

# Lackebach Siegel, LLP *today!*

INTELLECTUAL PROPERTY ATTORNEYS SINCE 1923

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### PATENT CORNER

Featuring patents recently issued to Lackebach Siegel clients

United States Patent Number:

8,237,083

#### METHOD FOR BORING BOTTLE-LIKE HOLES HAVING A DEFINED GEOMETRY BY MEANS OF PULSED LASER RADIATION

The present invention is a method and system for the drilling of holes in a workpiece within a diameter range of 20  $\mu\text{m}$  to 500  $\mu\text{m}$  by means of laser radiation. The invention utilizes the beam quality of a laser beam as well as: the polarization of the laser radiation; the parameters of the impulses of the laser used; and, the type and pressure of the process gas used. The method and system utilize means for focusing laser radiation, in particular the ratio of the beam diameter at the site of the focusing element and its focal distance, and wherein the focusing is done in coordination with the beam quality number and wave length and other factors.

Continued on page 6

## Patents are *How Old?*

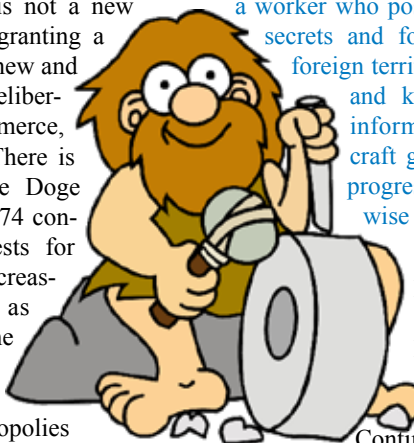
### *An Historical Look at Promoting the Sciences*

By Marvin Feldman

Granting exclusivity to one for the greater good of many is not a new concept. A sovereign granting a monopoly interest for a new and useful invention, as a deliberate act to promote commerce, dates back centuries. There is some evidence that the Doge of Venice as early as 1474 conferred monopoly interests for inventions related to increasing manufacturing, as opposed to benefiting the established but waning trade and commerce. The early Venetian monopolies were for glass-making that in time led to the famed Murano glass manufacturers. Venice, in an effort to control the monopoly interests, enacted laws to prohibit the immigration of skilled artisans.

But earlier in time, promoting benefits for the public good was not an overriding concern. Medieval Guilds were an important component of trade and commerce. Craft guilds maintained a monopoly on the products of the skilled artisans, the critical process steps were carefully guarded trade secrets.

The craft guilds of Florence provided that a worker who possessed any essential trade secrets and for some reason fled to a foreign territory must be tracked down and killed lest he divulge the information. Manifestly, the craft guilds did not promote the progress of technology or likewise benefit society.



Queen Elizabeth I of England, in the late 1500's in a shrewd effort to make England competitive with other countries, enticed entrepreneurs on the

Continent to relocate to England with monopolies to practice their technologies without interference or competition. Delft china manufacturers, German iron-mongers and foundry operators immigrated to England and practiced their trade secrets and know-how in exchange for a grant of Letters Patent. These early Letters Patent, in time, gave rise to the English fine bone china and Sheffield steel manufacturers. Patents were issued by the monarch, but the system was unregulated and rife with abuse.

Continued on Page 5

## Attorney Profile

Position at Firm: Partner



### Marvin Feldman

Patent Department

Marvin Feldman provides his extensive knowledge and experience to clients in a broad range of businesses and technologies to secure and commercialize patents in areas as diverse as the biomedical, pharmacological, information technology and mechanical arts. Based on such acknowledged legal prowess, he has lectured extensively on the subject of patents in various forums.

After the Peoples' Republic of China enacted patent laws and adopted international legal norms, the government of China,

Attorney Profile: Continued on page 10

# Lackenbach Siegel *today* and Since 1923

## Stop Fighting – Doll!!

By Howard N. Aronson and Eileen DeVries

Espionage, illegal deals, a defecting agent, assumed names, theft of sensitive documents, stolen body parts, spies in disguise, copying secret drawings, payments of hundreds of millions of dollars...an international spy network? No – claims in a legal thriller about plastic young ladies – Barbie and Bratz dolls. Mattel and MGA Entertainment have been fighting since 2004 about who stole the Bratz dolls from whom. For now the dispute has ended. A U.S. Court of Appeals has affirmed in part a trial verdict of almost \$150 million in legal fees to MGA, but the Court also threw out more than \$150 million in damages that the trial court had awarded to MGA for the theft of trade secrets by Mattel.

### “They started it...”

The fight began when Mattel sued its former employee for defecting in 2000 to its competitor, MGA, and taking with him drawings of a new line of dolls that looked... well...bratty: “Unlike the relatively demure Barbie, the urban, multi-ethnic and trendy Bratz dolls have attitude,” wrote the appellate judge in a 2010 appeal. When the Bratz dolls came out in 2001, they threatened Barbie’s popularity. As the appeals court recounted, “Barbie was the unrivaled queen of the fashion-doll market throughout the latter half of the 20th Century. But 2001 saw the introduction of Bratz, ‘The Girls With a Passion for Fashion!’... This spunk struck a chord, and Bratz became an overnight success. Mattel was particularly unhappy when it learned that the man behind Bratz was its own former employee...”

### “It’s not fair...”

The former employee Carter Bryant, had worked in Mattel’s “Barbie Collectibles” department designing more expensive Barbie dolls for display – not for play. While at Mattel, Bryant went to Mattel competitor MGA Entertainment, with preliminary sketches for the bratty-looking new dolls and a dummy made from a Mattel doll’s head, a Barbie body and “Ken” (another Mattel doll) boots. As a consultant for MGA (while still working at Mattel) Bryant worked on a “sculpt”

for the new doll – the first of the Bratz line. Bryant didn’t tell Mattel.

Soon MGA’s new dolls moved in on the doll playground to challenge Barbie and her crowd. When Mattel found out, it sued Bryant, claiming that under his employment agreement, Mattel owned his work, including his ideas – even those created during non-working hours – while he worked at Mattel.

### “It’s my doll...”

In 2008, a jury decided that Mattel owned Bryant’s drawings and ideas because Bryant had created them while he was employed by Mattel. The jury also found that the Bratz drawings and sculpt – which had been found to be Mattel’s intellectual property – infringed Mattel’s copyright in the drawings. That was because the jury found that the Bratz dolls were “substantially similar” to at least some of Bryant’s drawings. The lower court judge had instructed the jury that some features of the Bratz drawings and sculpt couldn’t be protected by copyright because they weren’t original – they were common to almost all dolls.

On the other hand, the lower court instructed the jury that some features of the Bratz drawings and sculpt were original enough to be protected by copyright:

- Particularized, synergistic expression of the human form that expresses a unique style and conveys a distinct look;
- Particularized expression of the doll’s head, lips, eyes, eyebrows, eye features, nose, chin, hair style and breasts, including the exaggeration or de-emphasis of certain anatomical features relative to others; and
- Particularized, non-functional doll clothes, shoes, and accessories that express aggressive, contemporary, youthful style.

Following these instructions, the jury found MGA liable for infringing Mattel’s copyrights, and concluded that Bryant conceived the “Bratz” name while employed by Mattel. Mattel sought more than \$1 billion, but in 2008, the jury awarded Mattel only \$10 million.

*Continued on Page 3*

## U.S. Patent Statistics *Upswing Continues*

For 2012, United States utility patent application figures trended slightly upward yet again. The preliminary total of 542,815 utility patent applications is up 7.8% from the 503,582 applications in 2011, and again represents an all time high. The shift toward a majority of foreign originating utility applications slowed somewhat in 2012, dropping 0.3% to 50.5% of the total filings. Also, of the 253,155 total utility patents that issued in the United States last year, 132,129 (52.2%) were issued to residents of foreign countries -- an increase of 14% over 2011. U.S. residents accounted for 121,026 (47.8%) of the utility patents issued in 2012.

**Of the utility patents issued to foreign residents, Japanese residents accounted for 50,677 (or 38.4%). This number is 20.0% of the total U.S. utility patents issued in 2012, down 0.5% from 2011. As a percentage of the total utility patents, Japan was followed by Germany (10.5%), South Korea (10.0%), Taiwan (8.1%), and Canada (4.4%). The top ten list was filled out by France (4.1%), the United Kingdom (3.9%), China (3.5%), Israel (1.9%), and Italy (1.6%). High growth countries in 2012 (those with more than 500 utility patents granted) included Sweden, the Netherlands, Switzerland, India, Australia, Finland, Belgium, Austria, and Denmark.**

Within the United States, California once again led all States in 2012 with 32,107 utility patent grants (or 26.5%) of all utility patents issued to U.S. residents. This number amounts to 12.7% of all U.S. utility patents granted. The other major State contributors as a percentage of all U.S. utility patent grants were Texas (3.3%), New York (3.0%), Massachusetts (2.3%), and Washington (2.1%).

A total of 992 utility patents were issued to all U.S. Government agencies, which was up by 85 from 2011. The Navy again led the way with the highest percentage of utility patents granted to a government agency at 35.8%, followed by the Army at 17.3%, the Department of Health and Human Services at 13.2%, NASA at 10.6%, and the Department of Agriculture at 5.3%.

**Patent Cooperation Treaty (PCT) filings for 2012 saw an increase in total filings of 6.9% up to 194,400, with strong growth from the Netherlands (+14.0%), China (+13.6%), the Republic of Korea (+13.4%), Finland (+13.2%), and Japan (+12.3%), offsetting a mixed performance in the United States (+4.4%), Canada (-6.7%), Australia (-1.8%) and European countries, where Italy (+5.2%), Switzerland (+4.6%), France (+4.0%), Sweden (+3.6%) and the United Kingdom (+1.0%) experienced growth, while Germany (0.0%) and Spain (-2.4%) did not.** The United States remains the largest user of the PCT system with 51,207 filed applications, followed by Japan with 43,660 applications, Germany with 18,855 filings, China with 18,627 filings, and the Republic of Korea with 11,848 filings in 2012.

# Patents, Trademarks, Copyrights

## Stop Fighting – Doll!! *Continued from page 2*

### Barbie owner wins Round One – gets to keep Bratz

After the 2008 verdict, a California district court handed over all the Bratz trademarks to Mattel, prohibiting MGA from marketing any Bratz-branded products, including Bratz dolls. The court also prohibited MGA from producing or marketing Bratz female fashion dolls, and any dolls substantially similar to Mattel's copyrighted Bratz dolls. MGA was kicked out of the Bratz playground.

### What did the employment agreement cover?

When MGA appealed the court wasn't so sure that Mattel really did own the Bratz dolls. In 2010, the Court of Appeals, reviewing the 2008 verdict and the lower court's rulings, held that although the employment agreement between Mattel and its employee "could be interpreted to cover ideas... the text doesn't compel that reading."

### Were the dolls "substantially similar" to the drawings?

As for copyright infringement, Mattel had to show three things: that it owned copyrights in the sketches and sculpt; that MGA had access to the sketches and sculpt (which MGA did), and that the MGA dolls are substantially similar to the sketches and sculpt. The Court of Appeals said, "MGA's Bratz dolls can't be considered substantially similar to Bryant's preliminary sketches simply because the dolls and sketches depict young, stylish girls with big heads and an attitude," and

"[p]roducing small plastic dolls that resemble young females is a staple of the fashion doll market. To this basic concept Bratz dolls add exaggerated features, such as an oversized head and feet. But many fashion dolls have exaggerated features... Moreover, women have often been depicted with exaggerated proportions similar to those of the Bratz dolls—from Betty Boop to characters in Japanese anime and Steve Madden ads. The concept of depicting a young, fashion-forward female with exaggerated features, including an oversized head and feet, is therefore unoriginal as well as an unprotectable idea."

### MGA wins Round Two – gets to keep Bratz

In a second trial, in 2011, the jury found that Mattel did not own the copyrights in the Bratz sketches and sculpt, so Mattel lost its copyright claim. As a result, Mattel had to pay MGA's legal fees on the copyright and related claims – a total of \$137,365,177. The Court of Appeals, quoting the District Court, clearly explained, "MGA's 'failure to vigorously defend against Mattel's claims could have ushered in a new era of copyright litigation aimed not at promoting expression but at stifling the 'competition' upon which America thrives."

After the second verdict and the award of attorney fees to MGA, it was Mattel's turn to appeal to the Ninth Circuit Court of Appeals. Mattel argued that because its copyright claim was objectively reasonable – and not frivolous or in bad faith – Mattel shouldn't have to pay the defendants' fees. But in its 2013 decision, the Court of Appeals said that frivolousness and bad faith were no longer needed to award attorney fees.

### "You're both wrong..."

As for MGA, the Court of Appeals now has instructed the lower court to dismiss MGA's trade secret counterclaim because the court shouldn't have considered Mattel's trade secret claims: "...that Mattel's employees stole MGA trade secrets by engaging in chicanery (such as masquerading as buyers) at toy fairs... That both Mattel and MGA claimed they stole each other's trade secrets ... that the same information may have shuttled back and forth between Mattel and MGA isn't a sufficient nexus..." Thus, MGA will not get the more than \$150 million in damages on that claim.

### From now on... "Play Nicely"

At this point, although Barbie and her "friend" Bratz aren't fighting, the parties, especially Mattel, have emerged bruised, leading the appeals court in its recent opinion to admonish both sides to "take a lesson from their target demographic: *Play nice.*"



To evaluate Trade Secrets, please email Howard N. Aronson at: [HAronson@Lackebach.com](mailto:HAronson@Lackebach.com)

## STOP...THAT'S MY SECRET

*And it's Valuable Too!*

A trade secret is confidential information that is used in business and provides an advantage over others that do not know the secret or use it, and is information that is capable of being identified; of actual or potential value; is maintained in secret and not readily ascertainable; and reasonable efforts have been taken by the business to maintain its secrecy.

**The Coca-Cola formula and Kentucky Fried Chicken's original recipe are examples of trade secrets not protected by patent. Rather than protecting the secret by filing at a patent, trademark or copyright office, which reveals the details and ending trade secret protection, the owner keeps the material a mystery to the rest of the world.** Despite no filing at a patent, trademark or copyright office, an intellectual property right exists in trade secrets that could provide the same relief in court that a patent, trademark or copyright provides. And this right lasts as long as the secret is maintained secret, as contrasted with patent protection that lapses after 20 years.

The first reported U.S. trade secret case was decided in 1837. Since then, property subject to trade secret protection can and has included almost any kind of information used by a business to obtain a commercial advantage over its competitors, including core business information such as customer lists, financial data, business processes, pricing information, advertising strategies, and market research.

Trade secret information must be confidential in the first instance, so general business information is not considered protectable, and a company must show reasonable efforts to maintain the information as secret and treat it as property.

The value of a trade secret cannot be overstated. This September Toys "R" Us was sued by Fuhu, Inc., the manufacturer of the NABI Tablet computer for children, seeking monetary damages and an injunction. In late 2011 it is alleged that Toys "R" Us agreed to become an exclusive distributor for Fuhu, but this was unsuccessful and the exclusive arrangement terminated. It is asserted that Toys "R" Us used Fuhu's trade secrets and confidential information to start selling a product to replicate the NABI experience far earlier than Toys "R" Us could have done otherwise, if at all.

**So without a patent, trademark or copyright, instead relying primarily on theft of trade secrets, Fuhu has the potential to obtain the same type of relief that patent, trademark or copyright protection provides.**



# That's Mine!

## Holy Tweet! They Stole My Trademark

### Protecting Your Trademark in Social Media

By Robert Golden

Owning and protecting trademarks used to be much simpler. Some luxury goods manufacturers, like Rolex®, had to worry about counterfeiters, but most trademark owners only had to worry about garden variety cases of trademark infringement where a competitor might choose a different, but confusingly similar trademark. Over the past two decades, with the rise of the Internet, things have changed dramatically.

First came cyber-squatting, the use of a trademark as part of a domain name ([www.trademark.com](http://www.trademark.com)), typo-squatting ([www.tardeamrk.com](http://www.tardeamrk.com)), and other tricky uses of a trademark as part of a domain name. Formal dispute resolution policies were created and made mandatory for domain name registrars and owners (<http://www.icann.org/en/help/dndr/udrp>) as the law evolved. And the federal Lanham Act (the trademark laws) was modified to add a specific cause of action for cyber-squatting.

**But as the Internet has grown and changed, there are new and evolving problems for trademark owners. One of the most common and daunting problems currently faced by trademarks owners is the use of their trademark in social media sites such as Facebook and Twitter. The infringing use does not come as part of the domain name itself, but as part of the sub-domain ([www.facebook.com/trademark](http://www.facebook.com/trademark)), user name or twitter handle ([www.twitter.com/trademark](http://www.twitter.com/trademark)). Because such uses are not part of the domain name proper, ICANN's dispute resolution policy does not apply and it remains unclear if the Lanham Act's cyber-squatting provisions apply.** Even if the trademark owner has secured these sub-domains for its own use, common misspellings and negative variations ([www.twitter.com/trademarksucks](http://www.twitter.com/trademarksucks)), may be taken by others. Misappropriation of a trademark in social media can hurt in a number of ways. First, it prevents the legitimate trademark owner from reaching its consumers in an effective, expected way, depriving it of an important marketing tool. Second, it may create confusion as visitors to [www.facebook.com/trademark.com](http://www.facebook.com/trademark.com) are likely to believe that this is the Facebook page of the actual trademark owner. And third, it can give competitor and detractors a convenient platform for launching easy to find attacks and critiques on the trademark owner.

#### REGISTER REGISTER REGISTER

Register your trademarks. Registered trademarks are always easier to protect because they create legal presumptions of ownership and validity, and some social media sites require a trademark registration to invoke the trademark dispute policy. Register domain names. Register the names you actually want to use, common misspellings, and common negative variations. And register on the most relevant social media sites, as well as registering domains and names for important products or new launches. Facebook and Twitter are ubiquitous, but there are simply too many social media sites to register on all of them, so prioritization is necessary.

**Update your site and Facebook page frequently and Tweet daily. Doing this will help with "search engine optimization," so that your site is returned as a more relevant (and thus, more frequently visited) search result. By doing this, you will decrease the likelihood that your customers end up at a competitor's site or a critique site.**

#### TAKE ADVANTAGE OF YOUR ASSETS

Create websites and a social media presence that your customers want to visit, and visit often. If your sites are bookmarked or become favorite places, your customers will not end up at the wrong website. If they visit often, your customers' browsers will "learn" your website. Update your site and Facebook page frequently and Tweet daily. Doing this will help with "search engine optimization," so that your site is returned as a more relevant (and thus, more frequently visited) search result and you will decrease the likelihood that your customers end up at a competitor's site or a critique site.

#### MONITOR FOR INFRINGING USES

Regularly check to find misuse of your trademarks on the Internet. Search your own trademarks on the Internet to see how the marks are being used. Conduct "whois" searches to see what domains incorporating your trademark are or are not available, or what similar domain names are in use (and who is using them). Search for your trademark on Facebook. Use social media specific search engines such as [www.technorati.com](http://www.technorati.com) and [www.icewater.com](http://www.icewater.com) to see how your trademark is being used on Twitter, Facebook, blogs and the like. If you detect a misuse

early, it may be easier to convince the infringer to stop before too much is invested or before it acquires too many friends, likes or followers.

#### KNOW YOUR OPTIONS

**Most social media sites have policies relating to trademark infringement and these are the logical first places to look. For example, Twitter has a trademark policy providing that a trademark violation is "using a company or business name, logo, or other trademark-protected materials in a manner that may mislead or confuse others with regard to its brand or business affiliation."** <https://support.twitter.com/articles/18367-trademark-policy#>. To report

what you believe to be a trademark violation you need a trademark registration, though you may still file a report for "impersonation." <https://support.twitter.com/forms/trademark> ("Note: A federal or international trademark registration number is required. If you don't have a registered trademark, you can still file a report of brand or entity impersonation using this form."). But Twitter also has numerous exceptions where it will refuse to enforce a trademark owner's rights. Facebook has similar policies and mechanisms. <https://www.facebook.com/help/www/440684869305015/>

But experience shows that social media sites are reluctant to take action in many instances where the courts may be more inclined to protect the trademark owner.

#### CHOOSE YOUR BATTLES WISELY

Even when the law does permit you to take action, in the world of social media discretion may be the better part of valor. **In many instances, efforts to stop social media use may backfire. Trademark owners can be perceived as bullies, especially when targeting individuals or small companies. Essentially unknown, except to the trademark owner, infringing uses can be elevated and publicized as a result of the trademark owner's own enforcement efforts.** The same social media which gave rise to the original infringement may then be used against the trademark owner to raise the profile, garner support, or even raise money to fight the trademark owner. Thus, if the "infringing" use is not actually causing harm, it may be wiser to use SEO and other techniques to deflect attention away from the infringing use rather than adding fuel to the fire.

To discuss Social Media issues, contact Robert Golden at [RGolden@Lackebach.com](mailto:RGolden@Lackebach.com)

# Promoting Innovation is Constitutional

## *An Historical Look at Promoting the Sciences*

### Patents are *How Old?* *continued from page 1*

In 1624 as part of the skirmishing between Parliament and the Crown leading up to the English Civil War, the English Parliament passed the Statute of Monopolies, which limited the power of the Crown. The doctrine of the public interest was introduced into the patent system, rendering illegal all monopolies except those "for the term of 14 years or under ... of new manufactures within this Realm to the true and first inventor."

During the American Colonial Period a few inventors were able to obtain monopolies to produce and sell their inventions. These monopolies were granted by petition to a given colony's legislature. In 1641, Samuel Winslow was granted the first patent in North America by the Massachusetts General Court for a new process for making salt. In 1646, the Province of Massachusetts Bay granted inventor Joseph Jenks Sr. the exclusive right to set up water mills using a speedier engine he had developed for making bladed tools. His monopoly ran for 14 years, and it in time gave rise to the Massachusetts hand tool and knife industries still in existence today; some of whom are represented by this firm.

With independence, the US Founders sought to codify a patent system. The Constitutional basis for federal patent and copyright systems is found in the Constitution of the United States in Article 1, Section 8, which states:

Congress shall have power ... to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

The first Patent Act of the U.S. Congress was passed on April 10, 1790, titled "An Act to promote the progress of useful Arts." It empowered "the Secretary of State, the Secretary for the Department of War, and the Attorney General, or any two of them" to approve the grant of a patent to an inventor fulfilling the appropriate formalities, if they shall deem the invention or discovery sufficiently useful and important." The first patent granted by the United States was to Samuel Hopkins of Pittsford, Vermont in 1790 for an "Improvement, not known before such Discovery, in the making of Pot ash and Pearl ash by a new apparatus and Process," for a term of 14 years. The Hopkins penned patent grant bears the signature of George Washington. The rate of patent grants grew to about 20 per year and the time burden on the Secretary of

State was considered to be too burdensome. Patent applications were no longer examined, and were granted simply by submitting a written description of an invention, a model of the invention, if appropriate, and paying a then princely fee of \$30.

**A recent Wall Street Journal editorial posits that the present U.S. patent system:**

**...has nurtured innovation in the U.S. for more than two centuries. The intellectual property rights embodied in patents are a bedrock principle of America's economic, democratic and meritocratic values. The Founders wanted a system that guaranteed the 'exclusive' right of inventors to benefit from their creativity and hard work. The aim, written in the Constitution, was to make an inventor's marketplace value an incentive 'to promote the Progress of Science and useful Arts.'**

In 1793 the Patent Act was repealed and replaced by a slightly longer act, the drafting of which is largely attributed to Thomas Jefferson, then Secretary of State and intimately involved in the administration of the 1790 Act. [The 1793 Act is notable for its definition of what constitutes patentable subject matter in the United States, which is essentially unchanged up to now:](#)

*any new and useful art, machine, manufacture or composition of matter and any new and useful improvement on any art, machine, manufacture or composition of matter.*

Congress, of course, in so defining patentable subject matter had no idea that there would be computers, the Internet or new forms of life created by Man and not the Creator. A new and useful life form, namely a novel bacterium that floats on the sea and breaks down crude oil was invented by Dr. Chakrabarty who sought a patent for his bacterium. The application was rejected by the Patent Office as the Courts had consistently ruled that live microorganisms are without legal significance under the patent law. [The U.S. Supreme Court in a landmark 1980 case held that a live human-made micro-organism is patentable subject matter under the Patent Act.](#)

In addition to the evolution of patentable subject matter, the inventiveness bar for an invention to be granted a patent has evolved as well. Under U.S.

law, patents are granted for inventions that are **unobvious** to one of ordinary skill in the art to which the invention pertains. The case law had generally held that for an invention to be unobvious it must not be suggested by the prior art. The Courts and the Patent Office in the recent past have generally applied a more rigorous standard to reach the unobvious bar.

Betting on the future direction of patents is never advisable. However, it seems clear that the law will expand and adjust to ever-evolving, unanticipated new technologies. It is also clear that the obviousness standard will become more rigorous.

*To discuss patents, please contact Marvin Feldman at: [MFeldman@Lackebach.com](mailto:MFeldman@Lackebach.com)*

# Patents, Trademarks, Copyrights

## PATENT CORNER

Continued from Page 1

### METHOD FOR BORING BOTTLE-LIKE HOLES HAVING A DEFINED GEOMETRY BY MEANS OF PULSED LASER RADIATION

United States Patent Number:

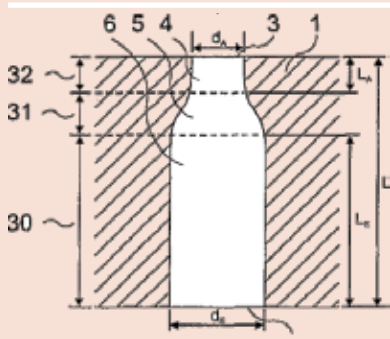
8,237,083

Date of Patent

August 7, 2012

Assignee:

Prelatec GmbH, Stuttgart (DE)

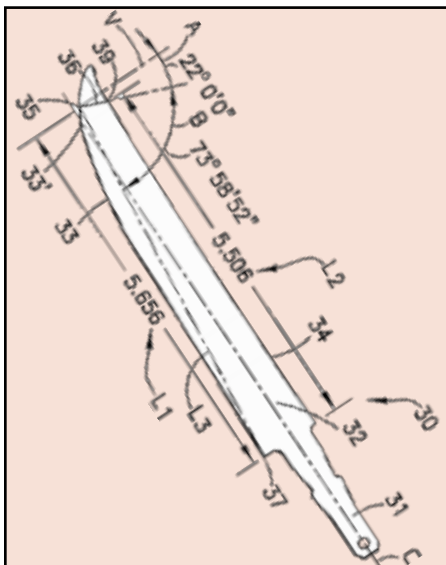


## Notable, Recent LS Patents

### POULTRY DEBONING KNIFE

Patent No.: 8,419,510

Assignee: Dexter-Russell, Inc. (United States)



### METHOD AND APPARATUS FOR AN OPTICAL FREQUENCY RECTIFIER

Patent No.: 8,299,655

Assignee: Scitech Associates Holdings, Inc. (USA)

### AIRCRAFT THAT CAN FLY HORIZONTALLY AND VERTICALLY

Patent No.: 8,398,015

Inventor: Sean O'Connor (Great Britain)

### MEASURING CELL AND A METHOD OF USE THEREFOR

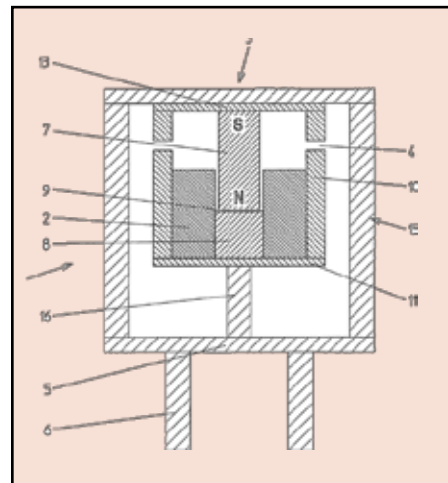
Patent No.: 8,468,894

Assignee: Vega Grieshaber KG (Germany)

### VIBRATION SENSOR

Patent No.: 8,316,715

Assignee: Vega Grieshaber KG (Germany)



### BAMBOO FIBER MATERIAL

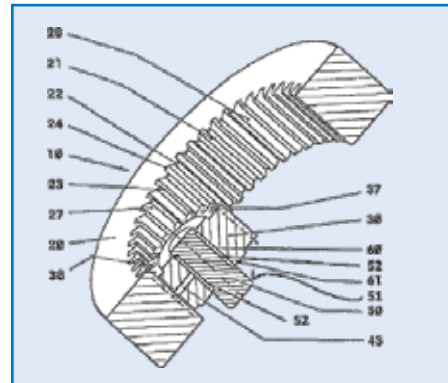
Patent No.: 8,480,851

Assignee: Fujian Simzu Environment Science and Technology Co., Ltd. (China)

### PLANET WHEEL WITH A BEARING BOLT THAT PRESENTS AN AXIAL GROOVE

Patent No.: 8,272,990

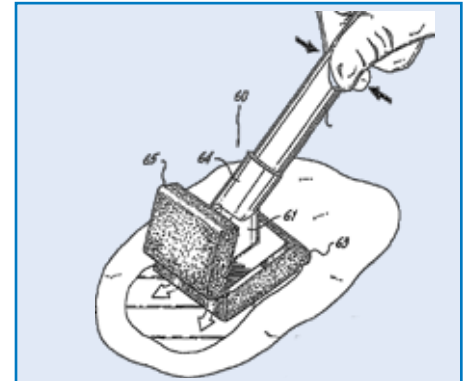
Assignee: IMS Gear GmbH (Germany)



### DISPENSING APPLICATOR FOR FLUIDS

Patent No.: 8,511,923

Assignee: Biomed Packaging Systems Inc. (USA)



### CLOSURE

Patent No.: 8,413,830

Assignee: Obrist Closures Switzerland GmbH (Swiss)

### COMPACT ERGONOMIC RESCUE TOOL

Patent No.: 8,291,794

Assignee: Channellock, Inc. (USA)

### MICROGEL AND EXTERNAL COMPOSITIONS CONTAINING THE SAME

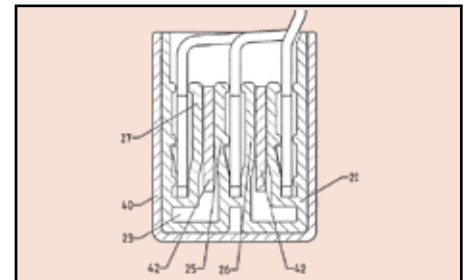
Patent No.: 8,367,082

Assignee: Shiseido Company, Ltd. (Japan)

### BUS BAR SYSTEM WITH SUPPORT MEANS FOR SPACING POLE RAILS

Patent No.: 8,425,241

Assignee: Friedbert Goehringer Elektrotechnik GmbH (Germany)



### MEASURING SATELLITE LINEARITY FROM EARTH USING A LOW DUTY CYCLE PULSED MIC. SIGNAL

Patent No.: 8,391,781

Assignee: Miteq, Inc. (USA)

### DUAL ZIPPER BOOT CONSTRUCTION METHOD AND SYSTEM

Patent No.: 8,510,972

Assignee: AeroGroup International Holdings LLC (USA)

### VEHICLE WHEEL RIM

Patent No.: D675,143

Assignee: BBS of America, Inc. (USA)

# Domains, Internet and Advertising Law

## TRADEMARK CORNER

### Notable, recent LS Trademarks

#### OPERAVORE

Registrant: New York Public Radio (USA)

#### INGE CHRISTOPHER

Registrant: Indolink Corp. (USA)

#### BONBONS

Registrant: Orchard Yarn and Thread company, Inc. dba Lion Brand Yarn Company (USA)

#### BURPEE & DESIGN

Registrant: W. Atlee Burpee Company (USA)



#### CHAMPAGNE PAUL GOERG

Registrant: Cooperative la Goutte D'or S.C.A. (FRANCE)

#### N NAVIGATORS

Registrant: The Navigators USA, Inc. (USA)

#### RUGGIES

Registrant: Lenfest Media Group, LLC (USA)

#### FOOD FOR HUMANS

Registrant: Hu Holdings, LLC (USA)

#### WELCOME! JAL NEW SKY

Registrant: Japan Airlines Co., Ltd. (JAPAN)

#### DIAMOND CHEF

Registrant: Ezaki Glico Kabushiki Kaisha (Japan)

#### HARI MAU

Registrant: Mangaroca SA (LUXEMBOURG)



#### S

Registrant: Logans Sanctuary LLC (USA)



#### TORAYCA

Registrant: Toray Kabushiki Kaisha (Toray) Ind., Inc. (JAPAN)

#### STROKESOLIDARITY

Registrant: World Stroke Organization (SWITZERLAND)

#### AFFORMATIONS

Registrant: Success Clinic International LLC. (USA)

#### BONDADE

Registrant: Transpo Industries, Inc. (USA)

#### CRED-EX

Registrant: Emerging Payments Technologies, Inc. (USA)

#### FOOSBALL

Registrant: Plural Jempsa, S.L. (SPAIN)

#### SPECTRO PAD

Registrant: Barbieri Electronic OHG (BRAZIL)

#### PRONTO PARQUET FASHION

Registrant: Gazzotti Spa (ITALY)



#### LA MALIOSA

Registrant: Burtco Enterprises, Inc. (USA)

#### ADIXXION

Registrant: JVC Kenwood Corporation (JAPAN)



#### BOTTOLI

Registrant: Battoli S.P.A. (ITALY)

#### RIDESWELL

Registrant: Nippon Steel & Sumitomo Metal Corp. (JAPAN)

#### HANG TEN GOLD

Registrant: American Brand Holdings, LLC (USA)



#### BARRIER TOP

Registrant: Toray Kabushiki Kaisha (Toray Ind.'s, Inc.) (JAPAN)

#### ERMITA DE NIEVE

Registrant: Vinedos De Nieva, S.L. (SPAIN)

#### QUILT VIRTUOSO PRO

Registrant: Juki Corporation (JAPAN)

#### ALINAMIN

Registrant: Takeda Pharmaceutical Company Limited (JAPAN)

#### HATTEMER

Registrant: Cours Hattemer (FRANCE)

#### AEC

Registrant: Austin Engineering Company Limited (INDIA)



#### PIVOTJET

Registrant: Hyde Tools, Inc. (USA)

#### PURPLE WONDER

Registrant: Cornell University NY Educational Corp. (USA)

#### MAGNIX

Registrant: Devrian Innovations, LLC (USA)

Continued on Page 9



# More Patents

## PATENT CORNER

Continued from Page 6: Patent Corner

### SURGICAL INSTRUMENT TO MEASURE AN INTERVERTEBRAL SPACE

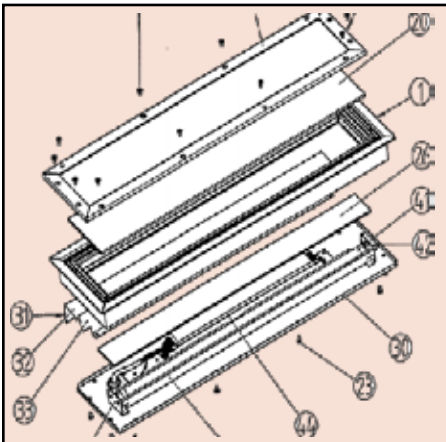
Patent No.: 8,282,650

Inventor: Helmut Weber (Germany)

### LAMP

Patent No.: 8,229,457

Assignee: Herbert Waldmann GmbH & Co. KG (DE)



### BALL SEAT VALVE, USE OF THE SAME, AND METHOD FOR CONTROLLING A VALVE ASSEMBLY COMPRISING A BALL SEAT VALVE

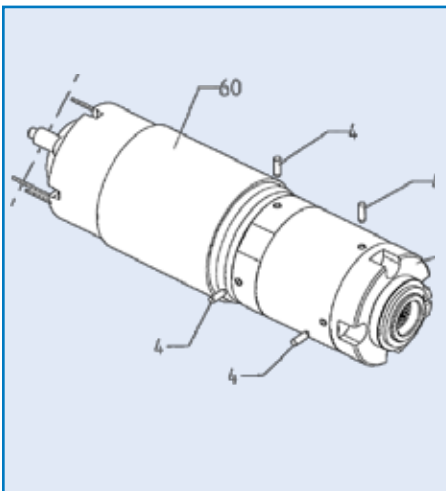
Patent No.: 8,322,371

Assignee: Kendrion (Villingen) GmbH (Germany)

### GEAR MECHANISM, PARTICULARLY PLANET GEAR WITH A FLANGE AND A RING GEAR

Patent No.: 8,376,901

Assignee: IDS Gear GmbH (Germany)



### LED CYCLORAMA LIGHT

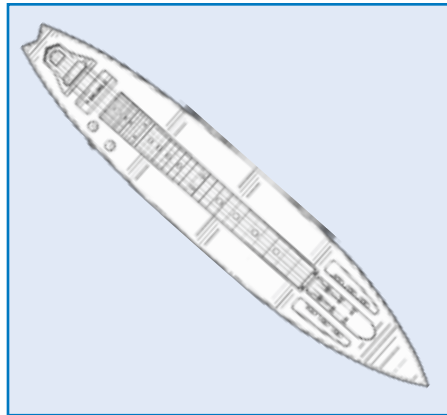
Patent No.: 8,388,178

Assignee: Altman Stage Lighting Co., Ltd. (USA)

### GUITAR

Patent No.: D665,010

Assignee: Team International Music Co., Ltd. (Taiwan)



### PAIRING COMPUTATION DEVICE, PAIRING COMPUTATION METHOD, AND RECORDING MEDIUM STORING PAIRING COMPUTATION PROGRAM

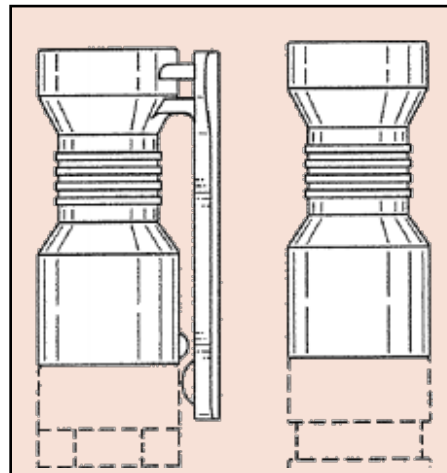
Patent No.: 8,477,934

Assignee: National University Corporation Okayama University (Japan)

### PEN

Patent No.: D667,502

Assignee: Mitsubishi Pencil Company, Limited (Japan)



### ROADWAY SYSTEM FOR MODEL VEHICLES WITH ENERGY-INDEPENDENT PROPULSION

Patent No.: 8,328,111

Assignee: Gebr. Faller GmbH (Japan)

### HEAT AND SMOKE DETECTOR

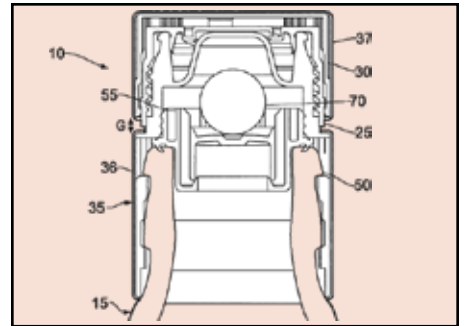
Patent No.: D675,948

Assignee: Hochiki Corporation (GmbH)

### TAMPER-EVIDENT CLOSURE

Patent No.: 8,453,856

Assignee: Obrist Closures Switzerland GmbH (Switzerland)



### GEARING FOR AN ADJUSTMENT DEVICE WITH COMPENSATION FOR PLAY

Patent No.: 8,453,529

Assignee: IMS Gear (Germany)

### METHOD AND SYSTEM HAVING A MULTI-FUNCTION BASE FOR STORING AND ACCESSING AN AUDIO FILE FOR USE IN SELECTION OF A HORN

Patent No.: 8,307,285

Assignee: Wolo Mfg. Corp. (USA)

### CONTROLLER WITH INTEGRATED MECHANISM

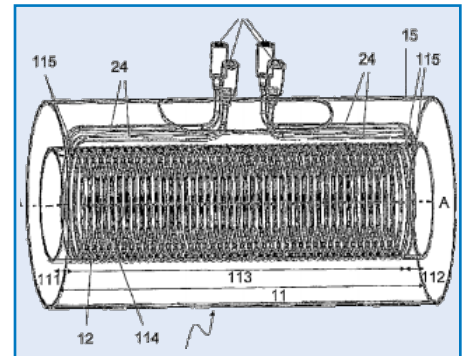
Patent No.: D667,804

Assignee: Binder GmbH (Germany)

### SCREEN SYSTEM WITH TUBE-SHAPED SCREEN AND METHOD FOR OPERATING A SCREEN SYSTEM WITH TUBE-SHAPED SCREEN

Patent No.: 8,453,845

Assignee: Artech Systems AG (Switzerland)



### METHOD AND APPARATUS FOR SURGICAL CLAMPING

Patent No.: 8,348,984

Inventors: Max Hauster Sueddeutsche Chirurgiemechnik GmbH (Germany)

### TOILET SEAT WITH URINE DEFLECTOR

Patent No.: 8,266,731

Inventor: Takara Belmont Corporation (Japan)



# More Trademarks

## TRADEMARK CORNER

Continued from Page 7: Trademark Corner

### JEX WAY

Registrant: Japan Expressway International Co., Ltd. (JAPAN)



### THE HELMSLEY SANDCASTLE HOTEL

Registrant: Park Lane Hotel, Inc. (USA)



### CAPCEL CORE

Registrant: Shiseido Company, Ltd. (JAPAN)

### PEAK POTENTIALS

Registrant: Newpeaks, LLC (USA)

### GLOBAL CARE BY MESSIER-BUGATTI-DOWTY

Registrant: Messier-Bugatti-Dowty (FRANCE)

### MONPLA SMASH

Registrant: Gree, Inc. (JAPAN)

### TRUSTED AUTHORITY

Registrant: Simplewealth Inc. (CANADA)

### JVC KENWOOD CREATES EXCITEMENT & PEACE OF MIND

Registrant: JVC Kenwood Corporation (JAPAN)



### TREND SELECTION NEW YORK

Registrant: Ente Fieristico Areapelle (ITALY)

### BIG BAD MAX

Registrant: Wolo Manufacturing Corp. (USA)

### LIGHT FILLING

Registrant: Teoxane SA (SWITZERLAND)

### ROUZAIRE

Registrant: Fromagerie Rouzaire (FRANCE)

### CARUSO

Registrant: Raffaele Caruso S.P.A. (ITALY)

### TECNOSPOT

Registrant: Tecno Spot S.R.L. (ITALY)

### POWERGURU

Registrant: Semikron International GMBH (GERMANY)

### MINIBANDA

Registrant: Miniconf S.P.A. (ITALY)

### OLIMP LABS

Registrant: Olimp Laboratories SP. Z O O (Poland)



### MEGAPLEX

Registrant: Seiko Epson Kabushiki Kaisha (JAPAN)

### LINKBYNET

Registrant: Link By Net (SAS) (FRANCE)

### LION BRAND YARNS 1878

Registrant: Orchard Yarn and Thread Company, Inc. (USA)



### KREFINE

Registrant: Kureha Corporation (JAPAN)

### VIRTUS MODULE

Registrant: Zhejiang Yuhui Solar Energy Source Co, Ltd. (CHINA)

### GENCIX

Registrant: Gencix (FRANCE)

### ANATOMIC & CO.

Registrant: Ghetz Limited (UNITED KINGDOM)

### S KING

Registrant: Shanghai S-King Gift Co., Ltd. (CHINA)

### PYROGUARD

Registrant: C.G.I. International Limited (UNITED KINGDOM)



### PASCUAL VIVE SOY

Registrant: Grupo Leche Pascual, S.A. (SPAIN)



### BAKEWISE

Registrant: Bakewise Brands, Inc. (USA)

### EVERLAST SPORT

Registrant: Everlast World's Boxing Headquarters Corp. (USA)

### UMAN

Registrant: NL&F S.A. (LUXEMBOURG)

### DESIGN ONLY

Registrant: Kureha Corporation (JAPAN)



### ECOSHIFT

Registrant: Hyundai Motor America (USA)

### DESIGN ONLY

Registrant: Chuo Mitsui Trust Holdings, Inc. (JAPAN)



### KENNETH COLE REACTION

Registrant: Kenneth Cole Productions (LIC). LLC (USA)

# Quality is Heading Home

## Attorney Profile Continued from Page 1: Marvin Feldman

through its China Business Technology Program, invited Mr. Feldman to travel the country and lecture on patent principles and practice. Seminars were set up in technology centers in Beijing, Nanjing, Shanghai, Qingdao and Xian. Mr. Feldman was the first foreign recipient of the Torch Award granted by the China State Science and Technology Center. Known respectfully in China as Dr. "Mah-Win" (meaning noble horse), his counsel is actively sought in connection with US/China business development and enterprise purchases. Domestically, he has an impressive resume of intellectual property presentations, including providing a comprehensive patent practice seminar at Ramapo College, and was selected to judge the Masters of Business Administration venture capital course projects at Long Island University.

Mr. Feldman's broad range of clients have included Pfizer, the Albert Einstein College of Medicine, Union Carbide, Witco Chemical, GAF, Yale University, Drug Delivery Systems, Laboratorios Biologicos Farmaceuticos, the biomedical laboratories and research facilities of Cuba, leading medical practitioners, Raritan Computers, and hand tool manufacturers including Channellock, Bestway, Dexter-Russell and Hyde. In addition to his patent expertise, he has represented in the US the Chinese owned licensee of TVB, the renowned Hong Kong television enterprise, with respect to the seizure of pirated television program tapes, and

in that connection was a contributor to the US Appellate Court argument and wrote the intellectual property section of the appellate brief.

Mr. Feldman holds a baccalaureate degree in Chemical Engineering from the City College of New York and a Juris Doctor degree from Brooklyn Law School. He was afforded an AV rating, the highest peer review professional rating for legal expertise and ethics. He is authorized to practice in many US District Courts and Federal Circuit Courts.

The firm relies heavily on his strong background in chemistry, pharmacology and polymers. His undergraduate thesis related to the structure of polytetrafluoroethylene. He became a solid propellants engineer for the U.S. Army, which background led in time to his appointment as a Project Development Engineer at United Technologies for the development of the Titan III-C polymerized solid propellant rocket system. At the age of 24, he was tasked with the design of interim solid propellant conditioning units for the Titan III-C booster rocket system.

His first position as a patent attorney was with Union Carbide, after which he left to enter private practice. Prior to joining Lackenbach Siegel, he was a partner and headed the Patent Departments of two IP law firms in New York City.



## Welcome Back Home... *It's About Time!*

Like the proverbial child who runs away from home only to return before nightfall, a well-known American company is bringing most of its manufacturing back to the U.S. – after more than a decade of outsourcing in Asia. The decision of K'NEX Brands, a family-owned maker of plastic building toys, to boost manufacturing at The Rodon Group, its Hatfield, Pennsylvania plant, is only one example of a major trend. Persuasive factors leading to the ultimate decision included quality control, overall costs, timeliness of deliveries, and intellectual property issues.

### THE HOME ADVANTAGE –

- Greater ability to react to shifts in consumer demands because it's much quicker and easier to retool – thus creating additional sales;
- Delivery times are and changes in delivery schedules are quicker, allowing manufacturers to take advantage of unexpected increases in sales;
- There's more control over quality – including avoiding safety product recalls;
- There's more control over materials – important where safety is an issue;
- Overseas labor costs are increasing, whereas using robotics in its U.S. plant is boosting productivity – thus lowering per-unit labor costs;
- Transportation costs are rising;
- Time zone differences make communication between manufacturers and suppliers difficult; and
- Improved Intellectual Property protection.

**Rebecca Bagley in Forbes succinctly highlights and adds “the almost incalculable potential for lost intellectual property offshore.” Thus K'NEX joins many companies now returning manufacturing to the U.S. for a host of reasons, including, most notably, better intellectual property protection in the U.S.**

**FACING CHALLENGES WITH INNOVATION** – K'NEX has always manufactured their bricks, rods, and connectors, the basics of all its building sets, in the U.S., but it had to adjust its product to facilitate the return of most manufacturing to its U.S. plant. For example, the Wall Street Journal reports that the company redesigned its roller coaster tracks—previously held together by manually inserted metal pins—to be all-plastic with pressure-fit connectors. The cost of having American workers utilize metal pins was prohibitive, so the company redesigned the tracks so that they could simply be snapped together. Even more innovative, K'NEX redesigned the toy sets' tiny hubcaps—which used to be inserted by hand by overseas workers—for young customers themselves to snap together along with the rest of the toy.

**THE MORE THE MERRIER** – There are many companies returning manufacturing to the United States. WHAM-O brought back 50 percent of its Frisbee production to California and Michigan. CharlieDog and Friends, a Rye, N.Y.-based toy company, announced efforts to restore manufacturing of their plush toys in America. Domestic companies are learning that if their manufacturing is located in the U.S.—with favorable labor, delivery, transportation, and quality control issues—they can also achieve better protection of trade secrets and related IP at home.



# That's Not My Interpretation!

## Never Ending Litigation

### Some Agreements are All Tangled Up

Even Spider-Man himself couldn't untangle the legal web enmeshing Marvel Entertainment and the inventor of a spider web-shooting toy glove. It may take a jury – the second one in a very protracted litigation – to decide what a written agreement between the parties actually provides. The federal Court of Appeals in California recently ruled that an Arizona district court was wrong when it decided the agreement was unambiguous. This case is a classic example of the need to spell out in agreements as clearly as possible business terms that could apply years in the future.

It all started 23 years ago when lawyer-inventor Stephen Kimble filed a patent for a toy spider web-shooting glove, a toy that mimics Marvel's Spider-Man character by propelling foam string. In 1990, Kimble took his invention to Toy Biz, the predecessor of Marvel Entertainment. As the Arizona district court later explained, there was a verbal agreement whereby "Toy Biz agreed to not use the ideas disclosed by Kimble without first negotiating a reasonable royalty payment for their use." Toy Biz subsequently made and sold a "Web Blaster" toy. In 1997, Kimble sued Toy Biz for patent infringement and breach of contract based on the 1990 alleged oral agreement. The court found against Kimble on the patent infringement claim, but Kimble prevailed at a trial on his claim for breach of the oral agreement. The court award was a 3.5 percent royalty payment of the net product sales. Both sides appealed.

Pending the outcome of the appeal, Marvel and Kimble negotiated the now famous written Settlement Agreement that superseded the judgment of the court. The 2001 Agreement provided for purchase of the patent and payment of royalties for toys that otherwise would have infringed the patent and also for the specific Web-Blaster toy that was the focus of the lawsuit.

The written agreement served until 2006, when Marvel licensed copyright and trademark rights for Marvel characters – including the toy web-shooting glove – to Hasbro. As the district court explained, Hasbro refused to sign a sublicensing agreement with Marvel requiring Hasbro to pay Kimble royalties under the Settlement Agreement. Marvel did continue to pay royalties to Kimble, including royalties on its "Web Blaster" kits that included "Extra Value" items, until 2008. Then Marvel informed Kimble that he was not entitled to royalties on the "Extra Value" items and that it had overpaid Kimble by more than \$250,000. When Kimble brought a new lawsuit in Arizona against Marvel in 2008, Marvel argued that all its obligations under the written Settlement Agreement would end in 2010, with the expiration of the patent.

The district court adopted the magistrate's recommendations that Kimble should not receive royalties on non-patent rights. Meanwhile, Marvel asked

a U.S. district court in New York to declare that Kimble had no claim under the oral agreement. The New York court transferred that case to Arizona. Thereafter, the parties agreed to dismiss the 2008 lawsuit. In the transferred action, now pending in Arizona, Kimble argued that the Settlement Agreement specifically ensured that if Marvel made a toy in the future, Kimble still would have the right to maintain that the new toy was not covered by the Settlement Agreement that put an end to royalties – either because it did not infringe the patent, or because it was not the toy that was litigated leading up to the Settlement Agreement.

The Arizona district court found that the 2001 Settlement Agreement ended all Kimble's claims, including any claims under the 1990 oral agreement, and was unambiguous:

**A contract provision is unambiguous where it has "a definite and precise meaning, unattended by danger of misconception in the purpose of the contract itself, and concerning which there is no reasonable basis for a difference of opinion."...A contract is not ambiguous merely because the parties argue for different interpretations, nor where the interpretation urged by one party strains the contract language beyond its reasonable and ordinary meaning.**

But in the recent July 2013 decision, the U.S. Court of Appeals vigorously disagreed, finding that: "[T]he Settlement Agreement is ambiguous..." So Kimble still cannot demand royalties under the 2001 Settlement Agreement, because the patent has expired. (Kimble could appeal that decision, to add yet more tangles to this spider web of a tale.) But the Court of Appeals kept alive Kimble's claim for breach of an oral agreement back in 1990 – that may allow Kimble to receive compensation for new versions of the toy that are not covered by the patent. Quite the super mess after two decades of litigation, with no resolution in sight. The case now goes back to the Arizona district court where the parties will have a chance to present (more) evidence on the meaning of the 2001 Settlement Agreement.

Things could have been simpler, faster and far less expensive had the Settlement Agreement been better drafted. Instead it was deemed legally ambiguous. The "Web-Shooting" case might have been resolved more easily if the parties had considered how someone else might understand the terms after several years and after evolving circumstances. So it makes sense for companies to indulge in discussions and some business role-playing, imagining various future scenarios – to weave agreement language that elucidates – and does not ensnare. It may turn out that what Peter Parker's aunt told him is true: **"Secrets have a cost. They're not free. Not now, not ever."**

## INVENTIONS OF THE YEAR

**Time Magazine** designated the *LifeStraw* by Vester-gaard-Fransden, a personal water filter intended to be used for drinking river and lake water that removes at least 99.9999% of waterborne bacteria and filters 1000 liters of contaminated water, as its Invention of the Year.

**Popular Science** recognized for its annual invention awards an animatronic robotic hand, intended to educate hobbyists in such technology to improve robotic skills, and a throwable shock-absorbing round shell supporting cameras, microphones, infrared LEDs and various sensors to evaluate temperature, potentially poisonous gases, and to report environmental and situational information via Wi-Fi.

**European Patent Office** announced awards to the inventors of a nano-capsule 70 times smaller than a red blood cell that destroys cancer cells without damaging neighboring healthy tissue, and for a highly efficient method of sequencing DNA strands. Their *Lifetime Achievement Award* went to the inventor of the world's first flat-panel liquid crystal display screen.

**Univ. of Washington** honored a clinical professor of medicine for his development of medical devices used in gastroenterological internal diagnostic examinations and surgeries. The devices materially improve safety and increases mobility and dexterity, thus improving efficacy.

**NYIPLA** (NY IP Law Assoc.) awarded its highly valued Inventor of the Year recognition for discovering the Niemann-Pick disease gene, and creating genetic screening procedures therefore. Such advances allow for enzyme replacement therapies that are presently in clinical trials.

## Acknowledgement Zone

**Lackebach Siegel** was celebrated for its remarkable average attorney tenure of 19 years, and staff average tenure of 15 years - both statics situated at the pinnacle of the industry.

- and -

**Howard N. Aronson** continued to be positioned among the top 20 trademark filers in the nation, representing a decade of preeminent achievement and a remarkable accomplishment for a boutique IP law firm.



# International Trademark Department

## RO'S OBSERVATIONS

By Rosemarie B. Tofano

### **Thailand - An Underestimated Force -**

The European Union has opened free trade discussions with Thailand because it exports more goods into the EU than any other country – mostly food and manufactured goods. While Japan and China stand ahead of the EU selling goods into Thailand, its significant bi-lateral trade is now being recognized. The concern and obstacle to free trade is the obligation to more dependably enforce IP rights. The Thailand Department of IP has committed to increased enforcement and indeed there have been increased customs seizures and numerous raids of late to address counterfeit goods.

### **Australia - Welcome New Law -**

On April 15, amendments to the law speed opposition proceedings, increase infringement damages and favor the applicant in borderline registration decisions. Oppositions must be filed within two months of publication with the response due only a month later. Extensions will be difficult to obtain and be granted only if diligence can be shown. The Trademark Office may decide an opposition without allowing oral argument in its discretion. When an applied-for mark is debatably non-distinctive,

the presumption will now reside with the applicant. In order to increase the effectiveness of infringement actions, punitive damage awards are now allowed, and in severe cases, there is provision for up to five years of prison and a \$300,000 fine.

### **European Union - Genuine Use Uncertain -**

A trademark registration can be attacked if not in genuine use within five years. Often questioned is whether use in only one member country is "genuine." A recent court decision failed to clarify that assessment. The court's holding stated that while use in one country is not per se non-genuine, the various countries borders should be ignored when determining use. The sales territory is only one factor to assess. The type of goods and the location of markets must be considered, market share and consumer demands need to be part of the equation of determination, as well as the monetary volume of sales, frequency and penetration.

### **China - Improved Infringement Framework -**

To respond to global pressure to address domestic infringements there are now multiple administrative agencies that can bring an enforcement action. The Agency of Industry and Commerce can pursue infringers as well as handle trademark registration. The Administration of Quality Supervision, In-

spection and Quarantine enforces quality standards including against counterfeit products, and The General Administration of Customs uses actions to enforce registered marks that involve imported or exported goods. When an infringement is alleged to be criminal, any such agency can refer the matter to the Public Security Bureau. The Agency of Industry and Commerce is the preferred agency by most trademark rights owners, as it is located in many geographic areas and is empowered to issue fines and confiscate goods and profits.

### **El Salvador - Improved European Sales -**

This country has ratified, as of August, an agreement with over 25 European jurisdictions related to enhancing ecommerce. It provides increased trading access for this country by eliminating export duties for foodstuffs and manufactured goods, as well as a purchasing quota levied upon the European countries that increases over time. As regards trademark exposure, the El Salvadorian products must now meet European product regulations to qualify as legitimate use in such countries. While the agreement opens up sales of El Salvadorian products to more than one-half billion European consumers, the requirement that manufactured goods comply with strict European product guidelines poses a difficult obstacle for this country's manufacturers.

## NOTABLE DEVELOPMENTS *By Rosemarie B. Tofano*

**Madrid Protocol** - India became part of the Madrid Protocol as of July, and Mexico as of February, joining the Philippines, New Zealand and Columbia as recent members. The Madrid Protocol system now boasts 27 member countries and allows for filing and prosecution in one of three languages that include English, as well as reduced filing fees (over a plurality of separate national filings). While each national jurisdiction has control of its prosecution and registration standards, once registered the Madrid Protocol system can provide significant management savings. There are, however, identification of goods legal issues that often overshadow such cost savings.

**European Union** - This March the European Commission published draft amendments to the European Trade Mark rules. Notably, it introduces a single fee per class, ends filing at national trademark offices and searches by the OHIM, and shortens the opposition window from six months to one month from publication. The intended result is to speed allowance and eliminate registrations for non-core goods/services. The proposed amendments need approval by the European Parliament and the Council – and when adopted, member jurisdictions have two years to change their national laws to conform.

**Turkey** - This jurisdiction has joined many European and Asian countries allowing proof of use of a mark based on Intent. The Turkish Trademark law provides that use can be established based upon importing goods bearing the mark. But sale of goods to the Turkish consumer through an Internet site based outside Turkey is not generally considered an importation, especially when less than significant commerce is involved. So when a site

is accessible globally and not specifically focused on the Turkish consumer, it does not provide evidence of domestic use. When a conflict in Turkey hinges on proving use, the entity being attacked must prove its use with "serious evidence." Internet sales are probative as long as the site has the requisite specific direction to the Turkish customer.

**United Kingdom** - Actual use of a mark can be established by Internet evidence alone, but there must be more than mere presence on a website. This jurisdiction has wrestled with assessing use of a mark in the UK when a site can be accessed anywhere in the world. The situs of the base of the site is not determinative. The intention of the website to target a specific country and what the visitor perceives have become key elements of proof; i.e., English language, pricing in pounds Sterling, and the like.

**France** - In order to prove use of a mark, Internet use has long been recognized as long as the particular goods or services are offered to the French consumer on an active website (capable of commerce), and there has been a material number of French consumers purchasing such goods/services. While such is a generally accepted standard that is prevalent in many European countries, and was confirmed in a 2006 court decision, more court decisions have recognized use on a global Internet site when the French purchasing public has bought a significant amount of the goods.

**China** - The legislator approved a new Trademark law that will become effective May 1, 2014, and materially changes existing procedures. Multi-class applications will be acceptable, sound

trademarks will be registrable, and examination of applications will be effected within nine months of filing. There now is the ability to review an opposition decision, and the opposition proceeding is to be completed within one year, with a six month extension available. Infringement proceedings have been materially altered with the maximum damages being increased 600 percent, to \$500,000 USD, with the ability to be trebled. Such limits will be waived and increased if the infringer is involved in more than two infringement actions in five years.

For more information about International Trademarks, please email: [Rosemarie B. Tofano, RTofano@Lackebach.com](mailto:Rosemarie.B.Tofano@Lackebach.com)

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