The view from the Federal Circuit

Judge Kara Stoll of the Federal Circuit provided interesting insight into the Court’s views yesterday.

The former Finnegan partner joined the Federal Circuit in 2015. “In some ways it was an easy transition,” she told Lisa Jorgenson in an interview during the luncheon. “I didn’t have to worry about losing any cases and my clients always pay.” But she says the sheer number of cases has been challenging.

On the subject of rehearing petitions, Stoll raised a gripe. “For what it’s worth, I really think the court and the bar would be well served if there were more selective use of petitions for rehearing. Then the ones that are really deserving, exceptional issues of importance, would stand out a little more.”

Stoll observed that “occasionally, and maybe even often”, cases have a big time gap between when an appeal is filed and when oral argument is scheduled. “One thing I noticed was the delay wasn’t necessarily due to the court’s action,” she said. “We seemed to be keeping up, but in some cases counsel for both sides or just one side would identify months on end when they are not available for oral argument, and not necessarily explain why or give good cause.”

She added: “It is something we are going to look into and something that is important to us because we want to keep up with our docket.”

Stoll discussed the number of issues that should be raised on appeal. The Federal Circuit has counseled for years that raising more than three issues can be difficult because of the limited amount of space in a brief and because weaker arguments can make stronger arguments appear weak.

“We receive a number of appeals still where there are five or six issues raised, or the issues raised are questions of fact,” said Stoll. “For our review of PTAB appeals, the standard of review is substantial evidence.

We see a lot of appeals where somebody is arguing that there isn’t substantial evidence to support a fact finding by the PTAB when in fact there is. So one thing that would behoove the bar would be to think about that substantial evidence standard and also think about legal issues.”

Jorgenson asked Stoll what distinguishes a good appellate lawyer from a great appellate lawyer. “It is really knowing the record well so that during oral argument you are faster with the record and the facts,” explained Stoll.

At oral argument, the judges have already read the briefs and studied the relevant issues. They have to vote immediately after oral argument on the outcome of the case.

“So a great attorney at oral argument really hears the question and answers with a yes or no and an explanation if necessary,” Stoll said. “They really know the record and the case law and are willing to make concessions, both in terms of what the facts are. But also if the attorney isn’t familiar with the particular case that you are asking about, it is better to admit you don’t know than to pretend you do.”

Stoll also gave some advice about writing briefs. She said that many briefs do not dig into the facts as much as necessary. One example of an error is saying a client should win because of a certain case and then just citing that case. A great brief would give the facts of the case and explain why the current case is just like it and why the court should rule the same way.

“I am really surprised by the number of briefs that tackle the issues not at a level of depth that I need in order to be able to resolve the case,” said Stoll. “So I think that’s one thing that distinguishes a great brief from a good brief.”

Is the CAFC at saturation point for patents?

Judge Raymond Chen of the Federal Circuit outlined the dramatic shift in the court’s docket in recent years, during the Appellate Track yesterday afternoon. The fiscal year that just finished was the third straight year that the Federal Circuit received more appeals from the USPTO than all district court patent appeals combined.

Now, about 70% of the Federal Circuit’s docket is patent cases. About 40% of the overall docket is from the USPTO and 30% is from district court patent cases.

“So there has been this significant skewing of the docket and there is no realistic way to say we are a generalist court at this point,” said Chen. “We are all sitting in our chambers just reading patents all day long, every day, getting ready for court week. That has changed the character of the job and creates concerns.”

Chen noted that one of the concerns when the court was created back in 1982 was that it would be too much of a specialist court, and prone to creating patent-centric rules. He commented: “It is good to see some of the same issues, such as collateral estoppel, in other situations because it helps provide a check so we don’t start creating our own very unique, perhaps even bizarre rules.”

He added: “I am a patent lawyer by trade so I am supposed to like this stuff. But everyone hits their own saturation point. It can be a joyless exercise. Not only is it more and more of a patent court but it is also more and more of a patent validity court. Everything from the PTAB is a validity question. The Hatch-Waxman cases are validity questions. The Section 101 decisions are validity questions. So it is not that often that we actually have a patent case that, say, deals with damages, where we have to try and provide some kind of guidance on the law of reasonable royalties or anything like that.”

In the same session, Ken Adamo of Kirkland & Ellis gave a presentation on strategies for establishing the best record in district court and PTAB appeals. He warned that there are far greater opportunities to mess a case up at the PTAB than at the ITC or in district court. “The PTAB is really an accident waiting to happen,” he said.

In particular, he highlighted a 2015 case that is essential for the audience to know. “If you walk out of here today with one case cited in your head, it should be Belden Inc v Berk-Tek Limited,” said Adamo. “If you do any kind of PTAB work you’d better have a copy of that case tucked under your pillow. This is the case that says if you don’t try everything you possibly can do to object to something that is objectionable at the PTAB, the Federal Circuit is going to have a pretty good way to argue that you waived the objection.”

Adamo also declared that the PTAB’s switch from the broadest reasonable interpretation (BRI) to the Phillips standard next month is not as clean-cut as it seems. “This story that we are switching from BRI to Phillips is not accurate,” he said. “We are switching from BRI, but what we are switching to is the Patent Office’s version of Phillips.”
The scary world of cybersecurity

Halloween came early for attendees of the Cybersecurity in the IP Landscape session yesterday. “We’re going to talk about horror stories,” said Jeannie Warner of WhiteHat Security, discussing cybersecurity tips from the front line.

Warner referenced a report on law firm cybersecurity by Logic Force in which every law firm surveyed was attacked. “Oh my goodness, you guys are in trouble,” she noted. About 22% were breached. Of those, 40% did not know they were breached at the time. In addition, 23% of law firms had no cyber insurance.

Worryingly, the report revealed that 95% of firms are not in compliance with their own policies and 100% of firms are not in compliance with client policies and standards.

Warner also warned the audience about the dangers of using Bluetooth technology. She shared one horror story about a man who was arrested for downloading child pornography, which had been put on his phone without him knowing by hackers over Bluetooth. He was eventually able to prove he had no knowledge of this but only after months of being separated from his family.

Andrea Castetter of Eli Lilly – and also Vice Chair of the newly-launched special Committee on Privacy and Data Security – discussed managed innovation, invention disclosures, and trade secret assets in a world of recording devices and hacking.

Castetter said the top threats are malicious insiders, phishing scams, malware and lost/stolen devices.

“From a legal perspective we have obligations,” she said. These include types of information to be monitored, personal information, and confidential business information. It is not always clear which laws apply, and source of legal obligation include federal laws, state laws, international requirements and contractual obligations.

Managing these threats is not only about educating the internal client. “Unfortunately, we are having to educate our law firm partners and our third parties about the importance of security practices,” she said. “So it does matter. Someone like Lilly, from an international perspective, we care and we expect not only our third parties that handle the information but our law firms who obviously have ethical obligations for confidentiality to put additional measures in place to understand and ask those questions as well.”

Castetter stressed that security in the digital world is extremely important. She discussed confidentiality, integrity and availability: “If you cannot show that integrity is intact it is going to affect the business. It starts at the top. It is really hard to embed it in an organization if it is not coming from the top down.”

As an example, she said that Lilly tries to engage the work force on the issues through posters and campaigns.

Regarding company policies, advice included: devise a clear, well-written policy that states what employees can expect from an information security and monitoring perspective; tailor policies to fit business needs; institute a policy on managing and protecting confidential information; consider having a separate policy on respecting third-party information; and establish a policy emphasizing the appropriate use of electronic resources, including devices, services and tools.

Information management tips and tricks included making management a high priority, referencing approved tools and services to use when handling confidential information, and stressing to employees that only people on a “need to know” basis should have access to business information.

In addition, “third-party management is a big one,” said Castetter. “Make third-party management a top priority.” This includes conducting a security assessment of the third party prior to engagement, and setting expectations around how the third party should handle confidential information and implement security standards in the agreement.

“Consider an assessment process,” said Castetter. “If you work with Lilly, we want to know what the potential vulnerabilities are so we can understand whether or not we feel comfortable sending you our crown jewels. So do what you can to advise us in that area.”

She concluded: “Finally, education is key. It is really important to know that no amount of technology can replace people doing the absolute right thing.”

Is your career resilient?

Early risers were treated to an interactive seminar on career resilience during the breakfast meeting of the newly-crowned Committee of the Year.

Before the presentation, a pleased Women in IP Law Committee Chair, Bea Swedlow of Honigman, jokingly suggested the award should be renamed “Committee of the Century.” She also revealed the Committee’s 2018 Global Networking Events spanned 20 countries and 61 locations. Richa Pandey of Krishna & Saurastri was named this year’s Woman to Watch.

Tiffany Southerland of Executive Coaching Consultancy then presented a career resilience model. This consists of three factors: job fitness, personal fitness and career fitness. The session was very interactive, with the audience asked to discuss with others what resilience means to them.

Southerland stressed that personal fitness did not mean just working out. It could include getting more than six hours sleep but also quality sleep. Suggestions for this included no phones just before bed or adjusting the lighting. Another suggestion was eating a better lunch so you don’t have a slump after the meal.

Career fitness can consist of many factors, shown in the chart. These include building energy and confidence, learning and growing, developing self-awareness, existing sponsors and advocates, and gaining a strong reputation.

Do you ever get the sinking feeling that you could have said something better in a meeting? Or maybe written a document better? Southerland urged the audience: “Be a good coach to yourself. Challenge your inner dialog.” This means asking yourself questions such as: How would someone else view the situation? Am I focusing on the negative?

“If you focus on a weakness, the best you can ever become is adequate,” said Southerland. “Focus on a strength and you can become great!”

Career Fitness

Gain a Strong Reputation
• Make a strong impact
• Become associated with visible success

Enlist Sponsors & Advocates
• Manage and meet expectations
• Build a robust network

Develop Self Awareness
• Aware of your impact on self and others
• Play to your strengths

Build energy & confidence
• Focus on priorities
• Delegate effectively

Learn & Grow
• Broaden understanding
• Seek new challenges
Trade secrets are an increasingly popular way to protect proprietary information, as inventors look for alternatives to patents and the validity issues around them. Brian Wishnow, IP counsel at USG and panelist at yesterday’s Trade Secret/International Track, said: “At USG, we protect more of our IP with trade secrets than with patents. Many manufacturing companies do this.”

Trade secrets have also been a priority of the Trump administration, which recognized the value of trade secrets in the economy. Katherine Perelli, partner at Seyfarth Shaw, said: “Passing the Defend Trade Secrets Act was the last bipartisan bit of legislation that I recall.”

The panelists shared some best practices to approach trade secret litigation in the US. First, try to avoid it through preventative measures. Identify and define what your trade secrets are, and keep the updated portfolio on an internal, shared platform. “At USG we use SharePoint as our central repository,” said Wishnow. He explained that a team of subject matter experts regularly review the documents and determine if they are truly trade secrets and warrant certain security measures, or a separate category of confidential material.

There are not many resources on how to develop a good system for security measures, however. “No company is going to disclose how they do it,” Wishnow said, “because you’d be giving a roadmap to your competitors, foreign governments, or state-owned enterprises.” There are some blogs and books on the issue, like Mark Halligan’s ‘Trade Secret Asset Management,’ but Wishnow recommended networking with in-house AIPLA members to get the inside scoop.

One bit of advice was to conduct internal trade secret audits. “Departments will have better processes if you regularly perform audits,” Wishnow said. “It positions the company to act quickly in an injunctive relief situation.”

If preventative measures fail and misappropriation occurs, Seyfarth Shaw’s Perelli pointed out that the timing of filing a complaint can be tricky to balance. “Waiting too long will not only risk disclosure, but courts look askance when you haven’t moved quickly enough,” she said.

On the other hand, it’s important to get organized by collecting proof of misconduct, doing due diligence to make sure that the secret is not anywhere in the public domain, checking the non-disclosure agreement and exit interview, and other pre-litigation checks. “It’s a touchy area with ethical considerations, but you may also consider getting a private investigator involved to do deep due diligence,” said Perelli. This can also be useful in the interest of time.

Involving local law enforcement or the FBI can also be appropriate. In some cases, Perelli said, “their efforts can help you draft a very defined and concise injunctive order, which will optimize your ability to enforce it later.” However, it comes with the risk that law enforcement could take control of the case, which the client should be aware of before pursuing that option.

If the defendant is not cooperating, Perelli said a motion to compel compliance is generally more well accepted than a motion for contempt. Motions to compel have a “preponderance of the evidence” standard, as opposed to the tougher “clear and convincing” standard for contempt. “I’ve had more success with this,” Perelli said, “and learned not to come out guns blazing.”

Regarding writing a protective order, Perelli’s advice was: “Avoid a boilerplate order. Judges are less likely to approve it, but even if they do, the real issue is enforcing compliance. Defending or enforcing a vague order is very difficult.” She also recommended including a comprehensive definitions section, with as much detail as possible.

Panelist Seth Hudson, partner at Clements Bernard Walken, agreed on the boilerplate point: “You should be leery of using a model or standard protective order,” he said. “It should be determined case-by-case, hopefully knowing your opposing counsel.” Hudson endorsed protective orders as an effective backdrop to prevent frivolous lawsuits from outing important secrets. After all, once a trade secret is disclosed, it’s gone forever.

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**How the DTSA and EUTSD compare**

The trade secrets panel yesterday provided a comparison of the laws in the US and Europe.

Under the US’s Defend Trade Secrets Act (DTSA), which came into force in 2016, there are three remedies available: injunctive relief, damages, and ex parte seizure. There are four types of damages: actual losses, unjust enrichment, reasonable royalties, and exemplary damages and attorneys’ fees. Unjust enrichment can measure the defendant’s profits from use of the secret, but also costs saved. “The key,” said Paul Greco of Fisher Phillips, “is that the value you seek to recover has to be certain and provable, not speculative. If you try to project expected revenues, that won’t fly.”

Reasonable royalties are a more speculative calculation, but they are only available if the illegally-obtained trade secret has been used commercially. The calculation consists of a hypothetical negotiation between the would-be licensor and licensee. To inform how the negotiation would have gone, Greco said: “The court will look at value of past licenses, the cost of development, and the availability of other similar products and their licensing price. It’s not precise. At the end of the day, you’ll need to prove this through expert testimony.”

Exemplary damages and attorney’s fees are available only when the trade secret is misappropriated “wilfully and maliciously.” This type of relief is entirely discretionary, so proof of willful misappropriation and bad intent does not entitle the plaintiff to exemplary damages and attorneys’ fees. They could also be available to the defendant. At the moment there is no a uniform national standard to determine what is “wilful and malicious.” For example, in Texas they look for “substantial injury,” but in Pennsylvania, they look for “reckless indifference to the rights of the plaintiff.”

Ex parte seizures are a new remedy, enabled by the DTSA. Greco said the remedy was “very controversial” when it came out, but it hasn’t been widely used since then.

In Europe, the EU Trade Secrets Directive (EUTSD) largely mirrors its American counterpart. One small difference is that it doesn’t refer to the trade secret “owner,” but to “a person lawfully in control” instead. This could potentially include licensees, which in turn could impact their standing to sue.

The EUTSD officially came into force in 2016, around the same time as the DTSA in the US, but the deadline to transpose this into each member state’s national law was June this year. Germany, Spain, and others have missed the deadline, but the Directive is expected to be within all member states by early 2019.

Peter Koch, legal director at Pinsent Masons in Germany, said: “The EU is a complex animal, with so much variation in trade secrets law” regarding standards, remedies, and treatment of third parties who obtained them in good faith. Many hoped the Directive would fix this, but Koch said it turned out to be “a step in the right direction, but one step short.”
Klein looks to make his mark as President

Sheldon Klein begins his year as AIPLA President today when Myra McCormack relinquishes the role. He is an unusual President for AIPLA; he has a trademark background.

Klein estimates he is only the third President from the trademark side, and possibly the first not to be a registered patent agent or patent lawyer. “It has made it interesting to get involved in and learn about patent issues over the years that I otherwise wouldn’t know of. They don’t come up in my practice,” he says.

The Gray Plant Mooty principal has been involved with AIPLA for about 30 years. He has chaired four different trademark-focused committees in that time, and also served as Chair of AIPLA Fellows and spent four years on the Board. “One thing that attracted me to AIPLA was that it was very patent heavy back then, and a bit light on trademark and copyright content. I felt I could make a difference in helping move the Association into the broader sense of IP.”

Klein is looking forward to continuing to work with and lead “a very talented, highly talented Board of Directors and Executive Committee”. He says: “I always learn something from the high level of discourse that takes place at our meetings. We consider issues that can often have a significant impact on intellectual property law and practice. I’m also looking forward to representing AIPLA’s views before Congress, the PTO, the Copyright Office, other agencies and of course the courts. For example, we do fantastic work on amicus briefs.”

He has some experience with that, having worked on AIPLA’s amicus brief in In re Tamin.

Klein is already driving a new development. “I’m very excited about our new special Committee on Privacy and Data Security, which I will take credit for thinking about and pushing. It’s going to bring together experts and anyone interested in privacy and data security to focus on the laws, rules, practices and judicial decisions relating to this area of the law.”

The committee was formally established a few weeks ago, and had its inaugural meeting on Thursday afternoon. The launch is certainly timely with the General Data Protection Regulation coming into effect in Europe earlier this year. “These issues have become prominent for our members with the GDPR and, in 2019, we will have the California Consumer Privacy Act. I think it’s pretty clear that in the US there are going to be discussions at the federal level to enhance protection.”

He adds: “Not everybody immediately thinks of privacy as a branch of intellectual property. But there’s no question that intellectual property lawyers need to know about the law and keep abreast of developments. Our clients are asking us about it.”

Klein will also be looking to make the most of the AIPLA Fellows, which is comprised of many of the more senior members of the Association. “These people are a tremendous asset, and they are interested in becoming involved in mentoring our younger members. They already do, but I would like to see us continue to tap into that resource in a more meaningful way in the future.”

Klein has also been working with McCormack to ensure a smooth transition from her Presidency to his. “Myra and I have talked a lot about the need for continuity and the fact that some of these projects that we’d like to undertake require more than one year, whether they’re studies or active initiatives within the Association. You can’t do all in one year. Just take the years-long effort that we’ve had on patentable subject matter. Myra has begun or continued some initiatives that are very important for the Association, and I want to continue those. One of them is to actively recruit, encourage and involve the younger, more diverse members, while at the same time maintaining and increasing our value for all members.”

Klein has been in private practice his whole career. “IP law has been very good to me,” he says. “It’s just a fascinating area of law that I feel very fortunate to have initially stumbled into.”

The best #aiplaAM18 tweets

Tony Sabeta
This is ridiculous! 2.5 months to get a patent in Japan via a super fast track examination process – and it's FREE! #aiplaAM18 #patents

Octavio Espejo H
“fusma will raise standard of IP in the region” – Daniel Lee from the #USTR at the opening of #aiplaAM18

Richard P. Beem
Key to victory in #patent litigation before #PTAB: Good, thorough briefs supported by evidence. Straight from PTAB chief judge's mouth to your ears. #aiplaam18

Managing IP
ICYMI, @uspto announces new PTAB claim amendment procedure at @aiplaAM18. “…I believe that the current amendment process in AIA proceedings is not working as intended,” said Andrei lancu

USPTO
Today at the #aiplaAM18, @USPTO Director Andrei lancu presented updates on the new http://uspto.gov homepage design, which includes a new feature celebrating inventors, inventions, and entrepreneurs. Take a look: https://www.uspto.gov

Jimm Dolak
Bluetooth now off especially in coffee shops! Thank you Cybersecurity in the IP landscape horror stories! #aiplaAM18

Women in IP
Welcoming first time attendees and new members at a late dinner is another meeting tradition for the AIPLA Women in IP Law committee. #AIPLA #aiplaam18 #WomeninIP

Janet Fuhrer
#aiplaam18 Incoming President Sheldon Klein – Smiles more talk less! Recognizes love of his life Judy, his daughter and his mom!

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Rogers test not much impediment to speech rights

This morning’s closing plenary session will provide a comprehensive review of the year for all sides of IP. The trademark perspective will be given by Christine Haight Farley of American University-Washington College of Law. She has reviewed the year and identified a number of noteworthy cases, divided into different topics. “This year we have some really fun cases,” says Farley.

One of the topics Farley will focus on will be speech claims by defendants in trademark cases. This includes various courts’ interpretations of the Rogers v. Grimaldi test outlined in 1989. “The Rogers test is a very defendant-friendly test of speech rights,” says Farley. “Essentially the defendant just has to show that the use of the trademark has an artistic relevance to their work. But there’s a little exception in a footnote in the Rogers case that says there is an exception where the title would be misleading.”

This footnote was the subject of a dispute between Fox and record label Empire Distribution, with the Ninth Circuit ruling last year that Fox’s use of “Empire” for its popular television show passed the Rogers test. In a subsequent case dealing with this issue, Dr Seuss Enterprises sued over a mashup of Dr Seuss and Star Trek called “Oh, the Places You’ll Boldly Go!”

“The defendant’s work was a mashup so it was clearly new work,” explains Farley. “But the plaintiff in this case was trying to say this is a case where the title confuses. Here, the Southern District of California said, no, that’s actually a really small exception and it really limited the scope of that exception.”

In another case decided this year dealing with the Rogers test, a person had created a meme that went viral. This included two phrases that he later registered as trademarks: “Honey Badger Don’t Care,” and a similar one that included a swear word. He sued Drape Creative and Papyrus-Recycle Greetings for using the catch phrases on greeting cards. The Ninth Circuit this summer affirmed the lower court’s dismissal of the case on free speech grounds.

“This again tested that really low threshold for defendants of whether there’s any artistic relevance between the trademark and the new work. But here the Ninth Circuit said there is an issue of material fact, which is whether the defendant’s artistic relevance was to their own work or to the original work because there was a suggestion that there really wasn’t a different work involved in this greeting card,” says Farley.

The Ninth Circuit also ruled on another speech case in the past year, though this time not involving the Rogers test. At issue was a dog toy parody of a Jack Daniel’s bottle called Bad Spaniels. “If you’re a trademark lawyer and you follow these cases, you know that there are tons of dog toys that are produced every year that parody trademarks. I don’t know why there’s such an industry here, but there seems to be quite a bit going on,” says Farley.

Here, Jack Daniel’s was able to get an injunction. This was in contrast to the dispute over Chewy Vuitton, in which the Fourth Circuit held that Louis Vuitton’s trademarks were not infringed. The Bad Spaniels defendants did not help themselves by including some crass references in their parody.

“There were at least two references to excrement in the parody and Jack Daniel’s asserted not only trademark infringement, but also trademark dilution by tarnishment,” says Farley. “The court found that they satisfied the dilution by tarnishment standard and it was really that reference to excrement that did them in, in a way that we didn’t see in the Chewy Vuitton case. This is not developing a very clear area of law but it is an important point – there’s a real clash between a claim of tarnishment and a claim of parody.”

She says the speech area is growing in importance. “Year after year, we’re seeing more and more of these cases. Maybe there’s just a heightened interest in the intersection of speech and trademark law, possibly as a result of the Slants and the Brunetti cases. I think we’ll see more of that. In particular I’m waiting for a case that involves a claim of trademark dilution where the defendant argues that the dilution statute is unconstitutional under Tam and Brunetti. I think that will happen. I don’t know when, but I think we will see a case like that.”

Other areas Farley will touch on include cases where there’s a dispute between the first user of a mark in the United States and the senior user of a mark in another country. This includes instances where that first user in the United States is copying not just the mark, but using the mark on the same goods with the same packaging, same logo, same design and maybe targeting those purchasers in the United States who have knowledge of the mark in the other country. She will also cover trademark cases that are follow-ons to patent and copyright cases, such as ones involving laches, attorneys’ fees and bankruptcy.

The impact of Star Athletica

This time last year, copyright practitioners were wondering how the Supreme Court’s Star Athletica decision would affect the functionality doctrine. A year later, “it’s broader than it used to be,” says Meagan Kent, partner at Venable and presenter at this morning’s A Year in Review session.

Pre-Star Athletica, design elements of functional articles could not be protected with copyright if the article became less useful when the design element was removed. Now, design elements can be protected if the functional article is at all useful without it – a small, but important difference. The decision also strengthened protections for three dimensional designs.

The 2017 case Design Ideas v. Meijer deals with clothespins in the shape of snowflakes, which previously wouldn’t have been protectable. Post-Star Athletica, the district court found the pins to be protectable despite their functionality because of the creative design element.

The Copyright Office has also incorporated these changes, which can be seen in its approved registrations this year. For example, a registration for a tread design of car floor mats was recently approved. The tread is obviously functional – it catches dirt and water – but it is also a creative pattern that was determined to warrant protection. Pre-Star Athletica, that application likely would have been rejected.

Separately, a growing trend this year in the copyright world is the enforcement of rights by photographers. This is because over the last couple years, image recognition software has been developed that enables photographers to more efficiently find unauthorized use of their content online. Kent says: “We’re seeing more demand letters, and other pre-litigation enforcement.”

She adds that not only are photographers more able to find and enforce infringement, but “in some cases it has become a source of revenue. Instead of or in addition to licensing their work, many photographers enforce unlicensed work [to make money].” Photographers are uniquely well-positioned to do this because they register hundreds of photographs at a time in group registrations, so the entire process is very efficient.

The main copyright cases to watch this year are the two that have been granted cert so far: Fourth Estate v. Wall-Street.com and Rimini Street v. Oracle. The question in Fourth Estate is when copyright owners may sue for infringement: upon applying for a registration, or upon the Copyright Office’s determination on that application. The issue in Rimini Street is whether the Copyright Act’s award of “full costs” to prevailing parties consists of taxable costs as defined in Section 1920, or all expenses associated with the litigation.

Another important case worth watching is Goldman v. Braitbart, which considers whether unauthorized inline linking of full images constitutes copyright infringement. Following the server test established in Perfect 10 v. Amazon in 2007, inline linking would not be considering infringement. However, Southern District of New York Judge Katherine Forrest rejected the server test and found inline linking to be infringing. The Second Circuit denied appeal and the case is back at the district court.

If the case continues, it may result in a circuit split and potentially a Supreme Court-worthy issue. Kent says: “I hope it doesn’t settle. I hope we get some useful law out of it.”

Lastly, Kent plans to address developments in graffiti copyright disputes, if time allows. She says this issue is coming up now because “graffiti has become more mainstream and popular in the last couple years, and more respected as a legitimate art form.” The problem with copyright disputes over graffiti is that they tend to settle.

H&M recently got into a scuffle with a graffiti artist when it used his work to advertise apparel. In response to the artist’s cease and desist letter, H&M responded: “The entitlement to copyright protection is a privilege under federal law that does not extend to illegally created works.” This prompted a boycott of the brand, which responded by settling the case.

The graffiti case to watch is Faulkner v. GM. It’s interesting because GM argued that graffiti on a building falls under the copyright exception for architectural works. The court denied that defense just a few weeks ago, so it’ll be interesting to see what other arguments they come up with.
Out of safe harbors, into choppy waters

Yesterday’s “Cross-Border Issues Impacting Intellectual Property Portfolios” included discussion of the safe harbor provisions under the DMCA. Gregory Whitehair of The Whitehair Law Firm gave an overview of two recent copyright cases. The first was Matrix Photographs v LiveJournal, in which the defendant ran a social media network of thematic communities. It asserted a safe harbor defense because content was stored at the direction of the user, and it had a designated notice and take-down procedures.

The Ninth Circuit found against the defendant, whose case wasn’t helped by the fact it hired a volunteer to moderate and manage content, improved the layout and appearance of content, culled up to two-thirds of the content, and inadvertently allowed 20 watermarked photos onto the site.

The second case was BMG Rights Management v Cox Communication, in which a jury awarded BMG $25 million for contributory infringement based on the use of Cox’s subscribers of peer-to-peer file sharing technology. Cox had argued that it was entitled to a safe harbor defense under the DMC A.

On appeal, the Fourth Circuit found that Cox was using a liberal “13 strikes and you’re out” policy, which it was not reasonably implementing. The appeals court affirmed the district court’s granting of summary judgement, but reversed and remanded the case for a new trial in light of erroneous jury instructions.

“The quick moral of the story is the two cases are both indications of places where people sailed outside of safe harbor, but they were probably what we would call gray areas,” said Whitehair. “So there is this push that we perhaps need to tweak the DMCA.”

He continued: “The other piece that is coming up is that when we start asking Facebook to patrol for Russian hacking, when we are asking Microsoft to find and manage terrorist involvement, when we are asking Twitter to take down all their false accounts, it is essentially like asking our telephone companies or our telephone pole providers to have a police force. If we believe that it is fine, that will be resolved. But I know there is pushback. We are seeing some statutory and legal bouncing around here and I think there are going to be choppy waters for some time.”

Remy Chavannes of Brinkhoff in the Netherlands gave the European perspective, discussing recent CJEU decisions. “I think choppy waters is a good description,” Chavannes agreed.

The CJEU is engaged in a significant increase in scope and enforcement of copyright. Interested parties are actively encouraging this trend, filing domestic proceedings with the specific aim of triggering a CJEU reference on advantageous facts. Chavannes added that the concept of ‘communication to the public’ is very broad and requires no actual communication. In addition, definitions are complex and deliberately ad hoc, with almost every new fact pattern requiring a new CJEU reference.

Also in the session, Bea Koempel-Thomas of Lee & Hayes discussed global patent applications. “International filings are at least being considered more,” she said. She then discussed where to file. “Wouldn’t global patent applications be nice?” she asked.

“Out of course they don’t really exist.” She shared some tips for applications with the audience. To improve the breadth of protection and definiteness, include example structures and algorithms at varying levels of specificity. You should then limit arguments and independent claim amendments to higher levels of generality. Also, ensure you have narrow dependent claims from the beginning or add them during voluntary amendment windows.

Applicants should consistently describe intended structures and algorithms with various, but still consistent, more specific examples in the application to help preserve protection for the patentee. If you want broad claims, get organized in the description – and make sure the description is consistent. Lastly, include multiple levels of granularity, and describe options consistently.

The Supreme Court yesterday granted cert to Return Mail v United States Postal Service. In this case, an Alabama company accused the Postal Service of improperly convincing the Patent Trial and Appeal Board to cancel its patent for a mail processing system.

The question presented is: “Whether the government is a ‘person’ who may petition to institute review proceedings under the AIA.”

This is the fourth IP case the Supreme Court has taken on this term, consisting of two patent cases and two copyright cases.
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INTELLECTUAL PROPERTY, CORPORATE & COMMERCIAL LAW

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TODAY’S SCHEDULE: SATURDAY, OCTOBER 27 2018

7:00-9:15am  WIPO Madrid Focus Group Breakfast Meeting (WIPO Focus Group Members Only)  Virginia B, Lobby Level
7:30-8:30am  WIPO Advisory Working Group Breakfast Meeting (WIPO Advisory Group Members)  Virginia A, Lobby Level
9:00am-12:00pm  Closing Plenary Session: The Year-in-Review - Trademarks/Patents/Trade Secrets/Copyright/Ethics  Marriott Ballroom Salon 2 & 3, Lobby Level
12:00-2:00pm  Networking Luncheon  Virginia BC, Lobby Level
12:00-4:00pm  Board of Directors’ Meeting  Delaware AB, Lobby Level

VIEWS FROM THE MEETING

WHAT WILL BE THE BIGGEST IP ISSUE FOR YOU OVER THE NEXT YEAR?

Vladimir Drozdoff, chief patent counsel, Cold Spring Harbor Laboratory
“Biotech. There’s a lot of ambiguity and unsettled law in the US, and huge variation around the world. It makes planning a coherent global IP strategy very challenging.”

Rose Paz, business development manager, Legal Advantage
“The USPTO has been cracking down and rejecting more applications, so it’ll be interesting to see if they release any more guidelines on how to navigate the system.”

Mustafa Yawar Irfan Khan, United Trademark & Patent Services, Pakistan
“The intersection of blockchain, AI, and copyright. I’m from Pakistan, which is a developing economy. The government has updated the copyright statute, but the implementation will be a major problem.”

Tyson Benson, attorney, Harness Dickey
“Patent eligible subject matter, for both biotech and software. Director lanuc has had a positive influence, but it hasn’t trickled down to examiners yet. It’s been a quagmire since Alice.”

Amie Peele Carter, partner, Faegre Baker Daniels
“I’m interested in the Supreme Court’s stance on IP with its new member.”

Okan Çan, partner, Deris, Turkey
“3D printing, anti-counterfeiting, and pirating technology.”

Adrian Eggen, senior patent counsel, Philip Morris
“Coordinating actions internationally. An action in one country could have a different effect somewhere else.”

Egon Engin-Deniz, partner, CMS Reich-Rohrwig Hainz
“Trade secret challenges. The legal framework has changed in Europe, so I’ll be watching how that plays out. How can we keep things confidential? New technologies make spying easy.”

Ken Dorsney, partner, Morris James
“The pace of litigation. We were down a few judges in Delaware, and they kept up nicely. But I expect things will pick up now with a fuller bench.”

Martin Hindel, attorney, Walter Reed National Military Medical Center
“I’ve recently entered the field, so I’m still fascinated by 101. Historically it was a tiny speedbump, but now the digital age has made it so much more complex.”

In an uncertain legal environment, we are one law firm that is not content simply to accept the status quo. We work constantly to influence the evolving body of Mexico’s intellectual property laws, with the goal of ultimately bringing them in line with international standards. While we continue to make great strides in this regard, clients from all over the world rely on us to prosecute, manage, and defend their IP portfolios under the laws that exist today. In other words, we work effectively with the system, even as we seek to change it.

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