



Stein McEwen & Bui LLP

NEWSLETTER

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PATENTS

Declaratory Judgment

Threats of infringement against entire product industry can create reasonable apprehension among all individual members of that industry, and defendant's comments in newspaper articles, directed to omeprazole drug industry as whole, were sufficient to put generic omeprazole manufacturers in reasonable apprehension of patent infringement suit by defendant. (Dr. Reddy's Laboratories Ltd. v. aaaiPharma Inc., 66 USPQ2d 1878, DC SNY, 9/13/02).

Offer for sale

"Commercial offer for sale" under 35 U.S.C. § 102(b) requires communication that offeree could make into binding contract by simple acceptance; special master, proceeding under assumption that "contract law principles do not govern § 102(b) principles" erred in applying standard requiring something less than formal offer. (Lacks Indus. Inc. v. McKechnie Vehicle Components USA Inc., 66 USPQ2d 1086, CA FC, 3/13/03).

Means-Plus-Function Claim

Limitation in claim for image processing apparatus that recites "a destroying member for destroying said thermally processed film after said film has been scanned" is means-plus-

function limitation, since term “a destroying member” is provided within functional context to describe functional feature of destroying thermally processed film after it has been scanned, and as such is permissible under narrow rule of construction of 35 U.S.C. §112, sixth paragraph. (Sanada v. Reynolds, 67 USPQ2d 1459, Bd Pat App & Int (unpub), 3/19/03).

Defining Claim Term

Term “co-micronization,” as used in composition and method claims for fenofibrate, does not take its ordinary and accustomed meaning, and is properly construed to require micronization of fenofibrate and solid surfactant in absence of other excipients, since term is specifically defined in that manner in patent, and patentee’s definition from specification, thus is properly read into claims. Courts must presume that the terms in the claim mean what they say, and unless otherwise compelled, give full effect to the ordinary and accustomed claim terms. However, in this instance, the patentee has “chosen to be his own lexicographer and has explicitly defined in the patent specification.” (Abbott Laboratories v. Novopharm Ltd., 66 USPQ2d 1200, CA FC, 3/20/03).

Inequitable Conduct

Inventors made misrepresentations in example in specification for claimed thermostable enzyme by writing example in past tense, since reader of patent would conclude that purification protocol described in example was actually performed, and that stated results were actually achieved, whereas evidence shows that example was never performed as described. (Hoffmann-La Roche Inc. v. Promega Corp., 66 USPQ2d 1385, CA FC, 3/31/03).

Meaning of Claims with “Circuit” Limitations

District court, in concluding that “circuit” limitations in claims for computerized switching systems are means-plus-function limitations, erred by relying on single word “circuit” rather than examining limitations as whole, since every use of term in asserted claims includes additional adjectival qualification that further identifies sufficient structure. A claim term that does not use “means” will trigger the rebuttable presumption that § 112, paragraph 6 does not apply. The presumption can collapse when a limitation lacking the term “means” nonetheless relies on functional terms rather than structure or material to describe performance of the claimed function. To help determine whether a claim term recites sufficient structure, the court must

examine whether the claim term has an understood meaning in the art. Thus, the threshold issue for all the limitations involved in the “circuit” is whether the term itself connotes sufficient structure to one of ordinary skill in the art to perform the functions identified by each limitation. While the court did not find it necessary to hold that the “circuit” by itself always connotes sufficient structure, the term “circuit” with an appropriate identifier such as “interface,” “programming,” and “logic,” certainly identifies some structural meaning to one of ordinary skill in the art. The term “circuit” is defined as “the combination of a number of electrical devices and conductors that, when interconnected to form a conducting path, fulfill some desired function.” In light of this definition, it is clear that the term “circuit” by itself connotes some structure. (Apex Inc. v. Raritan Computer Inc., 66 USPQ2d 1444, CA FC, 4/2/03).

Direct Infringement

A party cannot avoid direct infringement of a process or method patent merely by having another entity connected to it perform one or more of the required steps. Under such facts, the party that is contracting out part of the process or method in completing the process may be infringing the patented invention because that party, through its connection with the entity performing only part of the process, is in actuality performing the combination of each and every step of the claimed method. (Marley Mouldings Ltd. v. Mikron Industries Inc., ND Ill. 4/29/03).

Nondisclosure of Similar Claims’ Rejection May Void Patents

Failure to disclose the rejection of claims in a copending application before a different examiner that were substantially similar to the asserted patent claims may constitute inequitable conduct that could render the patent unenforceable. The Federal Circuit held that a contrary decision by another examiner reviewing a similar claim meets the threshold materiality test of Akron Polymer Container Corp. v. Exxel Container Inc. and Rule 56, but vacated a summary judgment of unenforceability and invalidity, reasoning that the district court failed to address intent to deceive. Although the patentee filed a terminal disclaimer limiting the term of its patent, the terminal disclaimer did not include a provision that any patent granted on that application...shall be enforceable only for and during such period that said patent is commonly owned with the application or patent which formed the basis for the rejection. (Dayco Products Inc. v. Total Containment Inc., Fed. Cir., 5/23/03).

Prosecution History Estoppel

Narrowing amendment to independent claim at issue was not inadvertent, and was made for substantial reason related to patentability, namely, to avoid prior art. Prosecuting attorney's declaration that narrowing limitation was added inadvertently cannot be considered in determining reason for amendment, since it is not part of prosecution history, and prosecution history does not show that reason for amendment was inadvertent. The court cannot consider the prosecuting patent attorney's declaration in determining the reason for the amendment to the claim as only the public record of the patent prosecution, the prosecution history, can be a basis for such a reason. Otherwise the public notice function of the patent record would be undermined. Also, the prosecution history does not show that the reason for the amendment of the "switching" was inadvertent. Although the Remarks section of the amendments indicates that Pioneer amended claim 1 to state claim 6 in independent form, it is equally possible that Pioneer changed the claims intentionally, but inadvertently failed to update the remarks. Pioneer further argues that the amendment adding the "switching" limitation to claim 1 was not related to patentability because it was voluntary and was not offered to overcome any rejection, on prior art or otherwise. However, the mere fact that an amendment is voluntary does not shield it from prosecution history estoppel. (Pioneer Magnetics Inc. v. Micro Linear Corp., 66 USPQ2d 1859, CA FC, 6/2/03).

Overseas Infringement

Plaintiffs alleging infringement of patented Web browser technology may seek damages under 35 U.S.C. § 271(f), which prohibits manufacturing components of patented invention in United States to be assembled elsewhere, even though allegedly infringing products of personal computer operating system are created abroad by replicating source code from "golden master" disk supplied by defendant from United States, since source code must be installed on disk or hard drive for use, and therefore is legal equivalent of computer hardware. The court drew a distinction between the "golden master" computer disk which is the windows source code and the chemical formula, because its contents are an operating element of the process which produces the result which is desired by a user or purchaser. A chemical formula can be memorized and discarded. The source code has to be installed, never to be discarded. (Eolas Technologies Inc. v. Microsoft Corp., 70 USPQ2d 1937, DC NIII, 7/31/03).

Claim Construction

A claim construction that treats the terms “every field” and “each of a plurality of fields” synonymously is erroneous since “plurality” means at least two, thereby suggesting a broader claim scope. In this circumstance “each of plurality of fields” means “each of at least two fields,” not “every field.” (Resqnet.com Inc. v. Lansa Inc., Fed. Cir., 12/16/03).

Defining Claim Terms

The Federal Circuit found that the Federal district court did not err in looking to dictionary definitions, before patent specification, in construing disputed term “high frequency” in claim for wired broadcasting system. The Federal Circuit noted that dictionaries, encyclopedias, and treatises, publicly available at the time the patent is issued, are objective resources that serve as reliable sources of information on the established meanings that would have been attributed to the terms of the claims of skill in the art. The Federal Circuit also noted that because words often have multiple dictionary definitions, some having no relation to claimed invention, the intrinsic record must always be consulted to identify which of the possible dictionary meaning of the claimed terms in issue is most consistent with the use of the words by the inventor. (Intellectual Property Development Inc. v. UA-Columbia Cablevision of Westchester Inc., 67 USPQ2d 1385, CA FC, 7/21/03).

“About” Not Indefinite

Substantial evidence supports jury’s conclusion that patent disclosing method of fracturing subterranean oil and gas wells is not invalid for indefiniteness or enablement on ground that it uses the term “about 0.06” in referring to concentration of polymer used in fracturing fluid, since person of skill in relevant art would understand range that term was intended to encompass. (BJ Services Co. v. Halliburton Energy Services Inc., 67 USPQ2d 1692, CA FC, 8/6/03).

Claim Construction

Specification may limit claims if it suggests, when read as whole, that very character of invention requires limitation to be part of every embodiment. Thus, if specification makes clear at various points that claimed invention is narrower than claimed language might imply, then it is permissible and proper to limit claims. The court recognized that it must interpret the claims in

light of the specification, yet avoid impermissibly importing limitations from the specification. This balance turns on how the specification characterizes the claimed invention. The court looks to whether the specification refers to a limitation only a part or less than all possible embodiments or whether the specification read as a whole suggests that the very character of the invention requires that limitation be a part of every embodiment. For example, it is impermissible to read the one and only disclosed embodiment into a claim without other indicia that the patentee so intended to limit the invention. On the other hand, where the specification makes clear at various points that the claimed invention is narrower than the claim language might imply, it is entirely permissible and proper to limit the claims. (Alloc Inc. v. International Trade Commission, 68 USPQ2d 1161, CA FC, 9/10/03).

Means-Plus-Function Claims

Patents in suit may not be construed, under 35 U.S.C. §112, sixth paragraph, to disclose computer software as structure corresponding to claimed function if patents' specifications do not clearly link or associate software with that function, since § 112 does not permit patentee to claim in functional terms unbounded by any reference to structure in specification, and since failure to clearly link or associate software with claimed function is also failure to meet § 112's definiteness requirement. The Federal Circuit held that the Federal District Court correctly found the corresponding structure for the "means for converting said plurality of images into a selected format" to be the VME bus based framegrabber video display board, and the computer video processor. However, the Federal Circuit held that the district court erred by identifying software as an additional corresponding structure for this limitation. There is nothing in the specification or prosecution history that clearly links or associates software with the function of converting images into a format. A correct inquiry is to look at the disclosure of the patent and determine if one of skill in the art would have understood the disclosure to encompass software for digital-to-digital conversion and been able to implement such a program, not simply whether one of skill in the art would have been able to write such a software system. (Medical Instrumentation and Diagnostics Corp. v. Elekta AB, 68 USPQ2d 1263, CA FC, 9/22/03).

Prosecution History Estoppel

Amendment that narrows claim in order to comply with any provision act, including 35 U.S.C. § 112, may invoke Prosecution History Estoppel; this rule includes "voluntary"

amendments. Further, amendment that narrows claim is presumed to have been made for “substantial reason related to patentability, if record does not reveal reason for amendment; patentee may rebut presumption by showing that amendment was not one relating to patentability, but this rebuttal is restricted to evidence in prosecution history record. Still further, finding that amendment which narrowed claim was made for substantial reason related to patentability imposes presumption that patentee had surrendered all territory between original claim limitation and amended limitation; if patentee fails to rebut this presumption, then Prosecution History Estoppel bars patentee’s reliance on Doctrine of Equivalence for accused element, but if patentee successfully rebuts presumption, then question of whether accused element is in fact equivalent is reached on merits. The three criteria for rebutting the Festo presumption are: (1) patentee to show that an alleged equivalent would have been “unforeseeable at the time of the amendment and thus beyond the fair interpretation of what was surrendered”; (2) patentee to demonstrate that “the rationale underlying the narrowing amendment bore no more than a tangential relation to the equivalent in question”; or (3) patentee to establish “some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question”. (Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 68 USPQ2d 1321, CA FC, 9/26/03).

Stay for Reexamination

Stay of infringement action is warranted in view of defendant’s application for reexamination of patent in suit before U.S. Patent and Trademark Office, since USPTO’s determination will be beneficial to efficient resolution of action, in that disputes may be resolved, issues may be simplified, parties may be encouraged to settle, and PTO’s decision will be admissible in district court proceedings and presumed valid. (Ralph Gonnocci Revocable Living Trust v. Three M Tool & Machine, Inc., 68 USPQ2d 1755, DC EMich, 10/7/03).

Prosecution History Estoppel

Redrafting of dependent claim, directed to process for preparation of antibiotic compound, in independent form constituted narrowing amendment made for substantial reason related to patentability, since redrafting further defined and circumscribed existing limitation to put claim in condition for allowance; patentee has failed to overcome presumption that redrafting surrendered coverage of asserted equivalent under Festo. In this instance, the applicant

canceled claims 1-10 and submitted new claims 11-16 wherein independent claim 11 was a rewriting of a number of dependent claims into independent form. (Ranbaxy Pharmaceuticals Inc. v. Apotex Inc., 69 USPQ2d 1086, CA FC, 11/26/03).

Disclosure-Dedication Rule

Subject matter disclosed in written description but not claimed in patent is dedicated to public, and cannot be recaptured under doctrine of equivalents. The disclosure-dedication rule requires an inventor who discloses specific matter to claim it, and to submit the broader claim for examination. Otherwise, that matter is dedicated to the public and may not be recaptured under the doctrine of equivalents. The court held that the disclosure-dedication rule is designed to motivate patentees to draw the broadest claims that they consider to be patentable, and to submit these broad claims to the PTO for examination. The disclosure-dedication rule, should thereby serve the important public notice function of patents-the mechanism whereby the public learns which innovations are the subjects of the claimed invention, and which are in the public domain. The patentee noted in the specification that “other prior art devices use molded plastic...” The written description stated that “the elongated strap is made of resilient metal such as stainless steel although other resilient materials may be suitable for the strap.” These passages demonstrate that, at the time the inventor applied for ‘239 patent, he knew that other materials, including plastic, could be used to make “parts” of his invention, and that the inventor asserted the metal design of the ‘239 patent as an improvement over the prior art. The ‘239 patent, however, does not claim plastic parts, but instead includes an explicit “metal” limitation. (PSC Computer Products Inc. v. Foxconn International Inc., 69 USPQ2d 1460, CA FA, 1/20/04).

Inherent Anticipation

Fact that particular characteristic is necessary feature or result of prior art embodiment of invention is sufficient for inherent anticipation, even if that fact was unknown at time of prior invention. Thus, proof of inherent anticipation does not require showing that person of ordinary skill in art would have recognized that asserted inherent characteristic was necessarily present in thing described in allegedly anticipating reference. (Toro Co. v. Deere & Co., 69 USPQ2d 1584, CA FC, 1/20/04).

Prosecution Laches

Declaratory defendant's asserted patent claims are unenforceable under doctrine of prosecution laches, since defendant, through sequential filing of applications, delayed from 18 to 39 years in filing and prosecuting claims, and since such delay was unreasonable and unjustified. (Symbol Technologies Inc. v. Lemelson Medical, Education & Research Foundation LP, 69 USPQ2d 1738, DC Nev, 1/23/04).

“Exceptional” Case

“Exceptional” case warranting award of attorneys' fees to prevailing defendant under 15 U.S.C. §1117(a) is one in which plaintiff has brought suit that could fairly be described as “oppressive.” In present case, the plaintiffs had colorable legal arguments to support their infringement claims, and thus, is not “oppressive.” (Eagles Ltd. v. American Eagle Foundation, 69 USPQ2d 1681, CA 6, 1/29/04).

Not Means-Plus-Function

Term “baffle,” as used in claims directed to impact-resistant building modules consisting of modular wall panels, is not means-plus-function limitation, since term does not expressly use word “means,” thus raising presumption that it is not subject to 35 U.S.C. § 112, and since word “baffle” which carries ordinary meaning of “something for deflecting, checking or regulating flow,” sufficiently recites structure, even though claims do not identify matter upon which baffle acts. However, meaning of term is nonetheless limited to by specification to panels providing impact or projectile resistance, oriented at angles other than 90 degrees, since specification repeatedly refers to impact resistance, especially against projectiles such as bullets and bombs, since baffles oriented at 90 degrees cannot deflect projectiles as described in patent, and are disclosed in prior art addressed and distinguished by specification, and since embodiment at which baffles are angled at other than 90 degrees is only embodiment disclosed in patent, not merely preferred embodiment. (Phillips v. AWH Corp., 70 USPQ2d 1417, CA FC, 4/8/04).

Prosecution History Estoppel

Rewriting dependent patent claim into independent form, coupled with cancellation of original independent claim, constitutes narrowing amendment giving rise to presumptive surrender of subject matter if dependent claim includes limitation not found in cancelled

independent claim, or circumscribes limitation found in that claim, and fact that scope of rewritten claim has remained unchanged will not preclude application of prosecution history estoppel. Thus, the fact that the scope of the rewritten claim has remained unchanged will not preclude the application of Prosecution History Estoppel if, by canceling the original independent claim and rewriting the dependent claims into independent form, the scope of subject matter claimed in the independent claim has been narrowed to secure the patent. (Honeywell Int'l Inc. v. Hamilton Sundstrand Corp., 71 USPQ2d 1065, CA FC, 6/2/04).

Defining Claim Terms

Claim term is given meaning other than its ordinary and customary meaning only in limited situations, and term must be assigned its ordinary meaning if written description and prosecution history are ambiguous as to whether patentee used term in manner inconsistent with such meaning. Claim term will not receive its ordinary and customary meaning only in limited situations. Those situations include: where the patentee has acted as his own lexicographer and clearly provided an alternate definition for the term; where the intrinsic evidence shows that the patentee distinguished invention from a prior art reference, expressly disclaimed subject matter, or highlighted a particular feature as important to the invention; or, where the term chosen makes the scope of the claim so unclear as to require resort to the intrinsic evidence for meaning. (W.E. Hall Co. v. Atlanta Corrugating LLC, 71 USPQ2d 1135, CA FC, 6/7/04).

Claim Construction

Petition for rehearing en banc is granted in action in which appellate panel construed term “baffle,” in claims directed to impact-resistant building modules, as limited to modules providing impact or projectile resistance oriented at angles other than 90 degrees; parties are invited to submit briefs directed to seven very important questions concerning a claim construction. The seven questions are as follows:

1. Is the public notice function of patent claims better served by referencing primarily to technical and general purpose dictionaries and similar sources to interpret a claim term or by looking primarily to the patentee’s use of the term in the specification? If both sources are to be consulted, in what order?

2. If dictionaries should serve as the primary source for claim interpretation, should the specification limit the full scope of claim language (as defined by the dictionaries) only when the patentee has acted as his own lexicographer or when the specification reflects a clear disclaimer of claim scope? If so, what language in the specification will satisfy those conditions? What use should be made of general as opposed to technical dictionaries? How does the concept of ordinary meaning apply if there are multiple dictionary definitions of the same term? If the dictionary provides multiple potentially applicable definitions for a term, is it appropriate to look to the specification to determine what definition or definitions should apply?

3. If the primary source for claim construction should be the specification, what use should be made of dictionaries? Should the range of the ordinary meaning of claim language be limited to the scope of the invention disclosed in the specification, for example, when only a single embodiment is disclosed and no other indications of breadth are disclosed?

4. Instead of viewing the claim construction methodologies in the majority and dissent of the now-vacated panel decision as alternative, conflicting approaches, should the two approaches be treated as complementary methodologies such that there is a dual restriction on claim scope, and patentee must satisfy both limiting methodologies in order to establish the claim coverage it seeks?

5. When, if ever, should claim language be narrowly construed for the sole purpose of avoiding invalidity under, e.g., 35 U.S.C. §§ 102, 103 and 112?

6. What role should prosecution history and expert testimony by one of ordinary skill in the art play in determining the meaning of the disputed claim terms?

7. Consistent with the Supreme Court's decision in Markman v. Westview Instruments, Inc., 517 U.S. 370, 134 L. Ed. 2d 577, 116 S. Ct. (1996) and our en banc decision in Cybor Corp. v. FAS Technologies, Inc., 138 F.3d 1448 (Fed Cir. 1998), is it appropriate for this court to accord any deference to any aspect of trial court claim construction rulings? If so, on what aspects, in what circumstances, and to what extent?

In a very unusual procedure, the Federal Circuit requested that many major intellectual property organizations provide amicus briefs setting forth their respective positions in this integral case regarding claim construction. (Phillips v. AWH Corp., 71 USPQ2d 1765, CA FC, 7/21/04).

Printed Publication

Prior reference need not have been disseminated by distribution of reproductions or copies, and/or indexed in library or database, in order to constitute “printed publication” under 35 U.S.C. § 102(b), since key inquiry is whether or not reference has been made “publicly accessible”; thus, distribution and indexing are not sole factors to be considered in “printed publication” inquiry. In this instance, a presentation which disclosed every limitation of the invention was displayed for 2.5 days at an association meeting and the same slide presentation was put on display for less than a day at an agricultural station at a university. (In re Klopfenstein, 72 USPQ2d 1117, CA FC 8/18/04).

Not Step-Plus-Function

Recitation of “the method comprises the steps of,” in preamble of claim for cardiac stimulation method, does not convert each ensuing step into step-plus-function limitation under 35 U.S.C. § 112, sixth paragraph, since method claims necessarily recite steps, and use of words “steps of” in preamble does not create presumption of step-plus-function form. The absence of the language “step for” creates presumption that each ensuing step is not step-plus-function form. (Cardiac Pacemakers Inc. v. St. Jude Medical Inc., 72 USPQ2d 1333, CA FC, 8/31/04).

Attorney/Client Privilege

Invocation of attorney-client and/or work product privilege by infringement defendant does not give rise to adverse inference with respect to willful infringement, since there should be no risk of liability in disclosures to and from counsel in patent matters; nor does defendant's failure to obtain legal advice give rise to adverse inference, in view of burdens and costs of requirement for early and full study of every potentially adverse patent of which defendant had knowledge. The court answered the following four questions: (1) When the attorney-client and/or product privilege is invoked by a defendant in an infringement suit, is it appropriate for the trier of fact to draw an adverse inference with respect to willful infringement? The answer is “no.” (2) When the defendant had not obtained legal advice, is it appropriate to draw an adverse inference with respect to willful infringement? The answer is again “no.” (3) If the court concludes that the law should be changed and the adverse inference withdrawn as applied to this case, what other consequences are there for this case? The court held that adverse inferences of unfair rule opinions cannot be drawn. (4) Should the existence of a substantial

defense to infringement be sufficient to defeat liability for willful infringement even if no legal advice has been secured? The answer is “no.” Precedent includes this factor with others to be among the totality of circumstances, stressing the “theme of whether a prudent person would have sound reason to believe that the patent was not infringed or was invalid or unenforceable, and would have so held if litigated.” (Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp., 72 USPQ2d 1560, CA FC, 9/13/04).

TRADEMARKS

ACPA

Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1129, covers domain name originally registered before law’s effective date and then reregistered with new domain name registrar after law took effect, even though law is not to be applied retroactively, since ACPA language does not limit meaning of “registration” to narrow concept of “creation registration.” (Schmidheiny v. Weber, 66 USPQ2d 1062, CA 3, 2/11/03).

FTDA Standing

Plaintiff is exclusive licensee, rather than owner, of trademarks at issue, and therefore lacks standing to sue for dilution of marks under Federal Trademark Dilution Act, since license agreements in present case reserve to licensor rights indicative of ownership. (ICEE Distributors Inc. v. J&J Snack Foods Corp., 66 USPQ2d 1161, CA 5, 3/21/03).

Commerce with Americans

A Monaco casino that serves U.S. travelers and advertises that its services in this country may assert trademark infringement claims against companies that used its unregistered but distinctive trademark in Internet domain names, the U.S. Court of Appeals for the Fourth Circuit rules. Trade with U.S. citizens anywhere in the world constitutes “commerce” that can be regulated by Congress, and the use of a trademark in such commerce, together with advertising of the service in the United States, satisfies the Lanham Act’s two-pronged test for “use in commerce” of a protected mark. (International Bancorp LLC v. Societe des Bains de Mer et du Cercle des Etrangers a Monaco, 4th Cir., 5/19/03).

Damages

Evidence of actual injury to plaintiffs from defendant's infringement of mark for bowling balls was sufficient to sustain award of damages, despite fact that plaintiffs were not producing bowling balls at time of infringement, since plaintiffs did not collect royalties from defendant's use of mark, and since plaintiffs intend to resume use of the mark, which may require corrective advertising. (Zelinski v. Columbia 300 Inc., 67 USPQ2d 1446, CA 7, 7/10/03).

Bad Faith Not Necessary for Attorney's Fees

Where a court finds that an instance of trademark infringement was willful or deliberate, an additional finding of bad faith is not necessary in order to justify an award of attorneys' fees. (Earthquake Sound Corp. v. Bumper Industries, 9th Cir., 12/16/03).

Use In Commerce

Plaintiff has sufficiently alleged use of "ARGOS" trademark in commerce to establish its standing to bring claim for cybersquatting in violation of 15 U.S.C. § 1125(d), since plaintiff operates "argoseurope.com" Web site to provide information about spinal surgery to persons throughout world, and using mark in Internet domain name to operate Web site constitutes use in commerce, in that it affects party's ability to offer services. (ARGOS v. Orthotec LLC, 71 USPQ2d 1203, DC Del, 1/8/04).

TLD Indicators

The court did not read the PTO's policy to include an absolute prohibition on the possibility that adding a TLD to a descriptive term could operate to create a distinctive mark. Instead, the TMEP states that "TLD's generally serve no source-indicating function, and their addition to an otherwise unregistrable mark typically cannot render it unregistrable." This language certainly leaves open the possibility that in unique circumstances a TLD could perform a source-indicating function. (In re Oppedahl & Larson LLP, 71 USPQ2d 1370, CA FC, 6/25/04).

Domain Names

District Court did not clearly err in concluding that consumers are unlikely to confuse “Escolastica.com” and “Escolastica.net” domain names, used in connection with Internet-based application that facilitates communication between school teachers and students in Mexico, with plaintiff’s English-language, “Scholastic.com” Web site offering similar service in United States, since words “escolastica” and “scholastic” are different, and defendants’ sites are in Spanish. (Scholastic Inc. v. Escolastica.com, 71 USPQ2d 1542, CA 4, 6/7/04).

COPYRIGHTS

Digital Millennium Copyright Act

Plaintiff is likely to succeed on its claim that microchips on defendant’s toner cartridges violate Digital Millennium Copyright Act under 17 U.S.C. §1201(a)(2), which prohibits manufacture and/or sale of any device primarily designed to circumvent “technological measure” that “controls access” to copyrighted work, since defendant’s microchips were specifically developed to circumvent technological measure that controls access to plaintiff’s copyrighted programs. These programs were toner loading programs used in microchips attached to toner cartridges for plaintiff’s laser printers. (Lexmark Int’l Inc. v. Static Control Components Inc., 66 USPQ2d 1405, DC EKy, 2/27/03).

DMCA

Genuine issues of fact as to whether consumers are authorized to use defendant’s transmitters to operate plaintiff’s garage door openers by circumventing “rolling code” technology in plaintiff’s computer program preclude summary judgment that defendant is liable for violation of anti-circumvention provisions of Digital Millennium Copyright Act, 17 U.S.C. §1201(a). (Chamberlain Group Inc. v. Skylink Technologies Inc., 68 USPQ2d 1009, DC NIII, 8/29/03).

Registration Date

Copyright is “registered” for purposes of 17 U.S.C. § 411(a) upon filing of completed application with Copyright Office, and infringement plaintiff therefore need not show receipt or

denial of registration certificate before bringing suit, since 17 U.S.C. § 408(a) provides that owner of exclusive right in work “may obtain” registration by delivery of deposit, application, and fee to Copyright Office. (Iconbazaar LLC v. America Online Inc., 70 USPQ2d 1293, DC MNC, 2/26/04).

DMCA

Defendant’s manufacture and sale of computer software that permits decoding, and therefore copying, of contents of digital versatile disks encoded by “Content Scramble System” violates antitrafficking provisions of Digital Millennium Copyright Act, since software is both “primarily” designed and produced to circumvent CSS, and marketed to public for use in circumventing CSS. (Paramount Pictures Corp. v. 321 Studios, 69 USPQ2d 2023, DC SNY, 3/3/04).

Personal Jurisdiction

Defendant Spanish company, which is alleged to control Web site that enables purchasers to download plaintiffs’ copyrighted musical works without authorization, is subject to personal jurisdiction in District of Columbia under long arm statute that confers specific jurisdiction over defendants “transacting any business” in District of Columbia, and general jurisdiction over defendants “doing business” there. (Arista Records Inc. v. Sakfield Holding Co., 71 USPQ2d 1035, DC DC 4/22/04).

Limitations Period

Claim for copyright infringement accrues, for statute of limitations purposes, at time of infringement, rather than a time plaintiff knows or has reason to know of injury upon which claim is based, since legislative history of 17 U.S.C. § 507(b) makes clear that Congress intended to adopt uniform limitations period running from date of infringement, not from date of discovery. (Auscape International v. National Geographic Society, 71 USPQ2d 1874, DC SNY 8/12/04).

TRADE SECRETS

Discovery

Plaintiffs in action for patent infringement are entitled to discovery of information concerning third party's polymeric films in connection with issue of patent validity, even if it is assumed that information sought is trade secret, since there is no absolute privilege to protect trade secrets from disclosure during discovery, and plaintiffs have established that information is relevant to subject matter of underlying suit and necessary for them to prepare for trial. (Ex parte Sealed Air Corp., 70 USPQ2d 1575, DC SC 2/5/04).

Preliminary Injunction

Evidence does not justify trial court's issuance of preliminary injunction, under California's Uniform Trade Secrets Act, prohibiting defendant's publication of digital versatile disc decryption software on the Internet, since record indicates that decryption software had been so widely distributed that encryption technology may have lost its trade secret status by time plaintiff sought preliminary injunction. The case involved the trial court granting DVD CCA's request for preliminary injunction and entered an order prohibiting defendants from posting, disclosing, or distributing DeCSS (a computer program allegedly containing DVD CCA's trade secrets) or related proprietary material. (DVD Copy Control Association Inc. v. Bunner, 69 USPQ2d 1907, Ca CtApp, 2/27/04).

LEGISLATION, USPTO RULES, AND OTHER MISCELLANEOUS MATTERS

Limitations on Charitable Deductions for IP

The corporate tax bill (H.R. 4520) signed by President Bush on October 22, 2004 contains a provision that largely eliminates the tax deductions for contributions of patents and other intellectual property to charitable organizations. The law limits a taxpayer's deduction for the contribution of intellectual property to a charitable organization to the lesser of the taxpayer's basis and the contributed property or the fair market value of the property. Additional burdens are also placed on the taxpayer in order to be able to receive the claimed deductions.

Final Rules on Inter Partes Reexamination and BPAI Appeals

On December 22, 2003, the USPTO issued a final rule to implement changes to the inter partes reexamination process for patents as well as other technical amendment pursuant to statutory amendments mandates. Under the revisions, a third-party requester of inter partes reexamination is granted the right to appeal adverse decision of the BPAI to the Federal Circuit. It will also allow the patent owner to be a party to an appeal by the third-party requester. The PTO notice can be found at <http://pub.bna.com/ptcj/changes.pdf>, this notice being published in the December 22, 2003 Federal Register (68 Fed. Reg. 70996).

Nanotechnology Issues

The USPTO has begun to look into the provenance of nanotechnology in inventions by conducting a variety of searches of several databases to determine the extent and location of nanotechnology in the patent world. Preliminary study has revealed that nanotechnology is implicated in a wide range of scientific disciplines and that it may be difficult to identify in advance what inventions are nanotechnology related. A project, the creation of a nanotechnology Cross-Referenced Art Collection, which seeks to create a database of nanotechnology-related art that could be referred to in dealing with nanotechnology-related inventions is underway at the Office of Patent Classification. (6/4/04).

Power of Attorney Changes

The USPTO issued a final rule amending its rules of practice to allow for more efficient processing of power of attorney and assignment documents, effective June 25, 2004. The revised rules discontinue the practice of returning original assignment documents submitted by mail, and requires applicants to use the agency's "Customer Number" practice if a power of attorney is to be given to more than ten registered patent practitioners. Further, all papers received in the USPTO on paper will be scanned and transmitted electronically within the office. (6/4/04).

USPTO Fees Rise Substantially

On December 8, 2004, the President signed legislation into effect which imposes fee increases at the USPTO without addressing the controversial diversion of USPTO user fees to other governmental programs. Intended in part to fund the hiring of several hundred more

patent examiners, the fee increases have drawn fire from practitioners. The fee increases are expected to generate about \$200 million in additional revenues according to an appropriations committee report.

Some of the more substantial fee increases include the filing fee which increases from \$790 to \$1,000 (divided into distinct filing, examination and search fees), additional total claims in excess of 20 from \$18 to \$50 per claim, and additional independent claims in excess of 3 from \$86 to \$200 per additional independent claim. Maintenance fees have increased. In addition, there is now a \$500 fee for filing an appeal with the BPAI, and an additional \$500 for filing a brief in support of the appeal, and an additional \$1,000 for requesting an oral hearing in the appeal before the BPAI.

Nanotech Digest

A new nanotechnology cross-reference digest of prior art is the first step in an effort to improve the USPTO's ability to search and examine nanotechnology-related patent applications, a USPTO official said on November 5, 2004. Ultimately, the agency plans to develop a more complete set of relevant definitions, subclasses, and search notes to guide examiners in their evaluation of nanotechnology inventions. The new cross-reference digest is part of the agency's effort to develop a comprehensive collection of prior art titled "Class 977, Nanotechnology." The digest was compiled by conducting extensive word searches to identify patents in the USPTO's database that met the definition of nanotechnology developed by the National Nanotechnology Initiative. The NNI defines nanotechnology in part as "research and technology development at the atomic, molecular, or macromolecular levels, in the length scale of approximately 1-100 nanometer (nm) range, to provide a fundamental understanding of phenomena and materials at the nanoscale and to create and use structures, devices, and systems that have novel properties and functions because of their small and/or intermediate size." To enhance the examining corps' ability to evaluate patent applications with nanotechnology components, the official said that the USPTO sends 50 examiners each month to the Atlanta Nano Forum, in Alexandria, Virginia, an industry-sponsored series of detailed lectures in specified areas of technology.

If you have any questions or would like additional information on any of the articles cited in this newsletter, please contact:

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Further, please do not hesitate to contact us in Korean if it is preferable for you and we will respond in Korean. Besides handling issues relating to intellectual property related matters such as patents, trademarks and copyrights, we are able to provide assistance for business related issues including export and trade problems.

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