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### Recent Developments in Computer and Internet Law

By: David R. Syronik..... I

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## Recent Developments In Computer And Internet Law

By David R. Syronik, Brooks Kushman P.C.

### U.S. SUPREME COURT

As reported at 69 BNA's PTCJ 132, the U.S. Supreme Court recently held that a party raising the affirmative defense of fair use to a claim of trademark infringement does not have to negate any likelihood of consumer confusion about the origin of the goods or services affected. While reversing a contrary ruling by the Ninth Circuit, the court also says that confusion may be relevant in assessing fair use. *KP Permanent Make-up, Inc. v. Lasting Impression, Inc.*

As reported at 69 BNA's PTCJ 151, the U.S. Supreme Court on December 10, 2004 agreed to consider whether *Grokster* and other file-sharing services may be held responsible for their customers' online exchange of copyrighted songs and movies. Motion picture companies and other content providers are seeking to overturn a ruling by the Ninth Circuit that the file-sharing services are not liable because they do not have the necessary knowledge of their users' infringing activities. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster*.

### U.S. COURTS OF APPEAL

#### Patents

As reported at 68 BNA's PTCJ 314, the U.S. Court of Appeals for the Federal Circuit recently held that fact issues as to the credibility of witness testimony should have precluded a summary judgment of invalidity in a patent infringement suit against Microsoft Corp. involving ergonomic keyboards. *Pivot Point International, Inc. v. Charlene Products, Inc.*

As reported at 71 USPQ2d 1630, the U.S. Court of Appeals for the Federal Circuit, in a matter of first impression, held on July 8, 2004 that components manufactured outside the United States and never physically shipped to or from the United States are not "supplie[d] or cause[d] to be supplied in or from the United States" within the meaning of 35 U.S.C. § 271(f)(1), which is properly construed to refer to physical supply of components, not to supply of instructions or corporate oversight. *Pellegrini v. Analog Devices, Inc.*

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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.

As reported at 69 BNA's PTCJ 159, the U.S. Court of Appeals for the Federal Circuit held on December 14, 2004 that a district court's ruling was correct as to infringement by the BlackBerry e-mail device. The court concludes that while one component of the accused wireless system was located in Canada, the district court "correctly found infringement under 35 U.S.C. § 271(a)" because "the location of the beneficial use and function of the whole operable system is the United States." However, the court vacates the injunction and damages award due to the district court's flawed reading of the "originating processor" limitation in three of the patents. *NTP, Inc. v. Research in Motion, Ltd.*

**Copyright**

As reported at 68 BNA's PTCJ 482, the U.S. Court of Appeals for the Ninth Circuit held on August 19, 2004 that notices from copyright owners to developers of peer-to-peer file sharing software used to exchange infringing copies of copyrighted works do not show the kind of "knowledge" needed for contributory infringement liability. Contributory infringement, according to the court, requires the kind of knowledge that the alleged contributory infringer may use to stop infringement before it occurs. Affirming a summary judgment in favor of the defendant software distributors on the claims of contributory and vicarious liability, the court also concludes that the defendants did not materially contribute to the software users' infringement. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*

As reported at 68 BNA's PTCJ 608, the U.S. Court of Appeals for the Sixth Circuit ruled on September 14, 2004 that whether two works are substantially similar should be judged by the two-part extrinsic/intrinsic in *Kobus v. Mariol*, not by the one-part "ordinary observer" test applied by the district court. The court nonetheless affirmed a summary judgment of non-infringement in favor of the producers of the motion picture "Little Nicky." *Stromback v. New Line Cinema.*

As reported at 72 USPQ2d 1705, the U.S. Court of Appeals for the Fifth Circuit held on October 5, 2004 that defendant's use of portions of plaintiffs' ergonomics teaching text in ergonomics booklet qualifies as fair use, even though such use was commercial in the sense that the accused guide was packaged with every desktop computer sold by defendant, since teaching text is largely factual, and defendant's use had little or no impact on actual or potential market for plaintiff's book. *Compaq Computer Corp. v. Ergonome, Inc.*

As reported at 68 BNA's PTCJ 577, the U.S. Court of Appeals for the Sixth Circuit held on September 7, 2004 that those who own copyrights in sound recordings hold the exclusive right to "sampling" the recordings under Section 114(b) of the *Copyright Act*. The court's conclusion was based on its reading of Section 114(b) of the *Copyright Act*, 17 U.S.C. § 114(b). This section, with added emphasis, states:

The exclusive right of the owner of copying in a sound recording . . . is limited to the right to duplicate sound recording in the form of phono-

records or copies that directly or indirectly recapture the actual sounds fixed in the recording. The exclusive right of the owner of copyright in a sound recording . . . is limited to the right to prepare a derivative work in which the actual sounds fixed in the sound recording are rearranged, remixed, or otherwise altered in sequence or quality . . . .

Under the second sentence of this provision, the court concluded, the owner of a copyright in a sound recording “has the exclusive right to ‘sample’ his own recording.” There is no need for the copyright owner to establish substantial similarity and there is no de minimis copying defense with respect to sound recordings, the court ruled. This decision appears to conflict with the Ninth Circuit’s ruling in *Newton d/ b/ a Janew Music v. Diamond*, 349 F.3d 59, 68 USPQ2d 1740 (9th Cir. 2003). *Bridgeport Music, Inc. v. Dimension Films*.

As reported at 68 BNA’s PTCJ 392, the U.S. Court of Appeals for the Fifth Circuit held on July 20, 2004 that a software developer failed to present evidence supporting its claims of literal copyright infringement of its freight tracking system because it fails to provide its own source code for a side-by-side comparison. *General Universal Systems, Inc. v. Lee*.

As reported at 68 BNA’s PTCJ 360, the U.S. Court of Appeals for the Second Circuit recently held that a district court’s finding that the listing of products for an online grocery outlet was probably not copyrightable was premature. *MyWebGrocer, LLC v. Hometown Info, Inc.*

### Copyright/DMCA

As reported at 68 BNA’s PTCJ 531, the U.S. Court of Appeals for the Federal Circuit held on August 31, 2004 that a universal garage opener that allows consumers to bypass the original manufacturer’s access control software does not violate the *Digital Millennium Copyright Act’s* prohibition against trafficking in circumvention devices, absent proof that the access was unauthorized and was reasonably related to rights protected under the *Copyright Act*. Affirming a summary judgment for the defendant, the court, in a case of first impression, explains that the statute did not create a new property right, but rather it introduces new liability for the unauthorized access of copyright material. Thus, the court notes, the statute clearly requires plaintiffs to prove that those circumventing their access control measures did so without authori-

zation and in a manner that infringes a protected copyright. *Chamberlain Group, Inc. v. Skylink Technologies, Inc.*

As reported at 68 BNA’s PTCJ 720, the U.S. Court of Appeals for the Sixth Circuit held on September 26, 2004 that a printer manufacturer’s claim that a product that allowed the use of third-party replacement toner cartridges violated the *Digital Millennium Copyright Act’s* anticircumvention provisions may fail because the control measure at issue merely prevents use of the printer without controlling access to the content of the computer program in which the printer maker asserts copyright interest. Vacating a preliminary injunction and remanding the case for further factfinding, the court concludes that a program installed on a printer whose code could be easily read by a user is not subject to any access controls. The court faulted the district court’s conclusion that the TL program was copyrightable because it could be written in a number of different ways. The district court improperly declined to consider whether external factors limited the number of forms that the program could take. Although Lexmark’s expert offered some alternatives to the TL program, they were not enough to show that the program is expressive. The appellate court remanded the case for the district court to decide originality under the proper standards. The court also found that the district court erred in finding that the defendant’s chip circumvented a technology controlling access to a copyrighted work in violation of the *DMCA*. The Lexmark authentication sequence did not “control access” to the computer program because access was possible by other means. The authentication sequence, it is true, may well block one form of “access” – the “ability to . . . make use of” the Printer Engine Program by preventing the printer from functioning. But it does not block another relevant form of “access” – the “ability to [] obtain” a copy of the work to “make use of” the literal elements of the program (its code). Because the statute refers to “control[ling] to a work protected under this title,” it does not naturally apply when the “work protected under this title” is otherwise accessible. Just as one would not say that a lock on the back door of a house “controls access” to a house whose front door does not contain a lock and just as one would not say that a lock on any door of a house “controls access” to the house after its purchaser receives the key to the lock, it does not make sense to say that this provision of the *DMCA* applies to otherwise-readily-accessible copyrighted works. *Lexmark International, Inc. v. Static Control Components, Inc.*

As reported at 69 BNA's PTCJ 133, the U.S. Court of Appeals for the Ninth Circuit recently held that the "good faith belief" of infringement required under the *Digital Millennium Copyright Act* to justify "take down" of an offending Web site is a subjective standard as a matter of first impression. Affirming a summary judgment against a Web site operator who challenged the shutdown of its movie-related site, the court rejects the contention that the association representing the copyright owners is required to conduct an objective investigation to determine whether the site provides a source for the downloading of their copyrighted movies. *Rossi v. Motion Picture Association of America, Inc.*

### **Trademarks**

As reported at 69 BNA's PTCJ 139, the U.S. Court of Appeals for the Second Circuit recently held that an Internet search engine confused the terms "Wet Ones" and "Moist-Ones" with regard to moistened towelettes is not evidence of actual consumer confusion regarding the two terms, concluding that there is no likelihood of confusion. *Playtex Products, Inc. v. Georgia-Pacific Corp.*

### **Trademarks/Dilution**

As reported at 68 BNA's PTCJ 463, the U.S. Court of Appeals for the Ninth Circuit held on August 6, 2004 that any commercial use of a mark after it becomes famous is arguably a diluting use that fixes the time by which famousness is to be measured under the *Federal Dilution Act*. Reversing a summary judgment for Nissan Motor Co. and remanding the case to determine whether the "Nissan" mark was famous in 1991 when the defendant first used "Nissan Computer Corp.," the court faults the lower court for measuring the mark's fame from the 1994 date that the mark was used on an offending domain name. *Nissan Motor Co. v. Nissan Computer Corp.*"

### **Trademarks/Domain Names**

As reported at 71 USPQ2d 1542, the U.S. Court of Appeals for the Fourth Circuit held on June 7, 2004 that the district court did not clearly err in concluding that consumers are unlikely to confuse "Escolastica.com" and "Escolastica.net" domain names, used in connection with Internet-based application that facilitates communication between school teachers and students in Mexico, with plaintiff's English-language, "Scholastic.com" Web site offering similar service in the United States, since words "escolastic" and "scho-

lastic" are different, and defendants' sites are in Spanish. *Scholastic, Inc. v. Escolastica.com*

As reported at 68 BNA's PTCJ 540, the U.S. Court of Appeals for the Eighth Circuit held on September 1, 2004 that asking a newspaper to publish an opinion article in exchange for an offer to stop using domain names that include the newspaper's trademarks supports a finding of bad faith intent to profit from the domain name. *Coca-Cola Co. v. Purdy.*

As reported at 69 BNA's PTCJ 11, on October 28, 2004, the U.S. Court of Appeals for the Sixth Circuit held that a defendant with no intellectual property rights in the domain name "foradodge" showed a bad faith intent to profit from the famed "Dodge" trademark when it registered that domain name. Defendants registered "foradodge.com" Internet domain name with bad faith intent to profit from plaintiff's "Dodge" and "4ADodge" automobile trademarks, since defendants have never used "foradodge.com" Web site in connection with a bona fide offer of goods or services, or for any non-commercial or other "fair" use. *DaimlerChrysler v. Net, Inc.*

### **Right of Publicity/Personal Jurisdiction**

As reported at 71 USPQ2d 1721, the U.S. Court of Appeals for the Ninth Circuit held on June 30, 2004 that an Ohio defendant in a right of publicity action is not subject to specific personal jurisdiction in California under "effects test," since defendant published advertisement containing plaintiff's photograph in an Ohio newspaper for purpose of enticing Ohioans to buy or lease cars, and advertisement was never circulated in California. *Schwarzenegger v. Fred Martin Motor Co.*

### **Trademarks/Trade Dress**

As reported at 68 BNA's PTCJ 579, the U.S. Court of Appeals for the Eighth Circuit held on September 13, 2004 that the black-and-white cowhide design for Gateway computer packaging is non-functional and, thus entitled to protection as trade dress. *Gateway, Inc. v. Companion Products, Inc.*

## **U.S. DISTRICT COURTS**

### **Patents**

As reported at 68 BNA's PTCJ 506, the U.S. District Court for the Eastern District of Virginia held on August 25, 2004 that Amazon.com's "1-Click" system for ordering merchandise does not infringe a patent directed to

electronic fund transfers. Granting a summary judgment of noninfringement, the court construes the claims as limited to electronic funds transfer systems like ATM machines, and not covering Amazon's broader streamlined method for electronically ordering goods and arranging for their shipment. *IPXL Holdings, LLC v. Amazon.com, Inc.*

As reported at 71 USPQ2d 1439, the U.S. District Court for the District of Nevada held on May 11, 2004 that the asserted claims of plaintiff's business method patents for rewarding casino customers' patronage, tracking customers, and making customer data available across multiple casino locations are invalid for indefiniteness under 35 U.S.C. § 112, since invention are predicated on use of claimed "theoretical win profile," but patents fails to disclose method, algorithm, or formula for generating or calculating such profile. *Harrab's Entertainment, Inc. v. Station Casinos, Inc.*

As reported at 68 BNA's PTCJ 605, the U.S. District Court for the District of Delaware held on September 9, 2004 that a patent on an "[a]utomated auction protocol processor" of transactions involving U.S. Treasury securities covers a business method of trading protocols and is not limited to a "finite state machine." Construing the claims following a hearing pursuant to the Markman ruling, the court rejects the infringement defendant's proposed claim constructions that sought to limit the invention to a machine that processes trading protocols and rules. *eSpeed, Inc. v. Brokertec USA LLC.*

As reported at 68 BNA's PTCJ 614, a jury for the U.S. District Court for the Northern District of California awarded damages of \$82 million as a reasonable royalty on September 21, 2004 after finding that various Sony PlayStation video game systems infringed two patents (i.e., U.S. Patent Nos. 6,275,213 and 6,424,333) relating to computer-controlled vibrotactile technologies. The plaintiff had also earlier sued Microsoft under the same patents but settled with plaintiff in July, 2003. *Immersion Corp. v. Sony Computer Entertainment America, Inc.*

### Patents/Personal Jurisdiction

As reported at 71 USPQ2d 1186, the U.S. District Court for the Northern District of Illinois held on April 15, 2004 that defendant Delaware Corporation is not subject to personal jurisdiction in Illinois infringement suit, even though defendant maintains a "hybrid" Web site

that allows exchange of information between user and company, since the site is more akin to advertisement for defendant's products and services, as opposed to a "portal" site that has a much greater degree of interactivity. *NeoMedia Technologies, Inc. v. AirClic, Inc.*

As reported at 72 USPQ2d 1577, a federal district judge in Colorado held on May 25, 2004 that a New York defendant in action for infringement and unfair competition is not subject to personal jurisdiction in Colorado, even though defendant operates moderately "interactive" Web site that is accessible nationwide, and through which orders may be placed from all states including Colorado, since mere ability of Colorado residents to order products from defendant's site does not warrant the conclusion that defendant has purposefully directed its activities toward Colorado. *Boppy Co. v. Luwee Products Corp.*

### Copyright

As reported at 68 BNA's PTCJ 391, a federal district court in Maryland held on June 23, 2004 that the copyright infringement exception at Section 117(c) of Title 17 only permits the loading of software to repair the machine into which it is loaded, not to repair the software itself. *PracticeWorks, Inc. v. Professional Software Solutions of Illinois, Inc.*

As reported at 68 BNA's PTCJ 439, the U.S. District Court for the Northern District of California held on August 5, 2004 that credit card processors are not contributorily liable for alleged copyright infringement that occurs on Web sites that use their services because payment processing does not directly assist copying or distribution. *Perfect 10, Inc. v. Visa International Services Association.*

As reported at 69 BNA's PTCJ 5, a federal district court in Pennsylvania recently issued an order allowing the record industry to issue subpoenas to the University of Pennsylvania's Internet service providers for the purpose of identifying the "John Doe" defendants whom it has sued for infringement in connection with their alleged peer-to-peer file sharing of copyrighted music. The order requires the ISPs to give the defendants notice of the subpoenas indicating that they may challenge them. *Elektra Entertainment Group, Inc. v. Doe.*

As reported at 69 BNA's PTCJ 111, a federal district court in California recently held that it was inappropriate

for movie studios to group a dozen unnamed defendants into one suit challenging the online distribution of movies when there was no showing that the alleged infractions were somehow related. *Twentieth Century Fox Film Corp. v. Doe*.

As reported at 72 USPQ2d 1287, a federal district court in Pennsylvania held on September 23, 2004 that an injunction prohibiting defendant hedge fund operator from using allegedly infringing computer model would cause defendant irreparable harm and is therefore denied, since model is used to manage strategy that is a critical component of hedge fund and that accounts for approximately 50 percent of investments in fund, and since, without model, strategy cannot be maintained. *Zimmer v. Cooper Neff Advisors, Inc.*

As reported at 72 USPQ2d 1632, a federal district court in New York held on August 10, 2004 that plaintiff software company is the proper "author" of computer programs at issue, even though company was dissolved when programs were created and when their copyrights were registered, since, once individual plaintiffs learned of dissolution, they took proper course of action to have it annulled, and annulment therefore should have retroactive effect, such that plaintiff corporation was legal entity capable of authoring and owning copyrights. *Logicom Inclusive, Inc. v. W.P. Steward & Co.*

As reported at 68 BNA's PTCJ 439, software developer 321 Studios has closed its doors, just days after agreeing to a preliminary injunction which barred the company from selling a program used to copy video games. *Atari, Inc. v. 321 Studios, a/k/a 321 Studios, LLC*.

### **Copyrights/DMCA**

As reported at 68 BNA's PTCJ 382, the U.S. District Court for the Central District of California held on June 22, 2004 that a company that provides billing or age-verification services for an adult-content Web site is eligible for the *Digital Millennium Copyright Act's* infringement liability safe harbors for providers of transitory digital network communications services. Granting in part and denying in part four motions for summary judgment for the defendants, the court concludes that the safe harbors protect service providers from infringement claims under the federal racketeering law. *Perfect 10, Inc. v. CC-Bill, LLC*.

As reported at 68 BNA's PTCJ 577, the U.S. District Court for the Eastern District of Kentucky held on September 13, 2004 that Lexmark may proceed with its counterclaims that Static Control's reengineered printer chips violate the *Digital Millennium Copyright Act*. Denying a motion to dismiss, the court ruled that Lexmark had not waived the right to assert those counterclaims merely because it failed to raise them in related litigation involving different printer chips. Because Static Control Components redesigned the chips after the rulings in those earlier lawsuits, Lexmark could not have brought the instant counterclaims until now, it reasoned. The ruling by the court comes out as the Sixth Circuit ponders whether an earlier version of the chips violates Lexmark's DMCA rights. *Lexmark International, Inc. v. Static Control Components*, No. 03-5400, 6th Cir., oral argument 1/31/04. The court thought they did and issued a preliminary injunction enjoining their sale. 253 F. Supp.2d 943, 66 USPQ2d 1405 (E.D. Ky 2003). *Static Control Components v. Lexmark International, Inc.*

As reported at 68 BNA's PTCJ 642, a federal district court in California recently ruled that takedown notices sent by a voting machine manufacturer challenging electronic mail messages that question the reliability of the machines constitute a material misrepresentation under the *Digital Millennium Copyright Act's* prohibition at 17 U.S.C. § 512(f) against false claims of copyright infringement. Granting a summary judgment under Section 512(f) for the plaintiffs who posted the e-mails, the court says that the voting machine maker never identified any e-mails that contain copyrighted content. The court also rules as a matter of first impression that the text of the DMCA is clear enough to establish its own standard regarding when takedown notice contain material misrepresentations. *Online Policy Group v. Diebold, Inc.*

As reported at 68 BNA's PTCJ 628, a federal district court in Missouri recently held that software for playing video games online violates the DMCA where it fails to block access to users of unauthorized copies. *Davidson & Associates v. Internet Gateway*.

As reported at 69 BNA's PTCJ 70, a federal district court in Pennsylvania recently held that for liability under the DMCA prohibition against the removal of CMI, a defendant must have removed the information from the area around the work. *Schiffer Publishing, Ltd. v. Chronicle Books, LLC*.

## Copyright/First Amendment

As reported at 68 BNA's PTCJ 412, the U.S. District Court for the Southern District of New York held on July 26, 2004 that the use of peer-to-peer networks to anonymously trade sound recordings qualifies as a form of protected speech, but that protection is "limited" and subject to the copyright owner's legitimate need to discover who is infringing its works. Denying a motion to quash a subpoena served on various Internet providers, the court develops a multi-factor balancing test to weigh the free speech concerns of the anonymous file sharer against the copyright owner's need for disclosure. *Sony Music Entertainment, Inc. v. Does* 1-40.

## Trademarks

As reported in the July 20, 2004 issue of the Wall Street Journal, Microsoft Corp. agreed to pay \$20 million to Lindows, Inc. to settle a trademark battle launched by Microsoft, a deal that will lead to Lindows changing its name. Lindows sells a version of the Linux operating system for personal computers. Microsoft sued the San Diego company in the Western District of Washington in December 2001, arguing that the term Lindows violated Microsoft's trademarks on Windows software. But Lindows argued that the term Windows is a generic expression for work spaces on a computer display and shouldn't be afforded trademark protection. In a key ruling in February, a federal judge sided with Lindows on a key point – that the issue of whether the term Windows is generic should be based on the term's usage in 1985, before Microsoft spent billions of dollars popularizing its brand. *Microsoft Corp. v. Lindows.com, Inc.*

As reported at 68 BNA's PTCJ 509, the U.S. District Court for the Eastern District of Virginia recently held that an allegation that the defendant's search engine used a mark as a keyword to trigger displays of online advertising is an allegation of "use in commerce" sufficient for a prima facie trademark infringement claim. *Government Employment Insurance Co. v. Google, Inc.*

As reported at 68 BNA's PTCJ 550, the U.S. District Court for the Southern District of New York held on August 19, 2004 that the transfer of a domain name registration was an appropriate remedy against an Internet merchant that failed to comply with an order to stop selling gray-market cigarettes, even though no claims of cybersquatting were asserted against the defendant. *Phillip Morris USA, Inc. v. Otamedia, Ltd.*

As reported at 69 BNA's PTCJ 186, a federal district court in Virginia recently held that sponsored Web links that display "Geico" violate the *Lanham Act*, but there is insufficient evidence to show that use of "Geico" as a keyword to trigger a sponsored link unadorned by the mark is likely to cause confusion. Granting in part the popular search engine Google's motion for judgment as a matter of law, the court concludes that survey evidence has failed to establish that consumers were confused by sponsored links that do not display Geico's mark. *Government Employees Insurance Co. v. Google, Inc.*

As reported at 72 USPQ2d 1432, a federal district court in Illinois held on September 29, 2004 that an infringement defendant cannot benefit from earlier third-party registrations of "pureimagination.com" Internet domain name in order to establish prior use of disputed "Pure Imagination" mark, since mere registration of the domain name does not constitute "use" for purpose of acquiring trademark priority, and there is no evidence that third parties used "pureimagination.com" as trademark. *Pure Imagination, Inc. v. Pure Imagination Studios, Inc.*

## Trademarks/ACPA

As reported at 71 USPQ2d 1216, the U.S. District Court for the Northern District of Illinois held on February 9, 2004 that the prevailing defendant in action for violation of the Anticybersquatting Consumer Protection Act is entitled to an award of attorneys' fees that she incurred after denial of plaintiff's motion for preliminary injunction, since plaintiff's continued litigation for following four months was oppressive, in that it was clear, after denial of injunction, that the case lacked merit. *Robr-Gurnee Motors, Inc. v. Patterson.*

## Patriot Act/Free Speech

As reported in the September 20, 2004 issue of the Wall Street Journal, a federal court in New York ruled that an important part of the *Patriot Act* that compels communications companies as well as credit and financial institutions to produce customers records is unconstitutional. The 120-page opinion by U.S. District Judge Victor Marrero – laced with criticism of the *Patriot Act*, an antiterrorism measure rushed through Congress after the September 11, 2001 terror attacks – said the "compulsory, secret and unreviewable production of information" violates the Constitution's bar against unreasonable searches and seizures and its guarantee of free speech. The case took aim at a provision of the *Patriot Act* that

compels Internet service providers, telephone companies, and credit-card companies, banks and even casinos to produce customer records that the FBI certifies are “relevant” to a terrorism investigation. Under the law, the FBI can issue, with the approval of a court, a National Security Letter demanding information.

## U.S. PATENT OFFICE

### Patents

As reported at 68 BNA’s PTCJ 484, the Patent and Trademark Office in a second ex parte reexamination “office action” recently rejected all 10 challenged claims in a University of California patent on Web browser technology that Microsoft was found last August to have infringed with its Internet Explorer browser platform. Although preliminary, the PTO rulings may ultimately free Microsoft from a \$520.6 million damages obligation in the infringement lawsuit.

### Trademarks

As reported at 71 USPQ2d 1725, the Trademark Trial and Appeal Board held that a Website page that displays product and provides means of ordering product can qualify as “display associated with the goods” within the meaning of 37 C.F.R. § 2.56 and 15 U.S.C. § 1127, provided the mark appears on a Web page in a manner that associates the mark with the goods, since Web pages that display goods and their trademarks and provide for on-line purchase of such goods are not merely advertising, in that they provide a link for ordering as well as showing the goods and features thereof. In re *Dell, Inc.*

## WIPO

### Trademarks/Cybersquatting

As reported at 72 USPQ2d 1319, it was held on August 30, 2004 that a complainant in an Internet domain name dispute has established that respondent engaged in cybersquatting by registering “ncaafootball2005.com” and “ncaafootball2006.com” since transfer of those domain names from prior registrant to respondent was a sham transaction, intended to insulate prior registrant’s conduct from domain names and cloak use of names in protection of First Amendment by employing them as addresses for respondent’s “gripe” site, and since respondent has no rights or legitimate interests in contested domain names. *National Collegiate Athletic Association v. Brown.*

## LEGISLATION

### State

Governor Arnold Schwarzenegger of California on September 21, 2004 signed legislation to combat movie and music piracy on the Internet. The following new Section 653aa is added to the California Penal Code:

Any person, except a minor, who is located in California, who, knowing that a particular recording or audiovisual work is commercial, knowingly electronically disseminates all or substantially all of that commercial recording or audiovisual work to more than 10 other people without disclosing his or her e-mail address, and the title of the recording or audiovisual work is punishable by a fine not exceeding two thousand five hundred dollars (\$2,500), imprisonment in a county jail for a period not exceeding one year, or by both that fine and imprisonment.

As reported at 73 U.S.L. W (BNA) 2189, Governor Arnold Schwarzenegger signed the *Consumer Protection Against Computer Spyware Act* (S.B. 1436) on September 28, 2004 making it illegal to deceptively install spyware on a California consumer’s computer. The bill prohibits a person or entity “with actual knowledge, conscious avoidance of actual knowledge, or willfully causing computer software to be copied onto the computer. Software subject to the standard includes software that:

takes control of a computer; modifies a user’s interface with the Internet; collects personally identifiable information; prevents without authorization a user’s effort to block or disable such software; or removes, disables, or renders inoperative security or anti-spyware.

## MARK YOUR CALENDARS

### Computer Law Section

#### Spring Networking Event

Happy Hour: Hard Rock Cafe, Detroit  
May 19, 2005, 5:30 p.m. – 7:30 p.m.

Includes:

- *Hot and cold appetizers*
- *Free Drinks*
- *Raffle for Hard Rock merchandise*

The event also will include a presentation by a speaker on a topical issue in computer law.

**Details forthcoming.**

