

Michigan

# COMPUTER LAWYER

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## In the News...

By Paul J. Raine,  
Attorney at Law

State Bar of Michigan Computer Law Section

## Golf Outing And Annual Meeting

Sponsored by the

### Computer Law Section

Of the State Bar of Michigan

This year's topic:

# IDENTITY THEFT

A panel discussion moderated by attorney Lawrence Jordan

Featuring guest speakers:

- Dennis M. Doherty, Prosecuting Attorney, Wayne County Prosecutor's Office
- Mike Wendland, Technology Columnist, Detroit Free Press
- Terrence G. Berg, Prosecuting Attorney, Michigan Department of Attorney General
- When: Thursday, September 4, 2003.  
Golf at noon, dinner at 6 p.m., speakers at 7 p.m., Section meeting at 8 p.m.
- Where: The Links at Pinewood, Walled Lake, Michigan
- What: GOLF, followed by dinner and panel discussion
- Who: Members and guests of the Computer Law Section  
(Non-members welcome)

**Registration deadline: August 15, 2003 - See page 12 for registration form**





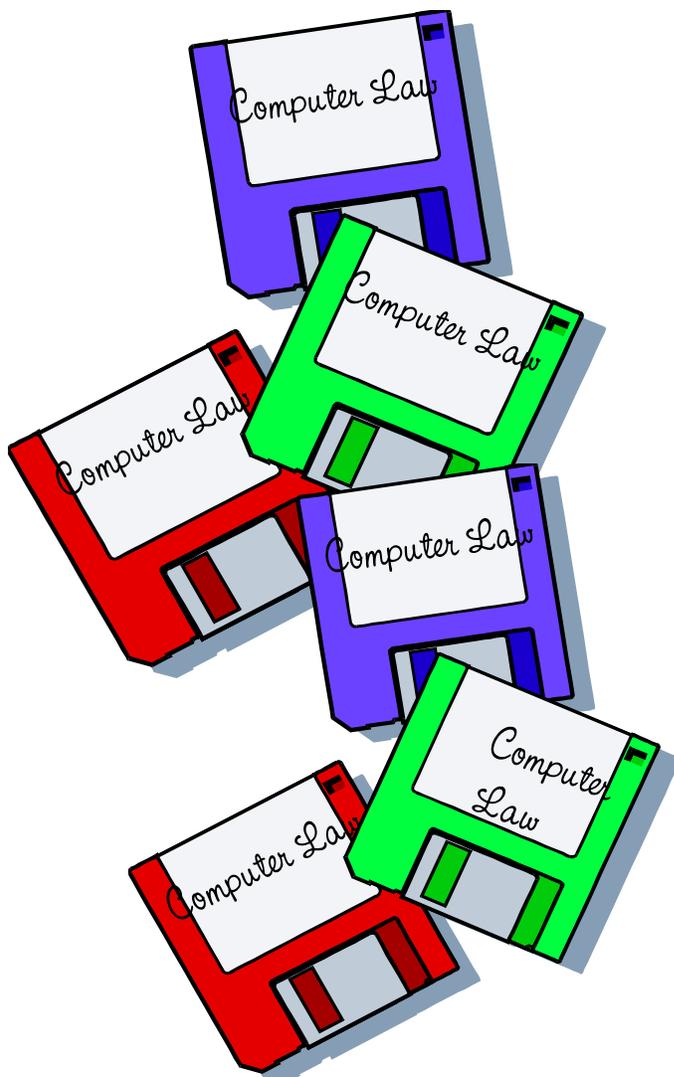
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**Statement of Editorial Policy**

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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## Identity Theft: Will the Real Emmitt Smith Please Stand Up?

By Anthony Targan, Chair

We've all seen the VISA commercial where numerous people claiming to be football star Emmitt Smith – including the all-time leading rusher himself – proclaim “I’m Emmitt Smith.” The point of the ad is that in an online environment, no one can tell if it’s really you or an imposter. This underscores one basic problem with the anonymity of the Internet: Unknown people can do bad things to your good name, and you can be left with the bill, or even go to jail. As Treasury Secretary John W. Snow recently stated, “The greatest threat to consumers today is the growing menace of identity theft” (Washington Post, July 1, 2003).

This year’s annual meeting of the Computer Law Section takes a close look at the underworld of computer crime, particularly with respect to identity theft. We have a full slate of activities scheduled for **Thursday, September 4, 2003**, culminating with a panel discussion among the following experts: Mike Wendland, Technology Columnist - The Detroit Free Press; Terrence Berg from the State Prosecutor’s office; and Dennis Doherty of the Wayne County Prosecutor’s office. Former Section chair Lawrence Jordan of Jaffe, Raitt, Heuer & Weiss will serve as moderator for this panel.

The speakers will follow dinner and an afternoon of golf at the Links of Pinewood in Walled Lake. If you can’t join us for golf, a dinner-only option is available, and Section members enjoy a discounted rate for all activities. **See the registration form on page 12 of this issue.** Also, the Section will conduct its annual business meeting, including the election of new officers and Council members. If you are interested in helping to sponsor the event, please contact event chair Paul Raine for various advertising opportunities, which may include discounted golf packages. Paul Raine: [praine@comcast.net](mailto:praine@comcast.net) or 586-795-4400 x114.

Please plan to join us for this cutting-edge program, and as many of the other activities as your schedule permits. Golf tee times are limited, so register soon!

Source: FTC website [www.ftc.gov](http://www.ftc.gov)  
*Federal Law*

The Identity Theft and Assumption Deterrence Act, enacted by Congress in October 1998 (and codified, in part, at 18 U.S.C. §1028) is the federal law making identity theft a crime.

### Identity Theft and Assumption Deterrence Act of 1998

The Identity Theft and Assumption Deterrence Act makes it a federal crime when someone “knowingly transfers or uses, without lawful authority, a means of identification of another person with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of federal law, or that constitutes a felony under any applicable state or local law.”

Under the Act, a name or SSN is considered a “means of identification.” So is a credit card number, cellular telephone electronic serial number or any other piece of information that may be used alone or in conjunction with other information to identify a specific individual.

Violations of the Act are investigated by federal law enforcement agencies, including the U.S. Secret Service, the FBI, the U.S. Postal Inspection Service, and SSA’s Office of the Inspector General. Federal identity theft cases are prosecuted by the U.S. Department of Justice.

In most instances, a conviction for identity theft carries a maximum penalty of 15 years imprisonment, a fine and forfeiture of any personal property used or intended to be used to commit the crime. Pursuant to the Act, the U.S. Sentencing Commission has developed federal sentencing guidelines to provide appropriate penalties for those persons convicted of identity theft.





Schemes to commit identity theft or fraud also may involve violations of other statutes, such as credit card fraud, computer fraud, mail fraud, wire fraud, financial institution fraud, or Social Security fraud. Each of these federal offenses is a felony and carries substantial penalties – in some cases, as high as 30 years in prison as well as fines and criminal forfeiture.

### The Michigan Penal Code (Excerpt)

#### Act 328 of 1931

#### **750.285 Obtaining personal identity information of another with intent to unlawfully use information; violation as felony; nonapplicability to discovery process; definitions.**

Sec. 285.

(1) A person shall not obtain or attempt to obtain personal identity information of another person with the intent to unlawfully use that information for any of the following purposes without that person’s authorization:

- (a) To obtain financial credit.
- (b) To purchase or otherwise obtain or lease any real or personal property.
- (c) To obtain employment.
- (d) To obtain access to medical records or information contained in medical records.
- (e) To commit any illegal act.

(2) A person who violates this section is guilty of a felony punishable by imprisonment for not more than 5 years or a fine of not more than \$10,000.00, or both.

(3) This section does not prohibit the person from being charged with, convicted of, or sentenced for any other

violation of law committed by that person using information obtained in violation of this section.

(4) This section does not apply to a person who obtains or attempts to obtain personal identity information of another person pursuant to the discovery process of a civil action, an administrative proceeding, or an arbitration proceeding.

(5) As used in this section:

- (a) “Financial transaction device” means that term as defined in section 157m.
- (b) “Medical records” includes, but is not limited to, medical and mental health histories, reports, summaries, diagnoses and prognoses, treatment and medication information, notes, entries, and x-rays and other imaging records.
- (c) “Personal identity information” means any of the following information of another person:
  - (i) A social security number.
  - (ii) A driver license number or state personal identification card number.
  - (iii) Employment information.
  - (iv) Information regarding any financial account held by another person including, but not limited to, any of the following:
    - (A) A savings or checking account number.
    - (B) A financial transaction device account number.
    - (C) A stock or other security certificate or account number.
    - (D) A personal information number for an account described in sub-subparagraphs (A) to (C).

History: Add. 2000, Act 386, Eff. Apr. 1, 2001. Popular Name: Identity Theft



Don’t forget that you can find back issues of this newsletter on the section’s webpage at

<http://www.michbar.org/computer/home.html>



# Recent Developments In Computer And Internet Law

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

## U.S. Supreme Court

### Trademarks

As reported at 65 USPQ2d 1801, the U.S. Supreme Court held on March 4, 2003 that the Federal Trademark Dilution Act requires plaintiff to establish actual dilution; although consequences of dilution, such as actual loss of sales or profits, need not be proved. Mere fact that consumers mentally associate junior user's mark with famous mark is not sufficient to establish actionable dilution, at least where marks at issue are not identical. *Moseley v. Secret Catalogue, Inc.*



### Copyright

As reported at 123 S.Ct. 769, the U.S. Supreme Court held on January 15, 2003 that Congress did not violate its authority under the Constitution's patent and copyright clause by extending the term of copyright protection for existing copyrights. Although that authority permits Congress to grant authors exclusive rights for "limited times," an appropriately limited time span applied to future copyrights does not automatically cease to be limited when applied to existing copyrights, according to the court. The court also agrees that the patent and copyright clause calls on Congress to establish a "system" for promoting the "progress of science," but pointed out that it is for Congress, not the courts, to decide how to pursue this objective. *Eldred v. Ashcroft.*



### Unfair Competition

As reported at 66 USPQ2d 1641, the U.S. Supreme Court held on June 2, 2003 that the "origin of goods" provision in Lanham Act's Section 43(a) refers to producer of tangible goods that are offered for sale, not to author of any idea, concept, or communication embodied in those goods; thus, Section 43(a) does not prevent unaccredited copying of work in public domain. *Dastar Corp. v. Twentieth Century Fox Film Corp.*

**Editor's Note:** Due to publication deadlines, other recent omitted cases will appear in the next edition of the *Michigan Computer Lawyer*.

## U.S. Court of Appeals

### Patents

As reported at 66 USPQ2d 1444, the U.S. Court of Appeals for the Federal Circuit held on April 2, 2003 that the District court, in concluding that "circuit" limitations in claims for computerized switching systems are means-plus-function limitations, erred by relying on single word "circuit" rather than examining limitations as a whole, since every use of term in asserted claims includes additional adjectival qualification that further identifies sufficient structure. *Apex, Inc. v. Raritan Computer, Inc.*



As reported at 65 USPQ2d 1934, the U.S. Court of Appeals for the Federal Circuit held on February 14, 2003 that defendants' computer chipsets that perform "Fast Write" electronic interface protocol do not infringe patent in suit, since license agreement between parties, which was written solely by plaintiff and is ambiguous as to whether "Fast Write" is covered by license, must be construed against plaintiff pursuant to doctrine of *contra proferentum*. *Intel Corp. v. VIA Technologies, Inc.*

As reported at 65 USPQ2d 1865, the U.S. Court of Appeals for the Federal Circuit held on February 12, 2003 that steps recited in a method claim for intercepting and controlling boot process of computer need not be performed in the order written, since claim language does not indicate that steps must occur in particular order, and





there is no statement in written description that recited order is important, no disclaimer of any other order of steps, and no prosecution history indicating surrender of any other order. *Altiris, Inc. v. Symantec Corp.*

As reported at 295 F.3d 1355, the U.S. Court of Appeals for the Federal Circuit recently held that demonstration of a prototype of systems that allow a computer user to access and search a database residing on a remote computer was an invalidating public use; the inventor's offer to make a working prototype in exchange for four months full time employment constituted a commercial offer for sale, rendering the patent invalid. *Netscape Communications Corp. et al. v. Konrad.*

As reported at 66 USPQ2d 1341, the U.S. Court of Appeals for the Federal Circuit held on March 21, 2003 that input and control signals cannot be part of structure corresponding to functions of "means for monitoring" in claims for computer network bus interface unit, since signals in question are monitored by circuitry that constitutes "means for monitoring," and signals that are monitored cannot be part of structure that performs monitoring function. *Northrop Grumman Corp. v. Intel Corp.*

As reported at 66 BNA's PTCJ 92, the U.S. Court of Appeals for the Federal Circuit recently held that a district court's overly narrow interpretation of the phrase "caching policy identification information" to require the caching of two kinds of information in a patent relating to data communication networks led to an erroneous ruling that the patent was not infringed by a system with only one cache. Vacating a summary judgment of non-infringement as to that patent, the appellate court faults the district court for basing its claim interpretation on a phrase in the preamble and on an erroneous statement by the applicants in the prosecution history, and for improperly relying on extrinsic evidence when there was no ambiguity in the claim. *Storage Technology Corp. v. Cisco Systems, Inc.*

### Patents – Sovereign Immunity

As reported at 66 USPQ2d 1001, the U.S. Court of Appeals for the Federal Circuit held on February 28, 2003 that a state that files suit in federal court to enforce its claims to certain patents thereby consents to litigation of all counterclaims arising from same transaction or occurrence that gave rise to state's asserted claims; in present case, state university that sued for declaration of patent ownership and inventorship based on certain contracts and conduct waived its Eleventh Amendment immunity to all compulsory counterclaims. *Regents of the University of New Mexico v. Knight.*

### Copyright

As reported at 66 USPQ2d 1014, the U.S. Court of Appeals for the Seventh Circuit held on March 7, 2003 that a bankruptcy court's order on the sale of copyrights in a computer program precludes a prior copyright owner, who was on notice of the sale and failed to object, from later asserting ownership rights. *ItoFCA v. MegaTrans Logistics, Inc.*

As reported at 66 USPQ2d 1210, the U.S. Court of Appeals for the Fourth Circuit held on March 21, 2003 that infringement plaintiff's registration of computer products containing clipart images was sufficient to permit infringement action on underlying parts of those products, since plaintiff created copyrighted products, as well as underlying works encompassed by those products, and since plaintiff thus owned copyright in products and in underlying works. *Xoom, Inc. v. Imageline, Inc.*

As reported at 314 F.3d 42, the U.S. Court of Appeals for the Second Circuit held on December 20, 2002 that the issue of whether an addendum to an agreement purporting to transfer copyrights was a "writing" under the Copyright Act was sufficient to support federal jurisdiction in a case that otherwise largely concerned issues of contract interpretation. The appellate court concludes that the addendum satisfied the requirements of Section 204(a) of Title 17 for a transfer of royalty rights in music of the Isley Brothers. The assignment is in writing, the copyright owners signed it, and there is no risk that an unsuspecting copyright owner has been induced to make the assignment, the court finds. *Jasper v. Bovina Music, Inc.*

As reported at 66 USPQ2d 1648, the U.S. Court of Appeals for the Seventh Circuit held on May 14, 2003 that the copyright in computer software was infringed by a licensee's unauthorized translation of the source code from a program that would only work with Macintosh hardware to one that would work with Windows hardware, despite ambiguity in the license. *McRoberts Software, Inc. v. Media 100 Inc.*

As reported at 66 BNA's PTCJ 147, the U.S. Court of Appeals for the Sixth Circuit held that when a copyrighted work is intended for experts, the second prong of a court's substantial similarity inquiry must focus on the expert's and not the ordinary lay person's perspective. *Kohus v. Mariol.*

### Copyright - Security Interests

As reported at 303 F.3d 1120, the U.S. Court of Appeals for the Ninth Circuit recently held that a security interest in an unregistered copyright is perfected under state law (the UCC), not under the Copyright Act. *In re World Auxiliary Power Co.*





### Copyright - Preemption

As reported at 65 USPQ2d 1746, the U.S. Court of Appeals for the Federal Circuit held on January 29, 2003 that a claim for breach of prohibition against reverse engineering in “shrink-wrap” license for computer-aided design product is not preempted by federal copyright law, even though such claim restrains copying, since mutual assent and consideration required by contract claim render it qualitatively different from claim for copyright infringement. *Bowers v. Baystate Technologies, Inc.*

### Trademarks

As reported at 66 BNA’s PTCJ 244, the U.S. Court of Appeals for the Federal Circuit held on June 6, 2003 that “NET” is descriptive and not registrable for computer networks. *In re Savin Corp.*



As reported at 65 USPQ2d 1834, the U.S. Court of Appeals for the Sixth Circuit held on February 7, 2003 that a domain name that appends the word “sucks” to a trademark does not create confusion as to source and is protected by the First Amendment as a “complaint” website. Reversing a preliminary injunction against use of the domain names, the court acknowledges that the website operator might intend to cause economic damage to the trademark holder, but holds that a critical commentary site is not a commercial use of the trademark subject to the Lanham Act. A domain name is no different than a billboard or pulpit, the court suggests, and using the “sucks.com” to criticize a business is the Internet equivalent of shouting from the rooftops, which the domain name owner is free to do. *Taubman Co. v. Webfeats.*

As reported at 65 USPQ2d 1761, the U.S. Court of Appeals for the Sixth Circuit held on February 5, 2003 that a disclaimer on a website whose domain name incorporates a registered trademark comes too late to resolve any “initial interest confusion.” Consequently, plaintiff is likely to succeed on the claim that defendant’s use of “Peterbilt” and “Kenworth” trademarks on its Internet sites and in its domain names infringes those marks, since both parties market goods and services on the Internet, since consideration of marks and domain names in Internet context shows they are very similar, and since the parties’ goods and services are clearly related. *PACCAR, Inc. v. TeleScan Technologies, LLC.*

As reported at 65 USPQ2d 1842, the U.S. Court of Appeals for the Third Circuit held on February 20, 2003 that a decision in dispute resolution proceeding under Uniform Domain Name Dispute Resolution Policy of Internet Corporation for Assigned Names and Numbers

is not entitled to highly deferential standard of judicial review specified by Federal Arbitration Act, and the Anticybersquatting Consumer Protection Act provides domain name registrant with cause of action through which to redress loss of domain name in UDRP proceeding. *Dluhos v. Strasberg.*

As reported at 66 USPQ2d 1057, the U.S. Court of Appeals for the Fourth Circuit, on January 23, 2003, in an opinion designated as not for publication, affirms a lower court’s decision that the *in rem* provision of the federal anticybersquatting law permits it to exercise jurisdiction over a domain registered by a Hong Kong registrant. *Cable News Network LP v. cnnnews.com.*

As reported at 66 USPQ2d 1321, the U.S. Court of Appeals for the Sixth Circuit held on April 10, 2003 that use of a competitor’s trademark in the post-domain URL path on an Internet website selling one’s own products was non-infringing because it was unlikely to result in consumer confusion as to the source of the website or products. Affirming a summary judgment of non-infringement, the court doubts that use of a mark in post-domain paths could ever result in infringement since post-domain paths do not indicate source. However, it limits its holding to finding that there was no evidence that the presence of the “Lap Traveler” mark in the defendant’s secondary website pages created confusion as to the source of the competing “Mobile Desk” portable computer stand. *Interactive Products Corp. v. a2z Mobile Office Solutions.*

As reported at 66 USPQ2d 1791, the U.S. Court of Appeals for the Ninth Circuit held on May 9, 2003 that the use of the “Pycnogenol” mark for a pine bark extract in a defendant’s pharmaceutical products website text and metatags was so excessive that the nominative fair use defense was unavailable. Affirming an infringement judgment, the court finds that the second and third factors of its New Kids on the Block test were not satisfied since the use was more than was reasonably necessary and suggested the plaintiff’s sponsorship of or association with the defendant’s website and competing products. *Horphag Research Ltd. v. Pelligrini.*

### Trademarks - ACPA

As reported at 66 USPQ2d 1062, the U.S. Court of Appeals for the Third Circuit held on February 11, 2003 that the Anticybersquatting Consumers Protection Act, 15 U.S.C. § 1129, covers domain name originally registered before law’s effective date and then reregistered with new domain name registrar after law took effect, even though





law is not to be applied retroactively, since ACPA language does not limit meaning of “registration” to narrow concept of “creation registration.” *Schmidheiny v. Weber*.

### Trademarks - Jurisdiction

As reported at 65 USPQ2d 1628, the U.S. Court of Appeals for the Third Circuit held on January 27, 2003 that operation of a commercially interactive website accessible in New Jersey is not sufficient to establish personal jurisdiction absent evidence of purposeful availment and interaction with residents. *Toys “R” Us, Inc. v. Step Two SA*.

As reported at 66 USPQ2d 1705, the U.S. Court of Appeals for the Fourth Circuit held on May 19, 2003 that a Monaco casino that serves U.S. travelers and advertises its services in this country may assert trademark infringement claims against companies that used its unregistered but distinctive trademark in Internet domain names. Trade with U.S. citizens anywhere in the world constitutes “commerce” that can be regulated by Congress, and use of a trademark in such commerce, together with advertising of the service in the United States, satisfies the Lanham Act’s two-pronged test for “use in commerce” of a protected mark, the court reasons. *International Bancorp LLC v. Société des Bains de Mer et du Cercle des Étrangers à Monaco*.

As reported at 66 BNA’s PTCJ 202, the U.S. Court of Appeals for the Fourth Circuit held that the Lanham Act, and not Spanish trademark law, must be applied to an action seeking a declaratory judgment that the use and registration of a domain name similar to the defendant’s Spanish trademark was not unlawful, stressing that the text of the Anticybersquatting Consumer Protection Act explicitly requires application of the Lanham Act and not foreign law to resolve such actions. *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*.

### Unfair Competition - Domain Names

As reported at 65 USPQ2d 1733, the U.S. Court of Appeals for the Ninth Circuit on January 22, 2003 certified to the California Supreme Court, question of whether Internet domain name is within scope of property subject to tort of conversion; resolving this question requires determination of whether intangible property must be merged with document or other tangible medium in order to be subject to tort of conversion, and if so, whether Internet domain name is merged with document or other tangible medium. *Kremen v. Cohen*.

### Trade Secrets

As reported at 65 USPQ2d 2012, the U.S. Court of Appeals for the Eleventh Circuit held on February 5, 2003 that the district court abused its discretion by denying trade secret defendants’ emergency motion to dissolve, stay, or modify issuance of a preliminary injunction retraining defendants’ access to plaintiffs’ computer network, and requiring them to return certain computer equipment to plaintiffs, since defendants received only two days’ notice of injunction hearing, and since court’s decision to cancel subsequent evidentiary hearing on defendants’ emergency motion, in favor of telephone hearing, deprived defendants of meaningful opportunity to adequately present evidence rebutting plaintiff’s assertions. *Four Seasons Hotels and Resorts B.V. v. Consorcio Barr S.A.*

## U.S. District Courts

### Patents

As reported at 65 USPQ2d 1589, the U.S. District Court for the Northern District of California held on August 20, 2002 that the patent exhaustion doctrine bars infringement claims against purchasers of licensee’s microprocessors and chipsets, even though plaintiff contends those products do not read on any patents at issue, since doctrine applies to sale of unpatented items that have no other function but as components in finished, patented device, and products at issue have no reasonable, non-infringing use. *LG Electronics, Inc. v. Asustek Computer, Inc.*



PATENT OFFICE AND INTERIOR DEPARTMENT.

As reported at 66 BNA’s PTCJ 141, the U.S. District Court for the Eastern District of Virginia held that the popular online auction website eBay must pay \$35 million in a patent infringement action filed by a former intelligence officer who claims to have invented the online technology, a jury rules, finding direct and willful infringement and patent validity. *MercExchange LLC v. eBay, Inc.*

As reported at 66 BNA’s PTCJ 146, the U.S. District Court for the Eastern District of Virginia held that the maker of “BlackBerry” handheld computers must pay enhanced damages, attorneys’ fees, post-verdict enhanced damages, and compensatory damages for infringing five wireless e-mail patents. *NTP, Inc. v. Research in Motion Ltd.*



## Copyright

As reported at 65 BNA's PTCJ 433, the U.S. District Court for the Central District of California recently held that the original elements in an otherwise unauthorized derivative work are not entitled to copyright protection if the preexisting work pervades the derivative work. *Sobhani v. @radical.media, Inc.*



As reported at 216 F.Supp. 2d 1051, the U.S. District Court for the Northern District of California recently held that a manufacturer's distribution of copies of its software to licensed distributors was not a "first sale" of copies and therefore did not preclude the manufacturer from asserting a copyright infringement claim. *Adobe Systems, Inc. v. Stargate Software, Inc.*

As reported at 66 USPQ2d 1579, the U.S. District Court for the Central District of California held on April 25, 2003 that developers of the StreamCast and Grokster peer-to-peer file-sharing programs are not liable for the infringing activities of the program users. Turning back contributory and vicarious copyright infringement claims made by major record companies and others, the court says that the defendants' operations were significantly different from the service found infringing in *A&M Records, Inc. v. Napster, Inc. Metro-Goldwyn-Mayer Studios, Inc. v. Grokster Ltd.*

As reported at 2003 U.S. Dist. Lexis 6483, the U.S. District Court for the Central District of California held on March 7, 2003 that automated copying of Web pages into computer memory by means of a "spider" program to extract facts contained in those pages was a fair use. The court also granted a summary judgment motion to dismiss a trespass to chattels claim, finding that the plaintiff failed to offer evidence that spidering caused the damages to the operation of the computer system trespassed. *Ticketmasters Corp. v. Tickets.com, Inc.*

## Copyright - Antitrust

As reported at 2002 WL 31863 526, the U.S. District Court for the District of Maryland, in an opinion dated December 23, 2002, granted Sun Microsystems's request for an injunction, ordering Microsoft to carry Sun's Java virtual machine with its Windows operating system on antitrust grounds, and limiting Microsoft's distribution of the Microsoft Java virtual machine on copyright grounds. *In re Microsoft Corp. Antitrust Litigation.*

## Copyright - Jurisdiction

As reported at 65 USPQ2d 1545, the U.S. District Court for the Central District of California held on January 9, 2003 that the "scope and nature" of an out-of-state

defendant's contacts with the forum, demonstrated by millions of downloads of the defendant's software in the forum state, was sufficient to establish minimum contacts such that a court in the forum state may, consistent with constitutional due process, exercise specific jurisdiction over the defendant. The court distinguishes this case from the California Supreme Court's recent ruling that Internet publication of DVD code created no jurisdiction in California over a Texas resident. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster Ltd.*

As reported at 233 F.Supp. 2d 1, the U.S. District Court for the District of Columbia recently held that a registration certificate is required for subject matter jurisdiction in a copyright infringement suit. *Strategy Source, Inc. v. Lee.*

As reported at 65 USPQ2d 1280, the U.S. District Court for the Eastern District of Virginia held on January 27, 2003 that foreign defendant's alleged sales of plaintiff's test preparation materials on foreign Internet site subject him to personal jurisdiction of federal court in Virginia under Fed. R. Civ. P. 4(k)(2), since personal jurisdiction over defendant is not available in any single state, and defendant directed his electronic activity at U.S. market, targeted U.S. customers, and shipped materials to United States. *Graduate Management Admission Council v. Raju.*

## DMCA

As reported at 66 USPQ2d 1405, the U.S. District Court for the Eastern District of Kentucky on February 27, 2003 granted a preliminary injunction prohibiting Static Control Components (SCC) from making, selling or otherwise trafficking in microchips for use with Lexmark toner cartridges. SCC manufactures the SMARTEK microchip for use with Lexmark toner cartridges. The SMARTEK microchip allows Prebate cartridges to be refilled by the user. SCC admitted that it "copied Lexmark's Toner Loading Programs 'in the exact format and order' in its SMARTEK microchips." The court concluded Lexmark would likely succeed in proving SCC guilty of copyright infringement. The court also concluded Lexmark would likely succeed on its claim that the microchips on defendant's toner cartridges violate the Digital Millennium Copyright Act under 17 U.S.C. § 1201(a)(2), which prohibits manufacture and/or sale of any device primarily designed to circumvent "technological measure" that "controls access" to copyrighted work, since defendant's microchips were specifically developed to circumvent technological measures that control access





to plaintiff's copyrighted programs. *Lexmark International, Inc. v. Static Control Components, Inc.*

#### DMCA - Subpoena

As reported at 65 USPQ2d 1574, the U.S. District Court for the District of Columbia held on January 21, 2003 that subpoena power conferred on copyright owners by the Digital Millennium Copyright Act, which permits owners to subpoena Internet service providers in order to ascertain identity of allegedly infringing customers, applies to all ISPs, not just those that store copyrighted material on system or network, since broad definition of "service provider" in act clearly indicates that subpoena power applies to all ISPs, regardless of functions provider may perform under four categories delineated in statute. The court accordingly rules that Verizon Internet Services, Inc. must comply with a subpoena to turn over to the Recording Industry Association of America the identity of a Verizon subscriber who allegedly downloaded hundreds of copyrighted songs using peer-to-peer software. To preclude a copyright owner from obtaining identifying information from a service transmitting infringing material over its system would create a huge loophole for infringement on the Internet, the court says. As later reported at 66 USPQ2d 1555, the same court held on April 24, 2003 that the First Amendment rights of Internet service provider customers are not violated by the issuance of a subpoena, under the Digital Millennium Copyright Act, seeking their identity as part of a copyright owner's investigation of infringement. The subpoena provision affords adequate procedural safeguards to protect customers' rights of expression and association and their "minimal" interest in anonymity in the copyright infringement context, and is not substantially overbroad, the court says. The court also rejects a claim that the statute violates Article III by permitting subpoenas to issue absent a pending case or controversy. *In re Verizon Internet Services, Inc.*

#### Trademarks

As reported at 66 USPQ2d 1455, the U.S. District Court for the Northern District of California held on March 28, 2003 that infringement defendants' "referential" use of "J.K. Harris" trade name on their World Wide Web site is nominative fair use, since plaintiff's "J.K. Harris" tax service is not readily identifiable without use of trade name, since context of website clearly shows that plaintiff has not sponsored or endorsed information there, and since



defendants have used only so much of mark as is reasonably necessary to identify plaintiff's service. *J.K. Harris & Co. v. Kassel.*

As reported at 65 BNA's PTCJ 434, the U.S. District Court for the Eastern District of Virginia recently held that the "Freebies" trademark is generic for items that may be obtained freely, and thus the mark cannot be infringed by the Internet domain name "freebie.com." *Retail Services, Inc. v. Freebies Publishing.*

As reported at 66 BNA's PTCJ 9, the U.S. District Court for the Eastern District of Virginia recently held that an order directing the "org" domain name registry to act unilaterally without the foreign registrar's consent and to transfer a domain name to the trademark holder is an appropriate remedy in an *in rem* action under the Anticybersquatting Consumer Protection Act. *America Online, Inc. v. aol.org.*

As reported at 66 USPQ2d 1636, the U.S. District Court for the Eastern District of Virginia held on April 1, 2003 that a registrar is not liable for the unauthorized transfer of a domain name because it provides registrants only with a service. *Size, Inc. v. Network Solutions, Inc.*

As reported at 66 USPQ2d 1610, the U.S. District Court for the Middle District of North Carolina held on March 21, 2003 that the owner of "Pinehurst" service marks is entitled to summary judgment that defendants' registration and use of "PinehurstResort.com" and "PinehurstResorts.com" Internet domain names violated Anticybersquatting Consumer Protection Act and Federal Trademark Dilution Act. *Pinehurst, Inc. v. Wick.*

As reported at 66 USPQ2d 1625, the U.S. District Court for the Northern District of California held on October 3, 2002 that defendant's use of plaintiffs' "Sound Blaster" trademark for computer sound cards qualifies as nominative fair use, since plaintiffs' products are not readily identifiable without reference to mark, and since defendant's use of plaintiffs' mark in asserting that defendant's product is superior to "Sound Blaster" cards makes clear to the average consumer that parties are competitors. *Creative Labs, Inc. v. Mad Dog Multimedia, Inc.*

#### Trademarks - Jurisdiction

As reported at 66 USPQ2d 1478, the U.S. District Court for the Southern District of New York held on March 2, 2003 that non-resident defendants in action for violation of Anticybersquatting Consumer Protection Act are not subject to personal jurisdiction in New York since defendants, who did not register disputed Internet domain name for purpose of extorting money from plaintiff, did



not “transact business” in New York within meaning of long arm statute, or commit “tortious act” in state under that statute. *Radio Computing Services, Inc. v. Roland Computing Services*.

As reported at 65 BNA’s PTCJ 469, the U.S. District Court for the District of Utah recently held that trademark infringement and website design satisfy the minimum contacts for personal jurisdiction under the “effects test.” *System Designs, Inc. v. New CustomWare Co.*

## U.S. Patent and Trademark Office

### Trademarks

As reported at 65 USPQ2d 1058, the Trademark Trial and Appeal Board ruled on June 11, 2002 that combining term “container,” which is generic in connection with applicant’s retail and rental services featuring shipping containers, with “.com,” which has no source identifying significance, does not create term capable of identifying and distinguishing applicant’s services, and applicant’s “Container.com” thus is not registrable on Supplemental Register. *In re Martin Container, Inc.*

As reported at 65 USPQ2d 1789, the Trademark Trial and Appeal Board ruled on August 28, 2002 that “Bonds.com” is a generic term for services applicant provides on Internet, since “bonds” is one of financial products that comprise subject matter of applicant’s information and electronic commerce services, and since combining top-level Internet domain indicator “.com” with “bonds” does not create term that identifies and distinguishes applicant’s services. *In re CyberFinancial.Net, Inc.*

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### State Bar Offers New OfficeMax Benefit to Members

State Bar of Michigan members can now save 20 to 70 percent on copying, printing, furniture and office supplies with a new OfficeMax benefit. This exclusive program is available immediately to all members of the State Bar, associates and their family members.

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# Golf Outing & Annual Meeting Registration Form

Registration due by August 15, 2003

## DINNER ONLY:

- \$25 Member  
 \$42 Non-member

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Dinner-only price includes:  
Full dinner and open bar.

City, \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

## GOLF & DINNER:

- \$50 Member  
 \$75 Non-member

For directions and additional course information visit:  
<http://mysiteinc.com/pinewood/>

## Golf & Dinner price includes:

18 holes of golf, cart, dinner and open bar after 4 p.m. Tee times are reserved starting at noon.

- Enclosed is check # \_\_\_\_\_ for \$ \_\_\_\_\_  
*Make Checks Payable to the State Bar of Michigan*

Or charge my credit card:



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