



**July/August 1998**

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## **President's Corner**

This is a great Association and it is with a good deal of pride, but at the same time with a deep sense of humility, that I assume the office of president for the coming year. I have served on the Board of Directors since 1986 and during those twelve years I have had the privilege to work with a number of our past presidents. It has truly been a valuable learning experience and I thank each of them. I extend a special thanks to Ed Filardi, my immediate predecessor, for his outstanding leadership and for placing the NYIPLA in such a positive position for the coming year.

The committees, chairs and Board Liaisons are all in place. I thank the membership for a very positive response to the committee preference forms. I have asked the chairs to hold their "kick-off" committee meetings during the summer. The committee chairs will be invited to attend the September Board of Directors meeting to report on their agendas for the coming year. These committees are the lifeblood of the NYIPLA. The true value of the Association should be measured by the accomplishments of our committees. Last year, Ed Filardi worked to increase the quality of committee participation. His success was demonstrated by the number of committee chairs who attended the Annual Meeting and delivered committee reports.

One of our committees is already off and running! In June, the committee on harmonization of patent laws, chaired by Robert S. Mayer, was asked to review and comment on a draft WIPO patent harmonization treaty. These comments were approved by the Board and submitted to the PTO. In addition, Sam Helfgott, a committee member, represented the NYIPLA as an observer at the WIPO meeting on the draft treaty in Geneva. His report on the meeting appears in this *Bulletin*. My thanks to Rob Mayer, Sam Helfgott and the rest of the committee for undertaking this project on such short notice.

CLE! CLE! CLE! I am sure by now that you are aware of the upcoming Fall CLE Weekend to be held from October 2-4 at the Nevele Hotel in the Catskills. The program has been in place since February, and includes a number of our past presidents, Commissioner Lehman, a Federal Circuit Judge and a District

Court Judge. In the past, these weekends have provided an opportunity for members to meet socially in a relaxed, resort atmosphere. When you combine this educational program with the golf tournament, tennis tournament and a host of other athletic and social activities available at the hotel, I believe that we have found the formula for a great weekend for members, their families and guests.

Of course, the ultimate success of any CLE weekend depends on member support. We have been publicizing the program to this and other associations. We have also priced the program at a very reasonable rate. The cost of the weekend for two persons, including all meals, is only \$625.00. Children can attend the weekend for an additional \$20.00. Hopefully, this pricing will encourage our younger members to attend. If you haven't already done so, please take a moment and complete a registration form. You will be buying a ticket for a great Fall getaway weekend of camaraderie in the Catskills.

One other program on the horizon is a ceremonial admission to the Bar of the U.S. Supreme Court to take place on May 3, 1999. The NYIPLA last held a group admission in 1992, which was attended by 50 members. I have asked Peter Saxon to serve as sponsor for our group next May and to move their admission before the Court. The Young Lawyers Committee will be in charge of arrangements for the event.

It bears repeating: this is a great Association. I am grateful for the opportunity to serve as president. If you have any concerns or suggestions during the coming year, please contact me by phone (212-682-9640), fax (212-682-9648) or e-mail ([hbarnaby@rbd-law.com](mailto:hbarnaby@rbd-law.com)). I look forward to working with you.

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## News From the Board of Directors

*by Melvin C. Garner*

The Annual Meeting of The New York Intellectual Property Law Association, Inc. was held at the Yale Club on Thursday, May 21, 1998. The meeting was called to order by outgoing President Edward Filardi.

The Secretary, John Sweeney, reported that a quorum was present. He noted that a hundred votes are needed for a quorum and he had 130 proxies. Mr. Filardi asked for a motion to waive the reading of the Minutes of the prior annual meeting of May, 1997. The motion was approved.

Mr. Filardi gave the Report of the President. In the report, Mr. Filardi noted the efforts of the Association to have its members write to U.S. senators in support of Bill S507 in order to make sure the bill is considered. He also noted that representatives of the Association had attended various WIPO meetings.

Mr. Filardi reported that the Association was participating in the Jefferson Medal presentation by the New Jersey Intellectual Property Law Association on June 12, 1998 in Shorthills, New Jersey. Judge Allan Lourie of the Federal Circuit is the scheduled speaker. He further commented upon the Association's plan for a continuing legal education weekend at the Nevele Hotel in the fall. Horizons Corporation and Herbert Schwartz, the First Vice President, were congratulated by Mr. Filardi on behalf of the Association for making the Judge's Dinner a success. He also praised the efforts of Howard Barnaby, the President-elect, for his efforts throughout the year.

Mr. Filardi thanked John Murnane for his insightful reports as Treasurer of the Association, and Mr. Sweeney and his secretary, Bettina Miraglia, for their efforts in carrying out the duties of the Secretary of the Association. In addition, Mr. Filardi noted the efforts of several Committee chairpersons, i.e., Mary Lee Jenkins for her work with the Young Lawyers Committee, Susan McHale for the Meetings and Forums Committee, Eric Prager for the Trademark Law and Practice Committee, Fred Dorset for Patent Law and Practice Committee, Mark Abate for the Public Information, Education and Awards Committee, and Charles Baker of the Legislation Oversight and Amicus Brief Committee. Thomas A. O'Rourke was also congratulated for his work on the Publications Committee.

The names of deceased members of the Association were read, including Leonard L. Robbins (who was a director from 1955 to 1958), Kenneth Umans and Douglas Balog. A moment of silence was held in their honor and in honor of other former members of the Association who died in the past year.

Mr. Murnane gave the report of the Auditors and the Treasurer's report. He noted that it was a good year financially for the Association, posting income after expenses of \$82,800. The current assets of the Association are \$521,111, of which \$449,018 is in a checking account. Dues and admissions total \$77,805, while expenses for all items except the Judges' Dinner and meetings totaled \$72,239. The net of income after expenses for the Judges' Dinner was \$115,000, and the net of expenses over income for all other meetings was \$47,400. The excess income from the Judges' Dinner has been diverted to continuing legal education efforts. A motion to adopt the reports was unanimously approved.

Mr. Sweeney then read a list of the Association's Committees. As each Committee was called, the Chairperson of that Committee or a designated representative gave a summary of the Committee activities for the year. In the absence of a Committee representative, Mr. Sweeney summarized the activities of the Committee as given in its written report.

A resolution was submitted to extended student membership to graduates of accredited law schools who were yet to have been admitted to the Bar. The resolution was adopted by a unanimous vote of all voting members in attendance and the proxy vote of 130 members.

Martin Goldstein presented a report of the Nominating Committee. The Nominating Committee proposed Herbert F. Schwartz as President-elect, John F. Sweeney as First Vice President, Robert Neuner as Second Vice President, John D. Murnane as Treasurer, and Melvin C. Garner as Secretary. For the Board of Directors, Thomas A. O'Rourke was nominated for a two-year term and Charles P. Baker, Edward M. Blocker and Susan E. McHale were nominated for three-year terms. Edward V. Filardi, Martin E. Goldstein, Michael J. Kelly, Richard L. DeLucia and Mary Lee Jenkins were nominated for the next Nominating Committee. There were no other nominations for any office or for the Board of Directors. Upon a unanimous vote of the proxies and the members in attendance, the persons nominated by the Nominating Committee were elected.

The past Presidents in attendance escorted the new President, Howard Barnaby to the podium. Mr. Filardi made a few congratulatory remarks and presented a gavel to Mr. Barnaby. Mr. Barnaby thanked the Association for his election and promised to make his best efforts to assure that the coming year is successful for the Association. Then Mr. Barnaby presented a plaque of gratitude to Mr. Filardi on behalf of the Association.

Mr. Barnaby entertained a motion to adjourn the Meeting and it was so adjourned.

The Board of Directors also held their meeting on May 21, 1998. Howard Barnaby presided. The following individuals were in attendance at the request of the Board: Alfred M. Haffner -- Past President; David H.T. Kane -- Past President; Martin E. Goldstein -- Chairperson of the Committee of Past Presidents.

The Minutes of the Meeting of April of April 14, 1998 were presented. There being no corrections, the Minutes were unanimously approved. The Report of the Treasurer was presented by John Murnane. He noted that the dues of the Association covered its normal operating expenses. The report was accepted.

Mr. Barnaby presented a schedule of meetings for the Board for the next year. These meetings will be held at The Yale Club. Mr. Barnaby also indicated that various committee chairpersons would be invited to attend the September 15, 1998 meeting.

Mr. Barnaby raised the issue of whether past presidents would be willing to act as liaisons to the various committees in addition to the Board liaisons. Mr. Barnaby stated that he would ask Past President Tom

Creel to survey the past presidents to see if they would be available.

Edward Filardi reported that the past president's dinner was scheduled for September 10th and that he was taking care of the arrangements.

It was reported that Robert S. Mayer, Chair of the Committee on Harmonization of Patent Laws, would be circulating WIPO's Model International Forms for consideration and comment by the Board. These will be distributed by the Secretary and phone comments of Board members will be solicited.

There being no old business or new business for consideration, the meeting was then adjourned.

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## **Young Lawyers Networking Reception A Success**

On April 21, 1998 the Young Lawyers Committee under Chair Marylee Jenkins held a networking reception and talk at the Yale Club in New York City. The talk was a continuation of the Committee's Practical Tips Panel Series. The topic for this presentation was "Practical Tips for Young Lawyers from the Federal Judiciary and the U.S. Patent and Trademark Office." The panel was comprised of Nancy J. Linck, Solicitor with the U.S. Patent and Trademark Office, the Hon. T. Jeffrey Quinn from the TTAB, the Hon. Sidney H. Stein from the Southern District of New York, and the Hon. John M. Walker from the Second Circuit. Paul Garrity, incoming Chair for the Young Lawyers Committee, served as moderator of the presentation. The reception was a success and many turned out to listen to the distinguished panel. Below are photographs of the evening.

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## **NYIPLA Represented At International Meetings**

*By Samson Helfgott*

### **WIPO STANDING COMMITTEE ON THE LAW OF PATENTS**

For many years, WIPO has been working on a Patent Law Treaty to harmonize patent systems around the world. Although originally conceived as a Treaty on substantive matters, after many years of debate, the Treaty has been modified to cover only administrative matters. For many years, the group working on the Treaty met in Geneva as a Committee of Experts. This group has now changed its name to the Standing Committee on the Law of Patents and the first session of this new Committee met in Geneva on June 15-19, 1998 to review the latest draft of the Treaty.

The Committee includes delegates of all the member countries of the Paris Convention, as well as representatives of inter-governmental organizations, such as EPO and also includes non-governmental organizations. NYIPLA was represented at this meeting.

The current draft Patent Law Treaty includes Articles for harmonizing various formalities. It covers uniform requirements for obtaining a filing date, including the ability to obtain a filing date by means of a "telex filing." It guarantees at least one review to any revocation or invalidation decision. It covers representation and address for service, prohibits the requirement of certification of documents, provides for uniform procedures for recording a change of name or address, as well as uniform procedures for recording change of applicant or owner. Additional provisions include requesting for correction of a mistake, as well as requests for recording of a license agreement or a security interest.

One of the major provisions guarantees extensions of time limits for all matters dealing with the Patent Offices. It also guarantees the ability to revive an application, as well as restoration of rights. Most noteworthy is that it permits an extension of the priority year by two months where the application was not

filed within the priority year upon a showing that all due care required by the circumstances to meet the priority has been taken.

At the Geneva meeting, some of the Treaty Articles and some of the Regulations were reviewed, and the language discussed. The balance of the Articles will be discussed at a second meeting of the Standing Committee on the Law of Patents tentatively scheduled for the end of 1998. Thereafter, if approved by the Committee, the Treaty will go before a Diplomatic Conference for further review.

The general atmosphere among the member states appeared to be very supportive of the Treaty. Continuous comments by the delegation indicated the need to make the patent systems around the world user friendly, and continuous concern was addressed for the needs of applicants in utilizing the patent systems around the world. Almost all delegates recognized the need for updating patent systems to accommodate electronic filing and the needs for improved technology approaches to handle patent applications within the National Patent Offices. However, at the same time, great concern was addressed as to the specific language of the Treaty, recognizing that ultimately the accepted language must be one that is tight enough to avoid conflicts and misinterpretation in implementing the Treaty.

Despite the continued cooperation of all member states, it is doubted if any treaty will be enacted for at least two to three years.

## **MEETING OF US BAR/EPO LIAISON COUNCIL**

The U.S. Bar/EPO Liaison Council is an umbrella group containing representatives of all National and Regional Bar Associations in the United States meeting annually with the officials of the EPO, with the meetings alternating between the United States and Munich. This year's meeting was held in Munich on June 19, 1998.

As was established in a previous year, prior to meeting with the EPO, the Council also had a meeting with WIPO Representatives, and specifically the heads of the PCT. This meeting was held in Geneva on June 18, 1998. The NYIPLA was represented at both meetings by its representative.

At the meeting with WIPO, the new head of WIPO, Mr. Idres, addressed the group and solicited the group's opinions with respect to some of the WIPO projects, including PCT. He indicated WIPO's continued interest in addressing the needs of the industrialized countries, while at the same time protecting the interest of developing countries. However, he appeared interested in hearing opinions and suggestions and indicated that all of these ideas would be considered by WIPO in their future plans.

The group then met with the heads of the PCT. The officials reported that there was a twenty-seven percent increase in PCT filings over the previous year. The previous proposal for reductions in fees in the filing of PCT applications has already gone into effect. However, the PCT is now considering even further reductions of fees which would be effective for 1999. One consideration was for a discount for applicants filing electronically. They were also considering reducing the maximum number of countries from eleven to ten for affecting designation of all of the other countries. Right now, fifty-four percent of all applications filed pay for eleven countries, thereby obtaining the designation of all of the countries.

The PCT reiterated its ability to act as a receiving office for PCT filed applications instead of going to the National Offices. Thus, a U.S. applicant could use the PCT as the Receiving Office. However, the applicant must designate the particular office that will do the search and examination. The PCT then forwards the case to that office for such search and examination.

A number of changes in the PCT rules had been previously approved and those go into effect as of July 1, 1998. These relate mainly to easing of the claim for priority. The PCT also now has the ability to electronically file applications using the EASY System which provides an electronic formatted system for filling out the request form electronically.

In the meeting with the European Patent Office, the EPO was represented by its president, Mr. Ingo Kober, as well as numerous vice presidents and other staff members. The EPO reported a staggering rise in the number of European patent applications. In the first five months of this year, there was an increase of approximately seventeen percent over 1997. The proportion of applications filed through the PCT route reached fifty-eight percent for the first five months of this year. As a result of this continued rise, the backlog also has grown. The EPO is seriously addressing the backlogs, especially in searching. They are recruiting new staff, increasing their BEST Program (combining search and examination in one examiner) and improving automation techniques. They have also implemented the EASY Software for filing applications and are continuing their automation activities.

Although the EPO had already implemented a reduction in fees by about twenty percent effective July 1, 1997, they are considering additional proposals for further reductions of European and International Search fees. They are also considering a proposal to create a ceiling for designation fees to the effect that no more than eight designations fees would be payable in order to obtain the designation of all countries.

The EPO continues to address the translation problem. While the Package Solution requiring only translation of an enhanced abstract has not been widely accepted by the Administrative Council, other suggestions are being considered including translation on demand, and various other proposals such as translation into only the official languages, translation of only claims, and other proposals as well.

With respect to organization, Cyprus has ratified its accession and became the Organization's nineteenth contracting state in April 1998. Eight countries of Central and Eastern Europe have applied for membership, and Macedonia has now signed an agreement making it the sixth extension state.

In addition to the EPO report, the agenda covered topics including current developments within the framework of the ECC Green Paper proposal, proceedings before the Board of Appeals, and quality of searches.

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## **Induction Weekend and CLE Program in Akron**

The Eighth Annual Continuing Legal Education Program on Intellectual Property Law and Practice will be held in Akron on September 18-19, 1998 in conjunction with the National Inventors Hall of Fame Induction Weekend.

The CLE conference is presented by Inventure Place, National Inventors Hall of Fame and the National Council of Intellectual Property Law Associations. The program is co-sponsored by the National Bar Association, the All Ohio Annual Institute on Intellectual Property, the Ohio State Bar Association, the Cincinnati Bar Association and the Cincinnati, Cleveland, Columbus, Dayton and Pittsburgh intellectual property law associations.

This two-day program features presentations by nationally recognized experts in the fields of patent, trademark and copyright law and is intended to review current issues affecting intellectual property law practice in the Federal Courts, the U.S. Patent and Trademark Office and the U.S. Copyright Office. The program will endeavor to identify inconsistencies in present law in order to try to predict where the next major changes might occur.

The conference will be held at the Hilton Hotel at Quaker Square in downtown Akron. For more information on the CLE conference or to register, call (330) 849-6921.

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## **National Inventors Hall of Fame Inductees Announced**

The 1998 class of National Inventors Hall of Fame inductees was recently announced at the Henry Ford

Museum. The 1998 class of six inductees brings the number of inventors enshrined in the hall to 141. Thomas Edison was the first to be inducted in 1973.

The 1998 National Inventors Hall of Fame inductees and their inventions are:

- Henry Timken (1831-1909): Tapered Roller Bearing. Turning vehicles exert strong side pressures on wheels and their bearings. The tapered roller bearing answered that problem. The invention was initially used on horse-drawn carriages; it is now used by nearly every mode of modern transportation.
- Alfred Nobel (1833-1896): Improved Explosive Compound, better known as Dynamite. This invention made the explosives far safer to handle in mining and construction.
- S. Joseph Begun (1905-1995): Magnetic Recording. Mr. Begun led early research in magnetic recording before and during World War II. He built the first tape recorder used for broadcasting.
- Douglas Engelbart (1925- ): X-Y Position Indicator for a Display System, better known as The Mouse, which in the 1960s was the only patentable part of his pioneering work in the design of modern interactive computer environments.
- James L. Fergason (1934-): Display Devices Utilizing Liquid Crystal Light Modulation, commonly known as the liquid crystal display. This invention is annually used in five billion products such as computer displays, medical devices, and the vast array of consumer electronics.
- Kary Banks Mullis (1944- ): PCR, the polymerase chain reaction method has revolutionized the fields of microbiology, medical diagnostics, and forensics. This method is considered one of the most important advances in genetic research. PCR allows scientists to identify a fragment of DNA genetic code and then reproduce infinitely.

The inductee-designates will be inducted into the Inventors Hall during the National Inventors Hall of Fame Induction Ceremony, which will be September 19, 1998.

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## Comments Solicited by Committee on Jury Process

The Committee of Lawyers to Enhance the Jury Process has been appointed by Chief Judge Kaye and Chief Administrative Judge Lippman to examine the procedural and ethical issues occasioned by repeal of the Bar's exemption from the jury service and to recommend improvements to the jury process.

The Committee is soliciting ideas and comments from lawyers and bar associations throughout the State of New York pertaining to: (1) unique problems posed by having lawyers and judges serving as jurors, and (2) general problems confronting the jury system. Comments should be directed to the Chair of the Committee: Gregory P. Joseph, Esq., Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, NY 10004.

In addition, the Committee asks that all submitted comments include the name of the member of the bar organization that the Committee can contact to keep the organization apprised of the Committee's progress.

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## Pending Legislation

*by Edward P. Kelly*

## **TRADEMARKS**

### **Madrid Protocol**

Bills have been pending for several years that would make the United States a member of the Madrid Protocol. The Madrid protocol consists of 16 countries which honor a single filing system for trademark applications. United States companies would benefit from being a member of the Madrid Protocol because they could file a single trademark application under the Protocol and obtain trademark protection in the 16 countries. This process would undoubtedly save U.S. companies the expenses associated with filing trademarks in an individual country.

The Protocol has been in existence since 1891. Amendments to the Protocol in 1989 paved the way for U.S. accession. There has never been any fundamental opposition to the Madrid Protocol. Yet, the United States never acceded to the Protocol because the State Department objected to the allocation of voting rights among the members of the Protocol. In particular, each member country had one vote and the European Union had a separate vote. This barrier to the United States' succession to the Madrid Protocol may soon fall. Senators Hatch (R-Utah) and Leahy (D-Utah) recently introduced two bills (S.219 and S.2193) which would bring the U.S. into the Madrid Protocol, and it now appears that the Administration may be able to solve the voting rights issue. A similar bill is pending in the House (HR.567).

### **Trademark Law Implementation Bill**

Senators Hatch and Leahy also introduced a Trademark Law Treaty Implementation bill (S.2193) that would contain provisions for members of the International Trademark Treaties to simplify the registration of trademarks in their countries. For instance, in order to accede to the treaty, U.S. law would have to be amended so that an assignment could be accomplished in the U.S. Trademark Office without submitting a copy of the underlying assignment document. Foreign registrations would no longer be required to be submitted in support of an application based on a foreign registration in order to receive a filing date, and it would be possible to revive an application abandoned during the examination process. This bill would also put an end to formalities in certain countries, such as the legalization of documents which is not only expensive, but a time-consuming process that delays the filing of documents in foreign countries.

The bill also contains some measures that do not relate to the international treaty. In particular, it contains a provision regarding whether incontestable registrations are subject to cancellation proceedings on the grounds of functionality. The bill would subject a registered product configuration mark to cancellation even if a configuration mark had become incontestable.

### **Protection For Product ID Codes**

A product ID code is information carried on a consumer product in the form of letters, symbols, marks and dates that would permit a manufacturer to later determine certain information about the date and place of manufacture of a product after it has been sold into the stream of commerce. Counterfeiters have apparently been able to decode these product codes and thereby either divert shipments and/or pass off expired products. A bill recently introduced by Rep. Goodlatte -- the Trademark Anti-Counterfeiting Act of 1998 -- would adopt federal laws against the decoding of product ID codes. The new law would prohibit decoding for economic purposes as opposed to the decoding laws that are now on the books which relate only to a criminal intent. The bill would prohibit the alteration or removal of product identification codes on goods sold in interstate and foreign commerce. Goods that had been decoded also would be prevented from entering the country.

## **QUASI-PRIVATE RELIEF BILLS**

Several bills have been introduced or urged in Congress by individuals seeking to amend the Lanham Act



that might be considered quasi-private relief bills.

## **Statute of Limitations For Dilution Actions**

The federal cause of action for dilution provided for in the Lanham Act is a relatively recent addition to the Act. Prior to amendment of the Lanham Act, dilution theories were primarily a matter of state law. Dilution is the concept that a senior user can stop a junior user from using a mark even on different goods if the senior user's mark is so famous that use by the junior user would erode or disparage the good will in the senior user's mark.

A bill pending in the House (HR 3119) would further amend the Lanham Act to provide for a statute of limitations for dilution actions. The bill proposes that the statute of limitations be a relatively short period of time, either one year from the date of registration of the mark or one year from when the senior user began using it. The bill grew out of a trademark dispute between Viacom and Blockbuster and, in that regard, has been viewed negatively by the American Intellectual Property Law Association as essentially a private relief bill. The International Trademark Association also opposes the bill because there are currently no statutes of limitations in the Lanham Act. However, the Lanham Act does provide for defenses of estoppel, laches and acquiescence.

Another quasi-private bill stems from a dispute that may have started over a bottle of rum. The Bacardi-Martini, Inc. Company, a seller of rum, complained about the appropriation of its HAVANA CLUB trademark for rum by the Cuban government. Apparently, the Cuban government appropriated the mark in Cuba and then registered the Bacardi mark in the United States, through an intermediary, and is attempting to stop Bacardi from using the mark in the United States. The bill would amend the Lanham Act to prevent U.S. registration of expropriated marks.

Finally, the last of the quasi-private bills involves complaints by "oldies" groups that third parties are registering their names. Understandably, this bill is being urged by Rep. Dennis Kucinich (D-Ohio) who was elected in the district in which the Rock and Roll Hall of Fame is located.

## **PATENTS**

### **Reduction in Patent Fees**

Under current law, the fees collected by the PTO from companies and persons filing patent applications may be and have been diverted to cover other expenses in the government's budget. Companies which pay filing fees for patent applications have long criticized the diversion of PTO fees to cover other areas of the U.S. budget. Now, a bill recently introduced by Rep. Coble (R-NC) (HR 3273) would actually reduce the filing fees in the PTO. The Bill entitled "United States Patent and Trademark Office Reauthorization Act - Fiscal Year 1999" has been approved by the House Subcommittee on Courts and Intellectual Property and has been approved by the Judiciary Committee.

## **COPYRIGHT**

A person who compiles a database of information currently would not enjoy a large amount of copyright protection in view of the Supreme Court's decision in *Feist Publications v. Rural Telephone Service Co, Inc.*, 499 U.S. 340 (1991). In that case, the Supreme Court rejected the theory that the compilation of a telephone book is protected merely because the person compiling it expended time and energy in doing so, known as the "sweat of the brow" theory. The House recently passed a bill entitled "The Misappropriation of Collections of Information" (HR. 2652). Under the new bill, these databases could be protected from commercial exploitation for 15 years.

### **Digital Millennium Copyright Act**

The Senate has unanimously approved a bill entitled "The Digital Millennium Copyright Act." This bill

would limit the manufacturing, import and sale of technologies that are used to circumvent copyright protection.

## Recent Decisions of Interest

By *Thomas A. O'Rourke*

### Patents

#### Claim Construction

Claim construction continues to be a very popular subject for Court of Appeals for the Federal Circuit. For example, in *Digital Biometrics, Inc. v. Identix, Inc.*, \_\_ USPQ2d \_\_ (Fed. Cir. July 2, 1998), the Federal Circuit affirmed a judgment of non-infringement because of the interpretation of the word "array" that was used in the specification and claims. Claim 16, one of in the claims in issue, used the word "array" twice: once to refer to data structures containing "slice data" and another time to refer to a data structure containing the data characteristic of a rolled fingerprint image.

Initially, the court noted that any interpretation given the word "array" in the claims should encompass both uses because the same word appearing in the same claim should be interpreted consistently. In support of plaintiff's interpretation, plaintiff pointed to an isolated passage in the written description to support its construction. However, this passage, according to the Federal Circuit, did not alter its claim interpretation, which was based on the entire written description. The Federal Circuit went on to note that, because of uncertainties surrounding the implementation of the invention, the court adopted a "narrow claim construction that is clearly supported by the written description." Plaintiff also pointed to a dictionary definition in support of its claim interpretation. This argument was rejected because the Federal Circuit held that intrinsic evidence was not necessary to interpret the claim.

Another term that had to be interpreted was the phrase "active area." Plaintiff argued that since the term was used in some claims and not others, "active area" must have a meaning unique to itself. This argument was also rejected by the CAFC, which stated: "this argument might have the same force if the claims that used 'active area' actually depended from claim 16, but none do. As used here, we disagree with DBI's premise. Just because certain words are used in different claims does not mean that those terms cannot have application elsewhere in the Patent."

Another factor supporting the court's interpretation of the words "active area" were remarks by applicant's attorney to distinguish one of the prior art references. These remarks were general comments distinguishing a reference and were not addressed to a specific claim. Because these remarks were not limited to specific claims, the court concluded that they were made with respect to *all* of the pending claims. Thus, even though the applicants went on to distinguish each claim on more specific grounds in the submission, these specific remarks did not eliminate the limiting effect of "global" comments made to distinguish the claimed invention from the prior art. The Federal Circuit stated: "The public has a right to rely on such definitive statements made during prosecution. Notice is an important function of the patent prosecution process... Absent qualifying language in the remarks arguments made to obtain the allowance of one claim are relevant to interpreting other claims in the same patent."

#### The Doctrine of Equivalents

The doctrine of equivalents was addressed by the CAFC on an appeal involving a preliminary injunction in *Vehicular Technologies Corp. v. Titan Wheel International, Inc.* \_\_USPQ \_\_ (Fed. Cir. April 7, 1998). In *Vehicular Technologies*, the patent related to automotive locking differentials. The written description repeatedly emphasized the capacity of the inner spring to serve as a backup or replacement for the outer spring in the event of the outer spring's failure. In addition, this feature was stated as a significant

improvement over the prior art. The Federal Circuit relied on the statements to limit the claims because these statements clearly informed the reader of the patent about the role played by the inner spring and the scope the patentee intended his patent to cover. According to the court, these statements also affected the interpretation of the patent given by the patent examiner in determining whether the claims were patentable over the prior art and by competitors attempting to avoid infringement. Likewise, the court said the statements *must* affect the range of equivalents allowed by the court. Since the accused device was entirely incapable of performing the key backup function, this strongly suggested that the structure was more than insubstantially different from the claimed spring assembly.

Plaintiff argued that such conclusions required "the application of linguistic chicanery that rends the heart from the true invention." The Federal Circuit rejected this argument and stated:

this is not a case, however, in which the true invention as claimed is overwhelmed by unnecessary semantic literalism. Rather, multiple statements in the written description itself speak to the role of the spring assembly limitation. The patent announces a function desired by the patentee, namely spring backup. It touts the benefit of the tool spring assembly claimed in the patent as compared to assembly's having only one spring. As for the purported ease with which Tractech may have designed around this patent, that result was invited by the language used by the patentee to define his claim.

The doctrine of equivalents was also at issue in *Chiuminatta Concrete Concepts, Inc. v. Cardinal Industries, Inc.*, \_\_USPQ2d \_\_ (Fed. Cir. May 14, 1998). The claims at issue were "means plus function" claims. Cardinal argued that the wheels of its device were not equivalents to the disclosed skid plate because they were rotatably mounted. Plaintiff argued that the wheels were equivalent to the skid plate because they are interchangeable. This argument of interchangeability was rejected by the Federal Circuit as unpersuasive. The court recognized that: "almost by definition, structures that perform the same function may be substituted for one another. The question of non interchangeability is not whether both structures serve the same function but whether it was known that one structure was an equivalent of another."

Since plaintiff did not prove that a person of ordinary skill in the art recognized the interchangeability of metal plates with wheels for supporting the surface of concrete, there was no equivalence between the two structures.

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## Internet Update -- New Domain Names And Dispute Resolution Rules

*By Stephen J. Quigley*

It is hardly a profound observation that changes are constantly occurring in virtually all aspects of the Internet. Yet, with respect to domain names, significant changes are in the works. Before the close of this year, it is expected that an entirely new method for allocating and governing domain names worldwide will be implemented.

While discussion and debate continues (much of it generated by the United States Department of Commerce's recently issued "Proposal to Improve Technical Management of Internet Names and Addresses" -- generally referred to as the "Green Paper"), in all likelihood the following will be implemented:

1. the introduction of new top level domain names;
2. the establishment of many new domain name registrars; and
3. new procedures for handling disputes concerning rights to a particular domain name.

## **Existing Top Level Domain Names**

Currently, all web site domain names are assigned one of five generic top level domain names (gTLDs):

- .com (commercial, for-profit organizations, including law firms)
- .org (generally, non-profit organizations)
- .net (network infrastructure machines and organizations)
- .edu (colleges and universities)
- .gov (U.S. federal government agencies)

The .com TLD is by far the most popular -- and the most coveted. As a result, conflicts have arisen where there are multiple owners of identical trademarks, each desiring to attach its mark to the .com TLD. For example, in the United States alone, there are somewhere in the neighborhood of 68 federal registrations for ALPHA, owned by 59 separate entities. Yet, only one entity (which need not even be any of the federal registrants) can register and use the domain name alpha.com. This has barred every one of the remaining ALPHA trademark owners worldwide from using their mark as a .com domain name. It has also, of necessity, fostered a creative spirit among the trademark owners. Thus, web browsers will encounter domain names such as alpha1.com; alpha-one.com; alpha01.com; alpha-1.com; alphaone.com; etc. While these slight variations in domain names may pass muster on the Internet, left unresolved is whether such names are confusingly similar to each other or to any existing trademarks.

There are also more than 180 geographic top level domain names. These names incorporate the ISO two letter country codes, e.g. alpha.ca (for Canada), alpha.co.de (for Germany), alpha.com.uk (for the United Kingdom). In the majority of countries, there must be some presence by the domain name owner, but there are approximately 70 countries where domain name registration is open to everyone.

## **Current Domain Name Dispute Policy**

Not only do legitimate trademark owners face denial of their domain names for their marks because someone else with the same mark beat them to the punch, they may also have to deal with "cyberpirates" or "cybersquatters." These enterprising individuals have caught numerous trademark owners off guard, registering well-known trademarks as domain names for the purpose of demanding payment to transfer the name to the trademark owner.

At present, all .com, .net, .org, and .edu domain names are issued, and disputes are initially handled, by Network Solutions, Inc. (NSI), a private company based in Herndon, Virginia. NSI's exclusive contract has recently been extended to September 30, 1998 to allow for an orderly transition to the new registrars and implementation of the new dispute resolution framework

Under the current NSI policy (effective February 25, 1998), where the domain name is identical, letter by letter, (the .com segment is not considered) to a trademark currently registered in any country (for example, the registered mark ALPHA and the domain name alpha.com), the owner of the registered trademark can petition NSI to place the domain name "on hold" -- provided that the effective date of the registered trademark precedes the date the domain name was activated. On the other hand, if the domain name owner already owns a registered trademark which is identical to its domain name and its registration was effective prior to the notice of a dispute, NSI will not take any action. When placed on hold, a domain name, and all web site content associated with the domain name, cannot be accessed by anyone using the web. A hold status remains indefinitely pending resolution of the dispute either through an agreement between the parties or by court order.

NSI does not determine or otherwise substantively evaluate whether the registration or use of a domain name infringes another's trademark rights. Unless the parties reach an agreement, the resolution of a domain name dispute must ultimately be decided in court according to traditional trademark principles.

NSI's dispute resolution policy has been widely criticized on several grounds, including its all-or-nothing

approach, its quasi-judicial power to indefinitely enjoin the use of a domain name and its virtually exclusive reliance on a party's trademark registration.

## Anticipated Changes

The principal organization behind the drive to change the way cyberspace is governed is the Policy Oversight Committee (POC), a 12 member body consisting of representatives from a number of organizations including the Internet Assigned Numbers Authority (IANA), Internet Society (ISOC), World Intellectual Property Organization (WIPO) and the International Trademark Association (INTA). The POC has issued the Generic Top Level Domain Memorandum of Understanding (gTLD-MoU) which is the governance framework in which policies for the administration and enhancement of the Internet's global Domain Name System (DNS) are developed and deployed. The most sweeping changes in this Memorandum are discussed below.

### 1. New Top Level Domain Names

An additional seven generic Top Level Domain names (gTLDs) will be added:

- .firm (businesses and firms)
- .shop (businesses offering goods to purchase)
- .web (entities emphasizing activities related to the World Wide Web)
- .arts (entities emphasizing cultural and entertainment activities)
- .rec (entities emphasizing recreation/entertainment activities)
- .info (entities providing information services)
- .nom (for those wishing individual or personal nomenclature, i.e., a personal nom de plum)

### 2. Registration Procedures

Numerous Domain Registrars will be created worldwide known collectively as the Council of Registrars (CORE). Eighty-eight private, non-government organizations, including Network Solutions, Inc. and the trademark search company Thomson & Thomson, have been accepted as Domain Registrars. Each of the Domain Registrars will be able to register any of the new gTLDs, but not, for the time being, any of the .com, .org. or .net names, nor any of the two character country code names, known as "national TLDs" (e.g. alpha.ca indicates that Canada is the home base of the domain name owner). Network Solutions will continue, at least through September, 1998, to serve as the exclusive source for the registration of domain names attached to these gTLDs.

Uniform policies and regulations concerning the registration procedures will be established by the POC. A key recommendation of the Memorandum of Understanding (to which all Registrars are signatories) is that registration of a domain name which is identical or closely similar to an "internationally known" mark shall be granted only to the owner of the intellectual property right in the internationally known mark.

Pre-registration of new generic top level domain names is being offered by some of the CORE registrars, as well as by non-CORE entities who plan to submit the names in a batch to the CORE registrars. The advantage of pre-registering is that when registration activities commence for the new gTLDs, those names which have been pre-registered will have a head start. However, it is by no means settled that the seven domain names listed above will actually be implemented.

Further, there is no guarantee that a pre-registered name will actually become registered as all of the 88 CORE registrars from around the world will be submitting applications on a round robin basis. Each registrar will enter as many domain name applications as it is capable of doing during the time period allotted for its "window." (The same time period will be given to each registrar.) Once the window period is closed, all of the windows will be randomly selected on a serial basis for processing.

### 3. Dispute Resolution

A second revised draft Substantive Guidelines Concerning Administrative Domain Name Challenge Panels was issued by the Policy Oversight Committee on October 2, 1997. Key provisions addressing domain name disputes advocate the creation of Administrative Domain Name Challenge Panels (ACPs). The number of ACPs and the procedures for handling disputes by the ACPs will be developed by CORE. The decision of an ACP will be binding on the Registrars, but it will not bar regional or national courts from exercising jurisdiction. The ACPs will not, for the time being, have jurisdiction over disputes arising in connection with the .com, .net and .org domain names.

Any person will be able to challenge a domain name and will be able to seek one or more of the following forms of relief:

1. exclusion (i.e., cancellation) of the domain name;
2. transfer of the domain name to the challenger;
3. exclusion of the name from some or all of the top level domain names where it has not yet been registered (This remedy will be reserved to those relatively few marks which have sufficient geographical extent and uniqueness to justify such a broad exclusion.); and/or
4. modification of the domain name so that it no longer conflicts with the rights of the challenger.

The challenger to a domain name will have to assert an intellectual property right as the basis for attacking the domain name. In adjudicating the dispute, the ACP will consider a number of factors, including:

- the goods and services connected with the challenger's mark relative to the goods and services, if any, in connection with which the domain name is used;
- whether the challenge is lodged in good faith;
- the length of use, geographic scope and market presence of the challenger's mark and of the domain name;
- the strength of the mark and the strength of the domain name;
- whether the domain name registrant holds a separate intellectual property right in the domain name;
- whether the domain name was registered in good faith;
- public recognition of the domain name;
- whether the domain name is a personal name or nickname;
- whether the domain name holder has, in good faith, used the domain name continuously for two years prior to the challenge -- if so, a rebuttable presumption arises that the domain name holder is entitled to the continued use of the domain name; and
- whether the domain name holder is "trafficking" the domain name, i.e., registering the domain name for the purpose of selling it to one who holds an intellectual property right in the name.

ACPs will not award monetary damages, but may award the costs of the challenge procedure and require the posting of a bond.

## **Implementation**

As mentioned above, the discussions on all aspects of the domain name issue are continuing and there is

by no means a consensus. For example, criticisms have been expressed concerning the proposed dispute resolution policy because the ACPs will operate outside the bounds of an established judicial system. Consequently, the ACPs will exercise the power to adjudicate what are in essence trademark conflicts without any counterbalancing institutional check on that power.

The issuance of the U.S. Government's Green Paper has had a significant impact and the debate and discussions concerning its recommendations, as well as the numerous responses to it (over 650), has further delayed implementation. For example, the Green Paper has been criticized because it advocates the continued dominance of U.S.-based organizations for the governance of the Internet and for its failure to give adequate consideration to the trademark aspects of domain names. The Green Paper also calls for greater protection for the existing domain names and a single registry for each top level domain name.

The Green Paper is undergoing revision in light of the comments and it is anticipated that a White Paper will be issued in late May or early June, 1998. Since the United States is by far the dominant player on the Internet, its views will be given serious consideration. As a result, the proposed terms for new domain names, registration procedures and dispute resolutions may be modified, altered or scrapped altogether.

## Resources

While it is nearly impossible for a busy practitioner to remain abreast of the latest developments, this information is readily available through the Internet. Some key web sites are:

- <http://www.gtld-mou.org>: for the Memorandum of Understanding, Glossary of Acronyms, Frequently Asked Questions and the Guidelines Concerning Administrative Domain Name Challenge Panels;
- <http://www.corenic.org> for the Council of Registers
- <http://www.ntia.doc.gov/ntiahome/domainname/dnsdrft.htm> for the Green Paper and, when it issues, the White Paper;
- <http://www.ntia.doc.gov/ntiahome/domainname/domainname130.htm> for comments on the Green Paper;
- <http://netsol.com> for Network Solutions, Inc.
- <http://www.inta.org> for the International Trademark Association

Additional information concerning the Internet and domain names in general can be obtained from the following web sites:

- <http://www.itu.ch/intreg/dns.html> -- Robert Shaw, *Internet Domain Names: Whose Domain is This?*
- <http://www.wia.org/pub/identifiers/issues-roadmap.html> -- A.M. Rutkowski, *Internet Domain Names and Other Identifiers: A Roadmap Among Issues and Initiatives*

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