

2016 SPRING NEWSLETTER

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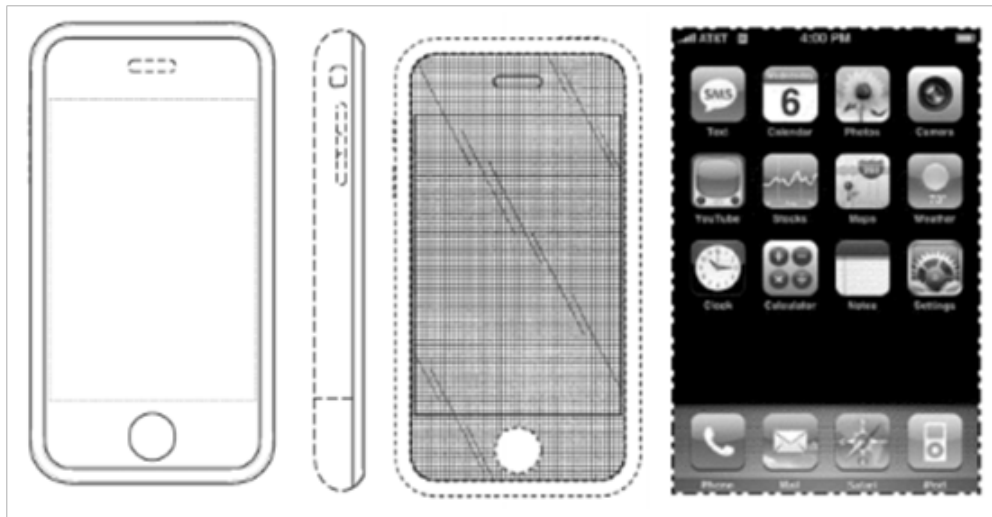


1201 NEW YORK AVENUE, N.W.
WASHINGTON, D.C.

SUPREME COURT

Samsung v. Apple: Supreme Court to Review Design Patent Damages

On March 21, 2016, the Supreme Court of the United States ("Supreme Court") granted certiorari in *Samsung Electronics, Co. v. Apple* to consider whether, where a design patent is applied to only a component of a product, an award of infringer's profits should be limited to those profits attributable to the component. The designs at issue:



From U.S. Design Patent Nos. D618,677; D593,087; and D604,305.

At issue is 35 U.S.C. § 289, which states:

Whoever during the term of a patent for a design, without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than \$250, recoverable in any United States district court having jurisdiction of the parties.

Nothing in this section shall prevent, lessen, or impeach any other remedy which an owner of an infringed patent has under the provisions of this title, but he shall not twice recover the profit made from the infringement.

SUPREME COURT

Samsung v. Apple: Supreme Court to Review Design Patent Damages cont'd.

(Emphasis added). Specifically, the United States Court of Appeals for the Federal Circuit (“Federal Circuit”) has long held that “[§] 289 explicitly authorizes the award of total profit from the article of manufacture bearing the patented design.” Therefore, Samsung’s total profit from its sales of phone with infringing designs - around \$400 million - is subject to recovery.

That said, Samsung and amici curiae argue for two limiting rules. First, they argue that modern devices like cell phones must be examined under a casualty theory of damages because, otherwise, the infringer’s “total profit” is totally divorced from the patented component of the device. Second, and in the alternative, they argue that the phrase “article of manufacturer” should be construed narrowly such that complex devices like cell phones would have different “total profit[s]” concerning different features. For example, the “total profit” attributable to the metal casing is different than the “total profit” of the entire phone.



SUPREME COURT

SCA Hygiene v. First Quality Baby Products: Supreme Court to Consider Whether Laches Can Bar A Patent Infringement Lawsuit

On May 2, 2016, the Supreme Court of the United States (“Supreme Court”) granted certiorari in *SCA Hygiene v. First Quality Baby Products* to consider whether the equitable defense of laches bars a patent infringement lawsuit. Laches applies when a plaintiff unreasonably and inexcusably delays bringing its lawsuit and the alleged infringer suffers material prejudice attributable to the delay. This issue is another patent-copyright parallel that follows the 2014 Supreme Court copyright case *Petrella v. Metro-Goldwyn-Mayer*, 134 S. Ct. 1962 (2014).

Under United States copyright law, there is a 3-year statute of limitations to start and maintain an infringement action against an alleged infringer, which means one must file an infringement complaint within three years of the infringing action. Otherwise, one is barred from recovering the past damages. Lower federal courts were divided over whether laches could apply to infringing actions within the 3-year statute of limitations, such that damages from infringing actions within the 3-year window were also barred. The Supreme Court held in *Petrella* that where U.S. Congress provided a statute of limitations, the federal courts could not apply laches to bar recovery within the 3-year window.

The United States Court of Appeals for the Federal Circuit (“Federal Circuit”), sitting *en banc*, held that laches still applies to patent infringement actions, even though the U.S. Patent Act includes a 6-year limitation on damages (a version of the statute of limitations). Commentators expect the Supreme Court to reverse the Federal Circuit after a briefing this summer and oral hearings in the fall.

LEGISLATION

U.S. Congress May Change Where Patent Lawsuits Can Be Filed

On March 17, 2016, U.S. Senator Jeff Flake (R-AZ) introduced the Venue Equity and Non-Uniformity Elimination Act of 2016 (VENUE Act, S. 2733) with a group of U.S. Senators in support. The proposed law would amend the judicial code to allow patent infringement and declaratory judgment actions to be brought in **only** districts where:

- the defendant has its principal place of business or is incorporated;
- the defendant has committed an act of infringement of a patent in suit and has a regular and established physical facility that gives rise to the act of infringement;
- the defendant has agreed or consented to be sued;
- an inventor named on the patent conducted research or development that led to the application for the patent in suit; or
- a party has a regular and established physical facility and has managed significant research and development for the invention claimed in the patent, has manufactured a tangible product alleged to embody that invention, or has implemented a manufacturing process for a tangible good in which the process is alleged to embody the invention.

If a foreign defendant does not have a principal place of business, incorporation, or a physical facility in the United States, that foreign defendant may be sued in any judicial district, and joinder of such a defendant shall be disregarded in determining where the action may be brought with respect to other defendants.

The likelihood that this bill is taken up during a presidential campaign season is small, but growing due to the United States Court of Appeals for the Federal Circuit recent affirmation that patent lawsuits can be filed in any venue where infringement occurs. See *In re TC Heartland LLC* (Fed. Cir. April 29, 2016) (denying TC Heartlands petition for mandamus on the basis that the current law is correct, even though recent statutory changes cast doubt on *VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574 (Fed. Cir. 1990), which held that patent lawsuits can be filed anywhere infringement occurs).

LEGISLATION

U.S. Congress Enacts Federal Trade Secret Legislation

On May 11, 2016, President Obama signed into law the Defend Trade Secrets Act of 2016 (“DTSA”), which creates, for the first time, a federal civil remedy for trade secret misappropriation and provides uniformity to what has, generally, been a patchwork of state laws. The DTSA represents an overwhelming 410-2 bipartisan vote in the U.S. House of Representatives and unanimous vote in the U.S. Senate.

Up until now, companies typically had to sue in state courts under state law to protect their trade secrets. Each state had its own laws - some protected only novel secrets, others offered protection for customer lists. The DTSA allows companies to file civil trade secret theft lawsuits in federal courts, which means access to experienced federal courts that will develop a more stable legal environment on a national level.

Moreover, the DTSA was enacted as a follow on statute to the Economic Espionage Act (“EEA”) which provides for criminal liability for trade secret misappropriation. Several EEA sections cross-over to the DTSA. Of note, is 18 U.S.C. § 1837, which makes the EEA and the DTSA applicable outside of the territory of the United States. For example: a (1) U.S. corporation or citizen can be held liable for trade secret misappropriation under the DTSA regardless of whether the misappropriation occurred abroad; and (2) an entity can be held liable under the DTSA for foreign misappropriation if “an act in furtherance of the offense was committed in the United States.”

FEDERAL CIRCUIT

Helsinn v. Dr. Reddy's And Teva - Did the America Invents Act Alter the "On Sale" Bar?

On March 3, 2016, the United States District Court for the District of New Jersey ("District Court") became the first District Court to interpret the new America Invents Act ("AIA") § 102. Prior to the AIA, the 'on sale' bar blocked patenting of inventions that had been "on sale in this country." Although not specific in the statute, courts interpreted the on-sale bar to include secret sales or offers-to-sell. The AIA statute reads:

§102. Novelty; Prior Art.—A person shall be entitled to a patent unless—(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.

On March 8, 2016, Teva Pharmaceuticals USA, Inc. filed an appeal with the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit") to review the District Court's holding that the post-AIA on-sale bar requires that the sale or offer for sale make the claimed invention available to the public.

Pre-AIA "on sale": The District Court relied on the Pfaff test, which requires a claimed invention to be the subject of a "commercial offer for sale." See Pfaff, 525 U.S. at 67.

Post-AIA "on sale": The post-AIA on-sale bar also requires that the sale or offer for sale make the claimed invention available to the public. See 35 U.S.C. 102(a)(1) (barring patentability if "the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention"). It is not sufficient that a sale or offer for sale merely occur.

The District Court references the U.S. Patent and Trademark Office's ("USPTO") interpretation of the post-AIA on-sale bar, in which the USPTO concluded, "the sale must make the invention available to the public." See Examination Guidelines for Implementing the First Inventor to File Provisions of the Leahy-Smith America Invents Act, 78 Fed. Reg. 11,059, 11,075 (Feb. 14, 2013) (to be codified at 37 C.F.R. 1).

The "on sale" language in the AIA has been debated since the language was first introduced in the U.S. Congress. The USPTO interpretation is that the sale must make the invention available to the public, which is the opposite of the case law prior to the AIA.

FEDERAL CIRCUIT

AIA Post-Grant Proceeding Estoppel: Very Little Stopping A Petitioner to Renew Arguments in District Court Litigation

Inter partes review (“IPR”) at the U.S. Patent and Trademark Office’s (“USPTO”) Patent Trial and Appeal Board (“PTAB”) has been an attractive alternative to District Court litigation. In a pair of cases recently decided, IPRs may have become much more appealing because petitioners will apparently not be estopped to make arguments not instituted by the PTAB or merely combine supplemental references with previously used references to form a new argument.

On March 23, 2016, the United States Court of Appeals for the Federal Circuit (“Federal Circuit”) held, in *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, that 35 U.S.C. 315 (e) would not estop a petitioner from bringing its non-instituted invalidity argument in either the USPTO or district courts. The Federal Circuit held that estoppel extends only to grounds that the petitioner “reasonably could have raised” in the IPR. However, grounds that were not instituted by the PTAB could not be raised during the IPR trial. Therefore, the non-instituted grounds may be raised later in the USPTO or district courts (i.e., no estoppel).

What about grounds that were not argued in the IPR petition? Surely, prior art known to the petitioner but not used in the petition “reasonably could have been raised” in the IPR. (The difference between non-instituted grounds, but presented, and not even petitioned grounds, but known, is that the petitioner had access to the documents but choose not to make the argument; therefore, it would be unjust to allow the petitioner to withhold that argument only to assert it later). However, on March 18, 2016, District Judge Lefkow of the Northern District of Illinois (“District Court”) addressed what “reasonably could have raised” meant, and it appears to allow petitioners a second bite at the apple.

The District Court held that a petitioner can try again in court by including at least one reference, which would not have been found by a skilled searcher after a reasonable search. This is so even if that reference discloses no more than information that was available in another reference that could easily have been found (i.e., a redundant reference). Therefore, petitioners in IPRs can make strong arguments at the PTAB and get a sense of what supplemental information is required, and then petitioners can do an exhaustive search to find a simple reference that would not be found by only a “reasonable” search.

Both tactics would not be the primary objective of the petitioner, but the above cases allow petitioners multiple attempts to invalidate a patent by merely re-doubling the petitioner’s effort to find the correct reference after being told by the PTAB what was missing.

FEDERAL CIRCUIT

In re Man Machine Interface Technologies LLC: Federal Circuit Finds PTAB Claim Construction “Unreasonable”

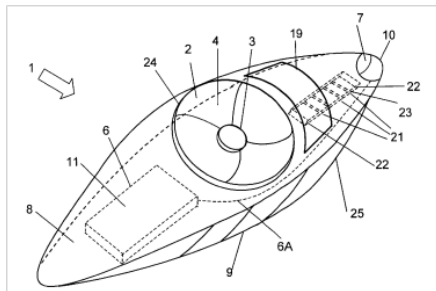
On April 19, 2016, the United States Court of Appeals for the Federal Circuit (“Federal Circuit”) held that the U.S. Patent and Trademark Office’s (“USPTO”) Patent Trial and Appeal Board’s (“Board”) claim construction of “adapted to be held by the human hand” and “thumb switch...adapted for activation by a human thumb” were erroneous for being overly broad under the “broadest reasonable interpretation” standard. The Federal Circuit construed “adapted to” in these instances as having the meaning of “made or designed to.”

The patentee, Man Machine Interface Technologies, owned a patent (US 6,069,614) that was challenged by another party under reexamination. The patent is directed to a remote control device, and contained the following representative claim:

1. A remote control device adapted for use by a human to control and select from a screen, the screen including a plurality of choices and a cursor, the remote control device comprising:
a body adapted to be held by the human hand, the body having a top side and a bottom side;
a thumb switch positioned on the top side of the body, the thumb switch being adapted for activation by a human thumb, the thumb switch being adapted to perform multiple functions...;
 electronic means adapted to generate a signal upon activation of one of the switches; and
 transmitting means for transmitting the signal from the electronic means.

(emphasis added). The representative figure of the application shows a remote controller having an elongated body and a thumb switch 2 in the middle of the remote controller.

During reexamination, the claims were rejected as being anticipated and obvious. The rejections were upheld by the Board. The patentee appealed to the Federal Circuit, alleging that the Examiner and the Board incorrectly construed the above highlighted phrases, among other issues.



FEDERAL CIRCUIT

In re Man Machine Interface Technologies LLC: Federal Circuit Finds PTAB Claim Construction “Unreasonable” cont’d.

During reexamination, the USPTO applies a "broadest reasonable interpretation" ("BRI") standard for interpreting the claims. This standard is also used during original examination of patent applications and in other post-grant proceedings. The "broadest reasonable interpretation" standard of claim interpretation often results in an interpretation that is broader than that what would be obtained in U.S. district courts for the same term.

The Board held that a prior art reference's computer mouse constituted disclosure of a "body adapted to be held by the human hand," based on the claim construction that "adapted to be held by the human hand" did not exclude various forms of grasp by the human hand, including grasping of a desk-bound mouse. The Board noted that no "definition" of this term in the specification has been cited by the patentee. The Board interpreted "thumb switch" as not excluding switch activation by another digit or item such as a pen "so long as the switch of the device is capable of being enabled by a user's thumb" (emphasis added).

On appeal, the Federal Circuit found that the Board's construction was unreasonably broad. The Federal Circuit first noted that "adapted to" may have various meanings, stating that "the phrase 'adapted to' generally means 'made to,' 'designed to,' or 'configured to,' though it can also be used more broadly to mean 'capable of' or 'suitable for.'"

The Federal Circuit held that in this particular circumstance, "adapted to be held by the human hand" had a relatively narrow meaning of being "made or designed to be held in the human hand," so as to exclude a desk-bound mouse from the scope of this term. In reaching its conclusion, the Federal Circuit found that the specification indicates that the remote preferably has an **elongated and rounded body**, and contains descriptions on how the remote is used by a user's hand. The Federal Circuit also found that the specification expressly distinguishes the remote control device from a desk-bound device like the mouse of the prior art reference, in stating, for example, that the remote controller is advantageous in terms of "ease of use as the device is not desk bound." The Federal Circuit remarked that "the broadest reasonable interpretation of a claim term cannot be so broad as to include a configuration expressly disclaimed in the specification."

Regarding "thumb switch", the Federal Circuit held that it should be construed more narrowly as being "made or designed for activation by a human thumb" (emphasis added). The Federal Circuit observed that the specification repeatedly emphasized using a thumb to activate the switch, and came to the conclusion that the specification made it clear that the patentee intended a meaning narrower than that which the Board had construed.

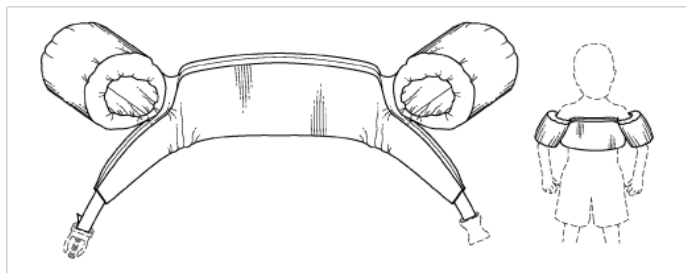
Based on the above conclusions regarding claim construction, the Federal Circuit reversed the anticipated rejection and vacated part of the obviousness rejections. In the decision, the Federal Circuit emphasized that the USPTO's broadest reasonable interpretation "cannot be divorced from the specification" and is "not just the broadest construction, but rather the broadest reasonable construction in light of the specification."

FEDERAL CIRCUIT

Sport Dimension v. Coleman: Federal Circuit Solidifies Proper Approach to Design Patent Claim Construction

On April 19, 2016, the United States Court of Appeals for the Federal Circuit ("Federal Circuit") held that, in construing a design patent claim, the lower court erred by entirely eliminating certain aspects of the claimed design for being functional rather than ornamental. Although the scope of a design patent is limited to the ornamental aspects of the design, the Federal Circuit held that it was improper to entirely eliminate whole aspects of the design, even if the aspects are functional. The Federal Circuit also stated that, when construing designs with functional elements, the focus in claim construction should be on what these elements contribute to the design's overall ornamentation, rather than the particular designs of these elements.

Coleman was a patentee to a design patent (D623,714) claiming the "ornamental design for a personal flotation device" as shown in the Figures of the design patent. Notably, the design included armbands that fit around a user's arms:



FIGURES IN COLEMAN'S DESIGN PATENT

Sport Dimension sold a flotation device that likewise has two armbands, but also has straps that extend upward over a person's shoulders to form a vest. Sport Dimension sought declaratory judgment, in the U.S. District for the Central District of California, that its product did not infringe Coleman's design patent. On claim construction, the district court adopted the following claim construction of Coleman's design claim:

The ornamental design for a personal flotation device, as shown and described in Figures 1–8, except the left and right armband, and the side torso tapering, which are functional and not ornamental

(emphasis added). On appeal, Coleman alleged that this construction was in error.

FEDERAL CIRCUIT

Sport Dimension v. Coleman: Federal Circuit Solidifies Proper Approach to Design Patent Claim Construction cont'd.

A design patent may have both functional and ornamental features, as long as it is not "primarily functional" (that is, not "dictated by" its function). When a design has both functional and ornamental aspects, the scope of a design patent "must be limited to the ornamental aspects of the design," as set forth in *Ethicon Endo-Surgery v. Covidien, Inc.* (Fed. Cir. 2015).

Despite the scope being limited to ornamental aspects, the Federal Circuit held that "eliminat[ing] whole aspects of the claimed design" was improper, even if the aspects were functional. In stating this principle, the Federal Circuit observed that precedents on design patent claim construction did not "entirely eliminate" structural elements from claimed ornamental designs, even when such elements "also served a functional purpose." The Federal Circuit noted that in *Ethicon*, certain elements that were functional were deemed to have "some scope—the particular ornamental designs of those underlying [functional] elements."

Applying the above principles, the Federal Circuit noted that the armbands and the side torso tapering do serve functional purposes. However, because the district court entirely eliminated these elements from the claim scope, the district court's ultimate claim construction was in error. The Federal Circuit held that, for purposes of claim construction, "the fact finder should not focus on the particular designs of these elements [here, the armbands and the side torso tapering] when determining infringement, but rather focus on what these elements contribute to the design's overall ornamentation" (emphasis added). This focus on "overall ornamentation" appears to be based on a general principle, as stated by the Federal Circuit, that "design patents protect overall ornamentation of a design, not an aggregation of separable elements." The Federal Circuit also noted that established factors for determining whether a design claim was "dictated by function" for purposes of validity are also a useful guide to claim construction.

FEDERAL CIRCUIT

Enfish v. Microsoft: Federal Circuit Provides Further Guidance on Alice

On May 12, 2016, United States Court of Appeals for the Federal Circuit (“Federal Circuit”) held that claims pertaining to a database model were patent eligible under 35 U.S.C. § 101, because the claims were directed to an improvement to computer functionality, and were not directed to an abstract idea. The Federal Circuit distinguished between claims that improve computer functionality and claims that merely invoke a computer as a tool, and indicated that claims of the former category might not be directed to an abstract idea even when the improvement in computer functionality is implemented by software.

In the U.S. District Court for the Central District of California (“District Court”), Enfish alleged that Microsoft infringed two of its patents pertaining to a “self-referential” database model. In this “self-referential” database model, all data entities are included in a single table, with column definitions provided by rows in that same table. Enfish’s “self-referential” database model is distinguished from “relational” database models known in the art, in which each entity that is modeled is provided in a separate table.

The following is a representative claim:

17. A data storage and retrieval system for a computer memory, comprising:
means for configuring said memory according to a logical table, said logical table including:
a plurality of logical rows, each said logical row including an object identification number (OID)
to identify each said logical row, each said logical row corresponding to a record of
information; a plurality of logical columns intersecting said plurality of logical rows to define a
plurality of logical cells, each said logical column including an OID to identify each said logical
column; and means for indexing data stored in said table.

(US 6,151,604, claim 17). The term “means for configuring” is a means-plus-function limitation interpreted by the District Court as requiring the following four-step algorithm:

1. Create, in a computer memory, a logical table ... comprised of rows and columns, the rows corresponding to records, the columns corresponding to fields or attributes, the logical table being capable of storing different kinds of records.
2. Assign each row and column an object identification number (OID) that, when stored as data, can act as a pointer to the associated row or column and that can be of variable length between databases.

FEDERAL CIRCUIT

Enfish v. Microsoft: Federal Circuit Provides Further Guidance on Alice cont'd.

3. For each column, store information about that column in one or more rows, rendering the table self-referential, the appending, to the logical table, of new columns that are available for immediate use being possible through the creation of new column definition records.
4. In one or more cells defined by the intersection of the rows and columns, store and access data....

The District court held that the above and other claims were invalid for falling within the "abstract idea" judicial exception to subject matter eligibility. According to the District Court, the claims were directed to the abstract idea of "storing, organizing, and retrieving memory in a logical table" or, more simply, "the concept of organizing information using tabular formats."

The Federal Circuit noted that the U.S. Supreme Court has not established a definitive rule as to what constitutes an "abstract idea," but has suggested that claims "purporting to improve the functioning of the computer itself" or "improving an existing technological process" might not be directed to an abstract idea. On this basis, the Federal Circuit remarked that:

[We do not] think that claims directed to software, as opposed to hardware, are inherently abstract and therefore only properly analyzed at the second step of the Alice analysis. Software can make non-abstract improvements to computer technology just as hardware improvements can, and sometimes the improvements can be accomplished through either route. We thus see no reason to conclude that all claims directed to improvements in computer-related technology, including those directed to software, are abstract... Therefore, we find it relevant to ask whether the claims are directed to an improvement to computer functionality versus being directed to an abstract idea, even at the first step of the Alice analysis.

The Federal Circuit then delineated two categories of claims relevant to the question of whether the claim is directed to an abstract idea:

- (1) claims whose focus "is on the specific asserted improvement in computer capabilities;" and
- (2) claims to "a process that qualifies as an 'abstract idea' for which computers are invoked merely as a tool."

FEDERAL CIRCUIT

Enfish v. Microsoft: Federal Circuit Provides Further Guidance on Alice cont'd.

The Federal Circuit remarked that virtually all computer-related § 101 cases in Federal Circuit and U.S. Supreme Court decisions involved the second category. On the other hand, the instant claims belong in the first category because the plain focus of the claims at issue "is an improvement to computer functionality itself, not on economic or other tasks for which a computer is used in its ordinary capacity."

The Federal Circuit observed that Enfish's patents teach that self-referential tables function differently than conventional database structures and result in benefits of increased flexibility, faster search times, and smaller memory requirements. On this basis, the Federal Circuit held that the claims were not directed to an abstract idea, as they were instead directed to improving an existing technology by using a specific type of data structure "designed to improve the way a computer stores and retrieves data in memory." The fact that the improvement was implemented on a software level as opposed to physical components does not alter the above analysis, because, as stated by the Federal Circuit, "[m]uch of the advancement made in computer technology consists of improvements to software."

Because the first part of the Mayo/Alice test was not met, the Federal Circuit held that the claims were patent eligible without having to conduct analysis on the second part of the test.



USPTO

USPTO Issues New Rules for American Invents Act Post-Grant Proceedings

The United States Patent and Trademark Office ("USPTO") issued new rules for the Patent Trial and Appeal Board ("PTAB") trial practice. The rules were published April 1, 2016, and took effect on May 2, 2016. Changes include:

- New testimonial evidence permitted in preliminary response;
- Rule-11 type certification required (essentially, a sworn statement that the arguments and/or facts are not frivolous);
- Phillips-style claim construction standards for expiring patents; and
- Word-count instead of page limit on major briefing.

The final rule changes, which are the second set of changes since the America Invents Act went into effect, are the culmination of a series of PTAB listening tours and public comments to the rule change proposals published in August 2015.



TRADEMARK

In re Tam: USPTO Petitions Supreme Court For Writ Of Certiorari

On April 20, 2016, the United States Patent and Trademark Office (“USPTO”) filed a petition for writ of certiorari to the U.S. Supreme Court (“Supreme Court”) to review the United States Court of Appeals for the Federal Circuit’s (“Federal Circuit”) ruling in *In re Tam*. As reported in the Staas & Halsey 2015 Winter Newsletter, the Federal Circuit, sitting *en banc*, held that Section 2(a) of the Lanham Act violates the First Amendment and is therefore unconstitutional. Section 2(a) provides that the USPTO may refuse to register a trademark that “[c]onsists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.” 15 U.S.C. § 1052(a). Thus, the USPTO’s refusal to register Simon Tam’s mark of “The Slants” on the grounds of disparagement was not appropriate.

However, the USPTO refuses to enforce the Federal’s Circuit’s order unless the USPTO’s petition for certiorari is denied or the Supreme Court affirms the Federal Circuit. As such, the USPTO is suspending all trademark applications that may violate the immoral, deceptive, scandalous, or disparaging provision of the Lanham Act until the Supreme Court speaks on the issue.



United States Supreme Court

TRADEMARK

USPTO TTAB Proposes New Trademark Rules

On April 4, 2016, the U.S. Patent and Trademark Office (“USPTO”) issued a set of proposed new trademark rules to bring Trademark Trial and Appeal Board (“TTAB”) practice fully into the 21st century. For example, TTAB trials are going to be entirely electronic - parties wishing to file paper copies must show good cause for why it should be allowed. Likewise, service of all documents between the parties is to be conducted through email, unless parties stipulate to an alternative electronic means (e.g., cloud storage locker).

Another proposed rule change may provide the ability to submit testimony via affidavit unilaterally (that is, without the consent of the other party). That said, the opposing party who wants to challenge written testimony will have the opportunity to cross-examine the witness. Likewise, discovery has been “streamlined” so to “avoid the expense and uncertainty that arise when discovery disputes erupt on the eve of trial.” This would be accomplished by limiting the number of document requests and requests for admissions. Moreover, the “proportionality” principle, recently adopted by the Federal Rules of Civil Procedure in December, was also proposed. Public comments are due by June 3, 2016.



United States Patent and Trademark Office Campus

TRADEMARK

Office of Harmonization in the Internal Market (OHIM) becomes the European Union Intellectual Property Office (EUIPO) & Other Changes to European Trademark Rules

On March 23, 2016, the European Trademark Regulation (EU 2015/2424) shifted European Trademark law. First, the Office of Harmonization in the Internal Market ("OHIM"), the European Union's trademark authority, changed its name to the European Union Intellectual Property Office (EUIPO). This change, among others, was made to modernize the trademark protection scheme in the European Union.

Some of the other changes are:

- The resulting registration name is changing from a Community Trademark (CTM) to a European Union Trademark (EUTM);
- Instead of one application in one, two, or three classes for €1,050, now it is one application for one class for €900 and each additional class €150;
- However, renewal costs are down - CTM renewal costs €1,350 while EUTM in three classes will only be €1,050;
- Now the five-year grace period for non-use runs from the earliest priority date instead of the date of registration;
- Priority claims will now have to be filed together with the EUTM-application, not subsequently (as was allowed previously);
- EUTM registrations have more power to stop counterfeit goods in transit across Europe; and
- Trademark infringement can be brought based on use by a competitor of one's mark that runs afoul of Europe's comparative advertising rules, which prohibit misleading advertising, require objective comparison of important features of products of services, and prohibit discrediting other company's trademarks.

FIRM NEWS

45TH ANNIVERSARY OF STAAS & HALSEY LLP



1201 New York Avenue, N.W., Washington, D.C.

To commemorate the 45th Anniversary of Staas & Halsey LLP, the firm will be inviting its clients past and present to a celebratory event. On December 2, 2016, the firm will be hosting this function at the Carnegie Institution of Science in Washington, D.C. The event will be a nostalgic step into the past, with photos, stories, and yes even the Staas & Halsey theme song. In the coming months, one should see our “Save the Date” postcards followed by our invitation. We look forward to celebrating this most auspicious event with all our friends and clients.

FIRM NEWS

SPRING IN WASHINGTON, D.C.

Spring in Washington, D.C. usually means Cherry Blossoms and spring festivals throughout the D.C./Maryland/Virginia (DMV) metropolitan area. The National Cherry Blossom Festival began its three week celebration on March 18, 2016. It began with the Pink Tie Party, followed by the Opening Ceremony at the Warner Theatre, then the Kite Festival on the Mall, the Cherry Blossom Parade and culminating with the Sakura Matsuri Japanese Street Festival. But during all these celebrations, the famous Cherry Blossoms that surround the Tidal Basin peaked on March 25, 2016. The Tidal Basin has been the site of millions of visitors coming to view the splendor of the Japanese cherry trees gifted to Washington, D.C. on March 27, 1912 by Mayor Yukio from Tokyo, Japan as a symbol of continued friendship.



FIRM NEWS

Celebrity Patent Inventor: Hedy Lamarr



Austrian-born, U.S. naturalized 1940's movie star, Hedy Lamarr was best known in Hollywood, California as the "world's most beautiful woman." During the 1930's and 1940's, she filmed many famous movies and co-starred with such famous actors as Clark Gable, Spenser Tracy, and Judy Garland. But what few people knew was that she was a brilliant inventor. In 1941, Lamarr co-patented a "Secret Communications System" or more commonly known as a "frequency-hopping system" that would prevent the enemy from jamming radio-controlled torpedoes. This technology would be the precursor to today's spread-spectrum communication technology, such as CDMA, Wi-Fi, and Bluetooth. For this important discovery, she was inducted into the National Inventors Hall of Fame in 2014.

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