

SHIMOKAJI INTELLECTUAL PROPERTY NEWS

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USPTO ISSUES NEW GUIDELINES ON WHAT IS PATENTABLE SUBJECT MATTER - SUCH AS SOFTWARE PATENTS

Last month, the USPTO issued supplemental guidelines for examiners in determining whether a patent claim constitutes patentable subject matter. The guidelines follow the US Supreme Court decision in *Alice* that found a software patent invalid.

The USPTO says the guidelines do not have the force of law, and the failure to follow the guidelines is not a basis for appeal.

The guidelines reiterate the two step analysis from *Alice*, with the second step including two sub-steps.

The first step asks whether the claim is a process, machine, article of manufacture, or composition of matter. If "no", then there is no patent eligible subject matter. If "yes", then the second step must be answered.

The second step is the focus of the new guidelines. The second step (sub-step one) asks whether the claim is directed to a judicial exception - a law of nature, natural phenomenon, or abstract idea. If "no", then there is patent eligible subject matter. If "yes", then sub-step two must be answered.

The second step (sub-step two) asks whether the claim recites elements that are significantly more than the judicial exception. If "no", then there is no patent eligible subject matter. If "yes", there is patent eligible subject matter.

"Directed To" - some of the points in the guidelines state:

- the judicial exceptions can fall under multiple exceptions, but the analysis need only include one exception
- a claim that recites a nature-based product limitation that does not exhibit markedly different characteristics from its naturally occurring counterpart is a product of nature exception
- when a nature based product is produced by multiple components, the marked different characteristics analysis should be applied to the whole product, not the individual components.

"Significantly More" - the guidelines seem to merely provide examples of what the courts have found to be and not be significant. Examples of a "claim as a whole" being significantly more include:

- improvements to the functioning of a computer
- adding unconventional steps that confine the claim to particular application
- limitations that go beyond just linking them to a particular technology environment

The guidelines state that, if rejected, the examiner needs to explain why the added limitations do not amount to "significantly more."

COMMENT:

Since the guidelines seem to significantly rely on court decisions to interpret the two step analysis, it is questionable what additional value the guidelines provide to patentees in drafting claims or persuading a judge why there is "significantly more".

How Much Copyright Does an Actor Have in a Film?

Actors can have small, but significant parts in a film. Does that make the actor a joint author of the entire film? Does it make the actor a copyright holder of something less than the entire film?

In *Garcia v. Google*, the Ninth Circuit said, for now, that the actor has a copyright to less than the whole film. In *Garcia*, an actor had a small role in a film she thought was entitled "Desert Warrior". The actor did not sign a work for hire or other agreement concerning copyright. The film turned out to be an anti-Islamic film that found its way to YouTube. After the actor started receiving death threats, she asked YouTube (i.e., Google) to remove the film.

In order for the actor to force YouTube to take down the film, the actor had to establish a copyright interest.

The Ninth Circuit found that the actor could have a copyright interest in the actor's contribution to the film, though not to the whole film. However, the entire Ninth Circuit panel will be reviewing that decision by the judges.

Garcia found the opposite to what the Second Circuit earlier found in *16 Casa Duse, LLC v. Merkin*.

COMMENT:

If the Ninth Circuit affirms the initial decision, it will be interesting to see how much leverage an actor will have over the production of the entire film. Perhaps, many instances will result in the actor's contribution being cut from the final film. Or, perhaps more care will be taken in obtaining a work for hire agreement.

Using the International Trade Commission for Trademark Infringement

Patent owners have been using the ITC for the past decade to stop infringement by foreign companies, such as those in Asia. Will trademark owners now take greater advantage of the ITC to prevent infringement?

Late last year, Converse filed 22 lawsuits against 31 defendants in NY for trademark infringement of the Converse toe cap and toe bumper designs. The Converse "Star" trademark is not at issue.

Some of the alleged infringing products include Ralph Lauren's "Ranell", Ed Hardy's "Men's Dakota", Tory Burch's "Benjamin", Brian Lichtenberg's "Homies" and Dioniso SRL's "Black Vintage Swarovski Converse".

The lawsuits were initiated, apparently after sending about 120 cease and desist letters to infringers.

Converse did not stop with 22 lawsuits. They filed a complaint with the ITC, with the respondents/defendants being those named in the lawsuits, including a handful of Chinese companies.

COMMENT:

Concurrent ITC and district court proceedings is a commonly used strategy. The ITC can provide speedy injunctive relief (i.e., exclusion order preventing the importation of goods), but not monetary relief. The latter can be provided by a district court.

Also, an ITC proceeding can make it easier to obtain "jurisdiction" over foreign defendants.