

Michigan
**COMPUTER
 LAWYER**

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State Bar of Michigan Computer Law Section

Making the Net Work: Be a Computer Lawyer

The Computer Law Section has been home to computer lawyers since the days that those interested in technology were known as “computer geeks” or “nerds.” Even before Huey Lewis sang “It’s hip to be square,” certain of us knew that our time would come. A time when computers would be as universal as television sets, and when the lawyers that knew how to make use of technology – for themselves, their clients and businesses – would prosper.

Back in the day, being a computer lawyer was kind of like being in the Marines, “The Few, The Proud, The... What is it exactly that they do again?” Everyone assumed you had to be smart to be a computer lawyer ... but nobody really knew much about how you became one or what you did.

The Computer Law Section of the Michigan Bar intends to change all that. Instead of being few, proud, and misunderstood, we want to be many in number, still proud, and as universal as the Internet. While we do not seek to usurp the functions of other Bar Sections, in this day and age, we think every lawyer worth his or her proverbial salt should be up to speed in computer law.

What exactly is computer law? According to our Bylaws:

The purposes of the [Computer Law] Section shall be to review, comment

upon, and apprise Michigan lawyers of significant legal developments and trends relating to the protection of intellectual and other proprietary rights in, distribution, provision, and use of, computer and data processing equipment, computer software, and services, and computer networks, electronic commerce, and the Internet, including associated contract and tort liabilities, and related civil and criminal legal consequences.

As you may have surmised, computer law is not an exact science, but one that cuts across multiple disciplines. Our members are as diverse as the clients we serve. My personal goal, as Chair of the Computer Law Section, is to grow our membership this year by educating the “average” attorney on how indispensable computer law is to their everyday practice. Our Michigan Computer Lawyer section newsletter regularly contains summaries of recent developments in computer-related case law. Our Spring Networking Luncheon and Annual Meeting provide valuable networking as well as educational opportunities. We are also seeking to revitalize our Section by inviting recent Bar admittees to join our Section for free in fiscal 2002-2003. For all of the above reasons and more, we believe “Membership – in the Computer Law Section – has its privileges” (to borrow a line from American Express). Hopefully, you are already a member of the Computer Law Section. If not, please consider joining us when the time comes. But don’t worry... we’re not all techno geeks and nerds. (Which kind of reminds me of Groucho Marx’s famous line: “I don’t want to belong to any club that will accept me as a member.”) So, it’s time to embrace your inner nerd, get hip to this Internet thing, and remember, if you can’t beat ‘em, join ‘em.

Anthony Targan, Chairperson

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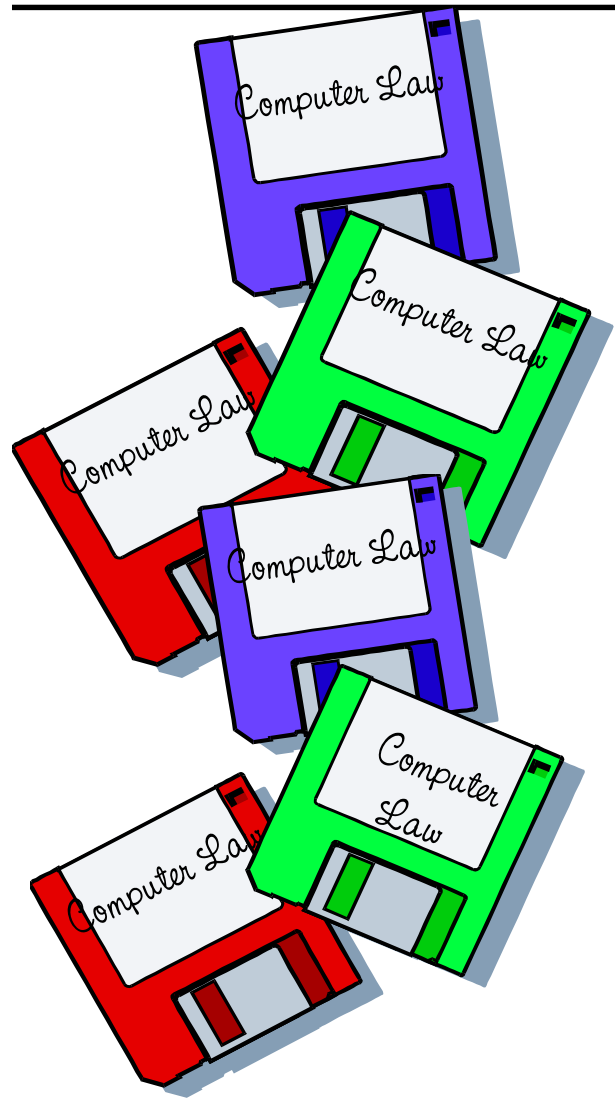
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Statement of Editorial Policy

The aim and purpose of the Michigan Computer Law Section of the State Bar of Michigan is to provide information relative to the field of computer law, and other information that the section believes to be of professional interest to the section members.

Unless otherwise stated, the views and opinions expressed in the Michigan Computer Lawyer are not necessarily those of the Computer Law Section, or the State Bar of Michigan.



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Mark Your Calendars

Computer Law Council Meeting Wednesday, March 12, 2003

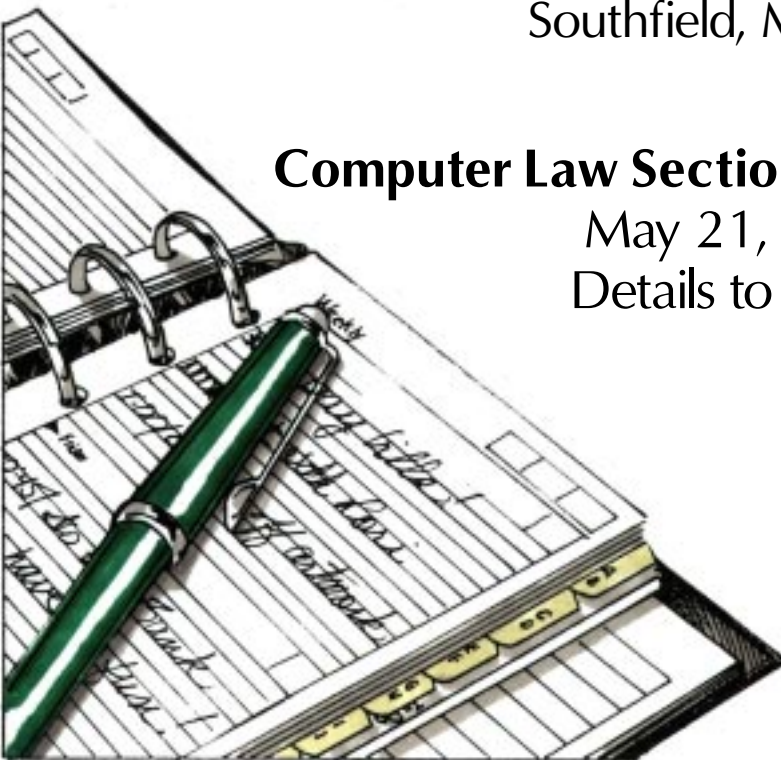
6:30 PM
State Bar of Michigan
306 Townsend St.
Lansing

The Proprietary Rights Committee Meeting

4:30PM
March 19, 2003
Brooks and Kushman
1000 Town Center Bldg., 22nd Floor
Southfield, Michigan

Computer Law Section Spring Luncheon

May 21, 2003
Details to come





Recent Developments In Computer and Internet Law

By David R. Syrowik, Brooks & Kushman P.C., Southfield, Michigan

U.S. Court of Appeals

Patents

As reported at 64 BNA's PTCJ 216, the U.S. Court of Appeals for the Federal Circuit held on July 2, 2002 that a computerized method for making multicolor watch faces using a color photocopier was not inherently anticipated by a prior art catalogue advertising watch faces made by "a new computer laser printer." While the difference between a printer and photocopier may be obvious, the court acknowledges, obviousness is not inherent anticipation. Vacating a summary judgment of patent invalidity but remanding for a determination on obviousness, the court also holds that the claimed "creation" of the watch face within a computer was not inherently disclosed in the prior art catalogue. *Trintec Industries, Inc. v. Top-U.S.A. Corp.*

As reported at 64 BNA's PTCJ 371, the U.S. Court of Appeals for the Federal Circuit held on August 9, 2002 that the Board of Patent Appeals and Interferences must base its affirmation of an obviousness rejection on an analysis of the specific claim limitations. The court said the Board's decision was based merely on the examiner's conclusion that the use of grammar to navigate a computer user among display windows is "old and well known in the art of speech recognition." *In re Thrift*.

Patents - Personal Jurisdiction

As reported at 64 USPQ2d 1161, the U.S. Court of Appeals for the Federal Circuit held on August 23, 2002 that a Missouri district court properly exercised personal jurisdiction over defendant, pursuant to a forum selection clause in licensing agreement, even though defendant asserts he did not read clause before signing, since party who signs agreement is bound by its terms, unless fraudulently induced not to read it or fraudulently misled about its content or significance, neither of which occurred here. *Monsanto Co. v. McFarling*.

Copyright

As reported at 64 BNA's PTCJ 401, the U.S. Court of Appeals for the Federal Circuit held on August 20, 2002 that a prohibition against reverse engineering contained in the shrinkwrap license for a computer aided design product was not preempted by the Copyright Act. Affirming a breach of contract verdict, the court applies First Circuit law to find that the contract claim required an "extra element" of proof beyond that required to prove copyright infringement based on that

court's decision that a trade secret claim was not preempted. *Bowers v. Baystate Technologies, Inc.*

As reported at 64 USPQ2d 1319, the U.S. Court of Appeals for the Seventh Circuit held on August 23, 2002 that an award of attorneys' fees to the prevailing party may be presumed in copyright cases involving small monetary stakes (*i.e.*, here statutory damages of \$3,000). *Gonzales v. Transfer Technologies, Inc.*

As reported at 64 BNA's PTCJ 435, the U.S. Court of Appeals for the Ninth Circuit held on September 11, 2002 that the security interest in an unregistered copyright is perfected under the state law provisions of the Uniform Commercial Code rather than under the Copyright Act. Affirming the bankruptcy priority decision for a bank that followed state registration procedures, the court finds that the Copyright Act does not sufficiently regulate unregistered copyrights to justify deference to the federal law under the state law "step back" provisions. Nor was the court persuaded that the Copyright Act preempts the field of security interests in all copyrights, rejecting the implication that copyright registration is a necessary prerequisite to perfecting a security interest in a copyright. *Aerocon Engineering, Inc. v. Silicon Valley Bank*.

As reported at 64 BNA's PTCJ 464, the U.S. Court of Appeals for the Seventh Circuit held on September 10, 2002 that ambiguities in a contract to upgrade a computer program (*i.e.*, to make a derivative work) made the parties intent relevant to copyright ownership. Requirement in 17 U.S.C. § 204(a) that ownership transfers be in writing is inapplicable to the issue of whether defendant owns copyrights in computer programs derived from defendant's original software, even though programmers who created the derivative work did not execute a written document assigning ownership to the defendant, since defendant, as the owner of copyrights in original program, possesses the exclusive right to prepare derivative works, and the programmers never owned derivative copyrights. *Liu v. Price Waterhouse LLP*.

As reported at 64 BNA's PTCJ 477, the U.S. Court of Appeals for the Third Circuit held on September 24, 2002 that interoperability is not an external factor that justifies the use of "copy and call" commands for access to copyrighted software. Reversing a refusal to overturn a verdict of noninfringement, the court held that a defendant's program





that made extensive use of such commands to improve on the plaintiff's program resulted in the creation of an infringing derivative work. The determination that content is unprotectable as dictated by interoperability, according to the court, is made from the perspective of the author of the allegedly infringed work, not from the perspective of the alleged infringer. *Dun & Bradstreet Software Services, Inc. v. Grace Consulting, Inc.*

As reported at 63 USPQ2d 1971, the U.S. Court of Appeals for the Ninth Circuit on August 2, 2002 amended its prior opinion which held that award of attorneys' fees to copyright infringement defendants, who successfully defended against a non-frivolous claim arising from their inclusion of plaintiff's image file databases in beta version of their software, is not warranted and would be tantamount to reward for defendants' misappropriation of plaintiff's confidential information. *Berkla v. Corel Corp.*

As reported at 64 USPQ2d 1149, the U.S. Court of Appeals for the Ninth Circuit on October 2, 2002 amended its prior decision to hold that action in which question of whether defendant obtained valid registration has been referred to the U.S. Copyright Office, pursuant to doctrine of primary jurisdiction, should be stayed pending outcome of administrative proceedings. *Syntek Semiconductor Co. v. Microchip Technology, Inc.*

Trademark

As reported at 64 BNA's PTCJ 403, the U.S. Court of Appeals for the Fourth Circuit held on August 16, 2002 that the registration of a defendant's mark cannot be the basis for a claim that the plaintiff's similar but unregistered mark is valid. Affirming a summary judgment that "U.S. Search" is descriptive without secondary meaning for an executive recruiting service, the court refuses to infer that the mark is suggestive from the defendant's registration of "1-800-U.S. Search" for computer search services. *U.S. Search L.L.C. v. U.S. Search.com, Inc.*

As reported at 64 USPQ2d 1225, the U.S. Court of Appeals for the Fourth Circuit held on August 23, 2002 that aggrieved parties can use the *in rem* provisions of the Anticybersquatting Consumer Protection Act (ACPA) not just to stop bad-faith Internet domain name registration, but also to combat trademark infringement and dilution. The ruling enables the filing of infringement and dilution claims against cybersquatters without obtaining personal jurisdiction over them, by going to the jurisdiction where they registered the offending domain name. The court also holds that bad faith must be proved by a preponderance of the evidence rather than by clear and convincing evidence, and that the *in rem* provisions of the ACPA do not violate due process. *Harrods Ltd. v. Sixty Internet Domain Names.*

As reported at 64 USPQ2d 1248, the U.S. Court of Appeals for the Fourth Circuit held on August 23, 2002 that the Trademark Dilution Act does not give trademark owners a lien

against infringing domain names that can be satisfied with an *in rem* action under 28 U.S.C. § 1655. Although the court agrees that it lacked *in rem* jurisdiction to transfer possession of allegedly diluting domain names, it nonetheless finds that such jurisdiction was established under the Anticybersquatting Consumer Protection Act. *Porsche Cars North America, Inc. v. Porsche.net.*

As reported at 64 BNA's PTCJ 525, the U.S. Court of Appeals for the Ninth Circuit held on September 20, 2002 that initial interest confusion will not be found where the plaintiff's trademark is weak and the defendant's goods are not related to the plaintiff's goods. *Interstellar Starship Svcs. Ltd. v. Epix, Inc.*

As reported at 64 USPQ2d 1120, the U.S. Court of Appeals for the Third Circuit held on August 13, 2002 that although plaintiff's witness lacked experience in evaluating likelihood of confusion factors, he had necessary qualifications, including 20 years of working in direct marketing, to testify as expert on whether consumers would confuse parties' "Black Box" and "Betterbox" marks for competing mail-order computer sales. *Betterbox Communications Ltd. v. BB Technologies, Inc.*

As reported at 63 USPQ2d 2018, the U.S. Court of Appeals for the Seventh Circuit held on August 13, 2002 that defendant's use of "Copitrack" metatag on its World Wide Web site is likely to cause initial interest confusion with plaintiff's nearly identical "Copitrak" mark, and the fact that such confusion is eventually dispelled does not eliminate trademark infringement that has already occurred. *Promatek Industries Ltd. v. Equitrac Corp.*

As reported at 64 USPQ2d 1689, the U.S. Court of Appeals for the Seventh Circuit held on October 4, 2002 that defendant's "bargainbeanies.com" World Wide Web site, through which she sells secondhand beanbag stuffed animals, does not dilute plaintiff's "Beanie Babies" trademark for such toys under 15 U.S.C. § 1125(c), since defendant is selling plaintiff's products, and antidilution law cannot be extended to prohibit commercial uses that accelerate transformation of trademarks into generic names. *Ty, Inc. v. Perryman.*

Trademarks – *In rem* Jurisdiction

As reported at 65 BNA's PTCJ 44, the U.S. Court of Appeals for the Second Circuit held on November 7, 2002 that the Anticybersquatting Consumer Protection Act provides *in rem* jurisdiction over a disputed Internet domain name only in the judicial district where the domain name registrar, registry, or other authority is located in a case of first impression. The court refuses to interpret a provision of the statute defining the "situs" of a domain name as an alternate basis for *in rem* jurisdiction, explaining that the provision simply establishes the location of the domain name after an *in rem* action has been properly commenced. Thus, the court affirms a decision that there was no *in rem* jurisdiction for a case filed in New York against



domain names registered in Baltimore. *Mattel, Inc. v. barbie-club.com*.

Trademarks - Sovereign Immunity

As reported at 63 USPQ2d 1993, the U.S. Court of Appeals for the Second Circuit held on August 7, 2002 that the Foreign Sovereign Immunities Act immunizes Republic of South Africa from suit for declaratory judgment that plaintiff has sole rights in "southafrica.com" Internet domain name, even though defendants issued a press release announcing its intention to commence arbitration proceedings against plaintiff, since the press release did not cause "direct effect" in the United States that would bring defendants under "commercial activity" exception to application of FSIA in 28 U.S.C. § 1605(a)(2). *Virtual Countries, Inc. v. Republic of South Africa*.

Contracts

As reported at 306 F.3d 17, the U.S. Court of Appeals for the Second Circuit held on October 1, 2002 that online license terms displayed on a Web page located below a "download" button are unenforceable. The issue was whether plaintiffs, by acting upon Netscape's invitation to download free software made available on its Web page, agreed to be bound by the software's license terms (which included the arbitration clause at issue). The court was not persuaded that a reasonably prudent offeree in such circumstances would have known of the existence of license terms. Where consumers are urged to download free software at the immediate click of a button, a reference to the existence of license terms on a submerged screen is not sufficient to place consumers on inquiry of constructive notice of those terms. Consequently, plaintiffs' bare act of downloading the software did not unambiguously manifest assent to the arbitration provision contained in the license terms. *Specht v. Netscape Communications Corp.*

Tax

As reported at 65 BNA's PTCJ 146, the U.S. Court of Appeals for the Ninth Circuit held that software masters sold to foreign computer makers with a license to reproduce qualify as deductible export property under Section 927(a)(2)(B) of the Tax Code. *Microsoft Corp. v. Commissioner*.

U.S. District Courts

Patents

As reported at 65 BNA's PTCJ 74, the U.S. District Court for the Eastern District of Virginia held that the BlackBerry wireless e-mail system infringes six separate patents covering wireless e-mail. Among other things, the court found that components of the patented invention were shipped abroad for assembly. *NTP, Inc. v. Research in Motion Ltd.*

Patents – Jurisdiction

As reported at 65 BNA's PTCJ 105, the U.S. District Court for the Southern District of Iowa held that a passive Internet Website containing basic information on an accused product is insufficient for jurisdiction in a patent infringement suit. *Med-Tec Iowa, Inc. v. Computerized Imaging Reference Systems, Inc.*

As reported at 64 USPQ2d 1772, the U.S. District Court for the Northern District of Illinois held on September 20, 2002 that the status of World Wide Web site as "advertisement" does not alone preclude federal district court from exercising personal jurisdiction over nonresident defendant in action for patent and trademark infringement brought in Illinois; however, the court lacks personal jurisdiction over defendant absent evidence that defendant's "advertisement" was specifically directed toward users in Illinois, or that Illinois residents purchased items after visiting defendant's Web site. *Aero Products International, Inc. v. Intex Corp.*

Copyright

As reported in the January 2003 issue of THE COMPUTER LAWYER, the U.S. District Court for the Northern District of Illinois granted a preliminary injunction on October 30, 2002 against the Internet music swapping site Aimster (a/k/a Madster). The Aimster service used America Online's Instant Messaging feature to allow its subscribers to exchange copyrighted music files with one another. Granting a preliminary injunction, the court held that the plaintiffs, a group including record companies and music publishers, had shown a likelihood of success on claims of contributory and vicarious copyright infringement, and that Aimster could not take advantage of the safe harbor provisions of the Digital Millennium Copyright Act that apply to Internet service providers. *In re Aimster Copyright Litigation*.

Trademarks

As reported at 62 USPQ2d 1626, the U.S. District Court for the Northern District of California held on March 22, 2002 that infringement defendants' use of plaintiff's "J.K. Harris" trade name on their World Wide Web site in links to other web pages, and when disseminating truthful factual information, constitutes nominative fair use, but fair use doctrine does not justify defendant's use of "header tags" or "underline tags" around sentences containing plaintiff's trade name, or their use of trade name or permutations thereof as keywords 75 separate times. *J.K. Harris & Co. v. Kassel*.

As reported at 63 USPQ2d 1086, the U.S. District Court for the Eastern District of Virginia held on May 9, 2001 that plaintiff proceeding *in rem* against Internet domain name pursuant to Anticybersquatting Consumer Protection Act need not show likelihood of confusion, since 15 U.S.C. §1125(d) states only that domain name must be "identical or confusingly simi-



lar” to plaintiff’s mark, and language “confusingly similar” is not shorthand for likelihood-of-confusion infringement test. *Hartog & Co. v. swix.com*.

As reported at 64 BNA’s PTCJ 356 (August 9, 2002), the U.S. District Court for the Eastern District of Virginia held that the failure of a domain name registrant to conduct a trademark search before obtaining a domain name suggested bad faith for purposes of finding a violation under the federal cybersquatting law. *Eurotech, Inc. v. Cosmos European Travels AG*.

As reported at 63 USPQ2d 1353, the U.S. District Court for the Northern District of Illinois held on June 7, 2002 that plaintiff, which registered the famous “Velveeta” mark in 1923, is entitled to injunction prohibiting defendant from using “King VelVeeda” and “VelVeeda” names on his World Wide Web site, since defendant adopted names for commercial purposes after “Velveeta” became famous, and it is likely that he did so deliberately to bring to mind plaintiff’s mark. *Kraft Foods Holdings, Inc. v. Helm*.

As reported at 63 USPQ2d 1830, the U.S. District Court for the District of New Jersey held on July 26, 2002 that plaintiff’s use of defendants’ trademarks in online streaming of clip previews for defendants’ movies falsely implies that defendants agreed to publication or use of marks in plaintiff’s creations, and therefore defendants have stated viable Lanham Act counterclaim for unfair competition and false designation of origin, even though previews are used as advertising aids for lawful sale and rental of genuine home video products. *Video Pipeline, Inc. v. Buena Vista Home Entertainment, Inc.*

As reported at 64 USPQ2d 1397, the U.S. District Court for the Western District of Washington held on March 15, 2002 that the presumption of validity for plaintiff’s registered “Windows” trademark for computer software and related products was rebutted by defendant’s substantial evidence that, before plaintiff first announced its “Windows” product, consumers understood “windows” or “window” to refer to a type of graphical user interface or operating system feature, and that consumers today understand those terms to indicate applications that are compatible with plaintiff’s software. *Microsoft Corp. v. Lindows.com, Inc.*

As reported at 65 BNA’s PTCJ 118, the U.S. District Court for the Central District of California held that the use of a trademark for the domain name of a Web site containing critical commentary about the trademark owner is a commercial use, even though the domain name is also the surname of the defendant. *Nissan Motor Co. Ltd. v. Nissan Computer Corp.*

As reported at 64 USPQ2d 1865, the U.S. District Court for the Northern District of Ohio held on October 25, 2002, in a case of first impression, that a political candidate’s use of an allegedly diluting character and Internet domain name in a campaign is core political speech likely protected by the First Amendment. The plaintiff is the sponsor of the well-known

“AFLAC Duck” commercials, in which a white duck quacks the company’s name in a distinctive, nasal tone. Hagan, who was running against incumbent Governor Robert Taft in Ohio, had created his own Internet commercials which “borrow” from AFLAC’s commercials. Specifically, Hagan’s Internet commercials include a crudely animated character made up of Governor Taft’s head sitting on the body of a white cartoon duck; the duck quacks “TaftQuack” several times during each commercial. Hagan broadcasted these commercials at his website *www.taftquack.com*. Plaintiff asked the Court to issue a preliminary injunction enjoining further use by Hagan of the TaftQuack character and associated website address based on trademark and service mark dilution, trademark infringement, and false designation of origin in violation of the Lanham Act, unfair competition and dilution under state law, and copyright infringement. The Court stated that it believed the case to be the first time a federal court had ruled in a case where a commercial plaintiff has brought suit under the Lanham Act against an individual politician in the midst of a political campaign.

The Court initially found there was no substantial likelihood that reasonable members of the public would perceive Hagan to be “affiliated with, connected with, or sponsored by” AFLAC because the degree of similarity between Hagan’s and AFLAC’s marks was quite low and there was little “competitive proximity” between AFLAC’s insurance products and Hagan’s campaign for governor. Accordingly, AFLAC had not shown likelihood of success on the merits of its claims for copyright infringement, trademark infringement, false designation, and unfair competition.

With respect to state trademark and service mark dilution, the Court noted that under Ohio law, “[t]he degree of similarity between the marks required for a dilution claim must be greater than that which is required to show likelihood of confusion and, consequently, plaintiff could not prevail on its Ohio dilution claim.

With respect to federal dilution, the Court stated that Hagan was not using the name AFLAC, or the website *www.aflac.com*, or even the AFLAC Duck, to identify himself or his political views. Consequently, there was no use of a “bogus” website address or other element of misdirection. Rather, Hagan was using a quacking cartoon character, which admittedly brought to mind AFLAC’s marks, as part of his communicative message, in the context of expressing political speech. The TaftQuack character explicitly called Hagan’s political opponent a “quack,” and accused him of “ducking” the issues. Consequently, the First Amendment protected Hagan from AFLAC’s dilution claim under the Lanham Act and under state law, as well. *American Family Life Insurance Co. v. Hagan*.



Contracts

As reported at 64 USPQ2d 1382, the U.S. District Court for the Southern District of New York held on August 26, 2002 that an agreement that infringement plaintiffs signed with defendant does not expressly provide for "copying" of recordings of plaintiffs' musical works, but it does provide defendant with an open-ended right to "otherwise exploit" such recordings, and specifically allows defendant to exercise plaintiffs' "storage, download and transmission rights, whether now known or existing in the future"; the terms of licensing agreement therefore preclude summary judgment that defendant's encoding of plaintiffs' recordings into MP3 format constitutes copyright infringement. *FurryRecords, Inc. v. RealNetworks, Inc.*

Unfair Competition

As reported at 63 USPQ2d 1957, the U.S. District Court for the Southern District of New York held on December 8, 2000 that a preliminary injunction prohibiting defendant's Internet site operator from using search robots to access and collect information, for mass marketing, from database of customers who register domain names with plaintiff is warranted by evidence showing that plaintiff has not consented to defendant's use of search robots, and that robots constitute unwelcome interference with, and risk of interruption to, plaintiff's computer system and servers. *Register.com, Inc. v. Verio, Inc.*

Right of Publicity

As reported at 63 USPQ2d 1168, the U.S. District Court for the Southern District of New York held on May 5, 2002 that defendants did not violate plaintiff's right of privacy under N.Y. Civ. Rights Law §§ 50 and 51 by using photograph of plaintiff as part of composite photographic work, or by using composite work in museum exhibit, in advertising for exhibit, and as digital reproduction in Internet virtual gallery, since composite work is artistic expression constituting "pure speech" entitled to First Amendment protection. *Hoepker v. Kruger.*

Jurisdiction

As reported at 63 USPQ 1540, the U.S. District Court for the District of Maryland held on May 14, 2002 that in the absence of alleged connection between plaintiff's claim for infringement of computer software and specific transaction with Maryland resident, non-resident defendant cannot be subjected to general personal jurisdiction of federal court in Maryland based on its maintenance of "active" web site that contains advertising for defendant's goods or services and can be accessed by state residents. *Robbins v. Yutopian Enterprises, Inc.*

As reported at 63 USPQ2d 1522, the U.S. District Court for the District of Maryland held on May 14, 2002 that a Canadian corporation is not subject to personal jurisdiction of fed-

eral court in Maryland with respect to plaintiff's claims brought under Maryland statutory and common law, since corporation has its headquarters in Canada, and does not manufacture or sell products in the United States or on its World Wide Web site, which has Maryland presence but is posted by site provider in Canada; corporation's consent to Maryland jurisdiction for limited purpose of reviewing administrative decision in Internet domain name dispute resolution proceeding cannot serve as basis for general jurisdiction in Maryland. *Virtuality LLC v. Bata Ltd.*

As reported at 64 BNA's PTCJ 390, the U.S. District Court for the District of Nebraska held on July 23, 2002 that merely filing an application to register the copyright for a web site is not sufficient to create jurisdiction for a copyright infringement suit under 17 U.S.C. §411(a). *Denenberg v. Berman*

Discovery

As reported at 63 USPQ2d 1527, the U.S. District Court for the District of Delaware held on April 30, 2002 that infringement plaintiff is entitled to discovery of e-mail in defendant's possession in action in which defendant's history of failing to cooperate in discovery process counsels in favor of awarding plaintiff some relief that will allow it to ascertain whether defendant has accurately represented that all responsive documents have been produced, and plaintiff's suggested procedure for discovery of e-mail in defendant's possession seems fair, efficient, and reasonable. *Tulip Computers International B.V. v. Dell Computer Corp.*

U.S. Patent and Trademark Office

As reported at 63 USPQ2d 1109, the Trademark Trial and Appeal Board ruled on April 3, 2002 that applicant's ownership of incontestable registration for "Best!" mark for computer programs, which issued without disclaimer or proof of acquired distinctiveness, does not entitle applicant to registration of "Best! Imperativ HRMS" mark for computer software without disclaimer of "Best," since ownership of incontestable registration does not give applicant right to register same or similar mark for different goods or services, even if they are closely related to those set forth in prior registration. *In re Best Software, Inc.*

As reported at 63 USPQ2d 1782, the Trademark Trial and Appeal Board ruled on April 23, 2001 that opposer's "The Sports Authority" mark and logo have achieved some degree of fame, but evidence is not sufficiently strong for fame alone to prove that applicant's use of "The Personal Computer Authority" and "The PC Authority" marks is likely to cause confusion; the fact that parties' marks create different commercial impressions, and that parties do not employ similar trade channels, is stronger evidence that marks are not likely to cause



confusion. *Sports Authority Michigan, Inc. v. PC Authority, Inc.*

State Courts

Indiana

As reported at 64 BNA's PTCJ 278, the Supreme Court of Indiana held on June 27, 2002 that state courts are entitled to decide copyright counterclaims that arise out of preempted contract claims. Reversing a summary judgment that dismissed the counterclaims, the court applies the Supreme Court's recent decision in *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.* to conclude that federal courts no longer have exclusive jurisdiction over copyright counterclaims. The court also refuses to hold that a contract supplies the necessary extra element to avoid copyright preemption distancing itself from the Seventh Circuit's ruling in *ProCD, Inc. v. Zeidenberg. Green v. Hendrickson Publishers, Inc.*

California

As reported at 19 THE COMPUTER AND INTERNET LAWYER 26, the California Court of Appeals for the Fourth District held on June 26, 2002 that defendant eBay is not liable for violating California's sports memorabilia statute (Cal. Cir. Code § 1739.7) based on sports memorabilia sold on its web site. *Gentry et al. v. eBay, Inc.*

As reported at 65 BNA's PTCJ 98, the California Supreme Court held that a claim for misappropriation of a trade secret against a defendant arises only once, when the trade secret is initially misappropriated. Resolving the state law question at the request of the Ninth Circuit, the court holds that each subsequent use or disclosure of a trade secret augments the initial claim rather than arises as a separate claim. The court relies on the statute of limitations provision of the Uniform Trade Secrets Act, which states that "a continuing misappropriation constitutes a single claim." *Cadence Design Systems, Inc. v. Avant! Corp.*

As reported at 65 BNA's PTCJ 96, the California Supreme Court in a 4-3 ruling held that the Internet publication of a decryption code for DVDs did not create personal jurisdiction in California over a Texas defendant. Reversing a denial of a writ of mandamus, the court concludes that the defendant's knowledge of possible harm to a California resident does not alone satisfy the "effects test" for personal jurisdiction under the U.S. Supreme Court's *Calder v. Jones* ruling. Such knowledge by itself, according to the court, does not demonstrate that the defendant's conduct was expressly aimed at the forum state and does not satisfy the "purposeful availment" requirement for personal jurisdiction. *Pavlovich v. Superior Court of Santa Clara County.*

Federal Legislation

Webcasting

As reported at 65 BNA's PTCJ 113, President Bush signed into law the "Small Webcaster Settlement Act of 2002" (H.R. 5469) that would grant small Webcasters relief from paying large royalty payments to the recording industry for streaming copyrighted music online. The new law essentially gives the recording industry until December 15, 2002 to negotiate individual or group agreements with small Webcasters.

Intellectual Property

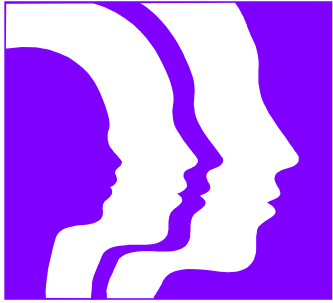
As reported at 65 BNA's PTCJ 28, President Bush signed a Justice Department authorization bill (H.R. 2215; Pub. L. No. 107-273) that contains several intellectual property reforms. The legislation expands the Patent Act's reexamination procedures, amends the Copyright Act to facilitate distant learning on the Internet, and implements U.S. accession to the recently ratified Madrid Protocol trademark treaty.

Computer Law Listserv

If you haven't already done so, join
the Section's listserv at

www.michbar.org/sections/computer/signup.html





Computer Law Council

Member Profile

Anthony A. Targan, Esq.

Anthony Targan, Chair of the Computer Law Section, has over seventeen years of legal and business experience in corporate, commercial and computer law. A native of New York State, Anthony obtained his law degree from George Washington University and his bachelor of arts in Government from Cornell University.

He began his legal career by getting plugged in to energy law, initially in private practice in Washington, DC as an energy regulatory lawyer. He is currently a transactional attorney with DTE Energy Trading in Ann Arbor, and handles the company's contracts for the trading of various energy commodities and financial products.

Anthony developed his computer law expertise while working in the Internet advertising and direct marketing industries. As General Counsel for Beyond Interactive, he helped create the first privacy policy for the digital advertising agency's website. Anthony served both as Director of Data Acquisition and Associate General Counsel for The Polk Company, where for eight years he helped navigate through the privacy concerns associated with acquiring and licensing consumer and business data. He has also been retained as an expert witness in software license litigation.

Anthony resides in West Bloomfield, Michigan with his wife and fellow attorney Holli Hart Targan, a partner at Jaffe, Raitt, Heuer & Weiss, and their two daughters. Anthony enjoys coaching his daughter's soccer team and running, and he completed his first marathon in Detroit in 2002.

Organize to Work Less and Do More

It can take you as little as one week to get control of your work schedule. Here are some tips:

Start on Monday

On the first day of the workweek, list the top three activities for the week. Commit to getting those three priorities done in the week — no more, no less.

Designate a day for administrative tasks

Put everything else on the back burner this day. Don't answer the phone, don't read e-mail, don't let coworkers interrupt. Concentrate on your administrative chores.

Rank your to-do list

Prioritize your tasks. Cross out the bottom 20 percent of your list for this week, and move up the importance of that work next week.

Check e-mail only once a day

Set aside a specific time during the day to read and respond to e-mail. Trying to check and respond to e-mail throughout the day is disruptive to work flow.



State Bar Seeks Nominees for Five Major Awards

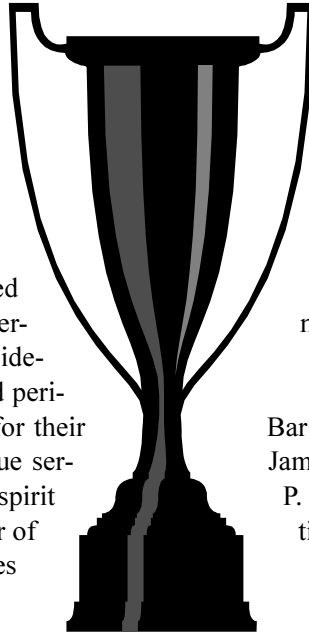
The State Bar of Michigan is looking for a few outstanding lawyers and judges to be the recipients of five major awards to be presented during the 2003 Annual Meeting in Lansing this September. Nominations are now open and any member of the State Bar can propose a candidate for the following awards:

The **Roberts P. Hudson Award**, considered the Bar's most prestigious honor, goes to a person whose career has exemplified the highest ideals of the profession. This award is presented periodically to commend one or more lawyers for their unselfish rendering of outstanding and unique service given generously, ungrudgingly, and in a spirit of self-sacrifice. It is awarded to that member of the State Bar of Michigan who best exemplifies that which brings honor, esteem and respect to the legal profession.

The **Champion of Justice Award** is given for extraordinary individual accomplishments or for devotion to a cause. Not more than five awards are given each year to practicing lawyers and judges who have made a significant contribution to their community, state and/or the nation.

The **Frank J. Kelley Distinguished Public Servant Award** recognizes extraordinary governmental service by a Michigan attorney holding elected or appointive office. Created by the Board of Commissioners in 1998, it was first awarded to Frank J. Kelley for his record-setting tenure as Michigan's chief lawyer.

The **John W. Cummiskey Pro Bono Award** named after a Grand Rapids attorney, recognizes a member of the State Bar who excels in commitment to pro bono issues. This award carries with it a cash stipend to be donated to the charity of the recipient's choice.



The **Liberty Bell Award** recipient is selected from nominations made by local and special purpose bar associations. The award is presented to a non-lawyer who has made a significant contribution to the justice system. The deadline for this award is Friday, May 2nd, 2003. All other award nominations are due on **Monday, April 7, 2003** at noon.

An Awards Committee, co-chaired by State Bar President-elect Scott S. Brinkmeyer and attorney James Stewart, reviews nominations for the Roberts P. Hudson, Champion of Justice, Frank J. Kelley Distinguished Public Servant, and Liberty Bell awards. The Bar's *Pro Bono* Involvement Committee reviews nominations for the Cummiskey *Pro Bono* award. The committee's recommendations are then voted on by the full Board of Commissioners at its July meeting.

Nominations should include sufficient detail about the accomplishments of the nominee to allow the committees to make a judgment. Information should include the nominee's biography and may also include narratives relating specific accomplishments, news clips, and letters of support. Materials will not be returned. Nominations should be sent to:

Awards Committee
Attention: Sue Oudsema
State Bar of Michigan
Michael Franck Building
306 Townsend Street
Lansing MI 48933-2083

To view a complete list of criteria for State Bar awards and to download a Cummiskey award nomination form, please visit the State Bar of Michigan's web site at www.michbar.org, click on the "Member Resources" button, then click "Awards."

**2003 Edward F. Langs
Writing Award
ESSAY COMPETITION RULES**

1. The award will be given to the student article, which in the opinion of the judges makes the most significant contribution to the knowledge and understanding of Computer or Internet law. Factors that are taken into consideration include originality, timeliness of the subject, depth of research, accuracy, readability and the potential for impact on the law.
2. The top three papers will receive awards of \$500, \$300 and \$200 respectively (in US dollars)
3. All entries must be original and must not have been submitted to any other contest within the last 12 months.
4. All entries must include the submitter's name(s), current address, current telephone number and college or university attended.
5. All articles must be typed, double-spaced and submitted on letter-size (8½ by 11 inch) plain, white, bond paper (no onion skin).
6. Entries must be typed with margins of 10 and 70, respectively, along with top and bottom margins of no less than one inch each.
7. All entries must contain proper citations, including footnotes at the end of the entry.
8. Entry of at least 10 pages is preferred.
9. All rights to the entries shall become the property of the State Bar of Michigan.
10. The Computer Law Section reserves the right to make editorial changes and publish the article(s) in the Section Newsletter.
11. The entry must be post-marked by June 30, 2003.
12. Entries are to be mailed to:
David R. Syrowik, Chairman
Computer Law Section Essay Competition
Brooks & Kushman P.C.
1000 Town Center, 22nd Floor
Southfield, Michigan 48075



Computer Law Section
Michael Franck Building
State Bar of Michigan
306 Townsend Street
Lansing, Michigan 48933

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