

# 2020 SPRING NEWSLETTER

## TABLE OF CONTENTS

### SUPREME COURT

1. *Automotive Body Parts Association v. Ford Global Technologies.* – U.S. Supreme Court denied the Automotive Body Parts Association’s petition for certiorari from the Federal Circuit’s decision upholding Ford design patents on headlamp and hood designs.
2. *Romag Fasteners, Inc. v. Fossil, Inc.* – U.S. Supreme Court unanimously held that willfulness is not required for trademark owners to recover damages from infringers, settling the circuit split on the matter.
3. *Oral Arguments - United States Patent and Trademark Office v. Booking.com* – U.S. Supreme Court hears oral arguments over the telephone for the first time in history.

### USPTO

1. *Different Burdens of Proof for Printed Publications* – USPTO precedential opinion on how to determine during examination of a patent application whether a document is “sufficiently accessible to the public interested in the art so as to render it a printed publication within the meaning of [35 U.S.C.] § 102(b).”
2. *LKQ Corporation and Keystone Automotive Industries, Inc. v. GM Global Technology* – USPTO denial of inter partes review of design patent.
3. *When AI Starts to Invent* – Inventorship limited to natural persons rather than an invention generated by artificial intelligence (AI).

### USPTO PATENT AND TRADEMARK NEWS

1. USPTO Extends Filing and Fee Deadlines in Response to COVID-19

### FIRM NEWS

1. Going Paperless
2. Continuing Uninterrupted In View of COVID-19
3. Presenting Artificial Intelligence (AI) seminar
4. Passing of our Founding Partners Jack Staas and Jim Halsey



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

**SUPREME COURT**

***Automotive Body Parts Association v. Ford Global Technologies***

The U.S. Supreme Court denied the Automotive Body Parts Association’s petition for certiorari from the Federal Circuit’s decision upholding Ford design patents for “new, original and ornamental design” headlamp and hood designs on certain models of Ford’s F-150 trucks.

The Federal Circuit had rejected the argument presented by the Automotive Body Parts Association (ABPA) at the district court level that Ford’s design patents were primarily functional and therefore invalid.

The Federal Circuit held that ABPA’s argument that “Ford’s hood and headlamp designs are functional because they aesthetically match the F-150 truck”... “was inadequate to render that design functional”.

The Federal Circuit rejected the ABPA argument to limit the enforcement of Ford’s design patents to “the initial marked for sale of the F-150 and not in the market for replacement parts”.

The Federal Circuit also rejected ABPA’s argument that Ford’s patent rights were unenforceable under the related doctrines of exhaustion and repair. As Ford’s design patents claimed designs as applied to portions of particular components rather than in conjunction with the whole truck, the Federal Circuit upheld the district court’s decision that purchasing a vehicle does not permit the purchaser to have new auto parts made covered by Ford’s design patents.



## SUPREME COURT

***Romag Fasteners, Inc. v. Fossil, Inc.***

On April 23rd, 2020, the U.S. Supreme Court unanimously held that willfulness is not required for trademark owners to recover damages from infringers, settling a Circuit Court split on the matter. Six Circuit Courts previously required willfulness in order to award profits to non-competitors while six other Circuit Courts did not.

In Circuit Courts that did not require willfulness, competitors were able to calculate profits as an estimate of damages. The split is also apparent among various trademark and intellectual property groups, who filed additional briefs supporting both parties.

Romag first sued Fossil in 2010, claiming Fossil began using a counterfeiter rather than an approved supplier for Romag's patented fasteners. The District Court found Fossil liable for trademark and patent infringement. The jury awarded Romag \$156,000 for infringement and \$6.7 million from Fossil's profits. However, the judge reversed the profits award because the jury did not find willfulness. Romag appealed, and the Federal Circuit ruled in favor of Fossil in 2017. This decision was vacated by the Supreme Court.

Writing for the Court, Justice Gorsuch looked to §35 of the Lanham Act, which is the damages section of the Lanham Act. The section specifically lists willfulness as a requisite for trademark dilution, but not trademark infringement. However, the Court emphasized that willfulness is still a highly important consideration in awarding profits.

Because willfulness will still be considered in cases involving disgorgement of profits, this decision may not drastically affect future cases. Although removing a condition may make it easier to initiate litigation, proving damages or intent has always been difficult. In cases where a strong showing of willfulness was present, damages from profits were recovered. Without a finding of willfulness, there would have to be extenuating circumstances to justify awarding the plaintiff damages. Therefore, businesses that act in good faith are unlikely to see a surge in trademark lawsuits or be forced to give up their profits as a result of this ruling.

On the other hand, businesses who are trademark holders are given the opportunity to seek a disgorgement remedy that they were previously barred from. Per the Lanham Act at 15 U.S.C. §1117(c)(1), statutory damages for the non-willful sale of counterfeits is limited to \$200,000 per counterfeit mark per type of goods or services sold. This may not be enough to cover damages from the sale of counterfeits, so the opportunity to obtain a disgorgement remedy may address this issue.

**SUPREME COURT*****Oral Arguments - United States Patent and Trademark Office v. Booking.com***

On May 4th, 2020, for the first time in history, the US Supreme Court heard oral arguments over the telephone and offered a live audio stream. In *United States Patent and Trademark Office v. Booking.com*, the question before the Court is whether Booking.com successfully established that it had acquired secondary meaning, which would support trademark protection for descriptive marks.

The USPTO decided that Booking.com had not acquired secondary meaning, a decision that was upheld by the Trademark Trial and Appeal Board (TTAB). The decision of the TTAB was reversed at the district court level, and the district court decision was upheld by the Federal Circuit.

Due to the unprecedented platform, the Court adopted a formal procedure under which each Justice could ask a first round of questions to each side in order of seniority, with more questions permitted at the end of the first round.

The USPTO relied on *Goodyear's India Rubber Glove v. Goodyear Rubber Co.*, which held that a generic term followed by "company" did not satisfy the requirements for a protectable term. The USPTO further argued that the Lanham Act preserves the underlying principle of *Goodyear*, and that because the business of Booking.com is online rather than physical, such a term could be easily monopolized and should not be provided with trademark protection.

Booking.com relied on the Lanham Act and the primary significance test to argue in favor of trademark protection, and argued that the Lanham Act abrogated *Goodyear*. The Lanham Act, which is the controlling federal statute for trademark law, was passed by Congress in 1946 and emphasized that whether a term acquired secondary meaning should be analyzed through the lens of consumers. Moreover, monopolization is unlikely to occur because there is no evidence that consumers would be confused about the source. Rather, trademark protection would allow Booking.com to avoid counterfeiting, fraud, and cyberpiracy.

The Justices asked questions comparing several examples of trademarks that have been allowed by current case law to ".com" trademarks. These include 1-800 numbers and street addresses, which are both currently afforded trademark protection. The USPTO responded by stating that the anticompetitive concerns are not as serious as allowing a ".com" trademark.

A decision by the Court is expected within the next several weeks.



## USPTO

***Different Burdens of Proof for Printed Publications***Precedential Opinions

In September 2018, the U.S. Patent and Trademark Office (USPTO) created a Precedential Opinion Panel (POP) to establish binding authority before the Patent Trial and Appeal Board (PTAB).

Decisions in both appeals from examiner decisions and in trials, such as Inter Partes Review (IPR), are eligible to be made precedential.

A very small number of decisions had been designated as precedential prior to creation of the POP, both before and after the PTAB replaced the Board of Patent Appeals and Interferences (BPAI) on September 16, 2012.

To address that situation, the POP has not only designated recent decisions of the PTAB as precedential, but also some of the earliest decisions of the PTAB, as well as BPAI decisions.

In addition, the POP may designate a decision as informative, i.e., “setting forth [PTAB] norms that should be followed in most cases, absent justification”, but not binding on a PTAB panel of three Administrative Patent Judges. Decisions that have not been designated as precedential or informative are routine decisions that are binding only in the case in which it is made.

Prove a Negative

In April 2020, the POP designated the January 31, 2020 decision on request for rehearing in *Ex Parte Grillo-Lopez* (Appeal 2018-006082) as precedential. This decision established how to determine during examination of a patent application whether a document is “sufficiently accessible to the public interested in the art so as to render it a printed publication within the meaning of [35 U.S.C.] § 102(b).”

According to the USPTO, if an examiner is able to find a document during a prior art search, it is the applicant’s burden to show that the document was not sufficiently accessible to the public prior to the effective filing date of the U.S. application.



## USPTO

***Different Burdens of Proof for Printed Publications (continued)***Contrary to PTAB Findings

The appellant in *Ex Parte Grillo-Lopez* asserted that the very same document that the *Ex Parte Grillo-Lopez* decision accepted as a printed publication without any evidence had been found NOT to be a printed publication in other PTAB proceedings.

The October 2, 2017 Decision Denying Institution of IPR in *Celltrion, Inc. v. Biogen, Inc.*, IPR2017-01094 found that an FDA Transcript of a July 25, 1997 public hearing attended by Dr. Antonio Grillo-Lopez had not been established by the Petitioner as publicly available. The Petitioner did not explain how “persons interested and ordinarily skilled in the subject matter or art exercising reasonable diligence” would have been able to locate it ...[, i.e.,] known that the FDA transcript existed and was available, upon request, in the DDM Public Reading Room” prior to the effective filing date of the patent.

Reasoning of *Ex Parte Grillo-Lopez*

The *Ex Parte Grillo-Lopez* decision relied on a long history of BPAI and court decisions requiring applicants “to come forward with rebuttal evidence or argument” while only requiring examiners to show “the nominal publication date”.

It is now precedent that the assumption that “a journal article which is circulated and or catalogued in a routine manner may be presumed to have been publicly accessible on the publication date contained in the article” (*Celltrion v. Biogen*, IPR2017-01095, Final Decision) has been expanded to documents for which do not “come from well-known journals or a well-known book” like those in *Celltrion v. Biogen*.





## USPTO

***LKQ Corporation and Keystone Automotive Industries, Inc. v. GM Global Technology***

LKQ Corporation and its subsidiary Keystone Automotive Industries filed a petition to institute an *inter partes* review of GM's vehicle front upper bumper design patent.

An *inter partes* review would require the U.S. Patent and Trademark Office Patent Trial and Appeal Board (PTAB) to construe the claim or patent in the same manner as a civil action. To be granted such a review, 35 U.S.C. § 314(a) requires demonstration of a reasonable likelihood that the petitioner would prevail. Here, petitioners failed to meet this standard and therefore the request for *inter partes* review is denied.

In their analysis, the PTAB applied the "ordinary observer" test for anticipation of a design patent. This test questions whether if, in the eyes of an ordinary observer, the resemblance between the patented design and the alleged anticipatory reference is enough to induce them to purchase one supposing it to be the other. If it is, then the one that held a patent first has been infringed. Here, the two parties offer different definitions of the ordinary observer. However, the PTAB found that under either definition, the evidence demonstrates that there are distinct characteristics that would be obvious to either ordinary observer.

The second challenge to a design patent is obviousness, which tests whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved. This involves finding a primary reference and modifying that reference to create a design that has the same overall visual appearance as the claimed design. Using photos from both parties, the PTAB concluded that the petitioners failed to pass either the obviousness test.

Overall, because the petitioners failed to demonstrate a reasonable likelihood of prevailing with respect to its challenge to the patentability of the bumper design patent in question, *inter partes* review is denied.



## USPTO

***When AI Starts to Invent***

## Petition Decision

What happens when Artificial Intelligence (AI) systems start to “invent”? Can companies list the AI system as an inventor in a Patent Application? The United States Patent and Trademark Office (USPTO) answered this very question with a definitive no, when it denied a Petition in April.

**Background**

Application 16/524,350 entitled “Device for Attracting Enhanced Attention” was filed on July 29, 2019, and listed DABUS an AI system as the sole inventor. A Statement of Inventorship indicated that the invention was conceived by a “creativity machine” named DABUS and as such it was the inventor. The Application also listed Stephen L. Thaler as the Applicant and Assignee.

In response to the Application, the USPTO issued a Notice to File Missing Parts of Nonprovisional Application stating the ADS did not identify each inventor by his or her legal name. The Applicant filed a petition in response to the Notice, arguing that inventorship should not be limited to only natural persons.

**Decision**

The USPTO relying on a plain reading of patent statutes 35 USC §100(f) and (g); 35 USC §101; 35 USC §115(a), (b), and (h)(1) held that an inventor must be a natural person. The Office arrived at this decision by analyzing how an inventor was referred to within the statute. Specifically, the Office found the use of the terms “individual”, “person”, and “whoever” within the statute were used to refer to an inventor. As such the USPTO asserted that when these statutes were written, the term inventor was understood to be a natural person. Thus, the USPTO concluded that an inventor cannot be interpreted to broadly cover machines such as AI systems.

The USPTO also relied on Federal Circuit precedent to support its decision. Specifically, the USPTO noted that the Federal Circuit had stated that the touchstone of inventorship is the action of conception. See *Burroughs Wellcome Co. v. Barr Labs., Inc.*, 40 F.3d 1223, 1227-28 (Fed. Cir. 1994). Further, the USPTO noted Federal Circuit precedent stated that conception is a mental act limited to natural persons. See *Beech Aircraft Corp. v. EDO Corp.*, 990 F.3d 1237, 1248 (Fed. Cir. 1993).



## ***When AI Starts to Invent (Continued)***

### **Implications of the Decision**

In 2020, corporations around the world are expected to spend roughly \$49.2 billion in R&D on AI technology. These corporations may benefit from being allowed to obtain patent protection for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof”. Therefore, the USPTO’s decision and similar ones issued by the European and UK patent offices, may be seen as a minor setback for corporations. However, the USPTO left open the possibility that a natural person who meets the criteria for inventorship, perhaps the inventor of the AI system or the designer of the AI’s specialized trainer set that leads to a novel invention, could be listed as the rightful inventor.



**USPTO PATENT AND TRADEMARK NEWS*****USPTO Extends Filing and Fee Deadlines in Response to COVID-19***

In response to the COVID-19 outbreak, the USPTO has extended certain deadlines and waived petition fees, and has established a COVID-19 Response Resource Center. The USPTO announcements with details of these actions are set forth on the USPTO website at the URL <https://www.uspto.gov/coronavirus>

Generally, extensions of certain patent-related and trademark-related deadlines and waivers of petition fees relate to circumstances in which non-statutory deadlines were missed as a result of the COVID-19 outbreak, and in these circumstances petitions accompanying filings must include a statement that the deadline was missed due to the COVID-19 outbreak. The USPTO was able to extend the deadlines and waive the petition fees based on the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

In late April, the USPTO extended certain filing and payment deadlines to help companies and individuals who may be affected by the COVID-19 outbreak. Extensions applied to: replies to the USPTO in patent examination, notices of appeal, requests for oral hearing and maintenance fees, and disputes heard by the PTAB or TTAB. Most payments and filings with upcoming deadlines were extended to June 1st.

In May, the USPTO reevaluated and decided to extend the deadline again, this time to July 1st. This deadline applies to trademark extensions, TTAB proceedings, and replies to agency requests and notices of appeal. Companies who petition for relief are evaluated on a case-by-case basis. Parties have the responsibility of showing the delay was due to COVID-19 in some manner that materially interfered with timely filing or payment.

In June, the USPTO has decided to waive the fee and extend the time period for petitioning for restoration of rights of priority or benefit in a patent application if the delay in seeking those rights was unintentional and due to the COVID-19 outbreak. Ordinarily, an application seeking to claim priority to or benefit from a prior-filed application must file the application within 12 months (6 months for design patents) of the prior-filed foreign or provisional application. After the expiration of that 12-month (or 6-month) period, applicants had two months to file an application seeking priority or benefit with a petition for restoration of their right to claim the priority to or benefit of the prior-filed foreign or provisional application if the delay was unintentional. Now, for all nonprovisional applications seeking rights of priority or benefit in which the 12 month period ended between March 27, 2020 and July 30, 2020, the USPTO will permit the two-month time period for restoring the benefit of a prior-filed foreign or provisional application to run until the later of: a) July 31, 2020, or b) the expiration of the two-month period. As long as the petition is filed within the two-month period and is accompanied with a statement that failure to meet the previous deadline was due to COVID-19, the USPTO will waive the petition fee.

## USPTO PATENT AND TRADEMARK NEWS

### ***USPTO Extends Filing and Fee Deadlines in Response to COVID-19 (Continued)***

Also in June, the USPTO announced a COVID-19 prioritized examination program and fee waiver for certain trademark and service mark applications used to identify a product that is subject to U.S. Food and Drug Administration (FDA) approval for use in the prevention and/or treatment of COVID-19 or a medical or medical research service for the prevention and/or treatment of COVID-19.

In addition to extending deadlines, the USPTO has launched the COVID-19 Response Resource Center in early June to provide information on developing initiatives. These include the USPTO's "Patents 4 Partnerships" IP marketplace platform and the COVID-19 Prioritized Examination Pilot Program designed to accelerate patent applications for COVID-19 related technologies. It will also incorporate international developments. The center will be updated regularly to incorporate new information and resources for inventors and small businesses.



**FIRM NEWS*****StaaS & Halsey LLP Has Gone Paperless!***

Since about the year 2010, our firm has maintained duplicative paper and electronic “official” files for each of our client’s matters. Effective January 1, 2020, our firm discontinued maintenance and use of our “official” paper client files, and instead relies only on our electronic official client files. This change in procedure takes advantage of advances in technology to reduce costs and improve efficiency.



**FIRM NEWS*****Continuing Uninterrupted In View of COVID-19***

Staas & Halsey LLP (S&H) continues to monitor the rapidly changing circumstances surrounding COVID-19, the illness caused by a novel coronavirus. We have taken measures to continue to provide uninterrupted service to our clients during the COVID-19 outbreak in the USA and other countries.

Beginning Monday, March 16th 2020, we implemented the S&H business continuity plan that allows our attorneys and staff to work remotely when necessary. By adopting a document management system ten years ago and going completely paperless in early 2020, the transition to remote working has been relatively smooth.

The S&H remote work system for employees uses an encrypted tunnel to provide connectivity to the S&H servers storing the S&H document and docketing management software, and access to email servers. Staas & Halsey is in compliance with the UK Data Protection Act 2018, as amended in 2019; the European Union's General Data Protection Regulation (GDPR); and the California Consumer Privacy Act (CCPA).

The above mentioned business continuity plan is anticipated to continue until further notice, and may be updated, including any updates taking into consideration recommendations of U.S. local and federal governments and the World Health Organization.

We continue to ask that communication to our firm be electronic, via e-mail, facsimile, portals, or similar means. If physical items need to be sent to Staas & Halsey LLP, please provide S&H prior notification and at least inform [Docketing@s-n-h.com](mailto:Docketing@s-n-h.com) of any such anticipated delivery of physical items so that S&H can make arrangement for receipt of such physical items. If we normally send you packages of physical items, like paper copies of communication, please note that at times these may be delayed.

We have postponed all travel plans as a precaution based on the recommendation of the U.S. local and federal governments and the World Health Organization.

We send our best wishes and thoughts to everyone that have been affected by the COVID-19 virus and hope for a healthy tomorrow.

If you have any questions, please contact us at [Docketing@s-n-h.com](mailto:Docketing@s-n-h.com).

**FIRM NEWS**

***Presenting Artificial Intelligence (AI) seminar***

Live Webinar

Mr. Paul Kravetz, a partner with the firm, will be a presenter at an upcoming webinar on Artificial Intelligence.

The Knowledge Group will be hosting the webinar entitled: “Artificial Intelligence in 2020: Practical Guide to Mitigate Risks and Avoid Pitfalls” on Friday, July 10th at 3 PM (U.S. EST).

If interested, please contact Mr. Kravetz at [pkravetz@s-n-h.com](mailto:pkravetz@s-n-h.com)



**FIRM NEWS**

H. J. Staas  
Founding Partner  
In Memorial



1938-2019

Harry John Staas (“Jack”), was a founding partner of the Washington, D.C. intellectual property law firm Staas & Halsey LLP, and passed late last year in November, 2019. Almost 50 years ago in 1971, Jack Staas and Jim Halsey teamed up to establish the Staas & Halsey LLP law firm.

For over thirty-eight years, Jack helped co-lead the firm to serve many international and U.S. clients with their varied patent needs. The firm maintains the same personal and quality commitment to our clients now and into the future as was Jack Staas’s founding partner legacy.

\*\*\*\*\*

Mr. Staas, after graduating from Lehigh University with engineering and arts degrees in engineering physics and applied sciences, received his law degree from Georgetown University. Early in his career, Mr. Staas worked in the Washington, D.C. Patent Operations of General Electric Corporation while receiving his law degree. He then entered private practice with several law firms in both New York City and Washington, D.C. before co-founding Staas and Halsey LLP.

For the many years, Jack was involved in various patent matters covering a broad range of technologies, including preparation and prosecution of patent applications, as well as representing clients in interference and appellate proceedings before the U.S. Patent and Trademark Office and in patent litigation before the U.S. federal courts.

Jack was a member of numerous patent bar and professional organizations, and held court admissions in New York and D.C., and at Federal and Supreme Court levels. Outside his professional legal career, Mr. Staas enjoyed boating and golfing, and liked music and was an accomplished musician himself.

Mr. Staas is survived by his dedicated wife Patricia Staas of McLean, Virginia, along with several children and numerous grandchildren.

**FIRM NEWS**

James D. Halsey, Jr  
Founding Partner  
In Memorial



**1935-2020**

James D. Halsey, Jr. (“Jim”), was a founding partner of the Washington, D.C. intellectual property law firm Staas & Halsey LLP, and passed this year in April, 2020. Almost 50 years ago in 1971, Jim Halsey and Jack Staas teamed up to establish the Staas & Halsey LLP law firm.

For over thirty-five years, Jim helped lead and build the firm to serve many international and U.S. clients with their varied intellectual property needs. Jim then acted as Senior Counsel of Staas & Halsey LLP for a further ten years. The firm maintains the same personal and quality commitment to our clients now and into the future as was Jim Halsey’s founding partner legacy.

\*\*\*\*\*

Mr. Halsey, after graduating from the University of Maryland with a degree in mechanical engineering, received his law degree from the American University. Early in his career, Mr. Halsey served as a U.S. Patent Examiner for three and one-half years while receiving his law degree. He then entered private practice, and for many years was involved in varied patent matters covering a broad range of technologies. He was also responsible for handling many and varied trademark, design and copyright matters during this time. Of particular interest with his family lineage to World War II U.S. Navy Admiral Halsey, was his gained respect in Japan representing numerous Japanese corporations involved in U.S. intellectual property matters.

Jim was a dedicated participant in numerous bar and professional organizations, and held court admissions in D.C., and at Federal and Supreme Court levels. Outside his professional legal career, Mr. Halsey actively supported many community endeavors, including serving as President and Member of the Board of Directors of the McLean Virginia Orchestra, and the McLean Virginia Project for the Arts and the McLean Virginia Choral Society.

Mr. Halsey is survived by his lovely wife Eleanor Dasenbrook of McLean, Virginia, along with several stepchildren and numerous grandchildren.



STAAS



HALSEY LLP



Staas & Halsey LLP  
1201 New York Avenue, N.W.  
7th Floor  
Washington, D.C. 20005  
Telephone: 202.434.1500  
Email: [info@s-n-h.com](mailto:info@s-n-h.com)  
Fax: 202.434.1501  
[www.staasandhalsey.com](http://www.staasandhalsey.com)

This material has been prepared by Staas & Halsey LLP for informational purposes only and is not legal advice. Consult with an attorney for legal advice pertinent to your circumstances before relying on any information contained herein or obtained from any other source. You may feel free to forward this email intact to anyone you wish, but any alteration of this email and its distribution, for remuneration, without the express written permission of Staas & Halsey LLP, are prohibited. ©2020 Staas & Halsey LLP

Editor-In-Chief: Gene M. Garner

To Unsubscribe Please Email [info@s-n-h.com](mailto:info@s-n-h.com)

If you received this e-mail from someone other than us and would like to be added to our distribution list, please email [info@s-n-h.com](mailto:info@s-n-h.com)