

SHIMOKAJI INTELLECTUAL PROPERTY NEWS

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Shimokaji IP specializes in the litigation and registration of patent, trademark, and copyright matters. We serve start-ups, Fortune 100 companies, government entities, and universities. Our expertise and representation extends across the US and throughout Asia.

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NOW EASIER TO OBTAIN DESIGN PATENT PROTECTION OUTSIDE OF THE USA

Previously, US patent design owners who sought protection outside of the US had to file separate applications in separate countries.

Starting in May 2015, US patent design owners will be able to file a single standardized application for coverage in more than 70 foreign countries that are part of the Hague Agreement. Priority can be claimed to earlier filed applications. No longer will it be necessary to hire counsel in separate countries to file separate applications.

The single application can be filed in the US patent office (USPTO). The application will then be sent to the World Intellectual Property Organization (WIPO) where formal requirements are checked. WIPO will then send the application to the foreign countries designated by the patent owner. Each foreign country will have 12 months to refuse the application.

If the patent owner seeks protection in the US, the USPTO will examine the application. That is unlike many foreign countries which do not substantively examine the application.

Unlike prior US requirements, but which is already required in foreign countries, the standardized application will require a description of the "characteristic features" of the design.

The term of registration is 15 years.

COMMENT:

The new process for international registration of design patents is somewhat similar to the international registration of trademarks under the Madrid Agreement. Perhaps the primary benefit for US patent design owners will be the cost reduction and the elimination of a need to coordinate attorneys in multiple countries.

CAN CONTENT PROVIDERS BE LIABLE FOR PATENT INFRINGEMENT?

Content providers often deliver their content via mobile devices but often pay little attention to potential patent infringement issues. Their focus may be on copyright infringement issues. A recent Federal Circuit decision serves to remind content providers of why the potential for patent infringement should not be ignored.

In *Helferich v. The NY Times*, the patents related to wireless communication - some covered the mobile devices themselves and others covered a communication method using the mobile devices. The defendants argued that, under the doctrine of patent exhaustion, the defendants could not be liable for patent infringement because the handset makers had the right to make the devices.

The Federal Circuit pointed out that the handset makers had a right to use the patents under a license that specifically excluded "content providers". The Court explained that patent exhaustion only protects "authorized acquirers". Here, the content providers were not authorized acquirers.

COMMENT:

The takeaway from this case may be that a content provider's potential exposure to patent infringement may depend, in part, on the patent rights of the party to whom the content is being delivered. However, that is not to say that a content provider does not have potential exposure irrespective of the content receiver's potential exposure.

DOES YOUR USE OF A TRADEMARK SATISFY THE REGISTRATION REQUIREMENTS?

When asked if one is currently using their trademark, most will say "yes". But "use" in the trademark context has a specific meaning that many do not appreciate.

Federal law says that, as opposed to a trademark used in connection with goods, a service mark used in connection with services is "used in commerce" when the mark is "used or displayed in the sale or advertising of services" and the services are "rendered in more than one State or in the United States and a foreign country".

In *Couture v. Playdom*, Couture filed a trademark application for PLAYDOM. On the same day, he built a one page website that said "We are proud to offer writing and production services for motion picture film, television, and news media." It also said "Website Under Construction." Two years later, Couture provided his first services under the mark.

The Federal Circuit explained that the offering of services was insufficient to establish a basis for the registration. Services must be actually rendered to support registration.

COMMENT:

Those who are unfamiliar with the trademark registration process frequently say that the forms are on the trademark office website and easy to complete. What many fail to appreciate is the specific meaning of trademark "use". Often, "use" is thought to mean any kind of use, such as in a domain name, but which may or may not constitute trademark "use". Making an incorrect assumption about "use" may lead to a waste in advertising dollars if another has superior rights.

ARE YOUR ADVERTISING BROCHURE IMAGES INFRINGING ANOTHER'S COPYRIGHT?

You search the internet for an image to use in your advertising brochure. You find the perfect image, and believe you are free to use the image. Years later, the author and copyright owner of the image learns of the image being used in your advertising brochure and demands compensation. You have already distributed thousands of copies of the brochure. Now what?

According to the Federal Circuit, you owe a reasonable royalty representing the fair market value of a license for your use of the image.

In *Gaylord v. US*, the Court explained that the reasonable royalty is based on a "hypothetical negotiation" between the parties and "tied to the particular work at issue and its marketplace value." The Court further explained that the "unique features of a particular work (including recognized stature and symbolic value) may be important" in determining the reasonable royalty.

COMMENT:

You now ask how much is a reasonable royalty and what is a hypothetical negotiation. Unfortunately, the answer is usually far from clear.