Software Patents and Trademarks Continued

Class 7 – October 17, 2008

SI 519 / PubPol 688

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Fall 2008

Schedule

- 2:10 – Intro; Announcements
- 2:20 - Exercise
- 2:30 – Student Presentation: DMCA
- 2:40 – Student Presentation: VARA
- 2:50 – Current Events
- 3:10 – Software Patents
- 3:30 – TM – Stealth TM's
- 3:45 – Break
- 4:00 – Software IP Issues Drill

Current Events

New IP Law

Q. What does the Dark Knight have to do with it?

New IP Law

A. Senator Leahy

New IP Law

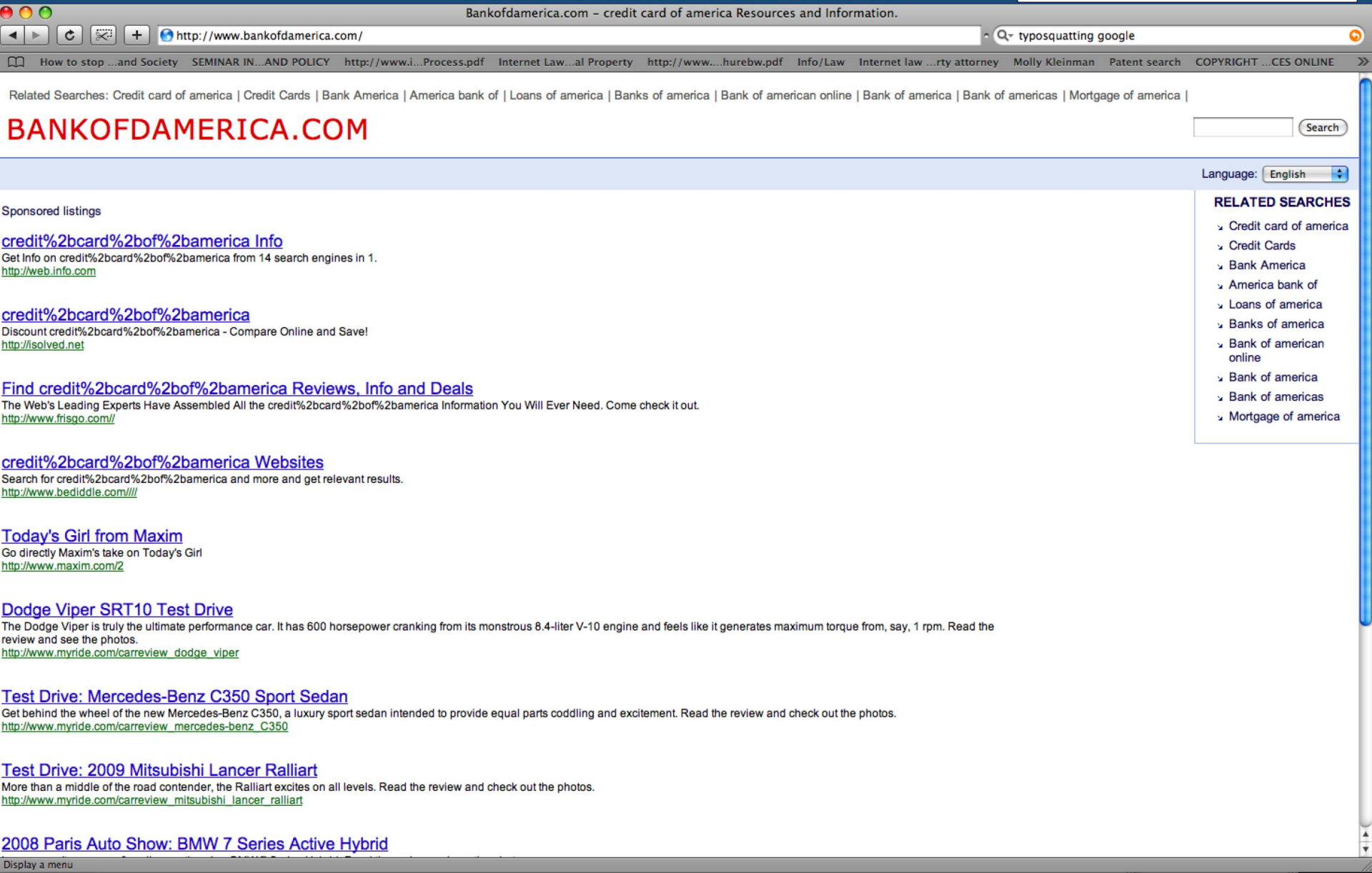
- Prioritizing Resources Organization for IP Act
- Signed by President on Monday
- Introduced by Leahy; hailed by RIAA as victory
- Unanimous vote in Senate; largely bipartisan vote in House

New IP Law

- Strengthens criminal enforcement of copyright
- Creates FBI resources to investigate infringement crimes
- Allows suits to go forward despite innocent mistakes in copyright registration
- Strengthens forfeiture provisions of copyright law
- Provision allowing DOJ to pursue civil actions was cut from bill

Typo-squatting

Source: http://www.bankofdamerica.com/



Google Position

- "Google's sweeping trademark protection policies provide that Google will immediately remove any allegedly infringing domains from its AFD program at the request of the trademark holder."

Source: Google attorney Maria Moran. as quoted at http://blog.wired.com/27bstroke6/2008/10/google-profitin.html

- Correct?

Domain Names

- Using a domain name is a “use in commerce” of any TM in that name
  - Registering alone is not a “use in commerce”

- Uniform Domain Name Dispute Resolution Policy
  - You own a TM (registered or not)
  - Same or confusingly similar to domain name
  - Domain name registered in bad faith
  - Results in cancellation and transfer

Anticybersquatting Consumer Protection Act

- Bad faith required
- Nine factors
- Speech v. squatting
- Preemptive registration

Filesharing

- Does “make available” = “distribute”

- “While a publication effected by distributing copies or phonorecords of the work is a distribution, a publication effected by merely offering to distribute copies or phonorecords to the public is merely an offer of distribution, not an actual distribution,” Source: Virgin Records America, Inc v. Thomas (2008)

Sec. 106(3)

- Distribute = “distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease or lending.”

Source: U.S. Copyright Act (1976)

Patent v. Copyright

Copyright	Patent	Trademark
Protects expression not ideas	Protects ideas that have been reduced to practice	Protects goodwill associated with mark
Life of author + 70 years	20 years from filing	10 year increments
Fair Use	No Fair Use No Research Exemption	Fair use
Works for hire	Employee inventor owns	Owned by person that uses in commerce
Protects against copying	Innocent infringement not a defense	Protects against confusion and dilution
Protection is automatic (registration is relatively simple)	Extensive examination process before any rights granted	Automatic for distinctive marks (might need sec. meaning) (some examination)
Originality (low bars)	Novelty and Nonobvious (high bars)	Distinctiveness

Software Considerations

- Copyright (automatic; covers the authorship in the source code) may be sufficient if:
  - Commercial life of software is less than time to get patent
  - Value is in the source code rather than in the method it performs
  - Method may not be patentable
  - Open source used
- Patentability standard for software patents is strict and uncertain (*Bilski* case pending)
  - Must be tied to a machine (possibly more than a general use computer) or result in a physical transformation

Software Patents

History

- Recall: several hurdles to patentability:
  - Statutory subject matter
  - Novel - 102
  - Nonobvious - 103
  - Useful – part of 101
  - Enabling disclosure - 112

- Statutory subject matter: sec. 101 - Process, machine, manufacture, composition of matter
  - Sup. Ct. – not law of nature, abstract idea, or natural phenomena

- Many old cases are not clear whether they are rejecting a patent under 101, 103, or 112
  - Ex) Morse patent – just “too broad”

History

Steps Doctrine: Denied patent to any invention requiring human interaction

Diamond v. Diehr (1981): Software for calculating heating times for curing rubber = patentable

Freeman-Walter-Abele test: whether method is just a mathematical algorithm or has physical elements or process steps

Alapat (1994): is the method nothing more than a law of nature, abstract idea, or natural phenomena?

PTO Guidelines (1995): method must be a practical application or use of a law of nature, abstract idea, or natural phenomena

History

State Street Bank:
Hub & Spoke system for mutual funds (spokes) pooling assets in investment portfolio (hub)

In re Bilski:
Managing the risk of bad weather through commodities trading

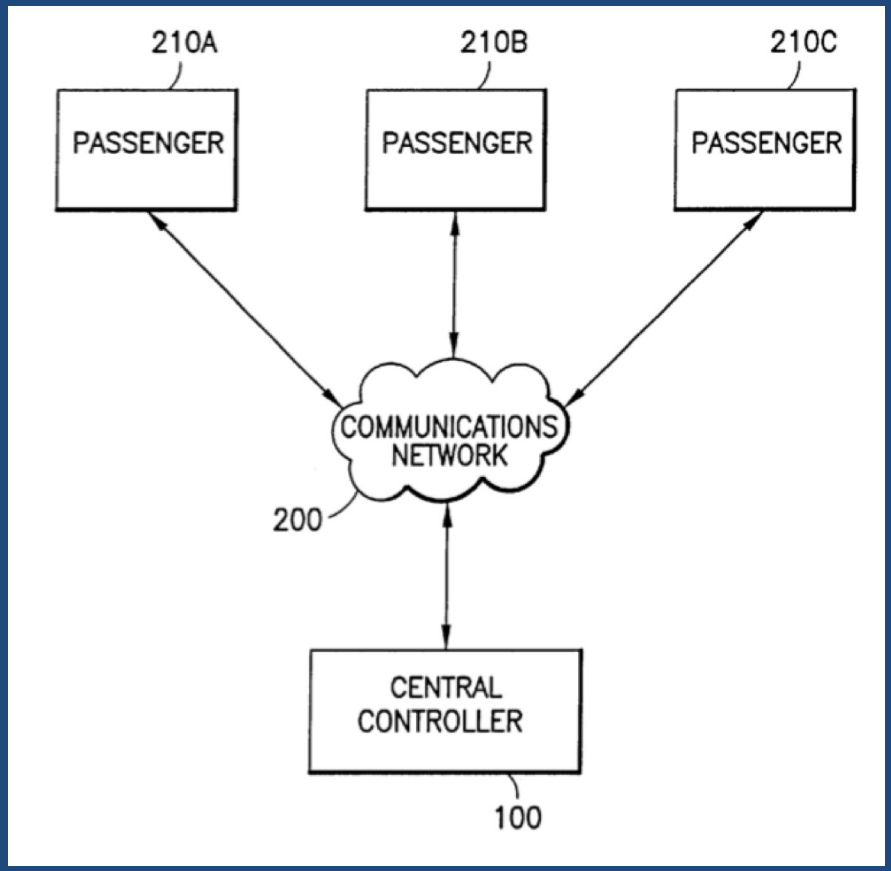
Late '90's | 2000's

State Street Bank

- No business method exception
- Useful, concrete, and tangible result
- Useful result is expressed in numbers, such as price, profit, percentage, cost, or loss

Post State Street Bank

Business method applications flood the PTO.



Source: U.S. Patent 6329919

1. A method of providing reservations for restroom use, comprising:

receiving a reservation request from a user; and

notifying the user when the restroom is available for his or her use.

Bilski

1. A method for managing the consumption risk costs of a commodity sold by a commodity provider at a fixed price comprising the steps of:
(a) initiating a series of transactions between said commodity provider and consumers of said commodity wherein said consumers purchase said commodity at a fixed rate based upon historical averages, said fixed rate corresponding to a risk position of said consumer;
(b) identifying market participants for said commodity having a counter-risk position to said consumers; and
(c) initiating a series of transactions between said commodity provider and said market participants at a second fixed rate such that said series of market participant transactions balances the risk position of said series of consumer transactions.

Source: US Patent Application 08/833,892, available http://www.uspto.gov/web/offices/dcom/bpai/its/fd022257.pdf

Arguments

- Bilski: Practical result (whether tied to machine or not) = patentable subject matter
- PTO: must be tied to machine or transform physical subject matter
  - And – general purpose computer is not enough

What's at stake?

- Video game patents?
- Non-computer-based business methods
- Google's "PageRank" patent
- But – note Apple's Toolbar Patent (claimed as system)

Arguments for Software Patents

- Not excluded by statute (up to Congress)
- Copyright not sufficient protection for function performed by code
- Technical and innovative

Against Software Patents

- Incentive for disclosure might not be that important
- Would software be created anyway?

Middle ground solutions

- Strengthen the enabling disclosure requirement
- Strengthen obviousness requirement - DONE

TM’s Continued

Stealth TM Issues

Brookfield Communications

- "initial interest confusion"
- Why Brookfield owned MovieBuff TM?
- Holding?
- Exit sign analogy – perfect?

Source: Brookfield Communications Inc. v. West Coast Entertainment Corp. 174 F.3d 1036 (9th Cir. April 22, 1999)

Better Analogy?

- “brand spillover”
- Grocery shelf space
- Store clustering

Boston Duck Tours

Source: http://www.bostonducktours.com/

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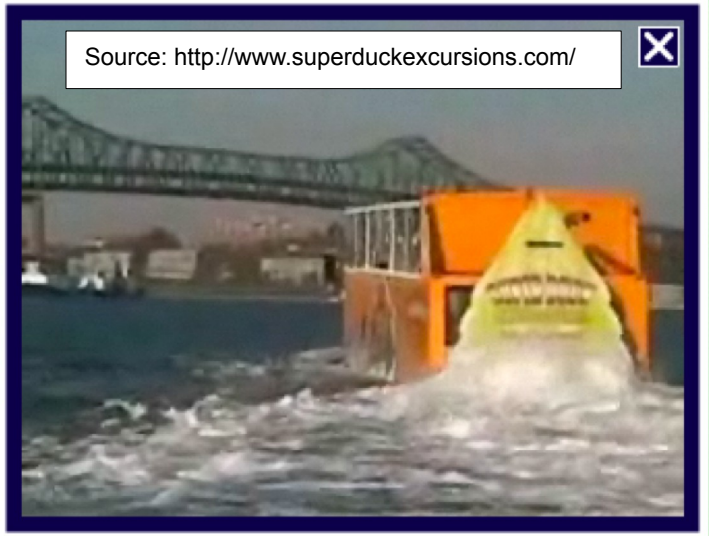

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It's Super Duck?

Duck Tours Case

- “sponsored linking”
- Use of mark as part of mechanism of advertising is use under TM law?
- Allowed to use another’s mark to help distinguish oneself?

American Airlines v. Google

American Airlines v. Google

- Favorable Precedent
  - 1-800-Contacts v. WhenU (2d Cir. 2005) – use of TM's to launch ads does not by itself constitute infringement
- EFF -> it's a free speech issue
  - Ex) The Coalition of Immokalee Farmworkers use of McD's TM

Current Law on Stealth TM Use

- Courts split on metatags/ ads / sponsored links
  - one issue appears to be whether use of TM is entirely "internal" and whether your goods are clearly identified
- How results or ads are displayed might be important
  - Netscape/Playboy case – Ads were not labeled so could be confusing
  - TM actually displayed in search results, might lead to confusion
- But, some courts don't follow this line – plainly internal use sometimes found to be confusing TM use and infringement

Library 3.know Drill

Library 3.know

- IP protection only as strong as how you intend to use it
- Different types of IP can apply to the same situation
- Need to think both offensively and defensively (IP doesn't necessarily give you the right to do something)
- Next week – it is IP protection that allows you to control "downstream" uses and to effectively give stuff away