Computers and the Law
Legal Environment

Randy Canis
CLASS 3

Trademarks pt. 1;
Patents pt. 1
Trademarks and Trade Dress

• What is a trademark?
• What is trade dress?
• How are trademarks and trade dress applied to technology?

Practice of Trademark Law

• Your boss tells you that your company plans to adopt a mark for its product. What should you advise your boss to do before announcing the mark and/or launching the product?
Preliminary Questions to Address

• Are we adopting a mark or a trade name?
• What type of mark will be used for the product/service?
• What type of device will be used for the trademark?

What is a Trademark?

• A trademark is any word, name, symbol, or device, or any combination thereof used to identify and distinguish his or her goods from those manufactured or sold by others and to indicate the source of the goods.
• See 15 U.S.C. §1127

What is the Purpose of a Trademark?

a) trademarks reduce consumer search costs and contribute to transactional efficiency in the marketplace;
b) trademarks make companies accountable for their products;
c) trademarks provide an incentive to produce high-quality products;
d) trademarks promote competition by allowing consumers to differentiate among products on the basis of source;
e) trademarks protect the investment and goodwill of the trademark owner;
f) trademarks promote fair dealing and commercial honesty in the marketing and sale of products; and
g) in the case of prestigious trademarks, they can be used to reflect the wealth, status and taste of the purchaser.

From PLI Understanding Trademark Law 2009 (materials by Jeffery A. Handelman)
Other Types of Marks

• Service mark – “to identify and distinguish the services of one person … from the services of others and to indicate the source of the services”

• Certification Mark – “to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person’s goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.”

• Collective Mark - indicates membership in a union, an association, or other organization.

Origins of Trademark Law

• Common Law
  – Deceit – “A fraudulent and deceptive misrepresentation, artifice, or device, used by one or more persons to device and trick another, who is ignorant of the true facts, to the prejudice and damage of the party imposed on.”

• Unfair Competition
  – Passing Off – when P can prove that D had used P’s mark to deceive consumers into thinking that P was the source of D’s goods.

Trade Names Distinguished

• A trade name (or commercial name) is any name used by a person to identify his or her business or vocation.

• Contrasting examples:
  – Microsoft v. Microsoft Corporation
  – Yahoo v. Yahoo! Inc.
  – Adobe v. Adobe Systems Incorporated
Devices for Trademarks

- **Words** – MICROSOFT for computer software
- **Symbol** – Nike SWOOSH
- **Device** – McDonalds GOLDEN ARCHES, Levis Pocket
- **Sound** – Michael Buffer LET’S GET READY TO RUMBLE, NBC THREE CHIMES

Additional Questions

- Where geographically will the mark be used?
- When will use of the mark commence?
- Should federal registration be sought?

State and Common Law Trademarks

- **State Trademarks**
  - For intrastate sale of goods and services
  - Usually less expensive than federal registration
  - On a state by state basis
- **Common Law Trademarks**
  - Requirements
    i. Adoption
    ii. Affixation
    iii. Use
Symbols

- ® - Federally registered
- Circle T - State registered
- TM - trademark at common law
- SM – service mark at common law

Use Required

To qualify for trademark rights, the person must:
(1) be using the trademark in commerce, or
(2) have a bona fide intention to use the trademark in commerce and apply to register on the principal register established by this Act.

“The term ‘use in commerce’ means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.”

Showing Use

- If application was filed as ITU, must file use allegation
- Must submit specimen(s) showing use in commerce at the time application was filed (for use-based application) or allegation of use filed (for ITU)
Specimens Showing Use

Acceptable specimens of use for goods
• Packaging for the goods
• Labels affixed to the goods
• Hang tags affixed to the goods
• Web page showing the mark and the goods, where consumer can purchase the goods on the website

Acceptable specimens of use for services
• Advertising or promotional materials that clearly reference the services
• Business cards/stationery (as long as it references the services)
• Web page that clearly shows the mark and describes the services

What Factors are used to Determine Commercial Use?
(1) Quantity and Continuity of Sale
(2) Consumer Purchases
(3) Business of Mark Owner
(4) Quality Control
(5) A Distinguishing Mark
(6) Intent
(7) Profit or Loss
(8) Advertising
(9) Test Market

Types of Searches
• Knock-out – exact mark
• Preliminary – identical and confusingly similar federal and state trademarks
• Comprehensive – preliminary plus common law and the Internet
Be v. BeBe

- Bebe stores, Inc. (Nasdaq: BEBE) announced that a federal appeals court panel this week rejected May Department Stores Company’s appeal to lift a preliminary injunction that would bar it from using the name “be” on a clothing line for young women.
- In the published ruling, the panel said it had found that bebe had presented enough evidence during the preliminary hearing to support its claim that the St. Louis retailer was attempting to confuse customers and compete unfairly. Since the panel found no error on the part of the lower court’s ruling, it affirmed the injunction.
- Source: http://www.allbusiness.com/legal/trial-procedure-appellate-decisions/5974796-1.html#ixzz1lWh2C8W0
- Also see https://ecf.moed.uscourts.gov/documents/opinions/BEBE_STORES_INC_V_THE_MAY_DEPARTMENT_STORES_INTERNATIONAL_INC_DBA_MAY_DEPARTMENT_STORES_COMPANY-CDP-54.PDF

Federal Trademark Registration

Steps
- Search (and opinion)
- Application (use-based or intent-to-use)
- Prosecution
- Registration

Additional Questions

- Is the mark a surname?
- Is the mark prohibited?
Surnames

• Ordinarily, a person can use his/her own surname as a mark.
• However, a person cannot use his/her own surname if a prior comer's surname is in the same product area and if the purpose is to drain off good will.
• The second comer can use the same or similar surname if he/she wishes to use or develop his/her own expertise and good will.
• In so doing, he/she must avoid confusing by disclaiming a connection with the prior comer's business, or distinguishing his/her mark.
• A surname mark can be registered only after it acquires secondary meaning.

Prohibited Trademarks

Marks that consist or comprise of the following are prohibited:

– immoral, deceptive, or scandalous matter;
– matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute;
– a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods;
– flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.
– a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

See 15 U.S.C. §1052

Blackhorse v. Pro Football, Inc.

• “The TTAB -- an independent administrative tribunal within the USPTO -- has determined, based on the evidence presented by the parties and on applicable law, that the Blackhorse petitioners carried their burden of proof. By a preponderance of the evidence, the petitioners established that the term 'Redskins' was disparaging of Native Americans, when used in relation to professional football services, at the times the various registrations involved in the cancellation proceeding were issued. Thus, in accordance with applicable law, the federal registrations for the 'Redskins' trademarks involved in this proceeding must be cancelled.”
Trademark Strength

• How strong will the selected mark be?

Protection is based on Strength of Mark

• The protection afforded a trademark depends on the strength or weakness of a mark. The stronger a trademark, the greater the protection afforded. …
• The strength of the mark analysis focuses on the “distinctiveness of the mark, or more precisely, its tendency to identify the goods sold under the mark as emanating from a particular, although possibly anonymous, source.” …
• A mark’s strength is measured by two factors: (1) the degree to which it is inherently distinctive; and (2) the degree to which it is distinctive in the marketplace.” Id.

Distinctiveness

• Classifications of trademarks are based upon the inherent distinctiveness of the mark
• Classifications include
  1) generic;
  2) descriptive;
  3) suggestive; and
  4) arbitrary or fanciful.
• Fanciful or arbitrary marks are eligible for protection without proof of secondary meaning and with ease of establishing infringement.
Generic Marks

- A generic mark is generally a common description of goods or for a class of goods.
- A generic mark is ineligible for trademark protection.
- Examples:
  - Milk for a particular drink that comes from a cow
  - Chocolate for a particular kind of dessert
  - Newspaper for a particular type of reading material

What Does It Mean for a Trademark to Be Generic?

- The defendants’ mark registration specifies that the “Rams” name is to be used for “entertainment services—namely, professional football exhibitions.” Thus, the product denoted by the “Rams” registration is a professional football team, and the record is devoid of any evidence demonstrating that any other professional football team is known as the “Rams,” with the exception of the now extinct “Los Angeles Rams” franchise. The plaintiff has also failed to adduce any evidence that the “Rams” mark has become a common term for professional football teams generally. See Henri’s Food Prods. Co. v. Tasty Snacks, Inc., 817 F.2d 1303, 1305 (7th Cir.1987).
- Contrary to the plaintiff’s claim, use of the “Rams” mark by one, or even several, college athletic teams does not establish a genuine issue as to the mark having become generic as it is defined by the statute because none of the collegiate parties using the mark produces the same product: a professional football team. Furthermore, the record fails to demonstrate that “Rams” is the common linguistic term for a professional football team. See Gimix, 699 F.2d at 905.
- See Johnny Blastoff, Inc. v. Los Angeles Rams Football Co., 188 F.3d 427, 438 (7th Cir. 1999)

Generic Nature of Marks

- “When defendants obtained their trademark, they did no CD-ROM business. The term ‘CDs’ (not ‘CDS’) is generic, and a holder of a trademark must be denied protection if the mark becomes generic and is an expression that does not relate exclusively to a trademark owner’s property.
- “The court concludes that defendants cannot now expand their trademark rights to generic descriptions existing in our everyday language. Whereas “CDs” are initials of defendants’ companies, defendants’ registration of the trademark in 1988 described a business pertaining to “desktop publishing and printing.” Defendants now seek to expand the scope of this mark’s protection to preclude the use of "CDs" in reference to compact disc products and services, and this renders the mark invalid as being generic. Accordingly, plaintiff’s motion for summary judgment is granted.”
Descriptive Marks

• A descriptive mark describes a product's features, qualities, or ingredients in ordinary language,
• A descriptive mark may be protected only if secondary meaning is established.
• Examples
  – Sudsy for soap
  – Big chips for cookies
  – Featherlite for gloves
  – American Airlines for airplane travel services
  – Quick Key for a keyboard

Suggestive Marks

• A suggestive mark employs terms which do not describe but merely suggest the features of the product, requiring the purchaser to use imagination, thought, and perception to reach a conclusion as to the nature of the goods.
• Examples
  – Coppertone for suntan lotion
  – Blockbuster for movie rental services
  – Sandals for resort services

Fanciful Marks

• "Fanciful marks consist of coined words that have been invented or selected for the sole purpose of functioning as a trademark."
  King of the Mt. Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1093 (10th Cir. 1999)
Arbitrary Marks

• “Arbitrary marks comprise those words, symbols, pictures, etc., that are in common linguistic use but which, when used with the goods or services in issue, neither suggest nor describe any ingredient, quality or characteristic of those goods or services.”

King of the Mt. Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1093 (10th Cir. 1999)

Secondary Meaning

• A mark also may be considered strong if it has acquired a strong secondary meaning.

• “To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.” Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 456 U.S. 844, 851, 102 S.Ct. 2182, 2187, 72 L.Ed.2d 606 (1982).

Secondary Meaning Factors

• The common factors tending to show secondary meaning are (1) advertising expenditures; (2) consumer studies linking the name to a source; (3) sales success; (4) unsolicited media coverage; (5) attempts to plagiarize the mark; and (6) the length and exclusivity of the mark's use. …


• See also http://www.bitlaw.com/source/tmep/1212_06.html
Who has Protectable Rights in a Trademark?

- The determination of whether a party has established protectable rights in a trademark is made on a case by case basis, considering the totality of the circumstances. See New West Corp. v. NYM Co. of Calif., 595 F.2d 1194, 1200 (9th Cir.1979).
- A party may acquire a protectable right in a trademark only through use of the mark in connection with its product. See Zaz Designs v. L’Oreal, S.A., 979 F.2d 499, 503 (7th Cir.1992).
- The party seeking to establish appropriation of a trademark must show first, adoption, and second, “use in a way sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind as those of [the adopter of the mark].” New West, 595 F.2d at 1200.
- The party who first appropriates the mark through use, and for whom the mark serves as a designation of source, acquires superior rights to it. See Zaz, 979 F.2d at 503-04.
- Evidence of actual sales is not necessary to establish ownership. See New West, 595 F.2d at 1200.
- See Johnny Blastoff, Inc. v. Los Angeles Rams Football Co., 188 F.3d 427, 433 (7th Cir. 1999).

Who has Protectable Rights in a Trademark?

- Furthermore, current case law in the area of franchise relocation and expansion has created a strong presumption of franchise owner priority in their marks. In Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club Ltd., 34 F.3d 410, 413 (7th Cir.1994), this Court held that the “Indianapolis Colts” mark may be viewed simply as “Colts,” independent of urban affiliation.
- While courts consistently define “use” as the public sale of a product, in some circumstances parties have been found to possess rights in an alteration of an existing mark that was used solely by third-parties to designate its product. See Coca-Cola Co. v. Busch, 44 F.Supp. 405, 406-10 (D.Fla.1942) (“Coke” protectable trademark for “Coca-Cola”).
- In addition, advertising and promotion surrounding the development of sports facilities have been found to establish rights in the mark. See Maryland Stadium Authority v. Becker, 806 F.Supp. 1236 (D.Md.1992).
- See Johnny Blastoff, Inc. v. Los Angeles Rams Football Co., 188 F.3d 427, 433 (7th Cir. 1999).

Benefits of Trademark Protection

- A certificate of registration on the principal register provides
  - prima facie evidence of the validity of the registered mark and of the registration of the mark,
  - prima facie evidence of the registrant’s ownership of the mark, and
  - prima facie evidence of the registrant’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate.
- 15 U.S.C. 1057(b)
Loss of Rights

• How can I lose the rights associated with my trademark?

Abandonment

• Under the Lanham Act, a mark will be deemed abandoned when its use is discontinued with an intent not to resume use. 15 U.S.C. §1127. When not explicitly stated, the intent not to resume use can be inferred from the circumstances of the case. Specifically, three consecutive years of nonuse serves as prima facie evidence of abandonment. 15 U.S.C. §1127. The statutory language clarifies that "use" of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark."


How Do You Avoid Losing Your Trademark?

• Employ usage "X brand [generic term]" on product and in advertising
  – Sony’s Walkman AM/FM portable radio/tape player
• Capitalize trademark
• Use trademark as adjective, never as noun
• Use trademark notice marks (circled T or circled R)
• Use same trademark on related products
• Police improper usage in advertising and by outsiders
• Establish an education program (through advertising)
  – Coca-Cola police!
Incontestability

• Can my mark become strong enough as to withstand some challenges?

Incontestability

• Registration is prima facie evidence of right to use mark
  – PTO has examined mark for prior use – § 12(a)
  – Published for opposition by other users – § 13
• Validity of registration can be contested during first 5 years use by registrant – § 14
  – On grounds of prior use by another registrant, generic-ness, prohibited term, misrepresentation of origin, fraudulent registration, abandonment, lack of distinctiveness
  – By cancellation proceeding
• After 5 years use, registrant may file affidavit to that effect
  – Thereafter, mark becomes "incontestable" – § 15
  – Deemed to have acquired secondary meaning
  – Mark can be canceled for fewer reasons – § 33(b)
  – Cannot be canceled for lack of distinctiveness, prohibited term

What is the Value of Having a Mark Incontestable?

• "[O]nce a mark has been registered for five years, the mark must be considered strong and worthy of full protection." Wynn Oil I, 839 F.2d at 1187; 15 U.S.C. § 1065. Here, Blockbuster’s trade marks "Blockbuster" and "Blockbuster Video," have been registered since 1986, more than five years prior to the commencement of this action. Therefore, those marks are incontestible and Defendant cannot argue that the marks are merely descriptive and worthy of little protection. Park 'N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 189, 105 S.Ct. 658, 83 L.Ed.2d 582 (1985).
Rights of Others

• What if someone is using the same or similar mark in a different geographic area?
• How related must another’s products and/or services be to mine before it causes a problem?

Concurrent Use

• Concurrent use is when users have the same or similar marks on same or similar goods in separate geographic areas.
• Each concurrent user is entitled to protection in its own separate market areas.
• The senior user is entitled to protection in overlapping market areas.
• But federal registration gives nationwide protection (subject to grandfathered pre-registration rights) including constructive notice of nationwide rights.

Concurrent Use Causing Confusion?

• When considering the area and manner of concurrent use factor, we have to assess whether “there is a relationship in use, promotion, distribution, or sales between the goods or services of the parties.” Forum Corp. of North America v. Forum, Ltd., 903 F.2d 434, 442 (7th Cir. 1990)
• In determining whether the area and manner of concurrent use as between two marks is likely to cause confusion, the magistrate noted that several factors can be important:
  1) the relative geographical distribution areas, see Rust Environment & Infrastructure, Inc. v. Tecniskanse, 131 F.3d 1210, 1217 (7th Cir. 1997)
  2) whether there exists evidence of direct competition between the products, see Smith Fiberglass Prods., Inc. v. Armstrong, Inc., 7 F.3d 1327, 1330 (7th Cir. 1993)
  3) whether the products are sold to consumers in the same type of store, see Warner Corp. v. Barden, Inc., 644 F.2d 96, 967 (2nd Cir. 1981)
  4) whether the products are sold in the similar section of a particular store, see id.; and
  5) whether the product is sold through the same marketing channels, see Nike, Inc. v. Just Do It in English, 9 F.3d 1225, 1230 (7th Cir. 1993)
• See Ty, Inc. v. Jones Group, Inc., 237 F.3d 891, 900 (7th Cir. 2000)
Related Products – Trademarks

• “The trademark registrant/user is entitled to the exclusive use of mark (i) for related products in areas where related products overlap, (ii) to avoid product origin confusion, (iii) to avoid dilution of senior mark’s goodwill, and (iv) to permit natural expansion into related product lines. “In assessing whether products are similar, the question is "whether the products are the kind the public attributes to a single source." ...”
• See Ty, Inc. v. Jones Group, Inc., 237 F.3d 891 (7th. Cir. 2000)

Related Products - Likelihood of Confusion

• “To the extent goods (or trade names) serve the same purpose, fall within the same general class, or are used together, the use of similar designations is more likely to cause confusion.” ... In this case, Blockbuster and Video Busters are in direct competition with each other in renting video cassettes to customers in metropolitan Detroit. Therefore, this factor weighs heavily toward a finding of confusion.

USPTO

• Administers federal trademark registration
• Trademark Manual of Examination Procedures (TMEP) - 3rd Edition
  – http://www.uspto.gov/web/offices/tac/tmep/
Patents pt. 1

Patent Law

• What legal rights are obtained through ownership of a patent?
• What is patentable?
• What qualifications must be met to obtain a patent?
• How can a patent be enforced?

Why Own a Patent?

• Ownership of a patent gives the patent owner the right to exclude others from making, using, offering for sale, selling, or importing into the United States the invention claimed in the patent.
• 35 U.S.C. 154(a)(1), MPEP 301
How Long Does a Patent Last?

General Rule
- 20 years from filing (starting from the date of issuance) 37 U.S.C. 154(a)

Exceptions
- If filed before June 8, 1995, 20 years from date of filing or 17 years from issue, whichever is longest
- Time with a Provisional Application does not count against the term
- Patent Term Adjustment for delays during patent prosecution 37 U.S.C. 154(b), MPEP 2730

Three Types of Patents

- **Utility Patent** – an invention that is functional and useful
- **Design Patent** – a new, original, and ornamental design of an article of manufacture
- **Plant Patent** – protection on a new variety of plant that has been asexually reproduced through grafting, budding or a similar technique

What is the Process for Obtaining a Patent?

- Conceive the invention
- Determine who owns the invention
- Prepare an invention disclosure
- Perform a patentability search
- Prepare and file a nonprovisional patent application
- Prosecute the patent application before the United States Patent and Trademark Office (USPTO)
- Obtain a notice of allowance
- Pay the issuance fee
Pre-Filing

- Conception →[Diligence]→
- Reduction to Practice →[Diligence]→
- Filing of the Application

Conception

- Conception is the mental formulation and disclosure by the inventor of a complete idea for a product or process.
- The idea must be of specific means, not just a desirable end or result. Chisum §10.4

Reduction to Practice

- An inventor may reduce an invention to practice either constructively by the filing of a patent application or actually by building and testing a physical embodiment of the invention.
- "[T]he act of filing the United States application has the legal effect of being, constructively at least, a simultaneous conception and reduction to practice of the invention." Yasuko Kawai v. Melsecics, 460 F.2d 880
Patent Prosecution 101

- Patent Prosecution
  - The process by which a patent application runs its course through the patent office that ultimately results in the application being issued as a patent or abandoned.
  - Who are the primary parties?
    - Inventor(s)
    - Applicant
    - Examiner
    - Patent Attorney and Agent
  - What is the difference between the inventor(s) and applicant, and why does it matter?
  - Important Issue – Who does the attorney represent: one or more of the inventors, the applicant, a third party paying the bills, etc?

General Requirements - Patent Eligibility/Utility

Requirement – Patent Eligibility/Utility
- Patent Eligibility - Must be eligible subject matter
- Utility - The invention must have utility.
- 35 USC §101 - "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title"

Patent Eligibility

- Is a particular invention of a kind that the patent laws intended to protect?
- Subject matter open to patenting
  - Are there subject matters that are not open to patenting?
    - Natural Laws
    - Phenomena of Nature
    - Abstract Principles
  - Technology = useful arts
Exceptions to Patentability

- Generally laws of nature and abstract ideas
  - Abstract mathematical algorithm with no concrete application
  - Products occurring naturally in nature

State Street Bank & Trust Co. v. Signature Financial Group Inc.

“[T]he transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces “a useful, concrete and tangible result”–a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.”

In re Bilski (Fed. Cir.)

- Test identified by Federal Circuit In re Bilski
  - “A claimed process is surely patent-eligible under § 101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing.”
  - Sole test for determining patent eligibility of a process under 101...
Bilski at the PTO

• In response, Examiners at the PTO required structure in the body method claims, machine readable claims, and system claims
• Guidelines for Patent Examiners were issued on August 24, 2009

In re Bilski – Supreme Court Decision

• Machine-or-transformation test
  – not endorsed as the exclusive test
  – was not intended to be an exhaustive or exclusive test
  – provides “a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under §101”
  – is not the sole test

In re Bilski – Supreme Court Decision

• Business method patents are not categorically excluded
• At least some business methods may be allowed
• Court gave some deference to enacting of §273 that provided a defense to methods of doing business
  – No suggestion of broad patentability
In re Bilski –
Supreme Court Decision

• Result
  – Computer software is still patentable
  – Business methods that don’t involve technology have a limited chance of being patentable
  – What about methods for treatment?

Mayo Collaborative Services v. Prometheus Labs., Inc.

• “If a law of nature is not patentable, then neither is a process reciting a law of nature, unless that process has additional features that provide practical assurance that the process is more than a drafting effort designed to monopolize the law of nature itself.”

Mayo Collaborative Services v. Prometheus Labs., Inc.

• “[T]he claims inform a relevant audience about certain laws of nature; any additional steps consist of well understood, routine, conventional activity already engaged in by the scientific community; and those steps, when viewed as a whole, add nothing significant beyond the sum of their parts taken separately.”
Association for Molecular Pathology v. Myriad

- 2013 Supreme Court Case
- isolated DNA
  - not patentable subject matter
- cDNA (synthetic versions of DNA that omit non-coding portions)
  - patentable

Patent Office Post-Myriad

- “As of today, naturally occurring nucleic acids are not patent eligible merely because they have been isolated. Examiners should now reject product claims drawn solely to naturally occurring nucleic acids or fragments thereof, whether isolated or not, as being ineligible subject matter under 35 U.S.C. § 101. Claims clearly limited to non-naturally-occurring nucleic acids, such as a cDNA or a nucleic acid in which the order of the naturally occurring nucleotides has been altered (e.g., a man-made variant sequence), remain eligible. Other claims, including method claims, that involve naturally occurring nucleic acids may give rise to eligibility issues and should be examined under the existing guidance in MPEP 2106, Patent Subject Matter Eligibility.”

CLS Bank International v. Alice Corporation Pty. Ltd.

- 2 steps
  - 1 - determine whether the claims at issue are directed to one of those patent-ineligible concepts.
  - 2 – inventive concept
2014 Patent Eligibility Guidance and Abstract Idea Examples

• Patent office issued guidance on its belief of current state of law as guidance for its examiners
• Guidance provides instructions to examiners on how to examine cases for patent eligibility under §101
• Guidance also discusses recent §101 cases

2014 Patent Eligibility Guidance and Abstract Idea Examples

• “This Interim Eligibility Guidance does not constitute substantive rulemaking and does not have the force and effect of law. This Interim Eligibility Guidance sets out the Office’s interpretation of the subject matter eligibility requirements of 35 U.S.C. 101 in view of recent decisions by the Supreme Court and the U.S. Court of Appeals for the Federal Circuit (Federal Circuit), and advises the public and Office personnel on how these court decisions impact the provisions of MPEP 2105, 2106 and 2106.01.”
1. Determine What the Claim Is "Directed to"
   - A claim is directed to a judicial exception when a law of nature, a natural phenomenon, or an abstract idea is recited (i.e., set forth or described) in the claim. Such a claim requires closer scrutiny for eligibility because of the risk that it will 'tie up' the excepted subject matter and pre-empt others from using the law of nature, natural phenomenon, or abstract idea.

2. Identify the Judicial Exception Recited in the Claim
   - Abstract ideas, laws of nature, and natural phenomena
   - "Abstract ideas have been identified by the courts … including fundamental economic practices, certain methods of organizing human activities, an idea ‘of itself,’ and mathematical relationships/formulas."

B. Flowchart Step 2B (Part 2 Mayo test)
   - Determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to significantly more than the judicial exception.
   - a search for an "inventive concept."
2014 Patent Eligibility Guidance and Abstract Idea Examples

• 1. “Significantly More”
  – Improvements to another technology or technical field;
  – Improvements to the functioning of the computer itself;
  – Applying the judicial exception with, or by use of, a particular machine;
  – Effecting a transformation or reduction of a particular article to a different state or thing;
  – Adding a specific limitation other than what is well-understood, routine and conventional in the field, or adding unconventional steps that confine the claim to a particular useful application; or
  – Other meaningful limitations beyond generally linking the use of the judicial exception to a particular technological environment.

• “If the claim as a whole does recite significantly more than the exception itself, the claim is eligible (Step 2B: YES), and the eligibility analysis is complete. If there are no meaningful limitations in the claim that transform the exception into a patent-eligible application, such that the claim does not amount to significantly more than the exception itself, the claim is not patent-eligible (Step 2B: NO) and should be rejected under 35 U.S.C. 101.”

Utility

• Should the claimed invention be useful for some practical purposes in and of itself, or should it be superior to known technologies?
Lowell v. Lewis

• “All that the law requires is, that the invention should not be frivolous or injurious to the well-being, good policy, or sound morals of society.”
• The patent system is not looking for something better, but rather is just looking for something different.

General Requirements - Anticipation

Requirement – Anticipation
• The inventor must have invented something new.
• 35 USC §102(a) – “A person shall be entitled to a patent unless … the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent”

Anticipation

• An invention must be new at conception by an original inventor to be patentable.
• An invention is anticipated if someone else has already invented the invention.
Anticipation

- Inquiry
  - Does a reference qualify as a prior art reference?
  - Does the reference and the claimed invention both disclose the same invention?
- Must be in a single reference, and not a combination of two or more references.
- Enablement
  - Does the reference enable those skilled in the art to practice the invention without undue experimentation?

Anticipation

- “If the claimed invention can be found within the ambit of a single prior art reference, then the invention has been anticipated. References may not be combined during this inquiry, nor may elements that are analogous to the disclosure of a reference be considered.”

Filing Date v. Invention Date

- When filed, an invention is deemed “invented” as of the filing date, even though the invention may have (and likely has) been “invented” prior to file.
- During prosecution of the patent application, the Examiner may cite a reference against the applicant that is before the filing date but after the date the invention was invented.
- How can an applicant move the invention date back in time from the filing date to the invention date?
“Swearing Behind” a Reference

- Under rule 131
  - Applicants can declare an invention date prior to the date of a prior art reference.
  - Termed “swearing behind” or “antedating” a prior art reference
  - Can overcome a 102(a) or 102(e) rejection
  - Cannot overcome a 102(b) rejection—why?
- Invention date is revealed on an ad hoc basis

“Know or Used”

- What type of activity constitutes known or used under?
  - Informing use?
  - Non-informing use?
  - Secret use?

General Requirements for Patentability

Requirement – Statutory Bar

- 1 year public disclosure bar
- 35 USC §102(b)(pre-AIA) – “A person shall be entitled to a patent unless … the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States”
Statutory Bars

- Encourages timely filing and disclosure of inventive activity.
- An inventor must file within a year of any public use or offer to sell the invention.
- Anyone, including individuals unknown to the inventor, can defeat the patent by placing the invention in public use or sale.
- The 1-year grace period permits the inventor to weigh the advantages of patent protection, to perfect the invention, and to draft a patent application.

Public Use

“Public use is use by the inventor, or by a person who is not under any limitation, restriction, or obligation of secrecy to the inventor.”

Patents and the Federal Circuit, 7th Edition

Experimental Use

- As a general rule, an experimental use only negates a statutory bar when the inventor was testing claimed features of the invention.
- Courts view the totality of the circumstances when determining whether an invention was on sale or in public use
- The experimental use exception does not include market testing.
On Sale Test

• “On Sale” Test
  1) The product must be the subject of a commercial offer for sale
  2) The invention must be ready for patenting
     • Proof of reduction to practice before the critical date; or
     • Proof that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention

“On Sale”

• What about sale of the rights to the patent before the critical date?

Third Party Activities

• What are the implications of someone other than the inventor putting the invention into the public use or on sale before the critical date?
  • 3 categories:
    – Uses which themselves inform others about the invention
    – Uses which by their nature do not inform others about the invention
    – Secret uses
Knowledge of Publications

• “… a [patent reference] on display for public view in remote cities in a far-away land may create a burden of discovery for one without the time, desire, or resources to journey there in person or by agent to observe that which is registered and protected under [foreign] law. Such a burden, however is by law imposed upon the hypothetical person of ordinary skill in the art who is charged with knowledge of all the contents of the relevant prior art.”

• Does actual knowledge matter?

In re Hall

• “[P]ublic accessibility” has been called the touchstone in determining whether a reference constitutes a “printed publication” bar under 35 U.S.C. §102(b) … The proponent of the publication bar must show that prior to the critical date the reference was sufficiently accessible … so that such a one by examining the reference could make the claimed invention without further research or experimentation.”

Other Sources of Art

• 102(g)(pre-AIA) – Requirement – Who is the First Inventor?
  – Patent Interference
  – Proceeding determines who was the first true inventor when two pending applications or a pending application and an issued patent are on the same invention

• 102(e)(pre-AIA)
  – Published patent applications “count” as of their date of filing and not their date of publication
General Requirements - Nonobviousness

Requirement – Nonobviousness
• The new combination of elements must not be obvious to one of skill in the art at the time of the invention.
• 35 U.S.C. §103(a) “A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. …

Nonobviousness

“[A]n invention must also sufficiently advance the useful arts in order to warrant the award of an exclusive right. … In terms of obviousness, the new combination does not warrant a patent if, from the vantage point of one of ordinary skill in the art at the time of the invention, this new combination would have been obvious.”

KSR v. Teleflex – Supreme Court

• Supreme Ct
  – Rejects rigid approach; expansive and flexible approach
  – “[T]he Court has held that a ‘patent for a combination which only unites old elements with no change in their respective functions . . . obviously withdraws what is already known into the field of its monopoly and diminishes the resources available to skillful men.’ …
  – “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.”
KSR v. Teleflex – Supreme Court

• “[I]dentify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does.”

KSR v. Teleflex – Supreme Court

• Obviousness situations reviewing past case law
  – Combining two preexisting elements where no new synergy was created
  – Arrangement of old elements to perform the same function they had been known to perform
• “[A] court must ask whether the improvement is more than the predictable use of prior art elements according to their established functions.”

Analogous Arts

• For purposes of §103, the technology must be:
  – Available under §102, and
  – Be from an analogous art
Analogous Arts

- “Two criteria have evolved for determining whether prior art is analogous:
- (1) whether the art is from the same field of endeavor, regardless of the problem addressed, and
- (2) if the reference is not within the field of the inventor’s endeavor, whether the reference is still reasonable pertinent to the particular problem with which the inventor is involved.”
  In re Clay

General Requirements for Patentability

Requirement – True Inventor
- Applicant(s) must be the true inventor(s)
- 35 USC §102(f) – “A person shall be entitled to a patent unless … he did not himself invent the subject matter sought to be patented”

Patent Searching

- Patent Searching
  – Google search
  – Classification based search at USPTO
  – Assignee search at USPTO
- Assignment search
Discussion

• Find a partner in the class. Invent your new, completely imaginary product and identify a trademark for it.

Program Completed

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