

DECISIONS & DEVELOPMENTS

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Patents • Trademarks • Copyrights • Trade Secrets • Antitrust • Government Contracts • Licensing • Litigation

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FAT ACTRESS WINS ONE

Instead of going to court, disputes over website domain names can now be decided less expensively and more quickly by filing a complaint with WIPO – the World Intellectual Property Organization. In one recent WIPO case, actress Kirstie Alley, who has apparently gained some weight since her “Cheers” days, created a new television series starring herself entitled “Fat Actress” that was broadcast on Showtime for the first time in April. But, one day after the series was announced publicly, Chris Hoffman registered the domain name “www.fatactress.com” for a website devoted to fairly diverse issues ranging from abortion to Hollywood movies mostly in a negative light. Hoffman is not new to domain name disputes – he previously registered various versions of AOL and Planned Parenthood as domain names and, in every case, WIPO forced him to transfer his registration to the rightful owner of the domain name. Because of Hoffman’s bad faith and opportunistic exploitation, WIPO also ordered www.fatactress.com to be transferred to Kirstie Alley. True Blue Productions Inc. v. Hoffman, WIPO No D2004-0930, 73 USPQ 2d 1512 (WIPO)

MOIST ISN’T WET

Playtex, the company that markets the Wet Ones® pre-moistened wipes was not amused when Georgia Pacific began selling a competitive “Moist-Ones” product but Playtex lost its trademark infringement case. The primary reasons, said the Second Circuit, were because the respective marks look different and there was no real consumer confusion. Under federal trademark law, that is important – usually to win an infringement lawsuit, the products must be similar, the marks must be similar, and it helps if there is evidence of actual consumer confusion. Playtex Products Inc. v. Georgia-Pacific Corp., 390 F.3d 158 (CA)

COORS BEATS THE BEERMAN

Trademarks that are too descriptive are not protectable as “Bob the Beerman” recently found out. Bob the Beerman is actually Robert Donchez of Colorado – a beer vendor for the Colorado Rockies baseball team. The Beerman became quite popular in the Denver area selling beer and amusing crowds in the process. Coors then met with the Beerman to discuss an advertising campaign utilizing Bob’s character. Ultimately, without Bob’s consent, Coors began a national television advertising campaign featuring a different “Beerman” and various “Beerstuds”. Bob sued Coors but lost: although Bob had a state trademark registration for “Bob the Beerman”, he had no federal registration and he could not prove “Beerman” was protectable under federal law. Donchez v. Coors Brewing Co., 392 F.3d 1211 (10th Cir)

BOOK REVIEWS

BNA’s Computer And Intellectual Property Crime: Federal And State Law by Boston’s Choate, Hall, and Stewart Partner A. Hugh Scott came out in 2001 and now available is the 2004 cumulative supplement. The supplement features a new chapter devoted to the Can-Spam Act of 2003 and updates involving court cases and legislation in many areas of computer law. BNA Books, Washington, DC, 1,510 pp. \$315.00

Want to know what really happens in patent prosecution? How about reference table listing which patent law issues are questions of fact, law, or mixed questions of law and fact? The 4th edition of Patent Law and Practice is an excellent, fairly short, primer used by federal judges and non-patent attorneys who confront patent issues. Herbert F. Schwartz, BNA Books, Washington, DC, 314 pp. \$120.00

All the IP statutes and regulations in one place: BNA's *Patent, Trademark And Copyright Regulations* provides a convenient, one-volume compilation of all the intellectual property regulations with citations and has now been updated with a July 2004 supplement. James D. Crowne, BNA Books, Washington DC, 372 pp. \$205.00

NO INSURANCE FOR TRADE SECRETS

In some cases, a businesses' General Commercial Liability (GCL) insurance policy provides insurance coverage for intellectual property lawsuits filed against the policy holder. In other cases, however, the GCL policy doesn't help. Steinberg Global Asset Management, Ltd allegedly convinced three employees of Nicholson-Kenny Capital Management, Inc. to leave the employ of Nicholson-Kenny and take with them confidential Nicholson-Kenny client information. Within three weeks, the ex-Nicholson-Kenny employees were managing \$60 million worth of assets of former Nicholson-Kenny clients. When Steinberg was sued by Nicholson-Kenny for theft of trade secrets, Steinberg turned to its insurer, the State Farm Fire and Casualty Co. alleging State Farm had insured Steinberg for "infringement of title" and "misappropriation of advertising ideas or style of doing business". Although these insurance provisions sometimes cover lawsuits stemming from trade dress and trademark infringement, trade secret theft lawsuits are not generally covered. Thus, State Farm did not have to defend Steinberg in the lawsuit brought by Nicholson-Kenny. State Farm Fire and Casualty Co. v. Steinberg, 393 F.3d (CA)

FORM OVER SUBSTANCE?

Under certain government contracts, a business can retain patent rights for inventions funded by the government – provided the company complies with certain government reporting requirements. Campbell Plastics received an Army contract in 1992 to develop certain components of an aircrew gas mask. Ultimately, Campbell Plastics obtained a patent on its mask but it never filled out the correct form (DD form 882) notifying the Army that Campbell intended to retain patent ownership. Campbell did, however, send its patent application to the Army. Still, since Campbell failed to fill out the correct form, the Government was able to take title to Campbell's patent. In a battle over form versus substance when dealing with government contracts, be careful: form can win. Campbell Plastics Engineering & Mfg. Inc. v. Brownlee, 389 F.3d 1243 (CA)

FAME HAS ITS ADVANTAGES

Ordinarily, trademarks are first in time in a country; first in right. This "territoriality principle" means that if you first use a trademark in Canada but not in the United States, I can later legally begin using the same trademark in the United States. Worse, you may not thereafter be able to use your own trademark in the United States.

There is an exception to this territoriality principle, however, and that exception is when the foreign trademark is famous. Thus, in 1959, when a restaurant owner opened a restaurant in New York City called Maxim's, after the famous Paris restaurant, he was enjoined even though the Paris restaurant did not operate in New York City or anywhere else in the United States. This is the precedent Grupo Gigante, a large grocery store chain in Mexico, attempted to use against Michael Dallo. Dallo opened up two stores in San Diego and called them "Gigante Market" well before Grupo Gigante first sought to expand its own "Gigante" stores into California. Both sides moved for summary judgment: Dallo asserting the territoriality principle; Gigante asserting the Maxim's exception to that principle. The District Court sided with Gigante. On appeal, the 9th Circuit, required on remand, that Grupo Gigante prove its foreign use of "Gigante" is sufficiently famous to US consumers to qualify for the exception to the territoriality principle. Grupo Gigante SA De CV v. Dallo & Co., 391 F. 3d 1088 (CA 9)

PATENT PRESUMES ECONOMIC POWER IN ANTITRUST TYING

In license deals, don't forget antitrust considerations. Trident, Inc. holds a patent covering ink jet printers used to print bar codes on packages. Trident licenses its patented printer technology and also sells ink for the printers to original equipment manufactures (OEMs). But, the OEMs are required to purchase the ink exclusively from Trident in order to receive a license to the patented printer technology. Independent Ink, Inc. also sells ink and charged Trident with antitrust violations – specifically illegal tying of a patented product (the printers) to a non-patented product (the ink).

On summary judgment, the district court found in favor of Trident on the theory that Independent Ink failed to prove the requisite market power enjoyed by Trident as a necessary element of an antitrust violation. The Federal Circuit reversed holding that the requisite economic power is presumed when the tying product is patented. Independent Ink, Inc. v. Illinois Tool Works, Inc., 73 USPQ 2d 1705 (Fed Cir)

KNOW WHEN TO FOLD

Failure to conduct the required due diligence before filing a patent infringement action can result in an award of attorney fees and even Rule 11 sanctions. This is also true in contempt proceedings. SunTiger Inc. holds a patent for a certain kind of sunglass lenses and sued Telebrands Advertising Corp. for patent infringement. The district court granted SunTiger an injunction and Telebrands then re-designed its lenses. SunTiger brought contempt proceedings against Telebrands alleging its new lenses still infringe SunTiger's patent. SunTiger's own expert, however, opined there was no infringement and when SunTiger still pressed the contempt proceedings against Telebrands, the court awarded Telebrands its attorney fees. SunTiger, Inc. v. Telebrands Advertising Corp., 73 USPQ 2d 1730 (ED VA)

ROSA PARKS STILL GOING STRONG

When the musical group OutKast recorded the hit song *Rosa Parks* in September 1998, the real Rosa Parks was not amused. She sued OutKast first in state court for \$5 billion but OutKast successfully moved the case to federal district court. That court concluded on summary judgment that the First Amendment was a valid defense to Parks' Federal Lanham Act and state law right of publicity claims. The 6th Circuit reversed and remanded because it was unclear whether the OutKast song *Rosa Parks* was really about Rosa Parks – a Lanham Act violation can occur if a song is titled in a way that is nothing more than a misleading advertisement for the sale of a song. Recently, Parks sought a remand back to state court but in December of last year, the federal district court denied her request. Stay tuned. Parks v. Noisivision, 73 USPQ 2d 1763 (ED Mich)

BEWARE GRABBING A MICROSOFT BY THE TAIL

Last year, a district court jury found Microsoft's Explorer product infringed a 1998 University of California patent now exclusively licensed to Eolas Technologies, Inc. over Microsoft's objections that the patent was invalid. The Federal Circuit has now overturned that verdict and held the district court improperly rejected Microsoft's invalidity defenses concerning a prior web browser that an inventor of the Eolas patent knew about but never disclosed to the Patent and Trademark Office (PTO). Also, the PTO is independently looking into the validity of the Eolas patent. Eolas Technologies, Inc. v. Microsoft Corp., 73 USPQ 2d 1782 (Fed Cir)

FIRST CARE NOT CAREFIRST

Sometimes a juxtaposition of trademarked terms is still trademark infringement, but not always. CareFirst is a health insurer in the mid Atlantic region and holds a trademark registration. First Care, in contrast, is a physicians group. CareFirst sued First Care and both parties sought summary judgment. Because there was no confusion as amongst consumers, because CareFirst is not a very strong trademark, and because the respective services offered by the parties were not the same, First Care was held not to infringe CareFirst. CareFirst of Maryland Inc. v. First Care PC, 73 USPQ 2d 1833 (ED VA)

DEFECTIVE COPYRIGHT REGISTRATION STILL CONFERS JURISDICTION

In order to bring a copyright infringement action, Federal law requires the copyright owner complainant to have a valid copyright registration from the U.S. Copyright Office. Without such a registration, federal courts have no jurisdiction over copyright infringement lawsuits. The Federal District Court in Boston recently faced the issue of whether jurisdiction exists when, although the plaintiff has a federal copyright registration, there are defects associated with it. It held that jurisdiction did prevail over the defect.

Joel Cipes is a professional photographer and Mikasa, Inc. is a well-known manufacturer of tableware and glasses. Mikasa's products, for example, can be found at Filenes, Macy's, and Mikasa's own stores. Mikasa hired Cipes to photograph certain Mikasa products for a few bridal magazine advertisements taken out by Mikasa. Mikasa, however, also used Cipes' photographs on Mikasa's website and in brochures and Cipes sued Mikasa alleging those uses of his photographs were not permitted. Mikasa moved for summary judgment after it discovered defects in Cipes' copyright registrations such as the wrong publication date. Since these defects were not fatal to Cipes' copyright registrations and since Mikasa was not prejudiced by the defects, Judge Gorton denied Mikasa's motion for summary judgment. Cipes v. Mikasa, Inc., 346 F.Supp. 2d 371 (D. Mass)

GEICO GETS GOOGLE

The legality of website metatags and links is still in dispute. In a recent case, Google was sued by Geico because when a Google user typed in "Geico" as a search term, the results page displays paid advertiser links not related to Geico in addition to a list of official Geico websites. Google sought to have the trademark infringement

action by Geico dismissed because Google was not using “Geico” as a trademark. Because, however, it is possible that Google customers may be falsely led to believe the Google paid advertisers are somehow related to Geico, the trial court let Geico’s lawsuit proceed. Government Employees Ins. Co. v. Google, Inc., 330 F. Supp. 2d 700 (ED VA)

ing air channels in the compost material in the bag to enhance composting. Versa’s patent described these “means” as including the flutes and the perforated pipe but the patent also cautioned that both structures were not necessarily required. Thus, Ag-Bag had to pay Versa royalties based on a fairly liberal reading of Versa’s patented air channel creation “means”. Versa Corp. v. Ag-Bag International Ltd, 73 USPQ 2d 1191 (Fed Cir)

WHICH MEANS IS MEANT?

A fair bit of patent litigation involves determining what a patent does and does not protect. The Versa Corporation patented a compost bagging machine where compost is placed in a hopper and a feeder drives the compost material from the hopper out through a tunnel and into a bag attached about the tunnel. It is important that air pockets are formed in the bagged material to enhance composting. Thus, Versa’s patent describes V-shaped flutes on the walls of the tunnel and a perforated pipe. The V-shaped flutes form air pockets in the bagged compost and the centrally located perforated pipe in the compost also form air pockets.

Versa’s competitor, Ag-Bag International Ltd., entered the market with a similar compost bagging machine which also fed a perforated pipe into the bagged compost. But, Ag-Bag’s machine did not include V-shaped flutes on the tunnel of the machine. The legal question was thus whether Versa’s patent claims required both the perforated pipe and the V-shaped flutes or just the perforated pipe alone. Versa’s patent claim required “means”, associated with the bagging machine, for creat-



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