

Bright Ideas

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

Inside

- Navigating the Intellectual Property Landscape
- Acquired Distinctiveness of Trademarks in the United States
- *Varsity Brands* and Intellectual Property Protection for Fashion Designs
- *JVC v. Nero's* Strategic Retreat From the Precipice of Patent Exhaustion

Grow Your Practice: Legal Marketing and Business Development Strategies

Section
Members get
20%
discount*
with coupon code
PUB8192N

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

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.



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

PRODUCT INFO AND PRICES

2015 / 302 pp., softbound

PN: 41265 (Print)

PN: 41265E (E-book)

NYSBA Members	\$50
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.

1.800.582.2452 **www.nysba.org/pubs**

Mention Code: PUB8192N

*Discount good until February 15, 2016



Table of Contents

	Page
Message from the Chair (Charles Weigell)	4
Navigating the Intellectual Property Landscape: A Primer for New Businesses and Businesses Readying a New Product/Service Launch..... (Joel J. Felber and Yuval H. Marcus)	5
Acquired Distinctiveness of Trademarks in the United States (Matthew D. Asbell)	13
Debating Designs: <i>Varsity Brands</i> and Intellectual Property Protection for Fashion Designs (Craig B. Whitney and Rachel Kronman)	18
<i>JVC v. Nero's</i> Strategic Retreat From the Precipice of Patent Exhaustion (Gino Cheng)	22
Welcome New Members	30
Membership Application	31
Committee Assignment Request.....	32
Section Committees and Chairs	33

Looking for Past Issues of
Bright Ideas?

www.nysba.org/BrightIdeas



Message from the Chair

Tempus fugit, and now we head into a new year and can look upon many events and accomplishments in 2015. We met our goal of offering more frequent events, with presentations on many different aspects of IP Law. Just to mention a few, there were presentations on Internet advertising, trademark developments in Cuba, trademark developments in China, legal hiring in the IP field and diversity, trade secrets, and our day-long presentation on due diligence in IP transactions. Then there was the IP Pro Bono event we sponsored with Cardozo Law School to help start-up companies and individuals with their intellectual property issues.



I would like to thank all the NYSBA IP Law Section members who made 2015 a successful year and who took the time and effort to make these presentations successful. I would also like to thank all who contributed articles to *Bright Ideas* and to those in our Section who make the journal possible. Lastly, I would like to thank all of those dedicated people at the NYSBA in Albany for helping our Section with planning, logistics, and other essentials.

I look forward to a successful 2016 and to continuing our tradition of assisting the NYSBA intellectual property community. We welcome those who would like to join our Section and help us with our events and presentations. Drop us a line.

Wishing all a very Happy New Year!
Charles Weigell

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.



Navigating the Intellectual Property Landscape: A Primer for New Businesses and Businesses Readying a New Product/Service Launch

By Joel J. Felber and Yuval H. Marcus

I. Introduction

Company assets typically comprise both intellectual and physical property, with the former often being more valuable than the latter. Protecting a company's intellectual property, including inventions, brands, writings, trade secrets, and know-how, can be paramount for growth and/or to establish a competitive advantage. Such protection-related concerns must be balanced with a company's need to navigate a potentially treacherous intellectual property landscape by avoiding charges of patent, trademark, or copyright infringement or theft of another's ideas.

Strategic interests associated with protecting intellectual property and enforcing intellectual property rights, as well as determining whether a company is free to operate or may be forced to defend against infringement claims, must be weighed against the associated economic costs and risks. A startup business or an otherwise established company about to release a new product or service or working to raise capital often relies on protected intellectual property to attract capital investment, secure loans, and/or drive up a company's selling price. Many companies experience the inherent tension resulting from (i) concern with protecting and enforcing intellectual property; (ii) concern with infringing others' intellectual property; and (iii) spending/raising capital based on intellectual property.

This article uses a hypothetical new product idea to describe the available forms of intellectual property protection and offers a primer on some of the specific intellectual property issues that come into play when a company is launching a new product or service.

Suppose while watching a Major League Baseball (MLB) game, an inventor recognizes a problem associated with the appearance of the strike zone. The problem is that the angle of view of the camera located behind the pitcher distorts the appearance of the strike zone, causing strikes to appear as balls and balls to appear as strikes. Positioning the camera directly behind the pitcher would correct for this distortion but would cause the pitcher to obstruct the view after the ball is thrown. MLB compensates for this distortion by displaying a small window that shows a box graphically representing the strike zone and each pitch thrown by the pitcher (the "box view"). Although the box view may provide a more accurate

representation of each pitch, it is distracting and frustrating for the viewer.

The invention provides an angle of view from a camera that is positioned directly behind the pitcher and solves the problem of the pitcher obstructing the view. As the ball is thrown, the pitcher is "masked" out and rendered at least partially transparent. The inventor envisions replacing the box view with the new and improved direct view. The company is considering calling the product "True Point of View."

II. Patents

A. Introduction

A U.S. patent is a grant of property rights from the United States to the owner of an invention (the "patentee"). The granted rights include the right "to exclude others from making, using, offering for sale, or selling" the invention in the United States.¹ In exchange for this grant, the patentee must disclose the invention, including by describing the invention in such a way that one of ordinary skill in the art can make and use the invention. The patent grant is for a finite period of time, generally twenty years from the filing date of the application for the patent. Moreover, U.S. patent rights are territorial: the right to exclude others does not extend beyond the borders of the United States.

B. Types of Patents and Protectable Subject Matter

In the United States, patent protection is available for processes, machines, systems, plants, and designs. A patent that covers a process and/or machine is a utility patent. A design patent, in contrast, covers the ornamental appearance of an item, such as an article of manufacture (e.g., a chair or a computer icon). Plant patents cover invented or discovered reproduced plants. The majority of patents are utility patents, but the number of design patents continues to increase.²

Patents include claims, which legally define the invention being protected. The claims section of a patent can cover a specific portion of the written description and drawings or may cover the entire disclosure. A patent describing the True Point of View invention described above can include many features, including the use of several cameras and devices to detect the ball after it is pitched; masking and rendering the pitcher transparent; simulat-

ing the ball moving and being caught by the catcher; and how the True Point of View window is displayed with the MLB video feed. The claims may be limited to just the masking and rendering the pitcher transparent. Subsequent patent applications can include claims covering the other elements, such as how to simulate the ball moving and being caught by the catcher and displaying the True Point of View window with the MLB video feed.³ It may be, for example, that during the patent prosecution process the U.S. Patent and Trademark Office (PTO) rejects certain claims as too broad. In response, one or more features that are described in the written description and drawings can be added to the claims to narrow the scope of the claims and overcome the rejection.

C. Patent Eligibility

In the United States, the subject matter of an invention must be patent eligible, i.e., it must be useful and not abstract.⁴ In addition, the invention must be novel and not obvious.⁵ Novelty means that no single “prior art” reference, such as a publication (e.g., an article, patent, or published patent application) or an act (e.g., a sale or offer to sell), covers all of the features of the invention. “Obvious” means that the differences between what was previously known and the invention are so trivial that one of ordinary skill in the art would have found the invention obvious. More practically, “obvious” means that two or more references, in combination, teach all of the features of an invention, and it would be obvious to a person of ordinary skill to combine the references and arrive at the invention. With respect to the True Point of View invention, for example, the Patent Office may reject broad claims that cover simulating a pitched baseball to compensate for an inaccurate angle of view as obvious in view of MLB’s displayed box in combination with the masking features of Adobe Photoshop®.

Prior to filing for patent protection, it is often a good idea to conduct a search of the prior art to determine whether an invention has already been described or otherwise publicly disclosed and therefore could be cited by the PTO to reject claims. Uncovering such prior art in advance of preparing and filing a patent application can result in significant savings of patent preparation costs and filing fees. Moreover, uncovering prior art can result in tailoring a patent application to avoid a potential rejection by the PTO. The claims in the True Point of View application, for example, can be drafted to distinguish MLB’s displayed box and the masking techniques from Photoshop.

Yet another benefit of searching for patents and patent applications is that a business may uncover a competitor’s patent portfolio. The business can use such information and file for patent protection covering improvements or variations on the competitor’s intellectual property. This can hinder the competitor’s future protection options and give the business a competitive edge.

D. Timing Considerations and Changes in U.S. Patent Law

U.S. patent law provides a one-year grace period to file for patent protection after an invention is publicly disclosed by the inventor.⁶ For example, if the True Point of View invention is publicly disclosed at a tradeshow on January 1, the deadline to file a patent application is the following January 1. In this regard, U.S. patent law is quite liberal; under the patent laws of much of the rest of the world, any public disclosure of an invention instantly results in an absolute bar to patent protection for the disclosed invention. Thus, businesses that are considering filing for foreign patent protection should ascertain whether any public disclosure of the invention occurred.

On September 26, 2011, the United States enacted a major revision of the Patent Act, with many of the provisions coming into effect over the course of the following eighteen months. Referred to as the America Invents Act or AIA, one significant provision transitioned the United States from being a “first to invent” jurisdiction to a “first to file” jurisdiction. Under the old law, an inventor who could prove diligence was entitled to patent protection even if another inventor conceived of the same invention later but filed for patent protection first. Under the new law, the party to get a patent application on file with the PTO first is entitled to patent protection even if it conceived of the invention later.

One practical effect of this change in the law is a perceived need to file patent applications quickly and frequently in order to preserve invention rights. There is a practical risk, though, that businesses will file patent applications that contain less than complete disclosures, potentially dooming their applications to fail and creating a false sense of security that the businesses’ inventions are protected. Despite a perceived need for speed, there remains a need for patent quality, including by filing complete and enabling disclosures.

E. Types of Patent-Related Filings

1. Provisional patent application

Business start-ups or companies launching a new product or service often avail themselves of a “provisional” patent application, which is a frequently used and attractive means of implementing patent protection.⁷ Provisional patent applications are attractive because they often cost less than regular non-provisional patent applications and can be much faster to prepare and file. Provisional patent applications have no formal requirement as to format, although they must contain an enabling disclosure and set forth the best mode for making and using the described invention. Another benefit is that provisional patent applications stop or prevent the start of a potential time bar to obtaining patent protection.

While a provisional patent application is technically a patent application, it does not include all of the require-

ments of a regular, non-provisional patent application. Most notably, provisional patent applications do not require patent claims, and provisional patent applications are not examined for patentability by the PTO. All provisional patent applications expire within one year from filing. In order to claim the benefit of an earlier filed provisional patent application, a regular, non-provisional patent application must be filed before the provisional patent application expires and must formally claim priority to the provisional patent application.

2. Non-provisional patent application

A non-provisional patent application is a full patent application that includes an enabling disclosure and claims, is accompanied by an inventor oath stating that the application correctly describes and claims the invention, and is formally examined by the PTO. A non-provisional patent application can claim priority over a provisional patent application and can be entitled to the earlier filing date of the provisional patent application, provided the provisional patent application supports at least one claim of the non-provisional patent application. The priority claim to a provisional patent application can reduce or eliminate prior art that would otherwise be cited by the PTO against the non-provisional patent application.

3. Foreign/international patent application

In addition to U.S. patent protection, businesses often have a need or desire to protect inventions overseas and file for patent protection around the world. For example, the True Point of View invention can have international uses, such as for soccer, golf, and tennis. Filing for foreign patent protection can be very expensive, and to defer those costs an international Patent Cooperation Treaty (PCT) patent application can be filed. An international PCT patent application effectively operates as a placeholder for filing future patent protection in countries around the world for a period of time, generally thirty months from the filing date of the U.S. patent application.

A PCT patent application is formally examined, and reports on patentability are issued, by an examining body (the “International Searching Authority”). One or more reports and opinions issued on a PCT patent application are considered to be persuasive authority, but no enforceable patent rights are conferred by a PCT patent application. Instead, one or more national patent applications can be filed in respective countries or jurisdictions in the future, with each of the national applications claiming priority over the PCT patent application. One relatively recent development is the “Patent Prosecution Highway,” which can be used to obtain patent rights in countries that are members of the PCT using an international PCT patent application that has been examined and received a positive report on patentability.

F. Freedom to Operate or Right to Use

In addition to obtaining patent protection, businesses should consider investigating the patent landscape (e.g., conduct a “freedom to operate” search and obtain an opinion thereon from counsel) to determine whether someone already has a patent covering the invention or a significant part thereof. If a relevant or blocking patent is uncovered, steps can be taken to avoid or combat a charge of patent infringement. For example, the True Point of View invention may discover that MLB has a patent covering its display box and that MLB’s technique of tracking of the baseball is the same as in the True Point of View system. By changing a feature, the business can modify the True Point of View invention prior to launch and thereby design around the blocking patent. By simply changing one element of an invention, a business may be able to head off a patent infringement claim.

In other cases, a business may be able to purchase a blocking patent or take a license from the patentee. In any case, knowing that a blocking patent exists can be a necessary prerequisite to identifying and taking steps to avoid infringement and prevent an expensive legal battle.

Conducting “freedom to operate” searches can be very expensive, partly because of third-party searcher disbursement costs and partly because of attorneys’ fees associated with studying uncovered patents. Patent attorneys need to study patents uncovered in a “freedom to operate” search and evaluate corresponding prosecution histories to determine whether the scope of a patent is narrower than it appears on its face. The potentially high costs of such a search may be a worthwhile substitute for the potentially far higher costs that otherwise might be incurred defending a patent infringement claim. Unfortunately, locating a particular blocking patent can be difficult, even for a patent searching company. Nevertheless, for particularly important inventions conducting a “freedom to operate” search and obtaining an opinion from legal counsel prior to a new product launch can be an invaluable investment.

G. Practical Considerations

We recommend that prior to a new product or service launch, businesses review their intellectual property assets and consider appropriate patent protection. A determination should be made whether the subject matter of the intellectual property is eligible for patent protection and how time constraints bear on the strategy for obtaining appropriate patent protection. Businesses can benefit from filing provisional patent applications relatively quickly and possibly at lower cost than regular, non-provisional patent applications. Many businesses should be developing their patent portfolios over time to increase the businesses’ value as well as to stop or limit competitors. It is a good idea to consult with a patent attorney and consider options that might be available to maximize return and mitigate risk.

III. Trademarks

A. Introduction

When starting a new company or launching a new product or service, branding is extremely important not only for marketing purposes but for brand protection as well. Savvy brand owners can use trademark law to prevent competitors from using similar brands in a way that is likely to confuse consumers. Unlike patent law, which requires the filing of an application, trademark rights are created by using a word, term, name, symbol, device, or any combination as a source identifier in interstate commerce. Once use has commenced, usually upon the first sale or shipment of goods bearing the trademark, or when services are offered using the mark, the brand owner has what are called common-law trademark rights, and could, if need be, enforce those rights in court. There are, however, valuable benefits to filing an application for federal registration of a trademark with the PTO, such as a legal presumption of nationwide ownership of, and the exclusive right to use, the applied-for trademark for the goods or services listed in the application. Furthermore, intermediaries such as Google and Twitter may require registrations in order to act on claimed infringements.

B. Preventing Competitors from Stealing Brands

Section 43(a) of the Lanham Act enables the owners of registered and unregistered trademarks in the United States to prevent competitors from using any word, term, name, symbol, or device, or any combination thereof that is likely to cause consumer confusion (i) as to the “affiliation, connection or association” of the competitor with the trademark owner or (ii) as to “the origin, sponsorship, or approval” of the competitor’s goods or services with those of the trademark owner.⁸ What this means is that when a company launches a brand, and competitors copy or mimic that brand to take advantage of the good will associated with it, if the brand owner has strong trademark rights it can stop the competitors from using their competing brand. To prevail, however, the brand owner will need to show that its brand is strong enough to warrant trademark protection, that it used its brand first, and that consumers are likely to be confused.

C. Not All Brands Are Strong Trademarks

Many companies create brand names that describe the goods or services for which the brand is used. This is a mistake for companies that want to create strong trademarks that can be enforced against competitors. Descriptive words used as brand names are weak trademarks. The reason for this is that trademarks are source-identifiers. Ideally, the brand owner wants consumers to identify its brand name exclusively with the brand owner as the source of its goods or services. The more a brand describes the associated goods or services, the less likely it is that consumers will associate the brand solely

with the brand owner. In the True Point of View example, the proposed name “True Point of View” for a product that allows television viewers to see the correct or “true” perspective or “point of view” of the baseball is not the strongest brand name from a trademark perspective.

There are four broad categories of trademarks. The strongest are fanciful names that have no meaning at all, e.g., made-up words like KODAK. If a word is made-up, consumers will associate the word only with the brand owner’s products or services. The next strongest marks are arbitrary—words that have meanings but are used for goods or services that do not relate to the meanings of the word, such as APPLE for computers. Next in line are suggestive marks—words that suggest what the product or service is but do not describe them, such as COPPERTONE for suntan lotion. When choosing a new brand name, it is preferable for the brand name to fit into one of these three categories, which are considered to be stronger, inherently distinctive trademarks.

The weakest category of trademarks is descriptive—names that describe the products or services, such as WORLD’S BEST BAGELS for bagels. It is very difficult to enforce these brands unless the brand owner can establish secondary meaning, i.e., that notwithstanding the descriptive nature of the brand, consumers associate it solely with the brand owner and its goods or services. Finally, there are words that are not capable of trademark protection: generic words such as “soap” for soap or “computers” for computers cannot be trademarks.

The proposed name “True Point of View” would likely be considered a descriptive trademark because it describes what the product does, namely, correcting the point of view and allowing viewers to see the true or accurate point of view of the pitched baseball. A slightly better mark would be True View, though that mark could also be deemed to be descriptive. Using the name HAWKEYE would move the brand name into the suggestive category. This brand name is suggestive because the brand has an association with being able to see by incorporating the word “EYE.” Moreover, the word “HAWK” suggests the ability to see something with clarity, because hawks are associated with strong vision.

There is often tension between marketing professionals who want to use brand names that describe the goods or services so that consumers know what the brand stands for and trademark lawyers who counsel companies to create brands that are strong and enforceable trademarks. One solution is to create a fanciful or arbitrary brand name and use a descriptive tagline to tell consumers what the brand means. This will enable the brand owner to create a strong and enforceable trademark and still convey what products or services are offered by the company under that unique brand name. For example, for the “True Point of View” product the company could

make up a name such as “YARZ” and use the tagline The True Point of View Technology. The YARZ brand name would be a strong, fanciful mark for which the company can create brand equity, yet the tagline would allow consumers to understand what that brand represents.

D. The Trademark Application Process

The best way to establish prior trademark rights is to file a trademark application with the PTO when the brand owner first comes up with its brand name. The PTO allows brand owners to file an application based on an intent to use even if the product or service will not be launched for months or even years. This establishes a priority date for that brand for the goods or services listed in the application, provided the application eventually ripens into a registration. Accordingly, if a company chooses a brand name and/or logo that it likes and has a bona fide intention to use it in the future, before disclosing it publicly the company should strongly consider filing a trademark application with the PTO based on an intent to use. If, after the company files an intent-to-use application, a competitor starts using, or files an application for, the same name or a confusingly similar name, once the brand owner’s application issues to a registration, it should be able to stop the competitor from using the name. If the brand owner is already using the name, it can file a use-based application as well.

To begin the trademark application process at the PTO, the brand owner will need to know the exact name or logo it wants to register, the goods or services for which the trademark will be used, and the name, address, and state of formation of the applicant. If the brand owner is already using the brand, it also will need the date of first use and a specimen showing the use of the brand name in connection with the goods or services offered under the trademark. There are many nuances to the trademark application process, and it is advisable to work with a knowledgeable trademark attorney. In general, it takes approximately nine months to a year from the date of filing to obtain a trademark registration.

E. Avoiding Expensive Mistakes

A common mistake when launching a new brand is to fail to conduct a proper trademark search. This can lead to expensive consequences. If, for example, another company is already using a similar name or logo for related goods or services, that company may be able to force the newly launched brand to be changed. Conducting a proper trademark clearance search prior to the launch of the new brand can significantly reduce the risk of that happening.

An effective trademark search cannot be limited to the exact brand name at issue. This is merely the starting point, because the standard for trademark infringement is whether the use of a name or logo is likely to cause confusion among consumers. Launching a brand name

that is similar in sound, appearance, or meaning but not identical to a brand name that is already in use may cause confusion and thus subject a company to liability for trademark infringement. For example, if a company begins using the brand name STICKS, and another company is already using the name STYX, the owner of the STYX brand may be able to stop the use of the STICKS brand. Also, the actual goods or services do not need to be the same, just sufficiently related that consumers may be confused. For example, if the company decided to call the True Point of View product HAWKEYE and another company was using the mark iHAWK for software that allows filmmakers to integrate different perspectives into a final edited movie, the owner of the iHAWK brand might be able to successfully challenge use of the HAWKEYE brand. It follows, therefore, that simply conducting a Google search, or even a search of the PTO database, may not disclose the use of a brand by a third party that could potentially force a name change after launch. Similarly, just because a name is available to be registered as a corporate name does not mean that name can be used.

F. Practical Considerations

When considering launching a new brand, companies should first consider the strength of the proposed brand name from a trademark perspective and avoid weak, descriptive brand names. After choosing a strong, inherently distinctive brand, conduct a proper trademark search to minimize the risk that a third party could successfully challenge the use or registration of that brand. Once a brand name has been cleared for use and registration, file intent-to-use trademark applications with the PTO to establish a priority date.

IV. Copyright

A. Introduction

Copyright protection provides businesses with an effective tool to stop others from copying original expression. Copyrightable expression can be found in many forms and places, including on a business’s web site, computer programs, written manuals, music, photography, and artwork. As with brand rights, copyrights vest automatically when original expression is fixed in a tangible medium, such as on paper or in computer storage. Also as with brand protection, there are benefits to filing an application for federal registration of a copyright with the U.S. Copyright Office. Perhaps the most important of these benefits is the right to bring an infringement action. Possession of a copyright registration, or in some jurisdictions evidence of an expedited application, is a statutory prerequisite to commencing an action.⁹ In any case, registering for copyright protection is among the least expensive forms of intellectual property protection.

In the True Point of View example, copyright protection is available for the computer code and the user

manuals. Copyright protection also can be sought for web sites covering the invention as well as for text and video commercial content and ads. Copyrights can also cover presentation materials, including slides with images of the product and text, that may accompany public presentations.

Compared to patents and trademarks, copyright protection is relatively narrow, however, and covers only the precise expression that is fixed in the tangible medium. Ideas and non-original works, even though they may be fixed in a tangible medium, are not protectable by copyright. Furthermore, a successful copyright infringement claim requires a showing that the expression at issue was copied, not independently created. Copyright infringement claims are often brought against former employees or individuals who have been shown to have had access to protected material and copied it.

B. Categories of Expression

Copyright protection is available for specific categories of original expression: literary works, pictorial graphic and sculptural works, musical works, sound recordings, dramatic works, multimedia works, and architectural works. Each must be correctly identified in the application, and an appropriate deposit with the Copyright Office must accompany the application. Literary works include non-dramatic textual works, such as fiction and nonfiction works, poetry, speeches, and textbooks.¹⁰ Computer programs and databases are also considered literary works. Musical works can include music and accompanying words and may be in the form of sheet music or an audio recording.¹¹ Sound recordings include musical, spoken, or other recorded sounds, and the author may be the performer and/or the producer who processes the sounds.¹² Dramatic works can include choreography, pantomimes, plays, and treatments, such as for television or movie presentation.¹³ Multimedia works combine two or more media, and the media can include printed matter, audiovisual material, an audio recording, or a machine-readable copy.¹⁴ It is advisable for a business to regularly review its copyrightable material and to consider registering it to ensure it has the right to sue for infringement.

C. Legal Rights Conferred By Copyright Registration

Copyright ownership confers the exclusive right to reproduce the work, to prepare derivative works, to distribute copies of the work to the public, to perform the work, and to publicly display the work.¹⁵ A derivative work includes a work that is based upon pre-existing work(s) and often involves some form of translation or adaption, such as a novel into a movie. Unauthorized acts of copying (i.e., copyright infringement) can include photocopying, copying computer software, or using portions of the copyrighted work in another work.¹⁶

Whether a work is published can have significant implications under U.S. copyright law. For example, a registration that is applied for more than three months after publication can be too late to recover statutory damages and attorneys' fees if the infringement occurs after publication but before registration. Therefore, businesses should consider applying for one or more copyright registrations as soon as possible to avoid losing potentially valuable rights.

D. Freedom to Operate or Right to Use

Avoiding a copyright infringement suit based on unauthorized copying and/or use of preexisting materials may entail searching the copyright office records to see if the material is registered. In some cases, if it is, taking a license should be considered. Fair use may protect the use of copyrighted work without consent.¹⁷ Factors include whether the use of a protected work is for commercial or educational purposes (the former being less likely to be fair use); whether the amount or substantiality of the copied portion is significant; and the effect of the use on the potential market for the copyrighted work.¹⁸

E. Practical Considerations

Prior to a new product or service launch, businesses should identify any original works of authorship created in connection with the new endeavor and consider filing for copyright registration. This process will entail determining whether a work is a type that is eligible for copyright protection. Bear in mind that a work of authorship created by an employee within the scope of his employment is a work made for hire and is owned by the employer.¹⁹ With regard to commissioned works or works authored by outside contractors, it is advisable to execute agreements that provide that specific works shall be considered works made for hire and that if they do not qualify as such (section 101 of the Copyright Act lists nine categories of works made for hire), all copyright rights are assigned to the employer.

V. Trade Secrets

A. Introduction

Companies often come up with new and innovative ways of conducting business that give them a competitive advantage—unique formulas, techniques, methods, or processes. As discussed above, such innovations may be subject to patent protection, but by filing a patent application the company must disclose the invention—the source of its competitive advantage. Once the patent expires, the company's competitors will be free to use the company's formulas, techniques, methods, or processes to compete against it. An alternative to patent protection that avoids this problem is to treat the company's proprietary, confidential information as a trade secret—the formula for Coca-Cola soda being the classic example. For the True Point of View invention, the algorithms employed and

know-how associated with how the software can best be used to create the desired visual effects could be protected as trade secrets. Other trade secrets can include the technology behind masking the pitcher and rendering the pitcher transparent as well as how the ball is represented after the pitcher releases it. Yet another protectable trade secret can include how to render the overall appearance of the True Point of View display and how to integrate the True Point of View with other video feed.

B. What Are Trade Secrets?

Unlike patents, trademarks, and copyrights, there is no federal trade secrets statute; the law varies state to state. However, the Uniform Trade Secrets Act (UTSA) has been adopted, at least in part, in more than forty states and in the District of Columbia,²⁰ and Congress is considering trade secrets legislation.²¹ The UTSA defines a trade secret as follows:

Trade secret means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

- (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and
- (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.²²

C. Creating Enforceable Trade Secrets

The key to creating enforceable trade secret rights is to maintain the confidentiality of the trade secret. Once a trade secret is disclosed publicly, it loses its status as a trade secret. Companies therefore must take steps to ensure the confidentiality of their trade secrets. For example, company information that is considered to be a trade secret should be labeled prominently to indicate that it is confidential and/or that it is a trade secret, and access to the information should be restricted by placing it in a secure location. Access to both physical and electronic copies should be limited to specific individuals or categories of employees who need keys or passwords to gain access. Employees should be required to sign confidentiality agreements that obligate them to maintain the secrecy of any trade secret materials to which they are given access. Similarly, independent contractors or third parties should not be allowed to review the confidential trade secret information without first signing confidentiality agreements.

D. Practical Considerations

In today's world, where it is so easy to quickly copy and disseminate information, it behooves every company to carefully consider the procedures it has in place to safeguard company secrets and to ensure that employees and independent contractors are legally obligated not to disclose to third parties proprietary company information. Once this review has been completed, policies and procedures should be implemented to ensure that only the appropriate people have access to trade secret information and that non-disclosure and confidentiality agreements are in place with all who have access to the information.

VI. Conclusion

Prior to launching a new product or service, a business should consider appropriate intellectual property protection and also take steps to guard against possible infringement claims. Even with respect to those intellectual property rights that vest at the time of creation (copyright) or use (trademark), filing for and obtaining national registrations are recommended to ensure a presumption of ownership and validity and to protect a business's enforcement rights. In addition to obtaining patents, trademarks and copyrights, businesses should enter into nondisclosure and confidentiality agreements with employees and third parties in order to preserve its trade secrets.

Protecting a company's intellectual property, including inventions, brands, writings, trade secrets, and know-how, is often essential for growth and to establish a competitive advantage. Moreover, conducting "freedom to operate" searches and obtaining an opinion of counsel can be effective to reduce the likelihood or combat a charge of infringement. Such steps can ensure that a startup business or an established company releasing a new product or service can successfully attract capital investment and gain a competitive edge in the market.

Endnotes

1. 35 U.S.C. § 154.
2. http://www.uspto.gov/web/offices/ac/ido/oeip/taf/reports.htm#by_type.
3. Manual of Patent Examining Procedure, § 210.
4. 35 U.S.C. § 101.
5. 35 U.S.C. §§ 102, 103.
6. 35 U.S.C. § 102.
7. 35 U.S.C. § 111.
8. 15 U.S.C. § 1125(a).
9. 17 U.S.C. § 411, Registration and Civil Infringement Actions.
10. <http://www.copyright.gov/register/tx-examples.html>.
11. <http://www.copyright.gov/register/pa-sr.html>.

12. Circular 56A, Copyright Registration of Musical Compositions and Sound Recordings, United States Copyright Office, 56A-0212.
13. Dramatic Works: Choreography, Pantomimes, and Scripts, United States Copyright Office FL-119.
14. Circular 55, United States Copyright Office, 55-1013.
15. Title 17 U.S. Code.
16. Circular 14, United States Copyright Office, 14-1013.
17. 17 U.S.C. § 107.
18. *Id.*
19. 17 U.S.C. § 101, Circular 9, United States Copyright Office, 9-0912.

20. New York State is one of the states that have not adopted the UTSA.
21. H.R. 3323 Defend Trade Secrets Act of 2015.
22. Uniform Trade Secrets Act § 1(4).

Joel J. Felber is a patent attorney and senior associate at Leason Ellis LLP.

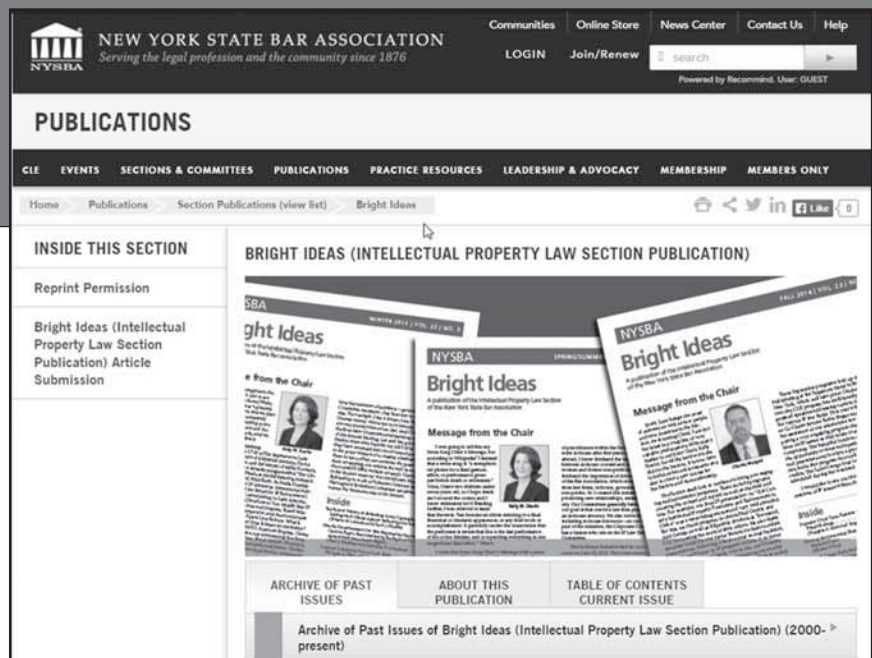
Yuval H. Marcus is a partner and chair of the litigation practice at the firm.

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. For questions or log-in help, call (518) 463-3200.



Go to www.nysba.org/BrightIdeas

Acquired Distinctiveness of Trademarks in the United States

By Matthew D. Asbell

I. Introduction

Business enterprises often prefer to adopt trademarks that describe the company's goods or services because they require less of an investment to develop the brand and educate the target consumer. This is in contrast to trademark counsel's advice to select marks that have no meaning or whose meaning has no relationship to the goods or services. The reason for this advice is that the ability of a trademark to fulfill its function of identifying the source of goods or services is measured along a spectrum or continuum of distinctiveness, with marks that describe the goods or services or some characteristic thereof considered weak in their ability to serve as exclusive source-identifiers. On the other hand, marks that are intrinsically capable of this function—marks that are “inherently distinctive”—are considered strong. Terms that both lack inherent distinctiveness and are considered incapable of ever becoming distinctive cannot serve as trademarks. If the business insists on adopting a mark that merely describes a characteristic of the goods or services, its ability to obtain a U.S. registration for the mark (as well as registrations in other countries) may depend on the ability to demonstrate that the mark has obtained secondary meaning in the minds of consumers, i.e., that it has “acquired distinctiveness.”

Section 2(f) of the Lanham Act provides that “nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce.”¹ A 2(f) claim may be made at the time of filing or, more typically, during prosecution of the application. The simplest way to make such a claim is by submitting a declaration stating that the applicant or its licensee(s) has used the mark continuously and exclusively for a period of five or more years. However, this writer has witnessed increased scrutiny by examining attorneys in the PTO, who often require additional evidence in the form of, *inter alia*, advertising expenditures, sales revenues, examples of advertising and marketing materials, affidavits from relevant consumers attesting to their understanding of the term(s) as a source-identifier, and consumer surveys.

The need to show acquired distinctiveness in the United States is not limited to marks deemed merely descriptive of the goods or services. Other marks that may be considered to lack inherent distinctiveness may be registered if acquired distinctiveness is demonstrated. Examples include marks that are refused as “primarily merely a surname,” “merely ornamental,” “deceptively misdescriptive,” or “primarily geographically descriptive.” All product packaging and some product design trade dress applications are considered to lack inherent distinctive-

ness and to require a successful claim of acquired distinctiveness to be registered. Color, sound, and other non-traditional marks also usually require a showing of acquired distinctiveness. In addition, acquired distinctiveness can be asserted in part to overcome a requirement to disclaim an assertedly non-distinctive element of a mark. On the other hand, marks that are deemed functional, deceptive, primarily geographically descriptive, deceptively misdescriptive, purely ornamental, generic, or otherwise fail to function as a trademark cannot be registered even with a claim of acquired distinctiveness because they are considered incapable of obtaining secondary meaning.

Apart from business pressures to adopt descriptive marks, the popularity of registering trade dress and non-traditional trademarks in the United States appears to be growing, and this may be partly responsible for the recent reemergence of interest in the concept of secondary meaning.

This article will first address considerations leading up to the filing of a U.S. trademark application for a mark or portion thereof that may lack inherent distinctiveness. It then discusses the ways in which acquired distinctiveness may be shown during prosecution.

II. Pre-Filing Considerations

When a proposed mark may lack sufficient distinctiveness to be registered in the United States, several considerations should be raised before filing the application. The benefits of considering these issues early are that trademark counsel can manage the applicant's expectations about the chances of success and cost, while the applicant can begin to build its case in support of a claim of acquired distinctiveness.

One consideration is where along the spectrum of distinctiveness the proposed mark falls. If the mark may be generic or highly descriptive, the applicant should be prepared for the possibility of substantial additional costs associated with efforts to obtain a registration as well as the heightened risk that the application will fail. If the mark may be descriptive of a characteristic of the goods or services, but there is a reasonable argument that target consumers will use some imagination, thought, or perception to recognize what the mark conveys (i.e., that the mark is suggestive rather than merely descriptive), there still may be additional costs, but the chances of success will be improved. Nonetheless, an understanding of the applicant's budgetary constraints and the importance of the proposed mark to the business can help to determine how much effort to put into trying to register a potentially

descriptive mark, depending on where along the spectrum of distinctiveness it is likely to fall.

The form of the mark also should be considered. While refusal of registration may be avoided by the inclusion of an additional distinctive element, such as a previously registered term or a graphic logo, if the term will be used with that additional element, the descriptive component will likely be the subject of a disclaimer requirement, and a claim of acquired distinctiveness in part still would be needed to overcome that requirement. If the applicant is not concerned about claiming exclusive rights to the potentially descriptive term, compliance with the disclaimer requirement may be a feasible option. Moreover, a registration even with the descriptive term disclaimed could be helpful in blocking subsequent third-party applications comprising the term or deterring subsequent third-party uses, which may ultimately help maintain exclusivity. However, as discussed further below, attorneys should advise clients on the possible effect of the disclaimer on future claims of exclusive rights in the descriptive term.

Another consideration is whether and for how long the applicant's mark has already been used in U.S. commerce. If, at the time of filing, the mark has been used for, say, a decade or more, and this is reflected in the claim of first use in the application, the examining attorney may be predisposed to consider that the mark has obtained secondary meaning and to accept an acquired distinctiveness claim based solely on a declaration of continuous and exclusive use over that period. Use for only five years may be enough to support registration under 2(f), but the examining attorney may require more evidence than just a declaration. Where there has been use for a shorter period, one can consider the approximate timing of the various steps in examination to calculate whether five years of continuous and exclusive use may be reached at some point during the prosecution of the application. In most cases where there has been use and the mark is capable of acquiring distinctiveness, even if a 2(f) claim is not permissible or accepted, the applicant has the option of seeking registration on the Supplemental Register, which is reserved for marks that are capable of becoming distinctive through use.

A more limited set of benefits arises from registration on the Supplemental Register, but it still can be used to prevent third parties from registering and using similar marks for similar goods or services. If there is no use at the time of filing, the Supplemental Register may be available only under limited circumstances (discussed below), and a claim of acquired distinctiveness also may not be feasible without a very significant investment in advertising and other evidence collected after the use commences. While registration on the Supplemental Register is possible in the case of applications based on foreign registrations, this would not be an option in the case of an extension to the United States of an Interna-

tional Registration obtained under the Madrid Protocol. By helping the client understand how the duration of use at the time of filing will impact the possibility of registration, a trademark attorney can better manage the applicant's expectations about the chances of success and costs before it makes the investment.

Another aspect to consider early is how the mark is being used at the time of filing. Of course, the applicant needs to be aware of third-party use as a trademark to identify the goods or services of another and how such use could serve as a basis for an objection to the proposed application. This risk can be better assessed through a so-called "comprehensive" clearance search for similar terms. A comprehensive search discloses third-party efforts to register a similar mark federally or within one or more states as well as uses on the Internet and in the media that may rise to the level of creating common-law trademark rights. The clearance search is also important because of the need for caution that another party may have obtained secondary meaning that would allow it to enforce its rights against the proposed application as well as the applicant's use. It is often advisable to consider conducting a private investigation of the third party's use. Applicants wishing to use a term non-exclusively and in a descriptive rather than a source-identifying manner should be cautioned not to apply to register the term or to use the TM or SM symbols in relation thereto so that they can more easily claim fair use. Ongoing efforts to monitor uses by third parties that are subsequent to those of the applicant or its licensees can allow for prompt enforcement efforts as well.

Apart from uses as a source-identifier, descriptive uses by the applicant, its licensees, or third parties also can impact the applicant's ability to register the mark and to claim acquired distinctiveness, if necessary. To what seems to be an increasing degree, examining attorneys in the PTO attempt to identify uses of an applied-for term on the Internet and cite such uses when claiming that a mark or portion thereof is not inherently distinctive. By using its own mark in a descriptive manner, the applicant can make it difficult to persuade the examining attorney that the term functions to distinguish the applicant's goods or services. Similarly, descriptive uses by third parties can suggest that the applicant's claim of exclusivity is unwarranted and that there is a need to keep the term available for the commercial speech of others. "Research showing that third parties in applicant's field or closely related fields use the same or substantially the same wording as the mark, or very similar wording as the mark, tends to indicate the mark is at least highly descriptive,"² and in those cases, a greater amount of evidence of acquired distinctiveness typically is, accordingly, required.

How can the mark have achieved in the minds of consumers secondary meaning that identifies the applicant as the source of goods or services if those consumers see the term(s) in other descriptive contexts? How will

the consumer know the term is actually a trademark? Applicants' counsel should advise on proper use and retention of evidence of such use to eventually support the acquired distinctiveness claim if needed. Proper use requires that the term(s) be used as an adjective modifying a descriptive noun; that it be prominent and separate from other text; and that it include a TM or SM symbol immediately after the trademark and perhaps also an attribution statement to educate consumers that the applicant is claiming trademark rights in the term.

The online U.S. trademark application forms encourage applicants to provide their website addresses. As such web addresses are not required, applicants represented by counsel frequently omit this information so as not to provide information that could potentially be used by the trademark office or third parties as the basis for a refusal or objection. This risk arises where an applicant includes its web addresses in the application and uses the mark in a descriptive sense on the site. On the other hand, proper use as a source-identifier on the website, particularly if the web address is included in the trademark application, may help persuade an examining attorney that the mark has distinctiveness, whether inherent or acquired.

There is also the possibility of anticipating that the examining attorney will consider the mark not to be inherently distinctive and of avoiding refusal by making the claim of acquired distinctiveness in the application at the time of filing. This strategy may be reserved for highly descriptive or otherwise questionably distinctive marks in order to try to discourage the examining attorney from refusing the mark as generic or otherwise incapable of obtaining secondary meaning.

The other reason for considering the possible need to claim acquired distinctiveness prior to filing is to provide time for the applicant to begin collecting evidence to support a future claim. As some forms of evidence, which are discussed below, may take several steps to obtain over time, initiating efforts to collect it with substantially more than the typical six-month period for responding to an Office Action can help contain costs and facilitate a successful 2(f) claim. In addition, by addressing the potential need for an acquired distinctiveness claim prior to filing, the applicant can begin tracking information that may support such a claim proactively.

One form of evidence that is considered in a 2(f) claim is the extent of advertising and marketing efforts to educate consumers about the brand and the amount of resulting sales. Applicants for potentially descriptive marks should be encouraged to keep track of their annual advertising and sales figures relating to the mark. Prior to filing, the applicant can begin to collect or create various examples of advertisements showing use of the mark. The applicant can collect media clippings in the form of unsolicited news articles, blog posts, and social media references that identify the term as a source-identifying

mark. The applicant also can collect evidence of first use of the mark.

Another proactive step the applicant may wish to consider before or when filing an application for a potentially descriptive mark is to begin to identify customers to approach to sign affidavits supporting the applicant's position that the mark has acquired secondary meaning. Obtaining such affidavits typically requires multiple steps, including identifying the customers, educating them about what must be included in the affidavit and the public nature of the document once filed, and ultimately obtaining the signed documents. These can be time-consuming, so it is advisable to initiate efforts to obtain this sort of evidence early.

Moreover, advice concerning a potentially descriptive term should not be given in isolation. Consideration should be given to whether the applicant owns prior registrations that comprise the identical term and how that may affect the proposed application. If the applicant previously registered a mark that contains the identical term and disclaimed exclusive rights to the term, there is a greater risk the PTO will raise the issue of descriptiveness in the new application even though examining attorneys are instructed not to be influenced by disclaimed matter in a prior registration. If the applicant owns an earlier registration on the Supplemental Register, the examining attorney may take a consistent approach with the examination of the prior registration and issue a descriptiveness refusal if a 2(f) claim is not included with the application. If the applicant owns a prior registration for the identical mark covering different but arguably related goods and services, there is a possibility that even if the mark is not yet in use on the new goods and services, a claim of acquired distinctiveness will be accepted. To show acquired distinctiveness in an intent-to-use application when the applicant owns a prior registration for the same mark, the applicant must show (a) acquired distinctiveness in relation to the previously registered goods and (b) "the extent to which the goods or services in the intent-to-use application are related to the goods or services in connection with which the mark is distinctive and that there is a strong likelihood that the mark's established trademark function will transfer to the related goods or services when use in commerce occurs."³

III. Claiming Acquired Distinctiveness During Prosecution

Where a mark is considered by the PTO to lack inherent distinctiveness, the applicant has the burden of proving that it has acquired distinctiveness and therefore is registrable.⁴ The applicant's claim of acquired distinctiveness, if not pled in the alternative to arguments that the mark is inherently distinctive, serves as a concession that the mark is not inherently distinctive.⁵ In contrast, registration on the Supplemental Register does not constitute an admission of a lack of acquired distinctiveness.⁶

A 2(f) claim may be made based on: (1) a declaration of continuous and exclusive use over a period of five years or more, (2) prior registrations for the same mark or a portion of the mark, or (3) other evidence. Whether acquired distinctiveness has been established is a question of fact.⁷ However, “proof of substantially exclusive and continuous use as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made” may be accepted as prima facie evidence that the mark has acquired distinctiveness.⁸ The five-year period can be achieved during the pendency of the application and does not depend on the filing date. If the allegedly descriptive portion of the mark was used for substantially longer than five years but is only a portion of the applied-for mark, which has been used for a shorter period, the applicant may need to reference the longstanding, continuous, and exclusive use of the descriptive element, even if it cannot claim such use for the mark as a whole. If the PTO accepts a 2(f) claim based, for example, only on a declaration of continuous and exclusive use for five or more years, the resulting registration on the Principal Register is entitled to a legal presumption of validity that includes the validity of the acquired distinctiveness claim.⁹ A published application for registration on the Principal Register with a 2(f) claim is not entitled to the presumption of validity in the acquired distinctiveness of the mark in an opposition proceeding because the registration has not yet issued.¹⁰ A registration on the Supplemental Register is not entitled to a legal presumption of validity.

The sufficiency of evidence depends on the facts of each case, including the nature of the mark.¹¹ Typically, more evidence is required where a mark is considered so highly descriptive that purchasers would be less likely to believe that it indicates source in any one party.¹² For example, the mark CLOUDTV was considered so highly descriptive that evidence in the form of three separate declarations by a corporate officer attesting to the market success of the product and accompanied by photographs of trade show exhibits and press releases was not sufficient to show acquired distinctiveness in relation to various software goods and services and broadcasting and entertainment-related services.¹³ Similarly, for product design trade dress, evidence of five years’ use considered alone generally is not sufficient to show acquired distinctiveness.¹⁴ However, the examining attorney typically will not provide guidance as to the amount or nature of evidence that he/she considers sufficient, though he/she will sometimes make suggestions regarding an appropriate course of action.¹⁵ Examining attorneys often indicate whether they consider a mark to be highly descriptive or potentially generic and whether they will consider a declaration of five years’ use to be sufficient or if more evidence will be needed. This guidance can aid the applicant and its attorney in determining whether a 2(f) claim based on the evidence available is worth pursuing.

Other evidence that may be submitted with a 2(f) claim may consist of verified statements, depositions, or other appropriate evidence showing duration, extent, and nature of the use in commerce and advertising expenditures in connection therewith (identifying types of media and attaching typical advertisements), and verified statements, letters, or statements from the trade or public, or both, or other appropriate evidence of distinctiveness.¹⁶ Courts have provided further guidance as to the relevant factors in making a determination that a mark has acquired distinctiveness: “copying, advertising expenditures, sales success, length and exclusivity of use, unsolicited media coverage, consumer studies (linking the name to a source).”¹⁷ No single factor, however, is determinative.¹⁸ In a recent precedential decision of the Trademark Trial and Appeal Board, the product design of the base assembly of an electric toothbrush head was held not to have acquired distinctiveness in spite of evidence of sales of 72 million units, approximately \$100,000,000 invoiced for seven consecutive years, a prior cancelled registration for a similar mark, a period of over ten years of continuous use, and alleged third-party infringements.¹⁹ The sales figures were considered substantial, but they were found insufficient because they were unaccompanied by evidence of advertising expenditures identifying types of media through which the goods were advertised and typical advertisements, which Trademark Rule 2.41(a) indicates should be provided, in order to determine the nexus, if any, between the sales success and advertising efforts and the product design. “The ultimate test in determining whether a designation has acquired distinctiveness is applicant’s success, rather than its efforts, in educating the public to associate the proposed mark with a single source.”²⁰

Applicants are often concerned that evidence submitted becomes part of the public record and is readily available on the PTO website. With regard to confidential advertising figures, the PTO suggests that applicants may instead indicate the types of media through which the goods and services have been advertised (e.g., national television) and how frequently the advertisements have appeared.²¹

Sample advertisements can be particularly effective when they include so-called “look for” advertising that expressly instructs consumers to view the mark as a source-identifier. “Advertisements showing ‘look-for’ types of promotional efforts from an applicant may be particularly probative on the issue of whether a product design functions as a source identifier. ‘Look for’ advertising...directs the potential consumer in no uncertain terms to look for a certain feature to know that it is from that source. It does not refer to advertising that simply includes a picture of the product or touts a feature in a non-source-identifying manner.”²²

A collection of press clippings and other independent media coverage also can be helpful, but it should not be

client-generated materials such as press releases. Conclusory statements in declarations and accompanying press releases were not sufficient to overturn on appeal a refusal by the examining attorney based on the highly descriptive nature of the mark CLOUDTV for software and television-related goods and services.²³

Affidavits and letters from longstanding customers also are useful in proving acquired distinctiveness. A few of these documents can go a long way toward illustrating that the consuming public recognizes the mark as identifying the applicant's goods or services. The challenge involved in obtaining them is that it may be viewed as an imposition on the customer. The applicant then needs to educate the identified consumers as to what must be said, to get them on board with providing the requested letter, and to follow up to ensure timely receipt of the documents.

Properly designed consumer surveys performed by a competent marketing research expert, while often too expensive to employ for *ex parte* prosecution, can be highly probative, as they illustrate somewhat scientifically how the mark is perceived. However, if the survey is poorly designed, the PTO may not afford it sufficient weight, and third parties may be able to later challenge the registration. The survey should avoid leading questions and should address relevant consumers. Employing a control group for comparison of results can be helpful.

IV. Conclusion

Acquired distinctiveness claims are becoming more important as businesses continue to adopt relatively descriptive trademarks, while a growing number pursue registration of non-traditional trademarks. At the same time, the PTO appears to scrutinize such claims more carefully than in the past, such that five or more years of continuous and exclusive use often are insufficient. This has led to increasing costs for applicants seeking to register and retain descriptive marks and other marks that lack inherent distinctiveness.

Endnotes

1. 15 U.S.C. § 1052(f).
2. U.S. Trademark Manual of Examining Procedure. TMEP 1212.01.
3. *In re Rogers*, 53 U.S.P.Q.2d 1741, 1744-45 (TTAB 1999). TMEP 1212.09(a).
4. *See Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1578-79 (Fed. Cir. 1988); *In re Meyer & Wenthe, Inc.*, 267 F.2d 945, 949 (C.C.P.A. 1959).
5. *See, e.g., Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1577 (Fed. Cir. 1988); *In re Cabot Corp.*, 15 U.S.P.Q.2d 1224, 1229 (TTAB 1990); *In re Prof'l Learning Ctrs., Inc.*, 230 U.S.P.Q. 70, 71 (TTAB 1986); *In re Chopper Indus.*, 222 U.S.P.Q. 258, 259 (TTAB 1984). TMEP 1212.02(b).
6. 15 U.S.C. § 1095. TMEP 815.03.
7. *See In re Loew's Theatres, Inc.*, 769 F.2d 764, 769-70 (Fed. Cir. 1985).
8. *See* 37 C.F.R. § 2.41(a)(2).
9. *See Lovely Skin, Inc. v. Ishtar Skin Care Prods., LLC*, 745 F.3d 877 (8th Cir. 2014).
10. *Sheila Lyons v. American College of Veterinary Sports Med. And Rehabilitation, Inc.* 997 F. Supp. 2d 92 (D. Mass. 2014).
11. *See Roux Labs., Inc. v. Clairol Inc.*, 427 F.2d 823, 829 (C.C.P.A. 1970); *In re Hehr Mfg. Co.*, 279 F.2d 526, 528 (C.C.P.A. 1960); *In re Gammon Reel, Inc.*, 227 U.S.P.Q. 729, 730 (TTAB 1985).
12. *See, e.g., In re Bongrain Int'l Corp.*, 894 F.2d 1316, 1318 (Fed. Cir. 1990); *Alcatraz Media, Inc. v. Chesapeake Marine Tours Inc.*, 107 U.S.P.Q.2d 1750, 1767 (TTAB 2013); *In re Seaman & Assocs., Inc.*, 1 U.S.P.Q.2d 1657, 1659 (TTAB 1986); *In re Packaging Specialists, Inc.*, 221 U.S.P.Q. 917, 919 (TTAB 1984).
13. *In re ActiveVideo Networks, Inc.* (TTAB 2014) (precedential).
14. *See In re R.M. Smith, Inc.*, 734 F.2d 1482 (Fed. Cir. 1984).
15. TMEP 1212.02(g).
16. 37 C.F.R. § 2.41.
17. *In re Steelbuilding.com*, 415 F.3d 1293 (Fed. Cir. 2005) (citing *Cicena Ltd. v. Columbia Telecomms. Group*, 900 F.2d 1546 (Fed. Cir. 1990)). *See also Coach Servs. Inc. v. Triumph Learning LLC*, 668 F.3d 1356 (Fed. Cir. 2012).
18. *In re Steelbuilding.com*, 75 U.S.P.Q.2d at 1424.
19. *In re Koninklijke Philips Electronics N.V.* (TTAB 2014) (precedential).
20. TMEP § 1212.06(b); *see also Int'l Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819 (9th Cir. 1993).
21. TMEP 1212.06(b).
22. *See Stuart Spector Designs Ltd. v. Fender Musical Instruments*, 94 U.S.P.Q.2d 1549, 1572 (TTAB 2009).
23. *In re ActiveVideo Networks, Inc.* (TTAB 2014) (precedential).

Matthew D. Asbell is a partner with Ladas & Parry LLP in New York.

Debating Designs: *Varsity Brands* and Intellectual Property Protection for Fashion Designs

By Craig B. Whitney and Rachel Kronman

I. Introduction

In today's fashion industry, designs can move from catwalk to cash register with incredible speed. Designers often see their runway looks quickly recreated by others using lower-priced fabrics and cheaper production methods. While some high-end designers cry foul, others argue that copying has always existed in the apparel industry and that designers themselves are copying and interpreting prior collections. They argue that fashion should be accessible to everyone, particularly when trends change in weeks.

So the debate over copyright protection for fashion design rages on. The legal issue often boils down to one question: Is fashion functional? Historically, the answer has largely been yes, and consequently the copyright protection afforded is thin, although courts have provided many different interpretations of how to identify a fashion design's functional elements. In particular, courts are struggling with whether functionality should be broadly defined to encompass every element of a fashion item or whether it should be focused narrowly on only the item's most basic function.

In *Varsity Brands v. Star Athletica*,¹ the Sixth Circuit recently held that design elements affixed to cheerleading uniforms were conceptually separable from the (functional) uniforms themselves and therefore were protected by copyright. This approach to protecting designs is at odds with that taken by many other circuit courts, including the Second Circuit, which define functionality more broadly. The Sixth Circuit's decision—the likely subject of a petition for review by the Supreme Court—further clouds the already murky field of copyright for fashion

and may re-energize the debate about the level of copyright protection properly afforded to fashion designs.² It also raises the question of whether copyright is a designer's best tool for protecting works of fashion.

II. *Varsity Brands v. Star Athletica*

Clothing and most other fashion items are considered "useful articles," which the Copyright Act defines as articles having an "intrinsic utilitarian function."³ Such items are only entitled to copyright protection to the extent they incorporate pictorial, graphic, or sculptural ("PGS") elements that are separately identifiable from their utilitarian aspects. This is known as the "separability test." Courts generally consider two types of separability: physical and conceptual. Elements that can literally be removed from a useful article are physically separable and are capable of copyright protection if they also are conceptually separable.⁴ Conceptually separable elements are those that are recognizable as PGS works even if they cannot physically be removed from an article.⁵ Examples of conceptually separable elements include an engraving on vase, a carving on the back of a chair, and artwork printed on a t-shirt.⁶ Whether an element of a fashion item is conceptually separable depends on the interpretation of the functional purpose of the item.

Varsity Brands, Inc. ("Varsity") is a manufacturer of cheerleading uniforms. Varsity registered with the U.S. Copyright Office two-dimensional representations of its designs (see below). Varsity sued Star Athletica ("Star") for copyright infringement on the ground that Star's cheerleading uniforms too closely resembled Varsity's registered designs.



The district court granted Star's motion for summary judgment, finding that Varsity's designs were not copyrightable because the designs were not separable from the utilitarian function of a cheerleading uniform. The district court found that the colors, stripes, and chevrons were functional because they made the garment recognizable as a cheerleading uniform.⁷

On appeal, the Sixth Circuit adopted a "hybrid" approach to conceptual separability to determine whether the PGS elements of the cheerleading uniform, namely, its chevrons, lines, and shapes, were identifiable separately from the uniform itself. The court looked at the most basic purpose of a cheerleading uniform to determine its functionality. It determined that the uniform's purpose was to cover the body, wick away moisture, and withstand the rigors of athletic movements.⁸ Contrary to decisions in other circuits, the court expressly rejected the argument that decorative elements of clothing are generally incapable of copyright protection.⁹ The court held instead that the chevrons, lines, and shapes on Varsity's uniforms did not enhance the uniform's capacity to function as a *clothing* item: A plain white cheerleading uniform, the court reasoned, would work equally well to meet the utilitarian demands of cheerleading (covering the body, wicking moisture, etc.) and would be just as easily recognizable as a cheerleading uniform.

Certain nuances in Varsity's production process played a significant role in the court's decision. Varsity's designers sketch uniform concepts, and those sketches are recreated by affixing design elements to a basic uniform. Varsity's customers can customize their design concept by choosing certain shapes and colors. The court emphasized that the variable and customizable nature of Varsity's cheerleading uniforms bolstered the court's ability to separate the uniforms' design elements: A blank cheerleading uniform could appear side-by-side with a decorated uniform, emphasizing that the graphic designs are separable.¹⁰ Also, Varsity's graphics may be incorporated onto other types of clothing.¹¹ This, the court reasoned, established that the designs were transferrable and wholly unnecessary for the garment to perform functionally. The chevrons, lines, and shapes were therefore held to be copyrightable.¹²

III. Separability in the Second Circuit

The Sixth Circuit in *Varsity Brands* identified *nine* different approaches used to determine conceptual separability and then created its own, tenth approach.¹³ Although each approach has nuances, the separability issue is, at its core, a question of whether all aspects of fashion designs are functional or whether certain aspects can be separated and copyrighted. In recent years, the Second Circuit has narrowed its approach to conceptual separability and now applies a more stringent test than the Sixth Circuit, generally treating the decorative aspects of clothing as functional.

The Second Circuit historically has classified articles of clothing as "useful articles" and excluded them from copyright protection, while recognizing that separable design elements can be protected. In 1980, the court determined that belt buckle designs were PGS works, separable from the belt's functional purpose, because they did not enhance the belt's ability to keep pants at waist level.¹⁴ Similarly, in 1995, the court found the selection and arrangement of leaves, squirrels, and designs in a "fall" color palette on sweaters to be copyrightable.¹⁵ And in 2005, the court held that it was "at least possible" that elements of plush, stuffed animal Halloween costumes could exist independently and reflect the designer's artistic judgment, independent of functional concerns, and therefore could be conceptually separable.¹⁶

But in a 2012 decision the court took a stricter stance on separability. In *Jovani Fashion, Inc. v. Fiesta Fashions*,¹⁷ the court considered whether decorative aspects of a prom dress—the selection and arrangement of sequins and beads as well as tulle added to the lower portion—were copyrightable.¹⁸ The court found that these design elements were used to enhance the functionality of the dress as clothing for a special occasion and, therefore, that the aesthetic merged with the functional to cover the body in a particularly attractive way for that special occasion.¹⁹ The court stated that clothing, in addition to covering the body, serves a decorative function, such that decorative elements of clothing generally are "intrinsic" to the overall function rather than separable from it.²⁰

IV. The Present and Future of Copyright Protection for Fashion

In his dissenting opinion in *Varsity Brands*, Judge David William McKeague wrote that "it is apparent that either Congress or the Supreme Court (or both) must clarify copyright law with respect to garment design. The law in this area is a mess—and it has been for a long time."²¹

Congress has, in fact, made recent attempts to extend copyright protection to fashion designs. The Innovative Design Protection Act of 2012 (a more narrowly tailored successor to the Innovative Design Protection and Piracy Prevention Act of 2010) proposed granting a three-year term of protection to new fashion designs. The bill would have extended protection to the appearance of an article of apparel, including design elements that are the unique, distinguishable, non-trivial, and non-utilitarian result of the designer's creative choices. The bill received wide industry support, including from the Council of Fashion Designers of America and the American Apparel & Footwear Association,²² while critics argued it would harm smaller, independent designers who would not have the funds to defend challenges by large fashion houses. The bill failed to pass before Congress ended its session in 2013.²³

But not all aspects of fashion design copyrightability are in a state of flux. It is well settled, for example, that

utilitarian aspects of fashion designs, such as the particular manner in which a garment is tailored or its pockets, are not copyrightable.²⁴ Conversely, patterns or pictorial designs used on clothing generally are copyrightable.²⁵ The design of a rose, for example, and the placement of that rose repeated in horizontal rows on fabric have been held to be copyrightable.²⁶

After *Varsity Brands*, there arguably is a stronger case for copyright protection of customized items. As the Sixth Circuit pointed out, when an unadorned item can easily be compared to a decorated garment, the decorations are more readily identified as PGS works. The decision also could bolster the view that appliques to clothing designs should be entitled to broader copyright protection. It is uncertain, however, whether *Varsity Brands* will lead the Supreme Court (or Congress) to adopt a uniform test for conceptual separability that could be applied nationwide.

V. Other IP Protection for Fashion

Copyright is not the only available means of protecting fashion designs. Unless and until copyright is clarified in this area, other methods of intellectual property protection should be considered when it comes to protecting fashion.

A. Trademark

Trademark law protects some aspects of a fashion designer's work. A designer can possess trademark rights in its brand name, in distinctive logos, and in unique, recognizable patterns. The difficulty lies in obtaining trademark protection for a portion of a garment design or for a garment design as a whole.

Some established designers have successfully used trademark registrations to protect portions of their designs that are iconic signatures for their brands, i.e., elements that have attained secondary meaning or are inherently distinctive. For instance, Perry Ellis International obtained trademark protection for its signature shoulder pleat, which the fashion house has used since the 1980s, and Levi Strauss owns federal trademark registrations for the stitch design that appears on the back pocket of its denim jeans.²⁷

Designers also have registered and enforced recognizable patterns such as the Louis Vuitton "LV" initials, which the Second Circuit held is an inherently distinctive trademark.²⁸

Famously, a single-color feature, namely, a red sole, has been held to be capable of functioning as a trademark when it contrasts in color with the remainder of the shoe.²⁹

Designers often incorporate logos and brand names into their fabric patterns, jewelry, bags, and shoe designs.³⁰ Intentionally or not, the added benefit of interweaving traditionally trademark-protected elements into

designs is that those designs become more susceptible to being protected under trademark law.³¹

B. Trade Dress

Trade dress generally covers a fashion article's overall appearance, including its "size, shape, color or color combinations, texture, graphics, or even particular sales techniques."³² In 2000, the Supreme Court divided trade dress into two categories—product packaging and product design—recognizing that unregistered trade dress protection can extend to fashion designs.³³ The Court held that product packaging, or the "dressing" of a product, can be protectable if it is inherently distinctive or has acquired secondary meaning. On the other hand, product design—the appearance of the product itself—can never be inherently distinctive and must have secondary meaning to be protectable. As a result, for a brand owner to protect its fashion design as trade dress, the design must have been advertised and marketed to such an extent that, when consumers see it, they think of the brand. For example, Adidas's three-stripe shoe design has been held to have secondary meaning because consumers associate it with Adidas.³⁴ Likewise, Hermès has enforced its trade dress rights against a manufacturer of lookalike, but rubber, Birkin bags.³⁵ Fashion designers who may rely on trade dress protection should consider how they promote their signature designs and take every opportunity to create an association between the design and the brand.

C. Design Patent

Design patents provide fifteen years of exclusive protection for the appearance of a novel, nonfunctional, and nonobvious design or ornamentation.³⁶ But registration is relatively costly and takes about a year. One strategy for protecting fashion designs is to combine trade dress protection with a design patent. A fashion designer could, for example, seek to obtain a design patent from the U.S. Patent and Trademark Office while simultaneously increasing marketing and advertising to create secondary meaning in the design.

Design patents more easily apply to certain fashion items than others. Shoe designs, jewelry, and handbags, in particular, are more likely to meet the novel, nonfunctional, and nonobvious requirements than are clothing designs, although portions of a design may be patentable. Fashion designers should consider design patents if aspects of their designs are particularly unique and they intend to use them for a considerable length of time.

* * *

Copyright protection for fashion design remains a viable option in certain circumstances—although precisely which ones may be a moving target. While the copyrightability of fashion design continues to sort itself out, however, designers may look to other areas of intellectual property law for guidance and protection.

Endnotes

1. *Varsity Brands, Inc. v. Star Athletica, LLC*, 799 F.3d 468 (6th Cir. 2015).
2. Indeed, in its motion to the Sixth Circuit for a stay pending preparation of a petition for a writ of certiorari from the Supreme Court, the appellee stated that “[t]his case involves the single most vexing, unresolved question in all of copyright: determining whether an element of a useful article is conceptually separable from the article and therefore protectable.” Appellee Star Athletica’s Motion to Stay the Mandate, *Varsity Brands, Inc. v. Star Athletica, LLC*, No. 14-5237 (6th Cir. Oct. 14, 2015), ECF No. 66 at 1.
3. 17 U.S.C. § 101.
4. *Id.* at 482-83; <http://copyright.gov/comp3/chap900/ch900-visual-art.pdf>.
5. 2 William F. Patry, PATRY ON COPYRIGHT § 3:139 (2010).
6. *Id.*; *Varsity Brands*, 799 F.3d at 483-84.
7. *Id.* at 475.
8. *Id.* at 490.
9. *Id.* at 490-91.
10. *Id.* at 491.
11. *Id.*
12. *Id.*
13. The court labeled the various approaches as follows: (1) the Copyright Office’s Approach; (2) the Primary-Subsidiary Approach; (3) the Objectively Necessary Approach; (4) the Ordinary-Observer Approach; (5) the Design-Process Approach; (6) the Stand-Alone Approach; (7) the Likelihood-of-Marketability Approach; (8) Patry’s Approach; and (9) the Subjective-Objective Approach. An explanation of each approach can be found in *Varsity Brands*, 799 F.3d at 484-85.
14. *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993 (2d Cir. 1980). Subsequently, however, the Second Circuit held that the PGS design elements of a bike rack were inextricably intertwined with and influenced by the bike rack’s utilitarian purpose and therefore were not copyrightable. See *Brandir Int’l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142, 1146-47 (2d Cir. 1987).
15. *Knitwaves, Inc. v. Lollytogs Ltd. (Inc.)*, 71 F.3d 996, 1004 (2d Cir. 1995).
16. *Chosun Int’l, Inc. v. Chrisha Creations, Ltd.*, 413 F.3d 324, 329 (2d Cir. 2005).
17. 500 F. App’x 42, 44 (2d Cir. 2012).
18. *Id.* at 45.
19. *Id.*
20. *Id.*
21. *Varsity Brands*, 799 F.3d at 496-97.
22. <http://cfda.com/programs/protecting-intellectual-property>.
23. <https://www.congress.gov/bill/112th-congress/senate-bill/3523>.
24. 2 PATRY ON COPYRIGHT § 3:151; *Varsity Brands*, 799 F.3d at 482.
25. *Knitwaves, Inc. v. Lollytogs Ltd. (Inc.)*, 71 F.3d 996 (2d Cir. 1995).
26. *Folio Impressions, Inc. v. Byer California*, 937 F.2d 759, 761, 763, 765 (2d Cir. 1991).
27. *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011).
28. *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 112 (2d Cir. 2006); *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 426 F.3d 532 (2d Cir. 2005).
29. *Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc.*, 696 F.3d 206 (2d Cir. 2012).
30. <http://nymag.com/thecut/2015/04/most-logo-riffic-moments-in-fashion/slideshow/2015/04/29/logos/29-logo-5/>.
31. *United States v. Chong Lam*, 677 F.3d 190, 199 (4th Cir. 2012).
32. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1 (1992).
33. *Wal-Mart Stores v. Samara Brothers*, 529 U.S. 205 (2000).
34. *Adidas-Salomon AG v. Target Corp.* 228 F. Supp. 2d. 1192 (D. Or. 2002).
35. *Hermès International v. Steven Stolman, Ltd.*, No. CV 03 3722, 2003 WL 23883672 (E.D.N.Y. July 30, 2003).
36. <http://www.uspto.gov/patent/laws-and-regulations/patent-term-calculator>.

Craig B. Whitney is a partner and Rachel Kronman is an associate with Frankfurt Kurnit Klein & Selz, PC. They can be reached at cwhitney@fkks.com and rkronman@fkks.com.

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

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

www.nysba.org/BrightIdeas

JVC v. Nero's Strategic Retreat From the Precipice of Patent Exhaustion

By Gino Cheng

I. Introduction

The Supreme Court's 2008 decision in *Quanta Computer, Inc. v. LG Elecs., Inc.*¹ opened the door for exhausting patent method claims upon the authorized sale of components that substantially embodied them. The Federal Circuit grappled with *Quanta's* implications in *LifeScan Scotland Ltd. v. Shasta Techs., LLC*,² and determined in *Helferich Patent Licensing, LLC v. The New York Times Co.*³ how the licensed sale of a product that embodies some method claims does not necessarily exhaust other method claims that cover complementary products or services. Close on the heels of *Helferich*, the Federal Circuit decided in *JVC Kenwood Corp. v. Nero, Inc.*⁴ whether a software provider was liable for contributory or induced infringement of standard-essential patents. *Nero* turned on the question of whether purchasers of licensed, standard-compliant DVD and Blu-ray discs were liable as direct infringers if they used the authorized discs in combination with unsanctioned software (assuming such combined use necessarily practices the standard-essential patents). Against this rich backdrop of recent decisions, this article looks at (i) what aspects of the patent exhaustion doctrine *Nero* develops; (ii) which it left for another day; and (iii) why.

II. Nero

JVC's indirect infringement case against Nero hinged on a theory that purchasers of both the licensed optical discs and Nero's software directly infringed JVC's standard-essential patents whenever the purchasers used any standard patented functions such as fast-forwarding, setting regional control, recording, rewriting, etc. At least six JVC patents were at issue, as to which both method and apparatus claims were asserted.⁵ Nero moved for summary judgment of non-infringement on two theories—patent exhaustion and express release—each of which would foreclose direct infringement by the end users of the licensed standard-compliant discs. The trial court in the Central District of California agreed with Nero on both theories and granted summary judgment of non-infringement, and JVC timely appealed.⁶ Applying the standard of the regional circuit,⁷ a Federal Circuit panel consisting of Judges Pauline Newman, Timothy B. Dyk, and Jimmie V. Reyna reviewed the grant of summary judgment *de novo*.

In the district court JVC did not proffer evidence of direct infringement specific to any end user; instead, it advanced a standards-compliance theory of infringement. JVC asserted that its patents were essential to the relevant standards and DVD/Blu-ray specifications and

that a purchaser's use of the specification-compliant discs, not excluding their use with Nero's software, necessarily infringed those patents. In short, its theory was that because (a) the asserted patent claims were essential to playing, copying, locking, and recording data on an optical disc compliant with the corresponding DVD or Blu-ray standard specification, then (b) Nero's software also must practice the patents when used with standard-compliant discs to perform those functions.

As it happened, JVC was a member of two patent-licensing consortia for optical disc technology (DVD6C and One-Blue). As a result, even without JVC's assertion of standard-essentiality, its patents would be a part of the group's respective licenses automatically if they necessarily would be infringed when implementing DVD, DVD-R/RW, or BD-R/RE disc standard specifications. Put differently, patents necessarily infringed by compliant DVD and Blu-ray discs, i.e., essential patents, were licensed for manufacture and sale by licensees of the patent pools. Accordingly, unless the disc were supplied by an unlicensed manufacturer, the compliant disc would be a licensed product.

Conducting the analysis dictated by *Quanta*,⁸ the district court found that: (i) the licensed DVD and Blu-ray optical discs substantially embody the inventive aspects of the asserted JVC patents (which the DVD6C and One-Blue licensing consortia had also deemed standards-essential to the corresponding optical disc products),⁹ and (ii) the only reasonable and intended use of the licensed DVD and Blu-ray optical discs was to play, copy, and record data in accordance with the DVD and Blu-ray standards specifications.¹⁰

Quanta further requires that the initial sale be authorized.¹¹ To that end, the district court divided the types of sales into three potential categories and dealt with each separately.¹² The first scenario called for standard-compliant discs made and sold by a manufacturer who had not taken a license from either patent pool or an individual license¹³ from JVC. Clearly, without such a license there would be no authorization from the patentee and no possibility of exhaustion or express release. However, the district court quickly dispensed with this scenario because JVC had failed to adduce any facts or to specifically allege the existence of black-market discs from unlicensed manufacturers.¹⁴

The second category involved discs whose manufacture or use were merely partially licensed and which could be traced to one of two possible sources: (i) a manu-

facturer that took a partial license as to some but not all of the patents in the pools, e.g., those covering a specific product such as a rewritable disc, but later made and sold types of discs falling outside of the scope of its partial license or (ii) a manufacturer who observed the partial license but sold to a consumer who later used the product in a manner that exceeded the license's scope. The court acknowledged that the first of these subcategories would present a situation akin to that in *General Talking Pictures Corp. v. Western Elec. Co.*,¹⁵ which held that neither a manufacturer that knowingly violated a field-of-use limitation nor the consumer would be protected by the patent exhaustion doctrine. Notably, although the court framed the issue by citing *General Talking Pictures* for support,¹⁶ it separately questioned in a footnote¹⁷ whether the Federal Circuit's opinion in *Mallinckrodt, Inc. v. Medipart, Inc.*,¹⁸ which held that the patentee's rights to sue a direct purchaser for violating a post-sale restriction were not exhausted, was still good law after *Quanta*.¹⁹ Although not addressed in *Nero*, this question has been teed up and argued in the pending en banc appeal in *Lexmark Int'l, Inc. v. Impression Prods., Inc.*²⁰

Similar to the unlicensed discs, the district court wrote off the sub-category of partially licensed manufacturers who exceeded the scope of their licenses because JVC failed to allege their existence.²¹ Next, the court disposed of the second sub-category: to the extent any purchasers used partially licensed optical discs in a manner that exceeded the scope of the license, the court reasoned that the initial sale would have exhausted all claims (from licensed and unlicensed patents alike) that were substantially embodied by the disc.²² However, the court also dismissed this latter possibility as effectively foreclosed by JVC's argument of "necessary infringement." The court's rationale was that any purportedly unlicensed claim that necessarily was infringed by use of the discs should have been deemed essential and therefore have been included in the partial license in the first place.²³

Finally, at the other extreme, the district court considered standard-compliant discs from fully licensed manufacturers. Having ruled out the first two categories, the court reasoned that all discs at issue would fall into this last category and concluded that Nero had carried its burden of showing that all of the discs allegedly used with Nero's software had been authorized under at least one license.²⁴ The court further concluded that the licensing scenario served as a complete defense to infringement, reasoning that "[e]nd users should not be faced with the possibility of patent infringement if they purchase and use an authorized product that embodies a patent and is intended for use only to practice the patent."²⁵

The district court thus observed that licensees (and their purchasers) could not be direct infringers, thereby dooming JVC's claims of indirect infringement. In addition, the court noted that in both the individual and the patent-pool licenses JVC had expressly released its right

to sue its licensees for past infringement of any licensed patents.²⁶ JVC also acknowledged that the express release protected end users, not merely its licensed manufacturers, with a complete defense.²⁷ In light of this express release, and having already determined JVC's claim for present infringement was barred by the doctrine of patent exhaustion, the court held that the doctrine of express release barred JVC's claim for past infringement.²⁸

JVC relied on the standardized disc specifications to show infringement by Nero's software when used in conjunction with the discs, but that approach ended up cutting the other way, supporting the district court's finding that the discs and their use by end-users were licensed. Even for the one asserted patent whose method claims did not recite the optical disc itself, the court concluded that the inventive aspects of the claim nonetheless were embodied by the standard-compliant optical disc.

III. Deconstructing Nero

As the most senior judge on the *Nero* panel, Judge Newman had the prerogative of penning the unanimous opinion for the Federal Circuit. Together with Judges Dyk and Reyna, she upheld the grant of summary judgment finding non-infringement, agreeing with the lower court's conclusion that JVC "cannot have it both ways—either the Patent is essential and licensed or JVC cannot rely on the standards to show infringement as it has chosen to do."²⁹ In a nutshell, since the optical discs complied with the standards, and their use complied with the standards to which JVC alleged its asserted patents were essential, both the discs and their necessarily infringing use were licensed.

Curiously, however (but perhaps necessarily), the panel decided to transpose the lower court's primary rationale of patent exhaustion with its secondary, bootstrap argument of express release (which the district court spent little time elaborating). Although the express release argument indisputably had been a benchwarmer in the district court's opinion, the appellate panel featured it and demoted the exhaustion defense to a mere "alternative" theory.³⁰ Specifically, the panel affirmed on express release grounds and vacated the district court's ruling as to patent exhaustion.³¹

Having determined to affirm the grant of summary judgment on the grounds of licensing, the panel could have dispensed with patent exhaustion with a simple one-line explanation that it did not need to reach that issue. Instead, Judge Newman devoted three pages to the issue, pointing out that: (i) JVC had no adequate response to the district court's formulation that if the patents represented a "substantial embodiment" of the optical discs as sold, then the patents were exhausted upon sale of the discs, and (ii) nevertheless, the conflicting factual record precluded summary judgment with respect to patent exhaustion.³² In particular, the court found the record

not sufficiently developed to resolve the threshold question of whether the allegedly exhausting sale originated from or through the patentee (i.e., was authorized by the patentee).³³

It is telling that the panel did not simply leave intact the lower court's treatment of exhaustion. It could have simply stated that it was not necessary to reach the issue instead of going out of its way to vacate that portion of the district court's ruling. What was so dangerous about the district court's analysis that it could not be left undisturbed? As discussed below, the panel's treatment of the exhaustion issue hints at various undercurrents in the panel's decision-making process.

As a preliminary matter, the patent exhaustion section of the panel opinion suggests that the judges agreed on the proper test for exhaustion³⁴ but not on its application. To keep the decision unanimous, Judge Newman may have been forced to stop short of applying law to facts and thus reached the desired result on a different theory.

Notably, *Helperich* and *LifeScan* were the only Federal Circuit cases cited in the exhaustion section of the opinion, and they were cited merely for unremarkable points of law.³⁵ However, these decisions offer (i) a potential backstory explaining why the *Nero* panel ruled as it did and (ii) instructive parallels that offer guidance as to how practitioners should approach exhaustion going forward.

IV. Doppelganger of *Helperich* Patent Licensing?

In *Helperich*, the defendants "rel[ied] on the reciprocal enhancement of utility to argue that the patentee's licensing of the first group [of claims] terminates the patentee's rights against the second group for practicing the second invention, when practicing the second invention in some way contemplates the first group's use of a product made under the license."³⁶ Similarly here, *Nero*'s software and the optical discs seem to be complementary products that mutually enhance each other's value. So how does one square the district court's finding of exhaustion with the opposite result in *Helperich*, where the court rejected the patent exhaustion defense?³⁷

In *Helperich*, the patentee sued various content-providing network operators on multiple patents, some of the claims of which it previously had licensed to third-party cell phone manufacturers. The asserted claims addressed "systems and methods for handling information and providing it to wireless devices, such as mobile-phone handsets"³⁸ (referred to as the "content claims"³⁹). In addition, two of the seven patents-in-issue⁴⁰ contained a second set of method claims directed to handset functionality on the receive-end and end-user operations (referred to as the "handset claims"⁴¹). The latter set of method claims had been licensed to the handset manufacturers.⁴² The content claims, which had not been li-

censed, were the only claims asserted against the accused infringers.⁴³

On appeal, the *Helperich* panel reversed the lower court's grant of summary judgment of non-infringement based on the exhaustion defense,⁴⁴ reasoning that (i) the accused infringers were not licensees or downstream purchasers⁴⁵ ("authorized acquirers"⁴⁶) and (ii) the two sets of method claims were "distinct, separately patentable inventions, even when they are designed to be used together."⁴⁷ Despite the two sets of claims being related and complementary,⁴⁸ the panel did not find any overlap⁴⁹ between the steps of the unlicensed content claims and those of the licensed handset claims. That is, it determined that (i) the content providers' storage of content, paging the content subscriber, and making temporarily available the content (representative of the content claims, which involved "sending content to handsets from remote servers"⁵⁰) did not coincide with (ii) receiving a notification message at a handset and initiating the retrieval of information corresponding to what was noticed.⁵¹

Helperich therefore affirms the patentee's freedom to extract value from complementary products separately against third parties who were not licensed initially. The accused content providers were not parties to the license with the handset manufacturers or their downstream customers. Similar to the facts in *Nero*, where JVC accused software providers who were not parties to the licenses with the disc manufacturers or their downstream customers.

Despite these parallels, the seemingly conflicting outcomes are easily harmonized by examining the roles of the parties in relation to their respective infringement theories. In *Nero*, the alleged direct infringer was an authorized acquirer at, or downstream from, the first sale, and the accused defendants were merely liable for contributing to or inducing the acquirer's infringement. In contrast, the *Helperich* defendants themselves were being accused of direct infringement, rather than of contributory or induced infringement, for supplying the complementary good or service.

Thus, it is important to recognize that the patent exhaustion defense is not always available, especially for third parties accused of direct infringement of an independently patentable, unlicensed set of claims not embodied (per the second prong in *Quanta*'s two-part inquiry) in the licensed/sold device. The exhaustion defense historically has been availed of by either (i) those at, or downstream from, the first sale of a good (substantially) embodying the asserted claims and accused of direct infringement or (ii) others accused of indirect infringement for supplying complementary products or services to them—e.g., *Nero* supplying its burning and recording software to purchasers who bought their discs from licensed manufacturers. Accordingly, while there are superficial parallels between *Nero* and *Helperich*, their

differing outcomes are easily reconciled. Moreover, the circumstances presented in *Nero* appear to be those that the *Helperich* panel contemplated when it narrowly circumscribed its holding.⁵²

To be sure, JVC might have stood a better chance had it (i) sought to go after *Nero* directly with a different set of claims rather than to impute liability through the licensed end-users on the same set of claims (i.e., had it sued *Nero* as a direct infringer, although this route would probably have limited JVC to asserting system or apparatus claims); (ii) drafted and asserted claims the infringement of which would not necessarily follow from implementing the relevant industry-accepted specifications (i.e., non-standard-essential patents or patents not otherwise included in the patent pool licenses); and (iii) relied far less on the standards to further avoid any overlap between the novel features of the licensed claims and those of the unlicensed asserted claims.

So if *Nero* did not present a conflict with *Helperich* and, moreover, may have been an answer to the *Helperich* panel's express invitation,⁵³ why was the *Nero* panel reluctant to engage in a substantive analysis of *Nero*'s exhaustion defense? The answer may lie in *LifeScan*.

V. Détente After *LifeScan*

Nero nearly could have been a replay of *LifeScan*. As in *Nero*, the panel in *LifeScan* included Circuit Judges Dyk and Reyna. Also similar to *Nero*, *LifeScan* was another case in which patent exhaustion was invoked as a defense to contributory and induced infringement for supplying perishable, complementary products for a device sold by the patentee. The case reached the Federal Circuit on appeal from an order granting a preliminary injunction in favor of the patentee, *LifeScan*. Because the injunction ruling hinged on a question of law, the panel, reviewing it *de novo*⁵⁴ and, finding the asserted method claims to be exhausted, reversed.⁵⁵

The panel was split on whether the authorized first sale of the device—a blood-glucose measuring meter—exhausted method claims covering the use of the device in combination with the test strips it was designed to receive. In an opinion by Judge Dyk, the majority held for the accused replacement test strip supplier, concluding that the asserted method claims—for using the strips together with the meters—were exhausted by the sale of those meters.⁵⁶

The asserted method claims, directed to a more reliable and accurate way of measuring blood-glucose levels from blood samples,⁵⁷ required

- measuring an electric current at each working sensor part proportional to the concentration of said substance in the sample liquid;

- comparing the electric current from each of the working sensor parts to establish a difference parameter; and
- giving an indication of an error if said difference parameter is greater than a predetermined threshold.

LifeScan's meter carried out the claims by detecting, measuring, and comparing the electric currents through three corresponding electrodes on the received test strip (i.e., providing two working signals and one reference signal).⁵⁸

Going through the *Quanta* analysis for method claims because the meters were distributed by the patentee, the authorization of the first sale was not seriously questioned. Instead, because the meter alone could not practice the method without the test strip, the panel majority focused on whether the meter “substantially embodies the patent”—i.e., whether the additional features needed to transform the product into the completed invention were themselves “inventive” or “noninventive.”⁵⁹ The majority reasoned that (a) because test strips with multiple electrodes were known in the prior art,⁶⁰ and (b) the meter was the component that actually carried out the measuring, comparing, and indicating steps, therefore (c) any and all of the inventive aspects of the claim were substantially embodied in the meter.⁶¹ Thus, the sale of the meter, having been authorized by *LifeScan*, exhausted the method claims. The exhaustion shielded purchasers using the meters from direct infringement and the test-strip supplying defendants from indirect infringement.

The plaintiff had tried—in two separate patent applications⁶²—but failed to separately patent the strips. These unsuccessful attempts would serve to bootstrap⁶³ the majority's reasoning that the inventive steps critical to the method claim were actually carried out by the meter “and not the configuration of the electrodes on the strips.”⁶⁴ Stemming from its determination that the meters substantially embodied the asserted method claims, the panel majority concluded that the sale⁶⁵ of the meters exhausted those claims. Drawing additional support from the Supreme Court's decision in *Morgan Envelope*,⁶⁶ the panel held that “if one item in the patented combination is either unpatented or if the patent on it is invalid, and the inventive concept resides in a second item, then the sale of the second item exhausts a product patent in the combination.”⁶⁷

Judge Reyna dissented, disagreeing with the majority's “substantially embodying” analysis. He took issue with the majority's identification of the meter as the component that was implementing the inventive features of the claimed method. In Judge Reyna's view, the test strips, not the meters, embodied the essential features.⁶⁸ He also criticized what he saw as the majority's overemphasis in its *Quanta* analysis on the *patentability* of the individual component in the mutually complementary

combination rather than on the component's *contribution* to the ultimately claimed invention.⁶⁹ In other words, he thought the majority may have missed the forest for the trees.

To Judge Reyna, the claimed steps performed by the meter, such as "measuring," "comparing," and "giving an indication of an error," were only made possible by the test strip's unique, three-electrode configuration. Because prior art test strips only used two electrodes, one working and one reference, the readings could be inaccurate whenever something interfered with the working electrode. LifeScan's test strips introduced a third electrode (a second working electrode) to guard against faults associated with the first working electrode and further took a reading of their difference. Thus, he concluded that the strips themselves embodied inventive aspects of the claimed method.

Conversely, Judge Reyna found the complementary meter to be old, existing technology. He observed that any diabetic patient with "a pencil, a pad of paper, and an ammeter" (to measure current—amperage) could determine his or her blood-glucose level "without the assistance of a blood glucose meter."⁷⁰ Without the uniquely designed test strip, the meter was merely a "standard component in the system and only involves the application of common processes" that "does not embody the essential features of its patented method because the steps it performs are common and noninventive."⁷¹

Although the *LifeScan* panel did not reach the issue of validity, it appears that the disagreement over the technology as well as the law was so fundamental that the judges would have reached the same split decision had they tackled validity instead of exhaustion: the majority believed the strips were unpatentable,⁷² while the dissent believed the meter was unpatentable.⁷³ There was some expert testimony on validity, but the panel disagreed about what it meant. Accordingly, deciding the appeal based on the claim's validity no more offered a path to unanimity than did deciding it based on exhaustion.

In *Nero*, Judges Dyk and Reyna would again decide whether asserted method claims were substantially embodied in one device, such that they were exhausted with respect to its post-sale use with complementary products. Having cited *LifeScan* in *Nero*, Judge Newman was no doubt aware of her colleagues' disagreement in the earlier case. *Nero* might cause one to speculate that Judge Newman and her fellow judges were reliving the same debate, with Judge Dyk finding all of the inventive steps embodied in the disc and Judge Reyna finding at least one inventive step in *Nero*'s software (or vice versa), thereby coming out on opposite sides of the exhaustion issue. If Judges Reyna and Dyk had indeed entrenched themselves along these familiar battle lines, that impasse would explain why Judge Newman would go out of her way to emphasize the express release argument and

set aside the central exhaustion question. She may have viewed this route as preferable to a fractured opinion that would further muddle the law in this nuanced area. Judge Newman even may have accommodated a request from her colleague arguing against exhaustion to vacate the lower court's ruling as to exhaustion, thereby dispelling the notion that the panel was *sub silentio* endorsing the lower court's assessment. She certainly would have appreciated the significance of and difference between ignoring and disavowing the lower court's ruling, having previously penned a spirited concurrence in *Outside the Box Innovations v. Travel Caddy*⁷⁴ in response to the panel majority using an alternative basis to reach the unanimously agreed-upon result while passing over, instead of rejecting, an issue she felt had been wrongly decided below.⁷⁵

VI. Disquiet Before *Lexmark*

There may be another reason the decision came out as it did. The panel found the facts on which the district court rested its exhaustion finding to be "sketchy" and incomplete.⁷⁶ As noted, the lower court's analysis included a taxonomical breakdown of the universe of potentially infringing incidents into three categories: unlicensed, partially licensed, and fully licensed discs.⁷⁷ For its discussion on the two sub-groups within the partially licensed discs category, the district court first relied on *General Talking Pictures* for the scenario in which the manufacturer/seller exceeds the scope of the license.⁷⁸ Before moving on to the second scenario, in which a purchaser uses an otherwise conforming disc in a way that exceeds the manufacturer's partial license,⁷⁹ the district court questioned whether Federal Circuit precedent upholding a patentee's post-sale restriction was still good law after *Quanta*.⁸⁰

Nero did not accept any part of the lower court's methodical treatment of the exhaustion issue and instead rejected it without going into the merits.⁸¹ The panel's reticence may have been motivated by the pending en banc appeal in *Lexmark*. As all three members of the *Nero* panel must have been aware, this exact question—whether post-sale restrictions on end-users, which the Federal Circuit endorsed in *Mallinckrodt*, had been implicitly overruled by the Supreme Court in *Quanta*—was heard en banc on October 2, 2015. So while the opportunity presented itself in *Nero*, albeit mooted by the district court's reasoning,⁸² Judge Newman declined to flesh out this area of patent law concerning conditional sales.

VII. Conclusion

The retreat in *Nero* gave Judge Newman a chance to regroup. *Nero*, an uncontroversial, reserved opinion, may be a product of her diplomacy, carefully negotiated with her fellow panelists, who may have been dueling over how to apply *Quanta* to the "undeveloped facts"⁸³ of *Nero*. On any given turn at the board, there is the strongest

move, and there is the best move. In *Nero*, Judge Newman may have opted for the latter.

Endnotes

1. 553 U.S. 617, 636 (2008) (“Exhaustion is triggered only by a sale authorized by the patent holder....”); *see also id.* at 638 (“Intel’s microprocessors and chipsets substantially embodied the LGE Patents because they had no reasonable noninfringing use and included all the inventive aspects of the patented methods. Nothing in the License Agreement limited Intel’s ability to sell its products practicing the LGE Patents.”).
 2. 734 F.3d 1361 (Fed. Cir. 2013) (deciding whether patentee’s distribution of blood glucose measuring meters intended for use with complementary, perishable, unpatented test strips shields competing test-strip seller from liability for inducing and contributing to purchasers’ practice of method claims requiring both meters and test strips) (Reyna, J., dissenting).
 3. 778 F.3d 1293 (Fed. Cir. 2015) (deciding whether patentee’s licensing of method claims to manufacturers covering end-user cell phone use also shielded network-operating content providers from liability for direct infringement of a different set of method claims sending data and notification to those cell phones).
 4. No. 2014-1011 (Fed. Cir. Aug. 17, 2015) (“*Nero II*”).
 5. For three patents, JVC asserted both apparatus claims covering the discs and method claims covering their editing and control. For two patents, only method claims were asserted, and for the last patent, only the apparatus claims were asserted. *See Nero II*, slip op. at 3-7.
 6. *JVC Kenwood Corp. v. Arcsoft, Inc.*, 966 F. Supp. 2d 1003, 1016 (C.D. Cal. 2013) (Pfaelzer, J.) (“*Nero I*”).
 7. *See Earl v. Nielsen Media Research, Inc.*, 658 F.3d 1108, 1112 (9th Cir. 2011) (plenary review) with *Atari, Inc. v. JS&A Group, Inc.*, 747 F.2d 1422 (Fed. Cir. 1984) (en banc) (Markey, C.J.).
 8. *See Quanta*, 553 U.S. at 638 (“Intel’s microprocessors and chipsets substantially embodied the LGE Patents because they had no reasonable noninfringing use and included all the inventive aspects of the patented methods.”).
 9. *See Nero I*, 966 F. Supp. 2d at 1012-13 (“JVC cannot avoid the fact that, taken together, each of these individual claims constitute parts of the overall acts of playing or recording to an optical disc.... In addition, the only reasonable and intended use of an optical disc licensed under standards-essential patents must be to practice those patents because there is no alternative use.”) (citing *Broadcom Corp. v. Qualcomm Inc.*, 501 F.3d 297, 314 (3d Cir. 2007)).
 10. *See Nero I*, 966 F. Supp. 2d at 1013-15 (“If these claims are essential to the licensed DVD and Blu-ray optical discs, then those discs must embody the elements described in those claims. Since the method claims add no new inventive aspect, this Court finds that the optical discs also embody the method claims of the [asserted] Patents.”).
 11. *See Quanta*, 553 U.S. at 625.
 12. *See Nero I*, 966 F. Supp. 2d at 1008-12.
 13. *See Nero I*, 966 F. Supp. 2d at 1009 (disc manufacturers who had taken an individual license from JVC include LG, Pioneer, RITEK, Mitsubishi Kagaku, Sharp, Sanyo, Samsung, and Matsushita/Panasonic).
 14. *See Nero I*, 966 F. Supp. 2d at 1009 (“In addition, end users in the U.S. must have used the unlicensed optical discs with Nero software. JVC, however, has failed to present such evidence or even specifically allege these facts.”).
 15. 304 U.S. 175 (1938), *on reh’g*, 305 U.S. 124 (1938).
 16. *See Nero I*, 966 F. Supp. 2d at 1010-11.
 17. *See id.* at 1011 n.1 (“Supreme Court precedent, however, does not clearly delineate the difference between a conditional sale and an unconditional sale.... Prior to *Quanta*, the Federal Circuit held that where conditions to an authorized sale do not violate antitrust and competition law, patent licenses, like a contract, may be conditioned, and the patent infringement defense is available if the condition is violated.”) (citations omitted).
 18. 976 F.2d 700, 705-10 (Fed. Cir. 1992).
 19. For additional discussion on the viability of *Mallinckrodt* and conditional sales in light of *Quanta*, please see Gino Cheng, *Finding a Place for Mallinckrodt and Conditional Sales in the Patent Exhaustion Doctrine: Will ‘Lex’ Mark the Spot?*, NEW MATTER, Vol. 40, No. 3, Fall 2015, available at <http://www.winston.com/en/who-we-are/attorneys/cheng-gino.html>.
 20. Appeal Nos. 2014-1617 and -1619 from Case No. 1:10-cv-00564 (S.D. Ohio Apr. 14, 2015) (“In light of *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617 (2008), should this court overrule *Mallinckrodt, Inc. v. Medipart, Inc.*, 976 F.2d 700 (Fed. Cir. 1992), to the extent it ruled that a sale of a patented article, when the sale is made under a restriction that is otherwise lawful and within the scope of the patent grant, does not give rise to patent exhaustion?”). Oral arguments before the active bench were heard on October 2, 2015.
- In addition to the fate of *Mallinckrodt*, the Federal Circuit will also decide whether, “[i]n light of *Kirtsaeng v. John Wiley & Sons, Inc.*, 133 S. Ct. 1351 (2012) [...] this court overrule *Jazz Photo Corp. v. International Trade Commission*, 264 F.3d 1094 (Fed. Cir. 2001), to the extent it ruled that a sale of a patented item outside the United States never gives rise to United States patent exhaustion.”
- This question is beyond the scope of this article, but is addressed elsewhere. *See, e.g.*, Gino Cheng, *Whether International Sales Under Worldwide Licenses Exhaust U.S. Patents: The Days of the Jazz Photo, Ninestar, and Benun Line of Cases May Be Numbered*, BLOOMBERG BNA’S PATENT TRADEMARK & COPYRIGHT JOURNAL, July 24, 2015, available at <http://www.winston.com/en/thought-leadership/whether-international-sales-under-worldwide-licenses-exhaust-u-s.html>; Gino Cheng et al., *Helping the U.S. Federal Circuit Find a Place for Jazz Photo in the Legal Landscape of International Patent Exhaustion: Will ‘Lex’ Mark the Spot?*, KEEP YOUR COUNSEL, July 15, 2015, available at <http://www.winston.com/en/thought-leadership/keep-your-counsel-volume-2-issue-3.html>.
21. *See Nero I*, 966 F. Supp. 2d at 1010-11.
 22. *See id.* at 1011.
 23. *See id.* (“JVC cannot have it both ways—either the Patent is essential and licensed or JVC cannot rely on the standards to show infringement as it has chosen to do. JVC’s argument regarding partially licensed optical discs therefore does not raise a disputed issue of material fact.”).
 24. *See id.* at 1011-12.
 25. *Id.* at 1012 (citing *Tessera, Inc. v. ITC*, 646 F.3d 1357, 1367, 1370 (Fed. Cir. 2011)).
 26. *See id.* at 1015-16.
 27. *See id.*
 28. *See id.* at 1016; *see also id.* at 1018 (“JVC is further barred from asserting claims of direct infringement against end users for use of Nero software with DVD and Blu-ray optical discs made or sold by a party whose products have been expressly released from claims of infringement by JVC with regard to the Patents”).
 29. *See Nero II*, slip op. at 12-13.
 30. *See id.* at 2, 3, 13.
 31. *See id.* at 15.
 32. *See id.*

33. *See id.*
34. *See id.* at 13-14.
35. *See id.* at 13, 15.
36. *Helferich*, 778 F.3d at 1301.
37. *See id.* For additional discussion on *Helferich*, please see Gino Cheng, *Quanta-fying Helferich Patent Licensing's Contribution To The Exhaustion Doctrine*, BLOOMBERG BNA'S PATENT TRADEMARK & COPYRIGHT JOURNAL, April 10, 2015, available at www.winston.com/en/thought-leadership/quanta-fying-helferich-patent-licensing-s-contribution-to-the.html.
38. *Helferich*, 778 F.3d at 1295.
39. *Id.*
40. *Id.*
41. *Id.*
42. *See id.* at 1296 ("Helferich licensed its portfolio to what, at least at one time, constituted most—we may assume all—of the manufacturers of mobile handsets for sale in the United States.").
43. *See Helferich*, 778 F.3d at 1295.
44. *See id.* at 1311.
45. The *Helferich* panel pointed out that the defendants were accused of directly infringing the content claims, in contrast with all the litany of cases finding exhaustion where the end-user was alleged to be the direct infringer by using an unauthorized, replacement perishable complementary good by indirect infringer. *See id.* at 1302-03 (citing *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502 (1917), *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.*, 152 U.S. 425 (1894), *Keurig, Inc. v. Sturm Foods, Inc.*, 732 F.3d 1370 (Fed. Cir. 2013), and *LifeScan*).
46. *See Helferich*, 778 F.3d at 1302 ("In short, the decisions finding exhaustion (or relying on exhaustion to reject an antitrust defense) have done so only when the patentee's assertion of infringement was, or depended on, an assertion that an authorized acquirer was using the same invention by infringing the asserted claims.).
47. *Id.* at 1304.
48. "All of the patents that are relevant here derive from a common specification," and two of the seven patents-in-suit contained both a set of content claims and a set of handset claims. *Id.* at 1295.
49. *See id.* at 1309 ("Here, if the inquiry compares handset claims and content claims, we cannot find that either set wholly contains the invention found in the other. Each has its own inventiveness, as the cases come to us.").
50. *Id.* at 1296 (emphasis original).
51. *See id.*
52. *See id.* at 1311 ("[W]e do not foreclose an exhaustion defense... that establishes premises for such particular claims not asserted or established in the broad-brush defense before us—such as the presence of essentially the same inventive features in paired handset-content claims...and the necessity that someone practice a handset claim for an asserted content claim to be practiced;....") (emphasis added).
53. *See id.*
54. *See Nat'l Steel Car, Ltd. v. Can. Pac. Ry., Ltd.*, 357 F.3d 1319, 1325 (Fed. Cir. 2004).
55. *LifeScan*, 734 F.3d at 1377.
56. 40 percent of the meters were sold at below cost and the remaining 60 percent were given away for free. *See LifeScan*, 734 F.3d at 1365 ("LifeScan distributes its meters in this way 'in the expectation and intent that customers will use its OneTouch Ultra meters with [its] OneTouch Ultra test strips, from which [it] derive[s] a profit.'").
57. *LifeScan*, 734 F.3d at 1364 ("Blood glucose meters and disposable test strips of this general design first became available in the 1980s. The '105 patent claims to improve upon earlier systems. It claims a method of comparing the measurements taken by two separate working electrodes.").
58. *Id.* ("If the readings of the two working electrodes differ significantly, this indicates problems such as inadequate sample volume or manufacturing defects, and the readings are to be discarded. A reference electrode on the strip serves as a common reference for both working electrodes.").
59. *Id.* at 1369-71.
60. *Id.* at 1369 ("Contrary to the dissent, a biosensor with multiple electrodes was known in the prior art, as LifeScan's own expert admitted.").
61. *Id.* at 1371 ("Because it is the meter alone that performs these key inventive steps of the claimed method, the meter substantially embodies the method claims of the [asserted] patent.").
62. *Id.* at 1370 n.4.
63. It was a secondary argument because the majority conceded that the issue "is not whether the strips would have been separately patentable" but "whether the strips embodied the inventive features of the claims that were actually allowed by the examiner." *Id.* at 1371. Nonetheless, it admitted that had they also been patented, the independent "patentability of the strips could be relevant to exhaustion." *Id.*
64. *Id.*
65. *See id.* at 1365.
66. 152 U.S. 425 (1894) (oscillating toilet paper roll was complementary product to dispenser, which roll was separately patented but whose patent was invalidated prior to deciding whether patentee's patent covering both dispenser and roll was exhausted).
67. *LifeScan*, 734 F.3d at 1372.
68. *Id.* at 1378 (Reyna, J., dissenting).
69. *Id.* ("the inventive contributions of the components to the method, as opposed to the inventiveness of the components themselves, determine their essentialness.").
70. *Id.* at 1379 (Reyna, J., dissenting).
71. *Id.* at 1380 (Reyna, J., dissenting).
72. *Id.* at 1369 ("Contrary to the dissent, a biosensor with multiple electrodes was known in the prior art, as LifeScan's own expert admitted.").
73. *Id.* at 1380 (Reyna, J., dissenting) ("In brief, while the majority devotes significant attention to the patentability of the test strip, it fails to demonstrate that LifeScan's meter is separately patentable. The evidence suggests that it is not.").
74. 695 F.3d 1285 (Fed. Cir. 2012).
75. The issue related to a different defense to infringement in patent litigation—inequitable conduct. For further description and analysis of *Outside the Box*, please see Gino Cheng, *Runaway Jurisprudence: Has the 'But For' Test for Proving Inequitable Conduct in Patent Cases Gone Awry, Gone Rogue, or Gone Quiet?*, NEW MATTER, Vol. 40, No. 2, Summer 2015, available at www.winston.com/en/thought-leadership/runaway-jurisprudence-has-the-but-for-test-for-proving.html; Gino Cheng, et al., *The Future of "Egregious Misconduct" in Patent Cases*, LAW360, July 7, 2014, available at www.winston.com/en/thought-leadership/the-future-of-egregious-misconduct-in-patent-cases.html; and Gino Cheng, et al., *Inequitable Conduct: Rethinking "Egregious Misconduct"*, LAW360, Jan. 9, 2013, available at www.winston.com/en/thought-leadership/inequitable-conduct-rethinking-egregious-misconduct.html.

76. See *Nero II*, slip op. at 15 (“On the sketchy record, contradictory arguments, and undeveloped facts before us, we decline to expand the theory of patent exhaustion to reach this case.”).
77. See *Nero I*, 966 F. Supp. 2d at 1009-12.
78. See *id.* at 1010-11.
79. In this situation, the district court held that “the sale of the partially licensed optical disc is an authorized sale that can trigger patent exhaustion.” *Id.* at 1011, *vacated by Nero II*, slip op. at 15. *General Talking Pictures* offers no guidance, because (i) there, both the licensee and the purchaser knew of the license’s scope but decided to breach it anyway, and (ii) while the Supreme Court acknowledged the purchaser’s knowledge, it did not address the legal consequence of that knowledge. During oral arguments at the October 2, 2015 hearing in the pending *Lexmark* appeal, counsel for both parties and the U.S. government as *amicus curiae* each were posed this precise hypothetical. Where a compliant licensee unwittingly sells to a bad-faith purchaser who intends to act beyond license’s scope at the time of sale, the federal government argued for exhaustion, the licensee having been authorized to make the sale (“If someone [a purchaser] lies to you [the licensee], I think it’s still an authorized sale as long as you’ve fulfilled whatever license terms there were about ensuring your selling within the scope of your license. Then I think your rights would have been exhausted.”). Interestingly, both Impression Products and Lexmark argued against exhaustion in that scenario. Regardless, as this type of transaction was not implicated on the facts of *Lexmark*, if the Federal Circuit chooses to address it, it would likely be in *dictum* only. For further description and analysis of *Lexmark*, see Gino Cheng, “Update on Recent U.S. Federal Circuit Briefing: How To Structure Licenses To Avoid Patent Exhaustion,” Licensing Executives Society Chinese Taipei (LESCT), Taipei, Taiwan, October 22, 2015, available at <http://www.winston.com/en/thought-leadership/gino-cheng-presents-how-to-structure-licenses-to-avoid-patent.html>.
80. See *id.* at 1011 n.1 (“After *Quanta*, however, it is unclear to what extent the *Mallinckrodt* decision applies”). See also *supra* note 19.
81. See *Nero II*, slip op. at 15.
82. See *Nero I*, 966 F. Supp. 2d at 1011 (reasoning that all necessarily infringed patents would have been standard-essential patents and therefore included in the partial license to the manufacturers).
83. *Nero II*, slip op. at 15.

Gino Cheng is a senior IP litigation associate and registered patent attorney in Winston & Strawn LLP’s Taipei and Los Angeles offices.



Your Gifts

and Charitable Contributions Help Kids...

...And provide funding for law-related charitable and educational projects that are taking place right here in our own communities in New York State.

When you make your gift to The New York Bar Foundation, you join with lawyers and others who share in our conviction that we must work together to bring equal access to justice to all New Yorkers.

To make a contribution call **The Foundation** at **(518) 487-5650** or visit our website at **www.tnybf.org**

lawyers caring. lawyers sharing.
Around the corner. Around the state.



Welcome New Members

Shazia Ajmal
Paul G. Anderson
Christina Frances Annick
Erica Arias
Gaurav Arora
Matthew D. Asbell
Paul M. Baillargeon
Ioanna Bantouna
John Albert Basinger
Andrea Bento
Noam Moshe Besdin
Nikita Bhargava
Ami Bhatt
Michael Blase
Michael Block
Shanee Brown
Philip Brumley
Renata Bukhman
Dale Margaret Cendali
Weichuan Caroline Chen
Danielle Cipollina
Gary B. Cohen
Leigh Polk Cole
Patricia M. Costanzo
Michael Cukor
Alyssa D'Antonio
Nadia Ann-marie Daley-Blake
Sherman Davis
Danielle Marie Defilippis
David Ryan Dehoney
Catherine Downey
James Duckham
Jared DuJack
Nicholas Eadie
Catherine MC Farrelly
Miles Aubrey Finn
Justin Fleischacker
Megan Fleming
Brooke Ford
Steven S. Fox
Karin L. Gagnon
Ophelie Garnier
Rodolphe O. Gelly
Bruce Gluckman
Laura Alda Godorecci
Maria Grazia

Andrew Mcconnell Gross
Olga Guobiene
Nakia Denise Hansen
Catherine Rebecca Hartman
Marissa Becky Hight
Barbara T. Hoffman
Jessica Honan
David A. Honig
Sandra Adele Hudak
Brian D. Igel
Clinton Patrick Jackson
Alan Gustave Johnson
Paul Andrew Juergensen
Christina E. Kata
Saba Khan
Shazia Khan
Hyun Ki Kim
Walter Klasson
Richard A. Kurnit
Diane Lee
Martin A. Leroy
Jacob Louis Levine
Morgan Lloyd
Yifeng Lu
Jennifer J. Maertz
Muhammad A. Malik
George R. McGuire
Roxanna Menhaji
Christopher James Messina
Teronse Miller
Arrielle Sophia Millstein
Elana Minkoff
Michael Morales
Gow Mosby
Orla Marie Murphy
Kelly K. Ndubuka
Nia Nicholson
Alison L. Nixon
Kathryn A. O'Connell
Sean O'Connor
Caitlin Olwell
Elizabeth Ork
Nicole A. Palermo
Amit Panigrahi
Tania Parker
Alexis Patterson

Qiusha Peng
Lauren Ashley Perrella
Frank J. Polcino
Renee R. Prager
Kasha Pride
Filko Prugo
Carol Rafalowski
Manoranjah Rai
Brian Matthew Restauo
Oriana Jane Robertson
Melissa Robustello
Jimmy Rodriguez
Ariel Steven Rotenberg
Rahmoun Sakkal
Lucas Sambrook
Jennifer L. Schatzman
Ryan M. Schnee
Richard C. Schoenstein
Yuriy Y. Shirokikh
Meyer Y. Silber
Stella Silverstein
Stuart J. Sinder
Michael B. Smith
Radoslaw Smolinski
Kurt Sohn
Patrick Stanzione
Andrea Leigh Sturniolo
Tiombe Tallie Carter
Jie Tan
Bri'Ana Thomas
Andrei Trifonov-Serbinov
Stefan Tsourovakas
Neil A. Vaz
Tamara Venditti
James A. Vezeris
Jonathan F. Viray
Tiffany Elizabeth Von Vitzthume
Stephen Wah
Sarah Wheeler
Michael Woodward
Lita Beth Wright
Ren Xu
Nicola Young
Ramsha Zia
Mendel Zilberberg

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 32 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 33 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

* * *

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: 518/487-5577
FAX: 518/487-5579
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

Alexandra Goldstein
Wahab & Medenica LLC
125 Maiden Lane, Ste. 208
New York, NY 10038
alex@alexandragoldstein.com

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
Fross Zelnick Lehrman & Zissu, P.C.
866 United Nations Plaza, 6th Fl.
New York, NY 10017
swu@fzlz.com

Na Du
Kilpatrick Townsend And Stockton LLP
1114 Avenue of the Americas, 21st Fl.
New York, NY 10036-7703
ldu@kilpatricktownsend.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
Sills, Cummis & Gross, P.C.
101 Park Avenue, 28th Fl.
New York, NY 10112
sirchaz@optonline.net

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

Paula Joanne Estrada De Martin
Baker Donelson Bearman Caldwell
& Berkowitz P.C.
201 St. Charles Avenue, Ste. 3600
New Orleans, LA 70170
pestradademartin@bakerdonelson.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

From the NYSBA Book Store >

Counseling Content Providers in the Digital Age

A Handbook for Lawyers

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 a firm's Web site.

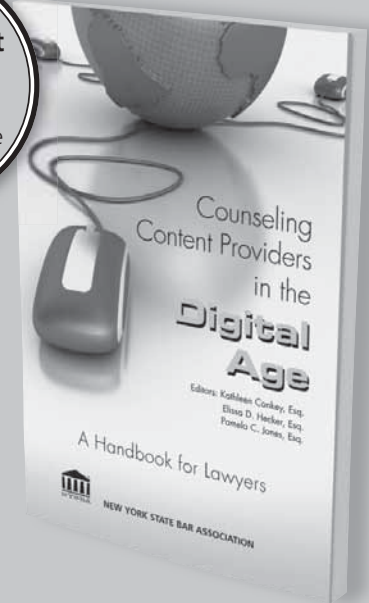
Table of Contents

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

Mention Code: PUB8193N



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 Non-members

\$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 February 15, 2016**



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 Spring/Summer 2016 issue must be received by March 1, 2016.

At-Large Members of the Executive Committee

David B. Bassett Daniel Korn 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 2015 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
Edwards Wildman Palmer LLP
750 Lexington Avenue
New York, NY 10022
RRadding@edwardswildman.com

Section Officers

Chair

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

Lisa W. Rosaya
Baker & McKenzie LLP
452 Fifth Avenue
New York, NY 10018
lisa.rosaya@bakermckenzie.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

<http://www.nysba.org/IPL>



NEW YORK STATE BAR ASSOCIATION
INTELLECTUAL PROPERTY LAW SECTION

NYSBA One Elk Street, Albany, New York 12207-1002

ADDRESS SERVICE REQUESTED

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

NEW YORK STATE BAR ASSOCIATION



January 25th–30th, 2016
New York Hilton Midtown, NYC

ANNUAL MEETING 2016

INTELLECTUAL PROPERTY LAW SECTION MEETING

Tuesday, January 26, 2016

