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PATENT

Supreme Court defers to PTO's patent review standard

By Patrick H.J. Hughes

The Patent Trial and Appeal Board will continue to construe patent claims using the "broadest reasonable interpretation" during inter partes review proceedings, a relatively new patent-review process created by the America Invents Act, the U.S. Supreme Court has held.

***Cuozzo Speed Technologies LLC v. Lee*, No. 15-446, 2016 WL 1626647 (U.S. June 20, 2016).**

Cuozzo Speed Technologies had argued the PTAB should apply the "ordinary meaning" standard federal courts use when reviewing patents because the AIA created IPR proceedings to substitute for court litigation over certain patentability questions.

The high court disagreed, holding unanimously that the AIA did not unambiguously override the Patent and Trademark Office's rule-making authority to keep the broadest reasonable interpretation, or BRI, claim construction standard the agency has used for more than a century.

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U.S. Supreme Court building

REUTERS/Jonathan Ernst

COPYRIGHT

Supreme Court sets attorney fee standard for copyright cases

By Patrick H.J. Hughes

The U.S. Supreme Court has held that courts weighing attorney fee awards in copyright cases must give substantial consideration to the objective reasonableness of a party's actions, but that it is not the controlling factor.

***Kirtsaeng v. John Wiley & Sons Inc.*, No. 15-375, 2016 WL 3317564, (U.S. June 16, 2016).**

Courts should consider all relevant circumstances for fee-shifting in copyright cases, including the parties' positions, litigation misconduct, overaggressive assertions of copyright claims or

deterrence of infringement, Justice Elena Kagan wrote for the unanimous high court.

With this further guidance, Justice Kagan said, the lower courts should reassess whether Supap Kirtsaeng deserved more than \$2 million

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Cisco's WebEx escapes patent infringement suit

By Melissa J. Sachs

Cisco Systems Inc. is off the hook for claims that its WebEx online meeting program infringes a patent for a web-based, interactive system for teaching students in various locations, a California federal judge has ruled.

Apollo Finance LLC v. Cisco Systems Inc., No. 15-cv-9696, 2016 WL 3234518 (C.D. Cal. June 7, 2016).

Apollo Finance LLC's lawsuit never specified how Cisco could have infringed the patent, but simply identified WebEx as an allegedly infringing product, U.S. District Judge Ronald S.W. Lew of the Central District of California said.

Judge Lew granted Cisco's motion to dismiss, finding the suit failed to meet federal pleading standards.

The judge also said Apollo's patent covered ineligible abstract subject matter and amending the pleadings would be futile.

According to the judge's order, Apollo Finance is the exclusive assignee of U.S. Patent No. 8,435,038, which was issued in May 2013, more than six years after the patent application was filed.

One of the patent's inventors, Kenneth A. Murdock, registered Apollo as a limited liability company in Utah, according to business filings.

The '038 patent covers "methods and systems for teaching a practical skill to learners at geographically separate locations."

Apollo filed its suit against Cisco last December, saying the San Jose, California-based company's production and sales of WebEx products violated Section 271(a) of the Patent Act, 35 U.S.C.A. § 271(a).

The WebEx service allows people to hold meetings or events online or through

mobile applications. Hosts of the meeting may share their screens and take live audio questions from attendees or accept written submissions.

Cisco filed a motion to dismiss Apollo's suit in February, saying the patent owner failed to state a claim.

Judge Lew agreed, finding Apollo's complaint offered no factual support about how WebEx infringed the '038 patent and failed to give Cisco the required notice or clarity about the issues raised.

INELIGIBLE UNDER ALICE, JUDGE SAYS

The judge also said the patent was invalid under Section 101 of the Patent Act, 35 U.S.C.A. § 101, which defines patentable subject matter as including any new and useful or improved process.

Courts have often interpreted Section 101 to exclude "laws of nature, natural phenomena and abstract ideas," Judge Lew noted.

To determine if computer-implemented claims are eligible for patent protection, the U.S. Supreme Court established a two-part test in *Alice Corp. v. CLS Bank International*, 134 S. Ct. 2347 (2014).

First, a court analyzes whether a patent covers one of the patent-ineligible subjects such as an abstract idea. If so, a court looks to see if the patent's claims contain an "inventive concept" that transforms the abstract idea into patent-eligible subject matter.



REUTERS/Jim Young

After *Alice*, the mere introduction of a computer to accomplish an otherwise abstract idea does not make the invention eligible for patent protection.

Applying the "Alice test," Judge Lew said the '038 patent's claims described an abstract concept — teaching practical skills to geographically dispersed students — and failed to add the necessary inventive concept.

Apollo "simply uses routine, established computer and internet technologies to implement its abstract idea of remote, interactive instruction," he said, granting Cisco's motion to dismiss. [WI](#)

Attorneys:

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Defendant: Adam R. Alper, Kirkland & Ellis, San Francisco, CA; Justin Singh and Michael W. De Vries, Kirkland & Ellis, Los Angeles, CA; Steven Cherny, Kirkland & Ellis, New York, NY

Related Court Document:

Order: 2016 WL 3234518

See Document Section B (P. 26) for the order.

NuVasive prevails in surgical patent's second trip to Federal Circuit

By Patrick H.J. Hughes

Medtronic has finally lost the medical device patent infringement battle the U.S. Supreme Court remanded to the top patent appeals court, which has rejected the device maker's argument that changes to the inducement standard should have reversed the prior judgment in NuVasive's favor.

Warsaw Orthopedic Inc. et al. v. NuVasive Inc., Nos. 2013-1576 and 2013-1577, 2016 WL 3124704 (Fed. Cir. June 3, 2016).

The U.S. Court of Appeals for the Federal Circuit confirmed its previous decision affirming a jury verdict that found several Medtronic affiliates induced infringement of NuVasive's neuromonitoring surgical method patent.

San Diego-based NuVasive is the exclusive assignee of U.S. Patent No. 7,470,236, a method of detecting through electromyography the distance to a nerve from a device during surgery.

According to its website, NuVasive's methods are used by surgeons to avoid contact with nerves near the spine to reduce the risk of patient paralysis.

In October 2008 Minneapolis-based Medtronic and several affiliates filed a lawsuit in the U.S. District Court for the Southern District of California accusing NuVasive of infringing a pair of spinal implant patents.

NuVasive countersued, alleging infringement of the '236 patent.

In September 2011 a jury found both sides had proved that their respective patents were infringed by the other side, and the District Court set ongoing royalty rates.

Medtronic appealed, challenging the '236 patent infringement judgment.

APPEAL AND REMAND

In March 2015 a three-judge Federal Circuit panel issued an opinion siding with NuVasive on the '236 patent infringement judgment. *Warsaw Orthopedic Inc. v. NuVasive Inc.*, 778 F.3d 1365 (Fed. Cir. 2015).

NuVasive submitted enough evidence to support a jury finding of induced infringement, the panel said, citing evidence that Medtronic knew of the '236 patent prior to litigation and taught doctors how to use infringing products.

In May 2015 the U.S. Supreme Court set a new standard for induced patent infringement in

Commil USA LLC v. Cisco Systems Inc., 135 S. Ct. 1920 (2015).

Medtronic filed a petition for certiorari in July 2015, asking the high court to overturn the Federal Circuit's opinion based on *Commil*.

While the Federal Circuit found Medtronic "was aware of the patent" and "specifically taught doctors to use the [accused] product," Medtronic did not know those acts were infringing, the petition said.

Following the *Commil* decision, courts require proof that a defendant knew the actions taken by others were infringing, and NuVasive did not meet that burden, Medtronic argued.

In January the Supreme Court granted certiorari, vacated the Federal Circuit's judgment and remanded the case for consideration of *Commil*. *Medtronic Sofamor Danek USA Inc. v. NuVasive Inc.*, 136 S.Ct. 893 (2016).

REAFFIRMED

The question on remand was whether there was enough evidence for the jury to conclude that Medtronic knew, or had reason to know, that doctors used Medtronic devices that infringed the '236 patent.

Medtronic argued in a supplemental brief to the court that no reasonable jury could have inferred that Medtronic had such knowledge, according to the federal appeals court opinion.

The claims NuVasive asserted contained a "stopping" step specification that the District Court had said did not need to be construed or explained to the jury, the appeals court said.

The "stopping" referred to how the intensity of the stimuli signal "stopped" when a neuromuscular response was detected, according to the opinion.

However, Medtronic said it reasonably construed the "stopping" to mean the "complete termination of emission of any and all electrical pulses," the opinion said.

While the parties agreed to other aspects of the claim construction, Medtronic said its devices could not have infringed the '236 patent under its construction.

The Federal Circuit panel rejected this argument as an unreasonable interpretation of the '236 patent.

Medtronic's theory was inconsistent with the medical device maker's own construction, Judge Timothy B. Dyk wrote for the panel.

Based on the evidence before it, the jury would reasonably have concluded that Medtronic must have known that its devices "stopped" emitting stimuli signals when those devices elicited a response, the panel said.

Judge Jimmie V. Reyna concurred with the decision but disagreed with the lower court's refusal to show the claim construction to the jury.

"*Commil* opens the door for this court to assess the reasonableness of a defendant's non-infringement position that is based on a claim construction that a defendant failed to raise, or that was not before the jury," Judge Reyna said. [WJ](#)

Attorneys:

Appellants: Luke Dauchot, Alexander F. Mackinnon, Nimalka R. Wickramasekera and Sharre Lotfollahi, Kirkland & Ellis, Los Angeles, CA; John C. O'Quinn, Liam P. Hardy, Jason M. Wilcox and William H. Burgess, Kirkland & Ellis, Washington, DC

Appellees: Deanne E. Maynard and Brian R. Matsui, Morrison & Foerster, Los Angeles, CA; Ryan J. Malloy; Morrison & Foerster, Washington, DC; Frank E. Scherkenbach, Fish & Richardson, Redwood City, CA; Craig Countryman, Michael A. Amon and Todd G. Miller, Fish & Richardson, San Diego, CA; Michael J. Kane, Fish & Richardson, Minneapolis, MN; Paul D. Tripodi II, Wilson, Sonsini, Goodrich & Rosati, Los Angeles, CA; Michael Rosato, Wilson, Sonsini, Goodrich & Rosati, Seattle, WA

Related Court Document:

Opinion: 2016 WL 3124704

See Document Section C (P. 32) for the opinion.

Supreme Court won't take up obviousness issue in antibiotic patent dispute

By Michael Scott Leonard

The U.S. Supreme Court will not review an appellate ruling that the breakthrough antibiotic Cubicin is too obvious to patent, with the justices declining a petition that accused the country's top patent court of undermining decades of settled law.

Cubist Pharmaceuticals Inc. v. Hospira Inc., No. 15-1270, cert. denied (U.S. May 31, 2016).

The high court denied certiorari May 31, implicitly rejecting the main argument by Cubist Pharmaceuticals that the U.S. Court of Appeals for the Federal Circuit disregarded a key prong of the required patent analysis when it extinguished most of the company's Cubicin (daptomycin) rights.

The Federal Circuit invalidated key Cubicin patents for obviousness in November 2015, giving Hospira Inc. the green light to begin selling generic daptomycin as soon as June, when Cubist's last valid patent expires. *Cubist Pharms. v. Hospira Inc.*, 805 F.3d 1112 (Fed. Cir. 2015).

Cubicin is used to treat serious skin and heart infections, including the "superbug" MRSA, a multi-antibiotic-resistant strain of bacteria most commonly contracted by patients already staying in a hospital.

Under the Patent Act, 35 U.S.C.A. § 282, a patent is invalid for obviousness if a professional of ordinary skill and creativity could have come up with the patented innovation based on the existing body of academic literature and the prior state of the art.

The drugmaker had argued in its March 28 petition that the appeals court badly misapplied the test for "objective indicia of non-obviousness," relying too heavily on subjective reasoning easily influenced by hindsight bias.

The objective-indicia test asks how the scientific community, the pharmaceutical industry and the consumer market responded to a new medication, including after its rollout.

Those "objective" factors are supposed to help courts ensure they do not succumb to hindsight bias in finding a chemical compound too obvious to patent. They frequently include a "long felt" need for the therapy, the fact that



the drug displayed properties its inventors did not anticipate, previous failures in developing it, expert acclaim and commercial success.

A drug that was actually extremely difficult to develop often looks inevitable after the fact, but those objective indicia can show the existing science alone did not necessarily point the right way without the sort of unique research contributions that patent laws specifically exist to encourage.

Cubist argued in its petition that the Federal Circuit suddenly narrowed the scope of the objective-indicia test in the Cubicin case, allowing itself to fall into the hindsight trap.

According to the drug company, the appeals court departed from the traditional objective-indicia test in two important ways.

First, the petition said, the Federal Circuit found patent holders cannot cite a long-felt need for their invention unless the patent itself explicitly explains the need and how it was previously unmet.

Second, Cubist claimed, the appellate court found it could disregard objective indicia of

non-obviousness when those factors relate to only one "embodiment" of a patent — one drug-delivery method or commercial product, for instance — rather than to all possible versions.

According to the petition, rival drugmaker Eli Lilly tried for nearly a decade to bring a safe and effective form of daptomycin to market, but the pharmaceutical giant never succeeded, ultimately concluding the powerful antibiotic "simply could not be used to treat serious infections, since doses large enough to be effective also appeared to be toxic."

The drug's toxicity allegedly caused serious musculoskeletal side effects.

Daptomycin did not become commercially viable, Cubist noted, until the company licensed the compound from Eli Lilly and discovered it was both more effective and much safer in large, once-a-day doses — an unusual property for an antibiotic.

Cubist also said it had to invent a new purification process from scratch, since Lilly's produced a dangerously adulterated drug. The new process allegedly hinged on a previously unknown property of daptomycin: the tendency of its molecules to cluster into clumps under certain conditions.

According to the petition, that "unexpected result," combined with Lilly's years of failure and Cubicin's commercial success, should be enough to show objectively that the drug was not too obvious to patent.

If it had been so obvious, Cubist argued, another drugmaker would have invented it earlier, especially with one of the world's largest pharmaceutical companies already in the research trenches.

In their one-sentence May 31 order denying certiorari, the justices did not explain their reasons for declining the case. [WI](#)

No fees awarded in Meth Lab Cleanup trademark feud

By Patrick H.J. Hughes

Two competing crime-scene decontamination companies are on the hook for their own attorney fees in a six-year trademark scuffle that ended in a draw, a Florida federal judge has ruled.

Meth Lab Cleanup LLC v. Spaulding Decon LLC, No. 14-cv-3129, 2016 WL 3172064 (M.D. Fla. June 7, 2016).

Neither Meth Lab Cleanup nor Spaulding Decon LLC was the prevailing party in the multicount trademark suit involving alleged breaches of an earlier settlement agreement between the parties, U.S. District Judge James S. Moody Jr. of the Middle District of Florida said.

For much of the dispute, “the litigation ended in a tie, in which case neither party should receive prevailing party attorney’s fees,” the judge concluded, denying both parties’ motion for fees and costs.

CRIME SCENE CLEANUP COMPETITORS

Meth Lab Cleanup’s business name refers to the practice of disinfecting sites where methamphetamines are illegally produced. The U.S. Department of Agriculture says the locations are hazardous to the environment.

The USDA’s website calls abandoned meth labs “time bombs” that need to be purified due to the flammable chemicals used to make the illegal drug. The chemical residue can remain for months after a meth lab has been abandoned.

Post Falls, Idaho-based Meth Lab decontaminates these crime scenes throughout the United States and Canada. It has obtained numerous federal registrations for “Meth Lab Cleanup” trademarks.

Spaulding, which is based in Tampa, Florida, offers similar services, as well as hoarding, homicide and suicide cleanups.

TWO TRADEMARK TUSSLES

Meth Lab filed a lawsuit in 2010 in an Idaho federal court accusing Spaulding and owner Laura Spaulding of trademark infringement, among other claims.

After the case was transferred to Spaulding’s home state of Florida, the parties reached

a settlement over the claims, which were dismissed in 2012. The settlement agreement said that in the event of a breach, attorney fees would go to “the prevailing party,” according to Judge Moody’s opinion.

In December 2014 Meth Lab filed a second lawsuit accusing Spaulding of breaching the settlement agreement in multiple ways.

Meth Lab said it had discovered Spaulding’s website contained the trademark “Meth Lab Cleanup” in the metatags.

Search engines can read metatags, which show up in a webpage’s code but do not display on the page itself. Metatags can help users find relevant results by providing search engines with information about the site.

Spaulding’s use of “Meth Lab Cleanup” as a metatag and its domain name, Methlabservices.com, constituted a breach of the agreement, Meth Lab said. Meth Lab also accused Spaulding of disparaging the Idaho business.

In response, Spaulding filed numerous counterclaims, including a motion to have its use of the phrase “meth lab services” declared non-infringing.

Furthermore, Meth Lab’s attempt to stop Spaulding from using this phrase constituted unfair competition, the Florida company said.

Spaulding also contested Meth Lab’s use of a website at floridamethlabcleanup.com, saying the Idaho company was liable for false advertising because it claimed to be a Florida business with four locations in the state.

‘AGGRESSIVE MOTIONS PRACTICE’

According to Judge Moody’s opinion, the parties “engaged in aggressive motions practice, which included two motions for partial summary judgment from each party.”

Judge Moody issued a series of orders deciding various aspects of the case. *Meth Lab Cleanup LLC v. Spaulding Decon LLC*, No. 14-cv-3129, 2015 WL 6538691 (M.D.



REUTERS/Ralph Orlowski

Meth Lab decontaminates crime scenes where methamphetamines, like the crystal methamphetamines shown here, are illegally produced.

Fla. Oct. 28, 2015); *Meth Lab Cleanup LLC v. Spaulding Decon LLC*, No. 14-cv-3129, 2016 WL 501925 (M.D. Fla. Feb. 9, 2016); *Meth Lab Cleanup LLC v. Spaulding Decon LLC*, No. 14-cv-3129, 2016 WL 1162405 (M.D. Fla. Mar. 24, 2016).

Meth Lab prevailed on its claim over Spaulding’s use of the Meth Lab Cleanup mark and the disparagement claim but lost on other counts. Spaulding could continue to use the domain methlabservices.com, for example, the judge said.

Each party had two counts survive summary judgment, but then the competitors settled once again and voluntarily dismissed the remaining claims.

The second settlement never addressed whether either party could be considered the “prevailing party,” entitling it to attorney fees for the lawsuit arising out of the breach, the judge said.

Each party achieved some of what it sought, Judge Moody said, characterizing the most significant part of the breach litigation as a wash. **WJ**

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Defendant: Robert R. Waters, Waters Law Group PLLC, Louisville, KY

Related Court Document:

Order: 2016 WL 3172064

Twitch tries to tackle 'bots' in trademark, hacking suit

By Melissa J. Sachs

Twitch Interactive, an online platform for playing, streaming and discussing video games, has filed a lawsuit in a California federal court against various website operators offering "bot" services to inflate profile views and increase exposure.

Twitch Interactive Inc. v. Bouchoev et al., No. 16-cv-3404, complaint filed (N.D. Cal. June 17, 2016).

These bots refer to automated software or robots that mimic real user behavior, which the suit, filed in the U.S. District Court for the Northern District of California, says violate Twitch's terms of service and rules of conduct as well as trademark and brand guidelines.

The suit names as defendants a handful of website operators, saying they provide bot services that are used on Twitch and entice gamers — or Twitch "broadcasters" — to use those services.

Defendant Erik Bouchoev allegedly operates websites at twitch-buddy.com, twitch-viewerbot.com and twitchviewerbot.net from the Netherlands. Another defendant, Justin Johnston, allegedly runs twitchstarter.com and twitchstarter.tv from Colorado.

The suit also names defendants offering similar services in Germany, Switzerland, California and Nevada.

Each of the defendants intentionally aims their unlawful activities to the Northern District of California, the area of Twitch's San Francisco headquarters, the suit says.

CHANNEL VIEWERS AND FOLLOWERS

According to the suit, Twitch and its user community rely on broadcasters to create high-quality content, the suit says.

Twitch assigns each broadcaster a unique channel — a distinct URL showing his or her username, the suit says.

The channel allows broadcasters to stream videogame play and features a window for viewers to participate in a live chat, according to the suit.

Viewers can choose to follow the broadcast channels they like best, the suit says.



REUTERS/Robert Galbraith

Twitch rewards popular broadcasters by promoting those with a high number of viewers or followers in its channel directory, according to the suit.

Popular broadcasters also may obtain third-party sponsors for their channels, the suit says.

This incentivizes broadcasters to organically grow the number of views and followers to their channel and increase the interactions they have, according to the suit.

Popular channels also gain perks through a partner program that allows users with a high number of followers to earn money directly from Twitch, the suit says.

Because Twitch's community relies on valuable content, its terms of service and rules of conduct prohibit the bot services that the defendants offer to artificially inflate a broadcaster's statistics, the suit says.

The defendants' bots also circumvent Twitch's security measures that aim to prevent this sort of audience inflation, the suit says.

TWITCH'S WHITE AND PURPLE COLOR SCHEME

The online gaming company owns U.S. registrations for "Twitch" and "TwitchTV" trademarks in categories related to online services, and has filed applications for international registrations, the suit says.

The company also distinguishes itself using a white and purple color scheme and a "Glitch" logo on its website and branding materials, the suit says.

To attract broadcasters, the defendants use Twitch's mark in their domains and the white and purple color scheme on their websites without the gaming company's authorization, the suit says.

Their use of the marks and color schemes likely confuse the public, according to the complaint, which accuses the defendants of federal trademark infringement and unfair competition in violation of Sections 32 and 43 of the Lanham Act, 15 U.S.C.A. §§ 1114 and 1125.

Additionally, the suit claims the defendants violate the federal anti-cybersquatting law, 15 U.S.C.A. § 1125(d), because they registered their domains in bad faith, intending to profit from Twitch's mark and reputation, the suit says.

The suit alleges violations of the Computer Fraud and Abuse Act, 18 U.S.C.A. § 1030, and California's Comprehensive Computer Data Access and Fraud Act, Cal. Penal Code § 502. It also includes claims for common law fraud and breach of contract. **WJ**

Attorneys:

Plaintiff: Judith B. Jennison and Joseph P. Cutler, Perkins Coie LLP, Seattle, WA; Andrew N. Klein, Perkins Coie LLP, Palo Alto, CA; Sunita Bali, Perkins Coie LLP, San Francisco, CA

Related Court Document:

Complaint: 2016 WL 3381942

Ex-COO laying bogus claim to air ambulance company, suit says

A New Jersey air ambulance company has sued a man it says is a former employee who is falsely claiming co-ownership of the business.

Jet911 LLC v. Shain, No. 16-cv-3277, complaint filed (D.N.J. June 7, 2016).

Jet911 LLC accuses Simcha Shain of trademark infringement, unfair competition, fraud, breach of fiduciary duty and cybersquatting for laying claim to the company's trademarks and website.

Shain's attorney did not immediately respond to a request for comment on the suit, which was filed in the U.S. District Court for the District of New Jersey..

According to the complaint, Eli Rowe created StatFlight LLC in 2014 and changed the company's name to Jet911 LLC in December 2015.

Rowe says he is a jet pilot and owner, paramedic, and businessman who created the company to further his long avocation of providing medical transport services to those in need of critical care.

Another of Rowe's companies, Romex Examinations Inc. is the sole owner of Jet911's aircraft, the complaint says.

Rowe hired a medical director and other medical team members who agreed to work without salary until the company achieved certain milestones, the complaint alleges.

Rowe hired Shain as part of his administrative staff and later appointed him chief operating officer. The complaint alleges Shain clearly understood that he would receive no compensation until operations became profitable.

At no time did Rowe give or promise to give Shain an equity interest in Jet911, the complaint alleges.

Shain exploited Rowe's trust in him and put in place a plan to divert corporate opportunities to his personal benefit, according to the complaint.

In 2014, when Rowe gave \$1,500 to Shain to purchase the domain name Starflight.com, Shain did so, but registered the domain in his own name. He did the same for "Jet911.com" when the company changed names, the complaint alleges.

When Rowe learned that Shain had registered the domains in his own name, he says he assumed it was an oversight and asked Shain to transfer ownership of the domain name to Jet911.

According to the suit, Shain refused, instead telling Rowe that he would hold the domain name hostage unless Rowe signed an agreement acknowledging that Shain owned a 50 percent interest in Jet911.

Rowe says he wrote to Shain to find a way to work out a "friendly disengagement." When Rowe did not hear from Shain, he learned that all Jet911 personnel had stopped getting emails and phone calls. Rowe also learned that Shain had modified the company's website to direct emails and phone calls to Shain, the complaint alleges.

Shain has purportedly established a referral service through which he contracts with

third parties to provide emergency medical transport services, the complaint says.

Shain is deceiving customers who think they are arranging services through Rowe but are receiving them from Shain, the suit says.

Rowe says he has been forced to create a new interim website, FlyJet911.com, and obtain a temporary phone number to allow his company to continue operations.

In an April 8 letter, Shain's attorney asserted that because Shain claimed to own 50 percent of Jet911, he was within his rights to seize the business for his personal benefit and to destroy Jet911 if Rowe fails to give in to his demands, the complaint says.

Rowe's business will be irreparably harmed if Shain is permitted to continue operating Jet911.com and infringing the Jet911 trademark, Rowe alleges.

The complaint seeks preliminary and permanent injunctive relief, an order directing the defendant to transfer ownership of the Jet911.com domain and punitive damages. It also seeks a declaration that Shain is not an owner, partner, beneficial owner or shareholder or otherwise entitled to an equivalent interest in Jet911 LLC. [WJ](#)

Attorneys:

Plaintiff: Ronald D. Coleman and Kate A. Sozio, Archer & Greiner, Hackensack, NJ

Related Court Document:

Complaint: 2016 WL 3176938

The Slants urge Supreme Court to weigh disparaging trademark dispute

(Reuters) – The band at the heart of a dispute over whether its name, The Slants, is an ethnic slur undeserving of a federal trademark is urging the U.S. Supreme Court to take up the case, even though it won in a lower appeals court.

Lee v. Tam, No. 15-1293, respondent's brief filed, 2016 WL 3440019 (U.S. June 20, 2016).

The Slants' attorneys at Archer & Greiner and the University of California, Los Angeles School of Law filed the band's response to the federal government's petition for certiorari June 20, arguing that the Lanham Act clause barring disparaging trademarks violates the First Amendment. The band urged the court to take the case to make clear that the provision is unconstitutional.

The high court is very likely to address the legal question in the near future anyway, The Slants said. In a more high-profile case, the National Football League's Washington Redskins has also petitioned for certiorari over the U.S. Patent and Trademark Office's 2014 cancellation of its trademarks as offensive to Native Americans.

The team has turned to the high court even though the 4th U.S. Circuit Court of Appeals has yet to rule on its appeal. If the court is inclined to hear both cases at the same time, The Slants said, it should not wait for the 4th Circuit to rule.

An attorney for the Slants and the Department of Justice both declined to comment June 20.

The case began when the Portland, Oregon-based band appealed the PTO's refusals to trademark its name, calling it offensive to Asians. In December, in an en banc decision, the U.S. Court of Appeals for the Federal Circuit struck down the Lanham Act's disparagement provision as unconstitutional. *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015), *as corrected* (Feb. 11, 2016).

In April, the federal government asked the Supreme Court to hear The Slants case and reverse the Federal Circuit. Warning that the Federal Circuit decision means that the PTO can no longer refuse to register "even the most vile racial epithet," it said the Supreme Court has repeatedly recognized the "critical constitutional distinction" between penalizing speech and refusing to support it.

In its June 20 response, the Portland, Oregon-based Slants, which plays a genre of music it calls "Chinatown dance rock" and is led by frontman Simon Tam, said that the disparagement provision presumptively violates the First Amendment because it unjustifiably discriminates against viewpoint.

"The disparagement clause permits the registration of marks that express a positive or neutral view of a person or group, but bars the registration of marks that express a negative view," the brief said.

The band also argued that the disparagement clause is unconstitutionally vague, violating the band's due process rights.

The Slants further said the court should find that the statute, if properly interpreted, does not bar registration of The Slants because the name simply is not disparaging. Rather, use of the name is reappropriating a slur and "using it as a badge of pride."

The band's brief said, "Simon Tam is not a bigot; he is fighting bigotry with the time-honored technique of seizing the bigots' own language." **WJ**

(Reporting by Andrew Chung)

Attorneys:

Petitioner: Solicitor General Donald Verrilli, U.S. Department of Justice, Washington, DC

Respondent: John C. Connell, Archer & Greiner, Haddonfield, NJ; Ronald Coleman, Archer & Greiner, New York, NY; Stuart Banner and Eugene Volokh, UCLA School of Law, Los Angeles, CA

Related Court Document:

Response brief: 2016 WL 3440019

Ivanka Trump accused of 'knocking off' luxury shoe's trade dress

By Patrick H.J. Hughes

Ivanka Trump, whose business ventures include a line of luxury fashions, has been accused in a Manhattan federal court lawsuit of infringing the trade dress of Italian designer Aquazzura's "Wild Thing" sandal.

Aquazzura Italia SRL v. Trump et al., No. 16-cv-4782, complaint filed (S.D.N.Y. June 21, 2016).

Aquazzura Italia SRL filed an infringement suit in the U.S. District Court for the Southern District of New York, saying Trump and her design company, IT Collection LLC, "copied nearly every detail" of the Florence-based designer's shoe.

Trump's Hettie high-heel sandal is a "virtually identical copy" of Aquazzura's Wild Thing sandal, "from the shape and silhouette to the fringe covering the toes, to the tassel on the heel," the complaint says.

Trump's alleged copying of key, nonfunctional elements of the suede sandal infringes Aquazzura's trade dress rights in violation of Section 43(a)(3) of the Lanham Act, 15 U.S.C.A. § 1125(a)(3), the complaint says.

The suit also says Trump is deceiving customers in violation of federal and state unfair-competition law.

Aquazzura makes only women's luxury footwear, including a variety of boots, flats, espadrilles, sandals and pumps. The company's website notes the popularity of its "Sexy Thing" booties and "Christy" flats.

Aquazzura was founded by Colombia-born Edgardo Osorio, who launched his first shoe

line in 2011. According to Footwear News, Aquazzura shoes sell for between \$495 and \$2,000.

The 34-year-old daughter of presidential hopeful Donald Trump entered the women's shoe industry after dabbling in jewelry design. Her Manhattan-based fashion company designs handbags, jackets and other women's clothing for sale at major department stores.

IT Collection is the result of a collaboration between Ivanka Trump and designer Marc Fisher, who together started her footwear line in 2010. Fisher is the son of Nine West co-founder and fashion pioneer Jerome Fisher.

The complaint names Fisher's companies Marc Fisher Holdings LLC and M.B. Fisher LLC as defendants in addition to Trump and her company.

Aquazzura says it has complained to the defendants before, asking them to cease producing two other shoe lines on trade dress infringement grounds.

According to the complaint, the defendants complied with one request, but M.B. Fisher filed suit seeking a declaration that the other line was non-infringing.

The similarities between the Hettie and Wild Thing sandals are likely to cause consumers

to falsely believe the defendants' products come from Aquazzura or that some affiliation exists, the suit says.

Trump's Hettie sandal, which sells for \$145 at Bloomingdale's department store, also comes in suede and is available in pigments nearly identical to the color palette of the Wild Thing sandal, the suit says.

Trump has "resorted to knocking off" Aquazzura shoes because she was "[s]eeking the same success Aquazzura experienced but without having to put in the hard creative work," the complaint says.

The suit says Trump is intentionally targeting Aquazzura's customers, and such willful infringement entitles the company to treble damages.

In addition to damages, Aquazzura seeks injunctive relief that includes a bar on attempts to register infringing trade dress with the Patent and Trademark Office, an accounting, disgorgement of profits, costs and attorney fees. [WJ](#)

Attorneys:

Plaintiff: John P. Margiotta and Felicity Kohn, Fross Zelnick Lehrman & Zissu, New York, NY

Related Court Document:

Complaint: 2016 WL 3411451

See Document D (P. 38) for the complaint.

Vimeo wins U.S. appeal in music copyright case

(Reuters) – Video-sharing website Vimeo LLC cannot be held liable for copyright infringement for unknowingly hosting older music uploaded by its users, a U.S. appeals court ruled June 16, dealing a blow to record labels seeking broader protections.

Capitol Records LLC et al. v. Vimeo LLC et al., Nos. 14-1048, 14-1049, 14-1067 and 14-1068, 2016 WL 3349368 (2d Cir. June 16, 2016).

In a victory for internet service providers, the 2nd U.S. Circuit Court of Appeals in New York also held that the mere fact that Vimeo employees had viewed videos with copyrighted sound recordings was not enough to prove the company ignored red flags of infringement.

The case, pursued by Capitol Records and Sony Corp. units, was closely watched in Silicon Valley, with Vimeo's appeal drawing support from Facebook Inc., Twitter Inc., Alphabet Inc.'s Google, and other companies.

"Today's ruling by the Second Circuit is a significant win for not just Vimeo, but all online platforms that empower creators to share content with the world," Michael Cheah, Vimeo's general counsel, said in a statement.

The Recording Industry Association of America, the labels' trade group, said in a statement it was disappointed with the ruling, which it said came despite evidence showing Vimeo's company policy was to look the other way.

"Now, more than ever, it is clear that Congress needs to act to fix a law enacted in the days of dial-up Internet connections," the group said.

A lawyer for Capitol Records, a unit of Vivendi SA, and the Sony units declined to provide immediate comment.

The case focused on the interpretation of the Digital Millennium Copyright Act, or DMCA, 17 U.S.C.A. § 512.

The law protects internet service providers from liability when users upload copyrighted content while requiring them to remove the material if they receive notice or otherwise become aware of the infringement.

The lawsuit, filed in 2009, alleged copyright infringement over music in 199 videos that Vimeo users had uploaded to the site.

U.S. District Judge Ronnie Abrams in 2013 ruled Vimeo was protected under the DMCA safe harbor provisions with regard to 153 videos. *Capitol Records LLC v. Vimeo LLC*, 972 F. Supp. 2d 537 (S.D.N.Y. 2013).

But she held that the safe harbor was not applicable to recordings from before 1972, the year Congress first included them in the scope of federal copyright law. Pre-1972 recordings are protected by state law.

She also said Vimeo could face trial over whether it had known of "red flags" that made infringement apparent.

The June 16 ruling reversed those holdings. Writing for the three-judge panel, U.S. Circuit Judge Pierre Leval said that interpreting the act as leaving providers exposed to liability under state copyright laws would defeat Congress' intent.

"Service providers would be compelled either to incur heavy costs of monitoring every posting to be sure it did not contain infringing pre-1972 recordings, or incurring potentially crushing liabilities under state copyright laws," he wrote. **WJ**

(Reporting by Nate Raymond; additional reporting by Nikhil Subba in Bengaluru)

Attorneys:

Defendants-appellants: Kathleen M. Sullivan, Robert L. Raskopf and Todd Anten, Quinn Emanuel Urquhart & Sullivan, New York, NY; Michael A. Cheah, Vimeo LLC, New York, NY; Rachel Herrick Kassabian, Quinn Emanuel Urquhart & Sullivan, Redwood Shores, CA

Plaintiffs-appellees: Carter G. Phillips and Kwaku A. Akowuah, Sidley Austin LLP, Washington, DC; Russell J. Frackman and Marc E. Mayer, Mitchell Silberberg & Knupp, Los Angeles, CA; Constantine L. Trela Jr., Sidley Austin LLP, Chicago, IL; Christine Lepera and Jeffrey M. Movit, Mitchell Silberberg & Knupp, New York, NY

Related Court Document:
Opinion: 2016 WL 3349368

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As a result, district courts will continue to interpret the language describing the scope and purpose of a patent differently from the way experts at the PTO interpret the same language. This is true during the application process at the PTO and in the IPR proceedings.

The majority opinion, written by Justice Stephen Breyer, also said PTAB decisions to institute IPR proceedings will remain “final and nonappealable.”

Allowing judicial review of PTAB decisions to institute these proceedings would undermine Congress’ intent to give the PTO the power to revisit and revise issued patents, Justice Breyer said, but Justices Samuel Alito and Sonia Sotomayor dissented on this issue.

REVIEWING CUOZZO’S PATENT

These IPR issues stemmed from Cuozzo’s 2012 lawsuit over its car dashboard display patent, which the company said GPS maker Garmin International Inc. infringed. Garmin filed a petition with the PTAB to have the patent invalidated through an IPR proceeding.

In January 2013 a three-judge panel of the PTAB initiated the IPR after finding a reasonable likelihood that three claims were unpatentable as obvious. *Garmin Int’l v. Patent of Cuozzo Speed Techs.*, No. IPR2012-0001, 2013 WL 5947691 (P.T.A.B. Jan. 9, 2013).

The PTAB reviewed the patent and, applying the agency’s BRI standard, canceled the disputed claims. *Garmin Int’l v. Cuozzo Speed Techs.*, 108 U.S.P.Q.2d 1852 (P.T.A.B. 2013).

Cuozzo appealed, arguing that the patent’s claims might be valid if interpreted under an “ordinary meaning” standard.

The full U.S. Court of Appeals for the Federal Circuit heard Cuozzo’s appeal and decided not to review the BRI standard, saying the PTO “permissibly adopted” the BRI rule. *In re Cuozzo Speed Techs.*, 793 F.3d 1297 (Fed. Cir. 2015).

The Federal Circuit also said the PTAB’s decision to initiate the proceedings was not appealable.

Cuozzo filed a certiorari petition, and the Supreme Court agreed in January to review the issues.

A ‘HYBRID PROCEEDING’

Justice Breyer’s opinion described the history of the AIA and the new post-issuance proceedings, as well as the patent office’s struggle to decide the best way to re-evaluate technologies after patents have been granted.

In creating new post-issuance review proceedings, the AIA gave the IPR process certain “adjudicatory characteristics” that Cuozzo argued demonstrated Congress’ intent to have IPR proceedings resemble court proceedings, according to the opinion.

Justice Breyer, however, noted the many differences between IPR and court proceedings that demonstrate Congress’ desire to design a “hybrid proceeding.”

As a hybrid, IPRs not only resolve disputes between parties, but also protect the public’s interest in defining the scope of patent rights through the administrative actions, the opinion said.

“Where a statute is clear, the agency must follow the statute,” Justice Breyer said, citing *Chevron USA Inc. v. Natural Resources Defense Council*, 467 U.S. 837 (1984). For the claim construction review standard, however, the AIA contains an ambiguity, which Justice Breyer called a “gap.”

To fill that gap, *Chevron* has typically given administrative agencies license to enact their own procedures if in line with the purpose of the statute, Justice Breyer said.

“Neither the [AIA]’s language, nor its purpose, nor its legislative history suggests that Congress decided what standard should apply in inter partes review,” Justice Breyer said, noting that the BRI standard was a reasonable exercise of the PTO’s rule-making authority.

Justice Breyer also addressed Cuozzo’s concern about how the different review standards in courts and at the PTAB could

cause varied results or confusion. The patent office has always been on a different track from the courts, Justice Breyer said.

This is demonstrated by the different evidentiary burdens each avenue has, the opinion said.

Furthermore, the PTO uses the BRI standard in other proceedings that were not under review, the opinion said. “To try to create uniformity of standards would consequently prove difficult,” the opinion said.

Justice Clarence Thomas joined in the majority’s opinion, but wrote separately to urge the high court to overturn “the fiction that is *Chevron*” and not assume that a statute’s ambiguity is a license to let an administrative agency “determine the bounds of the law.”

AVAILABLE FOR APPEAL?

In addressing Cuozzo’s argument over the Federal Circuit’s permission to rule on PTAB decisions to institute IPRs, Justice Breyer recognized that there is a “strong presumption” favoring judicial review, citing *Mach Mining LLC v. Equal Employment Opportunity Commission*, 135 S. Ct. 1645 (2015).

However, Section 314(d) of the Patent Act, 35 U.S.C.A. § 314(d), expressly bars such appeals, and overriding that provision undermines Congress’ intent to give the PTO the power to revisit previously granted patents, the opinion said.

“We doubt that Congress would have granted the patent office this authority ... if it had thought that the agency’s final decision could be unwound under some minor statutory technicality related to its preliminary decision to institute inter partes review,” Justice Breyer said.

Justice Alito said in his dissent that the *Mach Mining* court made it clear that an agency bears a “heavy burden” to show Congress intended to override the presumption of judicial review, and that burden was not met with Section 314(d).

Section 314(d) can be read to permit judicial review of some issues involved in the instituting of IPRs, Justice Alito said.

Reaction, predictions on the U.S. Supreme Court's holding in *Cuozzo*



Eliot D. Williams, partner at Baker Botts in San Francisco and Palo Alto, California

"This is the Supreme Court's first opportunity to address the conduct of PTAB trials under the America Invents Act, and the court's opinion suggests that it believes the PTAB is on the right track."



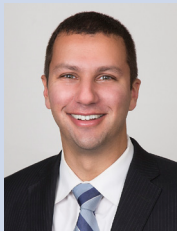
Adam Floyd, partner at Dorsey & Whitney in Seattle

"This decision, coupled with the PTAB's high affirmance rate with the Federal Circuit — approximately 80 percent — suggests that the PTAB's holdings are nearly untouchable." The decision to uphold the "broadest reasonable interpretation" rule is "business as usual for AIA practitioners."



Edward Ramage, chair of the intellectual property group at Baker, Donelson, Bearman, Caldwell & Berkowitz in Nashville, Tennessee

"As a result of the PTAB rules that tilt the system in favor of the challenger, the PTAB has the growing reputation of being the 'patent death squad,' and this decision strongly reinforces that." The PTAB's "'license to kill' is renewed."



Brian H. Pandya, IP partner at Wiley Rein in Washington

"The PTAB owes some of its popularity to the lesser cost, broader interpretation of patent claims, and lower burdens of proof than district court litigation." The decision "cements in place some of those advantages."



Matthew I. Kreeger, partner at Morrison & Foerster in San Francisco

The high court showed "considerable deference to the patent office." The BRI standard makes it easier to challenge patents in inter partes review proceedings, and the decision "could spur efforts in Congress to reform the IPR procedure to provide additional protections to patent owners."



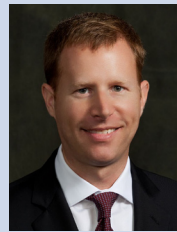
Ozzie A. Farres, counsel at Hunton & Williams in Washington

"Now that use of ['broadest reasonable interpretation'] in IPR proceedings has been confirmed, attorneys and clients will be forced to more seriously consider 'motions to amend' as the best strategy for ensuring a patent's survival," and "it will be interesting to see if the PTAB improves upon the low grant rate for such motions."



Andrei Iancu, partner at Irell & Manella in Los Angeles

The decision "should create more certainty of results regarding what is patentable and what is not for decisions from the patent office in its various capacities."



Justin Oliver, partner and head of the Patent and Trademark Office contested proceedings practice group at Fitzpatrick, Cella, Harper & Scinto in Washington

Although the high court held that decisions to institute IPRs are final and non-appealable, "The court left open the possibility of challenges on constitutional grounds or other questions that reach beyond the scope of the relevant statute."

The "final and nonappealable" language refers to the inability of courts to stop an IPR from going forward, not whether it was lawful in the first place, Justice Alito said.

"In rejecting this commonsense interpretation, the court gives short shrift to the presumption in favor of judicial review," the dissent said. [WJ](#)

(Additional reporting by Melissa J. Sachs)

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Respondent: General Counsel Sarah Harris, Acting Solicitor Thomas W. Krause, Acting Deputy Solicitor Scott C. Weidenfeller and Associate Solicitor Robert J. McManus; Patent and Trademark Office, Alexandria, VA; Solicitor General Donald B. Verrilli Jr., Principal Deputy

Assistant Attorney General Benjamin C. Mizer, Deputy Solicitor General Malcolm L. Stewart, Deputy Assistant Attorney General Beth S. Brinkmann, Curtis E. Gannon, Mark R. Freeman and Melissa N. Patterson, Department of Justice, Washington, DC

Related Court Document:

Opinion: 2016 WL 1626647

Attorney fee standards

CONTINUED FROM PAGE 1

in attorney fees after he defeated publisher John C. Wiley & Sons' copyright infringement suit.

The 2nd U.S. Circuit Court of Appeals had affirmed a New York trial judge's decision to give substantial weight to the reasonableness of John Wiley's suit against Kirtsaeng, although the publisher's position was ultimately unsuccessful. No other factors outweighed that reasonableness finding, the 2nd Circuit said.

District courts in the 2nd Circuit, however, appear to have gone too far, giving objectively reasonable arguments "dispositive" rather than "substantial" weight when determining attorney fee awards, Justice Kagan said.

"In sending back the case for this purpose, we do not at all intimate that the district court should reach a different conclusion," Justice Kagan said. "Rather, we merely ensure that the court will evaluate the motion consistent with the analysis we have set out."



REACTION

The **American Intellectual Property Law Association's** deputy executive director, **Jim Crowne**, said the opinion was consistent with AIPLA's position as set forth in its friend-of-the-court brief. "The decision restores a balanced approach to fee determinations in support of the objectives of the Copyright Act," he said.



Robins Kaplan LLP attorney **David Leichtman**, who also wrote an amicus brief in the case for Volunteer Lawyers for the Arts, said, "VLA is gratified that the Supreme Court did not add a separate factor that would favor the prevailing party's position where it advances the purposes of the Copyright Act by winning a close case or setting new precedent."

Gloria C. Phares,

an attorney from the New York law firm **Hoffmann Marshall Strong LLP** who was not involved in the litigation, said "the court appropriately rejected Kirtsaeng's effort to treat the attorneys' fees provision as a 'winner gets fees' provision."



J. Michael Keyes, IP partner at the Seattle office of **Dorsey & Whitney**, who also was not involved in the case, found the high court's emphasis on discretion to be relevant. "While the merits of the losing party's claims or defenses should factor prominently into the trial court's decision, it should also consider other factors," he said.



Kirkland & Ellis partner **Dale Cendali**, a New York attorney who was not involved in the case, said the decision, as a practical matter, "aids copyright lawyers as it gives nationwide clarity as to the appropriate test."



"It also should give comfort to lawyers and their clients that they should not be at risk of a fee-shifting award if they are taking reasonable positions based on existing law and do not otherwise engage in some form of litigation misconduct," she said.



Carlton Fields of counsel **Harvey W. Geller**, an intellectual property lawyer in Los Angeles not involved with the case, had a different stance, saying this decision makes an already-murky area of the law even cloudier by weakening the "objectively reasonable argument" factor.

"Rather than clarifying the discretion that judges may exercise in determining fee awards, the decision actually makes that discretion even more discretionary," he said.

Samuel F. Miller, a shareholder at **Baker Donelson** in Nashville, Tennessee, who was not involved in the case, said the decision provided "little additional certainty for litigants to determine when fees are likely to be awarded in copyright cases."

"The determination of 'objective reasonableness' is, in fact, an inherently subjective analysis depending greatly on the judge deciding the case," Miller said.



FIRST TRIP TO THE HIGH COURT

This decision is a continuation of another Supreme Court dispute between Kirtsaeng and John Wiley.

According to the earlier Supreme Court opinion, written by Justice Stephen Breyer, Cornell student Kirtsaeng had asked family members in Thailand to send textbooks to him in the United States to sell on eBay.

Some of these books were printed in Asia by John Wiley, which sued Kirtsaeng for copyright infringement, the opinion said.

Kirtsaeng said his actions were permitted under the first-sale doctrine, which provides that copyright owners exhaust certain rights after the first time a work is sold.

The district court, however, said the doctrine did not apply to foreign-made goods, and a jury found Kirtsaeng liable.

Kirtsaeng lost his appeal and petitioned the Supreme Court for certiorari.

After five years on the losing side of the litigation, Kirtsaeng prevailed in 2013 when the Supreme Court overturned the lower courts' rulings. *Kirtsaeng v. John Wiley & Sons Inc.*, 133 S. Ct. 1351 (2013).

MOVING FOR ATTORNEY FEES

After the Supreme Court's 2013 decision, Kirtsaeng moved for attorney fees, but the District Court denied the motion on the ground that John Wiley's claims were neither frivolous nor objectively unreasonable. *John Wiley & Sons Inc. v. Kirtsaeng*, No. 08-cv-7834, 2013 WL 6722887 (S.D.N.Y. Dec. 20, 2013).

A three-judge 2d Circuit panel affirmed, saying the trial judge properly gave "substantial weight" to the reasonableness of John Wiley's position. *John Wiley & Sons Inc. v. Kirtsaeng*, 605 Fed. App'x 48 (2d Cir. 2015).

Kirtsaeng appealed again to the Supreme Court, arguing that courts should give special consideration to whether a lawsuit resolved an important legal issue or clarified the Copyright Act's objectives.

John Wiley argued that giving substantial weight to the reasonableness of a losing party's position was consistent with the language of the Copyright Act.

'OBJECTIVE-REASONABLENESS APPROACH'

Section 505 of the Copyright Act, 17 U.S.C.A. § 505, which allows "reasonable" attorneys fee for the prevailing party, does not specify standards for such awards, Justice Kagan wrote.

In *Fogerty v. Fantasy Inc.*, 510 U.S. 517 (1994), the Supreme Court explained that Section 505 advances the Copyright Act's objectives of enriching the public through access to creative works.

"The objective-reasonableness approach that Wiley favors passes that test," Justice Kagan said. "By contrast Kirtsaeng's proposal would not produce any sure benefits."

Kirtsaeng's approach could discourage suits that could clarify copyright law, because litigants might more often avoid tough copyright issues out of fear of losing, the opinion said.

Wiley's approach is also easier for courts to apply, because they can easily assess whether a losing party advanced an unreasonable claim, the opinion said.

Justice Kagan noted, however, that the *Fogerty* court recognized that the Copyright Act "clearly connotes discretion." In *Fogerty* the court provided factors for courts to consider when awarding attorney fees that included objective reasonableness, but also, for example, frivolousness, the opinion said.

"In deciding whether to fee-shift," she said, "district courts must take into account a range of considerations beyond the reasonableness of litigating positions." **WJ**

(Additional reporting by Melissa J. Sachs)

Attorneys:

Petitioner: Sam P. Israel, Sam P. Israel PC, New York, NY; Joshua Rosenkranz, Annette L. Hurst, Lisa T. Simpson, Andrew D. Silverman, Orrick, Herrington & Sutcliffe LLP, New York, NY

Respondent: Paul M. Smith, Jenner & Block LLP, Washington, DC

Related Court Document:

Opinion: 2016 WL 3317564

See Document Section A (P. 19) for the opinion.

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SUPREME COURT ASKS SOLICITOR GENERAL TO COMMENT ON PATENT EXHAUSTION

The U.S. Supreme Court has invited the U.S. solicitor general to offer up the federal government's views on patent exhaustion issues presented by printer ink reseller Impression Products involving Lexmark International's single-use ink cartridges. The high court's invitation for the government to file an amicus brief follows Impression's plea to overturn the U.S. Court of Appeals for the Federal Circuit's decision to allow Lexmark to enforce a "single-use only" notice on cartridges. The opinion of U.S. Solicitor General Donald B. Verrilli Jr., the federal government's lawyer in the Supreme Court, could influence whether Impression's certiorari petition will be granted, but the court does not always follow his advice. Impression's petition asks if patent rights are exhausted upon the first sale of a patented product, even if that sale is made abroad. It also asks if patent holders can circumvent the patent-exhaustion doctrine by specifying a restriction in connection with a first sale.

***Impression Products Inc. v. Lexmark International Inc.*, No. 15-1189, invitation filed, 2016 WL 3369441 (U.S. June 20, 2016).**

Related Court Document:

Brief request: 2016 WL 3369441

FACEBOOK NABS DOMAINS CURRENTLY USED FOR PORN SITES

Facebook Inc. has convinced the World Intellectual Property Organization to transfer a trio of domains incorporating the social media site's name that resolve to unaffiliated, unlicensed websites displaying sexually explicit images. The Romania-based registrants of facebooklive.co, facebookcams.co and facebooklivecams.com used the domains to attract internet visitors by creating a likelihood of confusion with the social media giant for commercial gain, a WIPO arbitration panel said. Based in Menlo Park, California, Facebook owns numerous domains incorporating the company name, including facebook.com and facebooklive.com, and holds international registrations for many "Facebook" trademarks. Facebook also offers "Facebook Live," a feature that enables users to broadcast live videos through an app. The disputed domains consisted of Facebook's name with the generic terms "live," "cams" and "livecams," all of which could refer to this video feature, making the domains confusingly similar to a registered Facebook trademark, WIPO said. The panel said it was "inconceivable" that the registrants of the disputed domains did not have prior knowledge of the social media giant.

***Facebook Inc. v. Eufiso/Zipp Software*, No. D2016-682, 2016 WL 3227694 (WIPO Arb. June 10, 2016).**

Related Court Document:

Decision: 2016 WL 3227694

COMMIL ASKS THE SUPREME COURT TO AGAIN INTERVENE IN PATENT SPAT WITH CISCO

Commil USA, the patent holder that won a Supreme Court victory last year over Cisco Systems, has filed another petition for certiorari, this time over the Seventh Amendment. Commil last year convinced the high court that Cisco's good-faith belief that a wireless networking patent was invalid was not a legitimate defense to induced infringement. After the high court remanded the case, the U.S. Court of Appeals for the Federal Circuit in December again rejected Commil's infringement claim. The Federal Circuit found insufficient evidence to support the jury's finding that Cisco infringed the patent, a verdict that led to a \$74 million judgment for Commil. Specifically, the Federal Circuit circumvented the correct standard for appellate review of the admissibility of expert testimony, Commil says. The petition asks the high court to decide under what circumstances the Seventh Amendment allows a reviewing court to reject evidence and overturn a jury's infringement verdict. "Given that this court is already familiar with this case, it is an excellent vehicle for review," the petition says.

***Commil USA LLC v. Cisco Systems Inc.*, No. 15-1446, petition for cert. filed, 2016 WL 3086974, 813 F.3d 994, 2015 WL 5076188, 2015 WL 4779488, 135 S. Ct. 1920, 2007 WL 6120702 (U.S. May 27, 2016).**

Related Court Document:

Petition: 2016 WL 3086974

Supreme Court decision: 135 S. Ct. 1920

Federal Circuit opinion: 813 F.3d 994

Appellee supplemental brief: 2015 WL 5076188

Appellant supplemental brief: 2015 WL 4779488

Complaint: 2007 WL 6120702

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