Legal Environment

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CLASS 6

Trademarks pt. 2;
Trade Dress; Patents pt. 2;
Overview of the Variety of Business Formats
Trademarks pt. 2

Trademark Infringement

Scope of Protection

• "[T]he rights of the owner of a registered trademark are not limited to protection with respect to the specific goods stated on the certificate . . . but extend to any goods related in the minds of consumers in the sense that a single producer is likely to put out both goods." …


Infringement

• In a trademark infringement action, "the plaintiff must demonstrate: (1) the validity of its trademark; and (2) the infringement of that mark." …


Infringement under the Lanham Act

• To show infringement, Plaintiffs must show that they (1) registered a trademark; (2) which Defendants used in commerce without Plaintiffs' consent; and (3) which created a likelihood of confusion as a result.


Causing Confusion

• "The Lanham Act prohibits the use of a mark in connection with goods or services in a manner that is likely to cause confusion as to the source or sponsorship of the goods or services. 15 U.S.C. §1125(a)(1)." …

• "[T]he 'core element' of trademark infringement law is 'whether an alleged trademark infringer's use of a mark creates a likelihood that the consuming public will be confused as to who makes what product.'" Brother Records, Inc. v. Jardine, 318 F.3d 900, 908 (9th Cir. 2003) (quoting Thane Int'l Inc. v. Trek Bicycle Corp, 305 F.3d 884, 891 (9th Cir. 2002)).

• Davis v. Walt Disney Co., 2005 U.S. App. LEXIS 26461 (8th Cir. 2005)
What are the Factors for Trademark Infringement?

- In analyzing whether Defendants have infringed a trademark such as "Blockbuster Video," the Sixth Circuit looks to eight factors under the Lanham Act:
  1. the strength of the plaintiff's mark;
  2. the relatedness of the goods;
  3. the similarity of the marks;
  4. evidence of actual confusion;
  5. marketing channels used;
  6. the likely degree of purchaser care;
  7. the defendants' intent on selecting the mark; and


What is the Principal of Likelihood of Confusion?

- "The general concept underlying the likelihood of confusion [test] is that the public believe that the mark's owner sponsored or approved the use of the trademark." Therefore, the court must examine the eight factors identified in Elby's Big Boy.


Factors for Likelihood of Confusion

- In SquirtCo v. Seven-Up Co., 628 F.2d 1086, 1091 (8th Cir. 1980), we articulated the factors to be considered in evaluating a likelihood of confusion. These can be enumerated as:
  1) the strength of the plaintiff's mark;
  2) the similarity between the plaintiff's and defendant's marks;
  3) the degree to which the allegedly infringing product competes with the plaintiff's goods;
  4) the alleged infringer's intent to confuse the public;
  5) the degree of care reasonably expected of potential customers, and
  6) evidence of actual confusion.

- "We use [these factors] as a guide to determine whether a reasonable jury could find a likelihood of confusion. Factual disputes regarding a single factor are insufficient to support the reversal of summary judgment unless they tilt the entire balance in favor of such a finding." Wynn Oil Co. v. Thomas, 839 F.2d 1183, 1186 (6th Cir.1988).

Must All of the Trademark Infringement Factors Be Present?

- These factors "are simply a guide to help determine whether confusion would be likely to result from simultaneous use of ... two contested marks. They imply no mathematical precision, and a plaintiff need not show that all, or even most, of the factors listed are present in any particular case to be successful." Wynn Oil Co. v. Thomas, ("Wynn Oil I"), 839 F.2d 1183, 1186 (6th Cir.1988).


Similarity of the Marks

- The single most important factor in determining likelihood of confusion is mark similarity." Courts should "compare the appearance, sound, and meaning of the marks" in assessing their similarity.


Sight, Sound and Meaning

- "The court examines the degree of similarity between the marks on three levels: sight, sound, and meaning. King of the Mountain Sports, 185 F.3d at 1090. These factors must be evaluated "in the context of the marks as a whole as they are encountered by consumers in the marketplace." Id. at 1090 (quotation omitted). The court does not engage in a side-by-side comparison of the two marks, but rather must determine whether the allegedly infringing mark is confusing to the public when singly presented. Id. Similarities of the marks are given more weight than differences. Id." Big Dog Motorcycles, L.L.C. v. Big Dog Holdings, Inc., 2005 U.S. Dist. LEXIS 31059 (D.C.NJ 2005)
What Remedies are Available for Trademark Infringement?

- Injunction against future infringement
- Net profits, damages, court costs
- No punitive damages or attorney's fees
- Burden on defendant to prove production expenses
- Destruction of infringing articles
- Cancellation of registration of infringing mark
- Import ban against infringing articles

Injunctive Relief

- “Pursuant to 15 U.S.C. §1116, a court may grant injunctive relief to prevent a violation of 15 U.S.C. §1114 or §1125. Because an injunction prevents future confusion, by enjoining the infringer from use of the similar mark, ‘an injunction is the preferred remedy’ in cases where likelihood of confusion has been found.” …

Dilution

- “Dilution is defined as the lessening of the capacity of a famous mark to identify and distinguish goods or services. In order to prevail on a claim under the Federal Trademark Dilution Act ("FTDA"), the plaintiff must prove that:
  1. the mark is famous and distinctive;
  2. the infringer adopted the mark after the mark had become famous and distinctive; and
  3. the infringer caused dilution of the mark.”

How May Third Parties Use Trademarks?

- Proper identification of goods or services to which mark is associated
- Comparison advertisements allowed, or
- Noncommercial parody or satire is allowed
  - Absent disparagement of product or service quality, and
  - Absent likelihood of confusion
- Repair, reconstruction, repackaging, secondhand sales allowed
  - Provided there is no change in product or service quality

Nominative Fair Use

- "Nominative" fair use is said to occur “when the alleged infringer uses the [trademark holder's] product, even if the alleged infringer's ultimate goal is to describe his own product. Nominative fair use also occurs if the only practical way to refer to something is to use the trademarked term.” … By contrast, "classic" fair use occurs where the defendant uses the plaintiff's mark to describe the defendant's own product. …
- Century 21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211 (3rd Cir. 2005)

Tiffany v. eBay

- Case Background
  - S.D. NY - Finding in favor of eBay
    - eBay did not commit trademark infringement, trademark dilution, or false advertising
- Case Forward
  - Supreme Court denied cert
Tiffany v. eBay

- eBay
  - Platform/marketplace for selling goods
  - Sometimes used for fraud
- Tiffany
  - High-end quality and style of jewelry
- Basis of lawsuit
  - eBay marketplace was used to sell counterfeit Tiffany goods

How does eBay make its money?
- How does Tiffany sell its goods?
- What control does Tiffany have over the secondary market for its goods?

How did Tiffany learn of the extent that counterfeit goods were being sold on eBay?
- How does eBay protect its buyers?
- How does eBay monitor for counterfeit merchandise?

What is the Verified Rights Owner ('VeRO') Program and how does it work?
- What else did eBay do to support lawful purchasing?
- How did eBay advertise using Tiffany?

Causes of action
- Direct trademark infringement
- Contributory trademark infringement
- Trademark dilution
- False advertising

Direct trademark infringement
- "[T]he owner of a mark registered with the Patent and Trademark Office can bring a civil action against a person alleged to have used the mark without the owner's consent."
- Test
  - Whether the mark is entitled to protection
  - Likelihood of confusion
Tiffany v. eBay

• eBay Accused behavior
  – Using the mark on the eBay website
  – Purchase of sponsored links
  – Jointly and severally liable with counterfeiters

• Nominative fair use
  • Permits "[a] defendant [to] use a plaintiff's trademark to identify the plaintiff's goods so long as there is no likelihood of confusion about the source of [the] defendant's product or the mark-holder's sponsorship or affiliation."

• Nominative Fair Use
  • To fall within the protection, …: "First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder."

• "We have recognized that a defendant may lawfully use a plaintiff's trademark where doing so is necessary to describe the plaintiff's product and does not imply a false affiliation or endorsement by the plaintiff of the defendant."

• What did the court find with respect to eBay's use of Tiffany mark?

• Contributory Trademark Infringement
  • Inwood Supreme Court case
    – "If a manufacturer or distributor intentionally induces another to infringe a trademark, or if it continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement, the manufacturer or distributor is contributorily responsible for any harm done as a result of the deceit."
  • 9th Cir.
    – contributory trademark infringement applies to a service provider if he or she exercises sufficient control over the infringing conduct.

• "[For] service providers, there are two ways in which a defendant may become contributorily liable for the infringing conduct of another: first, if the service provider 'intentionally induces another to infringe a trademark,' and second, if the service provider 'continues to supply its [service] to one whom it knows or has reason to know is engaging in trademark infringement.'"
Tiffany v. eBay

• What is the basis of Tiffany's argument?
  – "eBay continued to supply its services to the sellers of counterfeit Tiffany goods while knowing or having reason to know that such sellers were infringing Tiffany's mark."
• Why was this argument rejected at D.C.?

Tiffany v. eBay

• What is the generalized knowledge of infringement and how does it apply to the test?
• "For contributory trademark infringement liability to lie, a service provider must have more than a general knowledge or reason to know that its service is being used to sell counterfeit goods. Some contemporary knowledge of which particular listings are infringing or will infringe in the future is necessary."

Tiffany v. eBay

• Willful blindness
  – Not in this case
  – Market pressures
  – "[W]e agree with the district court that if eBay had reason to suspect that counterfeit Tiffany goods were being sold through its website, and intentionally shielded itself from discovering the offending listings or the identity of the sellers behind them, eBay might very well have been charged with knowledge of those sales sufficient to satisfy Inwood's "knows or has reason to know" prong.

Tiffany v. eBay

• Trademark Dilution
• "Federal law allows the owner of a 'famous mark' to enjoin a person from using 'a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark.' 15 U.S.C. § 1125(c)(1)."

Tiffany v. eBay

• Dilution by blurring
  1) "the degree of similarity between the mark or trade name and the famous mark”;
  2) "the degree of inherent or acquired distinctiveness of the famous mark”;
  3) "the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark”;
  4) "the degree of recognition of the famous mark”;
  5) "whether the user of the mark or trade name intended to create an association with the famous mark”; and
  6) "any actual association between the mark or trade name and the famous mark.”

Tiffany v. eBay

• Dilution by tarnishment
  – an "association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.”
  – "generally arises when the plaintiff's trademark is linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context likely to evoke unflattering thoughts about the owner's product.”
Tiffany v. eBay

• Dilution by Blurring
  – No second mark or product at issue

Tiffany v. eBay

• False Advertising
  • Theories
    1. A challenged advertisement is literally false, i.e., false on its face
    2. The challenged advertisement, while not literally false, is nevertheless likely to mislead or confuse consumers.

Tiffany v. eBay

• If literally false
  – “the court may enjoin the use of the claim without reference to the advertisement's impact on the buying public.”
• When not literally false
  – a plaintiff “must demonstrate, by extrinsic evidence, that the challenged commercials tend to mislead or confuse consumers,” and must “demonstrate that a statistically significant part of the commercial audience holds the false belief allegedly communicated by the challenged advertisement.”

Tiffany v. eBay

• What did the court find with false advertising?
  – “We agree with the district court that eBay's advertisements were not literally false inasmuch as genuine Tiffany merchandise was offered for sale through eBay's website. But we are unable to affirm on the record before us the district court's further conclusion that eBay's advertisements were not "likely to mislead or confuse consumers.""
Bringing Declaratory Judgment

• When is there an actual controversy for a mark owner’s enforcement actions?
  1) Alleged infringer plaintiff must have a “real and reasonable apprehension of litigation;” and
  2) the plaintiff must have “engaged in a course of conduct which brought it into actual conflict” with the trademark owner defendant.
• Risk with sending a cease and desist letter

Naked Licensing

• Trademark owners must maintain adequate quality control over the use of its trademarks or all trademark rights can be lost

Trademarks

• Hot areas and cases
  – Ambush Marketing
  – Fictional Products
  – First Amendment v. Trademark Use in Video Games

Trade Names and Trade Dress

• “The total appearance and image of a product, including features such as size, texture, shape, color or color combinations, graphics, and even particular advertising and marketing techniques used to promote its sales ... Duplication of the trade dress of another’s goods is actionable as passing off at common law and under the Trademark Act, 15 USC §1125(a). Commercial prints and labels constituting key elements of trade dress may be protectible under the copyright laws as well.”
• Levin, Trade Dress Protection §2:1 citing Black’s Law Dictionary

Trade Names

• Trademarks (i.e., symbols used to identify and distinguish goods or services) and trade names (i.e., symbols used to distinguish companies, partnerships and businesses) are technically distinct; the major legal distinction between the two is that “trade names cannot be registered and are therefore not protected under 15 U.S.C. 1114.”
  First Franklin Fin. Corp. v. Franklin First Fin., LTD, 356 F. Supp. 2d 1048 (N.D.CA 2005)

Trade Dress
Trade Dress Infringement

- To prove infringement of unregistered trade dress under § 43(a) of the Lanham Act, the plaintiff must show that: 
  1. the allegedly infringing feature is non-functional, 
  2. the feature is inherently distinctive or has acquired secondary meaning, and 
  3. consumers are likely to confuse the source of the plaintiff's product with that of the defendant's product.


Ingrid & Isabel v. Baby Be Mine

- Belly band - a cloth band worn around a pregnant woman's waist to hold up the pants and/or for decorative purposes
- I&I and BBM previously settled a related patent and trademark lawsuit

Ingrid & Isabel v. Baby Be Mine

- Unfair competition in violation of Section 43(a) of the Lanham Act.
- Prohibits sale of goods by use of any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—
  (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
  (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act. 15 U.S.C 1125(a)(1).

Ingrid & Isabel v. Baby Be Mine

- "This cause of action has been extended to cover a product's "trade dress"—a category that traditionally consisted of packaging, but in modern parlance includes the design and shape of the product itself." ... Trade dress generally refers to the total image, design, and appearance of a product and may include features such as size, shape, color combinations, texture, or graphics. ... If a seller uses a trade dress that is confusingly similar to a competitor's, that conduct is actionable as unfair competition under Section 43(a) of the Lanham Act."

Ingrid & Isabel v. Baby Be Mine

- Defendants' alleged copying of Plaintiff's "trade dress, the look and feel of the website." ... in violation of the Lanham Act
- "Plaintiff's claim here is for protection of the website it uses to market and sell its physical products."

- Citation to particular elements of look and feel:
  - (1) logo in feminine script in pastel pink-orange hue in upper left corner of the page, (2) pink and orange script carried throughout the site (3) close-up of model photos featured from head to mid-thigh, wearing white tank tops with jeans, with long naturally wavy hair, (4) model photos feature mouse-over change of whimsical, casual poses to display all angles of the product, (5) featuring Model photos instead of product photos, throughout the site, (6) color and pattern of wallpaper, (7) category sliders, (8) dots for category sliders and similar colors of the dots, (9) placement of models to text in the sliders, (10) the general fonts used, and (11) how the models are posing.
Ingrid & Isabel v. Baby Be Mine

- "The Court finds that the 'look and feel' of a web site can constitute a trade dress protected by the Lanham Act. Accordingly, to succeed in its claim Plaintiff must thus show '(1) that its trade dress is inherently distinctive or has acquired secondary meaning; (2) that its trade dress is nonfunctional; and (3) that defendant's product creates a likelihood of consumer confusion.'"

Distinctiveness

- "A mark or dress is distinctive when it identifies the particular source of the product or distinguishes it from other products. . . . Correspondingly, a product's trademark or trade dress acquires a secondary meaning when the purchasing public associates the mark or dress with a single producer or source rather than with the product itself."

Non-functionality

- "Trade dress protection extends only to design features that are nonfunctional."
- "[A]s long as there are alternate ways to design a web site, beyond the arrangement protected by the trade dress, the site's interface should not be considered functional."

Likelihood of confusion

- "Plaintiff has raised a triable issue of fact as to at least (1) strength of its mark, (2) proximity or relatedness of the goods; (3) similarity of sight, sound and meaning; (5) marketing channels; and (7) intent. . . . Here, Plaintiff's evidence as to Defendants' allegedly intentional copying...and the actual similarity of the websites...create triable issues of fact as to the most critical factors for likelihood of confusion in this case. Plaintiff's evidence raises an issue of triable fact as to likelihood of confusion."

Patents pt. 2

- What must the specification describe?
§112 - Specification

¶1 - The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention. The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Patent Specification Requirements

35 U.S.C. §112 requires that the Specification of a patent application must contain:
(A) A written description of the invention;
(B) The manner and process of making and using the invention (the enablement requirement); and
(C) The best mode contemplated by the inventor of carrying out the invention.

M.P.E.P. 2161

Enablement Requirement

- The specification must teach someone of skill in the art (1) how to make and (2) how to use the invention without undue experimentation.
- MPEP 2164

Enablement

- Enablement = how to make and use the invention
- §112 ¶1 ... "requires both that the applicant disclose 'how to make' and 'how to use' the claimed invention, as well as that the specification must include a 'written description' of the invention.
- "As the essential bargain for the exclusive right of the patent, the patentee must teach the public how the invention works: the patent instrument itself must 'enable' other skilled artisans to practice the disclosed technology."
- Purpose = ensure adequate disclosure

Magsil Corp. and MIT v. Hitachi

- "The scope of the claims must be less than or equal to the scope of the enablement to ensure that the public knowledge is enriched by the patent specification to a degree at least commensurate with the scope of the claims."

Enablement Points

- Make sure to include at least some dependent claims (or, preferably, an independent claim) with a range that is clearly within the grasp of the specification
- If you are going to include a more expansive range, include details in the specification on how such a range could be achieved
Written Description

• "112, ¶ 1 ensures that, as of the filing date, the inventor conveyed with reasonable clarity to those of skill in the art that he was in possession of the subject matter of the claims." Union Oil Co. of Calif. v. Atlantic Richfield Co., 208 F.3d 989 (Fed. Cir. 2000)

• "When new claims are added after the original filing date—either in their entirety or through alterations to earlier claims—the 'written description' test requires that the augmented material must find a basis somewhere in the original application as filed.

The Gentry Gallery, Inc. v. The Berkline Corp.

• How was the disclosure drafted?
  – What was the concern?

  • “[A] claim may be broader than the specific embodiment disclosed in a specification.”

  • “An applicant is entitled to claims as broad as the prior art and his disclosure will allow.”

Best Mode

• The specification shall set forth the best mode contemplated by the inventor of carrying out his/her invention.

• Is this an objective or subjective standard?

Best Mode Violation?

What May Establish Subjective Evidence of Concealment?

• Inventor testimony

• Inventor’s lab notebook

• Inventor’s contemporaneous articles, notes, speeches, etc.?

• Other corporate disclosures cannot impute knowledge to inventor (Glaxo Inc. v. Novopharm Ltd., 52 F.3d 1043 (Fed. Cir. 1995))

• Commercial embodiment is not necessarily the best mode. (Zygo Corp. v. Wyko Corp., 79 F.3d 1563 (Fed. Cir. 1996))
Claims

• What are the claims?

Claims

• Claims define "the invention" described in a patent or patent application

Example:
A method of electronically distributing a class via distance education comprising:
initiating a class session for a plurality of students on a server;
receiving a plurality of sign-in requests for the class session, a particular signing request of the plurality of signing requests associated with a particular student of the plurality of students and received from a particular computing device associated with the particular user; and
broadcasting video for the class session from the server to a plurality of computing devices, the plurality of computing devices including the particular computing device.

§112 – Statutory Basis

[2] The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

[3] A claim may be written in independent or, if the nature of the case admits, in dependent or multiple dependent form.

[4] Subject to the following paragraph, a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.

[5] A claim in multiple dependent form shall contain a reference, in the alternative only, to more than one claim previously set forth and then specify a further limitation of the subject matter claimed. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. A multiple dependent claim shall be construed to incorporate by reference all the limitations of the particular claim in relation to which it is being considered.
§112 – Statutory Basis

[6] An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

Elemental Claim Structure

Three basic parts of a claim:
1) A preamble
2) A transition phrase
3) A body

The Preamble

“Immediately stated at the beginning of the claim is the object of the sentence, e.g., ‘A method of making coffee …’ The introduction (‘preamble’) may or may not constitute a limitation to the scope of the claim.”

“… a preamble is a limitation if it gives ‘meaning to the claim’ …”

Catalina Marketing International v. CoolSavings.com, Inc.

“In general, a preamble limits the invention if it recites essential structure or steps, or if it is ‘necessary to give life, meaning, and vitality’ to the claim. … Conversely, a preamble is not limiting ‘where a patentee defines a structurally complete invention in the claim body and uses the preamble only to state a purpose or intended use for the invention.’”

The Transition

“A claim normally has one or more elements or steps which follow the introductory object and any function prepositional statement. Joining these elements is a transition phrase which [] tells the reader that the claim is “open” or “closed” to additional elements.”

The Open Transition

“The Open Transition (‘comprising’): The use of the term ‘comprising’ captures technologies with all the elements described in the body of the claim; whether the technology has additional elements is irrelevant. Thus, if a claim recites elements ‘A’ and ‘B’, a device with ‘A’, ‘B’ and others is an infringement.”
The Open Transition

An apparatus comprising:
A;
B; and
C
• Does:
  – A, B, & C infringe?
  – B, C, & D infringe?
  – A’, B, & C infringe?
  – A, B, C, & D infringe?

The Closed Transition

“The Closed Transition (‘consisting of’): In contrast, a claim which employs the term ‘consisting of’ is ‘closed’ to additional ingredients. Infringement can occur only when the accused technology has exactly the same elements recited in the claim-no more or no less.”

The Closed Transition

A method consisting of:
A;
B; and
C
• Does:
  – A, B, & C infringe?
  – B, C, & D infringe?
  – A’, B, & C infringe?
  – A, B, C, & D infringe?

The Hybrid Transition

“The Hybrid Transition (‘consisting essentially of’): … This terminology renders the claim “open” to include additional elements that do not materially affect the basic and novel characteristics of the claimed combination.”

The Hybrid Transition

A composition of matter consisting essentially of:
A;
B; and
C
• Does:
  – A, B, & C infringe?
  – B, C, & D infringe?
  – A’, B, & C infringe?
  – A, B, C, & D infringe?

The Body

Relation of Elements
• “The body of the claim provides the elements of the invention, as well as how these elements cooperate either structurally or functionally.”
• “The drafter should also indicate how [each] element interacts with the [other elements] to form an operative technology …”
The Body

Element Introduction

• "Elements of an invention are ordinarily introduced with indefinite article, such as 'a' or 'an,' as well as terms such as 'one,' 'several,' or 'a plurality of.' When that element is noted later in the claim, claims drafters ordinarily employ the definite article 'the' or the term 'said.'"

• "If an element appearing for the first time is accompanied by 'the' or 'said,' then it will ordinarily be rejected by an examiner as lacking so-called 'antecedent basis.'"

The Body

Element Introduction Example

• An apparatus comprising:
  a first module to receive a video signal from a source;
  a second module to access the video signal from the first module and encode transitioning data into one or more frames of the video signal; and
  a third module to broadcast the video to the plurality of display devices.

• What's wrong with this claim?

Dependent Claims

• "Section 112, paragraphs 3-5 allow the use of so-called 'dependent' patent claims. The statute mandates that dependent claims recite an earlier claim and provide additional limitations."

• "a patentee is free to be his or her own lexicographer…"

Dependent Claim Examples

• The method of claim 5, further comprising:
  selecting a personal digital assistant (PDA) as the hand-held device.

• The apparatus of claim 3, wherein the processor is further configured to receive the video signal from a signal source.

• The system of claim 1, further comprising:
  an output device for providing at least one of an audio signal or a video signal to a hand-held device.

Means-Plus-Function Format

• Claiming an element in its functional terms
• Used with a combination of elements
• Means for performing a specified function
• Does not recite the structure, material or acts disclosed in the specification
• Used where the description of the structure or acts might be difficult to articulate in a claim

Means-Plus-Function Format

"It requires the applicant to describe in the patent specification the various structures that the inventor expects to perform the specified function. The statute then expressly confines coverage of the functional claim language to 'corresponding structure, material, or acts described in the specification and equivalents thereof.'"
Design Patents

Statutory Basis for Design Patents

- “Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.
- “The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.”
35 U.S.C. 171

M.P.E.P. Design Definition

- “In a design patent application, the subject matter which is claimed is the design embodied in or applied to an article of manufacture (or portion thereof) and not the article itself. …”[35 U.S.C.] 171 refers, not to the design of an article, but to the design for an article, and is inclusive of ornamental designs of all kinds including surface ornamentation as well as configuration of goods.” …
- The design for an article consists of the visual characteristics embodied in or applied to an article.

M.P.E.P. Design Definition

- “Since a design is manifested in appearance, the subject matter of a design patent application may relate to the configuration or shape of an article, to the surface ornamentation applied to an article, or to the combination of configuration and surface ornamentation.
- “Design is inseparable from the article to which it is applied and cannot exist alone merely as a scheme of surface ornamentation. It must be a definite, preconceived thing, capable of reproduction and not merely the chance result of a method.”
- MPEP 1502 – Definition of Design

Improper Subject Matter for Design Patents

- “A design for an article of manufacture that is dictated primarily by the function of the article lacks ornamentality and is not proper statutory subject matter under 35 U.S.C. 171. Specifically, if at the time the design was created, there was no unique or distinctive shape or appearance to the article not dictated by the function that it performs, the design lacks ornamentality and is not proper subject matter. In addition, 35 U.S.C. 171 requires that a design to be patentable must be ‘original.’”

Improper Subject Matter for Design Patents

- “Clearly a design that simulates a well-known or naturally occurring object or person is not original as required by the statute. Furthermore, subject matter that could be considered offensive to any race, religion, sex, ethnic group, or nationality is not proper subject matter for a design patent application (35 U.S.C. 171 and 37 CFR § 1.3).”
- From USPTO’s Design Patent Application Guide
Ornamental

• "An ornamental feature or design has been defined as one which was "created for the purpose of ornamenting’ and cannot be the result or "merely a by-product’ of functional or mechanical considerations. ... It is clear that the ornamentality of the article must be the result of a conscious act by the inventor, as 35 U.S.C. 171 requires that a patent for a design be given only to "whoever invents any new, original, and ornamental design for an article of manufacture." Therefore, for a design to be ornamental within the requirements of 35 U.S.C. 171, it must be "created for the purpose of ornamenting.” ..."

1504.01(c)  Lack of Ornamentality

Types of Design Patent Protection Available

1) Configuration of an article of manufacturer
   – Design of a scissors, a computer speaker, a bottle
2) Surface ornamentation for an article of manufacturer
   – Design included on surface of bottle
3) Configuration and surface ornamentation

Right of Priority

• Priority cannot be claimed to a provisional patent application
• Priority can be claimed under the Paris Convention if filed within 6 months of patent application filing

37 U.S.C. 172

Title of the Application

• A design patent title must state the article of manufacture to which the design applies
• The title can also state the environment in which the article is used

Example Titles

• GUI
  – Computer screen with icon
  – Display panel with graphical user interface
  – Portion of a display with icon
• Shoe
• Wine glass
• Bag for food packaging

Written Description

• A design patent is not required to have a written description, but may include one to clarify the invention
• For example
  – “A descriptive statement should be included in the specification making it clear that the claim is directed to the collective appearance of the articles shown.”
  – M.P.E.P. 1504(b)
Design Patent Claim

- Design patents have a single claim which is not numbered
- The claim must be directed to a single design concept
- Must begin with a phrase that designates an article of manufacture to which the claim applies

Design Patent Drawings

- “The drawing disclosure is the most important element of the application. Every design patent application must include either a drawing or a black and white photograph of the claimed design. As the drawing or photograph constitutes the entire visual disclosure of the claim, it is of utmost importance that the drawing or photograph be clear and complete, that nothing regarding the design sought to be patented is left to conjecture. The design drawing or photograph must comply with the disclosure requirements of 35 U.S.C. 112, first paragraph. To meet the requirements of 35 U.S.C. 112, the drawings or photographs must include a sufficient number of views to constitute a complete disclosure of the appearance of the design claimed.”

Design Patent Drawings

- “Drawings are normally required to be in black ink on white paper. Black and white photographs, in lieu of drawings, are permitted subject to the requirements of 37 CFR §1.84(b)(1) and §1.152…”
- “The Office will accept color drawings or photographs in design patent applications only after the granting of a petition filed under 37 CFR §1.84(a)(2), explaining why the color drawings or photographs are necessary.”
- From USPTO’s Design Patent Application Guide

Lines

- Limiting elements are shown in solid lines
- Non-limiting elements that are used to provide context for the design are shown in broken lines
- You can specify the effect of the broken lines in the description

Term and Maintenance Fees

- With the passage of the Patent Law Treaties Implementation Act of 2012, the term for design patents was extended to 15 years from issue
- No maintenance fees are due with design patents

Publication

- Design patent applications are not published under U.S. law
- However, the design patent applications will be published prior to issuance under international filings made with the Hague Convention
Obviousness for Design Patents

- Analysis begins with a primary reference that is “basically the same as” the claimed design
- Secondary references are combined if obvious to a designer of ordinary skill
- The resulting combination is compared against the claims from the perspective of an ordinary observer

112 Support

- Continuation applications, or prosecution of original applications, may put articles in broken lines to indicate that these elements are not part of the claim (and thus broader)
- Issue – Does the description clearly allow persons of ordinary skill in the art to recognize that the inventor invented what is claimed?

Ordinary Observer Infringement Test

- “[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.”
  Gorham Co. v. White, 81 U.S. 511 (1871).

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Acts of Infringement of Design Patents

- Owners of design patents can claim damages under the standard patent damages available to utility patents, as well as special damages available under 35 U.S.C. 289 for design patents

Damages Options
Protection of GUI

- GUIs may be protected as design patents so long as properly presented and claimed.
- Icons must be shown as part of a three-dimensional article of manufacture (e.g., a computer display).
- The structure of form of the article of manufacturer (i.e., a computer) does not have to be claimed, but must be disclosed.
- Thus, the claim should be directed to a computer screen, monitor, display plan, or a portion thereof to comply with 35 U.S.C. 171.

Transitional Computer Generated Icons

- Design patent protection is not limited to protecting an icon in a static state.
- Images that change in appearance during viewing may be the subject of a design claim.

Protecting Transitional Computer Generated Icons

- May be shown in two or more views.
- Images are understood as viewed sequentially.
- A descriptive statement must be included in the specification describing the transitional nature of the design.
- See MPEP 1504(a) for more information.

GUI Patent Drawings

- Line drawings and digital images are acceptable.
- Color and grayscale are allowed to be presented in the same GUI application, but line drawings and digital images are not.
- More than one drawing can be used to show animation.

Hague Agreement

- International Design Applications (IDAs).
- New cost effective way to obtain design patent protection in many countries around the world.
- Alternative way to proceed than the Paris route.
- Registration treaty.
- Amendments to US law became effective on December 18, 2013.

Overview of the Variety of Business Formats
Sole Proprietorship

- Owner is the business
- When a separate business organization is not created

Advantages of the Sole Proprietorship

- Owner owns business
- Owner receives all profits
- More flexibility
- SP only pays personal income taxes and reports income as personal income

Disadvantages of the Sole Proprietorship

- Proprietor bears the burden of losses and liabilities
- Unlimited liability
- Lacking continuity on death
- Limited to personal funds or loans

Comparison

- Comparison of other types of organizations…

Limited Liability

- C-Corp – Yes, unless thin capitalization or alter ego
- LLC – Yes, all members
- GP – No, all partners jointly and severally liable
- LP – Yes for limited partners

Organizational Rules

- C-Corp
  - No limitation on the number of shareholders
  - Multiple classes of stock allowed
- LLC
  - By default, a multi-member LLC is taxed as a partnership. It may elect to be taxed as a C Corporation.
  - By default, a single-member LLC is disregarded as a separate entity from its owner for tax purposes. It may elect to be taxed as a C Corporation.
Organizational Rules

- **GP**
  - No limitation on number of partners.
  - Taxed as a partnership.

- **LP**
  - No limitation on number of partners.
  - Taxed as a partnership.

Transferability/Liquidation

- **C-Corp**
  - Ownership freely transferable (subject to any expressed stock restrictions).
  - States may require certain voting thresholds for forced liquidation.

- **LLC**
  - Transferability may be limited by statute and/or LLC agreement.
  - Dissolution can be caused by death, withdrawal, or bankruptcy of a member.
  - Transfer of 50% or more of total member interests in capital and profits in 12 month period causes termination for tax purposes.

- **GP**
  - No transferability of interest to a third person to make third person a partner unless agreed by all partners. Free transferability of right to profits.
  - Dissolution can be caused by agreement, death, withdrawal or bankruptcy of any partner or by court decree.
  - Transfer of 50% or more of total capital and profits interests in 12 month period causes termination for tax purposes.

- **LP**
  - Same as General Partnership except partnership may continue despite death, bankruptcy or withdrawal of General Partner if Partnership Agreement allows

Treatment of Income, Losses, and Credits

- **C-Corp**
  - Double taxation - income taxed at corporate level and again at shareholder level upon dividend distribution

- **LLC**
  - Income, losses, and credits pass through to member

- **GP**
  - Income, losses, and credits pass through to member

- **LP**
  - Income, losses, and credits pass through to member

Program Completed

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