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Intellectual Property

by Laurence P. Colton*
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I. INTRODUCTION

This Article surveys case law developments in the area of intellectual property, including patents, copyrights, and trademarks, relevant to Georgia during the period from January 1, 2003 to December 31, 2003. The authors have not attempted to include all cases that touch upon intellectual property, but instead they have selected some decisions that are of more significance or interest or that indicate a particular direction the areas of law may take.

Intellectual property law comprises several discrete yet overlapping areas of law. The four primary areas are patent, trademark, copyright, and trade secret.¹ Patent and copyright law are provided for in the United States Constitution,² and thus the cases regarding these two areas are based on federal law and are gleaned from the U.S. federal courts. While trademark law has both federal³ and state aspects and

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1. Secondary areas that will not be surveyed in this Article due to space limitations include trade dress and know how.

2. Article 1, Section 8, Clause 8 of the Constitution provides that "The Congress shall have power . . . (8) To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries" Authors/Writings refers to copyright, and Inventors/Discoveries refers to patent.

3. Article 1, Section 8, Clause 3 of the U.S. Constitution is the Commerce Clause, which forms the constitutional basis for federal trademark and unfair competition legislation, and provides that "The Congress shall have Power . . . (3) To regulate Commerce with foreign

thus the cases regarding this area are based on federal or state law, the cases generally are litigated in the United States federal courts. As such, this Article will focus on the cases from the federal courts.

II. PATENT CASES

A. *Claim Construction*

The claims of a patent are the equivalent of the metes and bounds of the protection of the patent—the scope of coverage.⁴ As the claim's scope often can be determinative in a patent infringement action, many of the appellate cases in patent law are focused on claim construction. While claim construction is determined from a number of factors, the words in the claims are given their ordinary meaning unless the applicant or the patent specification⁵ suggests otherwise. As such, in many of the court cases where claim construction is at issue, the focus is on instances in which the words in the claims are not given their ordinary meaning.

First, the prior art's⁶ definition of a term may be given weight over the dictionary definition in determining the meaning of the term.⁷ In *Kumar v. Ovonic Battery Co.*,⁸ the Federal Circuit reversed the district court's claim construction of a patent claim related to a rechargeable hydrogen battery, which was based completely on the dictionary definition of the term "amorphous."⁹ Defendants argued that the term "amorphous" should be construed to mean "completely amorphous" as defined by the dictionary¹⁰ and that defendants did not infringe the patent because the batteries produced under defendants' licenses did not use completely amorphous alloys.¹¹ The Federal Circuit determined that the dictionary definition suggesting a completely amorphous interpretation was restrictive because the patentee cited prior art during prosecution of the patent application in which the term "amorphous" was defined to be less than completely amorphous.¹² Thus, the definition

Nations, and among the several States, and with the Indian Tribes"

4. The claims are the part of the patent that define the technology that is the exclusive property of the patentee for the term of the patent.

5. The "specification" is the main body of the patent.

6. "Prior art" is the body of knowledge predating the patent at issue.

7. See *Kumar v. Ovonic Battery Co.*, 351 F.3d 1364, 1368 (Fed. Cir. 2003).

8. 351 F.3d 1364 (Fed. Cir. 2003).

9. *Id.* at 1367.

10. "Completely" is an arrangement where there is no ordering of molecules. *Id.*

11. *Id.* at 1371.

12. *Id.* at 1368.

of “amorphous” from the prior art was preferred over the dictionary definition when constructing the scope of this claim limitation.¹³

Next, the use of the terms “first” and “second,” without more, in structural patent claims does not have a temporal meaning.¹⁴ In *3M Innovative Products Co. v. Avery Dennison Corp.*,¹⁵ the Federal Circuit reversed the district court’s claim construction, which defined the term “multiple embossed patterns” to include a limitation that the “patterns” be created sequentially based on the patentee’s use of terms “first pattern” and “second pattern.”¹⁶ As the patentee defined the film of its adhesive-backed film product for commercial graphics in an entirely structural manner, the court rejected the argument that use of “first” and “second” conveyed a temporal arrangement contrary to the plain language of the claims.¹⁷ The court appeared to be persuaded by the patentee’s broadening of the claim language during the prosecution of the patent, which also supported a plain-meaning construction of the claim without a sequential-embossment limitation.¹⁸

One court held that terms in patent claims may be given the definition understood by persons skilled in the art¹⁹ rather than the dictionary definition.²⁰ In *Merck & Co. v. Teva Pharmaceuticals USA, Inc.*,²¹ the Federal Circuit affirmed the decision of the district court that Teva’s generic compound (“alendronic acid”) infringed on Merck’s patents.²² After concluding that Merck’s patent was valid, the court rejected Teva’s argument that Teva’s generic product did not infringe on the patent claim because the patent called for use of an “acid” while Teva’s product used an “acid salt.”²³ Specifically, while the patent did use the term “acid,” persons skilled in the art understand that the term “acid” refers to the active agent that would be delivered in the form of a salt.²⁴ Thus, the patent inherently covered an acid salt compound.²⁵

13. *Id.*

14. See *3M Innovative Prods. Co. v. Avery Dennison Corp.*, 350 F.3d 1365, 1374 (Fed. Cir. 2003).

15. 350 F.3d 1365 (Fed. Cir. 2003).

16. *Id.* at 1374.

17. *Id.* at 1371-73.

18. *Id.* at 1372.

19. Like most legal fields, the patent field relies on the hypothetical “person of ordinary skill in the art” when determining whether a patent is valid. This standard is the rough equivalent of the reasonable person standard in other legal fields.

20. *Merck & Co. v. Teva Pharms. USA, Inc.*, 347 F.3d 1367, 1372 (Fed. Cir. 2003).

21. 347 F.3d 1367 (Fed. Cir. 2003).

22. *Id.* at 1368.

23. *Id.* at 1371-72.

24. *Id.* at 1372.

25. *Id.*

Further, the meaning of terms in patent claims are not limited to the embodiment shown in the examples of the patent.²⁶ In *Glaxo Wellcome, Inc. v. Andrx Pharmaceuticals, Inc.*,²⁷ the Federal Circuit reversed the summary judgment of noninfringement, which was based on an unduly restrictive construction of the patent claims.²⁸ Andrx argued that Glaxo's patents on a sustained-release formulation of bupropion hydrochloride (the active ingredient in Wellbutrin® SR and Zyban®) and hydroxypropyl methylcellulose (HPMC) were limited to the specific examples in the patent and, because Andrx's products use a lower molecular weight bupropion hydrochloride and a lower viscosity HPMC, Andrx's products did not infringe Glaxo's patent.²⁹ While during the prosecution of the Glaxo patent the patent was restricted to the specific use of HPMC, the patent was not restricted to specific molecular weights of or viscosities of HPMC.³⁰ Therefore, the Federal Circuit found that the district court erred in limiting the claims to specific examples in the patent.³¹

Patent claims do not ordinarily import claim limitations from industry standards. In *E-Pass Technologies, Inc. v. 3COM Corp.*,³² the Federal Circuit reversed the district court's construction of the patentee's claims, which limited the claimed "electronic multifunction card" to industry standard dimensions.³³ The district court decided that the ordinary meaning of the term "card" should be limited to the standard credit card size as the context and object of the patent was to provide a method and device for substituting a single "electronic multifunction card" for multiple credit cards.³⁴ Reversing the district court, the Federal Circuit held that no basis existed in the ordinary meaning of the claim terms to impose industry standard dimensions because the method steps recited in the patent claims did not impose any specific dimensional requirements and the patentee inferred that such "cards" could vary in size as evidenced by the use of the terms "simple form" and "normally" when describing the dimension of credit cards.³⁵

26. See *Glaxo Wellcome, Inc. v. Andrx Pharms., Inc.*, 344 F.3d 1226, 1233 (Fed. Cir. 2003).

27. 344 F.3d 1226 (Fed. Cir. 2003).

28. *Id.* at 1227-28.

29. *Id.* at 1231-32.

30. *Id.* at 1230.

31. *Id.* at 1233.

32. 343 F.3d 1364 (Fed. Cir. 2003).

33. *Id.* at 1365.

34. *Id.* at 1366-67.

35. *Id.* at 1370-71.

The term "about," which is ubiquitous in patent claims, may be constructed to include a range of experimental error.³⁶ In *BJ Services Co. v. Halliburton Energy Services*,³⁷ the Federal Circuit held that a patent claim including the term "about" was not indefinite and encompassed a range of experimental error.³⁸ BJ Services Company's patent, directed to a method of fracturing subterranean formations to stimulate oil and gas wells, included a claim limitation to forming a base fluid by blending a guar polymer having carboxymethyl substituents and a C* value of "about 0.06" percent by weight.³⁹ In concluding that the term "about" was not indefinite and included a range of experimental error, the court found sufficient evidence that persons of ordinary skill in the art could understand the bounds of the patent claim and that the term "about" encompassed a degree of experimental error.⁴⁰

Additionally, a limitation from the specification may not be imported into the claims even if it is shown as part of a preferred embodiment and as a solution to a prior art problem.⁴¹ In *Resonate Inc. v. Alteon Websystems, Inc.*,⁴² the Federal Circuit vacated the district court's judgment of noninfringement that read limitations into a claim from a preferred embodiment when the claim language was broader than that embodiment.⁴³ In *Resonate*, the patent claim, which related to a method of routing Internet traffic, was constructed by the district court to require that the data be transmitted back to the client, bypassing the load balancer as shown in the preferred embodiment and as a solution to a prior art problem, even though the patent claim itself did not require the transmission to bypass the load balancer.⁴⁴ The Federal Circuit held that the bypass feature was not properly a limitation of the claim and that the alleged infringer, who did not have the bypass feature, could infringe the patent claim.⁴⁵

An Information Disclosure Statement ("IDS"), which contains a list submitted to the United States Patent and Trademark Office ("USPTO") of the prior art known to the applicant, does not inherently limit the

36. See *BJ Servs. Co. v. Halliburton Energy Servs.*, 338 F.3d 1368, 1373 (Fed. Cir. 2003).

37. 338 F.3d 1368 (Fed. Cir. 2003).

38. *Id.* at 1373.

39. *Id.* at 1370.

40. *Id.* at 1373-74.

41. See *Resonate Inc. v. Alteon Websystems, Inc.*, 338 F.3d 1360, 1368 (Fed. Cir. 2003).

42. 338 F.3d 1360 (Fed. Cir. 2003).

43. *Id.* at 1368.

44. *Id.* at 1365-66.

45. *Id.*

patent claims.⁴⁶ In *Abbott Laboratories v. Baxter Pharmaceutical Products*,⁴⁷ the Federal Circuit reversed the district court's restrictive construction of the claim limitation "effective amount."⁴⁸ The patent claimed compositions and methods of preventing the degradation of a sevoflurane anesthetic by adding an "effective amount" of certain Lewis acid inhibitors.⁴⁹ The district court construed the term "effective amount" to mean greater than 130 ppm of water because an IDS filed in connection with the application disclosed a sevoflurane that included no more than 130 ppm of water.⁵⁰ In reversing the district court, the Federal Circuit noted that an IDS is not construed to be an admission that the information cited is material to the patentability of the invention and for that reason, the applicant's disclosure to the USPTO in the IDS did not itself relinquish effective amounts below 130 ppm of water.⁵¹ The Federal Circuit construed the term "effective amount" according to its ordinary and customary meaning, as neither the specification nor the plain language of the claim was more restrictive.⁵²

Finally, a patent application may be limited to a single embodiment in complex art groups.⁵³ In *Biogen, Inc. v. Berlex Laboratories*,⁵⁴ the Federal Circuit affirmed the district court's claim construction limiting the patent to the single disclosed embodiment.⁵⁵ The Federal Circuit concluded that (1) the district court properly narrowed the patent claims to the preferred embodiment in the specification directed to the use of a single DNA construct to introduce the linked human interferon gene and marker gene into a Chinese mouse for production in the ovarian cells; and (2) the patent claims did not include an embodiment using the "unlinked co-transformation" when multiple genes are introduced using separate DNA constructs or separate vectors.⁵⁶ The court rejected the argument that general statements in the specification to an "unlinked" embodiment were enough to allow the embodiment to fall within the scope of the patent on the basis that the art was too complex to be enabling on such statements.⁵⁷ Further, because the USPTO examiner

46. See *Abbott Labs. v. Baxter Pharm. Prods.*, 334 F.3d 1274, 1280 (Fed. Cir. 2003).

47. 334 F.3d 1274 (Fed. Cir. 2003).

48. *Id.* at 1279.

49. *Id.* at 1276-77.

50. *Id.* at 1277.

51. *Id.* at 1279 (citing 37 C.F.R. § 1.56(b) (2000) and 37 C.F.R. § 1.97(h) (2000)).

52. *Id.* at 1280.

53. See *Biogen, Inc. v. Berlex Labs.*, 318 F.3d 1132, 1136-37 (Fed. Cir. 2003).

54. 318 F.3d 1132 (Fed. Cir. 2003).

55. *Id.* at 1140.

56. *Id.* at 1136-37.

57. *Id.*

stated in the reasons for allowance⁵⁸ that the patent application was examined viewing the single embodiment as the invention and because the applicant did not provide any enabling description of an “unlinked” embodiment, the Federal Circuit determined that the patent claims could only support the single embodiment.⁵⁹

B. Doctrine of Equivalents

Even if a potential infringer does not infringe the literal limitations of a patent claim, the potential infringer still can infringe a patent through the Doctrine of Equivalents (“DOE”). The DOE recognizes that claim language is imperfect and grants a patent claim a certain range of equivalents of the structures or steps in the claim. While the scope of equivalents is determined by a number of factors and principles, the prosecution history⁶⁰ of a patent can have a crucial role in the ultimate scope of equivalents. Now that the Supreme Court breathed new life into the DOE in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*,⁶¹ the Federal Circuit must elucidate how the DOE will affect the scope of a patent.

Starting with *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*,⁶² on remand from the Supreme Court,⁶³ the Federal Circuit held that a patent holder can now rebut the presumption that it surrendered the entire territory between the original claim limitation and the amended claim limitation by demonstrating that the accused equivalents would have been unforeseeable to a person of ordinary skill in the art at the time of amendments.⁶⁴ In the original case, the Federal Circuit concluded as a matter of law that the patentee could not rebut the presumption that because an amendment that narrowed the literal scope of the claim was made for substantial reasons of patentability, prosecution history estoppel was applicable, preventing the patentee from asserting any range of equivalents.⁶⁵ After the Supreme Court’s recent

58. Such a statement generally is made by the examiner during the prosecution of patent application and indicates his reason or reasons for allowing the patent application or claims.

59. 318 F.3d at 1136-38.

60. The prosecution history is the written record of the give and take between the applicant and the USPTO during the patent application stage.

61. 62 U.S.P.Q.2d 1705 (S. Ct. 2002). See also Laurence P. Colton & Nigamnarayan Acharya, *Intellectual Property*, 54 MERCER L. REV. 1601, 1605 (2003).

62. 344 F.3d 1359 (Fed. Cir. 2003).

63. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002).

64. 344 F.3d at 1366.

65. *Id.* at 1367-68.

decision,⁶⁶ however, the Federal Circuit held on remand that a patentee is now entitled to rebut the presumption "that an 'unexplained' narrowing amendment surrendered the entire territory between the original and the amended claim limitations."⁶⁷ Specifically, the court held that factual questions existed as to whether the equivalent in question was at the time of the amendment unforeseeable and still available to the patentee.⁶⁸ This holding is very important because it reverses the narrowing trend the Federal Circuit was following when interpreting patents and patent claim language.

Next, an applicant's rewriting of a claim in independent form based on allowable claims is considered a narrowing amendment and results in estoppel.⁶⁹ In *Ranbaxy Pharmaceuticals, Inc. v. Apotex, Inc.*,⁷⁰ the Federal Circuit affirmed the district court's holding that a patentee's narrowing amendment for reasons related to patentability precluded it from relying on the DOE to prove that the patent was infringed.⁷¹ *Ranbaxy* concerned a patent on a process in which a "highly polar organic solvent is selected from the group consisting of a sulfoxide, an amide and formic acid" and the allegedly infringing process used acetic acid instead.⁷² The patent application originally was filed with one independent claim and nine dependant claims of which four claims (including the independent claim) were rejected as indefinite and obvious over a prior art reference disclosing the use of acetone and water.⁷³ After finding that an amendment that rewrote the allowable dependent claims in independent form was related to patentability, as it was in response to a prior art rejection, and that acetic acid would have been a foreseeable equivalent to sulfoxide, amide and formic acid at the time

66. The Supreme Court reversed the Federal Circuit, holding that prosecution history estoppel surrenders the entire range of equivalents. 535 U.S. at 741. The Court enumerated the three ways in which the patentee may overcome the presumption that the entire range of equivalents was surrendered: by demonstrating that (1) "the equivalent [would] have been unforeseeable at the time of the [amendment]," (2) "the rationale underlying the amendment [bore] no more than a tangential relation to the equivalent in question," or (3) "there [was] some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question." *Id.* at 740-41.

67. 344 F.3d at 1366.

68. *Id.* at 1374.

69. See *Ranbaxy Pharms., Inc. v. Apotex, Inc.*, 350 F.3d 1235, 1241 (Fed. Cir. 2003).

70. 350 F.3d 1235 (Fed. Cir. 2003).

71. *Id.* at 1238-39.

72. *Id.* at 1238.

73. *Id.* at 1237-38.

of patenting, the court held that the patent owner was not entitled to a range of equivalents that included acetic acid.⁷⁴

The Federal Circuit decided two other cases that help elucidate whether an equivalent is foreseeable. First, in *Pioneer Magnetics, Inc. v. Micro Linear Corp.*,⁷⁵ the Federal Circuit, on remand from the Supreme Court, held that equivalents surrendered as a result of prosecution history estoppel could be "foreseeable" relative to the prior art at the time of the amendment.⁷⁶ Second, in *Talbert Fuel Systems Patents Co. v. Unocal Corp.*,⁷⁷ the Federal Circuit, also on remand from the Supreme Court, held that when the prior art embraces the alleged equivalent and a narrowing amendment was made to avoid that equivalent, the alleged equivalent cannot be found to have been unforeseeable at the time of the amendment.⁷⁸ Based on these two cases, an equivalent is unforeseeable only if it relates to new technology.

C. Patent Invalidity

Patent invalidity is a powerful counterclaim or defense to patent infringement. A patent can be invalid for numerous technical and substantive reasons. Discussed below are just a few of the most interesting cases the Federal Circuit decided in the past year (generally in favor of upholding the patent) in which the validity of the patent was at issue.

A patented invention need not meet a customer's standards to be valid.⁷⁹ In *CFMT, Inc. v. Yieldup International Corp.*,⁸⁰ the Federal Circuit reversed the district court's invalidation of a patent directed to a semiconductor wafer cleaning system that required significant experimentation to carry out the invention to meet a customer's standards for wafer cleanliness.⁸¹ The parties agreed that the preamble term "cleaning" meant only "removal of contaminants" and the patent disclosed a method able to remove contaminants. Defendants argued that the patent was not enabling as it did not disclose the inventors' significant experimentation, including hundreds of modifications, to install a machine executing the method (called a Full Flow

74. *Id.* at 1241.

75. 330 F.3d 1352 (Fed. Cir. 2003).

76. *See id.* at 1352.

77. 347 F.3d 1355 (Fed. Cir. 2003).

78. *See id.* at 1355.

79. *See CFMT, Inc. v. Yieldup Int'l Corp.*, 349 F.3d 1333, 1338 (Fed. Cir. 2003).

80. 349 F.3d 1333 (Fed. Cir. 2003).

81. *Id.* at 1336-37.

machine) that met the customer's standards for wafer cleanliness.⁸² The court rejected this argument and held that the enablement requirement does not require a commercial embodiment or an invention that meets a customer's standards absent specific language in the claims.⁸³

Next, a patent for metabolites of a known drug may be invalid because the metabolite inherently may be disclosed in the patent for the known drug.⁸⁴ In *Schering Corp. v. Geneva Pharmaceuticals, Inc.*,⁸⁵ the Federal Circuit affirmed the district court's holding that Schering's patent covering a metabolite descarboethoxyloratadine ("DCL") of the antihistamine loradine was invalid as anticipated by Schering's expired patent on loradine itself.⁸⁶ While the court recognized that a person of ordinary skill in the art might not recognize the disclosure of DCL, the court found that the expired loradine patent inherently discloses DCL because DCL is the natural result flowing from the expired patent.⁸⁷ While the court invalidated the DCL patent, it noted patent protection with proper claiming could be available for metabolites of known drugs.⁸⁸

Further, an applicant's own patent listed in an IDS does not inherently invalidate the applicant's subsequent patent.⁸⁹ In *Riverwood International Corp. v. R. A. Jones & Co.*,⁹⁰ the Federal Circuit reversed the district court's invalidation of the patents-in-suit based on obviousness over the applicant's own parent patent.⁹¹ Because the applicant cited the parent patent in an IDS as "prior art" during the prosecution of the patents-in-suit, the defense argued that the parent patent was prior art by admission.⁹² The Federal Circuit held that citing the parent patent in an IDS would not make the patent prior art by admission because the doctrine that a reference can become prior art by admission is inapplicable when the subject matter at issue is the inventor's own work.⁹³

82. *Id.* at 1338.

83. *Id.*

84. *See Schering Corp. v. Geneva Pharms., Inc.*, 339 F.3d 1373, 1378 (Fed. Cir. 2003).

85. 339 F.3d 1373 (Fed. Cir. 2003).

86. *Id.* at 1374-75.

87. *Id.* at 1378.

88. *Id.* at 1381.

89. *See Riverwood Int'l Corp. v. R.A. Jones & Co.*, 324 F.3d 1346, 1355 (Fed. Cir. 2003).

90. 324 F.3d 1346 (Fed. Cir. 2003).

91. *Id.* at 1348.

92. *Id.* at 1351.

93. *Id.* at 1354-55.

Finally, patents covering transgenic animals are not invalidated through anticipation by prior publications identifying the nature and location of the claimed gene unless the publications are enabling.⁹⁴ In *Elan Pharmaceuticals v. Mayo Foundation*,⁹⁵ the Federal Circuit held on rehearing that patents for transgenic animals harboring amyloid precursor protein ("APP") having the "Swedish mutation"⁹⁶ of Alzheimer's disease were not anticipated by a prior art publication identifying the nature and location of the Swedish mutation in the gene and suggesting that the gene may have applications to transgenic nonhuman models.⁹⁷ The court remanded to the district court the issue of whether the prior art reference enabled persons of ordinary skill in the art to make the desired mutated mouse without undue experimentation.⁹⁸

D. Procedural Issues

Aside from substantive issues of patent law, the Federal Circuit resolved three procedural issues that directly affect patent enforcement. Often the Federal Circuit also reports precedents that bind district courts in procedural issues in patent cases.

First, the federal courts have inherent ancillary jurisdiction to enforce consent judgments related to patent cases. In *Cygnus Telecommunications Technology, LLC v. totalaccess.com, Inc.*,⁹⁹ the Federal Circuit reversed the district court's order dismissing an action to enforce a consent judgment for lack of jurisdiction.¹⁰⁰ After the patent holder settled a patent infringement action with a consent decree requiring the infringer and its successor to pay \$50,000 to the patent holder, a successor bought the infringer and the patent holder brought a subsequent action to enforce the judgment against the successor.¹⁰¹ Rejecting the claim that the original patent-based ground of federal jurisdiction was not available against the successor, the court held that the federal district court had inherent ancillary jurisdiction to enforce its

94. "Enablement" is the requirement under 35 U.S.C. § 112 (2003) that the patent disclosure must give a sufficiently clear explanation of the invention so that a person of ordinary skill in the art can make and use the invention without undue experimentation.

95. 346 F.3d 1051 (Fed. Cir. 2003).

96. The Swedish mutation is an abnormal gene n2 that was discovered on chromosome 21 in a Swedish family that has an unusually high incidence of early-onset Alzheimer's disease.

97. 346 F.3d at 1054.

98. *Id.* at 1057.

99. 345 F.3d 1372 (Fed. Cir. 2003).

100. *Id.* at 1373-74.

101. *Id.* at 1377.

judgments, even to the extent of determining the liability of the successor under the consent decree.¹⁰²

Second, in *Mazzari v. Rogan*,¹⁰³ the Federal Circuit held that evidence presented in a district court after an appeal from a decision of the Board of Patent Appeals and Interferences ("BPAI")¹⁰⁴ requires a de novo review by the district court and a "clear error" standard of review by the Federal Circuit.¹⁰⁵ In this case, the applicants filed for a 35 U.S.C. § 145¹⁰⁶ review of the BPAI's decision of obviousness to the district court.¹⁰⁷ Because the applicant provided additional evidence that was conflicting with the BPAI's finding, the Federal Circuit held that the district court properly reviewed conflicting evidence de novo.¹⁰⁸ Further, as the district court's determinations are subject to the decision in *Zurko*,¹⁰⁹ these determinations are then reviewed under a "clear error" standard by the Federal Circuit.¹¹⁰

Third, offensive collateral estoppel may not be available to a patentee that did not join a previous lawsuit.¹¹¹ In *Dana v. E.S. Originals, Inc.*,¹¹² the Federal Circuit vacated the district court's judgment that the defendants were collaterally estopped¹¹³ (offensively) from contest-

102. *Id.* at 1373-75.

103. 323 F.3d 1000 (Fed. Cir. 2003).

104. The BPAI is an administrative board that is part of the USPTO and hears appeals from USPTO examiners' decisions rejecting the patentability of claims of inventions and questions of patentability and priority between rival claimants of the same inventions.

105. 323 F.3d at 1005.

106. 35 U.S.C. § 145 (2003). Review under 35 U.S.C. § 145 is distinct from a 35 U.S.C. § 141 (2003) appeal in that it affords the applicant an opportunity to present additional evidence or argue the previous evidence afresh.

107. 323 F.3d at 1003-04.

108. *Id.* at 1004.

109. *Dickinson v. Zurko*, 527 U.S. 150 (1999) (holding that decisions and findings of fact by the USPTO are reviewed, whether by the court of appeals or the district court, under a substantial evidence standard of review).

110. 323 F.3d at 1005.

111. See *Dana v. E.S. Originals, Inc.*, 342 F.3d 1320, 1327 (Fed. Cir. 2003).

112. 342 F.3d 1320 (Fed. Cir. 2003).

113.

A party asking the court to apply collateral estoppel must establish that: "(1) the issue at stake is identical to the one involved in the prior proceeding; (2) the issue was actually litigated in the prior proceeding; (3) the determination of the issue in the prior litigation must have been a critical and necessary part of the judgment in the first action; and (4) the party against whom collateral estoppel is asserted must have had a full and fair opportunity to litigate the issue in the prior proceeding." On procedural issues not unique to the circuit's exclusive jurisdiction, the court applies the law of the regional circuit.

Id. at 1323 (quoting *Pleming v. Universal-Rundle Corp.*, 142 F.3d 1354, 1359 (11th Cir. 1998)).

ing the issues of infringement and validity of patents relating to certain footwear featuring flashing light displays in a proceeding against the patentee because these issues were raised and decided in a previous suit brought by the patent assignee.¹¹⁴ In a previous decision against defendants entered by a California federal court and brought by the assignee for infringement after the assignment, the court found that the patent was valid and infringed by defendants.¹¹⁵ While defendants had a full and fair opportunity to litigate and the incentive to litigate the issues of infringement and validity in the California case, the Federal Circuit held that in the interest of fairness the question whether the patentee should be collaterally estopped if the patentee could have joined the California case is a material fact to be determined by the lower court.¹¹⁶

E. Inequitable Conduct

Inequitable conduct is fraudulent conduct by a patent applicant or its attorneys during the prosecution of the patent in the USPTO that may result in the invalidation of the entire issued patent.¹¹⁷ The inequitable conduct analysis is performed in two steps: (1) a determination of whether the withheld reference meets a threshold level of materiality and intent to mislead; and (2) a weighing of the materiality and intent in light of all the circumstances to determine whether the applicant's conduct is so culpable that the patent should be held unenforceable.¹¹⁸ This analysis is performed on a case-by-case basis.

First, an adverse USPTO office action¹¹⁹ in one pending patent application is material to the patentability of another copending related patent application.¹²⁰ In *Dayco Products, Inc. v. Total Containment, Inc.*,¹²¹ the Federal Circuit, reversing the district court's summary judgment of infringement, held that a patent may be unenforceable due

114. *Id.* at 1321-22. Even though the patentee assigned the patent to LA Gear, the patentee reserved the right to sue infringers for infringement during the pre-assignment period. *Id.* at 1322.

115. *Id.* at 1321-22.

116. *Id.* at 1327.

117. *See, e.g.*, *Consol. Aluminum Corp. v. Foseco Int'l Ltd.*, 910 F.2d 804 (Fed. Cir. 1990).

118. *Id.*

119. An "office action" is an official written communication from the USPTO, typically from the examiner, relating to the patent application.

120. *See Dayco Prods., Inc. v. Total Containment, Inc.*, 329 F.3d 1358, 1360 (Fed. Cir. 2003).

121. 329 F.3d 1358 (Fed. Cir. 2003).

to inequitable conduct¹²² during prosecution.¹²³ During the prosecution of the patents-in-suit¹²⁴ directed to flexible hoses and coupling assemblies that connect to each other for use in underground gas containment systems, two copending patents were directed to and examined by two separate examiners. Not only did the applicant fail to disclose the existence of the copending applications to the examiners, but the applicant also failed to provide the examiner of one of the applications with the adverse office actions rendered by the other examiner in connection with the other application.¹²⁵ The Federal Circuit held that the adverse office action of the copending application met the threshold materiality test of any information that a reasonable examiner would be substantially likely to consider important in deciding whether to allow an application to issue as a patent.¹²⁶ The court remanded the case to the district court to determine whether the applicant intended to deceive the USPTO.¹²⁷

Second, the payment of small entity fees, when large entity fees must be paid,¹²⁸ is not inequitable conduct without the intent to deceive the USPTO.¹²⁹ In *Ulead Systems, Inc. v. Lex Computer & Management Corp.*,¹³⁰ the Federal Circuit reversed the summary judgment finding of inequitable conduct (holding the patent unenforceable and expired), where the patent owner falsely claimed small entity status and paid insufficient maintenance fees under 35 U.S.C. § 285.¹³¹ In *Ulead*

122.

"[T]o prove inequitable conduct in the prosecution of a patent, [the defendant] must provide evidence of affirmative misrepresentations of a material fact, failure to disclose material information, or submission of false material information, coupled with an intent to deceive." Both intent and materiality are questions of fact that must be proven by clear and convincing evidence.

Id. at 1362 (quoting *Purdue Pharma L.P. v. Boehringer Ingelheim GMBH*, 237 F.3d 1359, 1366 (Fed. Cir. 2001) (internal citations omitted)).

123. *Id.* at 1360.

124. *Id.* "The patents-in-suit [are four patents that] all claim priority through a string of continuation applications to U.S. Application No. 408,161 ['the '161 application'] filed on September 15, 1989, and include identical figures and substantially identical written descriptions. The '161 application issued as U.S. Patent No. 5,037,143 . . ." *Id.*

125. *Id.* at 1361-62.

126. *Id.* at 1364-67, 1369.

127. *Id.* at 1371.

128. A "small entity" under the USPTO rules is a small business concern, independent inventor, or non-profit organization. See 37 C.F.R. § 1.9(f) (1993). A small entity may pay reduced prosecution and maintenance fees. See, e.g., 37 C.F.R. § 1.16-18.

129. See *Ulead Sys., Inc. v. Lex Computer & Mgmt. Corp.*, 351 F.3d 1139, 1150 (Fed. Cir. 2003).

130. 351 F.3d 1139 (Fed. Cir. 2003).

131. *Id.* at 1141; 35 U.S.C. § 285 (2003).

Systems, the patent owner's general counsel was aware of licenses to large entities but unaware of their effect on maintenance fees, and the patent owner's patent counsel was aware of the effect of assignments to a large entity but unaware that rights had been assigned to a large entity.¹³² The court held that the grant of summary judgment was improper because a material fact remained as to the owner's intent to deceive.¹³³

F. Exceptional Cases

The Patent Act under 35 U.S.C. § 285¹³⁴ provides that a court, in "exceptional" cases, may award reasonable attorney fees to the prevailing party.¹³⁵ Courts have repeatedly identified as "exceptional" those cases involving inequitable conduct before the USPTO, litigation misconduct, bad faith litigation, a frivolous suit, or willful infringement. Whether a case is "exceptional" is determined on a case-by-case basis.

First, continued prosecution of a lawsuit after the claims have been constructed to preclude infringement is "exceptional."¹³⁶ In *Phonometrics, Inc. v. Westin Hotel Co.*,¹³⁷ the Federal Circuit affirmed the district court's decision to award fees and costs based on the patent holder's continued maintenance of the action after an appellate decision in a related action established that the patent had specific limitations, was vexatious, supported an inference of bad faith, and resulted in unjustified multiplication of proceedings.¹³⁸ The patentee had sued many defendants for infringement relating to its patent for an electronic long distance telephone call computer and recorder.¹³⁹ The Federal Circuit in a prior decision¹⁴⁰ construed the patent claims such that a defendant had to provide real-time visual displays showing the costs of the call to the caller during the call in order to infringe the patent.¹⁴¹ Because the patent holder never accused the defendant of violating the patent as established in the prior decision, the court found that the

132. 351 F.3d at 1142-43.

133. *Id.* at 1144, 1150.

134. 35 U.S.C. § 285 (2000).

135. *Id.*

136. *See Phonometrics, Inc. v. Westin Hotel Co.*, 350 F.3d 1242, 1245 (Fe. Cir. 2003).

137. 350 F.3d 1242 (Fed. Cir. 2003).

138. *Id.* at 1242.

139. *Id.* at 1243.

140. *See, e.g., Intellicall, Inc. v. Phonometrics, Inc.*, 952 F.2d 1384 (Fed. Cir. 1992); *Phonometrics, Inc. v. N. Telecom, Inc.*, 133 F.3d 1459 (Fed. Cir. 1998).

141. 350 F.3d at 1245.

maintenance of the action was exceptional under 35 U.S.C. § 285 and warranted the award of fees and costs.¹⁴²

Second, pre-litigation misconduct is not “exceptional” under 35 U.S.C. § 285.¹⁴³ In *Forest Laboratories, Inc. v. Abbott Laboratories*,¹⁴⁴ the Federal Circuit reversed the district court’s finding that the case was exceptional under 35 U.S.C. § 285 for alleged pretrial misconduct.¹⁴⁵ Abbott encouraged Forest in the development of Infasurf® as an alternative until it received FDA approval for Survanta®, knowing that Infasurf® would violate its purchased patents. Forest argued that the case was “exceptional” because Abbott should have recognized that its pre-litigation conduct precluded it from bringing suit.¹⁴⁶ The Federal Circuit held that, while the conduct was bad faith business conduct, such conduct (not being litigation conduct) alone was not enough to rise to the level of “exceptional” under 35 U.S.C. § 285.¹⁴⁷

Third, an action brought on a valid patent, without more, is not bad faith litigation.¹⁴⁸ In *McNeil-PPC, Inc. v. L. Perrigo Co.*,¹⁴⁹ the Federal Circuit reversed the district court’s finding that the case was exceptional.¹⁵⁰ After invalidating the patent holder McNeil-PPC, Inc.’s patents relating to the combination of its antidiarrheal drug loperamide with the anti-gas drug simethicone (in order to treat both diarrhea and flatulence) based on obviousness over its previous patents for each of the drugs and other prior art references, the district court found that the case was exceptional because the drug company engaged in “a scheme for extending the life of a drug about to go off patent . . . without the slightest regard for the intent and purposes of the patent laws.”¹⁵¹ The Federal Circuit noted that an inventor has a right to vigorously prosecute patents on its inventions and that patents are presumed to be valid and concluded the patent holder bringing the infringement action based on issued patents, without more, is not a basis for finding a case exceptional within 35 U.S.C. § 285.¹⁵²

142. *Id.*

143. *See Forest Labs., Inc. v. Abbott Labs.*, 339 F.3d 1324, 1330-31 (Fed. Cir. 2003).

144. 339 F.3d 1324 (Fed. Cir. 2003).

145. *Id.* at 1326.

146. *Id.* at 1326-27.

147. *Id.* at 1330-31.

148. *See McNeil-PPC, Inc. v. L. Perrigo Co.*, 337 F.3d 1362, 1373 (Fed. Cir. 2003).

149. 337 F.3d 1362 (Fed. Cir. 2003).

150. *Id.* at 1364.

151. *Id.* at 1367 (citing the district court’s opinion).

152. *Id.* at 1373.

G. Contributory Infringement

Contributory or induced infringement is the act of selling or supplying an item for which the only or predominant use is in connection with a patented invention.¹⁵³ In a case of alleged induced patent infringement, the patent holder must show that the alleged contributory infringer's actions induced infringing acts and that she knew or should have known her actions would induce actual infringements.¹⁵⁴ Absent direct infringement of the claims of a patent, there can be neither contributory infringement nor inducement of infringement.¹⁵⁵ The Federal Circuit decided two cases in which contributory or induced infringement was at issue.

First, in *Jansen v. Rexall Sundown, Inc.*,¹⁵⁶ the Federal Circuit affirmed the district court's summary judgment of noninfringement through contributory infringement of a patent claiming a method of ingesting the combination of folic acid and vitamin B12 to treat or prevent macrocytic-megaloblastic anemia.¹⁵⁷ More specifically, the Federal Circuit determined that the alleged infringer's customers, who bought defendant's over-the-counter dietary supplement containing folic acid and vitamin B12,¹⁵⁸ did not take the supplement with the intent of treating macrocytic-megaloblastic anemia as required by the patent claim.¹⁵⁹ Without the required intent to treat the anemia by the patent claim (*i.e.* direct infringement), the customers did not infringe the patent claim, and defendant did not engage in contributory infringement of the patent.¹⁶⁰

Second, in *Anton/Bauer, Inc. v. PAG, Ltd.*,¹⁶¹ the Federal Circuit reversed the district court's grant of a preliminary injunction of induced or contributory infringement of a patent claim for a connection that joined a battery pack to a camera through the use of a female plate

153. See, e.g., *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 553 (Fed. Cir. 1990).

154. See

155. See *Met-Coil System Corp. v. Korners Unlimited, Inc.* 803 F.2d 684 (Fed. Cir. 1986).

156. 342 F.3d 1329 (Fed. Cir. 2003).

157. *Id.* at 1335.

158. *Id.* at 1331. The product was labeled and advertised for use in maintenance of proper blood homocysteine levels and not for the prevention or treatment of macrocytic-megaloblastic anemia. *Id.*

159. *Id.* at 1333.

160. *Id.* at 1334.

161. 329 F.3d 1343 (Fed. Cir. 2003).

attached to the camera and a male plate attached to a battery pack.¹⁶² Interestingly, the patent holder, Anton/Bauer, manufactures and sells both female plates and battery packs containing male plates. But instead of selling the combination of a female plate and a male plate as claimed in the patent, it sells its female plates directly to members of the portable television video camera industry, who attach the female plates to commercial portable television video cameras. The patent holder sued alleging that defendant's battery pack, which also can be used in combination with the patentee's female plates as the housing of the battery pack that contains a male plate, alleging that defendant's battery pack would induce infringement and/or contribute to the infringement of the patent by the patentee's customers.¹⁶³ In reversing the district court, the Federal Circuit held that an implied license to practice the patent claim was granted by the patentee to its customers to employ the combination by the patent holder's sale of the female plate because the female plate could only be used in the patented combination and the combination had to be completed by the purchaser.¹⁶⁴ Thus, the court found that there could not be direct infringement by the patentee's consumers and consequently there could not be inducement or contributory infringement by defendant.¹⁶⁵

H. Miscellaneous Issues

Finally, several side issues in patent law were clarified in some interesting decisions.

First, the specification for means-plus-function claims¹⁶⁶ must clearly link the means and the function of the respective element.¹⁶⁷ In *Medical Instrumentation & Diagnostics Corp. v. Elekta AB*,¹⁶⁸ the Federal Circuit reversed the district court's denial of defendants' motion for judgment as a matter of law that their products did not infringe the patents after finding that the patent specification did not clearly link the structure in the claim element to the corresponding function of the claim element.¹⁶⁹ The court found that there was nothing in the specification

162. *Id.* at 1346.

163. *Id.* at 1347.

164. *Id.* at 1352.

165. *Id.*

166. A "means-plus-function claim" recites a means for performing a specified function rather than reciting a specific element for performing the function. The goal is to protect a variety of elements rather than a specific element.

167. See *Micro Chem. Inc. v. Great Plains Chem. Co.*, 194 F.3d 1250, 1258 (Fed. Cir. 1999).

168. 344 F.3d 1205 (Fed. Cir. 2003).

169. *Id.* at 1207.

related to a system for planning surgical treatment that indicated that a claimed “means for converting said plurality images into a selected format” could include software, even though one of ordinary skill in the art would know that software can perform the specified conversion function.¹⁷⁰ Because the specification did not expressly link the means or steps for performing the specified function with the specified structure as required under 35 U.S.C. § 112¹⁷¹ and plaintiff conceded that claim construction was the only material issue, the court instructed the district court to enter judgment for defendant.¹⁷²

Second, a patentee may disclaim certain matters in a patent by taking such a position even if it is not clear that such a position was relied upon by the USPTO.¹⁷³ In *Springs Window Fashions LP v. Novo Industry*,¹⁷⁴ the Federal Circuit affirmed the district court’s grant of no patent infringement on the grounds that the patentee had disclaimed the matter at issue.¹⁷⁵ The prosecution history of the patent relating to a method for cutting window bindings in a “cut-down” showed that the applicant amended the claims and argued in an attempt to overcome a prior art rejection. After the examiner rejected the amendment and argument, the applicant reiterated the arguments and further argued that the patent application predated the reference, which ultimately may have caused the examiner to issue a notice of allowance.¹⁷⁶ The court held that the applicant’s position during prosecution serves as public notice of disclaimed subject matter and supported a restrictive claim construction.¹⁷⁷

Finally, the patent laws do not foreclose an unjust enrichment claim.¹⁷⁸ In *University of Colorado Foundation, Inc. v. American Cyanamid Co.*,¹⁷⁹ the Federal Circuit affirmed the district court’s judgment against the patentee for fraudulent nondisclosure, unjust enrichment, and exemplary monetary damages.¹⁸⁰ In obtaining a patent for a reformation of a prenatal multivitamin/mineral supplement,

170. *Id.* at 1208, 1222.

171. 35 U.S.C. § 112 (2003).

172. 344 F.3d at 1222.

173. *See Hockerson-Halberstadt, Inc. v. Avia Group Int’l, Inc.*, 222 F.3d 951, 957 (Fed. Cir. 2000).

174. 323 F.3d 989 (Fed. Cir. 2003).

175. *Id.* at 996.

176. *Id.* at 994.

177. *Id.* at 995.

178. *See Univ. of Colo. Found., Inc. v. Am. Cyanamid Co.*, 196 F.3d 1366, 1371-72 (Fed. Cir. 1999).

179. 342 F.3d 1298 (Fed. Cir. 2003).

180. *Id.* at 1300.

the patentee directly copied tables and significant portions of the inventors' confidential manuscript.¹⁸¹ Because the patent was obtained through a fraudulent disclosure of inventorship that could not be corrected under 35 U.S.C. § 2546, the district court found that the patent would not be enforceable.¹⁸² Because the inventors' claim for unjust enrichment was not simply an attempt to enforce property rights, it did not undermine the purposes of the federal patent scheme and did not prevent the public from using the ideas of the now invalidated patent.¹⁸³ Therefore, the United States Patent Laws do not preclude an unjust enrichment award and damages.¹⁸⁴

III. TRADEMARK CASES

Precedent trademark cases for Georgia come from the United States Court of Appeals for the Eleventh Circuit, the United States Supreme Court,¹⁸⁵ and the Georgia appellate courts. Generally speaking, the most relevant and interesting cases come from the federal courts. Four interesting cases in the field of trademark were decided by the Eleventh Circuit or Supreme Court.

First, in *Tommy Hilfiger Licensing, Inc. v. Goody's Family Clothing, Inc.*,¹⁸⁶ the United States District Court for the Northern District of Georgia held that Goody's violated Hilfiger's trademark rights and that Hilfiger was entitled to an award of treble profits and reasonable attorney fees and costs.¹⁸⁷ After finding an extensive list of facts including that Goody's sold counterfeit t-shirts and jeans with labels similar to Hilfiger's trademarks, the court held that Goody's acted with willful blindness in purchasing the counterfeit t-shirts and that Goody's merchandise infringed Hilfiger's trademarks.¹⁸⁸ Because the court found that Goody's acted willfully, Hilfiger was entitled to treble profits

181. *Id.* at 1303.

182. *See Univ. of Colo. Found., Inc. v. Am. Cyanamid Co.*, 105 F. Supp. 2d 1164 (D. Colo. 2000).

183. 342 F.3d at 1305-06.

184. *Id.* at 1308.

185. While the Eleventh Circuit generally provides the controlling case law for Georgia, the Federal Circuit does pronounce the controlling case law in connection with registration and cancellation of trademarks. Due to the space limitation of this Article, the trademark cases from the Federal Circuit have been omitted.

186. 2003 U.S. Dist. LEXIS 8788 (Fed. Cir. 2003).

187. *Id.* at *115-16.

188. *Id.* at *57.

under 15 U.S.C. § 1117(b)¹⁸⁹ or, alternatively, was entitled to an award of statutory damages.¹⁹⁰

More particularly, the court, applying the Eleventh Circuit's multi-factored balancing standard,¹⁹¹ determined that Goody's jeans created a likelihood of consumer confusion relative to Hilfiger's trademarks.¹⁹² Applying the well-established standard, the court found that (1) Hilfiger's flag design trademark was an arbitrary mark¹⁹³ because it bears no direct relation to the designated clothing line; (2) the marks used by Hilfiger and Goody's were very similar in appearance; (3) the products sold by Hilfiger and Goody's are identical as both parties sold jeans and jean shorts; (4) Hilfiger and Goody's have similar retail outlets and customers, and both parties market to consumers interested in purchasing apparel and jeans (rejecting Goody's argument that its consumers are value consumers and Hilfiger's consumers are high-end consumers); (5) Hilfiger and Goody's employ dissimilar advertising media in that Hilfiger employs national magazines, high-circulation newspapers, and national television broadcasts, while Goody's employs local, low-circulation newspapers, and local television and radio advertising; (6) Goody's intended to infringe Hilfiger's trademark as Goody's intended to copy Hilfiger's trademarks and derive benefit from Hilfiger's reputation; and (7) no consumers were actually confused by Goody's use of its mark.¹⁹⁴

Evaluating the overall balance of these seven factors and in particular finding that factors (1), (2), (3), (4), and (6) weighed in favor of a finding of a likelihood of confusion, the court found that Goody's use of its mark on denim products would likely cause confusion with Hilfiger's flag design trademark.¹⁹⁵ After finding that Goody's use of the mark was likely to cause confusion, the court held that the case was "exceptional"

189. 15 U.S.C. § 1117(b) (2003).

190. *Id.* at *115.

191. The court must evaluate and weigh seven factors to determine, as a matter of fact, whether consumers are likely to confuse defendant's product with plaintiff's product, namely: (1) the type of mark; (2) the similarity of the marks; (3) the similarity of products the marks represent; (4) the similarity of the parties's retail outlets and customers; (5) the similarity of advertising media; (6) the defendant's intent; and (7) whether any consumers were actually confused by the marks. *Id.* at *79.

192. *Id.* at *101.

193. There are four categories of marks: (1) generic; (2) descriptive; (3) suggestive; and (4) arbitrary. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). These four categories form a continuum that ranges from generic terms, the weakest and not entitled to protection, to arbitrary marks, the strongest and most protectable. *Id.*

194. 2003 U.S. Dist. LEXIS 8788, at *101.

195. *Id.*

for the purpose of awarding lost profits and attorney fees under 15 U.S.C. § 1117(a).¹⁹⁶

Second, in *Dastar Corp. v. Twentieth Century Fox Film Corp.*,¹⁹⁷ the United States Supreme Court held that section 42(a) of the Lanham Act¹⁹⁸ does not prevent the unaccredited copying of an uncopyrighted work.¹⁹⁹ Twentieth Century Fox Film Corporation (“Fox”) brought an action alleging that using a public domain uncopyrighted work without proper credit to the originators constituted “reverse passing off” or falsely designating “origin” in violation of section 43(a) of the Lanham Act.²⁰⁰ While Fox also brought an action for copyright infringement, the Supreme Court expressed no opinion on that claim because it was still subject to extensive litigation.²⁰¹

The facts of *Dastar* are interesting. Doubleday published a World War II book titled “General Dwight D. Eisenhower,” obtained a copyright registration on the book, and granted exclusive television rights to an affiliate of Fox. Fox approved Time, Inc. to produce a television series called “Crusade in Europe” based on the book, and Time obtained a copyright registration on its television series and ultimately assigned it to Fox. Interestingly, while Doubleday renewed the copyright registration on the book, Fox did not renew the copyright on the television series. As such, the copyright on the television series expired leaving the television series in the public domain. Fox eventually reacquired the television rights in the book including the exclusive right to distribute the *Crusade* television series and licensed SFM Entertainment and New Line Home Video, Inc. to manufacture and distribute *Crusade* on video. Shortly thereafter, Dastar began distributing a video set called *World War II Campaigns in Europe* that was made from tapes of the original version of the *Crusade* television series. Subsequently, Fox brought suit claiming that Dastar was falsely designating the “origin” of the video sets as it claimed it produced the sets.²⁰²

In holding that section 43 of the Lanham Act does not prevent the unaccredited copying of an uncopyrighted work, the Court held that no false designation of origin was shown since the phrase “origin of goods” as used in section 43(a) did not connote the person or entity that originated the ideas contained in the video, and instead referred only to

196. *Id.* at *112-13.

197. 123 S. Ct. 2041 (2003).

198. 15 U.S.C. § 1125(a) (2003).

199. 123 S. Ct. at 2049.

200. *Id.* at 2044-45.

201. *Id.* at 2045 n.2.

202. *Id.* at 2044.

the producer's tangible video product.²⁰³ The Court stated that the term "origin" indicates no consequence to consumers as to whether the producer was the source of the ideas in the video and the expression presented by the original product could have been protected by Fox by renewing its copyright registration.²⁰⁴ Further, the Court noted that it would be burdensome to producers to determine the actual originator of the ideas expressed in books or other material and that reading "origin" any broader would extend copyright rights to one who no longer possesses them.²⁰⁵ As section 43(a) was intended to protect consumers from misleading designations of origin and not to protect creativity or originality, *Dastar* did not violate section 43 by listing itself as the source of the actual video.²⁰⁶

Finally, in *Moseley v. V Secret Catalogue, Inc.*,²⁰⁷ the United States Supreme Court held that trademark owners of famous marks are required to show actual dilution rather than a likelihood of dilution.²⁰⁸ In the trademark field, the general rule is that more than one unrelated party can use the same trademark on disparate goods or services as long as there is no likelihood of consumer confusion.²⁰⁹ Dilution is a relatively recent concept that protects famous trademarks across product lines in contrast to the general rule.²¹⁰ *Moseley* opened a small adult novelty store named "Victor's Secret," which it changed to "Victor's Little Secrets" upon receiving a cease and desist letter from Victoria's Secret.²¹¹ Despite the name change, Victoria's Secret, which sells women's lingerie in over 750 stores, filed a dilution claim under the Federal Trademark Dilution Act,²¹² alleging that that the mark "Victor's Little Secret" was likely to "blur and erode" the distinctiveness and "tarnish" the reputation of its famous mark VICTORIA'S SECRET.²¹³ Victoria's Secret, however, did not provide evidence of any lessening of the capacity of its trademark to identify and distinguish its

203. *Id.* at 2047.

204. *Id.* at 2049.

205. *Id.* at 2047.

206. *Id.* at 2049.

207. 537 U.S. 418 (2003).

208. *Id.* at 433.

209. *Id.* at 428. This rule is why we have Delta® faucets and Delta Air Lines®.

210. *Id.* at 429. Dilution is why you likely will not see any products or services with the Coca-Cola® or Rolls Royce® mark on them that do not come from The Coca-Cola Company or The Rolls Royce Company, as these marks are considered famous.

211. *Id.* at 423.

212. 15 U.S.C. § 1125(c)(1) (2003).

213. 537 U.S. at 423-24. The Victor's Little Secret storeowners did not challenge the claim that the trademark owners' mark was famous, which is required for a claim under the Federal Trademark Dilution Act. *Id.* at 425.

goods or services on the allegation that obtaining proof of actual dilution is expensive and often unreliable.²¹⁴

In a unanimous opinion, the Court held that the Federal Dilution Act requires proof of actual dilution or actual injury to the economic value of the famous mark when the junior mark is not identical to the famous mark.²¹⁵ The Court noted that unlike trademark infringement claims, dilution claims are not intended to protect consumers.²¹⁶ So when the marks at issue are not identical, the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution because such mental association will not necessarily reduce the capacity of the famous mark to identify the goods of its owner.²¹⁷ When the junior mark is identical to the famous mark, the Court stated that this may be enough to circumstantially prove actual dilution.²¹⁸ Because Victoria's Secret did not present any evidence of actual dilution and the marks were not identical, the Court held that Victoria's Secret could not sustain its dilution claim.²¹⁹

IV. COPYRIGHT

During 2003, while other federal circuits throughout the United States appear to have been busy with copyright cases, the Eleventh Circuit did not decide any copyright cases. Thus, the only additional copyright case binding or covering Georgia is gleaned from the United States Supreme Court.

In *Eldred v. Ashcroft*,²²⁰ the Supreme Court held that the Copyright Term Extension Act ("CTEA")²²¹ was constitutional under the First Amendment²²² and the Copyright Clause²²³ of the United States Constitution.²²⁴ Individuals and businesses who generally build on post-copyrighted work sued the United States Attorney General, challenging the constitutionality of the CTEA, which enlarged the duration of copyrights by twenty years in order to, *inter alia*, harmonize

214. *Id.* at 434.

215. *Id.* at 433.

216. *Id.* at 429.

217. *Id.* at 434.

218. *Id.*

219. *Id.*

220. 537 U.S. 186 (2003).

221. Pub. L. No. 105-208, §§ 102(b), (d) (2003).

222. U.S. CONST. amend. I.

223. "Congress shall have power to promote the progress of science by securing to authors for *limited times* the exclusive right to their writings." U.S. Const. art. I, § 8, cl. 8 (emphasis added).

224. 537 U.S. at 193-94.

the baseline U.S. copyright term with the term adopted by the European Union.²²⁵ Specifically, it was argued that the CTEA violated the “limited times” prescription of the Copyright Clause and that the CTEA was a content-neutral regulation of speech that failed inspection under the heightened judicial scrutiny appropriate for such regulations.²²⁶

In holding that the CTEA was constitutional, the Court determined that the CTEA did not violate the Copyright Clause by vitiating the “limited times” requirement and that such regulations are not subject to a heightened judicial review.²²⁷ Initially, the Court rejected the view that “limited time[]” meant a time forever “fixed” or “inalterable.”²²⁸ Because the Copyright Clause empowers Congress to enact copyright laws with the objective of promoting the arts and sciences and Congress extended the laws for legitimate purposes, the Court held that Congress, not the courts, must decide how best to pursue this objective.²²⁹ Further, because Congress has not altered the traditional copyright protection, only a rational basis was necessary and not heightened First Amendment scrutiny.²³⁰ As such, the Court held that the CTEA was constitutional.²³¹

V. FINAL NOTES

The year 2003 has been another active period in the field of intellectual property. Unlike in the recent past when many seminal cases were handed down deciding specific issues that affected the scope of intellectual property protection, the decisions in 2003 focused more on interpreting, explaining, and applying the holdings of the seminal cases. Thus, while the past few years caused some upheaval in the intellectual property laws and much heartburn among intellectual property lawyers, 2003 was a good year for soothing the prior years’ ills. The authors expect 2004 and 2005 to continue the soothing trend of 2003.

225. *Id.* at 194-96.

226. *Id.* at 196.

227. *Id.* at 204.

228. *Id.* at 199.

229. *Id.* at 208.

230. *Id.* at 221.

231. *Id.* at 222.

* * *