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DOJ Announces Task Force to Combat IP Crime

The Department of Justice (DOJ) has [announced](#) the development of a new task force to confront domestic and international intellectual property crimes. The Task Force will monitor and coordinate enforcement efforts within the Department as well as coordinate its efforts with state and local law enforcement and international counterparts. It will also seek to develop policies that better

Fines Assessed in False Marking Lawsuits

Over the past few weeks there has been surge of more than 60 lawsuits filed against companies who have falsely marked their products with either expired patent numbers or mismarked patent numbers in violation of the qui tem provision of 35 U.S.C. § 292. This barrage of suits is a result of two recent decisions *Pequignot v. Solo Cup* and *Forest Group, Inc. v. Bon Tool, Co.* In *Pequignot v. Solo Cup* the E.D. of Virginia, the court concluded that, once a patent has expired, any product covered by that patent becomes "unpatented" for purposes of the false marking statute. In *Forest Group, Inc. v. Bon Tool, Co.*, the Federal Circuit took a different approach than most courts had previously taken, and held that "offenses" for purposes of the patent laws must be calculated on a "per article" basis as opposed to a "per decision to mark any number of articles" basis. This means that the damages model is based on a maximum of \$500 per instance of false marking of a product or brochure. This can mean millions of dollars in fines for many companies.

Therefore, we strongly urge clients regularly review all patent markings on products and advertisements and remove any expired patents numbers. See [35 U.S.C. 292 False marking](#) and more about the story [here](#).

USC Trojans (California) Block USC Gamecocks (South Carolina)

The Federal Circuit Court of Appeals recently affirmed the Trademark Trial and Appeal Board finding that

address the constantly evolving technological and legal landscape of intellectual property law.

This announcement closely follows last December's summit meeting where Vice President Biden discussed the importance of having stronger and better coordinated efforts for enforcing intellectual property rights.

Deliberate indifference can still result in infringement

Actively inducing infringement will result in infringer liability. Generally, to actively induce a party must know or should know of the infringed patent. This standard is objective, yet courts have established a subjective knowledge standard known as deliberate infringement.

Our most recent example stems from *SEB S.A. v. Pentalpha Enterprises, LTD.*, where the Federal Circuit described that deliberate indifference is not analogous to a 'should have known' standard. If a patentee

consumers are likely to be confused by South Carolina's use of its logo on clothing.

Southern California opposed registration of South Carolina's mark relying on two registrations, along with common law rights. Southern California argued that its registrations (standard-character SC mark and stylized mark), along with its common law stylized mark, had priority over South Carolina's proposed registration, and that South Carolina's proposed mark would create a likelihood of confusion with California's registrations and common law mark. See marks here.

The Board agreed with Southern California, finding that South Carolina's mark would create a likelihood of confusion under Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), and refused registration. The Board based its conclusion on its findings that, among other things, South Carolina's mark and Southern California's standard character SC mark were "legally identical," that the marks would appear on the same classes of goods in the same channels of trade and that some consumers would exercise little care in making purchases. The Federal Circuit affirmed, holding that the fact that the marks were "legally identical," and appear on the same classes of goods in the same trade channels, on their own, support a finding of likelihood of confusion. As a result, South Carolina's application to register its design mark has been refused. While the decision alone does not prevent South Carolina from using its design mark in connection with merchandise, it does deprive South Carolina of the benefits of registration - including the ability to enforce infringing use of its own mark nationwide. See [opinion](#). See [TTAB decision](#).

Three Claim Patent Issues With 900+ References

Patent 7,651,688 contains over 900 references submitted by the Applicant and an additional nine references included by the examiner. The references include the file histories of other patents owned by the filing entity, histories of related-cases being examined, and other publications. The quantity of references provided in the '688 patent is likely the result of recent inequitable conduct cases, and highlights the need to find an appropriate balance when it comes to providing an examiner with useful information. However, a partner of

can prove, subjectively, that a defendant knew of and disregarded an overt risk, then a defendant could be found to infringe. In identifying deliberate indifference evidence the Court pointed to Pentalpha's (1) copying SEB's product, (2) failure to inform their patent attorney of the copying, and (3) employing a company president who was well versed in the U.S. patent system. Pentalpha argued that because SEB failed to substantially mark its products Pentalpha did not have constructive notice of SEB's patent. The lesson learned is that an infringement claim may still be viable under deliberate indifference (the subjective standard) even when a party does not have constructive notice (the objective standard). See court opinion [here](#).

the '688's prosecuting firm [pointed out](#) "[u]ntil the court or Congress acts to limit the ever-expanding scope of the meandering duty of disclosure, which now encompasses information that may be of marginal significance, reasonable practitioners have little choice but to follow the mandate of the Federal Circuit and identify Office Actions in other applications that could later be found to be material. It may also be prudent to identify relevant foreign applications and office actions in an IDS."

Conan, Copyrights, and Contracts

Although the departure negotiations between NBC and Conan O'Brien were a major media topic at the end of January, little information regarding Conan's signature characters and comedy bits made it into the news. However, sources have commented that NBC will retain the intellectual property rights for reoccurring characters like Conando and Clutch Cargo Arnold and popular bits like Desk Driving and the Walker Texas Ranger Lever. Therefore, Conan's next comedic adventure will likely be without the routines that made him popular, with one exception. The owner of the rights to Triumph the Insult Comic Dog are less certain because the character was developed prior to Conan's first appearance on the Late Show by another writer and comedian. See story [here](#).

Sailing Divisional Applications to a Safe-Harbor

A divisional patent resulting from an examiner's restriction requirement receives the § 121 safe-harbor provision benefit, which protects an applicant from being penalized for dividing an application. The safe-harbor generally states that an application shall not be used as a reference against a divisional filed before that application's issuance (see the third sentence of 35 U.S.C. §121).

In *Boehringer Ingelheim Pharmaceuticals, Inc v. Barr Laboratories, Inc.*, *Boehringer's* original application received a restriction requirement that divided the original application into a number of groups. *Boehringer* successively filed a divisional off the original application and a divisional off of their initial divisional. The issue at trail was whether the successive applications were invalid from double patenting.

The Federal Circuit Court stated that by filing successive divisional applications to different combinations of the groups identified in the examiner's restriction, an applicant will neither violate the examiner's restriction nor risk losing the safe-harbor benefit. But applicants be wary, if a divisional application does violate the restriction's groupings then an applicant should take action to prevent invalidity, such as a terminal disclaimer. See court opinion [here](#).

More News

- [Microsoft, Amazon Cross-License Patent Portfolios](#)
- [Boston Scientific and Johnson & Johnson finally settle at a price of \\$1.7B](#)
- [Apple not the first to make an iPad, says Fujitsu](#)

RFG Firm News

RFG Associate, Tracy Zawaski served on the joint IPLAC/INTA Committee that hosted "BRANDS IN THE NEW ECONOMY: The Brave New World of Internet Marketing and Sound Economic Strategies for Brand Owners" on March 9, 2010 in Chicago, IL.



Rader, Fishman Grauer held the Third Annual **West Michigan Corporate IP Roundtable** at Western Michigan University in Kalamazoo, MI on March 5, 2010. **For information about future IP Roundtable events contact iproundtable@raderfishman.com.**

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