



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.

Keep in touch! Email us info@shimokaji.com and explore www.shimokaji.com

Conventional Components in Unconventional Distributed Computer Architecture is Patentable

Amdocs owned patents which, according to the Federal Circuit, solved an "accounting and billing problem faced by network service providers." Its next description of the patents portended its conclusion of patentability.

The Federal Circuit explained that the system components were "arrayed in a distributed architecture that minimizes the impact on network and system resources . . . , the system minimizes network impact by collecting and processing data close to its source [and] includes data gathering, filtering, and enhancements that enable load distribution. . . . This allows data to reside close to the information sources, thereby reducing congestion in network bottlenecks, while still allowing data to be accessible from a central location."

Not surprisingly, the Federal Circuit rejected the arguments of the alleged infringer Openet and concluded that the patent's "enhancing limitation necessarily requires that these generic components operate in an unconventional manner to achieve an improvement in computer functionality." The patent involves claim "limitations that when considered individually and as an ordered combination recite an inventive concept through the system's distributed architecture."

COMMENT:

When faced with the typical argument that an invention involves unpatentable steps of "collection, filtering, aggregating and competing", one needs to identify the unique features of the invention that take the unpatentable features into the patentable realm.

US Supreme Court Explains Entitlement to Design Patent Damages

In the ongoing saga between Samsung and Apple, the US Supreme Court addressed Apple's design patents that covered smartphones having a rectangular face with rounded edges.

The Patent Act says that an infringer who sells a patented "article of manufacture" shall be liable "to the extent of his total profit."

The Federal Circuit found that an "article of manufacture" could only be the entire smartphone.

The US Supreme Court disagreed and explained that an "article of manufacture" can be "a thing made by hand or machine." Thus, an "article of manufacture" can be a component of the end product sold to the consumer or the end product itself.

COMMENT:

This rule can significantly diminish the damages recoverable by design patent owners. It remains unclear on when the "article of manufacture" is just a component or the end product.

Abbott Successfully Stops Importation of Gray Market Diabetes Test Strips

Parallel imports aka gray market goods are genuine goods sold abroad by the manufacturer, bought abroad by a third party, and then imported into the US by the third party without authorization by the manufacturer.

Material differences may exist between the US version of the product and the foreign version. US consumers may mistakenly believe that the foreign version is suitable for US consumers. When that confusion occurs, trademark infringement liability for the third party may arise.

Abbott sold its FreeStyle diabetes test strip in the US. H&H imported Abbott's test strips and distributed them to US retailers. The foreign product packaging differed from the US product packaging. Some packaging was not in English. Some packing did not include a US toll-free phone number for complaints.

The Second Circuit rejected H&H's argument of "no confusion" because retailers were sophisticated buyers who knew that the foreign strips were not authorized for sale in the US.

The court preliminarily enjoined H&H from importing and selling the foreign goods.

COMMENT:

Parallel imports are not always unlawful. However, when there are material differences that can cause consumer confusion, the importation may then be unlawful.

Does Your Trademark Meet the Requirement of "In Commerce" Use for Trademark Protection

Adidas sought to cancel a trademark by the Christian Faith Fellowship Church. The mark was ADD A ZERO for apparel. Adidas had a trademark ADIZERO for apparel.

Federal trademark law allows for registration of a mark "used in commerce." That phrase means the "bona fide use of a mark in the ordinary course of a trade, and not made merely to reserve a right in a mark."

The Church obtained a registration based on its sale of two hats to an out of state resident for \$38. Adidas argued that the same did not constitute use in commerce.

The Federal Circuit concluded that the two out-of-state sales constituted "use in commerce." The Church did not have to prove that the sales directly affected commerce. And any alleged de minimis character of the sales was irrelevant.

COMMENT:

Though the decision seems to make it easy for trademark owners to meet the "use in commerce" requirement, other decisions have emphasized the need for some ongoing efforts of use in commerce.

Contact Us

SHIMOKAJI IP
8911 Research Drive
Irvine California 92618 USA
www.shimokaji.com
info@shimokaji.com
949-788-9961