

**Special
Smartphone
Issue**

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Recent Federal Circuit Rulings Regarding Smartphones and Tablets Reduce the Likelihood of Injunctive Relief for Patent Infringement

By Steven M. Amundson¹

Introduction

In two patent cases that Apple filed against Samsung involving smartphones and tablet computers, the Court of Appeals for the Federal Circuit raised the bar for obtaining injunctive relief where the accused product includes many features, but the patents at issue cover only a few features. Three Federal Circuit decisions in those two cases should decrease the likelihood that patentees can obtain preliminary and permanent injunctions for patents covering mechanical, electrical/electronic, and computer products. And those decisions may decrease the likelihood of injunctive relief for patents covering pharmaceutical products.

As background, courts typically consider the following four factors in determining whether to grant a preliminary injunction in a patent case: (1) the patentee's likelihood of success on the merits; (2) whether the patentee will suffer irreparable harm without injunctive relief; (3) whether the balance of hardships tips in the patentee's favor; and (4) the impact of injunctive relief on the public interest.² Courts should balance these four factors as their relative weights warrant.³ A strong showing on one

factor can compensate for weak showings on other factors.⁴ But the patentee must establish the first two factors, *i.e.*, likelihood of success and irreparable harm.⁵ And the patentee must make a "clear showing" of irreparable harm.⁶

To obtain a permanent injunction, a patentee must demonstrate that: (1) it has suffered irreparable harm; (2) the remedies available at law, such as money damages, are inadequate to compensate for that injury; (3) the balance of hardships warrants injunctive relief; and (4) injunctive relief would not disserve the public interest.⁷

The *Apple v. Samsung* Cases and the Causal Nexus Requirement

The first *Apple v. Samsung* case involved several design and utility patents covering various aspects of Apple's iPhone and iPad devices.⁸ The design patents covered the products' minimalist appearance and the ornamental design of the graphical user interface, including the arrangement of square icons with rounded corners.⁹ The utility patents claimed a bounce-back feature, a pinch-to-zoom feature, and a double-tap-to-zoom feature.¹⁰ For example, the bounce-back feature operated when a user attempted

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As the calendar progresses further into 2014 and approaches the most significant event, the Federal Judges Dinner on March 28th, the NYIPLA continues to expand and grow in participation and scope of activities reaching and supporting the intellectual property law bar. New venues and programs have resulted in expanded and diverse audience participation. It is gratifying to observe the benefits gained from the contributions of the Association's membership.

For example, the present NYIPLA Bulletin offers diverse presentations dealing with Smartphone technology. Steve Amundson's analysis in his article regarding the *Apple v. Samsung* decisions by the United States Court of Appeals for the Federal Circuit is quite informative. Matthew Asbell and Cassidy Merriam of Ladas & Parry provide a legal practice guide for selecting, registering, and using trademarks in the world of mobile apps. John Richards, Tommas Balducci, and Luciano Ricondo of Ladas & Parry provide an engrossing analysis of utility patent, design patent, and trade dress infringement claims, as well as dilution claims in the *BlackBerry v. Typo Keyboard* case. The insight in these articles is quite beneficial in providing the reader information as to the status of legal issues relating to Smartphone technology.

At its Second Presidents' Forum, held on February 11, 2014 at the Thurgood Marshall U.S. Courthouse in Manhattan, the NYIPLA brought together speakers representing the judiciary, various industries, and academia to consider proposed legislation intended to address the acceptability of certain patent litigation practices. Consistent with the recent call for

Congress to pass patent legislation that better allows businesses to stay focused on innovation rather than expensive litigation, proposals are rapidly moving through the legislative process. About forty participants considered the pros and cons of various solutions in the pending bills. Topics for discussion included provisions aimed at ensuring adequate pre-filing investigation, limits to discovery, and fee-shifting provisions, and featured the views of twelve discussion leaders and facilitators.

I believe it is vitally important that our members understand the dynamics involved in the legislative process. Voices throughout government, industry, academia and private practice have called for change. We have heard this message and believe change in some form is inevitable. In light of this situation, it is the responsibility of bar associations like ours to put forward cogent, reasonable, thoughtful proposals on how to create a more effective system for patent litigation in this country. In keeping with the NYIPLA's recently instituted strategic plan, further efforts will be made in order to provide meaningful input to deliberation over pending litigation and to keep the intellectual property law bar well informed.

The NYIPLA intends to continue the Presidents' Forum series to periodically investigate various viewpoints on critical issues that affect the acquisition, regulation and enforcement of intellectual property rights.

I am pleased to report that the Association is co-sponsoring an event on March 14th with the Federal Circuit Bar Association at New York University School of Law entitled, "Patent Litigation and Enforcement in the New York Courts: A View from the Bench." This is another opportunity for the NYIPLA to join with a



President's Corner cont.

fellow bar association to provide joint educational services for the legal profession.

April 2014 provides no interruption in cooperative activities of the NYIPLA with other associations. On April 17, 2014, the NYIPLA will be partnering with the U.S. Patent and Trademark Office to present a Patent Trial and Appeal Board roundtable in New York City. This is the second occasion we have had recently to partner with the Patent and Trademark Office to provide a New York roundtable event. We are excited about being able to support another valuable educational program.

It should not be forgotten that the Association will again be a co-sponsor of the Joint Patent Practice Continuing Legal Education Program at the New York Marriott Marquis Hotel in New York City on April 23, 2014. This is the 30th anniversary seminar, which has proved to be an annual success.

It is my pleasure to advise that the Association has recently completed the establishment of the New York Intellectual Property Law Education Foundation (NYIPLEF). Past President Tom Meloro has been instrumental in development of this charitable entity. Tom will officially be joined by Dorothy Auth and Walter Hanley as Foundation directors. We look forward to being able to bestow charitable gifts where needed and appropriate.

The events ahead as they unfold during the coming year are eagerly awaited and I welcome the opportunity to greet everyone at the Judges Dinner on March 28th.

In closing, I would be remiss not to extend my condolences to the family and friends of NYIPLA Past President Douglas Wyatt, who recently passed away.

Charles R. Hoffmann

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to scroll past the end of a displayed document and caused an area beyond the document's end to appear in the display, thus indicating that the user had reached the document's end.¹¹ Once the user stopped scrolling, *e.g.*, by lifting the finger used for scrolling, the document's end bounced back to the bottom of the display.¹² Apple asserted that more than twenty Samsung devices infringed those design and utility patents, including various Galaxy S models.¹³

The second *Apple v. Samsung* case involved a utility patent covering a unified-search feature.¹⁴ A device with the claimed unified-search feature searches multiple data storage locations after a user enters a single search query.¹⁵ The claim at issue recited a particular implementation of unified search where different search modules with different search algorithms searched different data storage locations.¹⁶ Apple asserted that Samsung's Galaxy Nexus smartphone infringed.¹⁷

The Federal Circuit's May 2012 decision ("*Apple I*") resulted from Apple's appeal from the denial of a preliminary injunction in the first case.¹⁸ Its October 2012 decision ("*Apple II*") resulted from Samsung's appeal from the grant of a preliminary injunction in the second case.¹⁹ And its November 2013 decision ("*Apple III*") resulted from Apple's appeal from the denial of a permanent injunction in the first case.²⁰

In all three decisions, the Federal Circuit addressed the irreparable-harm factor for injunctive relief. In *Apple I*, Apple alleged irreparable harm due to loss of goodwill, loss of market share, and loss of future downstream sales.²¹ Apple argued that those losses would be difficult to quantify and that money damages would not suffice to compensate for the injuries caused by Samsung's infringement.²² The district court denied Apple's preliminary injunction motion because Apple failed to establish a nexus or relationship between the alleged patent infringement and the alleged irreparable harm.²³

In *Apple I*, the Federal Circuit decided that the district court correctly required "a showing of some causal nexus between Samsung's infringement and the alleged harm to Apple as part of the showing of irreparable harm."²⁴ The court reasoned that "[s]ales lost to an infringing product cannot irreparably harm a patentee if consumers buy that product for reasons other than the patented feature."²⁵ The court noted that "[i]f the patented feature does not drive the demand for the product, sales would be lost even if the offending feature were absent from the accused product."²⁶

The Federal Circuit's discussion of the bounce-back feature exemplifies its analysis. The court decided that the district court rightly determined that Apple failed

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to show irreparable harm because Apple “failed to demonstrate that consumer purchasing decisions were based on the presence of the bounce-back feature.”²⁷

In *Apple II*, the Federal Circuit refined the causal nexus requirement for irreparable harm. As in *Apple I*, Apple alleged irreparable harm due to loss of goodwill, loss of market share, and loss of future downstream sales.²⁸ While Apple’s complaint alleged infringement of eight patents, it sought a preliminary injunction based on alleged infringement of four of those patents.²⁹ The district court analyzed the likelihood-of-success and irreparable-harm factors on a patent-by-patent basis.³⁰

Although the district court decided that all four patents were likely valid and infringed, it found that Apple established irreparable harm for only one of the patents, in particular, the one covering the unified-search feature.³¹ The court distinguished the causal nexus evidence for that patent from the evidence for the other three patents, reasoning that although “Apple has not clearly shown that the features claimed” by the other three patents “are substantial drivers of consumer demand, Apple has made such a showing with respect to the unified search functionality.”³²

Hence, unlike *Apple I*, the district court granted Apple’s preliminary injunction motion because, among other things, it concluded that Apple’s evidence established that the “unified search functionality drives consumer demand in a way that affects substantial market share.”³³ In reaching that conclusion, the court said that it did not read the Federal Circuit’s decision in *Apple I* “to mean that Apple must show that its patented features are the sole or even the primary driver of consumer demand.”³⁴

In *Apple II*, the Federal Circuit decided that the district court abused its discretion in granting a preliminary injunction because the court wrongly determined that Apple established a sufficient causal nexus.³⁵ The Federal Circuit ruled that the irreparable-harm factor in a patent case requires proof of (a) irreparable harm absent injunctive relief and (b) “a sufficiently strong causal nexus relat[ing] the alleged harm to the alleged infringement.”³⁶ The court explained that the causal nexus analysis “is not a true or false inquiry” but should assess the extent to which “the harm resulting from selling the accused product can be ascribed to the infringement.”³⁷ The court also explained that a patentee would not satisfy the causal nexus requirement if “the accused product would sell almost as well without incorporating the patented feature.”³⁸

To demonstrate a causal nexus, the Federal Circuit required that a patentee “show that the infringing feature

drives consumer demand for the accused product.”³⁹ The court then noted that the causal nexus requirement “is not satisfied simply because removing an allegedly infringing component would leave a particular feature, application, or device less valued or inoperable.”⁴⁰

Focusing on the product and patent at issue, the Federal Circuit in *Apple II* ruled that Apple needed to establish a sufficiently strong causal nexus by showing that consumers purchased the Galaxy Nexus because it included the claimed unified-search feature.⁴¹ The court reasoned that “the only pertinent evidence . . . shows that unified search is not one of the top five reasons consumers select Android smartphones” and that “the causal link between the alleged infringement and consumer demand for the Galaxy Nexus is too tenuous to support a finding of irreparable harm.”⁴² The court then dismissed certain documentary evidence as unpersuasive because that evidence did not “sufficiently show that the patented feature drives consumer demand.”⁴³

In *Apple III*, the Federal Circuit provided further guidance regarding the causal nexus requirement for irreparable harm. There, a jury found that 26 Samsung smartphones and tablets infringed one or more of six Apple design and utility patents.⁴⁴ After trial, Apple requested a permanent injunction preventing Samsung from importing or selling any of the 26 infringing devices.⁴⁵ The district court denied Apple’s request because, among other things, it decided that Apple did not demonstrate irreparable harm because Apple failed to show that the patented features drove sales of the infringing devices.⁴⁶

On appeal, Apple argued that the district court wrongly incorporated the causal nexus requirement into the permanent injunction analysis.⁴⁷ The Federal Circuit rejected that argument, saying, “The reasoning in *Apple I* and *Apple II* reflects general tort principles of causation and applies equally to the preliminary and permanent injunction contexts.”⁴⁸ The court reiterated that “the causal nexus requirement is part of the irreparable harm factor” and that “[w]ithout a showing of causal nexus, there is no relevant irreparable harm.”⁴⁹ And the court explained that the causal nexus requirement distinguishes between harm resulting from patent infringement and harm caused by lawful competition.⁵⁰ Without a causal nexus, “it is reasonable to conclude that a patentee will suffer the same harm with or without an injunction.”⁵¹ Thus, the harm caused by infringement is “the only harm that should count.”⁵²

In discussing various Federal Circuit decisions concerning permanent injunctions, the court held that the causal nexus requirement applies to any kind of product.⁵³ But the court observed that a patentee may more easily satisfy that requirement for relatively simple products with few features in contrast to products with numerous features, such as the smartphones and tablets at issue.⁵⁴

The Federal Circuit did criticize the district court for “appear[ing] to have required” that Apple show that a patented feature is the sole or exclusive reason for consumer demand.⁵⁵ The Federal Circuit explained that a patentee “must show some connection between the patented feature and demand” for the infringing product.⁵⁶ It then observed that the required showing might rest on “evidence that a patented feature is one of several features that cause consumers to make their purchasing decisions” or “evidence that the inclusion of a patented feature makes a product significantly more desirable.”⁵⁷

Additionally, the Federal Circuit noted that in *Apple I* it analyzed the causal nexus requirement on a patent-by-patent basis.⁵⁸ But the court explained that “there may be circumstances where it is logical and equitable to view patents in the aggregate,” e.g., “where they all relate to the same technology or where they combine to make a product significantly more valuable.”⁵⁹

After explaining those principles, the Federal Circuit addressed Apple’s alternative argument that it satisfied the causal nexus requirement for both its design patents and its utility patents.⁶⁰ For Apple’s design patents, the Federal Circuit held that the district court did not abuse its discretion in finding that Apple failed to show that the patented designs drove consumer demand.⁶¹

For Apple’s utility patents, however, the Federal Circuit held that the district court gave insufficient weight to survey evidence that consumers would pay fairly significant price premiums for the patented features.⁶² It reasoned that “as a general matter of economics, evidence that a patented feature significantly increases the price of a product” may “show that the feature drives demand for the product.”⁶³ Thus, the Federal Circuit vacated the district court’s irreparable-harm finding regarding Apple’s utility patents and remanded to permit the district court to reassess the evidence.⁶⁴

The Causal Nexus Requirement’s Likely Impact

In view of *Apple I*, *Apple II*, and *Apple III*, the irreparable-harm requirement for injunctive relief should prove more difficult to demonstrate, at least for some

products. Those decisions set the bar relatively high for establishing a sufficient nexus between a patented feature or combination of features and consumer demand for an accused product: A patentee must link consumer demand to the claimed subject matter.⁶⁵

In *Apple II* and *Apple III*, the Federal Circuit discussed what might and might not suffice as a causal link between infringement and irreparable harm using a laptop computer as an example.⁶⁶ According to the court, the removal of a laptop’s battery would render it ineffective as a portable computer, but the battery does not necessarily drive consumer demand since people do not often select a laptop based on its battery.⁶⁷ But “if a particular patented laptop battery lasts significantly longer than any other battery on the market, . . . it might be reasonable to conclude that the patented battery is a driver of consumer demand for the laptop.”⁶⁸

Products involving mechanical, electrical/electronic, and computer technologies usually contain many components with many features. The causal nexus requirement for irreparable harm may severely limit a patentee’s ability to obtain injunctive relief in patent cases involving multi-feature/multi-component products.

That requirement may also make injunctive relief less likely for pharmaceutical products. Consider an FDA-approved drug product covered by several patents, such as patents claiming (1) the active ingredient as a chemical compound, (2) a polymorphic form of the active ingredient, (3) an immediate-release or controlled-release dosage form, and (4) methods of using the product to treat various diseases or disorders according to the FDA-approved indications. Assume a competitor waits until the patent on the chemical compound expires before attempting to launch a generic counterpart. If the patentee seeks a preliminary injunction preventing the launch, for instance, the competitor would likely assert that consumer demand resulted from the chemical compound’s safety and efficacy rather than anything covered by the other patents. Depending on the circumstances, that assertion may or may not succeed in defeating the patentee’s attempt to establish a causal nexus between the still-patented features and consumer demand.

As an example, if a patent covered a controlled-release product containing the active ingredient, the patentee could have a good argument that the controlled-release feature drove consumer demand. And if an immediate-release product containing the active ingredient was also available, the patentee would have an even better argument. On the other hand, if a

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patent covered only the composition of an immediate-release product, *e.g.*, the active and inactive ingredients and their respective amounts, the patentee may have more difficulty satisfying the causal nexus requirement after the patent on the chemical compound expires.

As another example, if off-label uses comprised a large percentage of all uses, the competitor would likely assert that consumer demand did not result from the method-of-treatment patents covering the FDA-approved indications. The patentee's ability to satisfy the causal nexus requirement would increase, however, as more and more uses were for patented indications.

Conclusion

In summary, a patentee's ability to establish a causal nexus between the alleged patent infringement and the alleged irreparable harm will depend on the specific facts in a case. But the requirement that the patentee prove that the patented feature drives consumer demand in general decreases the likelihood that courts will grant injunctive relief in patent cases.

(Endnotes)



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drugs). The views expressed in this article do not necessarily reflect those of the firm or its clients.

² *E.g.*, *Altana Pharma AG v. Teva Pharm. USA, Inc.*, 566 F.3d 999, 1005 (Fed. Cir. 2009).

³ *Monsanto Co. v. McFarling*, 302 F.3d 1291, 1297 (Fed. Cir. 2002).

⁴ *Chrysler Motors Corp. v. Auto Body Panels of Ohio, Inc.*, 908 F.2d 951, 953 (Fed. Cir. 1990).

⁵ *Altana*, 566 F.3d at 1005.

⁶ *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 22 (2008).

⁷ *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006); *Douglas Dynamics, LLC v. Buyers Prods. Co.*, 717 F.3d 1336, 1344-46 (Fed. Cir. 2013).

⁸ *Apple Inc. v. Samsung Elecs. Co.*, 678 F.3d 1314, 1317-19 (Fed. Cir. 2012) (*Apple I*); *Apple Inc. v. Samsung Elecs. Co.*, 735 F.3d 1352, 1356-58 (Fed. Cir. 2013) (*Apple III*).

⁹ *Apple I*, 678 F.3d at 1317-18; *Apple III*, 735 F.3d at 1356-57.

¹⁰ *Apple I*, 678 F.3d at 1318-19; *Apple III*, 735 F.3d at 1358.

¹¹ *Apple I*, 678 F.3d at 1318.

¹² *Id.*

¹³ *Apple III*, 735 F.3d at 1355-56 & n.1.

¹⁴ *Apple, Inc. v. Samsung Elecs. Co.*, 695 F.3d 1370, 1372-73 (Fed. Cir. 2012) (*Apple II*).

¹⁵ *Id.* at 1372.

¹⁶ *Id.* at 1372-73.

¹⁷ *Id.* at 1372.

¹⁸ *Apple I*, 678 F.3d at 1316.

¹⁹ *Apple II*, 695 F.3d at 1372.

²⁰ *Apple III*, 735 F.3d at 1355-56.

²¹ *Apple I*, 678 F.3d at 1320.

²² *Id.*

²³ *Id.* at 1321, 1323, 1327.

²⁴ *Id.* at 1324.

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.* at 1327.

²⁸ *Apple, Inc. v. Samsung Elecs. Co.*, 877 F. Supp. 2d 838, 897 (N.D. Cal. 2012), *rev'd*, *Apple II*, 695 F.3d 1370.

²⁹ *Id.* at 854.

³⁰ *Id.* at 857-915.

³¹ *Id.* at 858, 897-915.

³² *Id.* at 915.

³³ *Id.* at 909.

³⁴ *Id.* at 905.

³⁵ *Apple II*, 695 F.3d at 1372, 1374, 1380.

³⁶ *Id.* at 1374.

³⁷ *Id.* at 1375.

³⁸ *Id.* at 1374-75.

³⁹ *Id.* at 1375.

⁴⁰ *Id.* at 1376.

⁴¹ *Id.*

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Apple III*, 735 F.3d at 1355.

⁴⁵ *Id.* at 1355-56.

⁴⁶ *Apple Inc. v. Samsung Elecs. Co.*, 909 F. Supp. 2d 1147, 1153-57 (N.D. Cal. 2012), *aff'd in part, vacated in part*, *Apple III*, 735 F.3d 1352.

⁴⁷ *Apple III*, 735 F.3d at 1360.

⁴⁸ *Id.* at 1360-61.

⁴⁹ *Id.* at 1363.

⁵⁰ *Id.* at 1361.

⁵¹ *Id.* at 1363.

⁵² *Id.* at 1360-61 (quoting *Apple II*, 695 F.3d at 1374-75).

⁵³ *Id.* at 1361-62.

⁵⁴ *Id.* at 1362.

⁵⁵ *Id.* at 1364.

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.* at 1365.

⁵⁹ *Id.*

⁶⁰ *Id.* at 1360, 1365-68.

⁶¹ *Id.* at 1365-66.

⁶² *Id.* at 1367-68.

⁶³ *Id.* at 1368.

⁶⁴ *Id.*

⁶⁵ *See id.* at 1364; *see also Apple I*, 678 F.3d at 1327 (agreeing "that consumer purchasing decisions" must be "based on the presence of" the claimed subject matter to show a sufficient nexus between infringement and irreparable harm).

⁶⁶ *Apple II*, 695 F.3d at 1376; *Apple III*, 735 F.3d at 1364-65.

⁶⁷ *Apple II*, 695 F.3d at 1376; *Apple III*, 735 F.3d at 1364.

⁶⁸ *Apple III*, 735 F.3d at 1364-65.

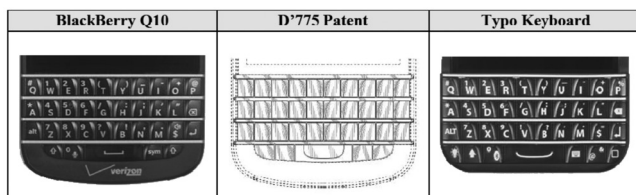
An Overview of the *BlackBerry v. Typo Products* Case

By John Richards, Tommas Balducci, and Luciano Ricondo¹

Introduction

Many consumers today, plagued by embarrassing typographical errors when using their touch-screen smartphones, own a second smartphone with a keyboard, such as a BlackBerry phone, for their professional correspondence. To remedy the need for carrying two devices, Typo Products LLC, a start-up tech company co-founded by television personality Ryan Seacrest, debuted a product in early January 2014 at the International Consumer Electronics Show.² Typo created a slide-on, Bluetooth, “qwerty” keyboard accessory for the Apple iPhone 5 and 5S. Typo’s initial pre-order inventory has sold out and a total of 4,000 units have shipped as of February 5, 2014.³

Hearing news of the release of Typo’s keyboard case, BlackBerry alleged that Typo adopted BlackBerry’s “iconic keyboard design” found in BlackBerry’s Q10 smartphone and its other phones.⁴ On January 3, 2014, BlackBerry Limited filed suit against Typo in the Northern District of California, alleging that the Typo iPhone keyboard case infringes BlackBerry’s utility patents, U.S. Pat. No. 7,629,964 (“the ’964 patent”) and U.S. Pat. No. 8,162,552 (“the ’552 patent”), and design patent, U.S. Pat. No. D685,775 (“the D’775 patent”), as well as its rights in its trade dress, and that it dilutes BlackBerry’s allegedly famous trade dress.⁵ BlackBerry points to Typo’s keyboard layout and the shape of its keys as a basis for these claims, as illustrated below:



This article will discuss the significance of these claims and offer recommendations regarding intellectual property protections available to those who wish to release a mobile phone accessory.

I. BlackBerry’s Patent Infringement Claims

A. Description of the Patents Alleged to be Infringed by Typo

The ‘964 patent, entitled “HAND-HELD ELECTRONIC DEVICE WITH A KEYBOARD

OPTIMIZED FOR USE WITH THE THUMBS,” was granted on December 8, 2009, and, among its multiple independent claims, of particular note is independent claim 19 which claims “[a] keyboard for use with a mobile communication device.” Claim 19 includes the limitations of “twenty-six letter keys and at least one other key” distributed in three rows, that are symmetrically distributed along the face of the electronic device. Furthermore, claim 19 includes the limitation of:

five letter keys in the upper row being disposed on each side of the vertical reference, five letter keys in the middle row being disposed on one side of the vertical reference and four letter keys in the middle row being disposed on the other side of the vertical reference, and four letter keys in the lower row being disposed on the one side of the vertical reference line and three letter keys in the lower row being disposed on the other side of the vertical reference line

The ‘552 patent, entitled “RAMPED-KEY KEYBOARD FOR A HAND-HELD MOBILE COMMUNICATION DEVICE,” was granted on April 24, 2012, and claims “[a] keyboard for a wireless hand-held mobile communication device.” The limitations recited in independent claim 1 include “a keyfield comprising a plurality of depressible keys arranged in rows that are distributed about a vertical centerline of the keyboard” and “each of the depressible keys has a top engagement surface of which an upper inboard portion is raised relative to a lower outboard portion thereof, wherein the top engagement surface of at least some of the depressible keys has a generally inclined crest shape with a top of the crest diagonally orientated on the key.”

The D’775 patent, entitled “HAND-HELD ELECTRONIC DEVICE,” was granted on July 9, 2013, and claims “the ornamental design for a hand-held electronic device, as shown and described.” The D’775 patent has the entire profile of the phone shown in broken lines as well as the screen, speaker and other components of the phone. Only the keyboard of the phone is shown in solid lines. Thus, in accordance with design patent law, only the keyboard is claimed in the D’775 patent. A figure of the D’775 patent is shown to the right.

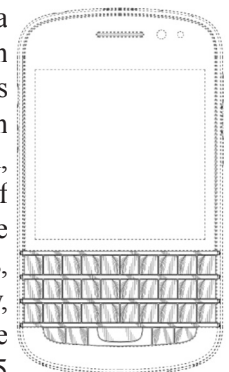


FIG. 2

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In BlackBerry’s motion for a preliminary injunction, BlackBerry described its claimed design as comprising:

four horizontal bars or “frets” resting above four rows of rectangular keys. The uniform keys in the top three rows have sculpted curves that form a symmetrical pattern moving out from a vertical center line. In the row below the lower most horizontal fret, a larger rectangular key is vertically centered and has a u-shaped planar area, while the surrounding keys have sculpted curves similar to the keys above.⁶

B. The Typo Keyboard Device

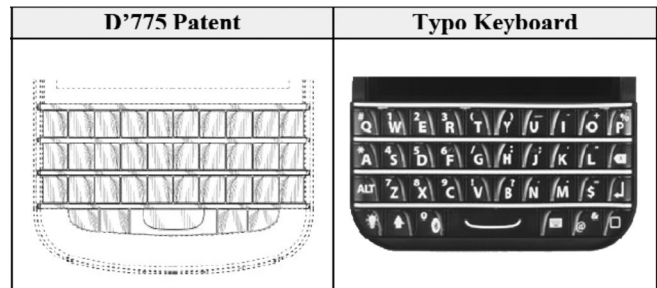
The Typo keyboard device comprises a plastic casing compatible for use with the iPhone 5 and 5s. The plastic casing is configured to match the contours of an iPhone 5 or 5s device so that it can be wrapped around the iPhone device for easy attachment. A feature of the Typo device, and also the basis for BlackBerry’s lawsuit, is the inclusion of a keyboard at the bottom of the casing that closely resembles the keyboard embodied by the D’775 design patent and claimed by the ’964 and ’552 utility patents.

C. Infringement Claims Against the Typo Keyboard

The test for design patent infringement is whether “in the eye of the ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other.”⁷ Case law has also indicated that when an ordinary observer makes his or her observations, he or she is expected to pay more attention to small differences in a field crowded by many designs than in a field where there are few designs.⁸ This test is remarkably similar to the test used for trademark infringement. However, a key difference between design patent law and trademark law is how functionality is treated. In design patent law, a design can be functional so long as it is primarily ornamental, and “[w]here there are several ways to achieve a function of an article of manufacture, the design of the article is more likely to serve a primarily ornamental purpose.”⁹ The treatment of functionality in regard to trademarks and trade dress is more rigid, as discussed further below.

The D’775 Patent and the Typo keyboard are shown below,¹⁰ and a preliminary comparison of the two keyboard designs shows that the Typo design appears to be very similar to D’775. Both designs show three straight rows of ten keys each, and four straight bars separating

each of the rows. The surfaces of the individual keys of both designs have sculpted curves moving away from the centerline of the keyboard. Furthermore, both designs have a bottom row of keys where a large rectangular key is vertically centered with keys on both of its sides having sculpted curves like the keys in the above rows. A difference between the two designs, however, is that the D’775 patent has two keys on each side of the large rectangular key, whereas the Typo keyboard has three keys on each side of the large rectangular key.



It should be noted that although the D’775 patent shows an extra space below the keyboard, this difference between the two keyboard designs is inconsequential, because the profile of the phone in the D’775 patent is shown in broken lines and thus the space between the profile of the phone and the keyboard is not claimed in the D’775 patent.

Typo has argued in opposition to BlackBerry’s motion for a preliminary injunction that it does not infringe the D’775 patent because the two products are not substantially the same, since one is a smartphone and the other is a phone case.¹¹ A decision on this issue is likely to turn on whether the article accused of infringement matches the description of the articles into which the claimed design is to be embodied, as contained in the claim of a design patent. In this regard, Typo might further argue that the design patent is for a “hand-held electronic device,” and that a keyboard case, although electronic, may not be considered an independently operable handheld device.

Case law also holds that functional features that are common to an allegedly infringing design and the patented design are to be discounted when comparing the two designs.¹² This may allow Typo to argue that the keyboard, as a functional feature common to both the D’775 patent and Typo device, should not be considered when comparing the Typo device to the D’775 patent.

In regard to the alleged infringement of the ‘964 patent, BlackBerry, in its motion for a preliminary injunction, has laid out the case for literal infringement of the ‘964 patent by noting that all of the limitations of the ‘964 patent read on the Typo keyboard.¹³ For example, BlackBerry has noted that:

The Typo Keyboard comprises a keyboard having twenty-six letter keys and at least one other key (e.g., ALT or carriage return). The twenty-six letter keys and the at least one other key of the Typo Keyboard are arranged in upper, middle, and lower rows, and are distributed across the top surface of the housing from the left edge to the right edge. The keys in each of the upper, middle, and lower rows of the Typo Keyboard are arranged so that half of the keys in each of the respective rows are positioned to the left of the vertical reference and half of the keys in each of the respective rows row [sic] are positioned to the right of the vertical reference. Out of 30 keys in the upper, middle, and lower rows, there are 15 keys on each side of the vertical reference.

Similarly, the claimed number of letter keys in the upper, middle, and lower rows of the Typo Keyboard located on each side of the vertical reference and the claimed “substantially vertically aligned” letter keys in the lower row compared to the upper and middle rows are apparent from visual inspection of the Typo keyboard. . . .¹⁴

II. BlackBerry’s Trade Dress Claims

In addition to patent-based causes of action, BlackBerry has also asserted claims that Typo’s keyboard both infringes and dilutes BlackBerry’s unregistered trade dress that comprises the following elements:

[1] a keyboard with an overall symmetrical design around the vertical center line, comprising several horizontal dividing bars above rows of sculpted keys, the last of which is rounded on the bottom edge; [2] several horizontal bars in contrasting color and finish set above horizontal rows of keys; [3] several top rows of roughly square shaped keys having little horizontal space between them; [4] a bottom row of roughly rectangular shaped keys having curved bottoms [sic] edges and little horizontal space between them; [5] keys with planar areas away from the vertical center line of the keyboard and sculpted curves closer to the center line; [6] one larger rectangular key in the center of the bottom row having a u-shaped planar area; and [7] keys having distinct lettering or graphical icons printed on the surface.¹⁵

Although most owners would define their trade dress as the totality of the elements incorporated in its product, BlackBerry limited its claims to the design of the keyboard alone.¹⁶ This tactical move makes sense in context, as the infringing device is not a smartphone, but a case that lacks many of the design elements that may be found in a phone (e.g. screen, speakers, battery, etc.).

A. Trade Dress Infringement

No matter the scope of the trade dress design, a plaintiff claiming unregistered trade dress infringement must first establish that its trade dress is valid, meaning it is non-functional and has acquired secondary meaning.¹⁷ Unlike in its patent claims, the burden rests on BlackBerry to establish both of these elements.¹⁸ To succeed in its infringement claim, a plaintiff must then demonstrate that there is a likelihood of consumer confusion as to source of the goods.

1. Functionality

Traditionally, a design is considered to have utilitarian functionality¹⁹ when it is essential to the use or purpose of the device or when it affects the cost or quality of the device.²⁰ The Ninth Circuit applies this test by assessing factors that are referred to as “the *Disc Golf* factors”: “(1) whether advertising touts the utilitarian advantages of the design, (2) whether the particular design results from a comparatively simple or inexpensive method of manufacture, (3) whether the design yields a utilitarian advantage and (4) whether alternative designs are available.”²¹

The functionality doctrine serves to prevent trademark law from inhibiting legitimate competition by allowing a producer to control a useful product feature, which is the province of patent law.²² “If a product’s functional features could be used as trademarks, . . . a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever (because trademarks may be renewed in perpetuity).”²³

BlackBerry faces a “heavy burden” in rebutting the presumption of utilitarian functionality of its unregistered trade dress.²⁴ Although the Supreme Court in *Traffix* did not go as far as to say that the existence of a utility patent for an element of the claimed trade dress would preclude trade dress protection of the overall design, it provides “strong evidence” of functionality.²⁵ However, if the features are not claimed, or if they are claimed as arbitrary or incidental, the probative value of the patent as evidence of functionality is substantially diminished or negated entirely.²⁶ In the instant case,

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the majority of the elements constituting BlackBerry's claimed trade dress also appear to be included in its utility patents.²⁷ This strong evidence of functionality may impair the chances of BlackBerry's success on its trade dress claims, as the Ninth Circuit has held, "where the whole [of the trade dress] is nothing other than the assemblage of functional parts, . . . it is semantic trickery to say that there is some sort of separate 'overall appearance' which is non-functional."²⁸ The Ninth Circuit has further elaborated that, "for an overall product configuration to be recognized as a trademark, the entire design must be nonfunctional."²⁹

If the '964 and '552 patents do not preclude BlackBerry's trade dress claims, BlackBerry still faces an uphill battle. Typo has submitted evidence that BlackBerry's advertising touts the functionality of its keyboard, quoting a campaign boasting, "Every one of these 35 keys was shaped, angled and positioned to make your typing experience fast, accurate, and dare we even say, heavenly?"³⁰ While this argument was proffered against BlackBerry's design patent claim, it speaks directly to the first and third *Disc Golf* factors.

2. Secondary Meaning

If BlackBerry is able to overcome the presumption of trade dress functionality,³¹ it must also establish its distinctiveness by demonstrating that the design has secondary meaning, or the association of the trade dress with a particular source arising from that trade dress' use in the relevant market.³² One type of evidence that would support such a finding is third-party write-ups, such as press reports and critic reviews discussing BlackBerry's keyboard. BlackBerry has submitted evidence to the court that critics have referred to BlackBerry's keyboard as "iconic."³³ Interestingly, others have even claimed that the Typo keyboard case allows you to "turn your iPhone into a BlackBerry."³⁴ The phrase "turn your iPhone into a BlackBerry" speaks to secondary meaning because it suggests that BlackBerry's keyboard design is so associated with BlackBerry that, even when another producer (e.g., Typo) creates a similar keyboard case as an add-on accessory for a separate smartphone (the iPhone), consumers still identify the keyboard design with BlackBerry. Furthermore, there is evidence that Ryan Seacrest of Typo arguably acknowledged the secondary meaning possessed by the BlackBerry keyboard in the following CNN interview quote:

Interviewer: "So it's the best thing about a BlackBerry, within the iPhone."

Ryan Seacrest: "That's kind of how this came to fruition."³⁵

If BlackBerry proves the non-functionality of its trade dress, it will be up to the trier of fact to determine whether the evidence establishes that BlackBerry's keyboard is distinctive by way of secondary meaning.

3. Likelihood of Confusion

Once BlackBerry has established the validity of its trade dress, the Court must evaluate whether a likelihood of confusion exists as to the source of origin of Typo's products or as to an association between Typo's company, products, or commercial activities and those of BlackBerry. At issue is the general impression made upon the ordinary purchaser by Typo's product. BlackBerry asserts in its complaint that Typo's keyboard case "has caused and is likely to continue to cause confusion as to the source of origin of Typo's products and is likely to falsely suggest a sponsorship, connection, or association between Typo, its products, and/or its commercial activities with BlackBerry."³⁶ As discussed regarding design patent infringement, in evaluating a trade dress infringement claim, the Court will compare the totality of the elements that BlackBerry defines as its trade dress with Typo's product to determine if consumers would likely be confused. Specifically courts in the Ninth Circuit will evaluate, *inter alia*, the following eight factors: (1) the strength of the mark; (2) proximity or relatedness of the goods; (3) similarity of sight, sound and meaning; (4) evidence of actual confusion; (5) marketing channels; (6) types of goods and purchaser care; (7) intent; and (8) likelihood of expansion.³⁷

Like proof of secondary meaning, likelihood of confusion is elucidated by consumer surveys, press reports, and critic reviews relating to whether consumers might be confused and think that Typo's iPhone keyboard case is actually produced by BlackBerry Limited. In support of its motion for preliminary injunction BlackBerry has submitted numerous quotes from critics, which may demonstrate consumer confusion, including the following:

- "It's no secret which company Typo is trying to emulate with its product. . . . [E]ven objectively from the size of the buttons down to the sculpted slope on each key – [the Typo product is] almost an exact replica [of BlackBerry's keyboard]";³⁸
- "The keyboard has the look and feel of a classic BlackBerry, right down to the beveled keys";³⁹

- “But the only thing that really matters is that the Typo isn’t a good keyboard. Its four rows of backlit, angled, slightly raised black keys with white letters and borders may look suspiciously (and perhaps illegally) like they were lifted from a BlackBerry, but there’s no confusing the two. . . . The Typo feels like a cheap knockoff of a BlackBerry keyboard, like someone thought all that mattered was the shape of the keys and the font styling”;⁴⁰
- “[The Typo keyboard] is essentially an overpriced, underdeveloped knockoff, a kitschy accessory that somehow found a mainstream audience because Ryan Seacrest got interested.”⁴¹

If people generally believe that the purpose of Typo’s keyboard case is to help them turn “an Apple handset into a makeshift BlackBerry Q10,”⁴² the Court may find that there is a strong likelihood that those consumers mistakenly believe that the Typo case is manufactured or licensed by BlackBerry.

Typo, however, may be able to use some of the reviews above to establish that there is actually no consumer confusion. While these reviews note the striking similarities between the two companies’ products, some could arguably be used to demonstrate that based on differences in quality and design, no one would ever suspect that the Typo keyboard case is anything other than an imitation from a competitor of BlackBerry.

BlackBerry has further asserted actual confusion, based on video it possesses from the Consumer Electronics Show in Las Vegas held on January 7-10, 2014, in which numerous consumers were presented with the Typo keyboard and misidentified it as a BlackBerry device.⁴³

B. Trade Dress Dilution

Federal dilution law extends protection against dilution to unregistered trade dress. The plaintiff bears the burden to demonstrate that the claimed trade dress is non-functional, famous,⁴⁴ and that there exists a likelihood of blurring or tarnishment.

To be capable of protection against dilution, an alleged trade dress must as a whole be so “prominent and renowned” among the general public in the United States as to be famous.⁴⁵ The federal dilution statute describes four factors to be considered in assessing fame: 1) the duration, extent, and geographic reach of advertising and publicity for the mark; 2) the amount, volume, and geographic extent of sales of goods or services connected to the mark; 3) the extent of actual recognition of the mark; and 4) whether the mark is federally registered. Establishing secondary meaning does not simultaneously establish fame, as a showing of fame requires a higher quantum of proof.⁴⁶

In the instant case, BlackBerry has alleged dilution by blurring. Blurring is “an association arising from the similarity between a mark . . . and a famous mark that impairs the distinctiveness of the famous mark.”⁴⁷ To

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Moving UP ▲ & Moving ON >>>

- Gary Abelev and Paul D. Ackerman, formerly of Dorsey & Whitney LLP, have joined Andrews Kurth LLP as partners in its Intellectual Property Counseling and Litigation practice.
- Nels T. Lippert, formerly of Wilmer Cutler Pickering Hale and Dorr LLP, and Jing Xia, formerly of Axinn, Veltrop & Harkrider LLP, have joined Tarter Krinsky & Drogin LLP as Counsels in its Intellectual Property Group.
- James H. Donoian, formerly of Greenberg Traurig LLP, has joined McCarter & English LLP as a partner in its Intellectual Property/Information Technology practice.
- Lora A. Moffatt, formerly of Dentons, has joined Crowell & Moring LLP as a partner in its Intellectual Property Practice Group.
- John Hintz, formerly of Haynes and Boone, LLP, has joined Rimon, P.C. as a partner on its Intellectual Property and Litigation Teams.

The Bulletin’s Moving Up and Moving On feature is for the Association’s members. If you have changed your firm or company, made partner, received professional recognition, or have some other significant event to share with the Association, please send it to the Bulletin editors: Mary Richardson (mary.e.w.richardson@gmail.com) or Robert Greenfeld (rgreenfeld@mayerbrown.com).

establish dilution by blurring, BlackBerry must provide evidence that the presence of Typo's iPhone case on the market is likely to lead consumers to believe that BlackBerry's keyboard trade dress is available for other companies to use, and that it no longer exclusively signifies BlackBerry.⁴⁸

III. IP Lessons and Strategies

BlackBerry's suit against Typo serves as an important lesson for those interested in bringing new, innovative mobile phone accessories to market. Care must be taken to investigate whether any new product could be found to infringe the intellectual property rights of others. Further, a party should fully understand the scope of its own intellectual property rights in relation to its products.

To protect against potential patent infringement liability, a Freedom-to-Operate Search should be conducted. This will involve a search of the patent rights of others in the United States and abroad that may cover the product being developed for manufacture, use, or sale. It is important to note that in relation to design patents, the description of the products provided in the claim of the design patent will broaden or narrow the scope of protection. For there to be design patent infringement, there must be a match between the infringing article and the products claimed for the design. Too often this requirement for design patent infringement is ignored or forgotten by only focusing on the drawings contained in a design patent. With this in mind, the results of a Freedom-to-Operate Search will be affected by the type of product being searched.

If it is found that there is room for a new product that will not infringe patent rights belonging to others, the next step to consider is whether the new product incorporates any novel features that are themselves capable of and worthy of patenting. This can be done through a Patentability Search that involves a search of issued patents, published patent applications (although it should be noted that design patent applications are not published until grant), and other printed publications for determining whether the product being developed is novel and unobvious. A patent covering the novel features of the new product will not only act as a shield to prevent others from patenting the same features, but will also act as a sword that can be used to pursue imitators and copyists. It should, however, be noted that a patent will not be granted immediately, so in fast moving markets, it is unclear whether patent protection would be useful. On the other hand, the U.S. Patent and Trademark Office has special procedures for expediting design patent applications that can sometimes be useful in such situations; there are also procedures

for expediting utility patent applications, but except where one is prepared to pay a significant extra fee or a patent has been allowed in another country with a good patent examination system, U.S. procedures for expediting examination of utility patent applications are cumbersome and rarely used.

If a company wishes to protect the non-functional design or packaging of its product, there are many options available. Depending on the nature of the design, protection could include trade dress/trademark registration, a design patent, copyright registration, or a combination of these protections.⁴⁹ Trade dress/trademark protection is available for non-functional designs that serve as source identifiers; design patents are available for novel, non-obvious and ornamental designs; and copyright protection is available for certain non-functional works enumerated in the Copyright Act. Availability and ownership searches can be performed through each of these respective administrative offices to deduce whether obtaining a registration is possible, or if use of the design would infringe the rights of others. It is important to understand the scope of protection, duration, formalities, and requirements of each of these forms of intellectual property and the interplay between the laws governing them, as they do not exist in a vacuum.⁵⁰

(Endnotes)

¹ John Richards (left) is a partner and Tommas Balducci (right) and Luciano Ricondo (second from right) are associates in the New York Office of Ladas & Parry LLP. Any views expressed in this article are their own and do not represent those of the firm or its clients. The authors wish to thank Samae Rohani (second from left) for her contributions to the research and editing of this article.



² See *TYPO iPhone Keyboard Case*, <http://typokeyboards.com/about-us> (last visited February 14, 2014); Nick Turner, *Seacrest's Typo Keyboard Accessory Sells Out After CES Debut*, BLOOMBERG TECHNOLOGY, <http://www.bloomberg.com/news/2014-01-14/seacrest-s-typo-keyboard-accessory-sells-out-after-debut-at-ces.html> (last visited Feb. 18, 2014).

³ Memorandum of Points and Authorities in Support of Typo Products LLC's Opposition to BlackBerry's Motion for a Preliminary Injunction, at 1, *BlackBerry Limited v. Typo Products LLC*, No. 14-cv-00023 (N.D. Cal.), filed Feb. 5, 2014 [hereinafter "Defendant's Memo"].

⁴ BlackBerry Limited’s Complaint for Patent Infringement, Trade Dress Infringement, Dilution, Unfair Business Practices, and Unjust Enrichment, at 2, *BlackBerry Limited v. Typo Products LLC*, No. 14-cv-00023 (N.D. Cal. filed Jan. 3, 2014) [hereinafter “Complaint”].

⁵ *Id.* at 2.

⁶ BlackBerry Limited’s Notice of Motion and Motion for a Preliminary Injunction; Memorandum of Points and Authorities in Support, at 10, *BlackBerry Limited v. Typo Products LLC*, No. 14-cv-00023 (N.D. Cal.) (filed Jan. 22, 2014) [hereinafter “Plaintiff’s Memo”].

⁷ *Gorham Co. v. White*, 81 U.S. 511, 528 (1871).

⁸ *Crocs Inc. v. International Trade Commission*, 93 USPQ2d 1777 (Fed. Cir. 2010).

⁹ *LA Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir. 1993).

¹⁰ Plaintiff’s Memo, *supra* note 6, at 12.

¹¹ Defendant’s Memo, *supra* note 3, at 21.

¹² *Richardson v. Stanley Works Inc.*, 597 F.3d 1288 (Fed. Cir. 2010).

¹³ Plaintiff’s Memo, *supra* note 6, at 17.

¹⁴ *Id.* at 17-18.

¹⁵ Complaint, *supra* note 4, at 9.

¹⁶ 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 8:4 (4th ed.).

¹⁷ See *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29 (2001).

¹⁸ 15 U.S.C. § 1125 (“In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.”); *Wal-mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210 (2000) (“Nothing in § 43(a) explicitly requires a producer to show that its trade dress is distinctive, but courts have universally imposed that requirement, since without distinctiveness the trade dress would not ‘cause confusion . . . as to the origin, sponsorship, or approval of [the] goods,’ as the section requires.”); see *id.* at 216 (holding that distinctiveness must be acquired through secondary meaning for product design trade dress).

¹⁹ Courts also recognize the concept of aesthetic functionality, which is not at issue in this case and therefore will not be discussed.

²⁰ *TrafFix*, 532 U.S. at 33.

²¹ *Talking Rain Beverage Co. v. South Beach Beverage Co.*, 349 F.3d 601, 603 (9th Cir. 2003) (citing *Disc Golf Ass’n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002, 1006 (9th Cir. 1998)).

²² *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164-65 (1995).

²³ *Id.*

²⁴ *TrafFix*, 532 U.S. at 30.

²⁵ 1-2A GILSON ON TRADEMARKS § 2A.04[4][a].

²⁶ *TrafFix*, 532 U.S. at 34.

²⁷ See *infra* I.A.. While these patents do not contain a claim for the frets, or raised bars, included in the trade dress definition, Typo has submitted to the Court that BlackBerry holds an assignment to U.S. Patent No. 8,400,400 for a “keyboard comprising at least two elongated rails.” Defendant’s Memo, *supra* note 3, at 21 n. 5 (citing Decl. of Olivier Taillieu in Support of Typo Products LLC’s Opposition to BlackBerry Limited Corp.’s Motion for Preliminary Injunction, Ex.7, *BlackBerry Limited v. Typo Products LLC*, No. 14-cv-00023 (N.D. Cal. filed Jan. 3, 2014)).

²⁸ *Leatherman Tool Group Inc. v. Cooper Indus.*, 199 F.3d 1009, 1013 (9th Cir. 1999).

²⁹ *Secalt S.A. v. Wuxi Shenxi Constr. Mach. Co.*, 668 F.3d 677, 683

(9th Cir. 2012) (quoting *Leatherman Tool Grp. v. Cooper Indus.*, 199 F.3d 1009, 1012 (9th Cir. 1999)) (further internal citations omitted).

³⁰ Defendant’s Memo, *supra* note 3, at 20 (quoting Decl. of William Douglas in Support of BlackBerry Limited Corp.’s Motion for Preliminary Injunction, Ex. 3, *BlackBerry Limited v. Typo Products LLC*, No. 14-cv-00023 (N.D. Cal.) (filed Jan. 22, 2014)).

³¹ *TrafFix*, 532 U.S. at 29-33 (holding that a determination that a proposed mark is functional constitutes an absolute bar from trademark registration, regardless of evidence showing the proposed mark has acquired distinctiveness).

³² *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 215-16 (2000).

³³ Decl. of William Douglas in Support of BlackBerry Limited Corp.’s Motion for Preliminary Injunction, *BlackBerry Limited v. Typo Products LLC*, No. 14-cv-00023 (N.D. Cal.) (filed Jan. 22, 2014).

³⁴ See Chuong Nguyen, *Typo Keyboard for iPhone: Crack-Berry Cure or BlackBerry Death?*, GottaBe Mobile, Dec. 6, 2013, <http://www.gottabemobile.com/2013/12/06/typo-keyboard-for-iphone-crack-berry-cure-or-BlackBerry-death> (comparing the Typo and BlackBerry keyboards); Adam Mills, *Typo iPhone Case Turns Your iPhone Into a BlackBerry*, GottaBe Mobile, Jan. 7, 2014, <http://www.gottabemobile.com/2014/01/07/typo-iphone-keyboard-case-BlackBerry> (noting that the Typo case “wants to turn the iPhone into a BlackBerry”).

³⁵ Decl. of Brice C. Lynch in Support of BlackBerry Limited Corp.’s Motion for Preliminary Injunction, ¶ 48, *BlackBerry Limited v. Typo Products LLC*, No. 14-cv-00023 (N.D. Cal.) (filed Jan. 22, 2014).

³⁶ Complaint, *supra* note 4, at 14.

³⁷ *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348 (9th Cir. 1979).

³⁸ Decl. of Brice C. Lynch in Support of BlackBerry Limited Corp.’s Motion for Preliminary Injunction, Ex. 42, *BlackBerry Limited v. Typo Products LLC*, No. 14-cv-00023 (N.D. Cal.) (filed Jan. 22, 2014).

³⁹ *Id.* Ex. 22.

⁴⁰ *Id.* Ex. 36.

⁴¹ *Id.* Ex. 36.

⁴² *Id.* Ex. 42.

⁴³ *Id.* ¶ 49.

⁴⁴ If the trade dress contains a registered mark, the party asserting the trade dress claim must also demonstrate the trade dress is famous apart from the fame of the registered mark.

⁴⁵ *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 (9th Cir. 1999).

⁴⁶ See 2-5A GILSON ON TRADEMARKS § 5A.01[4][c] (citing *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 879 (9th Cir. 1999); *Grupo Gigante S.A. de C.V. v. Dallo & Co.*, 119 F. Supp. 2d 1083, 1098 (C.D. Cal. 2000)).

⁴⁷ 15 U.S.C. § 1125(c)(2)(B).

⁴⁸ See 2-5A GILSON ON TRADEMARKS § 5A.01[5][a].

⁴⁹ Different forms of protection may also be available in foreign jurisdictions.

⁵⁰ The laws regarding intellectual property are constantly in flux. For example, in *Apple Inc. v. Samsung Elecs. Co.*, 678 F.3d 1314, 1325 (Fed. Cir. 2012), without deciding the issue, the Federal Circuit noted that an additional theory of damage might be possible in design patent cases in the form of “design dilution,” apparently analogous to trademark dilution, which recognizes that use of a trademark, even if non-infringing, may dilute the distinctive capacity of a well-known mark. Notwithstanding the trademark-like test of design patent infringement, it is hard to see when this principle might be relevant in patent law.

Protecting Trademarks for Mobile Apps

*By Matthew Asbell and Cassidy Merriam**

The explosion of mobile apps in the digital market and their ever-increasing popularity make it advisable for app developers to distinguish their products with a distinctive brand. However, there are nuances specific to branding an app that developers should take into consideration. In addition to the usual trademark considerations encountered when building any brand, app distribution platforms often have their own sets of rules about the names of apps they host. Consumer preference for short names that identify the nature or function of the product should be balanced against anonymity brought by the sheer number of competing products that offer the same function (and continue to appear from all over the globe). A distinctive rather than descriptive name and distinguishing characteristics such as logos, icons, designs, slogans, interfaces, characters, layouts, color schemes, and company names can serve to differentiate an otherwise run-of-the-mill app. However, the developer should also make sure that the names and other marks it develops are available for use and registration before adopting them.

It is advisable to proactively register marks in the relevant countries to ensure that the marks can be used and to get a head start in keeping others from free-riding on the success of the app. Monitoring and enforcement (often of an international scope) is a key to maintaining exclusivity and fending off similarly named products, which in turn enable the app to grow in reputation and garner a loyal client base.

Selecting Trademarks and Conducting Searches

Due to the sheer number of apps that have emerged on the market, creating a unique and memorable app name and icon, although challenging, is a worthwhile investment because it distinguishes the developer's app from others in the marketplace and increases the likelihood that consumers who buy and enjoy the app will continue to recognize its quality and purchase the developer's other apps. As important as selecting a unique and memorable trademark, however, is selecting a trademark that does not infringe the rights of others. Before

filing the trademark application, using the mark, or investing in the brand, developers should obtain a search and opinion, as discussed below, to determine whether their mark is likely to be confused with a trademark of a similar product.

App developers face particular challenges in naming their apps because consumers tend to spend little time exploring and comparing such low-cost investments. It becomes important to create an app name and logo with enough information to ensure users find the app while searching for its functionality in an online store and to indicate to consumers that the app is what they are looking for at the point of purchase. However, overly descriptive names are difficult and costly to protect as trademarks, if they are capable of protection at all. For example, consumers searching for a calculator app may simply download the first app named "Calculator"; however, this app name is descriptive and not capable of trademark protection. Marketplace realities make walking the fine line of trademark selection an integral step in the success of an app.

The app developer should be considering the long-term goals for the product's reach. Is the app going to be available nationally and/or internationally? For internationally available apps, it is important to account for the significant differences in the availability of trademark protection outside the United States and to plan to register the mark(s) in those foreign markets where feasible. While there is no foolproof way to determine the strength of a mark, generally marks that are fanciful (invented words, such as SHAZAM (U.S. Reg. No. 3387890)) or arbitrary (where the word bears no relation to the features or content of the app, such as MONSTER.COM for providing online information and counseling in the fields of employment, recruitment, careers, and work life (U.S. Reg. No. 2403411)) receive the highest level of protection and are the least expensive to enforce.

Developers may think that if the customer has not been exposed to the product through word of mouth or advertising and marketing, an arbitrary or fanciful mark by itself may initially conceal the

app's function and cause consumers to seek out an app with a name more indicative of the function or service. Developers may want to consider various strategies, such as pairing descriptive names with distinctive icons; pairing suggestive, fanciful or arbitrary names with descriptive terms or icons; and anticipating keywords that will prompt their apps in search results. Investing in brand promotion is also beneficial. For instance, popular game app ANGRY BIRDS (U.S. Reg. No. 3976576) has expanded its brand beyond videogames and into other product lines, obtaining registrations for goods including bed linens, apparel, and food (*see* U.S. Reg. Nos. 4148716 and 4200545).

When creating the artwork for the app's icon and other graphic trademarks, developing a distinctive mark can help the app to stand out to consumers. Due to budget restrictions, developers who gravitate to stock images in their logo or icon design do so at increased risk. Stock content may be licensed for use under either a royalty-free license or a rights-managed license, many of which do not extend to the right to use the image as part of a trademark.

In order to ensure distinctiveness of an icon and other graphic trademarks of the app, many developers commission a graphic artist to design their marks. In this case, it is advisable to enter into a signed agreement with the artist or designer that assigns all rights in the commissioned work to the developer and indemnifies the developer against copyright infringement claims of third parties.

When considering possible trademarks for adoption, a developer should obtain a clearance search and legal opinion to determine whether the mark is likely to be available for use and registration. Different levels of searching are available, but initially, at the very least, a developer should consider a search for federal marks potentially similar to the app name (word mark) and possibly the app icon (device mark). The search should not be limited to mobile apps, and should consider similar marks for *all* software and telecommunications products and services, as well as products and services related to the function of the app. Additional jurisdictions where the app is likely to be available or used should also be searched, particularly where there is concern about the possibility of piracy or infringement. This is

especially true with mobile and software goods and services, which can easily cross national borders via the internet.

Once the mark is cleared for use and registration, an application for registration may be filed in the United States and any other anticipated jurisdictions where the app will be commercialized. Many countries permit applications to be filed and grant registrations before the mark is actually used. In fact, most countries do not even recognize trademark rights until they are on the national register, regardless of whether they are used. In the United States, while intent to use serves as a basis to file an application, the registration is not usually granted until acceptable use has commenced.

Identification of the Goods

Among many other possible classes in which various goods and services are categorized in countries that are parties to the Nice Classification, developers usually apply for registration in Classes 9 and 42. Class 9 covers the downloadable software as a product, while Class 42 covers access to the software as a service. A developer may also consider protection in other relevant classes that are specific to the app's function, its industry-specific content, or to possible licensing and merchandising arrangements. Except in the rare circumstance where a mark is considered "famous," others may generally use the same mark on dissimilar goods and services so long as it would not cause consumer confusion.

Covering the bases by registering for numerous classes, while potentially beneficial, may not be

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a viable option for many app developers due to budget constraints. The concerns of a company that is creating an app as an extension of their already established service (for example, an airline company) may differ from those of a company whose principal good/service is the app itself. The airline company might want to consider whether its current trademark protection (if any) already offers sufficient protection. If protection is inadequate, the company will need to assess its tolerance for a different company claiming an identical or similar mark for its own app. Where the app is the primary product/service, the developer may want to consider whether the app fits in Class 9, 42 or both, depending on whether the information delivered is confined to the app's software or is accessed from the Cloud. The app developer should closely consider every aspect of the app because even an app geared toward services in a non-software industry may have a feature that puts its product within the scope of either or both software classes, and sometimes others also.

Using the Mark Properly

As with all trademarks, developers should use their app's trademarks properly in order to ensure continued protection and limit potential infringement by third parties:

- After a developer commences use, it may place a notice such as TM or SM on the top right corner of the mark. While these notices do not themselves provide any legal rights, they put others on notice that the owner claims rights as a trademark. In the United States and some other jurisdictions, developers can claim rights even without applying to register the mark, though there are added benefits to registration. Upon federal registration developers can use the ® notice in place of the TM or SM symbols. When the app is made available in multiple countries, further guidance about appropriate marking should be obtained.
- Apart from proper marking, the developer should use an attribution statement that aids users and others to recognize the proper owner of the rights.

- In marketing materials and other prose, capitalize, italicize, or otherwise make the trademark stand out from surrounding text.
- Always use the mark as a proper adjective, which modifies a generic or descriptive term (“DropboxTM file sharing”), not as a noun or verb (“send the file to the Dropbox” or “Dropbox the file”).
- Adhere to proper licensing practices; in particular, ensure that the license agreement provide the trademark owner the ability to control the manner of use of the trademark. When negotiating a license agreement, consider whether the licenses extend the use into new products and/or services. Also consider whether the license extends to new jurisdictions. Availability searches should precede granting the license for such new uses.
- Educate third parties and customers regarding proper and allowed use of the trademark and include this information in an appropriately-worded End User License Agreement.
- Monitor trademark application filings, domain name registrations, and uses of the mark on the Internet and in social media in order to act timely against those who are infringing on the developer's prior rights.
- Develop a strategy for taking prompt and appropriate action against infringing activity.

Domain Names and Corporate Names

In order to guard against personal liability, developers usually use an incorporated legal entity to conduct their business, enter into contracts including licensing agreements, and register trademarks. However, mere incorporation of a business or trade name with a state government does not create trademark rights, and separate protection as a trademark may be advisable.

After obtaining a clearance search and, preferably, seeking trademark registration, app developers should consider reserving the marks as domain and social media usernames. If a third party registers and uses the domain in good faith before the developer

does, the developer will usually be unable to obtain the domain other than by purchasing it. On the other hand, if the domain was registered and used by a third party in bad faith, various laws and policies may offer efficient and cost-effective means to retrieve the domain name.

As over a thousand new generic Top Level Domains (gTLDs) have begun to become available for registration, developers may wish to explore the option of reserving their marks on relevant new keyword gTLDs that relate to the mobile market, such as .app, .mobile, or the particular industry, such as .game, .art, .beauty, etc., where permissible. Owners of registered trademarks may take special steps to be entitled to early opportunities to register their marks as domains in appropriate new gTLDs or stop others from doing so.

Other Trademark Considerations for Smartphone Apps

Developers may wish to release their apps to a variety of distribution platforms in multiple countries, such as Google Play® and the iOS® App Store. It is important to observe the platforms' requirements or limitations regarding app names. For example, Apple advises that use of an app name that is a registered trademark of another party or is already in use in the iOS® App Store can result in its removal. Names of apps must also not exceed thirty-five characters. Additionally, both Google and Apple have strict guidelines with respect to use of their trademarks to indicate compatibility with their platforms.

In balancing trademark law and platform requirements, a savvy developer will also need to consider the overall perception and appearance of the app name and icon. For example, a thirty-five character app name will generally be cut off with an ellipsis and the entire name will not appear in the iOS® App Store. Where developers seek a longer name or logo, it may be advisable to consider additional shortened versions of the name or an icon that corresponds with a larger graphic device. For example, Electronic Arts' ("EA") PopCap® Games has multiple variations of a game called "Bejeweled." EA owns federal registrations for the word BEJEWELED (including Reg. No. 2864970), but not for the full name of one of the popular

games, "Bejeweled Blitz," although the combined terms may be registrable. Accordingly, EA marks the game "*Bejeweled® Blitz*," showing that it has a registration for the BEJEWELED portion of the design but the whole design is marked with the ™ symbol:



The icon affiliated with the game is another design and the abbreviated app name appears only as "Blitz."



Considering Apple's Terms and Conditions, it is advisable to first file a trademark application and approach completion of development before adding the app to iTunes Connect™, the website where developers submit and manage apps for distribution on the iOS® App Store. While Apple allows developers to secure the name before the app is ready for use, after an app is added and in the "Prepare for Upload" or "Waiting for Upload" state, the developer has only 180 days (6 months) from the date of creation on iTunes Connect™ to deliver the object code to Apple. If the deadline is missed, the app is deleted from iTunes Connect™, the developer is barred from reusing the app name, and the app name may be used by another developer. Therefore, already having a trademark application on file can prevent another developer from taking the mark, preserving any resources spent on the mark's creation and allowing the developer to use it on a different platform if he or she so chooses. During the 180-day period, other developers are prohibited from listing apps with substantially similar names on the iOS® App Store, giving an added layer of protection for the developer's app name within Apple's store. There is a common misconception that common law rights may arise in the United States during this period. Common law rights do not usually arise until the app is actually available for download or its corresponding services are offered to consumers. Also mere creation on iTunes Connect™ will not prevent third-party use in other app marketplaces.

Google Play® allows developers to release their apps in the marketplace without going through a

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selection process. There are general requirements regarding app content, testing, and preparing promotional materials. However, once these requirements have been met, anyone may publish an app on Google Play®. The Developer Distribution agreement states that “Apps must not have names or icons that appear confusingly similar to existing products.” However, prior to this requirement being added in 2012, it appears there was no such prohibition and it is unclear how Google Play® is handling apps with confusingly similar names that were published prior to this policy.

Unlike Google Play®, apps released through the iOS® App Store must be selected. The iOS® Developer Program License Agreement specifies that if an app meets the Developer Program requirements and is selected by Apple for distribution, the developer grants Apple a license to its app and appoints Apple and Apple Subsidiaries as its worldwide agent for delivery to end-users. While the developer is prohibited from selling its app via other platforms throughout the world, it has the option of selecting countries in which the app will be sold. If the app is selected for distribution, Apple is authorized to use screen shots and/or up to 30-second excerpts, which may be the subject of copyright and/or other intellectual property rights, trademarks, and logos associated with the app, and other app information for promotional purposes in marketing materials and gift cards. Additionally, upon delivery of the app through iTunes Connect™, the developer is required to submit any intellectual property rights notices associated with the app.

If the developer’s app allows for user-uploaded content, it is advisable to take steps to draft a clear policy regarding proper use of the developer’s trademarks and takedown procedures to take advantage of legal safe harbors from secondary liability for infringing conduct. If personally identifiable information is collected using the app, a privacy policy and other terms and conditions may be appropriate.

Conclusion

With the number of mobile apps on the rise, app developers should create distinctive brands that set their product apart from competing apps. This suggests a need for proper trademark protection

and enforcement regimes. In a market filled with low-cost products that lead consumers to make snap decisions at the point of purchase, concise marks are favored. App developers should consider suggestive, arbitrary, or fanciful word marks and perhaps pair them with a unique icon or logo, while taking steps to ensure that their marks will not infringe those of third parties. Further, app developers should be cognizant of the global nature of the market and determine whether and when their goals for their product’s distribution and expansion merit international trademark protection, taking care to select the proper classes (where applicable) under which to apply.

Once a mark is successfully registered, developers should maintain their ownership by taking steps such as utilizing correct licensing procedures, creating end-user agreements, vigilantly enforcing their ownership, and adequately displaying the trademark right. Incorporation and registration in new app-specific gTLDs should also be considered. In addition to trademark considerations, developers should be cognizant of any additional requirements set out by their chosen platform distributors and plan in advance to navigate these rules in tandem with their trademark registration requirements.

(Endnote)

* Matthew Asbell (center) is a partner and Cassidy Merriam (left) is an associate in the New York Office of Ladas & Parry LLP. Any views expressed in this article are their own and do not represent those of the firm or its clients. The authors wish to thank Dinisha Fernando (right) for her contributions to the research and editing of this article.



February/March 2014 IP Media Links

*Edited by Jayson Cohen**

The 2015 USPTO Budget

In early March the White House Office of Budget and Management released President Obama's budget for fiscal 2015, including \$3.4 billion allocated to the U.S. Patent and Trademark Office ("USPTO"). Numerous news stories focused on the President's budget as a whole and on the overall Commerce Department budget for 2015, including Associated Press news releases. (See, e.g., <http://abcnews.go.com/Politics/wireStory/obama-appeal-democrats-2015-budget-22758475>; <http://news.yahoo.com/agency-agency-summary-obama-budget-164453178.html>.)

However, Bloomberg BNA, Legal and Business News — as a media outlet operating at the boundary between broad-based news and IP-centered news intended for the IP legal community — carried a March 5, 2014 story titled "Obama Administration Sets PTO's FY2015 Budget to Exceed \$3.4 Billion" by Tony Dutra, who wrote the piece for the Patent, Trademark & Copyright Law Daily™. (<http://www.bna.com/obama-administration-sets-n17179882600/>.) The article analyzes the 2015 USPTO budget, discussing (a) the expectation for increased fees to pay for the \$3.4 billion budget, (b) the USPTO's operating reserve to protect the agency from events such as government shutdowns, and (c) provisions meant to prevent diversion of USPTO-raised funds to non-USPTO government line items. The article also provides comments from Herbert C. Wamsley, executive director of the Intellectual Property Owners Association, on various aspects of the budget.

Quentin Tarantino v. Gawker Media et al.

The Hollywood Reporter's Eriq Gardner has been on the frontline in reporting about the dispute between director and screenwriter Quentin Tarantino and Gawker over the latter's alleged leak of Tarantino's script for a film titled "Hateful Eight." (<http://www.hollywoodreporter.com/thr-esq/quentin-tarantino-suing-gawker-leaked-674424>.) Tarantino

sued Gawker on January 27, 2014 for direct and contributory copyright infringement in connection with Gawker posting a link to Tarantino's leaked screenplay under the webpage title, "Here is the Leaked Quentin Tarantino Hateful Eight Script." As a consequence, Tarantino has apparently stated that he will shelve the project, but is suing Gawker for actual and statutory damages, including Tarantino's expected profit from the script, amounting to a \$1 million plus claim.

Gawker has now responded to Tarantino's complaint. On February 19, 2014, Gawker Media Group, Inc. ("GMGI"), the Gawker parent holding company incorporated in the Cayman Islands, successfully moved to dismiss the case against it for lack of personal jurisdiction. (<http://www.hollywoodreporter.com/thr-esq/gawker-quentin-tarantino-were-safely-681804>.) The case, however, is continuing in the Central District of California, where, on March 10, 2014, the second Gawker defendant in the case, Gawker Media, LLC, which is not contesting jurisdiction, moved to dismiss Tarantino's claim for contributory copyright infringement on two grounds: (1) failure to state a claim for contributory infringement; and (2) fair use under 17 U.S.C. § 107. (<http://www.hollywoodreporter.com/thr-esq/gawker-demands-dismissal-quentin-tarantino-687303>.) As to its first ground for dismissal, Gawker Media contends that the contributory infringement claim should be

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If you have any NYIPLA historical records, specifically Bulletins (1967-1981), Greenbooks (prior to 1951), and Judges Dinner booklets (1973 & prior to 1971), please contact Bill Dippert at wdippert@eckertseamans.com or 1.914.286.2813.

dismissed because there is neither a proper factual allegation of direct infringement nor a proper factual allegation of inducement. Regarding its second ground for dismissal, Gawker Media contends that the fair use factors weigh in its favor. For his next move, Tarantino is likely to file oppositions to the motions to dismiss.

Washington Redskins Trademark

One of the most prevalent and controversial trademark news stories in mainstream media is the now decades long effort to remove trademark status from the Washington Redskins team name and the Redskins trade names for associated products.

Redskins trademarks were back in the news in January 2014 when the USPTO rejected a trademark registration for the product “Redskins Hog Rinds,” as reported by Bernie Augustine of the *New York Daily News*. (<http://www.nydailynews.com/sports/football/redskins-trademark-rejected-derogatory-article-1.1569699>.) This product is unaffiliated with the Washington NFL team. The USPTO refused to register the trademark as “derogatory slang” “consist[ing] of or includ[ing] matter which may disparage or bring into contempt or disrepute persons, institutions, beliefs, or national symbols.” (*Id.*; see also <http://tsdr.uspto.gov/documentviewer?caseId=sn86052159&docId=OOA20131229163025#docIndex=0&page=1>.) This was not the first time the USPTO refused to register a Redskins trademark. As reported by Theresa Vargas in her January 28 blog post for the *Washington Post*, the USPTO has refused such a registration at least eleven times since 1992. (See <http://www.washingtonpost.com/blogs/local/wp/2014/01/28/from-pork-rinds-to-cheerleaders-the-trademark-office-rejects-the-word-redskins/>.)

The news stories linked above also discuss the efforts to revoke the trademarks associated with the Washington Redskins name. The Trademark Trial and Appeal Board of the USPTO is apparently considering the revocation.

CLS Bank International v. Alice Corp., continued

As reported in the last issue of the *Bulletin*, the debate over software patents has reached the media and blog space outside of the IP legal community. Commentators understand that the Supreme Court’s decision to grant a writ of *certiorari* to review the Federal Circuit’s opinions in *CLS Bank International v. Alice Corp.*, No. 11-1301 (Fed. Cir. May 10, 2013) (*en banc*), may have a lasting effect on patent portfolio valuations — for large and small corporations, for NPEs, and for individual inventors.

For example, in his February 26, 2014 blog post in the *Washington Post*, Timothy B. Lee asked the question: “Will the Supreme Court save us from software patents?” (<http://www.washingtonpost.com/blogs/the-switch/wp/2014/02/26/will-the-supreme-court-save-us-from-software-patents/>.) In Lee’s view, in decisions such as *Alappat* and *State Street*, the Federal Circuit has strayed from the Supreme Court’s *Benson*, *Flook*, and *Diehr* precedents from the 1970s and early 1980s. He sees *CLS Bank* as a chance for the Supreme Court to set the patentability standard right and to cut back on an applicant’s ability to patent software and business methods. Despite the hit that Lee predicts companies may take from a Supreme Court decision that affects the value of a large number of patents across numerous industries, Lee feels that the economics are ultimately on the side of limited patent protection for software.



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Notable Trademark Trial and Appeal Board Decisions

By Stephen J. Quigley*

(Unless noted otherwise, all decisions are precedential.)

USPTO Record is Sufficient for a *Prima Facie* Case

Under Rule 2.132(b) (37 C.F.R. § 2.132(b)), if the plaintiff offers only copies of PTO records as evidence in an *inter partes* proceeding, the defendant may move to dismiss on the ground that the plaintiff has shown no right to relief. When the opposer in this case submitted only a copy of its pleaded trademark registration, the applicant brought a motion to dismiss. The Board, however, denied the motion and held that the opposer had made out a *prima facie* case of likelihood of confusion even though it relied solely on its registration. The Board was able to determine from the registration that the parties' goods were legally identical and the word portions of the marks (SWISSCODE and SKINCODE) were sufficiently similar to make a *prima facie* case of likelihood of confusion.

On the other hand, since the opposer offered no evidence regarding the common law use of its mark, and failed to provide any evidence of fame, the Board dismissed the dilution claim. *Skincode AG v. Skin Concept AG*, 109 U.S.P.Q.2d 1325 (TTAB 2013).

Phantom Mark Cannot Be Registered

A phantom trademark is one where an element of the mark, such as a year, geographic location, or model number, is depicted as a blank, dots, dashes, or a designation such as XXXX. The Board held that



is an impermissible phantom mark because the 44 in dotted lines could represent any numeral of at least two digits. The proposed mark would make it impossible to conduct an accurate search for conflicting marks and also provides insufficient notice of what exactly constitutes the applicant's

mark. *In re Dana Limited*, Serial No. 85447797 (January 30, 2014).

Family of Marks Inapplicable in an *Ex Parte* Proceeding

Where a mark has been refused registration on likelihood of confusion grounds, the Applicant cannot invoke the family of marks doctrine.



Establishing a family of marks requires a detailed assessment of not only the registrations, but also use, advertisement, and distinctiveness of the marks, and whether there is a public recognition of the common characteristic in the marks sufficient to constitute a source indicator. This kind of assessment is generally beyond the scope of an *ex parte* proceeding. In this instance, the Board upheld the refusal to register OPTICROSS for liquid chromatography apparatus on the basis of the registered mark OPTI for components of liquid chromatography systems. *In re Hitachi High-Technologies Corp.*, Serial No. 79110412 (February 21, 2014).

False Connection

Because the applicant had no actual or commercial connection with the Native American Lakota people or their language, the registration of LAKOTA for medical herbal remedies would result in a false connection.

The Board upheld the refusal to register, finding that all four factors for establishing a false connection were present:



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1) LAKOTA is the same as, or a close approximation of, the name or identity previously used by the Lakota people;

2) LAKOTA points uniquely and unmistakably to the Lakota people;

3) the Lakota people were not connected with the applicant or its product; and

4) the fame or reputation of the Lakota people was such that if the LAKOTA mark was used with the applicant's goods, a connection with the Lakota people would be presumed. *In re Kent Pedersen*, 109 U.S.P.Q.2d 1185 (TTAB 2013).

Lack of Bona Fide Intent

An application cannot be filed merely to reserve a right in a trademark that may be used at some future time. Swatch AG's opposition to the registration of IWATCH for watches and clocks was sustained because the applicant lacked the requisite bona fide intent to use the mark in commerce in connection with the goods in the application.

The applicant submitted a trademark search report, an e-mail regarding a conversation with the Examining Attorney, and three other e-mails showing drawings of watches displaying the IWATCH mark. These drawings, however, were created eight months after the application was filed and the mark was never used commercially. *Swatch AG v. M.Z. Berger & Co.*, 108 U.S.P.Q.2d 1463 (TTAB 2013).

(Endnote)

* Stephen J. Quigley is Of Counsel to Ostrolenk Faber LLP, where his practice focuses on trademark and copyright matters. He is also a member of the NYIPLA Board of Directors.



Hundred and Twenty-two

NYIPLA

“Day of the Dinner” CLE Luncheon

March 28, 2014

Key Developments in the Evolving Law of Remedies in Patent Infringement Cases

Will address the current status of the evolving law of remedies for patent infringement, including the interrelation of remedies available in the District Courts and in the ITC, the determination of compulsory royalties after a finding of infringement when no injunction is awarded, limitations on speculative damage awards by juries, and awarding attorney fees or other sanctions based on litigation misconduct.

Speakers

Honorable Pauline Newman,

Circuit Judge of the United States Court of Appeals for the Federal Circuit

Honorable Richard G. Andrews,

Judge of the United States District Court for the District of Delaware

Honorable Theodore R. Essex,

Administrative Law Judge of the United States International Trade Commission

Moderators

Michelle Lee, *Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the United States Patent and Trademark Office*

Thomas J. Meloro, *NYIPLA Immediate Past President, Willkie Farr & Gallagher LLP*



The Waldorf Astoria New York Hotel
301 Park Avenue, New York

As Time Goes By – Smart Inventors in Telephony

At the time of the founding of our Association in 1922, there were more than fifteen million phones in use in North America, all produced by the Bell Telephone Company. Almost a half-century earlier, on March 10, 1876, Alexander Graham Bell uttered his historic sentence, “Mr. Watson – Come here – I want to see you,” into his newly-minted invention, the telephone. Issued as United States Patent 174,465 on March 7, 1876, this patent is widely considered to be the most valuable patent in history.

Interestingly, in 1864 Bell’s father, Alexander Melville Bell, developed what was called Visible Speech, a form of universal alphabet that boils down all sounds made by the human voice into a series of symbols. In 1867, Bell’s father published a definitive work on the subject entitled “Visible Speech: The Science of Universal Alphabetics.”

During the intervening years between his father’s work on visible speech and his invention of the telephone, Bell taught speech at schools for the deaf in London (England), Boston, and Hartford. In 1872, he opened a School of Vocal Physiology in Boston. Clearly, speech recognition and vocalization were key aspects in the development of his career path.

On February 14, 1876, Bell filed his patent application that would mature into the ’465 patent. A few hours later, a so-called patent caveat was filed by a rival inventor, Elisha Gray. The caveat, which was not a full patent application, stated in pertinent part, “To all whom it may concern: Be it known that I, Elisha Gray, of Chicago, in the County of



Cook, and State of Illinois, have invented a new art of transmit-

Dale Carlson, a retired partner at Wiggin and Dana, is NYIPLA historian and a past president. His email is dcarlson007@gmail.com.

ting vocal sounds telegraphically, of which the following is a specification: It is the object of my invention to transmit the tones of the human voice through a telegraphic circuit, and reproduce them at the receiving end of the line, so that actual conversations can be carried on by persons at long distances apart.”



Based upon Bell’s earlier filing date, albeit only by a few hours, and the fact that he had filed a full patent application, the patent on the telephone was awarded to Bell. Subsequently, there was patent litigation between Bell Telephone and Elisha Gray and his Western Union Telegraph Company, which ultimately settled.

When we look at today’s smartphones, we can still see vestiges of inventions made by the likes of Bell and Gray. Gone are the wires and the separate speaker and receiver that required two hands to hold. Nonetheless, the core of telephony – the ability of the user to carry on actual conversations over long distances – has been preserved.

Our Association has benefited greatly from advancements in telephony over the years. Board meetings and committee meetings frequently take place by conference call or include telephonic participation. In the future, we might envision further enhancements in audio and video transmission that will make the experience of remote conferencing even more realistic. Kudos to the smart inventors who bring us these inventions!

Kind regards,
 Dale Carlson

By Mark Bloomberg and Robert Rando

On Thursday, January 16, 2014, the NYIPLA Continuing Legal Education Committee hosted its annual One-Day Patent CLE Seminar at the Princeton Club. The program included four panels, a luncheon keynote speaker, and an interactive ethics presentation. Panel I addressed “Exploiting Patent Rights – Antitrust and Valuation Issues.” Panel II addressed “Litigation Involving NPEs.” Panel III addressed “Supreme Court and Federal Circuit Legal Update.” Panel IV addressed “Current Issues in Patent Prosecution.” The fifth panel was an interactive ethics presentation, which immediately followed lunch. The luncheon keynote speaker was the Honorable Carol Bagley Amon, Chief Judge of the United States District Court for the Eastern District of New York.

Panel I – “Exploiting Patent Rights – Antitrust and Valuation Issues”



Panel I was moderated by CLE Committee member Irene Hudson from Fish & Richardson, P.C. Speakers included Benjamin Gris, Deputy Assistant Director of the U.S. Federal Trade Commission’s Mergers II Division; Heather Schneider from Willkie Farr & Gallagher LLP; and Kathlyn Card-Beckles, Managing Director and Assistant General Counsel for Intellectual Property and Technology Law at JPMorgan Chase.

Deputy Gris’ presentation addressed some of the issues considered by the FTC in connection with acquisitions of competitors involving substantial patent portfolios that

may create a barrier to entry. He focused particularly on Honeywell’s acquisition of Intermecc, which he worked on, including the conditions the FTC placed on that acquisition and the rationale for those restrictions. He also described some of the FTC’s activities in other areas of IP law, for example, the FTC’s current study of how NPEs may be affecting competition in the wireless industry.

Heather Schneider’s presentation addressed potential patent/antitrust concerns from the perspective of attorneys who represent clients in connection with the acquisition of companies or patent portfolios. She reviewed when such transactions may be reportable and the conditions that regulators might impose on such transactions. She also discussed how regulators in different countries often raise different concerns in connection with the same transaction.

Kathlyn Card-Beckles described how patents and patent portfolios are valued in the “real world,” and provided practical advice about how to perform valuations. In particular, she explained that, although royalty determinations in litigation are typically made by an analysis of the *Georgia-Pacific* factors, an entirely different set of factors with an entirely different emphasis is used to determine valuations of patents and patent portfolios in the business context.

Panel II – “Litigation Involving NPEs”

Panel II was moderated by CLE Committee member Bill Thomashower from Schwartz & Thomashower, LLP. Speakers included: Kim Bykov, Vice President and Senior Counsel for CA Technologies; Michael Kahn from Ropes & Gray LLP; and Robert Maier from Baker Botts.

Each of the panelists provided a timely and distinct perspective on the topic of NPEs and the issues related to “patent trolls.” The panel members presented individually, as well as in an interactive format, which resulted in an informative discussion of NPE litigation issues.



Kim Bykov provided meaningful insights and a “big-picture” in-house view based upon relevant business considerations. Her presentation included invaluable guidance that benefited every outside counsel attendee. Her discussion about the risk-based analysis and assessments made by in-house counsel and their business clients, with respect to NPE litigation, identified the concerns that all attorneys representing clients engaged in NPE litigation should, and need to, know.

Michael Kahn’s presentation distilled the efforts that have been undertaken by various levels of government (federal and state) to address the abusive litigation tactics involved in some NPE litigation. He provided a clear picture of the major components of the Innovation Act (H.R. 3309) that was passed by the House of Representatives on December 5, 2013. He identified the criticisms of, and support for, the bill. Mr. Kahn also addressed the actions being taken by the Executive Branch, along with the reaction of the Judicial Branch, as well as state government actions related to NPE/Patent Troll issues.

Rob Maier’s presentation provided a “road map” of NPE litigation strategies for patent owners and accused infringers. His thorough and straightforward discussion of the spectrum of NPEs from legitimate to bad actors highlighted some of the difficulties confronting the various stakeholders affected by proposed patent law reforms directed to NPE/Patent Troll issues. His thoughtful and even-handed analysis, and practical strategy/tactics suggestions, provided valuable tools for counsel on both sides of NPE litigation. His interaction with all panel members on these issues enhanced the unbiased clarity of the presentation.

Finally, Bill Thomashower contributed to the presentation by engaging with the panel and discussing his timely publication on NPE litigation issues.

Keynote Speech

The Keynote Speaker, Honorable Carol Bagley Amon, Chief Judge for the Eastern District of New York, provided an outstanding presentation on the state of the judiciary with respect to funding issues (sequestration), the role of a Chief Judge, the status of the patent pilot program, and EDNY local patent rules and other EDNY practices. We were quite privileged and honored to have such an accomplished jurist from our local EDNY as the Keynote speaker. Her discussion was vibrant, engaging, and informative. She also related an experience she had in one of her patent cases early in her career on the bench. She explained that a (male) attorney’s description to a female judge of the function of a patented product (unrelated to domestic chores) by analogy to an iron and ironing board might not have been the best choice.

Interactive Ethics Panel

The Interactive Ethics Panel, which followed lunch, gave the program attendees the chance to test their knowledge of ethics by voting on the correct responses to a series of multiple choice questions relating to the new USPTO Rules of Professional Conduct, ethics enforcement, and the evolution of case law concerning inequitable conduct. This program segment was well-received



and was identified by most attendees as an excellent manner in which to provide informative content in an alternative format that enables the participants to engage each other.

The questions were prepared by Patrice Jean and Tamara Coley of Kenyon & Kenyon, LLP, and presented by CLE Committee Co-Chairs, Mark Bloomberg of Zuber Lawler & Del Duca LLP and Robert Rando of The Rando Law Firm. At the conclusion of the presentation, a victory prize

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(NYIPLA discount for a future CLE program) was awarded to the participants at the table that had the most correct answers – and a remedial prize (NYIPLA discount for a future *ethics-related CLE program*) was awarded to the participants at the table that had the fewest correct answers.

Panel III – “Supreme Court and Federal Circuit Legal Update”

Panel III was moderated by CLE Committee member Michael Johnson from Willkie Farr & Gallagher LLP. Speakers included: Charles Macedo from Amster Rothstein & Ebenstein LLP; Melvin Garner from Leason Ellis LLP; and Peter Thurlow from Jones Day.



Charles Macedo provided an insightful update of the four decisions of the Supreme Court in intellectual property cases last term, and outlined the issues in the eight intellectual property cases that are before the Supreme Court this term. He also reviewed the historical frequency of review of intellectual property cases by the Supreme Court, and offered his views about the substantial increase in the number of such cases reviewed by the Supreme Court over the last several years. Additionally, as Co-Chair of the NYIPLA’s Amicus Brief Committee,

he identified the exciting opportunities available to NYIPLA members interested in contributing to the amicus filings the NYIPLA submits to the Supreme Court and Federal Circuit and encouraged members to join the Committee.

Mel Garner provided a comprehensive overview of the important cases decided by the Federal Circuit over the last year. He identified the major areas in which the Federal Circuit has rendered significant decisions, and outlined how these cases have changed those areas of the law. His presentation provided an excellent discussion of the salient facts and technologies involved in each case as well as an astute legal analysis of the law as applied by the Federal Circuit Judges.

Peter Thurlow provided a comprehensive review of recent decisions and rule changes in patent prosecution practice. He also offered a number of tips for practicing in that area. His practical suggestions and discussion of the PTAB implementation of the AIA post-grant procedures provided all attendees with an excellent in-depth analysis of the current practice before the PTAB.

Panel IV – “Current Issues in Patent Prosecution”

Panel IV was moderated by Jenny Lee from Fay Kaplun & Marcin LLP. Speakers included: Frank DeLucia from Fitzpatrick, Cella, Harper & Scinto; Michael Levy from Kenyon & Kenyon LLP; and Chris Bowley from Fish & Richardson P.C. Their collective discussion of the various new rules of prosecution practice (pre-and post-grant) provided valuable information for patent prosecutors and litigators.

Frank DeLucia’s presentation addressed the procedural options in pre-grant activities that increase the likelihood of successful outcomes in obtaining a patent and in challenging a patent. His detailed description and discussion of the expedited



prosecution options, pilot program initiatives, and procedures to challenge pending applications provided an excellent and useful resource for practitioners. In addition, his analysis of the new derivation proceedings provided valuable insight.

Michael Levy's presentation focused on the developing body of law for post-grant proceedings, and the utilization frequency for the specific components: *inter partes* review (popular); post-grant review (around the corner); *ex parte* reexamination (declining); and supplemental examination (rarely used). His discussion and analysis provided much needed clarity regarding the availability and advantages of various proceedings and the interrelationship with litigation in the district courts.

Christopher Bowley's presentation provided a practical guide and focused review of the new PTO ethics rules. His discussion was an excellent

complement to the Interactive Ethics Presentation earlier in the day. He provided an immensely helpful contextual relevance to the rule changes, enabling practitioners to understand what they need to know to be in compliance with the rules.

By all measures the Seminar was well received and a huge success, adhering to the high quality and standards of NYIPLA CLE programs and exceeding expectations both in style and substance. The presenters provided clear guidance on a variety of topical issues, and the feedback from attendees was very positive. The CLE Committee members all invested much time and energy enlisting outstanding presenters/speakers to provide informative and engaging discussions and analyses of the issues at the forefront of patent litigation and prosecution practice. The CLE Committee achieved or exceeded that goal. ■

Young Lawyers Roundtable: Oral Argument

By Michael Bullerman

On February 6, 2014, at Kaye Scholer LLP, the Young Lawyers Committee hosted its third Roundtable, focusing on the topic of oral argument. Terri Gillis, partner at Mayer Brown and former NYIPLA president, and Robert Pollaro, Special Counsel at Cadwalader, Wickersham & Taft LLP, led the discussion. The panelists began the roundtable by discussing the broad application of oral

advocacy skills and how they are applied in any oral presentation, whether it be to a judge, another lawyer, or a client. The panelists also discussed their prior experiences with oral argument, gave tips to attendees on how to deal with various situations that may come up in oral argument, and answered questions. The Committee's next Roundtable will focus on claim construction and will take place in May. ■

What Every NY Attorney Should Know About California Privacy Law – But Is Afraid to Ask!

By Kevin Moss

On February 18, 2014, the NYIPLA Internet & Privacy Committee hosted a Webinar entitled, "What Every NY Attorney Should Know About California Privacy Law – But Is Afraid to Ask!" The program featured Joanne McNabb, Director of Privacy Education and Policy in the newly created Privacy Enforcement and Protection Unit in the California Department of Justice, and one of the architects of California's privacy requirements—especially in the mobile and Internet ecospheres. Ms. McNabb fielded questions and engaged in a lively discussion with James Williams, a Vice President and Senior Privacy Officer for HSBC Technology & Services North America, and Kevin

Moss of Kramer Levin Naftalis & Frankel LLP and Chair of the Committee on a variety of topics where California is arguably driving the conversation on privacy. The presentation began with an introduction to California's so called "CalOPPA" statute and then traversed various topics including breach notification, California's expanded definition of what constitutes personally identifiable information, and the recent "Privacy on the Go" initiatives directly related to mobile privacy issues, as well as California's Digital Privacy Rights for Minors Act. The Webinar, NYIPLA's first, was very well attended and garnered considerable positive reviews. ■



NYIPLA Sponsors Forum On Legislative Efforts To Reform Patent Litigation

On February 11, 2014, the NYIPLA hosted its Second Presidents' Forum at the Thurgood Marshall U.S. Courthouse in Manhattan. The NYIPLA brought together speakers representing the judiciary, various industries, and academia to consider proposed legislation intended to address patent litigation activities some have characterized as abusive. The program was designed to solicit views from various constituencies and educate NYIPLA members on the critical issues pending patent litigation reform legislation brings to the fore. "I think it's vitally important that our members understand the dynamic at play here," said NYIPLA President Charles R. Hoffmann. "Voices throughout government, industry, academia, and in private practice have called for change. We have heard this message and believe change in some form is inevitable. In light of this situation, it is the responsibility of bar associations like ours to put forward cogent, reasonable, thoughtful proposals on how to create a more effective system for patent litigation in this country," he said.

Consistent with President Obama's recent call for Congress to "pass a patent reform bill that allows our businesses to stay focused on innovation, not costly and needless litigation," legislative proposals are rapidly moving through the legislative process. About forty participants considered the pros and cons of various solutions in the pending bills. Topics for discussion included provisions aimed at ensuring adequate pre-filing investigation, limits to discovery and fee-shifting provisions, and featured the views of twelve discussion leaders and facilitators:

- **Hon. Loretta A. Preska**, Chief Judge of the United States District Court for the Southern District of New York
- **Hon. Gregory M. Sleet**, Chief Judge of the United States District Court for the District of Delaware
- **Hon. Stanley R. Chesler**, District Judge of the United States District Court for the District of New Jersey
- **Hon. Arthur Gajarsa**, (Ret.) Judge of the United States Court of Appeals for the Federal Circuit
- **Hon. Garrett E. Brown, Jr.**, (Ret.) Chief Judge of the United States District Court for the District of New Jersey
- **Philip S. Johnson**, Chief Intellectual Property Counsel, Johnson & Johnson
- **Daniel P. McCurdy**, CEO, Allied Security Trust
- **Melissa Finocchio**, Chief Litigation Counsel, Intellectual Ventures Management, L.L.C.
- **Bryan Giles**, Assistant General Patent Counsel, InterDigital, Inc.
- **John Desmarais**, Desmarais L.L.P.
- **Christopher Sprigman**, Professor of Intellectual Property Law at New York University School of Law
- **Christopher Hughes**, NYIPLA Past President.



The NYIPLA intends to continue the Presidents' Forum series to periodically investigate various viewpoints on critical issues that affect the acquisition, regulation, and enforcement of intellectual property rights.

MINUTES OF DECEMBER 10, 2013
MEETING OF THE BOARD OF DIRECTORS OF
THE NEW YORK INTELLECTUAL PROPERTY LAW ASSOCIATION

BOARD MINUTES

The Board meeting was called to order at The Water Club, 500 E. 30th St., New York, NY, at 1:30 p.m. by President Charles Hoffmann. The meeting was preceded by a holiday luncheon for the Board and executive office staff. In attendance were:

Dorothy Auth	Denise Loring
Bruce Haas	Thomas Meloro
Walter Hanley	Richard Parke
Annemarie Hassett	Stephen Quigley
Anthony Lo Cicero	

Robin Rolfe, Feikje van Rein, and Lisa Lu were in attendance from the Association’s executive office. Jessica Copeland, Kevin Ecker, Raymond Farrell, Alexandra Frisbie, Matthew McFarland, and Wanli Wu were absent and excused from the meeting.

President Charles Hoffmann called the meeting to order. The Board approved the Minutes of the November 19, 2013 Board meeting.

Treasurer Denise Loring reported that the Association continues to be in a strong financial position. Assets are up slightly. Ms. Loring confirmed that the transfer of funds previously approved by the Board for investment had taken place in November as planned.

The Board reviewed and approved the list of new applicants for membership.

On behalf of Matthew McFarlane and the Amicus Brief Committee, Tony Lo Cicero relayed that on December 6 the United States Supreme Court granted *certiorari* in *Alice Corporation Pty. Ltd. v. CLS Bank International*, a case in which the Association was one of the few filers favoring the grant. The timeline for action in *Akamai* is slowed while the Court awaits invited input from the Solicitor General. The Committee recently filed the Association’s brief in the two cases (*Octane* and *Highmark*) concerning the appropriate standard to be applied when determining whether a case is “exceptional” under 35 U.S.C. § 285. No Board action is required at this time. President Hoffmann reported that the invitations to the honored guests for the March 2014 Judges Dinner will be sent out in January.

Dorothy Auth reported on a revised plan for the next Presidents’ Forum. The Board unanimously approved the proposal to host the next Presidents’ Forum at the Second Circuit courthouse in New York City in late January or early February to address the recent spate

of legislative proposals for patent reform. The invited speakers will include judges, legislators, and stakeholders.

President Hoffmann reported further on planning for the panel on NPEs that the NYIPLA will present at the Licensing Executives Society meeting in New York City in March 2014.

The Board was advised that a Chinese delegation had requested a meeting during their upcoming trip to the U.S., and it agreed to refer the matter to the appropriate committee to make suitable arrangements. The Board also discussed a request by a risk management company to make a professional liability presentation to the Association, which was referred to the Meetings & Forums Committee. Mr. Lo Cicero relayed that *Inside Counsel* was interested in covering the March 2014 Judges Dinner, and Ms. van Rein agreed to follow up with *Inside Counsel* regarding press coverage for that event by it and other media.

The Board discussed various options for access to the recently launched NYIPLA website Job Board, including limiting listings to member firms and corporations, or allowing listings from non-member firms and companies. The Website & Records Committee and the Association executive staff are reaching out to solicit more listings.

The Board discussed several issues regarding proposed patent reform legislation H.R. 3309, which was recently passed by the House of Representatives and is now before the Senate Judiciary Committee. The Board agreed to send the Senate Judiciary Committee a letter by December 13 regarding the Association’s views on unintended consequences for litigants and stakeholders if the legislation were passed. Dorothy Auth, Denise Loring, Kevin Ecker and Annemarie Hassett constituted an ad hoc subcommittee to finalize the letter for President Hoffmann’s approval and signature.

The Board discussed the issue of “open” websites, which permit other organizations to post items on them. The Association’s website currently is “open,” as is the NJIPLA’s website. The Board agreed to have Richard Parke, Dorothy Auth, and Bruce Haas discuss the matter with their counterparts at NJIPLA and report back.

The meeting was adjourned by President Charles Hoffmann at 2:20 p.m.

MINUTES OF JANUARY 7, 2014
MEETING OF THE BOARD OF DIRECTORS OF
THE NEW YORK INTELLECTUAL PROPERTY LAW ASSOCIATION

The Board meeting was called to order at the offices of Cadwalader, Wickersham & Taft LLP, 590 Madison Avenue, New York, NY, by President Charles Hoffmann. In attendance were:

Dorothy Auth	Anthony Lo Cicero
Jessica Copeland (telephone)	Denise Loring
Kevin Ecker (telephone)	Matthew McFarlane
Raymond Farrell (telephone)	Thomas Meloro
Alexandra Frisbie (telephone)	Richard Parke
Bruce Haas	Stephen Quigley
Walter Hanley	

Feikje van Rein was in attendance from the Association's executive office. Annemarie Hassett and Wanli Wu were absent and excused from the meeting.

President Charles Hoffmann called the meeting to order. The Board approved the Minutes of the December 10, 2013 Board meeting.

Treasurer Denise Loring reported that the Association continues to be in a strong financial position. Assets are up, income is level and expenses are down compared to the numbers reported for December 2012.

The Board reviewed and approved the list of new applicants for membership. Tom Meloro raised the question of whether first-year associates who have not yet been admitted to the practice of law should register as students or as "3-" lawyers. Walt Hanley pointed out that, under the Association by-laws, individuals who have graduated from law school but have not yet been admitted to practice were entitled to register as students. It was noted that the number of Association members increased from 1234 in 2012, to 1277 in 2013.

On behalf of the Amicus Brief Committee, Matthew McFarlane reported that the Committee was considering filing a brief in connection with the Supreme Court's consideration of *Alice Corporation Pty. Ltd. v. CLS Bank International*. The brief would be due January 27. The Committee intends to circulate a proposed outline once it decides the points to be raised in the brief. The Committee is considering filing briefs in other cases, but no Board action is required at this time. Matt McFarlane noted the increased participation of members of the Corporate Committee in Amicus Brief Committee activities. Dorothy Auth reported on planning for the second Presidents' Forum, scheduled for February 11. Judges, corporate representatives, academics, and lawyers on both sides of the issues have or will be invited to participate in the forum. Philip Johnson, Senior Vice President & Chief Intellectual Property Counsel of Johnson & Johnson, SDNY Chief Judge Preska, and John Desmarais of Desmarais LLP have agreed to be panelists. Christopher Hughes of Cadwalader has agreed to be a moderator. The Board agreed to continue to search for additional panelists and a second moderator.

Denise Loring reported on behalf of the ad hoc subcommittee (Dorothy Auth, Denise Loring, Kevin Ecker and Annemarie Hassett) relating to patent reform legislation pending before the United States Senate. President Hoffmann submitted a first Association letter on December 13, 2013 to Senator Leahy, Chairman of the Senate Judiciary Committee, and other Senate and House of Representative members. The Board discussed provisions of bills introduced by Senators Cornyn and Leahy and approved preparation of a detailed letter addressing those provisions and their impact on litigants and stakeholders. Bruce Haas volunteered to join the ad hoc committee. Association members, in particular members of the Young Lawyers, Patent Litigation, and Amicus Brief Committees, will be solicited to participate in drafting the letter.

President Hoffmann had nothing new to report on planning for the panel on NPEs that the NYIPLA will present at the Licensing Executives Society meeting in New York City in March 2014. It was agreed that the Association would offer LES members NYIPLA member rates for attendance at the March 28 Day of the Dinner CLE luncheon.

Raymond Farrell reported on upcoming Association programs. Richard Parke reported on the January 16 One-Day Patent Program. The Board discussed plans for Association participation in the World IP Day on April 29.

Tom Meloro reported on the status of the NYIPLA Education Foundation. Draft Foundation documents are close to final. A minimum of three directors is required. Dorothy Auth and Walter Hanley have agreed to join Tom Meloro as Foundation directors. The Board unanimously approved an initial \$50,000 donation to the Foundation, plus a pledge to match donations by others up to \$25,000.

Strategic Plan subcommittee member Bruce Haas discussed the status of the drafting of Goal I of the Association's 2013-16 Strategic Plan, To Promote the Growth and Diversity of the Association. Input from Association committees is needed in order to develop a plan to achieve Goal I. The Board approved seeking comments and recommendations from the Membership, Corporate, CLE, Meetings & Forums, and Women In IP Law Committees. Comments and recommendations will be due in time for the February 10 Board meeting.

President Hoffmann noted with regret the passing of former Association President, Douglas Wyatt. Doug served as President of the Association in 1983-84. The Board agreed to formalize the prior Board practice of making a charitable donation in the name of deceased NYIPLA Past Presidents and Board Members.

President Hoffmann adjourned the meeting at 2:20 p.m.

“Day of the Dinner” CLE Luncheon Key Developments in the Evolving Law of Remedies in Patent Infringement Cases

EARN NY/NJ 2.0 CLE PROFESSIONAL CREDITS

FOLLOWED BY

92nd Annual Dinner in Honor of the Federal Judiciary (Judges Dinner)

➤ **FRIDAY, MARCH 28, 2014** ◀

The Waldorf Astoria New York Hotel, 301 Park Avenue, New York

Diverse Careers in IP Law and Strategies for Achieving Success

➤ **WEDNESDAY, APRIL 2, 2014 5:00 P.M. – 6:30 P.M.** ◀

Fordham University School of Law, 140 West 62nd Street, New York

NYIPLA Program in conjunction with Accelerate, LIFT, and LISTnet

➤ **THURSDAY, MAY 1, 2014** ◀

Claim Construction for Young Lawyers

➤ **THURSDAY, MAY 1, 2014** ◀

Skadden, Arps, Slate, Meagher & Flom, 4 Times Square, New York

NYIPLA Annual Meeting

➤ **TUESDAY, MAY 20, 2014** ◀

The Princeton Club, 15 West 43rd Street, New York

Half-Day Trademark CLE Seminar

EARN NY/NJ 3.5 CLE CREDITS INCLUDING ETHICS

➤ **THURSDAY, JULY 17, 2014** ◀

The Princeton Club, 15 West 43rd Street, New York

Patent CLE Seminar

➤ **THURSDAY, NOVEMBER 20, 2014** ◀

EARN NY/NJ 7.0 CLE CREDITS INCLUDING ETHICS

The Princeton Club, 15 West 43rd Street, New York

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