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Bits and Bytes from the Chair

By Jeremy D. Bisdorf, Jaffe Raitt Heuer & Weiss PC

Summer may continue until September 21, but the arrival of September nonetheless brings about the feelings of autumn as school years begin and the days grow noticeably shorter. Perhaps the cool summer that we have had in Michigan this year made it seem like summer was shorter than normal. For whatever reason, the time that I have had to prepare prior to taking on the responsibilities of the chairmanship for our Section has seemed to pass quickly!

September brings about the start of a new year for our Information Technology Law Section of the State Bar of Michigan, and I am excited to work hard with my fellow officers, council members and section members to make this a great year for our section. I would also like to thank Chris Falkowski for his leadership this past year and for his service to our section as an officer over the past four years. Chris has dedicated much time and energy to our section and we certainly are better for it. Thank you Chris!

As many of you know, membership in our section offers a number of benefits. I believe that most of us join the section though for one or two reasons. The first reason why many of us join is to obtain access to a channel of information in areas that intersect the law and the field of information technology. The second reason is to network among our peers with like interests.

Given these two reasons for joining the section, I have two goals over the course of the next year. The first is to continue to provide our membership with consistent communications and access to events that present useful information in the field of information technology law. If you have any ideas on how to improve upon our newsletters, methods of communication or section events, I would love to hear them. Further, through the dedication of co-editors Brian A. Hall and Michael Gallo, we have the ability to continue to publish regular issues of the *Michigan IT Lawyer*. We are always looking for quality content and submitting an article for publishing is a great way to get your name out while at the same time providing a benefit to your fellow members.

Michigan IT Lawyer is published every other month. If you have an article you would like considered for publication, send a copy to:

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2009-2010

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Bits and Bytes . . .

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My second goal is to increase individual face-to-face participation at our regularly sponsored events over the course of the next year. To accomplish this goal we will continue to target new lawyers and law school students to join the section, but I also hope to lead efforts of our existing active members to reach out personally to attorneys throughout the state to generate greater participation from our members and better overall awareness of our section. If you know a fellow attorney that has an interest in information technology, then please let me know and we will get in contact with them directly to promote our section.

For those of you that have not yet signed up, please note that our section's annual meeting will be held this year at the Hyatt Regency in Dearborn in conjunction with the State Bar's Annual Meeting. Our section will meet at 2 PM on September 17. Immediately following, we will have a presentation on "An Introduction to Cloud Computing." Please make every effort to attend as the topic is interesting and timely, and we all will benefit from better knowing each other.

Also, please register now for the 2nd Annual Information Technology Law Seminar. It will be held on the morning of October 29, 2009 in Plymouth. This year's topic is "Core Legal Issues in a High Tech Business World." (See link at: http://www.icle.org/modules/store/seminars/schedule.aspx?PRODUCT_CODE=2009CI7712)

I look forward to a great year and with your help, we will make it happen. See you soon!

Jeremy D. Bisdorf
 Chairperson-Elect, 2008-09
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 Information Technology Law Section
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Summary of 2009 Annual Meeting

The Information Technology Law Section held its annual meeting in Dearborn on September 17, in conjunction with the State Bar of Michigan's annual meeting. Roughly thirty section members attended. The business meeting included the election of officers and new council members for the upcoming year. We are very excited to have a number of new faces on the council, in addition to some returning faces. As part of the business meeting, outgoing Chair Chris Falkowski handed the gavel over to incoming Chair Jeremy Bisdorf, who discussed some of the section's plans for the upcoming year. The meeting also included a discussion of the section's Second Annual Information Technology Law Seminar, to be held on October 29, 2009, at the St. John's Inn in Plymouth. (Everyone is strongly encouraged to attend.) Following the business meeting, Chris Falkowski and Charlie Bieneman gave a presentation on cloud computing. ■

Recent Developments in Information Technology Law

By David R. Syrowik, *Brooks Kushman PC*

Introduction

The Supreme Court has again showed its willingness to review patent cases by granting a petition for writ of certiorari in the *Bilski* case which challenges the “machine-or-transformation” test of the Federal Circuit for evaluating the patentability of business methods. The Federal Circuit previously held in an *en banc* splintered opinion, that, under Supreme Court precedent, the sole test for determining whether a claimed “process” is patent-eligible under 35 U.S.C. § 101 (*i.e.* the categories of patentable subject matter) is the “machine-or-transformation” test, under which a process either must be tied to a particular machine or apparatus, or must transform a particular article into a different state or thing that is central to the purpose of the claimed process.

Last year the Supreme Court reversed the Federal Circuit by unanimously ruling in *Quanta* that the “patent exhaustion doctrine” prevented the patentee from collecting patent royalties from multiple points in the chain of users incorporating its patented devices. This year a U.S. district court held that the Supreme Court’s 2008 ruling in *Quanta* prevented a patent owner from using its patents to restrict the actions of downstream users. The court said that the “patent exhaustion doctrine” precludes enforcement of printer cartridge reuse restrictions contained in shrink-wrap licenses. Further cases which interpret this doctrine are sure to follow.

Of particular interest to holders of copyrights in “open source” software, the Federal Circuit curtailed user rights by ruling that the holder of a copyright in a computer program made available for free public download may enforce an “open source” copyright license to control future use and distribution of that work by downstream users. The appellate court found that the terms of the “Artistic License” on the plaintiff’s Web site are enforceable as conditions that govern a downloader’s right to modify and distribute the copyrighted work, not merely covenants to be enforced under contract law.

The Second Circuit was busy trying to determine what constituted the Lanham Act’s “use in commerce” requirement, 15 U.S.C. § 1114(1)(a), in the world of Internet search engines, Web site keywords and metatags. The court held that Google’s sale of trademarks as sponsored links is an

actionable use “in commerce” for purposes of the Lanham Act, reversing a district court’s determination that the marks cannot be considered used “in commerce” because they occurred only in non-visible metatags.

Google also jointly announced with plaintiffs, the Authors Guild and the Association of American Publishers, that the parties have agreed to settle lawsuits in which the copyright holders alleged that Google’s Book Search project infringed their copyrights. Under the terms of the settlement, Google will pay a total of \$125 million to establish a centralized royalty collection organization to compensate authors of scanned books and to pay the plaintiffs’ legal fees.

In a matter of first impression, a district court in California ruled that, though an extensive investigation is not required, a copyright holder must have a subjective belief that a use of a copyrighted work is infringing and does not fall within fair use exceptions in order to issue a DMCA takedown notice in good faith.

Finally, in a case of potential interest to members of the general bar, a district court allowed a lawsuit by the Jones Day law firm to go forward claiming trademark rights against a real estate news Web site that listed houses bought by two Jones Day attorneys and then linked to the attorneys’ profiles and pictures on the Jones Day Web site.

Patents – Case Law – U.S. Supreme Court

***Bilski v. Doll*, 78 BNA’s PTCJ 145** –The U.S. Supreme Court granted on June 1, 2009 a petition for writ of certiorari in a case challenging the “machine-or-transformation” test of the Federal Circuit for evaluating the patentability of business methods. The Federal Circuit previously held that, under Supreme Court precedent, the sole test for determining whether a claimed “process” is patent-eligible under 35 U.S.C. § 101 is the “machine-or-transformation” test, under which a process either must be tied to a particular machine or apparatus, or must transform a particular article into a different state or thing that is central to the purpose of the claimed process.

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

Aristocrat Technologies Australia Pty Ltd. v. International Game Technology Co., 86 USPQ2d 1235 –The U.S. Court of Appeals for the Federal Circuit held on March 28, 2008 that, in case involving computer-implemented invention in which inventor has invoked means-plus-function claims, structure disclosed in specification must be more than simply general purpose computer or microprocessor, which, because it can be programmed to perform very different tasks in very different ways, does not limit scope of claim to corresponding structure, material, or acts that perform function, as required by 35 U.S.C. § 112.

Finisar Corp. v. DIRECTV Group Inc., 86 USPQ2d 1609 –The U.S. Court of Appeals for the Federal Circuit held on April 18, 2008 that structure recited in specification of allegedly infringed patent, which simply recites “software” without providing some detail about means to accomplish function, provides no algorithm or description of structure corresponding to claimed function, and thus does not supply minimal disclosure necessary to render asserted claims definite.

Research Corporation Technologies Inc. v. Microsoft Corp., 76 BNA’s PTCJ 515 –The U.S. Court of Appeals for the Federal Circuit ruled on August 1, 2008 that a district court committed clear error by ignoring whether information not disclosed to the Patent and Trademark Office was material and by finding inequitable conduct solely based on a patentee’s lack of candor. The patents were directed to halftoning technology used in computers and printers. Reversing a ruling of unenforceability, the court takes the unusual step of having the case remanded to a different judge since statements and rulings by the judge below favoring Microsoft Corp. made bias an issue.

In re Cygnus Telecommunications Technology LLC Patent Litigation, 76 BNA’s PTCJ 620 –The U.S. Court of Appeals for the Federal Circuit decided on August 29, 2008 that Cygnus lost its appeal of judgments that the on-sale bar invalidated its “callback” technology patents and that its trade secret misappropriation claim is barred by the statute of limitations. Cygnus’s failure to present evidence in the district court’s summary judgment proceedings contribute to both decisions against the company.

Broadcom Corp. v. International Trade Commission, 76 BNA’s PTCJ 733 –As reported at, on September 19, 2008, the U.S. Court of Appeals for the Federal Circuit affirmed in

large part the ITC patent non-infringement ruling in favor of Qualcomm’s accused chipsets. Communications networks compliant with “EV-DO” wireless communications standard developed and promoted by respondent in Tariff Act exclusion action do not necessarily infringe claims of patent that require telephone handset to be operable in power-saving “sleep state,” since there is no evidence that handsets operating under standard must power down their receivers in sleep state in order to be compatible with EV-DO networks, and since EV-DO standard does not require that handset even enter sleep state.

Commonwealth Scientific and Industrial Research Organisation v. Buffalo Technology (USA) Inc., 88 USPQ2d 1564 –The U.S. Court of Appeals for the Federal Circuit ruled on September 19, 2008 that any need or problem known in art at time of invention and addressed by patent can provide reason for combining elements of prior art in manner claimed in patent, and genuine issues of material fact as to whether there was motivation to combine prior art references preclude summary judgment that patent relating to indoor wireless local area networks is nonobvious.

Broadcomm Corp. v. Qualcomm Inc., 76 BNA’s PTCJ 811 –The U.S. Court of Appeals for the Federal Circuit held on September 24, 2008 that a jury verdict of liability for induced infringement that was based on whether defendant Qualcomm obtained a letter from opinion counsel need not be overturned in light of the *en banc* ruling in *In re Seagate*. Upholding the verdict of induced infringement, the court rejects the argument that *Seagate* altered the state of mind requirement for inducement and says that the *en banc* ruling in *DSU Medical Corp. v. JMS Co.* “remains the relevant authority” on inducement.

Lucent Technologies Inc. v. Gateway Inc., 76 BNA’s PTCJ 759 –The U.S. Court of Appeals for the Federal Circuit affirmed on September 25, 2008 a judgment relieving Microsoft Corp. from a jury award of over \$1.5 billion for infringement of Lucent Technologies Inc.’s patents.

Predicate Logic Inc. v. Distributive Software Inc., 76 BNA’s PTCJ 869 –The U.S. Court of Appeals for the Federal Circuit ruled on October 9, 2008 that a district court’s “flawed” reading of amendments to claims in a reexamined patent led it to incorrectly conclude that a software patent is invalid for asserting improper claim scope.

Asyst Technologies Inc. v. Emtrak Inc., 76 BNA's PTCJ 864 – The U.S. Court of Appeals for the Federal Circuit, reviewing a district court's case for the third time, finally affirms on October 10, 2008 a patent invalidity finding based on the "simple substitution" criterion for finding obviousness under the U.S. Supreme Court's *KSR* decision. Despite a jury finding of validity and infringement, the appellate court affirms the trial court's grant of a motion for judgment as a matter of law because a prior art patent disclosed all but a new technique – well known by the time of the patent application – for communications among computers in a manufacturing plant.

Kyocera Wireless Corp. v. International Trade Commission, 76 BNA's PTCJ 896 – The U.S. Court of Appeals for the Federal Circuit on October 14, 2008, in the latest installment of the long battle between wireless telecommunications rivals Broadcom Corp. and Qualcomm Inc., lifts the International Trade Commission's exclusion order against imported cell phones with Qualcomm chipsets, ruling that the agency used the wrong standard to determine whether the company induced customers to infringe Broadcom's patents.

In re Bilski, 77 BNA's PTCJ 4 – The U.S. Court of Appeals for the Federal Circuit, in an *en banc* splintered opinion, affirmed on October 31, 2008 a decision by the Patent Office that a process directed to managing the consumption risk costs of a commodity is not patentable subject matter. The majority opinion concludes that the patent applicant's claims were ineligible for patent protection under 35 U.S.C. § 101 because they claimed a non-transformative process that encompassed purely mental steps without the aid of a computer or other device.

Qualcomm Inc. v. Broadcom Inc., 77 BNA's PTCJ 134 – The U.S. Court of Appeals for the Federal Circuit, expanding on its 2003 *Rambus* decision on misconduct in standards-setting organizations (SSOs), holds on December 1, 2008 that Qualcomm has a duty to disclose its patents to an SSO that eventually adopted a standard that infringed the patents. Affirming a lower court's findings of Qualcomm's bad-faith behavior in its SSO participation, the appellate court says the difference in the *Rambus* case is the relevance of the patents to the standard adopted. However, the court vacates an order making the patents unenforceable against the world, instead remanding on that issue to limit the unenforceability to standards-compliant products.

Netcraft Corp. v. eBay Inc., 77 BNA's PTCJ 190 – The U.S. Court of Appeals for the Federal Circuit ruled on December 9, 2008 that the PayPal Internet billing does not infringe patent on same function, different service provider.

ILOR LLC v. Google Inc., 77 BNA's PTCJ 189 – The U.S. Court of Appeals for the Federal Circuit ruled on December 11, 2008 in a case of first impression that the fact that a district court's order states that an "action" is dismissed with prejudice and that there is "no just cause for delay" does not mean that the judgment is final and that all of the issues in the case are immediately appealable under Fed. R. Civ. P. 54(b). The case involves a hyperlink patent.

Ricoh Co. v. Quanta Computer Inc., 77 BNA's PTCJ 217 – The U.S. Court of Appeals for the Federal Circuit ruled on December 24, 2008 that contributory patent infringement is not negated by a product that has separable components, one of which infringes and the other of which provides a "substantial noninfringing use." The court relied on the Supreme Court's copyright decisions in *Sony* and *Grokster* in its contributory patent infringement and inducement analyses.

Friskit Inc. v. RealNetworks Inc., 77 BNA's PTCJ 289 – The U.S. Court of Appeals for the Federal Circuit in a non-precedential decision ruled on January 12, 2009 that RealNetworks Inc., a pioneer in the Internet media industry, successfully defends a charge of infringement by a technology licensing company with patents on on-demand music playback services.

In re Comiskey, 77 BNA's PTCJ 266 – The U.S. Court of Appeals for the Federal Circuit on January 13, 2009, in an *en banc* order, vacates a 2007 panel ruling that claims in a patent application directed to resolving a legal dispute between two parties are unpatentable abstract ideas under 35 U.S.C. § 101. The court declines to rehear the case *en banc*, instead reassigning it the original panel for revision. On the same day, the original panel issues its slightly revised decision. The refusal to rehear the case *en banc* is accompanied by several separate opinions.

In re Ferguson, 77 BNA's PTCJ 489 – The U.S. Court of Appeals for the Federal Circuit held on March 6, 2009 that a method for marketing a product did not constitute patentable subject matter under 35 U.S.C. § 101.

TransCore LP v. Electronic Transaction Consultants Corp., 77 BNA's PTCJ 664 – The U.S. Court of Appeals for the Federal Circuit held on April 18, 2009 that a settlement agreement which included an unconditional covenant not to sue for infringement authorizes all acts that would otherwise be an infringement, including sales and, consequently, exhausts the patentee's rights. The patent covered automated toll collection systems.

Every Penny Counts Inc. v. American Express Co., 90 USPQ2d 1843 – The U.S. Court of Appeals for the Federal Circuit held on April 30, 2009 that the district court correctly

construed the term “excess cash” in a number of business method patents directed to methods for “apportioning . . . a part of [an] excess cash payment among a number of pre-determined accounts” to refer to amount selected by payor beyond total amount due at point of sale, since specification explains that “excess cash” is what is left over after merchant subtracts price of items consumer is purchasing from cash that consumer tenders to complete sale.

Patents – Case Law – U.S. District Courts

Perfect Web Technologies Inc. v. InfoUSA Inc., 89 USPQ2d 2001 –The U.S. District Court for the Southern District of Florida held on October 27, 2008 that the independent claim of patent for method of managing bulk e-mail distribution of marketing materials is invalid as directed to non-statutory subject matter, since mere recitation of practical application of abstract idea does not render invention patentable, and plaintiffs cannot patent abstract idea of fulfilling customer’s e-mail order by applying concept “if at first you don’t succeed, try, try again” in context of e-mail marketing.

Broadcom Corp. v. Qualcomm Inc., 77 BNA’s PTCJ 17 –The U.S. District Court for the Central District of California ruled on October 29, 2008, in a case of first impression, that Qualcomm Inc. is entitled to the return of \$11 million in “sunset” royalties it paid pursuant to a permanent injunction since the injunction was reversed after the wireless network patent at issue was found invalid by the Federal Circuit on appeal.

Girafa.com Inc. v. Amazon.com Inc., 89 USPQ2d 1938 – The U.S. District Court for the District of Delaware denied on December 9, 2008 a preliminary injunction in action alleging infringement of patent for invention designed to improve user interfaces for search engine technology using “thumbnail” visual images of hyperlinked Web pages in search results, since construction of claim terms offered by plaintiff will not be adopted, leaving substantial questions concerning infringement and validity, since, therefore, plaintiff failed to demonstrate likelihood of success on merits, and since plaintiff has not clearly established irreparable harm.

Simplification LLC v. Block Financial Corp., 77 BNA’s PTCJ 348 –The U.S. District Court for the District of Delaware on January 23, 2009 construed the phrase “automatic tax reporting” as meaning “fully automated” in a software patent suit.

CyberSource Corp. v. Retail Decision Inc., 77 BNA’s PTCJ 677 –The U.S. District Court for the Northern District of California held on March 26, 2009 that Beauregard claims in a patent directed to detecting fraud in a credit card transaction between a consumer and a merchant over the Internet are subject to *Bilski’s* machine-or-transformation test.

Static Control Components Inc. v. Lexmark International Inc., 77 BNA’s PTCJ 634 –The U.S. District Court for the Eastern District of Kentucky held on March 31, 2009 that the Supreme Court’s 2008 ruling in *Quanta* preventing a patent owner from using its patents to restrict the actions of downstream users. The court said that the patent exhaustion doctrine precludes enforcement of printer cartridge reuse restrictions contained in shrink-wrap licenses.

MOAEC Inc. v. Pandora Media Inc., 78 BNA’s PTCJ 6 – The U.S. District Court for the Western District of Wisconsin held on April 8, 2009 that Internet-based music services offered by Pandora Media Inc. and Napster LLC do not infringe a patent on song playlist generation and playback.

Patents – Case Law – U.S. Patent and Trademark Office

Ex parte Nehls, 88 USPQ2d 1883 – As reported at, on January 28, 2008, the Board of Patent Appeals and Interferences held on January 28, 2008 that the specification of patent application directed to computer-based system for comparing nucleic acid sequences does not disclose utility for claimed computer system that satisfies 35 U.S.C. §§ 101 and 112, since system is said to be useful for identifying nucleic acid sequences that are similar to 1000 sequences listed in application, but such use is neither “substantial” nor “specific.”

Ex parte Langemyr, 89 USPQ2d 1988 –The Board of Patent Appeals and Interferences, in an unpublished opinion, held on May 28, 2008 that a claim in a patent application directed to techniques, simulation, and problem solving using computer system is directed to unpatentable manipulations of data, even though data represent physical systems, and claimed method includes step of outputting model, since creation of intangible mathematical expressions does not constitute transformation of subject matter, and since claim is directed merely to mathematical manipulations used to create model, and thus is non-statutory, even though it may be improved method that models physical, rather than theoretical, system.

Ex parte Wasynczuk, 87 USPQ2d 1826 – The Board of Patent Appeals and Interferences held on June 2, 2008 in an unpublished opinion that claims directed to simulation systems using distributed computer network are patentable, even though claimed “simulating” is performed by solving purely mathematical representations of physical systems, without receiving information from real-world physical system or outputting data that controls real-world physical system, since claims are directed to particular machine implementation of mathematical algorithm that does not encompass every substantial practical application of abstract idea.

Ex Parte Li, 77 BNA’s PTCJ 132 – The Board of Patent Appeals and Interferences reversed on November 6, 2008 an examiner’s rejection of the claim as non-statutory subject matter under 35 U.S.C. § 101 for failure to produce the tangible result required under the *Bilski* decision by construing a software invention’s method claim as a product claim (*i.e.*, “Beauregard” claim).

Ex parte Uceda-Sosa, 90 USPQ2d 1620 – The Board of Patent Appeals and Interferences, in an unpublished opinion, held on November 11, 2008 that claims that recite computer readable medium encoded with computer program, in which “computer readable medium” includes data signal embodied in wireless communications link, are unpatentable under 35 U.S.C. § 101, since claim for computer instructions embodied only in transitory, propagating signal is not “process, machine, manufacture, or composition of matter.”

Ex parte Godwin, 90 USPQ2d 1326 – The Board of Patent Appeals and Interferences, on rehearing and in an unpublished opinion, held on November 13, 2008 that claims in application directed to styling of portal view in display of pervasive agent are held to be directed to software *per se*, and thus unpatentable under 35 U.S.C. § 101, since claims at issue are directed to purely software components, and specification clearly indicates that invention is not limited solely to hardware embodiments, since, in context of software embodiment, “server” of claims is reasonably interpreted as meaning “provider of services,” and since scope of claims thus does not require hardware in addition to recited software components.

Ex parte Noguchi, 90 USPQ2d 1379 – The Board of Patent Appeals and Interferences held on November 20, 2008 that claims in a patent application for a transmission control method for preventing outflow of predetermined information when sending information to external networks from computer are unpatentable as directed to non-statutory subject matter under 35 U.S.C. § 101, since transformation of data, without machine, is insufficient to establish patent eligibility, since invention of claims does not require particular machine

or apparatus, or transform any article into different state or thing, and since independent claim at issue is directed to computer program *per se*, and thus is directed to non-statutory process as series of abstract program steps.

Ex Parte Halligan, 77 BNA’s PTCJ 130 – The Board of Patent Appeals and Interferences ruled on November 24, 2008 that patentability tests for indefiniteness (*i.e.*, 35 U.S.C. § 112), obviousness (*i.e.*, 35 U.S.C. § 103), and statutory subject matter (*i.e.*, 35 U.S.C. § 101) are staged and in part merged.

Ex parte Koo, 89 USPQ2d 1297 – The Board of Patent Appeals and Interferences rejected on November 26, 2008 a claim in application directed to method for optimizing queries in relational database management system for failing to recite statutory subject matter under 35 U.S.C. § 101, since claim is not directed to machine, manufacture, or composition of matter, and since none of steps recited in claim calls for transformation of article to different state or thing, requires any transformation of data or signals, or recites any particular machine or apparatus to perform those steps.

Ex parte Cornea-Hasegan, 89 USPQ2d 1557 – The Board of Patent Appeals and Interferences held on January 13, 2009 that claims in application directed to method for predicting and calculating results of floating-point mathematical operations fail “machine-or-transformation” test for patent-eligible subject matter, since recitation of “processor” that performs series of steps does not limit steps to any specific machine or apparatus, and since data acted on by method do not represent physical and tangible objects, and instead represent information about intangible, abstract floating-point number.

Ex parte Catlin, 78 BNA’s PTCJ 119 – The Board of Patent Appeals and Interferences clarified on February 3, 2009 the definiteness standard (35 U.S.C. § 112) for computer-implemented claim functions. The Board held that means-plus-function claims directed to method for implementing online incentive system at merchant’s Web site, which recite steps of “providing, at a merchant’s web site, means for a consumer to participate in an earning activity to earn value from a merchant,” are unpatentable for indefiniteness.

Patents/Antitrust – Case Law – U.S. District Courts

Hynix Semiconductor Inc. v. Rambus Inc., 87 USPQ2d 1859 – The U.S. District Court for the Northern District of California held on February 2, 2008 that an electrical engineer is qualified to testify, in antitrust action, regarding dynamic random access memory industry’s perception of defendant’s interface technology, and industry’s knowledge of possibility that defendant might obtain patents reading on standards set by Joint Electron Devices Engineering Counsel.

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

United States v. Teh, 76 BNA's PTCJ 519 – The U.S. Court of Appeals for the Sixth Circuit held on July 31, 2008 that the government's failure to show how a defendant's importation of counterfeit DVDs and labels is "contrary to law" made an indictment defective, but the defect is harmless error.

Cartoon Network LP v. CSC Holdings Inc., 76 BNA's PTCJ 511 – The U.S. Court of Appeals for the Second Circuit on August 4, 2008 reversed a lower court finding and holds that a cable television service offering digital video recording of television and movie programming at central sites – rather than on a home set-top box – is not a direct infringement of the copyright in those programs since "copies" were not created within the meaning of the Copyright Act.

Jacobsen v. Katzer, 76 BNA's PTCJ 584 – The U.S. Court of Appeals for the Federal Circuit ruled on August 13, 2008 that the holder of a copyright in a computer program for model trains made available for free public download may enforce an "open source" copyright license to control future use and distribution of that work by downstream users. Vacating a ruling that denied the copyright owner a preliminary injunction, the appellate court finds that the terms of the "Artistic License" on the plaintiff's Web site are enforceable as conditions that govern a downloader's right to modify and distribute the copyrighted work, not merely covenants to be enforced under contract law.

Asset Marketing Systems Inc. v. Gagnon, 76 BNA's PTCJ 698 – The U.S. Court of Appeals for the Ninth Circuit held on September 9, 2008 that a contractor who created and installed several software programs for a customer, and was paid a substantial fee for his services, impliedly granted the customer an unlimited license to use, modify, and retain the source code in the programs. The court rules that the company did not infringe the contractor's copyright by continuing to use the software after the contractor was fired.

Stuart Weitzman LLC v. Microcomputer Resources Inc., 76 BNA's PTCJ 701 – The U.S. Court of Appeals for the Eleventh Circuit held on September 12, 2008 that a federal court may not exercise subject matter jurisdiction over an action for a declaration that a customer of a software development company retains the right to use and modify custom software without infringing the developer's copyright, when the software was never registered with the Copyright Office.

Dream Games of Arizona Inc. v. PC Onsite, 90 USPQ2d 1193 – The U.S. Court of Appeals for the Ninth Circuit held on April 2, 2009 that illegal use or operation of electronic video bingo game by copyright owner does not preclude award of actual or statutory damages for infringement, at least where illegality did not injure infringer, since illegal use of otherwise copyrightable work does not deprive work of protection, or provide defense to infringement.

A.V., a minor, by his next friend Vanderhuy v. iParadigms LLC, 77 BNA's PTCJ 704 – The U.S. Court of Appeals for the Fourth Circuit held on April 16, 2009 that the archiving of student essays in a database used to check whether new submissions might be plagiarized constitutes fair use.

In re Sony BMG Music Entertainment, 90 USPQ2d 1481 – The U.S. Court of Appeals for the First Circuit ruled on April 16, 2009 that the district court lacked authority to issue order permitting recording and "narrowcasting" of motions hearing in consolidated copyright infringement action brought by record companies against alleged users of peer-to-peer file-sharing software, since applicable local rule cannot be read to create broad, discretionary catchall exception to general prohibition against broadcasting of court proceedings.

Copyrights– Case Law – U.S. District Courts

Tableau Software Inc. v. Any Aspect KFT, 87 USPQ2d 1762 – The U.S. District Court for the Northern District of California on June 9, 2008 granted plaintiff partial summary judgment of liability on its copyright infringement claim, since plaintiff has submitted sufficient evidence to show access and copying, including evidence that managing director of defendant company received copy of software shortly before defendant was incorporated, that defendant's software is nearly identical to plaintiff's work, and that defendant developed accused software with unusual speed in view of its small size, and defendant has failed to directly address any of this evidence.

UMG Recordings Inc. v. Augusto, 88 USPQ2d 1260 – The U.S. District Court for the Central District of California ruled on June 10, 2008 that language on promotional CDs released by plaintiff record company to music industry "insiders," which states that "[t]his CD is the property of the record company and is licensed to the intended recipient for personal use only. Acceptance of this CD shall constitute an agreement to comply with the terms of the license. Resale or

transfer of possession is not allowed and may be punishable under federal and state laws," does not create license, and defendant, who obtained promo CDs from record stores and online sources and resold them in online auctions, is protected by first sale doctrine.

Tegg Corp. v. Beckstrom Electric Co., 87 USPQ2d 1880 – The U.S. District Court for the Western District of Pennsylvania on July 1, 2008 granted defendants' motions to dismiss plaintiff's copyright infringement claims without prejudice, since complaint alleges that defendants have infringed plaintiff's copyrighted software for computerized system for repair and maintenance of electrical systems, but complaint does not identify whether single copyright registration protects software as whole, or whether multiple registrations protect individual components of software, and since plaintiff has failed to allege what conduct by defendant has infringed each of respective copyrights.

MDY Industries LLC v. Blizzard Entertainment Inc., 89 USPQ2d 1015 – The U.S. District Court for the District of Arizona on July 14, 2008 granted summary judgment to declaratory defendants that use of plaintiff's "bot" program by users of defendants' multiplayer online role-playing game, allowing for continued play of game when user is away from computer, gives rise to liability on plaintiff's part for contributory and vicarious infringement; however, plaintiff is granted partial summary judgment on defendants' counterclaim for violation of Digital Millennium Copyright Act under 17 U.S.C. § 1201(a)(2).

Savage v. Council on American-Islamic Relations Inc., 87 USPQ2d 1730 – The U.S. District Court for the Northern District of California held on July 25, 2008 that purpose and character of defendants' use, amount and substantiality of portion of work used, and effect of use on potential market for work warrant finding of fair use in action in which plaintiff, host of nationally syndicated radio program, claims that defendant American-Islamic organizations infringed plaintiff's copyright in program by posting four-minute audio clip on their Web site.

Associated Press v. Moreover Technologies Inc., 76 BNA's PTCJ 629 – The Associated Press and VeriSign Inc. settled litigation in the U.S. District Court for the Southern District of New York on August 15, 2008, alleging VeriSign subsidiary, Moreover Technologies Inc., misappropriated AP content online. The terms of the settlement were confidential.

Atlantic Recording Corp. v. Howell, 88 USPQ2d 1475 – The U.S. District Court for the District of Arizona on August 29, 2008 entered default judgment against defendant in copyright infringement action brought by recording compa-

nies based on defendant's alleged use of file-sharing program to download sound recordings and distribute them to other users, since defendant repeatedly destroyed evidence central to factual allegations in case by removing file-sharing program from his computer, deleting contents of shared-filed folder, and later deleting all traces of certain files on his computer, since defendant admitted that he acted with full knowledge of duty to preserve all evidence relevant to plaintiffs' claims, and since timing and character of defendant's actions show deliberate calculation to conceal truth.

Designer Skin LLC v. S&L Vitamins Inc., 88 USPQ2d 1679 – The U.S. District Court for the District of Arizona held on September 5, 2008 that the general rule that permanent injunction should be granted in copyright infringement action if liability has been established and there is threat of continuing violations is clearly inconsistent with precedent holding that "traditional" four-factor test for injunctive relief must be applied; in present case, plaintiffs have shown that they will suffer irreparable harm if defendants are not permanently enjoined from infringing plaintiffs' copyrights in electronic renderings of their indoor tanning products, and balance of hardships and public-interest factors favor issuance of injunctive relief.

International Union of Operating Engineers, Local 150 v. Team 150 Party Inc., 88 USPQ2d 1532 – The U.S. District Court for the Northern District of Illinois held on September 5, 2008 that a claim for unjust enrichment under Illinois law, based on alleged copying of plaintiff's prototype Web site, is not preempted by 17 U.S.C. § 301(a), even though Web site is fixed in tangible form and comes within subject matter of copyright as specified in Section 102, and both unjust enrichment claim and plaintiff's copyright infringement claim are based on same conduct, since unjust enrichment claim includes allegation that defendants obtained benefit of prototype Web site developed by plaintiff without paying for it, and construed in this manner, unjust enrichment claim is qualitatively different from plaintiff's copyright claim.

United States v. Gitarts, 76 BNA's PTCJ 740 – A judge in the U.S. District Court for Eastern District of Virginia on September 19, 2008 set 18-month music piracy jail term for a man who owned and operated a computer server; the convicted computer owner was also fined \$2,500.

Parker v. Yahoo! Inc., 88 USPQ2d 1779 – The U.S. District Court for the Eastern District of Pennsylvania held on September 25, 2008 that plaintiff's complaint, in which he alleges that defendant Internet search engine operators directly infringe his copyrights in literary works by making "cached" copies of plaintiff's Web sites available to users, conclusively

establishes affirmative defense of implied license, since complaint indicates that plaintiff knew search engines would display copies of his works unless he employed electronic protocol that would prevent them from doing so, or sent defendants take-down notices, since defendants could properly infer, from plaintiff's silence and lack of earlier objection, that plaintiff knew of and encouraged their activity, and since they could reasonably interpret plaintiff's conduct to be grant of license for that use.

Authors Guild v. Google Inc. and McGraw-Hill Cos. v. Google Inc., 76 BNA's PTCJ 920 –In a pair of lawsuits pending in the U.S. District Court for the Southern District of New York, the Authors Guild, the Association of American Publishers, and Google Inc. announced on October 28, 2008 that they have agreed to settle lawsuits in which the copyright holders alleged that Google's Book Search project infringed their copyrights. Under the terms of the settlement, Google will pay a total of \$125 million to establish a centralized royalty collection organization to compensate authors of scanned books and to pay the plaintiffs' legal fees.

Arista Records LLC v. Usenet.com Inc., 89 USPQ2d 1629 –The U.S. District Court for the Southern District of New York on November 24, 2008 dismissed counterclaims asserted by defendant Web site operators, seeking declaratory judgment that they are shielded from liability for copyright infringement by "safe harbor" provisions of Digital Millennium Copyright Act, since counterclaim is not viable unless it presents independent case or controversy that would survive dismissal of opponent's infringement claim, since declaratory judgments sought in defendants' counterclaims parallel their affirmative defense of limitation of liability under DMCA, since DMCA does not provide affirmative cause of action, and since counterclaims do not constitute independent cause of action, in that defense under DMCA could not stand on its own if plaintiffs were to dismiss their infringement claims.

UMG Recordings Inc. v. Veoh Networks Inc., 77 BNA's PTCJ 274 –The U.S. District Court for the Central District of California ruled on December 29, 2008 that automated functions for user access to Web data are protected by the DMCA safe harbor provision of 17 U.S.C. § 512(c).

Jacobsen v. Katzer, 77 BNA's PTCJ 273 –The U.S. District Court for the Northern District of California ruled on January 5, 2009 that a plaintiff seeking a preliminary injunction for infringement of his copyrighted "open-source"

software failed to show the likely irreparable harm needed for such relief.

Microsoft Corp. v. Pronet Cyber Technologies Inc., 89 USPQ2d 1713 –The U.S. District Court for the Eastern District of Virginia on January 9, 2009 granted plaintiff software company a partial summary judgment that defendant Internet software distributors knowingly trafficked in counterfeit labels, in violation of 18 U.S.C. § 2318; term "knowingly" requires only that defendants knew they were selling software with non-genuine labels, not that they knew such conduct was unlawful.

Embassy Software Corp. v. eCopy Inc., 89 USPQ2d 1397 –The U.S. District Court for the District of New Hampshire held on January 13, 2009 that infringement plaintiff's predecessor corporation obtained valid copyright registration for portable document software program, even though corporation had been administratively dissolved, before registration, for failure to comply with filing requirements under New Hampshire law, since law states that administratively dissolved corporation "continues its corporate existence," and there is no reason to believe that Copyright Office would have rejected corporation's application on ground that its conduct was *ultra vires*.

Attachmate Corp. v. Sentry Insurance, a Mutual Co., 90 USPQ2d 1648 –The U.S. District Court for the Western District of Washington held on January 13, 2009 that a state-law claim for breach of contract, based on allegation that defendant is using more copies of copyrighted software that it is licensed to use, is preempted by federal copyright law, since license does not express mutual agreement that defendant can use extra copies of software so long as it pays for them, and absent such agreement, contract claim is no different from infringement claim.

Capitol Records Inc. v. Alaujan, 89 USPQ2d 1403 –The U.S. District Court for the District of Massachusetts on January 14, 2009 granted a motion to permit recording and "narrowcasting" of hearing in infringement action brought by major record companies against alleged users of peer-to-peer file-sharing software, since broadcast of hearing is within public interest, since First Amendment suggests that court proceedings be open to public "whenever practicable," and since defendants are primarily members of "Internet generation," and narrowcasting to public Web site thus is uniquely appropriate.

Apple Inc. v. Psystar Corp., 90 USPQ2d 1123 –The U.S. District Court for the Northern District of California on February 6, 2009 rejected argument that copyright misuse may never be asserted as counterclaim, and defendant in action for infringement of copyrights in computer operating system may assert counterclaim for misuse based on plaintiff's end-user license agreement and allegedly spurious litigation.

Motown Record Co. v. Kovalcik, 90 USPQ2d 1580 –The U.S. District Court for the Eastern District of Pennsylvania ruled on February 23, 2009 that a counterclaim for abuse of process, asserted by defendant accused of infringing copyrights in sound recordings through use of peer-to-peer file-sharing network, is barred by Noerr-Pennington doctrine, since plaintiffs used appropriate legal channels in obtaining subpoena in order to identify user of Internet protocol address being used for file sharing, and acted in accordance with limitations of subpoena, and since "sham litigation" exception to doctrine does not apply, in that plaintiffs had ample "probable cause" to institute infringement action.

Metal Morphosis Inc. v. Acorn Media Publishing Inc., 90 USPQ2d 1042 –The U.S. District Court for the Northern District of Georgia held on March 4, 2009 that defendant Web site operator may be subject to liability, as distributor, for sale of allegedly infringing jewelry pendants on its site, since copyright owner can proceed against anyone in chain of distribution for infringement, since defendant affirmatively sold pendants, and presumably profited from sale of those items, and since defendant thus engaged in conduct that contributed, even if innocently, to infringement.

Capitol Records LLC v. VideoEgg Inc., 90 USPQ2d 1720 –The U.S. District Court for the Southern District of New York ruled on March 5, 2009 that infringement defendant that operates "social networking" Web site cannot be held to have "transacted business" in New York within meaning of long-arm statute based solely on its provision of social networking services to New York customers; however, plaintiffs' factual allegations that defendant sold advertisements to New York companies, and sought to participate in advertising campaigns specifically directed at New York users, are sufficient to establish that defendant uses its Web site to transact business in New York.

Scranton Times LP v. Wilkes-Barre Publishing Co., 90 USPQ2d 1161 –The U.S. District Court for the Middle District of Pennsylvania held on March 6, 2009 that news misappropriation claims can survive preemption by Copyright Act if plaintiff alleges time-sensitive value of factual information, free-riding by defendant, and threat to very existence of product or service provided by plaintiff. However, newspaper publisher

plaintiffs' claim for misappropriation, stemming from defendant publisher's alleged copying of obituaries from plaintiffs' newspapers and Web sites, is preempted by Copyright Act, since plaintiffs have not alleged that defendant's copying of obituaries posed threat to existence of plaintiffs' publications, or to plaintiffs' ability to provide service of collecting and distributing obituaries to customers.

Atlantic Recording Corp. v. Project Playlist Inc., 77 BNA's PTCJ 602 –The U.S. District Court for the Southern District of New York held on March 25, 2009 that an interactive computer service provider that links to third-party content is not immune under the Communications Decency Act of 1996 from state law intellectual property claims.

UMG Recordings Inc. v. Martino, 78 BNA's PTCJ 10 –The U.S. District Court for the Middle District of Pennsylvania on April 21, 2009 rejected an attempt by an alleged P2P infringer of music copyrights to fight back by charging the record company plaintiffs with harassment and extortion.

Facebook Inc. v. Power Ventures Inc., 78 BNA's PTCJ 163 –The U.S. District Court for the Northern District of California held on May 11, 2009 that accessing the Facebook social network through automated means to obtain personal data is a violation of the Facebook terms of service and is actionable as copyright infringement.

Brave New Films 501(C)(4) v. Weiser a/k/a Savage, 78 BNA's PTCJ 262 –The U.S. District Court for the Northern District of California ruled on June 10, 2009 that fact issues preclude ruling that YouTube video of talk show was non-infringing.

Copyrights/DCMA – Case Law – U.S. Courts of Appeal

CoxCom Inc. v. Chaffee, 87 USPQ2d 1667 –The U.S. Court of Appeals for the First Circuit ruled on August 4, 2008 that the district court properly granted summary judgment to plaintiff cable television service provider on claim that defendants violated Digital Millennium Copyright Act by selling low-frequency signal filters, within plaintiff's service area, that were capable of bypassing plaintiff's pay-per-view billing mechanism, since plaintiff's pay-per-view delivery and billing system is a technological measure that effectively controls access to copyrighted works, and digital cable filter allows subscribers to "avoid" or "bypass" that technological measure.

Copyrights/DCMA – Case Law – U.S. District Courts

Lenz v. Universal Music Corp., 76 BNA's PTCJ 626 –The U.S. District Court for the Northern District of California held on August 20, 2008 that the "good faith belief" standard for issuing a takedown notice under the Digital Millennium Copyright Act requires copyright holders to consider whether the use of a copyrighted work falls within fair use exceptions to the Copyright Act. In a matter of first impression, the court holds that, though an extensive investigation is not required, a copyright holder must have a subjective belief that a use of a copyrighted work is infringing and does not fall within fair use exceptions in order to issue a DMCA takedown notice in good faith.

lo Group Inc. v. Veh Networks Inc., 76 BNA's PTCJ 672 – The U.S. District Court for the Northern District of California held on August 27, 2008 that format conversion of user-submitted videos does not create liability for online service since the service took measures to fall within the safe harbor provisions of the DMCA.

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

Venture Tape Corp. v. McGills Glass Warehouse, 88 USPQ2d 1051 –The U.S. Court of Appeals for the First Circuit on August 28, 2008 affirmed summary judgment of infringement in action in which defendants admitted that they incorporated plaintiff's works in metatags and invisible text on their Web site, for express purpose of attracting customers to site.

Licciardello v. Lovelady, 76 BNA's PTCJ 911 –The U.S. Court of Appeals for the Eleventh Circuit ruled on October 10, 2008 that a mark's use on Web site available in Florida sufficed to establish personal jurisdiction there.

E.S.S. Entertainment 2000 Inc. d/b/a Play Pen v. Rock Star Videos Inc. e/s/a Rockstar Games Inc., 77 BNA's PTCJ 32 –The U.S. Court of Appeals for the Ninth Circuit held on November 5, 2008 that the appearance of a name and logo similar to that of a real Los Angeles strip club in a popular video game seeking to create a heightened experience of an inner city Los Angeles neighborhood is protected as free speech under the First Amendment. Affirming a district court's award of summary judgment, the court applies a two-part test that previously has been used only for cases in which the question is whether the title of a creative work infringed a trademark.

Visible Systems Corp. v. Unisys Corp., 89 USPQ2d 1194 –The U.S. Court of Appeals for the First Circuit held on December 23, 2008 that evidence supports jury's finding that defendant's use of "3D Visible Enterprise" mark for consulting services with enterprise modeling is likely to cause reverse confusion with plaintiff's "Visible" marks for enterprise modeling software and consulting services, since parties' marks, and their goods and services, are sufficiently similar to raise realistic likelihood of reverse confusion.

Philip Morris USA Inc. v. King Mountain Tobacco Co., 77 BNA's PTCJ 315 –The U.S. Court of Appeals for the Ninth Circuit held on January 20, 2009 that a Yakama Indian Reservation Tribal court does not have jurisdiction over a non-member corporation's federal and state claims for trademark infringement that occurred on the Internet and beyond the reservation.

Eagle Hosp. Physicians LLC v. SRG Consulting Inc., 90 USPQ2d 1065 –The U.S. Court of Appeals for the Eleventh Circuit held on March 12, 2009 that district court did not violate individual defendant's Fifth Amendment rights by entering default judgment in favor of plaintiff in cybersquatting action, since plaintiff introduced evidence that defendant had been improperly intercepting confidential e-mails between plaintiff and plaintiff's counsel for nearly two years, and dismissal did not occur because of defendant's invocation of Fifth Amendment, but rather as a result of disruption to litigation caused by his misconduct.

Internet Specialties West Inc. v. Milon-DiGiorgio Enterprises Inc., 77 BNA's PTCJ 563 –The U.S. Court of Appeals for the Ninth Circuit on March 17, 2009, in a domain name infringement case, split on the prejudice factor of a laches defense and whether the imposition of an injunction was contrary to public interest. The court held that a party asserting laches must show prejudice based on investment in accused mark as identity of business in minds of public, not mere expenditures in promoting mark; claim alleging that defendant's Internet domain name "ISPWest.com" infringed "IS-West.com" mark is not barred by laches, since defendant did not develop brand recognition for its mark during delay period.

Rescuecom Corp. v. Google, 77 BNA's PTCJ 630 –The U.S. Court of Appeals for the Second Circuit held on April 3, 2009 that Google's sale of trademarks as sponsored links is an actionable use "in commerce" for purposes of the Lanham Act, reversing a district court's determination that the marks

cannot be considered used "in commerce" because they occurred only in non-visible metatags.

Beltronics USA Inc. v. Midwest Inventory Distribution LLC, 77 BNA's PTCJ 679 –The U.S. Court of Appeals for the Tenth Circuit held on April 9, 2009 in a trademark infringement action, the first sale defense is not available to infringers when they resell trademarked goods on eBay with a warranty different from the manufacturer's and do not sufficiently disclose the difference to consumers. The warranty included service assistance, software upgrades, rebates, and recalls.

Southern Co. v. Dauben Inc., 77 BNA's PTCJ 713 –The U.S. Court of Appeals for the Fifth Circuit on April 15, 2009 vacated a domain name squatter preliminary injunction because the district court abused its discretion.

Trademarks – Case Law – U.S. District Courts

Verizon California Inc. v. Navigation Catalyst Systems Inc., 88 USPQ2d 1771 –The U.S. District Court for the Central District of California stated on June 30, 2008 that plaintiffs asserting cybersquatting claim against accredited Internet registrar and its affiliate/customer, who use proprietary automated tool to search for and register previously unregistered domain names, are granted preliminary injunction prohibiting defendants from using domain names that are confusingly similar to plaintiffs' marks, since plaintiffs are likely to succeed on merits of their claim, have established irreparable harm, and are favored by balance of hardships; however, defendants' use of automatic registration process will not be enjoined.

U.S. Olympic Committee v. Xclusive Leisure and Hospitality Ltd., 76 BNA's PTCJ 658 –The U.S. District Court for the Northern District of California on August 25, 2008 barred an online ticket company suspected of conning customers out of promised tickets to the 2008 Beijing Olympic Games from using the Olympic's marks.

Volkswagen AG v. Volkswagentalk.com, 89 USPQ2d 1562 –The U.S. District Court for the Eastern District of Virginia ruled on October 29, 2008 that plaintiffs have established all elements of infringement claim against Internet domain name "volkswagentalk.com," since plaintiffs' "Volkswagen" and "VW Emblem" marks are famous and distinctive of plaintiffs' services, since marks and domain name are similar, since services provided by plaintiffs are closely related to services offered at "volkswagentalk.com," and since registrant had bad faith intent to profit from plaintiffs' marks when it registered domain name; registrant will be ordered to transfer domain name to plaintiffs.

Jones Day v. Blockshopper LLC, 77 BNA's PTCJ 95 –The U.S. District Court for the Northern District of Illinois on November 13, 2008 allowed a lawsuit by the Jones Day law firm to go forward claiming trademark rights against a real estate news Web site that listed houses bought by two Jones Day attorneys and then linked to the attorneys' profiles and pictures on the Jones Day Web site.

Frayne v. Chicago 2016, 77 BNA's PTCJ 296 –The U.S. District Court for the Northern District of Illinois ruled on January 8, 2009 that there is no cause or action under the Lanham Act for attempted reverse domain name hijacking for the 2016 Olympic Games.

Deltec Inc. v. Iuvo Systems Inc., 78 BNA's PTCJ 10 –The U.S. District Court for the Eastern District of Virginia held on April 20, 2009 that a software company's competing use of the trademarks of its founders' former employer in banner ads, metatags, and domain names may create confusion.

Trademarks – Case Law – U.S. Patent and Trademark Office

In re DSM Pharmaceuticals Inc., 87 USPQ2d 1623 –The Trademark Trial and Appeal Board ruled on June 4, 2008 that the mark "Liquidadvantage," as shown in specimen of record consisting of page from brochure, does not function as service mark to indicate source of applicant's "custom manufacturing of pharmaceuticals featuring liquid fill and finish technology" services, since term "Liquidadvantage" in specimen clearly refers to proprietary software by that name, but specimen nowhere shows direct association between use of proposed mark and services for which registration is sought.

Life Zone Inc. v. Middleman Group Inc., 87 USPQ2d 1953 –The Trademark Trial and Appeal Board on July 15, 2008 dismissed an opposition to registration of "LifeZone" mark for educational services on ground of likelihood of confusion, since opposer failed to submit admissible evidence of its trademark registrations, and failed to provide evidence of common law trademark rights by showing prior use of its mark, since existence of opposer's Web site does not establish that opposer is using its mark on goods or services shown on Web site, and since opposer's recitation of prior use in pending application does not constitute evidence of opposer's use or priority.

In re Dell, 76 BNA's PTCJ 595 –The Patent and Trademark Office on August 12, 2008 withdrew its earlier preliminary approval of Dell Inc's intent-to-use application to register "Cloud Computing" as a trademark.

Media Online Inc. v. El Clasificado Inc., 88 USPQ2d 1285 –The Trademark Trial and Appeal Board on September 29, 2008 granted judgment on pleadings on issue of priority, since petitioner alleges, in its verified petition to cancel, that its pleaded “Clasificadosonline.com” and “Clasificados Online” marks were first used in commerce on November 27, 1999, and since it is undisputed that respondent filed application that matured into its registration for “El Clasificado Online” mark on November 4, 1999, and Lanham Act provides that respondent may rely on this filing date as its constructive date of first use.

In re Mankovitz, 90 USPQ2d 1246 –The Trademark Trial and Appeal Board held on March 25, 2009 that the proposed trademark “The Montecito Diet” for printed publication and online journals providing health, diet, and related information is not primarily geographically descriptive, even though “Montecito” refers to generally known geographic location, since there is no evidence that relevant public would believe that applicant’s goods and services originate from any location in Montecito.

Honda Motor Co. v. Winkelmann, 90 USPQ2d 1660 – The Trademark Trial and Appeal Board on April 8, 2009 granted summary judgment to opposer that applicant seeking registration under 15 U.S.C. § 1126(e) lacked *bona fide* intent to use proposed “V.I.C.” mark in commerce at time application was filed, since foreign registrations and Web site printouts submitted by applicant do not demonstrate trademark use for goods claimed in application, and do not show intent to use mark in United States.

Trademarks/Personal Jurisdiction – Case Law – U.S. District Courts

Société des Bains de Mer et du Cercle des Etrangers á Monaco v. MGM Mirage, 90 USPQ2d 1028 –As reported at, the U.S. District Court for the Southern District of New York held that infringement defendants, whose principal place of business is in Nevada, have “transacted business” in New York, and thus are subject to personal jurisdiction under New York’s long-arm statute, since defendants operate interactive Web sites through which they have sold hotel rooms and vacation packages to New York residents, and since defendants’ Internet activity is significant and unqualifiedly commercial in nature.

Trademarks/Antitrust – Case Law – U.S. District Courts

Dell Inc. v. 3K Computers LLC., 89 USPQ2d 1958 –The U.S. District Court for the Southern District of Florida held on October 7, 2008 that the Noerr-Pennington doctrine bars infringement defendant’s assertion of affirmative defense under 15 U.S.C. § 1115(b)(7), which creates defense to liability if owner of registered mark has used, or is using, mark to violate antitrust laws, since similarity of parties’ marks, and defendant’s conduct in choosing similar marks for same lines of products, is strong circumstantial evidence that defendant chose its marks intentionally to exploit plaintiff’s goodwill, and since plaintiff’s claims thus are not “objectively baseless”.

Trade Secrets – Case Law – U.S. District Courts

Ideal Aerosmith Inc. v. Acutronic USA Inc., 87 USPQ2d 1756 –The U.S. District Court for the Western District of Pennsylvania held on April 23, 2008 that the Stored Communications Act, 18 U.S.C. §§ 2701 *et seq.*, which punishes unauthorized access to stored electronic communications except in particular enumerated circumstances, does not preempt claims for violation of Pennsylvania’s Uniform Trade Secrets Act asserted against defendants who allegedly used and disclosed contents of e-mail messages containing proprietary information that were inadvertently sent to defendants’ servers; disclosure provisions of SCA clearly do not apply to defendants’ conduct.

Lanham Act/False Advertising – Case Law – U.S. District Courts

NetQuote Inc. v. Byrd, 90 USPQ2d 1640 –The U.S. District Court for the District of Colorado on December 15, 2008 denied equitable relief to plaintiff in action alleging that defendant made false statements in its online advertising for service that generates leads to insurance companies, since plaintiff has not shown that statements are either literally or impliedly false, that statements actually misled or were likely to mislead insurance agents, or that plaintiff has suffered or is likely to suffer any injury from statements.

Right of Publicity – Case Law – U.S. District Courts

Romantics v. Activision Publishing Inc., 88 USPQ2d 1243 –The U.S. District Court for the Eastern District of Michigan ruled on August 19, 2008 that members of rock band did not

state claim, under Michigan law, for violation of their right of publicity against makers of video game, which features rerecorded version of one of band's songs synchronized into game, even though law protects against unauthorized use of name or likeness, since Michigan law does not recognize analogous claim based on sound of voice, let alone allegedly distinctive sound of combination of voices.

States – Case Law – South Carolina

Seago v. Horry County, 88 USPQ2d 1520 –The Supreme Court of the State of South Carolina held on June 16, 2008 that digital geographic data, which contains sufficient original material, research, and creative compilation to qualify for copyright protection, is not exempt from disclosure under South Carolina's Freedom of Information Act; however, county government can restrict such data from further commercial dissemination, since purpose of FOIA is satisfied once public information is provided to requester, and, once information

is provided, it does not frustrate purpose of FOIA for county government to restrict subsequent commercial use of data.

States – Case Law – Utah

Overstock.com Inc. v. SmartBargains Inc., 88 USPQ2d 1616 –The Supreme Court of the State of Utah held on August 19, 2008 that there is no *per se* rule that "pop-up" advertisements do not violate Utah unfair competition law; in present case, however, plaintiff has failed to show that defendant's pop-up ads for its "SmartBargains.com" Web site, labeled with defendant's "SmartBargains" logo and appearing in separate window on top of plaintiff's "Overstock.com" Web site, are deceptive, infringe any trademark, pass off defendant's goods as those of plaintiff, or are likely to cause confusion, since, in absence of survey evidence, court is entitled to assume that pop-ups appearing in separate window and labeled with sponsor's name are not unfairly competitive. ■

Upcoming Events

Circle the Date! The Information Technology Section of the State Bar of Michigan and the Institute of Continuing Legal Education (ICLE) will host an **IT Law Seminar** on **Thursday, October 29, 2009**. The seminar will cover important and topical issues to enable you to better serve your clients. Sponsors are still needed. More information will be released as available! Suggestions regarding potential speakers or topics are encouraged, and if you are interested in sponsoring the event, please contact Charlie Bieneman at cab@raderfishman.com.

Meet a Section Member: **Brian A. Hall**



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- **What is the name of your firm/corporation/employer?**
Traverse Legal, PLC
- **What is your area of practice?** My law firm's practice is focused upon the global representation of on-line business interests. The majority of my practice focuses on trademark matters, including trademark clearances and registrations, opposition and cancellation proceedings in front of the TTAB, licensing issues, and federal court litigation. I also regularly handle domain dispute resolutions under the ACPA and UDRP, copyright matters, Internet law matters, and related commercial and complex litigation matters.
- **When did you first become involved with the Section?** I joined the section in 2007 and was appointed as co-editor of the newsletter, *Michigan IT Newsletter*, shortly thereafter. I became a Council Member in 2008.
- **Where did you grow up?**
Solon, Ohio (near Cleveland, Ohio)
- **Where else have you lived?**
Cincinnati, Ohio; Tampa, Florida; East Lansing, Michigan
- **Where did you attend undergraduate and law school?** I received my B.S. from Miami University in Oxford, Ohio. I received my J.D. from Michigan State University College of Law.
- **What was your undergraduate major?**
Management Information Systems.
- **What are your hobbies, other interests?** Running, fundraising, fishing, and spending time with my family and friends here in beautiful Traverse City, Michigan. That said, I am a rabid college football fan. Go State!
- **Favorite restaurant?**
Montgomery Inn in Cincinnati, Ohio. The best ribs, period.
- **A recent book you read?**
I actually have a couple: *The Living Great Lakes: Searching for the Heart of the Inland Seas* by Jerry Dennis and *Paper Tiger* by Tom Coyne.
- **What is your favorite movie of the past 10 years?** It is probably *Forrest Gump*, although *National Lampoon's Christmas Vacation* remains my favorite of all time
- **Last vacation?** In 2007, I travelled to Scotland, Ireland, and England with my wife Katie. Our trip included backpacking through the Highlands into the Isle of Skye, tours and tastings in Dublin, premier league futbol (soccer) games in London, and too many restaurants and tours to mention. Italy is on our agenda for next year.
- **If you had to describe yourself using three words, they would be...**
Passionate, loyal, and willing.
- **A short comment on why you became involved with the Information Law Technology Section:** This Section has enabled me to learn about the latest law and developments in my area of practice, to associate with the most experienced and knowledgeable attorneys in Michigan and elsewhere, and to enhance my abilities through the guidance and insight of fellow section members. It has truly been a joy on both a professional and personal level.
- **What email can Section members use to contact you?**
brianhall@traverselegal.com

Publicly Available Websites for IT Lawyers

Recall that the Proprietary Rights Committee of the Information Technology Law Section assembled a list of over 50 publicly available websites with up-to-date, reliable and comprehensive information that is useful to lawyers who practice in the IT law area. Our past issues have exhausted that list, so we have compiled a new list of websites relating to varying aspects of information technology law practice.

It is worth noting that, while all are publicly available, some of these websites require payment for certain services. Neither the State Bar of Michigan nor the IT Law Section endorses these websites, the providers of the website, or the goods or services offered in connection therewith. Rather these websites are provided for information purposes only and as possible useful tools for your law practice.

Please provide any feedback or recommendations for additional websites to the co-editors of this newsletter, brianhall@traverselegal.com or michael@gallo.us.com.

Business Resource

- <http://www.llrx.com/columns/roundup19.htm> - Provides a link to each state's online repository for business filings

Domain Name and Website Resources

- <http://www.archive.org> - Provides archived website screen captures for particular domain names
- <http://www.domaintools.com> - Offers numerous services related to domain names, including identification of typos, historical WHOIS information, and archive websites associated with the domain
- <http://www.domainfight.net> - Consolidates and makes available UDRP decisions from both WIPO and NAF
- <http://www.quantcast.com> - Offers data, such as traffic and user demographics, for any Internet websites
- <http://www.estibot.com> - Provides domain name appraisals
- <http://dnsaleprice.com> - Provides domain name sales information
- <http://www.changedetect.com> - Offers updates when content on a particular website changes

Practice Management Tools

- <http://www.digistamp.com/timestamp.htm> - Create a digital time stamp for an electronic document to provide proof that the document existed and has not changed since a point-in-time.

Statement of Editorial Policy

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