



STATE BAR OF MICHIGAN

Michigan IT Lawyer

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<http://connect.michbar.org/itlaw>

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Bits and Bytes from the Section

By Michael Gallo, 2014-2015 Chairperson, Information Technology Law Section

Spring has sprung in Michigan, and as every year, the warmth brings new life and growth to replace what has been dormant over the long cold winter. Just as with nature, there is much going on within the State Bar of Michigan, and the IT Law Section, some of which is highlighted in this issue of the *Michigan IT Lawyer*.

David R Syrowik's 'Recent Developments in Information Technology Law' highlights some of the IT related decisions that have come out of the courts and the U.S. Patent and Trademark Office the past six months.

On **Thursday, May 14, 2015**, an **IT Law Section Council** meeting was held in Troy, Michigan, which all Section members were invited to attend in person or by teleconference. In addition to a review of the Section's fund balance (of approximately \$59,600), and a reminder that the next IT Law Section Council meeting is targeted for **Thursday, August 13, 2015**, there was productive conversation about the progress being made on plans for **8th Annual Information Technology Law Seminar**, which will take place **Thursday, September 10, 2015!** Topics and speakers are being selected, and this year's event is shaping up to be another interesting and exciting day. This entertaining and educational event will once again include an interesting, informative and enlightening day of content, with topics that should appeal to a wide range of interests! As has been a tradition for a number of years, the day will include a light breakfast, lunch, the IT Law Section's Annual Meeting, selection of Council members and Officers for 2015-2016, and a reception that allows new and old friends to share interests. If you know of a Section member interested in joining the Council or becoming an Officer, please contact michael@gallo.us.com.

Right around the corner, on **May 28/29, 2015**, the Information Technology Law Section will be one of the sponsors of the *First Annual Entrepreneurial Law Institute*. This two day event promises to bring together a mix of lawyers, accountants, entrepreneurs and investors, allowing the movers and shakers of Michigan's growing start up scene to share, learn and develop new opportuni-

Michigan IT Lawyer is published every other month. Previously published issues of the *Michigan IT Lawyer*, and its predecessor the *Michigan Computer Lawyer*, are available at <http://connect.michbar.org/itlaw/newsletter/newsletters>. If you have an article you would like considered for publication, send a copy to:

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2014-2015

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Bits and Bytes . . .

Continued from page 1

ties. For more information, visit www.icle.org/eli, but hurry to register to be part of what will likely become an annual event!

Once again, I would like to remind all Section members that attorneys with patent prosecution experience, and anyone who knows of a low-income inventor may be interested in learning more about the **Michigan Pro Bono Patent Project**. For more information on this exciting new program visit the Intellectual Property Law Section's web site at <http://connect.michbar.org/iplaw/patent>.

Make the most of these opportunities to interact with your peers and the rest of the Section, and enjoy the warm weather! ▪



State Bar of Michigan Information Technology Law Section Mission Statement

The purposes of the Section are to review, comment upon, and appraise members of the State Bar of Michigan and others of developments in the law relating to information technology, including:

- (a) the protection of intellectual and other proprietary rights;
- (b) sale, leasing, distribution, provision, and use of, hardware, software, services, and technology, including computer and data processing equipment, computer software and services, games and gaming, information processing, programming, and computer networks;
- (c) electronic commerce
- (d) electronic implementation of governmental and other non-commercial functions;
- (e) the Internet and other networks; and
- (f) associated contract and tort liabilities, and related civil and criminal legal consequences.

The Information Technology Law Section's bylaws can be viewed by accessing <http://connect.michbar.org/itlaw/council> and clicking the 'Bylaws' link.

Recent Developments in Information Technology Law

By David R. Syrowik, Brooks Kushman PC

PATENTS – Case Law – U.S. Courts of Appeal

As reported at 89 BNA's PTCJ 523, on December 23, 2014, the U.S. Court of Appeals for the Federal Circuit ruled that a patent directed to scanning a check at an ATM, then collecting, reviewing and sorting the data was ineligible subject matter under 35 U.S.C. § 101. *Content Extraction & Transmission LLC v Wells Fargo Bank, N.A.*

As reported at 89 BNA's PTCJ 370, on December 5, 2014, the U.S. Court of Appeals for the Federal Circuit ruled that a patent directed to retaining the "look and feel" of a host website on a third-party merchant's website was eligible subject matter under 35 U.S.C. § 101. The majority says that while claims in plaintiff's patent were not directed to an invention that was all that "technologically complex," they nonetheless "recite an invention that is not merely the routine or conventional use of the Internet." *DDR Holdings, LLC v. Hotels.com, L.P.*

As reported at 89 BNA's PTCJ 294, on November 26, 2014, the U.S. Court of Appeals for the Federal Circuit again prevented Nazomi from asserting its Java-related patents against Microsoft. *Nazomi Commc'ns, Inc. v. Microsoft Mobile Oy.*

As reported at 89 BNA's PTCJ 295, on December 4, 2014, the U.S. Court of Appeals for the Federal Circuit ruled that any court that submits to a jury a question of apportioning damages for infringement of a patent that has been adopted as a technological standard will have to take note of guidelines issued by the Federal Circuit. Vacating a federal district court's refusal to reconsider damages awarded by a jury against the makers of laptops and wireless routers that had used an Intel chip for wi-fi capability, the court remands the damages matter for further consideration. *Ericsson, Inc. v. D-Link Sys., Inc.*

TRADEMARKS – Case Law – U.S. Courts of Appeal

As reported at 89 BNA's PTCJ 1121, on February 20, 2015, the U.S. Court of Appeals for the Sixth Circuit ruled that the trial court failed to consider all relevant uses of the "IntelliJet" Trademark for software when it ordered cancellation of the trademark registration. *NetJets Inc. v. IntelliJet Corp. LLC.*

PATENTS – Case Law – U.S. District Courts

As reported at 89 BNA's PTCJ 1520, on March 26, 2015, the U.S. District Court for the Southern District of California ruled that an Internet-based auction patent claimed a patent-ineligible abstract idea under 35 U.S.C. § 101. *Advanced Auctions LLC v. eBay Inc.*

As reported at 89 BNA's PTCJ 1275, on March 10, 2015, the U.S. District Court for the Northern District of California ruled that a software patent was patent ineligible under 35 U.S.C. § 101. *Hewlett Packard Co. v. Service Now Inc.*

As reported at 89 BNA's PTCJ 1100, on February 24, 2015, a jury in the U.S. District Court for the Eastern District of Texas told Apple to pay Defendant \$532.9 million because Apple's iTunes software infringed plaintiff's patent. *Smartflash LLC v. Apple Inc.*

As reported at 89 BNA's PTCJ 881, on January 29, 2015, the U.S. District Court for the Northern District of Illinois ruled that a patent directed to impaired driver screening is ineligible subject matter under 35 U.S.C. § 101. *Vehicle Intelligence & Safety LLC v. Mercedes-Benz USA, LLC.*

As reported at 89 BNA's PTCJ 795, on January 20, 2015, the U.S. District Court for the Northern District of California ruled that a patent directed to providing a collaborative workspace through a computer network was ineligible subject matter under 35 U.S.C. § 101. *Open Text S.A. v. Box, Inc.*

As reported at 89 BNA's PTCJ 604, on January 5, 2015, the U.S. District Court for the Northern District of California ruled that a patent directed to establishing relationships between documents over the Internet was ineligible subject matter under 35 U.S.C. § 101. *Bascom Research, LLC v. LinkedIn, Inc.*

As reported at 89 BNA's PTCJ 525, on December 23, 2014, the U.S. District Court for the District of Utah ruled that a patent directed to allowing telemarketing agents to incorporate computer-recorded information into a sales call was ineligible subject matter under 35 U.S.C. § 101. *KomBea Corp. v. Nogar, L.C.*

As reported at 89 BNA's PTCJ 524, on December 17, 2014, the U.S. District Court for the District of Delaware ruled that a patent directed to a computer-aided learning system was ineligible subject matter under 35 U.S.C. § 101. *iPLear, LLC v. K12 Inc.*

As reported at 89 BNA's PTCJ 528, on December 23, 2014, the U.S. District Court for the Central District of California ruled that a patent directed to a secure access to medical records over the District was ineligible subject matter under 35 U.S.C. § 101. *MyMedicalRecords, Inc. v. Walgreen Co.*

As reported at 29 BNA's PTCJ 301, on November 25, 2014, the U.S. District Court for the Northern District of California ruled that Samsung must pay ongoing royalties for continuing infringement by its smartphones and tablets of Apple's patents on certain features. *Apple, Inc. v. Samsung Elecs. Co.*

COPYRIGHTS – Case Law – U.S. District Courts

As reported at 89 BNA's PTCJ 747, on January 12, 2015, the U.S. District Court for the Central District of California ruled that Dish Network Corp.'s service which lets users watch live TV shows on their mobile phones and tablets doesn't infringe broadcasters' copyrights. The Court rejects claims that Dish Anywhere isn't different from Aereo Inc.'s streaming-television service, which the Supreme Court last June found illegally used antennas to capture live programs and send them to subscribers over the Internet. *Fox Broad. Co. v. Dish Network LLC.*

As reported at 89 BNA's PTCJ 554, on December 11, 2014, the U.S. District Court for the District of New Jersey ruled in three different but related cases that where copyrighted software was distributed to website viewer, claim for infringement established. *Live Face on Web, LLC v. Emerson Cleaners, Inc.*; *Live Face on Web, LLC v. Linvas Corp.*; and *Live Face on Web, LLC v. Unlimited Office Solutions, LLC.*

TRADE SECRETS – Case Law – U.S. District Courts

As reported at 89 BNA's PTCJ 1639, on April 3, 2015, the U.S. District Court for the Southern District of West Virginia ordered the parties to agree on a procedure through which software source code for defendant's electronic throttle control system would be disclosed to plaintiff but not at the expense of revealing defendant's trade secrets to defendant's competitors. *Burnett v. Ford Motor Co.*

TRADEMARKS – Case Law – U.S. District Courts

As reported at 89 BNA's PTCJ 1293, on March 2, 2015, the U.S. District Court for the Eastern District of Oklahoma ruled that using a "hidden browser plug-in" to trigger a pop-up window that allegedly diverted Internet users from law firm websites to other law firms did not give rise to a trademark claim. *Allen v. IM Solutions, LLC.*

As reported at 89 BNA's PTCJ 1709, on April 8, 2015, the U.S. District Court for the Northern District of California ruled that the chooseenergy.org website, which encouraged voters to engage in conversations about energy in the lead-up to the 2014 elections and was taken offline after those elections, didn't offer a "service" within the meaning of the Lanham Act. The court accordingly dismisses the Lanham Act trademark infringement claims that Choose Energy Inc. had brought against the American Petroleum Institute. *Choose Energy, Inc. v. Am. Petroleum Inst.*

RIGHT OF PUBLICITY – Case Law – U.S. District Courts

As reported at 89 BNA's PTCJ 1380, on March 6, 2015, the U.S. District Court for the Central District of California dismissed a complaint by plaintiffs – players on the 2001 Men's Division III National Collegiate Athletic Association championship team – asserting California and state law right of publicity claims against a company that operated a website that sold licensed photographs from NCAA championship events. *Malony v. T3 Media, Inc.*

CRIMINAL/TRADE SECRETS – Case Law – U.S. District Courts

As reported at 89 BNA's PTCJ 1139, on February 24, 2015, in the New York State Supreme Court, a former analyst pleaded guilty to software/data theft. *People v. Gao.*

PATENTS – U.S. Patent and Trademark Office

As reported at 89 BNA's PTCJ 1697, on April 10, 2015, the Patent Trial and Appeal Board ruled that several claims of a patent that has been asserted in controversial lawsuits against a series of prominent podcasters were invalid for obviousness and anticipation. *Elec. Frontier Found. v. Personal Audio, LLC.* ■

First Annual Entrepreneurial Law Institute

Cosponsored by the Business Law, Information Technology Law, and Intellectual Property Law Sections of the State Bar of Michigan

May 28-29, 2015 - Detroit

Accelerate Your Client's Journey to Success!

Plug into Michigan's entrepreneurial energy at an event that brings together all the key players. Become an essential advisor to your clients for the long haul with expert advice on critical issues affecting new businesses. Plus, connect with the movers and shakers of Michigan's growing start-up scene!

Benefits of Attending

- Build relationships that matter, and help start-up companies succeed at every stage with advice from prominent lawyers, accountants, entrepreneurs, and investors
- A complete Core Concepts track covering all of the basics including an interactive workshop filled with best practices on how to interview an entrepreneur
- Timely topics on securing funding, including crowdfunding
- A hands-on tax and accounting workshop with leading lawyers and accountants
- Get the nuts and bolts of venture capital and angel investing from a longtime angel investor
- Intellectual property specialists explain how to protect innovation and avoid mistakes
- Informative sessions covering real estate, employment issues, and import/export, plus marketing, branding and ecommerce

For more information: www.icle.org/eli ■



Privacy Committee Meeting – June 25, 2015

The **Privacy Committee** of the *Information Technology Law Section* will meet *Thursday, June 25, 4:00 p.m. to 5:30 p.m.*, to discuss the topic of '**Privacy Issues in Merger and Acquisition Transactions**'.

Teleconference - 877-352-9775; Conference Code 416 957 1129

Location - Jaffe Raitt Heuer & Weiss, American Center Building, 25th Floor, Suite 2500, 27777 Franklin Road, Southfield, MI 48034 (248-351-3000)

Please RSVP to one of the Privacy Committee Co-Chairs:

- **Keith Cheresko**, kcheresko@privssoc.com, 248-535-2819
- **Robert L. Rothman**, rrothman@privassoc.com, 248-880-3942 ■

The 8th Annual Information Technology Law Seminar

Presented by the Information Technology Law Section of the State Bar of Michigan

Everyone with an interest in information technology law is invited to this seminar. When registering, take advantage of the opportunity that joining the IT Law Section and attending the seminar as a member will cost less than attending as a non-member!

Thursday, September 10, 2015
The Inn at St. John's, 44045 Five Mile Road, Plymouth, Michigan

Topics - Subject to change

Privacy and Data Protection is Not Just for Clients
Technology Buyers Panel – What Do Buyers Really Care About
Basics of Intellectual Property Protection for Software
Open Source Software – What Every In-House Counsel Needs to Know
The Payment Card Industry (PCI) and Other Electronic Payments Topics

As in previous years, this promises to be an educational and entertaining event. The cost of the seminar includes a light breakfast, lunch, and a complimentary cocktail reception! The annual IT Law Section and Council meetings will be held during the luncheon, and will include election of 2015-2016 Council Members and Section Officers.

For more information, visit <http://connect.michbar.org/itlaw/events/upcomingevents>

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Michigan Pro Bono Patent Project

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State Bar of Michigan Pro Bono Initiative and the **Intellectual Property Law Section**



The State Bar of Michigan has an exciting new program that matches patent attorneys willing to provide pro bono patent prosecution services with low-income inventors!

The Michigan Pro Bono Patent Project is accepting

- Registrations from patent attorneys
- Applications from inventors

For more information regarding the **Michigan Pro Bono Patent Project**: <http://connect.michbar.org/iplaw/patent>

The State Bar of Michigan facilitates the intake and the screening of inventor requests, as a legal aid organization would, then refers requests to volunteer attorneys.

Robert Mathis, SBM Pro Bono Service Counsel
rmathis@mail.michbar.org; 517-346-6412

IT Law Section - Writing Competition!

Each year the IT Law Section of the State Bar of Michigan seeks student essays for Edward F. Langs Writing Awards. A total of up to \$3,000 is divided between up to six award winning essays that contribute to the knowledge and understanding of information technology law, which are published in the Section's newsletter, the Michigan IT Lawyer. This year, submissions must be postmarked by June 30, 2015, and emailed to dsyrowik@brookskushman.com.

Complete essay competition rules are listed below, and available at <http://connect.michbar.org/itlaw/newsletter/news>. Please share this opportunity with law school faculty, staff and students who may be interested!

2015 Edward F. Langs Writing Award Essay Competition Rules

1. Awards will be given to up to six student essays, which in the opinion of the judges make the most significant contribution to the knowledge and understanding of information technology law. Factors to be taken into consideration include: originality; timeliness of the subject; depth of research; accuracy; readability; and the potential for impact on the law.
2. Essay must be original, deemed to be of publishing quality, and must not have been submitted to any other contest within the previous 12 months.
3. Essay must be typed, double spaced, at least ten pages in length, must contain proper citations listed as either endnotes or footnotes, and must have left, right, top, and bottom margins of one inch.
4. Essay must include the submitter's name, email address, mailing address, telephone number, and school attended.
5. A total of up to \$3,000 in US dollars shall be divided between the award winning essays, and all rights to award winning essays shall become the property of the State Bar of Michigan.
6. The Information Technology Section of the State Bar of Michigan reserves the right to make editorial changes, and to publish award winning essays in the Section's newsletter, the *Michigan IT Lawyer*. (Previous issues of the *Michigan IT Lawyer* can be accessed at <http://connect.michbar.org/itlaw/newsletter/newsletters/>.)
7. Essay must be submitted as a Microsoft Word document, postmarked by June 30, 2015, and emailed to dsyrowik@brookskushman.com. ■



Section Member Authors Technology Transactions Treatise for PLI

As a recognized leader in the area of technology transactions, **Mark Malven**, an Ann Arbor- and Bloomfield Hills-based member of Dykema, was contacted by the *Practising Law Institute* (PLI) to author the treatise, “*Technology Transactions: A Practical Guide to Drafting and Negotiating Commercial Agreements*.”

Presented in a streamlined fashion with an eye toward the transactions an in-house counsel or traditional IP or general practitioner is frequently asked to handle, the treatise provides the reader with the tools necessary to draft, review and negotiate technology transaction agreements while properly addressing the most important issues. It offers many practical examples, including electronic copies of nine different types of form agreements, numerous practice tips on how to avoid common and uncommon legal traps, and a discussion of many regulatory and privacy considerations that must be kept in mind.

“In my practice, I see a lot of people making avoidable mistakes, and it’s not really anybody’s fault,” said Malven. “These days, companies are entering into so many IT- and technology-related agreements that it’s a business and economic necessity for in-house legal departments to handle this work. Therefore, one of the target audiences for the treatise is corporate counsel who are asked on a regular basis to do this kind of work even though they’re not experts in the area of technology transactions.

“The treatise also serves an audience of experts who would benefit from key checklists and from in-depth supporting arguments. I wasn’t aware of any publication that met this need, so I wrote a book that I would like to use. I’ve actually been using the draft for the last few months and I’m happy to say it works, and I believe it fulfills a genuine need.”

The treatise is divided into two parts. The first eight chapters of *Technology Transactions* discuss specific types of commercial agreements often used in technology transactions, including:

- Software license agreements,
- IT services agreements,
- Reseller agreements,

- Cloud computing agreements,
- Domain name transactions,
- Technology licensing and IP-centric joint ventures,
- Technology escrow agreements, and
- Non-disclosure agreements.

The second part of the treatise covers IP basics and a number of regulatory- and privacy-related areas that broadly pertain to technology transactions. Chapters discuss:

- Regulatory framework of the Internet and domain name system,
- Digital Millennium Copyright Act ,
- HIPAA,
- The Gramm-Leach-Bliley Act,
- The Children’s Online Privacy and Protection Act (COPPA), and
- The regulation of international data transfers.

Malven is the leader of Dykema’s Technology and Outsourcing Transactions practice. For more than 20 years, he has represented both customers and technology vendors, handling more than 1,000 technology transactions involving outsourcing, licensing, development, consulting, distribution, sponsored university research, manufacturing, value-added reseller, e-commerce, acquisition, and joint venture relationships. He has served as a primary negotiator for some of the largest outsourcing transactions of their kind ever undertaken, involving billions of dollars in services.

Several of Malven’s colleagues at Dykema also contributed to the treatise. Steve Tupper, Kit Winter, Joanne Lax, Janet Stiven, Steve Sayre, John Guenther and Jeanne Whalen each authored chapters that focus on their areas of emphasis.

“*Technology Transactions: A Practical Guide to Drafting and Negotiating Commercial Agreements*” is available for purchase at <http://www.pli.edu/>. ■