

RFG.Info[®] evolving[®] news from Rader, Fishman & Grauer PLLC

2010 Summer Edition 2



www.raderfishman.com

Trademark Dilution: The Case of the Substandard Doughnut

A federal judge in the Southern District of New York granted Krispy Kreme a preliminary injunction against one of its franchisees after ruling that the franchisee was infringing Krispy Kreme's marks by continuing to operate without authorization and diluting the marks by making substandard doughnuts. According

BlackBerry Gets Blackballed By The UAE

"Where are the servers physically?" is our initial question for legal disputes involving web-based services in any country. For instance, a conflict between Google and China resulted in Google locating their servers in China. Yet, as history indicates, the benefits of a faster load-time from a local Chinese server might be outweighed by subjecting your systems to Chinese IP law. (See [How Are The Sophisticated Protecting IP In China?](#) in our [RFG.Info 2010 Spring Edition 1](#)),

"Countries have two basic technical methods of controlling the flow of information over the internet. First, they claim legal jurisdiction over information stored on servers within their own borders. Second, they can read or block traffic moving through the choke-points where internet cables cross the border." (See [BlackBerry and Censorship](#)).

Thus, the UAE is flexing its muscle to achieve 'proper' censorship. A UAE's [telecoms regulator stated](#), "BlackBerry data is immediately exported off-shore, where it is managed by a foreign, commercial organization. BlackBerry data services are currently the only data services operating in the UAE where this is the case." If BlackBerry desires to continue operations in the UAE, they must find a solution or agreement by October 11th.

In addition, governmental pressure is not BlackBerry's only concern. As BlackBerry should remember from *NTP v. Research in Motion*, 418 F.3d 1282 (Fed Cir 2005), patent infringement is territorial, and locating a

to a Krispy Kreme quality control manager, the franchisee was failing to meet "the most basic quality control standards" established by the franchise agreement. See story [here](#).

The Library of Congress Exempts Jailbreaking

iPhone owners can now legally unlock their devices and run software applications that have not been approved by Apple.

According to the government, "when one jailbreaks a smart phone in order to make the operating system on that phone interoperable with an independently created application that has not been approved by the maker of the smartphone or the maker of its operating system, the modifications that are made purely for the purpose of such interoperability are fair uses." However, owners may run the risk of voiding their warranties.

More on this story [here](#).

system entirely within a country's geographical borders could raise formally avoided liabilities. (See also [WSJ article on Government Bans and US/Canada's involvement](#); and more on this topic in our next RFG.Info Edition).

A court in Russia placed a trademark above a domain name

A Russia court ruled for the priority of a trademark over a domain name even in cases where the domain was registered earlier than the trademark, said Anton Sergo, the president of law firm "Internet and Law." See the firm's website [here](#).

In its ruling of June 21, 2010, the Ninth [Circuit] Arbitration Court of Appeals sided with the demandant ООО "Интер электрик", the owner of trademark "INTER ELECTRIC", that claimed its rights for the domain 'interelektrik.ru', which was registered earlier by ООО "ИнтерЭлектрик". Mr. Sergo represented the claimant in the case. Prior to the court having decided the case, the respondent changed its name. And the court banned it the use of the 'interelektrik.ru' as infringing the rights of ООО "Интер Электрик".

In deciding the case, the court particularly considered the domain and trademark registration dates. Since, according to Russian legislation, a domain name, unlike a trademark, is not a means of individualization, the date of registration is not supposed to matter in such conflicts.

USPTO Issues Interim Guidelines In View of Bilski

The USPTO has issued further interim guidance for Examiners to use when determining subject matter eligibility under section §101 in view of Bilski v. Kappos. The Interim Bilski Guidance is effective July 27, 2010, and applies to all applications filed before, on or after the effective date. According to the Guidance, "examiners should avoid focusing on issues of patent-

eligibility under §101 to the detriment of considering an application for compliance with the requirements of §§ 102, 103, and 112 and should avoid treating an application solely on the basis of patent-eligibility under §101 except in the most extreme cases." See [guidance](#). Also see [The Practical Implications of Bilski v. Kappos](#) by RFG Partner, Charlie Bieneman.

Knockoff' the importation from China

U.S. Customs Officials seized roughly \$100 million in counterfeit merchandise totaling more than 70 name brands (among those listed were Nike, Coach, Kate Spade, Armani, and Louis Vuitton). The indictment, which was unsealed on August 2nd, had 25 counts charging 11 alleged conspirators.

When the Department of Justice announced the formation of a 'New Intellectual Property Task Force' last February, we, at RFG, were interested in how this initiative would affect a purported heightened-enforcement policy by the federal government. (See DOJ Announces Task Force to Combat IP Crime in our [RFG.Info 2010 Winter Edition 2](#)).

This bust, which is being touted as the largest west coast enforcement action ever, is a clear example of the landmark strides taken by the Feds in their battle against counterfeit importation.

John Morton, director of U.S. Immigration and Customs Enforcement stated "To consumers who think designer knockoffs are a harmless way to beat the system and get a great deal, 'buyer beware,' . . . [t]rademark infringement and intellectual property crime not only cost this country much-needed jobs and business revenues, but the illegal importation of substandard products can also pose a serious threat to consumers' health and safety."

See [article](#).

Copyright Trolling Litigation Heats Up

A Las Vegas-based company called Righthaven started purchasing copyrights to Las Vegas Review-Journal content in order to sue blogs and websites that re-post the content without permission.

"Gibson's vision is to monetize news content on the backend, by scouring the internet for infringing copies of his client's articles, then suing and relying on the harsh penalties in the Copyright Act - up to \$150,000 for a single infringement - to compel quick settlements."

The Copyright Act provides for statutory damages ranging from [\\$750 to \\$150,000](#) per infringement, regardless of whether the plaintiff can prove they lost revenues (actual damages) as a result of the unauthorized use.

Since Righthaven's formation earlier this year, it has filed over 80 federal lawsuits against website operators and individual bloggers who re-posted Las Vegas Review-

Journal articles without permission. See [Article](#).

Ruling lets company use European rival's name for ad keywords

Europe's top court has found that temporary cabin maker Primakabin did not violate the trademark rights of rival Portakabin by using the latter's brand name for ad keywords on Google and other search engines. The decision essentially reinforces a previous finding involving Louis Vuitton that advertisers may use the names of rivals in ad keywords and still comply with European trademark laws. See [story](#).

RFG Firm News

We are pleased to announce new **Associate Attorney, Angela Murch**. Angela joined **Rader, Fishman & Grauer** as a Patent Agent in 2008 after 14 years of electronics engineering in the automotive and space industries. She earned her J.D. degree at Wayne State University and recently passed the California Bar Exam.

Rader, Fishman & Grauer Partners, R. Terrance Rader and Michael B. Stewart have been named to the **2011 edition of Best Lawyers**, the oldest and most respected peer-review publication in the legal profession.

Rader, Fishman & Grauer is pleased to announce the opening of a **new office in Orange County, California**. Please contact us at: info@raderfishman.com

Rader, Fishman & Grauer PLLC

Turning Intellectual Property into Intellectual Capital®

www.raderfishman.com

Notices and Disclosures

RFG.Info® is intended to be informative only and not to provide legal advice or opinions. Any views expressed or implied herein are not necessarily those of Rader, Fishman & Grauer PLLC ("RFG") except those expressly attributed to named RFG attorneys. Recipients who have questions or comments, or desire further information, are encouraged to contact any [RFG attorney](#) or email us at info@raderfishman.com.

Despite RFG's efforts to provide accurate information, it is not possible to completely ensure that all information in this newsletter is constantly correct. The materials contained herein could include technical inaccuracies, typographical errors, or other incorrect information. As such, RFG does not accept any responsibility or liability for any actions taken based upon information contained herein.

