock, Ltd., Inc. v. Lasater*, 781 F.2d 129, 228 USPQ 435 (8th Cir. 1986), the Court held that those elements of trade dress of a country restaurant which consisted of a country cooking core concept were necessarily functional because the imitation was necessary to enable others to use the same concept.



Participants in the Patent Prosecution Panel Discussion (l. to r.): Larry Kastriner, Bob Pearlman, Terri Gillis and Stan Lieberstein.

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In CPG Products Corporation v. Pegasus Luggage, Inc., 776 F.2d 1007, 227 USPQ 497 (Fed. Cir. 1985), the Court affirmed the District Court's finding that the color, trim and shape of trim on luggage were non-functional features.

Finally, Mr. Lutzker discussed the "Care Bear" case, *American Greetings Corp., v. Dan-Dee Imports, Inc.* (D.N.J. 1985), which is on appeal to the Third Circuit. Although the District Court held that the concept of tummy graphics (messages) was a functional and therefore unprotectible feature, it held that the

"overall look" of plaintiff's products, including "tummy graphics", was nonfunctional. The "overall look" of defendant's non-bear products which used different "tummy graphics", was held to be confusingly similar to the "overall look" of plaintiff's Care Bears and defendant's product was therefore enjoined.

The Committee on Continuing Legal Education is planning another CLE Weekend for May 1, 1987 in conjunction with Law Day. Present plans are to hold the program on this date each year to make it easier for members to mark the date on their calendars early.

NYPTC Annual Meeting Held May 21st

The Annual Meeting of the Association was held on May 21 at the Grand Hyatt Hotel. After calling the meeting to order, John Tramontine gave the President's report. Reports also were given by the Treasurer and Secretary, as well as by all committee chairpersons.

This was followed by the election of the following officers for next year: Karl F. Jorda, President; Paul H. Heller, President-Elect; David H.T. Kane, First Vice-President; John B. Pegram, Second Vice-President; Mary-Ellen M. Timbers, Treasurer; and Peter Saxon, Secretary.

The Board of Directors for next year will be comprised of these officers, John O. Tramontine as immediate past President and the following persons: Howard B. Barnaby, Walter J. Baum, Herbert Blecker, Philip Furgang, Samson Helfgott, William F. Lawrence,

Elsie M. Quinlan, Pasquale M. Razzano and M. Andrea Ryan.

John Tramontine next presented Karl Jorda with a gavel as the incoming President. Mr. Jorda closed the meeting with a brief discussion of his plans for the coming year.

Following the meeting there was a presentation on recall orders and contempt proceedings relating to preliminary injunctions. The issue was considered in the context of a mock proceeding involving a claim of copyright infringement. The arguments for and against issuance of a contempt order were presented by Dickerson M. Downing and Roger L. Zissu. The Hon. Mark A. Costantino presided over the hearing and concluded the presentation with his views on conducting and resolving contempt proceedings.

Appeals to Board of Patent Appeals Discussed at NYPTC Luncheon

Eugene C. Rzucidlo, Esq., formerly an Examiner-in-Chief at the United States Patent and Trademark Office and also a former member of the Board of Appeals at the PTO, addressed the Association last winter on the subject of "Presenting and Arguing an Appeal to the Board of Patent Appeals and Interferences." Mr. Rzucidlo spent nine years with the Board of Appeals, first as a clerk, then as an acting Examiner-in-Chief and finally as an Examiner-in-Chief. He is now associated with the New York law firm of Sprung, Horn, Kramer & Woods.

In the main portion of his presentation, Mr. Rzucidlo recommended that practitioners follow certain guidelines when presenting an appeal to the Board of Appeals. Specifically, Mr. Rzucidlo urged attorneys to do the following when presenting an appeal:

- make sure that a complete record is made before the Examiner. Mr. Rzucidlo said that many times attorneys present arguments to the Board relating to evidence which is not contained in the record below. Mr. Rzucidlo stressed that the Board cannot enter amendments and cannot consider evidence not in the record;
- if the record shows or suggests

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NYPTC Holds Annual Dinner Dance, Golf Outing and Inventor of the Year Presentation

The Association held its annual dinner dance and golf outing on May 15, 1986 at the Sleepy Hollow Country Club in Scarborough, New York. During the dinner Mr. Wallace C. Rudd was honored as the Association's Inventor of the Year. This was the seventh year in which the NYPTC has made such an award. The criteria for the award require that the honoree:

- 1) must have been issued one or more patents;
- 2) must be favorably disposed to

the patent system; and
3) must be respected by his or her peers.

Mr. Rudd was honored for his contributions in the field of high frequency welding. He is a prolific inventor and the holder of over fifty U.S. patents relating to the science and technology of welding, some of which greatly facilitated construction of the Alaska pipeline.

In accepting the award, Mr. Rudd described the humorous circumstances surrounding his first invention—a

wheel-less roller coaster he constructed at the tender age of twelve from wood scraps and whose skids were greased with rancid butter donated by a local tradesman.

The nominations for next year's Inventor of the Year Award will be solicited shortly. Nominating a client, an employee of a client or a fellow employee will provide an opportunity for recognition that does not often arise.

During the dinner awards were also given to the participants in the golf outing. Tom Secrest received the award for low net and Duane Hough for low gross. Jim Salerno was closest to the pin, while Greg Neff took honors for the longest drive.

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that the Examiner did not review some important evidence or reviewed such evidence in only a cursory fashion, ask the Board to remand the case back to the Examiner for a detailed review of such evidence;

- argue the appeal in person to the Board. This ensures that the applicant's position will be made clear to the entire panel;

- clearly set forth for the Board what the invention is, making specific reference to the claims, specification and drawings;

- in responding to an obviousness rejection respond by stating why the skilled artisan would not take the teaching of reference B and apply it to reference A; don't just make conclusory statements as to nonobviousness;

- in the brief, do not cite long lists of cases and do not include long quotations from cases. One citation on each point of law is sufficient;
- argue the dependent claims separately from the independent claims when appropriate. Mr. Rzucidlo stated that often times attorneys too easily concede on the dependent claims if the main independent claim falls in the appeal.

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