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Michigan IT Lawyer

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Michael Gallo
2700 Renshaw Drive
Troy, Michigan 48085
e-mail: michael@gallo.us.com



Bits and Bytes from the Chair

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

I have greatly enjoyed acting as the 2009-2010 Chairperson for our Information Technology Law Section.

On September 17, 2009 we had our last annual meeting at the Hyatt Regency in Dearborn, Michigan. Our annual meeting was held in conjunction with the Annual Meeting for the State Bar. We had a presentation on Cloud Computing that immediately followed.

On November 12, 2009, we had our first Section Council meeting of the year in Southfield, Michigan at the offices of Jaffe, Raitt, Heuer & Weiss. We planned for the year, set up committees and had some time for networking. We also formed a committee to follow the progress of House Bill 5468, a proposed amendment to the Michigan Uniform Electronic Transactions Act.

On February 18, 2010, we had another Section Council Meeting followed by a presentation on Technology Escrow Agreements. The meeting was held at the new Ann Arbor campus of Cooley Law School and we had an opportunity to mix with some current law students.

On April 15, 2010, we held our Spring Networking Event at the Post Bar in Novi, Michigan in association with DetroitNET/Network Michigan. We had many section members in attendance for networking with fellow members of the Section and other IT professionals.

On August 11, 2010, we held a Section Meeting via teleconference to keep the section updated for our biggest event of the year, our annual IT Law Seminar.

Throughout the year we have published regular electronic newsletters and even started our own Facebook page in an effort to keep our members connected and up to date with what is happening with the Section and related areas of the law.

This year's IT Law Seminar will be held on September 22, 2010 at the Inn at St. John's in Plymouth, Michigan. Charlie Bieneman and our ICLE seminar committee have been hard at work in scheduling the speakers and event.



2009-2010

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Please make every effort to attend and register today at www.icle.org/itlaw.

Our Annual Meeting will be held on the same date as the Annual Seminar, during the lunch break, so there is double the reason to clear your calendar for that day. If you have an interest in serving on the IT Law Section Council for the 2010-2011 year, please contact me directly at (248) 727-1386 or at jbisdorf@jaffelaw.com.

Thank you for your support throughout the past year, and see you at our Annual Seminar and Annual Meeting! ■

Jeremy D. Bisdorf
Chairperson
Information Technology Law Section
jbisdorf@jaffelaw.com



Paul Raine – Tribute to a Friend

By Kimberly A. Paulson

On July 27, 2010, the IT Law Section lost a dear friend. Paul Raine's passing leaves a conspicuous absence in our Section as well as in the IT law community generally. Paul was extensively involved in our Section, serving as Chairperson during 2005-2006. He worked on numerous committees and played a lead role in accomplishing the Section's name change. More than that, though, Paul was always willing to help out where help was needed, even when he was no longer part of the Council.



Paul J. Raine

Before becoming a lawyer, Paul worked for many years in the technology field. In fact, Paul was a groundbreaker in the IT community. While working full time and attending law school in the evening, four nights a week, he launched a free community based Internet service known as the Greater Detroit Free-Net. The non-profit organization, formed in 1992, was run by volunteers and financed through donations. During its peak in 1994, the 'GDFN' had over 9,000 registered users, and was one of Detroit's first on-ramps to the Information Superhighway.

Paul loved teaching. For many years, he taught Computer and Internet Law at the University of Detroit Mercy School of Law. He also taught leadership and ethics classes at Walsh College, and business law classes at Lawrence Technological University. Somehow he also managed to practice law full-time and serve on the State Bar Representative Assembly, the Standing Committee on Professional Ethics, and the Standing Committee on Technology. His contributions will live on for years to come.

Most importantly, though, Paul was a gentleman and consummate professional. He was known for his friendliness and civility. He was well-liked, and those of us who knew Paul had nothing but good things to say about him. Paul was also a devoted husband and father who was immensely proud of his son Bradley.

Paul was taken from us too soon. The world of IT law has lost a champion, and we have lost a friend. He will be missed. ■

Lawyers with Trust Accounts Will Be Impacted When New Overdraft Rule Takes Effect Sept. 15

Beginning September 15, 2010, Michigan lawyers will be required to maintain their client or third-person trust accounts at financial institutions that have been approved by the State Bar of Michigan. Financial institutions must submit a signed agreement to the State Bar for approval to maintain lawyer trust accounts.

This new requirement is the result of the Michigan Supreme Court's adoption of Rule 1.15A of the Michigan Rules of Professional Conduct. Also known as the Trust Account Overdraft Notification (TAON) rule, the purpose is to provide an early warning system to lawyers and to the Attorney Grievance Commission when activity in a lawyer trust account results in an overdraft.

State Bar President Charles Toy emphasized that comprehensive and accurate recordkeeping by lawyers is central to their role as caretakers. "It is the duty of Michigan lawyers to safeguard client property and to be vigilant in ensuring ethical financial management of their trust accounts."

Lawyers must confirm that their financial institutions are on the list of approved financial institutions posted on the bar's website at www.michbar.org/opinions/TAON.cfm

Many lawyers maintain both Interest on Lawyer Trust Accounts (IOLTA) and non-IOLTA trust accounts. They must provide written notice to their banks for each non-IOLTA trust account. Those who have existing IOLTA accounts in TAON-approved banks do not need to take further action.

Information about TAON has been communicated to financial institutions doing business in Michigan as a result of a cooperative effort between the State Bar, the Michigan State Bar Foundation, the Michigan Bankers Association, and the Attorney Grievance Commission. For more information please visit the State Bar's website or call Danon Goodrum-Garland at (517) 346-6333. ■

Save the Date

The Third Annual Information Technology Law Seminar, *Core Legal Issues in a High Tech Business World*, will be **Wednesday, September 22, 2010**, from 9 a.m. to 4 p.m., to be followed by a complimentary open bar reception. Reserve the date on your calendar, and plan to take advantage of a great line up of speakers while receiving continuing legal education credit!

Help your clients evolve in the modern economy. Internet technology and global connections have transformed the world for all businesses. Companies need lawyers who understand online business and technology deals and the legal issues connected with them.

Learn key negotiation and drafting strategies from a faculty of expert corporate counsel and IT law specialists. Give yourself a competitive advantage with expanded topics and more networking opportunities. Build your knowledge to increase your business development opportunities.

Attend and learn to:

- Avoid costly mistakes when you draft and negotiate license agreements
- Recognize key privacy law issues and help your clients guard customer information
- Protect your clients who adopt a cloud computing strategy with tailored service contracts
- Assign or sell IP rights after a bankruptcy

- Safeguard your clients' trade secrets and intellectual property interests on the Web
- Understand the *Bilski* case and its impact on patent practice

Speakers include *Ward Classen* of *Computer Sciences Corporation*, and *Roberta Morris* of *Stanford University*. Once again the Information Technology Law Section of the State Bar of Michigan is working in cooperation with the Institute for Continuing Legal Education (ICLE), and the venue is the St. John's Inn in Plymouth, with a webcast also available. The price for section members is \$95, which is an amazing deal for an all-day seminar with national speakers.. If you are interested in sponsoring the event, please contact *Charlie Bieneman* at cab@raderfishman.com, or *Jeremy D. Bisdorf*, jbisdorf@jaffelaw.com. For details about the seminar or to register, visit http://www.icle.org/modules/store/seminars/schedule.aspx?PRODUCT_CODE=2010CI7712

Attend the Information Technology Section's **Annual Business Meeting**. Mingle with Section peers, learn about opportunities to get more involved with the Section, and participate in the election of Section Council Members. The Information Technology Section's 2010 Business Meeting will be held during the lunch session of the Third Annual Information Technology Law Seminar. Be there! Please contact *Mark Malven* at MMalven@dykema.com if you have questions about the event. ■



The State of Information Technology Law – 2010

By David R. Syrowik, Brooks Kushman PC, Southfield, Michigan

Introduction

On June 18, 2010, in a much anticipated decision, the Supreme Court reversed the Federal Circuit in the *Bilski* case. Not unlike the *KSR* case three years earlier, the Court rejected the narrow approach taken by the Federal Circuit in assessing whether claims directed to a method of managing the consumption risk costs of a commodity sold by a commodity provider at a local price passes muster under Section 101 of the Patent Statute. The Court stated that this was an attempt to patent an abstract idea rather than an

application of such an idea. For over 150 years, the Supreme Court has stated that abstract ideas as well as laws of nature and physical phenomena were specific exceptions to the Patent Statute's dynamic and wide scope as to patentable subject matter. The high court left intact the appellate court's "machine-or-transformation" test for evaluating the patentability of methods such as business methods but faulted the Federal Circuit for transforming that principle into a rigid rule that limits the inquiry as to whether a claimed "process" is patent-eligible under 35 U.S.C. § 101. While stating that the

“machine-or-transformation” test was a “useful tool”, the Court was unwilling to use the test as a litmus or “bright line” test. As in *KSR*, the Court appeared to want a broader test which includes a series of factors that can be applied flexibly. Rather than come up with a test itself, the Court told the Federal Circuit to come up with the test keeping in mind its prior precedents including *Gottschalk v. Benson*, *Parker v. Flook* and *Diamond v. Diehr*, as well as 35 U.S.C. § 101(b) which contains a definition of the word “process”.

In a case of potential interest to football fans, last Spring in the *American Needle* case, the Supreme Court took a look at the National Football League’s trademark licensing practices from an anti-trust perspective. The Court ruled that the NFL’s licensing of its teams’ logos and trademarks constituted “concerted action” that is not categorically beyond Section 2 Sherman Act anti-trust liability. The Court reversed the Seventh Circuit which ruled that the NFL teams were best described as a single source of economic power when promoting NFL football through their licensing practices.

PATENTS – Case Law – U.S. Supreme Court

***Microsoft Corp. v. Lucent Technologies Inc.*, 80 BNA’s PTCJ 126**

The U.S. Supreme Court on May 24, 2010 denied review of a Federal Circuit ruling that vacated a half-billion dollar patent infringement damages award against Microsoft Corp. for use of a pop-up calendar in Microsoft Outlook.

***Bilski v. Kappos*, 95 USPQ2d 1001**

The U.S. Supreme Court ruled on June 28, 2010 that a business method patent for hedging risk did not define a patentable process under 35 U.S.C. § 101 but rather was an attempt to patent an abstract idea. Prior Supreme Court precedent provides that such ideas, laws of nature and physical phenomena are specific exceptions to § 101’s dynamic and wide scope as to patentable subject matter. Despite an extensive concurring opinion authored by Justice Stevens, who would have held that all business methods are unpatentable, Justice Kennedy, who authored the majority opinion, held that a business method was one kind of “method” that, at least in some circumstances, is eligible for patenting under § 101. In saying this, the Court rejected the exclusivity of the Federal Circuit’s “machine-or-transformation” test but rather looked to the Federal Circuit to come up with other limiting criteria in evaluating business method patents in the Information Age. Instead of coming up with a test of its own, the Court told the Federal Circuit to look to the definition of the term “process” in § 101(b) and the “guideposts” of the

Benson, *Flook* and *Diehr* Supreme Court cases in coming up with a different, less extreme test than the “machine-or-transformation” test.

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

***Blackboard Inc. v. Desire2Learn Inc.*, 78 BNA’s PTCJ 405**

The U.S. Court of Appeals for the Federal Circuit on July 27, 2009 invalidated Blackboard Inc.’s patent for conducting courses online over the Internet, as all patent claims are determined to be either anticipated or inadequately disclosed.

***Cardiac Pacemakers Inc. v. St. Jude Medical Inc.*, 78 BNA’s PTCJ 502**

The U.S. Court of Appeals for the Federal Circuit held *en banc* on August 19, 2009 that a statutory prohibition against supplying components of a patented invention for offshore assembly does not apply to method claims. In an 11-1 opinion, the court overrules its 2005 holding in *Union Carbide v. Shell Oil*, which appellants argued was in conflict with the U.S. Supreme Court’s 2007 decision in *Microsoft Corp. v. AT&T Corp.*

***Friskit Inc. v. RealNetworks Inc.*, 91 USPQ2d 1417**

The U.S. Court of Appeals for the Federal Circuit held on January 12, 2009, in an unpublished opinion, that plaintiff failed to overcome showing that asserted claims directed to system for delivering streaming media content on demand with search and playback capability are obvious in view of prior art, since plaintiff argued that inventive feature of patent is claimed “programmatic control” of media player by server module, and “direct control” of media player by search module, and it would have been obvious for one of ordinary skill in art to use prior art devices to develop control mechanisms described in claims.

***In re Lister*, 78 BNA’s PTCJ 670**

The U.S. Court of Appeals for the Federal Circuit held on September 22, 2009 that unless a description of a new method of golfing is available in a searchable database before the patent application’s critical date, the patent was not invalid for anticipation. The document was deposited in the U.S. Copyright Office before the critical date.

***14i L.P. v. Microsoft Corp.*, 78 BNA’s PTCJ 632**

A three-judge panel of the U.S. Court of Appeals for the Federal Circuit on September 23, 2009 took another crack at patent damages reform in oral arguments. The case was

placed on a fast track because of its impact on Microsoft's distribution of its Word document processing application.

***Lucent Technologies Inc. v. Gateway Inc.,*
78 BNA's PTCJ 583**

The U.S. Court of Appeals for the Federal Circuit on September 11, 2009 vacated a half-billion dollar award against Microsoft Corp. for use of its "pop-up calendar" in Microsoft Outlook. The court affirms patent validity and infringement judgments that Microsoft had also challenged, but rules that the jury's damages calculation lacked sufficient evidentiary support.

***Kara Technology Inc. v. Stamps.com Inc.,*
92 USPQ2d 1252**

The U.S. Court of Appeals for the Federal Circuit held on September 24, 2009 that patent claims directed to technology that allows customer to print secured document at home, using preprinted label sheets containing "preestablished data" from which remote processor creates "security indicia", do not require that security indicia be created and validated under control of "key" contained in preestablished data; judgment of noninfringement is vacated.

***Perfect Web Technologies Inc. v. Info USA Inc.,*
79 BNA's PTCJ 160**

The U.S. Court of Appeals for the Federal Circuit held on December 2, 2009 that common sense made "try again" step in e-mail distribution method patent claim obvious.

***Source Search Technologies, LLC v. Lending Tree LLC,*
79 BNA's PTCJ 192**

The U.S. Court of Appeals for the Federal Circuit held on December 7, 2009 that "bricks and mortar" prior art did not invalidate patent on computerized service.

***14i L.P. v. Microsoft Corp.,*
79 BNA's PTCJ 218**

The U.S. Court of Appeals for the Federal Circuit held on December 22, 2009 that Microsoft Corp. failed to properly challenge patent obviousness and damages decisions against it, and otherwise failed to prove invalidity and non-infringement of a technology used by Microsoft Word. The court upholds a jury award of \$200 million in damages and the district court judge's \$40 million enhancement for willful infringement.

***Anascape Ltd. v. Nintendo of America Inc.,*
79 BNA's PTCJ 751**

The U.S. Court of Appeals for the Federal Circuit on April 13, 2010 reversed a \$21 million award to a video game controller patentee ruling that the patent owner is not entitled to an invention date early enough to support its complaint against Nintendo.

***SiRF Technology Inc. v. International Trade Commission,*
79 BNA's PTCJ 755**

The U.S. Court of Appeals for the Federal Circuit held on April 10, 2010 that patented methods for communications between global positioning system servers and devices such as cell phones are directly infringed by the service operator.

***Bid for Position LLC v. AOL LLC,*
94 USPQ2d 1368**

The U.S. Court of Appeals for the Federal Circuit ruled on April 7, 2010 that Google's system for running continuous auctions to determine placement of advertisements on search results pages of Internet search engine does not infringe asserted claims of patent-in-suit, which enables bidder to pursue position for ad other than highest available position, since accused system simply selects highest ranking position of priority that is available for offered bid, and since claim language and prosecution history indicate inventor disclaimed that subject matter.

***TiVo Inc. v. EchoStar Corp.,*
79 BNA's PTCJ 538**

A split U.S. Court of Appeals for the Federal Circuit on March 4, 2010 upheld contempt sanctions against EchoStar Corp. for violations of an infringement decision against digital video recorders used by customers of the Dish Network satellite television service.

***14i L.P. v. Microsoft Corp.,*
93 USPQ2d 1943**

The U.S. Court of Appeals for the Federal Circuit ruled on March 10, 2010 that infringement is willful if infringer was aware of asserted patent, but nonetheless acted despite "objectively high likelihood" that its actions constituted infringement of valid patent, and if infringer knew or should have known of this objectively high risk; in present case, substantial evidence supports jury's verdict that defendant willfully infringed patent for method of processing and storing information about structure of electronic documents.

***Trading Technologies International Inc. v. eSpeed Inc.*,
93 USPQ2d 1805**

The U.S. Court of Appeals for the Federal Circuit on February 25, 1020 reviewed the district court's claim construction without deference to lower court's factual decisions underlying that construction; in present case, district court correctly construed claims directed to software for displaying market for commodity traded on electronic exchange, and judgment of non-infringement is affirmed.

***Verizon Services Corp. v. Cox Fiber-net Virginia Inc.*,
79 BNA's PTCJ 793**

The U.S. Court of Appeals for the Federal Circuit ruled on April 16, 2010 that Verizon failed to defeat patent invalidity and non-infringement findings for its patents directed to packet-switched telephony, also known as voice over Internet protocol (*i.e.* VOIP).

***Orion IP LLC v. Hyundai Motor America*, 80 BNA's
PTCJ 94**

The U.S. Court of Appeals for the Federal Circuit on May 17, 2010 invalidated a patent for computerized parts-sales method in view of prior art reference.

PATENTS – Case Law – U.S. District Courts

***Papyrus Technology Corp. v. New York Stock Exchange LLC*, 78 BNA's PTCJ 600**

The U.S. District Court for the Southern District of New York held on September 2, 2009 that two computer-based stock trading patents obvious and thus invalid.

***DealerTrack Inc. v. Huber*, 78 BNA's PTCJ 341**

The U.S. District Court for the Central District of California ruled on July 7, 2009 that a system for automating credit applications unpatentable under *Bilski* for failure to disclose a "particular machine."

***Golden Hour Data Systems Inc. v. emsCharts Inc.*,
91 USPQ2d 1565**

The U.S. District Court for the Eastern District of Texas held on April 3, 2009 that evidence does not support jury's conclusion that first defendant exercised requisite "control or direction" over second defendant to permit finding of liability for joint infringement of patent, since defendants' distributorship agreement granted first defendant no rights to second defendant's software except right to promote software to end users, and communications between defendants regarding their joint

bid on university's request for proposal show that first defendant did not "direct" second defendant to submit bid.

***Visto Corp. v. Research in Motion Ltd.*,
78 BNA's PTCJ 372**

In a case pending before the U.S. District Court for the Eastern District of Texas, BlackBerry maker Research in Motion Ltd. announced on July 16, 2009 its agreement to pay \$267.5 million to Visto Corp. to settle the latter's 2006 patent infringement suit. RIM will receive a perpetual and fully-paid license on all Visto patents and a transfer of certain Visto intellectual property.

***Research Corporation Technologies Inc. v. Microsoft Corp.*, 78 BNA's PTCJ 432**

The U.S. District Court for the District of Arizona on July 28, 2009 expanded on the *Bilski* machine-or-transformation test for patentable subject matter by applying the test to apparatus claims.

***Intellectual Science and Technology Inc. v. Sony Electronics Inc.*, 91 USPQ2d 1123**

The U.S. District Court for the Eastern District of Michigan ruled on November 24, 2008 that term "multitasking," as used in preamble of claim in patent directed to "information processing apparatus with multitasking function," is properly construed to be required element of claim, since term appears 45 times in patent, since summary of invention identifies capability of multitasking as primary objective of invention, and since term was added to claim and expressly relied on to overcome prior art.

***Wisconsin Alumni Research Foundation v. Intel Corp.*, 78 BNA's PTCJ 696**

In a patent infringement case pending in the U.S. District Court for the Western District of Wisconsin, the Wisconsin Alumni Research Foundation confirmed on October 6, 2009 that it has reached a settlement with semiconductor maker Intel Corp. The case involved Intel-funded research at the University of Wisconsin wherein the Federal District Court had earlier stated that: "donation" of research funds to a professor did not create a license to the resulting patents.

***i4i L.P. v. Microsoft Corp.*, 78 BNA's PTCJ 508**

The U.S. District Court for the Eastern District of Texas ruled on August 11, 2009 that the 2003 and 2007 versions of the Microsoft Word word processing application infringed a patent related to the handling of digital documents using

Extensible Markup Language and will be enjoined from distributing versions of Word that are capable of opening XML files. Granting final judgment on the issue of infringement, the court also finds willfulness and adds \$40 million in enhanced damages for willfulness to the jury's \$200 million award.

Uniloc v. Microsoft Corp., 78 BNA's PTCJ 702

The U.S. District Court for the District of Rhode Island on September 29, 2009 vacated a \$388 million jury award against Microsoft for patent infringement.

Laser Dynamics Inc. v. Quanta Computer Inc., 79 BNA's PTCJ 327

The U.S. District Court for the Eastern District of Texas on January 6, 2010 upheld a jury award of \$52 million for infringement of a patent on reading optical disks.

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

Ex parte Rodriguez, 78 BNA's PTCJ 798

The Board of Patent Appeals and Interferences on October 1, 2009 stated that software patent applicants are to provide patent claim language that is tied specifically and verbatim to structures in the specification of the patent application.

Ex parte Gutta, 79 BNA's PTCJ 222

The Board of Patent Appeals and Interferences ruled on August 20, 2009 that patent application claims on systems and machines involving a mathematical algorithm are subject to a two-inquiry test drawing in part from the *Bilski* test for process claim patentability. The board applies a new test that requires the claim to show both a "real-world use" of the algorithm and no preemption of all practical applications, even if in only one field of use.

PATENTS – Case Law – International Trade Commission

In the Matter of Mobile Telephones and Wireless Communication Devices Featuring Digital Cameras, and Components Thereof, 79 BNA's PTCJ 472

The International Trade Commission on February 17, 2010 instituted an investigation based on Eastman Kodak Co.'s allegations of patent infringement by Research in Motion Ltd.'s BlackBerry devices and Apple Inc.'s iPhone.

PATENT/ADVERTISING INJURY – Case Law – U.S. Courts of Appeal

Hyundai Motor America v. National Union Fire Insurance Co. of Pittsburgh, PA, 79 BNA's PTCJ 750

The U.S. Court of Appeals for the Ninth Circuit ruled on April 5, 2010 that a patent infringement claim against Hyundai Motor America challenging the automaker's "build your own vehicle" website feature constituted an "advertising injury." The court accordingly reverses a summary judgment that an insurance company had no duty to defend Hyundai in the patent infringement charges against it.

PATENT/FOLA – Case Law – U.S. Courts of Appeal

Hunton & Williams v. U.S. Department of Justice, 79 BNA's PTCJ 244

The U.S. Court of Appeals for the Fourth Circuit ruled on January 4, 2010 that communications between the alleged infringer in the BlackBerry case and the U.S. Department of Justice were privileged and can be withheld from a Freedom of Information Act request. However, the court leaves open that certain communications—including those that were forwarded by the DOJ to the Patent and Trademark Office related to reexamination of the underlying patent at issue—that occurred before the parties had signed a "common interest agreement" might still be subject to the FOIA request.

COPYRIGHTS – Case Law – U.S. Supreme Court

Reed Elsevier Inc. v. Muchnick, 79 BNA's PTCJ 497

The U.S. Supreme Court unanimously ruled on March 2, 2010 that the inclusion of authors of unregistered works in a class action settlement involving the electronic distribution rights of freelance authors does not prevent a federal court from considering the settlement. The court emphasizes that the Copyright Act's registration requirement constitutes "a precondition to filing a claim that does not restrict a federal court's subject matter jurisdiction."

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

Intercollegiate Broadcast System Inc. v. Copyright Royalty Board, 78 BNA's PTCJ 367

The U.S. Court of Appeals for the District of Columbia Circuit on July 10, 2009 largely affirmed the Copyright Royalty Board's 2007 determination of royalty rates for copyrighted music used by webcasters.

***Cincom Systems Inc. v. Novelis Corp.,
78 BNA's PTCJ 699***

The U.S. Court of Appeals for the Sixth Circuit ruled on September 25, 2009 that reorganization of licensee entities resulted in unauthorized transfer of software license.

***Arista Records LLC f/k/a Arista Records Inc. v.
Launch Media Inc., 78 BNA's PTCJ 531***

The U.S. Court of Appeals for the Second Circuit held on August 21, 2009 that an Internet music service whose playlist is individually generated based on the preferences of a particular user is not an interactive service as defined by Section 1114 of the Copyright Act and thus is not required to pay individual licensing fees to copyright holders of the sound recordings that it webcasts.

SCO Group Inc. v. Novell Inc., 78 BNA's PTCJ 532

The U.S. Court of Appeals for the Tenth Circuit ruled on August 24, 2009 that the SCO Group Inc.'s claims to ownership of copyrights in UNIX operating systems should go to trial, reversing a lower court's finding that the rights were never transferred to SCO.

***Maverick Recording Co. v. Harper,
79 BNA's PTCJ 507***

The U.S. Court of Appeals for the Fifth Circuit ruled on February 25, 2010 that a defendant accused of downloading copyrighted sound recordings was not an innocent infringer based solely on the argument that she is too young and naïve to understand how copyright law applies to her actions.

***R.C. Olmstead Inc. v. CU Interface,
80 BNA's PTCJ 157***

The U.S. Court of Appeals for the Sixth Circuit ruled on May 19, 2010 that summary judgment was properly granted to the defendant in an infringement suit brought by a credit union software developer against a competing software developer.

Arista Records LLC v. Doe 3, 80 BNA's PTCJ 17

The U.S. Court of Appeals for the Second Circuit ruled on April 29, 2010 that IP addresses and lists of allegedly copied songs were sufficient to proceed with peer-to-peer lawsuit.

***Penguin Group (USA) Inc. v. American Buddha, 80
BNA's PTCJ 263***

The U.S. Court of Appeals for the Second Circuit on June 15, 2010 asked New York's top court whether the harm from

alleged copyright infringement is felt, for purposes of that state's long-arm statute, where the copyright holder resides or where the act of copying and uploading content to the Internet occurs.

COPYRIGHTS – Case Law – U.S. District Courts

***Arista Records LLC v. Usenet.com Inc.,
78 BNA's PTCJ 283***

The U.S. District Court for the Southern District of New York held on June 30, 2009 that online newsgroup service that marketed itself as a source for pirated music is liable for copyright infringement.

Capital Records Inc. v. Alaujan, 78 BNA's PTCJ 407

The U.S. District Court for the District of Massachusetts ruled on July 27, 2009 that a file sharing student defending claims of copyright infringement may not assert a fair use defense.

Capitol Records Inc. v. Alaujan, 78 BNA's PTCJ 433

A jury in the U.S. District Court for the District of Massachusetts on July 31, 2009 awarded \$675,000 to record companies that had sued a Boston University student for online infringement of musical works.

***Counter Terrorist Group US v. Australian
Broadcasting Corp., 91 USPQ2d 1281***

The U.S. District Court for the Southern District of New York stated on June 10, 2009 that it lacked federal question jurisdiction over infringement claim stemming from defendants' alleged unauthorized publication of copyrighted photographs, which are alleged to have been obtained from confidential e-mail and then featured during broadcast of network television program in Australia, and later in online story, since plaintiffs have not alleged in complaint that predicate acts of infringement, namely, copying and transmission of images to network, occurred within United States.

***In re Application of Celco Partnership d/b/a Verizon
Wireless, 78 BNA's PTCJ 763***

The U.S. District Court for the Southern District of New York ruled on October 14, 2009 that a cell phone company does not have to pay performance royalties when its subscribers receive calls that trigger the playing of a copyrighted work as a ringtone, granting summary judgment of noninfringement in favor of the phone company.

***Vernor v. Autodesk Inc.*, 78 BNA's PTCJ 773**

The U.S. District Court for the Western District of Washington ruled on September 30, 2009 that a copyright's first sale doctrine permits eBay sale of used software.

***Moberg v. 33T LLC*, 78 BNA's PTCJ 720**

The U.S. District Court for the District of Delaware held on October 6, 2009 that the posting of a photograph on an overseas Internet website is not a simultaneous publication in the United States that triggers the need to complete a U.S. copyright registration before suing for infringement.

***Authors Guild v. Google Inc.*, 78 BNA's PTCJ 664**

The U.S. District Court for the Southern District of New York on September 24, 2009 postponed an October 7 fairness hearing regarding the Google Book Search settlement between Google Inc. and a group of authors. This comes days after the Department of Justice files an amicus brief stating that the proposed settlement might not be consistent with U.S. antitrust law.

***UMG Recordings Inc. v. Veoh Networks Inc.*,
78 BNA's PTCJ 638**

The U.S. District Court for the Central District of California ruled on September 11, 2009 that an online video upload service that complied with the requirements of the Section 512(c) service provider safe harbor is not liable for infringement based on its users' unauthorized uploading of copyrighted material.

***Real Networks Inc. v. DVD Copy Control Association Inc.*, 78 BNA's PTCJ 541**

The U.S. District Court for the Northern District of California on August 11, 2009 enjoined Real Networks as court finds multiple DMCA violations and no personal copy fair use.

***Specific Software Solutions LLC v. Institute of WorkComp Advisors LLC*, 92 USPQ2d 1208**

The U.S. District Court for the Middle District of Tennessee held on May 18, 2009 that a copyright is not considered "registered" for purposes of 17 U.S.C. § 411(a) until registration certificate has issued, or registration has been refused by Copyright Office after delivery of required deposit, application, and fee; district court lacks jurisdiction over action for declaratory judgment that plaintiff has not infringed defendant's copyrights, since defendant has not received certificate of copyright registration, or refusal of registration, from Copyright Office.

***Numbers Licensing LLC v. bVisual USA Inc.*,
91 USPQ2d 1946**

The U.S. District Court for the Eastern District of Washington held on July 15, 2009 that defendant company obtained implied license to continue using and modifying source code, for Internet-based video-conferencing system, that was created on defendant's behalf by software engineer employed by plaintiff's predecessor, since engineer was independent contractor, and more than three years passed before engineer made known his intent to retain rights in source code, and since plaintiff's failure to obtain written agreement retaining licensing rights, and defendant's payment of substantial sums for delivery of source code, supports finding of implied license in defendant.

***Bryant v. Europadisk Ltd.*, 91 USPQ2d 1825**

The U.S. District Court for the Southern District of New York held on April 15, 2009 that statutory damages awarded for infringement of plaintiffs' copyrights in musical recordings, in action in which copyrights were infringed by sales of digital downloads, must be calculated on per-album basis, rather than per-song basis, since total number of awards of statutory damages plaintiffs may recover depends on number of "works" infringed, since 17 U.S.C. § 504(c) provides that all parts of compilation constitute one work, and since each album copied by defendants is "compilation" of songs and cover art illustrations.

***Apple Inc. v. Psystar Corp.*, 79 BNA's PTCJ 109**

The U.S. District Court for the Northern District of California held on November 13, 2009 the software that lets the Mac operating system run on PCs infringes Apple Inc.'s copyrights and violates the Digital Millennium Copyright Act.

***Authors Guild Inc. v. Google Inc.*, 79 BNA's PTCJ 101**

The U.S. District Court for the Southern District of New York on November 19, 2009 granted preliminary approval to an amended proposal to settle a dispute between Google Inc. and authors and publishers over the wholesale scanning of the content of several of the world's major libraries.

***Authors Guild Inc. v. Google Inc.*, 79 BNA's PTCJ 153**

The U.S. District Court for the Southern District of New York on December 1, 2009 denied a request by Amazon.com Inc. to reconsider its preliminary approval of an amended proposal to settle a dispute between Google Inc. and authors and publishers over the wholesale scanning of the content of several of the world's major libraries.

***Sony BMG Music Entertainment v. Tenenbaum,*
79 BNA's PTCJ 189**

The U.S. District Court for the District of Massachusetts on December 7, 2009 rejected a student file sharer's fair use defense and ordered copies be destroyed.

***Columbia Pictures Industries Inc. v. Fung,*
79 BNA's PTCJ 278**

The U.S. District Court for the Central District of California held on December 21, 2009 that Torrent network is liable for inducing infringement through sites' design.

***FragranceNet.com v. FrangranceX.com Inc.,*
79 BNA's PTCJ 351**

The U.S. District Court for the Eastern District of New York ruled on January 14, 2010 that an online perfume distributor sufficiently asserted infringement claims against a competitor to survive dismissal.

***Capitol Records Inc. v. Thomas-Rasset,*
79 BNA's PTCJ 353**

The U.S. District Court for the District of Minnesota on January 22, 2010 cut a jury award of \$1.92 million down to \$54,000 against an online file sharer.

***CYBERSitter LLC v. Peoples' Republic of China,*
79 BNA's PTCJ 273**

A U.S. software company on January 5, 2010 sued the Chinese government and others in the U.S. District Court for the Central District of California for copyright and trade secrets infringement involving a web content censoring program that sparked U.S.-China trade tensions last year.

***American Society of Media Photographers Inc. v. Google Inc.,*
79 BNA's PTCJ 745**

A group of visual artists associations and interest groups on April 7, 2010 filed a class-action lawsuit against Google Inc. in the U.S. District Court for the Southern District of New York alleging that Google's Book Search program infringes their copyrights in photographs and other visual works contained in the books and periodicals that Google scans. The lawsuit is similar to an action filed by the Authors Guild and the Association of American Publishers in 2005, which is currently awaiting settlement approval.

***Pegasus Imaging Corp. v. Allscripts Healthcare Solutions Inc.,*
93 USPQ2d 2007**

The U.S. District Court for the Middle District of Florida on February 9, 2010 denied defendants' motion to dismiss plaintiff's infringement action for lack of subject matter jurisdiction, since there are genuine issues of material fact as to whether plaintiff met deposit requirements when it registered its barcoding software program with the U.S. Copyright Office, and whether plaintiff intentionally concealed information relevant to its copyright application.

***Pearson Education Inc. v. Wong,*
93 USPQ2d 1903**

The U.S. District Court for the Northern District of California on February 3, 2010 granted to plaintiffs default judgment in action accusing defendant of selling, online, infringing copies of plaintiffs' copyrighted instructors' solutions manuals for educational textbooks, since plaintiffs will suffer irreparable harm if defendant is allowed to continue selling infringing works, since defendant's infringement was willful, and since strong policy favoring decisions on merits does not warrant denial of default judgment.

***Society of the Holy Transfiguration Monastery Inc. v. Archbishop Gregory of Denver, Colo.,*
94 USPQ2d 1234**

The U.S. District Court for the District of Massachusetts on February 18, 2010 granted summary judgment to plaintiff monastery that defendant did not make fair use of copyrighted English translation of ancient Greek religious text by posting copy of work on website, even though defendant does not seek commercial gain from his use of work; although plaintiff has not alleged any specific lost sales or profits, it has had to expend time and resources to enforce its rights in work, and deterrence of injurious conduct by others is consideration separate and apart from showing of actual market harm.

***Miller v. Facebook, Inc.,*
80 BNA's PTCJ 25**

The U.S. District Court for the Northern District of California ruled on March 31, 2010 that Facebook escaped copyright infringement liability due to game-maker's faulty pleading.

***Marketing Technology Solutions, Inc. v. MediZine LLC,*
80 BNA's PTCJ 167**

In an April 23, 2010 decision unsealed May 18, 2010, the U.S. District Court for the Southern District of New York ruled

that though quantitatively small, copied software code may infringe if of qualitative value.

Arista Records LLC v. Lime Group LLC, 80 BNA's PTCJ 84

The U.S. District Court for the Southern District of New York ruled on May 11, 2010 that the operator of the peer-to-peer file sharing program LimeWire is secondarily liable for its users' infringement of the copyrights on thousands of protected songs.

L.A. Printex Industries Inc. v. Aeropostale, 80 BNA's PTCJ 96

The U.S. District Court for the Central District of California ruled on May 5, 2010 that fabric designs based on "clip art" are registrable as derivative work, not as group.

COPYRIGHTS – Case Law – International - France

Editions du Seuil v. Google Inc., 79 BNA's PTCJ 226

The Paris county court ruled on December 18, 2009 that Google Inc.'s bulk scanning of books for its Google Book Search website infringed the copyrights held by parties who sued in France.

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

Jacobsen v. Katzer, 79 BNA's PTCJ 229

The U.S. District Court for the Northern District of California held on December 10, 2009 that removal of automated copyright notices from open source software violated the DMCA.

Capitol Records Inc. v. MP3tunes LLC, 93 USPQ2d 1282

The U.S. District Court for the Southern Division of New York ruled on October 11, 2009 that infringement claims asserted against defendant Internet music service by plaintiffs who were not identified in pre-complaint takedown notices will not be dismissed on ground that defendant is protected by safe harbor provision of Digital Millennium Copyright Act, since complaint cannot be dismissed on motion asserting affirmative defense unless defense appears on face of complaint, and complaint in present case does not establish that defendant meets threshold requirements for safe harbor protection.

Trac Fone Wireless Inc. v. Anadisk LLC, 79 BNA's PTCJ 196

The U.S. District Court for the Southern District of Florida on February 18, 2010 awarded \$12.3 million DMCA damages against a defaulting cell phone "reflasher" who unlocked software controls designed to restrict the use of the device to approved networks.

COPYRIGHTS/PERSONAL JURISDICTION – Case Law – U.S. District Courts

Stormhale Inc. v. Baidu.com Inc., 93 USPQ2d 1414

The U.S. District Court for the Southern District of New York ruled on December 16, 2009 that Internet search engine based in China is not subject to personal jurisdiction under New York's jurisdiction statute, N.Y. C.P.L.R. §§ 301-302, in copyright infringement action, even though defendant is listed on NASDAQ Stock Market.

COPYRIGHTS/TRADE SECRETS – Case Law – U.S. Courts of Appeal

Just Med Inc. v. Byce, 79 BNA's PTCJ 710

The U.S. Court of Appeals for the Ninth Circuit ruled on April 5, 2010 that tech start-up's industry practices support finding that a programmer was an employee for purposes of the work-for-hire doctrine even though parties had no employment agreement, defendant did not fill out federal employment forms or receive benefits, and plaintiff did not withhold taxes.

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

In re Hotels.com LP, 78 BNA's PTCJ 404

The U.S. Court of Appeals for the Federal Circuit ruled on July 23, 2009 that the Trademark Trial and Appeal Board had sufficient evidence to conclude that the term "hotels.com" is generic with respect to providing online information and reservation services. Affirming the board's decision upholding a trademark examining attorney's refusal to register the mark, the court emphasizes that many of the trademark applicant's competitors used the elements "hotels" and ".com" in offering their online travel services.

In re 1800Mattress.com IP LLC substituted for Dial-A-Mattress Operating Corp., 79 BNA's PTCJ 47

The U.S. Court of Appeals for the Federal Circuit on November 6, 2009 affirmed the Trademark Trial and Appeal Board's ruling that "mattress.com" is generic for selling mattresses.

In re Sones, 79 BNA's PTCJ 243

The U.S. Court of Appeals for the Federal Circuit held on December 23, 2009 that a specimen of use from a website does not necessarily have to include an image of the goods being associated with a trademark registered originally through an intent-to-use application. Vacating a rejection of a specimen of use by the Trademark Trial and Appeal Board, the court rejects a "bright-line rule" adopted by the Patent and Trademark Office that deems a specimen of use from the Internet valid only when it includes an image of the product with which the trademark at issue is being associated.

Tiffany (NJ) Inc. v. eBay Inc., 79 BNA's PTCJ 693

The U.S. Court of Appeals for the Second Circuit ruled on April 1, 2010 that online auction site operator eBay Inc. is not liable for trademark infringement or dilution based on some sellers' listing of counterfeit Tiffany jewelry, because it takes action when it has knowledge of fraud with regard to any specific listing. Affirming a judgment for eBay on the jewelry maker's trademark claims, the court, however, remands the question of whether eBay might be liable for false advertising for posting ads on its own site and on search engine sites stating that Tiffany jewelry can be purchased on eBay.

TRADEMARKS – Case Law – U.S. District Courts***Frayne v. Chicago 2016, 78 BNA's PTCJ 722***

The U.S. District Court for the Northern District of Illinois held on October 2, 2009 that counterclaims by the City of Chicago and the U.S. Olympic Committee in a website operator's declaratory judgment action asserting rights to "Chicago 2016" as a trademark and in a domain name related to Chicago's recently failed bid for the 2016 Olympics cannot be resolved on summary judgment.

Experian Marketing Solutions Inc. v. U.S. Data Corp., 78 BNA's PTCJ 643

The U.S. District Court for the District of Nebraska ruled on September 9, 2009 that a database company's alleged unauthorized use of data bearing a plaintiff's trademarks survives dismissal under *Dastar*.

Real Networks Inc. v. QSA Tool Works LLC, 78 BNA's PTCJ 543

The U.S. District Court for the Western District of Washington ruled on August 14, 2009 that there was no likelihood of confusion as to source between "Helix" streaming media and database management.

H. Jay Spiegel & Associates PC v. Spiegel, 93 USPQ2d 1349

The U.S. District Court for the Eastern District of Virginia ruled on August 26, 2009 that both parties' motions for summary judgment are denied in action alleging that plaintiff's "Spiegelaw.com" trademark is infringed by defendant's "Spiegellaw.com" Internet domain name, and parties are left in same position as when case began, since neither party has produced sufficient evidence to allow grant of summary judgment in its favor, parties have no additional evidence to put on before trial, and neither party has submitted sufficient evidence to prove their claims by preponderance of evidence.

Protectmarriage.com – Yes on 8, a Project of California Renewal v. Courage Campaign, 93 USPQ 1477

The U.S. District Court for the Eastern District of California ruled on January 20, 2010 that plaintiff seeking temporary restraining order is not likely to succeed on merits of claim that defendants' use of logo for website supporting right to homosexual marriage infringes plaintiff's logo for non-profit organization that opposed such right, even though defendants' logo is derived from plaintiff's logo.

Jurin v. Google, Inc., 79 BNA's PTCJ 683

The U.S. District Court for the Eastern District of California ruled on February 26, 2010 that Google's use of "Styrotrim" mark as keyword is not likely to cause confusion.

Ceramic Performance Worldwide LLC v. Motor Works LLC, 93 USPQ2d 1771

The U.S. District Court for the Northern District of Texas on January 21, 2010 denied defendants' motion to dismiss claim for declaratory judgment of non-infringement of their trademarks since defendants have allegedly published information on their website accusing plaintiff of infringement and threatening to sue for misuse of defendants' protected materials, which clearly invokes Lanham Act, and since factors considered in deciding whether to dismiss declaratory action, particularly absence of parallel state proceeding involving subject matter, weigh in favor of retaining jurisdiction.

Vulcan Golf LLC v. Google Inc., 80 BNA's PTCJ 242

The U.S. District Court for the Northern District of Illinois on June 9, 2010 denied summary judgment to Google, thereby opening the possibility that it could be liable for

cybersquatting as “licensee” of various infringing domain names.

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

***In re Petroglyph Games Inc.*, 91 USPQ2d 1332**

The Trademark Trial and Appeal Board ruled on June 19, 2009 that trademark applicant’s identification of its goods as “computer game software,” in application for registration of “Battlecam” mark, is not inaccurate, even if it is assumed that mark identifies only particular feature of applicant’s computer games, since such feature is essentially computer code that allows feature to be activated and used or controlled by player, and subset of entire collection of code used for particular game can aptly be referred to as “computer game software.”

***Hewlett-Packard Co. v. Vudu Inc.*, 92 USPQ2d 1630**

The Trademark Trial and Appeal Board ruled on October 26, 2009 that applicant’s use of “Vudu” as trademark for computer software for transmission, storage, and playback of audio and video content is likely to cause confusion with opposer’s “Voodoo” mark for personal and gaming computers; however, applicant’s use of its mark for information services, broadcasting services, and Web site is not likely to cause confusion with opposer’s use of “Voodoo” as service mark for customer design and manufacturing of computers.

***Research In Motion Ltd. v. NBOR Corp.*, 92 USPQ2d 1926**

The Trademark Trial and Appeal Board ruled on December 2, 2009 that opposition to registration of “Black Mail,” as trademark for computer software for facilitating interactive communication over information networks, is sustained on ground that applicant lacked *bona fide* intent to use mark when it filed involved application, since applicant has no documentary evidence to show requisite *bona fide* intent, and applicant’s discovery responses indicate that it has made no plans relating to use of mark.

***Safer Inc. v. OMS Investments Inc.*, 94 USPQ2d 1031**

The Trademark Trial and Appeal Board ruled on February 13, 2010 that a document obtained from Internet may be admitted into evidence in *inter partes* proceeding before Trademark Trial and Appeal Board pursuant to notice of reliance, in same manner as printed publication in general circulation, provided document identifies date of publication or date accessed and printed, as well as its source; types

of documents that may be introduced by notice of reliance are therefore expanded to include websites, advertising, business publications, annual reports, and studies or reports prepared for or by party or non-party, if they can be obtained through Internet as publicly available documents.

***In re Quantum Foods Inc.*, 94 USPQ2d 1375**

The Trademark Trial and Appeal Board ruled on April 15, 2010 that a website page that displays product, and provides means of ordering product, can constitute acceptable specimen of trademark use as long as mark appears on web page in manner in which mark is associated with goods; however, Internet web page that merely provides information about goods, without providing means for ordering them, is viewed as promotional material, which is not acceptable to show trademark use on goods.

***Edwards Lifesciences Corp. v. VigiLanz Corp.*, 94 USPQ2d 1399**

The Trademark Trial and Appeal Board ruled on April 14, 2010 that a computer monitoring system that anticipates and detects adverse drug events, sold under applicant’s “Vigilanz” mark, is very different from opposer’s heart monitors sold under “Vigilance” mark, and products move in different channels of trade to different classes of consumers.

TRADEMARKS/PERSONAL JURISDICTION – Case Law – U.S. District Courts

***Guinness World Records Ltd. v. Due d/b/a World Records Academy*, 78 BNA’s PTCJ 799**

The U.S. District Court for the Northern District of Illinois held on October 20, 2009 that a website not set up for ordering and minimal sales does not add up to personal jurisdiction.

***William R. Hague Inc. v. Puretech Water Systems, Inc.*, 94 USPQ2d 1247**

The U.S. District Court for the Southern District of Ohio ruled on March 9, 2010 that infringement plaintiff has failed to make *prima facie* showing that defendant purposefully availed itself of privilege of doing business in Ohio, since defendant’s website primarily consisted of passively posted information about defendant’s “Puretech” water-treatment systems, and was not interactive to degree that reveals specifically intended interaction with Ohio residents, and since defendant’s website and advertising contacts with Ohio, viewed together, do not suggest that defendant’s conduct was in any way purposefully directed at Ohio.

TRADEMARKS/COPYRIGHTS – Case Law – U.S. District Courts

Louis Vuitton Malletier S.A. v. Akanoc Solutions Inc., 79 BNA's PTCJ 680

The U.S. District Court for the Northern District of California on March 19, 2010 reduced a \$32 million statutory damages award to \$10.8 million against three parties involved in a web hosting service.

TRADEMARKS/CYBERSQUATTING – Case Law – U.S. District Courts

D.J. Miller Music Distributors Inc. v. Strauser, 78 BNA's PTCJ 678

The U.S. District Court for the Middle District of Florida held on September 21, 2009 that a karaoke business owner's role in transfer of rival domain name supported ACPA claim.

Texas International Property Associates v. Hoerbiger Holding AG, 92 USPQ2d 1215

The U.S. District Court for the Northern District of Texas held on May 12, 2009 that evidence warrants finding that plaintiff registered "horbiger.com" domain name, which is confusingly similar to defendant's "Hoerbiger" mark, in bad faith, and defendant is granted summary judgment on its counterclaim for violation of Anticybersquatting Consumer Protection Act; plaintiff clearly knew that domain name was confusingly similar misspelling of defendant's mark, and plaintiff was not using domain name in "surname sense".

Web Adviser v. Bank of America Corp., 79 BNA's PTCJ 328

The U.S. District Court for the Southern District of New York ruled on December 3, 2009 that an accused cybersquatter was barred from using domains similar to merged banks' marks.

InterContinental Hotel Corp. v. Kirchoff, 79 BNA's PTCJ 355

The World Intellectual Property Organization (i.e. WIPO) in a decision issued January 19, 2010 transfers 1,500 domain names in a dispute contesting ownership.

Webadviso v. Bank of America Corp., 79 BNA's PTCJ 451

The U.S. District Court for the Southern District of New York on February 16, 2010 granted summary judgment in favor of Bank of America and Merrill Lynch in a cybersquatting

case involving the merger of the two companies and their domain names.

TRADEMARKS/CONTRACT/VENUE – Case Law – U.S. District Courts

Appliance Zone LLC v. NexTag, 93 USPQ2d 1540

The U.S. District Court for the Southern District of Indiana ruled on December 22, 2009 that the terms-of-service agreement associated with defendant's comparison-shopping website is valid and enforceable against plaintiff, and plaintiff's infringement action, stemming from defendant's use of plaintiff's trademarks on website to promote prices and goods of plaintiff's competitors, is dismissed for improper venue based on forum selection clause in agreement.

TRADE SECRETS – Case Law – U.S. Courts of Appeal

Decision Insights, Inc. v. Sentia Group, Inc., 311 Fed. App'x. 586

The U.S. Court of Appeals for the Fourth Circuit on February 12, 2009, in an unpublished opinion, reaffirmed that trade secret protection is afforded an entire software program as a total compilation if reasonable measures were taken to protect the secrecy of the program. At issue in the litigation was whether former employees of Decision Insights hired by Sentia disclosed trade secrets regarding its software application.

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

Contour Design Inc. v. Chance Mold Steel Co., 79 BNA's PTCJ 352

The U.S. District Court for the District of New Hampshire ruled on January 14, 2010 that a computer mouse substitute was a protectable trade secret even though it was still in development.

TRADE SECRETS – Case Law – State Courts - California

Silvaco Data Systems v. Intel Corp., 80 BNA's PTCJ 15

The California Court of Appeals ruled on April 29, 2010 that Intel Corp. was not liable for misappropriating trade secrets when it incorporated a supplier's code into its products, even knowing that the supplier had been accused of misappropriation in creating the supplied component. Intel did not "use" trade secret embodied in software when it never had source code.

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

***Starr v. Sony BMG Music Entertainment*, 79 BNA's PTCJ 318**

The U.S. Court of Appeals for the Second Circuit ruled on January 13, 2010 that allegations that four of the nation's major music labels colluded to fix prices on Internet music sales may proceed to the merits, thereby overturning a district court's holding that the allegations were too vague to set out an actionable antitrust claim under the Sherman Act.

ANTITRUST/TRADEMARKS – Case Law – U.S. Supreme Court

***American Needle Inc. v. National Football League*, 80 BNA's PTCJ 116**

The U.S. Supreme Court unanimously ruled on May 24, 2010 that the National Football League's licensing of its teams' logos and trademarks constitutes concerted action that is not categorically beyond Section 1 Sherman Act antitrust liability, and the legality of such concerted action must be evaluated under the rule of reason. The court reverses a Seventh Circuit ruling that the 10-year exclusive licensing agreement did not constitute concerted action because the NFL teams were best described as a single source of economic power when promoting NFL football through licensing the teams' intellectual property.

COMMUNICATIONS DECENCY ACT – Case Law – U.S. Courts of Appeal

***Zango, Inc. v. Kaspersky Lab, Inc.*, 568 F.3d 1169**

The U.S. Court of Appeals for the Ninth Circuit on June 25, 2009 extended the CDA's safe harbor provisions to distributors of Internet security software, which had previously protected only ISPs.

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

***St. Luke's Cataract and Laser Institute v. Sander-son*, 78 BNA's PTCJ 339**

The U.S. Court of Appeals for the Eleventh Circuit held on July 9, 2009 that damages under the Anti-Cybersquatting Protection Act are not duplicative of damages under the Lanham Act.

***Southern Grouts & Mortars Inc. v. 3M Co.*, 78 BNA's PTCJ 410**

The U.S. Court of Appeals for the Eleventh Circuit held on July 23, 2009 that a company's continued registration of a domain name containing a competing company's trademark did not violate the Anti-Cybersquatting Consumer Protection Act. Evidence that defendant has kept control of "diamondbrite.com" Internet domain name to prevent others from registering it, rather than to display content, does not warrant finding that defendant had bad faith "intent to profit" from registration and use of domain name, since plaintiff accuses defendant of refusing to sell domain name, not intending to sell name for profit, and there is no evidence that defendant diverted customers from plaintiff's Web site.

LANHAM ACT/FALSE ENDORSEMENT – Case Law – U.S. District Courts

***Stayart v. Yahoo! Inc.*, 78 BNA's PTCJ 569**

The U.S. District Court for the Eastern District of Wisconsin ruled on August 28, 2009 that false endorsement under the Lanham Act is not a cause of action for violations of a plaintiff's privacy and reputation through offensive Internet links.

PRIVACY – Case Law – U.S. District Courts

***Boring v. Google, Inc.*, 598 F.Supp.2d 695**

The U.S. District Court for the Western District of Pennsylvania on February 17, 2009 dismissed claims of invasion of privacy and trespass against Google for using photographs of the plaintiff's home in Google's "Street View" application available through Google maps.

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

***Keller v. Electronic Arts Inc.*, 79 BNA's PTCJ 446**

The U.S. District Court for the Northern District of California ruled on February 8, 2010 that borrowing the likeness and biographical data of college athletes for inclusion in a video game allowing the creation of "fantasy" teams is neither transformative nor a protected public interest use, and if not authorized, is actionable as a violation of California's right of publicity. ■

Meet a Section Member: Anthony A. Targan



Anthony A. Targan

ProQuest
789 E Eisenhower Pkwy
Ann Arbor, MI 48108

P: (734) 997-4102
E: Anthony.Targan@proquest.com

- **What is the name of your firm/corporation/employer?** ProQuest LLC in Ann Arbor
- **What is your area of practice?** Software services and data licensing
- **When did you first become involved with the Section?** Became both a Section and Council member in 1997.
- **Where did you grow up?** Upstate New York
- **Where else have you lived?** Washington, DC and West Bloomfield, MI
- **Where did you attend undergraduate and law school?** Cornell and George Washington
- **What was your undergraduate major?** Government
- **What are your hobbies, other interests?** Running (10 marathons completed), writing (Michigan Runner and Outdoor Athlete magazines), and acting (community theater).
- **Favorite restaurant?** Zingerman's Roadhouse in Ann Arbor
- **A recent book you read?** *Born to Run* by Christopher McDougall
- **Last vacation?** Aruba
- **Favorite quotation?** "Our doubts are traitors, And make us lose the good we oft might win, By fearing to attempt." — William Shakespeare
- **If you had to describe yourself using three words, they would be...** Creative, Diplomatic, Determined
- **What is your favorite movie of the past ten years?** Juno
- **What do you like to do most with a free hour?** Run
- **Newest song on your iPod?** "Help I'm Alive" by Metric
- **What is your license plate?** RUN FAR
- **What is the most significant event of the last three months?** 25th wedding anniversary
- **What email can Section members use to contact you?** atargan@comcast.net
- **A short comment on why you became involved with the Information Law Technology Section:** I wanted to share knowledge and network with other experts in the Michigan I.T. legal community.

Publicly Available Websites for IT Lawyers

Following are some publicly available websites relating to varying aspects of information technology law practice. Some of these websites may 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 michael@gallo.us.com.

Miscellaneous

- <http://www.csoonline.com/article/523413/internal-investigations-the-basics> - The basics of how to plan and conduct a successful internal investigation, with several sections related to computer forensics.
- <http://www.csoonline.com/article/221172/what-to-bring-on-a-computer-forensics-investigation> - Check-list for a computer forensics expedition.
- <http://www.privacyrights.org> – Consumer oriented privacy rights clearinghouse of information, with sections related to online privacy and technology, and online information brokers.
- <http://judgepedia.org> – Interactive encyclopedia of courts and judges. Sections include judicial selection, judicial philosophy, and court-related news stories. Many trial court listings in Michigan include little more than a link to the court's official website.
- <http://www.regulations.gov> – Find and track proposed rules from nearly 300 federal agencies and submit formal comments.
- <http://openregs.com> - An easy-to-navigate means to browse federal regulations by topics and agencies. Subscription to a RSS feed is available. OpenRegs.com is also available as an iPhone application.
- <http://www.epa.gov/osw/conserve/materials/ecycleing> - The Environmental Protection Agency (EPA) eCycling website is a comprehensive source for information on how to dispose of old electronics. ■



Pro Bono Month Calls Attention to Unmet Civil Legal Needs of the Poor

For the second year running, the State Bar of Michigan has designated October as Pro Bono Month, joining the American Bar Association and many other states to highlight the need for and importance of pro bono assistance.

Like lawyers all across the country, Michigan attorneys will be taking part in events to educate the public and the legal profession about pro bono work especially in the face of Michigan's severe economic crisis, rise in foreclosures, and high unemployment and poverty rates. All these factors have contributed to greater demand for legal services. The State Bar's theme for Pro Bono Month this year is "now more than ever—pro bono is more than just the right thing to do."

State Bar President Charles Toy said lawyers have the unique ability to volunteer their legal expertise to those in need. "October provides us with an opportunity to highlight the unmet legal needs of the poor, and to recommit ourselves to the spirit of our Voluntary Pro Bono Standard—annually provide 30 hours of pro bono legal services, accept three pro bono cases, or contribute \$300 to legal aid programs." Lawyers who cannot provide service can meet their obligation with a donation to the Access to Justice Fund; many lawyers do both.

Pro Bono Month is also an opportunity to honor those in the legal profession who provide volunteer legal help for the needy or donate to legal programs through the Access to Justice Fund. Law firms, bar associations, legal service providers, judicial associations, and others are encouraged to organize events in October to celebrate pro bono. Resources to assist in planning can be found at www.michbar.org/probono.cfm. For more information, please contact Candace Crowley at the State Bar, ccrowley@mail.michbar.org. ■

Core Legal Issues in a High Tech Business World

Help your clients evolve in the modern economy. Internet technology and global connections have transformed the world for all businesses. Companies need lawyers who understand online business and technology deals and the legal issues connected with them. Learn key negotiation and drafting strategies from a faculty of expert corporate counsel and IT law specialists. Give yourself a competitive advantage with expanded topics and more networking opportunities. Build your knowledge to increase your business development opportunities.

Attend and learn to:

- Avoid costly mistakes when you draft and negotiate license agreements
- Recognize key privacy law issues and help your clients guard customer information
- Protect your clients who adopt a cloud computing strategy with tailored service contracts
- Assign or sell IP rights after a bankruptcy
- Safeguard your clients' trade secrets and intellectual property interests on the web
- Understand the *Bilski* case and its impact on patent practice

Featured Speakers



H. Ward Classen
Computer Sciences Corporation
Hanover, MD

Mr. Classen has been associate deputy general counsel of Computer Sciences Corporation (CSC) since November 2004. He is the author of *A Practical Guide to Software Licensing for Licensees and Licensors*.



Roberta J. Morris
Lecturer, Stanford Law School
Stanford, CA

Ms. Morris teaches patent law at Stanford Law School. She wrote an amicus brief in the business methods patent case *In re Bilski*.

SCHEDULE



9:00am	Welcome and Introductions
9:15am	The Top Ten Licensing Mistakes to Avoid compliance with laws provisions • limitations of liability—the other side of the coin • are boilerplate provisions really that important? <i>H. Ward Classen, Deputy General Counsel, US Commercial Business, Computer Sciences Corporation, Hanover, MD</i>
10:05am	A Guide to Privacy Law a quick overview of a timely subject • the legal issues you better be able to recognize • hot topics <i>Robert L. Rothman, Privacy Associates International LLC, Novi</i>
11:10am	Cloud Computing and Its Key Legal Issues what is cloud computing? • why clients love the cloud • service contracts, the law, and the cloud • “traditional” contract structures and the cloud • hot topics—jurisdiction, venue, privacy, and security <i>Karl A. Hochhammer, Honigman Miller Schwartz and Cohn LLP, Detroit</i>
12:00pm	Questions and Answers
12:15pm	Lunch and Section Annual Meeting (Plymouth only)
1:30pm	The Intersection of Insolvency, IT, and IP Laws rights of licensees and licensors after bankruptcy • security interests in IP • when and how can you assign or sell IP rights after a bankruptcy • protecting personal and confidential information <i>Michael S. Khoury, Jaffe Raitt Heuer & Weis PC, Southfield</i>
2:15pm	Protecting Trade Secrets: Lessons Learned from the Litigation Front Lines methods to protect your trade secrets • documenting the trail • aggressively pursuing a challenge <i>William Conowski, Jr., Delphi Corporation, Troy, Leigh C. Taggart, Ruder Fishman & Grauer PLLC, Bloomfield Hills; Bryce C. Pils, University of Michigan Office of the General Counsel, Ann Arbor</i>
3:00pm	Patentability of Computer-Related Inventions the Supreme Court decision in <i>Bilski v. Kappos</i> • effect on patent practice • the USPTO's response <i>Roberta J. Morris, Lecturer in Law, Stanford Law School, Stanford, CA</i>
3:45pm	Questions and Answers
4:00pm	Complimentary Networking Reception