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In Re Bilski: Limitations On Patentable Subject Matter Under Section 101 And The Need To Define A Rational Epistemology For The Metaphysics Of Progress In Science And Useful Arts

by David F. Ryan

On May 8, 2008, over 200 spectators squeezed into Courtroom 201 of the Howard T. Markey National Courts Building for an argument before all twelve active judges of the Court of Appeals for the Federal Circuit sitting *en banc* in the important *Bilski* case.¹ At issue is whether the Federal Circuit should reverse the rejection by the United States Patent and Trademark Office ("PTO"),² under Section 101 of the Patent Code, 35 U.S.C. § 101, of a business method claim directed to a completely disembodied process for hedging consumption risk.

The unusually wide interest generated by the argument was reflected in popular financial³ and news⁴ magazines, in the various organs of the intellectual property bar associations,⁵ and in the publications of the more specialized commercial legal press.⁶ This interest was plainly justified because the determination of whether the *Bilski* claim can be sustained under Section 101 will have important implications for the scope of available patent protection not only for business and financial methods, but also for biotech processes and medical testing, genetic medicine, electronics, information science, artificial intelligence and robotics, computer software and computer implemented processes. Indeed, the decision will likely affect certain "useful arts" presently

unknown and even certain known arts not presently considered "useful" because they do not yet widely employ those empirical principles which can yield technological solutions to pervasive problems.⁷

This article will first discuss some background necessary for an appreciation of the importance of the issues for determination in *Bilski*, including two recent Supreme Court comments regarding Section 101, a summary of the status of three other recent Federal Circuit Section 101 cases, and the unusual degree of *amicus curiae* participation in the *Bilski* briefing and argument. The discussion will then turn to the *Bilski* claim at issue and a very brief overview of both the pertinent Constitutional and statutory framework and the more important decisions of the Supreme Court and the Federal Circuit. The article will then review the technical and legal issues and policy considerations upon which the Court focused during oral argument, as well as upon an alternative approach proposed by Yahoo which the Court did not mention.⁸ Finally, the author will set forth his own beliefs as to how the framework for determining the legal, technical and policy issues might best be restructured and will briefly discuss the spectrum of alternative resolutions which are available to the Court.

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It is a privilege and an honor for me to serve as President of this growing and vibrant organization. I would like to thank each of you for your continued support of the NYIPLA and its mission. In particular, I would like to thank Christopher Hughes (our Immediate Past President) for a wonderful Judge's Dinner last March, for hosting the Federal Circuit's sitting in New York City last September, and for his leadership and service to our Association.

In my view, the cornerstone values of the NYIPLA have been and should continue to be civility, ethics, and professionalism. It has been my pleasure to be an active member of this Association because of the interaction with so many other attorneys who exemplify these values.

During my term as President, it is my objective to showcase the intellectual property law talent in our community, to continue to provide our traditional core services, and to entertain new initiatives as we plan for this and future years. Please join me in this effort by continuing the exceptional work of this Association.

These are exciting and challenging times for our practice and for the NYIPLA. Our membership is growing and committee participation is increasing. This year we are taking active steps to encourage valued participation of attorneys across the spectrum of intellectual property law practice, technical specialties and demographics within our community.

Here are some committee activity highlights that have already taken place this year. Thanks to the efforts of the Amicus Committee, including Charles Weiss (chair), Dave Ryan (Board liaison), Charles Miller (counsel of record) and Bridgette Ahn, the NYIPLA considered, prepared and filed an Amicus Brief in *Tafas et al. v. Dudas et al.* A copy of the brief is found on the NYIPLA website. The CLE Committee has been very busy planning and running the Spring Half Day CLE Program and the *Quanta Computer v. LG Electronics* CLE



programs, which were excellent, informative, timely programs and were very well attended thanks to the efforts of the CLE Committee, Dorothy Auth (Chair) and Tom Meloro (Board liaison). Also, our Meetings and Forums Committee has been consistently offering monthly lunch programs of great interest (most recently a presentation by the European Patent Office and "Handbags at High Noon") thanks to Rich Irwine (Chair) and Alexandra Urban (Board liaison). Special thanks to Stephen Quigley (Publications Committee Chair) and Dale Carlson (Board liaison) for putting together this Bulletin.

On the following pages, you will find a listing of NYIPLA committees: some you will recognize and some are new. Each of these committees is starting (or has already started) the year with interesting things to do, and new ideas are always welcome. Please sign up for as many committees as peak your interest.

I look forward to serving you during my term as President.

Sincerely,
Anthony Giaccio

Background for Analysis of the Issues Recent Supreme Court Dicta

One reason for the overflowing courtroom at the *Bilski* argument was the pervasive belief among the Patent Bar that the Supreme Court may soon grant certiorari and decide a Section 101 case.⁹ This belief arises from recent dicta in *eBay*¹⁰ and *LabCorp*¹¹ in which a vocal minority of the sitting Justices professed skepticism about claims to business methods as well as claims to processes which include mental steps in more traditional technological areas.

Four members of the Court in *eBay* were willing to note the “potential vagueness and suspect validity” of some “patents over business methods”.¹² Little more than a month later three of the same Justices dissented from the decision to dismiss certiorari in *LabCorp* as improvidently granted on the ground that the pertinent claims should be held patent ineligible under Section 101 as seeking to “claim a monopoly over a basic scientific relationship”.¹³

Based upon a review of one decision from the English Exchequer Reports and some ten Supreme Court cases decided under Section 101 and its predecessor statutes, Justice Breyer for the dissent criticized the *State Street* test of “useful, concrete, and tangible result” (sometimes “UCT”).¹⁴ Justice Breyer noted that the UCT test had not been endorsed by the Justices and asserted that “if taken literally” it would be inconsistent with some of those prior Supreme Court cases.¹⁵

Other Recent Federal Circuit Section 101 Cases

Bilski represents only one of four recent Federal Circuit cases involving construction of Section 101 in light of the three traditional common law exclusions from patent-eligible subject matter. In a nutshell, those exclusions include “laws of nature, natural phenomena and abstract ideas”.¹⁶

Nuijten involved the patentability of a claim to a modified electronic signal. A petition for *en banc* rehearing to review the panel’s 2-1 opinion of ineligibility under Section 101 was denied on February 11, 2008, with Judge Lourie (who had dissented from the panel opinion), joined by Judges Newman and Rader, dissenting from the denial of the *en banc* rehearing. The author agrees with the dissenters and believes that *Nuijten* was improperly decided. A petition for certiorari was filed with the Supreme Court on May 9, 2008 and docketed on May 13, 2008. The *Nuijten* petition, which is particularly well drafted, seeks resolution of:

Whether the U.S. Court of Appeals for the Federal Circuit erred by adding new requirements to 35 U.S.C. § 101 that patentable manufactures must be tangible articles that are nontransitory and perceivable without special equipment, thereby denying patent protection to all signals and other important advances in technology that do not meet these new requirements, no matter how innovative, unique, or useful they are.

Comiskey,¹⁷ involved claims to arbitration methods and systems, all of which had been rejected by the PTO as obvious under Section 103. The rejection of all claims which made no mention of “a general purpose computer or modern communica-

tion devices” was affirmed under Section 101 as unpatentable mental processes rather than for obviousness under Section 103. Writing for a unanimous panel, Judge Dyk determined that those claims which did contain such limitations satisfied the test for patentable subject matter under Section 101¹⁸ and remanded to determine in the first instance whether the addition of general purpose computers or modern communication devices to Comiskey’s otherwise unpatentable mental process would have been obvious to a person of ordinary skill in the art.

The *Comiskey* opinion is extremely scholarly and thoughtful in its analysis of the historical precedents. Although the author believes the *Comiskey* test for patentable subject matter should be expanded and made more general, as discussed below, the procedures adopted by the panel seem beyond reproach from the standpoint of administrative efficiency. Indeed, the procedures adopted in *Comiskey* represent a practical solution to the potential problem of “conflation” between the threshold patent-eligibility inquiry under Section 101 and the subsequent validity determination under Sections 102, 103 and 112.

Comiskey makes clear that the principal function of Section 101 is to ensure that the claim is drafted in a form that can be adequately tested during examination both against the prior art under Sections 102 and 103, and against the specification under Section 112. Section 101’s function should remain limited to threshold gate-keeping and whatever standards the Court adopts for the exclusion of abstract ideas should not conflate that function with the role of Sections 102, 103 and 112.

To put it another way, any meaningful expansion of the previously articulated tests for exclusion from patent-eligible subject matter under Section 101 should not be designed to screen out defective patents. Rather, any modified standard should be directed to ensuring that the claim as written will adequately facilitate the subsequent determination of whether that claim is valid under Sections 102, 103 and 112.

*Classen*¹⁹ involves diagnosis and treatment claims which are alleged to involve mental evaluations and conclusions by health professionals as necessary steps of the claimed processes – essentially the same putative deficiencies as those perceived by the dissent of Justice Breyer in *LabCorp*. The claimed immunization processes include mental steps in which health practitioners reach conclusions regarding how use of certain immunization schedules allegedly developed by the patentee could affect a patient’s risk of developing chronic diseases such as diabetes. The case was argued on August 8, 2007 and remains *sub judice*.

Bilski Attracted an Unusual Level of Amicus Participation

In response to the thorny problems surrounding the *Bilski* claim and the other Section 101 cases then pending or recently decided, the Federal Circuit issued an order on February 15, 2008, requesting amicus curiae briefing on the following five questions:²⁰

- (1) “Whether claim 1” of the *Bilski* “application claims patent-eligible subject matter under” Section 101.
- (2) “What standard should govern in determining whether a process is patent-eligible subject matter under” Section 101.

(3) “Whether the claimed subject matter is not patent-eligible because it constitutes an abstract idea or mental process; when does a claim that contains both mental and physical steps create patent-eligible subject matter”.

(4) “Whether a method or process claim must result in a physical transformation of an article or be tied to a machine to be patent-eligible subject matter under” Section 101.

(5) “Whether it is appropriate to reconsider” *State Street* and *AT&T* “in this case and, if so, whether those cases should be overruled in any respect.”

Thirty-seven amicus briefs were filed in response to the Federal Circuit’s order: six from bar associations; seven from a total of fifteen firms, two membership corporations and a trade association from within the financial sector; eleven from a total of nine firms and four trade associations from within the computer and electronics sector; two from one firm and two associations from within the life sciences sector; three from four non-profit firms and a multi-industry trade association; and eight from a total of forty-one law and business school faculty and independent scholars.

Additionally, a subsequent order took the unusual step of allocating argument time to counsel for two amici from the financial sector, Professor Duffy for RDC and Mr. William F. Lee for Financial Services Industry (“FSI”).

Framework for Discussion of the Technical and Legal Issues and the Policy Factors Surrounding their Proper Resolution

The *Bilski* Claim

The claim at issue contains no limitation directed to any specific type of commodity, nor to any specific type of consumption risk, nor to any particular physical embodiment of the claimed method, nor to the transformation of any physical object – other than “consumption risk costs” – and reads in its entirety as follows:

1. A method for managing the consumption risk costs of a commodity sold by a commodity provider at a fixed price comprising the steps of:

- (a) initiating a series of transactions between said commodity provider and consumers of said commodity wherein said consumers purchase said commodity at a fixed rate based upon historical averages, said fixed rate corresponding to a risk position of said consumer;
- (b) identifying market participants for said commodity having a counter-risk position to said consumers; and
- (c) initiating a series of transactions between said commodity provider and said market participants at a second fixed rate such that said series of market participant balances the risk position of said series of consumer transactions.

Unlike the claims at issue in the Federal Circuit’s landmark *State Street* decision, the *Bilski* process claim makes reference neither to software nor to the running of software on a general purpose computer. *Bilski* thus presents a “pure” business method issue, although resolution of this issue potentially could affect the standards for patenting processes employing software, including processes which involve running software on general purpose computers.

Even if it is assumed that minimization of consumption risk cost represents a “useful, concrete and tangible” or “UCT” result under *State Street*, the “initiating” and “identifying” process elements arguably represent, at least in significant part, abstract ideas which also involve mental steps. Moreover, no *prima facie* basis appears in this claim for concluding that the implementing steps of the claimed method are “technological” as proposed by Yahoo in the sense that the process as a whole can be characterized as “stable, predictable and reproducible” (sometimes “SPR”).²¹

The concept of “machine tying” was most recently discussed in *Comiskey*. The author believes that, absent either machine tying or some broader SPR “technological” process definition, claims to processes containing significant mental

NYIPLA Calendar

SAVE THESE DATES - More Details to Follow

CLE Luncheon Program • December 5, 2008

Title: “Recent Developments at the ITC - A Summary of Events from 2006 to Present”

Speaker: Hon. Paul K. Luckern, Chief Administrative Law Judge, United States International Trade Commission

Location: Embassy Suites, 102 North End Avenue, NYC • Located across street from the World Financial Center

CLE Program • Wednesday, January 28, 2009 • Title: *Getting the Most Out of Patent Mediation*

Speakers: Hon. Mary Pat Thyng, Magistrate Judge, US District Court, District of Delaware

and James Amend, Chief Circuit Mediator, US Court of Appeals for the Federal Circuit • Location: The Harvard Club, NYC

CLE Day of Dinner • March 27, 2009 • Waldorf-Astoria, Starlight Roof • 301 Park Avenue, NYC

87th Annual Dinner in Honor of the Federal Judiciary • Friday, March 27, 2009 • Waldorf-Astoria

25th Annual Joint Patent Practice Seminar • April 30, 2009 • Hilton New York

CLE Program • Friday, May 15, 2009 • Title: Patent/Trade Secret Complementariness: An Unsuspected Synergy

Speaker: Professor Karl F. Jorda, Franklin Pierce Law Center • Location: The Harvard Club, NYC

CLE Program • Friday, June 26, 2009 • Title: *The Issue of Future Damages/Ongoing Royalties Post eBay*

Speakers: Hon. Ron Clark, U. S. District Court, Eastern District of Texas, Brian Napper, FTI Consulting,

Richard Erwin, Quinn Emanuel Urquhart Oliver & Hedges, LLP • Location: The Harvard Club, NYC

steps or their equivalent should be deemed *prima facie* patent-ineligible under Section 101 – irrespective of whether the product or object of those processes satisfies the UCT test of *State Street*.

Conversely, to the extent method claims include mental elements as process steps, it could be said that they are *prima facie* “non-technological” – in the sense that they lack stability, predictability and reproducibility (sometimes “non-SPR”).

Pertinent Constitutional Provisions and Statutes

Article I, § 8, cl. 8 of the Constitution (the “Patent Clause”) authorizes Congress “[t]o **promote the Progress of Science and useful Arts**, by securing for limited Times to ... Inventors the exclusive Right to their respective ... Discoveries.” (Emphasis supplied.)

In *LabCorp*, Justice Breyer’s dissent argued that judicial limitations on patent eligibility under Section 101 are required because sometimes “**too much patent protection can impede rather than ‘promote the Progress of Science and useful Arts’**” (emphasis supplied) and characterized the objective as striking the correct balance under the Patent Clause:

Patent law seeks to avoid the dangers of overprotection just as surely as it seeks to avoid the diminished incentive to invent that underprotection can threaten. One way to sail between these opposing and risky shoals is through rules that bring certain types of invention and discovery within the scope of patentability while excluding others.²²

Section 101 of the Patent Code, 35 U.S.C. § 101, provides as follows:

Whoever invents or discovers any new and useful **process**, machine, manufacture or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, **subject to the conditions and requirements of this title**. (Emphasis supplied.)²³

Section 100(b) of the Patent Code, 35 U.S.C. § 100(b), provides that:

The term **process** means process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material. (Emphasis supplied.)

Section 273(b)(1) of the Patent Code, 35 U.S.C. § 273(b)(1) provides that:

It shall be a **defense to an action for infringement** under Section 271 of this title with respect to any subject matter that would otherwise infringe one or more claims for a **method** [“**of doing or conducting business**”]²⁴ in the patent being asserted against a person, if such person had, acting in good faith, actually **reduced the subject matter to practice at least 1 year before the effective filing date** of such patent, and commercially used the subject matter before the effective filing date of such patent. (Emphasis supplied.)

Case Law Discussion

With 37 briefs amicus curiae and five briefs of the parties readily available, there seems no need for any further detailed discussion of the Supreme Court and Federal Circuit

precedents. The following short historical summary should be sufficient to highlight the salient points.²⁵

The principles governing exclusion from the ambit of patent eligibility arose in the English courts in the late eighteenth and early nineteenth centuries and were decided under the 1623 Statute of Monopolies²⁶, particularly *Boulton v. Bull*²⁷, and *Hornblower v. Boulton*²⁸, both of which involved the Watt steam engine. These cases announced the dual principle that you can’t patent a scientific principle per se, but rather must claim some physical embodiment of that principle which then can be tested under the applicable rules for patentability.

The three *Diehr* categories are not necessarily mutually exclusive, since mathematical algorithms are sometimes analyzed as abstract ideas. Nor are the Supreme Court tests for demonstrating patent eligibility necessarily exclusive. In *Benson*²⁹, the Court said:

It is argued that a process patent must either be tied to a particular machine or apparatus or must operate to change articles or materials to a ‘different state or thing.’ We do not hold that no process patent could ever qualify if it did not meet the requirements of our prior precedents.

Similarly, in *Flook*³⁰ the Court said:

As in *Benson*, we assume that a valid process patent may issue even if it does not meet one of these qualifications of our earlier precedents.

Issues Discussed at Oral Argument

With the exception of Yahoo’s submission, the briefs provided very little guidance to the Federal Circuit as to whether or how the “useful, tangible and concrete” standard of *State Street* should be modified. At the oral argument³¹, the questioning was largely directed to the search for an acceptable general exclusionary test and raised a number of fundamental questions regarding the Supreme Court and Federal Circuit precedents³² and the policies underlying Section 101.

1. The Federal Circuit’s Jurisdiction

Chief Judge Michel pressed an inquiry as to whether the Court possesses the power to create a “fourth no-no” or to create a new standard or rule in respect of the three “no-nos” that already exist. The author believes that the answers to these two questions should be different.

The theory of the three existing common law limitations on patent eligibility were adopted by the United States courts from the English decisions during the early nineteenth century (if not earlier). Accordingly, they were presumptively endorsed by Congress in the 1952 codification of the Patent Act (if not earlier). Generation of a fourth no-no at this stage could be construed as interference with the Constitutional prerogative of Congress under the Patent Clause.

Building upon the existing three limitations to create a more workable exclusionary rule, on the other hand, would seem to represent a justifiable exercise of the special expertise of the Federal Circuit which originally led to the enactment of 28 U.S.C. § 1295(a) in 1982.

cont. on page 6

2. The Search for a Bright Line Exclusionary Test

A large percentage of the argument time was devoted to the question of whether the UCT test of *State Street* can be extended to the *Bilski* claim where machine tying is not present. Despite prodding from several members of the Court, none of the four advocates presented any proposal for a general exclusionary rule or made any suggestion as to how such a rule should be structured.

Proper formulation of such a general exclusionary rule would provide needed guidance both for sustaining business method claims when properly limited, and for avoiding rejection under Section 101 of properly limited claims in other subject matter areas. Unfortunately, the proposed Yahoo “technological” or SPR process standard was not mentioned at any point during the argument.

3. Policy Issues of Flexibility and Preemption

The Federal Circuit judges seem in agreement on the central principles that any new test (a) should guarantee that developments in unanticipated technologies remain patent-eligible; and (b) should ensure that only claims commensurate with the inventor’s disclosed contribution should be granted to guard against unwarranted preemption.

Unlike essentially abstract financial concepts such as hedging, process developments in cutting edge arts such as genetic medicine and biotech, wireless communication and computer systems, may require less significant process tethering to pass muster under Section 101 – at least until the art becomes more developed and “crowded”. The expansion of human control over technologies involving practical implementations of principles of nature and abstract ideas includes many important fields, such as electronic signaling, quantum computer development, and gene therapy. A corresponding expansion can be expected in other areas in which algorithms have utility. The differences among technologies will make it more difficult to establish any cross-industry bright line exclusionary test of the type for which Chief Judge Michel was hoping.

This potential problem was highlighted by some of Judge Newman’s questions which seemed to suggest that some truly pioneering invention may be entitled to broad process claims with minimal tethering. As *Morse*³³ teaches, however, even pioneering developments cannot justify preemption. Patent-eligible claims cannot be directed to broad scientific principles but rather must focus upon specific disclosed applications of those principles.

In this context, the author suggests that the degree of tethering required to make a process SPR and its result UCT may well be dependent upon the state of the pertinent art. In the case of a pioneering method such as, for example, xerography in the early 1950s, only minimal tethering appropriately would be required to facilitate the necessary validity assessments. As the art develops, more detailed tethering may be required to ensure that the claim can be properly evaluated.

The nature of the patentee’s bargain with the public is focused upon disclosure. As *Morse* teaches, judicial exclusion of “abstract ideas” from patent-eligible subject matter is based upon the need to avoid unwarranted preemption.

4. Administrative Efficiency: Conflation, “Testability” and a Potential Role for Presumptions

Administrative efficiency in the PTO and the federal courts would seem to require avoidance of conflation. In this respect the Supreme Court minority seems misguided, since the gatekeeper function of Section 101 should remain, insofar as possible, divorced from the standards for validity under Sections 102, 103 and 112.

Arguably, the positions taken by Justice Breyer in *LabCorp* and Justice Kennedy in *eBay* conflate two separate principles: (1) whether a claim which incorporates or employs a scientific law, algorithm or abstract idea avoids threshold patent-ineligibility under Section 101, and (2) whether that claim is valid when tested under Sections 102, 103 and 112. The objective should be to differentiate between those two elements and resist any unwarranted seepage of validity tests into the threshold gate-keeping determination of patent eligibility.

Whatever adjustments in the policy balance point the Supreme Court believes it is free to make,³⁴ those adjustments should not be attempted under Section 101. The gatekeeper function of Section 101 requires that a patentable “process” possess at least some minimal degree of tethering to reality at both the process and result levels – primarily so that the issued claims exist in a form that can be tested under Sections 102, 103 and 112. Indeed, under the emerging law of “commensurateness” or “full scope enablement”, “testability” under Section 112 may be even more important than under Sections 102 and 103.

As Judge Rader pointed out during the argument, the temptation to conflate may be great where a claim is dubious on its face under each of Sections 102, 103 and 112 as in *Bilski*. The hedging techniques at issue in *Bilski* can be traced back at least to the New Orleans Cotton Exchange painted by Degas and probably all the way back to the Phoenician and Mesopotamian traders. One would expect that a broad process claim to hedging would require some significant SPR tethering at the process level as well as more explicit UCT tethering regarding its result before it could be sustained under Section 101. Arguably, reinventing hedging would be only slightly less egregious than reinventing the wheel.³⁵

The author believes that “testability” probably represented the fundamental rationale for Judge Dyk’s decision in *Comiskey* to uphold rejection of the untethered claims but remand the few sufficiently tethered claims for separate validity determinations. Whatever the deficiencies of Judge Dyk’s substantive reasoning, the procedural correctness of that ruling should be unquestioned.

The balanced views of Judge Dyk in *Comiskey* support the position that Section 101 should be limited to serving as a threshold hurdle to facilitate examination of the claim under Sections 102, 103 and 112.

While Sections 102 and 103 remain important, the author believes that the most significant potential anchor on overclaiming will be the developing doctrine of “commensurateness” under which the disclosure must be at least coextensive with the claims. Floating method claims which are not tethered to the physical world are simply not amenable to that crucial analysis.

Benson and *Flook* establish that machine tying and transformation do not represent the only possible ways to avoid exclusion from patent eligibility. Depending upon the

technology, however, there may come a point at which failure to satisfy those categories should support at least a rebuttable presumption of non-eligibility. The primary rationale for imposing such a presumption is that untethered claims must be avoided to foreclose preemption.

The rule should be that completely disembodied claims to business methods presumptively fall within the “abstract” category articulated by the Supreme Court and are properly rejected unless they can be sustained under some alternative factual showing.

There is no need here to reach the question of what type of showing could suffice to rebut the presumption, since no such showing has been attempted. At the very least, the claim should be tethered to the physical world by limitations which are adequate to (a) permit the claim to be tested under Sections 102 and 103; and (b) permit the necessary determinations under the first two paragraphs of Section 112, most particularly the findings necessary to determine “commensurateness” .

5. Mental Steps and Computer Processes Employing Software

Judge Lourie asked a number of questions regarding the ostensible equivalence between mental steps and computer processing, using the contrasting examples of tax preparation by hand and tax preparation using a computer program. The short answer is that the two are not equivalent from the standpoints of stability, predictability and reproducibility.

Totally disembodied mental processes are never patent-eligible, irrespective of whether they produce a UCT result, since they are presumptively non-SPR. There are, of course, physical elements of tax preparation by hand. However, those physical elements do not amount to satisfaction of the SPR test. Most processes involving mixed mental and physical activities similarly should be classified as patent-ineligible under the SPR test.

This is probably where things like choosing therapeutic regimens and applying chiropractic massage should fall on the spectrum. Even things like throwing a curve ball could fall in this category on the assumption that some pitchers might be knowledgeable about Bernoulli’s principle, fluid mechanics and the relative densities of moist and dry air.

But even if throwing a curve ball were purely physical, it still would not qualify as patent-eligible under the SPR test – although a properly programmed pitching machine certainly might.

Views on How the Issues Should be Determined The Author’s Proposed Synthesis

The formulations in the Supreme Court cases represent non-exhaustive examples of factors which can qualify a process for patent eligibility. They are inclusive rather than exclusive, and any adequate formulation of a general standard for patent eligibility must focus upon both the object, product or result of the process on the one hand and its mechanism and process steps or elements on the other.

Formulation of a test for exclusion from patent-eligibility (if it is to represent a functional improvement over merely characterizing the claim as one which is not directed to an “abstract idea” or “scientific principle” or “law of nature”) also must focus more broadly on the functions that the claim lan-

guage must accomplish for purposes of Section 101. The focus must be, as it was in *Comiskey*, on whether a claim facilitates proper examination under Sections 102, 103 and 112.

Object, Product or Result

The UCT standard of *State Street* focuses upon the object, product or result and appears entirely adequate for any process which is carried out using a machine. It inherently subsumes the prior Supreme Court “transformation” test because the product or result would not be useful unless the starting materials were transformed,

The UCT standard seems to work well for processes addressed to objectives like reducing risk and optimizing portfolios for anticipated economic developments.

Process Mechanism or Elements

Developing a broad generic standard for eligibility on the process side is substantially more difficult. How do you determine the equivalents of machines or chemical processes in arts which do not use such machines or processes? What is the function of “tying” a machine to the process under the Supreme Court cases?

By enacting Section 273(b)(1), was Congress suggesting that business methods “untethered” to a computer or other machine could somehow be deemed patent eligible despite the “abstract idea” exclusion, and if so, how?

The BPAI suggested that only technological arts are “useful Arts” within the meaning of the Patent Clause.³⁷ This goes too far, since technological developments manifestly can achieve utility in non-technological fields.³⁸

If a process in any art is technologically sound, and produces a UCT result, then it should be patent-eligible. But how are we to define what is technologically sound? As Yahoo correctly suggests, the essential test for determination of whether any particular process is “technological” is whether it is “stable, predictable and reproducible” (“SPR”).

Where a machine which is tied to a process effectively makes that process SPR, the process should be deemed presumptively patent-eligible. Where use of the machine is merely incidental, however, its use may be entirely irrelevant to SPR.

Judge Lourie’s questions about whether use of a computer can be distinguished from use of mental processes is best answered by using the same SPR analysis. Use of a properly programmed machine is inherently more reliable from the standpoint of SPR than fallible human mental operations.

A process which does not employ a machine also can be technological if it can be shown to be SPR – which in turn requires that, as in *Diehr*, the claims set forth “in detail a step-by-step method” which can then be tested under Sections 102, 103 and 112.³⁹

Responses to the Federal Circuit’s Five Specific Questions

Response to Q1 (Whether claim 1 of the *Bilski* “application claims patent-eligible subject matter under” Section 101):

No. The 213-year history of the exclusion principle compels rejection of the *Bilski* claim as nothing more than an abstract

cont. on page 8

idea which totally lacks any detailed step-by-step methodology which could qualify it as a “technological” process which is stable, predictable and reproducible. The fact that it may produce a UCT product is irrelevant, since the process by which that result is obtained is neither machine-tied, nor SPR.

Response to Q2 (“What standard should govern in determining whether a process is patent-eligible subject matter under” Section 101):

A process should be deemed patent-eligible whenever the claims disclose that its process steps are “technological” or SPR and produce a UCT result. Significant machine tying will ensure that a process is SPR and transformation will ensure that the product is UCT.

To phrase it another way, the requisite “tethering” for a process is probably best generically described as involving both a UCT result and an SPR process. A “transformed” object would represent one such UCT result; and one result of “tethering” a process to a machine would be to ensure that the process was SPR and therefore patent-eligible. Additionally, such tethering would minimize the risk that the claim would be construed as unacceptably preemptive.

Although certain specific applications such as functional genetic or computer code may be difficult to incorporate into a universal standard, the UCT and SPR concepts could be applied across a broad range of technologies, both (a) to specific identified physical or biological products of the method or process, and (b) to specific physical or biological embodiments of the method or process or a portion thereof. By way of example, these could include: (1) specific identified physical or biological apparatus or “machines” for practicing the method or process or a portion thereof; (2) specific physical or biological embodiments of a genetic or computer code sequence, an algorithm, or a syllogism which can be employed functionally in the method or process or a portion thereof; and (3) modified physical, biological or electromagnetic carrier generation, transmission or reception embodiments which can be employed functionally in the method or process or a portion thereof.

Response to Q3 (“Whether the claimed subject matter is not patent-eligible because it constitutes an abstract idea or mental process; when does a claim that contains both mental and physical steps create patent-eligible subject matter”):

Yes. *Bilski* claim 1 is not patent-eligible because it is directed to an abstract idea and its process steps are all mental. Where a process claim is directed to both mental and physical steps; it will be deemed patent-eligible only to the extent each of its mental steps is either incidental or “technological” in the SPR sense.

Response to Q4 (“Whether a method or process claim must result in a physical transformation of an article or be tied to a machine to be patent-eligible subject matter under” Section 101):

No. The *Diehr* categories are not exclusive and any SPR process which results in a UCT product should be patent-eligible, irrespective of whether it is tied to a machine or results in a transformed product. Indeed, it is difficult to conceive of a UCT product which has not been transformed in the broader sense applicable to non-chemical processes.

Response to Q5 (“Whether it is appropriate to reconsider” *State Street* and *AT&T* “in this case and, if so, whether those cases should be overruled in any respect”):

No. The claims in *State Street* and *AT&T* were correctly upheld as patent-eligible because the UCT test is entirely adequate where the process is significantly machine tied. Even if the Court should announce a more general test, there is no need to overrule *State Street* and *AT&T* so long as it is understood that their holdings are limited to the facts presented.

Conclusions and Recommendations

The likelihood is high that the rejection of *Bilski*’s claim 1 by the BPAI will be affirmed.

Ordinarily, the Court should decide no more than is necessary to determine whether the rejection of *Bilski*’s claim by the BPAI should be affirmed. The business method claim at issue involves a completely disembodied hedging method. Of the four recent cases involving Section 101 that have reached the Federal Circuit recently, *Bilski* may be the easiest to dispose of as a threshold matter under Section 101.

The author believes, however, that in view of the *LabCorp* criticism of the *State Street* rule, the Court should not so limit its holding, but should set forth a more general and broader rule along the lines suggested by Yahoo – primarily to forestall a disastrous alteration to Section 101 jurisprudence based upon the views of the vocal Supreme Court minority as articulated by Justice Kennedy in *eBay* and Justice Breyer in *LabCorp*.

The principal danger lies not in the fact that four members of the Supreme Court are looking for an excuse to invalidate business method claims, but rather that by declaring such claims patent ineligible under Section 101 rather than invalidating them under Sections 102, 103 or 112, claims in other technologies necessarily will be affected.

¹ *In re Bilski*, No. 2007-1130 (Fed. Cir.) (“*Bilski*”).

² The March 6, 2006 decision of the PTO’s Board of Patent Appeals and Interferences (“BPAI”) was designated for publication as an “informative opinion” on September 26, 2006, and may be found at 2006 WL 4080055 (BPAI 2006).

³ See, e.g., “A Pending Threat To Patents: A Case Before An Appeals Court Could Make It Harder To Win Legal Protection For Business Methods”, *Business Week* (March 3, 2008).

⁴ See, e.g., “America’s Patent System: Methods and Madness”, *The Economist* (May 10, 2008).

⁵ See, e.g., “En Banc CAFC Searches for § 101 Test at *Bilski* Oral Argument”, *AIPPLA Direct* (May 9, 2008).

⁶ See, e.g., Charles R. Macedo *et al.*, “The Boundaries Of Patent-Eligible Processes In *Bilski*”, *IPLaw 360* (May 9, 2008).

⁷ See Edward O. Wilson, *Consilience: The Unity Of Knowledge*, pp. 195-208, Alfred A. Knopf, New York (1998).

⁸ See Brief Of Amici Curiae Yahoo! Inc. and Professor Robert P. Merges In Support Of Appellee (“Yahoo Br.”). Links to the briefs of the amici curiae are available at http://www.arelaw.com/downloads/ARElaw_BilskiRollCall.html and at <http://www.patentlyo.com/patent/2008/04/ex-parte-bilski.html>

⁹ As Professor Duffy, who argued in *Bilski* as counsel for Regulatory Data Corp., Inc. (“RDC”), wrote in an article discussing the appeal in *In re Nuijten*, 500 F.3d 1346 (Fed. Cir. 2007), *reh. en banc denied*, 515 F.3d 1361 (Fed. Cir. 2008), *pet. for cert. docketed sub. nom. Nuijten v. Dudas*, No. 07-1404 (May 13, 2008) (“*Nuijten*”):

“Sooner or later, the Supreme Court is going to grant certiorari in **some** § 101 case. Every appellate lawyer in

Washington knows that, after the LabCorp litigation, certiorari is not going to be hard to obtain on § 101 issues.”

John F. Duffy, “In re Nuijten: Patentable Subject Matter, Textualism and the Supreme Court”. *Patently-O Papers* (2007), available at http://patentlyo.com/patent/2007/02/in_re_nuijten_p.html.

¹⁰ *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 126 S. Ct. 1837 (2006) (“*eBay*”).

¹¹ *Laboratory Corp. Of Am. Holdings v. Metabolite Labs., Inc.*, 548 U.S. ___, 126 S.Ct. 2921 (2006) (“*LabCorp*”).

¹² Kennedy Slip Op. at 2 (Concurring). Since PDF versions of slip opinions for all Supreme Court cases not yet officially reported are available online without charge, pin cites for all such cases herein will employ the slip opinion pagination. Justice Kennedy articulated his own epistemology for distinguishing between abstract ideas and patent-eligible subject matter about a year later as follows:

We build and create by **bringing to the tangible and palpable reality around us** new works based on instinct, simple logic, ordinary inferences, extraordinary ideas, and sometimes even genius.

KSR Int'l Co. v. Teleflex, Inc., 550 U.S. ___, 127 S. Ct. 1727, (Slip Op. at 23) (2007) (“*KSR*”) (emphasis supplied).

¹³ Breyer Slip Op. at 1 (Dissent).

¹⁴ *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998) (“*State Street*”).

¹⁵ Breyer Slip Op. at 13 (Dissent).

¹⁶ *Diamond v. Diehr*, 459 U.S. 175, 185 (1981) (“*Diehr*”); *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980) (“*Chakrabarty*”); *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 1355 (Fed. Cir. 1999) (“*AT&T*”).

¹⁷ *In re Comiskey*, 499 F.3d 1365 (Fed. Cir. 2007) (“*Comiskey*”).

¹⁸ Independent claims 17 and 46 (together with their respective dependent claims) and dependent claims 15, 30, 44 and 58.

¹⁹ *Classen Immunotherapies, Inc. v. Biogen IDEC*, No. 2006-1634 (Fed. Cir.), *opinion below*, (unreported) (D. Md. 2006), *earlier opinion*, 381 F. Supp.2d 452 (D. Md. 2005).

²⁰ As will be developed, it is not clear that some of these questions necessarily should be answered by the Court in *Bilski*.

²¹ As will be discussed below, the author believes that the notion of SPR for defining “technological” processes as proposed by Yahoo represents a concept which can usefully be employed to generate a more complete exclusionary test.

²² Breyer Slip Op. at 3 (Dissent). Justice Breyer is correct, at least to the extent that the 1952 codification of Section 101 can be presumed to represent an acceptance by Congress of the Supreme Court’s earlier decisions excluding laws of nature, natural phenomena and abstract ideas from the ambit of patent eligibility. Only Congress may alter the Patent Code, however, and the Supreme Court lacks power under the Constitution to create new categories of patent-ineligible subject matter.

²³ The term “process” did not appear in the predecessor of Section 101 which derives from a 1793 statute written by Thomas Jefferson which used the term “art” and remained substantially unchanged until 1952.

²⁴ Section 273(a)(3) of the Patent Code, 35 U.S.C. § 273(a)(3), defines “method” for purposes of Section 273 to mean “method of doing or conducting business”.

²⁵ Those with a penchant for legal history are referred to Joshua D. Sarnoff, “Shaking the Foundation of Patentable Subject Matter” (draft Apr. 2, 2008), at <http://www.wcl.american.edu/pijip/go/research-and-advocacy/ip-policy-and-law-reform>. (last visited June 2, 2008).

²⁶ An Act Concerning Monopolies and Dispensations with Patent Laws, and the Forfeitures thereof, 21 James I, c. 3 (1623) (“Statute of Monopolies”).

²⁷ 2 H. Bl. 463 (1795),

²⁸ 8 T.R. 95 (1799).

²⁹ *Gottschalk v. Benson*, 409 U.S. 63, 71 (1972) (“*Benson*”).

³⁰ *Parker v. Flook*, 437 U.S. 584, 588, n.9 (1978) (“*Flook*”).

³¹ A digital recording of the oral argument is available at the Federal Circuit’s website. No official transcript of the argument exists, and the author has been working with informal draft transcripts kindly supplied by Professor Duffy and Denise W. DeFranco who worked on the brief of Amicus Accenture. Others who attended the argument, including Hans Sauer who appears on the brief of Amicus BIO, have assisted in

identifying the judges of the Federal Circuit on the informal draft transcript. The author anticipates that a revised informal transcript will be made available online prior to the publication of this article. CHECK ON THE AVAILABILITY.

³² One recurring leitmotif was the search for a meaningful interpretation of the portion of *Diehr*, 450 U.S. at 185, where the Court said:

Transformation and reduction of an article ‘to a different state or thing’ is the clue to the patentability of a process claim that does not include particular machines.

³³ *O’Reilly v. Morse*, 56 U.S. (15 How.) 62 (1854) (“*Morse*”).

³⁴ Any significant adjustments would seem to represent arrogation to the Court of an essentially Congressional function.

³⁵ To the extent consumption risk in energy markets is weather dependent, it is no different from production risk in other commodity markets. Indeed, the weather risks in orange juice concentrate were so well known by 1983 that they formed an important subplot in the popular movie “Trading Places”.

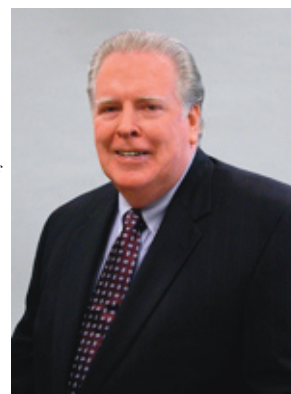
³⁶ They would also be extremely difficult to enjoy.

³⁷ At this stage, economics and finance, particularly microeconomics and econometrics, clearly should be considered “useful Arts”.

³⁸ Notable examples from the field of music would include the electric guitars developed by Charlie Christian and Les Paul, and the Moog synthesizer.

³⁹ *Diehr*, 450 U.S. at 184.

David F. Ryan is retired from the partnership of Fitzpatrick, Cella, Harper & Scinto and currently practices from his office in Croton-on-Hudson, NY. He serves on the NYIPLA’s Board of Directors and is also the immediate past chair of the NYIPLA’s Antitrust, Inequitable Conduct and Misuse Committee. The views expressed in this article are solely those of the author, and should not be imputed to the NYIPLA or to any other bar association, law firm or client with whom the author has worked.



December 5, 2008 CLE Luncheon Program

Title:

“Recent Developments at the ITC
A Summary of Events from
2006 to Present”

Speaker:

Hon. Paul K. Luckern,
Chief Administrative Law Judge,
United States International Trade Commission

Location:

Embassy Suites
102 North End Avenue, NYC
Located across street from the
World Financial Center

Anti-Phishing Consumer Protection Act of 2008

Danielle R. Mendelsohn and Masahiro Noda

Introduction

The law is continuously evolving, but with the ongoing introduction of new technologies, it often struggles to keep pace. This dilemma is perhaps most prevalent with respect to the Internet, where abuses have prompted a series of laws affecting intellectual property rights such as the Digital Millennium Copyright Act, the Anticybersquatting Consumer Protection Act, and the Communications Decency Act, among others. Now Congress is turning its attention to one of the more pervasive and devastating problems facing consumers and businesses alike on the Internet – identity theft.

Although perhaps running a bit behind, the latest effort by legislators to protect consumers and businesses arrived in February 2008, with Senator Olympia Snowe’s (R Maine) introduction of Senate Bill 2661 known as the “Anti-Phishing Consumer Protection Act of 2008” (APCPA). The bill’s goals are to prohibit “phishing,” which it defines as “the collection of identifying information of individuals by false, fraudulent, or deceptive means through the Internet” and to provide the Federal Trade Commission with the necessary authority to enforce such prohibition. However, it appears that the proposed legislation consists of provisions that cover more than just phishing, and battle lines are already being drawn over privacy and consumer protection.

While the Internet community as a whole appears to agree that the intent of the bill, which is to combat fraudulent and deceptive Internet practices that harm consumers and businesses alike, is laudable, they are split on certain of its provisions. Specifically, two organizations, the Coalition Against Domain Name Abuse (CADNA) and Internet Commerce Association (ICA), have issued their opinions on the bill. ICA, a non-profit trade organization representing domain name investors and developers and the direct search industry, has criticized the bill as being redundant and violating free speech and privacy. *See generally* Snowe Bill Threatens Domain Name Registrants (2008), http://www.internetcommerce.org/Snowe_Bill_Threatens_Domain_Name_Registrants. On the other hand, CADNA, a non-profit organization comprised of ten globally recognized brand name companies, supports the bill and states that the APCPA protects consumers from identity theft and companies from having their goodwill and reputation tarnished. *See generally* CADNA Supports Anti-Phishing Consumer Protection Act (2008), <http://www.cadna.org/en/newsroom/press-releases/anti-phishing-consumer-protection-act>.

Summary of Key Provisions of the APCPA

Section 3(a) – Phishing; Deceptive Solicitations of Identifying Information

Section 3(a)(1) makes it unlawful to solicit identifying information over the Internet by means of false or fraudulent pretenses or misleading representations when the solicitor has actual or implied knowledge that its representations would likely mislead a reasonable computer user. This provision, as acknowledged within the APCPA, is the same criteria used in the enforcement of Section 5 of the Federal Trademark Commission Act (15 U.S.C. §45) and critics argue that the proposed legislation is duplicative, as phishing is already illegal under the Federal Trade Commission Act, anti-fraud statutes, and various state laws.

Section 3(b) – Deceptive or Misleading Domain Names

Section 3(b)(1) makes it unlawful for any person to use a domain name if (a) “such domain name is or contains the identical name or brand name of, or is confusingly similar to the name or brand name of a government office, nonprofit organization, business, or other entity” and (b) such person has actual knowledge or implied knowledge that the domain name would be likely to mislead a computer user about a material fact regarding the contents of such email message, instant message, webpage or advertisement. Interestingly, there is no distinction for business entities with brand names which are formed after a domain name registration.

Section 3(b)(2) sets forth circumstances factoring into the knowledge determination, including: the trademark or other intellectual property rights of a person, if any, in the domain name; the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person; the person’s prior use, if any, of the domain name or the fair use of a mark in a website accessible under the domain name; the person’s intent to divert customers from the brand name or trademark owner’s online website that could harm the goodwill of the trademark either for commercial gain or with intent to disparage the trademark; the person’s offer to transfer or sell the domain name to the trademark owner for commercial gain; whether the person provided material and misleading false contact information; and the person’s registration of multiple domain names that are identical or confusingly similar to brand names or trademarks of others.

Section 3(c) – WHOIS Database Information Accuracy

Section 3(c)(1) makes it unlawful for the registrant of a domain name used in any commercial activity to register such domain name in any WHOIS database with false or misleading identifying information.

Further, Section 3(c)(2) makes it unlawful for a domain name authority to replace or materially alter the contents of, or restrict access to, any domain name registrant's name or other identifying information in any domain name registration authority database if the authority has received written notice that the use of such domain name is in violation of any provision of the APCPA. This would mean that privacy protection services, such as GoDaddy's Domains by Proxy, must provide access to any WHOIS information upon receipt of written notice, including a fax or email, *from anyone in the world* claiming that the APCPA has been violated, i.e., the domain has been misused (emphasis added). It appears that the proposed legislation imposes no obligations that the written notice be made in good faith and places no penalties for making false or bad faith claims. Opponents of the bill are concerned that individuals will be able to make allegations without any proof, and that the registrant is afforded no protection. There is also apprehension that the language in Section 3(c)(2) would enable people to gain private information and threaten privacy and free speech expectations.

Section 4 – Civil Actions by Certain Aggrieved Parties

Section 4 authorizes civil actions by state officials (except during the pendency of a federal action), interactive computer services, and trademark owners. Section 4(a)(1) allows a state to bring a civil action on behalf of its residents against the violator of the APCPA in a U.S. district court to seek an injunction, enforce compliance or obtain civil penalties or damages. In addition, under Section 4(c), trademark owners may bring a lawsuit against violators of the APCPA and obtain injunctions, actual damages, and where the violation is willful and knowing, punitive damages.

Section 5 – Federal Trade Commission and Other Agency Enforcement

Section 5 provides for enforcement by the Federal Trade Commission (FTC) and certain other agencies. Specifically, Section 5(f) provides that a state attorney general or an official or agency of a state may bring a civil action on behalf of the residents of the state in a U.S. district court to enjoin violation of the APCPA and obtain damages on behalf of the residents of the state without a showing of knowledge. Statutory damages are to be determined by multiplying the number of violations by and up to \$250 with a limitation of \$2 million. However, a court may treble damages up to \$6 million and award costs and attorneys' fees to the state.

Supporters of the bill argue that ICANN's Uniform Domain Name Dispute Resolution Policy ("UDRP") and the federal Anticybersquatting Consumer Protection Act ("ACPA") do not deter criminals because the consequences are small. The UDRP requires cybersquatters to relinquish the domain name(s) at issue, but imposes no damages. The ACPA, on the other hand, provides for damages ranging from \$1,000 to \$100,000 per violation. Perhaps, the true distinction lies in the statutory penalties as the APCPA provides for more significant damage awards of up to \$6 million.

Section 6 – Penalties for Fraud and Related Activity in Connection with Manipulation of E-Mail and Website Information

Section 6 provides for fines and/or imprisonment for violators. Whoever knowingly and with the intent to defraud displays a website to the general public that falsely represents itself as another's business and uses such website to solicit any identification or initiates or sends an e-mail or instant message to solicit identification shall be fined and/or imprisoned for up to five years. Further, whoever attempts to commit such acts is subject to the same penalties.

Section 7 – Effect on Other Laws

Section 7(a) establishes that nothing in the APCPA is meant to impair the enforcement of the Federal Trade Commission Act, any section under Title 18 of the United States Code, or other federal criminal statutes. Section 7(b) provides that the APCPA preempts inconsistent state laws, but allows state laws that provide greater protection than the proposed legislation.

A summary of the most significant provisions of the bill has been prepared by the Congressional Research Service. See GovTrack.us. S. 2661–110th Congress (2008): Anti-Phishing Consumer Protection Act of 2008, <<http://www.govtrack.us/congress/bill.xpd?tab=summary&bill=s110-2661>> (accessed Nov. 17, 2008).

Differing Positions Taken by ICA and CADNA

While the Internet Commerce Association (ICA) strongly supports efforts to thwart trademark infringement, criminal phishing schemes and the furnishing of inaccurate WHOIS database information, its position is that the principal thrust of the APCPA is to provide trademark owners with a new federal cause of action against domain name registrants – and not combating phishing schemes per se. ICA believes that APCPA contains provisions that are unrelated to fighting phishing which would expand the rights of trademark owners by providing them with virtual monopoly rights on registered trademarks, including generic names, to the detriment of individuals and small businesses engaged in lawful and legitimate business.

cont. on page 12

Specifically, ICA has taken the position that the proposed bill would provide trademark owners with a broader, less balanced and far more punitive remedy for infringement of trademarks by domain name registrants than exists under the UDRP and the ACPA. For example, unlike the UDRP and ACPA, which require that the trademark owner show “bad faith” by the domain name registrant, the proposed bill does not require such a showing. Further, while the ACPA provides for statutory damages of up to \$100,000 per infringement, the proposed legislation would provide damages of up to \$6 million per infringement. Accordingly, ICA argues that despite the bill’s “Phishing” title, it would in fact allow trademark owners to bring lawsuits without any requirement to show that the domain name and website were in any way associated with criminal phishing activity.

The Coalition Against Domain Name Abuse (CADNA), which is dedicated to ending what it regards as the systemic domain name abuses that plague the Internet, “strongly” supports APCPA. As an initial matter, CADNA argues that APCPA would protect the consumer from being induced to divulge personal information to identity thieves, thus protecting businesses from having their goodwill and reputation tarnished by such thieves’ use of their brand names to fraudulently solicit personal information from spoofed web sites through deceptive email messages and other means. Second, CADNA endorses APCPA’s efforts to address the related practice of deceptive web site domain names which appear confusingly similar to those of well-known businesses’ web site addresses, and which may be used to facilitate phishing attacks and deceptive spam attacks, or to divert consumers from their intended online destinations to web sites peddling unrelated or objectionable goods and services, including those harmful to minors. Further, CADNA agrees with the bill’s attempt to restore trust in online commerce by requiring that owners of commercial web sites provide true and accurate contact information for each domain name they register so that consumers and other businesses can identify those with whom they may be dealing in online transactions.

Contrary to ICA’s position, CADNA supports the bill’s prohibition of domain name proxy services which it believes provides a veil of anonymity for those businesses that are violating the law. CADNA is mainly concerned about consumers and businesses harmed by fraudulent and deceptive practices. Thus, its position is that law enforcement authorities, the Federal Trade Commission and businesses all need to have access to accurate domain name registrant information in order to enforce the law, protect consumers and permit businesses to protect their brands online.

What Lies Ahead

The introduction of the APCPA is the first step in the legislative process. It will go to the Committee on Commerce, Science, and Transportation for investigation, deliberation, and revision before moving to general debate. Like most new legislation, the APCPA has its supporters and opponents. The ICA, for example, is calling for people to write their senators to oppose the bill. It remains to be seen whether the APCPA will survive relatively intact and, if it does, and becomes law, whether it will truly curb identity theft online.



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ARTICLES

The Association welcomes articles of interest to the IP bar.

Please direct all submissions by e-mail to:

Stephen J. Quigley, Bulletin Editor, at

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"As Time Goes By - A Wake-Up Call for Our Nation's IP Policies"

by Dale Carlson

Amidst his fascinating keynote presentation at our Association's annual dinner meeting held this year at the University Club on May 21st, Professor Hugh Hansen issued a wake-up call to the gathered crowd.

Professor Hansen, a teacher of Constitutional and IP law at Fordham Law School, offered his opinion that the mandate emanating from the recent decision in *eBay Inc v. MercExchange, L.L.C.*, 547 U.S. 388 (2006) is unconstitutional. In that case, the Supreme Court held that patentees suing to enforce their patents must pass a four-factor test, including a showing of irreparable harm, before being entitled to a permanent injunction against an infringer. By implication, the *Ebay* holding is applicable to copyright holders in copyright violation actions as well.

Professor Hansen suggested that the Supreme Court in *Ebay* failed to appreciate the unique consideration that our Founding Fathers gave to patent and copyright holders when it wrote into the Constitution Article 1, Section 8, Clause 8 to empower Congress to provide an "exclusive right" to authors and inventors, as a way to "promote the Progress of Science and the useful arts".

We are left to wonder whether the Supreme Court, in construing the verbiage "in accordance with the principles of equity" recited in Section 283 of the 1952 Patent Act, failed to give proper credence to Section 154(a)(1) which expressly recites the "right to exclude" afforded by a patent.

The current patent statute traces all the way back to the Patent Act of 1819 which gave courts the equitable jurisdiction to grant injunctions. Although it may be difficult to discern the intent of Congress in 1819, it is safe to say that it believed that legal remedies would not suffice to protect the patentees' exclusive rights.

In 1908, the Supreme Court succinctly spoke to the issue in *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405 (1908), when it noted that reducing the entitlement to injunctive relief for patent

infringement "runs contrary to the long-settled view that the essence of a patent grant is the right to exclude others from profiting by the patented invention."

Our Association's Past President, Judge Giles Rich, brought the right perspective to the course he taught at Columbia Law School for a decade-and-a-half during the 1940s and 1950s. He would tell the class "everyone in business knows what it means to have an 'exclusive', it means that you have a right to exclude others." But for the fact that Judge Rich was a co-author of the 1952 Patent Act, his words might carry less weight than they do for patent practitioners.

We may wonder how Judge Rich was selected to draft the patent statute during his tenure as an Officer of our Association. It was, of course, no coincidence. Through his involvement in our Association's legislative activities, he was selected by the National Council of Patent Law Associations (later called the "NCIPLA") to assist Congress in the revision and codification of the patent statutes into what became the 1952 Patent Act.

NCIPLA's future role in legislative initiatives was effectively neutralized when it recently became a committee of the AIPLA called the "IP Law Associations Committee". That committee presumably promotes the AIPLA's legislative and policy agenda, as opposed to the legislative and policy goals of the local and regional IP law associations across the country.

Accordingly, our Association may need to find a new approach to insure that its voice is heard in IP legislative matters, as well as in regard to judicial and administrative appointments that will have an impact on the development of patent, trademark and copyright law.

Although patent reform in Congress is deadlocked for the moment, we are in an election year that presages a new administration. Perhaps the new administration will offer a new perspective on patent reform that legislatively addresses recent Supreme Court decisions, such as *Ebay*. It also may decide to appoint a new PTO Director. It also may have the opportunity to nominate candidates to join the Federal Circuit Court of Appeals. Indeed, four judges sitting on that court are currently eligible to take "senior status" and four more will be eligible shortly.

In all of these areas, the new administration will need the guidance of experienced IP practitioners. What organization is better equipped to provide that guidance than our Association? Clearly, our Association must respond to Prof. Hansen's wake-up call for the benefit of our profession, and the clients we serve.



Dale Carlson, a partner at Wiggin & Dana, serves as the NYIPLA Historian, and as Second Vice President.

“DIVINING” COMMERCIAL USE OF TRADEMARKS ON THE INTERNET

by James H. Gibson and Jason H. Kasner

INTRODUCTION

In *General Conf. Corp. of Seventh-Day Adventists v. McGill*, 2008 U.S. Dist. LEXIS 45526 (W.D. Tenn. June 11, 2008), Defendant Walter McGill’s incorporation of trademarks owned by the worldwide Seventh-day Adventist Church (the “Church”) into domain names for his small, splinter church was tantamount to trademark infringement and unfair competition according to the U.S. District Court for the Western District of Tennessee. However, it was the Court’s over inclusive interpretation of “use in commerce” of trademarks on the Internet that makes this case a cautionary tale for trademark practitioners.

BACKGROUND

Plaintiffs, General Conference of Seventh-day Adventists and the General Conference Corporation of Seventh-day Adventists, are religious associations that represent the interests and maintain all the assets of the Church, including intellectual property rights associated with the Church. The Church is a well-known worldwide religious community whose mission is, according to its website at <http://www.adventist.org>:

“to proclaim to all people the everlasting gospel in the context of the Three Angels’ messages of Revelation 14:6-12. The commission of Jesus Christ compels us to lead others to accept Jesus as their personal savior and to unite with His church, and nurture them in preparation for His soon return.”

The Church is also heavily involved in missionary work, and spreading the gospel throughout the world is one of its prime goals: “the mission goals of the Christian church, Adventists are promoters of human freedom and responsibility, especially emphasizing freedom of religion for all peoples.” The Seventh-day Adventists are diligent in protecting their intellectual property rights. Plaintiff General Conference Corporation of Seventh-day Adventists owns several federally registered trademarks, including SEVENTH-DAY ADVENTIST®, ADVENTIST®, and GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS® for use in connection with a variety of religious goods and services, including church-related and missionary services. It also alleges trademark rights in the designation SDA™ which it claims to have used for many years to denote the Church.

Defendant McGill was originally a member of the Church and, after many years, decided to stray from the

flock to follow his own calling and formed a new splinter church. McGill maintained that he was divinely mandated to form the new church and to christen it “Creation Seventh Day Adventist Church”. Citing divine decree, McGill maintained his new church’s name despite his knowledge of Plaintiffs’ prior trademark rights in the term SEVENTH DAY ADVENTIST®. McGill also created the following Internet domain names which incorporated parts of Plaintiffs’ trademarks: *7th-day-adventist.org*; *creation-7th-day adventist-church.org*; *creationseventhday-adventistchurch.org*; and *csda.us*.

PROCEEDINGS

Plaintiffs decided to address the defendant’s alleged misappropriation of their trademarks and his acts of unfair competition through both federal and Tennessee state law, including charges of a) trademark infringement under Lanham Act §32; b) unfair trade practices in violation of Lanham Act §43(a); c) trademark dilution under Lanham Act §43(c); d) cyberpiracy based on appropriation of Plaintiffs’ trademarks in domain names under Lanham Act §43(d)(1); e) common law trademark infringement; f) common law unfair competition; g) unfair and deceptive trade practices under Tennessee’s Consumer Protection Act – Tenn. Code Ann. §§18-101 *et seq.*; and h) injury to Plaintiffs’ business reputation or dilution of Plaintiffs’ trademarks under Tenn. Code Ann. §47-25-213.

McGill raised several defenses in his Answer, including a) First Amendment; b) laches; c) fair use; d) the mark was not in use in commerce; and, interestingly, e) Plaintiffs had deviated from their own religious doctrines. Plaintiffs subsequently moved for summary judgment on all counts.

The Court granted summary judgment on Plaintiffs’ trademark infringement and unfair competition claims based on their SEVENTH-DAY ADVENTIST mark, but denied summary judgment on those same claims based on the ADVENTIST and SDA marks. The Court also denied summary judgment on the cyberpiracy claim for what the Court determined to be a failure by Plaintiffs to demonstrate McGill’s “bad faith intent to profit under the mark,” a key factor under the statute. The Court also denied Plaintiffs’ dilution claims because they were not adequately addressed in their motion which was mainly an exploration of likelihood of confusion, which is not included in the test for dilution under either federal or Tennessee anti-dilution law.

Applying the Sixth Circuit's likelihood of confusion test in *Interactive Products Corp. v. A2Z Mobile Office Solutions, Inc.*, 326 F.3d 687, 694 (6th Cir. 2003), the Court balanced the following factors: strength of the senior marks; relatedness of the parties' goods and services; similarities of the marks; evidence of actual confusion; marketing channels used; likely degree of purchaser care; and likelihood of expansion of the lines, finding that almost every factor weighed in favor of Plaintiffs. The Court primarily focused on the fact that McGill used his marks in a similar manner as the Church and for similar goods and services which was likely to confuse consumers about the source of McGill's goods/services and whether he was affiliated with the Church.

DEFENSES

The Court summarily rejected each of McGill's defenses out of hand.

The First Amendment defense was struck down since the Court's own precedent held that the Free Exercise Clause is not implicated in determining the trademark and intellectual property rights of religious organizations. McGill's laches defense met a similar fate because he failed to argue the key components, namely, that after learning of McGill's use of the marks, Plaintiffs' delay in bringing suit was inexcusable or unreasonable and that McGill was unduly prejudiced as a result. McGill's fair use defense was denied because the Court determined his use of Plaintiffs' marks to identify and advertise his church constituted a trademark use under Lanham Act §45. McGill's novel defense that the Church's marks were invalid because the Church had deviated from its own doctrine was also denied because the Court held such a ruling would be an affront to the First Amendment and could find no authority to support such a defense in a trademark infringement and unfair competition case.

The last of McGill's defenses was that his uses of Plaintiffs' marks were not "uses in commerce" and thus not subject to attack on the basis of trademark infringement or unfair competition. The Court dismissed this defense in a one line statement: "At least one circuit has held that 'the jurisdiction of the Lanham Act constitutionally extends to unauthorized uses of trademarks on the Internet' because 'the Internet is generally an instrumentality of interstate commerce.'" (quoting the Court of Appeals for the Tenth Circuit in the recent case *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045, 86 U.S.P.Q.2d 1865 (10th Cir. 2008)). The Court's language here appears to stand for the proposition that any use of another's trademark on the Internet is *automatically* a use in interstate commerce and therefore subject to attack on the basis of infringement. However, as other courts, in-

cluding the 10th Circuit itself in the *Utah Lighthouse* case, have held, use on the Internet is only half the question.

"USE IN COMMERCE" ON THE INTERNET

Trademark practitioners need carefully consider the potential repercussions of the Tennessee Court's statements in dismissing McGill's "no use in commerce" defense. Much of the case law in this area deals with the familiar circumstance of a parody (*OBH, Inc., v. Spotlight Magazine, Inc.*, 86 F. Supp.2d 176 (W.D.N.Y. 2000) – a parody website of the Buffalo News under the domain name "*thebuffalonews.com*" was considered a use in commerce because use of the domain name was likely to frustrate consumers from accessing the plaintiff's services) and "critique" cases (*Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp.2d 1161 (C.D. Cal. 1998) – holding, famously, that use of Plaintiff's BALLY mark on its web site ("Bally sucks") was a fair use, since the site, and thus the use of Plaintiff's trademark, was non-commercial in nature). In these cases and their progeny, one of the most critical determinations in establishing trademark infringement has been whether a defendant's incorporation of trademarks in a domain name, in and of itself, constitutes actual and actionable use in commerce under the Lanham Act?

The Court in *McGill* may have oversimplified the use in commerce determination in a dangerous way by intimating that mere use on the Internet *alone* was enough to be considered a "commercial use" under the Lanham Act. In order to invoke the protection of the Lanham Act, a plaintiff must show that the alleged infringer used the plaintiff's mark "in connection with goods and or services" 15 U.S.C. §1125(a)(1). This requirement has often been referred to as the "commercial use requirement" (*Utah Lighthouse* at 1054) which may be the cause of much confusion in this area, since the standard is often confused with the phrase "use in commerce." "Use in commerce," however, is simply a jurisdictional necessity to justify any law passed by Congress under the Commerce Clause and is not a predicate to liability under the Lanham Act. *Id.* See also, *Steele v. Bulova Watch Co.*, 344 U.S. 280, 283, 97 L. Ed. 319, 73 S. Ct. 252, 1953 Dec. Comm'r Pat. 424 (1952); *OBH, Inc.* at 185.

As astutely pointed out by the Ninth Circuit, focusing on a defendant's use of a plaintiff's trademark "in commerce" to determine liability under the Lanham Act is erroneous, since the correct liability determination hinges on whether the defendant's use was "in connection with a sale of goods or services" rather than a mere "use in commerce." *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 677, 74 USPQ2d 1280 (9th Cir. 2005). Courts have conceded that since the Internet is "generally an instru-

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mentality of interstate commerce,” the jurisdiction of the Lanham Act extends to unauthorized uses of trademarks on the Internet. *Utah Lighthouse at 1054* (citing *United States v. Schaefer*, 501 F.3d 1197, 1201, n. 8 (10th Cir. 2007)). However, more is needed than just a showing of “use in commerce” to establish liability under the Lanham Act – the infringing mark must be used in connection with the sale of goods and services. Absent use in this manner, all trademark uses on the Internet would be considered actionable uses in commerce simply by virtue of appearing on the Internet. Such a result would expand the reach of the Lanham Act at the expense of free speech and fair use considerations.

CONCLUSION

The Court in *McGill* appeared to make a dangerous oversimplification in its refusal of McGill’s defense that his use of Plaintiffs’ marks was not an actionable use in commerce. Trademark practitioners must take note that courts, like the *McGill* Court, have attributed mere use of another’s mark on the Internet sufficient to sustain an infringement action under the Lanham Act, whether

or not the mark was used in connection with the sale of goods or services. The *McGill* Court’s reasoning, taken to its logical end, would validate actions under the Lanham Act whenever the alleged infringing mark is used on the Internet, whether or not a defendant uses the mark in connection with goods and services. Such reasoning lends itself to involvement of fair uses and other free speech uses of trademarks. Clients should be advised that the risk associated in using another’s mark on the Internet, in and of itself, may be enough to trigger liability under the Lanham Act regardless of whether the marks are used in connection with the sale of goods or services. Clients should be advised and cautioned that when using another party’s mark on the Internet, and especially as part of a domain name, defenses premised on non-use of the mark in commerce may not be sufficient.

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CLE Program -

Handbags at High Noon

On September 12, 2008, to a packed house at the Harvard Club, Professor Susan Scafidi of Fordham University School of Law presented a CLE program entitled “Handbags at High Noon: The Debate over Intellectual Property and Fashion Design”.

Professor Scafidi has testified before Congress in favor of the Design Piracy Prohibition Act (H.R. 2033 / S. 1957) which would create a limited right to protect designs under the Copyright Act. Her presentation addressed the history of design protection in the United States, including the bases for current law and the absence of meaningful protection for fashion designs under such law. Professor Scafidi presented an analysis of the current legislation and

provided some insights into the possible future of fashion design protection in this country.

Attendees received a summary of current U.S. laws applicable to fashion designs, the text of the pending legislation, Ms. Scafidi’s written statement to Congress, and two of her publications (*Intellectual Property and Fashion Design*, 1 Intellectual Property and Information Wealth (Peter K. Yu, ed. 2006) and the forthcoming *F.I.T.: Fashion as Information Technology*, Syracuse Law Review (2008)).

The event was organized by the Association’s Meetings and Forums Committee, Richard Erwine, Chair, and Design Protection Committee, Jonathan Moskin, Chair.



Left to Right: Jonathan Moskin, Susan Scafidi, Suzanna Carlos

Annual Meeting and Dinner May 21, 2008

More than 100 members and guests attended the NYIPLA'S Annual Dinner at the University Club where incoming Association President Anthony Giaccio provided an overview of the past year and events planned for the upcoming year.

KEYNOTE SPEAKER

Professor Hugh Hansen, Professor of Constitutional Law and Intellectual Property Law at the Fordham University School of Law, compared the IP world of 1988 with the much more fragmented IP community today.

a wide variety of beneficial applications, including fiber optics, defense fuels, disposal techniques for radioactive and hazardous waste materials, and improved high density foam glass materials that are stronger and lighter than concrete and may be more resistant to terrorist attacks or natural disasters.

INVENTOR OF THE YEAR

The Inventor of the Year award recognizes an individual or group who, through inventive talents, has made worthwhile contributions to society by promoting "the progress of Science and useful Arts." Two awards were granted this year:

Dr. Bernard S. Meyerson of the IBM Systems & Technology Group for his groundbreaking research in Si/SiGe technology and discoveries that led to the formation of device quality silicon-germanium (SiGe) films for use in ultrafast transistors.

Dr. Pedro M. Buarque De Macedo of Catholic University of America for his research related to glass science that has resulted in

CONNER WRITING COMPETITION WINNERS

This award, named in honor of The Honorable **William C. Conner**, Senior District Judge, Southern District of New York, and past president of the NYIPLA, recognizes excellence in writing by law students in the field of intellectual property law.

Judge Conner presented the awards to:

Kiran Nasir Gore from Brooklyn Law School (First Place) for her paper "Trademark Battles in a Barbie Cyber World."

Thomas Foley from Emory University Law School (Second Place) for his paper "Show Me the Money!: Third-Party Copyright Infringement Liability Reaches Investors & Lenders."

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NYIPLA Annual Meeting

The NYIPLA Annual Meeting was held on May 21st at the Union Club. Reports were presented by President Christopher Hughes and each of the Committee Chairs who discussed the events and accomplishments of the past year. In addition, new officers and board members were inducted for the 2008 – 2009 term:

2008 – 2009 Officers

President	Anthony Giaccio
President-Elect	Mark J. Abate
First Vice President.....	Dale L. Carlson
Second Vice President.....	Theresa M. Gillis
Treasurer.....	Alice C. Brennan
Secretary.....	Charles R. Hoffmann
Immediate Past President	Christopher A. Hughes

2008 – 2009 Board of Directors

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Thomas J. Meloro
Alexandra B. Urban
Anthony LoCicero
Jeffrey Myers
David Ryan
Doreen L Costa
John M. Delehanty
Allan A. Fanucci

NYIPLA 2008-2009 Committees

Committee on Alternative Dispute Resolution

Scope of the Committee. To consider the use of alternative dispute resolution techniques, including arbitration, in resolving intellectual property disputes and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about alternative dispute resolution topics in a CLE format program or an article for publication in the Bulletin.

Chair: Walter E. Hanley, Jr.
Board Liaison: Alice Brennan

Amicus Committee

Scope of the Committee. To coordinate the activities of the Association relating to preparation and submission of amicus briefs, and to make recommendations with respect thereto to the Board of Directors.

Mission: To implement the Amicus Committee Guidelines adopted by the Board.

Chair: Charles Weiss
Board Liaison: Dave Ryan

Committee on Antitrust, Inequitable Conduct and Misuse

Scope of the Committee. To consider the antitrust laws, insofar as they relate to intellectual property, and other unfair conduct in connection with intellectual property including inequitable conduct and misuse, and to make recommendations with respect thereto to the Board of Directors.

Mission: To explore the implications of patent pooling agreements between competitors for research and development initiatives.

Chair: Douglas Nemeo
Board Liaison: Dave Ryan

Biotechnology Committee

Scope of the Committee. To consider intellectual property issues having an impact on the biotechnology sector and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about intellectual property practice having an impact on the biotechnology sector in a CLE format program or an article for publication in the Bulletin and to interact with biotechnology associations, such as NYBA and BIO.

Chair: Thomas Gallagher
Board Liaison: Allan Fanucci

Chemical/ Pharmaceutical Committee

Scope of the Committee. To consider intellectual property issues having an impact on the chemical/pharmaceutical sectors and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about intellectual property practice having an impact on the chemical/pharmaceutical sectors in a CLE format program or an article for publication in the Bulletin.

Chair: Michael Levy
Board Liaison: Allan Fanucci

Committee on Consonance and Harmonization in the Profession (Young Lawyers Committee)

Scope of the Committee. To address the concerns and needs of minorities, women and newly-admitted lawyers.

Mission: To develop programs to increase participation of young lawyers in the activities of the Association.

Chair: Sonja Keenan
Board Liaison: Anthony Giaccio

Committee on Continuing Legal Education

Scope of the Committee. To formulate and present continuing legal educational seminars of interest to the broad spectrum of the Association's membership and to make recommendations with respect thereto to the Board of Directors.

Mission: To plan and host at least a Fall one-day patent CLE program and a Spring half-day trademark CLE program consistent with the programs that have been held in prior years.

Chair: Dorothy Auth
Board Liaison: Thomas Meloro

Committee on Copyrights

Scope of the Committee. To consider all aspects of United States, foreign and multi-national copyright law and practice and to make recommendations with respect thereto to the Board of Directors. The Committee shall keep fully informed as to all procedures, rules, regulations and decisions, statutes, treaties, agreements and conventions, existing or proposed, relating to copyrights and make recommendations to the Board of Directors regarding any changes therein.

Mission: To disseminate information about intellectual property practice relating to Copyrights in a CLE format program or an article for publication in the Bulletin.

Chair: David Einhorn
Board Liaison: Ronald Clayton

Corporate Practice Committee

Scope of the Committee. To consider intellectual property issues having an impact on in-house intellectual property counsel and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about intellectual property practice having an impact on in-house intellectual property counsel in a CLE format program or an article for publication in the Bulletin.

Chairs: Susan McGahan and Alexandra Urban
Board Liaison: Alexandra Urban

Committee on Design Protection

Scope of the Committee. To study the protection of designs and related legislative proposals, and to make recommendations with respect thereto to the Board of Directors.

Mission: To review and comment on proposed legislation to limit the scope of protection of design patents and to make recommendations to the Board of Directors with respect thereto.

Chair: Thomas Spath
Board Liaison: John Delahanty

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Discovery Committee

Scope of the Committee. To consider discovery issues in intellectual property cases and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about discovery practices having an impact on intellectual property litigation, including electronic discovery demands and production, and minimizing the expense of patent litigation in a CLE format program or an article for publication in the Bulletin.

Chair: Jeffrey Ginsberg

Board Liaison: John Delahanty

Electronics/Computer Committee

Scope of the Committee. To consider intellectual property issues having an impact on the electronics/computer sectors and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about intellectual property practice having an impact on the electronics/computer sectors in a CLE format program or an article for publication in the Bulletin.

Chair: Neil Sirota

Board Liaison: Ronald Clayton

Financial Industry Committee

Scope of the Committee. To consider intellectual property issues having an impact on the financial sector and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about intellectual property practice having an impact on the financial sector in a CLE format program or an article for publication in the Bulletin.

Chair: Robert Fischer

Board Liaison: Ronald Clayton

Inventors of the Year Awards Committee

Scope of the Committee. To publicize, gather nominations, and review nominations for Inventors of the Year awards, and to make recommendations to the Board of Directors with respect thereto.

Chair: John Moehringer

Board Liaison: Terri Gillis

Committee on Internet Law

Scope of the Committee. To consider the intellectual property aspects of computer, entertainment and media law and practice and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about intellectual property practice relating to computer, entertainment and media law and practice in a CLE format program or an article for publication in the Bulletin.

Chair: Paul Reilly

Board Liaison: Alexandra Urban

Law School Writing Competition Awards Committee

Scope of the Committee. To publicize and conduct a law school writing competition on an intellectual property law topic and to make recommendations to the Board of Directors with respect thereto.

Chair: Maren Perry

Board Liaison: Thomas Meloro

Committee on Legislative Oversight

Scope of the Committee. To monitor and report to the Association developments relating to intellectual property legislation, and to make recommendations with respect thereto to the Board of Directors.

Mission: To consider patent reform legislation currently pending in Congress and to make recommendations to the Board regarding such reforms.

Chair: John Ryan

Board Liaison: Charles Hoffmann

Committee on License to Practice Requirements

Scope of the Committee. To keep fully informed as to requirements and proposed requirements affecting the practice of members of the Association before government agencies, including the Patent and Trademark Office and the Courts, relating to admission to practice, qualifications for practice, continuing legal education and specialization, and to make recommendations for changes thereto to the Board of Directors.

Mission: To report to the Board on the current developments in the Patent and Trademark Office with regard to requiring continuing legal education for registered patent attorneys and patent agents.

Chair: Jay Anderson

Board Liaison: Allan Fanucci

Committee on Licensing

Scope of the Committee. To consider intellectual property licensing issues and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about intellectual property licensing in a CLE format program or an article for publication in the Bulletin.

Chair: Paul Ragusa

Board Liaison: Charles Hoffmann

Committee on Litigation Practice and Procedure

Scope of the Committee. To consider legislation and rules affecting practice and procedural matters in intellectual property litigation outside the Patent and Trademark Office, and other matters relating to practice in such litigation, and to make recommendations with respect thereto to the Board of Directors.

Mission: To consider issues regarding the transfer of intellectual property cases on the basis of an inconvenient forum and to report such information to the Board.

Chair: Bartholomew Verdirame

Board Liaison: Anthony LoCicero

Local Patent Rules Committee

Scope of the Committee. To consider legislation and rules affecting practice and procedural matters in intellectual property litigation in the District Courts, and other matters relating to practice in such litigation, and to make recommendations with respect thereto to the Board of Directors.

Mission: To consider dissemination of this Association's proposed Local Patent Rules and to reconsider the Association's proposed Local Patent Rules in light of new local patent rules adopted by District Courts around the country, and to make recommendations with respect thereto to the Board.

Chairs: Daniel DeVito and Robert Scheinfeld

Board Liaison: Anthony LoCicero

Committee on Meetings and Forums

Scope of the Committee. To prepare and conduct a series of monthly educational meetings of the Association other than meetings of the Officers, Committees and Board of Directors, the Annual Meeting of the Association and the Annual Dinner in Honor of the Federal Judiciary.

Mission: To select speakers and topics of interest for such meetings.

Chair: Richard Erwine
Board Liaison: Alexandra Urban

Committee on Membership

Scope of the Committee: To promote membership in the Association, to process applications for membership in accordance with Article III of the Bylaws and the Rules on Admissions of the Association and to make recommendations with respect thereto to the Board of Directors.

Mission: To develop programs to increase membership from firms and companies that have traditionally supported the Association.

Chair: Marilyn Brogan
Board Liaison: Ronald Clayton

Multinational IP Litigation Committee

Scope of the Committee. To consider intellectual property issues relating to multinational litigations and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about multinational intellectual property litigation practice and strategies in a CLE format program or an article for publication in the Bulletin, e.g., the Committee will explore world-wide gathering evidence for litigation.

Chair: Jeffrey Butler
Board Liaison: Anthony LoCicero

Outreach Committee

Scope of the Committee. To identify and create a strategy for the Association to reach out to organizations with which the Association has not traditionally interacted and to make recommendations with respect thereto to the Board of Directors

Mission: To develop a strategy to increase awareness of intellectual property law and awareness of the Association to other organizations and to the public.

Chair: Alicia Russo
Board Liaison: Thomas Meloro

Committee on Patent Law and Practice

Scope of the Committee. To consider all aspects of patent laws and practice which affect the rights of United States entities in technology and to make recommendations with respect thereto to the Board of Directors.

Mission: To consider issues of patent law and practice and to report such information to the Board.

Chair: William Dippert
Board Liaison: Jeffrey Myers

Committee on Patentable Subject Matter

Scope of the Committee. To consider all aspects of patentable subject matter in the United States and to make recommendations with respect thereto to the Board of Directors.

Mission: To consider all aspects of patentable subject matter and to report such information to the Board.

Chair: Peter Ludwig
Board Liaison: Dave Ryan

Committee on Privacy Law

Scope of the Committee. To consider all aspects of privacy law in the United States and to make recommendations with respect thereto to the Board of Directors.

Mission: To review State and Federal legislation concerning privacy law and to report such information to the Board.

Chair: Jonathan Moskin
Board Liaison: Doreen Costa

Committee on Protection of Privilege

Scope of the Committee. To consider all aspects of the protection of privilege in the United States and to make recommendations with respect thereto to the Board of Directors.

Mission: To monitor recent decisions concerning the protection of privilege in the United States and to disseminate such information in a CLE format program or an article for publication in the Bulletin.

Chair: Peter Schechter
Board Liaison: Anthony LoCicero

Committee on Publications

Scope of the Committee. To prepare, edit, publish and disseminate such publications as may be requested by the Board of Directors and to make recommendations to the Board with respect thereto.

Mission: To provide publications that exemplify the ideals of the Association and that showcase the talent of the intellectual property law community in the Association.

Chair: Stephen Quigley
Board Liaison: Dale Carlson

Committee on Trade Secret Law and Practice

Scope of the Committee. To consider all aspects of United States trade secret law and practice and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about intellectual property practice relating to trade secret law and practice in a CLE format program or an article for publication in the Bulletin.

Chair: Paul Garity
Board Liaison: Doreen Costa

Committee on Trademark Law and Practice

Scope of Committee: To consider all aspects of trademark law and practice and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about intellectual property practice relating to trademark law and practice in a CLE format program or an article for publication in the Bulletin.

Chair: Amy Benjamin
Board Liaison: Doreen Costa

Committee on Trial Advocacy and Preparation

Scope of the Committee. To consider trial advocacy and preparation issues and to make recommendations with respect thereto to the Board of Directors.

Mission: To disseminate information about trial advocacy and preparation issues in a CLE format program or an article for publication in the Bulletin.

Chair: Ann Marie Hassett
Board Liaison: Ronald Clayton

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- Patentable Subject Matter
- Privacy Law
- Protection of Privilege
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