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## Bits and Bytes from the Chair

By Mark G. Malven, *Dykema Gossett PLLC*

I have greatly appreciated the opportunity to serve as the 2010-2011 Chair of our Information Technology Law Section. In this, my last Bits and Bytes column, I would like to highlight some of our activities over the past year.

On September 22, 2010, we held our Third Annual Information Technology Law Seminar at St. John's Inn in Plymouth. We had nearly one hundred participants in attendance.

We had our 2010 Annual Meeting during the lunch hour at the IT Law Seminar. Among other things, we elected Susanna Brennan, Nilay Dave, Michael Gallo and Tatiana Melnik as new members of the Council and Karl Hochkammer was reelected for an additional 3-year term as a Council member. We then elected our Officers: yours truly as Chair, Charlie Bieneman as Chair-Elect, Karl Hochkammer as Secretary, and Ron Nixon as Treasurer.

On November 15, 2010, we had our first Section Council meeting of the year at Dykema's offices in Bloomfield Hills. As has become our custom, this was a working meeting where we planned for the year, set up committees and had some time for networking.

Our March 10, 2011, Council meeting was held at Wayne State University Law School and was prefaced by Professor John Rothchild providing a fascinating and informative presentation on Net Neutrality.

We held our Spring Networking Event On April 21, 2011 at the Post Bar in Novi, Michigan in association with the Detroit.NET IT professionals networking organization. We had many section members in attendance for networking with fellow members of the Section and other IT professionals, and a good time was had by all.

We sponsored, provided the content and edited the IT-Themed July issue of the State Bar Journal. We had articles on recent developments in data privacy, the U.S. Supreme Court's *Bilski* decision, health care IT, and IT outsourcing.

*Michigan IT Lawyer* is published every other month. Previously published issues of the *Michigan IT Lawyer*, and its predecessor the *Michigan Computer Lawyer*, are available at <http://www.michbar.org/computer/newsletters.cfm>. If you have an article you would like considered for publication, send a copy to:

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Continued on next page



2010-2011

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Throughout the year Michael Gallo and Ron Nixon published our monthly electronic newsletters.

This year's IT Law Seminar will be held on September 21, 2011 at the Inn at St. John's Inn in Plymouth, Michigan. Charlie Bieneman and our seminar committee have been hard at work in scheduling the speakers and event. Please make every effort to attend and register at [www.icle.org/itlaw](http://www.icle.org/itlaw).

Our Annual Meeting will again be held on the same date as the Annual Seminar during the lunch break, so there is double the reason to attend. If you have an interest in serving on the IT Law Section Council for the 2011-2012 year, please contact me directly at (248) 203-0517 or [mmalven@dykema.com](mailto:mmalven@dykema.com).

Thank you for your support throughout the past year, and I look forward to seeing you at our Annual IT Law Seminar and Annual Meeting.

Best regards,

Mark



## 2012 Edward F. Langs Writing Award

### Essay Competition Rules

1. Awards will be given to up to three student essays, which in the opinion of the judges make the most significant contribution to the knowledge and understanding of information technology law. Factors to be taken into consideration include: originality; timeliness of the subject; depth of research; accuracy; readability; and the potential for impact on the law.
2. Essay must be original, deemed to be of publishing quality, and must not have been submitted to any other contest within the previous 12 months.
3. Essay must be typed, double spaced, at least ten pages in length, must contain proper citations listed as either endnotes or footnotes, and must have left, right, top, and bottom margins of one inch.
4. Essay must include the submitter's name, email address, mailing address, telephone number, and school attended.
5. A total of \$1,500 in US dollars shall be divided between the award winning essays, and all rights to award winning essays shall become the property of the State Bar of Michigan.
6. The Information Technology Section of the State Bar of Michigan reserves the right to make editorial changes, and to publish award winning essays in the Section's newsletter, the *Michigan IT Lawyer*.
7. Essay must be submitted as a Microsoft Word document, postmarked by June 30, 2012, and emailed to [dsyrowik@brookskushman.com](mailto:dsyrowik@brookskushman.com). ■

# The State of Information Technology Law, 2011

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

## Introduction

Microsoft was one of the parties in a number of important information technology cases over the past year. On June 9, 2011, the Supreme Court continued its seemingly annual review of Federal Circuit patent law in deciding the *i4i* case. There the Court affirmed the Federal Circuit's "clear-and-convincing" standard of proof required for challenges to the validity of a patent. In the *i4i* case, the Federal Circuit affirmed the district court's judgment of willful infringement and its \$240 million damages award. *i4i* had alleged that certain versions of Microsoft Word produced since 2003 contained an infringing custom XML editor. Lowering the standard to a preponderance of evidence—as Microsoft requested—would have decreased the strength of a patent owner's case in litigation.

In another case involving Microsoft, the Federal Circuit started building on last year's *Bilski* case in which the U.S. Supreme Court affirmed a Federal Circuit ruling that *Bilski*'s business method was not patent-eligible subject matter under 35 U.S.C. § 101, but rejected the Federal Circuit's reasoning. In the *Research Corporation* case, the Federal Circuit held that the digital imaging process claims at issue were patentable subject matter because they represent "functional and palpable applications in the field of computer technology" and were not a manifestly abstract idea.

In yet another case involving Microsoft, the Federal Circuit continued to force cases out of patentee-friendly U.S. District Court for the Eastern District of Texas. In that case, a patent owner's attempt to manipulate the venue choice by incorporating an affiliate office in Tyler, Texas, without employees was rejected.

While remaining engaged with patent issues, the U.S. Supreme Court declined review of the *Harper* case, a case in which Whitney Harper was accused of infringing copyrights by making unauthorized copies through online downloading. Harper was denied the opportunity to pursue an innocent infringer defense. In a dissent from the Court's denial of *certiorari*, Justice Samuel A. Alito Jr. addressed the issue of whether consumers are actually notified of the copyright status of computer files, which are usually not accompanied by credits and other information.

Also, there seems to be a trend for federal judges to refuse to impose large damages awards on individual file shar-

ers, even if such awards are supported by federal statute. For example, in the *Tenenbaum* case, the district court ruled that a jury's \$675,000 statutory damages award was unconstitutionally excessive because it was far greater than necessary to serve the government's legitimate interest in compensating copyright owners and deterring infringement.

The long-brewing controversy over Google's massive digitizing of books failed to reach resolution when the district court refused to approve the terms of a proposed \$125 million settlement of class action claims brought by groups of authors and publishers against Google since they were not "fair, adequate, and reasonable" with respect to the rights of members of the relevant class not represented by the parties.

The Supreme Court also declined review of a Second Circuit ruling favorable for online intermediaries. In the *eBay* case, the Second Circuit had found the online auction site operator was not liable for trademark infringement or dilution—either directly or secondarily—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.

In the keyword trademark case *Rosetta Stone*, Google's AdWords program was at the forefront. The district court ruled that Google was not directly, vicariously, or contributorily liable for its sale of trademarks—specifically those of the language learning software company Rosetta Stone—as advertising keywords, because the keywords serve an essential function in the Google search engine. The court applied the functionality doctrine and held that Google's sale of keywords containing marks owned by Rosetta Stone was unlikely to confuse sophisticated consumers searching for products. The case was appealed to the Fourth Circuit where the case has attracted amicus briefs from many parties including eBay.

## PATENTS – Case Law – U.S. Supreme Court

### ***Microsoft Corp. v. i4i Limited Partnership*, 82 BNA's PTCJ 182**

A unanimous U.S. Supreme Court held on June 9, 2011 that patent invalidity must be proved with "clear and convincing" evidence. Respondents (collectively, *i4i*) hold the patent at issue, which claims an improved method for editing computer documents. After *i4i* sued Microsoft for willful

infringement of that patent by Microsoft's Word software, Microsoft counterclaimed and sought a declaration that the patent was invalid. Microsoft objected to i4i's proposed jury instruction that the invalidity defense must be proved by clear and convincing evidence. The District Court nevertheless gave that instruction, rejecting Microsoft's alternative instruction proposing a "preponderance" of the evidence standard. The jury found that Microsoft willfully infringed the i4i patent, and had failed to prove the patent's invalidity. The damages award eventually totaled \$290 million.

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

### ***Vizio Inc. v. International Trade Commission,* 95 USPQ2d 1353**

The U.S. Court of Appeals for the Federal Circuit ruled on May 26, 2010 that accused "work-around" products do not infringe asserted claims directed to apparatus and method for decoding MPEG-compatible packetized program map information for digital television programs, which require assembly of information to form channel map "for identifying," or "suitable for use in identifying," packetized datastreams, since accused products do not convert all of channel map information from "virtual channel table" into usable format, and thus do not satisfy "suitable for use," "for identifying," or "for decoding" limitations of claims.

### ***Ring Plus Inc. v. Cingular Wireless Corp.,* 96 USPQ2d 1022**

The U.S. Court of Appeals for the Federal Circuit ruled on August 6, 2010 that the district court clearly erred in finding that applicants, in prosecuting patent for software-based algorithm and method for generating and delivering telephone messages, made misrepresentation regarding prior art with intent to deceive U.S. Patent and Trademark Office, since inference that applicants believed their characterization of prior art to be correct is equally as reasonable as inference of deceptive intent.

### ***Technologies Inc. v. Cisco System Inc.,* 95 USPQ2d 1673**

The U.S. Court of Appeals for the Federal Circuit on July 6, 2010 affirmed summary judgment of non-infringement of patent directed to date transmission in telecommunications networks, since district court properly construed asserted claims that require insertion of date in packetized format into any available payload field" or any "frame" in bit stream, and plaintiff concedes that it cannot prove infringement under

that construction; however, action is remanded for reconsideration of invalidity counterclaim, since judgment that claims are not anticipated was based on improper construction of "empty payload field" limitation.

### ***Golden Hour Data Systems Inc. v. emsCharts Inc.,* 96 USPQ2d 1065**

The U.S. Court of Appeals for the Federal Circuit on August 9, 2010 vacated a finding of intent to deceive in action in which inventor and patent counsel failed to fully disclose information in undated brochure during prosecution of application directed to integrated medical databases used in emergency medical transport industry, since district court did not find that either counsel or inventor was aware of brochure's contents.

### ***Silicon Graphics Inc. v. ATI Technologies Inc.,* 95 USPQ2d 1417**

The U.S. Court of Appeals for the Federal Circuit ruled on June 4, 2010 that direct infringement of apparatus claim directed to computer that is claimed in functional terms does not require performance of all elements of claim; thus, even absent its use, such claim is infringed if accused product is designed in manner that enables user to utilize claimed function without having to modify accused product.

### ***Lincoln National Life Insurance Co. v. Transamerica Life Insurance Co.,* 95 USPQ2d 1654**

The U.S. Court of Appeals for the Federal Circuit ruled on June 23, 2010 that an accused system for administering annuity policies does not infringe claims directed to computerized methods for administering variable annuity plans having guaranteed minimum payment feature, which pays scheduled benefits "even if the account value is exhausted."

### ***Finjan Inc. v. Secure Computing Corp.,* 81 BNA's PTCJ 55**

The U.S. Court of Appeals of the Federal Circuit ruled on November 4, 2010 that computer system and storage medium claims in a software patent were infringed but method claims were not infringed by competitors' computer security products.

### ***iLOR LLC v. Google Inc.,* 81 BNA's PTCJ 342**

The U.S. Court of Appeals for the Federal Circuit ruled on January 11, 2011 that a patent owner's lawsuit against

Google Inc. was not “objectively baseless,” reversing a lower court’s award of \$626,000 in attorneys’ fees to Google as sanctions for the patent owner’s frivolous claims.

***Research Corporation Technologies Inc. v. Microsoft Corp., 81 BNA’s PTCJ 171***

The U.S. Court of Appeals for the Federal Court held on December 8, 2010, in delivering its first ruling on patentable subject matter since the U.S. Supreme Court’s *Bilski v. Kappos* decision, that to be found unpatentable under 35 U.S.C. § 101, an invention’s abstractness must “exhibit itself so manifestly as to override the broad statutory categories” of patent eligibility.

***Western Union Co. v. MoneyGram Payment Systems Inc., 81 BNA’s PTCJ 173***

The U.S. Court of Appeals for the Federal Circuit ruled on December 7, 2010 that a patent on an invention that simply replaced a phone-and-fax based solution with an internet-based approach was invalid for obviousness. The court reverses the district court’s award of \$16.5 million for infringement of Western Union Co.’s patents on money transfers using the internet to set up the transactions.

***Centillion Data Systems LLC v. Qwest Communications International Inc., 81 BNA’s PTCJ 371***

The U.S. Court of Appeals for the Federal Circuit ruled on January 20, 2011 that an infringing “use” of a system patent claim occurs if one party within the system performs an action putting the rest of the system into service. The court holds that an infringing use of a multi-device computing system by an end user does not require physical control over all the devices.

***Uniloc USA v. Microsoft Corp., 81 BNA’s PTCJ 275***

The U.S. Court of Appeals for the Federal Circuit on January 4, 2011 overturned a district court’s award of judgment as a matter of law that Microsoft Corp. was not liable for infringement of a patent on software copying protection. A \$388 million jury award is vacated, but Microsoft will now have to face the jury again on the damages issue alone.

***Juniper Networks Inc. v. Shipley, 82 BNA’s PTCJ 7***

The U.S. Court of Appeals for the Federal Circuit on April 29, 2011 limited availability of false patent marking complaints, in the context of Internet websites at least, as it determines

that a listing of a patented but no longer used network product did not refer to an “unpatented article” as required to state a false marking claim under 35 U.S.C. § 292.

***ResQNet.com, Inc. v. Lansa, Inc., 594 F.3d 860***

The U.S. Court of Appeals for the Federal Circuit rejected on February 5, 2010 the 12.5 percent reasonable royalty rate adopted by the district court to calculate a damages award in a software patent infringement case. The Federal Circuit determined that the expert testimony on which the award’s reasonable royalty rate was based had relied too heavily on 25 percent to 40 percent royalty rates received by the patentee for “rebundled” software and source code licenses as opposed to “straight” licenses covering just the patents at issue.

***Dow Jones & Co. v. Abblaise Ltd., 606 F.3d 1338***

The U.S. Court of Appeals for the Federal Circuit ruled on May 28, 2010 that an offer of a covenant not to sue for infringement is sufficient to divest the district court of subject matter jurisdiction in a suit for declaratory judgment of invalidity of a pair of software patents.

***Rembrandt Data Technologies LP v. AOL LLC, 81 BNA’s PTCJ 858***

The U.S. Court of Appeals for the Federal Circuit ruled on April 18, 2011 that a computer modem patent assignee had exhausted its rights against the assignee of AT&T’s original license with Rockwell International Corp.

***TiVo Inc. v. EchoStar Corp., 81 BNA’s PTCJ 813***

An *en banc* U.S. Court of Appeals for the Federal Circuit on April 20, 2011 rejects as unworkable its two-step *KSM* test to determine, in a contempt hearing, whether a redesigned product continues to infringe a patent. The court vacates a \$110 million damages award against Dish Network Corp. and EchoStar Corp., who now will have another opportunity to convince the lower court that EchoStar’s redesigned digital video recorders do not infringe the patent of pioneer DVR maker TiVo Inc.

***McKesson Technologies Inc. v. Epic Systems Corp., 81 BNA’s PTCJ 786***

A split U.S. Court of Appeals for the Federal Circuit on April 12, 2011 affirms summary judgment of non-infringement of a patent on an online personalized health care system. The case reveals substantial differences on joint infringement of a

multiparty method claim within the court that may prompt *en banc* review. .

***Innovention Toys LLC v. MGA Entertainment Inc.,  
81 BNA's PTCJ 667***

The U.S. Court of Appeals for the Federal Circuit ruled on March 21, 2011 that a district court erred in failing to consider that electronic computer versions of a "laser chess" game could be considered in an obviousness analysis of a patent on a physical board game with the same basic game rules and strategy. Vacating the lower court's injunction against MGA Entertainment Inc.'s "Laser Battle" game, the appeals court determines that articles on the electronic versions were analogous prior art because they had the same purpose—the design of a "winnable yet entertaining strategy game."

**PATENTS – Case Law – U.S. District Courts**

***SP Technologies LLC v. Garmin International Inc.,  
80 BNA's PTCJ 344***

The U.S. District Court for the Northern District of Illinois ruled on July 7, 2010 that claims covering a touch-screen navigation device patent were invalid as they were anticipated by an earlier navigation system that was sold with the 1996 Acura RL.

***Oracle America Inc. v. Google Inc.,  
80 BNA's PTCJ 533***

Oracle filed a lawsuit for patent and copyright infringement against Google Inc. in the U.S. District Court for the Northern District of California on August 12, 2010. The fight is over Google's Android operating system for cell phones.

***Interval Licensing LLC v. AOL Inc.,  
81 BNA's PTCJ 297***

Interval, a Seattle-based patent licensing firm formed by Microsoft's co-founder, Paul Allen, on December 28, 2010 amends suit in the U.S. District Court for the Western District of Washington for internet giants' (including Apple, AOL, eBay, Facebook, Google, Netflix, YouTube) patent infringement.

***TiVo Inc. v. EchoStar Corp., 82 BNA's PTCJ 11***

In a joint motion to dismiss in the Eastern District of Texas on May 2, 2011, Dish Network Corp. and EchoStar Corp. agree to a \$500 million settlement with pioneer digital video recorder maker and patent owner TiVo Inc.

***Mirror Worlds LLC v. Apple Inc., 81 BNA's PTCJ 787***

The U.S. District Court for the Eastern District of Texas issued on April 4, 2011 a judgment of non-infringement as a matter of law, effectively vacating a \$625.5 million damages award against Apple Inc. The court also analyzes the damages calculation, concluding that the jury likely intended to award a third of awarded amount.

***CLS Bank International v. Alice Corporation Pty.  
Ltd., 81 BNA's PTCJ 708***

The U.S. District Court for the District of Columbia ruled on March 9, 2011 that a computerized system and methods for financial transactions are not statutory subject matter under 35 U.S.C. § 101 of the Patent Act.

**PATENT/PERSONAL JURISDICTION/VENUE –  
Case Law - U.S. Courts of Appeal**

***Nuance Communications Inc. v. Abbyy Software  
House, 97 USPQ2d 1351***

The U.S. Court of Appeals for the Federal Circuit ruled on November 12, 2010 that foreign infringement defendant purposely directed its activities at residents of forum state, since defendant imported allegedly infringing software into California, entering into agreement with California company to provide assistance in selling accused products, and received more than 95 percent of profits from sale of software.

***In re Microsoft Corp., 81 BNA's PTCJ 308***

The U.S. Court of Appeals for the Federal Circuit on January 5, 2011 transfers a case out of the eastern district of Texas, rejecting a patent owner's attempt to manipulate the venue choice by incorporating an affiliate office in Tyler, Texas, without employees.

**COPYRIGHTS – Case Law - U.S. Supreme Court**

***Harper v. Maverick, 81 BNA's PTCJ 140***

The U.S. Supreme Court on November 29, 2010 declines review of a case in which a defendant accused of infringing copyrights in sound recordings by making unauthorized copies through online downloading is denied the opportunity to pursue an innocent infringer defense.

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

***United States v. American Society of Composers, Authors and Publishers - 80 BNA's PTCJ 717***

The U.S. Court of Appeals for the Second Circuit ruled on September 28, 2010 that the downloading of a copy of a copyrighted musical work implicates the copyright holder's right of reproduction but does not implicate the copyright holder's public performance right under section 106 of the Copyright Act. Affirming a district court's ruling on the public performance issue, the court, however, vacates the lower courts assessment of licensing fees against internet music operations and remands the question of establishing reasonable fee for further consideration.

***Vernor v. Autodesk Inc., 96 USPQ2d 1201***

The U.S. Court of Appeals for the Ninth Circuit ruled on September 10, 2010 that a software user is licensee, rather than owner of copy, if copyright owner specifies that the user is granted licenses, significantly restricts user's ability to transfer software, and imposes notable use restrictions; direct customer of software developer in present case was licensee, rather than owner of copies of software, and thus was not entitled to invoke first-sale doctrine.

***Airframe Systems Inc. v. Raytheon Co., 95 USPQ2d 1082***

The U.S. Court of Appeals for the First Circuit ruled on March 21, 2010 that claim alleging infringing use of plaintiff's copyrighted source code for its aircraft maintenance and engineering software is sufficiently related to claim of infringing "possession" of source code, asserted in prior action, that doctrine of claim preclusion bars present suit; there is also sufficiently close relationship between defendant named in present infringement action and defendant in prior action that "new" defendant may assert claim preclusion as defense to later suit.

***UMG Recordings Inc. v. Augusto, 81 BNA's PTCJ 309***

The U.S. Court of Appeals for the Ninth Circuit ruled on January 4, 2011 that the distribution of promotional copies of music CDs by a record company resulted in transfer of title of those CDs, and thus sale of those discs at online auctions was protected under the first sale doctrine.

***Hyperquest Inc. v. N'Site Solutions, 81 BNA's PTCJ 373***

The U.S. Court of Appeals for the Seventh Circuit ruled on January 19, 2011 that a licensee of insurance software did not hold any of the exclusive rights enumerated under the Copyright Act and thus did not have standing to bring an infringement claim against another licensee that had allegedly exceeded the scope of its license.

**COPYRIGHTS – Case Law - U.S. District Courts**

***Sony BMG Music Entertainment v. Tenenbaum, 80 BNA's PTCJ 330***

The U.S. District Court for the District of Massachusetts ruled on July 9, 2010 that a jury's \$675,000 statutory damages award in the Joel Tenenbaum file sharing infringement case is unconstitutionally excessive because it is far greater than necessary to serve the government's legitimate interest in compensating copyright owners and deterring infringement.

***Miller v Facebook Inc., 95 USPQ2d 1822***

The U.S. District Court for the Northern District of California ruled on May 28, 2010 that amended complaint sufficiently states claim for contributory infringement against defendant social networking website operator, stemming from alleged publishing of infringing video game on defendant's website, since complaint clearly alleges that defendant had actual knowledge that infringing game was available using its system, and that defendant nevertheless continued to allow users to search for and access accused game.

***Woods v. Resnick, 80 BNA's PTCJ 382***

The U.S. District Court for the Western District of Wisconsin ruled on July 16, 2010 that the equal owner of a software company did not show that he made a copyrightable contribution to a software program or that the other owner who wrote the code executed a written assignment to the company.

***Peermusic III Ltd. v. Live Universe Inc., 80 BNA's PTCJ 542***

The U.S. District Court for the Central District of California on August 9, 2010 sanctioned lyrics websites for failure to remove infringing content in violation of an earlier injunction.

***Mackie v. Hipple, 80 BNA's PTCJ 575***

The U.S. District Court for the Western District of Washington ruled on August 9, 2010 that the "discovery rule" under federal copyright law did not require a sculptor to scan the Internet for possible photographic infringers of his works.

***1-800Contacts Inc. v. Memorial Eye PA, 95 USPQ2d 1226***

The U.S. District Court for the District of Utah ruled on March 15, 2010 that plaintiff has not brought "sham" lawsuit by alleging that defendant engaged in trademark infringement, unfair competition, false designation of origin, false advertising, and passing off by purchasing sponsored advertising on search engines that is triggered by plaintiff's "1-800Contacts" trademarks, since plaintiff's allegations that defendant purchased keywords related to plaintiff's website and/or trademarks are sufficient to plead use of plaintiff's marks "in commerce," and since purchase of another's trademark, through search engine, for purpose of diverting Internet traffic violates Lanham Act.

***Waves Audio Ltd. v. Reckless Music LLC, 95 USPQ2d 1330***

The U.S. District Court for the Southern District of New York ruled on June 9, 2010 that plaintiffs in action in which defendant recording studio was found liable for vicarious infringement of audio software copyrights are denied award of attorneys' fees, since defendant advanced reasonable defense by arguing that it had no control over sound engineers who acted as independent contractors.

***Righthaven LLC v. Realty One Group Inc., 80 BNA's PTCJ 842***

The U.S. District Court for the District of Nevada ruled on October 19, 2010 that real estate company's blog posting of a newspaper article did not infringe the copyright held by Righthaven LLC, which is engaged in lawsuits challenging the internet posting and aggregation of newspaper content.

***Agence France-Presse v. Morel, 81 BNA's PTCJ 426***

The U.S. District Court for the Southern District of New York ruled on January 14, 2011 that Twitter's terms of service, which granted Twitter and affiliated websites a license to use and reproduce uploaded photographs, does not clearly confer a right on other users to reuse copyrighted postings.

***Capitol Records Inc. v. Thomas-Rasset, 80 BNA's PTCJ 54***

A jury in the U.S. District Court for the District of Minnesota concluded on November 4, 2010 that Jammie Thomas-Rasset, the first peer-to-peer file sharer to defend infringement litigation all the way to a verdict, should pay \$1.5 million in statutory damages for willfully sharing 24 copyrighted music files.

***Patrick Collins Inc. v. Does 1-1219, 97 USPQ2d 1667***

The U.S. District Court for the Northern District of California ruled on December 28, 2010 that plaintiff motion picture production company, which claims that anonymous defendants used online peer-to-peer network to reproduce plaintiff's copyrighted movie, has shown good cause for permitting it to engage in early discovery in order to identify anonymous defendants and effect service of process.

***Righthaven LLC v. Major-Wager.com Inc., 81 BNA's PTCJ 57***

The U.S. District Court for the District of Nevada ruled on October 28, 2010 that operators of a Canadian website, on which an anonymous user posted a copyrighted news article, must defend the case in Nevada.

***Exceller Software Corp. v. Pearson Education Inc., 81 BNA's PTCJ 88***

The U.S. District Court for the Southern District of New York ruled on November 9, 2010 that a software developer may be a joint author of a former partner's enhancements.

***Liberty Media Holdings, LLC v. Does 1-59, 81 BNA's PTCJ 89***

The U.S. District Court for the Southern District of California on November 3, 2010 approved expedited discovery on ISPs in a lawsuit arising from walled website misuse.

***Harper Collins Publishers LLC v. Gawker Media LLC, 81 BNA's PTCJ 109***

The U.S. District Court for the Southern District of New York ruled on November 27, 2010 that Gawker.com's online publication of 21 pages from Sarah Palin's *America By Heart*, days before the book's release, was likely infringing and not fair use.

***Lenz v. Universal Music Corp.*, 81 BNA's PTCJ 114**

The U.S. District Court of the Northern District of California ruled on November 17, 2010 that dancing kids YouTube poster's email was not protected by attorney-client privilege. Magistrate judge did not clearly err in granting defendant copyright owners' motion to compel further discovery with respect to plaintiff's communications with her attorneys regarding her motives for bringing lawsuit against defendants for alleged misrepresentations in "takedown" notice, issued under 17 U.S.C. § 512(c)(3), which warned against potential infringement and instructed video hosting site to remove plaintiff's home video.

***Amaretto Ranch Breedables v. Ozimals Inc.*,  
97 USPQ2d 1664**

The U.S. District Court for the Northern District of California ruled on December 21, 2010 that plaintiff has raised serious questions going to merits of its Digital Millennium Copyright Act claim alleging that defendant, in DMCA "take-down" notice, materially misrepresented that plaintiff's virtual horse products infringe defendant's copyrights in virtual rabbits, since defendant cannot prevent plaintiff from marketing virtual animals with similar traits, provided defendant's programming was not copied and since plaintiff submitted declarations to that effect.

***Voltage Pictures LLC v. Doe*, 81 BNA's PTCJ 145**

The U.S. District Court for the District of Columbia on November 22, 2010 was asked by the plaintiff in a copyright infringement action against thousands of users of BitTorrent to sanction a Florida defense attorney who has sold "do-it-yourself" packages to some of the defendants.

***Louis Vuitton Malletier SA v. Akanoc Solutions Inc.*,  
97 USPQ2d 1178**

The U.S. District Court for the Northern District of California ruled on March 19, 2010 that digital image data stored on computer may constitute "copy" under Copyright Act, since image is "fixed in a tangible medium of expression," for purposes of Copyright Act, when it is stored on computer's server, hard disk, or other storage device, and since computer owner shows copy by means of device or process when owner uses computer to fill computer screen with image stored on that computer, or communicates stored image electronically to another computer.

***KEMA Inc. v. Koperwhats*, 96 USPQ2d 1787**

The U.S. District Court for the Northern District of California on September 1, 2010 dismissed a counterclaim alleging infringement of copyright in computer software without leave to amend, since counterclaim pleads facts showing that software at issue is different from software described in defendant's registration certificate and supplementary registration, and since defendant's allegations regarding which version of software was deposited with the U.S. Copyright Office are ambiguous and inconsistent.

***Christen v. iParadigms LLC*, 96 USPQ2d 1934**

The U.S. District Court for the Eastern District of Virginia held on August 4, 2010 that plaintiff's claim for conversion, based on defendant's use of plaintiff's manuscripts in plagiarism detection service database, is preempted by federal copyright law, since works at issue fall within subject matter of copyright protection, since claim seeks to hold defendant liable for encroaching on plaintiff's right to use and reproduce copyrighted work, and since plaintiff does not allege that defendant is retaining physical object that belongs to plaintiff, or claim that she owns digital code in which her work is stored on defendant's system.

***Adobe Systems Inc. v. Kornrumpf*,  
81 BNA's PTCJ 432**

The U.S. District Court for the Northern District of California on January 19, 2011 dismissed a misuse counterclaim that *Adobe* had violated the first sale doctrine in a software infringement case. .

***WPIX Inc. v. ivi Inc.*, 81 BNA's PTCJ 520**

The U.S. District Court for the Southern District of New York on February 22, 2011 enjoined the service of a company that takes broadcast television signals off the air and streams them to subscribers over the internet by stating that the company is not a cable television service provider that is eligible for a statutory license granted to cable services under federal copyright law.

***IO Group Inc. v. Doe*, 81 BNA's PTCJ 468**

The U.S. District Court for the Northern District of California ruled on February 3, 2011 that neither the use of the same internet service provider and the same peer-to-peer network, nor the possibility of potential conspirator liability,

can form the basis for a joinder of 435 Doe defendants that did not directly exchange copyrighted works with each other.

***United States v. HQ-Streams.com,*  
81 BNA's PTCJ 469**

In the U.S. District Court for the Southern District of New York, on February 2, 2011, federal prosecutors and custom authorities announced that domains were seized for publishing hyperlinks to unauthorized sports video streaming.

***Shropshire v. Canning, 97 USPQ2d 1583***

The U.S. District Court for the Northern District of California ruled on January 11, 2011 that it takes jurisdiction over claim alleging that defendant infringed copyright in musical composition by creating video set to copyrighted song and posting it on web, since Copyright Act does not apply to conduct that occurs abroad, and creation of accused video occurred entirely in Canada.

***Muench Photography, Inc. v. Houghton Mifflin Harcourt Publishing Co., 712 F.Supp.2d 84***

The U.S. District Court for the Southern District of New York on May 4, 2010 found that the plaintiff failed to state a cause of action for copyright infringement of individual photographs that the plaintiff had contributed to an automated database because only the database as a whole was registered. The court held that the individual works at issue were not registered because the registration for the database did not include the authors' names.

***Elsevier B.V. v. UnitedHealth Group, Inc.,*  
2010 WL 150167**

The U.S. District Court for the Southern District of New York determined on January 14, 2010 that section 412 of the Copyright Act requires a registration in the United States prior to an award of statutory damages for copyright infringement of a foreign work. The court noted that, because the Berne Convention is not self-executing, it cannot be used to support a claim for preemption that would invalidate this requirement.

***.MSC Music America, Inc. v. Yahoo! Inc.,*  
2010 WL 500430**

The U.S. District Court for the Middle District of Tennessee held on February 5, 2010 that a musical composition, even where recorded multiple times by different musicians,

constituted one work for determining the amount of copyright damages. MCS claimed copyright ownership in 215 musical compositions and alleged that Yahoo digitally transmitted 308 separate sound recordings embodying those compositions.

***Liberty Media Holdings LLC v. Swarm of November*  
16, 2010, 82 BNA's PTCJ 24**

The U.S. District Court for the Southern District of California ruled on April 26, 2011 that a film owner was permitted to identify "swarm" of BitTorrent users who downloaded film.

***Righthaven LLC v. Chondry, 82 BNA's PTCJ 48***

The U.S. District Court for the District of Nevada ruled on May 3, 2011 that frequent copyright plaintiff Righthaven survives summary judgment, but court won't seize defendant's domain name.

***Righthaven LLC v. DiBiase, 81 BNA's PTCJ 827***

The U.S. District Court for the District of Nevada on April 15, 2011 dismissed Righthaven's plea to transfer control of an alleged infringer's domain name.

***Authors Guild v. Google Inc., 81 BNA's PTCJ 663***

The U.S. District Court for the Southern District of New York refused on March 22, 2011 to approve the terms of a proposed \$125 million settlement of class action claims brought by groups of authors and publishers against Google Inc. since they were not "fair, adequate, and reasonable" with respect to the rights of members of the relevant class not represented by the parties. The rejection of the proposed pact prompts a whirlwind of reaction in the copyright community, including public interests organizations pushing for increased access to books, particularly orphan works and other difficult-to-access works.

**COPYRIGHTS/DMCA – Case Law –  
U.S. Courts of Appeal**

***MGE UPS Systems Inc. v. GE Consumer and Industrial Inc., 80 BNA's PTCJ 433***

The U.S. Court of Appeals for the Fifth Circuit ruled on July 29, 2010 that anticircumvention provision of Digital Millennium Copyright Act, 17 U.S.C. § 120(a)(1)(A), prohibits only those forms of "access" that would violate or impinge on protections Copyright Act otherwise affords to copyright owners, and "circumvented" technological measure therefore must protect copyrighted material against infringement of

right that Copyright Act protects, not from mere use or viewing; in present case, defendants did not violate anticircumvention provision by bypassing external hardware security key, or “dongle,” in using plaintiff’s copyrighted software programs for servicing uninterruptible power supply machines. As reported at 80 BNA’s PTCJ 764, on September 29, 2010, the Court issued a modified opinion.

***MDY Industries LLC v. Blizzard Entertainment Inc.,*  
81 BNA’s PTCJ 251**

The U.S. Court of Appeals for the Ninth Circuit held on December 14, 2010 that Congress, in enacting the Digital Millennium Copyright Act in 17 U.S.C. § 1201(a)(2), gave digital content owners a new legal protection against technologies that circumvent access controls protecting their digital property.

**COPYRIGHTS/DMCA – Case Law –  
U.S. District Courts**

***Viacom International Inc. v. YouTube Inc.,*  
80 BNA’s PTCJ 289**

The U.S. District Court for the Southern District of New York ruled on June 22, 2010 that under the safe harbor provision of the Digital Millennium Copyright Act, an online service provider has a duty to take down infringing content when it has “knowledge of specific and identifiable infringements of particular individual items,” in a case in which copyright owners have tried to hold the popular website YouTube liable for infringing videos posted by users.

***Design Furnishings Inc. v. Zen Path LLC,*  
81 BNA’s PTCJ 293**

The U.S. District Court for the Eastern District of California ruled on December 23, 2010 that a company selling furniture online was entitled to a preliminary injunction barring a competing company from sending DMCA takedown notices.

***EchoStar Satellite LLC v. ViewTech Inc.,*  
81 BNA’s PTCJ 864**

The U.S. District Court for the Southern District of California on April 20, 2011 awarded \$214.9 million against maker of satellite TV descramblers.

***Wolk v. Kodak Imaging Network Inc.,*  
81 BNA’s PTCJ 680**

The U.S. District Court for the Southern District of New

York ruled on March 17, 2011 that photobucket storage website had no duty to police site, uploads for infringing works.

***Peermusic III Ltd. v. LiveUniverse Inc.,*  
98 USPQ2d 1273**

The U.S. District Court for the Central District of California on May 13, 2010 granted plaintiff a preliminary injunction requiring defendants to remove plaintiffs’ unlicensed copyrighted song lyrics from defendants’ websites, since plaintiffs are likely to succeed on merits of their claim, since plaintiffs assert that defendants’ use of lyrics deprives plaintiffs of ability to ensure accuracy of lyrics and control quality of their presentation, and since balance of harms favors plaintiffs, and public interest favors issuance of injunction.

***Arista Records LLC v. Lime Group LLC,*  
98 USPQ2d 1088 and 1094**

The U.S. District Court for the Southern District of New York ruled on March 10 and 11, 2011, respectively, 2011 that for purposes of calculating statutory damages under 17 U.S.C. § 504(c), Copyright Act treats infringers who are jointly and severally liable in same way as statute treats individually liable infringers; plaintiffs in present case, who have demonstrated that defendants are secondarily liable for infringement of plaintiffs’ copyrighted works through operation of peer-to-peer file-sharing system, are limited to single statutory damage award from defendants per work infringed, regardless of how many individual users of system directly infringed that particular work. The court also ruled that defendants who have been found secondarily liable for infringement of plaintiffs’ copyrighted works through operation of peer-to-peer file-sharing system, and who are seeking to preclude plaintiffs from recovering statutory damages awards with respect to 1,355 infringed sound records, will not be granted judgment on pleadings on ground that plaintiffs have already obtained judgment against individual direct infringer as to each of those recordings.

**COPYRIGHTS/DOMAIN NAMES – Case Law –  
U.S. District Courts**

***United States v. TVShark.net, 80 BNA’s PTCJ 343***

The U.S. District Court for the Southern District of New York authorized on June 24, 2010 the seizure of the domain names of seven popular websites accused of criminal copyright infringement for sharing films and television shows without permission.

**COPYRIGHTS/FALSE ADVERTISING – Case Law – U.S. District Courts**

***Flowserve Corp. v. Hallmark Pump Co.*, 81 BNA's PTCJ 865**

The U.S. District Court for the Southern District of Texas ruled on April 20, 2011 that use of competitor's product images in web ads constituted infringement, false advertising.

**COPYRIGHTS/MORAL RIGHTS – Case Law – U.S. District Courts**

***Neeley v. NameMedia Inc.*, 97 USPQ2d 2029**

The U.S. District Court for the Western District of Arkansas ruled on January 31, 2011 that plaintiff photographer alleging violation of 17 U.S.C. § 106A(a)(1)(B), which grants author right "to prevent the use of his or her name as the author of any work of visual art which he or she did not create," has failed to establish that he has sustained irreparable harm from Internet search engine provider's alleged practice of allowing nude photographs that plaintiff did not take to be displayed in response to search string combining plaintiff's name with phrase "nude photos," since, in "screen shots" submitted in evidence by plaintiff, each photograph has its own separate attribution.

***Architectural Mailboxes LLC v. Epoch Design LLC*, 82 BNA's PTCJ 22**

The U.S. District Court for the Southern District of California ruled on April 28, 2011 that absent likely confusion, competitor's mark on website was nominative fair use.

**COPYRIGHTS/VENUE/PERSONAL JURISDICTION – Case Law – U.S. Courts of Appeal**

***Brayton Purcell LLP v. Recordon & Recordon*, 606 F.3d 1124**

The U.S. Court of Appeals for the Ninth Circuit held on May 28, 2010 that personal jurisdiction was established over a law firm whose Web site contained copyrighted material taken verbatim from another law firm's Web site where the infringer's Web site put the two firms in direct competition for clients, despite the fact that the two firms practiced in different geographical areas of California.

***Chloé v. Queen Bee of Beverly Hills LLC*, 96 USPQ2d 1349**

The U.S. Court of Appeals for the Second Circuit held on August 5, 2010 that defendant California resident's contacts

with New York are sufficient to subject him to personal jurisdiction under state's "single-act" long-arm statute, since defendant shipped counterfeit "Chloé" handbag to purchaser in New York, and since defendant's company operated interactive website offering handbags for sale to New York consumers, and shipped merchandise to New York on 52 other occasions.

***Penguin Group (USA) Inc. v. American Buddha*, 82 BNA's PTCJ 79**

The U.S. Court of Appeals for the Second Circuit ruled on May 12, 2011 that a court in New York may have personal jurisdiction over a website operator in view of ruling by New York Court of Appeals in response to a certified question regarding that state's long-arm statute.

**COPYRIGHTS/VENUE/PERSONAL JURISDICTION – Case Law – New York**

***Penguin Group (USA) Inc. v. American Buddha*, 81 BNA's PTCJ 714**

Responding to a federal appeals court's request, the New York Court of Appeals ruled on March 24, 2011 that under New York state law injury occurs at copyright owner's location when works are uploaded to the Internet.

**COPYRIGHTS/PREEMPTION – Case Law – U.S. District Courts**

***Cvent Inc. v. Eventbrite Inc.*, 80 BNA's PTCJ 734**

The U.S. District Court for the Eastern District of Virginia ruled on September 15, 2010 that "scrapping" of website data by competitor does not support computer crimes claim.

**COPYRIGHTS/STANDING – Case Law – U.S. Court of Federal Claims**

***Cohen v. United States*, 81 BNA's PTCJ 824**

The U.S. Court of Federal Claims ruled on April 14, 2011 that by not explicitly assigning all of his rights in a work to a publisher—in this case, Internet publishing rights—an author of books on adult education and mentoring retained some of his exclusive rights in the relevant works and had standing to sue the government for copyright infringement.

**TRADEMARKS – Case Law – U.S. Supreme Court**

***Tiffany (NJ) Inc. v. eBay Inc.*, 81 BNA's PTCJ 141**

The U.S. Supreme Court on November 29, 2010 denies a

petition for a writ of *certiorari* in a case appealing the Second Circuit's ruling that online auction site operator eBay Inc. is not liable for trademark infringement or dilution – either directly or secondarily – 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.

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

#### ***Toyota Motor Sales U.S.A. Inc. v. Tabari*, 80 BNA's PTCJ 336**

The U.S. Court of Appeals for the Ninth Circuit held on July 8, 2010 that an auto brokerage service was entitled to make at least some use of the car maker's "Lexus" trademark in its Internet domain name.

#### ***Stayart v. Yahoo!, Inc.*, 80 BNA's PTCJ 760**

The U.S. Court of Appeals for the Seventh Circuit ruled on September 30, 2010 that a woman dismayed to find links to "shameful" websites and advertisements upon doing a Yahoo search for her name lacked standing to sue the search engine for trademark infringement.

#### ***Advertise.com Inc. v. AOL Advertising Inc.*, 96 USPQ2d. 1310**

The U.S. Court of Appeals for the Ninth Circuit ruled on August 3, 2010 that infringement defendants are likely to prevail on their claim that plaintiff's "Advertising.com" mark is generic for internet advertising services, since the term "advertising" is concededly generic, and ".com" is top-level domain indicator that refers generically to almost anything connected to business on internet, since extensive precedent supports conclusion that combination of ".com" and "advertising" does not result in descriptive mark, since "Advertising.com" does not appear to represent "rare instance" in which addition of TLD to generic term results in distinctive mark.

#### ***DSPT International Inc. v. Nahum*, 81 BNA's PTCJ 19**

The U.S. Court of Appeals for the Ninth Circuit ruled on October 27, 2010 that using a domain name with bad faith intent by holding it for ransom gives rise to liability under the Anti-cybersquatting Consumer Protection Act.

#### ***Board of Regents of the University of Wisconsin System v. Phoenix Software International Inc.*, 81 BNA's PTCJ 281**

The U.S. Court of Appeals for the Seventh Circuit ruled

on December 20, 2010 that in determining whether the use of two registered trademarks would be likely to create an assumption in the minds of consumers that the software products came from the same source, a district court erred in limiting its analysis to the description of the goods as found in the respective trademark registrations.

#### ***Lahoti v. Vericheck Inc.*, 81 BNA's PTCJ 526**

The U.S. Court of Appeals for the Ninth Circuit ruled on February 16, 2011 that a cybersquatter who succeeded in getting a trademark infringement judgment vacated 15 months earlier loses his second appeal, in that the lower court properly followed instructions on differentiating suggestive versus descriptive marks.

#### ***Network Automation Inc. v. Advanced Systems Concepts Inc.*, 81 BNA's PTCJ 606**

The U.S. Court of Appeals for the Ninth Circuit ruled on March 8, 2011 that trial court erred in applying the *Brookfield* "troika" of likelihood of confusion factors to the use of a mark to trigger Google ads.

### **TRADEMARKS – Case Law – U.S. District Courts**

#### ***Baidu Inc. v. Register.com Inc.*, 80 BNA's PTCJ 427**

The U.S. District Court for the Southern District of New York ruled on July 22, 2010 that an Internet registrar did not induce a hacker's trademark infringement and so was not contributorily liable.

#### ***New York-New York Hotel & Casino v. Katzin*, 81 BNA's PTCJ 24**

The U.S. District Court for the District of Nevada ruled on October 27, 2010 that redirecting reservations to Expedia was cybersquatting, infringed hotel's marks.

#### ***Jurin v. Google Inc.*, 96 USPQ2d 1674**

The U.S. District Court for the Eastern District of California ruled on September 8, 2010 that claim asserted by owner of building materials company for false designation of origin, based on defendant search engine provider's use of plaintiff's "Styrotrim" mark as keyword that plaintiff's competitors may bid on to secure "sponsored link" that appears on search results page when users search for Styrotrim", is dismissed, since plaintiff has failed to allege how defendant's use of term creates misleading suggestion as to producer of plaintiff's goods, and any confusion that may arise as to plaintiff's

affiliation with sponsored link, or as to trademark status of “Styrotrim”, does not constitute confusion as to producer of goods.

***Career Agents Network Inc. v. careeragentsnetwork.biz*, 96 USPQ2d 1884**

The U.S. District Court for the Eastern District of Michigan held on February 26, 2010 that plaintiff asserting claim for violation of Anticybersquatting Consumer Protection Act has not established that defendants had bad faith intent to profit in registering “careeragentsnetwork.biz” and “careeragent-network.biz” internet domain names, which contain plaintiff’s claimed “Career Agents Network” mark and are used for “gripe” websites critical of plaintiff’s business practices; use of plaintiff’s alleged mark in domain names registered to criticize plaintiff’s business is not “inconsistent with”, or in violation of, ACPA.

***1-800 Contacts Inc. v. Lens.Com Inc.*, 81 BNA’s PTCJ 253**

The U.S. District Court for the District of Utah held on December 14, 2010 that invisible AdWords were a use in commerce but noninfringing, absent a likelihood of confusion.

***Intel Corp. v. Americas News Intel Publishing LLC*, 97 USPQ2d 1134**

The U.S. District Court for the Northern District of California ruled on July 12, 2010 that defendant’s argument that plaintiff has failed to plausibly allege that defendant “used” plaintiff’s “Intel” mark, and that plaintiff thus has failed to state claim for infringement, has some merit; however, dismissal of complaint on this ground would be premature, since defendant’s use of arguably redundant term “intel” in its “Americas News Intel Publishing” service could be viewed as effort to free-ride on plaintiff’s mark.

***Binder v. Disability Group Inc.*, 81 BNA’s PTCJ 431**

The U.S. District Court for the Central District of California ruled on January 25, 2011 that a survey showing that some users who conducted a Google search using a registered term believed that they were being lead to the trademark owner’s website, as well as other evidence establish actual confusion arising from Google keyword ad.

***Partners for Health and Home L.P. v. Yang*, 80 BNA’s PTCJ 693**

The U.S. District Court for the Central District of California on September 13, 2010 found a likelihood of success for claims related to purchasing keyword triggers for online advertising and other online uses. The court also ruled that the owner of a registered trademark had established a likelihood of success on the merits of a claim of infringement based on the tagging of a video posted on the YouTube video clip website.

***Experience Hendrix LLC v. HendrixLicensing.com Ltd.*, 97 USPQ2d 1364**

The U.S. District Court for the Western District of Washington ruled on May 19, 2010 that defense of nominative fair use is appropriate if defendant uses plaintiff’s mark to describe plaintiff’s product, even if defendant’s ultimate goal is to describe its own product; in present case, defendants’ use of “Hendrix” in URLs and business names does not constitute nominative fair use of plaintiffs’ “Hendrix” family of marks, since defendants’ use of “Hendrix” to describe their own product, namely, marketing and licensing of goods related to late musician Jimi Hendrix.

***Ohio State University v. Thomas*, 97 USPQ2d 1454**

The U.S. District Court for the Southern District of Ohio on August 27, 2010 granted plaintiff state university combined temporary restraining order and preliminary injunction prohibiting defendants from using plaintiff’s various “Buckeyes” and “Ohio State” trademarks on websites or in electronic and printed publications, since plaintiffs have demonstrated strong likelihood of success on merits of their infringement and unfair competition claims, since plaintiff will suffer irreparable harm if defendants continue to publish and disseminate their products, and since balance of harms and public policy concerns favor grant of injunction.

***Passport Health Inc. v. Travel Med Inc.*, 98 USPQ2d 1344**

The U.S. District Court for the Eastern District of California on February 10, 2011 granted plaintiff summary judgment that defendants’ use of plaintiff’s “Passport Health” trademark in their [www.passporthealthnca.com](http://www.passporthealthnca.com) domain name is likely to cause consumer confusion, since domain name incorporates plaintiff’s mark in its entirety, and thus is

confusingly similar to plaintiff's mark, and since parties offer competing travel health services.

***Borescopes R Us v. 1800Endoscope.com LLC., 98 USPQ2d 1033***

The U.S. District Court for the Middle District of Tennessee ruled on July 26, 2010 that defendant's Internet domain name [www.borescopes.us.com](http://www.borescopes.us.com) is generic, since "borescopes" is generic when used in connection with sale of borescopes, since neither www. portion nor ".us.com" portion of domain name serves any source-indicating function, and since ".us" is known as abbreviation for United States in Internet addresses, and ".us.com" is alternative to ".com" extension for U.S.-based sites, such that addition of this domain name extension does not convert "borescopes" into protectable mark.

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

***In re Iolo Technologies LLC, 95 USPQ2d 1498***

The Trademark Trial and Appeal Board ruled on June 9, 2010 that applicant's "Activecare" computer software is similar, for purposes of likelihood-of-confusion analysis, to services offered by registrant under its "Active Care" mark, even though computer-related goods and services are not related *per se*, since applicant's goods, which include software that analyzes and repairs or optimizes performance settings for personal computers, are complementary in function and purpose to software installation, maintenance, and updating services offered by registrant.

***In re Greenliant Systems Ltd., 81 BNA's PTCJ 180***

The Trademark Trial and Appeal Board on November 29, 2010 affirms refusal to register "NANDrive" for flashdrives based on genericness.

***In re Trek 2000 International Ltd., 81 BNA's PTCJ 260***

The Trademark Trial and Appeal Board reverses ruling on November 30, 2010 that "thumbdrive" is generic for USB flash drive devices. Proposed "Thumbdrive" trademark is not generic term for applicant's "flash drive" data storage devices and related software, since evidence showing some generic use is offset by evidence showing significant amount of both proper trademark use and trademark recognition.

***Microsoft Corp. v. Apple Inc., 81 BNA's PTCJ 343***

Microsoft files a motion with the Trademark Trial and Appeal Board on January 10, 2011 opposing Apple Inc.'s attempt to register the term "App Store" for its online store where users can download applications for use on an iPod, iPad, or iPhone.

**TRADEMARKS/CYBERSQUATTING – Case Law – U.S. Courts of Appeal**

***Newport News Holdings Corp. v. Virtual City Vision Inc., 98 USPQ2d 1441***

The U.S. Court of Appeals for the Fourth Circuit ruled on April 18, 2011 that district court properly granted summary judgment for plaintiff clothing retailer, doing business under "Newport News" mark, on its cybersquatting claim, even though defendants prevailed in earlier Uniform Domain Name Dispute Resolution Policy proceeding, since, at time of UDRP decision, defendants' "newportnews.com" website simply provided information about city of Newport News, Va., and defendants subsequently changed site to one primarily devoted to women's fashions.

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

***Rackly Bilt Custom Trailers Inc. v. Harley Murray Inc., 95 USPQ2d 1730***

The U.S. District Court for the Eastern District of California on June 9, 2010 granted defendant summary adjudication of Plaintiff's claim for cybersquatting under 15 U.S.C. § 1125(d), based on defendant's registration of "racklybilt.com" and other domain names using forms of Plaintiff's business name, since defendant did not use domain names in connection with goods or services, set up website using names, offer to sell names, or profit from registering names.

***Microsoft Corp. v. Shah, 98 USPQ2d 1404***

The U.S. District Court for the Western District of Washington ruled on January 12, 2011 that plaintiff is permitted to assert novel cause of action for contributory cybersquatting in action alleging that defendants sought to profit in bad faith by selling method that teaches others how to trade on widespread recognition of plaintiff's trademarks in order to drive traffic to given website; Anticybersquatting Consumer Protection Act has been broadly interpreted, and cybersquatting is tort-like cause of action to which theory of contributory liability appears to be naturally suited.

***Volvo Trademark Holding AB v. Volvospare.com,*  
2010 WL 1404175**

The U.S. District Court for the Eastern District of Virginia, which had *in rem* jurisdiction over a Web site registrant located outside the United States, on April 1, 2010 granted summary judgment in favor of the plaintiff, finding that the registrant was acting in bad faith with the intent to profit, and that the volvospare.com domain name was confusingly similar to the famous and distinctive VOLVO trademark.

**TRADEMARKS/DOMAIN NAMES – Case Law – U.S. District Courts**

***Rosetta Stone Ltd. v. Google Inc.,*  
80 BNA's PTCJ 512 and 514**

The U.S. District Court for the Eastern District of Virginia on August 3, 2010 and August 2, 2010, respectively dismissed Rosetta Stone's unjust enrichment claim challenging Google's AdWords and ruled that Google prevailed in AdWords infringement case under keyword "functionality" doctrine.

**TRADEMARKS/PERSONAL JURISDICTION – Case Law – U.S. Courts of Appeal**

***UBID Inc. v. GoDaddy Group Inc.,*  
80 BNA's PTCJ 761**

The U.S. Court of Appeals for the Seventh Circuit ruled on September 29, 2010 that domain name registrar GoDaddy.com's extensive online marketing efforts in Illinois sufficed to establish specific personal jurisdiction over it there in a cybersquatting action.

***Mobile Anesthesiologists Chicago LLC v. Anesthesia Associates of Houston Metroplex PA,*  
96 USPQ2d 1921**

The U.S. Court of Appeals for the Seventh Circuit ruled on October 1, 2010 that defendant Texas-based professional association, which provides on-site anesthesiology services, does not have minimum contacts with Illinois sufficient to justify exercise of specific personal jurisdiction by Illinois federal court in cybersquatting action; defendant's operation of website accessible to Illinois residents, with domain name similar to plaintiff's "Mobile Anesthesiologists" mark, does not constitute action "expressly aimed" at forum state with intent to harm.

***be2 LLC v. Ivanov, 82 BNA's PTCJ 21***

The U.S. Court of Appeals for the Seventh Circuit ruled on April 27, 2011 there was no personal jurisdiction in match-making website case as man did not target Illinois.

**TRADEMARKS/TRADE DRESS – Case Law – U.S. District Courts**

***Jumpitz Corp. v. Viacom International Inc.,*  
97 USPQ2d 2002**

The U.S. District Court for the Southern District of California on August 13, 2010 denied plaintiff summary judgment on counterclaim alleging that shooting-star graphic on plaintiff's website infringes defendant's trade dress rights in its orange "splat" graphic for children's television programming services; however, plaintiff is granted summary judgment on counterclaim alleging infringement of defendant's trade dress rights in "visual system" for its website, since defendant has not shown that visual system is non-functional.

**TRADEMARKS/UNFAIR COMPETITION – Case Law – U.S. District Courts**

***Cornelius v. Bodybuilding.com, 82 BNA's PTCJ 200***

The U.S. District Court for the District of Idaho ruled on June 1, 2011 that moderators lack authority to speak for a website and, consequently, forum posts won't result in website liability.

**TRADE DRESS/COPYRIGHT – Case Law – U.S. District Courts**

***Hershey Co. v. Hottrix LLC., 81 BNA's PTCJ 493***

The U.S. District Court for the Middle District of Pennsylvania ruled on January 6, 2011 that mimicking an iPhone app's "look and feel" could amount to trade dress and copyright infringement.

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

***Nationwide Mutual Insurance Co. v. Mortensen,*  
95 USPQ2d 1305**

The U.S. Court of Appeals for the Second Circuit ruled on May 11, 2010 that policyholder information that defendant insurance agents allegedly took from plaintiffs' computer system does not qualify as trade secret, since information is readily available from physical policyholder files.

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

***Gene Codes Corp. v. Thomson*, 81 BNA's PTCJ 492**

The U.S. District Court for the Eastern District of Michigan ruled on February 11, 2011 that the former employee of a DNA-analyzing software company is not liable for stealing the company's trade secrets under Michigan's Uniform Trade Secrets Act.

**TRADE SECRETS – Case Law – California**

***Pacesetter Inc. v. Nervicon Co.*, 81 BNA's PTCJ 868**

A jury in the California Superior Court on April 22, 2011 awarded St. Jude medical \$2.3 billion in case involving theft of trade secrets including schematics, specifications, source code and drawings.

**TRADE SECRETS/DISCOVERY – Case Law – U.S. District Courts**

***Rimkus Consulting Group, Inc. v. Cammarata*,  
688 F.Supp. 2d 598**

The U.S. District Court for the Southern District of Texas on February 19, 2010 confronted a spoliation of evidence claim based on the defendant's destruction of e-mails. Although the elements of *res judicata* otherwise were present, the court held that a prior state court proceeding did not preclude the issues to which the deleted e-mails were relevant, including the misappropriation of trade secrets claims.

**ANTICYBERSQUATTING CONSUMER PROTECTION ACT – Case Law – U.S. Courts of Appeal**

***Office Depot, Inc. v. Zuccarini*, 596 F.3d 696**

The U.S. Court of Appeals for the Ninth Circuit upheld on February 26, 2010 the exercise of *quasi in rem* jurisdiction over a domain name in the district in which the domain name registry was located for purposes of executing a judgment against the owner of the domain name.

**ANTITRUST – Case Law – U.S. Supreme Court**

***Sony Music Entertainment v. Starr*,  
81 BNA's PTCJ 315**

The U.S. Supreme Court on January 10, 2011 lets stand a Second Circuit decision allowing antitrust allegations to proceed against four of the nation's major music labels. Consequently, the music labels' internet pricing collusion case will go forward.

**ELECTRONIC DISCOVERY – Case Law – U.S. District Courts**

***Pension Committee of the University of Montreal Pension Plan v. Banc of America Securities, LLC.*,  
685 F.Supp. 456**

The U.S. District Court for the Southern District of New York on January 15, 2010 addressed the issue of a party's obligations with respect to document preservation and collection. The court held that a party who fails to institute a written litigation hold as soon as litigation is reasonably anticipated, or who fails to identify and preserve records of "key players" in the controversy underlying the litigation, is to be deemed grossly negligent and exposes itself to serious sanctions, including monetary sanctions and adverse jury inference instructions to presume that the lost evidence was relevant, and that its destruction was prejudicial to the requesting party.

**ELECTRONIC MAIL REGULATION – Case Law – U.S. District Courts**

***Asis Internet Services v. Subscriberbase Inc.*,  
2010 WL 1267763**

The U.S. District Court for the Northern District of California ruled on April 1, 2010 that the CAN-SPAM Act did not preempt state law in the field of "falsity and deception." The court found that the question of whether the subject line of mass commercial e-mails is deceptive and violates state law is a question of fact for the jury, unless no reasonable trier of fact could conclude otherwise.

**FALSE ADVERTISING – Case Law – U.S. District Courts**

***QVC Inc. v. Your Vitamins Inc.*, 96 USPQ2d 2008**

The U.S. District Court for the District of Delaware ruled on July 23, 2010 that plaintiffs have failed to satisfy their burden, for preliminary injunction purposes, of showing, literal falsity of statement on defendant's comparative advertising blog averring that plaintiffs' dietary supplements consist of "99% additives", since statement is largely correct, and defendant did not state that additives in question are harmful or render plaintiffs' products inferior.

**LANHAM ACT/STANDING – Case Law –  
U.S. Courts of Appeal**

***Harold H. Huggins Realty Inc. v. FNC Inc.*, 81 BNA's  
PTCJ 558**

The U.S. Court of Appeals for the Fifth Circuit ruled on February 24, 2011 that four residential real-estate appraisers have standing to challenge a software developer's anti-competitive conduct under the Lanham Act. The appraisers used an online portal for getting appraisal requests from lenders and for submitting the results of their appraisals. The data they submitted was allegedly inappropriately used in order to build a database to support a competing online appraisal service.

**LICENSING/SOFTWARE – Case Law –  
U.S. Courts of Appeal**

***Compliance Source Inc. v. GreenPoint Mortgage  
Funding Inc.*, 80 BNA's PTCJ 825**

The U.S. Court of Appeals for the fifth Circuit ruled on October 18, 2010 that form-database technology licensee's provision of the technology to its lawyers to access and use to prepare loans for the licensee was "on behalf of and for the benefit of" the licensee, and thus a violation of the licensing agreement.

**REGULATION OF THE INTERNET – Case Law –  
U.S. Courts of Appeal**

***Comcast Corp. v. Federal Communications Com-  
mission*, 600 F.3d 642**

The U.S. Court of Appeals for the District of Columbia concluded on April 6, 2010 that the FCC does not have ancillary authority to regulate an ISP's network management practices because such regulations are not linked to any express authority delegated by Congress.

**UNFAIR TRADE PRACTICES/MISAPPROPRIATION –  
Case Law – U.S. District Courts**

***Barclays Capital Inc. v. Theflyonthewall.com*,  
96 USPQ2d 1077**

The U.S. District Court for the Southern District of New York ruled on March 18, 2010 that defendant's online paid-subscription financial news service that collected and redis-

tributed portions of major financial firms' investment reports has misappropriated firms' "hot news," since plaintiffs incur substantial expense in generating their search reports and recommendations, since recommendations are clearly time-sensitive, since defendant's core business is its "free-riding" on sustained, costly efforts by plaintiffs to generate equity research, and since plaintiffs have shown that defendant's conduct substantially threatens plaintiffs' business.

**UNIFORM DOMAIN NAME DISPUTE RESOLUTION  
POLICY – Case Law – U.S. District Courts**

***Occidental Hoteles Management, S.L. v. Hargrave  
Arts, LLC*, 2010 WL 1490296**

The U.S. District Court for the Northern District of Oklahoma held on April 8, 2010 that the decision of an arbitration panel issued pursuant to ICANN's UDRP procedure for domain name disputes did not constitute a valid affirmative defense to claims of trademark infringement or cybersquatting in federal court.

**FOREIGN LAWS/COURTS – Case Law – France**

***eBay France v. Hermes International*,  
80 BNA's PTCJ 436**

A Reims regional appeal court ruled on July 20, 2010 that eBay, as publisher, is liable for sales of counterfeit Hermes bags.

***Google France v. Syndicat Francais de la Litterie*,  
81 BNA's PTCJ 153**

The Paris Court of Appeals ruled on November 25, 2010 that Google did not infringe a French bedding manufacturer syndicate's trademark by selling keywords associating the trademark with links sponsored by the syndicate's competitors.

***eBay Europe v. Maceo, Cass.com*,  
81 BNA's PTCJ 837**

France's highest appeals court on April 8, 2011 denied jurisdiction over eBay for failure to show targeting of France. ■

# Save the Date!!!

## **Fourth Annual Information Technology Law Seminar Wednesday, September 21, 2011, at the Inn at St. John's in Plymouth**

Please plan to attend this very successful annual event put on by our Section in conjunction with [ICLE](#). This year we are particularly excited about our lineup of speakers and topics:

### **The Keys to Technology Licensing**

Mark G. Malven, Dykema

### **Trademarks on the Web**

Mary Margaret O'Donnell, Rader Fishman & Grauer PLLC

### **Current Trends in Data Security and Privacy**

Raj Patel, Plante & Moran PLLC

### **"Angry Birds" and Killer Apps: Software Copyright for Business Lawyers**

Susan M. Kornfield, Bodman PLC

### **Representing the Web-Based Business**

Matthew W. Bower, Safford & Baker PLLC

### **Legal Implications of Social Media**

John A. Rothchild, Associate Dean and Associate Professor of Law, Wayne State University Law School

In addition to the educational benefits of this full-day seminar, the registration fee includes lunch, during which the Information Technology Section will briefly hold its annual meeting, and following the seminar, enjoy a complimentary networking reception and become better acquainted with your fellow Section members.

You can find [more information](#) and [register](#) on the ICLE website. We hope to see you there!

If you know of an organization that may be interested in sponsoring the event, please contact Charlie Bieneman at [cab@raderfishman.com](mailto:cab@raderfishman.com).

## 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](mailto:michael@gallo.us.com).

### Microsoft Office 2010

- <http://office.microsoft.com/en-us/training-FX101782702.aspx?CTT=97> – Microsoft training courses for MS Office 2010.
- <http://office.microsoft.com/en-us/office-video-FX102493438.aspx?CTT=97> – Microsoft training videos for MS Office 2010.
- <http://office.microsoft.com/en-us/excel-help/office-2010-migration-guides-HA101982272.aspx> - Microsoft migration guides that provide answers to common questions about making the transition to MS Office 2010.
- <http://office2010.microsoft.com/en-us/word-help/learn-where-menu-and-toolbar-commands-are-in-office-2010-HA101794130.aspx> - Microsoft documentation listing where favorite menu and toolbar commands are located in Microsoft Office 2010.
- <http://office.microsoft.com/en-us/templates/word-2010-menu-to-ribbon-reference-workbook-TC101817139.aspx> - Microsoft documentation listing MS Word 2010 locations of MS Word 2003 commands. ■



## Mission Statement Information Technology Law Section, State Bar of Michigan

The purposes of the Section are to review, comment upon, and appraise members of the State Bar of Michigan and others of developments in the law relating to information technology, including:

- (a) the protection of intellectual and other proprietary rights;
- (b) sale, leasing, distribution, provision, and use of, hardware, software, services, and technology, including computer and data processing equipment, computer software and

services, games and gaming, information processing, programming, and computer networks;

- (c) electronic commerce
- (d) electronic implementation of governmental and other non-commercial functions;
- (e) the Internet and other networks; and
- (f) associated contract and tort liabilities, and related civil and criminal legal consequences.