

# Bright Ideas

A publication of the Intellectual Property Law Section  
of the New York State Bar Association



## Message from the Chair

January in August. As we swelter in the last of summer's heat, I can't help thinking of the god Janus, who, in January, looks both forward and backward. We, too, can look back on some superb programs, including panel discussions co-sponsored with Fordham, St. John's, Cardozo, and other bar associations on topics ranging from protection of cartoon characters to MP3.com and Napster to trademarks and trade dress in the Post-*Two Peso* world. Marie-Eleana First, Vejay Lalla, Peter Sloane, and Bob Clarida have worked hard with others to bring these programs together. We can also look ahead to even more programs. September 20 will be a triple-header—Bridging the Gap programs going on simultaneously in New York City, Albany, and Rochester—featuring presentations on both “traditional” and “digital” intellectual property law issues from 21 outstanding speakers. The price is right, the content superb, and the opportunity to interact with other association members and experts rewarding. Ray Mantle and Michael Carlinksy have headed the three programs, together with Jean Nelson of the State Bar Association in Albany. In September we will also run a test of an online meeting of the Internet Committee. Once we get feedback we will contemplate more online programs and seminars. If you have had experience with this approach, please let us know.



October brings us to The Sagamore for our Fall Meeting program entitled, “Intellectual Property Law in Flux: The Impact Upon Business and Practice Worldwide.” Our Co-Chairs are Marc Lieberstein and Robert Greener. The program, to be held October

12-13, will include a debate on *Tasini* from the lawyers involved in the case; a look at valuing intellectual property in light of the *Grain Processing* decision; updates on Internet privacy issues and database protection; an academic and a practical look at the DMCA, MP3, and Napster; a look at the inscrutable *Festo* decision and its practical impact; a debate on the *TraFFix* trade dress case; and other timely, debatable topics. Our speakers will come from government, industry, academia, and private practice. The weekend will also feature a boat ride on Lake George, the incomparable hospitality of The Sag-

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amore, and our very special presentation of prizes from THOMSON & THOMSON to the winners of our student writing competition. Please be sure to sign up as soon as you receive the registration materials; we expect another sold-out program.

Other fall activities will include a roundtable on ethical issues in intellectual property law. The time and place will be announced in future mailings and on our Web site.

January (the real one) is just around the corner. Please save the date for our January Annual Meeting: Tuesday, January 22, 2002. We expect a presentation of some of the IP landmarks of 2001 and some hints about IP issues to come.

We are looking for ways to involve more of our membership in live or virtual interaction. We will be expanding the information available on our Web site and may be establishing some new committees, including a Corporate Counsel Committee to focus on what businesses can do to maximize the value of their intellectual property and head off trouble. If you would like to become involved in our hands-on programs and planning, please contact me at [victoriacundiff@paulhastings.com](mailto:victoriacundiff@paulhastings.com) or Jonathan Bloom, our editor, at [jonathan.bloom@weil.com](mailto:jonathan.bloom@weil.com). In the meantime, keep cool and enjoy *Bright Ideas*. This issue is filled with practical tips and some interesting theories. We hope to discuss them in person soon.

Victoria A. Cundiff

## Thank You

The Intellectual Property Law Section extends its gratitude to the following firms for their significant sponsorship over the past year:

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# A New Bright-Line Rule for Litigants Under the Federal Trademark Dilution Act in the Second Circuit: Does It Make Sense?

By George R. McGuire

## I. Introduction

In *TCPIP Holding Company, Inc. v. Haar Communications, Inc.*,<sup>1</sup> the Second Circuit broadly and unequivocally held that trademarks lacking inherent distinctiveness do not qualify for protection under the Federal Trademark Dilution Act (FTDA). The decision attempts to draw a bright-line rule automatically disqualifying certain marks, namely marks that are not inherently distinctive, from the protections afforded by the FTDA. While it is wholly in line with at least one other Second Circuit decision,<sup>2</sup> it is certainly not in line with others decided by the Second Circuit and district courts within the Second Circuit,<sup>3</sup> nor with the plain language and intent of the statute.<sup>4</sup> Interestingly, and perhaps notably, the one decision it is in line with<sup>5</sup> was written by the same judge (Leval) who wrote *TCPIP*, while those that it arguably conflicts with were written by other judges.<sup>6</sup>



This article will examine the conflict within the Second Circuit on this issue and examine and explain the shortcomings of the Second Circuit's *TCPIP* decision.

## II. The FTDA

Enactment of the FTDA in 1996 brought the issue of trademark "fame" into the spotlight.<sup>7</sup> The FTDA protects only those trademarks that are both "distinctive and famous." Unfortunately, the word "distinctive" appears three times in § 43(c) of the Lanham Act: "... causes dilution to the **distinctive** quality of the mark, ... in deciding whether a mark is **distinctive** and famous, a court may consider factors such as ... the degree of inherent or acquired **distinctiveness** of the mark."<sup>8</sup> This multiple use of the term "distinctive" has caused confusion as to its meaning.<sup>9</sup>

Distinctiveness is the keystone of trademark protection. Obviously, a mark that is "famous" necessarily will be distinctive.<sup>10</sup> However, the question that seemingly troubles the Second Circuit is whether the FTDA intends to protect only "inherently" distinctive marks,

as opposed to marks that have become distinctive through acquisition of secondary meaning.

### A. Plain Reading of the Statute

The plain language of the FTDA seems to indicate that both inherently distinctive marks and marks that have acquired distinctiveness qualify for protection.<sup>11</sup> This is not to say that *all* such marks will ultimately be found to be famous, but rather that there is no *automatic* exclusion of non-inherently distinctive marks. Specifically, the statute permits courts to consider the "level of inherent or acquired distinctiveness" in determining whether a mark is famous enough to be afforded its protections.<sup>12</sup> Nowhere else in the plain language of the statute is a distinction made between inherent versus acquired distinctiveness; rather, the word "distinctive" is used without any modifiers.

### B. Legislative History

The legislative history does, however, expressly speak to "inherent" versus "acquired" distinctiveness. Specifically, the House Report states that "the first factor makes it clear that a mark may be deemed 'famous' even if not inherently distinctive, that is, even if the mark is not arbitrary, fanciful, or coined."<sup>13</sup> Furthermore, the legislative history lists as examples of marks that would undoubtedly qualify for protection under the FTDA DuPont, Buick, and Kodak.<sup>14</sup> Two of these marks (DuPont and Buick) are without question primarily merely surnames (at least when originally coined to designate materials and other wares that DuPont makes and automobiles, respectively), and surnames are by definition incapable of serving as a trademark until they acquire secondary meaning.<sup>15</sup> Since the legislative history does not indicate that the statute is only intended to protect inherently distinctive marks and surnames that have acquired distinctiveness, and it *does* expressly state that both inherently distinctive marks and those that have acquired distinctiveness qualify for its protections, it would appear contrary to the legislature's intent to automatically exclude marks that were descriptive when originally coined but that have gained distinctiveness through secondary meaning. Accordingly, the Second Circuit's holding in *TCPIP* appears contrary to the plain language of the statute and its legislative history.

### III. Inherent Distinctiveness Versus Acquired Distinctiveness

The “spectrum of distinctiveness” has been relied upon by trademark practitioners and jurists alike, and has become ingrained in trademark jurisprudence.<sup>16</sup> The “spectrum” provides an indicator of the strength of a mark, which is one factor commonly used in conducting a likelihood of confusion (or registerability) analysis.<sup>17</sup> Marks that are deemed to be “arbitrary, fanciful, or suggestive” of the goods/services on which they are used are said to be “inherently” distinctive, while marks that are “descriptive” of the goods/services are said to have acquired distinctiveness only once the mark has achieved “secondary meaning” as a source identifier.<sup>18</sup> Generic terms can never be distinctive and hence can never serve as a trademark.<sup>19</sup>

Descriptive marks immediately describe to a consumer the qualities, characteristics, or nature of the goods/services on which the mark is used.<sup>20</sup> In addition to typical adjectives that may be used to describe a product (e.g., big, yellow, cold), geographic terms (e.g., Perrier (region in France), Federal (designating a national territory), surnames (e.g., DuPont, Ford, McDonald’s), and self-laudatory terms (e.g., Greatest, Best) also are considered to be descriptive and incapable of serving as a trademark until they “acquire” distinctiveness.<sup>21</sup>

### IV. Second Circuit Precedent

A dispute currently exists within the Second Circuit as to what marks qualify for protection under the FTDA. The dictum in *Nabisco* and the holding in *TCPIP*, both of which were authored by Judge Pierre N. Leval, state that unless a mark is inherently distinctive, it is automatically disqualified from protection under the FTDA.<sup>22</sup> Meanwhile, at least one other Second Circuit panel, which did not include Judge Leval, and other district court opinions within the Second Circuit have held admittedly descriptive marks that have acquired secondary meaning to be proper marks for protection under the FTDA.<sup>23</sup> *TCPIP* did not, however, overrule or even distinguish any of these conflicting opinions. Thus, potential litigants under the FTDA in the Second Circuit who own what they consider to be a famous mark, but one that was descriptive when originally coined, face uncertainty on appeal: If they draw a panel that follows Judge Leval, it would appear they will lose; if they draw a panel that does not follow Judge Leval, they would apparently receive at least the benefit of a review of the factors listed in the statute.

#### A. *Nabisco*

The mark at issue in *Nabisco* was actually a product configuration owned by Pepperidge Farm, namely, a cheese-flavored cracker formed in the shape of a gold-

fish. The defendant, Nabisco, began manufacturing and selling a cheese-flavored cracker in the shape of the popular cartoon character CatDog (a sort of Siamese combination of a cat and a dog). Interestingly, Judge Leval found the fish shape to be an arbitrary mark and thus a proper candidate for protection under the FTDA.<sup>24</sup> The dictum in the opinion, however, leaves little doubt as to Judge Leval’s view on those marks that should be afforded protection under the FTDA: “Many famous marks are of the common or quality-claiming or prominence-claiming type—such as American, National, Federal, Federated, First, United, Acme, Merit or Ace. It seems most unlikely that the statute contemplates allowing holders of such marks to exclude all new entrants.”<sup>25</sup>

Interestingly, shortly after the Second Circuit handed down *Nabisco*, the United States Supreme Court handed down *Wal-Mart Stores, Inc. v. Samara Bros.*<sup>26</sup> In *Wal-Mart*, the Court was faced with the issue of whether product configurations can ever be inherently distinctive or whether such marks can only become distinctive once they have acquired secondary meaning.<sup>27</sup> The Court held unanimously that product configurations can never be inherently distinctive and that in order to be afforded protection under the trademark laws, the owner must prove that the product configuration has become distinctive by acquiring secondary meaning.<sup>28</sup> Thus, no product configuration can ever be inherently distinctive. In view of the dictum in *Nabisco*, one wonders whether Judge Leval would have come out the same way had *Wal-Mart* been decided a bit earlier.

#### B. *TCPIP*

In *TCPIP*, Judge Leval was able to take his dicta from *Nabisco* and turn it into a full-fledged holding: Only marks that are inherently distinctive qualify for protection under the FTDA.<sup>29</sup> The mark at issue in this case was THE CHILDREN’S PLACE as used in connection with retail stores selling children’s clothing. The defendant had registered several domain names incorporating THE CHILDREN’S PLACE as a part thereof, and plaintiff brought an action under the FTDA as well as traditional trademark infringement grounds.<sup>30</sup> The district court granted a motion for a preliminary injunction in favor of plaintiff on both the dilution and infringement grounds.<sup>31</sup> On appeal, the Second Circuit affirmed as to infringement, but reversed as to dilution.<sup>32</sup>

After thoroughly reviewing the *Ambercrombie* spectrum of distinctiveness, the court of appeals reasoned that because the FTDA offers trademark owners a far greater scope of exclusivity than does traditional infringement law, and trademark policy strongly disfavors marks lacking inherent distinctiveness, descriptive marks do not qualify for protection under the FTDA.<sup>33</sup>



The opinion briefly looks to the legislative history in reaching the conclusion that descriptive marks never qualify for protection under the FTDA, indicating that “we think it highly unlikely that Congress intended to extend to such marks the expanded rights conferred by the Dilution Act.”<sup>34</sup> The court cited examples of eligible “famous marks” given in the House Report—DuPont, Buick, and Kodak—and described them all as “highly distinctive, arbitrary or fanciful marks.”<sup>35</sup> But the court never explains or justifies its holding that descriptive marks automatically are disqualified from protection under the FTDA, while citing as “famous marks” two (DuPont and Buick) that are, in fact, descriptive.<sup>36</sup> Both of these marks, not to mention McDonald’s, Ford, and Cartier, among many others, are primarily surnames that are descriptive and require secondary meaning in order to acquire the distinctiveness needed to qualify for the protections of the trademark laws. At the very least, this lack of justification (the court could have created a “surname” exception in view of the examples in the legislative history) discredits the court’s holding.

In a somewhat curious retraction after stating so unequivocally that descriptive marks do not qualify for protection under the FTDA, Judge Leval concluded: “We express no view whether TCPIP may be capable of showing at trial that its mark is ‘famous’ within the meaning of the statute.”<sup>37</sup> The reason this is so curious is that the court held that proof of inherent distinctiveness, in addition to proof of fame, is required under the Act (i.e., inherent distinctiveness and fame are two *separate* elements, both of which are required to be proven under the FTDA). Because it held THE CHILDREN’S PLACE to be descriptive, despite its secondary meaning, the plaintiff could never prove the requisite level of distinctiveness (i.e., inherent distinctiveness) required under Judge Leval’s standard.<sup>38</sup> Hence, under the court’s reasoning, whether plaintiff could prove its mark “famous” is moot because even if famous, it still would not qualify for protection under the FTDA.

### C. Other Second Circuit Precedent

Notwithstanding *Nabisco* and *TCPIP*, the Second Circuit and district courts within the Second Circuit have given some hope to owners of “famous” marks that would be considered descriptive when originally coined. In *Federal Express v. Federal Espresso*, the Second Circuit held the mark FEDERAL EXPRESS to be famous due to the level of *acquired distinctiveness it had achieved*.<sup>39</sup> Of course, this implies that the court considered the mark to be descriptive and therefore requiring secondary meaning to acquire distinctiveness. This is in line with Judge Leval’s opinion that marks such as FEDERAL are descriptive, but it conflicts with Judge Leval’s conclusion that descriptive marks can never be protected under the FTDA.<sup>40</sup> The *Federal Express* court

ultimately rejected the plaintiff’s dilution claim, but it did find that its mark qualified for protection under the FTDA.<sup>41</sup>

In *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp.*, the Southern District of New York held that the mark THE GREATEST SHOW ON EARTH qualified for protection under the FTDA due to its level of acquired distinctiveness.<sup>42</sup> Self-laudatory marks, such as the plaintiff’s in that case, are always descriptive and require a showing of secondary meaning to qualify for trademark protection.<sup>43</sup>

In *Lexington Mgmt. Corp. v. Lexington Capital Partners*,<sup>44</sup> another judge in the Southern District of New York held that the mark LEXINGTON for stock brokerage services was entitled to protection under the FTDA, again due to the secondary meaning (acquired distinctiveness) of the mark. In *Cartier, Inc. v. Deziner Wholesale L.L.C.*,<sup>45</sup> the Cartier name (primarily merely a surname) was deemed famous and distinctive based on the finding that “consumers recognize it as identifying a specific unique class of goods in the market.”

These are just a few examples of cases emanating from district courts in the Second Circuit and the Second Circuit itself that apparently conflict with the *TCPIP* holding and the *Nabisco* dictum.

## V. Conclusion

In *TCPIP*, the Second Circuit has created a conflict within itself with respect to marks that qualify for protection under the FTDA. While several Second Circuit cases have found marks that would be deemed descriptive to be worthy of protection under the FTDA, *TCPIP* holds that descriptive marks can never qualify for such protection. *TCPIP* seems to reflect the concern (perhaps a legitimate one) that courts may have become too deferential in granting protection under the FTDA, and that a higher degree of scrutiny should be mandated and enforced by the courts, thereby requiring owners of “famous” marks to put forth evidence proving their marks to be famous (e.g., a national survey that leads to the reasonable inference that the populace believes the mark is famous).

However, in addressing this concern, the court went overboard in creating a bright-line rule that automatically disqualifies a class of marks that the plain language of the statute and even the legislative history expressly suggest should be given the benefit of the FTDA. It is inevitable that a case involving these issues will once again present itself to the Second Circuit, thereby requiring it to address and hopefully clarify the issue as to whether descriptive marks should automatically be disqualified from protection under the FTDA.

## Endnotes

1. No. 99-7744, 2001 U.S. App. LEXIS 2867 (2d Cir. Feb. 28, 2001).
2. *See Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999).
3. *See Cartier, Inc. v. DeZiner Wholesale L.L.C.*, 98 CIV. 4947 (RLC), 2000 U.S. Dist. LEXIS 4157 (S.D.N.Y. Apr. 3, 2000) (Carter, J.) (finding Cartier—a surname—to be famous for purposes of protection under FTDA); *Federal Express Corp. v. Federal Espresso, Inc.*, 201 F.3d 168 (2d Cir. 2000) (Kearse, J.) (finding FEDERAL EXPRESS—an admittedly descriptive mark—famous enough to qualify for protection under FTDA); *Lexington Mgmt. Corp. v. Lexington Capital Partners*, 10 F. Supp. 2d 271 (S.D.N.Y. 1998) (Preska, J.) (finding geographically descriptive mark LEXINGTON to qualify for protection under FTDA); *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp.*, 937 F. Supp. 204 (S.D.N.Y. 1996) (Scheindlin, J.) (finding laudatory—and hence descriptive—mark THE GREATEST SHOW ON EARTH to qualify for protection under FTDA).
4. *See* 15 U.S.C. § 1125(c)(A) (indicating that degree of inherent or acquired distinctiveness is one factor to weigh in determining whether a mark qualifies for protection under FTDA).
5. *Nabisco*, 191 F.3d at 208.
6. *See supra* note 3.
7. *See* Mark R. Becker, *Streamlining the Federal Trademark Dilution Act to Apply to Truly Famous Marks*, 85 Iowa L. Rev. 1387 (2000); 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §§ 24:91, 24:92.
8. 15 U.S.C. § 1125(c)(A) (emphasis added).
9. *See* Becker, *supra* note 7, at 1419.
10. *Id.* at 1405.
11. 15 U.S.C. § 1125(c).
12. 15 U.S.C. § 1125(c)(A) (emphasis added).
13. H.R. Rep. No. 104-374, at 7 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1034.
14. *Id.* at 3.
15. 15 U.S.C. §§ 1052(e)(1), 1052(f).
16. *Ambercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976) (Friendly, J.); *see also* 4 McCarthy at §§ 11.01, 11.02.
17. 1 McCarthy at § 11.01[1].
18. *Id.* at §§ 11.01, 11.02.
19. *Id.* at § 11.01[1].
20. *See id.* at §§ 11.05[2][a], [b] (discussing descriptive marks).
21. 15 U.S.C. §§ 1052(e)(1), 1052(f).
22. *See Nabisco*, 191 F.3d at 216 (“A mark that, notwithstanding its fame, has no distinctiveness is lacking the very attribute that the antidilution statute seeks to protect.”); *TCPIP*, 2001 U.S. App. LEXIS 2867, at \*30 (“weak, non-distinctive, descriptive marks do not qualify for the Act’s protection, even if famous.”).
23. *See supra* note 3.
24. *See Nabisco*, 191 F.3d at 217-18 (“Because the use of the goldfish shape has no logical relationship to a bite-sized cheese cracker and for other reasons discussed, we believe that Pepperidge Farm’s senior mark is reasonably distinctive.”). *See also* Brian Lerner, *Sneaking through the back door with Pepperidge Farm: The monopoly advantage of dilution*, 20 Loy. L.A. Ent. L.J. 429 (2000) (“At most, the Goldfish cracker mark is descriptive. The name of the product describes the good. The Goldfish cracker is a cracker, gold in color and shaped like a fish. There is little arbitrariness about the product.”).
25. *See Nabisco*, 191 F.3d at 216. *See also* 4 McCarthy at § 24:91.2 (disagreeing with Judge Leval’s *Nabisco* decision and stating that the Second Circuit erred by “(1) elevating the statutory requirement that the mark be ‘distinctive’ to independent status; (2) re-defining the meaning of the term ‘distinctive’”).
26. 529 U.S. 205 (2000).
27. *Id.*
28. *Id.* at 216.
29. *TCPIP*, 2001 U.S. App. LEXIS 2867, at \*30.
30. *Id.* at \*8. *TCPIP* asserted trademark infringement, unfair competition and dilution, and sought declaratory judgment, injunction, and punitive damages against Haar’s 44 registered domain names.
31. *Id.* at \*9.
32. *Id.* at \*49.
33. *Id.* at \*30 (“Because *TCPIP*’s mark, ‘The Children’s Place,’ as a designator of stores for children’s clothing and accessories, is descriptive, and thus, lacks inherent distinctiveness, it cannot qualify for the protection of the Dilution Act.”).
34. *Id.* at \*20, 21.
35. *Id.* at \*23. *See also* H.R. Rep. No. 104-374, at 3 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1030.
36. *TCPIP*, 2001 U.S. App. LEXIS 2867, at \*24.
37. *Id.* at \*35.
38. *Id.* at \*30.
39. *Federal Express*, 201 F.3d at 177.
40. *See Nabisco*, 191 F.3d at 216 (“Many famous marks are of the common or quality-claiming or prominence-claiming type—such as American, National, Federal, Federated, First, United, Acme, Merit or Ace. It seems most unlikely that the statute contemplates allowing the holders of such common, albeit famous, marks to exclude all new entrants.”).
41. *Federal Express*, 201 F.3d at 177, 178.
42. *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp.*, 937 F. Supp. at 211 (“the primarily descriptive phrase THE GREATEST SHOW IN EARTH has become a famous mark which the public at large immediately associates with the Ringling Bros.-Barnum & Bailey Circus. It is this quality of secondary meaning which makes the mark capable of being protected against dilution or infringement.”).
43. *See In re Boston Beer Company Co.*, 198 F.3d 1370, 1378 (Fed. Cir. 1999) (holding the mark THE BEST BEER IN AMERICA incapable of serving as a source identifier absent a showing of secondary meaning); 1 McCarthy at § 11.05[2][b] (discussing self-laudatory terms).
44. 10 F. Supp. 2d 271 (S.D.N.Y. 1998).
45. 98 CIV. 4947, 2000 U.S. Dist. LEXIS 4157 (S.D.N.Y. Apr. 3, 2000).

**George R. McGuire is a partner at Hancock & Estabrook, LLP in Syracuse, New York, and an Adjunct Professor at Syracuse University Law School. The opinions expressed herein are those of the author and do not necessarily reflect those of the firm or its clients.**

# TraFFix Devices: Managing the Collision of Patent Law and Trade Dress Protection

By Caroline R. Clark

## I. Introduction

In *TraFFix Devices, Inc. v. Marketing Displays, Inc.*,<sup>1</sup> the Supreme Court addressed the following question: What effect does an expired utility patent have on a claim of trade dress infringement, where the alleged trade dress consists of a feature or features claimed in the now-expired patent? A unanimous Court answered that “[a] utility patent is strong evidence that the features therein claimed are functional” and therefore not protectable as trade dress.<sup>2</sup> Further, where the alleged trade dress is unregistered, the existence of an expired utility patent encompassing the trade dress “adds great weight to the statutory presumption that features are deemed functional until proved otherwise by the party seeking trade dress protection.”<sup>3</sup> The Court’s decision was based on the Lanham Act and related jurisprudence developing the functionality doctrine; the Court declined to opine on whether the Patent Clause of the U.S. Constitution<sup>4</sup> of its own force precludes the holder of an expired utility patent from asserting trade dress protection for features claimed in the patent.<sup>5</sup>

Clarifying the functionality doctrine, the Court held that a feature is functional—and therefore ineligible for protection as a trademark or trade dress—“when [the feature] is essential to the use or purpose of the device or when it affects the cost or quality of the device.”<sup>6</sup> This definition is not new; the Court’s classic definition of functionality appeared in 1982 in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*<sup>7</sup> What is new is the Court’s explicit rejection of competitive necessity as a test for functionality: “Where the design is functional under the *Inwood* formulation there is no need to proceed further to consider if there is a competitive necessity for the feature.”<sup>8</sup>

Until the *TraFFix* decision, competitive necessity, including the availability of alternative designs, had often been the crux of the functionality analysis in the federal courts. Indeed, although they reached contrary results (the district court finding plaintiff’s alleged trade dress to be functional and the court of appeals reversing), both lower courts in *TraFFix* had emphasized the concept of competitive necessity.<sup>9</sup>



The *TraFFix* opinion is not long on explanation. But its import is clear: The Supreme Court will not allow trade dress protection to defeat the federal right to copy inventive features of an expired patent. Where patent law and trade dress protection collide, the right to copy will prevail, presumably even if permitting copying would lead to some degree of consumer confusion. Further, the line between functional features (which can be copied freely) and non-functional features (which may be protected as trade dress despite the presence of an expired utility patent) will be delineated through application of a functionality doctrine focused on the absolute utility of the feature, rather than the competitive necessity of the feature within the relevant product market.

## II. Background

Marketing Displays, Inc. (MDI), sells temporary road signs bearing warnings such as “Road Work Ahead” and “Left Shoulder Closed.” These road signs must be able to remain upright despite strong gusts of wind. MDI’s founder, Robert Sarkisian, invented and obtained two utility patents on a wind-resistant mechanism based on two springs. A competitor, TraFFix Devices, Inc., sent one of MDI’s dual-spring road signs abroad to be reverse-engineered. When Sarkisian’s utility patents expired, TraFFix began to offer for sale road signs that used MDI’s dual-spring design. TraFFix believed it had a right to copy the dual-spring design because the expiration of the utility patents had caused the design to enter the public domain.<sup>10</sup>

MDI sued TraFFix—not, of course, for infringement of the utility patents, which had expired—but for trade dress infringement under § 43(a) of the Lanham Act.<sup>11</sup> MDI claimed that consumers associated the product configuration of the dual-spring road signs with MDI and that TraFFix’s use of the same product configuration would cause consumers to believe mistakenly that TraFFix’s signs were manufactured, sponsored, or approved by MDI.

Specifically, MDI claimed trade dress rights in a product configuration consisting of the following elements:

1. a relatively narrow base member;
2. a pair of vertically arranged, closely spaced coil springs attached to the base member;
3. a plurality of leg members attached to the base member;



4. an upright member attached to the coil springs; and
5. a sign attached to the upright member.<sup>12</sup>

Ruling on cross-motions for summary judgment, Judge Paul V. Gadola of the Eastern District of Michigan granted summary judgment to Traffix. Judge Gadola found that four of the elements—the base, the legs, the upright member, and the attached sign—could not be perceived, either individually or collectively, as identifying a particular source, because they are common to all temporary road signs.<sup>13</sup>

Thus, while this court must look to the entire claimed trade dress, it is clear that the only element of MDI's alleged trade dress that arguably sets MDI's product apart from its competitors, and thus could operate as a source identifier, is the pair of vertically arranged closely spaced coil springs.<sup>14</sup>

Judge Gadola then concluded that (1) MDI had failed to prove that the dual-spring configuration had secondary meaning; and (2) even if the configuration had secondary meaning, there could be no infringement, because the configuration was functional.<sup>15</sup> The court reasoned that MDI's evidence of competitive alternatives had failed to overcome "the effective presumption that the disclosures of the [Sarkisian utility patents] establish that the dual spring configuration of [MDI's] sign stand is functional."<sup>16</sup>

The Sixth Circuit reversed, holding that summary judgment should not have been granted to either party. The court held that Judge Gadola erred in focusing on the dual-spring design instead of all five elements of the claimed trade dress. "Considering the sign stand as a whole, and not just the dual-spring configuration, a reasonable juror could conclude that [MDI's] sign stand had obtained secondary meaning in the marketplace that Traffix sought to misappropriate."<sup>17</sup> Further, the court of appeals held that the district court erred in placing a heavier burden of proof on MDI due to the expired utility patents. According to the Sixth Circuit, regardless of the presence or absence of expired patents, "[t]he best way to decide the feasibility of [competitive] alternatives is to do a functional analysis of the trade dress unencumbered by any presumptions other than the ordinary burden of proof assumed by the plaintiff."<sup>18</sup>

### III. The Supreme Court Decision—Resolving the Circuit Split

The Supreme Court granted certiorari to resolve a split in the circuits on the issue of whether the holder of an expired utility patent may seek trade dress protection for features claimed in the patent. In *Vornado Air Circulation Systems, Inc. v. Duracraft Corp.*,<sup>19</sup> the alleged trade

dress—a household fan grill with arcuate vanes—was claimed subject matter in an expired patent owned by Vornado, the party asserting trade dress infringement. The Tenth Circuit found that a conclusive presumption of functionality arose, such that the spiral grill could never be protected under trade dress principles:

Where a product configuration is a significant inventive component of an invention covered by a utility patent, so that without it the invention cannot fairly be said to be the same invention, patent policy dictates that it enter into the public domain when the utility patents . . . expire.

In *Midwest Industries, Inc. v. Karavan Trailers, Inc.*,<sup>20</sup> the Federal Circuit rejected Vornado's conclusive presumption of functionality:

The district court's ruling on Midwest's Lanham Act claim was not premised on a finding of functionality, but on the court's conclusion, based on the Tenth Circuit's *Vornado* decision, that the curved winch post claimed in [Midwest's expired] 261 patent was a "significant inventive aspect" of the patent. As we view the interaction between patent law and the Lanham Act, that is not a sufficient basis on which to deny Lanham Act protection to trade dress that would otherwise qualify for such protection.

The Federal Circuit held instead that an expired patent claiming features of the alleged trade dress "may provide evidence" of functionality.<sup>21</sup>

The Supreme Court in *Traffix* followed neither *Vornado* nor *Midwest*. While rejecting Vornado's conclusive presumption of functionality, the Supreme Court also rejected *Midwest*'s notion that an expired utility patent is merely some evidence of functionality of the features claimed therein. In an opinion by Justice Kennedy, a unanimous Court held that "[a] utility patent is strong evidence that the features therein claimed are functional" and therefore not protectable as trade dress.<sup>22</sup> Further, where the alleged trade dress is unregistered, the existence of an expired utility patent encompassing the trade dress "adds great weight" to the statutory presumption that features are deemed functional until the trade dress plaintiff proves otherwise.<sup>23</sup>

Besides *Vornado* and *Midwest*, the Supreme Court in *Traffix* mentioned two other decisions that contributed to the circuit split: *Thomas & Betts Corp. v. Panduit Corp.*<sup>24</sup> and *Sunbeam Products, Inc. v. West Bend Co.*<sup>25</sup> But the Supreme Court's holding on the evidentiary weight of



expired utility patents is not directly applicable to either *Thomas & Betts* or *Sunbeam Products*.

Throughout the *Traffix* opinion, the Supreme Court was careful to describe the material common to both the expired utility patent and the alleged trade dress as having been part of the *claims* of the expired patent.<sup>26</sup> *Traffix* is therefore not on all fours with cases in which the alleged trade dress was disclosed in an expired utility patent but—unlike the alleged trade dress in *Traffix*, *Vornado*, and *Midwest*—was not claimed subject matter.<sup>27</sup> For example, in *Thomas & Betts*, the alleged trade dress—the oval-shaped head on a cable tie—was illustrated in a drawing of the cable tie and mentioned in the expired patent’s specifications.<sup>28</sup> The Seventh Circuit distinguished *Vornado* and found the oval-shaped head eligible for trade dress protection: “[B]ecause the oval shape of the head is not part of the claims of the patent, the appropriate test to apply in determining whether Panduit’s cable ties infringe on T & B’s rights in the oval shape is that which applies in any other trade dress (or trademark) infringement case.”<sup>29</sup>

*Traffix* is also not squarely applicable where—unlike *Traffix*, *Vornado*, and *Midwest*—only a part of otherwise non-functional trade dress comprised a feature or features that had been claimed in the expired patent. For example, in *Sunbeam Products*, the Fifth Circuit confronted a product configuration consisting of plainly arbitrary components—e.g., color combinations and aesthetic handles on a stand mixer—as well as plainly functional components that had been claimed subject matter in utility patents since expired.<sup>30</sup> The Fifth Circuit found the product configuration eligible for trade dress protection based on the established principle that, “[e]ven if a product design incorporates certain functional features, . . . a particular arbitrary combination of functional features, the combination of which is not itself functional, properly enjoys protection.”<sup>31</sup> The *Traffix* decision did not disturb this established principle; the Supreme Court observed that, because “MDI has pointed to nothing arbitrary about the components of its device or the way they are assembled . . . MDI in essence seeks protection for the dual-spring design alone.”<sup>32</sup>

This is not to say that *Traffix* is irrelevant to the factual circumstances presented in *Thomas & Betts* and *Sunbeam Products*. On the contrary, the Supreme Court has forcefully indicated its general view that the federal right to copy, as articulated in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*,<sup>33</sup> presents a formidable hurdle to trade dress protection for features disclosed to the public through issuance of a utility patent. In a practical sense, then, the Supreme Court’s ruling undoubtedly ratchets up the trade dress plaintiff’s burden of proof of non-functionality whenever the alleged trade dress comprises material disclosed in an expired utility patent—regardless of whether the material appeared in the claims or in another

part of the patent, and regardless of whether the alleged trade dress incorporates other, plainly non-functional features.

Further, even if the Supreme Court’s holding on the evidentiary weight of expired utility patents could be confined to the facts of *Traffix*, the Supreme Court cast a much wider net with its discussion of the definition of functionality. Both *Thomas & Betts* and *Sunbeam Products* (and, indeed, *Midwest*) applied a so-called utilitarian standard of functionality under which alleged trade dress is functional, and therefore unprotectable as trade dress, only if it is “necessary to afford a competitor the means to compete effectively.”<sup>34</sup>

The Supreme Court in *Traffix* flatly rejected a functionality standard based on competitive necessity. As the Court pronounced in 1982 in *Inwood*,<sup>35</sup> a feature is functional “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.” In 1995, in *Qualitex Co. v. Jacobson Products Co.*,<sup>36</sup> the Supreme Court held that color alone—that is, divorced from design—may have trademark significance protectable under the Lanham Act unless exclusive use of a particular color would “put competitors at a significant non-reputation-related disadvantage.” This latter statement, among others, had been cited by lower federal courts (including the Sixth Circuit in *Traffix*) as the Court’s imprimatur on a functionality definition grounded in competitive necessity.<sup>37</sup> The *Traffix* Court said no; only in cases of so-called aesthetic functionality, such as *Qualitex*, in which the traditional concepts of “use” and “purpose” of the feature are an ill fit, is it proper to inquire into competitive necessity.<sup>38</sup> Otherwise, “[w]here the design is functional under the *Inwood* formulation there is no need to proceed further to consider if there is a competitive necessity for the feature.”<sup>39</sup>

The Court’s clarification of the functionality standard applies in any and all cases in which functionality is raised as a defense to trademark or trade dress infringement—regardless of the presence or absence of relevant utility patents. But the Court’s reaffirmation of *Inwood* has special significance where the alleged trade dress comprises, in whole or in part, previously patented subject matter, because “[t]he functionality doctrine is the great countervailing factor in trademark law, balancing the interest in facilitating innovation against the interest in fostering competition in the free market.”<sup>40</sup> The holder of a patent enjoys a monopoly, limited in time, on the claimed subject matter. The balance struck by the patent law between facilitating innovation and fostering competition requires the patent holder to relinquish his invention to the public domain upon expiration of the patent. Competitive superiority is not a prerequisite for patent protection; usefulness suffices.<sup>41</sup> Therefore, the *Traffix* Court confirms, lack of competitive necessity will not be allowed to impede—in the form of trade

dress protection—a useful feature’s passage from patent protection into the public domain.

#### IV. Conclusion

The *Traffix* decision has been criticized for creating more questions than it answers. This author disagrees. The Supreme Court clarified the general relationship between the patent law (i.e., the right to copy matter in the public domain) and trade dress protection: When they collide, the right to copy will prevail. The Court also brought the functionality doctrine into alignment with the patent law’s balance between encouraging innovation and facilitating competition. And the Court did so in a way that permits flexible, case-specific adjudication. By not adopting *per se* rules, the Court has properly recognized the inherently fact-driven nature of cases straddling the border between patent and trade dress law.

#### Endnote

1. \_\_\_ U.S. \_\_\_, 121 S. Ct. 1255 (Mar. 20, 2001).
2. *Id.* at 1260.
3. Where the alleged trade dress is unregistered—that is, where the owner of the trade dress has not secured a registration for the trade dress on the principal register under § 2 of the Lanham Act—the Act provides a rebuttable presumption of functionality: “In a civil action for trade dress infringement under this Act for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.” 15 U.S.C. § 1125(a)(3).
4. Art. I, § 8, cl. 8 (granting Congress the power “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”).
5. 121 S. Ct. at 1263.
6. *Id.* at 1261.
7. 456 U.S. 844, 850 n.10.
8. 121 S. Ct. at 1262.
9. 200 F.3d 929, 940 (6th Cir. 1999) (“The appropriate question is whether the particular product configuration is a competitive necessity.”); 971 F. Supp. 262, 275 (E.D. Mich. 1997) (“[Plaintiff] must show not only that alternative designs exist, but also that those alternatives effectively eliminate competitors’ need for the features that [plaintiff] is asserting as protectable trade dress.”).
10. Traffix’s evidence of its belief was uncontradicted. 971 F. Supp. at 269.
11. 15 U.S.C. § 1125(a). MDI also sued Traffix for trademark infringement, and Traffix countersued for antitrust violations. The lower courts’ rulings on these claims were not before the Supreme Court on review. 121 S. Ct. at 1258.
12. 971 F. Supp. at 265.
13. *Id.* at 265, 273.
14. *Id.* at 273.
15. *Id.* at 269-70.
16. *Id.* at 272.
17. 200 F.3d at 938.
18. *Id.* at 940.
19. 58 F.3d 1498, 1500 (10th Cir. 1995).
20. 175 F.3d 1356, 1364 (Fed. Cir. 1999).
21. *Id.* at 1362.
22. 121 S. Ct. at 1260.
23. See *supra* note 3 and accompanying text.
24. 138 F.3d 277 (7th Cir. 1998).
25. 123 F.3d 246 (5th Cir. 1997).
26. The Sarkisian patents called for “spaced apart” springs, unlike the closely spaced dual-spring design of the sign stand actually marketed by MDI and later copied by Traffix. However, in the late 1970s, MDI successfully prosecuted a patent infringement action against a competitor that sold a sign stand with dual springs close together. While the Sarkisian patents were not literally infringed, the court in that case found that the patents were infringed under the “doctrine of equivalents.” The *Traffix* Court held that, “[i]n light of this past ruling—a ruling procured at MDI’s own insistence—it must be concluded the products here at issue would have been covered by the claims of the expired patents.” 121 S. Ct. at 1260-61.
27. Whether *Vornado*’s “significant inventive component” concept was to be broader than, narrower than, or co-extensive with the subject matter of the expired patent claims was left undecided. The Tenth Circuit expressly limited its holding to the facts of the case, in which even the patent holder conceded that its alleged trade dress was a “significant inventive component” of the expired utility patents. The *Vornado* court declined to consider “whether every useful or potentially patentable product configuration is excluded from trade dress protection” and left open the possibility that even claimed subject matter may not necessarily be a “significant” contribution to the inventiveness of a patented product. 58 F.3d at 1503, 1510.
28. 138 F.3d at 282.
29. *Id.* at 290-91.
30. 123 F.3d at 256.
31. *Id.* (internal quotation marks omitted).
32. 121 S. Ct. at 1262.
33. 489 U.S. 141 (1989).
34. *Thomas & Betts*, 138 F.3d at 297 (internal quotation marks omitted). See *Midwest*, 175 F.3d at 1361-62; *Sunbeam Prods.*, 123 F.3d at 255. The Tenth Circuit in *Vornado* also adhered to a competition-based functionality standard but made that standard subject to the conclusive presumption of functionality discussed *supra*. See *Vornado*, 58 F.3d at 1507.
35. 456 U.S. at 850 n.10.
36. 514 U.S. 159, 165.
37. See, e.g., *Sunbeam Prods.*, 123 F.3d at 255-56.
38. 121 S. Ct. at 1262.
39. *Id.*
40. *Sunbeam Prods.*, 123 F.3d at 255.
41. See *Vornado*, 58 F.3d at 1506-07.

**Caroline R. Clark** is a senior associate in the Trade Practices & Regulatory Law Department of Weil, Gotshal & Manges LLP. Prior to joining Weil Gotshal, she was part of the legal team that, on behalf of Duracraft, successfully opposed Vornado’s petition to the Supreme Court for certiorari from the Tenth Circuit decision in *Vornado Air Circulation Systems, Inc. v. Duracraft Corp.*

# A Practical Guide to In-House Counsel for Protection of Trade Secrets and Confidential Information

By Seema A. Khan

## I. Introduction

The CEO of a star technology firm, with revenues of \$100 million plus, calls you in a panic at 11:00 p.m., Friday night. As the company's General Counsel, you have become jaded by the mid-night panic attacks of the employees and executives of this start-up success story that you have guided through the legal minefield of growing up in the Internet age. This time, though, your heart races as you hear him utter the words dreaded by any software industry player: "He's stolen our code."



After careful questioning, you realize that this is *not* a practical joke to test your legal abilities, but a case of bona fide theft. One of the firm's star developers had resigned a day earlier only to be sighted later setting up your company's software on a competitor's systems. As you race to the office, keeping the CEO and COO on the phone to ensure that they will not give in to their impulse to commit bodily harm, you trip through the action steps to preserve your client's legal rights, and more importantly, shut down the competitor and secure the software.

Although the foregoing story seems dramatic, it is unfortunately true, and not as unique as many would wish. In an age when a vast quantity of information can be stored on a tiny disc, and data can be sent with a click of a button, guarding a business's trade secrets and confidential information (hereinafter "Information") has become more difficult than ever before. In addition, courts have been chipping, and sometimes hacking, away at the legal protections afforded to businesses and their Information. Given this situation, a more practical approach to protecting Information is warranted. Because of the freewheeling nature of start-up business culture and the desire to have an open-door policy in these businesses, constructing and enforcing an appropriate Information policy falls to the lawyer. This article is a practical guide to creating such an in-house policy. Although labor-intensive, given the high cost of litigation, the time is well spent.

## II. The Legal Policy

An Information Protection Legal policy is an overview for the employees and management of the ways in which the business will guard its Information. Restrictive covenant agreements, corporate seminars on protection of confidential information and enforcement procedures for such protection, and spot-checking employee equipment are all part and parcel of an enforceable legal policy on Information protection.

The first step in protecting Information is to draft appropriate restrictive covenant agreements for each employee to execute. A restrictive covenant agreement contains the following clauses: (1) confidential information protection; (2) non-solicitation/non-hire; (3) intellectual property assignment; (4) covenant not to use a *previous* employer's Information in the course of current duties; (5) return of Information and equipment upon leaving employment for any reason; and, when appropriate, (6) non-compete for consideration. Certain boilerplate clauses should also be included to give the substantive clauses further "teeth": (1) severability/modification ("blue-pencil clause"); (2) adequate time to review and seek own counsel; (3) amendments only in writing; (4) injunctive relief without necessity of obtaining a bond; (5) attorneys' fees to the prevailing party; and (6) consent to jurisdiction.

Where possible, boilerplate language for the substantive clauses should be avoided. The definition of confidential information should be tailored to each specific department's personnel such that the content reflects only the type of Information to which department personnel should have access. A blanket definition should be used only for those senior employees who truly have access to all types of information, e.g., CEO, CFO, General Counsel, etc. Otherwise, the clause loses its power because it does not provide adequate direction to either an employee or a court in identifying the confidential information at stake. Furthermore, by defining the type of information that an employee *should* have access to by virtue of her employment, a tailored clause highlights that any other Information in the employee's possession is unauthorized, e.g., source code with a human resources generalist. The following is an example of a definition tailored to a company's human resources personnel: "Confidential Information shall include, without limitation, employee personnel

files, monetary and other compensation information, employee personal financial information, employment contracts, executive schedules, employee services vendors and attendant pricing structures.” Whether the confidential information clause should have a protective time period appropriate to the type of information for which confidentiality is sought is at the drafter’s discretion. As a general rule, though, this clause should be restricted only by providing that protection ceases when the Information is released to the public via authorized means.

The non-solicitation clause should contain a reasonable time limitation on the restricted activity based on the type of employee to which it is being applied, the level of employee, and the department in which the employee works. Obviously, a senior software developer will be treated differently than a junior facilities staff member. Similar consideration should be given to time and geographic scope limitation and employee characteristics when drafting non-competes. Most important, tying some type of consideration to a non-compete will ensure its enforceability while being fair to the employee. Receiving employee and senior manager input to determine who should receive non-competes, for what consideration, in which geographic area, and for what period of time also helps ensure fairness. While drafting varying levels of detail in these types of agreements and interviewing employees is time-consuming, it is a protective measure that creates a specialized policy that is difficult to assail legally.

A useful addition to the restrictive covenant agreement that is not often utilized is the summary cover page. The summary cover page sets forth in simple terms the most important features of the underlying document. A well-drafted summary will indicate in clear language what the employee’s obligations are under the agreement. For example, the non-solicitation clause would be reduced to one sentence stating “You agree not to solicit the company’s employees for one year after you leave the company.” The summary cover page should *always* state in highlighted and bolded form that it is a summary only, and not a part of the underlying document, whose terms should be read thoroughly prior to execution. In a litigation, the summary cover page serves to indicate that a “meeting of the minds” did occur when the employee executed the agreement, especially if the employee claims that he did not understand what he was signing when he executed the document.

Once restrictive covenant agreements are drafted and circulated for execution, in-house counsel or outside corporate counsel should hold employee seminars on Information protection. Clearly explaining the poli-

cy, encouraging employees to seek personal counsel if they express interest in doing so prior to execution of a restrictive covenant agreement, and demonstrating how protection of a company’s Information is really protection of the corporate/personal business interest are key elements of a successful seminar. Align the employees’ interests with those of the company’s so that the policy seems a natural progression in the development of the business rather than a draconian corporate measure. At the same time, the seminar should outline enforcement procedures to indicate that the company will take all steps to protect its Information, up to and including termination and litigation. Furthermore, employees should be made aware that areas/equipment where sensitive data is stored will be subject to spot checks by authorized personnel such as in-house counsel. Finally, create an annual audit of the restrictive covenant agreements to ensure that the terms reflect the law accurately and that all employees/consultants/independent contractors have executed an agreement as appropriate.

### III. Practical Action Steps

Interviewing and working with senior management clarifies appropriate practical action steps to protect information that is outside the domain of counsel, but part and parcel of a legal policy. Simple measures such as designating certain areas within a company as “Authorized Personnel Only” or “Restricted Access” help to establish that a business has taken all actions possible to protect its Information. Other such steps are limiting access to keys, providing security codes and pass cards for entry *and* exit to restricted areas, marking documents as confidential/privileged/attorney-client communication, and creating password access to electronic areas. Another particularly useful measure is having an enforced document-retention policy.

A specific measure to ensure *electronic* checking that Information is not leaving the corporate premises involves creating a filter system for a company’s mail servers. Most businesses rely heavily on e-mail and other forms of electronic communications, which lends itself to employee abuse that cannot be easily monitored. A filtering system designed to flag e-mails containing suspect terminology or attachments (such as code) for further review is a powerful weapon at an employer’s disposal. Although an employer does have the right to monitor and access employees’ e-mails, a filtering system is a discreet and fairer method of doing so.

While the foregoing suggestions seem obvious, it is surprising how often they are not instituted or utilized. Sometimes, the impetus to instituting the foregoing procedures is to have a timely audit of the company’s



efforts to protect Information to ensure that policies and procedures are being followed and are effective. Such efforts usually do not occur, though, until the theft of a coveted trade secret forces the issue.

If that unfortunate event happens, quick thinking on counsel's part may contain the damage. An emergency reaction plan is essential to limit damage if all preventative measures fail and Information is still stolen. Such a plan may contain the following components: First, secure the suspect employee's physical and electronic business premises. As soon as possible, lock down the suspect employee's desktop computer or laptop and prevent use until a forensic expert can ascertain whether any damaging evidence exists on the equipment. Immediately review corporate e-mail accounts and try to recover any deleted e-mails off of the corporate servers. Require a return of, or confiscate, any cor-

porate-issued personal equipment such as handheld computers, cell phones, beepers, and other such items. Furthermore, work with the human resources department to interview all employees who may have had contact with the suspect employee to ascertain the extent of the damage.

Finally, have a wonderful, knowledgeable, pre-selected litigator on your side. That is what saved the General Counsel who was able to secure a return of the software code for the tech-success story. However, if the company initially had an appropriate, practical Information protection policy in place, the policy may have made it more difficult for the rogue employee to have stolen the code in the first place.

**Seema Khan is the General Counsel of Tradescape Corp.**



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To be eligible for consideration, the paper must have been written solely by a student or students in full-time attendance at a law school (day or evening) located in New York State or by out-of-state law students who are members of the Section. One hard copy of the paper and an electronic copy in Word format on a 3.5" H.D. disk must be submitted by mail, postmarked not later than August 15, 2002, to each of the persons named below. As an alternative to sending the disks, the contestant may e-mail the electronic copies, provided that they are e-mailed before 5:00 p.m. EST, August 15, 2002. Papers should be no longer than 35 pages, double-spaced, including footnotes. Submissions must include the submitter's name; law school and expected year of graduation; mailing address; e-mail address; telephone number; and employment information, if applicable.

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Paul, Hastings, Janofsky & Walker LLP  
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***Intellectual Property Law  
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**Intellectual Property Law Section  
Fall Meeting at Lake George**

The Sagamore, Bolton Landing, NY

October 11-14, 2001

Your attendance at this program will provide you with a total of **10.5 MCLE credit hours** consisting of 9.5 credit hours in practice management and/or areas of professional practice and 1.0 credit hour in ethics.



## Intellectual Property Law Section Fall Meeting at Lake George

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# SCHEDULE OF EVENTS

## Thursday, October 11

**7:00 pm - 11:00 pm**      **Buffet Dinner for Arriving Guests** - Sagamore Dining Room, Main Hotel  
(Spouses, Significant Others and Children Welcome!)

## Friday, October 12 *All Sessions will be held in the Dollar Island Room, Main Hotel*

**8:00 am - 12:00 pm**      **Golf Tournament**  
A pre-paid entry fee of \$20.00 plus The Sagamore greens fee of \$79.00 is required. Register for the tournament on the enclosed Meeting Registration Form and be sure to include these fees. Awards will be given to the 1st and 2nd place finishers. NYSBA Intellectual Property Law Section T-Shirts will be given to all participants.

**Neil Baumgarten, Esq., Golf Chair**  
Merrick

**9:00 am - 1:00 pm**      **Registration** - Dollar Island Lobby, Main Hotel

**12:00 noon - 1:00 pm**      **Lunch and Introductory Remarks** - Trillium Dining Room, Main Hotel  
**Victoria A. Cundiff, Esq. - Section Chair**  
Paul, Hastings, Janofsky & Walker LLP  
New York City

**1:05 pm - 2:15 pm**      **Valuation and Diligence: A Workshop**  
A panel of experts will take us through the required steps and different ways to value a company's intellectual property for purposes of litigation in view of the *Grain Processing* decision, and the different methods for valuation in mergers and acquisitions. A primer on due diligence investigations will also be discussed.

**David Haas**  
InteCap, Inc.  
Chicago, Illinois

**Terry Korn, CPA, ABV**  
David Berdon & Company, LLP  
New York City

**Mary J. Hildebrand, Esq.**  
Goodwin Proctor, LLP  
Roseland, New Jersey

# SCHEDULE OF EVENTS

## Friday, October 12 *(continued)*

**2:20 pm - 3:10 pm    Internet Privacy Issues: An Update on the Debate in the United States and Europe**

**Thomas F. Swift, Esq.**  
Credit Suisse First Boston Corporation  
New York City

**David Latham, Esq.**  
Lovells  
London, England

**3:10 pm - 3:15 pm    Break**

**3:15 pm - 4:05 pm    Drawing a Fine Ethical Line: Visual Evidence**  
An expert in visual evidence will guide us through the ethics of utilizing visual evidence in litigation.

**Bryan G. Harston, Esq.**  
DecisionQuest  
Irving, Texas

**4:05 pm - 4:55 pm    The *MP3* and *Napster* Cases:  
What Have They Done to Copyright Law?**

**Michael S. Elkin, Esq.**  
Thelen, Reid & Priest, LLP  
New York City

**Adjourn**

**6:30 pm    Child Care** - Abenia Room, Conference Center  
*Drop off your children and attend the Cocktail Hour*

**6:30 pm - 7:30 pm    Cocktail Hour** - Conference Center Foyer  
***Sponsored by:* INTECAP, INC.**

**7:30 pm    Children's Dinner** - Abenia Room, Conference Center

**7:30 pm    Dinner** - Nirvana Room, Conference Center  
*Join us for dinner and music featuring the NAT PHIPPS TRIO*

**9:30 pm    Hospitality Suite** - Adirondack Room, Main Hotel  
***Sponsored by:* DAVID BERDON & COMPANY, LLP**

# SCHEDULE OF EVENTS

## Saturday, October 13 *All Sessions will be held in the Dollar Island Room, Main Hotel*

- 7:45 am - 9:00 am**      **Registration** - Dollar Island Lobby, Main Hotel
- 9:00 am - 9:50 am**      ***New York Times v. Tasini***  
The attorneys who represented each of the parties will provide us with their views on how the *Tasini* decision will affect the legal and commercial playing field for authors and publishers.
- |                         |                           |
|-------------------------|---------------------------|
| <b>Plaintiffs:</b>      | <b>Defendants:</b>        |
| <b>Emily Bass, Esq.</b> | <b>Bruce Keller, Esq.</b> |
| Gaynor & Bass           | Debevoise & Plimpton      |
| New York City           | New York City             |
- 9:50 am - 10:40 am**      **The Digital Millennium Copyright Act: Recent Developments and Thoughts on the Impact of the DMCA**
- Professor William (Terry) Fischer**  
Harvard Law School  
Cambridge, Massachusetts
- 10:40 am - 10:45 am**      **Break**
- 10:45 am - 11:35 pm**      **The Impact of *Festo* on Patent Prosecution and Litigation**
- Joel Lutzker, Esq.**  
Shulte, Roth & Zabel  
New York City
- Ken Reed, Director of Intellectual Property**  
NMB (USA) Inc.  
Chatsworth, California
- Steven A. Becker, Esq.**  
Premier Chemicals, LLC  
King of Prussia, Pennsylvania
- 11:40 am - 12:10 pm**      **Keynote Speaker**  
**Congressman John E. Sweeney**  
Washington, DC
- 12:15 pm - 1:15 pm**      **Lunch** - Trillium Room

## SCHEDULE OF EVENTS

### Saturday, October 13 *(continued)*

1:20 pm - 2:10 pm

#### **Trade Dress v. Patent Protection: *The TraFFix Debate***

Experienced trademark attorneys will debate the Supreme Court's decision in *TraFFix* concerning the protection of the trade dress for products covered by utility and design patents.

**Perry J. Saidman, Esq.**

SAIDMAN Design Law Group  
Silver Spring, Maryland

**Susan E. Farley, Esq.**

Heslin & Rothenberg, PC  
Albany, New York

2:10 pm - 3:00 pm

#### **The Database Protection Debate**

Should new laws be passed to protect information databases? Our speaker will present an inside look at the status of such legislation and other legal developments including the decision in *eBay, Inc. v. Bidders Edge*.

**Tod H. Cohen, Esq.**

Senior Policy Counsel, Director of Government Affairs, eBay Inc.  
Washington, DC

4:00 pm

#### **Boat Ride Around Lake George on "THE MORGAN"**

***Sponsored by: THOMSON & THOMSON***

Boarding begins at 4:00 pm at the dock behind the Main Hotel.

**THE MORGAN** departs promptly **at 4:15 pm!**

7:30 pm

**Children's Dinner** - Abenia Room, Conference Center

7:30 pm

**Dinner** - Wopanak Room, Conference Center

*Join us for dinner and music featuring the NAT PHIPPS TRIO.*

**Announcement of winners of the INTELLECTUAL PROPERTY  
LAW SECTION STUDENT WRITING CONTEST**

***Awards Sponsored By: THOMSON & THOMSON***

### Sunday, October 14

9:00 am

**Executive Committee Breakfast Meeting** - Dollar Island Room, Main Hotel



***Hotel:***

- **Miniature Golf** - Complimentary - adjacent to the Tennis Center
- **Fitness Center** - Complimentary - open 6:30 am to 8:00 pm
- **Step Aerobic Classes** - Complimentary - sign up in the Fitness Center
- **Indoor Pool and Whirlpool Bath** - One level below the Spa
- **Golf** - Donald Ross 18-Hole championship course. Call 800/358-3583 x 6380 for reservations
- **Tennis** - One indoor hard court and 4 outdoor courts. Call 518/644-9400 x6390 for reservations
- **Racquetball** - Located in the Tennis Complex. Call 518/644-9400 x6390 for reservations
- **Spa** - Features, massages, facials, herbal and seaweed wraps, loofah scrubs aromatherapy. Open daily from 9:00 am to 7:00 pm. Call 518/644-9400 x5175 for reservations

**Outlet Shopping** - At **1:00 pm**, The Sagamore shuttle will take you shopping to the Lake George Outlets. The shuttle departs from the outlets back to The Sagamore at **3:30 pm**. \$10 per person. Call x5101 for reservations.



We wish to express special thanks to our  
PROGRAM SPONSORS:

*Lake George Cruise & Writing Contest*  
**THOMSON & THOMSON**  
North Quincy, Massachusetts

*Friday Cocktail Reception*  
**INTECAP, INC.**

*Friday Hospitality Suite*  
**DAVID BERDON & COMPANY, LLP**  
New York City, New York



Cancellations, late arrival or early departure will cause forfeiture of your deposit unless changes are made at least fourteen days in advance of your arrival date.

**Please note:** Reservations can only be made by mail or fax using this form. Meeting registration form and fee(s) must accompany accommodations request. *Please refrain from both faxing and mailing forms as this*

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NEW YORK STATE BAR ASSOCIATION  
**INTELLECTUAL PROPERTY LAW SECTION**  
**FALL MEETING, OCTOBER 11-14, 2001**  
THE SAGAMORE, BOLTON LANDING, NY

Please note any address corrections below:

Daytime Phone ( ) \_\_\_\_\_

Facsimile Number ( ) \_\_\_\_\_

### **MEETING REGISTRATION FORM**

Name of spouse or guest \_\_\_\_\_ E-Mail Address \_\_\_\_\_

Nickname/Attorney \_\_\_\_\_ Nickname/Spouse/Guest \_\_\_\_\_

#### **REGISTRATION FEES**

Registration fees include the following: Friday luncheon, Saturday luncheon/box lunch, Cocktail Boat Cruise, coffee breaks, favors, programming costs and program materials (attorneys only).

*To receive MCLE credit, attorneys must pay the Attorney Registration Fee.*

Section Member/Non Section Member \$ 200.00/250.00 per attorney \$ \_\_\_\_\_

Section Member/Non-Section Member Spouse/Guest \$ 85.00/135.00 per spouse/guest \$ \_\_\_\_\_

Section Member/Non-Section Member\* Student \$ 25.00/50.00 per student \$ \_\_\_\_\_

*\*Includes membership in the Intellectual Property Law Section.*

#### **ACTIVITIES**

*Advance counts are necessary for all functions. Please indicate number of people attending.*

Friday Golf Tournament at 8:00 am (\$99.00 per person required in advance) \_\_\_\_\_

Friday Luncheon at 12:00 noon \_\_\_\_\_

Friday Dinner at 7:30 pm \_\_\_\_\_

Saturday Section Luncheon \_\_\_\_\_

Saturday Box Lunch \_\_\_\_\_

Saturday Cocktail Boat Cruise at 4:00 pm \_\_\_\_\_

Saturday Dinner at 7:30 pm \_\_\_\_\_

**Evening Meal Tickets:** *If you are not staying at The Sagamore, dinner tickets can be purchased for each evening. (Breakfast and Dinner is included in the overnight rate for those staying at The Sagamore.)*

Friday Dinner \$55.00 per person \_\_\_\_\_

Saturday Dinner \$63.00 per person \_\_\_\_\_

#### **SOCIAL ACTIVITIES - CHILDREN**

**Friday Child Care** at 6:30 pm/**Dinner** at 7:30 pm

Names/Children's Ages \_\_\_\_\_

**Saturday Dinner** at 7:30 pm

Names/Children's Ages \_\_\_\_\_

*(Please note: children in diapers are not permitted to attend these events.)*

Check or money order enclosed in the amount of \$ \_\_\_\_\_

(Please make checks payable to the New York State Bar Association.)

☐ Charge \$ \_\_\_\_\_ to ☐ American Express ☐ Discover ☐ MasterCard ☐ Visa Expiration date: \_\_\_\_\_

Card number:                 Authorized signature \_\_\_\_\_

**Notice of cancellation must be received by September 11, 2001 in order to obtain a refund.**

Fax **OR** mail this form with payment to: Catherine Dolginko, Meetings Representative, New York State Bar Association, One Elk Street, Albany, New York 12207 • Telephone: 518.487.5558 • Fax: 518.463.8527

***\*\*Please refrain from faxing and mailing forms as this can result in double billing.***



# Trade Winds

*Trade Winds* offers Section members a way to keep up on the comings and goings of their colleagues and upcoming events of interest. Has there been a change in your practice? Any recent or forthcoming articles or lecture presentations? Won any awards recently? Please e-mail submissions to Jonathan Bloom at [jonathan.bloom@weil.com](mailto:jonathan.bloom@weil.com).

## Welcome New Members:

Christian Aguocha  
Neslihan Akbas  
Franz Aliquo  
Janet A. Allinson  
Ignacio M. Asperas  
Mitchell Bernstein  
Rashmi C. Bhatnagar  
Daniel M. Boglioli  
Glen E. Books  
Dylan C. Braverman  
John T. Brennan  
Dayna J. Browne  
Michelle Bugbee  
Dean B. Cameron  
Anthony J. Carbone  
Edward Y. Cho  
Joseph J. Christian  
Patryk J. Chudy  
Jason A. Cohen  
Jessica Newill Cohen  
Stephanie A. Cole  
Christopher A. Colvin  
Dionne Cuevas-Abreu  
Michael Cukor  
Robert A. Cutler  
Joanna A. Diakos  
Mattias A. Eng  
Alfred R. Fabricant  
Michael A. Fisher  
Kathleen D. Fong  
David Foox  
Angela Foster  
Stacey Carrara Friends  
Jonathan M. Gelchinsky  
Gary Gershik  
Aimee Gessner  
Richard Gibb  
Humberta M. Goncalves  
Brian T. Grauer  
Nina Madeline Gussack  
Steven Halpern  
Rosanne M. Harvey  
Leon F. Hebert

Peter L. Herridge  
Leonora Hoicka  
Mehul R. Jani  
Christine Carabba Jaskiewicz  
Lynn Wilson Jinks  
Peter C. Johnson  
Nancy A. Juette  
Vamsi K. Kakarla  
Cary S. Kappel  
Abraham Kasdan  
W. Ashwood Kavanna  
Edward J. Kelly  
James M. Kendrick  
Alison Beth Kessler  
John R. Kettle  
Yvenne M. King  
Roy Klein  
Adam E. Kraidin  
Mark O. Kuehn  
Michael Kupin  
Natalie V. Latchman  
Moonlake L. Lee  
Leo G. Lenna  
Abigail Lewis  
Cynthia R. Litman  
Qizhi Luo  
Mari Maemoto  
Viktoria Makarevich  
Gregory W. Manz  
Jonathan D. Matkowsky  
Lonene C. Maynard  
William Scott McClave  
Sheila F. Mcshane  
Neil McTeigue  
Ting Meng  
Claudine K. Meredith-Goujon  
Adam Lee Miller  
Gregory A. Morris  
Kristin H. Neuman  
Njeri Nginyo  
Jeffrey J. Nicholson  
William P. Nix  
Jason S. Oliver

Lee A. Palmateer  
Michel Paradis  
Thomas J. Perkowski  
Laura E. Popp  
Gregory M. Prindle  
Swapna M. Radia  
Rashmi S. Raj  
Amy W. Rameau  
Rudolf P. Rayle  
Randall L. Reed  
Georg C. Reitboeck  
Martha M. Rumore  
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Marc C. Singer  
Safiyah Spann  
Steven B. Stein  
Perren A.R. Stern  
Miyun Sung  
Jonathan Swerdloff  
Jaksha Christopher Tomic  
Felicia G. Traub  
Jany Tsai  
Stephen Tu  
Guruprasad S. Udapi  
Mervyn Valadares  
Jeanne Vallebuona  
Samuel A. Waxman  
Susan E. Weiner  
Todd Wengrovsky  
David F. Wertheim  
Jianqing Wu  
Edward L. Yee  
Weizhong Yu  
John Yun  
Zeeshan H. Zaidi  
David A. Zwally

## **MEMBERSHIP APPLICATION**

### **New York State Bar Association:**

#### **INTELLECTUAL PROPERTY LAW SECTION**

Membership in the New York State Bar Association's Intellectual Property Law Section is a valuable way to:

- enhance professional skills;
- keep up-to-date with important developments in the legal profession;
- join colleagues in exciting Section events.

#### **OPPORTUNITIES FOR EDUCATION**

The Intellectual Property Law Section offers both the experienced and novice practitioner excellent opportunities to enhance their practical and legal knowledge and expertise. Through Section activities, including conferences on intellectual property (an annual fall event), members may examine vital legal developments in intellectual property law. The Section's Web site provides current information regarding Section events and offers "members only" access to current issues of *Bright Ideas* and current Committee bulletins providing updates on intellectual property law. The Section plans to sponsor continuing legal education (CLE) credit-bearing programs for Section members at reduced rates. Recent programs offered by the Section related to computer software and biotechnology protection, conducting intellectual property audits, and practical considerations in trade secret law. The Section sponsors an annual Intellectual Property Law writing contest for New York State Law Students.

#### **OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT**

Intellectual Property Law Section committees address unique issues facing attorneys, the profession and the public. The Section offers opportunities to serve on committees such as Patent Law; Trademark Law; Copyright Law; Internet Law; Trade Secrets; Technology, Transfer and Licensing and Young Lawyers.

Committees allow you to network with other attorneys from across the state and give you the opportunity to research issues and influence the laws that can affect your practice. Committees are also an outstanding way to achieve professional development and recognition. Law students are automatically members of the Young Lawyers Committee. Section members may join more than one committee.

#### **A VOICE IN THE ASSOCIATION**

The Intellectual Property Law Section takes positions on major professional issues that affect practitioners and advocates those positions within the New York State Bar Association, the legislature, and the public.

**See page 27 to become a member of the Intellectual Property Law Section**

## COMMITTEE ASSIGNMENT REQUEST

Please designate from the list below, those committees in which you wish to participate. For a list of committee chairs and their e-mail addresses, please refer to page 28 of this issue.

\_\_\_ Copyright Law (IPS1100)

\_\_\_ Trade Secrets (IPS1500)

\_\_\_ Internet Law (IPS1800)

\_\_\_ Trademark Law (IPS1600)

\_\_\_ Patent Law (IPS1300)

\_\_\_ Young Lawyers (IPS1700)

\_\_\_ Technology, Transfer and Licensing (IPS1400)

Please e-mail your committee selection(s) to Naomi Pitts at: [npitts@nysba.org](mailto:npitts@nysba.org)

\* \* \*

To be eligible for membership in the Intellectual Property Law Section, you first **must** be a member of the NYSBA.

☐ As a member of the NYSBA, I enclose my payment of \$30 for Intellectual Property Law Section dues. (Law student rate: \$15)

☐ I wish to become a member of the NYSBA and the Intellectual Property Law Section. I enclose both an Association and Section application with my payment.

☐ Please send me a NYSBA application. No payment is enclosed.

Name \_\_\_\_\_

Office \_\_\_\_\_

Office Address \_\_\_\_\_

Home Address \_\_\_\_\_

E-mail Address \_\_\_\_\_

Office Phone No. \_\_\_\_\_

Office Fax No. \_\_\_\_\_

Home Phone No. \_\_\_\_\_

*Please return payment and application to:*

Membership Department  
New York State Bar Association  
One Elk Street  
Albany, New York 12207  
Telephone: 518/487-5577  
FAX: 518/487-5579  
<http://www.nysba.org>

# Section Committees and Chairs

The Intellectual Property Law Section encourages members to participate in its programs and to contact the Section officers or Committee Chairs for information.

## **Committee on Copyright Law**

Jeffrey Barton Cahn (Co-Chair)  
Sills Cummis et al.  
The Legal Center  
Newark, NJ 07102  
Tel: (973) 643-5858  
Fax: (973) 643-6500  
e-mail: jcahn@sillscummis.com

Robert W. Clarida (Co-Chair)  
Cowan, Liebowitz & Latman, P.C.  
1133 Avenue of the Americas  
New York, NY 10036  
Tel: (212) 790-9200  
Fax: (212) 575-0671  
e-mail: rwc@ccl.com

## **Committee on Internet Law**

Rory J. Radding (Co-Chair)  
Pennie & Edmonds LLP  
1155 Avenue of the Americas  
22nd Floor  
New York, NY 10036  
Tel: (212) 790-9090  
Fax: (212) 869-8864  
e-mail: rjradding@pennie.com

Richard L. Ravin (Co-Chair)  
Hartman & Winnicki  
115 West Century Road  
Paramus, NJ 07654  
Tel: (201) 967-8040  
Fax: (201) 967-0590  
e-mail: rick@ravin.com

## **Committee on Patent Law**

Philip A. Furgang (Chair)  
Furgang & Adwar, LLP  
Two Crosfield Ave., Suite 210  
West Nyack, NY 10994  
Tel: (845) 353-1818  
Fax: (845) 353-1996  
e-mail: phil@furgang.com

## **Committee on Technology, Transfer and Licensing**

Walter J. Bayer, II (Co-Chair)  
GE Licensing  
One Independence Way  
Princeton, NJ 08540  
Tel.: (609) 734-9413  
Fax: (609) 734-9899  
e-mail:  
walter.bayer@corporate.ge.com

Neil Baumgarten (Co-Chair)  
1885 Cynthia Lane  
Merrick, NY 11566  
Tel: (516) 868-6617  
Fax: (516) 868-7666  
e-mail: nsbaumg@aol.com

## **Committee on Trade Secrets**

Michael B. Carlinsky (Chair)  
Orrick Herrington & Sutcliffe, LLP  
101 Roundabend Road  
Tarrytown, NY 10591  
Tel: (212) 506-5172  
Fax: (212) 506-5151  
e-mail: mcarlinsky@orrick.com

## **Committee on Trademark Law**

Peter S. Sloane (Chair)  
Ostrolenk Faber et al.  
1180 Avenue of the Americas  
7th Floor  
New York, NY 10036  
Tel.: (212) 382-0700  
Fax: (212) 382-0888  
e-mail: psloane@ostrolenk.com

## **Committee on Young Lawyers**

Marie-Eleana First (Co-Chair)  
Law Office of Theodore N. Cox  
179 Bennett Avenue, Apt. 1D  
New York, NY 10040  
Tel.: (212) 925-1208  
e-mail: mfirst622@aol.com

Vejay G. Lalla (Co-Chair)  
Cowan, Liebowitz & Latman, P.C.  
1133 Avenue of the Americas  
New York, NY 10036  
Tel.: (212) 790-9225  
Fax: (212) 575-0671  
e-mail: vgl@ccl.com

## **REQUEST FOR ARTICLES**

If you would like to submit an article, or have an idea for an article,  
please contact *Bright Ideas* Executive Editor

Jonathan Bloom  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
(212) 310-8775 • Fax (212) 310-8007  
E-mail: jonathan.bloom@weil.com

*Articles should be submitted on a 3.5" floppy disk, in Microsoft Word, along with a printed original, or by e-mail if in Microsoft Word. Submissions should include biographical information.*

# Intellectual Property Law Section Directory

The Section is putting the final touches on a revised directory of members. It will publish the address where you receive *Bright Ideas*. This is your last opportunity to make certain the information that is published is up-to-date. E-mail information, fax and telephone numbers will be included, if the Bar has the information.

Please complete and return the form below  
by October 30, 2001 to:

MIS Department  
New York State Bar Association  
One Elk Street  
Albany, NY 12207

Mail by:  
**October 30, 2001**



Please detach bottom portion and mail to:



## New York State Bar Association

Full member name: \_\_\_\_\_ Member ID# \_\_\_\_\_

### Additions/Corrections/Changes

(Please indicate below only the information which has changed)

name: \_\_\_\_\_

firm name: \_\_\_\_\_

address: \_\_\_\_\_  
\_\_\_\_\_

telephone: \_\_\_\_\_ fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Please indicate if the address above is:    *Business* ☐    *Home* ☐    *Other* ☐

**Intellectual  
Property  
Law Section  
Directory  
Information**



## SECTION ACTIVITIES AND NOTICES

### **“When Worlds Collide: The Tension Between Trademark and Copyright Law”**

On March 14, the Intellectual Property Law Section and the St. John’s University School of Law Intellectual Property Society presented a panel discussion at Weil, Gotshal & Manges LLP entitled “When Worlds Collide: The Tension Between Trademark and Copyright Law” that looked at the issues that arise when copyright protection expires on visual characters that also enjoy trademark protection. Panelists were Alan J. Hartnick of Abelman, Frayne & Schwab and Adjunct Professor at the NYU School of Law; Stanley Rothenberg of Moses & Singer LLP; Jay Kogan, Deputy General Counsel of DC Comics and *MAD* Magazine; and Joseph G. Walsh of Donovan & Yee LLP. Joseph J. Beard, Professor of Law, St. John’s University School of Law, moderated. Approximately 100 people attended.

### **Young Lawyers Committee/Copyright Committee**

On June 14, the Young Lawyers Committee and Copyright Committees, in conjunction with The Copyright Society FA(C)E Initiative (Friends of Active Copyright Education) and the Benjamin N. Cardozo School of Law presented a panel discussion at Weil, Gotshal & Manges LLP entitled “The Napster Litigation: What’s next for peer-to-peer distribution?” Robert W. Clarida of Cowan Liebowitz and Latman, PC moderated. Panelists were David Korzenik, Adjunct Professor at Cardozo Law School; Adam Cohen, partner at Weil, Gotshal & Manges LLP; Matthew J. Oppenheim, Senior Vice President-Recording Industry Association of America (RIAA); and Robert Silver of Boies, Schiller & Flexner LLP. The discussion, attended by 80 people, focused on the consequences to Napster itself and the effects of the *Napster* decision as a model for future litigation in the digital music arena, including defenses under the Digital Millennium Copyright Act.



*(l-r) Robert Silver, Adam I. Cohen, Robert W. Clarida and David Korzenik at the June 14, 2001 panel discussion, “The Napster Litigation: What’s next for peer-to-peer distribution?” at Weil, Gotshal & Manges LLP.*

The Young Lawyers Committee is still looking for student liaisons from NYU, Fordham, Columbia, and New York Law School. If interested in the position, please contact Co-Chair Vejay Lalla at [vgl@cjl.com](mailto:vgl@cjl.com) for further information.

### **Internet Law Committee**

Privacy remains at the forefront of legal issues, most recently with the enactment of the Gramm-Leach-Bliley Act. UETA (Uniform Electronic Transactions Act), being passed or considered for passage in many states (recently enacted in New Jersey), provides legitimacy of electronically produced and transmitted signatures, records, transactions and contracts. So too, the federal E-Sign Law expressly recognizes electronic signatures as valid and binding. The Supreme Court has demonstrated an eagerness to hear Internet and new technology cases, such as *New York Times v. Tasini* (holding that freelancers retain copyright to use of work in electronic archival databases) and *Barnicki v. Vopper* (news media can republish private cell phone conversations illegally intercepted by others if it concerns a public issue, which has direct implications for the interception of e-mail, notwithstanding the ECPA (Electronic Communications Privacy Act)).

While “e-commerce” companies have fallen out of grace with the investing public as of the time of this writing, the Internet as a way of doing business is here to stay. Traditional economy companies are themselves investing in doing business via the Internet, and the need for knowledgeable, well-informed practitioners are in demand. The Internet Law Committee of the Intellectual Property Law Section provides a resource for these lawyers, as well as the seasoned IP practitioner, to learn about the dynamic area of Internet and e-commerce law. Since the Committee was founded about three years ago, its membership has grown to more than 80 members.

The Internet Law Committee meets at noon on the third Tuesday of every month (except in August and October). The luncheon meetings are hosted by Rory Radding at Pennie & Edmonds's New York City offices, with upstate members regularly participating by teleconference.

The meetings are usually awarded CLE credits. Topics during the past year addressed a broad range of Internet-related issues, including privacy cases, UETA, Napster and MP3.com, and DVD copyright cases, the federal E-Sign Law, Web site security and the emerging legal theory of trespass to chattels as a claim against unauthorized users of a Web site (such as "spiders"), ICANN's proposed new generic top-level domain names, Web site/portal Development Agreements, and legal ethics of using e-mail for attorney-client communications. Speaker presentations are followed by roundtable discussions.

If you are interested in joining the Internet Law Committee, please contact Naomi Pitts at the New York State Bar Association via e-mail ([npitts@nysba.org](mailto:npitts@nysba.org)) or phone (518-487-5587). Membership is free for Intellectual Property Law Section members.

### **Trademark Law Committee**

On April 2, the Trademark Law Committee and the *Fordham Intellectual Property, Media & Entertainment Law Journal* presented a panel discussion at Fordham University School of Law entitled, "I'll See Your *Two Pesos* and Raise You . . . *Two Pesos*, *Wal-Mart* . . . and *Traffix*—Where is U.S. Supreme Court Jurisprudence Heading and How Will it Affect Trademark Practitioners?" Professor Hugh C. Hansen, Fordham University School of Law, moderated. The panelists included Inna Fayenson, Kronish Lieb Weiner & Hellman, LLP; Glenn Mitchell, Stroock & Stroock & Lavan; and Perry J. Saidman, Saidman DesignLaw Group. The discussion, attended by 70-80 people, focused on legal trends in trade dress protection and was followed by a wine and cheese reception.

*Save the Date!*

New York State Bar Association  
**Intellectual Property Section**

**ANNUAL MEETING**

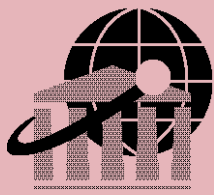
**Tuesday, January 22, 2002**

**New York Marriott Marquis**

# Submission of Articles

Anyone wishing to submit an article, announcement, practice tip, etc., for publication in an upcoming issue of *Bright Ideas* is encouraged to do so. Articles should be works of original authorship on any topic relating to intellectual property. Initially, submissions may be of any length.

Submissions should preferably be sent on a 3.5" disk (double or high-density) which clearly indicates the word processing program and version used, along with a hard copy or by e-mail to Jonathan Bloom, Executive Editor, at the address indicated on this page. Submissions for the Winter 2001 issue must be received by October 15, 2001.



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sections/ipl](http://www.nysba.org/sections/ipl)**

## **At-Large Members of the Executive Committee**

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Robert Raney Kiesel  
Raymond A. Mantle  
Charles E. Miller  
Miriam M. Netter



Intellectual Property Law Section  
New York State Bar Association  
One Elk Street  
Albany, NY 12207-1002

**ADDRESS SERVICE REQUESTED**

## **BRIGHT IDEAS**

### **Editor-in-Chief**

Rory J. Radding  
Pennie & Edmonds LLP  
1155 Avenue of the Americas, 22nd Floor  
New York, NY 10036  
e-mail: rjradding@pennie.com

### **Executive Editor**

Jonathan Bloom  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153  
e-mail: jonathan.bloom@weil.com

### **Assistant Editor**

Walter J. Bayer, II  
GE Licensing  
One Independence Way  
Princeton, NJ 08540  
e-mail: walter.bayer@corporate.ge.com

### **Section Officers**

#### **Chair**

Victoria A. Cundiff  
Paul Hastings et al.  
75 East 55th Street  
New York, NY 10022  
e-mail: victoriacundiff@paulhastings.com

#### **Vice Chair**

Marc Ari Lieberstein  
Ostrolenk Faber et al.  
1180 Avenue of the Americas, 7th Floor  
New York, NY 10036  
e-mail: mlieberstein@ostrolenk.com

#### **Treasurer**

Richard L. Ravin  
Hartman & Winnicki, PC  
115 West Century Road  
Paramus, NJ 07654  
e-mail: rick@ravin.com

#### **Secretary**

Michael B. Carlinsky  
Orrick Herrington & Sutcliffe, LLP  
101 Roundabend Road  
Tarrytown, NY 10591  
e-mail: mcarlinsky@orrick.com

*Bright Ideas* is a publication of the Intellectual Property Law Section of the New York State Bar Association. Members of the Section receive a subscription to the publication without charge. Each article in this publication represents the author's viewpoint and not that of the Editors, Section Officers or Section. The accuracy of the sources used and the cases, statutes, rules, legislation and other references cited is the responsibility of the respective authors.

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ISSN 1530-3934

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