

THE STATE OF INFORMATION TECHNOLOGY LAW - 2008

BY

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I. INTRODUCTION

The "patent exhaustion doctrine" provides that once a patented article is sold by the patent owner, or its licensee without restriction, the patent rights are "exhausted" and the purchaser is not liable for infringement if it uses or sells the article. On June 9, 2008, the U.S. Supreme Court reversed the Federal Circuit by unanimously ruling in *Quanta* that the "patent exhaustion doctrine" prevented the patentee from collecting patent royalties from multiple points in the chain of users incorporating its patented devices. The Federal Circuit had earlier disagreed with a district court's non-infringement ruling and held that conditional sales of microprocessors and chipsets made by Intel under license did not exhaust LG Electronics' combination patent rights. As a result, practitioners may need to adjust their sales, licensing, contracting and litigation strategies to avoid the loss of their patent rights.

In a major patent ruling, the Federal Circuit, *en banc*, overturned its 1983 *Underwater Devices* decision in *In re Seagate Technology*. *Underwater* had previously required an affirmative duty of care by a defendant before initiating possibly infringing activity (i.e., obtaining a competent legal opinion).

In three cases, one of which is still pending, the Federal Circuit continued to explore the outer limits of 35 U.S.C. § 101 (i.e., the categories of patentable subject matter). With *In re Nuijten*, the court ruled that signals embedded with information allowing them to place digital watermarks on electronic data files do not fit within the traditional four categories of patentable subject matter of Section 101 of the Patent Act. In another Section 101 case, the court found that the claims in a patent application directed to mental processes for resolving a legal dispute between two parties by the decision of a human arbitrator were unpatentable abstract ideas. *In re Comiskey*. Finally, in the *Bilski* case, which the court has agreed to hear *en banc*, the court will decide whether claims directed to a method of managing the consumption risk costs of a commodity sold by a commodity provider at a local price passes muster under Section 101.

As in past years, the courts wrestled again with a range of copyright issues, many involving the rights of owners of copyrighted works in a digital environment. The publisher of Perfect 10 magazine which features adult-oriented images has been a frequent litigant seeking to prevent the unauthorized distribution of its copyrighted images online. The credit card company, Visa, was held to be not liable to Perfect 10 because the Ninth Circuit held that facilitating a payment is peripheral to the actual infringement, which is the unauthorized distribution of a copyrighted work despite the fact that credit card companies had knowingly allegedly facilitated the infringement.

Viacom is the owner of some of the most popular video programming being exchanged on the Internet. It has filed a \$1 billion copyright online infringement lawsuit against Google's YouTube for its aggregation of user-generated content at its Web site. In some early rulings, the U.S. District Court for the Southern District of New York has ruled that Viacom has not justified its need to see YouTube's source code which enables users to search for video clips. However, the court has ordered YouTube to produce its "logging" database which contains "login ID" of each user among other information. This "login ID," however, does not give rise to concrete privacy concerns since by itself it does not identify specific users.

The online world continued to be an arena for trademark disputes. For example, in November 2007, popular online auctioneer eBay won a ruling that the use of the term "PerfumeBay" by an online perfume seller created a likelihood of confusion with regard to the famous "eBay" mark. However, the Ninth Circuit also ruled that the separated words "Perfume Bay" was not infringing. More recently, the U.S. District Court for the Southern District of New York ruled that eBay was not liable to Tiffany for contributory trademark infringement because eBay only had general knowledge that counterfeit goods were being sold through its service and did not know or have reason to know of actual infringement.

Finally, on a lighter note and in a case of potential interest to litigators, in May of 2008 the Trademark Trial and Appeal Board at the U.S. Patent and Trademark Office ruled that the proposed service mark "irestmycase" on specimens filed with a trademark application did not show use of the service mark to indicate source of applicant Roberts' services.

II. PATENTS

A. CASE LAW

1. U.S. Supreme Court

- a. *Quanta Computer, Inc. v. LG Electronics Inc.*
76 BNA's PTCJ 205

The U.S. Supreme Court ruled unanimously on June 9, 2008 that the patent exhaustion doctrine applies to method patents, and the law does not allow a patentee to make an "end run" around the exhaustion doctrine by drafting claims in the form of methods thwarting a patent owner's attempt to collect royalties from multiple points in the chain of users incorporating its patent devices. Reversing the Federal Circuit, the court also concludes that a licensing agreement at issue in the case authorized sales of components embodying the patents in suit, thus resulting in exhaustion of the patents.

2. U.S. Court of Appeals

- a. *In re Seagate Technology LLC*
74 BNA's PTCJ 491

The U.S. Court of Appeals for the Federal Circuit held on August 20, 2007, *in banc*, that proof of willful infringement permitting enhanced damages requires at least a showing of objective recklessness, and thus there is no longer an affirmative obligation that a patent infringement defendant obtain an opinion of competent legal advice before initiating possibly infringing activity. In so ruling, the court overturns its 1993 decision in *Underwater Devices* that required an affirmative of due care.

- b. *In re Nuijten*
74 BNA's PTCJ 631

The U.S. Court of Appeals for the Federal Circuit held on September 20, 2007 that signals that are embedded with information allowing them to place digital watermarks on electronic data files are unpatentable because they fit into none of the four categories of patentable subject matter set forth in Section 101 of the Patent Act. Affirming a ruling by the Board of Patent Appeals and Interferences rejecting patentability for certain claims, the court finds that the signals themselves are not patentable as a "process, machine, manufacture, or composition of matter." The court rules that "some physical form for the signal is required," and that the patent applicant's claims represent merely "transitory embodiments . . . not directed to statutory subject matter."

**c. *In re Comiskey*
74 BNA's PTCJ 635**

The U.S. Court of Appeals for the Federal Circuit held on September 20, 2007 that patent claims directed to mental processes for resolving a legal dispute between two parties by the decision of a human arbitrator are abstract ideas unpatentable under Section 101 of the Patent Act. Affirming an unpatentability ruling, the court finds that most of the claims "seek to patent the use of human intelligence in and of itself."

**d. *In re Bilski*
75 BNA's PTCJ 406**

The U.S. Court of Appeals for the Federal Circuit, in a *per curiam* order, agreed on February 15, 2008 to hear *en banc* a case that questions whether an invention claiming a method or process must be tied to a machine in order to constitute patentable subject matter under Section 101 of the Patent Act. After a poll of regular active services judges, the court takes the unusual step of deciding "by its own action" to forego panel review and address the contours of Section 101 patentability *en banc*.

**e. *Verizon Services Corp. v. Vonage Holdings Corp.*
74 BNA's PTCJ 630, 679**

The U.S. Court of Appeals for the Federal Circuit, in a splintered ruling on September 26, 2007, largely affirms patent infringement judgments and injunctive relief against Vonage Holdings Corp. for infringing several Verizon Services Corp. patents on voice-over-Internet-protocol, or VoIP technology, but it vacates the controversial \$58 million damages award and sends the case back to the lower court for a new trial. The appellate court's much-anticipated ruling comes on the heels of a jury verdict against Vonage awarding \$69.5 million in damages in a similar patent infringement dispute with Sprint Communications Co. As further reported 75 BNA's PTCJ 9, on October 25, 2007, Vonage announced that it has settled its patent infringement dispute about voice-over-Internet-protocol, or VoIP technology with Verizon. As still further reported at 75 BNA's PTCJ 88, on November 15, 2007, the Federal Circuit refused Vonage's petition for rehearing. Vonage says in a press statement that it has agreed to pay up to \$120 million.

**f. *Hyperphrase Technologies LLC v. Google Inc.*
75 BNA's PTCJ 214**

The U.S. Court of Appeals for the Federal Circuit held on December 26, 2007 that an erroneous claim construction rendered partially invalid an award of summary judgment in favor of Google Inc. The court directed the lower court to reexamine whether Google's AutoLink data management software infringes two patents.

**g. *Hutchins v. Zoll Medical Corp.*
83 USPQ2d 1264**

The U.S. Court of Appeals for the Federal Circuit held on July 3, 2007 that accused device, which employs "reduced instruction set computer" microprocessor, does not meet "general purpose computer" limitation in claims of patent for interactive computer system for guiding emergency personnel in conducting CPR, since prosecution history created estoppel against reading "general purpose computer" to include dedicated microprocessor such as RISC.

**h. *Ormco Corp. v. Align Technology Inc.*
84 USPQ2d 1146**

The U.S. Court of Appeals for the Federal Circuit held on August 24, 2007 that in view of disclosure in specification, claims for computer aided design and manufacture of custom orthodontic appliances, which require determination of finish positions of teeth, are properly construed to require automatic determination of finish positions, even though claims do not expressly recite such automatic control.

**i. *z4 Technologies Inc. v. Microsoft Corp.*
75 BNA's PTCJ 92**

The U.S. Court of Appeals for the Federal Circuit upheld on November 16, 2007 a jury verdict that Microsoft Corp. infringed two patents for reducing software piracy because it is supported by substantial evidence.

**j. *Amado v. Microsoft Corp.*
75 BNA's PTCJ 474**

The U.S. Court of Appeals for the Federal Circuit ruled on February 26, 2008 that a federal district court should have explained its basis for increasing a post-verdict award against Microsoft Corp. for infringing software units sold during the stay of a permanent injunction.

**k. *Computer Docking Station Corp. v. Dell Inc.*
75 BNA's PTCJ 556**

The U.S. Court of Appeals for the Federal Circuit held on March 21, 2008 that a patent claiming a "portable computer" does not encompass laptop computers sold by Dell Inc. and others because the patentees clearly and unambiguously disclaimed a computer with a built-in display or keyboard in the specification and during prosecution.

**l. *Microprocessor Enhancement Corp. v. Texas Instruments Inc.*
75 BNA's PTCJ 670**

The U.S. Court of Appeals for the Federal Circuit held on April 1, 2008 that the claims in a patent related to increasing microprocessor efficiency were not invalid for indefiniteness.

**m. *Symantec Corp. v. Computer Associates International Inc.*
75 BNA's PTCJ 646**

The U.S. Court of Appeals for the Federal Circuit held on April 11, 2008 that a patent on a technology for scanning a data file for software viruses "as it is being transferred" applies to products whose scan occurs before the file is present on the object computer's storage medium.

**n. *Decisioning.com Inc. v. Federated Department Stores Inc.*
76 BNA's PTCJ 84**

The U.S. Court of Appeals for the Federal Circuit ruled on May 7, 2008 that a system with a claim covering a "remote interface" is not infringed by systems allowing consumer-owned PC access.

**o. *Mangosoft Inc. v. Oracle Corp.*
76 BNA's PTCJ 118**

The U.S. Court of Appeals for the Federal Circuit ruled on May 14, 2008 that the term "local," referring to memory devices attached to computers joined in a network, was correctly construed to mean a device directly attached to a single computer on the network.

**p. *MuniAuction Inc. v. Thomson Corp.*
76 BNA's PTCJ 410**

The U.S. Court of Appeals for the Federal Circuit overturned on July 14, 2008 an \$84.6 million patent infringement judgment involving a business method patent for conducting municipal bond auctions over the Internet. Holding that certain of the claims were invalid for obviousness, the court's decision arguably puts into question any patent where the use of an Internet browser is the only improvement over the prior art. By reversing the infringement ruling as to other claims, the decision could also weaken any claim of "joint infringement" where the two parties are a provider of an Internet application service and a browser-based user of that service.

**q. *TiVo Inc. v. EchoStar Communications Corp.*
85 USPQ2d 801**

The U.S. Court of Appeals for the Federal Circuit ruled on January 31, 2008 that substantial evidence supports jury's finding that accused digital video recorders infringe "software"

claims of patent for "time-shifting" television signals; although judgment finding "hardware" claims infringed is reversed, entire damages award, in amount of \$73.9 million, is affirmed based on infringement of software claims.

**r. *PowerOasis Inc. v. T-Mobile USA Inc.*
86 USPQ2d 1385**

The U.S. Court of Appeals for the Federal Circuit held on April 11, 2008 that the first application in chain leading to patents in suit does not provide adequate written description of "customer interface" limitation in asserted claims for vending machines that sell telecommunications access, since original application described vending machine with "display" or "user interface" as part of machine, rather than vending machine with "customer interface" located on customer's electronic device, such as laptop computer.

3. U.S. District Courts

**a. *Commonwealth Scientific and Industrial Research Organization
v. Buffalo Technology Inc.*
74 BNA's PTCJ 271**

The U.S. District Court for the Eastern District of Texas held on June 15, 2007 that the balance of equities justify enjoining the infringer of an Australian research organization's patent on wireless technology, despite the fact that the parties are not competitors. Granting the patent holder's motion for permanent injunction under the Supreme Court's *eBay* test, the court also stresses that the public interest is advanced by encouraging the kind of research and development in future technologies that led to the plaintiff's patent.

**b. *Netcraft Corp. v. eBay Inc.*
75 BNA's PTCJ 214**

The U.S. District Court for the Western District of Wisconsin held on December 10, 2007 that two Internet billing patents requiring a trusted third party to provide customers with the "communications link" of Internet access are not infringed by eBay Inc. and PayPal Inc.

**c. *MercExchange LLC v. eBay Inc.*
74 BNA's PTCJ 401**

The U.S. District Court for the Eastern District of Virginia held on July 27, 2007 that the four-part test for the issuance of permanent injunctions recently reaffirmed by the U.S. Supreme Court requires the denial of a motion for a permanent injunction against online auction operator eBay Inc. On remand from the high court, the trial court for the second time refuses to bar eBay's use of its familiar "Buy It Now" purchasing system, which had been adjudged to infringe patents on electronic commerce.

**d. *Lucent Technologies Inc. v. Gateway Inc.*
74 BNA's PTCJ 445**

The U.S. District Court for the Southern District of California on August 6, 2007 voided a jury award of \$1.5 billion in patent infringement damages against Microsoft Corp. While the court denies several of the software giant's multiple challenges to the jury verdict, it stresses that the "net result" of its ruling is a judgment in Microsoft's favor.

**e. *Qualcomm Inc. v. Broadcom Corp.*
74 BNA's PTCJ 447**

The U.S. District Court for the Southern District of California held on August 6, 2007 that Qualcomm waived its rights to enforce certain patents related to digital video technology standards because it deliberately concealed information from a standards-setting body. As further reported at 75 BNA's PTCJ 255, on January 7, 2008, Qualcomm attorneys were sanctioned and ordered to pay Broadcom \$8.5 million.

**f. *CNET Networks Inc. v. Etilize Inc.*
75 BNA's PTCJ 136**

The U.S. District Court for the Northern District of California held on November 27, 2007 that the alleged infringement of a patent through aggregation of data from multiple commercial Web sites by a Pakistan-based operation is not reachable as making, using, or selling the invention under 35 U.S.C. § 271(a). Granting a summary judgment of non-infringement on that basis, the court, however, did not dismiss a claim under 35 U.S.C. § 271(g) for importing a product made by a patented process.

**g. *AT&T Corp. v. Vonage Holdings Corp.*
75 BNA's PTCJ 60**

To resolve all claims pending between the parties in a lawsuit pending in the U.S. District Court for the Western District of Wisconsin, on November 8, 2007 Vonage Holdings says that it has reached a settlement with AT&T Corp., making the third time in recent months that the struggling online telephone service has come to terms with major U.S. telephone companies charging it with patent infringement. As further reported at 75 BNA's PTCJ 282, the companies announced on December 21, 2007 that the settlement of the patent infringement action was finalized.

**h. *Sprint Communications Co. v. Vonage Holdings Corp.*
74 BNA's PTCJ 692**

To resolve all claims pending between the parties in a lawsuit pending in the U.S. District Court for the District of Kansas, on October 8, 2007 Sprint Communications Co. and

Vonage Holdings Inc. announced that they have settled their ongoing patent infringement dispute and entered into a licensing arrangement under Sprint's voice-over-packet, or VOP patent portfolio.

**i. *Wisconsin Alumni Research Foundation v. Intel Corp.*
75 BNA's PTCJ 383**

The U.S. District Court for the Wisconsin Alumni Research Foundation sued Intel Corp. in the District Court for the Western District of Wisconsin on February 5, 2008 alleging that Intel's Core 2 Duo processor infringes WARF's patent (5,781,752) on a technology for improving the efficiency and speed of computer processing. WARF claims that its invention is recognized as a "major milestone in the field of computer microprocessing," and that Intel wilfully infringed the '752 patent despite repeated invitations to enter a licensing agreement with WARF.

**j. *Microsoft Corp. v. Immersion Corp.*
75 BNA's PTCJ 533**

The U.S. District Court for the Western District of Washington ruled on March 7, 2008 that Microsoft's motion to disqualify an entire law firm in a suit stemming from a patent litigation settlement is premature.

**k. *Qualcomm Inc. v. Broadcom Corp.*
75 BNA's PTCJ 535**

The U.S. District Court for the Southern District of California held on March 5, 2008 that the self-defense exception to the attorney-client privilege permits the lawyers to use Qualcomm's otherwise protected information in opposing discovery sanctions against them.

**l. *Renhcol Inc. v. Don Best Sports*
76 BNA's PTCJ 54**

The U.S. District Court for the Eastern District of Texas ruled on April 28, 2008 that offshore Web site operators may be liable for infringement when U.S.-based users exercise "control" over the execution of code.

4. International Trade Commission

- a. *In re Certain Baseband Processor Chips and Chipsets, Transmitter and Receiver (Radio) Chips, Power Control Chips, and Products Containing Same, Including Cellular Telephone Handsets*
74 BNA's PTCJ 446**

U.S. Trade Representative Susan Schwab decided on August 6, 2007 to allow the International Trade Commission's orders to become final in its investigation involving Qualcomm Inc. mobile phones.

- b. *In the Matter of Certain Unified Communications Systems, Products Used With Such Systems, and Components Thereof*
76 BNA's PTCJ 138**

The U.S. International Trade Commission said in a notice on its Web site on May 19, 2008 that communications systems and products made by the French company Alcatel-Lucent do not infringe a patent held by Microsoft Corp., and thus their importation and sale within the United States cannot be barred under Section 337 of the Tariff Act of 1930. Reversing an initial determination in favor of Microsoft and terminating the investigation, the commission says that, based on a modified construction of a key claim in the disputed patent, the administrative law judge's ruling of infringement was incorrect.

III. PATENTS/ANTITRUST

A. CASE LAW

1. U.S. Court of Appeals

a. *Broadcom Corp. v. Qualcomm Inc.* 84 USPQ2d 1129

The U.S. Court of Appeals for the Third Circuit ruled on September 4, 2007 that plaintiff has stated claim for monopolization in violation of Sherman Act's Section 2 based on allegation that defendant induced standards-determining organizations to include defendant's patented technology in mobile wireless telephony industry standard by falsely promising to license technology on fair, reasonable, and nondiscriminatory terms.

b. *Rambus Inc. v. Federal Trade Commission* 75 BNA's PTCJ 672

The U.S. Court of Appeals for the District of Columbia ruled on April 22, 2008 that the Federal Trade Commission failed to demonstrate that Rambus Inc. engaged in conduct that was exclusionary "under settled principles of antitrust law" setting aside the commission's orders restricting Rambus' ability to set licensing fees for its patents related to DRAM technologies.

IV. COPYRIGHTS

A. CASE LAW

1. U.S. Court of Appeals

- a. *NCR Corp. v. Korala Associates Ltd.*
75 BNA's PTCJ 291

The U.S. Court of Appeals for the Sixth Circuit held on January 16, 2008 that a plaintiff's copyright claims against a licensor do not require arbitration if the claims can be addressed "without reference to" the scope of the parties' underlying software arbitration agreement. Reversing the dismissal of those claims, the appellate court faults the lower court for applying an overly broad "touches upon" standard, rather than assessing whether the plaintiff's infringement claims could be resolved "without reference to the software contract."

- b. *BUC International Corp. v. International Yacht Council Ltd.*
74 BNA's PTCJ 267

The U.S. Court of Appeals for the Eleventh Circuit held on June 21, 2007 that an online database that substantially duplicated yacht information posted on a competitor's multiple listing service infringed the original site's compilation copyright on the selection and arrangement of that information. Affirming a lower court decision in favor of the plaintiff, the court says that the idea and expression had not merged to make the database uncopyrightable.

- c. *Perfect 10 Inc. v. Visa International Service Association*
74 BNA's PTCJ 296

The U.S. Court of Appeals for the Ninth Circuit held on July 3, 2007 that credit card companies cannot be held liable for contributory or vicarious copyright infringement when their customers buy infringing images online. Affirming the dismissal of copyright and trademark claims, the court emphasizes that facilitating a payment is peripheral to the actual infringement, which is the unauthorized distribution of a copyrighted work.

- d. *Virgin Records America Inc. v. Thompson*
75 BNA's PTCJ 277

The U.S. Court of Appeals for the Fifth Circuit held on January 4, 2008 that a defendant in a copyright infringement case – who was not the person using his Internet account to infringe musical works through Kazaa – was not entitled to recover legal expenses incurred up to the point that the correct defendant was identified and the claims dropped.

e. ***In re Literary Works in Electronic Databases Copyright Litigation***
85 USPQ2d 1217

The U.S. Court of appeals for the Second Circuit held on December 7, 2007 that a federal district court did not have jurisdiction to approve a settlement agreement between a class of freelance authors and a group of publishers that allegedly reproduced the author's work without their permission because the bulk of the works in question were unregistered and the Copyright Act of 1976 gives federal courts jurisdiction only over registered works.

f. ***Zomba Enterprises Inc. v. Panorama Records Inc.***
83 USPQ2d 1331

The U.S. Court of Appeals for the Sixth Circuit held on June 26, 2007 that defendant distributor of karaoke "compact disc plus graphics" packages containing plaintiff's copyrighted musical works and graphic displays of songs' lyrics is not entitled to defense of fair use; defendant's assertion that karaoke packages are used for educational purposes is without merit.

g. ***Thoroughbred Software International Inc. v. Dice Corp.***
83 USPQ2d 1040

The U.S. Court of Appeals for the Sixth Circuit held that terms of "dealer agreement" between parties warrant finding that infringement plaintiff is entitled to award of actual damages for infringing copies of computer software, made by defendant, that were not used by defendant's customers.

h. ***ConnectU LLC v. Zuckerberg***
75 BNA's PTCJ 629

The U.S. Court of Appeals for the First Circuit ruled on April 3, 2008 that a district court erred in dismissing a lawsuit against the popular social networking site Facebook.com for lack of subject matter jurisdiction.

i. ***Greenberg v. National Geographic Society***
76 BNA's PTCJ 339

The U.S. Court of Appeals for the Eleventh Circuit, in an *en banc* decision, ruled on June 30, 2008 that a CD-ROM collection of *National Geographic* magazines is a privileged "revision" of the print publication under Section 201(c) of the Copyright Act, and thus does not infringe a freelance photographer's copyrights in photographs that were originally published in print editions of the magazine. Reversing and remanding a decision in favor of a freelance photographer, the majority cites the discussion of the reproduction of print publications in microform in the Supreme Court's 2001 *Tasini* case. However, several judges reject that reasoning in two different dissenting opinions.

**j. *Dudnikov v. Chalk & Vermillion Fine Arts Inc.*
85 USPQ2d 1705**

The U.S. Court of Appeals for the Tenth Circuit ruled on January 28, 2008 that plaintiffs' cause of action for declaratory judgment that their fabric prints do not infringe defendants' copyrights "arises from" defendants' contacts with forum state, since, absent actions purposefully directed at Colorado by defendants, including their sending of "notice of infringement" letter to operator of Internet auction site in order to invoke site's procedure for halting sale of allegedly infringing merchandise, plaintiffs would have had no reason to seek declaratory judgment.

**k. *Meshwerks Inc. v. Toyota Motor Sales U.S.A. Inc.*
87 USPQ2d 1055**

The U.S. Court of Appeals for the Tenth Circuit ruled on June 17, 2008 that plaintiff's digital, wire-frame computer models of automobile manufacturer's cars and trucks are not protected by copyright, since models depict unadorned vehicles with no individualizing features, since plaintiff had no role in designing appearance of vehicles, and merely copied manufacturer's vehicles into digital medium so that they could be expressively manipulated by others, and since, therefore, plaintiff's models are not independent creations.

2. U.S. District Courts

**a. *Bauhaus Software Inc. v. TVPaint Development*
83 USPQ2d 1910**

The U.S. District Court for the Western District of Texas held on August 14, 2007 that plaintiff is denied summary judgment that "Mirage" computer animation software at issue is joint work that plaintiff is entitled to distribute independently despite termination of distributorship agreement between the parties, since provisions of agreement referring to "TVPaint Software and Technology" can be interpreted as identifying defendant as originator and owner of software, and since those provisions, and affidavit testimony submitted by defendants, raise fact questions about ownership of "Mirage" animation software, and about whether plaintiff's contributions were merged into inseparable and interdependent parts of software.

**b. *Bio-Safe One Inc. v. Hawks*
75 BNA's PTCJ 165**

The U.S. District Court for the Southern District of New York denied on November 29, 2007 an injunction because plaintiff failed to demonstrate substantial similarity between Web sites.

**c. *JustMed Inc. v. Byce*
84 USPQ2d 1174**

The U.S. District Court for the District of Idaho held on August 29, 2007 that defendant was employee of plaintiff corporation, rather than independent contractor, and the source code that defendant worked on while employed by plaintiff is, therefore, owned by plaintiff as work made for hire, since plaintiff provided defendant with tools and instrumentalities, since defendant was hired for indefinite amount of time and for various duties, rather than for single discrete project to be completed in specific amount of time, and since defendant was paid salary, not lump sum at completion of job.

**d. *ConsulNet Computing Inc. v. Moore*
84 USPQ2d 1640**

The U.S. District Court for the Eastern District of Pennsylvania held on September 12, 2007 that infringement defendants are denied summary judgment that plaintiff is claiming copyright protection for uncopyrightable system, concept, or idea, since plaintiff has presented evidence that defendants copied or slightly altered written content from plaintiff's Web sites and then presented that content on defendants' Web sites, and since plaintiff's claims are not based on alleged infringement of marketing system or concept *per se*.

**e. *Facebook Inc. v. ConnectU LLC*
83 USPQ2d 1741**

The U.S. District Court for the Northern District of California held on May 21, 2007 that claim for common law misappropriation, in which plaintiff operator of social network Web site alleges that competing site collected e-mail addresses of users of plaintiff's site and used those addresses to solicit users' patronage, is not preempted by federal copyright law, since data that defendant allegedly misappropriated is not subject to copyright protection *per se*, and since defendant has not shown that it is alleged to have misappropriated uncopyrightable work of authorship.

**f. *Electra Entertainment Group Inc. v. McDowell*
75 BNA's PTCJ 63**

The U.S. District Court for the Middle District of Georgia held on November 6, 2007 that whether a 13 or 14-year old defendant who admittedly violated the Copyright Act by downloading and distributing music on the Internet is entitled to reduced statutory damages as an innocent infringer is a question of fact entitling the defendant to a jury trial.

**g. *Tavory v. NTP Inc.*
83 USPQ2d 1584**

The U.S. District Court for the Eastern District of Virginia held on July 17, 2007 that plaintiff's registration of copyright for computer software is invalid, and district court therefore lacks subject matter jurisdiction over plaintiff's infringement claim, since no original copies of source code for software remain, and plaintiff was able to produce "copy" for deposit only by referring to modified versions of code and redacting those modifications to best of his recollection in order to create "original" copy.

**h. *Metro-Goldwyn-Mayer Studios Inc. v. Grokster Ltd.*
74 BNA's PTCJ 779**

The U.S. District Court for the Central District of California on October 16, 2007 entered a permanent injunction requiring filtering against final *Grokster* defendant.

**i. *UMG Recordings Inc. v. Lindor*
85 USPQ2d 1297**

The U.S. District Court for the Eastern District of New York on November 30, 2007 struck the defense of copyright misuse on ground of legal insufficiency in action in which record companies claim that defendant illegally downloaded and shared copyrighted music using file-sharing Web site, since defendant alleges that plaintiffs have engaged in copyright "pooling," but defendant has not alleged that plaintiffs pooled their copyrights for mutual benefit, or that they abused their combined market power to detriment of copyright consumer.

**j. *American Buddha v. City of Ashland*
74 BNA's PTCJ 410**

The U.S. District Court for the District of Oregon held on July 19, 2007 that a city was not liable for constitutional violations under 42 U.S.C. § 1983 when one of its employees disconnected a modem hosting offensive Web site material.

**k. *SCO Group Inc. v. Novell Inc.*
74 BNA's PTCJ 495**

The U.S. District Court for the District of Utah held on August 10, 2007 that Novell Inc. did not transfer the copyrights in the UNIX operating system as part of a development deal and is entitled to summary judgment on a claim asserting that it made false public statements of copyright ownership.

**l. *Virgin Records America Inc. v. Thomas*
74 BNA's PTCJ 694**

A jury in the U.S. District Court for the District of Minnesota on October 4, 2007 found a defendant who shared digital versions of 24 music recordings online liable for copyright infringement and it awards \$222,000 to the plaintiff record companies.

**m. *Atlantic Recording Corp. v. Howell*
75 BNA's PTCJ 252**

In the U.S. District Court for the District of Arizona, in plaintiff's brief filed December 7, 2007, plaintiff stated that evidence that a defendant in a copyright infringement case saved digitized music files uploaded from compact discs in a folder that will allow them to be shared over Kazaa is sufficient to prove unauthorized distribution of the copyrighted works.

**n. *New York v. GeoData Plus LLC*
84 USPQ2d 1551**

The U.S. District Court for the Eastern District of New York held on September 28, 2007 that digital geographic base map files that display images of tax blocks and tax lots in New York City are sufficiently original to qualify for copyright protection since, in creating predecessor database to map files, city planning department programmers made numerous decisions concerning number and location of coordinates used to depict various shapes in maps, and concerning which features to incorporate and which to exclude.

**o. *Allen v. Ghoulish Gallery*
75 BNA's PTCJ 168**

The U.S. District Court for the Southern District of California held on November 20, 2007 that a Web site featuring unoriginal features, fonts were eligible for copyright only as collection.

**p. *Arista Records LLC v. Doe*
85 USPQ2d 1154**

The U.S. District Court for the Western District of Michigan on December 7, 2007 issued subpoenas to record companies for students at Michigan State University. The court specified that the university and the targets of the lawsuit should have an opportunity to move to quash or modify the subpoenas.

**q. *Ticketmaster LLC v. RMG Technologies Inc.*
85 USPQ2d 1018**

The U.S. District Court for the Central District of California held on October 16, 2007 that plaintiff is likely to demonstrate that defendant infringed plaintiff's copyrights by accessing and using Web site, on which plaintiff sells tickets for entertainment and sports events, in violation of site's "terms of use," since terms of use create nonexclusive license to view, and thus copy, pages from site, and use of work in violation of license gives rise to liability for infringement, and since plaintiff is highly likely to prove that devices marketed by defendant for accessing and navigating plaintiff's site are prohibited "automated devices" that interfere with proper working of site, and that violate license provisions limiting frequency of ticket purchase requests.

**r. *Warner Bros. Records Inc. v. Doe*
85 USPQ2d 1157**

The U.S. District Court for District of Columbia held on December 7, 2007 that record companies seeking to identify alleged infringers had shown good cause for a subpoena directing Georgetown University to identify students who used the computers targeted in the lawsuit. The court ruled that compliance with the subpoena would not violate the university's obligations under federal law to protect the personal information of the students.

**s. *Janky v. Batistatos*
86 USPQ2d 1585**

The U.S. District Court for the Northern District of Indiana ruled on April 24, 2008 that infringement plaintiff's motion to enforce terms set forth in e-mail from defendants' lawyer as binding settlement agreement is denied, since defendants' e-mail, sent in response to settlement offer from plaintiff, proposed terms different from those in plaintiff's offer, since defendants proposed additional element calling for "mutual global release," and thus made counteroffer that was never accepted by plaintiff, and since Indiana law follows rigid "mirror image rule," which requires acceptance to correspond with offer in every respect.

**t. *Warner Bros. Records Inc. v. Wagner*
86 USPQ2d 1314**

The U.S. District Court for the Northern District of Indiana ruled on May 13, 2008 that plaintiff owners and licensees of copyrighted sound recordings have satisfied minimum pleading requirements of Fed. R. Civ. P. 8 to state claim for infringement against defendant, since plaintiffs allege that they own specified sound recordings, and that defendant downloaded and/or distributed specified songs to public using specified peer-to-peer network at specified time and data, and since plaintiffs specifically alleged actual distribution, and did not frame allegations using theory that defendant "made copyrighted material available to public."

u. ***United States v. American Society of Composers, Authors, and Publishers***
76 BNA's PTCJ 51

The U.S. District Court for the Southern District of New York on April 30, 2008 issued a decision setting the license rate and terms that three online services must pay to songwriters and publishers in order to publicly perform songs over the Internet. The court mostly adopts the rate calculation standard articulated by ASCAP but conclude that both parties' fee proposals were unworkable.

v. ***Atlantic Recording Corp. v. Howell***
76 BNA's PTCJ 53

The U.S. District Court for the District of Arizona ruled on April 28, 2008 that an Internet user who ripped music from compact discs and made the files available for sharing on the Kazaa network is not liable for unauthorized distribution of copyrighted works under Section 106(3) of the Copyright Act absent a showing of actual distribution.

w. ***Vernor v. Autodesk Inc.***
76 BNA's PTCJ 136

The U.S. District Court for the Western District of Washington ruled on May 20, 2008 that a declaratory judgment plaintiff's sale of authentic, used copies of AutoCAD software over eBay is not infringing, because the copyright owner's distribution rights in those particular copies are exhausted under the first sale doctrine. Refusing to dismiss the case or grant a summary judgment for the defendant copyright owner, the court relies on the Ninth Circuit's 1977 definition of "sale" in *United States v. Wise*. The court rejects the conflicting analysis from a trio of later Ninth Circuit rulings, including *MAI Systems Corp. v. Peak Computer Inc.*

x. ***Pearson Education Inc. v. Liao***
76 BNA's PTCJ 314

The U.S. District Court for the Southern District of New York held on May 13, 2008 in a gray market goods case that the first sale doctrine is inapplicable to domestic Internet sale of books manufactured abroad.

y. ***Viacom International Inc. v. YouTube Inc.***
76 BNA's PTCJ 341

The U.S. District Court for the Southern District of New York ruled on July 2, 2008 that holders of copyrights in television programming, sports programming, and music have not justified their need for seeing the source code of software that the Google and YouTube Web sites use to search for video clips available on the Internet. The court also ordered defendant operators of video-sharing Web site to produce "logging" database, which contains, for each instance video

is watched, "login ID" of user, number of times each video is viewed, and other information; "login ID" cannot by itself identify specific user, and its disclosure does not give rise to concrete privacy concerns.

**z. *Elektra Entertainment Group Inc. v. Barker*
87 USPQ2d 1427**

The U.S. District Court for the Southern District of New York stated on March 31, 2008 in a file sharing case that plaintiffs' allegation that defendant is liable for "making Plaintiffs' copyrighted recordings available to the public" does not state valid claim for infringement under Copyright Act, since 17 U.S.C. § 106(3) confers on copyright holders exclusive right of distribution, and plaintiffs' allegation that defendant "ma[de] available" copyrighted works does not necessarily equate to claim that defendant "offer[ed] to distribute" copies of those works.

**aa. *Columbia Pictures Industries Inc. v. Bunnell*
85 USPQ2d 1448**

The U.S. District Court for the Central District of California held on December 13, 2007 that defendants' willful spoliation of evidence warrants entry of default judgment as sanction in action alleging that defendants operate Web site that permits Internet users to download and distribute unauthorized copies of plaintiffs' copyrighted motion pictures and television programs, since defendants' misconduct has prejudiced plaintiffs' ability to demonstrate defendants' alleged inducement and vicarious infringement to extent that rightful decision is not possible.

**bb. *FM Industries Inc. v. Citicorp Credit Services Inc.*
85 USPQ2d 1676**

The U.S. District Court for the Northern District of Illinois held on January 14, 2008 that the doctrine of licensee estoppel does not bar defendant's challenge to plaintiff's ownership of copyright in computer software, even though provision in licensing agreement explicitly forbidding licensee from challenging validity of licensor's copyright is generally enforceable, since licensing agreement between parties to present suit did not contain no-contest clause, and broader application of licensee estoppel doctrine is disfavored in copyright cases.

**cc. *Integrative Nutrition Inc. v. Academy of Healing Nutrition*
86 USPQ2d 1415**

The U.S. District Court for the Southern District of New York held on January 30, 2007 that plaintiff's claim for unfair competition under New York common law is preempted by Copyright Act, since plaintiff specifically alleges that defendants' Web site contains language, formats, styles, quotes, concepts, fonts, hypertext placement, banner location, and other qualities "plagiarized" from plaintiff, and since claim that defendants "plagiarized" plaintiff's works is

essentially synonymous with concept of reverse passing off, which is equivalent to claim for copyright infringement.

V. COPYRIGHTS/DMCA

A. CASE LAW

1. U.S. Court of Appeals

- a. *Blueport Co. v. United States*
76 BNA's PTCJ 476

The U.S. Court of Appeals for the Federal Circuit ruled on July 25, 2008 that the U.S. government is immune from claims in a copyright infringement case brought under the Digital Millennium Copyright Act by an assignee of rights in a computer program authored by an Air Force sergeant.

- b. *United States v. Whitehead*
87 USPQ2d 1446

The U.S. Court of Appeals for the Ninth Circuit ruled on July 14, 2008 that criminal defendant's sentence of 1000 hours of community service, \$50,000 fine, and five years of supervised release, for violation of Digital Millennium Copyright Act through sales of over \$1 million worth of counterfeit "access cards" that permitted unauthorized access to digital satellite signals, was not abuse of district court's discretion, even though sentence is more lenient than sentencing guidelines prescribe.

2. U.S. District Courts

- a. *Tur d/b/a Los Angeles News Service v. YouTube Inc.*
74 BNA's PTCJ 270

The U.S. District Court for the Central District of California held on June 20, 2007 that the extent to which YouTube has the right and ability to control allegedly infringing content posted on its video-sharing Web site is a question of fact that cannot be disposed of at the summary judgment stage.

- b. *Healthcare Advocates Inc. v. Harding, Early, Follmer & Frailey*
74 BNA's PTCJ 374

The U.S. District Court for the Eastern District of Pennsylvania held on July 21, 2007 that a law firm that looked at past versions of a Web site on the publicly accessible Internet Archive did not circumvent access controls in violation of the Digital Millennium Copyright Act when the malfunctioning archive allowed access to pages that the owner had wanted restricted. Granting a defendant's motion for summary judgment, the court emphasizes that the access was the result of errors on the part of the archive's server.

**c. *MDY Industries LLC v. Blizzard Entertainment Inc.*
76 BNA's PTCJ 412**

The U.S. District Court for the District of Arizona held on July 14, 2008 that a user who has ordinary access to software code on his computer violates the Copyright Act but does not violate the Digital Millennium Copyright Act by copying that code to create an application that circumvents protective technology included elsewhere in the application.

**d. *In re Subpoena Issued Pursuant to the Digital Millennium
Copyright Act to: 43SB.com LLC*
86 USPQ2d 1505**

The U.S. District Court for the District of Idaho ruled on December 7, 2007 that Internet service provider's motion to quash prelitigation subpoena served pursuant to 17 U.S.C. § 512(h) is denied with respect to individual employing username "d2," since subpoena seeks information that may serve to identify anonymous "d2" individual responsible for posting allegedly infringing content, and since all elements necessary for issuance of subpoena under Section 512(h) have been satisfied.

VI. TRADEMARKS

A. CASE LAW

1. U.S. Court of Appeals

- a. *Freecycle Network Inc. v. Oey*
74 BNA's PTCJ 661

The U.S. Court of Appeals for the Ninth Circuit held on September 26, 2007 that there is no cause of action for trademark disparagement under the Lanham Act. Vacating an order enjoining the defendant from making disparaging comments and ordering him to take down disparaging statements already posted to the Internet, the appellate court also criticizes the trial court for concluding that the plaintiff had demonstrated a likelihood of success on the merits of its trademark infringement claim without applying the likelihood of confusion test.

- b. *Perfumebay.com Inc. v. eBay Inc.*
75 BNA's PTCJ 93

The U.S. Court of Appeals for the Ninth Circuit held on November 5, 2007 that online sale of "PerfumeBay" perfume infringes "eBay" mark.

- c. *Applied Information Sciences Corp. v. eBay Inc.*
75 BNA's PTCJ 213

The U.S. Court of Appeals for the Ninth Circuit held on December 28, 2007 that a federal district court appropriately granted eBay Inc. summary judgment in a trademark infringement case against it. The court, however, agrees that eBay was not entitled to attorneys' fees.

- d. *North American Medical Corp. v. Axiom Worldwide Inc.*
75 BNA's PTCJ 626

The U.S. Court of Appeals for the Eleventh Circuit held on April 7, 2008 that using a competitor's trademarks in Web site metadata amounts to trademark infringement but may not, without more, justify an injunction. The court says that a competitor's use of a rival's trademarks in metadata amounted to a "use in commerce," and created a likelihood of confusion between the brands.

- e. ***Utah Lighthouse Ministry v. Foundation for Apologetic Information and Research***
76 BNA's PTCJ 174

The U.S. Court of Appeals for the Tenth Circuit held on May 23, 2008 that, in a tussle between critics and defenders of the Mormon Church, the defenders' parodying Web site does not give rise to liability for trademark infringement, unfair competition, or cybersquatting. Affirming summary judgment for the Mormon Church defenders, the court upholds the trial court's finding that they derived no financial benefit from their Web site and thus that their use of the critics' trademark is for parody, not for commercial purposes.

- f. ***Aronowitz v. Health-Chem Corp.***
85 USPQ2d 1604

The U.S. Court of Appeals for the Eleventh Circuit held on January 15, 2008 that plaintiffs in action for breach of contract were properly denied judgment as a matter of law on counterclaim for trademark infringement based on plaintiffs' use of defendant's "Health-Chem" mark on company Web site, since type of mark and actual confusion, which are two most important factors in likelihood-of-confusion analysis, weigh in favor of finding confusion.

- g. ***American Express Co. v. Goetz***
85 USPQ2d 1913

The U.S. Court of Appeals for the Second Circuit held on February 4, 2008 that declaratory judgment defendants' slogan "My Life, My Card" is component of defendants' business proposal to credit card companies, rather than mark designating origin of any goods or services offered by defendants, and defendants therefore hold no trademark rights in slogan, since defendants do not sell credit cards, and instead offered slogan as complement to card personalization concept and software they proposed to sell to car companies.

2. U.S. District Courts

- a. ***American Airlines Inc. v. Google Inc.***
75 BNA's PTCJ 41

The U.S. District Court for the Northern District of Texas ruled on October 24, 2007 that an infringement lawsuit challenging Google Inc.'s use of American Airline Inc.'s marks in advertising may go forward.

**b. *Ormsby v. Barrett*
75 BNA's PTCJ 280**

The U.S. District Court for the Western District of Washington held on January 2, 2008 that a musical group that used the term "Wailers" part of its band name and domain name did not engage in cybersquatting.

**c. *Boston Duck Tours v. Super Duck Tours*
75 BNA's PTCJ 280**

The U.S. District Court for the District of Massachusetts held on December 5, 2007 that purchase of competitor's mark as search keyword is trademark "use" in commerce.

**d. *Visa International Service Association v. JSL Corp.*
75 BNA's PTCJ 281**

The U.S. District Court for the District of Nevada held on December 27, 2007 that adding "e" before trademark in domain name deemed evidence of actual trademark dilution.

**e. *Designer Skin LLC v. S & L Vitamins Inc.*
76 BNA's PTCJ 145**

The U.S. District Court for the District of Arizona ruled on May 20, 2008 that the use of a manufacturer's marks in a retailer's Web site metatags and as search engine keywords does not constitute a misleading use supporting a finding of initial interest confusion.

**f. *Real News Project Inc. v. Independent World Television Inc.*
76 BNA's PTCJ 179**

The U.S. District Court for the Southern District of New York ruled on May 27, 2008 that the term "real news" for a video news program hosted on a Web site is not distinctive enough to act as an identifier of the source of news services.

**g. *General Conference Corporation of Seventh-Day Adventists v. McGill*
76 BNA's PTCJ 278**

The U.S. District Court for the Western District of Tennessee held on June 11, 2008 that use of trademark in domain name on Web site is infringing "use in commerce."

- h. *Tiffany (NJ) Inc. v. eBay Inc.*
76 BNA's PTCJ 377**

The U.S. District Court for the Southern District of New York held on July 14, 2008 that Internet auction site eBay Inc.'s general knowledge that counterfeit goods are sold through its service does not subject it to contributory liability for trademark infringement. The court says that the standard for contributory trademark infringement is not whether eBay had general knowledge of infringement or could reasonably anticipate infringement, but rather whether eBay continued to supply its services to sellers that it knew or had reason to know were actually infringing.

- i. *Board of Regents of the University of Wisconsin System v. Phoenix Software International Inc.*
76 BNA's PTCJ 478**

The U.S. District Court for the Western District of Wisconsin ruled on July 15, 2008 that a statute that allows states to be sued for trademark infringement is unconstitutional.

- j. *Palantir Technologies Inc. v. Palantir.net Inc.*
85 USPQ2d 1264**

The U.S. District Court for the Northern District of California ruled on January 15, 2008 in declaratory judgment action in which defendant asserts counterclaim for infringement of its "Palantir" service mark for Internet site design and database and multimedia software development services, virtual identity of parties' marks, relative strength of defendant's mark, relatedness of services and goods offered, and fact that both parties use Internet to provide information about their respective businesses all support finding of probable success on infringement claim, or at minimum, existence of serious questions going to merits; balance of hardships also tips in defendant's favor.

- k. *J.G. Wentworth S.S.C. LP v. Settlement Funding LLC*
85 USPQ2d 1780**

The U.S. District Court for the Eastern District of Pennsylvania held on January 4, 2007 that defendant's purchase and use of plaintiff's "J.G. Wentworth" trademarks as "keywords" for purpose of triggering Internet advertising, and its incorporation of plaintiff's marks in keyword metatags for its Website, constitute trademark use contemplated by Lanham Act, even though defendant contends that its use of marks is invisible to potential consumers; however, such use does not result in actionable initial interest confusion under Lanham Act.

3. U.S. Patent and Trademark Office

**a. *In re Valenite Inc.*
74 BNA's PTCJ 482**

Following the *Dell* and *Lands' End* cases, on July 31, 2007 the TTAB finds Web site printouts acceptable evidence of use.

**b. *In re Osterberg*
83 USPQ2d 1220**

The TTAB held on February 21, 2007 that copy of Web page submitted by applicant as specimen of use is not display used in association with goods sufficient to support registration of "Condom Toy condom" as trademark for condoms, since prospective customers reading Web page are likely to view proposed mark as descriptive or informational term, or as advertising puffery, and since Web page is simply advertisement for condoms, and does not function as point-of-purchase display.

**c. *In re Lens.com Inc.*
83 USPQ2d 1444**

The TTAB held on April 17, 2007 that proposed "Lens" mark is generic for applicant's "retail store services featuring contact eyewear products rendered via a global computer network," since, in view of finding that "lens" is shorthand name for contact eyewear that is subject of applicant's services, term is also generic name for retail Internet store services themselves.

**d. *ProQuest Information and Learning Co. v. Island*
83 USPQ2d 1351**

The TTAB held on February 21, 2007 that goods offered in connection with applicant's "Inquest" mark must be considered closely related to opposer's goods for purposes of likelihood-of-confusion analysis, since applicant's goods, described in application as "computer software for use by institutions and individuals . . . to conduct research . . . and to automate reports," represents large slice of broad array of goods actually offered by opposer under "ProQuest" mark and trade name, as well as goods covered by opposer's federal registrations for "ProQuest" mark.

**e. *In re IP Carrier Consulting Group*
84 USPQ2d 1028**

The TTAB held on June 18, 2007 that Internet evidence is generally admissible and may be considered for purposes of evaluating trademark, with respect to evidence taken from Wikipedia. However, the TTAB will only consider such evidence if non-offering party has

opportunity to rebut that evidence by submitting other evidence that may call accuracy of proffered Wikipedia information into question.

**f. *Christian Broadcasting Network Inc. v. ABS-CBN International*
84 USPQ2d 1560**

The TTAB held on July 31, 2007 that a petition for cancellation of respondent's registration for "ABS-CBN" trademark for satellite and cable television broadcasting services and telephone calling-card services is barred by laches and acquiescence, since respondent has pleaded and proved those equitable defenses, and since it is not "inevitable" that confusion will arise from respondent's broadcasting services and those offered by petitioner under its "CBN" mark, in that parties' marks are not identical, and have been in concurrent use for 13 years without any reported instances of actual confusion.

**g. *Hormel Foods Corp. v. Spam Arrest LLC*
75 BNA's PTCJ 137**

The TTAB held on November 21, 2007 that the fame of the "Spam" mark for canned meat cannot be extended to prevent use of the term for unsolicited e-mail.

**h. *In re Thermo LabSystems Inc.*
85 USPQ2d 1285**

The Trademark Trial and Appeal Board held on March 15, 2007 that the examining attorney has established *prima facie* case that applicant's proposed "Watson" mark, for computer software used in laboratory information management, is primarily merely surname, since "Watson" is not rare surname, and evidence supports finding that "Watson" has "look and feel" of surname; applicant has failed to rebut *prima facie* case by arguing that proposed mark qualifies for registration as historical name or geographical term.

**i. *Daimler Chrysler Corp. v. Maydak*
75 BNA's PTCJ 646**

The Trademark Trial and Appeal Board ruled on April 4, 2008 that a court decision on a domain name issue that permanently enjoined a trademark infringement defendant from using a mark that is confusingly similar to marks owned by automaker Chrysler estopped the defendant from registering the mark with the Patent and Trademark Office.

**j. *In re ICE Futures U.S. Inc.*
85 USPQ2d 1664**

The Trademark Trial and Appeal Board ruled on January 16, 2008 that printouts from applicant's Web site are sufficient to show use of proposed marks "Sugar No. 14," "Sugar No. 11,"

and "Cotton No. 2" for rendering of applicant's commodity futures exchange and related commodity trading services, and marks do not merely identify goods or futures contracts themselves, even though marks are primarily used with wording "futures contract" in specimens, since futures contracts are integral and essential components of identified futures exchange services, and since proposed marks not only identify relevant contracts, which are unique to applicant, but also identify source of futures exchange services.

**k. *In re Supply Guys Inc.*
86 USPQ2d 1488**

The Trademark Trial and Appeal Board ruled on March 6, 2008 that specimens showing use of term "Leading Edge Toners" as part of Web address, "www.leadingedgetoners.com," and in several locations on Web page as part of phrases containing other trademarks, do not demonstrate use of "Leading Edge Toners" as trademark for toner cartridges, ink sticks, and toner cartridge components.

**l. *In re Hotels.com L.P.*
87 USPQ2d 1100**

The Trademark Trial and Appeal Board ruled on March 24, 2008 that applicant's proposed "hotels.com" mark is generic for applicant's services, since genus of services is providing information about "temporary lodging" and making reservations therefor, and relevant public consists of customers needing such services, since applicant's Web site and promotional materials make clear that key focus of services provided by Web site is "hotels," since, therefore, term "hotels" is generic for aspects of applicant's information and reservation services that deal with hotels, and since adding top-level domain ".com" does not result in new meaning or different commercial impression.

**m. *In re Roberts*
87 USPQ2d 1474**

The Trademark Trial and Appeal Board ruled on May 2, 2008 that proposed service mark "irestmymcase," as used on specimens of record, fails to distinguish applicant's professional legal services or indicate their source, since specimens do not show use of "irestmymcase" *per se*, and since Internet address "www.irestmymcase.com" shown on specimens indicates address for contacting applicant, but does not show use of "irestmymcase" to indicate source of applicant's services.

**n. *University Games Corp. v. 20Q.net Inc.*
87 USPQ2d 1465**

The Trademark Trial and Appeal Board ruled on May 2, 2008 that applicant for registration of "20Q" as trademark for software, entertainment services, and electronic games is denied summary judgment on its counterclaim alleging that opposer obtained registration for its

"Twenty Questions" trademark for board game through fraud, since opposer's amendment of its identification of goods during *ex parte* prosecution raises rebuttable presumption that opposer lacked willful intent to deceive PTO, and there is genuine issue of material fact as to nature of opposer's use of mark prior to filing of opposer's application.

VII. TRADE SECRETS

A. CASE LAW

1. U. S. Court of Appeals

- a. *General Universal Systems Inc. v. Hal Inc.*
74 BNA's PTCJ 698

The U.S. Court of Appeals for the Fifth Circuit held that software licenses that do not authorize the licensee to create derivative computer programs are not relevant to the question of when a trade secret misappropriation claim accrued with regard to the defendants' use of a proprietary program to create a competing program.

2. U.S. District Courts

- a. *Ideal Aerosmith Inc. v. Acutronic USA Inc.*
87 USPQ2d 1341

The U.S. District Court for the Western District of Pennsylvania stated on December 13, 2007 that plaintiff's claim under Pennsylvania's Uniform Trade Secrets Act against defendant competitors, stemming from defendants' use of e-mail messages inadvertently sent to their servers, will not be dismissed for failure to state claim, since complaint sufficiently identifies alleged trade secrets at issue as confidential business information relating to development, marketing, and sale of plaintiff's aerospace motion controller, and since plaintiff can bring misappropriation claim even if trade secrets were acquired by mistake rather than misconduct.

- b. *Posdata Co. v. Kim*
74 BNA's PTCJ 385

The U.S. District Court for the Northern District of California held on June 27, 2007 that theft of trade secrets will irreparably harm wireless developer and, consequently, a former employee and his new company were temporarily enjoined.

VIII. RIGHT OF PUBLICITY

A. CASE LAW

1. U.S. Court of Appeals

- a. *C.B.C. Distribution and Marketing Inc. v. Major League Baseball Advanced Media LP*
74 BNA's PTCJ 772

The U.S. Court of Appeals for the Eighth Circuit held on October 16, 2007 that a company that promotes Internet "fantasy baseball" games did not violate the ballplayers' publicity rights.

2. U.S. District Courts

- a. *Romantics v. Activision Publishing Inc.*
85 USPQ2d 1630

The U.S. District Court for the Eastern District of Michigan held on January 22, 2008 that rock band and individual band members, who seek preliminary injunction prohibiting distributor of video game and related entities from advertising or distributing game containing new recording of song that, pursuant to license, is used in synchronization with visual images to enable game play, are not likely to succeed on the merits of their right of publicity claim under Michigan law, since Michigan has never recognized right of publicity in sound of voice, even if distinctive, or for combination of voices.

- b. *Doe v. Friendfinder Network Inc.*
86 USPQ2d 1394

The U.S. District Court for the District of New Hampshire ruled on March 27, 2008 that pursuant to 47 U.S.C. § 230(e)(2), which states that "[n]othing in this section shall be construed to limit or expand any law pertaining to intellectual property," claims based on intellectual property laws are not subject to immunity provided by Communications Decency Act, and this exemption from CDA immunity is properly construed to apply to state, as well as federal, intellectual property laws; in present case, CDA does not provide immunity to operators of adult-themed Web site from claim for invasion of right of publicity stemming from unauthorized posting and use on Web service of online profile of plaintiff.

IX. STATES

A. CASE LAW

1. New Mexico

- a. *New Mexico v. Kirby*
74 BNA's PTCJ 412**

The New Mexico Supreme Court held on June 13, 2007 that as the copyright owner, a Web designer, not the person who hired the designer, is owner of Web site.

2. Wisconsin

- a. *Zellner v. Cedarburg School District*
83 USPQ2d 1085**

The Wisconsin Supreme Court held on May 15, 2007 that school district's public disclosure of compact disc and memorandum containing adult images and Internet searches that plaintiff public school teacher allegedly viewed and conducted on his school computer is fair use of copyrighted materials in memo and on CD; allowing public access to CD and memo for purposes of adhering to Wisconsin's Open Records Law will not affect potential marketability of copyrighted materials.

3. Illinois

- a. *Brown v. ACMI Pop Division*
85 USPQ2d 1129**

The Illinois Appeals Court held on August 2, 2007 that plaintiff's claims under Illinois Right of Publicity Act, based on defendant's use of plaintiff's images on Internet in business of licensing copyrights for photographs and other artistic images, are not preempted by federal copyright law under 17 U.S.C. § 301.