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Software Patents and Trademarks
Continued

Class 7 – October 17, 2008

SI 519 / PubPol 688

Bryce Pilz

Fall 2008
Schedule

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

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

A. Senator Leahy
New IP Law

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

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

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

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

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

• Correct?
Domain Names

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

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

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

• Does “make available” = “distribute”

• “While a publication effected by distributing copies or phonorecords of the work is a distribution, a publication effected by merely offering to distribute copies or phonorecords to the public is merely an offer of distribution, not an actual distribution,”

Sec. 106(3)

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

Source: U.S. Copyright Act (1976)
Patent v. Copyright
<table>
<thead>
<tr>
<th>Copyright</th>
<th>Patent</th>
<th>Trademark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protects expression not ideas</td>
<td>Protects ideas that have been reduced to practice</td>
<td>Protects goodwill associated with mark</td>
</tr>
<tr>
<td>Life of author + 70 years</td>
<td>20 years from filing</td>
<td>10 year increments</td>
</tr>
<tr>
<td>Fair Use</td>
<td>No Fair Use</td>
<td>Fair use</td>
</tr>
<tr>
<td>No Research Exemption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Works for hire</td>
<td>Employee inventor owns</td>
<td>Owned by person that uses in commerce</td>
</tr>
<tr>
<td>Protects against copying</td>
<td>Innocent infringement not a defense</td>
<td>Protects against confusion and dilution</td>
</tr>
<tr>
<td>Protection is automatic (registration is relatively simple)</td>
<td>Extensive examination process before any rights granted</td>
<td>Automatic for distinctive marks (might need sec. meaning) (some examination)</td>
</tr>
<tr>
<td>Originality (low bars)</td>
<td>Novelty and Nonobvious (high bars)</td>
<td>Distinctiveness</td>
</tr>
</tbody>
</table>
Software Considerations

• Copyright (automatic; covers the authorship in the source code) may be sufficient if:
  – Commercial life of software is less than time to get patent
  – Value is in the source code rather than in the method it performs
  – Method may not be patentable
  – Open source used

• Patentability standard for software patents is strict and uncertain (*Bilski* case pending)
  – Must be tied to a machine (possibly more than a general use computer) or result in a physical transformation
Software Patents
• Recall: several hurdles to patentability:
  – Statutory subject matter
  – Novel - 102
  – Nonobvious - 103
  – Useful – part of 101
  – Enabling disclosure - 112

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

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

Steps Doctrine: Denied patent to any invention requiring human interaction.


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

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

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

Pre-1980 | 1980’s | 1990’s
History

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

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

Late ‘90’s

2000’s
State Street Bank

• No business method exception
• Useful, concrete, and tangible result
• Useful result is expressed in numbers, such as price, profit, percentage, cost, or loss
1. A method of providing reservations for restroom use, comprising:
   receiving a reservation request from a user; and
   notifying the user when the restroom is available for his or her use.

Source: U.S. Patent 6329919
1. A method for managing the consumption risk costs of a commodity sold by a commodity provider at a fixed price comprising the steps of:
(a) initiating a series of transactions between said commodity provider and consumers of said commodity wherein said consumers purchase said commodity at a fixed rate based upon historical averages, said fixed rate corresponding to a risk position of said consumer;
(b) identifying market participants for said commodity having a counter-risk position to said consumers; and
(c) initiating a series of transactions between said commodity provider and said market participants at a second fixed rate such that said series of market participant transactions balances the risk position of said series of consumer transactions.

Arguments

• **Bilski:** Practical result (whether tied to machine or not) = patentable subject matter

• **PTO:** must be tied to machine or transform physical subject matter
  – And – general purpose computer is not enough
What’s at stake?

- Video game patents?
- Non-computer-based business methods
- Google’s “PageRank” patent
- But – note Apple’s Toolbar Patent (claimed as system)
Arguments for Software Patents

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

• Incentive for disclosure might not be that important
• Would software be created anyway?
Middle ground solutions

- Strengthen the enabling disclosure requirement
- Strengthen obviousness requirement - DONE
TM’s Continued
Stealth TM Issues
Brookfield Communications

• “initial interest confusion”
• Why Brookfield owned MovieBuff TM?
• Holding?
• Exit sign analogy – perfect?

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

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Better Analogy?

• “brand spillover”
• Grocery shelf space
• Store clustering
Boston Duck Tours
The Original & World Famous Boston Duck Tours!

You've never toured Boston in anything that comes close to Boston Duck Tours. The fun begins as soon as you board your "DUCK", a W.W.II style amphibious landing vehicle. First, you'll be greeted by one of our legendary ConDUCKtors, who'll be narrating your tour. Then you're off on a journey like you've never had before. You'll cruise by all the places that make Boston the birthplace of freedom and a city of firsts, from the golden-domed State House to Bunker Hill and...

Learn More >>
BOSTON'S NEWEST AMPHIBIOUS DUCK TOUR

Yes, We Are Open!

See our St. Patrick's Day Parade photos!

Faster than a horse and buggy...more exciting than the tug boats in Boston Harbor...able to climb steep boat ramps in a single bound...

It's a bus...
It's a boat...
It's Super Duck!
It's Super Duck?
Duck Tours Case

• “sponsored linking”

• Use of mark as part of mechanism of advertising is use under TM law?

• Allowed to use another’s mark to help distinguish oneself?
American Airlines v. Google
American Airlines v. Google

• Favorable Precedent
  – 1-800-Contacts v. WhenU (2d Cir. 2005) – use of TM’s to launch ads does not by itself constitute infringement

• EFF -> it’s a free speech issue
  – Ex) The Coalition of Immokalee Farmworkers use of McD’s TM
Current Law on Stealth TM Use

• Courts split on metatags/ ads / sponsored links
  – one issue appears to be whether use of TM is entirely “internal” and whether your goods are clearly identified

• How results or ads are displayed might be important
  – Netscape/Playboy case – Ads were not labeled so could be confusing
  – TM actually displayed in search results, might lead to confusion

• But, some courts don’t follow this line – plainly internal use sometimes found to be confusing TM use and infringement
Library 3.know Drill
Library 3.know

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