Hot Topics in Trademark Selection, Clearance and Filing

*Where Does Your Brand Live?*

Deborah A. Wilcox
Overview

• Trademark Refresher
• Selecting Marks in Today’s Crowded Fields
• Clearing Marks
  – Social Media
  – New gTLDs
  – China Subclasses
• Madrid Protocol
Trademark Refresher

- Source Identifier
- Word, slogan, symbol, logo, smell, sound
- Consumers use the Trademark to distinguish your goods and services from all others in the marketplace
What is a Strong Mark?

• Spectrum of distinctiveness:
  – Generic (not a mark at all)
  – Descriptive
  – Suggestive
  – Arbitrary, Invented, Coined
Selecting Marks

• The Crowded Fields
  – Software
  – Mobile Apps
  – Cloud Computing
The Tension

- Marketing craves a brand which communicates the message
- Legal craves a brand which is easy to protect
- Striking the balance
Searching: In-house

- USPTO
- Common Law
- .com
- International: https://www.tmdn.org/tmview/welcome
Outside Searching

• Combination of search firms and law firms
• Deeper dive into all of the above
• New Domain Names
• Social Media Names
New Domain Names

- New generic top level domains (gTLDs)
  - Nearly 16 million domains registered
  - Many “generics” to choose from
Top 10 gTLDs
https://ntldstats.com/

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<tr>
<th>TLD</th>
<th>Domains</th>
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<td>.top</td>
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<td>.red</td>
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New Domain Names

- Does anyone care???
- Several brands own their “.brand”
  - Deloitte
  - Nikon
  - Accenture
  - Android
http://nic.fox/
Newly Delegated Domains

https://newgtlds.icann.org/en/program-status/delegated-strings

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Social Media Names

- 65% of adults use social networking sites
- 90% millennials age 18-29 use these platforms

Pew Research Center, 10/8/15
“Old” Social Media

- Facebook
- Twitter
- LinkedIn
- Google+
- Instagram
- Snapchat
- Pinterest
- Vine

Buyable Pins
Let people buy your products—right from Pinterest!

Available on iOS and Android in the U.S., Buyable Pins let people buy things without ever leaving the Pinterest app. Learn more about how they work for Pinners.

Blue means you can buy
When you spot a Pin with a blue price, you’ll know it’s buyable. Searching for something specific? Use the blue price filter to hone in on just the right Pin. You can even swipe through different colors if there’s more than one option available.
Partnering to Purchase

• Facebook and Uber Messenger
New Social Media

- Blab (video chat)
- Slack (messaging)
- Periscope (live-streaming)
- eMarketer (mobile messaging)
China Subclasses

• Don’t forget to look at the subclasses in China when searching and filing
• Operate more like separate classes than “administrative guidelines”
• Choose from list of standard items
China Subclasses--
http://www.cntme.com/En/4078.html

• Class 41: Education; providing of training; entertainment; sporting and cultural activities
  – Subclass 4101 – education
  – Subclass 4102 – organizing educational, cultural, and recreational activities
  – Subclass 4103 – library services
  – Subclass 4104 – publishing services
  – Subclass 4105 – sports and entertainment services
  – Subclass 4106 – animal training
  – Subclass 4107 – otherwise uncategorized services
• Initial Reluctance to Use
  – Have to base on home country filing, which in the U.S. is often very narrow list of goods/services
  – China issues mentioned above
  – Falls apart if U.S. registration is cancelled
Madrid Protocol--benefits

- Easy and inexpensive
- Many Countries: [http://www.wipo.int/treaties/en/ShowResults.jsp?country_id=ALL&start_year=ANY&end_year=ANY&search_what=C&treaty_id=8](http://www.wipo.int/treaties/en/ShowResults.jsp?country_id=ALL&start_year=ANY&end_year=ANY&search_what=C&treaty_id=8)
- One registration
Madrid Protocol--benefits

- Speedy results (18 months)
- If possible, use another country as the “home base filing” where the applicant
  - (a) is a national of,
  - (b) has a real and effective industrial or commercial establishment in or
  - (c) has a domicile in one of the contracting parties to the Protocol.
Take-aways

- Keep marketing and legal in sync when choosing marks
- Search in-house to knock out obvious issues
- Keep social media, gTLDs and China issues in mind
- Madrid seems to work!
Outsourcing: IP Considerations

Monica S. Verma
Outsourcing is a contracting transaction through which one company purchases services from another while keeping ownership and ultimate responsibility for the underlying processes. Companies turn to resources outside their organization, usually to:

- Save money
- Make use of skilled professionals
WHAT?

What services and functions can be outsourced?

• Examples:
  – Software development and maintenance
  – HR and/or selected HR functions
  – Pharmaceutical Research
  – Manufacturing
  – Customer Service/Call Center services
  – Data Entry services
WHERE?

Where will resources performing services be located?

- Onshore
- Offshore
- Combination of both
SELECTION OF VENDOR

• Experience
• Reputation
• Financial strength & stability
• Responses to RFP
• Site visits
• Reference check
• Cultural alignment between organizations
• Willingness to cooperate in multi-vendor solutions
Intellectual Property Rights

- Due diligence to identify:
  - IP owned by customer
  - IP licensed from third parties
  - IP developed by company
IP licensed from third parties:

Compliance with terms of the license

- Geographic restrictions
- Number of Users
- Restriction on access and use by contractors
- Use restrictions
- Export control issues
DELIVERABLES

• Deliverables
  – Definition of Deliverables
  – What does customer get and when
  – Acceptance testing
  – Warranty period
  – Support and Maintenance
    ▪ Service Levels
    ▪ Credits for failure to meet Service Levels
Ownership of Deliverables:

- **Assignment of Deliverables**
  - Services performed offshore – consider local law requirements
  - Deliverables developed by employees versus subcontractors

- **License for pre-existing IP of company**
  - If such IP is embedded in the Deliverables, the scope of license should be broad enough to capture all uses by customer and all parties who will use such IP

- **Use of open source code and third party code in creating Deliverables**
Local Law Considerations:

- Indian copyright law contains some unusual presumptions on assignments:
  
  - Unless the contract provides otherwise:
    - Assignment is presumed to last for 5 years
    - Covers only the territory of India
    - If assignment rights not exercised in one year they lapse
PROTECTION OF IP

Audit Rights

Customer should reserve right to audit compliance

Confidentiality

• Definition and designation of “Confidential Information”

• Safeguarding Confidential Information

• Restriction on Use
  – No disclosure to third parties
  – Disclosure to employees who have a “need to know” and are bound by confidentiality obligations

• Exclusions
INDEMNIFICATION

IP Indemnification Issues

- What is covered – patents, copyrights, trademarks and trade secrets

- Geographic scope (e.g., worldwide, U.S. only, WIPO countries)
  - Customer will usually push for a worldwide geographical scope, especially if Customer is a multinational company.

- Other remedies – repair, replace and refund
ENFORCEMENT

• Enforcement of Rights:
  – Choice of law
  – Enforcement of foreign judgements
  – Arbitration
  – New York Convention
Hot Topics in Patent Law 2016

Supreme Court Cases Impacting Patent Strategies in 2016

Shannon V. McCue
Supreme Court Cases Impacting Patent Strategies

- Commil v. Cisco (decided)
- Cuozzo Speed Technologies v. Michael Lee (cert granted)
- Apple v. Samsung (pending)
Patent Refresher

• Patent Rights – right to exclude others from making, using, selling, and importing

• Validity Requirements:
  – written description
  – claim must cover patentable subject matter, and be new and non-obvious
    ▪ prior art – information publicly available before patent filing date

• Utility Patents
  – useful inventions

• Design Patents
  – ornamental designs
Utility Patent
Example

(12) United States Patent
Arazi et al.

(10) Patent No.: US 6,430,395 B2
(45) Date of Patent: Aug. 6, 2002

(54) WIRELESS PRIVATE BRANCH EXCHANGE (WPBX) AND COMMUNICATING BETWEEN MOBILE UNITS AND BASE STATIONS

(75) Inventors: Nitza Arazi, Ramat Hasharon; Yaron Sofer, Nes-Ziona; Haim Barak, Kfar Saba, all of (IL)

(73) Assignee: Comml Ltd., Ramat Hasharon (IL)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

(21) Appl. No.: 09/784,109
(22) Filed: Feb. 16, 2001

Related U.S. Application Data
(60) Provisional application No. 60/135,219, filed on Apr. 7, 2000, and provisional application No. 60/208,306, filed on Jan. 1, 2001.

(51) Int. Cl. 7 ................................. H04B 5/00
(52) U.S. Cl. ................................. 455/41; 455/426; 455/432; 455/502; 370/347; 370/466

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* cited by examiner

Primary Examiner—Tracy Legge
(74) Attorney, Agent, or Firm—Mark M. Friedman

(57) ABSTRACT

Methods to create a cellular-like communication system, such as a Wireless Private Branch Exchange (WPBX), which includes mobile devices such as standard cordless phones (handsets), particularly mobile devices utilizing the Bluetooth short-range wireless communication protocol. The methods provide seamless and reliable handoff of sessions between Base Stations while the mobile device is moving between picocells, by implementing a high-level of...
(57)

CLAIM

The ornamental design of an electronic device, substantially as shown and described.
Commil v. Cisco

• Commil’s patent included claims to short range wireless networks
• Cisco’s equipment accused of direct infringement, and **inducing others to infringe**
  – Cisco argued good faith belief that patent was invalid in defense to inducement claim.
• **Held:** Belief of invalidity is not a defense to indirect infringement.
• Inducement requires proof of an intent to infringe (GlobalTech)
Court’s reasoning

- accepted that there can be no infringement if the patent is invalid
- a good faith belief undermines patent’s presumption of validity
- Burden allocation and timing of arguments are central to orderly administration of the patent system
What would Wopner do?

Don’t take the law into your own hands…take ‘em to court
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<tr>
<th>Action</th>
<th>Burden of Proof</th>
<th>Invalidity Basis</th>
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<tr>
<td>Declaratory Judgment Suit</td>
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<tr>
<td>Ex Parte Reexamination</td>
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<td>Inter Partes Review</td>
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<tr>
<td>Post Grant Review</td>
<td>Preponderence of the Evidence</td>
<td>Any - except best mode</td>
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Strategies – Defense

• Invalidity is not a defense to inducement
  – Revisit prior freedom to operate and invalidity opinions
  – Diligence review

• Invalidity Basis: PTO strategies
  – Inter partes review
  – Ex parte reexamination
Inducement requires an intent to infringe
- 1) Knew of the patent and
- 2) Knew induced acts were infringing
- (knew or should have known is not enough – willful blindness is)

Avoid intent requirement
- Draft claims toward direct infringement
  - Actively Interview
  - Keep a continuation pending
  - Consider Reissue applications

Strategies – Offense
Cuozzo Speed

- Inter Partes Review
  - Administrative proceeding before Patent Office
  - Adversarial
  - Less expensive and faster than court
  - Preponderence of the evidence standard of review
Cuozzo Speed

• How should claims be construed during IPRs?
  – Patent office: Broadest Reasonable Interpretation
  – Courts: Plain and Ordinary meaning

• Is the decision to institute an IPR judicially reviewable?
Cuozzo IPR

• Cuozzo’s invented a system that alerts drivers when they are speeding. The system integrates a GPS unit and an in vehicle display with claims requiring “a speedometer integrally attached to the colored display.”

• Garmin filed an IPR to invalidate Cuozzo’s claims.

• Validity turned on interpretation of the phrase “integrally attached”
Broadest Reasonable Interpretation

BRI – applied by PTO

- The colored display and speedometer are discrete parts physically joined together as a unit

Cuozzo’s interpretation

- speedometer and the colored display are no longer separate entities
Arguments for and against BRI

For BRI

• In an IPR, PTO is rechecking its own work and owes no deference as in the case of an Article III proceeding
  – Congress chose not to apply clear and convincing standard

Against BRI

• Since IPR is in parallel to Court proceedings, standards should be consistent
• IPR does not have liberal right to amend as in other PTO proceedings
Patent Drafting Tip

- Consider using defined terms – removes the question completely
- Means plus function claims
- Post-draft brainstorming
  - How would we design around?
  - What if we wanted to merge the overlay with the screen?
  - What does integrally attached mean?
Is the decision to grant petition reviewable?

- Statute states that the decision to grant a petition may not be appealed
- Question is whether Congress intended only to prevent interlocutory review and permit Federal Circuit review as part of an appeal of PTAB’s ultimate decision.
- PTAB exceeded its authority because rejection of some claims included art and arguments not raised in the petition.
- In doing this, PTO denied right to respond to arguments supporting grant of review
Practice Tip - If PTO provides a new basis for invalidating patent

Petitioner

• Cheer!!

Patentee

• Preserve the record
Apple v. Samsung

• Samsung has asked Supreme Court to review Design Patents for first time in over 100 Years
  – Last Supreme Court decision Gorham v. White (spoons)
  – Limit 289 (infringer’s) profits
  – Limit design scope
Egyptian Goddess

- Federal Circuit 2008 case
  - Confirmed ordinary observer test from Gorham v. White is the sole test for infringement
  - Written or verbal claim constructions are not required
Ordinary Observer Test

• If, 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
  – Side by side comparison is proper. *Crocs v. ITC* (Fed. Cir. 2010)
  – Test is conducted in context of prior art familiar to ordinary observer. *Military, Inc. v. Balboa* (Fed. Cir. 2012)
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<tr>
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<th>Non-Infringing Fingernail Buffer Design</th>
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|-----------|----------------------------------|-------------------------------------|
Samsung’s argument

It’s not a spoon!

- A patented design may be essential to a spoon but this is not true of a smartphone, which contains remarkable functionality.
- Recovery should be proportionate to design’s contribution to profit.
- Trolls – Allowing a design patent owner to recover all of an infringer’s profits based on a design patent will encourage predatory design patent filings.

Limit recovery of infringer’s profits
Limiting Scope of Designs

• Design patent scope should be limited
  – Non-functional aspects
    • Inconsistent results at Federal Circuit – reversed trade dress claims based on functionality but upheld design patent claims despite evidence of functionality
  – Unprotected conceptual elements
    • Rectangular face, round corners, a bezel, grid of icons
Samsung’s proposal

- Copyright law – argues for an abstraction filtration test like copyright law to remove conceptual features (rounded corners, flat glass, bezel, grid of icons)
- Trademark law – adopt *Traffix* functionality test – when it is essential to the use or purpose of the device or when it affects the cost or quality of the device
  - Criticized Fed. Cir. Test of “design must be dictated by function”
  - More than one way… the design is not functional.
What have we learned?

• It’s not a spoon...
What have we learned?

- Embrace your inner troll:
  - Limited scope
  - Knock offs
  - Section 289 profits are not going away
  - Design patents last 14 years and do not require maintenance fees
Thank You