RECENT DEVELOPMENTS IN INFORMATION TECHNOLOGY LAW – Third Quarter 2013

BY

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BROOKS | KUSHMAN
INTELLECTUAL PROPERTY AND TECHNOLOGY RELATED CAUSES

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INTRODUCTION

Enactment of the America Invents Act was the biggest patent news of 2011, but its most comprehensive provisions were implemented September 16, 2012, and March 16, 2013. For example, one of its biggest components – the move to a first-inventor-to-file system – began on March 16th. Some of the major provisions which took effect on September 16th give patent challengers opportunities to make their cases at the Patent Office instead of in court. Four different procedures were implemented:

- *Preissuance submission of prior art*
- *Supplemental examination*
- *Interpartes review*
- *Special attack on business method patents.*

In a significant *en banc* ruling, in the *CLS Bank* case, the U.S. Court of Appeals for the Federal Circuit ruled in May of this year that computer method and computer-readable medium claims on the formulation and trading of risk management contracts are not eligible for patent protection under 35 U.S.C. § 101 as drawn to mere "abstract ideas." The court is divided 5-5 as to whether the computer system claims at issue are patent eligible.

The Supreme Court issued a ruling in a case involving a clash between two provisions of the Copyright Act, the first sale doctrine, 17 U.S.C. § 109(a), which gives the owner of a lawful copy of a creative work permission to dispose of the copy without interference from the copyright owner and Section 602(a)(1), which gives a copyright holder the right to block imports of a copy made overseas. In a 6-3 ruling, the Supreme Court held that the first sale doctrine applies to copies of works legally made overseas and imported into the United States without permission of the copyright holder.

Finally, just in time for the 2013 college football season, in the *Hart* case, the Third Circuit held in a right of publicity case that a video game maker's "realistic representation[]" of a Rutgers University quarterback is not transformative, and therefore the use of the player's likeness is not protectable expression under the First Amendment.

PATENTS
CASE LAW

1. U.S. Supreme Court

Bowman v. Monsanto

86 BNA PTCJ's 118

The U.S. Supreme Court on May 13, 2013, ruled that seeds harvested from one crop are "additional copies" of Monsanto Co.'s patented invention and thus are not subject to the patent exhaustion doctrine. The decision represents a victory for Monsanto, whose patents on Roundup Ready transgenic seeds have withstood attacks from farmers for more than a decade.

2. U.S. Courts of Appeal

a. ***Energy Transportation Group Inc. v. William Demant Holding***

84 BNA's PTCJ 1029

The U.S. Court of Appeals for the Federal Circuit on October 12, 2012 ruled that a patent based on computer technology in 1986 can capture later advances under the doctrine of equivalents.

b. ***Apple Inc. v. Samsung Electronics Co.***

84 BNA's PTCJ 1022

The U.S. Court of Appeals for the Federal Circuit on October 11, 2012 ruled that a preliminary injunction against a Samsung smartphone is an abuse of discretion.

c. ***CLS Bank International v. Alice Corp.***

84 BNA's PTCJ 990

The U.S. Court of Appeals for the Federal Circuit on October 9, 2012 agreed to rehear *en banc* a case on how to determine the patent eligibility under 35 U.S.C. § 101 of method, system, and medium claims implemented on a computer. The order vacates a split panel decision that computerized methods of eliminating risk in bank funds exchanges are patent eligible.

d. ***SanDisk Corp. v. Kingston Technology Co.***

84 BNA's PTCJ 992

The U.S. Court of Appeals for the Federal Circuit on October 9, 2012 ruled that patent infringement under the doctrine of equivalents was improperly limited to exclude equivalents of subject matter cited in external references. The court overturns rulings against flash memory patent holder SanDisk Corp., correcting two interpretations of how to apply the "disclosure-dedication" rule.

e. ***Microsoft Corp. v Motorola, Inc.***

84 BNA's PTCJ 962

The U.S. Court of Appeals for the Ninth Circuit on September 28, 2012 ruled that a district court properly issued a preliminary anti-suit injunction, preventing enforcement of an injunction imposed by a German court against Microsoft Corp.'s Xbox game system.

f. ***Akamai Technologies, Inc. v. Limelight Networks Inc.; and McKesson Technologies Inc. v. Epic Systems Corp.***

84 BNA's PTCJ 785

The U.S. Court of Appeals of the Federal Circuit on August 31, 2012, in an *en banc*, 6-5 split, ruled that a patent owner claiming induced infringement no longer has to show a single induced entity is liable for direct infringement.

g. *LaserDynamics Inc. v. Quanta Computer Inc.*
84 BNA's PTCJ 809

The U.S. Court of Appeals for the Federal Circuit on August 3, 2012 ruled that entire market value theory is irrelevant where laptop computer demand is not driven by disc reader.

h. *Mirror Worlds LLC v. Apple Inc.*
84 BNA's PTCJ 814

The U.S. Court of Appeals for the Federal Court on September 4, 2012 affirmed a District Court reversal of a $208 million patent judgment by a jury.

i. *ActiveVideo Networks v. Verizon Communications Inc.*
84 BNA's PTCJ 741

The U.S. Court of Appeals for the Federal Circuit on August 24, 2012 ruled that Verizon remains liable for $115 million damages for infringement by its FiOS video-on-demand service, but a permanent injunction against the service is vacated.

j. *MagSil Corp. v. Hitachi Global Storage Technologies Inc.*
84 BNA's PTCJ 667

The U.S. Court of Appeals for the Federal Circuit on August 14, 2012 ruled that patent claims on "10 percent to infinity" computer performance measure not enabled.

k. *Bancorp Services LLC v. Sun Life Assurance Company of Canada (USA)*
84 BNA's PTCJ 551

The U.S. Court of Appeals for the Federal Circuit on July 26, 2012 ruled that a patent claim on managing the risk in the value of a life insurance policy is not patent eligible under 35 U.S.C. § 101. Affirming a lower court's judgment, the appeals court distinguishes post-*Bilski* rules that have addressed the patent eligibility of claims focused on an algorithm that is implemented on a computer.

l. *01 Communique Laboratory Inc. v. Log Me In Inc.*
84 BNA's PTCJ 561

The U.S. Court of Appeals for the Federal Circuit on July 31, 2012 ruled that patent's internet-based software functions can be distributed over multiple computers.

m. *CLS Bank International v. Alice Corp.*
84 BNA's PTCJ 391

The U.S. Court of Appeals for the Federal Circuit on July 9, 2012 in a split decision, ruled that computerized methods of eliminating risk in bank funds exchanges are patent eligible. Reversing a district court ruling, the majority analyzes the "inventive concept" – a term introduced by the Supreme Court's recent decision in *Mayo v. Prometheus* – of the patent claims asserted by looking at the claims as a whole.

n. ***In re Mouttet***
84 BNA's PTCJ 354

The U.S. Court of Appeals for the Federal Circuit on June 26, 2012 ruled that a nanoprocessor system was obvious as mere substitution of nanoscale materials.

o. ***In re Ranbus Inc.***
103 USPQ2d 1865

The U.S. Court of Appeals for the Federal Circuit on August 15, 2012 ruled that invention of claim directed to method of operation of synchronous "memory device" was anticipated by "memory module" disclosed in prior art reference manual, since claimed "memory device" can contain more than one chip, and may contain controller that provides logic necessary to receive and output specific data but does not function like central processing unit, since "memory control unit" in prior art memory module provided necessary logic, since bus controller of prior art device was clearly outside memory module, thereby satisfying claim's requirement that memory device receive block size request from bus controller, and since there is consequently no principled way to distinguish claim at issue from prior art memory module.

p. ***Voter Verified Inc. v.***
Premier Election Solutions Inc.
85 BNA's PTCJ 36

The U.S. Court of Appeals for the Federal Circuit on November 5, 2012 ruled that automated voting machine makers do not infringe a patent that was applied for a month after the Florida paper ballots controversy in 2000. The court rules that an article in an online journal is "publicly accessible" as qualifying prior art, even if commercial search engines are unaware of it, so long as the journal is known by persons of skill in the art and it has its own search tool.

q. ***ePlus Inc. v. Lawson Software Inc.***
85 BNA's PTCJ 131

The U.S. Court of Appeals for the Federal Circuit on November 21, 2012 ruled that a patent system claim is indefinite for failure to provide corresponding hardware, code, or algorithm to support a "mean" "for processing" limitation.

r. ***Soverain Software v. Newegg***
85 BNA's PTCJ 409

The U.S. Court of Appeals for the Federal Circuit on January 22, 2013 ruled that a pre-internet system for computer-based shopping rendered internet e-commerce claims obvious. Reversing a lower court's validity ruling, the appeals court takes elements of the CompuServe Mall, which existed in the late 1980s, and adds updates based on World Wide Web conventions that would be obvious to a person of skill in computer science.

s. ***Parallel Networks v. Abercrombie & Fitch***
85 BNA's PTCJ 410

The U.S. Court of Appeals for the Federal Circuit on January 16, 2013 ruled that the owner of a website applet-delivery patent must live with its choice "to pursue a theory that allowed it to accuse a larger number of defendants," and so cannot modify its arguments based on a claim construction that defeated its infringement complaint. The court also affirms a decision not allow an amended complaint in light of a "hardly unanticipated" claim construction.

t. ***Technology Patents LLC v. T-Mobile (UK) Ltd.***
105 USPQ2d 1257

The U.S. Court of Appeals for the Federal Circuit on November 17, 2012 affirmed that grant of summary judgment that defendant software providers do not infringe certain claims of patent for global paging system using internet since plaintiff has not produced sufficient evidence that accused paging systems are even capable of meeting disputed limitations of claims in question; however, summary judgment of noninfringement as to remaining asserted claims is vacated and remanded, since district court based judgment on its finding that claims require multiple actors, but claims do not present issue of "joint" or "divided" infringement.

u. ***Function Media v. Google***
85 BNA's PTCJ 545

The U.S. Court of Appeals for the Federal Circuit on February 13, 2013 ruled that Google does not infringe website advertising patents that implicate its AdWords and AdSense products.

v. ***In re Hartman***
85 BNA's PTCJ 676

The U.S. Court of Appeals for the Federal Circuit on March 8, 2013 in a non-precedential ruling affirmed the rejection of claims under 35 U.S.C. § 112 to inventing the Internet.

w. ***Versata Software v. SAP America***
86 BNA's PTCJ 13

The U.S. Court of Appeals for the Federal Circuit on May 1, 2013 ruled that the record supported a $345 million award for software patent infringement by SAP America Inc. in an unusual situation in which a defendant succeeded in getting a second damages trial, but the second jury increased the award by more than $200 million.

x. ***Ceats Inc. v. Continental Airlines Inc.***
86 BNA's PTCJ 18

The U.S. Court of Appeals for the Federal Circuit on April 26, 2013 in a non-precedential opinion upheld the ruling that a patent on online airline and venue seat selection as anticipated by Expedia.

y. ***CLS Bank International v. Alice Corp.***
86 BNA's PTCJ 120

An *en banc* U.S. Court of Appeals for the Federal Circuit on May 10, 2013 ruled that computer method and computer-readable medium claims on the formulation and trading of risk management contracts are not eligible for patent protection under 35 U.S.C. § 101 as drawn to mere "abstract ideas." The court is divided 5-5 as to whether the computer system claims at issue are patent eligible.

z. ***Brilliant Instruments Inc. v. GuideTech LLC***
105 USPQ2d 1879

The U.S. Court of Appeals for the Federal Circuit on February 20, 2013 ruled that accused time interval analyzers, which detect timing errors in digital signals of high-speed microprocessors, do not literally infringe asserted claims; however, patentee's theory of infringement by equivalents does not vitiate requirement that "first current circuit" and "capacitor" recited in

claims be separate elements, and genuine issue of material fact exists as to whether accused products infringe under doctrine of equivalents.

aa. ***Move Inc. v. Real Estate Alliance Ltd.***
105 USPQ2d 1948

The U.S. Court of Appeals for the Federal Circuit on March 4, 2013 ruled that accused system does not directly infringe claim for computerized method of locating real estate properties; however, liability for induced infringement may arise when steps of method claim are performed by more than one entity, and district court erred by not conducting indirect infringement analysis.

bb. ***Speedtrack Inc. v. Endeca Technologies Inc.***
106 USPQ2d 1442

The U.S. Court of Appeals for the Federal Circuit on April 16, 2013 in an unpublished opinion ruled that district court in action alleging infringement of patent for computer filing system in which data storage is linked to assigned categories, did not abuse its discretion in holding that defendant was not judicially estopped from arguing that disputed claim term "category description" cannot consist solely of numerical identifiers, despite seemingly contrary position taken by defendant in requesting reexamination by U.S. Patent and Trademark Office.

cc. ***In re Bayse***
86 BNA's PTCJ 342

The U.S. Court of Appeals for the Federal Circuit on June 5, 2013 in an opinion designated as non-precedential ruled that an Internet-based patent application on getting cash loan at an ATM when funds were insufficient was obvious.

3. **U.S. District Courts**
a. ***Apple Inc. v. Samsung Electronics Co.***
84 BNA's PTCJ 739

A jury in the U.S. District Court for the Northern District of California on August 24, 2012 awarded nearly $1.05 billion to Apple after it finds utility and design patent infringement by 25 distinct cell phone and three tablet computer devices made by Samsung.

b. ***Apple Inc. v. Samsung Electronics Co.***
84 BNA's PTCJ 416

The U.S. District Court for the Northern District of California on July 1, 2012 granted Apple a preliminary injunction when it stated that Samsung Nexus Smartphone likely infringes.

c. ***Apple Inc. v. Samsung Electronics Co.***
84 BNA's PTCJ 338

The U.S. District Court for the Northern District of California on June 26, 2012 ordered a preliminary injunction barring Samsung Electronics Co. from making, using, offering to sell, selling, or importing the Galaxy Tab 10.1 tablet computer in the United States. The decision follows a ruling by the Federal Circuit denying Apple Inc's request for an injunction against Samsung's Android-based smart phones but leaving the tablet injunction decision up to District Court Judge Lucy H. Koh.

d. ***Apple Inc v. Motorola Inc.***
84 BNA's PTCJ 349

The U.S. District Court for the Northern District of Illinois on June 22, 2012 dismissed the Apple – Motorola smartphone patent fight for lack of remedy.

e. ***Microsoft Corp. v. Motorola Inc.***
103 USPQ2d 1235

The U.S. District Court for the Western District of Washington on February 27, 2012 granted plaintiff summary judgment that defendant patentees entered into binding contracts with international standards-setting organizations requiring defendants to license, on reasonably nondiscriminatory terms and conditions, patents that have been declared "essential" to practicing standards for interoperability of computing devices; however, summary judgment is denied on questions of whether defendants' initial license offer, not just final negotiated license, must be on RAND terms, and whether defendants' offers to plaintiff breached defendants' RAND obligations.

f. ***Microsoft Corp v. Motorola Inc.***
84 BNA's PTCJ 1023

The U.S. District Court for the Western District of Washington on October 10, 2012 ruled that Motorola Inc. must agree to license standard-essential patents to Microsoft Corp., and if the parties cannot come to an agreement, a federal court will force one.

g. ***IP Engine Inc. v. AOL Inc.***
85 BNA's PTCJ 107

A jury in proceedings in the U.S. District Court for the Eastern District of Virginia on November 6, 2012 finds Google and AOL infringe ad tracking patents 6,314,420 and 6,775,664, and awards firm $30 million.

h. ***SmartGene v. Advanced Biological Laboratories***
85 BNA's PTCJ 348

The U.S. District Court for the District of Columbia ruled that *Mayo v. Prometheus* had no effect on whether a computer-based medical expert system is patent eligible, rejecting a patent owner's motion for reconsideration of her earlier decision in the case.

i. ***Apple Inc. v. Samsung Electronics Co.***
85 BNA's PTCJ 316

The U.S. District Court for the Northern District of California on December 17, 2012 ruled that new evidence proffered by Apple to justify a request for a permanent injunction against Samsung smartphones is insufficient. Following a jury verdict favoring Apple, the court denies Apple's motion for a permanent injunction and again finds lacking the company's evidence intended to show a causal nexus between Samsung's infringement and consumer demand. According to the court, prior rulings set the standard that Apple bears the burden of showing that any identified sales of infringing Samsung phones occurred as a result of Samsung's incorporation of the infringing feature.

j. ***Apple v. Samsung Electronics***
85 BNA's PTCJ 441

The U.S. District Court for the Western District of California on January 29, 2013 ruled that a jury's $1 billion damages award against Samsung for infringing Apple Inc.'s smartphone

patents is supported by the record and therefore Samsung is not entitled to either a judgment as a matter of law to overturn the verdict, or to new trial. The court does, however, grant Samsung judgment as a matter of law that its patent infringement is not willful.

k. ***Via Vadis Controlling G.m.b.H. v. Skype, Inc.***
85 BNA's PTCJ 585

The U.S. District Court for the District of Delaware on February 21, 2013 ruled that Skype is not compelled to disclose its source code in patent infringement litigation in Germany and Luxembourg.

l. ***Microsoft v. Motorola***
86 BNA's PTCJ 19

The U.S. District Court for the Western District of Washington on April 25, 2013 ruled that Motorola Inc.'s offer to Microsoft Corp. to license patents essential to two widespread computing standards is dramatically higher than the companies would have agreed to in a typical licensing negotiation. Consequently, the Court said that Motorola's patents were valued up to 76¢, not $6.00.

4. **International Trade Commission (ITC)**
a. ***In the Matter of Certain Mobile Telephones and Wireless Communication Devices Featuring Digital Cameras and Components Thereof***
84 BNA's PTCJ 510

The International Trade Commission on July 20, 2012 ruled that Apple Inc. and Research in Motion Ltd. escape liability for patent infringement because the sole patent claim asserted by Eastman Kodak Co. is found invalid by the International Trade Commission. The decision is a temporary blow to Kodak, which is trying to emerge from bankruptcy in part by auctioning its patents.

b. ***In the Matter of Certain Electronic Devices, Including Wireless Communication Devices***
86 BNA's PTCJ 277

The International Trade Commission on June 4, 2013 issued an exclusion order barring Apple from importing older iPhone and iPad models used on AT&T network.

5. **U.S. Patent and Trademark Office**
SAP America Inc. v. Versata Development Group Inc.
86 BNA's PTCJ 335

The Patent Trial and Appeal Board on June 11, 2013 issued its first decision on a post-issuance patent challenge enabled by the America Invents Act. The board holds that the challenged claims of a "covered business method" patent were ineligible for a patent under 35 U.S.C. § 101.

PATENT/ANTITRUST/BANKRUPTCY
CASE LAW
U.S. Court of Appeals

Eatoni Ergonomics Inc. v. Research in Motion Corp.
84 BNA's PTCJ 355

The U.S. Court of Appeals for the Second Circuit on June 21, 2012 ruled that RIM didn't breach settlement agreement, violate Sherman Act.

U.S. District Court

a. ***PNY Technologies Inc. v. SanDisk Corp.***
103 USPQ2d 1109

The U.S. District Court for the Northern District of California on April 20, 2012 ruled that plaintiff has made sufficient showing in complaint that defendant has monopoly power over upstream market for flash memory technology, since plaintiff alleges that defendant owns 100 percent of flash memory technology patents; however, plaintiff has failed to state claims for monopolization or attempted monopolization under Sherman Act's Section 2, or for conspiracy in restraint of trade under Section 1.

b. ***Cascades Computer Innovation LLC v. RPX Corp.***
85 BNA's PTCJ 458

The U.S. District Court for the Northern District of California on January 24, 2013 a patent troll suffers dismissal of Sherman Act claims of android device makers' boycott.

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CASE LAW
U.S. Supreme Court

Kirtsaeng d/b/a Bluechristine 99 v. John Wiley & Sons Inc.
85 BNA's PTCJ 695

The U.S. Supreme Court on March 19, 2013 in a 6-3 ruling held that the first sale doctrine, as codified in the federal copyright statute, applies to copies of works legally made overseas and imported into the United States without the permission of the copyright holder.

U.S. Court of Appeals

a. ***Capitol Records Inc. v. Thomas-Rasset***
84 BNA's PTCJ 792

The U.S. Court of Appeals for the Eighth Circuit on September 11, 2012 ruled that the Due Process Clause does not bar a Copyright Act statutory damages award of $222,000 - $9,250 for each of 24 songs – that a jury awarded against an individual who infringed the songs over the internet file-sharing program.

b. ***WPIX Inc. v. iVi Inc.***
84 BNA's PTCJ 740

The U.S. Court of Appeals for the Second Circuit on August 27, 2012 affirmed that a paid online service that streams broadcast content live to subscribers and offers a remote digital video recording service is not a "cable system" entitled to a compulsory license under the Copyright Act.

c. ***GlobeRanger Corp. v. Software AG***
84 BNA's PTCJ 713

The U.S. Court of Appeals for the Fifth Circuit on August 17, 2012 held that business practices suggested by software are beyond scope of copyright protection.

d. ***Flava Works Inc. v. Gunter d/b/a myVidster.com***
84 BNA's PTCJ 622

The U.S. Court of Appeals for the Seventh Circuit on August 2, 2012 ruled that website users' links to infringing uploads unlikely to create copyright liability for site.

e. ***Society of the Holy Transfiguration Monastery Inc. v. Archbishop Gregory of Denver, Colo.***
103USPQ2d 1585

The U.S. Court of Appeals for the First Circuit on August 2, 2012 ruled that plaintiff monastery established that it owns valid copyrights in translations of religious texts, and that copies of texts available on defendant's website are substantially similar to plaintiff's works, and grant of summary judgment of infringement is therefore affirmed.

f. ***St. Luke's Cataract and Laser Institute v. Zurich American Insurance***
85 BNA's PTCJ 509

The U.S. Court of Appeals for the Eleventh Circuit on February 7, 2013 ruled that an insurance policy that excludes coverage for advertising claims based on the use of another's name or product in the insured party's email address, domain name, or metatags does not preclude coverage for a copyright infringement claim based on a website.

g. *Columbia Pictures Industries Inc. v. Fung*
85 BNA's PTCJ 748

The U.S. Court of Appeals for the Ninth Circuit on March 21, 2013 held that a BitTorrent website operator's invitations to users to upload specific infringing content supplied the intent necessary to hold him culpable for users' infringements under an inducement of copyright infringement theory.

h. *Luvdarts v. AT&T Mobility*
85 BNA's PTCJ 751

The U.S. Court of Appeals for the Ninth Circuit on March 25, 2013 held that AT&T, Verizon, Sprint Nextel, and T-Mobile not liable for copyright infringement based on their subscribers' alleged unauthorized sharing of copyrighted content on the carriers' multimedia messaging services.

i. WNET *v. Aereo Inc.*
85 BNA's PTCJ 799

The U.S. Court of Appeals for the Second Circuit on April 1, 2013 ruled that Aereo Inc.'s use of individual antennas allowing subscribers to watch television programs online at nearly the same time as they are being broadcast, does not constitute a public performance under *Cablevision*.

U.S. District Courts
a. *McGraw-Hill Cos. v. Google Inc.*
84 BNA's PTCJ 989

The U.S. District Court for the Southern District of New York on October 4, 2012 one of the parties in a long-running dispute over Google Inc.'s mass digitization of books announces that it is settling its claim with Google. The Association of American Publishers and Google release a statement that they have agreed to settle their now seven-year-old dispute.

b. *Third Degree Films v. Doe*
84 BNA's PTCJ 996

The U.S. District Court for the District of Massachusetts on October 2, 2012 ruled that joinder in BitTorrent cases "technically" okay but inappropriate due to potential abuse.

c. *Pacific Stock v. MacArthur & Co.*
84 BNA's PTCJ 1003

The U.S. District Court for the District of Hawaii on October 2, 2012 ruled that Web magazine's removal of copyright notice, adding own, warrants maximum DMCA damages.

d. *Spry Fox LLC v. Lolapps Inc.*
84 BNA's PTCJ 965

The U.S. District Court for the Western District of Washington on September 18, 2012 ruled that a video game maker's copyright infringement claims against a competitor survive dismissal.

e. ***AF Holdings LLC v. Doe***
84 BNA's PTCJ 820

The U.S. District Court for the Northern District of California on September 4, 2012 ruled that the Copyright Act preempts negligence lawsuit alleging failure to secure wireless network.

f. ***Sony BMG Music Entertainment v. Tenenbaum***
103 USPQ2d 1902

The U.S. District Court for the District of Massachusetts on August 23, 2012 ruled that jury award of $22,500 per infringement, for total damages award of $675,000, in action against defendant based on his file-sharing of music recordings, does not offend due process, since award is neither "wholly disproportioned to the offense" nor "obviously unreasonable", given deference afforded to U.S. Congress in offering and establishing statutory damages as option to collection of actual damages, and in increasing penalties for willful infringement, and in view of defendant's particular behavior and fact that award not only is within range for willful infringement, but also below limit for non-willful infringement.

g. ***Discount Video Center Inc. v. Does 1-29***
103 USPQ2d 1759

The U.S. District Court for the District of Massachusetts on July 5, 2012 denied a motion to quash subpoena requesting identities of 29 Doe defendants from their respective internet service providers in case arising from alleged trading of copyrighted work in related transactions using BitTorrent software.

h. ***WNET v. Aereo Inc.***
102 USPQ2d

The U.S. District Court for the Southern District of New York on May 18, 2012 ruled that text and structure of preemption statute, 17 U.S.C. § 301(a), suggest that Copyright Act preempts unfair competition claim asserted by television production, distribution, and transmission companies alleging that defendant's internet-based broadcast television streaming service "unfairly exploit(s) Plaintiffs' property interests in their audiovisual works" for defendant's commercial benefit, even though defendant's service involves private performances that are not actionable under Copyright Act.

i. ***Branca v. Mann***
84 BNA's PTCJ 716

The U.S. District Court for the Central District of California on August 10, 2012 ruled that Michael Jackson's estate is not precluded from pursuing claims against "Vault" website.

j. ***American Broadcasting Cos. v. Aereo Inc.***
84 BNA's PTCJ 456

The U.S. District Court for the Southern District of New York on July 11, 2012 ruled that the system that Aereo Inc. uses to allow its customers to watch and record television broadcasts is "materially identical" to the system used in *Cablevision*, and thus the Second Circuit's determination that the Cablevision device does not transmit the broadcast precludes an issuance of a preliminary injunction against Aereo.

k. ***Shutterfly Inc. v. Forever Arts Inc.***
84 BNA's PTCJ 483

The U.S. District Court for the Northern District of California on July 13, 2012 granted Shutterfly a TRO against former employee for alleged theft of copyrighted source code.

l. ***Siniouguine v. Mediachase Ltd.***
84 BNA's PTCJ 420

The U.S. District Court for the Central District of California on June 11, 2012 ruled that a software programmer is employee even with gaps in receipts of regular salary.

m. ***Northland Family Planning Clinic Inc. v. Center for Bio-Ethical Reform***
84 BNA's PTCJ 358

The U.S. District Court for the Central District of California on June 15, 2012 ruled anti-abortion websites' use of pro-choice film was fair use of parody under Section 107.

n. ***Tetrix Holding LLC v. XIO Interactive Inc.***
103 USPQ2d 1959

The U.S. District Court for the District of New Jersey on May 30, 2012 ruled that principle that patents and copyrights protect distinct aspects of intellectual property does not mean that any and all expression related to rule or function of video game falls outside protection of copyright law, since expression is unprotected only if it is integral to or inseparable from idea or function under doctrines of merger or scenes à faire, and expression of "method of operation" is copyrightable if it is distinguished from method itself and is not essential to its operation; in present case, defendants' accused video puzzle game is substantially similar to plaintiff's copyrighted game with regard to design and movement of playing pieces, as well as other discrete copyrightable elements.

o. ***Xcentric Ventures LLC v. Mediolex Ltd.***
85 BNA's PTCJ 19

The U.S. District Court for the Southern District of Arizona on October 24, 2012 ruled that a website operator that encouraged visitors to post negative reviews on a rival gripe site is not contributorily liable for those users' alleged infringement of the rival site's copyrights.

p. ***Malibu Media LLC v. Doe***
85 BNA's PTCJ 189

The U.S. District Court for the Southern District of New York on November 30, 2012 ruled that pornography file-sharing defendant allowed to proceed unnamed due to privacy issues.

q. ***Fox Television Stations Inc. v. BarryDriller Content Systems PLC***
85 BNA's PTCJ 305

The U.S. District Court for the Central District of California on December 27, 2012 ruled that a service that purportedly allows subscribers to stream broadcast television content to their computers and mobile devices via mini-antennas infringes content industry copyrights. The opinion

is in tension with a New York district court's ruling in July that found a similar device non-infringing.

r. ***John Wiley & Sons, Inc. v. Williams***
104 USPQ2d 1709

The U.S. District Court for the Southern District of New York on November 5, 2012 granted default judgment to plaintiff alleging illegal reproduction and distribution of copyrighted "For Dummies" books over internet using "BitTorrent" file-sharing protocol against defendants who have not entered appearance in case, and is awarded $3,000 in statutory damages from each defendant.

s. ***Aerosoft GMBH v. Does 1-50***
104 USPQ2d 1697

The U.S. District Court for the Southern District of Florida on October 23, 2012 stated that plaintiff's permissive joinder of 50 Doe defendants, in action alleging illegal reproduction and distribution of copyrighted video game over internet using "BitTorrent" file-sharing protocol, is improper under Fed.R.Civ.P. 20(a)(2); defendants' decision to obtain BitTorrent software and download same copyrighted work does not, in and of itself, constitute "same transaction, occurrence, or series of transactions or occurrences."

t. ***Authors Guild Inc. v. HathiTrust***
104 USPQ2d 1659

The U.S. District Court for the Southern District of New York on October 10, 2012 ruled that plaintiff domestic associational organizations do not have statutory standing to bring copyright infringement action, on behalf of their members, challenging universities' agreements with internet search engine that allow search engine to create digital copies of works in universities' libraries, since case law interpreting 17 U.S.C. § 501(b) indicates that Copyright Act does not permit copyright holders to have others sue on their behalf.

u. ***Ardis Health LLC v. Nankivell***
104 USPQ2d 1856

The U.S. District Court for the Southern District of New York on October 23, 2012 ruled that defendant's state-law claim alleging conversion of website is preempted by federal copyright law, since conversion claims are routinely held to be not quantitatively different from copyright claims, since defendant, by alleging that she "created" website, including its "design" and "distinctive look," and that plaintiffs and third-party defendant exercised "unauthorized dominion" over work and presented it to public as their own, asserts claim that falls squarely within general ambit of federal copyright law, and since claim does not contain "extra element" that would protect conversion claim from preemption.

v. ***Routt v. Amazon.com Inc.***
105 USPQ2nd 1089

The U.S. District Court for the Western District of Washington on November 30, 2012 ruled that plaintiff has failed to state plausible claim that defendant online retailer is vicariously liable for copyright infringement allegedly committed by participants in defendant's "associates program" since vicarious liability requires some version of agency relationship, and plaintiff has not stated plausible claim that associates are not "solely responsible" for content of their websites, as stated in defendant's "associates agreement."

w. ***Ingenuity 13 L.L.C. v. Doe***
85 BNA's PTCJ 516

The U.S. District Court for the Central District of California on February 7, 2013 ruled that unsupported BitTorrent pleadings provoke sanctions hearing for plaintiff's counsel.

x. ***Agence France-Presse v. Morel***
85 BNA's PTCJ 416

The U.S. District Court for the Southern District of New York on January 14, 2013 ruled that the terms of service of Twitter's microblogging service do not support the argument that posting images on Twitter grants third parties an unrestricted license to re-use those images.

y. ***Fox Broadcasting Co. v. Dish Network LLC***
105 USPQ2d 1541

The U.S. District Court for the Central District of California on November 7, 2012 ruled that plaintiff owners of copyrights in network television programming have failed to establish likelihood of success on merits of their claims that defendant satellite television service is liable for direct, contributory, or vicarious infringement of plaintiffs' copyrights by making available to subscribers set-top boxes that can record broadcast network programming, since evidence does not suggest that consumers use recording feature for anything other than time-shifting in their homes or on mobile devices, which has been held to be legitimate, noninfringing practice.

z. ***AF Holdings LLC v. Doe***
105 USPQ2d 1490

The U.S. District Court for the Northern District of California on January 7, 2013 ruled that plaintiff, in action in which prior complaints alleged only negligence against defendant, is denied leave to file second amended complaint alleging direct and contributory infringement against same defendant by means of online file sharing using "BitTorrent" transfer protocol.

aa. ***Metabyte Inc. v. NVIDIA Corp.***
106 USPQ2d 1931

The U.S. District Court for the Northern District of California on April 22, 2013 ruled plaintiff's claim for unfair business practices under California law is preempted by Copyright Act, since claim alleges that defendant company created and sold products that were substantially similar to plaintiff's copyrighted software, and that products included plaintiff's proprietary information by way of direct copies and derivative works acquired through alleged theft and copying of software, and since reproduction of copyrighted works, preparation of derivative works, and distribution of copies to public are all rights granted under Copyright Act.

bb. ***Capitol Records L.L.C. v. ReDigi Inc.***
85 BNA's PTCJ 802

The U.S. District Court for the Southern District of New York on March 30, 2013 held that the operators of an online music marketplace that allows users to buy and sell their legally downloaded music tracks are liable for direct and secondary copyright infringement. The court rejects ReDigi Inc.'s argument that the resale of the digital tracks is protected by the first-sale doctrine.

cc. ***Faktor v. Yahoo! Inc.***
85 BNA's PTCJ 942

The U.S. District Court for the Southern District of New York on April 16, 2013 ruled that the Copyright Act preempts Yahoo! idea-stealing suit.

dd. ***Football Association Premier League v. YouTube***
86 BNA's PTCJ 165

The U.S. District Court for the Southern District of New York on May 15, 2013 stated that copyright claim are "poor candidates for class-action treatment," as it denies class certification to a worldwide group of plaintiffs claiming their works had been uploaded to YouTube Inc. without their consent.

ee. ***David v. CBS Ineractive Inc.***
106 USPQ2d 1773

The U.S. District Court for the Central District of California on February 19, 2013 denied plaintiff recording artists and copyright owners preliminary injunction in action alleging that defendants induced infringement of copyrights through use of peer-to-peer file sharing software, since there is no evidence of any ongoing distribution of any file-sharing software by defendants with object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement.

ff. ***Design Data Corp. v. Unigate Enterprise Inc.***
105 USPQ2d 1718

The U.S. District Court for the Northern District of California on January 29, 2013 ruled that a claim for restitution under theory of breach of contract implied in law/quantum meruit, based on alleged unauthorized copying and use of plaintiff's copyrighted structural steel detailing software, is pre-empted by federal copyright law, since claim based on implied in-law contract includes no "extra element" in addition to defendant's unauthorized use of copyrighted work, and is therefore equivalent to rights protected by Copyright Act.

gg. ***AF Holdings LLC v. Rogers***
105 USPQ2d 1723

The U.S. District Court for the Southern District of California on January 29, 2013 ruled that plaintiff's claim alleging that defendant was negligent in either failing to secure his internet connection or permitting someone to use his internet connection, resulting in infringement of copyright in plaintiff's video, is preempted by Copyright Act, since claim is equivalent to contributory infringement claim to extent it rests on theory of knowing facilitation of infringement; claim also fails to extent it is based on purported "duty" to properly secure internet connection or to monitor use of secured connection by others.

hh. ***Associated Press v. Meltwater U.S. Holdings Inc.***
106 USPQ2d 1509

The U.S. District Court for the Southern District of New York on March 21, 2013 ruled that purpose and character of use of copyrighted news articles weighs against finding of fair use by defendant online news monitoring service, which uses computer program to "scrape" articles and provide excerpts thereof to daily reports sent to subscribers, and plaintiff news cooperative is granted summary judgment on fair-use defense.

COPYRIGHTS/CRIMINAL
CASE LAW
U.S. Court of Appeals
United States v. Fair
85 BNA's PTCJ 99

The U.S. Court of Appeals for the District of Columbia on November 9, 2012 ruled that the district court erred when it ordered a defendant who sold pirated software on eBay to pay as restitution the defendant's profit instead of the victim's lost profits.

U.S. District Court
a. ***United States v. Dotcom***
84 BNA's PTCJ 1037

The U.S. District Court for the Eastern District of Virginia on October 5, 2012 ruled in a file sharing case that a criminal summons may be mailed to Megaupload's alter ego.

b. ***United States v. Blanco***
85 BNA's PTCJ 43

The U.S. Attorney acting in the U.S. District Court for the Northern District of California on October 31, 2012 said that a Northern California man is sentenced to 27 months in prison and ordered to pay $200,000 restitution after his guilty plea to criminal copyright infringement in a case that resulted in the seizure of more than 20,000 counterfeit DVDs.

c. ***United States v. Sheikh***
85 BNA's PTCJ 144

A Baltimore man, in the U.S. District for the District of Maryland on November 19, 2012 pleaded guilty to mass reproduction and distribution of popular software programs.

d. ***United States v. Newsome***
85 BNA's PTCJ 248

The U.S. District Court for the Eastern District of Virginia on December 3, 2012 sentenced a website owner/operator to 11 months for selling copies of pirated software.

e. ***United States v. Ferrer***
85 BNA's PTCJ 918

The U.S. District Court for the Eastern District of Virginia on April 10, 2013 sentenced a member of a major movie piracy group to 23 months in prison.

COPYRIGHTS/DMCA
CASE LAW
U.S. Court of Appeals

UMG Recordings Inc. v. Shelter Capital Partners L.L.C.
85 BNA's PTCJ 698

The U.S. Court of Appeals for the Ninth Circuit on March 14, 2013 ruled that actual knowledge and "red flag" knowledge of infringement by users of an online service are two ways that a service provider can lose protection of a safe harbor, but both require knowledge of specific instances of infringement, not a generalized awareness that infringement might be taking place, superseding a 2011 opinion for reconsideration in light of another federal appeals court's ruling on similar issues.

U.S. District Courts

a. ***Obodai d/b/a Heptad v. Demand Media Inc.***
84 BNA's PTCJ 361

The U.S. District Court for the Southern District of New York on June 12, 2012 held that keyword ad placement, website metrics don't yield notice of website's infringement.

b. ***Lenz v. Universal Music Corp.***
105 USPQ2d 1635

The U.S. District Court for the Northern District of California on January 24, 2013 ruled that defendants copyright owners, in action alleging that they made material misrepresentations in issuing Digital Millennium Copyright Act "takedown" notice that caused plaintiff's home video to be removed from video-hosting website, have failed to establish that plaintiff is precluded from recovering any damages under 17 U.S.C. § 512(f), since plaintiff could potentially recover minimal expenses, such as costs of electricity used to power her computer while attempting to have her video reinstated, even though such costs are not substantial economic damages.

c. ***Tuteur v. Crosley-Curcuran***
85 BNA's PTCJ 916

The U.S. District Court for the District of Massachusetts on April 10, 2013 ruled that a blogger's DMCA challenge to rival's posting of her gesture photo not actionable.

d. ***Viacom International Inc. v. YouTube Inc.***
85 BNA's PTCJ 975

The U.S. District Court for the Southern District of New York on April 18, 2013 held that an internet service provider only forfeits protection under the Digital Millennium Copyright Act if it "influence(s) or participate(s)" in infringement activities perpetrated by its users. The court says that YouTube Inc.'s general awareness of infringing clips on its servers does not impose upon the company an affirmative duty to search for and remove infringing material.

e. ***Perfect 10 Inc. v. Yandex N.V.***
86 BNA's PTCJ 62

The U.S. District Court for the Northern District of California on May 7, 2013 ruled that DMCA takedown notices need not be in most convenient forms for a service provider in order to comply with Federal law.

f. ***Capitol Records, Inc. v. MP3tunes L.L.C.***
86 BNA's PTCJ 114

The U.S. District Court for the Southern District of New York on May 14, 2013 "reluctantly" agrees to reconsider MP3tunes' red flag liability under DMCA.

State Courts
New York

UMG Recordings v. Escape Media Group
86 BNA's PTCJ 9

The New York Supreme Court, Appellate Division on April 23, 2013 ruled that the Digital Millennium Copyright Act's safe harbor provision does not apply to internet service providers' user-directed infringement of sound recordings made before February 15, 1972.

COPYRIGHTS/JURISDICTION
CASE LAW
U.S. District Court

a. ***Penguin Group (USA) Inc. v. American Buddha***
85 BNA's PTCJ 662

The U.S. District Court for the Southern District of New York on March 7, 2013 ruled that failure to show "substantial revenue" dooms copyright infringement claim against website for lack of personal jurisdiction.

b. ***Rhapsody Solutions LLC v. Cryogenic Vessel Alternatives, Inc.***
85 BNA's PTCJ 671

The U.S. District Court for the Southern District of Texas on March 5, 2013 ruled that a company subject to jurisdiction in Texas for accessing server to evaluate program.

COPYRIGHT/DISCOVERY
CASE LAW
U.S. District Court

Obodai v. Indeed Inc.

85 BNA's PTCJ 861

The U.S. District Court for the Northern District of California on March 21, 2013 ruled that a defendant in a copyright infringement proceeding may subpoena from Google Inc. nine months' worth of internet protocol address information linked to a plaintiff's Gmail account.

TRADEMARKS
CASE LAW
U.S. Supreme Court

Already LLC v Nike Inc.
85 BNA's PTCJ 341

The U.S. Supreme Court on January 9, 2013 affirmed, in a unanimous ruling, that Nike Inc.'s covenant not to sue a competitor for trademark infringement, delivered after Nike has filed an infringement lawsuit against the competitor and even then only after the competitor has filed a counterclaim seeking a cancellation of Nike's mark, divested the federal district court of Article III jurisdiction.

U.S. Court of Appeals

a. ***Gibson v. Texas Department of Insurance***
104 USPQ2d 2029

The U.S. Court of Appeals for the Fifth Circuit on October 30, 2012 ruled that plaintiff sufficiently pleaded as-applied challenge to Tex. Lab. Code § 419.002, which prohibits parties from using, for advertising purposes, term "Texas" in combination with "workers' compensation" or "workers' comp." since Texas government has not shown that plaintiff's "texas-workerscomplaw.com" domain name is inherently misleading, and domain name is entitled to some First Amendment protection.

b. ***Community Trust Bancorp Inc. v. Community Trust Financial Corp.***
84 BNA's PTCJ 747

The U.S. Court of Appeals for the Sixth Circuit on August 23, 2012 ruled that a bank with only a handful of customers in Kentucky could not be sued for trademark infringement in the state based on those customers' use of its banking website.

c. ***Lens.com Inc. v. 1-800 Contacts Inc.***
84 BNA's PTCJ 614

The U.S. Court of Appeals for the Federal Circuit on August 3, 2012 ruled that use of software to sell goods online does not support finding that it is in commerce.

d. ***Papa Ads LLC v. Gatehouse Media Inc.***
104 USPQ2d 1238

The U.S. Court of Appeals for the Sixth Circuit on June 13, 2012 affirmed a summary judgment that plaintiff's descriptive mark "iShopStark.com" lacks secondary meaning in action alleging that mark, which is domain name for website that promotes goods and services of businesses in Stark County, Ohio, is infringed by defendants' "ShopNStark.com" domain name for competing website.

U.S. District Court

a. ***CollegeSource Inc. v. AcademyOne Inc.***
85 BNA's PTCJ 17

The U.S. District Court for the Eastern District of Pennsylvania on October 25, 2012 ruled that an online educational services company's purchase of a competitor's marks to trigger web advertisements was not infringing.

b. ***AK Metals v. Norman Industrial Materials***
85 BNA's PTCJ 480

The U.S. District Court for the Southern District of California on January 31, 2013 ruled that a business that used a competitor's mark in key word ads, indicating that the sponsored result was "related to" the user's search terms, likely did not infringe the competitor's mark.

c. ***Deckers Outdoor v. Doe***
85 BNA's PTCJ 418

The U.S. District Court for the Northern District of Illinois on January 16, 2013 ruled that the sale of counterfeit Ugg products through domain names incorporating the mark is likely to cause consumer confusion and irreparable harm to the brand.

d. ***Rovio Entertainment Ltd. v. Royal Plush Toys Inc.***
85 BNA's PTCJ 70

The U.S. District Court for the Northern District of California on November 6, 2012 ruled that the developer of the popular Angry Birds video game failed to meet the heightened threshold of demonstrating in its trademark and copyright infringement lawsuit to win an *ex parte* temporary restraining order against alleged counterfeiters of Angry Birds merchandise.

e. ***Temper-Pedic International Inc. v. Angel Beds LLC.***
85 BNA's PTCJ 69

The U.S. District Court for the Southern District of Texas on November 6, 2012 ruled that a complaint by the maker of Tempu-Pedic "memory foam" mattresses and pillows regarding a competitor's use of its trademarks in its website was sufficient to adequately notify the defendant of the claims and to allow it to craft an answer.

f. ***Prosperity Bancshares Inc. v.***
Town and Country Financial Corp.
85 BNA's PTCJ 517

The U.S. District Court for the Central District of Illinois on February 5, 2013 ruled that a Bank's locale in trademark dispute matters despite internet's potential to widen market.

g. ***iCall Inc. v. Tribair Inc.***
85 BNA's PTCJ 137

The U.S. District Court for the Northern District of California on November 21, 2012 ruled that owner of iCall mark for VoIP services fails to enjoin competitor's use of WiCall mark.

h. ***Jurin v. Google Inc.***
104 USPQ2d 1480

The U.S. District Court for the Eastern District of California on October 17, 2012 granted summary judgment to defendant internet search engine provider on Lanham Act and state-law claims based on defendant's use of plaintiff's "Styrotrim" mark as keyword that plaintiff's competitors may bid on to secure "sponsored link" that appears on search results page when users search for "Styrotrim," since plaintiff has proffered no evidence demonstrating that any likelihood-of-confusion factors weigh in his favor.

i. ***Pair Networks Inc. v. Soon***
85 BNA's PTCJ 521

The U.S. District Court for the Western District of Pennsylvania on February 6, 2013 ruled that a cybersquatting infringer loses twitter handle by default.

j. ***Timelines Inc. v. Facebook Inc.***
85 BNA's PTCJ 823

The U.S. District Court for the Northern District of Illinois on April 1, 2013 ruled that evidence that a social media company generically used the word "timeline" to drive traffic to its website and discontinued the practice after such gains were optimized does not amount to a showing of such repeated use of the term that the company renders its registered "TimeLines" trademarks generic through its own actions.

k. ***Elcometer Inc. v. TQC-USDA Inc.***
85 BNA's PTCJ 938

The U.S. District Court for the Eastern District of Michigan on April 9, 2013 ruled that a company whose authorized distributors allegedly bought a competitor's registered trademark as a Google adword could be held contributorily liable for federal and state trademark infringement.

l. ***Craigslist v. 3Taps***
86 BNA's PTCJ 7

The U.S. District Court for the Northern District of California on April 30, 2013 ruled that Craigslist's trademark infringement, breach of contract, and Computer Fraud and Abuse Act claims against services that allegedly scraped user-generated content from Craigslist's local classified ads and redistributed the data through their own proprietary systems survive dismissal.

m. ***J.T. Colby & Co. d/b/a Brick Tower Press v. Apple***
86 BNA's PTCJ 135

The U.S. District Court for the Southern District of New York on May 8, 2013 ruled that a group of publishing companies asserting unregistered trademark rights in the term "ibooks" against Apple Inc. fails to establish that it had any enforceable trademark rights or that Apple's use of "iBooks" for its e-reader software would create a likelihood of reverse confusion.

n. ***General Steel Domestic Sales v. Chumley***
86 BNA's PTCJ 188

The U.S. District Court for the District of Colorado on May 7, 2013 ruled that Armstrong Steel Corp.'s use of a competitor's trademarked term as a keyword in its Google AdWords campaign does not constitute trademark infringement because it was not likely to confuse consumers.

o. ***Deckers Outdoor Corp. v. Does 1-100***
105 USPQ2d 1899

The U.S. District Court for the Northern District of Illinois on January 16, 2013 granted a preliminary injunction to plaintiff alleging infringement of its "UGG" trademarks for footwear against defendant anonymous entities selling counterfeit products on internet; pursuant to TRO already in effect, defendants' "PayPal" and other accounts associated with accused internet domain names will remain frozen.

p. ***Kerodin v. ServiceMagic Inc.***
106 USPQ2d 1425

The U.S. District Court for the District of Maryland on March 11, 2013 ruled that plaintiffs have failed to allege facts demonstrating that they hold exclusive ownership of nine domain names at issue, since plaintiffs' registration of domain names in 2006 was not sufficient, by itself, to establish ownership over alleged marks, and plaintiffs have not alleged that they engaged in continuous commercial use of marks during months and years preceding initiation of instant action in 2011.

q. ***True Fit Corp. v. True & Co.***
106 USPQ2d 1405

The U.S. District Court for the District of Massachusetts on March 4, 2013 ruled that infringement plaintiff is not likely to succeed on merits of claim that defendant e-commerce lingerie retailer's use of term "True" infringes plaintiff's "Find Your True Fit," "True Fit," and "True to You" trademarks, and preliminary injunction that would prohibit defendant from using marks containing word "True" in connection with personalized fit-matching software and services is denied.

r. ***Macy's Inc. v. Strategic Marks LLC***
106 USPQ2d 1582

The U.S. District Court for the Northern District of California on March 19, 2013 denied summary judgment to plaintiffs that defendant has not satisfied Lanham Act's use-in-commerce requirement for service marks that are subject of defendant's infringement counterclaim, even though defendant has created website that describes its proposed retail business, but has not sold accessories, apparel, or other products, and has not opened boutiques or stores referenced on its site, since defendant owns federal registrations for marks, and there are disputed issues of material fact as to whether defendant's sales- and nonsales-related activities suffice to meet use-in-commerce requirement.

s. ***Dudley d/b/a HealthSource Chiropractic v. ..... HealthSource Chiropractic Inc.***
84 BNA's PTCJ 669

The U.S. District Court for the Western District of New York on August 7, 2012 ruled that the internet is not geographic zone over which one mark holder can have exclusive rights.

t. ***Amerigas Propane LP v. Opinion Corp. d/b/a Pissedconsumer.com***
84 BNA's PTCJ 418

The U.S. District Court for the Eastern District of Pennsylvania on June 19, 2012 accepted a claim of initial interest confusion in case against online gripe site.

u. ***Montblanc-Simplo GmbH v. Cheapmontblancpens.com***
101 USPQ2d 1161

The U.S. District Court for the Eastern District of Virginia on July 5, 2012 ruled that plaintiff asserting in rem action for violation of Anticybersquatting Consumer Protection Act against 265 internet domain names is granted default judgment on its claim for relief under 15 U.S.C. § 1125(D)(1), since accused domain names are confusingly similar to plaintiff's "Montblanc" mark, and since registrants of domain names have demonstrated bad-faith intent to profit from plaintiff's mark; permanent injunction orders transfer of infringing domain names to plaintiff.

v. ***Libya v. Miski***
103 USPQ2d 1927

The U.S. District Court for the District of Columbia on September 6, 2012 ruled that plaintiff's "Embassy of Libya" and "Libyan Embassy" marks are descriptive, and absent evidence of secondary meaning, plaintiffs cannot pursue trademark infringement and anticybersquatting claims against "expeditor of document legalization for use of domain names such as "embassyoflibya.org".

w. ***Florida VirtualSchool v. K12 Inc.***
103 USPQ2d 1853

The U.S. District Court for the Middle District of Florida on July 16, 2012 ruled that Florida law that converted plaintiff provider of online educational courses into state agency, Fla. Stat. § 1002.37, does not grant plaintiff ownership of "Florida VirtualSchool" and "FLVS" trademarks that plaintiff used and registered with U.S. Patent and Trademark Office, since statute permits plaintiff's board of trustees to "acquire, enjoy, use and dispose of patents, copyrights, trademarks, licenses, and rights or interests thereunder or therein," but states that "[o]wnership of all such" intellectual property "shall vest in the state, with the board having full right of use and full right to retain the revenues derived therefrom."

U.S. Patent and Trademark Office
a. ***In re Azteca Systems Inc.***
102 USPQ2d 1955

The Trademark Trial and Appeal Board on April 19, 2012 ruled that Applicant's "GIS Empowered by Cityworks" mark, as displayed on webpage submitted by applicant as specimen of use, fails to create association with applicant's computer software for management of public works and utilities assets, and fails to serve as indicator of source of those goods, since mark is distant from description of software on webpage, and is separated from that description by more than 15 lines of text concerning marginally related topics.

b. ***City National Bank v.***
OPGI Management GP Inc./Gestin OPGI Inc.
106 USPQ2d 1668

The Trademark Trial and Appeal Board on April 26, 2013 ruled that respondent management company, in cancellation proceeding, has failed to demonstrate that it has ever used disputed term "TreasuryNet" as mark in commerce in connection with recited services of providing financial information, since respondent claims that it provides financial information directly to its employees through "TreasuryNet" database on its intranet site, but primary beneficiary of such services is respondent itself, not employees who are accessing database in order to perform their jobs.

c. ***Embarcadero Technologies Inc. v. RStudio Inc.***
105 USPQ2d 1825

The Trademark Trial and Appeal Board on February 14, 2013 ruled that applicant facing claim of likelihood of confusion in opposition proceeding has established successful defense, under 15 U.S.C. § 1068, based on amended description of goods and services in its applications for registration of "RStudio" mark for software and related services.

d. ***America's Best Franchising Inc. v. Abbott***
106 USPQ2d 1546

The Trademark Trial and Appeal Board on March 20, 2013 ruled that fact that parties' marketing efforts for their respective "3 Palms" hotels "overlap" on internet does not mean that relevant territory, for purposes of concurrent use proceeding, is entire United States, since hotel services are by definition rendered in particular geographic location, even if they are also offered, by same ultimate source, in other locations under same mark, since creation of internet has not rendered Lanham Act's concurrent-use provisions moot, and since fact that both parties' services are promoted and offered online is not sufficient to result in likelihood of confusion.

e. ***In re Rogowski***
85 BNA's PTCJ 287

The Trademark Trial and Appeal Board on December 11, 2012 ruled that a YouTube screen shot of a trademark does not show "use in commerce" for registration purposes.

f. ***In re Powermat***
85 BNA's PTCJ 415

The Trademark Trial and Appeal Board on January 17, 2013 ruled that a sequence of "chirp" sounds that play when a cell phone is placed on or taken off a battery charging device is not inherently distinctive, and thus the sound mark is not eligible for registration. The board notes that the battery chargers in fact emit chirp sounds in their normal course of operation.

g. ***ChaCha Search Inc. v. Grape Technology Group Inc.***
105 USPQ2d 1298

The Trademark Trial and Appeal Board on December 27, 2012 granted summary judgment to opposer that its involved service mark "242242" is not merely descriptive of its search engine services for obtaining specific user-requested information, even though mark identifies short message services (i.e. SMS) number, used to send messages between mobile telephones, through which customers obtain opposer's services, since SMS number does not identify ingredient, quality, characteristic, function, feature, purpose, or use of opposer's services simply because it provides means of accessing those services.

State Courts
California

Tre Miklano LLC v. Amazon.com Inc.
84 BNA's PTCJ 758

The California Court of Appeal, Second District, on August 22, 2012 ruled that notice of alleged infringement creates no duty for Amazon to remove listing.

Massachusetts

Jenzabar Inc. v. Long Bow Group Inc.
85 BJA's PTCJ 14

The Massachusetts Appeals Court on October 18, 2012 ruled that a film producer's use of a former Tiananmen Square protestor's trademarks in metatags on its Tiananmen Square documentary's website was not infringing.

TRADEMARKS/CYBERSQUATTING
CASE LAW
U.S. Court of Appeals

Pensacola Motor Sales Inc. v. Eastern Shore Toyota LLC
84 BNA"s PTCJ 423

The U.S. Court of Appeals for the Eleventh Circuit on June 21, 2012 ruled that jury instruction error did not bolster mark owner's ACPA appeal.

District Court

a. ***Aviva USA Corp. v. Vazirani***
84 BNA"s PTCJ 1035

The U.S. District Court for the District of Arizona on October 2, 2012 ruled that "Cybergripe" site did not make commercial use of plaintiff's trademarks, trade dress.

b. ***Louis Vuitton Malletier S.A. v. 100Wholesale.com***
85 BNA's PTCJ 290

The U.S. District Court for the Southern District of Florida on November 30, 2012 issued a preliminary injunction compelling disclosures from proxies in a mass cybersquatting case.

c. ***ViaView Inc. v. Blue Mist Media***
105 USPQ2d 1304

The U.S. District Court for the District of Nevada on November 30, 2012 ruled that plaintiff claiming rights in term "isanyoneup" as trademark for its campaign to stop "bullying behavior" is likely to succeed on merits of claim that defendants' use of term "isanyoneup," in domain names for websites where they publish "involuntary pornography," violates Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d), and plaintiff is granted temporary restraining order prohibiting defendants from using term in domain names for their sites.

XI. TRADEMARKS/RIGHT OF PUBLICITY

CASE LAW

U.S. District Court

Fraley v. Facebook Inc.

104 USPQ2d 1630

The U.S. District Court for the Northern District of California on August 17, 2012 denied preliminary approval to parties' agreement to settle class action, alleging violations of California law stemming from use of names and/or likenesses of members of defendant social networking website to promote products and services through "Sponsored Stories" advertising practice, since provisions awarding $10 million cy pres payment to organizations involved in internet privacy issues, and permitting plaintiffs to apply for up to $10 million in attorneys' fees without objection by defendant, raise serious concerns.

XII. TRADEMARKS/UNFAIR COMPETITION

CASE LAW

U.S. District Court

Allure Jewelers Inc. v. Ulu

104 USPQ2d 1231

The U.S. District Court for the Southern District of Ohio on September 20, 2012 ruled that plaintiff has failed to state claim for "hot news" misappropriation under common law by alleging that defendant improperly "scraped" or copied information about jewelry and gold items from plaintiff's internet advertisements for use in defendant's advertisements for same products, since, even if it is assumed that "hot news" misappropriation claim would survive preemption by federal copyright law, there is no support for such claim under Ohio law.

XIII. TRADEMARKS/UNFAIR TRADE PRACTICES

CASE LAW

Court of Appeals

Contour Design Inc. v. Chance Mold Steel Co.

104 USPQ2d 1509

The U.S. Court of Appeals for the First Circuit on September 4, 2012 ruled that defendant's computer mouse was not "derived from" plaintiff's design in violation of parties nondisclosure agreement; "derivation" requires appropriation of some novel property of plaintiff's products.

XIV. TRADE SECRETS

CASE LAW

1. U.S. Court of Appeals

a. *United States v. Howley*

85 BNA's PTCJ 472

The U.S. Court of Appeals for the Sixth Circuit on February 4, 2013 ruled that evidence that two engineers secretly took pictures of some of Goodyear's equipment – which the company that employed the engineers is trying to recreate – is sufficient to sustain the engineers' criminal convictions under the Economic Espionage Act of 1996, 18 U.S.C. § 1832. The defendants, who were visiting Goodyear's plant in order to do repair work on some machines, took the photographs using a cell phone and did so only after they had been left alone by Goodyear employees.

b. *MacDermid Inc. v. Deiter*

105 USPQ2d 1500

The U.S. Court of Appeals for the Second Circuit on December 26, 2012 ruled that Connecticut's long-arm statute permits exercise of jurisdiction over former employee of plaintiff who sent, via e-mail, plaintiff's allegedly confidential and proprietary information from her business account to her personal account, even though defendant physically interacted only with computers in Canada when sending e-mail at issue.

c. *Wellogix Inc. v. Accenture LLP*

106 USPQ2d 1796

The U.S. Court of Appeals for the Fifth Circuit on May 15, 2013 ruled that once plaintiff makes out *prima facie* case for existence of trade secret, burden is on defendant to show that patent covers same subject matter, and therefore discloses, claimed trade secret; in present case, in which plaintiff's patents were not introduced into record, plaintiff presented sufficient evidence to support jury's finding that plaintiff's software for estimating well construction costs in oil and gas industry contained trade secrets.

2. District Court

a. *Wang v. Palo Alto Networks Inc.*

85 BNA's PTCJ 483

The U.S. District Court for the Northern District of California on January 31, 2013 ruled that a U.S. patent application on firewall technology contained trade secrets at least until the patent application was published.

b. *Beacon Wireless Solutions Inc. v. Garmin International, Inc.*

103 USPQ2d 1721

The U.S. District Court for the Western District of Virginia on May 9, 2012 denied summary judgment that plaintiffs lack trade secret protection for combination of design features for their vehicle fleet management system, and in technical information provided to defendants in development of software application; however, defendants are granted summary judgment that they did not misappropriate trade secrets embodied in plaintiffs' source code and other technical details of their software.

c. *Ameriprise Financial Services Inc. v. Koenig*

104 USPQ2d 1280

The U.S. District Court for the District of New Jersey on February 6, 2012 ruled that plaintiff financial services firm has shown likelihood of success on merits of its claim for breach of employment agreement against defendant former employee, who sent protected client information to his personal e-mail address before leaving firm to work for competitor; however, plaintiff has not established likelihood of success on merits of its claim for misappropriation of trade secrets, since information defendant forwarded likely contained trade secrets, but extent of resulting harm is unclear.

d. ***Beacon Wireless Solutions Inc. v. Garmin International, Inc.***
103 USPQ2d 1721

The U.S. District Court for the Western District of Virginia on May 9, 2012 denied summary judgment that plaintiffs lack trade secret protection for combination of design features for their vehicle fleet management system, and in technical information provided to defendants in development of software application; however, defendants are granted summary judgment that they did not misappropriate trade secrets embodied in plaintiffs' source code and other technical details of their software.

XV. TRADE SECRETS/CRIMINAL CASE LAW

1. District Court

United States v. Yang

84 BNA's PTCJ 920

The Justice Department in the U.S. District Court for the Northern District of Illinois on September 19, 2012 announced that Chunlai Yang, an ex-software engineer at CME Group Inc. pled guilty to two counts of trade secret theft based on his illicit downloading of CME trade secrets and source code relating to CME's "Globex" trading platform, which he intended to use to develop a trading platform for the Zhangjiagang China chemical electronic trading exchange. Yang now faces a maximum of 10 years in prison and a $250,000 fine for each count.

2. State Court

New York

People v. Aleynikov

84 BNA's PTCJ 675

The District Attorney for New York County Criminal Court on August 9, 2012 announced that a former programmer at Goldman Sachs faces state charges over code theft.

XVI. COMPUTER FRAUD AND ABUSE ACT (CFAA)

CASE LAW

U.S. Court of Appeals

a. *United States v. Nosal*
676 F.3d 854

The U.S. Court of Appeals for the Ninth Circuit on April 10, 2012 in an *en banc* decision, adopted a narrow reading of the Computer Fraud and Abuse Act, finding that violating an employer computer policy or a website's terms of service is not a violation of federal law.

b. *WEC California Energy Solutions LLC v. Miller*
687 F.3d 199

The U.S. Court of Appeals for the Fourth Circuit on July 26, 2012 sided with the Ninth Circuit in deciding that the Computer Fraud and Abuse Act does not apply to employees and former employees who were authorized to access the employer's electronic information. The decision stands in contrast to the position taken by the Seventh Circuit in *Int'l Airport Ctrs., LLC v. Citrin*, 440 F.3d 418, 420-21 (7th Cir. 2006). The Fourth Circuit rejects the interpretation of the CFAA taken by the Seventh Circuit, which interprets the CFAA much more broadly. The Seventh Circuit concludes that an employee's misappropriation of electronic information from his employer is a breach of the employee's duty of loyalty that immediately terminates his agency relationship and with it his authority to access the laptop, because the only basis of his authority had been that relationship.

XVII. LANHAM ACT

CASE LAW

U.S. District Court

a. ***Invent Worldwide Consulting LLC v. Absolutely News Inc.***
84 BNA's PTCJ 919

The U.S. District Court for the Northern District of Illinois on September 19, 2012 ruled that Web posts calling competitor testimonials "scam" could generate Lanham Act liability.

b. ***Apple v. Amazon.com***
85 BNA's PTCJ 349

The U.S. District Court for the Northern District of California on January 2, 2013 ruled that Apple Inc. cannot proceed with a false advertising claim targeting Amazon's use of the name "appstore".

c. ***M-Edge Accessories v. Amazon.com***
85 BNA's PTCJ 386

The U.S. District Court for the District of Maryland on January 2, 2013 ruled that Amazon's designation of a rival Kindle accessories maker's products as "unavailable" may generate false advertising liability under the Lanham Act.

XVIII. RIGHT OF PUBLICITY

CASE LAW

U.S. Court of Appeals

Hart v. Electronic Arts

86 BNA's PTCJ 183

The U.S. Court of Appeals for the Third Circuit on May 21, 2013 held that a video game maker's "realistic representation[]" of a Rutgers University quarterback is not transformative, and therefore the use of the player's likeness is not protectable expression under the First Amendment.

XIX. PRIVACY

A. CASE LAW

Wisconsin

Habush v. Cannon

85 BNA's PTCJ 570

A Wisconsin state appeals court on February 21, 2013 ruled that a law firm that purchased the names of rival law firm partners as invisible search advertising keywords did not "use" the individuals' names in violation of Wisconsin's invasion of privacy statute.

B. STATE LEGISLATION

Michigan

Governor Snyder on December 27, 2012 signed H.B. 5523 into law as Public Act 478 which prohibits requesting or requiring an employee, student or applicant to disclose a user name or password for a personal social media account. The law applies to employers and academic institutions.

XX. FOREIGN CASES/COURTS

CASE LAW

1. Europe/European Union

UsedSoft GmbH v. Oracle International Corp.

84 BNA"s PTCJ 433

The European Court of Justice on July 3, 2012, ruled that Oracle software buyers may resell "used" downloaded copies under first sale doctrine.

2. France

Auto IES v. Google France

84 BNA's PTCJ 1009

A chamber of the Supreme Court of France on September 25, 2012 ruled that Google AdWords advertisers do not necessarily infringe marks.

United Kingdom

Public Relations Consultants Association Limited v. Newspaper Licensing Agency Limited

85 BNA's PTCJ 915

The UK Supreme Court on April 17, 2013 recognizing the transnational dimension and important implications of the matter for internet users, referred to the European Court of Justice a case exploring the copyright implications of viewing copyrighted material on a computer screen.