

# DECISIONS & DEVELOPMENTS

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

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## REDSKINS MAY LOSE TO YOUTH

The Lanham Act allows “any person who believes he is or will be damaged by” a federal trademark registration to file a petition “at any time” with the U.S. Patent and Trademark Office (USPTO) to cancel the offending registration. In 1992, seven Native Americans petitioned the USPTO for cancellation of the Washington Redskins® trademarks and won. The District Court for the US District of Columbia then reversed on the grounds of laches. On appeal, the Native Americans argued that laches does not apply since the statute says a petition to cancel a registration can be filed “at any time”. The Court of Appeals has now held that the “at any time” language, however, only means there is no statute of limitations. Still, under Supreme Court precedent, laches as to a person only begins to run after the age of majority is reached and, here, one of the Native Americans was only a year old when the Washington Redskins® trademark was registered. The District Court thus erred when it found the laches clock began running on the date the registration came into being. That being the case, there could never be a successful laches defense, argued the Washington Redskins, because a claim could be brought by an as yet unborn claimant for an unlimited time after a mark is registered. The Court of Appeals found that argument was over stated and asked why laches should bar “all Native Americans from challenging pro-football’s ‘Redskins’ trademark registration because some Native Americans may have slept on their rights?” The case is now remanded to the District Court to determine whether the petitioning Native American who reached maturity after the registration issued unjustifiably delayed in bringing suit and whether the delay was excusable, reasonable, and prejudicial. Pro-Football, Inc. v. Harjo, 415 F. 3d 44 (C.A.D.C).

## DUCK'S QUACKS NOT PROTECTED YET

Can sounds be trademarked? Ride the Ducks, LLC in Philadelphia is both affiliated with and like Boston Duck Tours in that duck calls are available to tourists for use on the ride. Unlike Boston Duck Tours, Ride the Ducks has a competitor in the form of Super Ducks which also encourages the use of duck calls by its patrons. Ride the Ducks, which has a Federal Trademark registration for the use of a quacking noise made by tour participants, sued Super Ducks for the trademark infringement and sought a preliminary injunction. The Eastern District of Pennsylvania found Ride the Duck’s quacking noise trademark had not been proven protectable and thus denied the motion for a preliminary injunction. Ride the Ducks, L.L.C. v. Duck Boat Tours, Inc., 2005 WL 670302 (E.D. Pa.).

## QUICK CHANGE FOR SEACHANGE

Seachange International located in Maynard sued its competitor C-COR, Inc. (formerly nCUBE) for patent infringement. After the trial court construed Seachange’s patent claims in a way adverse to C-COR’s proposed interpretation, C-COR stipulated to infringement. On appeal, C-COR pressed its interpretation and won and now Seachange had to accept that there was no literal patent infringement. Seachange also lost its argument that C-COR was engaged in infringement under the doctrine of equivalents and it’s now back to the trial court to determine if Seachange’s patents are valid. Seachange Intern., Inc. v. C-COR, Inc., 413 F.3d 1361 (C.A. Fed.).

## A NAME IS NOT A TRADEMARK

Scrat is the well-known character in the movie Ice Age but Scrat was also the name previously given to the alleged

squirrel-rat hybrid in a New York City Park by Ivy Silberstein. She pitched a cartoon Scrat character and then, when Ice Age came out, she sued Fox for copyright and trademark infringement. The copyright claim failed mostly because Fox demonstrated the Scrat character in the film was based on a real prehistoric rodent and not Silberstein's character. The trademark claim failed because trademarks exist only when used in connection with a product and Silberstein never used the alleged "Scrat" trademark in connection with any real product. Silberstein v. Fox Entertainment Group, Inc., 2004 WL 1620895 (S. D. N. Y.).

## BOOK REVIEW

Want does it take for a patent licensee to be able to sue a competitor for patent infringement? What are the principal causes of uncertainty in license language? What is the difference between "know-how", "trade secrets", and "proprietary information"? These and other topics are the subject of the 5th edition of DRAFTING PATENT LICENSE AGREEMENTS (BNA books) by Brian Brunsvold and Dennis O'Reilly, partners at the premier Washington DC firm of Finnegan, Henderson, Farabow, Garrett & Dunner, LLP.

## IDEA FOR TV SHOW NOT PROTECTABLE

Just like Fox's "Boot Camp" television show was an alleged rip off of "Survivor", the idea for the Fox reality television program "Trading Spouses" was also not apparently new – "Wife Swap" was an earlier reality television show in the UK. But, the general idea for a television show is not usually protectable. Maybe if it were, Hollywood would be forced to innovate better programming. Anyway, the "Wife Swap" producers sued Fox for copyright infringement, trade dress infringement, and unfair competition. The Central District of California dismissed the trade dress and unfair competition claims but let the copyright infringement claims stand. Stay tuned. RDF Media Ltd. v. Fox Broadcasting Co., 372 F. Supp. 2d 556 (C. D. Cal.).

## UNFOUNDED (MIS)CHARACTERIZATION NOT ACTIONABLE

The movie the Perfect Storm was "based on a true story" but obviously fictionalized since no crew member of the Andrea Gail survived the October 1991 storm to tell

what really happened. No one knows, for example, whether Captain Billy Tyne really berated his crew for wanting to return to Gloucester rather than face the storm. Tyne's children sued Warner Brothers in Florida for a violation of Florida's commercial misappropriation statute and for common law false light invasion of privacy. On summary judgment, the Middle District of Florida decided the plaintiffs had no recourse under either theory. On appeal, the 11th Circuit certified a question to the Florida Supreme Court regarding whether Florida's statute applies. On April 21, the Florida Supreme Court handed down its opinion.

The statute in question makes unlawful publishing the name or likeness of any person without their consent for the purposes of trade or for any commercial or advertising purpose. The intent of the statute was to prevent advertisers from using a person's name or likeness without permission.

Motion pictures, however, are not like a typical promotion concerning a product or service and "commercial purpose", as used in the Florida statute, does not apply to movies. Tyne v. Time Warner Entertainment Co., L. P., 901 So. 2d 802 (Fla.).

## OK FOR CONGRESS TO DIVERT PATENT FUNDS

Every year, the US Patent and Trademark Office (PTO) receives enough revenue in user fees to be self-supporting – a rarity for government agencies. But, also every year, Congress diverts some of that revenue, totaling millions of dollars, to other government agencies and programs. In the year 2000, by one account, \$116 million in PTO funds representing patent application and maintenance fees and the like, paid by inventors and their companies, was taken from the PTO. Inventor Miguel Figueroa took issue with Congress' diversion of patent fees as violating the "promote the progress of science" portion of the Constitution's Patent Clause. With the help of his lawyer Heath Hogle, a patent attorney and law school professor who has written about the fee diversion problem before, Figueroa's class action lawsuit was filed under the Tucker Act, 28 U.S.C. §1491, in August of 2001 with the Federal Court of Claims. The Government promptly threw-up a trifecta of constitutional defenses: Figueroa lacked standing, the Court lacked the proper jurisdiction to hear his claim, and he had no claim in any case. On August 15, 2003, the Court of Claims denied the government's motion to dismiss. Recently, on cross motions for summary judgment, the Court of Claims found Congress' fee diversion activities a rational exercise of legislative authority and granted the United States' motion for summary judgment. Figueroa v. U.S., 66 Fed. Cl. 139 (Fed. Cl.).

## "YELLOW CAB" PROTECTABLE?

Is "Yellow Cab" a protectable trademark? Perhaps. The Yellow Cab Company of Sacramento was not happy when Michael Steiner started a one-cab taxi operation under the name "Yellow Cab of Elk Grove" in the Elk Grove suburb of Sacramento. The District Court granted Steiner's motion for summary judgment holding that "Yellow Cab" was generic and thus unprotectable. The 9th Circuit, however, reversed holding the genericness of "Yellow Cab" involved issues of material fact still in dispute. Yellow Cab Co. of Sacramento v. Yellow Cab of Elk Grove Inc., 419 F. 3d 935 (C.A. 9).

## SALES NON-COMPETE AGREEMENT UPHELD

Are employee non-compete agreements ever upheld anymore? For a recent 8th Circuit opinion that agreed with a District Court's grant of a preliminary injunction against a former employee subject to a non-compete, see Emerson Elec. Co. v. Rogers, 418 F. 3d 841 (C.A. 8). The court held the employer had a legitimate interest in restraining the ex-employee from using knowledge of the employer's sales practices.

## AMERICAN GIRL vs. AMERICAN GIRL

American Girl, LLC is having a difficult time shutting down the pornographic misspelled "typosquatting" website [www.amercangirl.com](http://www.amercangirl.com). The Eastern District of Wisconsin denied American Girl's motion for a TRO since personal jurisdiction over the website operator and the registrar of the domain name was highly questionable. The District Court, however, did leave American Girl with a few options: 1) an in-rem action against the typosquatting website domain name itself under the Anti-Cyber Squatting Consumer Protection Act (15 U.S.C. §1125(d)) or 2) the filing of a complaint under ICANN's Uniform Domain Name Dispute Resolution Policy. American Girl, LLC v. Nameview, Inc., 381 F. Supp. 2d 876 (E.D. Wis.).

## BLUEMAN CIGARETTES?

The Blue Man Group failed to stop a trademark registration for "Blueman" for cigarettes. The Trademark Trial and Appeal Board held the respective "goods" were sufficiently different to preclude a likelihood of confusion. Blue Man Productions, Inc. v. Tarmann, 2005 WL 2034544 (T.T.A.B.).

## O=ORANGE

Apparently, marketers have recently discovered oranges and the letter O: Stolichnaya sells a "Stoli O" orange flavored vodka, Star Industries sells a "Georgi O" orange flavored vodka, Bacardi sells a "Bacardi O" orange flavored rum, and Anheuser-Bush sells a Bacardi Silver "O" malt beverage. Star sued Bacardi for trademark infringement but lost because "O" is a known shorthand reference for orange, the respective products are different, and there was little evidence of actual confusion. Star Industries, Inc. v. Bacardi & Co. Ltd., 412 F.3d 373 (C.A. 2)

## ONLY ONE BEACON ALLOWED

Beacon Mutual Ins. Co., Rhode Island's largest workman's compensation insurance company, has been in business since 1992. OneBeacon Insurance Group adopted its name in 2001. Beacon Mutual sued OneBeacon for trademark infringement in Rhode Island's Federal District Court and OneBeacon moved for summary judgment alleging confusion as between the two company names had not been proven. The district court agreed in 2003 but later the 1st Circuit reversed. On remand, the district court has now ruled Beacon's mark is protectable and OneBeacon has been enjoined. Beacon Mut. Ins. Co. v. OneBeacon Ins. Corp., 376 F. Supp.2d 251 (D. R. I.).

## OF SIMILAR STRIPES

The ASICS' "stripe design" used on tennis shoes for over 35 years was found infringed by Wanted Shoes Inc. which adopted a very similar design for shoes sold in Sears stores. The Central District of California issued an injunction against Wanted on January 25th. ASICS Corp. v. Wanted Shoes Inc., 2005 WL 1691587 (C.D. Cal.).

## INVENTION MARKETING FIRM LOSES ATTEMPT TO DEFEND ITS HONOR

Invention marketing scams have long plagued consumers and many illegitimate invention marketing firms, after an investigation, were shut down by state or federal authorities. The U.S. Patent and Trademark Office (USPTO) itself launched a media campaign in 2002 to counter invention promotion scams. Invention Submission Corp., once investigated by the FTC, sued the USPTO on account of its media campaign alleging violations of the Administrative Procedure Act. The Federal

District Court dismissed the complaint under Rule 12(b)(1) and now, after two appeals to the 4th Circuit, that decision stands. Invention Submission Corp. v. Dudas, 413 F.3d 411 (C.A.).

### CAN PATENTED PRODUCT BE USED WITH OUT INFRINGING PATENT?

Dr. David Cheresh at the Scripps Research Institute discovered certain peptides were useful in reversing tumor growth in chicken embryos. Merck then funded Dr. Cheresh's work to conduct further experiments necessary for ultimately receiving FDA approval of a suitable drug. Problem was, Integra Lifesciences I, Ltd. held patents on the peptides and, in general, it is an act of patent infringement to use as well as to make or sell (or offer for sell) that which is patented. One exception, though, is the use of a patented invention solely for uses "reasonably related" to making submissions to the FDA.

At trial, the jury awarded Integra \$15M after finding the FDA exemption didn't apply. A divided Court of Appeals for the Federal Circuit also agreed the exemption didn't apply. On June 13, the U.S. Supreme Court held the exemption has a "wide berth" and that compound research using a patented product is exempt provided there is at least some reasonable basis to believe the compound tested could be the subject of an FDA submission even if such a submission is ultimately not made or the testing data itself is not ever submitted. Merck KGaA v. Integra Lifesciences I, Ltd., 125 S. Ct. 2372 (U.S.).

### DOGGED PERSISTENCE FAILS

You cannot conspire with yourself. This "single-entity rule" in antitrust law came into play when the Jack Russell Terrier Club of America (JRTCA) black listed several Jack Russell terrier owners who registered their dogs with the American Kennel Club (AKC) as well as the JRTCA. The black listed dog owners were not allowed to participate in JRTCA dog shows and they then sued the JRTCA and its regional affiliates for an illegal group boycott in violation of the Sherman Act. The 9th Circuit held in May that the JRTCA and its regional affiliates were not separate entities and thus could not conspire to restrain trade. Jack Russell Terrier Network of Northern California v. American Kennel Club Inc., 409 F. 3d 1027 (C.A. 9).



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