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President's Corner

By Howard B. Barnaby

The January/February issue of the *Bulletin* premiered the new NYIPLA logo. For those of you who may have missed it, you can see it again at the top of this page. The logo was designed for the NYIPLA by Susan Granger, a graphic artist located in Brattleboro, Vermont. The Association will be filing an application to register the new logo in the United States Patent and Trademark Office as a mark for its publications, educational programs and bar association services. The new logo will also appear on the program and podium banner at the 77th Dinner in Honor of the Federal Judiciary.

Speaking of the Judges' Dinner, it will have already occurred by the time you read this article. On the basis of the preparation thus far, I have no hesitation in predicting that the 1999 Dinner will be an unqualified success. As of this writing, 2,868 persons will be attending the dinner. There will be 176 honored guests comprised of five Federal Circuit judges, four Second Circuit judges, 73 District court judges, six judges from the bankruptcy courts, 22 magistrate judges, six representatives from the PTO, as well as court clerks and bar association representatives. The Hon. Joseph M. McLaughlin of the United States Court of Appeals for the Second Circuit is to be the keynote speaker at the Dinner. The Association is making contributions in Judge McLaughlin's name to Fordham Law School and St. John's University Law School. In addition, we will be giving Judge McLaughlin a box of his favorite cigars and a book on the classics as mementos of the evening. The Dinner remains unrivalled as the largest public gathering held at The Waldorf Astoria Hotel, and represents a truly fitting way in which to honor our judiciary.

Continuing legal education remains a major point of emphasis on the agenda of NYIPLA activities. The Association will once again co-sponsor a one-day seminar on patent law in April to be held this year in Philadelphia. This seminar is always widely attended. On May 24-25, 1999, the NYIPLA will be co-sponsoring with the AIPLA a seminar on PCT practice. The program will be held in New York City.

Next fall, the Association will be sponsoring two CLE events. The first will be a one-day program held in New York City on September 17, 1999 and will be co-sponsored with the ABA. The program will be a "basics" program focusing on practical tips on enforcing and defending patents and will include some practical advice on dealing with the "nuts and bolts" of everyday intellectual property practice. The program will cover such topics as pre-litigation matters, client relations, discovery, working with expert witnesses, pretrial, trial and post-trial matters and appeals.

One week later, the NYIPLA will hold its annual CLE weekend. This year, the fall gathering will take place at the Tarrytown Conference Center. The weekend will begin with a golf tournament on Friday, September 24. The educational program will take place on Saturday and Sunday mornings. The program is intended for more advanced practitioners. It is expected to feature litigation topics highlighted by a program on jury selection. The program will also have presentations on developing issues in patent, trademark and copyright law, as well as a program on ethical considerations that will meet Association member needs in this CLE practice area. It is anticipated that one or more district court and circuit court judges will participate in this program. My thanks to Anthony Giaccio and the CLE Committee and to Leon Bechet and the Young Lawyers' Committee for their efforts in planning these programs.

The Legislative Oversight and Amicus Brief Committee continues to have an active year. The Committee is currently working on an amicus brief to be submitted to the United States Supreme Court in connection with the *College Savings Bank* case. The brief will address the scope of a state's Eleventh Amendment immunity to claims seeking injunctive relief for patent infringement. My thanks to Bruce Wexler and the Committee, and particularly to Charles Baker, the author of the brief.

As a final note, the Annual Meeting and Dinner will be held this year on Wednesday, May 12 at the Yale Club. The meeting has been scheduled for this earlier date to accommodate members planning to attend the INTA meeting at the end of May. As in past years, all committee chairs will be asked to present a report at the Annual Meeting. The Dinner will feature the presentation of awards for the Conner Writing Competition and the Inventor of the Year. Please mark this date on your calendar.

News from the Board of Directors

By Melvin C. Garner

The Board of Directors met at the Yale Club, 50 Vanderbilt Avenue, New York, New York on Tuesday, December 15, 1998. Michael Isaacs of Horizons Company and Eric A. Prager, Chair of the Trademark Law and Practice Committee were in attendance at the request of the Board. Howard Barnaby presided.

The minutes of the Board Meeting of November 24, 1998 were presented by Melvin Garner. John Murnane requested that the third sentence in the last paragraph on page 4 be revised to state that "In his view, it should not be a burden for an attorney to provide the PTO with a copy of a U.S. patent application identified in an Information Disclosure Statement." The change was adopted and the minutes were approved as amended.

A Treasurer's Report dated November 3, 1998 was presented by Mr. Murnane. Mr. Murnane stated that the Association now has about as much cash on hand as it had this time last year. Mr. Barnaby commented that the bill from the Nevele Hotel for the CLE Weekend had not yet been received, so that the Association is approximately \$20,000 behind where it was last year. On motion, the Treasurer's Report was adopted.

Mr. Barnaby reported that he has been in touch with Sue Huggins, a Vermont artist. She has agreed to design a new logo for the Association for between \$100 and \$300. Mr. Barnaby was authorized to proceed with having a new logo designed.

John Sweeney reported that the preparations for next year's Judges Dinner were well under way. Michael Isaacs of Horizons is working on it. Mr. Sweeney also said that Judge Gawthorp of Philadelphia will sing the national anthem. Mr. Barnaby has obtained the commitment of Judge Joseph M. McLaughin as the Speaker. Mr. Sweeney noted that the prices for the dinner are reasonable and are designed to cover the expenses of the Association; however, Mr. Sweeney believes that the prices should be increased. In part, increased fees would cover an increase in the fee for Horizons. Horizons believes that it should get an

increase in its fee because it is providing additional services in connection with the dinner. In particular, the brunch on the morning after the Judges Dinner is becoming a major affair. Also, Horizons is taking care of arrangements for rooms for various invited guests, and this has become a major operation. It involves negotiating the prices of the rooms, as well as ranking the distribution of the rooms to the invited guests. Further, the software which is used to help plan the Dinner is not compatible with Windows, and Horizons is in the process of rewriting that program. In addition, there is a lot of work necessary to arrange special meals for honored guests.

The net income to the Association for the Dinner last year was \$61,000. The price for members was \$135 and the price for non-members was \$195. The discussion on changing the price for the Dinner was then deferred to allow Mr. Isaacs, the Executive Director of Horizons, to comment on its operations. Mr. Isaacs distributed two memoranda. The first memoranda was entitled "Office Operations and Administrative Support." This memoranda outlined various services that Horizons could provide to the Association in addition to planning the Judges Dinner. These include operation of Association offices, maintaining the membership database, management of the membership list, collection of dues and general communications. The second memoranda was entitled "Event Logistical Support for CLE Events." This memoranda described the services that Horizons could provide in support of a CLE event, such as the CLE Weekend which the Association had last fall. Support would include venue research and selection, advance planning of the event, budgeting, promotion of the event, registration, on-site supervision and program planning and development.

With respect to the administrative support, Mr. Isaacs stated that the Association could have a New York office or post office address at 666 Fifth Avenue and a New York telephone. However, the telephone would actually be answered by Horizons personnel in New Jersey. Susan McHale questioned whether Horizons would be able to send out luncheon notices in place of Webster Martin. Apparently, Webster Martin charges about \$500 per mailing. Mr. Isaacs stated that he would have to look into the details to see if that could be included, and whether it could be done at a lesser price by Horizons. John Daniels suggested that some notices could be sent by e-mail. Charles Baker questioned whether there was a way to work out on an incremental basis the cost for the various administrative services versus what we do now. For example, it may not be necessary to have the telephone number answered by a live person. Members could be asked to leave messages which would be read periodically. Mr. Baker also questioned whether the mailing list could be sorted into separate lists according to Committee membership.

Mr. Isaacs said that the Horizons could handle public relations for the Association. This could include maintaining a press contact list of those in the media who should get notice of Association events. Another item would involve calendaring of functions, e.g., keeping track of when the Committee preference list should be mailed. For this administrative service, Horizons would like to receive between \$20-25,000 per year. In operation the Association would work with different people at different times at Horizons. It would be three or four people working part-time on the project.

Edward Filiardi stated that the total income from the Judges Dinner is about \$475,000, and we pay Horizons a fee of \$31,000. Mr. Murnane noted that the cost of the Judge's Dinner was \$475,000 and that the income was a little over \$600,000, meaning that the Association had income over profits of approximately \$134,000 and Horizons was paid a fee of \$25,000 for managing the event. He stated that this seemed to be reasonable. Mr. Baker questioned whether it would be practical to take 20-25% of the income of the Association to administer the additional functions of the Association. Herbert Schwartz commented that Horizons had done extraordinary work on the Judges Dinner and was in favor of trying to work out a relationship with them to handle administration. Mr. Filiardi agreed.

Mr. Baker asked Mr. Isaacs to specifically estimate the costs of doing items 2, 3 and 4 in his memorandum. Mr. Barnaby asked that item 1 also be included.

Mr. Isaacs then went on to describe management of CLE events. Depending on the amount of work involved, Horizons fee would be between \$2-10,000. Mr. Sweeney noted that CLE is the potential area of

growth for the Association, so it would be good to have it well managed. Mr. Isaacs was questioned as to whether Horizons would be capable of interfacing with the various states for CLE credits. After making this presentation, Mr. Isaacs left the meeting.

Mr. Prager reported that the Trademark Law Committee was considering a CLE presentation on Ethics in Trademark Clearance Work. He noted that in this type of work a search frequently reveals marks that need to be investigated as to use. There is an ethical question whether the lawyer can contact a prior user when it is known that the client is represented by counsel. The Committee was considering taking a position on this issue. Mr. Barnaby stated that the Association should not take a position, but should sponsor an afternoon or an extended lunch program on the topic. Mr. Baker agreed that it should be pursued as a CLE topic. He noted that the ABA is looking into the ethics of investigations of copyright/trademark infringers when it is known that they are represented by counsel. Mr. Schwartz agreed that it would be problematic for the Association to take a position on the ethical issue, and agreed that it would be good to have a CLE presentation with speakers that take different positions.

Mr. Prager reported that some research was being done on the issue, but it was not yet done. The Board authorized Mr. Prager to go ahead with the planning of a CLE event and to keep the Board informed.

Mr. Sweeney then returned to the issue of an increase in the fee for Horizons, which is now called Star Consulting. Apparently Horizons wants an increase of about \$9,000 over what it was paid last year, i.e., an increase from \$31,000 to \$40,000. In order to support this increase, which Mr. Sweeney recommended that the price for the Judges Dinner be raised to \$150 for members and \$200 for non-members. This would pay Star Consulting's new fee and still make the same income over expenses as last year.

Mr. Schwartz said that the member/non-member price difference is set to encourage membership. Also, the key to the success of the program is attracting the Judges, and Mr. Schwartz believes that this is directly related to the performance of Horizons (Star Consulting). In order to maintain the differential between member and non-member prices, which should encourage attorneys to join the Association, it was decided that the member price would be raised to \$145 and the non-member price would be raised to \$210. It was also agreed that Star would receive a fee of \$40,000 for this year, but would not receive an increase in its fee next year.

There being no further business, the meeting was adjourned.

The Board of Directors also met at the Yale Club on Tuesday, January 19, 1999. Leon J. Bechet, Chair of the Committee on Consonance and Harmonization in the Profession and Thomas H. Beck, Chair of the Litigation Practice and Procedures Committee were in attendance at the request of the Board. Howard Barnaby presided.

The minutes of the Board Meeting of December 15, 1998 were presented by Melvin Garner. There being no proposed changes, the minutes were approved.

John Murnane distributed copies of the Treasurer's Report through December 31, 1998. He stated that the Association was again ahead of last year in terms of net cash available. The year-to-date Cash Flow Summary was not available, but would be presented at next month's meeting. In response to a question from Susan McHale, Mr. Murnane stated that the CD, which is coming due next month, will be rolled over into a new CD for the same amount. Mr. Barnaby stated that the Nevelle Hotel still has not sent a bill for the CLE Weekend. The report of the Treasurer was approved.

Mr. Barnaby asked that all of the Board Members and Officers contact the Chairs of the Committee to which they act as liaisons, to see if there is anything that they would like to discuss with the Board. He also reported that the Chairman of the Computer Committee would like to meet with Board.

Mr. Barnaby reported that the Association's Amicus Brief in the *Zurko* case has been filed. He expressed appreciation to Bruce Wexler and the Amicus Committee for their effort in writing the brief. Charles

Baker distributed copies of the brief to members of the Board.

According to Mr. Barnaby, the annual meeting is scheduled for May 27th. A question was raised as to whether this would conflict with INTA. However, Mr. Barnaby noted that INTA would be over before the annual meeting. Mr. Barnaby also stated that Herbert Schwartz was planning to have next year's Board meetings at the New York Yacht Club.

John Sweeney reported that invitations to the Annual Judge's Dinner, including those for honored guests, went out three weeks ago. The deadline for response is February 18th. Everything seems to be going satisfactory. Mr. Sweeney reported that a recruiting consultant had asked for a table at the Judge's Dinner. However, since it is not a law firm, this request was denied. A discussion was held on the manner of introducing the Judges. It was reported that the Judges thought it would not be necessary to repeat the salutation "Honorable" before each Judge's name.

Mr. Sweeney noted that the Association had received a request for a contribution of \$5,000 from the National Inventor's Hall of Fame to support its "Camp Invention." This is a camp for kids to learn about inventions. Mr. Baker questioned whether any New York children would be involved in the program. Mr. Baker suggested that the contribution from the Association be tied to use in our region of the country. Mr. Baker also explained the origin of the Inventor's Hall of Fame. It was decided that Mr. Sweeney would put together a proposal for the Board making a contribution to the Inventor's Hall of Fame after consultation with the organization. Ms. McHale agreed to help Mr. Sweeney in this regard.

Mr. Barnaby distributed a trademark application for a new logo for the Association and a sheet illustrating a variety of possible logos. The Board generally agreed that the logo shown in the application was the best of the group. However, it was suggested that a different letter "N" be used. Mr. Garner questioned whether phrases such as "since" or "founded" should be included with the date 1922. It was decided that this was not necessary.

Edward Vassallo reported that Ira Levy was resigning as Chairman of the CLE Committee because of job commitment. Further, the committee had too few members and many of them were senior members of the bar that did not have enough time for the work of the committee. It was proposed that Anthony Giaccio assume Mr. Levy's position. Mr. Vassallo reported that Mr. Giaccio had already completed the papers for obtaining approval of the Association as a CLE provider. He asked for recommendations of associates from the firms of Board members and officers to volunteer for this committee. The names should be faxed to Mr. Vassallo or to Mr. Giaccio. The Board approved the appointment of Mr. Giaccio as the new Chair of the Continuing Legal Education Committee.

Leon Bechet reported his committee was helping with the planning of a CLE weekend for next fall. The tentative dates are September 24-26 or October 1-3. This committee has contacted several facilities in Westchester County for information about possible costs. These costs seem to range between \$700 and \$1,000 for two people, including six meals. Mr. Baker noted that there are organizations that can handle the arrangements for a CLE Weekend to relieve the committee effort required.

The current plan for the CLE Weekend Program is for morning classes and afternoon social events. It was also decided that the program should include a program on ethics. Ms. McHale noted that organizations, such as Corsearch, might sponsor a reception hour. She was asked to look into this possibility. Mr. Blocker noted that his company might be interested in sending a number of in-house people to a CLE Weekend sponsored by the Association, if it was reasonably close to his company's facilities in Westchester County. The question of vendor displays at the CLE Weekend was raised by Ms. McHale. Mr. Barnaby thought there would not be enough attendees or free time to make it worth while for the vendors.

Thomas Beck reported on the activities of the Litigation Committee. They have held a meeting with Judge Griesa who invited them to attend informal meetings with the Judges of the Southern District of New York. The judges are looking for feedback on the level of communication between the bench and the bar.

The judges particularly want to know what attorneys want. They are also concerned about the mix of business in the court and are interested in encouraging IP litigation in the court. There was some discussion about the attitude of attorneys in the New York area about using the Southern District of New York. It was decided that a survey should be put in the *Bulletin* to assess that attitude. The Committee would report the results to Judge Griesa.

Mr. Baker questioned whether the Association should file an Amicus brief in the *College Savings Bank* case which involves state's rights. This case has been granted *certiorari* in the U.S. Supreme Court. The Association filed a brief at the Federal Circuit in the case. The Board approved the filing of the Amicus brief. It is due on March 24, 1999.

The Third Circuit decision in a parallel case has also been granted *certiorari*. The Board requested that it be given more information from Mr. Wexler of the Amicus Brief Committee about the case before deciding if an Amicus brief should be filed in that case also.

There being no further business, the meeting was adjourned.

The Board of Directors met again at the Yale Club on Tuesday, February 16, 1999. Andrew Manitsky of the Computers, Entertainment Law and Media Committee, Leon J. Bechet, Chair of the Committee on Consonance and Harmonization in the Profession and Anthony Giacchio, Chair of the Continuing Legal Education Committee were in attendance at the request of the Board. Mr. Barnaby presided.

The minutes of the Board Meeting of January 19, 1999 were presented by Mr. Garner. There being no proposed changes, the minutes were approved.

Mr. Murnane distributed a Treasurer's Report dated February 11, 1999. Mr. Murnane stated that the report has a new format. The first two pages are a Balance Sheet showing the assets and liabilities of the Association, as of January 11, 1999 and February 11, 1999. The first page of the report shows that the Association has about \$22,000 in a money market account, about \$26,000 in a one-year CD and an additional \$26,000 in a 6-month CD. The third page of this Report is a profit and loss statement from 1/11/99 through 2/11/99. The fourth page shows the assets as of a year earlier, February 11, 1998. The report further contains a check register showing all of the disbursements of the Association since April 14, 1997, just before Mr. Murnane became Treasurer, through February 10, 1999. The last three pages of the report show earned income from interest.

By comparing the Balance sheet from last year with the one for this year, it can be seen that the Association's assets increased by \$30,000.00. The check register presentation shows the flow of cash during the year. Mr. Murnane urged that the Association take this cash flow into consideration in planning disbursements for CLE events. A motion was made and adopted to accept the Treasurer's Report.

Mr. Sweeney reported on the progress of the preparations for the Judges' Dinner. Responses are due by February 18th, and Star Consulting is contacting invited guests who have not yet responded, so that the final number of guests will be known by February 18th. Everything else seems to be on target. A copy of the program for the Judges' Dinner with the Association's new logo was circulated among the Board members. Mr. Vassallo asked Mr. Sweeney what the expected attendance at the Judges' Dinner would be, but Mr. Sweeney responded that it was difficult to tell at this point. Mr. Barnaby stated that gifts of \$1,000.00 to Fordham University and St. John's University would be given in the name of Judge McLaughlin, the speaker at the Judges' Dinner.

Mr. Barnaby reported that the date for the Annual Meeting had been moved to May 12, 1999. This complies with the by-laws of the Association. Robert Neuner, who is in charge of the Annual Meeting, was not present. Mr. Barnaby reported that Mr. Neuner is looking for a speaker. One suggestion was to ask Acting Commissioner Dickerson if he would speak at the meeting.

Mr. Barnaby reported that the Nevele hotel bill had been received. It amounted to \$14,500.00 which was

much less than predicted. As a result, the Association made money on its CLE Weekend of last fall.

Mr. Manitsky reported that the Committee on Computers, Entertainment Law and Media would like to change its name to the Committee on Computers and the Internet. In response to a question from Mr. Garner, Mr. Manitsky stated that no members of the committee were involved in Entertainment Law. Teresa Gillis questioned whether it would require a change in the by-laws in order to change the name of the committee. Mr. Sweeney commented that Entertainment Law should be provided for somewhere, perhaps under Copyright or Licensing committees. Mr. Barnaby agreed to look into these issues. The Board voted to adopt the proposed change name.

Mr. Manitsky also stated that the Committee would like to publish an article on the Internet, not just for the *Bulletin*, but perhaps for the **Annual**. According to Mr. O'Rourke, the Internet issue has already been assigned to someone who is not on the Committee. However, Mr. O'Rourke agreed to coordinate with the Committee to see if there were some other publishing opportunity for such an article.

Mr. Bechet reported that the Committee on Constance and Harmonization in the Profession had secured a commitment from Tarrytown House Conference Center for a CLE Weekend to be held September 25-26, 1999. The cost would be \$312 per night for a single and \$210 per night per person for a double. This would include three meals as well as use of the facilities. A day guest would be charged \$85.00 and this would include breakfast, lunch and use of the facilities.

Mr. Barnaby reported that he had signed an Agreement with the Tarrytown House Conference Center, but he has 120 days in which it can be canceled. This Agreement guarantees 50 rooms and 20 day guests. The total cost to the Association would be about \$32,000 and Tarrytown House requires a deposit of \$9,810.00.

Ms. McHale reported that CoreSearch would sponsor a Saturday night cocktail party at the CLE event. Also, there will be golf during the day on Friday. Golf is \$100.00 extra, but tennis is free. The entire weekend will be worth 8 CLE credits. The CLE credits are broken up between 4 hours on Saturday and 4 hours on Sunday. Mr. Baker questioned whether the overall costs could be lowered by eliminating a full breakfast and providing a continental breakfast. Mr. Bechet answered that the hotel will charge the same amount since meals are included in the rates.

Mr. Giaccio, Chair of the CLE Committee then distributed a proposed agenda for the CLE Weekend. Mr. Giaccio thanked the Board for appointing him Chairman. He stated that in putting on CLE Programs, his committee intended to focus on the demographics, i.e., what audience is the program expected to attract. This is particularly true since there are other ways that members of the Association can accumulate CLE credits, for example through their firms or national organizations. The agenda for the CLE weekend was designed to include judges and thus attract more senior attorneys. He noted that so far the Association has at least 6 CLE events scheduled for the year. These include: (1) the Fall CLE Program at the Neville; (2) the Emerging Interactive Multimedia presentation which was held at Brooklyn Law School; (3) a program on International IP Law at Fordham University; (4) the Joint Patent Practice program with the New York, New Jersey, Connecticut and Philadelphia Patent Law Associations on April 20th; (5) an AIPLA PCT presentation on May 24th; and (6) a regional ABA program, including practical tips on patent litigation to be held on September 17th. A copy of a letter from Robert Lindefjeld of Jones, Day, Reavis & Pogue about the ABA Program was distributed. Mr. Murnane noted that the ABA Program was one week before the Association's next planned CLE Weekend and questioned whether or not it should be moved. The Board decided that the two programs were sufficiently different that they would appeal to different lawyers. The ABA Program is geared toward young lawyers, and the Associations CLE Program is geared toward more senior litigators and judges.

Mr. Giaccio noted that the Association would accumulate a series of video tapes from its programs. Individual firms would be able to show them and receive CLE credits, but they must monitor the presentation of the videos to make sure people actually attend. The Association has to file a separate

application for CLE credit for the tapes. He requested that the Board consider an appropriate fee for use of the these tapes, noting that the Association would be in competition with other organizations.

Mr. Giaccio's long term view is that the Association should be in a position near the end of the year to offer lawyers up to 24 credits in various forms for meeting the CLE requirements in the state. He stated that if committees need or want to run CLE Programs as part of their committee activity, they should get in touch with him.

Mr. Vassallo urged that the Association go slow in raising the price for our events because of a need for CLE. His view was that the price should not be raised simply because of the need for CLE. He also questioned whether or not the agenda submitted by Mr. Giaccio had too much occurring in a two-day period and whether it needed to be cut back.

Mr. Barnaby reported that Tom Creel, a former President of the Association, had raised objections to the appointment of an Executive Director for the Association. He noted that the Association has always been a voluntary organization and, to the extent possible, it should continue to be such. Mr. Barnaby also noted that there was significant expense involved in hiring an Executive Director. As a result, he proposed that consideration of an Executive Director position be put off until some later time.

Mr. Barnaby also noted that in the year 2000 the ABA will meet in both New York and London. As a result, the Association needs to appoint a Host Committee to work on a reception for the ABA.

The Association has engaged Hayden Gregory of Washington D.C. to provide information on pending legislative matters effecting intellectual property. Bruce Wexler of the Legislative Oversight Committee is responsible for the relationship. Mr. Wexler has requested that those who would like to receive information on the subject should send him their e-mail address at bwexler@fchs.com.

A request has been made from Fordham University for the Association to contribute \$2,700 to continue its sponsorship of the two-day program on International Intellectual Property. On a vote of the Board, the contribution was approved. As a result of the contribution, the Association can send three people to attend.

Mr. Sweeney reported that he, Ms. McHale and Mr. Baker had met with Inventure Place. Inventure Place had asked the Association for a \$5,000.00 contribution towards their Camp Invention. The Board asked for further information as to whether Camp Invention would involve students in the New York area. The reply letter from Amy Dwyer Shute of Inventure Place, explaining the program's impact in the New York area, was circulated. Apparently the group is heavily involved in Long Island and plans to begin work in New York City. Based on the recommendations of Mr. Sweeney, Ms. McHale and Mr. Baker, the Board approved the \$5,000.00 contribution.

Mr. Barnaby reported that Bill Dippert of the Public and Judicial Personnel Committee and Bruce Wexler of the Legislative Oversight and Amicus Briefs Committee will be invited to attend the next Board meeting. It was also indicated that John Olivo of the Design Committee will be invited to attend.

As regards new business, Mr. Barnaby also said that he would be in touch with Mr. Filiardi, who is in charge of the Nominating Committee, about the progress of nominations for vacant offices. Mr. Baker also reported that there is a trademark case going to the U.S. Supreme Court on the issue of immunity from trademark infringement for state governments. The AIPLA will take the position in its amicus brief that the case actually involves trade dress infringement and that the Court should not take any position that would directly affects the States' immunity for trademark or patent infringement. The NYIPLA will not write a separate amicus brief on this case.

There being no further business, the meeting was adjourned.

Pending Legislation

By Edward P. Kelly

The 106th Congress convened in January and will take up numerous bills relating to trademarks, copyrights and patents. Some of the bills will be familiar ground, such as the Omnibus patent reform bill, the trademark bill that would bring the U.S. into the Madrid Protocol and a bill that would afford copyright protection to information contained in databases. Versions of these bills have been previously introduced and debated. Other bills that will be taken up, such as the bill that would provide for federal registration of trade dress, represent relatively new ground.

TRADEMARKS

Federal Registration of Trade Dress

The federal courts have long recognized that trade dress used in connection with a product or service may qualify for protection under the Lanham Act. The courts have construed trade dress quite broadly to cover the overall appearance of a product or service which may include distinctive packaging. Trade dress may also consist solely of the configuration of a product as long as the configuration is not functional. As long as relevant purchasers associate the trade dress with a source either because the trade dress is inherently distinctive or has acquired secondary meaning, trade dress protection serves the same basic policies underlying protection of trademarks. Indeed, the Supreme Court confirmed that inherently distinctive trade dress could qualify for protection under Section 43(a) without proof that it had acquired secondary meaning. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992). The party asserting trade dress infringement, however, is well advised to be prepared to define the exact trade dress at issue, submit proof of secondary meaning, if any exists, and defend the trade dress from an allegation that it is functional. But even the well prepared plaintiff faces uncertainty because the various circuits developed different, sometimes contradictory tests to determine when a trade dress could be considered inherently distinctive, what type of proofs demonstrate secondary meaning--where such proof is required--and when a trade dress is functional.

A bill recently introduced in the House (HR 3163) by Rep. Coble (R.N.C.) would specifically provide for federal registration of trade dress without proof of secondary meaning and set forth standards to be used by Examiners and the courts in determining when a trade dress is inherently distinctive and when the defense of functionality is available. The bill would adopt a test similar to that set forth in the CCPA's 1977 decision in *Seabrook Foods, Inc. v. Barnwell Foods, Ltd.*, 568 F.2d 1342 (ccPA1977). The bill would provide that in considering whether the relevant public is likely to identify the source by reference to the trade dress the following factors are relevant:

1. whether the trade dress is unique or unusual in the particular field to which the subject matter pertains;
2. whether the trade dress comprises a common basic shape or design;
3. whether the trade dress is a mere refinement of commonly adopted and well known forms of ornamentation for that particular class of goods or services viewed by the public as a dress or ornamentation for the goods or services; and
4. whether the trade dress is capable of creating a commercial impression distinct from any accompanying words.

The bill provides that the term "functional" relates to whether the matter claimed is of such superior design that to afford protection would significantly hinder competition.

The bill provides that the following factors are relevant to functionality:

1. whether the matter yields a competitive advantage;

2. whether alternative designs are available; and
3. whether the matter achieves economies in the manufacture or use of the goods or services, or affects their cost or quality.

The House subcommittee recently held hearings on this bill.

Madrid Protocol

Bills have been pending for several years that would bring the United States into the Madrid Protocol. The Madrid Protocol consists of sixteen countries which honor a single filing system for trademark applications. A bill (H.R. 567) recently re-introduced by Rep. Howard Coble (R. N.C.) would have the United States accede to the Madrid Protocol. The benefit of being a member of the Madrid Protocol would be that a United States company could file a single trademark application and obtain trademark protection in the Madrid countries.

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 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 voting system is apparently still the only barrier to the United States' succession to the Madrid Protocol.

PATENTS

Omnibus Patent Bill

An Omnibus Patent bill containing numerous revisions to the patent law has been debated for several years - but none of the provisions have been enacted. The 106th Congress will likely consider the Omnibus bill again this year. The prior Omnibus Bill (§ 507) contained a variety of legislation, including an amendment to Section 122 of Title 35 which would provide for publication of patent applications eighteen months after filing. The Omnibus Bill also addresses a prior user infringement defense to persons who independently developed patentable technology prior to the time of the filing of a patent application. § 507 also included legislation that would run the Patent and Trademark Office as a government corporation. A provision of the bill that would grant greater third party participation in re-examination proceedings was dropped from the bill last year.

Prior User Defense

Among the proposed reforms in the past Omnibus bill is a section that would amend § 273 of the patent statute to assert a defense to patent infringement if the person had, acting in good faith, commercially used the subject matter in the U.S. before the effective date of the patent. "Commercially used" means use in the U.S. in commerce whether or not the subject matter at issue is accessible to or otherwise known to the public. "Use in commerce" means any actual sale or commercial transfer.

There is also a special exception for subject matter that cannot be commercialized without significant investment of time and money. In that case, a person shall be deemed to have commercially used the subject matter if, "(A) before the effective filing date of the patent, the person reduced the subject matter to practice in the U.S., completed a significant portion of the total investment necessary to commercially use the subject matter and made a commercial transaction in the United States in connection with the preparation to use the subject matter and (B) after the effective filing date of the patent, diligently completed the remainder of the activities and investments necessary to commercially use the subject matter and promptly began commercial use of the subject matter." While a literal reading of the bill indicates that the use or reduction to practice must occur before the effective filing date of the patent, the bill is not that broad. A later section of the bill entitled "one year limitation" provides that the defense provided by the bill is only available if the use or reduction to practice occurred more than one year prior to the effective date of the patent.

The bill would specifically add a section stating that the defense does not constitute a general license but only applies to subject matter claimed in the patent that the person asserting the defense had commercially used before the effective filing date. Critics of the bill have argued that the prior use portion of the bill is unconstitutional in view of the patent grant provided for in the U.S. Constitution.

Re-examination Proceedings

The Omnibus Bill at one time contained provisions that would make certain amendments to the re-examination statute and give a third-party a greater role in influencing the outcome of the re-examination.

The patent statute currently provides that a third party may request re-examination of a patent. However, the third-party's participation currently does not go beyond the initial request for re-examination and a reply to the patent owner's statement in response to the request for re-examination. For instance, an amendment made to the claims during re-examination may not be addressed by the third-party which requested re-examination.

The bill would allow the third-party requestor to not only comment on the patent owner's response to re-examination, but also to address the issues raised in the Patent Office during the re-examination procedure. The basis for re-examination would also be expanded to include compliance with Section 112 of the patent statute. A third-party requestor would also be able to file an appeal of the examiner's final decision with the Board of Patent Appeals and Interferences. Supporters of the Bill argue that expanded re-examination proceedings could replace expensive litigation. The final version of the House bill debated last Spring deleted the provisions regarding re-examination.

Publication of U.S. Patent Applications After 18 Months from Filing Date

Several years ago, the United States converted to a patent term which expires twenty years from the filing date as part of its accession to the GATT treaty. Many of the countries that are signatories to the GATT treaty publish patent applications eighteen months after they are filed. The U.S., however, currently does not publish patent applications prior to issue of the patent. The Omnibus Bill would bring the U.S. into conformity with those countries that do provide for publication eighteen months after filing. The published application would be considered prior art under § 102(e) of the patent statute.

The publication provisions were the most disputed of the Omnibus Bill when the House held hearings last year. Opponents of early publications argued that publication in the U.S. prior to issuance of the patent hurts small businesses because it provides large corporations an opportunity to steal and use inventions prior to the time a patent is issued.

The Omnibus bill now previously introduced would give the applicant - not filing abroad - the right to choose whether the application will be published 18 months after filing. Those applicants which choose publication would be able to receive a reasonable royalty from infringers calculated from the date of publication.

The PTO held a round table discussion on the proposals contained in the Omnibus bill in January.

COPYRIGHTS

Database Protection

The Copyright Law currently does not afford much protection to a person who spends time and money to create a database containing information. The facts compiled in the database themselves cannot be the subject of copyright. In *Feist Publications v. Rural Telephone Service Co.* 499 US 340 the Supreme Court rejected the "sweat of the brow" theory as a basis for copyright protection for databases. Compilation copyright protection may be obtained in the selection and arrangement of the facts. However, these

compilation copyrights are said to be "thin" because they are relatively easy to design around and still use all of the information that has been gathered by the original creator of the database. Senator Hatch (R-Utah) and Representative Coble have each recently introduced bills that would address this situation and amend the Copyright Statute to provide protection to collections of information. (H.R. 354) The bills would contain exemptions for educational, scientific and research uses of the protected databases and would provide that protection would not last more than fifteen years. H.R. 354 has never been referred to the Judiciary Committee.

Recent Decisions of Interest

By *Thomas A. O'Rourke*

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Prior Public Use

Uncorroborated oral testimony of persons related to or associated with the alleged infringer did not provide clear and convincing evidence that the patent in suit was invalid under section 102(b) in *Woodland Trust v. Flowertree Nursery Inc.*, 47 USPQ2d 1363 (Fed. Cir., July 10, 1998). In this case, the oral testimony of four persons who were friends or business associates of the defendant was particularly suspect in view of the failure of the defendant to produce any physical record to support the oral testimony. The defendant claimed that the commercial use extended over a considerable period of time. However, the prior use was terminated several years prior to suit being brought. The Court noted that in view of the amount of records that are typically produced these days for even mundane activities, the failure to produce any written evidence or other corroboration demonstrated that the defendant failed to prove invalidity by clear and convincing evidence.

Combining References

In *In re Rouffet*, 47 USPQ2d 1453 (Fed. Cir.1998), the rejection of claims in an application was reversed by the Federal Circuit because the examiner used hindsight to defeat patentability. In order for an examiner to be able to combine references and reject the claims there must be some motivation to combine the references. According to the Court, there are three possible sources of motivation: "the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art." The Board of Appeals relied on none of these factors. Instead, the Board relied upon the high level of skill in the art to provide the necessary motivation. In rejecting this approach, the Federal Circuit inferred that the failure to apply the stated factors to prove motivation implied an improper reliance upon hindsight. The Court stated:

if such a rote invocation could suffice to supply a motivation to combine, the more sophisticated scientific fields would rarely, if ever, experience a patentable technical advance. Instead, in complex scientific fields, the Board could routinely identify the prior art elements in an application, invoke the lofty level of skill, and rest its case for rejection. To counter this potential weakness in the obviousness construct, the suggestion to combine requirement stands as a critical safeguard against hindsight analysis and rote application of the legal test for obviousness. 47 USPQ2d at 1458.

Accordingly, the Federal Circuit concluded that the board must explain the reasons why one of ordinary skill in the art would have been motivated to select the references and to combine them.

In *In re Dance*, 48 USPQ2d 1635 (Fed. Cir.1998), Dance's invention related to a catheter for recovery of "debris" in blood vessels. In seeking reversal of a holding of unpatentability on the ground of obviousness, Dance argued that the Board followed an erroneous analytic path. According to Dance, the Board first

combined the references based on the Board's knowledge of Dance's invention, and then asked whether one of ordinary skill in the art would find the Dance invention obvious in light of the combination that was made by the Board. Dance contended that the correct question was whether the prior art suggested making the Dance catheter, not whether parts of the Dance catheter could be found in assorted references.

The Commissioner responded that the motivation to combine the prior art was set forth in the references. The Commissioner reasoned that since both the references related to catheters for breaking down obstructions in blood vessels, the prior art in Sullivan's recovery of the debris provides the suggestion that would have made it obvious to similarly recover debris with a prior art Kensey-type catheter.

Dance also argued that Kensey "teaches away" from the addition of a channel to Kensey's catheter for recovery of debris, because Kensey extolled the simplicity of his structure. All of Dance's arguments were rejected as the Federal Circuit affirmed the Board's holding of unpatentability

Obviousness

A holding of invalidity was reversed in *ATD Corporation, v. Lydall, Inc.*, 48 USPQ2d 1321 (Fed. Cir. 1998). ATD argued that there was no substantial evidence to support a finding that the prior art contained a teaching or suggestion to combine selected portions of the prior art in order to create the patented structure or method. ATD also argued that the jury must have improperly relied on hindsight in view of ATD's successful accomplishment. Lydall relied on the same group of references for anticipation and for obviousness.

The Federal Circuit held there was no anticipation because none of the references disclosed the invention. On the issue of obviousness, Lydall pointed to no evidence supporting the obviousness determination, other than the conclusory opinion of its expert witness. In reversing on the issue of obviousness, the Federal Circuit stated:

Lydall does not direct us to any evidence of a teaching or suggestion to select the components that ATD's inventors selected, from the crowded field of insulation technology, to produce the product and method of the '743 and '577 patents. Lydall's witnesses themselves expressed the view that such compression would be undesirable, providing cogent evidence that one of ordinary skill would not have deemed it obvious to compress the layers of an insulating device for heat sink purposes. Absent substantial evidence of such teaching or suggestion in the prior art or in the general knowledge of persons of ordinary skill in the field, there was not substantial evidence to support the jury's verdict of obviousness. 48 USPQ2d 1329.

In *Rockwell International Corporation, v. United States*, 47 USPQ2d 1027 (Fed. Cir. 1998), Rockwell International Corporation ("Rockwell") appealed a decision granting summary judgment by the United States Court of Federal Claims holding all asserted claims of United States Patent No. 4,368,098 invalid for obviousness under 35 U.S.C. §103(a). The '098 patent claimed a process for growing Group III/V semiconductor materials by a type of chemical vapor deposition ("CVD").

On the issue of anticipation, the trial court determined that genuine issues of material fact were present concerning what was disclosed in the prior art cited by defendants. Of the four prior art patents relied on by defendants, the trial court did not find that any one taught single crystal growth of a Group III/V semiconductor using organometallics. On appeal, the defendants failed to demonstrate that any of the four patents taught such growth. As a result, the Federal Circuit affirmed the district court's decision on anticipation.

Despite the fact that the district court determined that genuine issues of material fact existed with respect to the prior art cited to prove anticipation, the court nevertheless accepted the assertions of defendants as to the content of the same prior art patents for its obviousness analysis. As a result, it found that each limitation of the process claimed in the '098 patent was taught by the combination of the patents, "or elsewhere in the prior art."

The Federal Circuit rejected the district court's reliance on these patents. In doing so, the Court noted that the fact that "prior art patents may have described failed attempts or attempts that used different elements is not enough. The prior art must be enabling." Since none of the four patents alone taught this limitation, "defendants had the burden to prove that combining these references would suggest to one of ordinary skill in the art how to perform the missing process step with a reasonable likelihood of success."

On the issue of the existence of secondary considerations, the trial court held that Rockwell had failed to show how any of the secondary considerations were the result of the merits of the claimed invention. The Federal Circuit noted that "in resolving a summary judgment motion inferences may not be drawn against the nonmovant and adverse credibility determinations may not be made." As a result, Rockwell did not have the burden to show, in response to a summary judgment motion, that the secondary considerations were the result of the claimed invention.

Enablement

In *The Johns Hopkins University v. Cell Pro, Inc.* 47 USPQ2d 1705 (Fed. Cir. 1998), Cell Pro, Inc. appealed the decision of the District Court granting Hopkins' motion for judgment as a matter of law that Cell Pro infringed the patents in suit. In addition, the District Court granted Hopkins' motion for summary judgment concerning Cell Pro's enablement and written description defenses and sustained a jury verdict of willful infringement and treble damages. With respect to enablement, Cell Pro contended that the patent only disclosed a method of producing the anti-My-10 antibody and was therefore insufficient to enable one of ordinary skill to make and use the broader genus of claimed antibodies. According to Cell Pro, the inventor's laboratory never again succeeded in using the technique disclosed in the patent specification to make the antibodies, despite a major effort on the inventor's part to do so. The Federal Circuit rejected Cell Pro's argument stating:

as the district court noted upon granting Hopkins' motion for a new trial on enablement, Cell Pro failed to offer evidence that many of those working on projects in Civin's lab, including undergraduate students or others who had never before made a monoclonal antibody, were of ordinary skill in the art. Despite being warned of this evidentiary shortcoming, Cell Pro thereafter apparently produced no evidence concerning the level of skill of those individuals working under Civin's supervision. Because it is imperative when attempting to prove lack of enablement to show that *one of ordinary skill in the art* would be unable to make the claimed invention without undue experimentation, Cell Pro's evidence concerning Civin's subsequent work is insufficient as a matter of law. 47 USPQ2d at 1718.

In addition, Cell Pro's evidence failed to prove that the patent's disclosure was followed in the effort to make the claimed antibodies.

Best Mode

In *Nobelpharma AB v. Implant Innovations, Inc.*, 46 USPQ2d 1097 (Fed. Cir. 1998), testimony by the inventor during the plaintiff patent owner's case in chief on the issue of best mode was sufficient without additional testimony during defendant's case to warrant grant of JMOL of invalidity. In *Nobelpharma*, the plaintiff introduced as part of its case in chief deposition testimony of the inventor that had been counter-designated by Implant. When the plaintiff's case in chief was completed, the district court granted Implant's motion for judgment of invalidity for failure to disclose the best mode.

On appeal, the Federal Circuit affirmed. The Federal Circuit recognized that normally evidence presented by a patentee plaintiff will not support a grant of a JMOL invalidating a patent. However, "in unusual cases, an admission made by a plaintiff's witness can be sufficient to support entry of a JMOL in favor of a defendant after the close of the plaintiff's case-in-chief, even where the defendant bears the burden of proof on the decided issue." 46 USPQ2d at 1102

Means-Plus-Function Language

An issue before the Federal Circuit in *Mas-Hamilton Group v. LaGard, Inc.* 48 USPQ2d 1010 (Fed. Cir. 1998) was whether the term "lever moving element" was means-plus-function language even though it did not employ the catch words "means for." The Federal Circuit rejected La Gard's argument that the absence of "means for" creates a presumption that the claim does not invoke section 112, paragraph 6. The Federal Circuit stated:

La Gard asserts that the 'lever moving element' should not be construed as claimed in means-plus-function format because it does not employ the catch phrase 'means for.' La Gard relies on *Greenberg v. Ethicon Endo-Surgery, Inc.*, 91 F.3d 1580, 39 USPQ2d 1783 (Fed. Cir. 1996), and *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*, 93 F.3d 1572, 40 USPQ2d 1019 (Fed. Cir. 1997), for the proposition that if the claim does not use 'means for' followed by a statement of function, one should presume that the claim does not invoke section 112, ¶ 6... Although such a presumption is helpful in beginning the claim construction analysis, it is not the end of the inquiry. In the instant case, even though the catch phrase is not used, the limitation's language does not provide any structure. The limitation is drafted as a function to be performed rather than definite structure or materials. 48 USPQ2d at 1016.

In *Personalized Media Communications, L.L.C., v. International Trade Commission*, 48 USPQ2d 1880 (Fed. Cir. 1998), Personalized Media appealed the final determination of the ITC that claims 6, 7, and 44 of PMC's patent were not infringed and were invalid for indefiniteness. The ALJ concluded that: (1) the asserted claims were invalid as indefinite; (2) the asserted claims were invalid as not enabled; (3) claim 7 was invalid as anticipated; and (4) no asserted claim was infringed. PMC petitioned the Commission to review the Initial Determination. The Commission determined not to review, and thereby adopted, the ALJ's various claim constructions and his conclusions that the claims were indefinite and not infringed. However, the Commission took "no position" on the remaining issues addressed in the Initial Determination. As a result, only the ALJ's claim construction, indefiniteness, and non-infringement determinations were before the Federal Circuit.

On appeal, PMC argued that the Commission erred in construing the "digital detector" limitation as a means-plus-function limitation under 35 U.S.C. § 112, ¶ 6. In support, PMC contended that the term "digital detector" recites sufficiently definite structure to prevent the application of § 112, ¶ 6. PMC contended that § 112, ¶ 6 should not be invoked merely because this structure takes its name in accordance with its function. Finally, PMC argued that the lack of the term "means" in this limitation invoked a presumption that § 112, ¶ 6 did not apply.

The Federal Circuit agreed with PMC that the Commission erred in construing the term "digital detector" as a means-plus-function limitation and held that "Detector" was not a generic structural term such as "means," "element," or "device," "nor was it a coined term lacking a clear meaning, such as 'widget' or 'ram-a-fram.'" Instead, the Court concluded that "detector" had a "well-known meaning to those of skill in the electrical arts connotative of structure, including a rectifier or demodulator." Accordingly, the Court held that the "digital detector" limitations recited sufficiently definite structure and therefore did not "come within the ambit of § 112, ¶ 6."

The Federal Circuit also agreed with PMC that the Commission erred in holding the asserted claims to be indefinite. According to the Court, the written description of the specification was sufficient to inform one skilled in the art of the meaning of the "digital detector" since the specification explicitly defined a "digital detector" as a device that "acts to detect the digital signal information." The Commission argued that the specification was insufficient since it was silent concerning the structure of a "digital detector," and that the "digital detectors" of the circuit diagrams did not reveal circuit elements constituting such a device, but rather portrayed these devices as mere functional blocks.

The Federal Circuit concluded that the evidence relied upon by the Commission did not indicate imprecision of the claims but was relevant, if at all, only as to the sufficiency of the written description to

enable the practice of the invention of the claims, which is a ground of invalidity under § 112, ¶ 1. The Court expressed no opinion on any theory of invalidity under § 112, ¶ 1, because such a ground of decision was not before the Court as it was not reviewed by the Commission.

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