

# Bright Ideas

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

## Inside

- Proving Third-Party Trademark Use
- Earlier Registered Domain Names, Later Acquired Trademarks
- Laches in Copyright Law
- Laches in Trademark Law
- What Will Become of *Alice*?

From the NYSBA Book Store >

## Counseling Content Providers in the Digital Age

### *A Handbook for Lawyers*

Section  
Members get  
20%  
discount\*  
with coupon code  
PUB8305N

For as long as there have been printing presses, there have been accusations of libel, invasion of privacy, intellectual property infringements and a variety of other torts. Now that much of the content reaching the public is distributed over the Internet, television (including cable and satellite), radio and film as well as in print, the field of pre-publication review has become more complicated and more important. *Counseling Content Providers in the Digital Age* provides an overview of the issues content reviewers face repeatedly.

*Counseling Content Providers in the Digital Age* was written and edited by experienced media law attorneys from California and New York. This book is invaluable to anyone entering the field of pre-publication review as well as anyone responsible for vetting the content of a client's or firm's Web site.

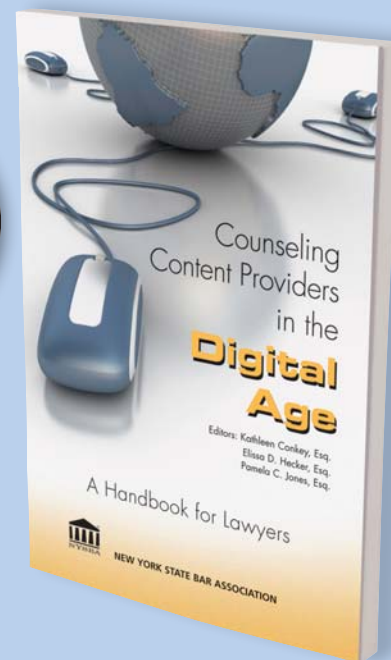
#### Table of Contents

Introduction; Defamation; The Invasion of Privacy Torts; Right of Publicity; Other News-gathering Torts; Copyright Infringement; Trademark Infringement; Rights and Clearances; Errors and Omissions Insurance; Contracting with Minors; Television Standards and Practices; Reality Television Pranks and Sensitive Subject Matter; Miscellaneous Steps in Pre-Broadcast Review.

## Get the Information Edge

1.800.582.2452 [www.nysba.org/pubs](http://www.nysba.org/pubs)

Mention Code: PUB8305N



#### EDITORS

Kathleen Conkey, Esq.  
Elissa D. Hecker, Esq.  
Pamela C. Jones, Esq.

#### PRODUCT INFO AND PRICES

2010 / 480 pages,  
softbound / PN: 4063

**\$55 NYSBA Members**  
**\$70 Nonmembers**

\$5.95 shipping and handling within the continental U.S. The cost for shipping and handling outside the continental U.S. will be based on destination and added to your order. Prices do not include applicable sales tax.

\*Discount good until June 17, 2016.



# Table of Contents

	Page
Message from the Chair ..... (Charles Weigell)	4
How to Prove Third-Party Trademark Use ..... (Richard Lehv)	5
Earlier Registered Domain Names, Later Acquired Trademarks ..... (Gerald M. Levine)	9
Recent Developments Relating to Laches in Copyright Law ..... (Paul Fakler and Xiyin Tang)	13
Laches: Still Alive and Well in Trademark Infringement Cases ..... (Dyan Finguerra-DuCharme)	18
What Will Become of <i>Alice</i> ? ..... (Michael A. Oropallo and Bella S. Satra)	20
Welcome New Members .....	24
Membership Application .....	26
Committee Assignment Request.....	27
Section Committees and Chairs .....	28
Scenes from the Intellectual Property Law Section Annual Meeting Program .....	31

# Message from the Chair

With Spring comes, among other things, a new issue of *Bright Ideas* with another Message from the Chair. But as my tenure as Chair ends this June, this is my final Message. A new slate of officers will be leading the Section. Erica Klein will be taking over as Chair along with a new slate of Section officers: Robin Silverman as Vice-Chair, Mike Oropallo as Treasurer, and Brook Erdos Singer as Secretary. I very much look forward to their tenure and to the events and initiatives they are already planning for later in the year. I wish them all luck.



Looking back, I would also like to thank all who helped organize our Annual Meeting last January, which was one of our most successful ever. Executive Committee (EC) members Bill Samuels and Ashford Tucker organized a very well received panel on trademark licensing. New EC member Yitzy Nissenbaum arranged for former New Jersey District judge Ronal Hedges to give his views on discovery and evolving ethical obligations in the digital age. Longtime EC members Doug Miro and Mike Oropallo organized a very informative panel that covered laches in the patent, trademark, and copyright contexts. Former section chair Richard Ravin chaired a panel on data protection and privacy in the European Union, and last, but certainly not least, new EC member Stacy

Wu and former EC member Linda Du organized a panel featuring practice before the World Intellectual Property Organization. We thank everyone for their efforts in putting these presentations together, and we thank all of our presenters for attending and for helping to make this event a big success.

Looking ahead, we anticipate another great Women in IP event in June, as Joyce Creidy and Deborah Robinson prepare this very popular annual event. We also look forward to another all-day program in November with distinguished speakers, engaging topics and, of course, plenty of networking opportunities. Other events and programs are also in the planning stage, and I encourage everyone to watch for these.

In closing, I would like to thank Editor-in-Chief Jonathan Bloom for his untiring work and dedication to *Bright Ideas*, which over the years has been a marquee for the IP Law Section. I would also like to thank each and every one in the IP Law Section for their support and for their suggestions and feedback. Over the past two years, I met so many Section members, and the Executive Committee has worked hard to meet their expectations and to grow Section involvement. As such, I am very proud to have served our membership and the New York State Bar Association generally as Section Chair, and I look forward to staying involved and assisting the new Section leadership.

**Charles Weigell**

## Request for Articles



If you have written an article you would like considered for publication, or have an idea for one, please contact the *Bright Ideas* Editor-in-Chief:

**Jonathan Bloom**

Weil, Gotshal & Manges LLP  
767 5th Avenue  
New York, NY 10153-0119  
[jonathan.bloom@weil.com](mailto:jonathan.bloom@weil.com)

Articles should be submitted in electronic document format (pdfs are NOT acceptable), along with biographical information.

[www.nysba.org/BrightIdeas](http://www.nysba.org/BrightIdeas)

# How to Prove Third-Party Trademark Use

By Richard Lehv

## I. Introduction

Evidence of third-party trademark use is relevant in connection with a number of issues in trademark litigation. Here are just three examples:

- Evidence of third-party trademark use is relevant to the issue of whether an arguably descriptive term<sup>1</sup> has acquired distinctiveness or secondary meaning.<sup>2</sup> Since the definition of secondary meaning is whether a mark is associated with “a single source,”<sup>3</sup> the party asserting secondary meaning (either the plaintiff in a lawsuit or the applicant in a trademark opposition proceeding) will want to show that there are no third parties using the same or similar marks, while the defendant or opposer will want to show that there are many third parties using the same or similar marks.
- In an infringement action, evidence of third-party trademark use is relevant to the issue of whether the plaintiff’s mark is strong.<sup>4</sup> If there are many third parties using the same or similar mark, then the plaintiff’s mark arguably is weak, and the defendant’s mark arguably is less likely to cause confusion.<sup>5</sup>
- Evidence of third-party trademark use is relevant in a trademark dilution case, where the plaintiff must show that its mark is famous and distinctive.<sup>6</sup>

In each of these situations, counsel will need to know how to prove third-party use of a mark or how to challenge such proof.

## II. Scarves and Perfume

One of the leading cases on this topic is *Scarves by Vera, Inc. v. Todo Imports Ltd.*<sup>7</sup> In that case, the plaintiff designed and manufactured “a line of women’s signature scarves, medium-high fashion women’s sportswear, and a variety of dining room, bedroom and bathroom linens.”<sup>8</sup> The defendant was the exclusive New York distributor of cosmetics and toiletries manufactured by Vera Perfumeria y Cosmética, S.A. of Barcelona, Spain and sold under the VERA mark. The plaintiff sued for trademark infringement, alleging that consumers were likely to think that a maker of scarves and clothing also made perfumes and cosmetics. The district court dismissed the case, concluding that the plaintiff’s mark was weak because Vera was a common name and because a number of third parties owned registrations that included the name Vera.

On appeal, the Second Circuit reversed. It held that the plaintiff’s VERA mark was a strong mark, finding that the plaintiff’s

sales figures, its advertising expenditures and the many articles written about plaintiff clearly established that plaintiff’s “VERA” trademark was highly successful and widely recognized in the medium-high fashion market. Our conclusion that “VERA” is a strong mark is not affected by the fact that Vera is a common name. We need not decide whether such a name might provide a weaker mark in other circumstances, since we think plaintiff has clearly established secondary meaning entitling it to broad protection of the “VERA” mark.<sup>9</sup>

The Second Circuit also reversed the district court on the significance of third-party trademark registrations, which included “‘Vera’ for foods; ‘Vera Smart’ for women’s full fashion hosiery; ‘Vera Stewart’ for cosmetics; ‘Vera Sharp’ for cheeses; ‘Medicamentie Vera’ for a medical publication; ‘Vera Cruz’ for textile products; and ‘Vera Horn’ for women’s apparel.”<sup>10</sup> The court of appeals found that the district court “erred in giving such weight to these registrations”<sup>11</sup> because the court failed to distinguish between trademark registrations and evidence of actual use. The court explained:

The significance of third-party trademarks depends wholly upon their usage. Defendant introduced no evidence that these trademarks were actually used by third parties, that they were well promoted or that they were recognized by consumers. As the Court pointed out in *Lilly Pulitzer, Inc. v. Lilli Ann Corp.*, 376 F.2d 324, 325, 54 C.C.P.A. 1295 (1967), “the existence of these registrations is not evidence of what happens in the market place or that customers are familiar with their use.”<sup>12</sup>

Not only was there no evidence that the third-party marks were “well-promoted” or “recognized by consumers,” but also the court noted that “all but one of the third-party registrations cited by the district court contained combinations of words, rather than the word “Vera” alone, and several were registered for entirely unrelated products, such as foods or a medical publication.”<sup>13</sup> The court con-



cluded that the record did not contain “any evidence to support the claim that plaintiff’s trademark was weakened by uses of similar marks by third parties.”<sup>14</sup>

Thus, *Scarves by Vera* makes clear that a party relying on alleged third-party use must show that the third-party marks are “well-promoted” or “recognized by consumers.”<sup>15</sup> However, adducing such evidence can be burdensome. One could subpoena a third party, requiring it to produce sales and advertising documents and to answer questions at a deposition, but depositions are expensive and time-consuming, and the third party is likely to resist disclosing sales information without a carefully negotiated confidentiality stipulation. Also, the deposition must be conducted where the third party is located, which could be across the country. And, if there are a significant number of third parties, the process could be financially and logistically unfeasible.

One could instead send a private investigator around the country, visiting retail stores, taking photographs of store displays, and buying samples of third-party goods. This sort of evidence is good as far as it goes. It shows that the goods are in fact on sale, but the investigator is unlikely to have obtained admissible (non-hearsay) information about how long the products have been on sale or how extensive the sales have been.

The plaintiff’s own files may hold evidence concerning third-party use that can be obtained through discovery. Once again, though, this evidence may be limited. The plaintiff might have correspondence with third parties that confirms third-party use, but the correspondence might not show how long or how extensive the use has been.

Given the expense and other problems in gathering information about third-party use, defendants are, as Professor McCarthy notes, “constantly searching for ways to introduce evidence of third party use on an economical basis by using short cuts, such as introducing a list of third party uses.”<sup>16</sup> Defendants have tried introducing lists of third-party marks from trade directories, trademark search reports, and references to third-party marks in cases and news articles in LEXIS/NEXIS database. But these methods rarely succeed in proving third-party use for the reasons set out in *Scarves by Vera*.<sup>17</sup>

### III. Evidence of Descriptive Meaning

Where the defendant’s goal is to use third-party marks to show that the plaintiff’s mark has a descriptive or commonly understood meaning (as opposed to showing that the mark is weak because it is in crowded field), the task of introducing third-party marks, particularly in the Trademark Trial and Appeal Board (“TTAB” or “Board”), can be somewhat easier. The Federal Circuit recently held in *Juice Generation, Inc. v. GS Enterprises L.L.C.*<sup>18</sup> that even without specific evidence of actual use,

third-party registrations are relevant “to show the sense in which...a mark is used in ordinary parlance”; that is, “some segment of the composite marks...has a normally understood and well-recognized descriptive or suggestive meaning, leading to the conclusion that that segment is relatively weak.”<sup>19</sup>

This holding is in accord with precedent of the Federal Circuit’s predecessor court, which held that even if there is no evidence of actual use of third-party registrations, the registrations “may be given some weight to show the meaning of a mark in the same way that dictionaries are used.”<sup>20</sup> TTAB rules are in accord with this holding. Specifically, Section 704.03(b)(1)(B) of the Trademark Trial and Appeal Board Manual of Procedure (“TBMP”)<sup>21</sup> states that third-party registrations “may be entitled to some weight to show the meaning of the mark, or a portion of the mark, in the same manner as a dictionary definition.”

In other words, third-party registrations can be used to show that a mark is *conceptually* weak (e.g., that it has a “descriptive or suggestive meaning”), even if the third-party registrations cannot be used to show that a mark is *commercially* weak (e.g., that it lacks consumer recognition because the marketplace is crowded with third-party marks). For example, the TTAB recently held that third-party registrations “are probative for demonstrating the inherent weakness in the term DIGNITY by showing that the term has a particular meaning or significance in the relevant industry.”<sup>22</sup>

Even more recently, in a case I argued, *New Millennium Sports, S.L.U. v. Jack Wolfskin Ausrüstung für Draussen GmbH & Co. KGAA*,<sup>23</sup> the Federal Circuit followed *Juice Generation*. The plaintiff in *New Millennium* sold soccer shoes under a composite mark that consisted of the name KELME and a paw print of a cat. On behalf of Jack Wolfskin, which was trying to register a paw print, we submitted to the Board extensive evidence of third-party paw print registrations and Internet pages offering for sale goods bearing paw prints. The Federal Circuit explained that “such extensive evidence of third-party...registrations is powerful on its face, even where the specific extent and impact of the usage has not been established.”<sup>24</sup> Then, quoting *Juice Generation*, the court explained that evidence of third-party registrations is relevant to “show the sense in which a mark is used in ordinary parlance” and that “some segment that is common to both parties’ marks may have a normally understood and well-recognized descriptive or suggestive meaning.”<sup>25</sup> The court held that the third-party registrations submitted by Jack Wolfskin showed that the paw print portion of the plaintiff’s mark were suggestive of the routine commercial idea of being fast, strong, or agile and, thus, consumers were “conditioned to look for differences between paw designs and additional indicia of origin to determine the source of a given product.”<sup>26</sup>

In addition to third-party registrations, Jack Wolf-skin's evidence included Internet website printouts showing twenty-eight third parties offering clothing under paw design marks. These website printouts show on their face that the goods are offered for sale on these websites. They include photographs of the products bearing paw prints, listings of prices, size selections, and on-screen buttons labeled "add to cart." Thus, the Internet printouts were admissible for what they showed on their face: third parties offering for sale clothing that features a paw design mark.

It is important to keep in mind the difference between cases like *Juice Generation* and *New Millennium*, on the one hand, and cases like *Scarves by Vera*, on the other. In the latter case, the defendant offered third-party registrations in attempt to show that the plaintiff's mark was commercially weak because of third-party use of similar marks. The Second Circuit held this was improper unless the defendant showed the extent of actual use of the third-party marks. Indeed, in *Scarves by Vera*, the Second Circuit noted this distinction between commercial and conceptual strength, citing an earlier Second Circuit decision in which the plaintiff's laudatory term TRIUMPH was deemed a conceptually "weak mark" because, *inter alia*, there were 207 third-party registrations for the mark TRIUMPH.<sup>27</sup>

#### IV. How to Submit Evidence in the Board and a District Court

Under Section 41 of the Trademark Act of 1946, 15 U.S.C. § 1123, the Director of the USPTO is authorized to "make rules and regulations...for the conduct of proceedings" in the USPTO, including in the Board. Under that authority, the Trademark Rules of Practice provide that in a Board proceeding certain types of documentary evidence and materials, such as third-party trademark registrations and Internet publications, may be made of record by filing the materials with the Board attached to a "Notice of Reliance."<sup>28</sup> As the TBMP explains: "A notice of reliance is essentially a cover sheet for the materials sought to be introduced. This cover sheet is entitled 'notice of reliance' and it serves...to notify opposing parties that the offering party intends to rely on the materials submitted thereunder in support of its case."<sup>29</sup> The Board's rules permit the submission of third-party registrations in opposition proceedings by Notice of Reliance.<sup>30</sup> In *New Millennium*, we submitted a Notice of Reliance containing printouts of third-party registrations and applications from the USPTO electronic database.

As for Internet advertising, under TBMP § 704.08(b), "a document obtained from the Internet may be admitted into evidence pursuant to a notice of reliance...." TBMP § 704.08(b) explains how such printouts are to be authenticated in a Notice of Reliance: any printout "must identify

its date of publication or the date it was accessed and printed, and its source (URL)."

Under Board rules and precedents, such printouts should not raise any issue as to authenticity and hearsay. In *Safer, Inc. v. OMS Investments, Inc.*<sup>31</sup> the Board changed the rules concerning the submission of Internet material in Board proceedings, stating: "We hold that, if a document obtained from the Internet identifies its date of publication or date that it was accessed and printed, and its source (e.g., the URL), it may be admitted into evidence pursuant to a notice of reliance.... The Board will henceforth deem a document obtained from the Internet displaying a date and its source as presumptively true and genuine."<sup>32</sup> The Board made clear that *Safer* "expand[ed] the types of documents that may be introduced by notice of reliance to include not only printed publications in general circulation, but also documents such as websites, [and] advertising...."<sup>33</sup>

Thus, post-*Safer*, the Board's rules provide that so long as Internet documents are submitted by Notice of Reliance in compliance with TBMP § 708.04(b), the documents are authenticated and do not pose hearsay issues with respect to what they show on their face.<sup>34</sup>

In federal district courts, which do not use notices of reliance, a defendant would submit certified copies of third-party registrations. To prove Internet use, a defendant could have a paralegal testify that he or she accessed the Internet on a certain date and printed out copies of relevant pages that have been marked as exhibits; the paralegal would then testify that the exhibits are true and complete copies of what he or she viewed on the Internet.

#### V. Conclusion

The rules can be summarized as follows: If a defendant wishes to show that a plaintiff's mark has been weakened by numerous third-party marks, the defendant will be required to show more than just a list of registered marks; the defendant will need to show that the marks are actually in use. But if the defendant wishes to show that the plaintiff's mark has a descriptive or suggestive meaning, then the defendant can submit copies of registrations and evidence showing use of the third-party marks on Internet websites.

#### Endnotes

1. 15 U.S.C. § 1052(e).
2. 15 U.S.C. § 1052(f).
3. Trademark Manual of Examining Procedure ("TMEP") § 1212.
4. *In re E.I. DuPont De Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973).
5. *See New Millennium*, *infra*.
6. 15 U.S.C. § 1125(c).
7. 544 F.2d 1167 (2d Cir. 1976).
8. *Id.* at 1169.

9. *Id.* at 1173.
10. *Id.*
11. *Id.*
12. *Id.*
13. *Id.* at 1174 (emphasis added).
14. *Id.*
15. *Id.* at 1173.
16. 2 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* ("McCarthy"), § 11:88 (4th ed. 2015).
17. See *Charrette Corp. v. Bowater Communication Papers, Inc.*, 13 U.S.P.Q.2d 2040, 2043 (T.T.A.B. 1989) (LEXIS/NEXIS articles not valid proof of use); *National Football League v. Jasper Alliance Corp.*, 16 U.S.P.Q.2d 1212, 1215 n.3 (T.T.A.B. 1990) (trademark search report not is not evidence of either registration or use of a mark).
18. 794 F.3d 1334 (Fed. Cir. 2015).
19. *Id.* at 1339 (quoting 2 McCarthy § 11:90) (internal quotation marks omitted).
20. *Tektronix, Inc. v. Daktronics, Inc.*, 534 F.2d 915, 917 (C.C.P.A. 1976).
21. The TBMP is available both on Westlaw and the USPTO website at <http://tbmp.uspto.gov/RDMS/detail/manual/TBMP/current/tbmpd1e2.xml>.
22. *In re Dignity Health*, Parent Ser. No. 85473422, 2015 WL 5882306, at \*4 (T.T.A.B. Sept. 17, 2015).
23. 797 F.3d 1363 (Fed. Cir. 2015), *cert. denied*, 2016 WL 280842 (U.S. Jan. 25, 2016).
24. *Id.* at 1373-74 (internal quotation marks omitted).
25. *Id.* (quoting *Juice Generation*, 794 F.3d at 1339).
26. *Id.* at 1374.
27. *Triumph Hosiery Mills, Inc. v. Triumph International Corp.*, 308 F.2d 196, 199 n.2 (2d Cir. 1962).
28. 37 C.F.R. § 2.122(e).
29. TBMP § 704.02.
30. TBMP § 704.03(b)(1)(B) ("A party that wishes to make such a third-party registration of record in a Board proceeding may do so by filing...a plain copy of the registration or a printout of the registration from the [USPTO's] electronic database records....").
31. 94 U.S.P.Q.2d 1031 (T.T.A.B. 2010).
32. *Id.* at 1039 (emphasis in original).
33. *Id.* (emphasis added).
34. See *Alcatraz Media Inc. v. Chesapeake Marine Tours, Inc.*, 107 U.S.P.Q.2d 1750, 1759 (T.T.A.B. 2013) (overruling objection to Internet printout as not properly authenticated where printout submitted with Notice of Reliance showed URL and date); *Swiss Watch International, Inc. v. Federation of Swiss Watch Industry*, 101 U.S.P.Q.2d 1731, 1735-36 (T.T.A.B. 2012) (overruling hearsay objection to Internet printouts submitted with a Notice of Reliance and showing URL and date).

**Richard Lehv is a partner with Fross Zelnick  
Lehrman & Zissu, P.C.**

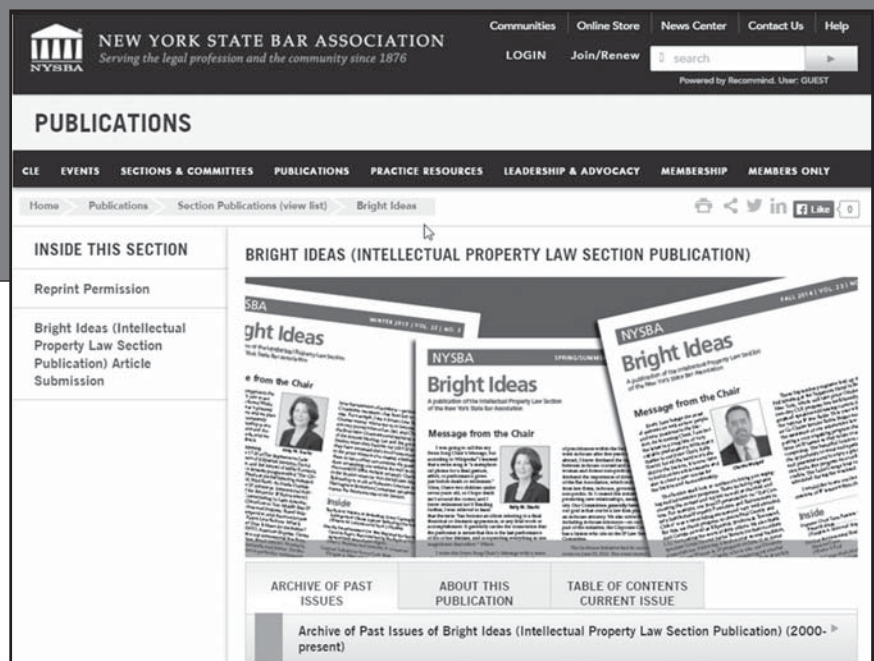
## Bright Ideas (the Intellectual Property Law Section Publication) is also available online

Including access to:

- Past Issues (2000-present) of *Bright Ideas*\*
- *Bright Ideas* Searchable Index (2000-present)

\*You must be an Intellectual Property Law Section member and logged in to access. Need password assistance?

Visit our Web site at [www.nysba.org/pwhelp](http://www.nysba.org/pwhelp). For questions or log-in help, call (518) 463-3200.



**Go to [www.nysba.org/BrightIdeas](http://www.nysba.org/BrightIdeas)**



# Earlier Registered Domain Names, Later Acquired Trademarks

By Gerald M. Levine

## I. The Rise of Cyber-Entrepreneurs

Trademarks have a long history; domain names are of recent origin. Trademarks were “invented” to “identify and distinguish [one person’s] goods...from those manufactured or sold by others and to indicate the source of the goods.”<sup>1</sup> Domain names are merely functional elements “invented” to identify and link locations on the Internet. The Lanham Act defines domain names as “any alphanumeric designation which is registered with or assigned by any domain name registrar...as part of an electronic address on the Internet.”<sup>2</sup>

It took only a short time after the introduction of the Internet for entrepreneurs to figure out how to profit by buying domain names unassociated with trademarks and using them to generate income either through pay-per-click search sites or holding them in inventory for future sale.

---

*“Trademarks were ‘invented’ to ‘identify and distinguish [one person’s] goods...from those manufactured or sold by others and to indicate the source of the goods.’ Domain names are merely functional elements ‘invented’ to identify and link locations on the Internet.”*

---

With one caveat—that registrations not purposefully infringe third-party rights—there was not then and there is not now anything unlawful in registering strings of characters that happen to correspond to existing trademarks. Absent a legal basis for forfeiture, non-trademark domain names coexist with trademark domain names with this difference: while domain names are limited to the Internet, trademarks have a double identity in being present in both actual and virtual marketplaces, a factor that enhances their value to doppelgängers unlawfully taking advantage of the goodwill and reputations of trademarks established in actual marketplaces.

While alphanumeric designations and trademarks have distinct personalities, they come into conflict and are potentially injurious to trademark owners and deceptive to consumers when the strings are identical or confusingly similar. Unlike identical trademarks in the actual marketplace, which can coexist in different classes of goods and services, no two identical strings can coexist on the Internet. Strings that are similar can coexist,

but as their similarities morph to the confusing end of the spectrum, they too may encroach on statutorily reserved rights.

Occupying locations on the Internet that arguably infringe third-party rights represent a potential threat to the integrity of existing trademarks. This threat was met in 1999 by the introduction of two remedial regimes designed specifically to protect trademark owners: the Uniform Domain Name Dispute Resolution Policy (UDRP or the “Policy”),<sup>3</sup> an alternative, online dispute resolution process implemented by the Internet Corporation for Assigned Names and Numbers (ICANN), and the Anticybersquatting Consumer Protection Act (ACPA), a statutory scheme that is incorporated into the Lanham Act.<sup>4</sup>

## II. Priority

As the Policy has been construed, bad-faith use alone is not a predicate for forfeiture.<sup>5</sup> Unless the complainant proves that the respondent both registered the domain name in bad faith and is using it in bad faith—a conjunctive or binary requirement as opposed to the disjunctive requirement of the ACPA—it cannot prevail on its complaint. Generally speaking, domain names that predate the existence of trademarks, even if their holders commence using them in bad faith, cannot by definition have been registered in bad faith. The consensus view is set forth in paragraph 3.1 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions:

[W]hen a domain name is registered by the respondent before the complainant’s relied-upon trademark right is shown to have been first established (whether on a registered or unregistered basis), the registration of the domain name would not have been in bad faith because the registrant could not have contemplated the complainant’s then non-existent right.<sup>6</sup>

In other words, the owners of later-acquired trademarks complaining that earlier registered corresponding domain names are infringing have no basis for cybersquatting claims. The ACPA is more explicit in requiring that the plaintiff’s marks must have been “distinctive at the time of the registration of the domain name.”<sup>7</sup> This means that the owners of later-acquired trademarks lack standing for a cybersquatting claim, although they still may have a viable claim under the Lanham Act. This limi-

tation of the UDRP has resulted in complaints by trademark owners that they are left with no remedy against bad-faith use by domain name holders taking advantage of the rising reputations of later-acquired trademarks. This objection presupposes bad-faith use after trademark owners have established a reputation in the marketplace even though the domain name preceded the establishment of rights in the trademark.

This situation is distinguishable from the common situation illustrated in *Success Bank v. ZootGraphics c/o Ira Zoot*,<sup>8</sup> in which the complainant had no commercial presence as “Success Bank” when the domain name was registered but later rebranded itself before obtaining a federal registration for the term. It nevertheless argued that having a registered trademark made its right to <successbank.com> superior to the respondent’s right to the domain name. The Panel pointed out that although the complainant had some rights in the SUCCESS BANK mark, they were “junior to the rights of Respondent due to registration of the domain.” The Panel criticized the complainant for “stretch[ing] [their] argument to the extreme.” If the law were as the complainant wanted it to be, the Panel wrote, then any owner of later acquired trademarks “could peruse the lightly used or parked domains, initiate a trademark registration application years after the...disputed domain name was registered and then claim UDRP rights in the domain under the first element of the UDRP.”

The Panel’s reasoning in *Success Bank* represents the consensus view of the parties’ respective rights in these circumstances, but it does not address the problem posed by domain names registered prior to trademark acquisition that subsequently resolve to infringing websites.

### III. Departing from the Consensus

I have pointed out previously that the development of the UDRP is in the common-law tradition.<sup>9</sup> In deciding cases, Panels are not limited to “statements and documents submitted” by the parties but may apply “any rules and principles of law that [they] deem applicable.”<sup>10</sup> The consensus that bad-faith use following good-faith registration is not actionable even though registrants are obviously engaged in cyberpiracy is the

product of construction, not statute, and it has been challenged by a new construction—first by the panelist who established it in the first decided case under the UDRP, *World Wrestling Federation Entertainment, Inc. v. Michael Bosman*,<sup>11</sup> before recanting it nine years later in *City Views Limited v. Moniker Privacy Service /Xander, Jeduyu, Algebralive*, D2009-0643 and *Octogen Pharmacal Company, Inc. v. Domains By Proxy, Inc./Rich Sanders and Octogen e-Solutions*<sup>12</sup> (the *Mummygold* line of cases), and then by others applying this new construction in sometimes inappropriate circumstances.

The new construction rests on two principal propositions: first, that registrants are bound contractually by their representations in the registration agreements, and second, that the Policy should be read as requiring in appropriate fact situations a retroactive finding of bad-faith registration based on subsequent bad-faith use for breach of warranty. This is known as the unitary view of the Policy, as opposed to the consensus view that the Policy requires a binary finding, i.e., that bad-faith use alone is insufficient to prove cybersquatting

While the *Mummygold* view has not dislodged the consensus that bad-faith use but good-faith registration is beyond the scope of the Policy—embodied most notably in *Guru Denim Inc. v. Ibrahim Ali Ibrahim abu-Harb*,<sup>13</sup> in which the dissenting panelist was the *Mummygold* Panel—it nevertheless has opened up a vigorous conversation on the issue of bad-faith use following renewal as evidence of bad-faith registration. In particular, against the backdrop of *Mummygold*, the Panel in *Eastman Sporto Group LLC v. Jim and Kenny*<sup>14</sup> introduced a new reading of the Policy by focusing on pre- and post-renewal conduct. Before discussing *Eastman Sporto*, I summarize the legal reasoning underlying both the *Mummygold* and *Eastman Sporto* views.

First, trademark owners are either third-party beneficiaries of registration agreements, in which case they have derivative claims for registrants’ breaches of their representations and warranties in their registration agreements, or they have direct claims for registrants’ violations of paragraph 2 of the Policy. Below is a side-by-side comparison of the two representations:

Registration Agreement	Paragraph 2 of the Policy
You agree and warrant that: (i) <i>neither your registration nor use of the any of the Network Solutions services nor the manner in which you intend to use such Network Solutions Services will directly or indirectly infringe the legal rights of a third party...</i> and (vi) you agree to comply with all applicable laws and regulations” (emphasis added).	(a) the statements that you made in your Registration Agreement are complete and accurate; (b) to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party; (c) <i>you are not registering the domain name for an unlawful purpose</i> ; and (d) <i>you will not knowingly use the domain name in violation of any applicable laws or regulations</i> (emphasis added).

Note that while these provisions are similar, they not identical. They both extract promises from registrants about their purposes for registering and using domain names, but Paragraph 2 is more severe by introducing the concept that a registration could be “unlawful”—particularly Paragraphs 2(c) and (d). It naturally provokes a question about the offending use: What if, contrary to their representations, holders (having registered their domain names lawfully before the existence of a trademark) begin using their domain names unlawfully after a later-acquired trademark has developed a reputation?

The new construction has two branches. Panels adhering to Branch #1 (the “*Mummygold*” line of cases) take the position that bad-faith use alone is sufficient to find abusive registration. They reject the consensus view noted earlier—that complainants must prove that respondents both registered and are using the domain name in bad faith—and argue that registrants’ representations that they will not use domain names for any unlawful purpose are a continuing obligation, not simply limited in time to the purchase of the domain name. The Panels of this view are reinforced by their reading of the preamble to paragraph 4(b) of the Policy to mean that the Policy requirement is not binary but unitary. They convert the “and” to an “or.” Such a reading brings the UDRP into alignment with the disjunctive model of the ACPA (see n.5).

Panels adhering to Branch #2 (the “*Eastman Sporto*” line of cases) propose a less dramatic departure from the consensus. They take the view that the assessment of bad faith restarts upon renewal of registration. While this construction makes sense, it too is inconsistent with consensus as reported in Paragraph 3.7 of the WIPO Overview: “While the transfer of a domain name to a third party does amount to a new registration, a mere renewal of a domain name has not generally been treated as a new registration for the purpose of assessing bad faith” (emphasis added). Generally, renewal is regarded as a continuation of registration. However, the WIPO Overview does recognize that Panels are beginning to “consider the renewal of a domain name as equivalent to a new registration in certain circumstances, including where it is found that: the registrant changed its use of the domain name prior to renewal [and continued the bad faith thereafter].”<sup>15</sup>

The most recent case applying a version of the *Mummygold* reasoning without directly citing it is *Camilla Australia Pty Ltd v. Domain Name Admin, Mrs. Jello, LLC*,<sup>16</sup> in which a three-member Panel, including the recanter in *Guru Denim* (but now joined with like-minded panelists), held that the representation and warranty applies to “the registrant’s future conduct made at the time the registrant applies for registration of a domain name.”<sup>17</sup>

While the *Mummygold* reasoning is essentially at a dead end notwithstanding *Camilla*, this is not true of the

*Eastman Sporto* construction. Dissatisfaction with the consensus was first voiced in a 2004 case, *PAA Laboratories GmbH v. Printing Arts America*.<sup>18</sup> The Panel there held that “[t]he abusive refreshing of the original registration is an act which this Panel considers should be an act of a kind encompassed by paragraph 4(a)(iii) of the Policy.” It then stated that the “benefit of an original good faith registration should not be perpetual to the point where it can cloak successors in title and successors in ‘possession’ long after the original registration would have expired.” Notwithstanding this view, the Panel “reluctantly” denied the complaint because of “the need for consistency and comity in domain name dispute ‘jurisprudence.’”

The *Eastman Sporto* Panel stated that it “share[d] [PAA Panel’s] reservations,” but instead of acquiescing, it rejected the traditional approach.<sup>19</sup> The Panel held that subsequent bad-faith use “should be an act of a kind encompassed by paragraph 4(a)(iii)” and concluded that “[b]ased upon the record in this proceeding...[the] Panel deems Respondent’s 2009 renewal of the disputed domain name to be the date on which to measure whether the disputed domain name was registered and used in bad faith.”

The *Eastman Sporto* reasoning—that forfeiture is justified when respondents intentionally change their uses of domain names to take advantage of complainants’ marks—was applied recently in *Adam Milstein v. Benjamin Doherty*.<sup>20</sup> The Panel there held that “[w]hat is at issue here is the deliberate creating of a false impression by registering a domain name using the entirety of another person’s name without permission and...[continuing that use after renewal of registration].” The factor that triggers a finding of abusive registration after renewal rests on the continuation of bad-faith use with knowledge that the use that began before renewal continues to be infringing, which is sure evidence of breach of registrant’s registration agreement and violation of paragraph 2 of the Policy.

## V. Conclusion

Decisions favorable to trademark owners in Branch #1 have become extremely rare because the majority of panelists are not in favor of amending the UDRP by construction. In contrast, Panels are more willing to find that bad-faith use commencing before and continuing after renewal of registration is actionable is a commonsense development of the jurisprudence, not a departure from it. In fact, as these renewal cases come down, it is becoming increasingly clear that where warranted by the facts, the Panel in *Eastman Sporto* was right, and the Panel in *PAA* was wrong. This conclusion would not be surprising under the ACPA because the statute is an either/or model: a trademark owner satisfies its burden by proving that the domain registrant “register[ed], traffic[ked] in, or used the domain name” in bad faith.



## Endnotes

1. 15 U.S.C. § 1127.
2. *Id.*
3. Implemented by the Internet Corporation for Assigned Names and Numbers (ICANN) following a two-year study commencing in 1997 and publication of a Final Report in April 1999 by the World Intellectual Property Organization (WIPO).
4. 15 U.S.C. § 1125(e).
5. In contrast, the ACPA is an either/or model. Assuming trademarks were distinctive when domain names were registered, domain names can be forfeited on proof registrants either registered, trafficked in, or used them in bad faith.
6. <http://www.wipo.int/amc/en/domains/search/overview/index.html#31>.
7. 15 U.S.C. § 1125(d)(1)(ii)(I and II).
8. FA0904001259918 (Nat. Arb. Forum June 29, 2009).
9. *Domain Name Arbitration*, section 4.01-A (Sources of UDRP law).
10. Rule 15(a) of the Policy.
11. D99-0001 (WIPO Jan. 14, 2000) (Scott Donahey, sole panelist).
12. D2009-0643 (WIPO July 3, 2009) and D2009-0786 (WIPO Aug. 19, 2009).
13. D2013-1324 (WIPO Sept. 27, 2013) in which Mr. Donahey sitting as a wing in a three-member panel dissented: "It would be much easier for this panelist to maintain that his original decision [approving the binary concept] was correct, and not recant. But in view of the evidence [of the correctness of the unitary view], I am unable to do so."
14. D2009-1688 (WIPO March 1, 2010).
15. Paragraph 3.7 *supra*.
16. D2015-1593 (WIPO November 30, 2015) (Mr. Donahey is a panel member).
17. *Camilla Australia*, *supra*, note 16.
18. D2004-0338 (WIPO July 13, 2004).
19. *Eastman Sporto*, *supra*, note 14.
20. FA1511001647496 (Forum January 11, 2016).

**Gerald M. Levine is a partner in Levine Samuel, LLP in New York City, and the author of a treatise on trademarks, domain names, and cybersquatting, *Domain Name Arbitration, A Practical Guide to Asserting and Defending Claims of Cybersquatting* (Legal Corner Press 2015).**

# CasePrepPlus



NEW YORK STATE BAR ASSOCIATION  
Serving the legal profession and the community since 1876

## Save time while keeping up-to-date on the most significant New York appellate decisions

An exclusive member benefit, the CasePrepPlus service summarizes recent and significant New York appellate cases and is available for free to all NYSBA members. It includes weekly emails linked to featured cases, as well as digital archives of each week's summaries.

To access CasePrepPlus, visit [www.nysba.org/caseprepplus](http://www.nysba.org/caseprepplus).





# Recent Developments Relating to Laches in Copyright Law

By Paul Fakler and Xiyin Tang

## I. Introduction

Laches is an equitable defense, created at common law to address fairness issues raised when a plaintiff waits many years before asserting a claim. As such, there is at least a conceptual relationship between laches and the statute of limitations, although that relationship has at times been unclear in copyright law. Until 1957, federal copyright law did not include a statute of limitations for civil suits; federal courts used analogous state statutes of limitations to determine the timeliness of infringement claims, resulting in limitations periods of anywhere from one to eight years. Needless to say, this dramatic variance between states resulted in forum shopping. In 1957, to cure issues associated with such disparate limitations periods, Congress stepped in to prescribe a three-year statute of limitations for all civil claims arising under the Copyright Act. But when, if ever, does laches apply to a copyright claim that is brought within the statutory limitations period?

In *Lyons Partnership, L.P. v. Morris Costumes, Inc.*,<sup>1</sup> the Fourth Circuit noted that laches should never be available when the plaintiff brings a copyright infringement suit within the limitations period “[i]n deference to the doctrine of separation of powers.”<sup>2</sup> Prior to the Supreme Court’s recent decision in *Petrella v. MGM, Inc.*,<sup>3</sup> a number of other courts had nevertheless applied laches to suits brought within the limitations period. But in *Petrella* the Supreme Court definitively held that laches cannot bar claims brought within the limitations period.

In order to analyze the interplay between laches and the Copyright Act’s statute of limitations, a preliminary issue is how to compute the limitations period. When does the three-year period begin to run? Unfortunately, the Copyright Act does not define when a copyright infringement claim accrues. There are two general possibilities. One is that the claim accrues when the infringement occurs. This is known as injury accrual, and it is the most common type of accrual for statutes of limitations. The other possibility, known as discovery accrual (or diligent discovery accrual), provides that the claim accrues upon the earlier of (1) when the plaintiff first learns of the infringement or (2) when a reasonably diligent copyright owner *would have* discovered the infringement.

In copyright infringement suits, most courts have held that diligent discovery accrual applies. For a time, it seemed that this consensus might be overturned. In 2001, the Supreme Court issued a decision construing the Fair Credit Reporting Act, in which the Court held that injury accrual is the default accrual rule for federal statutory

claims and that diligent discovery accrual should not be used unless the statute either expressly or structurally provides for diligent discovery accrual.<sup>4</sup> Subsequently, Judge Lewis Kaplan of the Southern District of New York applied the reasoning of that decision in a copyright case, *Auscape Int’l v. Nat’l Geographic Soc’y*.<sup>5</sup> holding that injury accrual applied in copyright infringement cases.<sup>6</sup> However, most other courts in the Southern District of New York continued to apply diligent discovery accrual after *Auscape*, and the Second Circuit recently rejected *Auscape* and re-affirmed the applicability of diligent discovery accrual.<sup>7</sup> Nonetheless, as discussed below, the Supreme Court’s decision in *Petrella* may have breathed new life into the injury rule for copyright claims.

In instances where a plaintiff delays unreasonably in bringing suit, the laches defense is meant to address any unfair prejudice to the defendant caused by such delay. Because laches is an affirmative defense, the defendant bears the burden of proving that it was prejudiced by the plaintiff’s delay; mere delay or passage of time alone is insufficient to establish laches. Note that a laches defense is fact-specific, and courts have been reluctant to decide it on summary judgment.<sup>8</sup> (Laches is not to be confused with tolling, which suspends the limitations period in situations where the plaintiff, despite due diligence, cannot obtain enough information to determine whether she has a valid infringement claim, i.e., where the defendant has engaged in fraudulent concealment.)

Laches will not bar a claim for copyright infringement damages, but it may bar injunctive relief—although, as discussed below, the continued viability of the doctrine is uncertain after *Petrella*. In *New Era Publications Intern., ApS v. Henry Holt and Co., Inc.*,<sup>9</sup> for example, the plaintiff sought to enjoin the publication of the biography of L. Ron Hubbard, the founder of the Church of Scientology. The district court found that the plaintiff had delayed unreasonably in bringing suit in the United States, noting that it waited two years after finding out about the book’s imminent publication to sue in the United States.<sup>10</sup> By the time the plaintiff requested a temporary restraining order, 12,000 copies of the book had already been printed, with most copies already having been packed and shipped.<sup>11</sup> The Second Circuit agreed with the district court, stating that a permanent injunction “would result in the total destruction of the work since it is not economically feasible to reprint the book after deletion of the infringing material” and that such “severe prejudice, coupled with the unconscionable delay already described, mandates denial of the injunction for laches,” thus relegating the plaintiff to damages only.<sup>12</sup>

Many courts also have held that laches is not available in a case of willful copyright infringement.<sup>13</sup>

## II. *Petrella v. MGM, Inc.*

### A. The Majority Opinion

In *Petrella* the Supreme Court clarified the scope of laches.<sup>14</sup> The Court began by clarifying that the “separate-accrual” rule applies to the copyright statute of limitations in continuing infringement scenarios, meaning that when a defendant commits successive violations, the statute of limitations runs separately from each violation.<sup>15</sup> In other words, every time an infringing work is reproduced, performed, or distributed, the infringer commits a new wrong, and the statute of limitations begins anew. Thus, the Court stated, where “a defendant has engaged (or is alleged to have engaged) in a series of discrete infringing acts, the copyright holder’s suit ordinarily will be timely under § 507(b) [the Copyright Act’s statute of limitations] with respect to more recent acts of infringement (i.e., acts within the three-year window), but untimely with respect to prior acts of the same or similar kind.”<sup>16</sup>

Hence, the peculiar facts of *Petrella*. The allegedly infringing work was the film *Raging Bull*, which was based on the life of boxing champion Jake LaMotta. After LaMotta retired, he collaborated with his friend, screenwriter Frank Petrella, on three ventures: two screenplays, registered in 1963 and 1973, respectively, and one book.<sup>17</sup> The litigation centered on the screenplay that was registered in 1963, which listed Frank Petrella as its sole author but further noted that the work was written “in collaboration with” LaMotta.<sup>18</sup> Thereafter, Frank Petrella and LaMotta assigned their rights in all three works to Chartoff-Winkler Productions, Inc. Two years later, respondent United Artists Corporation, a subsidiary of respondent Metro-Goldwyn-Mayer, Inc. (collectively, “MGM”), acquired the motion picture rights to all three works, which the parties agreed would be exclusive, including all periods of copyright and renewals and extensions thereof.<sup>19</sup> Then, in 1980, MGM released, and registered a copyright in, *Raging Bull*. As of the date of the decision, MGM had continued to distribute and market the film, including on DVD.<sup>20</sup>

After Frank Petrella died in 1981, the renewal rights for the two screenplays and the book reverted, under the so-called “termination right” in copyright law, to Petrella’s heirs, thus annulling the assignment previously made to MGM.<sup>21</sup> In 1991, those heirs registered the renewal copyright term in the 1963 screenplay.<sup>22</sup> However, the petitioner (Petrella’s daughter) waited seven years after filing for renewal of the copyright to first contact MGM, asserting that MGM’s exploitation of the screenplay via the film was an infringement.<sup>23</sup> Moreover, it was not until much, much later—January 6, 2009, almost two decades after the heirs had initially filed for renewal—that the petitioner sued MGM for copyright infringement in California district court. The petitioner

sought both monetary and injunctive relief, limiting the monetary relief sought to those infringing acts occurring on or after January 6, 2006—three years before the filing of the lawsuit.<sup>24</sup>

MGM moved for summary judgment, arguing, *inter alia*, that the petitioner’s eighteen-year delay was unreasonable and prejudicial.<sup>25</sup> The district court granted MGM’s motion, holding that laches barred the action because MGM had shown both “expectations-based prejudice” in its significant investments in the film as well as “evidentiary prejudice,” citing Frank Petrella’s death and LaMotta’s loss of memory.<sup>26</sup> The Ninth Circuit affirmed, citing precedent from within the circuit holding that “[i]f any part of the alleged wrongful conduct occurred outside the limitations period, courts presume that the plaintiff’s claims are barred by laches.”<sup>27</sup> The Ninth Circuit further noted that the admitted reason for the petitioner’s delay was that the film had not made money in the years during which she had refrained from suing.<sup>28</sup> The concurrence noted that the judicial doctrine of laches appeared to be in conflict with Congress’ provision of the three-year limitations period.<sup>29</sup> The Supreme Court granted certiorari.

The Supreme Court’s opinion, written by Justice Ruth Bader Ginsburg (whose daughter, Jane Ginsburg, a professor at Columbia Law School, is a noted proponent of strong copyright protection), first stated that the Ninth Circuit had failed to account for the fact that the copyright statute of limitations itself accounts for delay, limiting a plaintiff to relief dating back only three years from the time of suit.<sup>30</sup> The Court further noted that even where infringement within the three-year period is shown, “the Act allows the defendant to prove and offset against profits made in that period ‘deductible expenses’ incurred in generating those profits,” and the defendant “may prove and offset elements of profit attributable to factors other than the copyrighted work.”<sup>31</sup> Thus, the Court reasoned, the defendant is able to retain the profits it made as a result of its own enterprise, rather than as a result of the value created by the infringed work.<sup>32</sup>

Notably, in discussing the statute of limitations, the Court reiterated (this time specifically in the context of a copyright claim) its rule from *TRW* that injury accrual is the standard measure for the statute of limitations, stating that “[a] copyright claim thus arises or ‘accrues’ when an infringing act occurs.”<sup>33</sup> In a footnote, the Court noted that several circuit courts of appeal had applied the diligent discovery rule to copyright claims, but it expressly declined to decide the issue because it was not squarely presented in *Petrella*.<sup>34</sup> Nevertheless, the Court’s discussion certainly implies that it is open to addressing the question in the future.

The opinion further calls into question the continued viability of laches in copyright law, noting that principal application of laches is to claims for which Congress has not fixed a limitations period. Because Congress fixed a

three-year statute of limitations for copyright claims, the Court stated, “laches cannot be invoked to bar legal relief.”<sup>35</sup> The Court rejected MGM’s argument that a defense of laches prevents copyright owners from “sitting still, doing nothing, waiting to see what the outcome of an alleged infringer’s investment will be”—as was the case here, where the petitioner conceded that she did not sue because the film was deeply in debt.<sup>36</sup> Rather, the Court opined, “there is nothing untoward about waiting to see whether an infringer’s exploitation undercuts the value of the copyrighted work, has no effect on the original work, or even complements it,” and MGM’s argument amounted to a “sue soon, or forever hold your peace” rule that would require copyright owners to “mount a federal case fast to stop seemingly innocuous infringements, lest those infringements eventually grow in magnitude.”<sup>37</sup>

In response to the dissent’s concern that the Court’s holding would encourage copyright owners to sue every three years until the copyright’s expiration, the Court noted that this outcome will be avoided because, in most cases, in addition to obtaining damages for the previous three years, a plaintiff will likely be able to obtain injunctive relief.<sup>38</sup> The Court did note that there may be “extraordinary circumstances” that would bar injunctive relief (as well as other equitable remedies, such as an accounting of defendant’s profits), citing one case in which the defendants were alleged to have used without permission the plaintiffs’ copyrighted architectural design in planning and building a housing development.<sup>39</sup> There, injunctive relief would have resulted in the complete destruction of the housing development, resulting in ousting families from their recently purchased homes. The Court contrasted this outcome with providing injunctive relief in *Petrella*, which would not result in “total destruction” of the film, as MGM released *Raging Bull* more than three decades ago.<sup>40</sup>

It is difficult to imagine how “extraordinary circumstances” sufficient to bar injunctive relief would be found in most copyright infringement cases other than those involving construction projects. Consequently, the continued viability of laches as a defense to copyright infringement claims, both for damages and injunctive relief, is very much in doubt. However, the Court did conclude that the district court may, in determining appropriate injunctive relief and assessing profits, take into account the petitioner’s delay in commencing the action.<sup>41</sup> The Court cautioned, though, that the district court “should closely examine MGM’s alleged reliance on *Petrella*’s delay,” taking into account “MGM’s early knowledge of *Petrella*’s claims, the protection MGM might have achieved through pursuit of a declaratory judgment action, the extent to which MGM’s investment was protected by the separate-accrual rule, the court’s authority to order injunctive relief ‘on such terms as it may deem reasonable,’ and any other considerations that would justify adjusting injunctive relief or profits.”<sup>42</sup>

The Court also noted the distinction between estoppel and laches, the former involving the copyright owner engaging in intentionally misleading representations regarding his abstaining from suit, and the alleged infringer detrimentally relying on such misrepresentations.<sup>43</sup> There, the Court noted, estoppel may operate to bar all of the copyright owner’s claims.<sup>44</sup>

## B. The Dissent

Justice Stephen Breyer, along with Justice Anthony Kennedy and Chief Justice John Roberts, dissented. Notably, Justice Breyer pointed out that the Court has held in other, non-copyright cases that a defendant may invoke laches in an action for damages despite a fixed statute of limitations.<sup>45</sup> The dissent also found significant the fact that, due to the petitioner having waited eighteen years to sue, not only did MGM spend millions of dollars developing various editions of, and marketing, the film, but three key witnesses had died, making it difficult for MGM to prove that it did not infringe the petitioner’s copyright.<sup>46</sup> Thus, Justice Breyer noted, it was not difficult to imagine circumstances in which a twenty-year delay in bringing suit could prove inequitable: “Suppose, for example, the plaintiff has deliberately waited for the death of witnesses who might prove the existence of understandings about a license to reproduce the copyrighted work, or who might show that the plaintiff’s work was in fact derived from *older* copyrighted materials that the defendant has licensed.”<sup>47</sup>

Justice Breyer listed a number of instances in which a copyright infringement plaintiff waited decades to file suit.<sup>48</sup> The dissent also presented a very different picture of the legislative history behind section 507. Citing the Senate Report, the dissent pointed out that Congress chose not to “specifically enumerate certain equitable considerations which may be advanced in connection with civil copyright actions because it understood that federal district courts, generally, recognize these equitable defenses anyway.”<sup>49</sup> Moreover, the dissent argued, the majority placed insufficient weight upon the rules and practices of modern litigation. “Since 1938,” Justice Breyer wrote, “Congress and the Federal Rules have replaced what would once have been actions ‘at law’ and action ‘in equity’ with the ‘civil action.’ A federal civil action is subject to both equitable and legal defenses.”<sup>50</sup> “Accordingly, since 1938, federal courts have frequently allowed defendants to assert what were formerly equitable defenses—including laches—in what were formerly legal actions.”<sup>51</sup>

The difference between the dissent and majority is also, in part, a difference over what Congressional silence means, and is symptomatic of broader circuit disparity in interpreting Congressional silence in section 507. For example, Judge Learned Hand, in *Haas v. Leo Feist*,<sup>52</sup> emphasized the importance of a laches defense as an equitable principle where “[d]elay under such circumstances allows the owner to speculate without risk with the other’s money; he cannot possibly lose, and he may win.”<sup>53</sup> On



the other hand, as previously noted, the Fourth Circuit in *Lyons* rejected the laches defense out of hand, finding it incompatible with the separation of powers doctrine.

### C. Aftermath/Implications

Since *Petrella*, at least some lower courts have applied it to reject bids for dismissal based on the statute of limitations.<sup>54</sup> It seems clear that, post-*Petrella*, copyright infringement actions brought by plaintiffs who may have waited years or even decades to bring their claim will not be barred, so long as some portion of the infringement occurred within the three-year limitations period, such that the plaintiff would at least be entitled to damages for that three-year period. It is certainly possible that *Petrella* has encouraged plaintiffs to bring—and dissuaded defendants from seeking dismissal of—long-delayed lawsuits, such as the infringement suit brought recently against surviving members of the group Led Zeppelin by the band Spirit alleging that the opening guitar arpeggio of “Stairway to Heaven” (1971) was lifted from Spirit’s song “Taurus.” Yet whether *Petrella* will also make it nearly impossible to strike a copyright owner’s claim for injunctive relief remains to be seen. Some commentators, such as William Patry (whose treatise the Supreme Court cited in *Petrella*), have long noted that laches “should be limited to cases in which no statute of limitations applies,” thus suggesting that laches should not apply in the copyright context at all.<sup>55</sup>

However, in a closely watched Federal Circuit case concerning the applicability of the laches defense in the patent context, the Federal Circuit, sitting en banc, held that *Petrella* did not abolish the laches defense in patent law. In *SCA Hygiene Products v. First Quality Baby Products*<sup>56</sup>, the Federal Circuit held that in a patent case, laches bars legal relief while nonetheless permitting the plaintiff to receive an ongoing royalty absent extraordinary circumstances. Critical to the Federal Circuit’s decision in *SCA Hygiene* was the fact that Congress had specifically codified a laches defense in the patent statute, at 35 U.S.C. § 282(b)(1), which provides that “[n]oninfringement, absence of liability for infringement or unenforceability...shall be defenses in any action involving the validity or infringement of a patent.” Critically, a commentary authored by P.J. Federico, a principal draftsman of the 1952 recodification of the Patent Act, had specifically noted that this section includes equitable defenses such as laches. Reasoning that the *Petrella* opinion was driven in large part by the separation of powers doctrine, the Federal Circuit noted that 35 U.S.C. § 282 evinced an intent by Congress to codify a laches defense, therefore distinguishing that case from *Petrella*.<sup>57</sup>

Further, the Federal Circuit reviewed pre-1952 case law and found that “[n]early every circuit recognized that laches could be a defense to legal relief prior to 1952,” and because Congress did not explicitly address the question of whether laches barred legal relief in the 1952 Act, it must be presumed that Congress intended to

retain the common law status quo.<sup>58</sup> The Federal Circuit also noted that because independent invention is not a defense in patent law (unlike in copyright law, where independent creation is a defense), “without laches, innovators have no safeguard against tardy claims demanding a portion of their success.”<sup>59</sup> However, the Federal Circuit held that a patent infringer will nonetheless be accountable to the patentee for royalties, despite laches. [On March 2, 2016, the Supreme Court granted cert. in *SCA*—ed.]

### III. Conclusion

Commentators on *Petrella* have suggested that it could have a potential chilling effect on those working in the creative industries, introducing uncertainty in the form of potential belated suits by copyright owners. The actual effect of *Petrella*, both doctrinally in the application of laches to copyright infringement suits and practically in its effect on business practices, remains to be seen.

### Endnotes

1. 243 F.3d 789 (4th Cir. 2001).
2. *Id.* at 798 (citing *Oneida County, N.Y. v. Oneida Indian Nation*, 470 U.S. 226, 262 n.12).
3. 134 S. Ct. 1962 (2014).
4. *TRW v. Andrews*, 534 U.S. 19, 27 (2001).
5. 409 F.Supp. 2d 235 (S.D.N.Y. 2004).
6. *Id.* at 247.
7. *Psihoyos v. John Wiley & Sons, Inc.*, 784 F.3d 120, 124-25 (2d Cir. 2014).
8. *See, e.g., Hoste v. Radio Corp. of America*, 654 F.2d 11 (6th Cir. 1981).
9. 873 F.2d 576 (2d Cir. 1989).
10. *See id.* at 577.
11. *Id.*
12. *Id.* at 584.
13. *See, e.g., Evergreen Safety Council v. RSA Network Inc.*, 2012 WL 4902830, at \*5 (9th Cir. Oct. 17, 2012); *Broadcast Music, Inc. v. Roger Miller Music, Inc.*, 396 F.3d 762, 783 (6th Cir. 2005); *Machaty v. Astra Pictures*, 197 F.2d 138, 142 (2d Cir. 1952).
14. 134 S. Ct. 1962 (2014).
15. *Id.* at 1969.
16. *Id.* at 1970.
17. *Id.*
18. *Id.*
19. *Id.*
20. *Id.* at 1971.
21. *Id.*
22. *Id.*
23. *Id.*
24. *Id.*
25. *Id.*
26. *Id.* at 1972.
27. *Id.*
28. *Id.*
29. *Id.*



- Paul Fakler is a partner at Arent Fox LLP in New York; Xiyin Tang is an associate in the firm's New York office.**

# Laches: Still Alive and Well in Trademark Infringement Cases

By Dyan Finguerra-DuCharme

## I. Introduction

Whether the equitable defense of laches applies in intellectual property disputes has been a hot topic over the past few years. In particular, in *Petrella v. MGM*<sup>1</sup> the U.S. Supreme Court held that laches is not a complete bar to a copyright infringement claim brought within the statutory three-year statute of limitation under section 507(b) of the Copyright Act. The Court clarified that although laches is not an available defense, it may affect the equitable relief available to infringers, explaining that “in determining appropriate injunctive relief and assessing profits, a court may take account of the delay in commencing suit.”<sup>2</sup> What, if anything, does *Petrella* mean for trademark litigation? The answer is nothing: the availability of a laches defense under the Lanham Act is exactly the same post-*Petrella*.

Unlike the Copyright Act, the Lanham Act specifically accounts for the defenses of laches: “Such conclusive evidence of the right to use the registered mark...shall be subject to the following defenses or defects: [t]hat equitable principles, including *laches*, estoppel, and acquiescence, are applicable.”<sup>3</sup> Because laches is expressly provided for in the Lanham Act, *Petrella* should have no impact on trademark cases. In fact, footnote 15 of *Petrella* confirms this: “[I]n contrast to the Copyright Act, the Lanham Act, which governs trademarks, contains no statute of limitations, and expressly provides for defensive use of “equitable principles, including laches.”<sup>4</sup> The Court cited *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813 (7th Cir. 1999), for the principle that because the Lanham Act has no statute of limitations, the court should look to the analogous state statute of limitations to determine whether the presumption of laches applies.<sup>5</sup> Thus, it is business as usual for the laches defense in the trademark arena.

To succeed on a laches defense, a defendant must show:

- (i) the plaintiff knew or should have known about potential claim;
- (ii) the plaintiff inexcusably delayed in taking action; and
- (iii) the defendant will be prejudiced by permitting plaintiff to inequitably assert its rights.

An important qualification is that because laches is an equitable doctrine, it does not apply if the infringement is willful, as “he who comes into equity must come with clean hands.”<sup>6</sup> This article examines laches in federal court and before the Trademark Trial and Appeal Board (the “Board”).

## II. Laches in Federal Court

### A. Preliminary Injunction

In seeking a preliminary injunction, timing is critical. In the Second Circuit, the plaintiff’s delay in filing suit is para-

mount; courts place little weight on whether the defendant has suffered prejudice as a result of the delay. Instead, they focus mainly on how long the plaintiff waited before suing. In *Citibank v. CityTrust*,<sup>7</sup> a bank had operated in Connecticut under the CITYTRUST mark since 1854. In July 1983, a Long Island publication announced CityTrust’s intention to open a Long Island office, and in December *Newsday* published an article about the bank’s decision to open the office. In May 1984, CityTrust opened its Long Island office and in June responded to a Citibank inquiry confirming that it had opened an office in Melville.

Citibank then filed a trademark infringement action and moved for a preliminary injunction to enjoin the use of CITYTRUST in New York. The district court granted the motion, but the Second Circuit reversed on the ground that Citibank had unreasonably delayed in seeking to enforce its rights. The Second Circuit explained that a preliminary injunction is based on the theory that there is an urgent need for speedy action and that significant delay neutralizes the presumption that the infringement alone will cause irreparable harm. Because Citibank waited more than ten weeks after it learned of CityTrust’s plans and more than nine months after the articles were published to file the suit, its failure to act sooner undercut the sense of urgency.

Since *Citibank*, district courts within the Second Circuit have taken a hard line on whether the plaintiff waited too long to seek preliminary relief. While delays of up to six months (or more) may be acceptable in some circuits, district courts within the Second Circuit usually do not permit delays of more than three months.<sup>8</sup>

### B. Permanent Injunction

For a permanent injunction, courts are more forgiving with delay by the plaintiff because the goal of the Lanham Act is to prevent consumer confusion. Thus, if the delay is not excessive, i.e., not more than three years, the court is likely to grant permanent injunctive relief if liability is established.<sup>9</sup>

In the Ninth Circuit, the litmus test for laches in the context of a permanent injunction is set forth in *Internet Specialties West v. Milon-DiGirogio Enters.*,<sup>10</sup> which involved the provision of Internet dial-up services in the 1990s. The plaintiff became aware of the defendant’s services in 1998 but decided that the services were not competitive and took no action. However, the defendant expanded its business, and by 2004 it was a direct competitor of the plaintiff. The plaintiff sent a demand letter in 2005 followed by an infringement action. After a jury trial, the court entered a permanent injunction.

On appeal, the Ninth Circuit held that the plaintiff’s delay was unreasonable, as it should have known as early as 1998 that the defendant’s activities were infringing. The

court nevertheless affirmed the injunction on the ground that the defendant suffered no prejudice as a result of the delay. The court focused on the level of public awareness that the defendant had developed in its mark during the period of delay and found little evidence that the defendant had achieved significant market penetration or brand recognition. The court thus concluded that the defendant would suffer little hardship by having to change its name. The reasoning of *Internet Specialties* continues to guide courts within and outside the Ninth Circuit.

In light of footnote 15, *Petrella* has had no apparent impact on how courts assess whether to issue a permanent injunction in the trademark context. For example, in *Fitbug v. Fitbit*,<sup>11</sup> a California district court applied *Internet Specialties* and denied an injunction on the ground that the plaintiff should have known at least five years prior to filing the suit of the defendant's purported infringing activity. The court rejected the argument that the limitations period does not start running until an actual sale of an infringing product occurs and cautioned—contrary to the Supreme Court's reasoning in *Petrella*—that a plaintiff cannot “wait and watch” as the defendant substantially invests in its allegedly infringing brand only to intervene once the investments pan out.

The status quo also remains the same in New York. In *Fed. Treasury Enter. Sojuzplodoimport v. Spirits Int'l B.V.*,<sup>12</sup> for example, a Southern District court found that because the Lanham Act contains no statute of limitations, it was appropriate to look to New York's six-year statute of limitation period for fraud. Given that the plaintiff had commenced the action less than six years after the defendant began to use the mark, the court held that the claim was not barred by laches.

The plaintiff may be able to toll the limitations period under the theory of “progressive encroachment,” which requires the plaintiff to show that (i) the defendant's activities initially were not within the plaintiff's market, so it would have been inappropriate for the plaintiff to file suit,<sup>13</sup> and (ii) the defendant's activities eventually expanded into the plaintiff's geographic region, bringing it into direct competition with the plaintiff and creating a likelihood of consumer confusion for the first time. If these facts are demonstrated, a plaintiff may be able to wait longer to sue and still defeat a laches defense.

### C. Laches in Board Proceedings

Laches is available as a defense in a cancellation proceeding based on a likelihood of confusion and/or dilution, but because the public interest is served by prohibiting registrations procured by fraud, laches is not a defense to a fraud on the PTO claim.<sup>14</sup> The Board applies the same laches test as a federal court: was there unreasonable delay by the party asserting its rights that has prejudiced the other party?<sup>15</sup>

In measuring the petitioner's delay, the Board starts from a date “no earlier than the date the involved mark

was published for opposition (or there was actual knowledge), and no later than the issue date of the registration (when the plaintiff is put on constructive notice).”<sup>16</sup> In *Mother's Nutritional*, the Board held that a delay of over three years and two months was not reasonable, rejecting the plaintiff's theory of progressive encroachment. The Board noted that since the publication of its applications, the respondent had added fifteen stores and spent over \$7.5 million on advertising, such that it would be subject to economic prejudice if its registrations were cancelled.<sup>17</sup>

### III. Conclusion

A plaintiff (and its attorney) must be cognizant of the passage of time when deciding whether to file suit or pursue cancellation. It seems that the “wait and see” approach will not be tolerated by either a federal court or by the Board. Thus, if a party is believed to be infringing, the plaintiff must act promptly or risk losing the ability to enforce its rights.

### Endnotes

1. *Petrella v. MGM*, 134 S. Ct. 1962 (2014).
2. *Id.* at 1974.
3. 15 U.S.C. §1115(B)(9) (emphasis added).
4. *Petrella*, 134 S. Ct. at 1613 & n.15.
5. 191 F.3d 813, 820-21 (7th Cir. 1999).
6. *Hermes Int'l v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104, 107 (2d Cir. 2000).
7. 756 F.2d 273 (2d Cir. 1985).
8. *Century Time Ltd. v. Interchron Ltd.*, 729 F. Supp. 366 (S.D.N.Y. 1990) (delay of four months sufficient to deny preliminary relief); *Racemark Int'l Inc. v. Specialty Products, Inc.*, 217 U.S.P.Q.2 772 (N.D.N.Y. 1982) (delay of 14 months sufficient to deny preliminary relief); see also S. Edleman, *Delay in Filing Preliminary Injunction Motions: Update 2002*, 92 Trademark Rptr 647 (2002) (“It is now quite risky to file a preliminary injunction motion in the Second Circuit if the plaintiff has delayed more than three months from the date it first had notice of the defendant's infringement.”).
9. *Golden West Brewing Co. v. Milonas & Sons*, 104 F.2d 880 (9th Cir. 1939) (three-year delay barred monetary relief, but not injunction); *Columbia University v. Columbia/HCA Healthcare Corp.*, 964 F. Supp. 733 (S.D.N.Y. 1997) (three-and-a-half-year delay barred all relief); *Grupo Gigante SA v. Dallo & Co.*, 391 F.3d 1088 (9th Cir. 2004) (four-year delay barred all relief).
10. 559 F.3d 985 (9th Cir. 2009).
11. 78 F. Supp.3d 1180 (N.D. Cal. 2015).
12. 41 F. Supp. 3d 395 (S.D.N.Y. 2014).
13. *Fitbug*, 78 F. Supp. at 1190.
14. *Hornby v. TJX Cos.*, 87 U.S.P.Q.2d 1411, 1419 (T.T.A.B. 2008).
15. *Bridgestone/Firestone Research, Inc. v. Automobile Club de L'Ouest de la France*, 245 F.3d 1359 (Fed. Cir. 2001).
16. *Ava Ruha Corp. v. Mother's Nutritional Ctr., Inc.*, 113 U.S.P.Q.2d 1575 (T.T.A.B. 2015).
17. *Id.* at 1583.

**Dyan Finguerra-DuCharme is a partner with Pryor Cashman LLP in New York.**



# What Will Become of *Alice*?

By Michael A. Oropallo and Bella S. Satra

## I. Introduction

The U.S. Supreme Court decided *Alice Corp. Pty. Ltd. v. CLS Bank Int'l* in 2014.<sup>1</sup> Like any other Supreme Court case, lawyers paid attention. And because of the relatively sparse attention the Supreme Court historically has paid to patent law, IP lawyers paid particular attention. Unfortunately, many businesses had no idea of the impact this case would have on their futures and on the future of patent law in the cyber age.

*Alice* addressed one of the most fundamental aspects of patent law—the eligibility of an idea or innovation for patent protection—a threshold question that most patent attorneys take for granted, especially with respect to complex computer software and detailed algorithmic equations. However, that threshold, or a renewed permutation of it, has now been called into question, and many patents—and related licensing arrangements—are being voided under *Alice*, with potentially catastrophic consequences for our high-tech economy.

*Alice* involved a challenge to patentability under section 101 of the Patent Act, which defines patentable subject matter, with implied exceptions for laws of nature, natural phenomena, and abstract ideas. It is the last category that the *Alice* Court was faced with in the context of the interplay between patent law and the growing use of computers, software, and algorithms to perform conventional tasks and methods, often in a faster and more efficient manner.

## II. Patentability

Section 101 of the Patent Act of 1952 provides:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.<sup>2</sup>

In addressing this threshold criterion for patentability, courts have long recognized an implied exception for laws of nature, natural phenomena, and abstract ideas.<sup>3</sup> *Alice* put an exclamation point on the non-patentability of abstract ideas, but it was not the first Supreme Court decision on this subject. It was instead the last in a trilogy of recent cases in which the Court has addressed the implicit exceptions to section 101.<sup>4</sup>

In *Bilski v. Kappos*,<sup>5</sup> the Court addressed the “abstract ideas” category in the context of a method for hedging

against the financial risk of price fluctuations in commodities trading. The Court held that the subject matter before it claimed an idea too abstract to patent, but the justices parted ways concerning how to determine whether an inventive concept or process is sufficient to transform the claimed abstract idea into a patent-eligible invention. The majority rejected the notion of categorically excluding business method patents from eligibility, but in a concurring opinion, Justice Stevens argued that methods of doing business are not patentable processes under section 101, and he noted the majority did not provide sufficient guidance as to what constitutes unpatentable abstract subject matter.

*Mayo Collaborative Servs. v. Prometheus Labs., Inc.*<sup>6</sup> the second case in the trilogy, involved claims covering processes that help doctors who use thiopurine drugs to treat patients with autoimmune diseases to determine whether a given dosage level is too low or too high. The claims purported to apply natural laws describing the relationships between the concentration in the blood of certain thiopurine metabolites and the likelihood that the drug dosage will be ineffective or induce harmful side-effects. The Court recognized that there are certain “building blocks” of human ingenuity that can never be patented, as doing so would give the patent holder a tacit monopoly on the use of those building blocks and would thwart the Constitutional objective “[t]o promote the Progress of Science and the useful Arts.”<sup>7</sup> The Court recognized the friction between two fundamental yet competing concerns—(1) impeding innovation by granting patents to ineligible subject matter; and (2) the potential that these prohibitions could “swallow all of patent law” if construed too broadly—and that its formidable task was to provide guidance on where to draw the line.<sup>8</sup>

The Court set forth the framework for the inquiry: (1) determining whether the patent claims at issue are directed to one of the patent-ineligible categories, and (2) asking “What else is there in the claim...?”<sup>9</sup> The Court further stated that it must “consider the elements of each claim both individually and as an ordered combination to determine whether the additional elements transform the nature of the claim into a patent-eligible application.”<sup>10</sup> The latter has been dubbed a search for an “inventive concept.”

*Alice* took the Court’s “abstract ideas” jurisprudence a step further—in a way that many did not see coming. In its wake, district courts have invalidated more than seventy percent<sup>11</sup> of computer software patents, sending shock waves through both the legal and business communities.



### III. *Alice*

The petitioner, Alice Corporation, held patents designed to manage certain forms of financial risk by reducing the chances that only one party to an agreed-upon financial exchange will satisfy its obligation. Alice used a computer system as a third-party intermediary to assess that risk.<sup>12</sup> In practice, the intermediary creates a “shadow” account ledger that mirrors debit and credit activity in the parties’ real-world bank accounts.<sup>13</sup> The intermediary updates these shadow records in real time as transactions are entered and allows only those transactions for which the parties’ updated shadow records indicate sufficient resources to cover their mutual obligations.<sup>14</sup> At the end of the day, the intermediary instructs the bank to carry out the “permitted” transactions in accordance with the updated shadow records, thereby mitigating the risk that only one party will perform the agreed-upon exchange.<sup>15</sup>

The patents-in-suit claimed (1) a method for exchanging obligations (the method claims), (2) a computer system configured to carry out the method for exchanging obligations (the system claims), and (3) a computer-readable medium containing code for performing the method of exchanging obligations (the media claims).<sup>16</sup> All of the claims were implemented using a computer.<sup>17</sup>

Respondent CLS Bank operated a global network that facilitates currency transactions and, in 2007, sued Alice seeking a declaratory judgment that the claims at issue were invalid, unenforceable, or not infringed.<sup>18</sup> Alice filed an infringement counterclaim.<sup>19</sup> The district court held all of Alice’s claims ineligible under section 101 because they were directed to an abstract idea.<sup>20</sup> A divided panel of the Federal Circuit reversed, finding it not “manifestly evident” that the claims were directed to an abstract idea.<sup>21</sup> The Federal Circuit granted en banc review, and, in a one-paragraph per curiam opinion, vacated the panel opinion and affirmed the judgment of the district court.<sup>22</sup>

The en banc ruling reflected the divisions on the court. Writing for the five-judge plurality, Judge Alan D. Lourie concluded that all of the claims were patent-ineligible. Then-Chief Judge Randall R. Rader, concurring in part and dissenting in part, agreed that the method and media claims were abstract ideas, but he would have sustained the system claims.<sup>23</sup> Judge Kimberly Ann Moore wrote a separate opinion also finding the system claims were patent-eligible. Finally, Judge Pauline Newman filed a separate opinion finding all claims patent-eligible, as did Judges Richard Linn and Kathleen M. O’Malley.<sup>24</sup>

The Supreme Court, in an opinion by Justice Clarence M. Thomas, held that under the framework set forth in *Mayo*, the claims at issue were “drawn to the abstract idea of intermediated settlement” and that because the claims did “no more than simply instruct the practitioner to implement the abstract idea of intermediated settlement on

a generic computer[.]” they were patent-ineligible under section 101.<sup>25</sup>

The Court held that the “concept of intermediated settlement” is a “fundamental economic practice long prevalent in our system of commerce” and therefore an abstract idea.<sup>26</sup> Drawing on prior precedent, the Court further found that the additional recitation of a “generic computer” could not transform the patent-ineligible idea into a patent-eligible invention, as the claims did “no more than require a generic computer to perform generic computer functions.”<sup>27</sup> In other words, the patentee put forth “‘nothing significantly more’ than an instruction to apply the abstract idea of intermediated settlement using some unspecified generic computer.”<sup>28</sup>

### IV. *Post-Alice*

*Alice* traced a path to the patent graveyard. District courts throughout the country began addressing motions to invalidate patents grounded in computer technology or that used software or algorithms in their claims. For example, in *In re West View Research, LLC*<sup>29</sup> the court invalidated the subject claims under section 101 on the ground that the patents did “little more than describe the use of a computer to obtain information while in an elevator (or other related transport device).” Similarly, in *O2 Media, LLC v. Narrative Sci. Inc.*<sup>30</sup> the district court invalidated the claims at issue on the ground that the patents were “directed to an abstract and generic concept—the process of identifying, organizing, and reporting relevant data” and “fail[ed] to imbue that process with any significant innovative concept.”<sup>31</sup>

As patents began to fall, more invalidity motions were filed, and more patents fell. This resulted in potentially catastrophic consequences for computer-based industries.

Patents that have (thus far) withstood *Alice* attacks may perhaps point a way toward ensuring the validity of future cyber-patents or at least provide some guidance on drilling down into how the claims are “improvements” over the prior art or are novel and useful applications of what are at some level considered to be “abstract” ideas.<sup>32</sup>

For example, in *TimePlay, Inc. v. Audience Entm’t LLC*<sup>33</sup> a California district court held the claims of the patent-in-suit directed to a multi-player video game were patent-eligible. The defendant had argued the claims were ineligible and were directed to “nothing more than the abstract idea of allowing multiple people to play a game together on a shared display using generic computer and communications hardware.”<sup>34</sup> Under the section 101 framework set forth in *Alice* and its predecessors, the *TimePlay* court first examined whether the invention was drawn to an abstract idea and explained that under the relevant standard, the “Federal Circuit and courts in this

district require that a court examine the *purpose* of a challenged claim to determine whether it is abstract.”<sup>35</sup>

Looking to the specification of the patent to find such a purpose, the court concluded it was to “‘ameliorate one or more shortcomings of existing multi-player gaming systems,’ in particular the difficulties of identifying one’s game character on a large screen and providing a practical and cost-effective means to manage game input commands where numerous players and associated game characters are present” and that this purpose was sufficiently specific.<sup>36</sup> The court also addressed the second step of the *Alice* framework and found the claims to be patent-eligible.<sup>37</sup>

## V. Looking Forward

So what is a practitioner to do after *Alice*? What are technology companies going to do?

As noted above, either Congress or the Federal Circuit could step in to provide some additional guidance to district court judges to conduct a more granular analysis of the claims instead of invalidating patents merely because the claims are tied to a computer or computer software. There is no question that many of the digital innovations for which patent protection is sought are useful and efficient improvements upon the prior art. There is also no question that, at some level, these “new” innovations are simply applications of “old” ideas. However, the Constitution’s mandate, and a guiding principle of patent law, is the promotion of science and the useful arts,<sup>38</sup> and *Alice* and its recent applications by district courts seems to be having a chilling effect on patents and innovation that poses a threat to our technology-based economy.

Congress seems poised to address this issue, but a legislative solution does not seem likely in the short term. The Federal Circuit has begun to weigh in on “patent ineligible subject matter” post-*Alice*. In *In re Smith*,<sup>39</sup> decided on March 10, 2016, the Federal Circuit reviewed a final decision of the Patent Trial and Appeal Board that had rejected certain claims of claimed patentable subject matter for a wagering game similar to blackjack. The patent examiner had rejected certain claims of the application as being directed to patent-ineligible subject matter under section 101 in accordance with *Bilski*’s machine-or-transformation test. In a de novo review, the Federal Circuit followed the “now-familiar two-step test introduced in *Mayo*...and further explained in *Alice*.”<sup>40</sup> The court easily found (citing its own precedent) that the claims were directed to an “abstract idea.”<sup>41</sup> The court then sought to determine whether the subject matter contained an “‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”<sup>42</sup> It found that “shuffling and dealing” a standard set of playing cards is the equivalent of computer imple-

mentation and affirmed the rejection of claims under section 101.<sup>43</sup> The court did note in dicta “that is not to say all inventions in the gaming arts would be foreclosed from patent protection under §101.”<sup>44</sup>

One additional approach to evaluating “abstract ideas” would be to borrow the legal reasoning from copyright law, where similar friction existed about one hundred years ago in drawing a line between unprotectable ideas and protectable expression. In the famous case *Nichols v. Universal Pictures Corporation*,<sup>45</sup> Judge Learned Hand penned an opinion for the Second Circuit on a fundamental issue of copyright law: Where does one draw the line between expression and what is expressed? In other words, at what level does protectable expression morph into an unprotectable idea? As Judge Hand put it:

Upon any work, and especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times consist only of its title; **but there is a point in this series of abstractions where they are no longer protected**, since otherwise a playwright could prevent the use of his “ideas,” to which, apart from their expression, his property is never extended. [citations omitted]. **Nobody has ever been able to fix that boundary, and nobody ever can.**<sup>46</sup>

Judge Hand went on to discuss how to find the boundary between an abstract idea and the legal protection of an author’s intellectual property, holding that general themes or characters were mere “‘ideas’... as little capable of monopoly as Einstein’s Doctrine of Relativity, or Darwin’s theory of the Origin of the Species,”<sup>47</sup> as a theme is “too generalized an abstraction” for infringement.<sup>48</sup>

Inasmuch as this copyright guidance has withstood the test of time, perhaps using it to recognize that “abstract ideas” in the patent context are simply at one end of a generality spectrum when it comes to patentability and are not (as recent decisions imply) a single defined category of ineligibility is a better solution. Doing so would put the focus at the district court level on the asserted claims of the patent and where they fall on that spectrum, with the ultimate inquiry being whether those claims are unprotectable abstract “ideas” or protectable refinements of ideas that promote science and the useful arts.

For now, it seems best to follow the guidance and reasoning of cases holding these types of patents are valid and hope the growth of the patent graveyard slows.

## Endnotes

1. *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014).
2. 35 U.S.C. § 101.
3. *See Association for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107 (2013).
4. *See Mayo Collaborative Servs. v. Retail Decisions, Inc.*, 132 S. Ct. 1289 (2012); *Bilski v. Kappos*, 561 U.S. 593 (2010).
5. 561 U.S. 593 (2010).
6. 132 S. Ct. 1289 (2012).
7. U.S. Const., Art. I, § 8, cl. 8.
8. *Alice*, 134 S. Ct. at 2354 (“we must distinguish between patents that claim the ‘building block[s]’ of human ingenuity and those that integrate the building blocks into something more, thereby ‘transforming’ them into patent-eligible invention.”) (citing *Mayo*, 132 S. Ct. 1289).
9. *Id.*
10. *Id.*
11. *See, e.g.*, [www.mondaq.com](http://www.mondaq.com) (“The Supreme Court’s Decision in *Alice Corp. v. CLS Bank Has Taken A Heavy Toll On Patents For Computer-Related Inventions*”).
12. *Id.* at 2352.
13. *Id.*
14. *Id.*
15. *Id.*
16. *Id.* at 2353.
17. *Id.*
18. *Id.*
19. *Id.*
20. *CLS Bank Int’l v. Alice Corp. Pty, Ltd.*, 768 F. Supp.2d 221, 252 (D.C. 2011).
21. *CLS Bank Int’l v. Alice Corp. Pty.*, 685 F.3d 1341, 1352-56 (Fed. Cir. 2012).
22. *CLS Bank Int’l v. Alice Corp. Pty*, 717 F.3d 1269, 1273 (Fed. Cir. 2013).
23. *Id.* at 1307.
24. *Id.* at 1327.
25. *Alice*, 134 S. Ct. at 2355, 2359-60.
26. *Id.* at 2356.
27. *Id.* at 2358-59.
28. *Id.* at 2360.
29. No. 14 CV 2675 CAB (WVG), 2015 U.S. Dist. LEXIS 174629, \*23 (N.D. Cal. Dec. 11, 2015).
30. No. 15 C 05129, 2016 U.S. Dist. LEXIS 23320, \*1-2 (N.D. Ill. Feb. 25, 2016).
31. *See also Voxathon LLC v. Alpine Elecs. of Am., Inc.*, No. 2:15-cv-562-JRG, 2016 U.S. Dist. LEXIS 6800 (E.D. Tex. Jan. 21, 2016) (“the Court finds that no inventive concept exists to transform the claimed abstract idea of responding to the sender of a message into a patent-eligible invention”).
32. The authors suggest that copyright law, and Judge Learned Hand’s discussion of the varying levels of “abstraction” this esteemed jurist articulated in *Nichols v. Universal Pictures Corporation*, 45 F.2d 119, 121 (2d Cir. 1930), may be helpful. *See id.* (“But when the plagiarist does not take out a block in situ, but an abstract of the whole, decision is more troublesome. Upon any work, and especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his ‘ideas,’ to which, apart from their expression, his property is never extended.”) (citations omitted).
33. No. CV 15-05202 SJO (JCx), 2015 U.S. Dist. LEXIS 174781 (C.D. Cal. Nov. 10, 2015).
34. *Id.*, at \*6.
35. *Id.* at \*9 (emphasis in original).
36. *Id.* at \*17-18.
37. *See also IBM v. Priceline Group Inc.*, No. 15-137-LPS-CJB, 2016 U.S. Dist. LEXIS 18660 (D. Del. Feb. 16, 2016) (finding the claims to be patent eligible); *Communique Lab., Inc. v. Citrix Sys.*, No. 1:06-cv-253, 2015 U.S. Dist. LEXIS 170195 (N.D. Ohio Dec. 21, 2015) (denying motion for summary judgment for patent ineligible matter under section 101); *Finjan, Inc. v. Blue Coat Sys.*, No. 13-cv-03999-BLF, 2015 U.S. Dist. LEXIS 158198 (N.D. Cal. Nov. 20, 2015) (finding subject matter to be patent eligible following jury trial).
38. U.S. Const., Art. I, §8, cl. 8; *see Alice*, 134 S. Ct. at 2354 (“we tread carefully in construing this exclusionary principle lest it swallow all of patent law.”).
39. No. 2015-1664 (Fed. Cir. Mar. 10, 2016).
40. *Id.*
41. *Id.*
42. *Id.* (citing *Alice*, 134 S. Ct. at 2357).
43. *Id.*
44. *Id.*
45. 45 F.2d 119 (2d Cir. 1930).
46. *Id.* at 121 (emphasis added).
47. *Id.*
48. *Id.*

**Michael A. Oropallo is a partner in the Syracuse office of Barclay Damon, LLP and Bella S. Satra an associate in the Albany office of Barclay Damon, LLP.**

## International Legal Alliance Summit & Awards

The 8th edition of the ILASA will take place on the 16th of June at the Crowne Plaza Hotel in New York City. It will gather over 500 senior representatives of the leading law firms, General Counsel, Chief IP Counsel and Tax Directors from more than 40 countries. For further information, contacts and registration, please visit <http://ilasummit.com/>.

# Welcome New Members

Tatiana N. Alyonycheva  
Christine N. Appah  
Peter V. Arcese  
Satoshi Asahi  
Teague Archibald Avent  
Bishoi Aziz  
Martin S. Bancroft  
Timothy S. Banvard  
Emmanuel Barbault  
Rami Bardenstein  
Michael Barer  
Kimberly Barr  
Christopher Perry Beall  
Gary Oliver Bennett  
John M. Bergin  
Brette Berman  
William G. Binckes  
Sarah Louise Bishop  
Tess Bonoli  
David C. Buxbaum  
Vadim Bychok  
Amy Sullivan Cahill  
Daniel N. Calder  
Christopher Carfora  
William Carlsen  
Kwang Yup Chae  
Yong Jun Choi  
Patricia Clark  
Columbus Coleman  
John Corrado  
Wayne Matthew Cox  
Leanne Michele Cronic-Powell  
Saroja Cuffey  
Taras Michael Czebiniak  
David Max Dahan  
Uri Dallal  
Nathalie De Choudens  
John Dominic Della Porta  
Christina Dellaporte  
Amy Deroo  
Thomas Clinton Dorwart  
Matthew Joseph Dubroff  
Dhiraj Rethi Duraiswami  
Fernando De Aro Dutra  
Endy De Guimaraes E Moraes  
Eileen Marie Ebel  
Hamada El Tatawy  
Jessie A. Farrell  
Deborah Fischler  
Daniel Forman  
Charles Franchini  
Philip J. Friedman  
Samantha Gerold  
Seena Ghebleh  
Maricela Gonzalez  
Julie M. Gottselig  
Kristin Alanna Grant  
Jordan D. Greenberger  
Samuel Rory Grogan

Howard Ian Grossman  
Stephan Grynwajc  
Donato Guadagnoli  
Nicole Guitelman  
Heather M. Hage  
Roy Ahron Hakimian  
Brandon Harmer  
Althea Harris  
John C. Heinbockel  
Michelle Herzog  
Michael B. Holt  
Ulana Holubec  
Christopher Hoolehan  
Matthew Hylowitz  
Joseph Aaron Jacobson  
Terria P. Jenkins  
Stephanie J. Kamerow  
Ashley G. Kessler  
Michael King  
Daniel Butterfield Koburger  
Amanda Kusnierz  
Sara M. Langston  
Jaclyn Leigh Laporta  
John Laurence  
Michael Scott Leavy  
Margaret Lee  
Jared R. Leibowitz  
Susan K. Leslie  
Katherine E. Lewis  
Kyanna Amoy Lewis  
Emmanuel Hilario Lightbourne  
Brendan Sean Lillis  
Yi-wen Lin  
William J. Lodico  
Shaina R. Low  
Carl J. Madonna  
Patrick Marc  
Chrystal Michelle Matthews  
Mark David McBriar  
Whitney R. McGuire  
Megan Mercier  
Eric Craig Merenstein  
Jacob Merrill  
Christopher Messina  
Daina Migdel  
Filomena Milano  
Alexandra Mink  
Marcus Moore  
Natasha Andreevna Moskvina  
Steven Keller Mossey  
Marcia B. Moulon-Atherley  
Jack M. Mrsich  
Kazumasa Nagayama  
Koyu Nakamura  
Ruhy Narang  
Sinna Bryce Nasser  
James Robert Nault  
Zulaihat Nauzo  
Thomas Anthony Neyarapally

Avery Nickerson  
A. H. Meaghan Ntozake-Crump  
John Nwaghanata  
Yumiko Oda  
Julia Yaa Janewa Osei-Tutu  
Juliet Leigh Outten  
Anna S. Park  
Hyejin Park  
Michael Nasser Petegorsky  
Nicola Anthony Pisano  
William Andrew Pittenger  
John Joseph Quinn  
Nicholas Ribaudo  
Marilyn Richards  
Jennifer Michelle Riso  
Edward Leigh Sagar  
Sammy Said  
Jorge L. Sanchez  
Aliya Sanders  
Marcus Charles Sands  
Faina Savich  
Jason B. Scher  
Olivia Scheuer  
Elisabeth A. Schiffbauer  
Jacob Isaac Seelig  
Pia Monica Sen  
Mishika M. Shah  
Takashi Shimokado  
Jaeyong Shin  
Pallavi Singh  
Robert J. Sinnema  
Kyle Raymond Smit  
Garrett Martin Smith  
Evette Antoinette Stair  
Marc J. Stone  
Tae Kyung Sung  
Mark Michael Supko  
Richard Tarzia  
Pia Katerina Tempongko  
Ryan Thorne  
Allison Marie Thorpe  
Elias Tsouristakis  
Arielle Vered  
Christina M. Verone Juliano  
Joyce Helen Alexandra Von Natzmer  
Michael Nicholas Vranjes  
Jeffrey Warshafsky  
Lin Frederick Weeks  
Wesley Lanier White  
Samantha Williams  
Robin Wills  
Kirsten Marie Wolf  
Milton M. Wolson  
Ya-lun Yen  
Ariela Rachel Yevick  
Chiharu Yuki  
Anis Zerriny  
Michael J Zussman





# Lawyer Assistance Program

## Your **First Choice**

## or Your **Last Resort**

**Call us** when you see the early warning signs... missed deadlines, neglected email, not returning phone calls, drinking too much, feeling sad and hopeless.

OR

**Call us** when you see the consequences of ignoring the early warning signs... work problems, relationship difficulties, an arrest, fired from your job, notice from grievance.

# Call **1.800.255.0569**

NEW YORK STATE BAR ASSOCIATION  
LAWYER ASSISTANCE PROGRAM

[www.nysba.org/lap](http://www.nysba.org/lap)  
[nysbalap@hushmail.com](mailto:nysbalap@hushmail.com)



# **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 Winter 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 sponsors 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. Now, with Mandatory Continuing Legal Education (MCLE) requirements, Intellectual Property Law Section membership is more valuable than ever before! The Section also sponsors joint programs with Law Schools including an annual writing contest for law students wherein the winning articles appear in an issue of *Bright Ideas*.

#### **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 Copyright Law; Diversity Initiative; Ethics; Greentech; International IP Law; Internet & Technology Law; Legislative/Amicus; Litigation; Patent Law; Pro Bono and Public Interest; Trademark Law; Trade Secrets; Transactional Law; 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.

- |  |   |
|--|---|
| <input type="checkbox"/> Advertising Law (IPS3000)                         | <input type="checkbox"/> Litigation (IPS2500)                   |
| <input type="checkbox"/> Copyright Law (IPS1100)                           | <input type="checkbox"/> Membership (IPS1040)                   |
| <input type="checkbox"/> Diversity Initiative (IPS2400)                    | <input type="checkbox"/> Patent Law (IPS1300)                   |
| <input type="checkbox"/> Ethics (IPS2600)                                  | <input type="checkbox"/> Pro Bono and Public Interest (IPS2700) |
| <input type="checkbox"/> In-House Initiative (IPS2900)                     | <input type="checkbox"/> Trademark Law (IPS1600)                |
| <input type="checkbox"/> International Intellectual Property Law (IPS2200) | <input type="checkbox"/> Trade Secrets (IPS1500)                |
| <input type="checkbox"/> Internet and Technology Law (IPS1800)             | <input type="checkbox"/> Transactional Law (IPS1400)            |
| <input type="checkbox"/> Legislative/ Amicus (IPS2300)                     | <input type="checkbox"/> Young Lawyers (IPS1700)                |

Please e-mail your committee selection(s) to [IntellectualProperty@nysba.org](mailto:IntellectualProperty@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:*

**Member Resource Center  
New York State Bar Association  
One Elk Street  
Albany, New York 12207  
Telephone: 518/463-3200  
FAX: 518/487-5579  
[www.nysba.org/membership](http://www.nysba.org/membership)**

# 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.

## Advertising Law

Brooke Erdos Singer  
Davis & Gilbert LLP  
1740 Broadway  
New York, NY 10019  
bsinger@dglaw.com

## Copyright Law

Oren J. Warshavsky  
Baker & Hostetler LLP  
45 Rockefeller Plaza  
New York, NY 10111  
owarshavsky@bakerlaw.com

## Diversity Initiative

Joyce L. Creidy  
4617 6th Avenue  
Brooklyn, NY 11220  
joyce.creidy@thomsonreuters.com

Deborah Robinson  
Viacom Inc.  
1515 Broadway  
New York, NY 10036-8901  
deborah.robinson@viacom.com

## Ethics

Philip Furgang  
Furgang & Adwar, LLP  
1325 Avenue of the Americas, 28th Fl.  
New York, NY 10019  
philip@furgang.com

Rory J. Radding  
Locke Lord LLP  
3 World Financial Center, Ste 2001  
New York, NY 10281-2101  
rory.radding@lockelord.com

## In-House Initiative

Joseph John Conklin  
Coty Inc.  
350 5th Avenue  
New York, NY 10118  
Joseph\_Conklin@cotyinc.com

## International Intellectual Property Law

Stacy Lynn Wu  
CBS Corporation  
51 West 52nd Street  
New York, NY 10019  
stacywu@gmail.com

## Internet and Technology Law

Richard L. Ravin  
Hartman & Winnicki, PC  
115 West Century Rd  
Paramus, NJ 07652  
rick@ravin.com

## Legislative/Amicus

Charles Eric Miller  
Eaton & Van Winkle LLP  
3 Park Avenue, 16th Floor  
New York, NY 10016  
cmiller@evw.com

## Litigation

Marc A. Lieberstein  
Kilpatrick Townsend & Stockton LLP  
1114 Avenue of the Americas, 21st Fl.  
New York, NY 10036-7709  
mlieberstein@kilpatricktownsend.com

Paul W. Garrity  
Sheppard, Mullin, Richter  
& Hampton LLP  
30 Rockefeller Plaza, 39th Fl.  
New York, NY 10112-0015  
pgarrity@sheppardmullin.com

## Membership

William Robert Samuels  
W.R. Samuels Law PLLC  
280 Madison Avenue, Ste. 600  
New York, NY 10016  
bill@wrsamuelslaw.com

Robin E. Silverman  
Golenbock Eiseman Assor Bell  
& Peskoe LLP  
437 Madison Avenue  
New York, NY 10022  
rsilverman@golenbock.com

## Patent Law

Douglas A. Miro  
Ostrolenk Faber LLP  
1180 Avenue of the Americas, 7th Fl.  
New York, NY 10036  
dmiro@ostrolenk.com

Michael A. Oropallo  
Barclay Damon LLP  
One Park Place  
300 South State Street  
Syracuse, NY 13202-2078  
moropallo@barclaydamon.com

## Pro Bono and Public Interest

Debra Resnick  
Charles River Associates  
1155 Avenue of the Americas, 18th Fl.  
New York, NY 10036  
dresnick@crai.com

## Trademark Law

William Robert Samuels  
W.R. Samuels Law PLLC  
280 Madison Avenue, Ste. 600  
New York, NY 10016  
bill@wrsamuelslaw.com

Andrew Ashford Tucker  
Fross Zelnick Lehrman & Zissu  
866 UN Plaza  
New York, NY 10017  
atucker@fzlz.com

## Trade Secrets

Victoria A. Cundiff  
Paul Hastings Janofsky & Walker, LLP  
75 East 55th Street  
New York, NY 10022  
Victoriacundiff@paulhastings.com

Andre G. Castaybert  
Castaybert PLLC  
830 Third Avenue, 5th Fl.  
New York, NY 10022  
acastaybert@ac-counsel.com

## Transactional Law

Robin E. Silverman  
Golenbock Eiseman Assor Bell  
& Peskoe LLP  
437 Madison Avenue  
New York, NY 10022  
rsilverman@golenbock.com

Danielle Ella Gorman  
Locke Lord LLP  
750 Lexington Avenue  
New York, NY 10022  
danielle.gorman@lockelord.com

## Young Lawyers

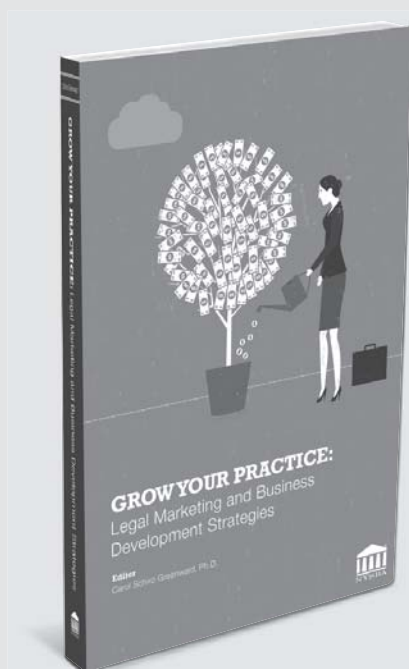
Nyasha S. Foy  
IILP  
185 West Broadway  
New York, NY 10013-2921  
nyasha.foyesq@gmail.com



# Grow Your Practice: Legal Marketing and Business Development Strategies



Editor: **Carol Schiro Greenwald, Ph.D**



**Also available as an  
E-Book (Downloadable PDF).**

## PRODUCT INFO AND PRICES

2015 / 302 pp., softbound

PN: 41265 (Print)

PN: 41265E (E-book)

<b>NYSBA Members</b>	<b>\$50</b>
Non-members	\$65

Order multiple titles to take advantage of our low flat rate shipping charge of \$5.95 per order, regardless of the number of items shipped. \$5.95 shipping and handling offer applies to orders shipped within the continental U.S. Shipping and handling charges for orders shipped outside the continental U.S. will be based on destination and added to your total.

\*Discount good until June 17, 2016.

Edited by Carol Schiro Greenwald, Ph.D, and written by attorneys and marketing professionals who work with attorneys, this book delivers a client-centric approach to today's legal marketing with tips on communication and how to deliver value.

This book is divided into three sections. *Section 1*, Marketing Basics, includes tips on strategy, planning and communicating value to clients. *Section 2*, Personal Marketing, focuses on branding, client relationships and social media. This section also includes a useful discussion of the marketing-related regulations of the New York Rules of Professional Conduct, along with relevant U.S. Supreme Court cases. *Section 3*, Firm Marketing, discusses the use of technology in legal marketing, the importance of assessing firm culture and the benefits of client feedback.

Whether in a large firm or solo practice, today's attorneys must be prepared to grapple with the basics of marketing in order to stay ahead, making this title an indispensable addition to any legal library.

**1.800.582.2452**

Mention Code: PUB8306N

**[www.nysba.org/pubs](http://www.nysba.org/pubs)**



## 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. Submissions may be of any length.

Submissions should preferably be sent by e-mail to Jonathan Bloom, Editor-in-Chief, at the address indicated on this page. Submissions for the Fall 2016 issue must be received by July 1, 2016.

### At-Large Members of the Executive Committee

David B. Bassett      Raymond A. Mantle

### Accommodations for Persons with Disabilities:

NYSBA welcomes participation by individuals with disabilities. NYSBA is committed to complying with all applicable laws that prohibit discrimination against individuals on the basis of disability in the full and equal enjoyment of its goods, services, programs, activities, facilities, privileges, advantages, or accommodations. To request auxiliary aids or services or if you have any questions regarding accessibility, please contact the Bar Center at (518) 463-3200.

*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.

Copyright 2016 by the New York State Bar Association.  
ISSN 1530-3934 (print)      ISSN 1933-8392 (online)

## BRIGHT IDEAS

### Editor-in-Chief

Jonathan Bloom  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153-0001  
jonathan.bloom@weil.com

### Executive Editor

Rory J. Radding  
Locke Lord LLP  
3 World Financial Center, Ste 2001  
New York, NY 10281-2101  
rory.radding@lockelord.com

## Section Officers

### Chair

Charles Thomas Joseph Weigell, III  
Fross Zelnick Lehrman & Zissu PC  
866 United Nations Plaza  
New York, NY 10017  
cweigell@fzlz.com

### Vice-Chair

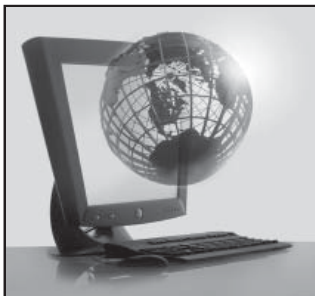
Erica D. Klein  
Kramer Levin Naftalis & Frankel LLP  
1177 Avenue of the Americas  
New York, NY 10036-2714  
eklein@kramerlevin.com

### Treasurer

Michael A. Oropallo  
Barclay Damon LLP  
One Park Place  
300 South State Street  
Syracuse, NY 13202-2078  
mropallo@barclaydamon.com

### Secretary

Robin E. Silverman  
Golenbock Eiseman Assor Bell & Peskoe LLP  
437 Madison Avenue  
New York, NY 10022  
rsilverman@golenbock.com



## CHECK US OUT ON THE WEB

[www.nysba.org/IPL](http://www.nysba.org/IPL)

Scenes from the  
Intellectual Property Law Section  
**ANNUAL MEETING PROGRAM**

January 26, 2016  
New York Hilton Midtown  
New York City





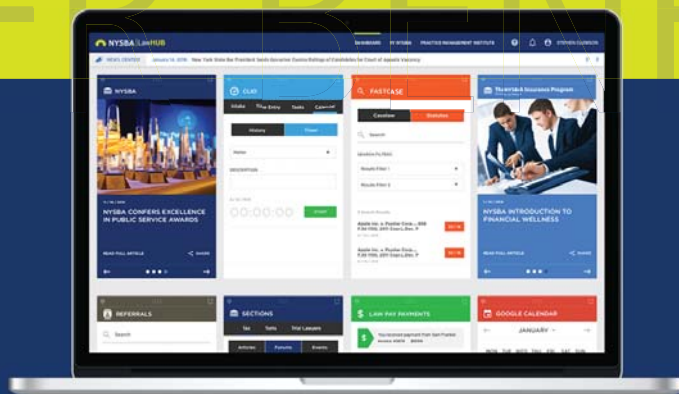


NEW YORK STATE BAR ASSOCIATION  
**INTELLECTUAL PROPERTY LAW SECTION**  
One Elk Street, Albany, New York 12207-1002

**ADDRESS SERVICE REQUESTED**

NON PROFIT ORG.  
U.S. POSTAGE  
**PAID**  
ALBANY, N.Y.  
PERMIT NO. 155

## MEMBER BENEFIT



**EVERYTHING YOU NEED TO RUN YOUR PRACTICE,**

# ALL IN ONE PLACE!

LawHUB<sup>sm</sup> offers NYSBA members a continuous and relevant connection throughout your workday to easily manage and grow your practice.

Get Started Today at: [mylawhub.NYSBA.org](http://mylawhub.NYSBA.org)

