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# Midwest Intellectual Property Summit

November 17, 2022

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## Agenda

- 8:10 A.M. Registration & Coffee
- 8:40 A.M. Welcome & Introduction**  
Holiday W. Banta
- 8:45 A.M. Hot Topics in IP Law  
T.J. Cole
- 9:40 A.M. Coffee Break**
- 9:50 A.M. USPTO Ethics  
William R. Covey
- 10:45 A.M. Coffee Break**
- 10:55 A.M. Patent Infringement on Amazon: Using the Amazon Patent Evaluation Express Procedure (APEX) to Remove Alleged Infringing Products  
Greg N. Geiser
- 11:50 A.M. Lunch Break (on your own)**
- 1:10 P.M. Bad Faith in Trademark Registrations: Navigating Recent Changes in the U.S., EU, and China  
Jacqueline M. Lesser
- 2:05 P.M. Refreshment Break**
- 2:15 P.M. The Constitution Commandeth: Thou Shalt Not Protect the Same Subject Matter Under Design Patent and Trade Dress Laws  
Kenneth B. Germain
- 3:15 P.M. Refreshment Break**
- 3:25 P.M. European Patent and Trademark Update Panels  
Unified Patent Court (UPC) - Pietro Pouche, Jonathan Turnbull, Jonathan DeVile, and Rachel Bateman
- Distribution Agreements - Pietro Pouche, Kyriakos Fountoukakos, and Guilia Maienza
- 4:45 P.M. Adjournment**

November 17, 2022

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# MIDWEST INTELLECTUAL PROPERTY SUMMIT



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**Holiday W. Banta, Ice Miller LLP, Indianapolis**



*Holiday Banta* is a partner in the Litigation and Intellectual Property Group. She is a registered patent attorney and concentrates her practice in the areas of intellectual property litigation, dispute negotiations, U.S. and foreign trademark prosecution and intellectual property licensing.

Holly has assisted clients with the prosecution and defense of infringement issues in both U.S. and foreign jurisdictions throughout her career, including as a law clerk. She prepares cease and desist letters and handles all aspects of case initiation, strategy, discovery, trial work and settlement, including contempt proceedings. She has prepared patent appeals and post issuance proceedings before both the Federal Circuit and the U.S. Patent and Trademark Office. She has represented clients in all intellectual property dispute categories, including patent, trademark, trade dress, trade secret, trade name, domain name, cybersquatting, noncompete, takedown and copyright actions. Holly also has extensive experience negotiating settlements and license agreements and conducting negotiations through mediation in both U.S. and foreign jurisdictions.

Holly handles domestic and international trademark and service mark prosecution and post-registration disputes on a daily basis. Through this work she has developed a significant network of trusted foreign associates for whose clients she is the U.S. advisor.

## Rachel Bateman, D Young & Co., London, England



*Rachel Bateman* joined D Young & Co in 2012. Her portfolio includes drafting, prosecution, opposition, appeal as well as due diligence and freedom-to-operate work, in a range of chemistry-based fields. She also has experience before the European Patent Office Opposition Divisions and Appeal Boards. In terms of technical areas, she particularly experienced in the fields of fuel additives, petroleum and natural gas exploration, as well as antibiotics, pharmaceuticals, polymers, pigments, dyes, food technology, semiconductors, medical devices and nanotechnology.

### Awards

-Ranked as a 'notable practitioner' by IPSTARS 2021.

### Qualifications

- MChem in Chemistry, University College, University of Oxford 2009.
- Astrazeneca and BP prizes for first year exam results, University of Oxford.
- Degussa prize for second year exam results, University of Oxford.
- Gibbs prize for final exam results, University of Oxford.
- MSc in Intellectual Property, Queen Mary, University of London 2010.
- GlaxoSmithKline prize for patents, Queen Mary, University of London 2010.
- Ballantyne prize for UK Finals Examination P6 (Infringement and Validity) 2011.
- Certificate in IP Litigation.
- European Patent Attorney 2013.
- Chartered Patent Attorney 2013.

### Memberships

- Member of the Chartered Institute of Patent Attorneys (CIPA).
- European Patent Institute (epi).
- Royal Society of Chemistry (RSC).

**T. J. Cole, Ice Miller LLP, Indianapolis**



*Troy Cole (T.J.)* is a partner in the Litigation and Intellectual Property Group. He is a registered patent attorney with a broad-based intellectual property practice. T.J. assists clients with obtaining protection for their intellectual property by securing patents, trademarks and copyrights, as well as intellectual property licensing, enforcement and defense.

T.J. has a Bachelor of Science degree in Electrical Engineering as well as a minor in Theoretical and Applied Physics from Bradley University. He received his juris doctorate from Southern Methodist University School of Law in 1994. Prior to law school, he gained over five years of technical experience as an electrical engineer, specializing in classified high frequency military electronics, at Texas Instruments, Inc.

T.J. has represented clients ranging from entrepreneurial start-ups to Fortune 100 corporations in intellectual property categories including patent, trademark, trade dress, trade secret, trade name, domain name, cybersquatting, noncompete, and copyright matters. He also has extensive experience with negotiating settlements and license agreements in both U.S. and foreign jurisdictions.

T.J. routinely assists clients with the development of in-house intellectual property protection programs and recommends and implements protection strategies for core intellectual property assets. Through these programs and strategies, he provides clients with business planning to protect and enhance the value of their intellectual property.

**William R. Covey, Director of the Office of Enrollment & Discipline – USPTO, VA**



*Will Covey* is the Deputy General Counsel and Director for the Office of Enrollment and Discipline (OED) at the United States Patent and Trademark Office (USPTO).

As Deputy General Counsel, Mr. Covey is responsible for ensuring that the nation's patent attorneys and agents are of good moral character and sufficiently knowledgeable to practice before the USPTO. Mr. Covey's team of attorneys and other professionals develops and administers a registration examination designed to measure an applicant's knowledge of patent law and practice. Successful applicants are registered to practice by OED. In addition, OED investigates complaints of unethical conduct made against individuals practicing patent or trademark law before the USPTO.

Mr. Covey has held a number of key positions at the USPTO, including Acting General Counsel and Deputy General Counsel for the Office of General Law. Mr. Covey was appointed to the Senior Executive Service in 2007.

Mr. Covey received his undergraduate degree from Fordham University (magna cum laude, Phi Beta Kappa) and earned his J.D. from Fordham University Law School in 1991. He graduated from Harvard University's JFK School of Government (Senior Executive Fellowship) in 2005 and the U.S. Army War College with an M.S. in Strategic Studies in 2010.

Prior to joining the USPTO in 2000, Mr. Covey was a Special Assistant U.S. Attorney for the District of New Jersey. He also served on active duty in the Pentagon, and was a senior officer in the Army Reserve assigned to the Office of the Army Staff, Office of the Judge Advocate General. He completed combat tours in Iraq (2007) and Afghanistan (2011) and served as Deputy Legal Counsel to the Chairman, Joint Chiefs of Staff. Mr. Covey retired from the Army in February 2022.



## **Jonathan DeVile, D Young & Co., London, England**



*Jonathon DeVile* became a partner at D Young & Co in 2002. He really enjoys working with talented people on challenging, interesting and diverse projects. Patents are all about detail, and he loves getting into the intricacies of each case, particularly with more complex technologies.

He's been closely involved in electronics and communications for my entire working life. Before joining D Young & Co, he worked at Roke Manor Research as a research engineer from 1990 to 1994, and then as a patent engineer for Siemens UK and Siemens AG Munich from 1995 to 1999, where he worked on a range of technologies and qualified as a UK and European patent attorney. He was also on the team at VSEL (now BAE Systems) between 1985 and 1987 training as a graduate engineer before leaving to start his PhD.

Over the years, he's gained extensive experience in drafting and obtaining patent applications worldwide, as well as in contentious issues including litigation, oppositions, strategic assistance on infringement, licensing issues and due diligence matters – the usual stuff for an experienced patent attorney. But it's the technology he loves.

### Qualifications

- BSc in Electronic and Electrical Engineering, University of Manchester.
- PhD in Communications Research, University of Manchester.
- Certificate in Intellectual Property Law (with credit), Queen Mary, University of London.
- European Patent Attorney 1999.
- Chartered Patent Attorney 1999.
- Chartered Engineer 1996.

### Memberships

- Chartered Institute of Patent Attorneys (CIPA).
- European Patent Institute (epi).
- CIPA International Liaison Committee.
- Institution of Engineering & Technology (IET).

**Kyriakos Fountoukakos, Herbert Smith Freehills, Brussels, Belgium**



Kyriakos has more than two decades of experience in competition law. He was formerly a European Commission official at the Directorate General for Competition's Merger Task Force and a Référéndaire (legal assistant) in the cabinet of the President of the General Court of the EU. Kyriakos's clients value his understanding of economic issues, and his insider knowledge gained at the European Commission and at the General Court.

Kyriakos advises international clients in sectors including TMT, pharma, energy and mining, consumer products, financial services and insurance, manufacturing, rail, and air transport on a range of areas including merger control (mergers and acquisitions, and joint ventures), cartels, antitrust investigations and advice, distribution agreements, dominance, and competition litigation before the EU courts.

Kyriakos works closely with the Herbert Smith Freehills network to provide advice on multi-jurisdictional transactions and investigations. He is particularly active in advising clients in Japan and manages Herbert Smith Freehills' cross-border Japan competition practice.

He is widely recognized as a leading competition lawyer – ranked in the Who's Who Legal Competition: Thought Leaders and other major directories – and has over 20 years of experience in competition law. Kyriakos is fluent in English, Greek and French.

Kyriakos' experience includes advising:

- Comcast and its subsidiary Sky in connection with the EU and international merger control aspects of a new joint venture with ViacomCBS to create a new online TV streaming platform (SkyShowtime)
- United Group, a leading provider of telecommunications services and media in Southeast Europe, on the EU merger control aspects of its acquisition of the Greek telecoms operator Wind Hellas
- Google in connection with appealing against the European Commission's decision to fine Google €2.42 billion in the Google Search (Shopping) investigation

- A leading bank on the high-profile investigation by the European Commission into a cartel in the spot foreign exchange (forex) market
- AerCap on obtaining clearance from the EU and a number of other jurisdictions for its US\$30 billion combination with General Electric Capital Aviation Services (GECAS)
- Synthomer on the merger control aspects of its proposed US\$ 1 billion acquisition of Eastman Chemical's adhesives business; and on the competition aspects of its US\$824 million acquisition of OMNOVA
- Abbvie on obtaining EU merger control clearance for its US\$63 billion acquisition of Allergan
- Uber Technologies on the merger control aspects of its US\$ 3.1 billion acquisition of Careem (the largest ride sharing provider in the Middle East)

Greg Geiser is an intellectual property attorney focusing on protecting and defending his clients' ideas and devices through patents, trademarks, and copyrights. He enjoys helping individuals and businesses think about their ideas in a broader scope in an effort to help them develop protection strategies that fit their budgets, current needs, and future goals. Having spent time himself working in research and development he understands the lifecycle of an idea from conception to production and leverages this knowledge and understanding to the benefit of his clients'. He understands that the best solution for any client is the one that meets their needs and is often one that may not be the easiest or fastest.

Greg attended the University of Wisconsin – Eau Claire where he obtained a Bachelor of Science degree in Biology prior to earning his J.D. from the William Mitchell College of Law in Saint Paul, Minnesota. Before attending law school Greg was a materials process engineer and analytical chemist for the Kimberly-Clark Corp. in Neenah, WI. Outside of work, he is often found with his family or working on a home improvement project. He enjoys playing many different sports, the guitar, and traveling across the many backroads of the upper-Midwest on his adventure motorcycle. Greg is admitted to practice in Minnesota and Wisconsin and before the U.S. Patent and Trademark Office.

## **Kenneth Germain, Wood Herron & Evans LLP, Cincinnati, OH**



*Ken Germain* has more than 45 years of varied experience in the trademark/unfair competition field and is a former full-time law professor. He focuses his practice on expert witness work, consulting and litigation, including Early Neutral Evaluation. Ken often has been retained as an Expert Witness on issues relating to trademarks and unfair competition, working on cases involving some of the nation's largest companies in high-stakes, cutting-edge cases. He has testified in court over 15 times.

Ken has been an active speaker on trademark and unfair competition, lecturing at national, regional and local conferences over 300 times. In addition, in 1990 Ken founded, and until 2014 chaired, the All Ohio Annual Institute On Intellectual Property seminar. This seminar is in its 30th year, provides two-city programming (Cincinnati, Cleveland) covering all aspects of IP, and is the largest (over 300 attendees per city), oldest, full-day IP CLE program in and around Ohio.

Ken served as an Adjunct Professor at the University of Cincinnati College of Law for many years, teaching trademark/unfair competition courses. Later, Ken served as the Distinguished Professorial Practitioner in the University of Dayton Law School's Program in Law and Technology. Ken served as the Distinguished Senior Fellow in connection with the Law + Informatics program of the NKU Chase School of Law.

### Areas of Practice

- Litigation/Dispute Resolution
- Trademarks/Unfair Competition
- Trade Dress

### Bar Admissions

- Ohio, 1989
- California, 1970

### Education

- New York University School of Law, New York, New York
  - J.D. – 1969
  - Law Review: N.Y.U. Law Review, Associate Editor
- Rutgers College
  - A.B. – 1966
  - Honors: magna cum laude
  - Honors: Elected to Membership in Phi Beta Kappa

### Published Works

- Over 25 publications.
- Lawyers Who Need Lawyers: When to Retain a Legal Expert in a Trademark/Unfair Competition Case, CorporateIntelligence.com.
- The Brave New World of Possibly Preclusive TTAB Proceedings: How Expert Testimony Can Strengthen Your Case, 90 Patent, Trademark & Copyright Journal 2104, May 22, 2015.
- Liability Theories Based on Trademark Ownership and Licensing, ch. 3(VI) in Ridesharing Law and Liability (ABA 2020, Z. Pyers and K. Steele, eds.), coauthored by S. Owens.

### Classes/Seminars

- Precedential Supreme Court And Appellate Court Cases On Trademarks and Unfair Competition: 2019-2020 In Review, 30th All Ohio Annual Institute On Intellectual Property [AOAIOIP] sponsored by the Cincinnati Bar Association and the Cleveland Intellectual Property Law Association, virtual presentation October 8, 2020.
- Using Virtual Early Neutral Evaluation To Speed Up And Reduce Costs In Resolving Trademark/Trade Dress Disputes In The COVID-19 Era", Practising Law Institute Webinar entitled "Intellectual Property Law: Trademark and Copyright Review 2020", September 15, 2020.

- The Unconstitutionality of Overlapping Trade Dress and Design Patent Protection, Intellectual Property & Technology Law Lecture Series, Notre Dame Law School, South Bend, IN, October 28, 2019.
- Current Caselaw on "Traditional" Product Design Trade Dress: Focusing on Distinctiveness and Functionally, but Touching on Possible Preemption, Intellectual Property Law Institute sponsored by the Philadelphia Bar Institute, Philadelphia, PA, April 16, 2019.
- Precedential Circuit Court Cases On Trademarks and Unfair Competition: 2016-2017 Viewed From The Porch, 43rd Annual Intellectual Property Law Institute, Mackinac Island, MI, July 21, 2017.
- Is Friday the 13th an Unlucky Day for Uber and airbnb? Tort Liability for Trademark Licensors in the Sharing Economy, Dayton Intellectual Property Law Association, Dayton, OH, May 13, 2016.
- 2014-2015 Supreme Court and Circuit Court Cases on Trademarks and Unfair Competition, 2015 Midwest Intellectual Property Institute, Overland Park, KS, May 15, 2015.

#### Honors and Awards

- Who's Who Legal, The International Who's Who of Trademark Lawyers, 2001 - Present
- Chambers USA, America's Leading Lawyers for Business, 2004 - Present
- The Best Lawyers in America®, 1991 - 2017
- The Best Lawyers in America® "Lawyer of the Year" Litigation – Intellectual Property and Trademark Law, Cincinnati, 2016
- The Best Lawyers in America® "Lawyer of the Year" Litigation – Intellectual Property and Trademark Law, Cincinnati, 2015
- The Best Lawyers in America® "Lawyer of the Year" Litigation – Intellectual Property and Trademark Law, Cincinnati, 2014
- The Best Lawyers in America® "Lawyer of the Year" Trademark Law, Cincinnati, 2012
- The Best Lawyers in America® "Lawyer of the Year" Intellectual Property Law, Cincinnati, 2011
- Ohio Super Lawyers®, 2004 - 2013, 2017

- Board of Advisors, Restatement (Third) of Unfair Competition, 1987 – 1992



**Jacqueline M. Lesser, Ice Miller, Philadelphia, PA**



*Jacqueline Lesser* is a partner in Ice Miller's Intellectual Property Group. Jacqueline has more than 30 years of experience as a trademark and copyright litigator and counselor. An experienced litigator in federal courts and before administrative tribunals, she has provided practical, strategic counsel to a wide range of clients in copyright and trademark matters in the U.S. and internationally. Her areas of concentration include enforcement and defense of IP, strategic branding strategies, trademark clearance and portfolio development, IP due diligence and cobranding and licensing of trademarks and copyrights.

**Giulia Maienza, Herbert Smith Freehills, Milan, Italy**



Giulia assists clients in relation to the exploitation and protection of valuable IP assets, including patents, trademarks, designs, geographical indications and copyright. She has advised Italian and multinational clients on a range of IP-related cases, including patent and trade mark infringement, unfair competition, product liability, design enforcement.

Giulia has significant experience of assisting clients in relation to data protection and privacy, including on the practical implementation of GDPR, the drafting of privacy statements, drafting and negotiating privacy clauses in contractual arrangements and privacy-related due diligence exercises.

She assists the team in relation to all commercial arrangements for IP assets, such as licensing and distribution contracts, technology transfer agreements, IP assets assignment agreements and co-existence agreements, developing a 360° vision of intellectual property cases.

Giulia completed her training with the firm and qualified in the IP Department, which has seen her work in a number of sectors from consumer goods, fashion and food through to TMT. She has acquired expertise in advising on a broad range of contentious and non/contentious cases, which has allowed her to gain important experience relating to the protection of national and European designs and models and also advisory work on trade mark portfolios. Giulia is also included in complex pan-European patent litigation cases.

Giulia's experience includes:

- advising one of the largest company in the wine sector in a complex proceedings related to the interplay between the protections conferred by trade mark rights and geographical indications
- assisting an artificial intelligence developer on a complex patent and trade mark infringement proceedings
- assisting a worldwide consumer electronics manufacturing company in relation to design infringement cases

- advising a multinational tobacco manufacturer in relation to a number of IP-related cases, including regulatory aspects connected with product launches, advertising and labelling
- advising one of the most well-known Italian commercial broadcaster with a copyright infringement case
- assisting a global manufacturer of valves in relation to the protection and enforcement of its IP rights worldwide

**Pietro Pouche, Herbert Smith Freehills, Milan, Italy**



Pietro has a solid experience in a wide range of commercial litigation matters with an emphasis on complex contractual disputes and intellectual property. His practice covers general commercial dispute resolution and he has substantial experience across the whole range of IP rights, including trade marks, unfair competition, patents, design, copyright, know-how and product liability. He has handled complex cross-border civil litigations and commercial transactions and regulatory matters before national and international authorities.

Pietro helps multinational clients in judicial proceedings, administrative actions for oppositions and nullifications as well as international arbitrations in foreign jurisdictions, including in China, in India and in the US.

He has gained deep experience in a number of industries, including design, fashion, consumer products, telecoms, automotive and energy.

Pietro's experience includes:

- assisting an artificial intelligence developer on complex patent infringement and unfair competition proceedings
- advising a market-leading telescopic handler in relation to a multi-jurisdictional patent infringement case
- advising a leading multinational consumer electronics company in relation to design infringement actions across Europe
- assisting Italy's largest valve manufacturer in relation to the protection of its IP assets and its commercial relationship with suppliers and distributors
- advising an energy giant company in relation to a climate change case instigated in the U.S.A.
- advising an Italian oil & gas company in relation to litigation strategy and potential preliminary injunction alongside pending arbitration

- assisting a local broadcasting company in relation to civil and commercial aspects related to an acquisition
- advising a State think tank tasked with introducing innovation to the market in relation to a dispute concerning the breach of an agreement relating to block chain technology
- assisting a leading telecoms company in relation to arbitration proceedings
- advising a multinational tobacco manufacturer in relation to a number of IP-related cases, including regulatory aspects connected with product launches, advertising and labelling
- advising one of the most well-known Italian commercial broadcaster with a copyright infringement case
- assisting a major recruitment agency in relation to a cybersquatting case
- assisting a leading airline in relation to IP related aspects of an M&A deal

**Jonathan Turnbull, Herbert Smith Freehills, London, England**



Jonathan's core practice is assisting Global R&D based pharmaceutical companies meet their commercial aims in relation to their blockbuster drugs (both small molecule and biological medicines). Jonathan has acted for clients such as AbbVie, Eisai, Gilead, Sanofi and Takeda.

Jonathan uses his strong scientific background to work closely with his clients to prepare and implement multi-jurisdictional strategies by collaborating with lawyers across Europe and beyond. From his experiences handling such matters, Jonathan has developed a deep understanding of the pharmaceutical and life sciences sectors with particular specialism in issues concerning SPCs and market access, and has coordinated patent litigation in most European countries. He has collaborated and developed excellent relationships with leading IP counsel in numerous firms across the globe.

Jonathan also has extensive experience in both advising and acting in intellectual property disputes in the UK, including on issues of employee inventor compensation. He is either currently advising, or has recently advised, clients before all relevant forums in the UK: UK-IPO, High Court, Court of Appeal, Supreme Court and Courts of Justice of the European Union. In doing so, he has acted for major national and international clients in both enforcing and challenging intellectual property rights.

Jonathan's experience includes advising:

- AbbVie in United Kingdom and multi-jurisdictional patent litigation regarding its leading its blockbuster anti-TNF $\alpha$  antibody Humira® (adalimumab)
- Sanofi in various commercially important matters including the pan-European defence and enforcement of the SPCs protecting irbesartan
- Unilever, on various patent related matters, including in relation to employee invention compensation
- Takeda in the pan-European defence and enforcement of patents relating to its successful multiple myeloma drug, Velcade
- Gilead in UK litigation regarding its leading blockbuster HIV therapy, Truvada® (tenofovir disoproxil and emtricitabine)

- Eisai in coordinating multi-jurisdictional patent litigation across Europe concerning Eisai's blockbuster drugs Aricept, an Alzheimer's treatment, and Pariet, an anti-ulcer drug
- a global pharmaceutical company in coordinating its multi-jurisdictional enforcement strategy concerning its IP rights over a small molecule blockbuster drug
- a global pharmaceutical company in the successful defence of a high value arbitration concerning the royalties payable to a third party

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# **Section One**

# **Hot Topics: Top 10 Cases from the Past Year**

**T. J. Cole**  
Ice Miller LLP  
Indianapolis, Indiana



**Section One**

**Hot Topics: Top 10 Cases  
from the Past Year..... T. J. Cole**

PowerPoint Presentation

# Midwest Intellectual Property Summit

## Hot Topics: Top 10 IP Cases from the Past Year

Presented by:

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# Patent

# *Expert Qualifications*

Kyocera Senco Indus. Tools Inc.  
v. ITC  
22 F.4th 1369 (Fed. Cir. 2022)

# Kyocera Senco Indus. Tools Inc. v. ITC



- ➔ At the ITC, the commission found Koki infringed a Kyocera patent on nail guns and that the patent was valid.
- ➔ Koki appealed to the U.S. Court of Appeals for Federal Circuit

# Kyocera Senco Indus. Tools Inc. v. ITC

- ➔ During the ITC investigation, Kyocera and Koki agreed that the level of ordinary skill in the art relevant to a patent directed to fastener driving tools required "at least two years of experience in power nailer design."
- ➔ Kyocera's expert, Dr. Pratt, had "advanced degrees in engineering and extensive experience in the design and manufacture of fastener driving tools," but as he admitted, he "lack[ed] experience in power nailer design."

# Kyocera Senco Indus. Tools Inc. v. ITC

- ➔ The ITC:
  - ➔ excluded Dr. Pratt's testimony as to infringement under the doctrine of equivalents
  - ➔ allowed him to testify as to literal infringement
- ➔ Both Kyocera and Koki appealed to the Federal Circuit, with:
  - ➔ Kyocera challenging the exclusion of Dr. Pratt's testimony as to infringement under the doctrine of equivalents, and
  - ➔ Koki challenging the admission of Dr. Pratt's testimony as to literal infringement.

# Kyocera Senco Indus. Tools Inc. v. ITC

- ➔ Prior to Kyocera, the Fed. Cir. applied Federal Rule of Evidence 702 to assess whether an expert was qualified to testify in a patent dispute
  - ➔ focused on whether that expert “could assist the trier of fact to understand the evidence or to determine a fact in issue.”
  - ➔ appeared to then recognize that this standard did not require the expert to possess the level of ordinary skill in the art, only that the expert's experience was “sufficiently related” to the subject matter at issue.



# Kyocera Senco Indus. Tools Inc. v. ITC

- ➔ The Fed. Cir. in *Kyocera* did not address whether Dr. Pratt's extensive experience in fastener driving tools was sufficiently related to the fastener driving tools (power nailers) at issue.
- ➔ They instead set forth a special rule for patent cases: “[t]o offer expert testimony from the perspective of a skilled artisan in a patent case ... a witness must at least have ordinary skill in the art.”

# Kyocera Senco Indus. Tools Inc. v. ITC

- ➔ With the undisputed level of ordinary skill in the art requiring experience in power nailer design and Dr. Pratt admittedly lacking that experience, the Fed. Cir.:
  - ➔ upheld the ITC's exclusion of his doctrine-of-equivalents-infringement testimony; and
  - ➔ reversed the ITC's admission of his literal-infringement testimony as an abuse of discretion.
- ➔ The ITC investigation was subsequently terminated at Kyocera's request

# Kyocera Senco Indus. Tools Inc. v. ITC

- ➔ Excluding a party's expert testimony in a patent dispute has harsh consequences, including leaving that party's positions unsupported by evidence.
- ➔ Testifying expert selection that normally occurs at the outset of a case is often performed without a rigorous assessment beyond considering a potential expert's technical background and testifying experience.
- ➔ After Kyocera, it is no overstatement to suggest that the exercise of selecting a testifying expert in a patent case must now be viewed quite differently.

# Kyocera Senco Indus. Tools Inc. v. ITC

- ➔ At a minimum, the selection process must include:
  - ➔ a threshold assessment of the relevant level of ordinary skill in the art;
  - ➔ including critically assessing the level of ordinary skill in the art that might be advanced by any opponent;  
and
  - ➔ whether any potential testifying expert possesses that level of ordinary skill in the art.

## *Personal Jurisdiction*

Apple Inc. v. Zipit Wireless, Inc., 30  
F.4th 1368 (Fed. Cir. 2022)

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ Zipit Wireless, Inc.
  - ➔ a Delaware corporation with a principal place of business in South Carolina; and
  - ➔ each of its fourteen employees is located in South Carolina.
  - ➔ Zipit is the assignee of the two patents-in-suit, which are related to wireless instant messaging devices that send and receive instant messages via Wi-Fi.

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ Apple Inc. is headquartered in Cupertino, California, located in the Northern District of California.

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ Zipit first contacted Apple regarding the patents-in-suit in 2013.
- ➔ From 2013 to 2016, the parties continued to correspond about the patents-in-suit and met twice in person at Apple's Cupertino headquarters.
- ➔ Zipit also provided status updates related to inter partes review proceedings involving the patents-in-suit during this time.



## Apple Inc. v. Zipit Wireless, Inc.

- ➔ In June 2020, over four years after the parties last communicated regarding the patents-in-suit, Zipit sued Apple in the Northern District of Georgia, accusing Apple of infringing the patents-in-suit.
- ➔ Two weeks later, Zipit voluntarily dismissed the case without prejudice.
- ➔ In July 2020, Apple filed suit in the Northern District of California seeking a declaratory judgment of noninfringement of the patents-in-suit.

## Apple Inc. v. Zipit Wireless, Inc.

- ➔ Zipit filed a motion to dismiss Apple's complaint for lack of personal jurisdiction under Federal Rule of Civil Procedure 12(b)(2).
- ➔ The district court granted Zipit's motion, holding that it lacked specific personal jurisdiction over Zipit.
  - ➔ The court found that Zipit had met the minimum contacts requirement and that jurisdiction would not be unreasonable
- ➔ The court concluded that Fed. Cir. precedent prohibits an exercise of jurisdiction when all contacts with the forum were made for settlement purposes.

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ The Fed. Cir. Reversed and remanded.
- ➔ The court distinguished the facts in this case from *Autogenomics v. Oxford Gene Tech. Ltd.*, 566 F.3d 1012 (Fed. Cir. 2009), in which the court determined minimum contacts had not been met even though the defendant-patentee in that case sent a notice letter to the declaratory-judgment plaintiff and the patentee's representatives met with the plaintiff's representatives in the forum state.

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ The court noted several “material factual distinctions” in this case—including:
  - ➔ Zipit’s updates to Apple on the status of ongoing IPRs of the patents-in-suit; and
  - ➔ Zipit’s escalation of its allegations of infringement by describing Apple’s infringement as “willful” in later communications.

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ The district court misconstrued Fed. Cir. precedent when it held that jurisdiction would be unreasonable where Zipit's contacts were made solely for the purpose of warning against infringement.
- ➔ The Fed. Cir. clarified that its recent *Trimble* opinion makes clear that “there is no general rule that demand letters can never create specific personal jurisdiction.” (quoting *Trimble Inc. v. PerDiemCo LLC*, 997 F.3d 1147, 1156 (Fed. Cir. 2021)).

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ To determine whether jurisdiction would be unreasonable, the Fed. Cir. Applied the factors required under *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 477 (1985):
  - ➔ [1] “the burden on the defendant,”
  - ➔ [2] “the forum State's interest in adjudicating the dispute,”
  - ➔ [3] “the plaintiff's interest in obtaining convenient and effective relief,”

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ [4] “the interstate judicial system's interest in obtaining the most efficient resolution of controversies,” and
- ➔ [5] the “shared interest of the several States in furthering fundamental substantive social policies.”

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ In applying the Burger King factors, the Federal Circuit first determined that, for the first factor:
  - ➔ Zipit may be inconvenienced by adjudicating in California, but the inconvenience is not so unreasonably burdensome as to be unconstitutional
    - ➔ this type of inconvenience is instead best addressed by challenging venue instead of jurisdiction
  - ➔ Zipit sent representatives to California to meet with Apple in person, and this type of presence reinforces the reasonable foreseeability that a suit could be filed in the forum



## Apple Inc. v. Zipit Wireless, Inc.

- ➔ For the second factor, the parties did not dispute that California has an interest in adjudicating the dispute based on
  - ➔ Its “interests in commerce and scientific development” and
  - ➔ its “interest in protecting its residents from unwarranted claims of patent infringement.”
- ➔ For the third factor, Apple clearly has an interest in protecting itself from a patent infringement suit by obtaining convenient and effective relief from a federal court in its home forum.

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ Under the fourth factor, the Fed. Cir. considered policies that promote settlement to obtain efficient resolution of controversies.
- ➔ The court found Zipit's initial contacts with Apple as an attempt to settle the dispute out of court, which it weighed in Zipit's favor.
- ➔ The court nonetheless refused to elevate this factor above all others and balanced it against the remaining factors.

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ Under the fifth factor, in cases involving allegations of patent infringement, the same federal law governs the suit regardless of the forum.

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ The court concluded that Zipit's actions were sufficient to establish jurisdiction:
  - ➔ initial attempts to resolve its dispute with Apple outside of court;
  - ➔ Zipit's later escalation of its allegations by accusing Apple of willful infringement after Apple rejected licensing attempts; and
  - ➔ Zipit's lawsuit against Apple and later dismissal.

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ Therefore, the facts in this case do not qualify as a “rare” situation in which minimum contacts is met but exercise of jurisdiction would be unreasonable.
- ➔ Takeaway 1:
  - ➔ Without a bright-line rule, patent owners may face uncertainty in how much contact with an accused infringer will be sufficient to pull the patent owner into a declaratory-judgment action outside their forum of choice.

# Apple Inc. v. Zipit Wireless, Inc.

- ➔ Takeaway 2:
  - ➔ Patent challengers who would prefer to litigate in their home forum, however, now have a greater opportunity to do so based on a wholistic view of the circumstances without the jurisdictional bright line rules.

# *IPR Estoppel and Damages*

*California Institute of Technology v.*

*Broadcom Limited,*

Appeal Nos. 2020-2222, 2021-  
1527 (Fed. Cir. Feb. 4, 2022)

## *California Institute of Technology v. Broadcom*

- ➔ Caltech alleged that Apple and Broadcom infringed three patents-in suit.
  - ➔ Broadcom made chips that were alleged to infringe
  - ➔ Apple sold devices that included the Broadcom chips
- ➔ The jury found Apple and Broadcom infringed, and awarded Caltech \$270,241,171 from Broadcom and \$837,801,178 from Apple, for a total of \$1.1 billion.
- ➔ The district court also made a number of rulings on IPR estoppel and other issues.



## *California Institute of Technology v. Broadcom*

- ➔ Apple had filed multiple IPR petitions challenging the validity of the claims at issue.
- ➔ The Patent Trial and Appeal Board (PTAB) ultimately found that Apple failed to prove invalidity.
- ➔ At the district court, Apple asserted that the claims were invalid over new combinations of the prior art not asserted in the IPR proceedings.

## *California Institute of Technology v. Broadcom*

- ➔ The district court granted summary judgment declaring that IPR estoppel applied pursuant to 35 U.S.C. § 315(e)(1), which says that:
  - ➔ “The petitioner in an *inter partes* review . . . may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that *inter partes* review.”

## *California Institute of Technology v. Broadcom*

- ➔ Apple appealed, citing the Federal Circuit's precedential opinion in *Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293 (Fed. Cir. 2016).
- ➔ In *Shaw*, the Fed. Cir. held that IPR “does not begin until it is instituted.”
- ➔ Accordingly, only the grounds that were actually considered “during” the instituted IPR were subject to the IPR estoppel provision.

## *California Institute of Technology v. Broadcom*

- ➔ The Fed. Cir. reversed its opinion in *Shaw* and remanded.
- ➔ *Shaw* was decided based on an earlier understanding of the scope of IPRs.
- ➔ The Fed. Cir. had previously held that the PTAB need not grant review of all claims and grounds in the petition.

## *California Institute of Technology v. Broadcom*

- ➔ Thus, Shaw's holding was premised on the understanding that there could be a difference between the grounds on which an IPR was requested and the grounds that were actually litigated during the IPR process.
- ➔ This resulted in an understanding that only those grounds that were successfully adopted as a basis for the IPR could be the basis of IPR estoppel.

## *California Institute of Technology v. Broadcom*

- ➔ But following *Shaw*, the Supreme Court held in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), that IPRs must be granted based on all grounds asserted in the petition or not at all.
- ➔ SAS therefore removed the distinction that previously formed the basis of the narrow application of IPR estoppel.

## *California Institute of Technology v. Broadcom*

- ➔ As a result, the panel in this case reversed *Shaw* based on the intervening precedent of *SAS*.
- ➔ It held that IPR estoppel applies to any grounds raised in the petition for IPR or any grounds that could have been raised in the petition for IPR.

# *California Institute of Technology v. Broadcom*

- ➔ Damages Issue
- ➔ At trial, CIT asserted a two-tier damages model based on separate hypothetical negotiations with Broadcom and its customer, Apple.
- ➔ CIT's experts both opined that Broadcom and Apple would have engaged in separate hypothetical negotiations with CIT, with no "cross-talk" between them.



# *California Institute of Technology v. Broadcom*

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## *California Institute of Technology v. Broadcom*

- ➔ The Fed. Cir. reversed, holding “there is nothing in the record to suggest that Broadcom and Apple would have been willing to negotiate in this artificial way rather than to more conventionally negotiate a single license at a single rate for the same chips. Neither of Cal-tech’s experts offered any factual basis to conclude that Broadcom and Apple would have been willing to engage in separate negotiations leading to vastly different royalty rates for the same chips.”

# *Inventorship*

*Google LLC v.*

*IPA Technologies Inc.,*

34 F.4th 1081 (Fed. Cir. 2022)

## *Google LLC v. IPA Technologies Inc.*

- ➔ IPA Technologies sued Google LLC in 2018, alleging that Google infringed its software and communications patents with Google Assistant and Google Search.
- ➔ Google then asked the Patent Trial and Appeal Board to invalidate several claims of the patents, chipping away most of the patents' claims in 2020.

## *Google LLC v. IPA Technologies Inc.*

- ➔ The two IPA patents issued after the two named inventors (Martin and Cheyer) persuaded the Patent Office that an earlier publication they authored with a third person (Dr. Moran) was not prior art.
- ➔ The publication described some of the underlying technology embodied in the claims of the patents.
- ➔ The inventors submitted declarations summarily concluding that each was a co-inventor of the claimed invention and that Dr. Moran was “not a co-inventor.”

## *Google LLC v. IPA Technologies Inc.*

- ➔ The inventors offered no evidence that they understood the legal concept of inventorship.
- ➔ The declarations did not explain who among the three was responsible for having invented the underlying technology reported in the publication and on which the examiner relied to reject the claims.
- ➔ Nevertheless, the examiner accepted these declarations, withdrew the rejection, and eventually allowed the patents to issue.

## *Google LLC v. IPA Technologies Inc.*

- ➔ Google successfully petitioned the PTAB to institute *inter partes* review of the patents, arguing the previously-disqualified publication rendered the patents invalid, notwithstanding the inventors' declarations.
- ➔ Google also produced Dr. Moran, who testified that he—not the named inventors—was responsible for the relevant underlying technology in the publication.

## *Google LLC v. IPA Technologies Inc.*

- ➔ Assessing whether the publication is prior art to the patents is, according to the court, like an inventorship assessment—a question of law based on underlying facts.



## *Google LLC v. IPA Technologies Inc.*

- ➔ The court identified three relevant factual inquiries.
  - ➔ First, is an assessment of what parts of the publication are relevant to reject the patent claims.
  - ➔ Second, is a determination of who conceived each of those parts.

## *Google LLC v. IPA Technologies Inc.*

- Third, if some of those parts were conceived by the individual(s) not also named as inventors on the patent, we also need to assess whether the non-inventor's contribution—relative to the rest of the relevant disclosure in the publication—is sufficiently significant to render him/her a joint inventor of the relevant disclosure in the publication.
- If this is the case, then the publication is “by another” and therefore is prior art to the challenged patent.

## *Google LLC v. IPA Technologies Inc.*

- After institution and during the trial, IPA Technologies subpoenaed Martin and Cheyer and subsequently obtained their direct testimony recounting the activities relating to the publication, all in an effort to rebut Dr. Moran's testimony.
- But instead of assessing Dr. Moran's testimony (relative to the direct testimony of the named inventors), the Board essentially dismissed it, concluding it was insufficiently corroborated to qualify the publication as prior art, entering judgment against Google.

## *Google LLC v. IPA Technologies Inc.*

- All three individuals testified during the trial, offering apparently conflicting testimony about whether Dr. Moran played a sufficiently significant role in conceiving the underlying technology.
- The Board, charged with fact-finding, found all three witnesses credible, but did not “resolve this highly relevant evidentiary conflict and make appropriate findings of fact.”

## *Google LLC v. IPA Technologies Inc.*

- ➔ The Fed. Cir. found that Moran's co-authorship on an academic paper is corroborating evidence that he was an inventor.
- ➔ The court therefore vacated the Board's decision and remanded for appropriate resolution of whose testimony is more credible.

# *Inventorship*

*Thaler v. Vidal,*

43 F.4th 1207 (Fed. Cir. 2022)

## *Thaler v. Vidal*

- ➔ The AI system at issue in Thaler, Device for Autonomous Bootstrapping of Unified Sentience, or “DABUS” for short, was developed by physicist Dr. Stephen Thaler



## *Thaler v. Vidal*

- In 2019, Dr. Thaler tested the limits of patent law by filing patent applications in more than a dozen countries for two inventions created by DABUS.
- Dr. Thaler says DABUS is the sole inventor on patent applications for a food container and a light beacon.
- In the applications before the United States Patent and Trademark Office, Dr. Thaler, instead of listing an inventor's last name, wrote that "the invention [was] generated by artificial intelligence."



## *Thaler v. Vidal*

- In 2019, Dr. Thaler tested the limits of patent law by filing patent applications in more than a dozen countries for two inventions created by DABUS.
- In the applications before the United States Patent and Trademark Office, Dr. Thaler, instead of listing an inventor's last name, wrote that "the invention [was] generated by artificial intelligence."
- The USPTO denied Dr. Thaler's applications on the grounds that "a machine does not qualify as an inventor."

## *Thaler v. Vidal*

- ➔ Dr. Thaler challenged the USPTO's decision in the U.S. District Court for the Eastern District of Virginia.
- ➔ The District Court agreed with the USPTO and concluded that an “inventor” under the Patent Act must be an “individual,” and the plain meaning of “individual” as used in the statute is a natural person.
- ➔ Dr. Thaler then appealed to the Federal Circuit, advocating for a broad interpretation of “individual” that would include AI systems.

## *Thaler v. Vidal*

- Dr. Thaler pointed to the Patent Act's use of "whoever," which encompasses corporations and other non-human entities for the purposes of infringement. See 35 U.S.C. § 271.
- Dr. Thaler also argued that protecting inventions created by AI would further the policy underlying patent law of encouraging innovation and public disclosure.

## *Thaler v. Vidal*

- ➔ The Fed. Cir. took a textualist approach, focusing on statutory interpretation of the Patent Act.
- ➔ “However, we do not need to ponder these metaphysical matters,” Judge Leonard P. Stark wrote. “Instead, our task begins—and ends—with consideration of the applicable definition in the relevant statute.”

## *Thaler v. Vidal*

- The Patent Act defines an inventor as “the individual, or, if a joint invention, the individuals collectively who invented or discovered the subject matter of the invention.”
- The Fed. Cir. Noted that, while the provision doesn’t define the term “individual,” the Supreme Court has previously ruled in a non-patent case that the word ordinarily means a human.

## *Thaler v. Vidal*

- ➔ “Nothing in the law shows or implies that Congress intended ‘individual’ to mean anything other than a natural person for the sake of inventorship.”
- ➔ The Patent Act also uses the pronouns “himself” and “herself,” meaning Congress didn’t intend to allow non-human inventors.
- ➔ The Fed. Cir. has previously held that corporations and sovereigns can’t be inventors.

## *Thaler v. Vidal*

- ➔ “Here, there is no ambiguity: the Patent Act requires that inventors must be natural persons,” Stark wrote, “that is, human beings.”

## *Thaler v. Vidal*

- The case has served as a test case in worldwide jurisdictions over whether an AI system can be named as an inventor on a patent. Thaler is also suing the US Copyright Office over the denial of his copyright registration for not having a human author.
- The decision lines up with courts in the European Union, the United Kingdom, and Australia that have refused to accept Thaler's argument. His only currently existing win is from a South African court that said an AI system can be a patent inventor.



# Trademark

# *First Sale Doctrine*

Bluetooth SIG Inc. v. FCA US LLC  
No. 21-35561 (9th Cir. 2022)

# Bluetooth SIG Inc. v. FCA US LLC

- ➔ “Bluetooth” and the recognizable “B” symbol are registered certification marks owned by Bluetooth SIG, Inc., a nonprofit organization that administers standards for short-range wireless technology.



# Bluetooth SIG Inc. v. FCA US LLC

- ➔ To use the federally registered Bluetooth marks, a product manufacturer needs to:
  - ➔ join the SIG network,
  - ➔ execute a licensing agreement for permission to display the marks,
  - ➔ submit declarations of compliance, and
  - ➔ importantly from Bluetooth's perspective, pay fees.
- ➔ Failure to follow these steps when using the marks invites a claim of trademark infringement.

# Bluetooth SIG Inc. v. FCA US LLC

- ➔ FCA USA, Inc. is the manufacturer of Fiat, Chrysler, Dodge, Jeep, and Ram brand vehicles.
- ➔ FCA equips its vehicles with a head unit, i.e., an in-car entertainment unit, using Bluetooth technology which unit it purchases from third-party suppliers.
- ➔ FCA uses the registered marks on the units and in publications to market its vehicles' Bluetooth capabilities.

# Bluetooth SIG Inc. v. FCA US LLC



# Bluetooth SIG Inc. v. FCA US LLC

- ➔ Head unit suppliers are licensed by Bluetooth SIG to use the trademarks, but FCA is not.
- ➔ SIG sued FCA under the Lanham Act for trademark infringement.
- ➔ FCA asserted the first sale doctrine.
- ➔ Under the doctrine, the right of a producer to control the distribution of its trademarked product does not extend past the first sale of the product.

# Bluetooth SIG Inc. v. FCA US LLC

- ➔ The district court granted partial summary judgment for Bluetooth SIG on the first sale issue, finding that the first sale doctrine was inapplicable because FCA's conduct went beyond "stocking, displaying, and reselling a product."
- ➔ FCA appealed.



# Bluetooth SIG Inc. v. FCA US LLC

- ➔ The Ninth Circuit found that the lower court erred when it took a narrow view of the Ninth Circuit's 1995 decision in *Sebastian Int'l, Inc. v. Longs Drugs Stores Corp.*, in which the Court stated that
  - ➔ “it is the essence of the ‘first sale’ doctrine that a purchaser who does no more than stock, display, and resell a producer’s product under the producer’s trademark violates no right conferred upon the producer by the Lanham Act.”

# Bluetooth SIG Inc. v. FCA US LLC

- ➔ The court noted that the *Sebastian* court never purported to articulate the outer bounds of the first sale doctrine; instead it simply captured the unauthorized resale of genuine goods.
- ➔ The Ninth Circuit explained that the first sale doctrine also applies when a trademark is used to refer to a component incorporated into a new end product as long as the seller adequately discloses how the trademarked product was incorporated.

# Bluetooth SIG Inc. v. FCA US LLC

- ➔ The court cited to the 1925 Supreme Court precedent in *Prestonettes, Inc. v. Coty*, in which the Supreme Court held that trademark law did not prohibit a manufacturer from using a trademark, not to indicate the goods, but to say that the trademarked product was a component in a product being offered as new and changed.

# Bluetooth SIG Inc. v. FCA US LLC

- ➔ The Ninth Circuit also noted its 1998 holding in *Enesco Corp. v. Price/Costco*, in which it found that the first sale doctrine protected a retailer that resold dolls in allegedly inadequate packaging to the extent the repackaging was disclosed.
- ➔ The *Enesco* Court explained that if the public was adequately informed that Price/Costco repackaged the product and the product was subsequently damaged, the public would not be confused as to the cause of the damage.

# Bluetooth SIG Inc. v. FCA US LLC

- ➔ The Ninth Circuit noted that in *Prestonettes* and *Enesco*, the focus was on the seller's disclosure of how a trademarked product was incorporated into the new product and whether adequate disclosures were made.
- ➔ Because the district court never reached this issue, the Court remanded to the lower court to address it in the first instance.

# *Madrid Protocol*

Lodestar Anstalt  
v. Bacardi & Co Ltd,  
9th Cir., No. 19-55864, 4/21/22

# Lodestar Anstalt v. Bacardi & Co Ltd

- ➔ In 2009, Lodestar Anstalt, a Liechtenstein company, applied to register the UNTAMED word mark and logo in the United States for rum and other products under the Madrid Protocol, with no showing of actual US use.
- ➔ Lodestar claimed a July 16, 2009 priority date under Section 67 of the Lanham Act.
- ➔ The USPTO issued the registrations in 2011.

# Lodestar Anstalt v. Bacardi & Co Ltd

- ➔ In 2013, Lodestar developed a rum under the “Wild Geese Soldiers and Heroes” brand that used the Untamed word mark on the label.
- ➔ The rum was shown at the April 2013 Rum Renaissance Trade Show in Florida, where consumers sampled the rum.
- ➔ The rum was also featured in print advertisements associated with the trade show.
- ➔ But by June 2013, Lodestar had “decided to park the USA rum project as [it was] getting better returns in other markets.”



# Lodestar Anstalt v. Bacardi & Co Ltd

- ➔ From 2013 to 2017, Bacardi ran its “Bacardi Untameable” campaign.



# Lodestar Anstalt v. Bacardi & Co Ltd

- ➔ In response, Lodestar began promoting a then-nonexistent product “Untamed Revolutionary Rum” in an effort “to complement the Wild Geese Rum and also to combat Bacardi’s attempts to take over our Untamed mark.”
- ➔ In January 2015, the first Untamed Revolutionary Rum was sold to US retailers (it was Wild Geese rum with an Untamed Revolutionary Rum label).
- ➔ In August 2016, Lodestar sued Bacardi for trademark infringement.

# Lodestar Anstalt v. Bacardi & Co Ltd

- ➔ The district court granted summary judgment in favor of Bacardi.
- ➔ Lodestar appealed.
- ➔ The Ninth Circuit found that the district court erred on the threshold question of whether Lodestar's Untamed Revolutionary Rum should be considered in the analysis of likelihood of confusion.

# Lodestar Anstalt v. Bacardi & Co Ltd

- ➔ The district court had found that the relevant products were those existing prior to launch of Bacardi's campaign (and excluding the later-created Untamed Revolutionary Rum).
- ➔ The Ninth Circuit said this was error.
- ➔ The Court found that conclusion erroneous because Lodestar's post-2013 *bona fide* use of the Untamed word mark, coupled with its earlier "constructive use" date afforded under the Madrid Protocol, would give Lodestar priority of rights dating back to 2009.

# Lodestar Anstalt v. Bacardi & Co Ltd

- ➔ However, The Ninth Circuit found that while a categorical temporal rule was erroneous, it was ultimately appropriate to exclude the Untamed Revolutionary Rum from the likelihood-of-confusion analysis.
- ➔ “[T]he Lanham Act generally limits enforceable trademark rights to *bona fide* uses that reflect genuine commercial endeavors rather than merely efforts to retain rights in a mark.”

# Lodestar Anstalt v. Bacardi & Co Ltd

- ➔ Because Lodestar's efforts with Untamed Revolutionary Rum did not reflect a continuing effort or intent beyond token use merely to reserve rights in the mark and did not establish sales activity reflecting "genuine commercial purposes," the Court found that its exclusion was proper.
- ➔ The Ninth Circuit affirmed the ruling that Lodestar's claims under the Lanham Act failed as a matter of law.

# *Territoriality*

*Meenaxi Enterprise Inc.  
v. The Coca-Cola Co. ,  
21-2209 (Fed. Cir. 2022)*

# *Meenaxi Enterprise Inc. v. The Coca-Cola Co.*

- ➔ In 1993, Coca-Cola purchased Parle (Exports), Limited of Bombay, India, the maker of two popular soft drinks, THUMS UP cola and LIMCA lemon-lime soda.





## *Meenaxi Enterprise Inc. v. The Coca-Cola Co.*

- ➔ Despite their popularity in India and other countries across Asia and Africa, Coca-Cola never widely offered the two soft drinks for sale in the United States.
- ➔ The cola is featured in Coca-Cola's "World of Coca-Cola" and "Coca-Cola Store" locations in Atlanta and Orlando, but this narrow use was considered *de minimis*.

## *Meenaxi Enterprise Inc. v. The Coca-Cola Co.*

- ➔ However, third parties purchased the products in India and imported the drinks into the U.S. and resold them in grocery stores, restaurants, and other retail outlets servicing the Indian community in the U.S.
- ➔ Coca-Cola owns registrations for the THUMS UP and LIMCA marks in India.
- ➔ There was no evidence proffered to suggest that Coca-Cola attempted to obtain registrations for either mark in the United States.

## *Meenaxi Enterprise Inc. v. The Coca-Cola Co.*

- ➔ Meenaxi has been selling its own cola and lemon-lime sodas in the U.S. under the marks THUMS UP and LIMCA since 2008.
- ➔ In 2012, the USPTO granted Meenaxi trademark registrations for the two marks.
- ➔ In 2016, Coca-Cola brought a claim under § 14(3) of the Lanham Act to cancel Meenaxi's THUMS UP and LIMCA registrations for misrepresentation of source.

## *Meenaxi Enterprise Inc. v. The Coca-Cola Co.*

- ➔ The TTAB found that Meenaxi's business model is to copy popular Indian brands and products and sell them to Indian-American consumers.
- ➔ The TTAB held that Coca-Cola had a statutory cause of action to challenge Meenaxi's trademark registrations, and that "Meenaxi was attempting 'to dupe consumers in the United States who were familiar with [Coca-Cola's] THUMS UP cola from India into believing that [Meenaxi's] THUMS UP cola was the same drink,' and that these efforts to deceive satisfied the misrepresentation of source claim."

## *Meenaxi Enterprise Inc. v. The Coca-Cola Co.*

- ➔ Meenaxi appealed, and the Fed. Cir. Reversed.
- ➔ Citing the Supreme Court's decision in *Lexmark International, Inc. v. Static Control Components, Inc.* (2014), the court stated that
  - ➔ “entitlement to a statutory cause of action under the Lanham Act requires demonstrating (1) an interest falling within the zone of interests protected by the Lanham Act and (2) an injury proximately caused by a violation of the Act.” (emphasis added)

## *Meenaxi Enterprise Inc. v. The Coca-Cola Co.*

- ➔ Meenaxi argued, and the Fed. Cir. agreed, that Coca-Cola failed to show any evidence of lost sales.
- ➔ Coca-Cola offered testimony that THUMS UP-branded and LIMCA-branded products are resold in Indian grocery stores in the U.S., but the court rejected this reasoning because third-party sales did not establish sales lost by Coca-Cola.

## *Meenaxi Enterprise Inc. v. The Coca-Cola Co.*

- ➔ The court rejected, two arguments that were disregarded as unsupported assumptions:
  - ➔ “(1) members of the Indian-American community in the United States were aware of the THUMS UP and LIMCA marks, and
  - ➔ (2) Meenaxi traded on Coca-Cola's goodwill with Indian-American consumers in those marks by misleading them into thinking that Meenaxi's beverages were the same as those sold by Coca-Cola.”

## *Meenaxi Enterprise Inc. v. The Coca-Cola Co.*

- ➔ Coca-Cola failed to present any survey results or other evidence showing brand awareness of either mark in the U.S.
- ➔ Any awareness abroad, no matter how vast, was not relevant.
- ➔ Had Coca-Cola conducted a survey and proved that consumers in the U.S. were aware of its Indian brands, it very well may have established the required statutory standing to sustain its claim.



# *Progressive Encroachment*

*A.I.G. Agency, Inc.*

*v. American International Group Inc.,*

*No. 21-01948 (8th Cir. Apr 28, 2021)*

*A.I.G. Agency, Inc.  
v. American International Group Inc.*

- ➔ A.I.G. Agency (Agency) is a family-owned insurance broker in Missouri.
- ➔ American International Group, Inc. (International) is a large insurance company.
- ➔ Each company has used its version of an AIG trademark for decades.
- ➔ Agency first adopted the mark in 1958.
- ➔ International began using AIG sometime between 1968 and 1970.

*A.I.G. Agency, Inc.  
v. American International Group Inc.*

- ➔ In 1995, International sent a demand letter to Agency notifying it of International's trademark registration and requesting that Agency cease use of the AIG mark.
- ➔ Agency responded that it had the right to use AIG in Missouri and Illinois because it had been using the trademark in those states long before International obtained its registration.

*A.I.G. Agency, Inc.  
v. American International Group Inc.*

- ➔ In 2008, International again reached out to Agency demanding that it stop using AIG as a mark.
- ➔ Agency again asserted that it had the right to use the mark in Missouri and Illinois.
- ➔ International responded that it did not object to Agency's use of AIG in St. Charles and St. Louis Counties in Missouri, but it would contest Agency's use beyond that limited geographic scope.

*A.I.G. Agency, Inc.  
v. American International Group Inc.*

- ➔ Nearly a decade later, in 2017, Agency sued International for common law trademark infringement and unfair competition.
- ➔ International asserted that Agency's claims were barred by laches and counterclaimed for trademark infringement, trademark dilution and unfair competition.
- ➔ The district court granted summary judgment for International, finding that Agency's claims were barred by the doctrine of laches. Agency appealed.

*A.I.G. Agency, Inc.  
v. American International Group Inc.*

- ➔ The 8<sup>th</sup> Cir. reversed and remanded.
- ➔ The court explained that “[t]he doctrine [of progressive encroachment] saves trademark holders from being hoisted upon the horns of an inequitable dilemma—sue immediately and lose because the alleged infringer is insufficiently competitive to create a likelihood of confusion, or wait and be dismissed for unreasonable delay.”
- ➔ Agency argued that it did not have an actionable and provable claim for infringement until 2012 when International changed its marketing strategy.

*A.I.G. Agency, Inc.  
v. American International Group Inc.*

- ➔ The district court found that laches barred the claims because “both parties have been using ‘AIG’ in the same markets for decades, each with full knowledge of the other’s activities.”
- ➔ The 8th Cir. found that the district court failed to “conduct a meaningful analysis” to determine when the infringement became actionable.
- ➔ A 22-year delay in bringing suit (and 70 years of coexistence!) does not necessarily bar the action.

# Copyright



# *Invalidation for Error*

Unicolors Inc v.  
H&M Hennes & Mauritz LP,  
595 U.S. \_\_\_\_ (2022)

# Unicolors Inc v. H&M Hennes & Mauritz LP

- ➔ Unicolors, an owner of fabric designs, sued retailer H&M for selling clothing bearing the plaintiff's artwork.
- ➔ Unicolors had registered its artwork as part of a single unit registration covering 31 separate designs.
- ➔ H&M argued that the registration was invalid because copyright regulations require a “single unit registration” to have been first offered for sale in a bundled collection.

# Unicolors Inc v. H&M Hennes & Mauritz LP

- ➔ Unicolors admitted that it registered the 31 works together to save money.
- ➔ Certain designs in the collection had been sold separately.
- ➔ A jury found for Unicolors, awarding disgorgement damages and lost profits.
- ➔ The Ninth Circuit reversed, holding that the registration was invalid because it contained known inaccuracies.

# Unicolors Inc v. H&M Hennes & Mauritz LP

- ➔ In reversing the Ninth Circuit, Justice Stephen Breyer, writing for the 6-3 majority, explained that Unicolors "was not aware of the legal requirement [for single unit registration] that rendered the information in its application inaccurate" and thus was entitled to the act's safe harbor for inaccuracies.

# Unicolors Inc v. H&M Hennes & Mauritz LP

- ➔ Copyright applicants may be forgiven "their (often esoteric) legal mistakes" — especially "because applicants include novelists, poets, painters, designers, and others without legal training."
- ➔ Going forward, knowledge of a mistake in a registration "means actual, subjective awareness of both the facts and the law."

# Unicolors Inc v. H&M Hennes & Mauritz LP

- ➔ The applicant's experience with copyright law is a factor to be considered, while "willful blindness may support a finding of actual knowledge.
- ➔ The majority opinion invites litigants to turn to circumstantial evidence to demonstrate that an applicant was "actually aware of, or willfully blind to," inaccurate information.
- ➔ Discovery into the copyright registrant's relevant experience and the circumstances leading to inaccuracies in a registration may bear fruit.

# Unicolors Inc v. H&M Hennes & Mauritz LP

- ➔ And where a defendant can show a known inaccuracy, it should ask the court to request the register of copyrights' views on "whether the inaccurate information, if known, would have caused the Register ... to refuse registration."

# Removal of Photo CMI

Victor Elias Photography, LLC  
v. Ice Portal, Inc.,

No. 21-11892 (11<sup>th</sup> Cir. 8/12/22)



# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ Copyright owners regularly use metadata, social media handles, watermarks, and other conveyed information in connection with a work to identify the copyright owner, all regarded as copyright management information (CMI).
- ➔ Through use of this identifying information the Digital Millennium Copyright Act (DMCA) provides copyright owners with a way to ensure attribution of a particular copyrighted work.

# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ Victor Elias is a commercial photographer specializing in photographs of hotels and resorts for use on the properties' websites or the websites of online travel agents (OTAs) such as Expedia or Travelocity.
- ➔ Embedded in each of his digital photos, Elias supplies metadata, consisting of his name identifying him as the owner, address, social media handle, and a notice that the work is protected, all of which is considered CMI.

# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ Elias licenses the photos to the hotels for them to market the properties on their sites or on third-party OTA booking websites, and uses the photos' embedded data to police infringement online.

# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ Ice Portal, Inc. (now a division of Shiji (US), Inc.) (Shiji) is an intermediary that connects hotels to OTAs by obtaining copies of hotel photographs, such as Elias' photographs, and making them available to the OTAs.
- ➔ Shiji's standard operating procedure is to download photographs from the hotel servers and convert them into smaller digital files for faster display on OTA websites. In the process, metadata attached to the photographs is erased, including Elias's CMI.

# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ In 2016, Elias discovered unauthorized copies of his photographs posted on various third-party websites without his CMI, although he acknowledged that he had no knowledge of where the third-party websites obtained the images.
- ➔ In 2019, Elias filed suit against Shiji for violations of DMCA Sections 1202(a) and 1202(b) alleging Shiji's removal of the CMI in Elias's copyrighted photos.
- ➔ The district court granted summary judgment in favor of Shiji, and Elias appealed.

# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ In 2016, Elias discovered unauthorized copies of his photographs posted on various third-party websites without his CMI, although he acknowledged that he had no knowledge of where the third-party websites obtained the images.
- ➔ In 2019, Elias filed suit against Shiji for violations of DMCA Sections 1202(a) and 1202(b) alleging Shiji's removal of the CMI in Elias's copyrighted photos.
- ➔ The district court granted summary judgment in favor of Shiji, and Elias appealed.

# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ DMCA Section 1202 makes it is unlawful to knowingly remove, alter, or provide false CMI, or distribute a work knowing that the CMI is false or has been altered.
- ➔ Intent or knowledge of wrongdoing – also called scienter – is the crucial element of under the DMCA.
- ➔ Although the DMCA was enacted twenty-four years ago, there are relatively few court of appeals decisions on issues interpreting the meaning of its language.

# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ To establish a violation of Section 1202(b), a plaintiff must prove that the defendant distributed works originally containing CMI while
  - ➔ (i) knowing that the CMI had been removed or altered without authorization and
  - ➔ (ii) knowing or having reasonable grounds to know that such distribution “will induce, enable, facilitate, or conceal an infringement.”
- ➔ Those two knowledge elements are known as the “double-scienter requirement” of Section 1202(b).



# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ Elias argued that a defendant should be held liable if it knows, or has reasonable grounds to know, that its actions “make infringement generally possible or easier to accomplish.”
- ➔ Shiji, on the other hand, argued that a defendant must know or have reasonable grounds to know that removing CMI would likely lead to future infringement.

# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ The question here was essentially about the probability of future infringement – does it have to be likely or just generally possible?

## Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ As the court noted, under Elias’s proposed standard, “the defendant would always know that its actions would ‘induce, enable, facilitate, or conceal’ infringement because distributing protected images wrongly cleansed of CMI would always make infringement easier in some general sense.”
- ➔ The court reasoned that such an interpretation would “effectively collapse the first and second scienter requirements.”

# Victor Elias Photography, LLC v. Ice Portal, Inc.

- ➔ The court affirmed the district court, holding that Elias had failed to submit evidence sufficient to create a genuine issue of material fact as to whether Shiji met the double-scienter requirement.
- ➔ Similarly, the court held that there was no evidence linking Shiji's actions of removing CMI with the instances of infringement Elias had discovered online.

# Midwest Intellectual Property Summit

## Hot Topics: Top 10 IP Cases from the Past Year

Presented by:

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# **Section Two**

# **USPTO Ethics**

**William R. Covey**  
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Alexandria, Virginia

**Section Two**

**USPTO Ethics..... William R. Covey**

PowerPoint Presentation



UNITED STATES  
PATENT AND TRADEMARK OFFICE



# Professional responsibility and practice before the USPTO

Office of Enrollment and Discipline  
(OED)



UNITED STATES  
PATENT AND TRADEMARK OFFICE ®

# OED: enrollment

- Authorization to practice before the USPTO in patent matters:
    - Attorneys, agents, limited recognition.
  - 3 factors for registration:
    - Scientific and technical qualifications;
    - Legal competence: registration exam; and
    - Moral character.
- See 37 C.F.R. § 11.7 and General Requirements Bulletin.



# OED: other functions

- Pro Bono programs:
  - Law School Clinic Certification Program; and
  - Patent Pro Bono Program.
- Outreach:
  - Speaking engagements: continuing legal education, roundtables/panels, diversion, pro bono, recent rulemaking, etc.
- Rulemaking:
  - New ethics rules in 2013, law school program, update disciplinary procedural rules, registration statement, voluntary CLE, etc.

# Practice before the USPTO

- Activities that constitute practice before the USPTO are broadly defined in 37 C.F.R. §§ 11.5(b) and 11.14:
  - Includes communicating with and advising a client concerning matters pending or contemplated to be presented before the USPTO (37 C.F.R. § 11.5(b));
  - Consulting with or giving advice to a client in contemplation of filing a **patent application** or other document with the USPTO (37 C.F.R. § 11.5(b)(1)); or
  - Consulting with or giving advice to a client in contemplation of filing a **trademark application** or other document with the USPTO (37 C.F.R. § 11.5(b)(2)).
  - Nothing in this section (37 C.F.R. § 11.5(b)) proscribes a practitioner from employing or retaining non-practitioner assistants under the supervision of the practitioner to assist the practitioner in matters pending or contemplated to be presented before the USPTO.
  - *See also* 37 C.F.R. § 11.14 for details regarding individuals who may practice before the USPTO in trademark and other non-patent matters.



# OED: discipline

- Mission: protect the public and the integrity of the patent and trademark systems.
- Statutory authority:
  - 35 U.S.C. §§ 2(b)(2)(D) and 32.
- Disciplinary jurisdiction (37 C.F.R. § 11.19):
  - All practitioners engaged in practice before the USPTO; and
  - Non-practitioners who engage in or offer to engage in practice before the USPTO.
- Governing regulations:
  - USPTO Rules of Professional Conduct 37 C.F.R. §§ 11.101-11.901; and
  - Procedural rules: 37 C.F.R. §§ 11.19-11.60.



# OED: disciplinary process

- OED investigation begins with receipt of a grievance by the OED Director.
  - Grievance: a written submission from any source received by the OED Director that presents possible grounds for discipline of a specified practitioner. *See* 37 C.F.R. § 11.1.
  - Self-reporting is often considered as a mitigating factor in the disciplinary process.
- Time period for filing formal complaint = 1 year from receipt of grievance or 10 years from date of misconduct.
  - *See* 35 U.S.C. § 32 and 37 C.F.R. § 11.34(d).
- After investigation, OED Director may:
  - Terminate investigation with no action;
  - Issue a warning to the practitioner;
  - Institute formal charges with the approval of the Committee on Discipline; or
  - Enter into a settlement agreement with the practitioner and submit the same to the USPTO Director for approval.

37 C.F.R. § 11.22(h).



# OED: disciplinary process cont.

- Referral to the Committee on Discipline (COD)
  - OED presents results of investigation to the COD;
  - COD determines if probable cause of misconduct exists;
  - If probable cause is found, Solicitor's Office files formal complaint with hearing officer;
  - Hearing officer issues an initial decision (37 C.F.R. § 11.54); and
  - Either party may appeal initial decision to USPTO Director, otherwise it becomes the final decision of the USPTO Director.

37 C.F.R. §§ 11.54 and 11.55.



# Other types of discipline

- Reciprocal discipline (37 C.F.R. § 11.24):
  - Based on discipline by a state or federal program or agency, and
  - Often conducted on documentary record only.
- Interim suspension based on conviction of a serious crime (37 C.F.R. § 11.25):
  - Referred to a hearing officer for determination of final disciplinary action.

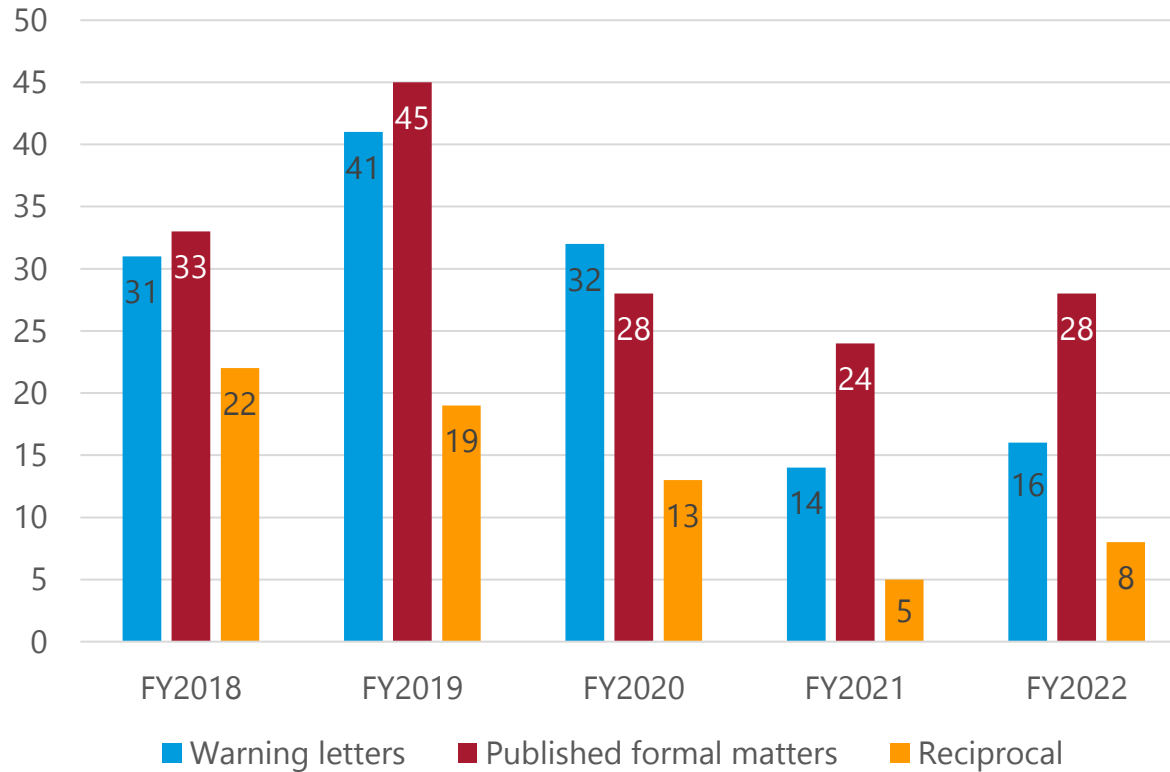
# OED Diversion Pilot Program

- In 2016, the ABA Commission on Lawyer Assistance Programs and the Hazelden Betty Ford Foundation published a study of about 13,000 currently practicing attorneys and found the following:
  - About 21% qualify as problem drinkers;
  - 28% struggle with some level of depression;
  - 19% struggle with anxiety; and
  - 23% struggle with stress.
- Other difficulties include social alienation, work addiction, sleep deprivation, job dissatisfaction, and complaints of work-life conflict.
- The USPTO launched the Diversion Pilot Program in 2017 and it has been extended until 2022.

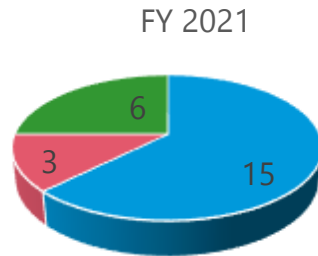
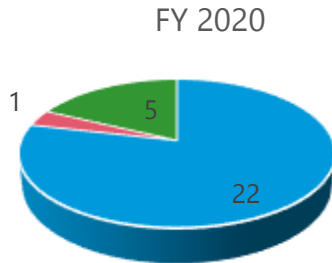
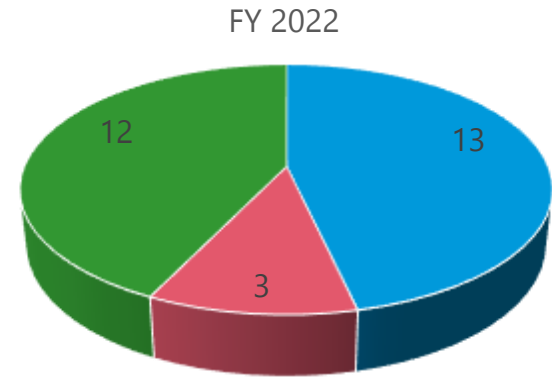
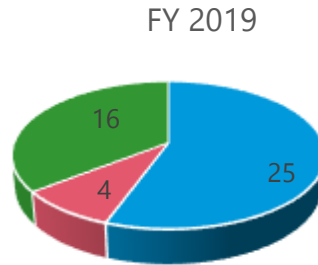
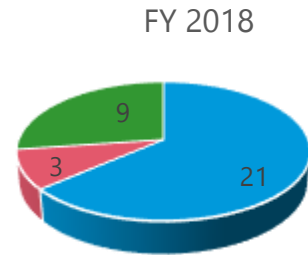
# OED Diversion Pilot Program – criteria

- Practitioner must have willingness and ability to participate in the program.
- In some circumstances, prior discipline is not a bar to diversion.
- Misconduct at issue must not:
  - Involve misappropriation of funds or dishonesty, fraud, deceit, or misrepresentation;
  - Result in or be likely to result in substantial prejudice to a client or other person;
  - Constitute a “serious crime” (see 37 C.F.R. § 11.1); or
  - Be part of a pattern of major similar misconduct or be of the same nature as misconduct for which practitioner has been disciplined within the past five years.

# USPTO disciplinary matters



# USPTO disciplinary matters



■ Patent Attorneys ■ Patent Agents ■ Trademark Attorneys



# Pro bono programs

- USPTO Law School Clinic Certification Program
  - Allows students in a participating law school’s clinic program to practice before the USPTO under the strict guidance of a law school faculty clinic supervisor; and
  - Limited recognition for participating students.
  - [www.uspto.gov/lawschoolclinic](http://www.uspto.gov/lawschoolclinic)
- USPTO Patent Pro Bono Program
  - Independent regional programs located across the nation work to match financially under-resourced inventors and small businesses with volunteer practitioners to file and prosecute patent applications.
  - Inventors and interested attorneys can navigate the USPTO website to find links to their regional program: [www.uspto.gov/probonopatents](http://www.uspto.gov/probonopatents)



Discussion of select case law

# **Office of Enrollment and Discipline**

# OED: Examples of misconduct

- Neglect;
- Failure to communicate;
- Lying to the client;
- Lack of candor to the USPTO;
- Trademark U.S. counsel cases; and
- Invention promotion cases.



# Neglect/candor

*In re Kroll*, Proceeding No. D2014-14 (USPTO Mar. 4, 2016):

- Patent attorney:
  - Attorney routinely offered (and charged) to post client inventions for sale on his website;
  - Did not use modern docket management system;
  - Failed to file client's application, but posted the invention for sale on his website; and
  - Filed application 20 months after posting on the website.
- Aggravating factors included prior disciplinary history.
- Received two-year suspension.
- Rule highlights:
  - 37 C.F.R. § 10.23(a) – Disreputable or gross misconduct;
  - 37 C.F.R. § 11.18(b) – Certification upon submitting of papers; and
  - 37 C.F.R. § 10.77(c) – Neglect.

# Conflict of interest

*In re Walpert*, Proceeding No. D2018-07 (USPTO Apr. 29, 2021):

- Disciplinary complaint alleged:
  - Respondent entered into business relationship with his client and was given partial ownership interest in client company as compensation for providing legal services;
  - Did not obtain informed consent from company or disclose any potential risks associated with transacting business with a client;
  - Several patent applications Respondent had worked on for the company became abandoned;
  - Fabricated emails purportedly showing that he notified the company of application filing irregularities; and
  - Failed to notify company of the problems with their applications.
- Exclusion from practice before the office.
- Rule highlights:
  - 37 C.F.R. § 10.62 (2012) – Refusing employment where the interest of practitioner may impair practitioner’s independent judgment;
  - 37 C.F.R. § 10.65 (2012) – Limiting business relations with a client;
  - 37 C.F.R. § 11.108 – Conflict of interest;
  - 37 C.F.R. § 11.303(a) – Candor towards the tribunal; and
  - 37 C.F.R. § 11.804(c) – Conduct that involves dishonesty, fraud, deceit, or misrepresentation.



# Conflict of interest

*In re Gray*, Proceeding No. D2017-02 (USPTO Feb. 22, 2017):

- Disciplinary complaint alleged:
  - Respondent's firm had agreement with companies to provide patent legal services to referred clients;
  - Respondent's relationships posed numerous conflicts of interest issues with respect to referred clients;
  - Directed associate to withhold filing of client applications until client paid 3rd party company \$125 fee;
  - Did not consult with client regarding the appropriate type of protection; and
  - Failed to supervise associate to ensure compliance with conflict and other rules.
- Exclusion on consent.
- Rule highlights:
  - 37 C.F.R. § 11.105 – Communicating scope of representation/fee;
  - 37 C.F.R. § 11.107(a) – Conflict of interest; current clients;
  - 37 C.F.R. § 11.108(f) – Accepting compensation from third party;
  - 37 C.F.R. § 11.504(c) – Permitting 3rd party payer to regulate judgment; and
  - 37 C.F.R. § 11.505 – Unauthorized practice of law.



# Conflicts of interest/improper signatures

*In re Starkweather*, Proceeding No. D2018-44 (USPTO Oct. 17, 2019):

- Practitioner received voluminous referrals from marketing company.
  - Did not obtain informed consent from clients in light of this arrangement;
  - Took direction regarding applications from company;
  - When company operations were shut down and payments stopped, practitioner halted client work, including completed applications; and
  - Signed clients' names on USPTO documents.
- Settlement: three-year suspension, MPRE, 12 hours of ethics CLE.
- Rule highlights:
  - 37 C.F.R. § 11.101 – Competence;
  - 37 C.F.R. § 11.102 – Abiding by client's decisions;
  - 37 C.F.R. § 11.103 – Diligence;
  - 37 C.F.R. § 11.104 – Client communication;
  - 37 C.F.R. § 11.107 – Conflicts;
  - 37 C.F.R. § 11.303 – False statements to a tribunal; and
  - 37 C.F.R. § 11.504(c) – Taking direction from 3rd party payer.



# Improper signatures/failure to supervise

*In re Sapp*, Proceeding No. D2019-31 (USPTO May 15, 2019):

- Trademark (TM) attorney was attorney of record or responsible attorney for numerous trademark applications for law firm.
  - Had TM documents filed with USPTO where non-practitioner assistants signed the documents instead of the named signatory;
  - Did not take reasonable steps to learn whether non-practitioner assistants were obtaining signatures properly;
  - After learning of impermissible signatures, did not notify clients of improper signatures or potential consequences; and
  - After learning of impermissible signatures (including on declaration relied upon by TM examiners), did not notify the USPTO.
- Mitigating factors:
  - Fourteen-year practice with no prior disciplinary history;
  - Acknowledged ethical lapses and understood seriousness of submitting impermissible signatures to USPTO;
  - Cooperated with OED investigation; and
  - Upon learning of impermissible signatures, retrained practitioners and non-practitioner assistants to ensure future compliance.



# Improper signatures/failure to supervise

*In re Sapp*, Proceeding No. D2019-31 (USPTO May 15, 2019):

- Settlement: public reprimand and one-year probation.
- Rule highlights:
  - 37 C.F.R. § 11.101 – Competence;
  - 37 C.F.R. § 11.103 – Diligence;
  - 37 C.F.R. § 11.503 – Responsibilities regarding non-practitioner assistance;
  - 37 C.F.R. § 11.104(a) and (b) – Client communication;
  - 37 C.F.R. § 11.303 – Candor toward tribunal; and
  - 37 C.F.R. § 11.804(c) (Misrepresentation) and (d) (Conduct prejudicial to the administration of justice).

# Signatures on patent documents

- 37 C.F.R. § 1.4(d)(1) Handwritten signature.
  - “Each piece of correspondence, except as provided in paragraphs (d)(2), (d)(3), (d)(4), (e), and (f) of this section, filed in an application, patent file, or other proceeding in the Office which requires a person's signature, must:
    - (i) Be an original, that is, have an original handwritten signature **personally signed**, in permanent dark ink or its equivalent, **by that person**; or
    - (ii) Be a direct or indirect copy, such as a photocopy or facsimile transmission (§1.6(d)), of an original. In the event that a copy of the original is filed, the original should be retained as evidence of authenticity. If a question of authenticity arises, the Office may require submission of the original.
- 37 C.F.R. § 1.4(d)(2) S-signature.
  - “(i)...the person signing the correspondence must insert his or her own S-signature...”
- 37 C.F.R. § 1.4(d)(4)(ii) Certification as to the signature.
  - “The person inserting a signature under paragraph (d)(2) or (d)(3) of this section in a document submitted to the Office certifies that the inserted signature appearing in the document is his or her own signature.”
- Note: recent removal of 37 C.F.R. § 1.4(e) (original handwritten signatures in permanent dark ink for OED correspondence and non EFS credit card payments).
  - See 86 FR 35226 (July 2, 2021).

# Signatures on trademark documents

- 37 C.F.R. § 2.193 Trademark correspondence and signature requirements:
  - “(a)...Each piece of correspondence that requires a signature must bear:
    - (1) A handwritten signature **personally** signed in permanent ink by the person named as the signatory, or a true copy thereof; or
    - (2) An electronic signature that meets the requirements of paragraph (c) of this section, **personally entered by the person named as the signatory**....
  - \* \* \* \* \*
  - (c) Requirements for electronic signature. A person signing a document electronically must:
    - (1) **Personally enter** any combination of letters, numbers, spaces and/or punctuation marks that the signer has adopted as a signature, placed between two forward slash (“/”) symbols in the signature block on the electronic submission; or
    - (2) Sign the document using some other form of electronic signature specified by the Director.”





# Trademarks: U.S. counsel rule

- Increase in foreign parties not authorized to represent trademark applicants and improperly representing foreign applicants in trademark (TM) matters.
- Fraudulent or inaccurate claims of use are a burden on the trademark system and the public and jeopardize validity of marks.
- Effective August 3, 2019:
  - Foreign-domiciled trademark applicants, registrants, and parties to Trademark Trial and Appeal Board proceedings must be represented at the USPTO by an attorney who is licensed to practice law in the United States.
- Final rule: 84 Fed. Reg. 31498 (July 2, 2019).
- Canadian patent agents are no longer able to represent Canadian parties in U.S. TM matters.
- Canadian TM attorneys and agents will only be able to serve as additionally appointed practitioners:
  - Clients must appoint U.S.-licensed attorney to file formal responses; and
  - The USPTO will only correspond with U.S. licensed attorney.



# U.S. counsel rule – solicitation

Dear,

I would like to rent a U.S. lawyer's license or get granted to use your U.S. attorney licensed information. At same time, I pay you yearly fee.

If you are interested in it and want to discuss more, you can contact me.

-----

Regards,  
Francis

# U.S. counsel rule – solicitation

美标源头律师合作，非华人律师

1 message

US\_Trademark\_Agent <[REDACTED]>

Sat, Mar 12, 2022 at 2:23 AM

Reply-To: [REDACTED]

To: [REDACTED]

您好，

初步沟通后，可提供美国白皮律师（非华人）商标方案如下：

- \*符合4月9日新规，USPTO律师实人认证；
- \*可协助OBJ制作（律师助手子账号操作）；
- \*使用USPTO Payment Account支付商标官费；



# Improper signatures/communication

*In re Lou*, Proceeding No. D2021-04 (USPTO May 12, 2021):

- Trademark (TM) attorney had business relationship with foreign company that provided IP services to merchants;
- Attorney reviewed up to 500 TM applications per month and received over \$10,000 in total compensation;
- As of Oct. 12, 2020, all of the attorney's TM cases were received from the foreign company;
- Attorney gave company authorization to improperly enter his signature directly in the applications.
- Provided the company's email address as correspondence address, did not monitor, and relied on company to provide him updates on USPTO correspondence.
- Did not conduct conflicts checks for clients received from the foreign company.
- Settlement: three-month suspension.
- Rule highlights:
  - 37 C.F.R. § 11.101 – Competence;
  - 37 C.F.R. § 11.104(a) and (b) – Client communications;
  - 37 C.F.R. § 11.303(a)(1), (a)(2), (b) and (d) – Candor toward tribunal;
  - 37 C.F.R. § 11.503(b) – Responsibilities regarding non-practitioner assistance; and
  - 37 C.F.R. § 11.505 – Assisting UPL.



# Improper signatures/communication

*In re Hom*, Proceeding No. D2021-10 (USPTO Dec. 12, 2021):

- Patent attorney listed as attorney of record in >13k trademark (TM) applications;
- Before U.S. counsel rule, he was listed in 2k; afterwards listed in 11k TM applications;
- Received instructions from foreign intermediaries; and
- Failed to review specimens which appeared in more than one application for a different applicant; didn't speak to applicants; and did not personally enter his signature on most apps.
- Settlement: two-year suspension.
- Rule highlights:
  - 37 C.F.R. § 11.101 – Competence;
  - 37 C.F.R. § 11.103 – Diligence;
  - 37 C.F.R. § 11.104 – Client communication;
  - 37 C.F.R. § 11.503 – Non-practitioner assistance;
  - 37 C.F.R. § 11.505 – Assisting UPL; and
  - 37 C.F.R. § 11.804(d) – Conduct prejudicial to the administration of justice.



# Improper signatures/communication

*In re Yang*, Proceeding No. D2021-11 (USPTO Dec. 17, 2021):

- Patent attorney agreed to allow foreign company to use her name to file TM applications as a domestic representative in exchange for \$1500.00 a month for one year;
- Failed to review specimens; didn't speak to TM applicants;
- Terminated her business arrangement with company; and
- Ended company's access to a joint email address and informed applicants about impermissible signatures and unauthorized filings; informed the USPTO about the impermissible signatures.
- 30-day suspension and probation for 12 months thereafter.
- Rule highlights:
  - 37 C.F.R. § 11.101 – Competence;
  - 37 C.F.R. § 11.103 – Diligence;
  - 37 C.F.R. § 11.104 – Client communication;
  - 37 C.F.R. § 11.503 – Non-practitioner assistance;
  - 37 C.F.R. § 11.505 – Assisting UPL; and
  - 37 C.F.R. § 11.804(d) – Conduct prejudicial to the administration of justice.



# Hijacking of U.S. practitioner data

- Since the implementation of the U.S. counsel rule, the Office has encountered several instances of co-opting/hijacking of U.S. practitioner's name, address, and/or bar number.
- Referral to state bars and other agencies that address fraud and consumer protection.

# Commingling funds/neglect

*In re Chirnomas*, Proceeding No. D2020-29 (USPTO Apr. 29, 2021):

- Disciplinary complaint alleged:
  - Respondent retained by foreign client to prepare and file a national stage utility patent application with the USPTO;
  - Filed the application but did not submit payment to the USPTO for any of the filing fees;
  - Invoiced client for fees associated with filing the application and Respondent's legal services;
  - Had client wire funds for the total amount of fees (including an advance payment of expenses) to personal bank account;
  - Failed to notify the client of Notice of Insufficient Basic National Fee Required and subsequent Notice of Abandonment sent by USPTO; and
  - Client attempted to contact Respondent on several occasions regarding the abandonment but Respondent never responded.
- Exclusion from practice before the Office.
- Rule highlights:
  - 37 C.F.R. § 11.103 – Diligence and promptness in representing a client;
  - 37 C.F.R. § 11.104(a)(3) and (a)(4) – Client communication;
  - 37 C.F.R. § 11.115(a), (c) and (d) – Safekeeping property;
  - 37 C.F.R. § 11.116 – Protecting client's interests on termination; and
  - 37 C.F.R. § 11.804(c) – Dishonesty, fraud, deceit or misrepresentation.





# Misrepresentation

*In re Anonymous*, Proceeding No. D2014-05 (USPTO Apr. 1, 2014):

- Trademark attorney:
  - Submitted sworn statements from himself and his client to the USPTO attesting that the client's mark had acquired distinctiveness and should be registered due to the client's "substantially continuous and exclusive use" of the mark in commerce.
  - Prior to submitting the statements, practitioner was informed that materials provided to him contained evidence contrary to the claim of acquired distinctiveness.
  - Practitioner failed to look at materials or share them with his client before submitting the statements to the USPTO.
- Settlement: Private reprimand.
- Actions were deemed to constitute violations for the inadequate preparation (37 C.F.R. § 10.77(b)) and presenting a paper in violation of 37 C.F.R. § 11.18 (37 C.F.R. § 10.23(c)(15)).

# Decorum required in trademark (TM) communications

- All those who practice TM matters before the USPTO are required to conduct their business with decorum and courtesy. *See* 37 C.F.R. § 2.192; TMEP 709.07.
- If a submitted document contains rude or discourteous remarks, it may be referred to the Deputy Commissioner for Trademark Examination Policy for review.
- If it is determined that the document is in violation of 37 C.F.R. § 2.192, the document will not be considered and will be removed from the file.





# Disreputable or gross misconduct

*In re Schroeder*, Proceeding No. D2014-08 (USPTO May 18, 2015):

- Patent attorney:
  - Submitted unprofessional remarks in two separate Office action responses;
  - Remarks were ultimately stricken from application files pursuant to 37 C.F.R. § 11.18(c)(1);
  - Order noted that behavior was outside of the ordinary standard of professional obligation and client's interests; and
  - Aggravating factor: has not accepted responsibility or shown remorse for remarks.
- Default: 6-month suspension.
- Rule highlights:
  - 37 C.F.R. § 10.23(a) – Disreputable or gross misconduct;
  - 37 C.F.R. § 10.89(c)(5) – Discourteous conduct before the Office;
  - 37 C.F.R. § 10.23(b)(5) – Conduct prejudicial to the administration of justice; and
  - 37 C.F.R. § 11.18 – Certification upon filing of papers.



# Disreputable or gross misconduct

*In re Tassan*, Proceeding No. D2003-10 (USPTO Sept. 8, 2003):

- Registered practitioner who became upset when a case was decided against his client, and left profane voicemails with TTAB judges.
- Called and apologized one week later; said he had the flu and was taking strong cough medicine.
- Also had a floral arrangement and an apology note sent to each judge.
- Mitigating factors: private practice for 20 years with no prior discipline; cooperated fully with OED; showed remorse and voluntarily sought and received counseling for anger management.
- Settlement: Reprimanded and ordered to continue attending anger management and have no contact with Board judges for 2 years.

# Other examples of disreputable or gross misconduct

- Practitioner referred to patent examiner as “delusional,” that he “will publish examiner’s statements ... along with assessment of their adequacy by a certified psychologist/MD, on Internet/You [T]ube ...” and that he will report his “public safety and mental health concerns [about the examiner] to Office of Human Resources of [the] USPTO.”
- Practitioner accused examiner of “irrational statements, delusions/hallucinations,” and stated that examiner “could become a t[h]reat for himself if such confusions/hallucinations or delusions happen at driving a car, operating an elevator, ...”

# Other examples of disreputable or gross misconduct

- Practitioner left a voicemail message, asking that the interlocutory call him back “so I don’t have to file another identical motion ... that you’ll probably kick back again for fear that maybe you’d have to work,” and “[m]aybe that’s too much to ask of a government official but I don’t think so.”
- Practitioner accused the interlocutory of “posturing and drama,” and closed his voicemail message with “when an examiner sits in an ivory tower and seems to have a greater perception of a case in which she [has] (sic) simply refused to look at the facts or circumstances and rather would like to sling mud, then that gets under my ire,” and stated that “when you’re able to calm down, [then] (sic) you can call me and act respectfully and appropriately instead of mudslinging or otherwise threatening counsel who’s simply trying to do his job ....”



# Other examples of disreputable or gross misconduct

- When he spoke to another interlocutory, practitioner was “in a rage and screamed at him” and to another, he yelled and told the interlocutory “how awful [you] all are” and “how terrible all government workers are.”
- While yelling at an interlocutory over the phone, Practitioner also claimed to be a friend of Judge Rogers and that he should receive special treatment, and again attacked the character of PTO employees, and demanded that the interlocutory on his case be replaced. Another instance, after yelling at the interlocutory, he hung up on her.



# Decisions imposing public discipline available in “FOIA Reading Room”

- [foiadocuments.uspto.gov/oed/](https://foiadocuments.uspto.gov/oed/)
- Official Gazette for Trademarks:
  - [www.uspto.gov/learning-and-resources/official-gazette/trademark-official-gazette-tmog](https://www.uspto.gov/learning-and-resources/official-gazette/trademark-official-gazette-tmog)



# Thank you!

**OED**

571-272-4097

[www.uspto.gov](http://www.uspto.gov)

# **Section Three**

# **Patent Infringement on Amazon: Using the Amazon Patent Evaluation Express Procedure (APEX) to Remove Alleged Infringing Products**

**Greg N. Geiser**  
Gutwein Law  
Minneapolis, Minnesota

## Section Three

### **Patent Infringement on Amazon: Using the Amazon Patent Evaluation Express Procedure (APEX) to Remove Alleged Infringing Products..... Greg N. Geiser**

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## I. INTRODUCTION

A valid and enforceable patent provides its owner with a litany of choices when it comes to the ultimate enforcement of the patent. These choices all have multiple variables ranging from things as varied as the conduct of the infringer to the actual type of patent. Often, for a standard utility patent, the most common questions relate to the preferred remedy, the amount any proceeding will cost, and how long it will take. The unique language and often complex nature of patents can make the answers to these questions vary as the traditional patent remedies are extremely valuable, time consuming, and rather expensive.

The U.S. Patent Act, 35 U.S.C. §§ et seq., provides for the primary remedies of injunctive relief and monetary damages. This injunctive relief may be permanent or preliminary and these damages are generally in the form of quantifiable lost profits or reasonable royalties. *Id. at* §§ 281-291. Since federal courts have exclusive jurisdiction over patent infringement actions, the patent owner typically seeks their preferred redress in their choice of a federal court of competent jurisdiction. *See gen. U.S. CONST art. I* §8. Based upon recent data, the average cost of litigating a patent ranges from approximately \$800 thousand when estimated damages are less than \$1 million to greater than \$6 million when the estimated damage amount is greater than \$25 million. *See A.I.P.L.A. Report of the Economic Survey 2021*. While the goal of any judicial body is to provide justice as quickly as possible, the reality is, that despite well intentioned and concerted efforts to improve, it is not uncommon for litigation of this type to last several years. Therefore, patent owners are often seeking advice from counsel on how to potentially lessen the time and enforcement costs of their patents. Often this counsel relates to settlement, licensing, and other non-judicial remedies that are typically faster and less costly. For certain patent

owners with an Amazon Brand Registry Account, the Amazon Patent Evaluation Express (APEX) program may be one of the more useful and cost-effective solutions available.

## **II. SELLING PRODUCTS ON AMAZON**

Amazon is currently the second largest retailer in the U.S. accounting for approximately \$398.8 billion in gross merchandise value (GMV) sales in 2021 resulting in a nearly 10.8% share of the U.S. retail market. Over the next four years Amazon is projected to surpass Wal-Mart as the largest retailer in the U.S.

*<https://www.businesswire.com/news/home/20220601005183/en/Ecommerce-Shakes-up-the-Top-Five-Retailers-in-the-US-New-Report-by-Edge-by-Ascential>*. According to self-published statistics, 300 million customers shop in Amazon's online store worldwide.

*<https://sell.amazon.com/blog/grow-your-business/amazon-stats-growth-and-sales>*.

### **A. Amazon Third-Party Sellers**

Along with the growth of its purchasing customer base, Amazon has experienced a significant increase in both the number of third-party sellers and the products sold by these third-party sellers. A third-party seller is generally defined as an entity other than Amazon that owns the inventory of a given product listing. When looking at a particular listing for a product offered for sale on amazon.com, a purchaser is provided with information corresponding to the seller of the product and the party responsible for the fulfillment of the order. Therefore, each product listing can be categorized into three distinct types: sold and shipped by Amazon, sold by a third-party and fulfilled by Amazon (i.e., third-party owns/purchases items that are directly stored at Amazon warehousing facilities), and sold and shipped by the third-party. Between 2019 and 2020 more than 200,000 new third-party sellers joined the worldwide Amazon marketplace

accounting for a roughly 45% increase in the total number of third-party sellers. *Id.* In the U.S. alone, Amazon has grown to feature over 2.5 million products from roughly 30,000 businesses across various product categories. *Id.*

## **B. Intellectual Property Policy for Amazon Sellers**

As a condition for selling on Amazon, each third-party seller must agree to be bound by Amazon's terms and conditions. These general conditions provide that the seller must comply with all federal, state, and local laws and any Amazon policies that might be applicable to a given seller's product. Each seller is warned that a violation of the policy results in the loss of selling privileges and potential additional legal consequences.

[https://sellercentral.amazon.com/help/hub/reference/external/201361070?ref=efph\\_201361070\\_cont\\_521&initialSessionID=time%3D20827872011&ld=NSGoogle&locale=en-US](https://sellercentral.amazon.com/help/hub/reference/external/201361070?ref=efph_201361070_cont_521&initialSessionID=time%3D20827872011&ld=NSGoogle&locale=en-US). These terms and conditions generally provide a clear attempt to disclaim any infringement liability that may result from Amazon's own role in facilitating a listing.

Of particular interest, this policy further defines for the seller the various types of intellectual property rights and provides the seller with the allowable actions one may take in responding to the various types of IP infringement notices that they may potentially receive. *Id.* In response to a notice of patent infringement, the seller is provided with the following options: “[r]eply to the notification you received, with specific reasons as to why you believe a mistake was made. You may also provide a court order demonstrating that your product is non-infringing or that the asserted patent is invalid or unenforceable.” *Id.* The existence of these policies and programs hints at the steps Amazon is taking to protect its liability and also appears to indicate that Amazon is taking some logical and advanced steps to try and curb the rather prolific sale of counterfeit and infringing products on its marketplace. By its own admission, “Amazon invested



more than \$900 million and employed more than 12,000 people – including machine learning scientists, software developers, and expert investigators – who were dedicated to protecting customers, brands, selling partners, and our store from counterfeit, fraud, and other forms of abuse,” in 2021. *Amazon Brand Protection Report -June 2022*

### **III. ENFORCING A PATENT THROUGH AMAZON PROGRAMS**

Although not a focus of this writing, similar to any retailer, for products that are labeled as shipped and sold by Amazon, Amazon itself can be held liable for any patent infringement as a direct infringer under 35 U.S.C. § 271(a). For sales by these third-parties, Amazon has so far, to the knowledge of the author, successfully disclaimed liability through the above-described seller policies. The case law on this particular issue is rather sparse, but at least for the time being, it appears that when operating as a storefront for third-party sellers Amazon intends to be and has been treated as an online service provider by complying with the requisite safe harbor provisions of the Digital Millennium Copyright Act (DMCA). *See gen. Digital Millennium Copyright Act (DMCA) 17 U.S.C. §512 (1998)*. Accordingly, these safe harbor provisions give service providers immunity if they have adopted and implemented a mechanism for receiving notifications of infringement and have a process for removing the infringing material from the service.

#### **A. Reporting Infringement as a Patent Holder**

In apparent recognition of these safe harbor provisions, any intellectual property rights holder or agent may make a report of infringement directly to Amazon through a form provided online by Amazon. The form is easily accessed through a typical web search but can be found directly at: [amazon.com/report/infringement](https://amazon.com/report/infringement). (Appendix A). The completion of this form will

require the individual reporting the infringement to have an Amazon account and attest that they are the rights owner or an agent of the rights owner. (Appendix B). The form generally provides a series of drop-down style lists allowing for the selection of copyright concerns, trademark concerns, patent concerns, and other concerns. Depending upon this selection, additional selectable drop-down lists, and question prompts are provided. In the case of a report of patent infringement, the rights owner or agent is asked to provide the type of patent, the patent number, any court or International Trade Commission orders, and is provided with a character entry box to provide any additional information. (Appendix C).

As a practical matter, this free form text entry box provides a first opportunity to describe your infringement case to Amazon and, if desired, is a great opportunity to request participation in an Amazon directed neutral patent evaluation procedure<sup>1</sup> and an opportunity to place Amazon itself on notice of contributing to the alleged infringing sales, if necessary. Typically, in the case of a report generated by the author as an agent for a client, within this box the author will provide a brief statement regarding representation of the client, a summary of the relevant federal infringement statute, a statement regarding infringement of the specific valid patent including the patent number and issue date, and the text of any specific claim asserted with specific references to the accused infringing product. As a best practice, I like to think of this as providing a mini-claim chart/demand letter highlighting key claim elements and applying them to the listing in question. After the electronic submission of this form, one can expect to be contacted by a member of Amazon regarding any response or next steps directly via email to the email provided

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<sup>1</sup> The initial Amazon procedure for evaluating patents was a pilot program called the Amazon Utility Patent Neutral Evaluation program for which participation was by invite only. This program appears to have now morphed into the Amazon Patent Evaluation Express (APEX) process.

in the form. In general, Amazon appears to be very responsive to these requests and seeks to resolve these matters quickly.

### **B. The Amazon Brand Registry**

In addition to a generic report of infringement through the main form, brand holders with a registered trademark have access to additional reporting tools through the Amazon Brand Registry. In an effort to bolster their marketplace and encourage sales, in 2017 Amazon created the Amazon Brand Registry. The Amazon Brand registry can best be described as an additional online portal for any brand owner, regardless of whether they sell on Amazon, to manage and protect their brand and associated intellectual property rights. *See Amazon Brand Protection Report -June 2022*. Participation in the Amazon Brand Registry requires a pending or registered trademark in each country where a seller wishes to register.

<https://brandservices.amazon.com/brandregistry/eligibility>. Currently, only trademarks that have been issued by the following countries are eligible: U.S., Brazil, Canada, Mexico, Australia, India, Japan, France, Germany, Italy, Turkey, Singapore, Spain, Netherlands, Saudi Arabia, United Kingdom, Egypt, Sweden, Poland, Belgium, European Union, and United Arab Emirates. *Id.*

The main function of the Brand Registry is to provide an online tool within the Amazon marketplace to allow brand holders the ability to protect their intellectual property rights through the reporting of violations. *See Amazon Brand Protection Report -June 2022, p. 8*. Similar the generic report infringement form, the Brand Registry includes the Report a Violation tool. Through this tool “brand owners can search for, identify, and report infringements and subsequently track their submissions with a dedicated dashboard.” *Id.* Essentially, this Report a Violation tool mirrors the generic infringement submission tool but provides an extended

character limit and allows for the tracking and following on of submissions. Further, when reporting an infringement violation for a utility patent application, the brand owner is immediately provided with a prompt for learning more about the APEX program to aid in the future removal of potentially infringing products. (Appendix D).

#### **IV. AMAZON PATENT EVALUATION EXPRESS PROGRAM (APEX)**

The APEX program was initially launched as a pilot program in 2018 to provide utility patent owners with “a forum to more effectively resolve patent infringement disputes and to significantly reduce the cost burden on both parties.” *Amazon Brand Protection Report -June 2022, p. 11*. Most recently, in 2021, the APEX program was launched as a permanent feature to the Brand Registry to allow the easier request of evaluations and monitoring of these requests. *Id.* The APEX program is essentially a voluntary streamlined pathway to a binding (at least on Amazon) arbitration utilizing written submissions by interested parties to seek a decision from a neutral evaluator. In the case of the APEX process, this evaluator will make a yes/no infringement decision about whether the asserted patent claim covers the product listings on amazon.com. This evaluator may make a no decision based upon a lack of infringement (i.e., accused products do not contain all of the elements of the asserted claim); a court has found the patent to invalid or unenforceable; or the accused products were on sale more than one year prior to the earliest effective filing date. This evaluator is a licensed patent attorney having experience with the product category at issue. The evaluator is not compensated by Amazon, nor does Amazon participate in the proceeding in any way. Currently, the average time for a final disposition of a patent in the APEX program is seven weeks. *Id.* A successful evaluation for a patent owner will mirror injunctive relief with the accused infringing products being permanently removed from amazon.com.

### **A. Eligibility For the APEX Program**

The APEX program can generally be considered a limited procedure with patent eligibility and procedures designed to keep evaluations quick and relatively low-cost. Therefore, the program is only available for utility patents that are not considered “extremely technical.” The guidelines provide an example of a patent that covers the operation of the hardware components within a consumer electronics device as being “too technical” for the program. Accordingly, the program works best for a utility patent related to an article of manufacturer that does not utilize a long and complex claim set. A given evaluation is limited to a single patent claim from a single unexpired U.S. utility patent against a maximum of 20 Amazon Standard Identification Numbers (ASINs) identifying the accused products. Additional ASINs may be included in an additional evaluation or may be addressed at the conclusion of a successful evaluation for a patent holder.

### **B. Beginning An Evaluation**

The APEX process is typically started by a request from the brand through the Brand Registry Report a Violation form. Upon the initial completion of the form the patent owner will have the option to learn about the APEX process which should be selected for participation. (Appendix D). After the submission of this form, the party will receive an email from *patent-evaluation@amazon.com* about the program along with a copy of the APEX procedures and an APEX agreement with attached exhibits. To begin the formal APEX process, this agreement is returned to Amazon via email with the requested information. The standard APEX agreement generally provides provisions related to confidentiality, waiver, requirements to update information, and includes a general matters provision related to choice of law (Washington, USA) and a no assignment provision. As this entire process is conducted via email, it is critical

to ensure that the proper email address is provided and that this email address remains monitored throughout the process.

The APEX agreement includes an Exhibit 1 (Appendix E) that must be filled out completely by the patent owner and an Exhibit 2 (Appendix F) that must be filled out by a seller. Procedures provide that the proper filing out of these forms is critical to collect all of the desired and necessary information that will be utilized by Amazon to select the neutral evaluator. The Exhibit 1 provides an email address for contact and most importantly provides a section for the patent owner to identify the patent number and the *single* patent claim they would like evaluated. As point of emphasis, this selected claim should be carefully scrutinized to ensure that is the proper claim that covers the accused infringing claims-this claim cannot be changed during the process without potentially resorting to an entirely new evaluation. It suggested that on this Exhibit 1, the patent holder's attorney is listed on the form as the contact for evaluations as all submissions related to the procedure are sent via email directly from the selected evaluator. Additionally, the Exhibit 1 provides a table for the patent owner to list up to 20 unique ASINs that are accused to infringe. Only 20 are allowed; if more are desired additional procedures or additional steps may be taken after a final decision to remove or allege additional ASINs. Upon completion and return of the executed APEX agreement, the patent owner should receive an email from the evaluation team, such as this exemplary email:

Hello,

Thank you for providing the completed Amazon Patent Evaluation Express Agreement. We are in the process of identifying and notifying sellers of the reported ASINs. This process may take several business days. Sellers then have up to three weeks from the date of notification to opt in to the patent evaluation. We will be in contact with you regarding next steps.

Best regards,

Neutral Patent Evaluation Team  
Amazon.com

based upon experience, this notification process happens quickly, and the patent owner should know within three weeks whether the accused party has elected to participate. At this step, each of the sellers are notified and provided with the same documents and a request to participate by returning the form with a completed Exhibit 2. It is likely that at this time, patent owner will begin to receive emails from these third parties requesting removal of the takedown notice and suggesting settlement.

### **C. Preliminary Evaluation Procedures**

If any selling party elects not to participate, their listed ASIN(s) provided by the patent owner on the Exhibit 1 will be removed and nothing additional is needed. However, one can often expect to receive follow up emails from third-party sellers requesting reactivation of their now removed listings. Each of these sellers can be handled on a case-by-case basis depending on the needs and desires of the patent owner.

If any selling party elects to participate, by the conclusion of the aforementioned three-week period, each of the participating parties is notified separately via email from Amazon. This email identifies the neutral evaluator, the case number for the APEX process, and instructions for a wire transfer of the funds necessary to participate in the proceeding. These funds must be paid to the evaluator within one week of the email identifying the evaluator. At this point, Amazon is no longer involved in the process. Upon completion of both payments by the patent owner and seller, the neutral will formally begin the process via an introductory email outlining the party's responsibilities.

### **D. Cost To Participate in APEX Process**

The current cost to participate as either a patent owner or third-party seller in an APEX proceeding is \$4,000. This \$4,000 payment is provided directly by each party to the

evaluator and is said to cover the costs of evaluation. Upon conclusion of the proceeding, the prevailing party will have their payment returned. When there is a situation involving multiple sellers, any excess payments beyond \$4,000 will be donated to an Amazon Smile charity of the choice of the evaluator with the evaluator never receiving more than \$4,000.

In cases where there are more than four sellers who elect to participate in the APEX proceeding and make the requisite payment, the patent owner will have the option of limiting the evaluation to four sellers or making one or more additional payments so that multiple concurrent evaluations with no more than four sellers can occur. If the patent owner does not wish to proceed with more than four sellers in a given evaluation, they can select which four sellers participate, and the remaining sellers not selected will receive a refund. At the conclusion of the first evaluation, the patent owner may then institute additional evaluations against the sellers that initially consented and made payment. In this scenario, in an attempt to achieve consistent rulings, the same evaluator will be utilized.

In a scenario where the parties settle prior to the final decision by the evaluator, partial payments may be returned depending upon the timing of the settlement. If settlement is reached by the parties prior to the date of the patent owner's reply brief, the evaluator may keep \$1,000 of the payment divided equally among the parties and return the respective remaining amounts to the applicable party. If the settlement occurs after the reply brief date, the evaluator may keep \$2,000 of the payment, \$1,000 from the patent owner with the remainder divided equally among the sellers and return the excess remaining amounts to the applicable party. If the patent owner retracts or withdraws its infringement claim prior to briefing, the evaluator will retain \$500 from the patent owner and return the remaining amount(s) to the respective parties. If the patent owner retracts or withdraws its infringement claim during the briefing period, the



evaluator will retain \$1,000 from the patent owner and return the remaining amount(s) to the respective parties. If the patent owner retracts or withdraws its infringement claim after briefing, the evaluator will retain \$2,000 from the patent owner and return the remaining amounts to the respective parties.

Generally, these payments must be made to the evaluator within one week of receiving the wire instructions. It is known that some evaluators will grant a 1-day extension of time to complete payment and provide a reminder to the applicable party if the payment deadline is missed.

#### **E. Written Submission**

Upon the completion and acceptance of payment by the evaluator from all participating parties, the evaluator will reach out via email to the parties with a briefing schedule. The APEX brief is generally written argument by the patent owner and seller regarding infringement or non-infringement of the asserted patent. The briefs must be provided via email electronically to both the evaluator and the opposing party in the same email. The briefs must be in the English language and provided on pages having an 8.5" x 11" page size. No physical exhibits are allowed. The patent owner briefing limit is 20 double-spaced pages between an initial submission and a reply, not including any claim charts or exhibits. The seller is able to supply a response to the initial brief that is limited to 15 double-spaced pages, not including any claim charts or exhibits. The seller is not able to submit a rebuttal to the patent owner's reply brief. Beyond these page size and page amount limits, there are no additional format or style requirements.

The briefing is conducted on a relatively short time schedule with the patent owner's initial brief due 14 days after the beginning of the process (the beginning email typically includes

the initial deadline date for the brief). The seller will have 14 days to respond from the date of receipt of patent owner's brief. The patent owner will have 7 days from receipt of the seller's brief to submit a reply if desired. If a submission is not timely made, the evaluator may make a finding against that party, and they may forfeit their payment. However, the patent owner is not required to make a reply and may waive this submission upon notice to the evaluator. The evaluator will generally issue their decision within two weeks of the last official submission. Additionally, the evaluator does have the authority to request that the parties answer discrete questions that will aid the evaluator and may modestly alter the briefing schedule and limits to accommodate these answers.

As a point of practice, the author treats the initial submission like a legal memorandum typical in standard motion practice and includes relevant case law and statutes. Similar to a *Markman* brief, if the construction of any claim term is necessary to understand the invention, the preferred construction should be advanced and provided in this initial brief. The procedure provides that evaluator may consider any information giving any weight to the information the evaluator feels is appropriate. Additionally, it is wise to include a detailed claim chart with images of the asserted infringing products and critical claim elements. Lastly, if the asserted claim requires consideration of the doctrine of equivalents, this will only be considered by the evaluator if the patent owner argues for its application in the opening brief. Any doctrine of equivalents argument will not be considered by an evaluator if first advanced in a reply brief.

Depending upon the complexity of the patent in issue, when representing the patent owner, the author will typically dedicate 12-15 pages for argument with the remaining pages reserved for rebuttal in the reply submission. The author will generally create a document with a heading identifying the parties, the APEX number, the evaluator and the title of brief. For

sections, an introduction, a section on literal infringement, a section on DOE if applicable, and a conclusion are utilized. For exhibits, a copy of the patent at issue and a detailed claim chart are included as exhibits at a minimum.

#### **F. Defenses Allowed**

Upon receipt of the patent owner's written argument of infringement, the seller will have 14 days to prepare a response. The seller's arguments will logically be based upon non-infringement from a failure to meet at least one of the asserted claim elements. Beyond the traditional argument of non-infringement under the all elements rule, a seller defense of invalidity/unenforceability is only available if the seller can provide a finding by a court of competent jurisdiction, the U.S. Patent Office, or U.S. International Trade Commission ("ITC") that the asserted claim is invalid or unenforceable. Accordingly, the seller is not able to present any invalidating prior art or testimony in an attempt to invalidate the asserted patent.

In addition to invalidity, the seller may provide independently verifiable information that the accused product or a physically identical product were on sale one year or more prior to the asserted patent's earliest effective filing date. However, any information related to this date must only be credible evidence that the evaluator can independently observe and verify. This cannot be based upon affidavits, declarations, arguments or evidence that cannot be independently verified by the evaluator. As an example of what would be allowed as independent verifiable information, an active weblink for an item having a sale date on amazon.com or on the "Wayback Machine" would suffice as this credible and independently verifiable evidence.

Accordingly, unlike a traditional patent infringement case, the defenses available to the seller are rather limited and specific. Further, traditional fact-finding processes such as

discovery, depositions, and testimony are not utilized. That being said, the rules do provide that the evaluator may consider any information giving any weight to the information the evaluator feels appropriate.

### **G. Result**

Within two weeks of the reply brief, if applicable, the evaluator will provide a decision. The evaluator will choose among the following two options for the decision: (1) the patent owner is likely to prove that the accused product infringes the asserted claim; or (2) the patent owner is not likely to prove that the accused product infringes the asserted claim. If the evaluator finds infringement is likely, no reasoning will be provided. If the evaluator finds that infringement is not likely, they will provide a brief explanation of why the patent owner is unlikely to prove infringement. This decision is final and there is no procedure or process to request reconsideration.

Upon the rendering of the decision, Amazon will be notified and take the appropriate action. Generally, if the patent owner is likely to prove infringement, the accused product will be removed from amazon.com within 10 business days. Additionally, any money paid to the evaluator will be dispersed to the respective party per the agreement. Similar to the initiation of the APEX process, this is again an ideal time for settlement discussions for a patent owner who has been successful over the seller of accused products. A favorable decision to a patent owner is similar to the effect of a court order, wherein the successful patent owner can now utilize the APEX case number through the Brand Registry to remove other infringing products that are similar to the sellers without the need for additional APEX proceedings.

The decision of the evaluator may be amended or altered in the future based upon the receipt of a formal ruling in a future litigation or arbitration proceeding. Accordingly, a contrary

finding of the evaluator in an additional legal proceeding may be provided to Amazon and Amazon may allow for a relisting or removal of the accused product consistent with their processes.

#### **H. APEX Procedures Presence at The District Court Level**

Due to the relative newness of APEX and other neutral patent proceedings at Amazon, there has not been a lot of case law interpreting the process in the context of litigation. In a case regarding the effect of a notice of infringement to Amazon regarding an infringing product, Amazon's delisting of seller's product in response to the notice of infringement did not cause irreparable harm and was not immediate enough for the granting of a temporary restraining order. *See Order Studio 010, Inc. v. Dig. Cashflow LLC, 2:20-cv-01018-RAJ (E.D. Wash. July 2, 2020)*. In *Studio 100, Inc.*, plaintiff a producer of an ear wax removal product called HEAR sought the relisting of products determined by Amazon to likely infringe the patent of the defendant related to their HEAR CLEARLY product. Plaintiff sought reversal of the Amazon decision and demanded that defendant remove the infringement notice under the allegation that the patent is unenforceable for failing to disclose plaintiff's prior art during the patent prosecution process. *Id.* Neither defendant nor Amazon acquiesced to plaintiff's demand and plaintiff was forced to seek redress at the district court level. Litigation in this case remains pending.

In *Pilot v. NOCO Co. Inc.*, plaintiff Pilot sought a dismissal of defendant's counterclaim that alleged plaintiff's suggestion for participation in Amazon's Utility Patent Neutral Evaluation and subsequent decision not to follow through with this process, but rather proceeding directly an actual takedown notice for patent infringement through the Brand Registry tortiously interfered with defendant's business relationship with Amazon by getting

Amazon to remove defendant's products from the amazon.com marketplace. *Pilot Inc. v. NOCO Co. Inc.*, No. CV-20-01452-PHX-SRB, 2021 WL 2188525, at \*4 (D. Ariz. Feb. 12, 2021).

Plaintiff argued that its communication with Amazon was not improper as federal patent law protects communications with infringers absent a showing of bad faith. Defendant claimed that its pleadings sufficiently included a bad faith claim due to plaintiff's status as a non-practicing entity and therefore its inability to enforce its infringement demand to Amazon. *Id.* Defendant's claim for tortious interference was allowed to stand at this stage of the proceeding as defendant plausibly plead bad faith particularly in light of plaintiff's representation that it was going to proceed with a neutral evaluation only to proceed directly to a take down notice. *Id.* at \*5. Accordingly, the threat of a utility neutral evaluation and a subsequent take down notice of an infringing patent may present additional litigation issues including a claim relating tortiously interfering with a business relationship if the party seeking the evaluation or the takedown notice does not have the ability to obtain a corresponding injunction at the district court level.

## **V. CONCLUSION**

When an injunctive remedy is sufficient for a patent holder, enforcement of a patented product on amazon.com through the Amazon APEX program may be a cost effective and viable solution when compared to traditional patent litigation strategies and costs. The APEX process is a relatively straight forward and quick solution for patent owners to remove infringing products from the amazon.com storefront. Further, a successful result by a patent owner provides additional tools within Amazon's Brand Registry to remove future infringers. Prior to beginning this procedure, patent owners will need to be familiar with Amazon's own Brand Registry tools and carefully analyze and scrutinize any asserted patent to ensure that a single patent claim covers the accused infringing product. Further, the patent owner should be familiar

with additional patent remedies as the initiation of a takedown notice or APEX proceeding is likely to generate sufficient support for the establishment of a case or controversy and perhaps lead to retaliatory actions at the district court level for declaratory judgment.

**VI. APPENDIX**

- A.** Screen Shot of Amazon Report Infringement Form
- B.** Amazon Report Infringement Form After Sign In
- C.** Amazon Report Infringement Form for A Utility Patent
- D.** Screen Shot of Amazon Brand Registry Infringement Form
- E.** Exemplary Sample of Exhibit 1 to Amazon Patent Evaluation Express Agreement
- F.** Exemplary Sample of Exhibit 2 to Amazon Patent Evaluation Express Agreement

# Appendix A

10/27/22, 2:33 PM

Amazon.com - Report Infringement

English

Help | Your Account

## Report Infringement

If you are a rights owner with a registered trademark, you may be eligible to enroll your brand in the Amazon Brand Registry. Amazon Brand Registry provides access to powerful tools including proprietary text and image search, predictive automation based on your reports of suspected intellectual property rights violations, and increased authority over product listings with your brand name. To learn more and start the enrollment process, [click here](#).

**NEW!** If you want to retract a previously submitted complaint, you can now do so using the [Retraction Form](#).

### Sign in Required

If you wish to file a notice of infringement, please sign in to access Amazon's Report infringement form.

[Sign in](#)

### About Amazon's Report Infringement Form

Amazon's Report Infringement form is intended for use by intellectual property rights owners and their agents to notify Amazon of alleged intellectual property infringements such as copyright and trademark concerns. If you are not an intellectual property rights owner or their agent, Amazon will not be able to process complaints submitted through this form. Please report your concerns to Amazon through the appropriate venue:

- Sellers may use this [contact us form](#) to report inappropriate listings, other sellers, policy violations, etc.
- Buyers may use this [contact us form](#) to report problems with orders, seller policy violations, etc.

### We Do Not Enforce

**Detail Page Ownership and Image Restrictions:** When a detail page is created, it becomes a permanent catalog page on Amazon.com that will remain even if the creator's inventory sells out. Additionally, when you add your copyrighted image to a detail page, you grant Amazon and its affiliates a non-exclusive, worldwide, royalty-free, perpetual, irrevocable right to exercise all rights of publicity over the material.

Other sellers can list their items for sale against pages that you have created or added your copyrighted images to. However, we do require sellers to list only against detail pages that exactly match their items. If you believe sellers are listing against detail pages that do not exactly match their items, we ask that you report the violation directly by using the [contact us form](#).

If your copyrighted image has been added to our catalog without your consent, please complete the form below.

**Exclusive or Selective Distribution:** Amazon respects a manufacturer's right to enter into exclusive distribution agreements for its products. However, violations of such agreements do not constitute intellectual property rights infringement. As the enforcement of these agreements is a matter between the manufacturer and the retailers, it would not be appropriate for Amazon to assist in enforcement activities.

Please review the [Amazon Intellectual Property Policy](#) to learn more about different infringement types.

**To access Amazon's Report Infringement form please sign in or create your Amazon account.**

[Sign in](#)

New to Amazon? [Create an Account](#)



# Appendix B

10/27/22, 2:34 PM

Amazon.com - Report Infringement

English ▾

Help | Your Account

## Report Infringement

If you are a rights owner with a registered trademark, you may be eligible to enroll your brand in the Amazon Brand Registry. Amazon Brand Registry provides access to powerful tools including proprietary text and image search, predictive automation based on your reports of suspected intellectual property rights violations, and increased authority over product listings with your brand name. To learn more and start the enrollment process, [click here](#).

**NEW!** If you want to retract a previously submitted complaint, you can now do so using the [Retraction Form](#).

### Sign in Required

Not Greg? Sign out

### About Amazon's Report Infringement Form

Amazon's Report Infringement form is intended for use by intellectual property rights owners and their agents to notify Amazon of alleged intellectual property infringements such as copyright and trademark concerns. If you are not an intellectual property rights owner or their agent, Amazon will not be able to process complaints submitted through this form. Please report your concerns to Amazon through the appropriate venue:

- Sellers may use this [contact us form](#) to report inappropriate listings, other sellers, policy violations, etc.
- Buyers may use this [contact us form](#) to report problems with orders, seller policy violations, etc.

### We Do Not Enforce

**Detail Page Ownership and Image Restrictions:** When a detail page is created, it becomes a permanent catalog page on Amazon.com that will remain even if the creator's inventory sells out. Additionally, when you add your copyrighted image to a detail page, you grant Amazon and its affiliates a non-exclusive, worldwide, royalty-free, perpetual, irrevocable right to exercise all rights of publicity over the material.

Other sellers can list their items for sale against pages that you have created or added your copyrighted images to. However, we do require sellers to list only against detail pages that exactly match their items. If you believe sellers are listing against detail pages that do not exactly match their items, we ask that you report the violation directly by using the [contact us form](#).

If your copyrighted image has been added to our catalog without your consent, please complete the form below.

**Exclusive or Selective Distribution:** Amazon respects a manufacturer's right to enter into exclusive distribution agreements for its products. However, violations of such agreements do not constitute intellectual property rights infringement. As the enforcement of these agreements is a matter between the manufacturer and the retailers, it would not be appropriate for Amazon to assist in enforcement activities.

Please review the [Amazon Intellectual Property Policy](#) to learn more about different infringement types.

### Allegation of Infringement

Are you the Rights Owner or an Agent?

Rights Owner  Agent

The primary complaint pertains to

copyright concerns - unauthorized use of copyrighted material ...

The specific concern is

<https://www.amazon.com/report/infringement>

1/3

the physical product or its packaging includes unauthorized co...

Name of Brand

Please provide one of the following:

A written description of the copyrighted work

-OR-

A link to the copyrighted work

Copyright registration # (optional)

A US copyright registration number should be 12 characters without spaces or hyphens. Examples: VA0123456789, VAU000123456, TX0001234567, or SR0000123456.

Additional Information

1000

The ASIN (Amazon Standard Identification Number) or the URL of each product you are reporting. You can report up to 50 products for the same specific concern in 1 form. If you have different concerns to report, please submit 1 form for each concern.

ASIN/ISBN-10 -OR- Product URL



### Your Contact Details

This is the contact Amazon will use.

Are you a seller on Amazon?

Yes  No

First Name

Last Name

Company(Optional)

Address Line 1

Address Line 2(Optional)

City

State(Optional)

ZIP Code

Country/Region

Phone Number

**Secondary Contact Details**

The contact details which we will provide to **Third Party Sellers** (if relevant) for queries regarding this notification.

Name

E-mail Address

**Statements**

"I have a good faith belief that the content(s) described above violate(s) my rights described above or those held by the rights owner, and that the use of such content(s) is contrary to law."

"I declare, under penalty of perjury, that the information contained in this notification is correct and accurate and that I am the owner or agent of the owner of the rights described above."

"I understand that, if accepted, the information included in this report may be shared by Amazon with all the reported sellers, with the exception of any order ID number(s)."

 I have read and accept the statements above.

# Appendix C

10/27/22, 3:14 PM

Amazon.com - Report Infringement

English

Help | Your Account

## Report Infringement

If you are a rights owner with a registered trademark, you may be eligible to enroll your brand in the Amazon Brand Registry. Amazon Brand Registry provides access to powerful tools including proprietary text and image search, predictive automation based on your reports of suspected intellectual property rights violations, and increased authority over product listings with your brand name. To learn more and start the enrollment process, [click here](#).

**NEW!** If you want to retract a previously submitted complaint, you can now do so using the [Retraction Form](#).

### Sign in Required

Not Greg? [Sign out](#)

### About Amazon's Report Infringement Form

Amazon's Report Infringement form is intended for use by intellectual property rights owners and their agents to notify Amazon of alleged intellectual property infringements such as copyright and trademark concerns. If you are not an intellectual property rights owner or their agent, Amazon will not be able to process complaints submitted through this form. Please report your concerns to Amazon through the appropriate venue:

- Sellers may use this [contact us form](#) to report inappropriate listings, other sellers, policy violations, etc.
- Buyers may use this [contact us form](#) to report problems with orders, seller policy violations, etc.

### We Do Not Enforce

**Detail Page Ownership and Image Restrictions:** When a detail page is created, it becomes a permanent catalog page on Amazon.com that will remain even if the creator's inventory sells out. Additionally, when you add your copyrighted image to a detail page, you grant Amazon and its affiliates a non-exclusive, worldwide, royalty-free, perpetual, irrevocable right to exercise all rights of publicity over the material.

Other sellers can list their items for sale against pages that you have created or added your copyrighted images to. However, we do require sellers to list only against detail pages that exactly match their items. If you believe sellers are listing against detail pages that do not exactly match their items, we ask that you report the violation directly by using the [contact us form](#).

If your copyrighted image has been added to our catalog without your consent, please complete the form below.

**Exclusive or Selective Distribution:** Amazon respects a manufacturer's right to enter into exclusive distribution agreements for its products. However, violations of such agreements do not constitute intellectual property rights infringement. As the enforcement of these agreements is a matter between the manufacturer and the retailers, it would not be appropriate for Amazon to assist in enforcement activities.

Please review the [Amazon Intellectual Property Policy](#) to learn more about different infringement types.

### Allegation of Infringement

Are you the Rights Owner or an Agent?

Rights Owner  Agent

The primary complaint pertains to

patent concerns

The specific concern is

<https://www.amazon.com/report/infringement>

1/3

utility patent

Name of Brand

Patent Number

Do you have a court order or ITC (International Trade Commission) order regarding enforcement of this Patent

Yes - Court Order  Yes - ITC  No

Additional Information

1000

The ASIN (Amazon Standard Identification Number) or the URL of each product you are reporting. You can report up to 50 products for the same specific concern in 1 form. If you have different concerns to report, please submit 1 form for each concern.

ASIN/ISBN-10 -OR- Product URL

**Your Contact Details**

This is the contact Amazon will use.

Are you a seller on Amazon?

Yes  No

First Name

Greg

Last Name

Geiser

Company(Optional)

Address Line 1

Address Line 2(Optional)

City

State(Optional)

MN

ZIP Code

Country/Region

United States

Phone Number

**Secondary Contact Details**

The contact details which we will provide to **Third Party Sellers** (if relevant) for queries regarding this notification.

Name

E-mail Address

**Statements**

"I have a good faith belief that the content(s) described above violate(s) my rights described above or those held by the rights owner, and that the use of such content(s) is contrary to law."

"I declare, under penalty of perjury, that the information contained in this notification is correct and accurate and that I am the owner or agent of the owner of the rights described above."

"I understand that, if accepted, the information included in this report may be shared by Amazon with all the reported sellers, with the exception of any order ID number(s)."

I have read and accept the statements above.

Submit

# Appendix D

brandregistry.amazon.com/brand/report-a-violation?ref=bmay\_to\_rav

amazon Manage Protect Monitor Support

Submission history

## Report a violation

Learn how to best use this tool

### Report summary

Issue type: Patent infringement

Amazon store: amazon.com

Content type(s) selected

Complete ASIN(s): 1 on 1 ASIN(s)

---

### Additional information

What best describes your issue?

Potential violation of my design patent

Potential violation of my utility patent

Brand name: ?

You can report potential infringements for brands in which you have the rights owner or registered agent role. If you don't see your brand below, an administrator for the brand can update your role in User Permissions.

[Redacted]

Do you have a patent number?

Yes

No

What is the patent number?

[Redacted]

Please provide more information on how the reported product(s) are infringing your patent right

[Redacted]

3000

Which of the following do you have regarding the enforcement of this patent? ?

Court order

International Trade Commission (ITC) order

Amazon Patent Evaluation Express (APEX) ID

None of these; learn about applying for Amazon Patent Evaluation Express (APEX)

### Amazon Patent Evaluation Express (APEX) application

Learn more

**Now**

APEX allows U.S. utility patent owners to obtain a neutral evaluation of a patent infringement claim against ASINs on amazon.com. If you apply for APEX and your patent meets the program requirements, the reported sellers can opt in to the evaluation and defend their ASINs. If no sellers opt in or if the neutral evaluator finds that the reported ASINs infringe your patent, we will remove the reported ASINs. You can use the APEX ID associated with this decision in your U.S. utility patent reports.

**Feedback** Did you like to submit an application for Amazon Patent Evaluation Express (APEX)?

# Appendix E

## Exhibit 1: Patent Owner-Supplied Information

Patent Owner name:

Patent Owner physical address:

Names of any corporate parents, subsidiaries, or other entities related to Patent Owner:

Name of individual contact for Patent Owner or Patent Owner's authorized representative:

Is Patent Owner registered in Amazon's Brand Registry? If yes, please identify the brand(s) registered in Brand Registry:

Email Address for contact (this email address will be used by the Evaluator and Amazon for communications related to the Evaluation):

United States utility patent number ("Asserted Patent") for Evaluation:

Patent Claim number for Evaluation:

Amazon Standard Identification Numbers (ASINs) of Accused Products:


Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

V220321



# Appendix F

## Exhibit 2: Seller-Supplied Information

Seller name:

Seller physical address:

Names of any corporate parents, subsidiaries, or other entities related to Seller:

Name of individual contact for Seller or Seller's authorized representative:

Email Address for contact (this email address will be used by the Evaluator and Amazon for communications related to the Evaluation):

Amazon Standard Identification Numbers (ASINs) of Accused Products for which Seller will participate in the Evaluation:


Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

V220321



# PATENT INFRINGEMENT ON AMAZON:

USING THE AMAZON PATENT EVALUATION EXPRESS PROCEDURE  
(APEX) TO REMOVE ALLEGED INFRINGING PRODUCTS

November 17, 2022

---

# AGENDA



- Introduction
- Selling Products on Amazon
- Enforcing a Patent on Amazon
- Amazon APEX Process
  - Eligibility
  - Beginning an Evaluation
  - Preliminary Procedures
  - Costs
  - Submission
  - Defenses
  - Result
- APEX at the Courts



# INTRODUCTION



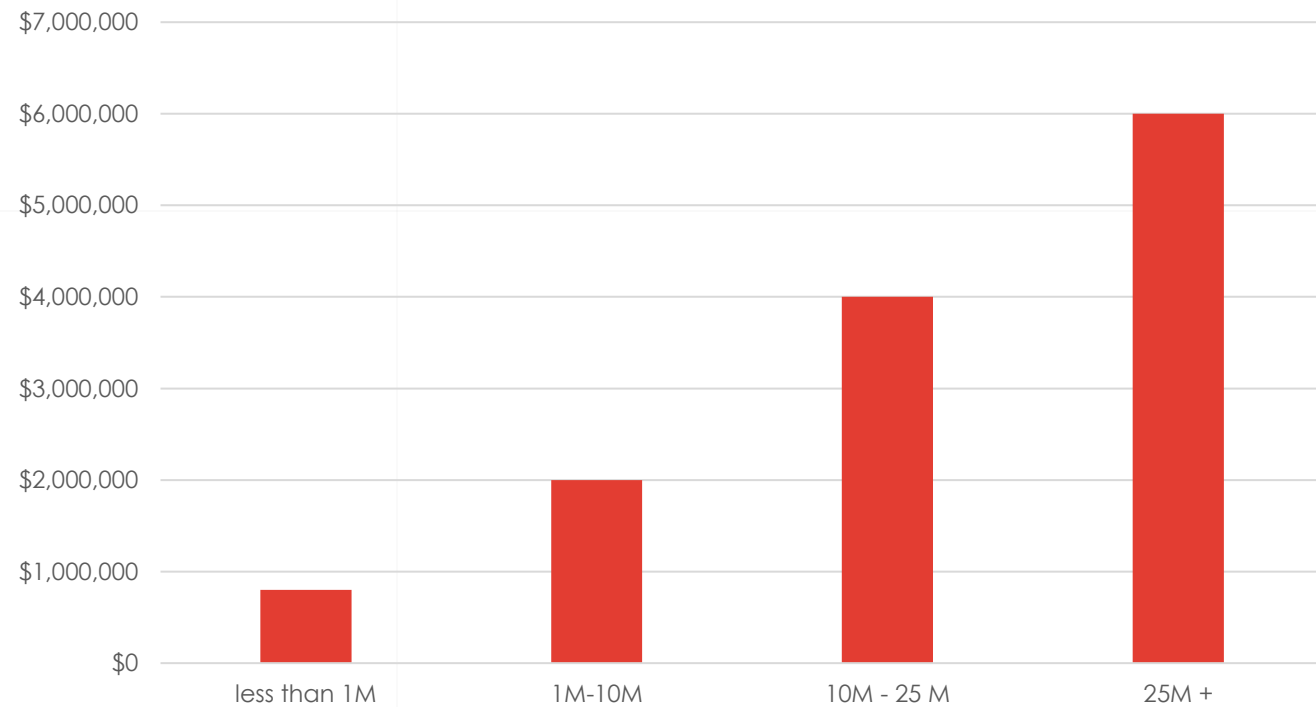
# INTRODUCTION

- Patent Enforcement Generally:
  - Injunctive Relief and Monetary Damages
  - Expensive
  - Time Consuming

# INTRODUCTION (CONT.)

Estimated Costs to Litigate: \$800k to \$6M

Average Cost of Patent Litigation  
(Damage Amount at Risk)



Source: AIPLA Report of Economic Survey 2021



# SELLING PRODUCTS ON AMAZON



# SELLING ON AMAZON

- Amazon is projected to be the U.S. largest retailer by 2026:
  - 300M customers
- Growth of Third-Party Sellers:
  - More than 200,000 new sellers between 2019-2020
  - 45% increase in sellers in US alone





# Toolbox Widget - Modular Wrench Organizer for Tool Drawer Storage | Magnetic Wrench Holder | Tool box Kit for Professional & DIY Mechanics | Organize Your Tools For Fast Accountability - 6 Kits

Brand: ToolBox Widget

★★★★☆ 83 ratings

\$119<sup>95</sup>

FREE Returns

Pay \$11.70/month or less for 12 months with Affirm. Learn more

Available at a lower price from other sellers that may not offer free Prime shipping.

### Additional Details



Small Business

This product is from a small business brand. Support small. Learn more

### Customer ratings by feature

Adhesion ★★★★★ 4.4

Value for money ★★★★★ 4.3

See all reviews

Report incorrect product information.

### Similar item to consider



Amazon Brand - Denali Wheeled Toolbox with Foldable Comfort Handle & Removable Top Storage

★★★★☆ (264)

\$98.99

Roll over image to zoom in



\$119<sup>95</sup>

FREE Returns

FREE delivery November 12 - 14

Or fastest delivery November 10 - 11

Select delivery location

Usually ships within 8 days.

Qty: 1

Add to Cart

Buy Now

Secure transaction

Ships from Amazon  
Sold by JMG Outdoors

Return policy: Returnable until Jan 31, 2023

30-day return policy

FREE trial and get fast, free delivery

Add a gift receipt for easy returns

Add to List

Search help articles



All articles Recently viewed

Countries accepted for seller registration

Guidelines for use of the Available at Amazon Badge by Sellers

Intellectual Property Policy for Sellers

Amazon Brand Name Policy

Intellectual Property Policy for Sellers - FAQ about Copyrights

## Need more help?

[Visit Seller Forums](#)

[Contact Selling Partner Support](#)

- **Responding to an IP infringement notice.** If you receive a notice or warning for infringement and you believe the rights owner or Amazon made an error, you may appeal or dispute the claim.

Type of notice or warning	Actions you may take
For a product you never listed on Amazon	Reply to the notification you received and let us know that you have never listed the reported product. We will investigate to determine if an error occurred.
If you have an established relationship with the rights owner	If you have a license or other agreement that allows you to use the IP identified in the notice, contact the rights owner who submitted the complaint to request a retraction. Your content may be reinstated if we receive a retraction from the rights owner.
Trademark or Counterfeit infringement on the product or packaging	Use the Account Health Dashboard present in your selling account to provide an invoice or Order ID that demonstrates the authenticity of the product. We will then re-evaluate the notice and your content may be reinstated.
Trademark or Counterfeit infringement on the product detail page	Modify the product detail page or pages to ensure they do not infringe the trademark and then submit your appeal by going to the <a href="#">Account Health</a> page.  OR  If you believe your listing was removed in error, you may submit your appeal by going to the <a href="#">Account Health</a> page. Please provide supporting documentation (e.g., letter of authorization, licensing agreement). We will then re-evaluate the notice, and your content may be reinstated.
Patent infringement	Reply to the notification you received, with specific reasons as to why you believe a mistake was made. You may also provide a court order demonstrating that your product is non-infringing or that the asserted patent is invalid or unenforceable.
	You may file a counter-notice under the Digital Millennium Copyright Act. The counter-notice must be sent to the email provided in your copyright warning and must include:

## Sellers

Common IP concerns that

apply to your products

is

a specific question

the same that a



# PATENT ENFORCEMENT ON AMAZON



PAT

AM

- Direct and s

- Treat safe

- How
  - Ar
  - Di

The screenshot shows the Amazon website's 'Report Infringement' page. The browser address bar shows 'amazon.com/report/infringement/signin'. The page title is 'Report Infringement'. There are two informational boxes: the first explains that rights owners with registered trademarks can enroll in the Amazon Brand Registry for tools like text and image search; the second, marked 'NEW!', states that users can now retract previously submitted complaints using a Retraction Form. Below these is a 'Sign in Required' section with a 'Sign in' button. The 'About Amazon's Report Infringement Form' section explains that the form is for intellectual property rights owners and lists two types of reports: inappropriate listings (for sellers) and order/seller policy violations (for buyers). A 'We Do Not Enforce' section discusses 'Detail Page Ownership and Image Restrictions', stating that detail pages are permanent and that adding copyrighted images grants Amazon a non-exclusive, worldwide, royalty-free, perpetual, irrevocable right of publicity. It also notes that other sellers can list against these pages and that reports should be made via the 'contact us form'. The page ends with a prompt to complete the form if a copyrighted image was added without consent.

N

listed

er under

Submit your report

# Report a violation

## Report summary

Issue type: Patent infringement

Amazon store: amazon.com

Content type(s) selected

Complete ASIN(s): 1 of 1 (ASIN)

## Additional information

What best describes your issue?

- Potential violation of my design patent
- Potential violation of my utility patent

Brand name(s):

You can report potential infringements for brands in which you have the rights owner or registered agent role. If you don't see your brand below, an administrator for the brand can update your role in User Permissions.

Do you have a patent number?

- Yes
- No

What is the patent number?

Please provide more information on how the reported product(s) are infringing your patent right

1000

Which of the following do you best describe your report?

- Clear order
- I am a trademark owner (TM) owner
- I am a trademark owner (TM) licensee
- I am a trademark owner (TM) licensee and I have applied for Amazon Patent Evaluation Express (APEX)
- None of these (learn about applying for Amazon Patent Evaluation Express (APEX))

### Amazon Patent Evaluation Express (APEX) application

APEX allows U.S. utility patent owners to obtain a neutral evaluation of a patent infringement claim against ASINs on amazon.com. If you apply for APEX and your patent meets the program requirements, the reported seller's can opt in to the evaluation and defend their ASINs. If we return opt in or if the neutral evaluation finds that the reported ASINs infringe your patent, we will remove the reported ASINs. You can opt the APEX ID associated with the decision in your U.S. utility patent reports.

How to submit an application for Amazon Patent Evaluation Express (APEX)





# APEX PROGRAM DETAILS



# APEX PROGRAM DETAILS

- Voluntary streamlined process facilitated by Amazon utilizing a neutral evaluator to determine if an accused product is likely to infringe the claims of an asserted patent.
  - Neutral evaluator provides a yes/no decision regarding infringement.
  - If infringement is likely, Amazon will remove the accused product listings from amazon.com within 10 business days.

# APEX PROGRAM ELIGIBILITY

- Limited Procedure
- Only Utility Patents
- Only One Claim
- Only Patents That Are Not Technical
  - A utility patent that covers the operation of hardware components in a consumer electronic device is “too technical”



# APEX PROGRAM BEGINNING

- Typical request through Brand Registry
- Will receive Email from [patent-evaluation@amazon.com](mailto:patent-evaluation@amazon.com)
- Will receive copy of APEX Procedures and APEX Agreement
- Return executed agreement with properly completed Exhibit for Seller or Patent Owner – See Appendix E, F
- Use preferred email and monitor as email is primary form of communication

# APEX PROGRAM BEGINNING



Hello,

Thank you for providing the completed Amazon Patent Evaluation Express Agreement. We are in the process of identifying and notifying sellers of the reported ASINs. This process may take several business days. Sellers then have up to three weeks from the date of notification to opt in to the patent evaluation. We will be in contact with you regarding next steps.

Best regards,

Neutral Patent Evaluation Team

Amazon.com

----- Forwarded message -----

From: [patent-evaluation@amazon.com](mailto:patent-evaluation@amazon.com) <[patent-evaluation@amazon.com](mailto:patent-evaluation@amazon.com)>

Date: Thu, Aug 4, 2022 at 8:54 AM

Subject: [REDACTED] Amazon Patent Evaluation Express Deposit Instructions

To: [REDACTED]

CC: [REDACTED]

Hello,

[REDACTED] has been selected as the evaluator for Amazon Patent Evaluation Express case number [REDACTED]. Please proceed to submit your deposit to [REDACTED] Chavka's firm using the payment information below and be aware that the \$4000.00 deposit is due to the evaluator within one week from today. [REDACTED] will be reaching out to you with the evaluation schedule once all parties have deposited their \$4,000.00. For your reference, their contact and deposit information is below:

#### Contact Information

#### Deposit Instructions

Please be sure to include on the wire transfer the official name of your party as identified in your evaluation Agreement.

Beneficiary's Bank [REDACTED]

Beneficiary's Bank Address: [REDACTED]

Beneficiary's Bank Swift Code: [REDACTED]

Beneficiary's Bank Routing Number: [REDACTED]

Wire Transfer [REDACTED]

ACH or EFT Transfer [REDACTED]

Beneficiary's Account Number: [REDACTED]

Beneficiary's Name [REDACTED]

Beneficiary's Address: [REDACTED]

Reference: Evaluation Number [REDACTED]

Please do not include Amazon ([patent-evaluation@amazon.com](mailto:patent-evaluation@amazon.com)) in your correspondence with the evaluator.

# APEX PROGRAM

## PRELIMINARIES

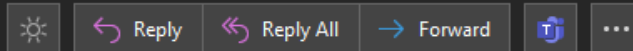
- If accused seller does not elect to participate by returning signed agreement; ASIN will be removed and no additional action is needed
- If seller elects to participate, by the conclusion of 3 week notice period, email received with details for proceeding, identification of neutral, and instructions for payment
- Payment made within one week to neutral by both seller and patent owner will begin the official process



patent-evaluation@amazon.com

To ● Greg Geiser

Cc ██████████



Fri 10/28/2022 9:51 AM

Follow up. Start by Friday, October 28, 2022. Due by Friday, October 28, 2022.

Hello,

Thank you for your participation in Amazon's Patent Evaluation Express Program. None of the reported sellers have chosen to participate. As a result, we are in the process of removing the following content based on the information you provided:

ASINs: ██████████

Complaint ID: : ██████████

We have provided your email address to the reported sellers. Sellers may contact you to request a retraction for this report. If you believe the original report was made in error, or if you have resolved a dispute with a seller, you may email [patent-evaluation@amazon.com](mailto:patent-evaluation@amazon.com) with the following information to retract the report:

- Seller ID:
- Complaint ID:
- ASINs impacted:

Rather than initiating another patent evaluation, please submit future claims against ASINs you believe to infringe U.S. Patent No. ██████████ via the Brand Registry Report a Violation portal. On the form, please indicate you have an APEX ID and use reference number ██████████ in your notice in the case number field. In the docket number field, please repeat reference number ██████████.

We will review your patent notices concerning U.S. Patent No. ██████████ without the need for you to opt in to patent evaluation again.

Please note that we, however, retain the right to refuse future notices concerning your patent if you accuse ASINs that appear materially different from the products accused in your patent evaluations, thus requiring you to file a new evaluation request against those ASINs.

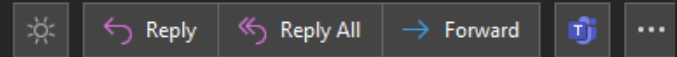
Additionally, we retain the right to ask for additional information, such as claim charts, if the newly accused ASINs do not match the products accused in your patent evaluation or require evaluation of an additional claim from the patent that was not included as part of the evaluation process.

We may reinstate ASINs that we have removed based on your post-evaluation notices of infringement if we receive valid seller appeals concerning those unevaluated ASINs.

Best regards,

Neutral Patent Evaluation Team  
Amazon.com

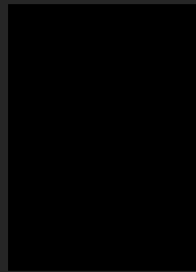
Neutral Evaluation Number [REDACTED] : Schedule and Instructions for Written Submissions



Mon 8/15/2022 2:14 PM

All:

Evaluation Number [REDACTED] has begun and will proceed according to the following schedule with respect to the parties whom have fulfilled their deposit requirement. The parties whom have fulfilled their deposit requirement are [REDACTED] (Patent Owner) and [REDACTED] Seller). The ASINs for which the evaluation will proceed are:



Patent Owner has until **9 p.m. Pacific Standard time on August 29, 2022** to submit its initial written arguments explaining how the asserted patent claim covers the Accused Products. If Patent Owner believes construction of any claim term will assist my evaluation, Patent Owner should explain what construction of the term it believes should apply, and why.

Patent Owner should reply to this email and cc Seller when it provides its written arguments. Patent Owner is limited to 20 double-spaced pages between its initial and reply submissions, not including claim charts or exhibits. If, for example, Patent Owner's initial submission is 10 pages, Patent Owner's reply submission may be no more than 10 pages. I will not consider extra pages. For example, if Patent Owner submits a 14-page reply after an initial 10-page submission, I will not consider the last 4 pages of the reply in my evaluation.

Seller has two weeks from the rights owner's submission to submit its response; so Seller's response is likely to be due on September 12, 2022. When submitting a response, Seller should reply to the Patent Owner's initial submission email, cc'ing all participants in the evaluation, including me.

Response submissions are limited to 15 double-spaced pages. Claim charts or exhibits do not count against this limit. I will not consider pages beyond the 15th page in my evaluation. Response submissions should address construction of any claim term Seller believes would assist my evaluation; Seller should explain what construction of that claim term should apply, and why.

The Patent Owner's reply shall be due one week after submission of Seller's response and may be waived.

Two weeks after I receive the Patent Owner's reply, or two weeks after the Patent Owner has waived reply, whichever is earlier, I will issue my decision of whether each Accused Product Listing falls within the scope of the asserted patent claim on an ASIN-by-ASIN basis.

If you are not going to make a scheduled submission—for example, if you are the Patent Owner and you will not make a reply submission—please inform me and the other Evaluation participants as soon as possible.

**Please acknowledge receipt of this message.**

# APEX PROGRAM COST

- \$4,000 payment from both seller and patent owner each is required to neutral to begin.
- If a party fails to make a timely payment the proceedings will be cancelled. In the case of a seller, a failed payment will result in their listing being removed from amazon.com. In the case of a patent owner, seller funds will be returned, and the alleged infringing listings reinstated.
- Neutrals have been known to give at least a one-day extension for an untimely payment.

# APEX PROGRAM COST (CONT.)

- Settlement after payment, prior to, and during the briefing period will result in refunds to various parties:
  - Settlement prior to reply by patent owner will result in \$1,000 payment to evaluator divided amongst participants.
  - Settlement after the reply brief will result in \$2,000 payment to evaluator (\$1,000 from patent over remainder divided amongst seller(s))



# APEX PROGRAM COST (CONT.)

- Retraction or withdrawal by patent owner after payment, prior to, and during the briefing period will result in refunds to various parties:
  - Retraction prior to briefing by patent owner will result in \$500 of patent owner funds retained, remainder returned.
  - Retraction during briefing by patent owner will result in \$1,000 of patent owner funds retained, remainder returned.
  - Retraction after briefing by patent owner will result in \$2,000 of patent owner funds retained, remainder returned.

# APEX PROGRAM WRITTEN SUBMISSION

- Requirements:
  - English language on pages having a size of 8.5 by 11
  - Patent owner page limit of 20 double-spaced pages divided between initial submission and reply. Page limit does not include claim charts or exhibits.
  - Seller limited to 15 double-spaced pages. Only allowed one response. Page limit does not include claim charts or exhibits.

# APEX PROGRAM WRITTEN SUBMISSION (CONT.)

- Timing:
  - Patent owner initial brief due 14 days after beginning of process
  - Seller reply brief due 14 days after receipt of patent owner initial brief.
  - Patent owner may submit an optional reply to seller with the reply due 7 days after seller brief.
  - Decision expected within 14 days of final brief deadline.

# APEX PROGRAM WRITTEN SUBMISSION (CONT.)

- Suggestions:
  - Treat the brief like a legal memorandum or litigation brief
    - Use supporting case law and statutes
  - Include any preferred claim construction terms
  - Include doctrine of equivalents argument in initial brief (if not included cannot be added/addressed in reply brief)
  - Include detailed claim chart as an exhibit

# APEX PROGRAM AVAILABLE DEFENSES

- Limited Defenses Available:
  - Non-Infringement for failure to meet the literal claim elements.
  - Invalidity/Unenforceability
    - Only accepted if finding by court, USPTO, or ITC
    - Not able to present invalidating prior art or testimony
  - On Sale Date
    - Independent verifiable information that the accused product or identical product on sale one year prior to the earliest effective filing date. Wayback machine or Amazon listing

# APEX PROGRAM RESULT

- Evaluator provides final decision within 14 days of last submission
- Patent owner likely to prove that accused product infringes the asserted claim; or
  - Accused listing will be removed from amazon.com, seller will forfeit payment to evaluator, patent owner will receive refund of entire amount of funds
- Patent owner is not likely to prove that accused product infringes the asserted claim.
  - Patent owner will forfeit payment and accused listings will remain active
  - Evaluator will provide brief statement of reasoning

# APEX PROGRAM DISTRICT COURT

- Amazon takedown in response to report of infringement did not cause irreparable harm and is not immediate enough for granting of TRO.
  - *Order Studio 010, Inc. v. Dig. Cashflow LLC – E.D. Wash.*
- Declaratory judgment case and controversy requirement likely met by Amazon proceedings and utilization of Amazon procedures in bad faith may allow for claim of tortious interference with a business relationship.
  - *Pilot Inc. v. NOCO Co. Inc., D. Ariz.*



QUESTIONS?





# **Section Four**

# **Fraud and Bad Faith Trademark Filings: Considerations in the US, EU and China**

**Jacqueline M. Lesser**  
Ice Miller LLP  
Philadelphia, Pennsylvania

## **Section Four**

**Fraud and Bad Faith Trademark Filings:  
Considerations in the US, EU and China..... Jacqueline M. Lesser**

PowerPoint Presentation

# Fraud and Bad Faith Trademark Filings:

## Considerations in the US, EU and China

Jacqueline M. Lesser  
November 17, 2022

# Overview

Trademarks are critical to brand protection and important to the economy and trade

The USPTO and trademark offices around the world established registries to provide notice of an entity's claimed rights

# Background for US trademark owners

- When a US practitioner needs to consider issues of fraud and bad faith in the US, China and the EU
- During U.S. Filings
- Instructions on foreign filings
- Vulnerabilities in existing registrations
- Attacking third party asserted rights

# Why are bad faith filings...bad?

- Bad faith filings have increased dramatically with the increased number of applications.
- This is a rapidly growing global problem for legitimate brand owners and national registries
- Jurisdictions across the globe are experiencing a rush of trademark applications filed:
  - Without any bona fide intent to use
  - Warehousing “dead wood” marks
  - Purposely copying another’s mark

# Bad Faith Filings May:

- Threaten the effectiveness of the trademark registration scheme
- Clog the registration process
- Deplete viable trademarks from commercial use
- Interfere with legitimate trade
- Increase costs of legitimate trademark owners



# What Can Be Done?

- Grounds for refusal at examination
- Grounds for denial of continued maintenance of registrations
- Grounds for opposition of trademark application or cancellation of registration
- Shifting of burden of proof where prima facie evidence of bad faith exists
- Other actions to disincentivize bad actors

# Possible Actions Against Bad Faith Filers

- Encourage Trademark Registers to maintain records of bad faith adopters.
- Punitive measures against repeat offenders.
- Punitive measures for lack of care in filings by way of increased fees
- Further review in ex parte processes
- Expungement and reexamination proceedings

# US Initial Takeaways

- Neither bad faith nor fraud are defined by statute
- Authority is based on case law
- Existing registrations may be vulnerable regardless of use of mark and incontestability
- Additional actions by the USPTO have been implemented to prevent bad faith filings

# Bad faith examples:

- Applicant failed to make requisite use in commerce before filing use-based application
- Applicant lacked a bona fide intent to use the mark on the goods and services applied for
- Applicant is not the rightful owner
- The applicant/registrant committed fraud in the application or maintenance of a registration

# Sufficient basis for application/use

- Use in commerce (Section 1(a))
- Intent to use in commerce (Section 1(b))
- Section 44 (foreign bases, priority of foreign filing plus intent to use; home country registration plus intent to use).
- Section 66 (Madrid protocol bases from a home country filing)

# Other basic requirements

- The applicant owns the mark at the time of filing
- The applicant is not aware of third parties claiming rights to the same mark
- The mark is not composed of a name of a living person who has not given permission

# Lack of bona fide intent at filing

- “A person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director.”
- “[W]e find that Applicant’s foreign and domestic trademark and domain name filings indicate only his resolve to reserve rights to the NESPORT mark for potential use in commerce at some undefined time in the future.”

*Société des Produits Nestlé S.A. v. Cándido Viñuales Taboada*, 2020 USPQ2d 10893 (TTAB 2020)

# Lack of bona fide intent at filing

- “...When asked why the other related goods were identified in the application, Ms. Titera claimed the list was “standard” and used to “leave all doors open.”
- “There is no statutory definition of the term "bona fide," but the language is clear on its face that an applicant's intent must be "under circumstances showing the good faith of such person."
- The PTO is within its discretion to allow intent-to-use applications to proceed, at the time of filing, upon only a verified statement of bona fide intent to use. See *id.* § 1051(b)(3)(B) . However, the agency has the statutory authority to seek further evidence of the applicant's "bona fide" intent. See *id.* § 1051(b)(1) . Indeed, not only did the agency contemplate that an applicant's intent to use may be at issue in inter partes proceedings, but it reserved the right to make its own inquiry into the issue under appropriate circumstances:
- *M.Z. Berger & Co. v. Swatch AG*, 787 F.3d 1368 (Fed. Cir. 2015) (opposition to registration of iWatch sustained)



# Ownership of Mark

*Wonderbread 5 v. Patrick Gilles a/k/a Wonderbread 5 and/or Wonderbread Five* 115 USPQ 2d (TTAB 2015)

Only the owner of the mark is permitted to register it. The Board found that former member of the band was not the owner of the mark. The WONDERBREAD 5 mark was not personal to any specific band member

The band in total controlled the quality or characteristics of the band

Held: Petition for cancellation granted, the underlying application was void *ab initio* because it was filed in the name of a person not the owner

# Distributor/Manufacturer

As between a manufacturer and distributor, in absence of an agreement, there is a rebuttable presumption that the manufacturer owns the mark.

Factors:

Who created the mark and first affixed it to the product

Who maintains the quality and uniformity

Which party do consumers believe stand behind the product

Who pays for advertising

What does a party represent to others about the source or origin of the product?

*Fuji Medical Instruments Mfg. Co. Ltd. v. American Crocodile Int'l Grp., Inc.* 2021 USPQ 2d (TTAB 2021)

# Prior Business Relationship

Former licensed supplier of CHIRO-KLENZ tea applies to register SUPER CHIRO TEA after exclusive license agreement expires.

Pop Quiz: Good faith?

*Edom Laboratories, Inc. v. Glenn Lichter*, 102 USPQ 2d1546 (TTAB 2012)

# Lack of use at the time of filing

- Applicant files a use-based application without a specimen – and then submits a (fabricated) specimen in response to an office action
- Opposition filed based on lack of use in commerce
- Applicant after institution of the proceeding seeks to amend the basis to ITU

# Fraudulent Specimen Examples



TM Appl. 88247930



Reg. No. 4519109

# TMEP Examination Guidance

TMEP § 904.03(a) (since Apr 2017)

“...an inquiry may be appropriate when the specimen consists of a photograph of the mark reproduced on a plain white label adhered to the goods or printed packaging or a piece of paper bearing the mark placed on top of the goods or packaging.”

TMEP § 904.04(a) (since Oct 2014)

“...the specimen may not be ... an image of the goods or its packaging or advertising matter for services that has been digitally created or altered to include the mark.”

# Bad Faith Filings: Repeat Filer

“We agree with opposer's accusation that "applicant has a history and pattern of filing intent-to-use applications for a disparate range of products for which he has no industry-relevant experience, and where the applied-for marks are identical to some of the best known, previously registered trademarks in the country....”

“Applicant's demonstrated pattern of filing applications to register various well-known marks convinces us that applicant's adoption of the L'OREAL PARIS mark was in bad faith...”

*L'Oréal S.A. and L'Oréal USA, Inc., v. Robert Victor Marcon*, 102 U.S.P.Q.2d 1434, (T.T.A.B. 2012)

# Common law definition of fraud

Fraud occurs when an applicant or registrant knowingly makes a false, material representation of fact with the intent of obtaining or maintaining a trademark registration to which it is otherwise not entitled

“Fraud in procuring or maintaining a trademark registration occurs when an applicant for registration, or a registrant in a post-registration setting, knowingly makes a false, material representation of fact in connection with an application to register or a post registration document, with the intent of obtaining or maintaining a registration to which it is otherwise not entitled.”

*In re Bose Corp.*, 580 F.3d 1240 (Fed. Cir. 2009)



# US Fraud Analysis

Section 14(3), 15 USC § 1064(3), of the Lanham Act permits cancellation of a trademark registration at any time if the registration “was obtained fraudulently”

- When to look for fraud
  - Procurement of initial registration
  - Maintenance of a registration (Section 8)
  - Renewal of a registration (Section 9)
  - Claim of incontestability (Section 15)

# Procurement of a mark

- **Fraudulent Claim of Ownership.** See, e.g., *Country Fare LLC v. Lucerne Farms*, 102 U.S.P.Q.2d 1311 (D. Conn. 2011)(application filed by outside counsel based on facts told him by President)
- **Fraudulent Claims of Exclusivity.** See, e.g., *E. W., LLC v. Rahman*, 896 F. Supp. 2d 488 (E.D. Va. 2012)
- **Fraudulent Claim of Use in Commerce** allegedly fraudulent averments of use in commerce, see, e.g., *Patsy's Italian Rest., Inc. v. Banas*, 658 F.3d 254 (2d Cir. 2011)

# Lack of Candor

If...[the mark] had geographic significance and had such significance when the examiner's amendment was entered, [the applicant] was obliged to be truthful about the fact that during the conversation with the examining attorney and, if necessary, seek correction of the examiner's amendment after it was entered. Deliberately omitting relevant information...may be treated as the equivalent of a false statement in effect and also, under certain circumstances, show the necessary element of intent.

*Caymus Vineyards v. Caymus Med. Inc.*, 107 USPQ 2d 1519 (TTAB 2013)

# Fraud in Maintaining a Mark

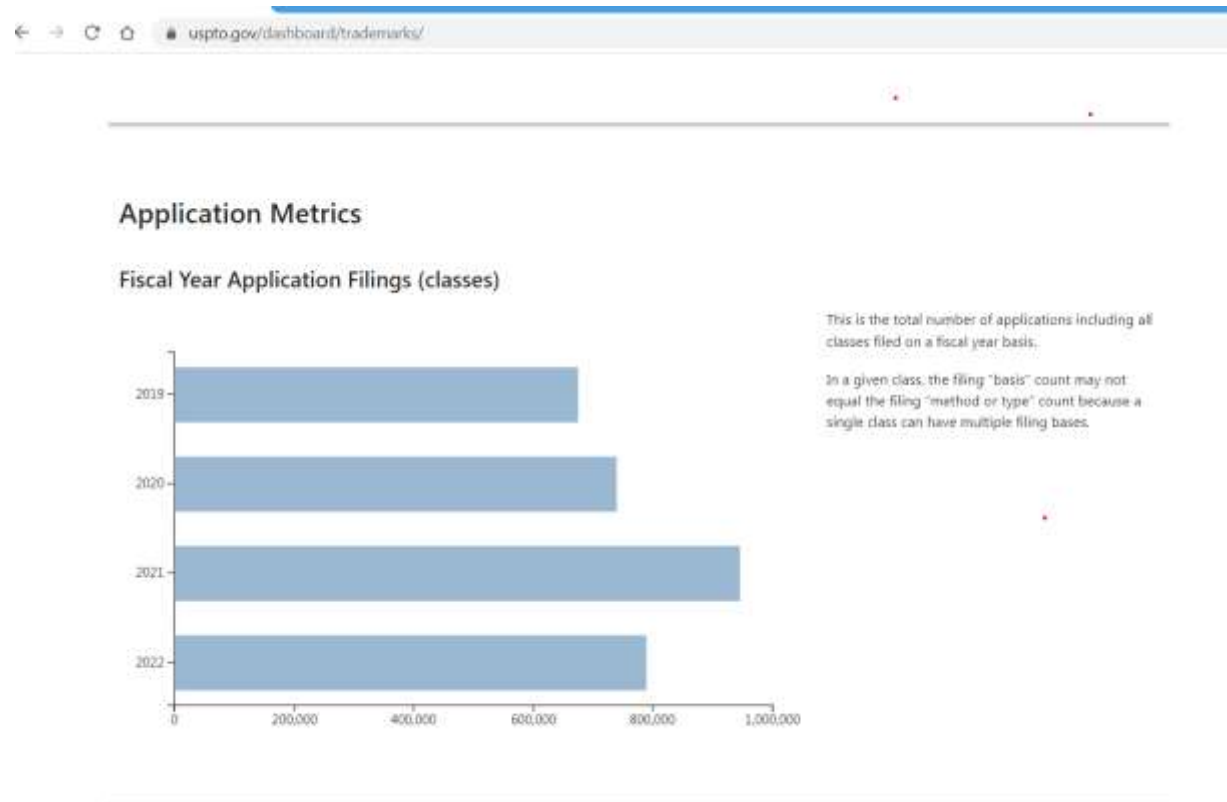
*Chutter, Inc. v. Great Management Group, LLC* 2021 USPQ 2d 1001 (TTAB 2021)

Intent standard for fraud satisfied by “reckless disregard for the truth”

Registrant filed a Section 15 affidavit of contestability without right – because there was an adversarial action pending.

Registration cancelled.

# USPTO Prevention of Fraudulent Actions





**United States Patent and Trademark Office**

*Office of the Commissioner for Trademarks*

August 25, 2022

To:

Shenzhen Haiyi Enterprise Management Co., Ltd.  
Haiyi Enterprise Service (Shenzhen) Co., Ltd.  
Haiyi Co., Ltd.  
Haiyi Group Co., Ltd.

Chen Huanyong,  
Liu Chunyu  
Huang Wenhai,  
*Officers, Agents, Shareholders, and/or Legal Representatives of the above entities*

Via Email:  
haii@szhaii.com, 18820907621@163.com, haiiP@outlook.com, ice@szhaii.com,  
haii.em0320@gmail.com

*In re Shenzhen Haiyi Enter. Mgmt. Co., Ltd., Haiyi Enter. Serv. (Shenzhen) Co., Ltd., Haiyi Co., Ltd., and Haiyi Group Co., Ltd.*

**SHOW CAUSE ORDER**

Dear Chen Huanyong, Liu Chunyu, and Huang Wenhai,

The United States Patent and Trademark Office ("USPTO" or "Office") has reason to believe that Shenzhen Haiyi Enterprise Management Co., Ltd., Haiyi Enterprise Service (Shenzhen) Co., Ltd. and Haiyi Co., Ltd., and the employees, agents, affiliates, subsidiaries, parent companies, holding companies, or officers thereof, including Haiyi Group Co., Ltd., Chen Huanyong, Liu Chunyu, and Huang Wenhai, (collectively, "Respondents") have provided false, fictitious or fraudulent information in thousands of trademark application and registration records.<sup>1</sup> As detailed below, available information

<sup>1</sup> A list of U.S. Trademark Serial Numbers believed to include submissions made by Respondents is attached hereto as Exhibit A. The list is not necessarily exhaustive because Respondents' conduct has continued over a long period of time and Respondents may make additional submissions implicating additional records.

- In 2019 the USPTO began requiring foreign applicants to be represented by U.S. counsel, and for domicile addresses to be listed
- Mandatory i.d. measures were since enacted

# Show Cause Orders

USPTO attorneys or customers identify a suspicious submission or pattern of behavior

Commissioner reviews to determine if there is evidence of a rule violation and if other applications or registrations are affected

Notice of suspension issues

Evidence of rules violation show cause order issues

No evidence, suspension lifted

Response filed where show cause order issues

Sanctions may issue, terminating application

To date, the USPTO has issued 35 sanction orders and four orders to show cause

# USPTO Post-Reg Audit Program

- At six- and ten-year maintenance periods
- Maintenance requires attestations of use of goods and services in registration
- Random selection for audit of goods and services
- If audited must delete all goods and services not in use and pay a fee of \$250 for each class of goods in which goods or services are deleted



# Letters of Protest

- Useful for a trademark owner to provide the examiner with evidence that could affect approval of an application.
- Appropriate for specific situations:
  - Confusion with a registered mark
  - Merely descriptive or generic
  - Suggests a false suggestion with the protestor or 3rd party
  - Is a functional phrase
  - The specimens are false – for example, where the same specimen appears used for a variety of goods all with different marks

# Expungement and Reexamination Proceedings

- Can be brought by anyone (i.e. no standing requirement)
- Petition is limited to evidence of nonuse
- Director may elect to bring on its own
- Pretty new
  - The first expungement proceeding filed on December 21, 2021, was expunged on June 27, 2022



# CHINA: Bad faith trademark filings: recent developments

# CHINA: Landscape of trademark filings

- 9.1 million trademark applications in 2020 – up 20% from prior year.
- First to File system
  - Minimal recognition of unregistered rights
  - No suspension of prosecution during adversarial proceedings
  - Extensive class and subclass system
  - Multiple language issues

# What are “bad faith” filings?

- Identical or similar to a mark known
- Identical or related goods/services
- Unrelated goods or services (multiple classes and subclasses)
- Purpose?
  - Extortion
  - Confusion
  - Counterfeiting

# Classification nuances particular to China

- No use required at registration
- Additional subclasses within each class in the Nice system permits coextensive registrations – examples:
  - Subclass 3601 – insurance
  - Subclass 3604 – real estate
  - Subclass 3607 – charitable fundraising

# Risks of Operating in China alongside a bad faith filer

- Injunction against legitimate products
- Money damages (3x sales)
- Delay in entering market
- Seizure of exports from China
- Threats against and interference with manufacturers, suppliers, partners, distributors
- Counterfeits

# China's Efforts to Address Bad-Faith Filings

- **Legislative amendments to Trademark Law** effective November 2019
- **Blacklist system** established to identify high-volume bad faith filers
- **Special Action Plan for Combating Malicious Trademark Squatting** in March 2021
- New CNIPA Guidelines for Trademark Examination effective January 2022 regarding **identification of malicious applications**
- CNIPA **Notice of Continuing to Severely Crack Down** on Malicious Trademarks April 2022



# Article 4, Trademark Law revision

- November 2019 amendment “malicious trademark registration applications **that are not intended for use** shall be rejected.”
- Lowers the threshold for showing bad faith – but the examination is uneven. Examiners can require evidence of use (Article 29).
  - Has applicant taken steps to use the mark
  - Malicious intent: is there a legitimate reason for adoption? Knowledge of others using mark? Does the mark have a degree of influence?

# Identifying “malicious” applications

- Number of applications exceeds normal business requirements
- Copies of multiple subjects’ popular brands
- Repeated applications for the same mark
- Large number of applications for public events/resources, geographic places, generic names, well-known persons
- History of transferring/assigning a large number of registrations

# Proactive methods for protection

- Register broadly and early
- Order watch services or search CNIPA database regularly
- Record registered marks with China Customs
- Encourage use of eCommerce platform brand protection tools  
– e.g. Taobao/Alibaba
- Strong communication with local distribution chain

# What if we find a bad faith filing?

- **If client has registrations in China:**
  - Determine whether existing registrations cover same subclasses so as to be likely to block bad faith filer's applications
  - If published for opposition despite similarities, lodge opposition with China National IP Administration (CNIPA)
  - Evaluate whether applicant has filed for other brands' marks or has a high volume of applications such that you can make a bad faith argument (may or may not be considered at opposition stage)
  - If opposition fails, try invalidation or nonuse cancellation

# What if we find a bad faith filing?

- If client's marks are not registered in China:
- Opposition based on:
  - Well Known Mark concept (evidence required)
  - Malicious intent/bad faith of applicant
  - Relevant statutes
    - Article 4 – applicant filed without intention of use
    - Article 7 – the principle of good faith shall be upheld in the application for trademark registration
    - Article 32 – prior use in China and “definite degree of influence”

# What if we find A LOT of bad faith filings?

- Consider blacklist complaint
- Informal procedure; no specific guidelines or regulations
- Cost-effective solution where bad faith is obvious and supported by volumes of applications
- CNIPA has blacklisted approximately 1,000 trademark applicants
  - Bad-faith filers will try to get around being blacklisted by filing under different names; follow upon blacklist complaint where relatedness of filers can be shown

# CNIPA “Notice of Continuing to Severely Crack Down” April 2022

- Toward “transformation from a big IP country to a strong IP country”
- Zero-tolerance attitude for malicious registration
- Departmental coordination and sharing information including investigation methods and verification processes
- Improving key monitoring list of malicious applicants
- Ex officio cancellation and invalidation
  - Examples: 2022 Olympics and Eileen Gu registrations

# Current Status

- Crackdown notice is aspirational, but opposition success rate, invalidation rate and nonuse cancellation rate are all increasing as a result of changes
- Brand owners can be proactive in submitting information through informal channels such as blacklist complaints where examiners are still approving bad faith applications for publication
- Bad faith arguments and evidence are more likely to succeed at opposition appeal or invalidation stage than initial opposition – and therefore is a costly and cumbersome process – maintaining a robust portfolio is still the best defense.





# BAD FAITH FILINGS IN THE EU

# EU: Bad faith filings

- “Bad faith” is not defined by the relevant EU legislation (EUTM Regulation 2017/1001- EUTMR), with the exception of an agent or representative’s unauthorized filing of a trademark.
- Procedurally, not an absolute ground of refusal (Art. 7 EUTMR)
- It is not a basis of opposition
- It may be a basis of invalidity for EUTMs (Art. 59(1)(b) EUTMR) in a cancellation or invalidation

# Three Categories of Bad Faith

- Blocking Registrations
- Alleged Lack of Intention to Use/Broad Specifications
- Evergreening

# Blocking Registrations

- Unauthorized filing of a proprietor's mark by its agent or representative (Art. 8(3) EUTMR)
- Requirements:
  - Applicant is or was the agent or representative of the trademark owner
  - The application is in the name of the agent or representative
  - The applicant/agent/representative is without justification
  - The mark and goods/services are closely related

# Overbroad Specifications

- Bad faith where the applicant seeks coverage on a very broad range of goods and services with no intention of using the mark in relationship to the laundry list of goods/services.
- *Skykick C-371/18*
  - It will be bad faith if the applicant had the intention of either:
    - Undermining, in a manner inconsistent with honest practices, the interests of third parties;
    - Obtaining an exclusive right for purpose other than those falling within the “functions” of the trademark.
    - Established by “objective, relevant and consistent indicia” at the time of filing

# Bad Faith Cannot Be Presumed

- Cannot be presumed simply because the applicant had no commercial activity at the time of filing
- Partial invalidation is available to remove the goods/services subject to bad faith adoption
- A very high bar, “akin to dishonesty” The court must give an applicant “very considerable latitude” and consider if they had a “commercial reason” to register for the broad range of goods and services, this “cautious approach being mandated in all cases where bad faith is alleged” (per the Court of Appeal in *Skykick* [2021] EWCA Civ 1121)

# Evergreening

- The practice of re-filing at the point a registration in the EU becomes vulnerable to attack for cancellation. Five-year period after registration.
- Is this bad faith? Decision of General Court in Hasbro (T-663/19) bad faith requires “a dishonest intention or other sinister motive” which departs from “accepted principles of ethical behavior or honest commercial and business practices” (invalidating registration)
- Re-filing is not per se bad faith “unless it is coupled with other relevant evidence.”

# Wrapping it up: Counsel Tips for US Practitioners

- Review specifications and specimens
- Check with client regarding adversarial proceedings
- Verify use with client
- Watchful of counterfeits
- Maintain extra specimens in file
- Create an action plan for pirated marks



# Questions?



# **Section Five**

**The Constitution Commandeth: Thou  
Shalt Not Protect the Same Subject  
Matter Under Design Patent and Trade  
Dress Laws**

**Kenneth B. Germain**  
Wood Herron & Evans LLP  
Cincinnati, Ohio

**Section Five**

**The Constitution Commandeth: Thou Shalt  
Not Protect the Same Subject Matter Under  
Design Patent and Trade Dress Laws..... Kenneth B. Germain**

PowerPoint Presentation

# THE CONSTITUTION COMMANDETH: THOU SHALT NOT PROTECT THE SAME SUBJECT MATTER UNDER DESIGN PATENT *AND* TRADE DRESS LAWS

Prepared for Midwest I.P. Summit (Indianapolis, IN), but to be  
presented in person in the offices of Lott & Fischer (Coral Gables, FL);

November 17, 2022

By: Kenneth B. Germain

Wood Herron & Evans LLP; Cincinnati, OH

# Preface - Law Review Article

As set forth in the Abstract of my recently published law review article on the subject matter:

For many years and still currently, it has been assumed—and even expressly asserted—that it is perfectly permissible to “stack” various legal theories (concurrently or consecutively) to protect nonfunctional “designs” for products. This is despite infrequent but cogent arguments that the available theories, notably design patents and product design trade dress—both of which are based upon federal statutes—are not Constitutionally compatible due to the concept of Superfluity. The authors of this article carefully examine the origin, nature, and meaning of these two types of IP protections in the context of their two Constitutional bases—the Patent/Copyright Clause (aka “Progress Clause”) and the Commerce Clause—and conclude that, indeed, “stacked” protections are not Constitutionally permissible; the authors then recommend a workable solution which they dub the “Kewanee Kompromise.”

Kenneth B. Germain & Louis H. Sitler, *The Constitution Commandeth: Thou Shalt Not Protect the Same Subject Matter Under Design Patent and Trade Dress Laws*, 21 Chi.-Kent J. Intell. Prop. 88 (2021).

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# Evidence of KBG's Professional Preoccupation with PC Cl. Preeminence

**"An Unhurried Look At The Protectability/Preemption Of 'Trade Dress,'" U.S. Patent and Trademark Office's Annual Trademark Law Update Program (Arlington, Virginia; October 27, 1995).**

**"Does Modern Trade Dress Protection Cause A Constitutional Conflict Between The Copyright-Patent Clause And The Commerce Clause?" Faculty Colloquium given at the University of Kentucky College of Law (Lexington, Kentucky; October 18, 1996).**

**"Resolved: That U.S. Trademark Law Sometimes is Trumped By Patent and Copyright Law in Regard to Product Configuration Trade Dress," International Trademark Association Advanced Symposium: "Evolution and Revolution in Trademark Law" (New York, New York; March 4-5, 1999).**

**"TrafFix at the Intersection of Trade Dress and Patents: Is Functionality the Only Stop Light?," Nimmer, Napster and Intellectual Property Lawyers program at the Retreat/Seminar of and for the Judges of the U.S. District Court for the Central District of California (Ojai, California; February 2, 2001).**

**"The Interface and Conflict Between Design Patents and Copyrights, On the One Hand, and Trademark/Trade Dress Rights, on the Other Hand," Advanced Seminar on Trademark Law sponsored by Practising Law Institute (New York, New York; June 30, 2005).**



**“Hapless Halloween: The Slaying of “Son of *TraFFix*” (aka Considering the Constitutionality of Combining Product Design Trade Dress Protection and Design Patent Protection),”** Faculty Colloquium at The University of Dayton School of Law (Dayton, Ohio; October 31, 2012).

**“Why the Constitution Disallows Dual Protection Under Design Patent and Trade Dress Regimes for the Same Subject Matter” [DEBATE]**

AIPLA Design Rights Boot Camp (Chicago, Illinois; August 6, 2019).

**“The *Unconstitutionality of Overlapping Trade Dress and Design Patent Protection*”**

Intellectual Property & Technology Law Lecture Series, Notre Dame Law School (South Bend, Indiana; October 28, 2019).

**“Does The Constitution Allow Dual Protection Under Design Patent And Trade Dress Regimes For The Same Subject Matter?”**

NYC Bar Association Patent Committee (September 22, 2020).

**“*RESOLVED: THE CONSTITUTION DOES NOT PERMIT DUAL PROTECTION UNDER DESIGN PATENT AND TRADE DRESS FOR THE SAME SUBJECT MATTER*”**

INTA 2022 Annual Meeting (Washington, D.C.; May 4, 2022).

**“Resolved: The Constitution Does Not Permit Dual Protection Under Design Patent and Trade Dress for the Same Subject Matter”**

The Center for Intellectual Property Research (Indiana University Maurer School of Law, Bloomington, IN; October 25, 2022)

# **Excerpts from the U.S. Constitution**

## **Article 1, Section 8:**

**The Congress shall have Power . . .**

**To regulate Commerce with foreign Nations, and among the several States . . . [Cl. 3]**

**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 [Cl. 8]**

# The Basis for a Constitutional Conflict

In the United States, patent and copyright laws are enacted pursuant to the “[Patent/Copyright] Clause.” (“PC Cl.”). However, in light of the expansive reach of the Commerce Clause, there is little doubt that present-day patent laws could be enacted pursuant to that clause. This signals **a potential conflict between the Commerce Clause and the PC Cl.; this is due to the well-recognized fact that the PC Cl. itself places express limitations on congressional power to legislate (most notably, that protection be granted only “for limited times”), whereas the Commerce Clause contains no such limitation.**

# *TrafFix Devices* (U.S. 2001)

**“The Lanham Act does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity. The Lanham Act, furthermore, does not protect trade dress in a functional design simply because an investment has been made to encourage the public to associate a particular functional feature with a single manufacturer or seller.” *Id.* at 34-35.**

# ***TrafFix Devices (U.S. 2001)***

**Finally, the Court acknowledged – but postponed for another day – this critical constitutional query:**

**Whether “the [Patent/Copyright] Clause ... of its own force, prohibits the holder of an expired utility patent from claiming trade dress protection.” *Id.* at 35.**

# Patent Act of 1952, as amended, 35 U.S.C. § 1 et seq.

## § 171. Patents for Designs

Whoever invents any new, original and **ornamental** design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title. The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.

**Contura**

**Roval**



# Design Patent No. 332,849

## Claim

The ornamental design for a napkin disposal, as shown and described.

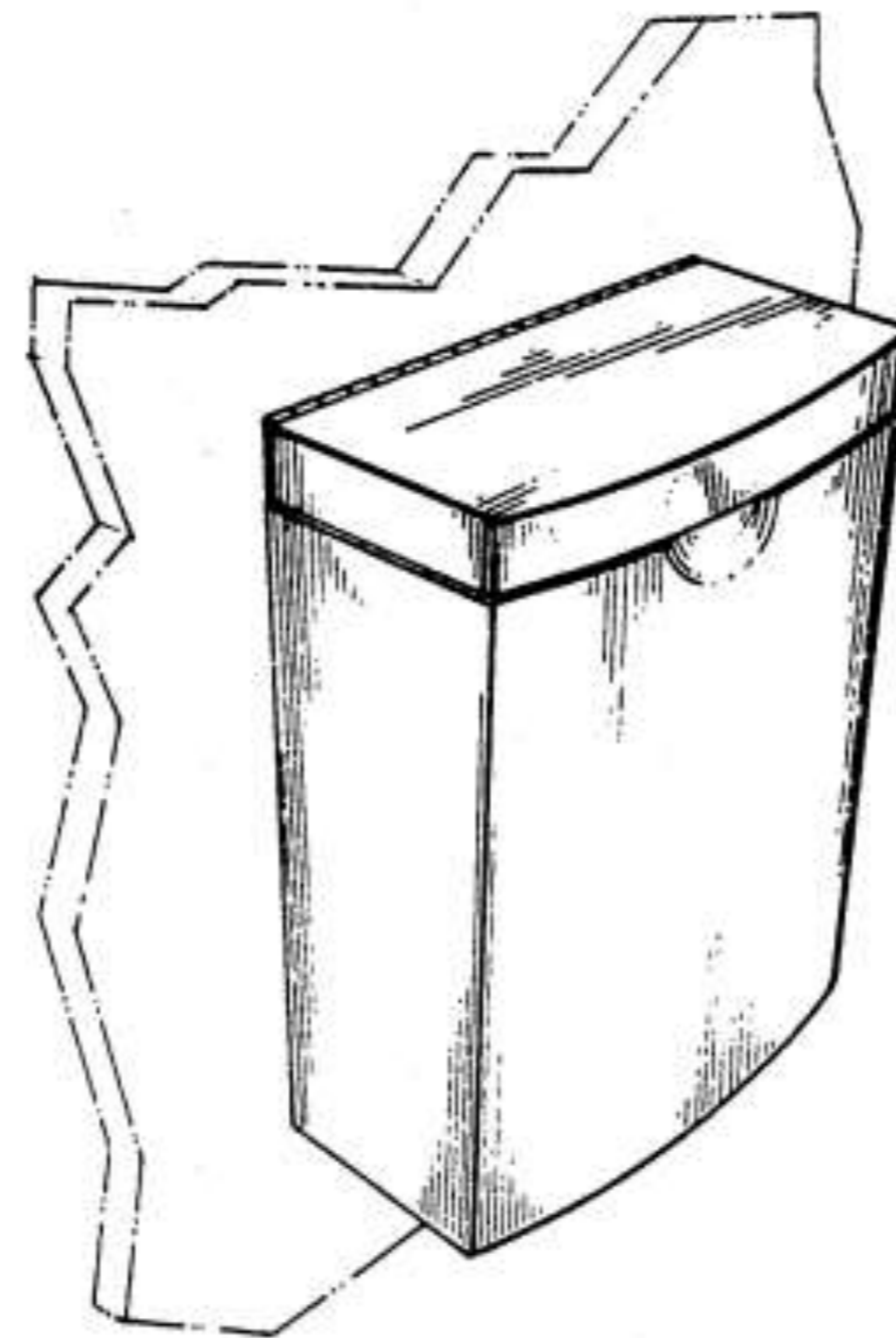


FIG. 1

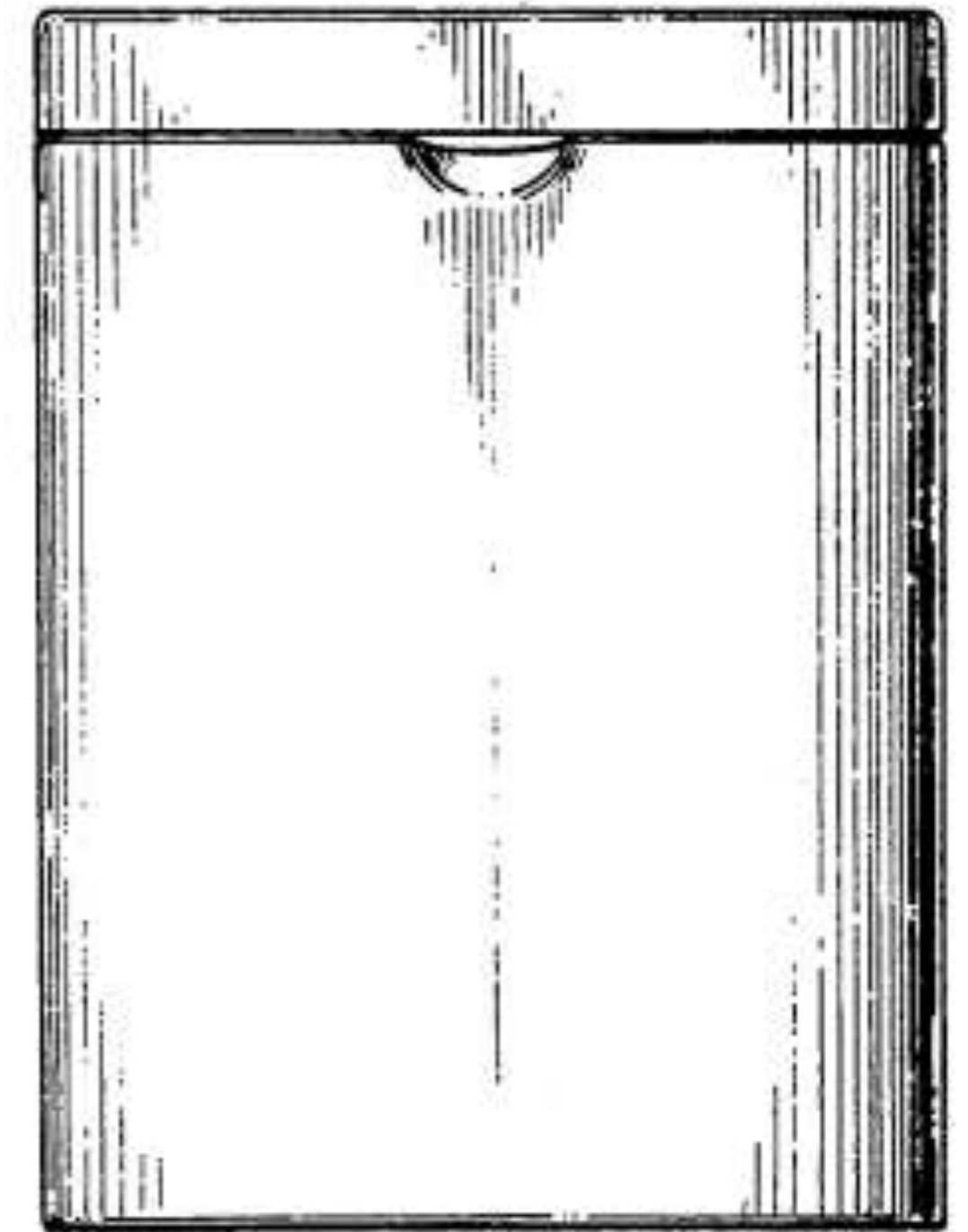
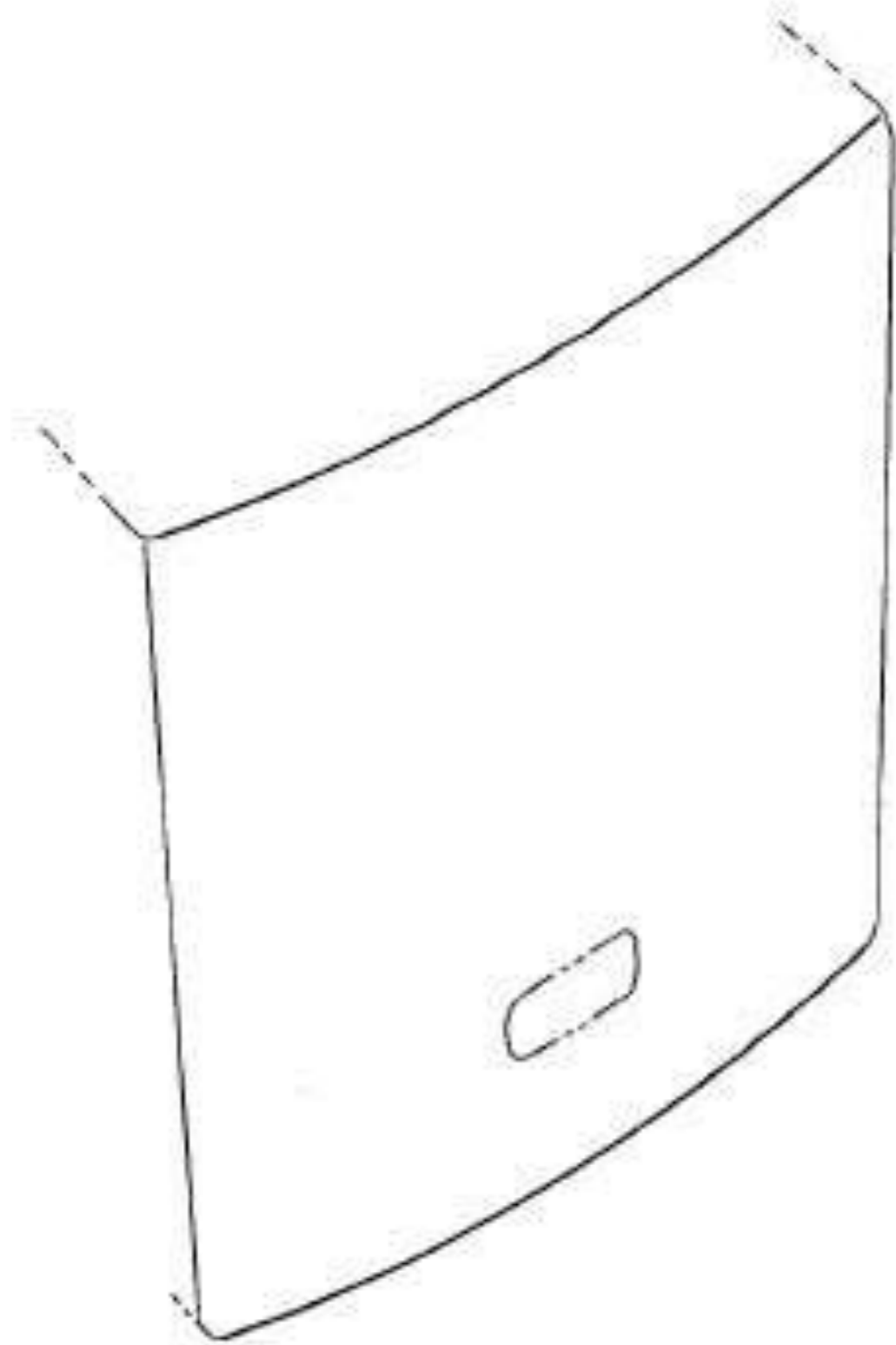


FIG. 2



# U.S. Trademark Reg. No. 2,951,014



“The mark consists of the shape of the front face of a washroom product, the front face having a convex ‘arc’ shape as viewed from above. The height of the front face is exemplary only and can be taller or shorter depending on the product. . . .”

# A 20<sup>th</sup> Century Historical/Philosophical Perspective

In *Scott Paper v. Marcalus Mfg.*, 326 U.S. 249 (1945), the Court not only identified the public's right to use the subject matter of an expired patent, but also expressly indicated that this right could not be circumvented through other protective schemes, including, notably:

**[T]hat the patentee may not exclude the public from participating in that good will or secure, to any extent, a continuation of his monopoly by resorting to the trademark law and registering as a trademark any particular descriptive matter appearing in the specifications, drawings or claims of the expired patent, whether or not such matter describes essential elements of the invention or claims. *Id.* (emphasis added).**

# Another 20<sup>th</sup> Century Historical/Philosophical Perspective

As shown in Slide #6: [T]he federal patent power stems from a *specific* constitutional provision which authorizes the Congress “To promote the Progress of...useful Arts, by securing for limited Times to...Inventors the exclusive Right to their . . . Discoveries.” Art. I, § 8, Cl. 8. **The clause is both a grant of power and a limitation.** This qualified authority, unlike the power often exercised in the sixteenth and seventeenth centuries by the English Crown, is limited to the promotion of advances in the “useful arts.” . . . **The Congress in the exercise of the patent power may not overreach the restraints imposed by the stated constitutional purpose.**

*Graham v. John Deere Co.*, 383 U.S. 1, 5-6 (1966).

# Judicial Status Quo

Following the *Wal-Mart*, *TrafFix*, and *Dastar* decisions, courts have totally blithely concluded that the same feature *can* simultaneously or sequentially be protected under some combination of design patent, trademark, and/or copyright laws. Indeed, this has become the judicial status quo.

**District Court cases:** see e.g., *RDF Media Ltd. v. Fox Broad. Co.*, 372 F. Supp. 2d 556 (C.D. Cal. 2005); *Blue Nile, Inc. v. Ice.com, Inc.*, 478 F. Supp. 2d 1240 (W.D. Wash. 2007); *Sleep Sci. Partners v. Lieberman*, 2010 U.S. Dist. LEXIS 45385 (N.D. Cal., May 10, 2010); *Oldcastle Precast, Inc. v. Granite Precasting & Concrete, Inc.*, 2010 U.S. Dist. LEXIS 53775 (W.D. Wash., June 1, 2010); *Solo Cup Operating Corp. v. Lollicup USA, Inc.*, 2017 U.S. Dist. LEXIS 132193 (N.D. Ill. 2017); and recently in *Constructive Eating v. Masontops, Inc.*, Civil Action No. 2:19-cv-10619, 2021 U.S. Dist. LEXIS 33924 (E.D. Mich. Feb. 23, 2021).

**Appellate cases:** see, e.g., *Lanard Toys Ltd. v. Dolgencorp LLC*, 958 F.3d 1337 (Fed. Cir. 2020); *Craft Smith, LLC v. EC Design, LLC*, 969 F.3d 1092 (10th Cir. 2020).

# One (Dissenting) Judge's *Atypical View*

**If the issue before us is a conflict between a well-defined statutory scheme (the design patent laws) enacted under a specific and limited constitutional directive (the [patent/copyright] clause) and a judicial doctrine (protection of product configurations as trademarks) only remotely incident to a general statutory scheme (the Lanham Act), the specific, constitutionally-mandated provisions should control.**

*Kohler Co. v. Moen Inc.*, 12 F.3d 632, 651 (7<sup>th</sup> Cir. 1993) (Cudahy, J., dissenting and citing to *Morton v. Mancari*, 417 U.S. 535, 550-51 (1974)).

# Scholarly Analysis of the Constitutional Conflict

Perry Saidman, *Kan TrafFix Kops Katch The Karavan Kopy Kats?*  
82 J.P.O.S. 839 (2000):

[T]he Court should reaffirm the doctrines of the *Singer*, *Kellogg* and *Sears/Compc* line of cases that the subject matter of an expired patent enters the public domain, and the public has a right to copy it. Any attempt to claim trade dress protection in the same subject matter is void as against public policy. This respects the bargain between the inventor, beneficiary of a 14 or 20 year monopoly on the design or invention, and the public. When the patent monopoly is over, it's over, and no other law, state or federal, can be used to extract that subject matter from the public domain. This rule would be independent of the doctrine of functionality, and should be applied regardless of the distinctiveness of the alleged trade dress or of the likelihood of confusion. *Id.* at 887.

**Aaron K. Perzanowski, *The Penumbra Public Domain: Constitutional Limits on Quasi-Copyright Legislation*, 10 U. Pa. J. Const. L. 1081, 1102-03 (2008)**

The rule against superfluity must be applied any time the Commerce Clause would provide Congress with authority denied by other enumerated powers.... Where Congress uses the Commerce Clause to eliminate or ignore a limit within another enumerated power, that limit must be applied externally, and the commerce power must yield.

**Jeanne C. Fromer, *The Intellectual Property Clause's External Limitations*, 61 Duke L.J. 1329, 1339-40 (2012)**

[The Patent/Copyright] Clause is structured differently from the other Article I, Section 8 powers. **It is the only clause that specifies the means for carrying out the allotted power: "by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."** The natural reading of this clause, given its unique structure, is that Congress has the power to promote the progress of science and useful arts using solely the specified means.



**Wayne Kalkwarf, *The Commerce Clause Versus the Patent and Copyright Clause: A Battle of Constitutional Proportions*, 54 Idea 351 (2014):**

Mr. Kalkwarf approaches the topic frontally and, after careful historical and philosophical analyses, reaches these soundly-based conclusions:

The Commerce Clause allows for the regulation of activities affecting interstate commerce, which concededly involves patents and copyrights. However, **the [Patent/Copyright] Clause serves as a security wall, a force field as it were, to prohibit the Commerce Clause from encroaching upon the limiting requirements applicable specifically to patents and copyrights.** Thus, just as Congress could not use the Commerce Clause to violate the limiting terms of the Bankruptcy Clause, so too is Congress prohibited from using the Commerce Clause to nullify the restrictions that exist in the [Patent/Copyright] Clause. *Id.* at 411.

## Wayne Kalkwarf, *The Commerce Clause . . .*

The [Patent/Copyright] Clause authorizes patents for a limited time. Patents may not be for perpetuity. Federal trademarks, as a creation of the Commerce Clause, do not possess this constitutional restriction. The limiting requirements of the [Patent/Copyright] Clause, as previously examined, may not be trumped by the general provisions of the Commerce Clause. Prior Supreme Court precedent and the rule against superfluity both dictate that the specific time restriction of the [Patent/Copyright] Clause must control any conflict between the two clauses. Any laws passed under the Commerce Clause – in this case trademarks – must not conflict with the limiting restrictions of the [Patent/Copyright] Clause, for to do otherwise would render the [Patent/Copyright] Clause void. *Id.* at 423-24.

Kenneth B. Germain & Louis H. Sitler, *The Constitution Commandeth: Thou Shalt Not Protect the Same Subject Matter Under Design Patent and Trade Dress Laws*, 21 CHI.-KENT J. INTELL. PROP. 88 (2021).

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Available at:

<https://scholarship.kentlaw.iit.edu/ckjip/vol21/iss1/7>



# **Section Six**

# European Patent and Trademark Update Panels

## Unified Patent Court (UPC)

### **Pietro Pouche**

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Milan, Italy

### **Jonathan Turnbull**

Herbert Smith Freehills  
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### **Jonathan DeVile**

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### **Rachel Bateman**

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## Distribution Agreements

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### **Kyriakos Fountoukakos**

Herbert Smith Freehills  
Brussels, Belgium

### **Giulia Maienza**

Herbert Smith Freehills Legale  
Milan, Italy

**Section Six**

**European Patent and Trademark  
Update Panels**

**Unified Patent Court (UPC)..... **Pietro Pouche**  
**Jonathan Turnbull**  
**Jonathan DeVile**  
**Rachel Bateman****

**Distribution Agreements..... **Pietro Pouche**  
**Kyriakos Fountoukakos**  
**Giulia Maienza****

PowerPoint Presentation



HERBERT  
SMITH  
FREEHILLS

**D YOUNG & CO**  
**INTELLECTUAL**  
**PROPERTY**

## The UPC

## ICE Miller - ICLEF Midwest Annual IP Summit 2022

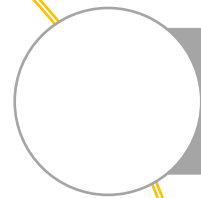
17 November 2022

HSF: Pietro Pouche, Jonathan Turnbull and Giulia Maienza

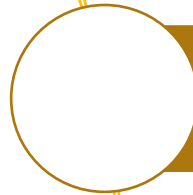
**D Young & Co:** Jonathan DeVile and Rachel Bateman



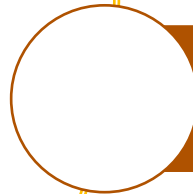
# Contents



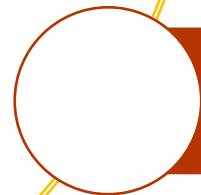
Do I need to engage with the UPC now?



Can I decide to opt out and forget?



What are the risks and opportunities of the UPC?



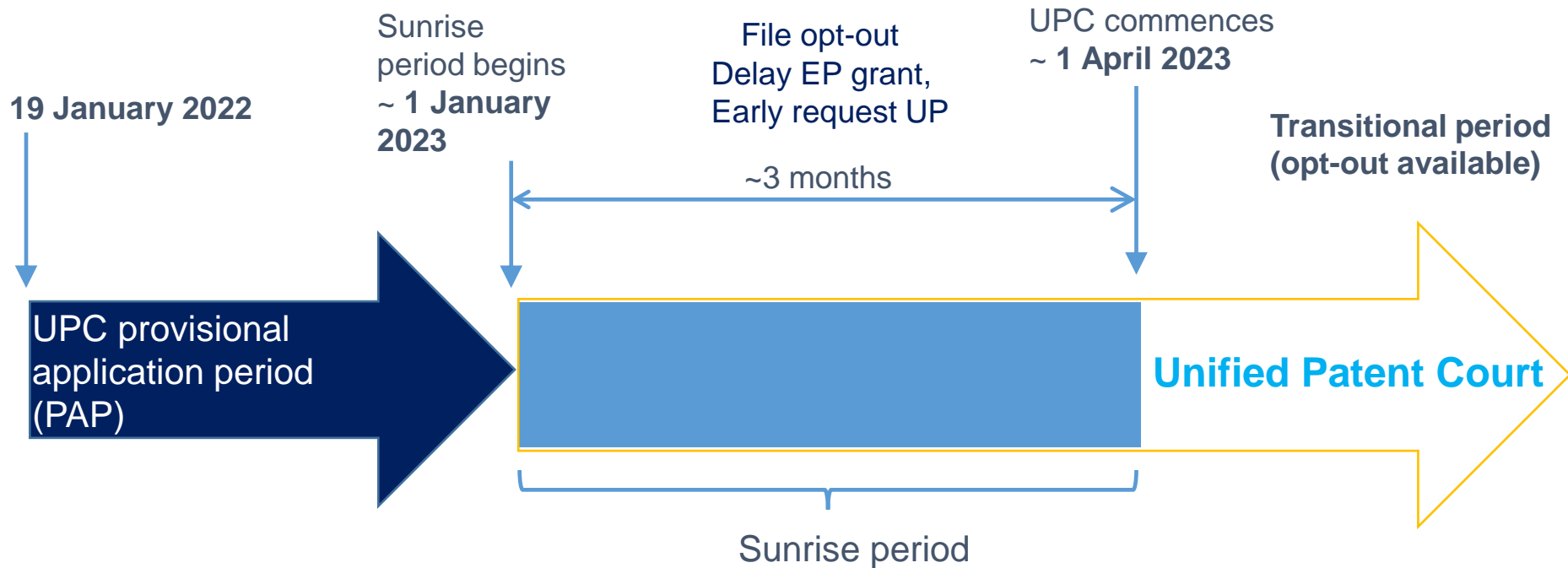
How can I get ready of the UPC?



**Do I need to engage with the UPC now?**



# Countdown to the UPC



# What do you need to know?

- **Existing granted European patents**
  - Opt-out desired?
  - If yes, consider ownership and any licence positions
  - If yes, recommend doing so **during sunrise period**
- **Pending European applications**
  - UP desired?
  - If Rule 71(3) Communication has been issued, consider requesting delay of Decision to Grant or an early request for unitary effect **during sunrise period**
  - If application still pending, request for unitary effect due within 1 month of grant
  - If UP not desired, classical validation and same considerations as for granted patents applies – opt-out or leave in UPC?



# Who is taking part?

- 24 participating member states
- All EU and EPC states
- Of these 16 have ratified
- Left to ratify are:
  - Cyprus, Czech Republic, Germany, Greece, Hungary, Ireland, Romania, and Slovakia
- Not taking part are EPC states not in the EU (e.g. UK, CH, NO, AL, TR, IS, RS, MK, LI, SM, MC), Spain, Poland and Croatia



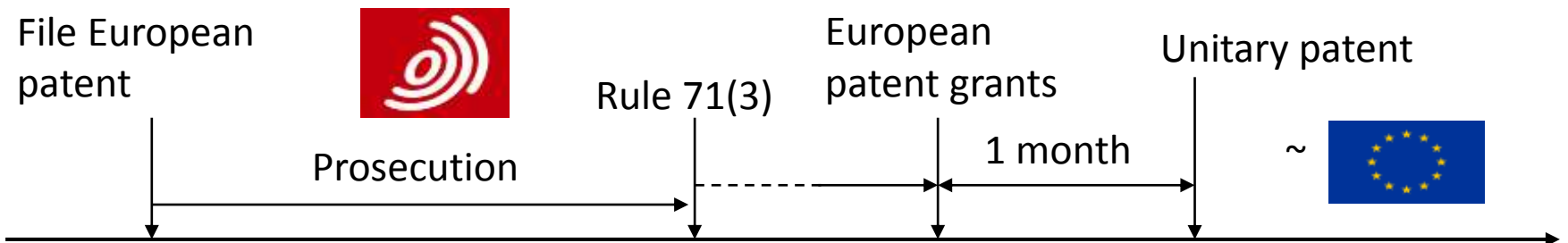
## Coverage of UPC vs EPC

- 38 EPC Contracting States
- UPC covers **all EPC states** apart from:
  - **Spain/Poland** (*not participating*)
  - **Croatia** (*may join in future*)
  - All Non-EU states inc UK and **AL, CH, TR, IS, NO, RS, MK, LI, SM, MC** (*ineligible*)



# Unitary Patent Scope

- A unitary patent = European patent with unitary effect
- Single patent right across EU member states who have signed & ratified UPC Agreement
- Scope will be set at **date of registration of unitary effect** by EPO
- Consequences for cost effectiveness and where conventional validation may be needed



# Pros and cons of unitary patent



## Pros

### Pros:

- Central administration by EPO
- Broad coverage
- Single renewal fee
- Limited translation costs – translation into EU language with request for unitary effect
- Cost savings for broad scope validation
- Central litigation forum (UPC)
- Availability of pan-European remedies

## Cons

- Risk of central revocation in untested court (UPC)
- Loss of flexibility during patent lifetime - “all-in or all-out” scheme
- Translation costs if normally validate in London Agreement countries e.g. DE, FR
- Higher renewal fee if normally validate in less than 4 EPC states

## Validation Cost comparison

- Table compares typical costs for a 100 page specification validated via the conventional route vs UP + validation
- The UP coverage is based on those states who have already ratified
- Higher UP + validation is a result of the translation cost

Validation countries vs. UP + validation	EP “bundle” validation	UP + validation
GB, DE, FR vs. UP + GB	\$498	\$5,080
GB, DE, FR, IE, CH, ES, IT, NL, DK, SE vs. UP + GB, IE, CH, ES	\$14,344	\$12,492
All possible states (inc ext / val states) vs. UP + validation in all other states	\$99,087	\$66,601

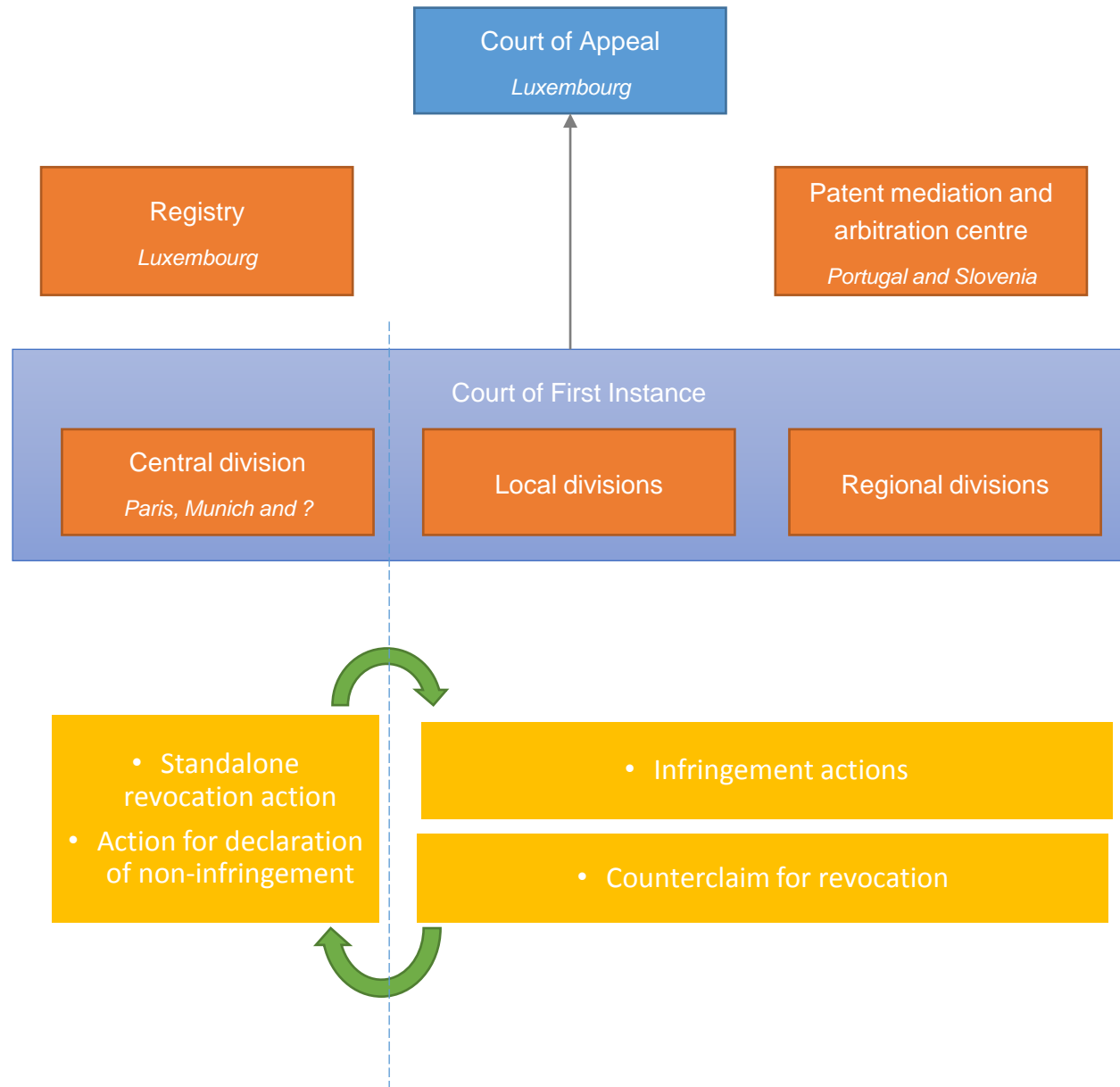


# Single renewal fee

- Single renewal fee is payable to the EPO annually
- Fee based on renewing in “Top 4” EU member states (FR, DE, NL and IT)
- Table below shows cumulative renewal fees at five year intervals for bundle patents in all EPC states vs UP and national patents in non-EU, ES, HR and PL
- Cost-effectiveness of UP renewals will depend on number of validated states

Year from filing	5	10	15	20
Renewal fees for bundle of national patents	\$198k	\$239k	\$325k	\$470k
Renewal fees for UP and national patents	\$75k	\$91k	\$130k	\$197k

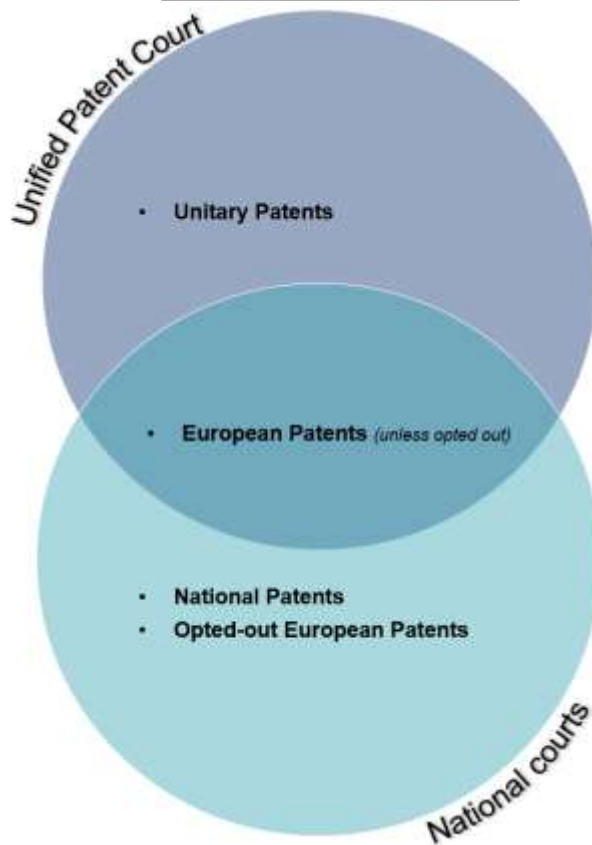
# Where will actions be brought in the UPC?



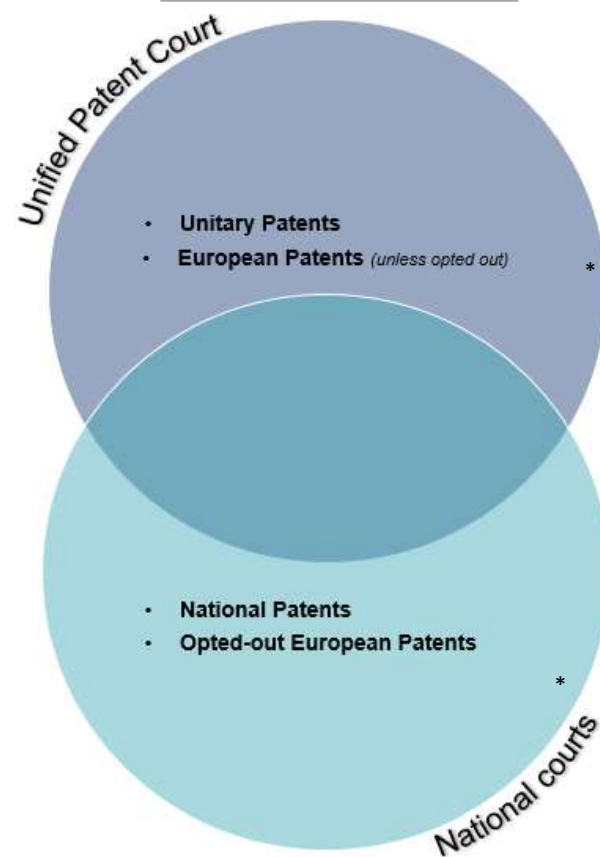
# Jurisdiction of the UPC



During the transitional period...



After the transitional period...



\* Note that after the transitional period it will not be possible to opt out newly granted EPs.

# Remedies in the UPC

1

## Preliminary remedies

- Including injunctions
- May be *ex parte* (but there is provision for protective letters to be filed)

2

## Permanent injunctions

- Discretionary
- Only refused in exceptional circumstances?

3

## Other remedies

- Damages
- Recall/destruction of products
- Declarations of infringement
- Declarations of non-infringement

4

## Revocation

- Patent revoked in whole or in part



Multi-jurisdictional enforcement is easier (and cheaper) than in national courts



Successful validity attack can take out UP/EP in all contracting states

**Can I decide to opt out and forget?**



## Opting out



Takes EPs (and SPCs) out of UPC jurisdiction for whole life of the patent – avoids risk of central revocation

Can be done during the sunrise period before the UPC is operational

Can withdraw the opt out (to opt back into the UPC) provided the EP has not been or is not challenged in national courts

Commercial visibility (opt-out is public)

Must be filed on behalf of “true” proprietor/applicant

Must have consent of co-owners

Licensees are not able to opt-out

## Pros and cons of opting out



National courts	UPC
<p><b>Pros:</b></p> <ul style="list-style-type: none"><li>• Well established - more predictable outcome</li><li>• Multiple attempts at preliminary injunctions in different jurisdictions</li><li>• Forum shopping</li></ul>	<p><b>Pros:</b></p> <ul style="list-style-type: none"><li>• Central enforcement - pan-European injunction</li><li>• Lower cost</li><li>• Speed?</li></ul>
<p><b>Cons:</b></p> <ul style="list-style-type: none"><li>• Administrative and legal costs</li><li>• Time</li><li>• Risk of inconsistent decisions</li></ul>	<p><b>Cons:</b></p> <ul style="list-style-type: none"><li>• Completely untested – no track record</li><li>• Don't know how substantive and procedural law will be applied – first few years likely to be taken up with jurisdictional issues</li><li>• Centralised revocation</li></ul>

## Opt-out strategy



Opt everything out

Opt most valuable patents out – retain others in the system to gain experience

Keep divisionals in important patent families in the UPC system to enforce in parallel with opted out patents



# Opt out and forget?



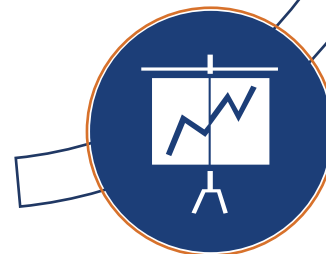
UPC system may encourage US-style litigation



Risk of third parties enforcing their patents seeking pan-EU injunction or damages



Impact on offensive and defensive litigation strategy

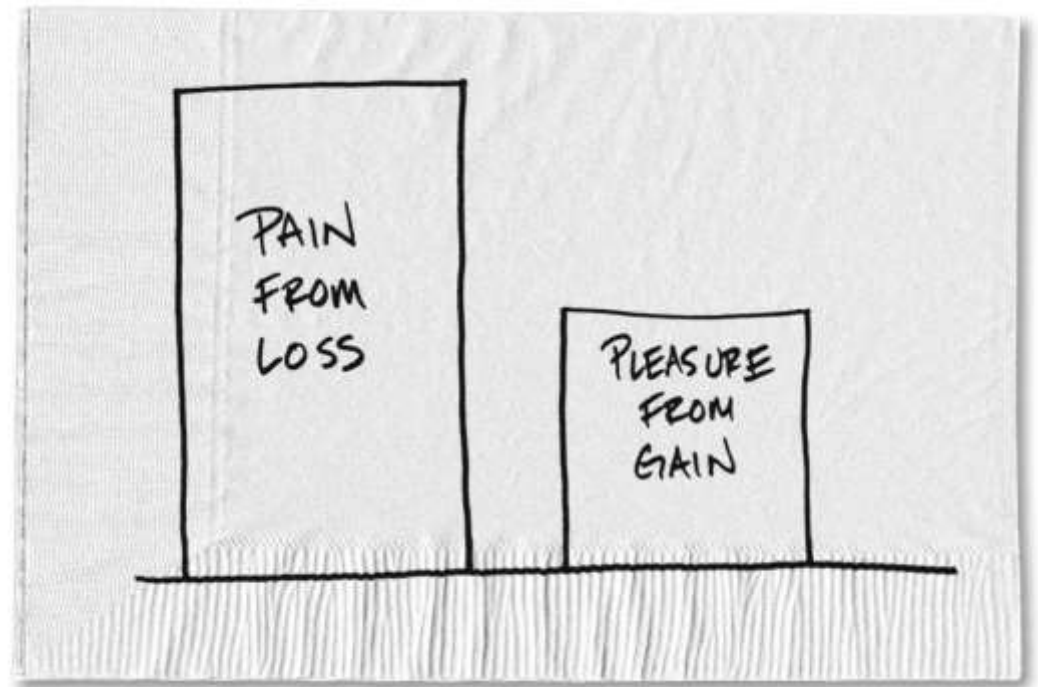


Need for in-house teams to be familiar with the UPC system

**What are the risks and opportunities of  
the UPC?**



Risks =  
opportunities?



**Risks**



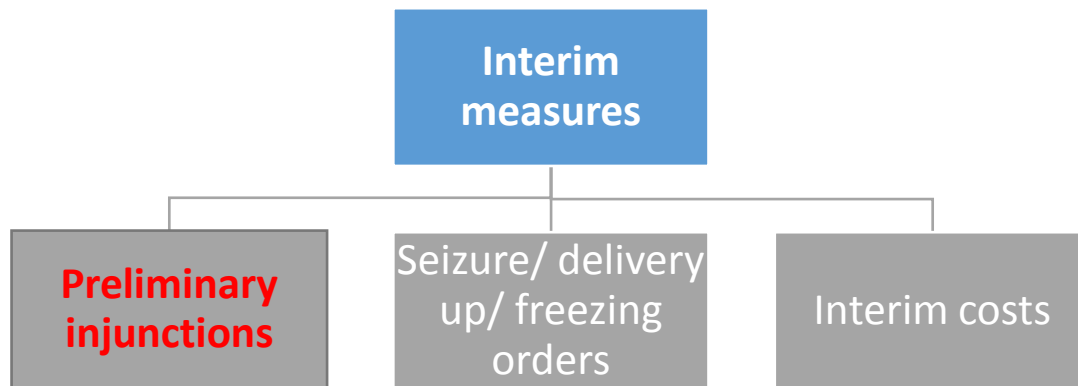
**Opportunities**



## Key drivers for strategic opportunities



# Preliminary injunctions



## PI is necessary

- To prevent a threatened infringement;
- To prohibit continuation of an alleged infringement; or
- To make a continuation of an alleged infringement subject to guarantees

## Evidence

- There is reasonable evidence to satisfy the UPC with a sufficient degree of certainty that:
  - The applicant is entitled to commence proceedings
  - The patent is **valid**
  - The right is being **infringed**, or such infringement is imminent

## Balance of interests

- The balance of the interests of the parties lies in favour of granting a PI



**No unreasonable delay in seeking a PI !**

Key considerations - scope of enforcement

## Which forum is best to seek a PI?

UPC

National courts

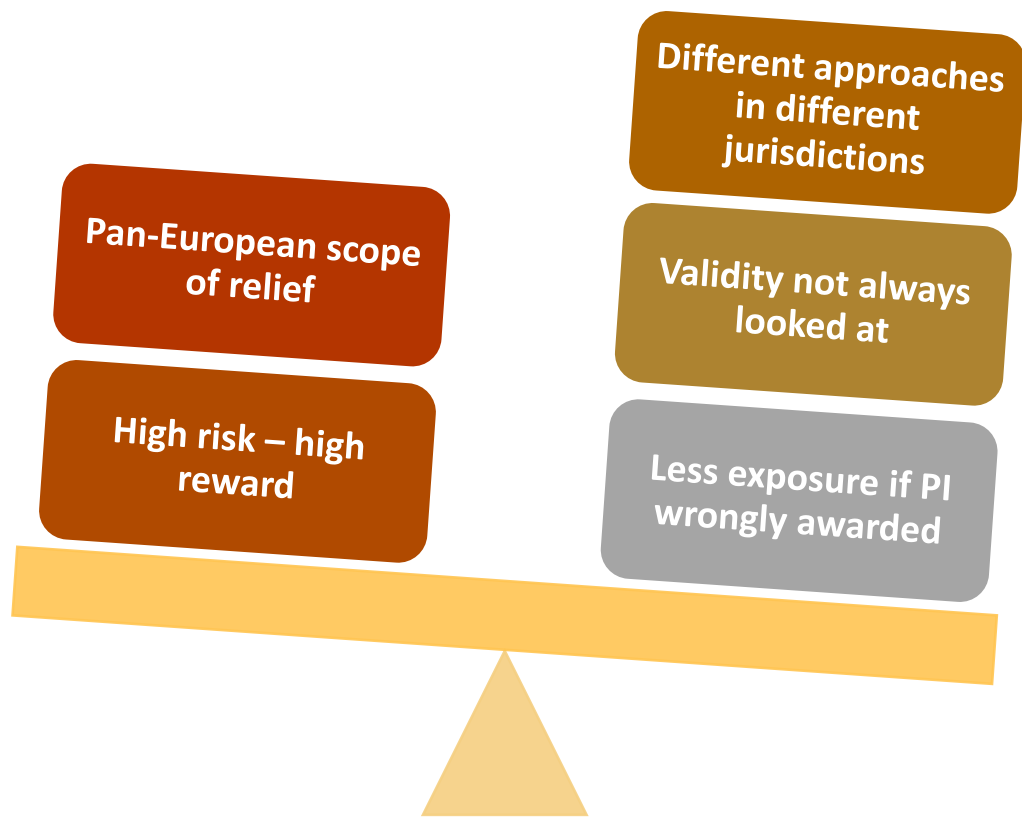
Pan-European scope of relief

High risk – high reward

Different approaches in different jurisdictions

Validity not always looked at

Less exposure if PI wrongly awarded



## How can you take advantage of the UPC system?



Uncertainty + pan-European remedies  
= pressure on competitors



Flexible opt-out / opt back in strategy



Filing protective letters



Monitoring competitors' patent  
portfolios and re-visiting FTO positions



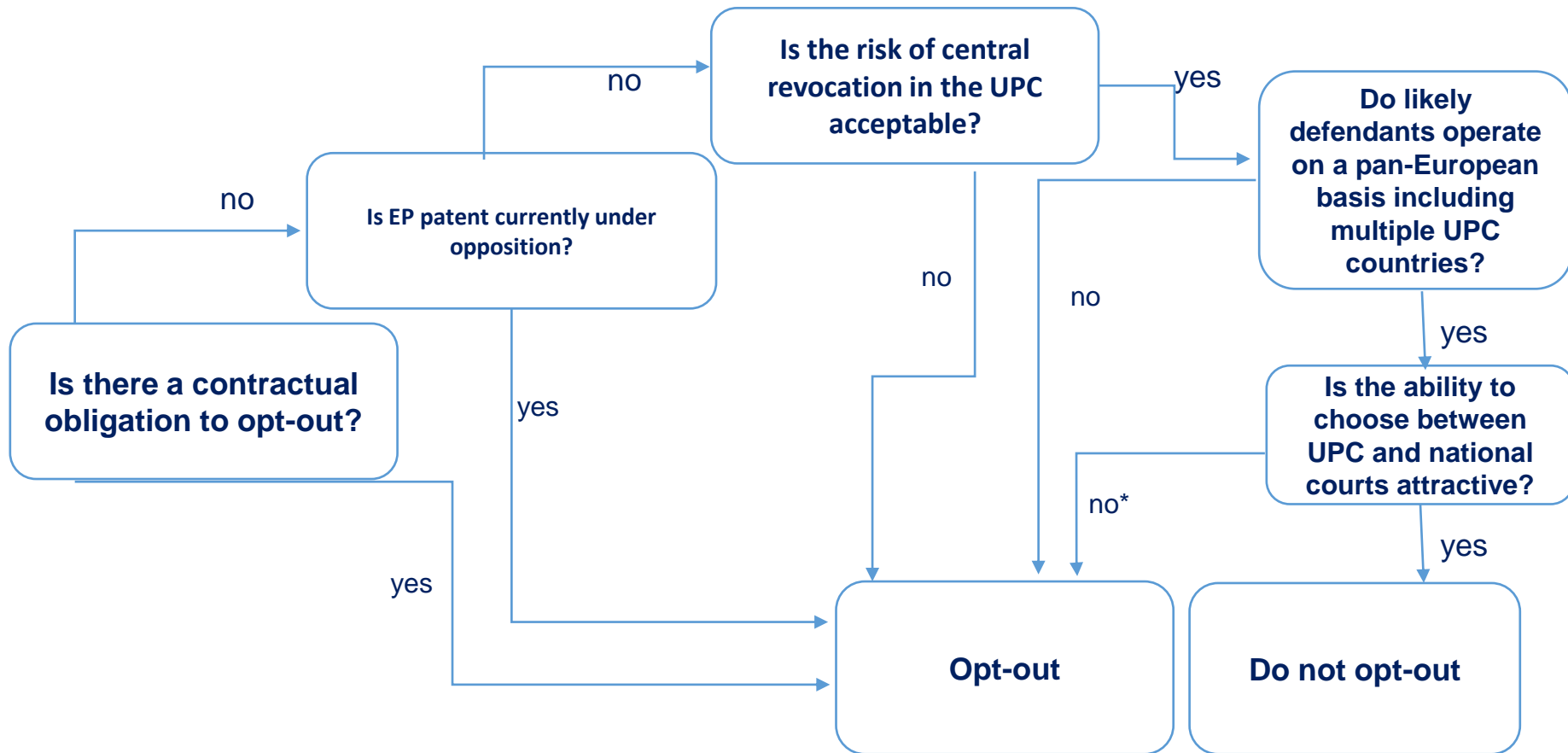
Test cases in the UPC to get first hand  
experience

How can I get ready of the UPC?





# Granted EP Patents (Sunrise and Transitional Period)



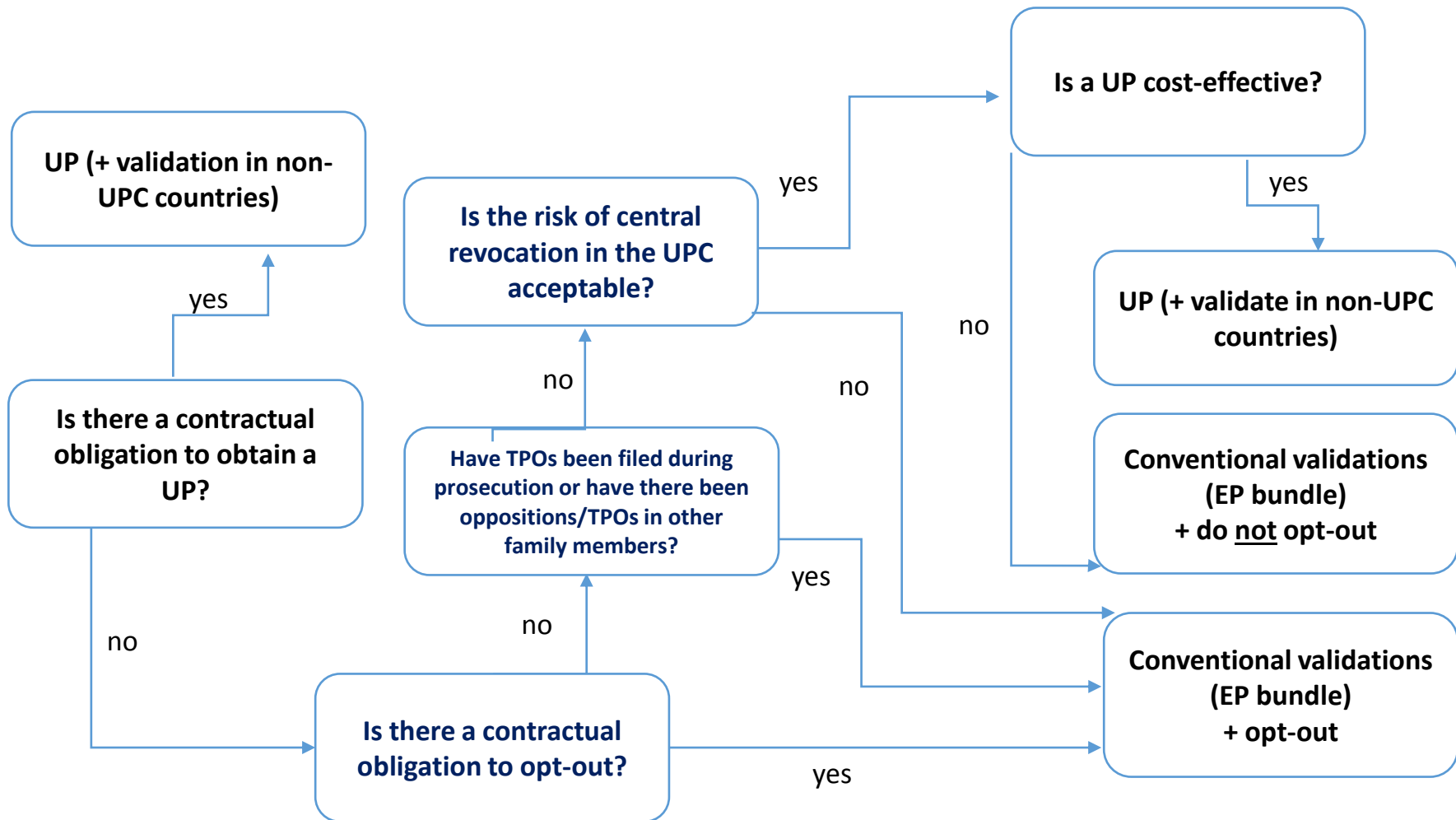
## Important points to note

- All EPs in a 'bundle' must opt out together
  - different national validations of EPs can't be split up
- It isn't possible to opt out a SPC without its related patent (and vice versa)
- Only true proprietor(s) may opt out; licensees cannot opt out
- **All owners / proprietors / applicants must agree to opt out** (e.g. if an SPC and patent have different owners)
- A declaration must be filed to confirm that the opt out is made on behalf of all relevant proprietors
- **An incorrect or false declaration will invalidate the opt-out**

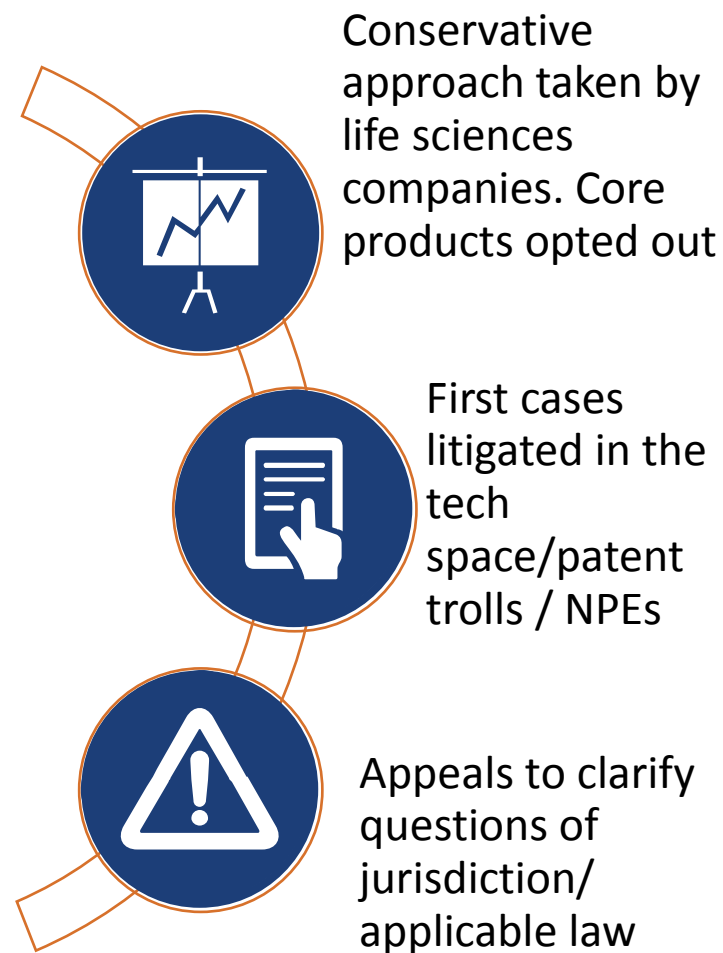
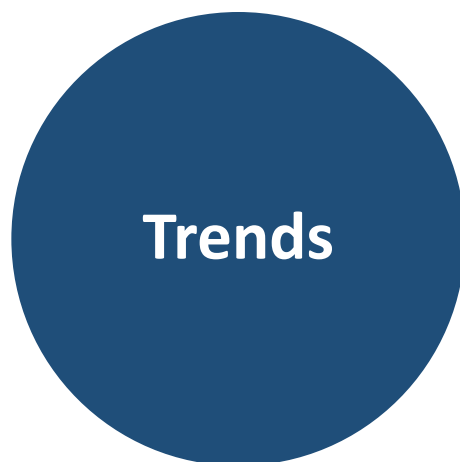
If opting out: check the proprietorship position in advance, seek any consents that may be needed.



# Pending EP application (Transitional Period)



How do we see the early days of the UPC panning out?



## Possible next steps – what can you do now?

### Due diligence

- Consider broader portfolio to see which patents could be monetised by seeking royalties

### Opt-out strategy

- Consider seeking divisionals that could be deployed in the UPC
- Nuanced opt-out strategy?

### FTO

- Prepare defensive strategy

### Education

- Ensure business is aware of the commercial impact of UPC



## Defensive strategies



**Review** competitor patent portfolios and **consider** how things might play out in the UPC



**Consider** clearing the way now



**Prepare** carefully for prospect of front-loaded UPC litigation, including protective briefs

## How can we help?

### Your European IP partner

- A leading top-tier European IP firm.
- One of the largest teams in Europe with over 250 people, including over 75 qualified attorneys.
- 59 attorneys qualified to work before the European Patent Office, with almost 30 more in training across our offices in the UK and Germany.

### Multi-disciplinary team

- One of the few European patent teams with equal numbers of attorneys covering life sciences and chemistry as well as electronics, engineering and mechanical specialisms.
- Critical mass of team allows us to front up specialists and provide expertise in nuanced areas of science and technology.
- Many of our patent attorneys are PhD qualified and bring industry or in-house experience to offer a truly commercial perspective.



Ranked **top tier** in all the UK legal directories and **gold** in the IAM Patent 1000 EPO (European) survey

### Contentious expertise

- European Patent Office oppositions are a large part of our practice: we are currently handling over 400 active oppositions in process.
- We offer strategic advice and support for multi-jurisdictional litigation whilst pursuing parallel proceedings at European Patent Office.
- We cover everything from blockbuster drugs to high-tech patents.

### Strategic and commercial advice

- Freedom to operate advice.
- Value-driven due diligence informed by our day-to-day experience in the IP courts, offices and tribunals that assess the patents under consideration.
- Commercial support assessing how to make the most of your IP.
- We are able to advise how best to use the European patent system or the unitary patent for sound strategic decision making.

# How can we help?



## HSF is a one-stop-shop for European patent litigation

Our European IP team are on the ground in **France, Germany, Italy and the UK**.

We offer a seamless, pan-European service with the qualifications needed to provide advice and represent you in litigation in relation to cases before the UPC and/or these key national courts.



## Legal expertise

Our European IP team has **unrivalled experience in coordinating patent litigation** in all the key European jurisdictions, including advising in relation to EPO proceedings and taking cases all the way to the CJEU.

Our multijurisdictional experience means that we are familiar with many of the procedures and legal trends at national European courts which are likely to shape the UPC in the coming years.



Our European team of lawyers have the **legal, technical and strategic expertise** needed to handle the advent of the UPC, and are **qualified to represent you in both the UPC and key national courts**.



## Strategic advice

We will draw on our team's market-leading experience of multijurisdictional patent matters, in which **we have acted as trusted strategic advisers to clients in relation to their most valuable products**, coupled with our in-depth legal and technical knowledge, to provide **key strategic advice** in relation to European patent litigation in the era of the UPC.



## Technical expertise

Many members of our European IP team have an **undergraduate degree (or higher) in a technical subject**. This scientific background enables us to engage with the subject matter of your disputes even better and understand your products even more deeply, ensuring that we deliver advice that is always technically and commercially relevant.



## Training

Before the start of the UPC, it will be important to familiarise yourself the rules and procedures of the new system to understand how it will work in practice, as this can have strategic implications for litigation.

We first rolled out our **interactive UPC training workshops** in 2015, and they were very well received by our clients. We can assist you with sessions tailored to the needs of your organisation.





**About HSF and D Young & Co**

## Our European Patent Attorneys

Our team of 59 European Patent Attorneys, plus almost 30 more in training, is based in London, Munich and Southampton. As one of the largest patent practices in Europe, our clients tell us that they value the depth of experience our attorneys and solicitors are able to offer them in all technical disciplines, including biotechnology, chemistry, pharmaceuticals, electronics, engineering and IT.

We are able to offer a broad choice and availability in all divisions of the UPC and our attorneys are well placed to assist clients in preparing for and participating in this new forum. We have a huge amount of experience of contentious patent work in the courts of Europe and the EPO and in working together to create a seamless service.

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# Our European patent litigation team

Our fully integrated, market leading team is based in Dusseldorf, London, Milan and Paris and has unrivalled experience of pan-European patent litigation. We will use legal, technical and strategic skills from across our whole team to give you the best advice on your matters, with the qualifications necessary to handle cases whether they are in the UPC, key national courts or both.



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*The patent group has acted in some of the most hotly contested disputes around for a litany of leaders in IP-heavy industries.*

**IAM Patent 1000 2021**

*"Outstanding IP outfit with a truly international approach" Legal 500 Italy 2020*

*[HSF] "combines excellent knowledge and responsiveness with high sophistication and strategic thinking," Chambers Italy 2021*

*Ina vom Feld is "a magnet for discerning clients who cannot afford mistakes" IAM Patent 1000*

*"Their lawyers are very competent, communication is fast and to the point and their work is some of the best we have seen in the legal sphere." Legal 500 France 2020*

*"The group has noteworthy experience in multi-jurisdictional high-stakes litigation and can join forces with its colleagues in other European offices -including its powerful UK team- to fully staff pan-European disputes." Legal 500 France 2021*

*"A truly global, solutions-focused team, with a high degree of consistency in quality of work and service" Legal 500 UK 2020*

*"highly commercial, responsive and fully in tune with the needs of the client" - "incredibly proactive and practical." Chambers UK 2021*



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## **The HSF team**

ICLEF Midwest Annual IP Summit 2022

17 November 2022



### Pietro Pouchè

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Pietro is widely recognised in the market as an accomplished IP litigator, having gained significant expertise of the representation and defence of clients in contentious IP-led cases and matters involving IP assets. He has ensured his high-profile client roster the most profitable and business-efficient commercial arrangements for their IP assets, such as licensing and distribution contracts, technology transfer agreements, IP assets assignment agreements and co-existence agreements.

He is a graduate of the Università Cattolica of Milan, holds an LL.M. degree in Intellectual Property from the Duke School of Law (N.C. – USA). He was admitted to the Italian Bar in 2004 and admitted to plead before the Italian Supreme Court in 2020. He is a member of LES, AIPPI, INDICAM and the Indigenous Rights Committee of INTA.

Pietro is regularly ranked in International and Italian directories including Chambers and Partners, World Trademark Review, IAM Patent 1000 in the fields of Intellectual Property, Data Protection and Commercial Disputes and is a frequent lecturer to University classes.



### Giulia Maienza

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Giulia is an IP litigator and an IP specialist with extensive experience in relation to the exploitation and protection of valuable IP assets, including patents, trademarks, designs, geographical indications and copyright. She has advised Italian and multinational clients on a range of IP-related cases, including patent and trademark infringement, unfair competition, product liability and design enforcement.

Giulia has worked with clients in a number of industries, ranging from TMT to fashion and luxury, consumer products and food and she also have included in complex pan-European patent litigation cases.

Giulia has won in 2021 the Tomorrow's leader award issued by INTA. She is a member of the INTA Committee on Emerging Issues (Sub-Committee on Blockchain - NFT & Metaverse). She is a frequent speaker on conferences and seminars held by the University of Milan, by the University of Turin and by the IP associations Indicam and AICIPI on a number of IP issues related to different topics, such as block-chain and AI, Virtual fashion, Unified Patent Court, trade-secrets and know-how, IP and cultural appropriation and so on.



### Jonathan Turnbull

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Jonathan has extensive experience in advising some of the world's most innovative companies on the protection, enforcement and exploitation of their IP rights.

Jonathan has a leading reputation in multi-jurisdictional IP litigation, representing cutting-edge clients in both enforcing and challenging IP rights before all relevant forums in the UK and Europe, including the UK Supreme Court and the CJEU. He also advises multinational clients on innovation-led collaboration, joint venture, commercialisation, and licensing agreements, as well as IP due diligence for M&A.

Jonathan is recommended by leading directories for IP and patent litigation, including as a Next Generation Partner in Legal 500, and a named individual in IAM Patent 1000, JUVE Patent and Who's Who Legal.

Jonathan has a doctorate in bio-organic chemistry supervised by Professor CJ Schofield at the University of Oxford. This doctorate covered a broad spectrum of scientific disciplines including chemistry, biochemistry, genetics and molecular biology. Jonathan also holds a Masters of Chemistry (First Class Honours) from the University of Oxford and a Diploma in IP Law from the University of Bristol.

According to clients, Jonathan "stands out for his extremely thorough and hardworking approach, thoughtfulness and attention to detail" (Legal 500 2022), he has been recognised as Next Generation Partner by Legal 500 2022 and is a Ranked Individual in the IAM Patent 1000 2022 guide.



### Kyriakos Fountoukakos

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Kyriakos Fountoukakos is the HSF Brussels office managing partner and EMEA Regional Head of Practice for Competition, Regulation and Trade. He is widely recognised as a leading competition lawyer – ranked in the Who's Who Legal Competition: Thought Leaders and other major directories – and has over 20 years of experience in competition law.

Kyriakos specialises in all aspects of EU and UK competition law, including merger control, cartels, antitrust investigations and advice, distribution agreements, dominance, and competition litigation before the EU courts. He has advised clients across a broad range of industries including TMT, pharmaceuticals, energy and mining, financial services, transport and consumer goods. Kyriakos works closely with the Herbert Smith Freehills network to provide advice on multi-jurisdictional transactions and investigations.

Kyriakos brings particular expertise through his former positions as a European Commission official at DG Competition's Merger Task Force (2001-2004) and as a R f rendaire (legal assistant) in the cabinet of the President of the General Court of the EU (2004-2006). While at the Commission, he dealt with high-profile merger transactions (including appeals before the EU courts) and was part of the team that drafted the current Merger Regulation and accompanying notices. He is vice co-chair of the IBA Antitrust Committee and actively speaks and writes about competition law, is co-editor of the mergers chapter of Jones and Van der Woude's EU Competition Law Handbook, and lectures on merger control as part of the LLM programme at UCL.



**Rachel Bateman**  
Partner, Patent Attorney

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Rachel joined D Young & Co in 2012 with a general chemical background from a first class Chemistry degree at the University of Oxford. Her portfolio covers a wide range of chemical subject-matter including fuel additives, petroleum and natural gas exploration, antibiotics, pharmaceuticals, polymers, pigments, dyes, food technology, semiconductors, medical devices and nanotechnology.

Rachel's day-to-day work includes drafting patent applications, coordinating multi-territory prosecution, handling EPO opposition and appeal cases, as well as preparing freedom-to-operate opinions for pharma generics or innovators. She has experience arguing before the EPO Opposition Divisions and Appeal Boards and has been involved in several important cases in the areas of fuel additives, medical devices and pharmaceuticals. Rachel has a keen interest in the unitary patent and Unified Patent Court and has published commentary in publications such as the Financial Times: <https://dycip.com/reb-upc-ft>. She is a lead member of D Young & Co's unitary patent and Unified Patent Court committee.

Rachel has received numerous accolades throughout her career, including the Gibbs prize for final exam results from the University of Oxford, the GlaxoSmithKline prize for patents from Queen Mary University of London and CIPA's Ballantyne prize for top marks in UK finals.

Rachel has been recommended for her services by Legal 500 and ranked as a "notable practitioner" by IPSTARS (Managing IP).



**Jonathan DeVile**  
Partner, Patent Attorney

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Jonathan has gained extensive experience in drafting and obtaining patent applications worldwide, as well as in contentious issues including litigation, oppositions, strategic assistance on infringement, licensing issues and due diligence matters. Jonathan specialises in the fields of electronics, software and telecommunications engineering, Internet protocols and applications, image and signal processing, and mobile communications. Jonathan is using his position as Chair of the Partnership to ensure that D Young & Co and its clients are ready for the unitary patent and Unified Patent Court.

Jonathan joined D Young & Co in 1999 and became a partner in 2002 following in-house experience in electronics and communications. Before joining D Young & Co, Jonathan worked at Roke Manor Research as a research engineer from 1990 to 1994, and then as a patent engineer for Siemens UK and Siemens AG Munich from 1995 to 1999, where he worked on a range of technologies and qualified as a UK and European patent attorney. After graduating from University of Manchester Jonathan worked in industry before returning to do a PhD.

Chambers describes Jonathan as "a talented patent attorney who works extensively for the Sony group of companies, and draws on his expertise in the electronics field to provide an 'absolutely top-notch' service to his clients".



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# EU Competition Rules for Vertical Agreements and IPR issues

November 2022

Kyriakos Fountoukakos, Managing Partner Brussels



# EU Competition Rules for Vertical Agreements (1)

## Rules in the EU are very specific and complex

- General competition law provision prohibits anti-competitive agreements (Art 101(1) TFEU)
- Article 101(3) TFEU provides a legal exception to the prohibition for agreements that bring consumer benefits that outweigh the anticompetitive effects provided the restrictions are indispensable and competition is not eliminated.
- Vertical block exemption regulation (VABER) provides automatic exemption under Article 101(3) for vertical agreements that meet the conditions set out in the VABER:
  - Vertical agreement as defined in the VABER
  - Parties' market shares do not exceed 30%
  - Agreement does not contain hardcore restrictions listed in the VABER
  - Excluded restrictions not covered
- Detailed vertical agreements Guidelines expand on provisions in the VABER and assessment of agreements outside its scope

## EU Competition Rules for Vertical Agreements (2)

- Hardcore restrictions are mainly about RPM, territorial restraints, restrictions on online sales
- Focus on territorial restraints:
  - Market integration objective of EU law
  - Active sales / passive sales restrictions
  - Online sales restrictions
  - Geoblocking for online sales



### Interplay with IPRs

- IPRs confer an exclusive right of exploitation on the owner who is protected from competition by others – inherent tension with competition law
- IPRs are not immune from competition law intervention
- Potential anti-competitive provisions in licensing agreements

## VABER – Territorial and customer restrictions

- Restriction of the territory into which or the customers to whom the buyer may sell the contract goods or services is a hardcore restriction under the VABER
- VABER sets out the hardcore and permitted territorial and customer restrictions for each type of distribution agreement:
  - exclusive distribution (including shared exclusivity of up to 5 distributors per exclusive territory or customer group)
  - selective distribution
  - free distribution
- Distinction between **active sales** (actively approaching individual customers) which in principle can be restricted to protect exclusive or selective distributors and **passive sales** (responding to unsolicited requests from individual customers) – in principle cannot be restricted (except to unauthorised distributors)
- Active sales restrictions can also be passed on to the buyer's direct customers

# IPRs and territorial restrictions

- IPRs do not override prohibition on territorial restrictions

## Doctrine of exhaustion of rights:

- IPR holder has exclusive right to be the first to put a product on the market in the EEA
  - Once a product is on the market, the right is deemed “exhausted” in the EEA
- 
- IPR owner cannot prevent trade in goods that have been put on the market in the EEA with its consent
  - Put on the market must involve sale in the EEA
  - Rights exhausted once sold, even if onward sale is in breach of contractual restriction
  - Exception to exhaustion in the event there are “legitimate reasons” for opposing further commercialisation



EEA includes 30 countries (EFTA countries in darker green)

# IPRs – Merchandising agreements

- Combine licensing of IPRs and distribution agreements
- Not different from normal distribution agreements and use of IPRs cannot justify restrictions on cross-border sales imposed on the distributors

## NIKE

€12.5 million fine for banning traders from selling licensed merchandise outside their allocated territories

## SANRIO

€6.2 million fine for restricting cross-border sales in the EU of its Hello Kitty merchandising products

## UNIVERSAL STUDIOS

€14.3 million fine imposed for restricting traders from selling licensed merchandise within the EEA to territories and customers beyond those allocated to them



**Nike** prevented many of its licensees from selling these branded products in a different country leading to less choice and higher prices for consumers. This is illegal under EU antitrust rules. Today's decision makes sure that retailers and consumers can take full advantage of one of the main benefits of the Single Market: the ability to shop around Europe for a larger variety of products and for the best deals.

Margrethe Vestager, [Press Release 25 March 2019](#)

This is the third decision dealing with sales restrictions on licensed products sold across Europe. **Universal's** strategy to prevent traders from selling licensed products across customer groups and countries is against EU antitrust rules. Such sales restrictions undermine the very foundations of the EU Single Market and cannot be tolerated.

Margrethe Vestager, [Press Release 30 January 2020](#)



# IPRs – Performance copyright licensing

Performance copyrights often licensed on a territorial basis



## CJEU ruling in *Murphy* (satellite broadcasting)

- exclusive licencing on a territorial basis is lawful
- but absolute territorial restriction on decoder device sales to other territories was not lawful
- absolute restriction on cross-border competition is a hardcore restriction, can be justified on efficiency grounds, but very difficult to defend



## EU Commission *Pay-TV* investigation/settlement

- audiovisual content typically licensed by US film studios to a single pay-TV broadcaster in each Member State, broadcasters were required to block access to consumers outside their licensed territory
- Commission concerns over passive sales ban, resulting in absolute territorial protection
- parties offered commitments, removing passive sales restrictions in their agreements (subsequently annulled on procedural grounds)

## VABER – Online sales restrictions



### **New hardcore restriction in Article 4(e) VABER:**

The prevention of the [effective use of the internet](#) by the buyer or its customers to sell the contract goods or services, without prejudice to the possibility of imposing on the buyer:

- other restrictions of online sales that affect “how” products are sold; or
  - restrictions of online advertising that do not have the object of preventing the use of an entire online advertising channel
- 
- Guidelines set out framework for assessment of online sales restrictions
  - [Dual pricing](#) can benefit from the safe harbour, provided its object is to incentivise or reward the appropriate level of investment made online and offline
  - In the context of a selective distribution system the criteria imposed by suppliers in relation to online sales no longer have to [be overall equivalent](#) to the criteria imposed on brick-and-mortar shops, as both channels are inherently different in nature
  - New guidance on assessing restrictions on the use of online marketplaces and price comparison websites

## VABER – Online intermediation services

- Definition of online intermediation services (Article 1(1)(e) VABER)
- Examples:



**e-commerce marketplaces**



**price comparison tools**



**app stores**



**social media services used by undertakings**

- Providers of online intermediation services are treated as 'suppliers' (Article 1(1)(d) VABER)
- Act as independent operators and can therefore in principle not qualify as agents for the purpose of Article 101(1) TFEU
- Market share calculated on relevant market for provision of online intermediation services
- Hybrid online intermediation services providers do not benefit from the VABER – but absent restrictions by object or significant market power not an enforcement priority (paragraph 109 Guidelines)
  - ↳ Contrast with UK where hybrid online intermediation services providers can benefit from UK VABEO



## VABER – Dual distribution

- Supplier sells through independent distributors and also directly at retail level in competition with its distributors
- Safe harbour for dual distribution – exception to the rule that VABER does not apply to vertical agreements between competing undertakings
- Information exchange only exempt if:
  - Directly related to the implementation of the vertical agreement, and
  - Necessary to improve production or distribution of contract goods or services
- Guidelines provide examples of information exchanges that are or are not likely to meet the test

## VABER – Resale price maintenance

- Resale price maintenance remains a hardcore restriction under Article 4(a) VABER
- Minimum advertised prices (MAPs) treated as RPM but Article 101(3) TFEU conditions may be met, e.g. where used to prevent a particular distributor from using the product as a loss-leader
- Fulfilment contracts are not treated as RPM provided the undertaking that provides the fulfilment services is selected by the supplier
- Expanded guidance on potential efficiencies for RPM, e.g. to prevent the product being used as loss-leader or to protect high-service retailers from free-riding by others



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**Questions?**



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## Speaker



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