

INTELLECTUAL PROPERTY AND TECHNOLOGY NEWS

Perspectives • Analysis • Visionary Ideas



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MANAGING YOUR IP
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THREE DLA PIPER PARTNERS NAMED AMONG “TOP 250 WOMEN IN IP”

Managing IP has named Ann Ford (Washington, DC), Claudia Frost (Houston) and Lisa Haile (San Diego) to its list of “IP Stars – Top 250 Women in IP.” The publication conducted more than 1,000 interviews and reviewed surveys from law firms to identify top IP lawyers in the US.



Ann Ford
US Chair
Trademark Copyright
and Media
US Vice-Chair, IPT
Partner, Washington, DC
and New York



Claudia Frost
US Co-Chair
Patent Litigation
Partner, Houston



Lisa Haile
Global Co-Chair
Life Sciences Sector
Partner, San Diego

EDITOR'S COLUMN



Darius C. Gambino
Partner, Intellectual
Property and Technology

People always say time flies when you're having fun, and my tenure as editor of the *IPT News* sure seemed to pass by quickly. We saw a lot of activity in the past year – most notably, the implementation of the America Invents Act. Whether the availability of post-grant proceedings will change the landscape of patent enforcement in the US remains to be seen, but with well over 500 post-grant actions filed since inception, it certainly appears litigants are jumping into these proceedings with both feet.

As we explore further in this issue, patent litigation is still the primary choice for enforcement. However, the focus appears to be moving away from Texas and toward Delaware. Who knows? By this time next year, we may be talking about a shift towards the Patent Office.

In addition to our spotlight piece on Delaware, we present our final installment of Trade Dress Watch in this issue, where we examine the very interesting concept of counterfeit trade dress. We also review some recent amendments to Chinese trademark law that could have significant implications for global brand owners. Finally, we spotlight the key IP cases now before the Supreme Court, including *Petrella v. MGM*, dealing with the rights to the movie *Raging Bull*. Although this is a copyright case, the Court may take this opportunity to redefine the doctrine of laches with respect to all types of IP claims, so keep your eye on this one.

Before I move on, I want to introduce the next editor of the *IPT News*, Tom Zutic. I have no doubt that Tom will bring a fresh and innovative voice to the *IPT News* in 2014. Congratulations and good luck, Tom.

I have sincerely enjoyed my time as editor, and I hope you all took something away from each issue this year. I know I learned a few things along the way as well.

Happy holidays to you and your families.

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ERIN GIBSON NAMED 2013-2014 GLOBAL FELLOW

Erin P. Gibson, a patent litigation partner in our San Diego office, has been named a 2013-2014 Global Fellow by the Federal Circuit Bar Association.

Global Fellows are an exclusive group of international IP lawyers who promote a higher level of international IP practice in the global legal community. Every year, only 12 are chosen from the US and 12 from Europe, each of whom must have been in practice for 8 to 15 years, have a strong international focus and have achieved recognition as an emerging leader in the global legal community.

During the year of their fellowship, they come together with leading judges and practitioners from the US and Europe for the Global Fellows Series (in Washington, DC in October 2013, and in Munich in March 2014) to focus on policy issues and practical lessons regarding the patent systems in Europe and the US, enhancing their ability to serve global clients. They also develop enduring professional relationships across international boundaries and legal cultures. In Washington, DC, the Global Fellows met with US Supreme Court Justice Samuel Alito, Federal Circuit Chief Judge Randall R. Rader and leaders from the USPTO and the ITC.

Brian Fogarty, a former Patent Litigation partner at DLA Piper and now Director of Global IP Litigation at Nike, Inc., also was named a Global Fellow.

The Honorable Cathy Ann Bencivengo, United States District Judge for the Southern District of California and a Patent Pilot Program District Judge, as well as former co-chair of Patent Litigation at DLA Piper, also attended the Washington, DC events. All three formerly worked together in DLA Piper's San Diego office.



Erin Gibson, the Honorable Cathy Ann Bencivengo and Brian Fogarty reunite at the Global Fellows program in Washington, DC.

EVERYTHING MATTERS

To some people this phrase sounds like a cliché. But I have always liked this aspect of our firm's global brand philosophy. To me it means dedication to client service – working hard and always bringing to bear our best intelligence, integrity and ingenuity. We cannot always prevail – the world does not work that way. But when you are dedicated, results generally follow.



John Allcock
Partner
Global Co-Chair and
US Chair, Intellectual
Property and Technology

This issue shows how believing everything matters brings results. DLA Piper in general and our group in particular have always dedicated ourselves to promoting women in the profession and in the IP and tech space. Recent examples are the Women in IP Law CLE event, which through the dedication of people like Licia Vaughn has become a signature event in Silicon Valley. Or the recent selection to the top 250 Women in IP law of Ann Ford, Claudia Frost and Lisa Haile. And there are more women in our group who will be named in future years, believe me, many more.

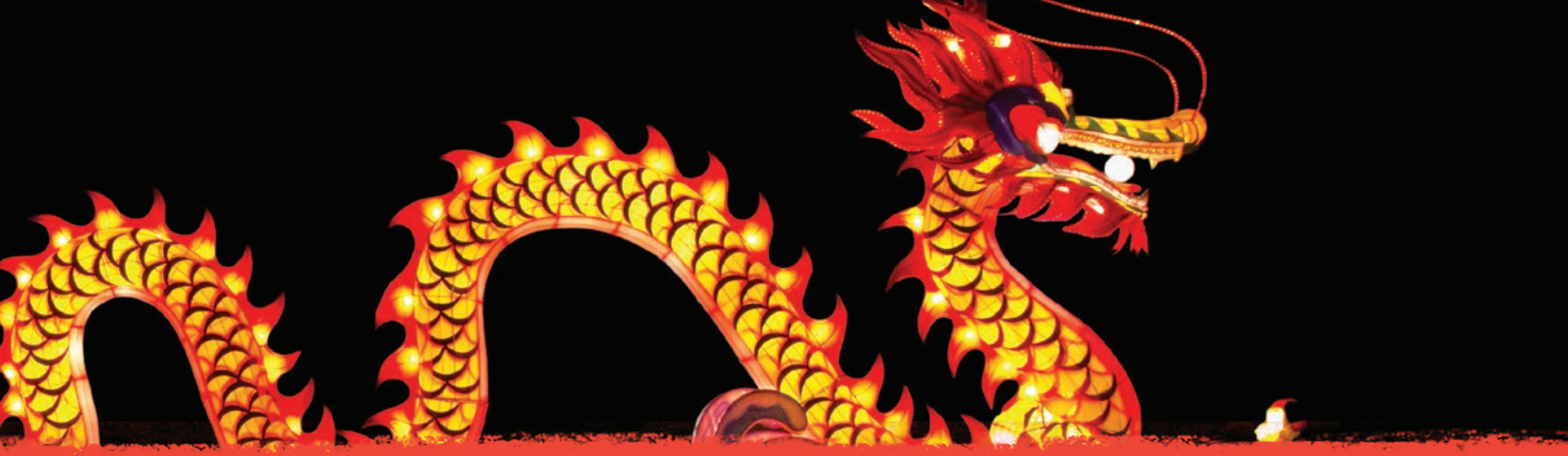
Everything matters to our patent litigation group, which has posted 25 wins out of its last 32 trials and is now ranked 5th by *Corporate Counsel* in number of new filings.

Everything matters to us globally, as shown by the selection as Federal Circuit Bar Association Global Fellows of Erin Gibson (a partner in patent litigation) and two of our alumnae, Brian Fogarty (Nike's global head of IP litigation) and the first chair of our patent litigation group, the Honorable Cathy Ann Bencivengo (now a federal district court judge in San Diego).

Dedication combined with intelligence, skill, integrity and ingenuity can bring great client results. I am pleased to congratulate all the people in our group who follow this principle. And to you, our valued clients, I assure you that when it comes to serving you and your business needs, everything matters.

A handwritten signature in black ink, appearing to read 'John Allcock'.

john.allcock@dlapiper.com



CHINA AMENDS TRADEMARK LAW

PRACTICAL IMPLICATIONS FOR BRAND OWNERS

By Horace Lam and Edward Chatterton

China's eagerly anticipated amendments to its Trademark Law will come into force on May 1, 2014. This gives brand owners just a few months to come to grips with the practical implications of the new law.

KEY AMENDMENTS

NO RIGHT OF APPEAL FOR OPPONENTS

Under the existing law, if an opponent is unsuccessful in opposition proceedings before the Chinese Trade Mark Office (CTMO), it may appeal the decision to the Trademark Review and Adjudication Board (TRAB). However, under perhaps the most far-reaching amendment of the new law, an unsuccessful opponent will no longer be able to appeal the CTMO's decision, but must file a cancellation action at the TRAB. The trademark applicant, on the other hand, will continue to have a right to appeal the CTMO's decision to the TRAB.

An opponent's right of appeal to the TRAB has in practice been of great importance to brand owners because the TRAB typically takes a more nuanced approach than the CTMO. Unfortunately, given the high workload of CTMO examiners, it is not uncommon for errors to be made, resulting in credible oppositions against pirate marks initially being refused.

The rationale behind the removal of an opponent's right to appeal is to speed up the time frame from application to grant of a trademark. This will be welcomed by applicants who have filed an application in good faith. But the downside for victims of trademark piracy is that there may be an intermediary period in which the pirated mark is registered and can be enforced by the pirate against the brand owner.

The practical implication of this amendment is that opposition proceedings will become very much the first and last chance a brand owner has to defeat a trademark pirate – a challenging concept for many Western brand owners.

ONLY "INTERESTED PARTIES" CAN OPPOSE

Under the existing law, anyone can oppose the registration of a trademark. Lengthy opposition proceedings have made it possible for parties to file oppositions for strategic purposes, delaying an application to gain leverage over an applicant. However, under the new law, only the owner of a pre-existing right or an "interested" party can file an opposition. This is a positive amendment for applicants who have filed in good faith.

PRINCIPLES OF "HONESTY" AND "GOOD FAITH"

The new law introduces a requirement that has been long awaited by brand owners who have fallen victim to trademark piracy: all applications must follow principles of "honesty" and "good faith." However, while clearly a step forward in addressing trademark piracy, this new requirement is not listed as a possible ground for opposition, and it is unclear whether the CTMO will be prepared, in practice, to reject a mark when evidence is included in an opposition which shows a mark has not been applied for in accordance with these principles.

HIGHER PENALTIES AGAINST INFRINGERS

Under both the existing and new laws, damages are determined by reference to the actual losses suffered by the trademark owner. When it is not possible to calculate damages this way, they will be calculated on the basis of a reasonable royalty.

Where there is evidence of bad faith by the infringer, or other "serious circumstances" exist, damages can be trebled.

In addition, in an attempt to further decrease infringement, statutory damages of up to circa US\$500,000 can be imposed – a six-fold increase over the current level of statutory damages.



IPT PARTNER HORACE LAM JOINS DLA PIPER'S BEIJING OFFICE TO HEAD CHINA IP PRACTICE

INTRODUCING MULTI-CLASS APPLICATIONS AND E-FILING

The new law introduces the ability for applications to be made electronically and for applicants to file multi-class applications.

E-filing is undoubtedly a welcome change which, it is hoped, will increase the speed and efficiency of the prosecution process. Multi-class filings may, however, be a double-edged sword, and their success may depend on how strictly the “honesty” and “good faith” provisions are enforced. On the one hand, it will increase efficiency and reduce costs in managing a PRC trademark portfolio, making it easier and more cost effective for genuine brand owners to protect their brands. On the other hand, it opens up the possibility for trademark pirates to register more brands in more classes and at a reduced cost.

STREAMLINED TIME FRAME

Currently, prosecuting a “smooth” trademark application in the PRC takes at least 18 months. The new law imposes an array of tighter timing requirements. For instance, the CTMO must complete its examination within nine months, meaning that, provided no oppositions are filed within the three-month opposition period, a mark should proceed to registration in 12 months. Any appeal decision by the TRAB against a refusal by the CTMO to register a mark on either absolute or relative grounds must be given within nine months - historically, this has taken anywhere from 12 to 24 months.

While these strict time limits all look good on paper, it remains to be seen whether the focus on speed will have an adverse impact on the quality of the decisions.

WELCOME AMENDMENTS AND CHALLENGING ONES

In summary, the new law introduces a number of welcome amendments, with the most notable being the introduction of a requirement to file applications in “honesty” and “good faith.” Other amendments may prove challenging. Time will tell how this all works in practice for owners eager to protect their brands in the PRC.

Please read our longer article on this topic at www.dlapiper.com/prc-trademark-law-amendment-10-03-2013/.

Based in Beijing, Horace Lam is an IPT partner and DLA Piper's Head of IP, China. He focuses on both contentious and non-contentious IP. You may reach him at horace.lam@dlapiper.com.

Based in Hong Kong, Edward Chatterton is a foreign legal consultant in the IPT practice who advises businesses on the full range of intellectual property concerns. Reach him at edward.chatterton@dlapiper.com.

In a significant expansion of our China IP practice, partner Horace Lam and four others joined DLA Piper in October. Serving as Head of China IP, Horace is based in our Beijing office.

Before joining DLA Piper, Horace was with Jones Day (also in Beijing) and prior to that was at Hogan Lovells as Head of the China IP practice and Beijing Office Managing Partner.

Practicing in both contentious and non-contentious IP, Horace has extensive experience representing multinationals on all IP issues in China. He has developed and executed IP strategies for Asian business, including pan-Asian protection strategies, cross-border IP litigations, infringement and enforcement. He is experienced in licensing, trademarks, copyrights, patents, confidential information, trade secrets, technology and know-how transfer and design rights.



Horace Lam
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IS DELAWARE THE NEW TEXAS? A NECK-AND-NECK RACE TO THE FINISH

By Denise Seastone Kraft



For at least the past five years, the Eastern District of Texas and the District of Delaware have been favored forums for plaintiffs alleging patent infringement, with the number of patent case filings shooting up sharply in both districts after the enactment of the America Invents Act in September 2011. Together, these two venues account for almost half of all new patent case filings in the US.

Until recently, the Eastern District of Texas was the more popular venue. During 2012, 1,266 patent cases were filed in the Eastern District of Texas, compared to 995 in the District of Delaware. However, the number of patent case filings in Delaware continued to increase in 2013, to the point where more patent cases were filed in the District of Delaware than the Eastern District of Texas through the end of the third quarter for 2013. According to *Docket Navigator*, through September 10, 2013, there were 1,019 patent cases filed in the District of Delaware and 923 filed in the Eastern District of Texas. Yet two months later, the Eastern District of Texas had edged out the District of Delaware, with 1,287 patent cases versus 1,196 in Delaware.

As the two venues continue to ring up patent case filings, many in the patent community will be watching closely through the end of 2013 to see which will finish the year with the most filings. In the meantime, a more immediate question has arisen: What is attracting plaintiffs to file in the District of Delaware in larger numbers than in the past?

The answer is found in the traditional reasons for choosing the District of Delaware as a venue, in addition to recent changes in the procedural handling of cases.

Traditional reasons for choosing the District of Delaware include:

- Experienced judges
- Venue is easy to maintain because cases are rarely transferred and, likewise, motions for summary judgment or to dismiss are rarely granted
- The win rate for patentees is high
- Delaware juries tend to be generous when giving awards

Recent changes in the procedural handling of cases have created additional reasons for choosing the District of Delaware:

- After five years of not having a full bench, Delaware's bench of four judges has now been full for the past two years. Additionally, in 2012, a Magistrate Judge position was added. These changes have led to a significant decrease in the overall time to trial in Delaware. Two years ago, the time to trial stretched to over 30 months because of the judicial vacancies. Based on the most recent Scheduling Orders entered, Delaware is now down to 24 months or less.
- Delaware adopted default discovery standards two years ago aimed at reducing the cost of litigation for all parties. The default discovery standards require disclosure of core technical documents, claim charts, invalidity contentions and invalidating references within 120 days of the scheduling conference. Absent a showing of good cause, discovery is limited to six years pre-complaint, unless related to prior art or "the conception and reduction to practice" of the invention at issue.
- Electronically stored information (ESI) is addressed in default standard guidelines meant to reduce the cost of discovery.
- Delaware has adopted a Default Standard for Access to Source Code to provide for secure access to source code.

- In September 2013, Judge Sue L. Robinson added new language to her standard Scheduling Order intended to give more immediate relief to parties claiming that the early disclosures of core technical documents, claim charts, invalidity contentions and invalidating references are insufficient. She added a requirement for an in-person conference with a Magistrate Judge after these documents have been exchanged. Judge Robinson also added a requirement that no depositions may be taken, other than 30(b)(6) depositions, until paper discovery is completed; no motions to compel or for protective order shall be filed absent prior approval of the court; and all fact witnesses to be called at trial are to be disclosed within one month of the end of expert discovery. These requirements are all clearly directed to reduce and streamline litigation costs. No other judge within the District has formally adopted these procedures, but there is a good possibility that they will in the near future, assuming the procedures prove successful in reducing litigation costs.

There are many reasons to choose the District of Delaware as a patent litigation venue, especially if you are a plaintiff. Recent changes noted above provide some key advantages over many other jurisdictions. When comparing to the Eastern District of Texas, Delaware provides additional security against venue challenges and less frequent grants of summary judgment. Only time will tell whether the Delaware judiciary can keep up with the current rate of patent filings and maintain a 24-month pendency. If it can, filings may continue to increase through the end of the year.

WOMEN IN IP LAW: MANAGING YOUR IP ACROSS BORDERS

by Licia Vaughn

This year, DLA Piper's seventh annual Women in IP Law CLE Luncheon looked at issues around "Managing Your IP Across Borders." The panel particularly focused on rapidly evolving trends in global brand management and managing global patent litigation.

More than 250 guests registered to attend the event at the Four Seasons in Silicon Valley.

Showcasing women as leaders in the IP field, the luncheon promotes skills, networking and mentoring among women in IP law and business. Open to both men and women, it has become a favorite Silicon Valley event.

The attendees, most of whom are leading IP counsel for some of the Bay Area's biggest tech companies, enjoyed a discussion on global IP issues facing multinational companies of all sizes, including managing global patent litigation and trends in global brand management. The event, co-sponsored by the Association of Corporate Counsel and Leading Women in Technology, featured lively panel discussions and audience participation.

After a brief discussion on the most recent US executive directives and Congressional legislation aimed at curbing patent troll lawsuits, DLA Piper partner Julia Schönbohm addressed why Germany is called "the new Eastern District of Texas." German courts, she explained, are highly experienced, handling several hundred cases annually. In German courts, parties may obtain quick injunctions, usually without any court experts. In addition, the cost is relatively low, especially considering there are legally fixed court and opponent's attorneys' fees. As in Texas, German patent courts are known to be patent friendly in considering infringement and they hear validity on a separate, and slower, track.

Panelists next discussed the inconsistency among EU member states' patent laws, plus the variations among member states' national litigation systems and evidentiary rules. Some countries, such as Germany and the Netherlands, have specialized patent courts and streamlined proceedings for patent litigation. The process in France, in contrast, is more ornate, with multiple courts and unique preliminary injunction rules. A case in France often takes several years to conclude.

The situation across the EU is highly variable and can be frustrating, but the panelists noted that an improvement may be in store. The EU's Agreement on the Unified Patent Court will create a specialized patent

court, with exclusive jurisdiction for litigation relating to infringement and validity covering both the "classical" European patents and European patents with unitary effect. The Court of Appeal will be located in Luxembourg.

Regarding global brand management, the panel talked about the value of social media for trademark owners. Social media enhances

the reputation of brand owners and allows them to engage with their relevant audience in real time. The tradeoff is the lack of control: brand owners cannot control every third-party use of their brands on the Internet. Strategic discernment is critical.

In discussing whether use of a logo can be considered "fair use," the panelists discussed case law saying that logo use is not necessary and thus, not fair use, and questioned whether case law is keeping up with our technologically enhanced reality.

The panelists next examined the best practices companies can follow for expanding their brands into new countries, noting that sophisticated markets are ripe for expansion.

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This year's panelists were Cynthia Bright, Associate General Counsel, IP Litigation and Public Policy, **Hewlett-Packard Company**; Christine Kao, Business and Platform Policy Associate, **Twitter**; Vicki Pederson, Vice President, Legal Affairs, **Jamba Juice Company**; and Saria Tseng, Vice President and General Counsel, **Monolithic Power Systems, Inc.** Panelists from DLA Piper included Heather Dunn (San Francisco), Gina Durham (Chicago and San Francisco), Claudia Frost (Houston) and Dr. Julia Schönbohm (Frankfurt). Licia Vaughn (San Diego), Director of DLA Piper's Intellectual Property and Technology group, led the program.
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Among these practices:

- Conduct clearance on availability of the mark for use and registration in-country
- Expand first where you are doing business and where your company facility is officed
- Focus on countries where piracy is a concern
- Consider adopting and registering transliterations of your main brand in Chinese, Hangul and Arabic
- Carefully vet your international partners

Finally, the panelists looked at the differences between national protection and the Madrid Protocol. The Protocol offers certain advantages – among them, a single-application filed with a central agency in a single language – French or English; a single central fee payment, single renewal documents, single registration number and ability to file at once in many countries. However, it also presents disadvantages: the possibility of central attack, restrictions on assignability and, for US owners, limited goods or service descriptions.

Find out more about this globally focused event here: www.dlapiper.com/files/upload/Women-in-IPLaw-CLE-Materials.pdf

Licia Vaughn is the Director of Intellectual Property and Technology at DLA Piper. She practices IP litigation and functions as the practice group manager for the IPT practice in the US. Reach her at licia.vaughn@dlapiper.com.



Guests enjoyed a luncheon while hearing from the panel on “Managing Your IP Across Borders”



Far right: Saria Tseng, Vice President and General Counsel, Monolithic Power Systems, Inc., speaks on managing global patent litigation; seated next to her is Vicki Pederson, Vice President, Legal Affairs, Jamba Juice Company



Licia Vaughn, Christine Kao, Saria Tseng, Julia Schönbohm; Cynthia Bright, Gina Durham, Claudia Frost and Heather Dunn



Attendees network during the Women in IP Law CLE luncheon

INNOVATIVE STRATEGIES IN INTERNATIONAL PATENT LAW

DLA Piper patent partners from France, Germany, Australia and the UK met with clients in our San Diego office to discuss innovative strategies companies are using to protect their patents. Ex parte raids, temporary restraining orders, seizure of goods and pan-European infringement remedies were just a few of the strategies discussed.



Jean-Christophe Tristant (Paris); Julia Schönbohm (Frankfurt); Nick Tyacke (Sydney); Adam Cooke (London)

TOP RANKING

DLA Piper is ranked fifth among the top law firms representing America’s Fortune 500 companies in patent prosecution and among the top firms representing the Fortune 500 in IP litigation – *Corporate Counsel* “Who Represents America’s Biggest Companies” (2013)

A CASE FOR COUNTERFEIT TRADE DRESS

By Gina Durham

Can a product which imitates the look and feel of another product, but does not use the trademarked brand name, still be considered a “counterfeit” product under United States law? Owners of popular brands (like Louis Vuitton and Tiffany) are well acquainted with the counterfeiters’ practice of applying their brand name or logo to fake goods, and often respond with a claim pursuant to Section 32 of the Lanham Act alleging use of a “counterfeit mark.”

What is less clear is whether a counterfeit claim under Section 32 will be successful if the alleged “counterfeit mark” is trade dress, rather than a word mark or a well known logo mark.

WHAT DOES “COUNTERFEIT MARK” MEAN UNDER THE STATUTE?

The Lanham Act defines a “counterfeit mark” as “a counterfeit of a mark that is registered on the Principal Register in the United States Patent and Trademark Office for such goods or services sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered.” If a company has registered its trade dress, such trade dress is a “mark that is registered on the Principal Register...” Accordingly, pursuant to the plain language of the Lanham Act, a potential defendant’s products which imitate a company’s registered trade dress also bear a “counterfeit mark,” thus providing the registered trade dress owner with the basis for a counterfeiting claim.

WHY WOULD A TRADE DRESS OWNER WANT TO ALLEGE A COUNTERFEITING CLAIM?

While allegations of “counterfeiting” are often duplicative of routine trademark infringement claims in the US, alleging a more specific counterfeiting claim does have its advantages. Additional remedies are available against counterfeiters, including the ability to collect statutory damages of up to US\$2 million (pursuant to Section 35(c) of the Lanham Act). Routine trademark infringement cases, in contrast, do not allow for the collection of statutory damages. In addition, ex parte seizure orders under Section 34(d) of the Lanham Act are only allowed when the defendant is involved in counterfeiting.

ARE OTHERS DOING IT AND HOW ARE THE COURTS TREATING THESE CLAIMS?

In the US, trade dress litigation appears to be increasing. For trade dress owners that have been savvy enough to seek the appropriate federal registrations in advance, we expect this trend will be followed by an increase in specific trade dress counterfeiting claims.

However, case law with substantive discussion regarding counterfeit trade dress claims still is rather sparse. Some decisions seem to implicitly acknowledge that a cause of action for counterfeit trade dress exists, and others have granted statutory damages where trade dress registrations are at issue but are combined with other counts involving traditional registered trademarks. See, e.g., *Victorinox AG v. U.S. Flash & Technologies LLC*, 2010 WL 5691991 (S.D.N.Y. Oct. 21, 2010) (awarding US\$600,000 in statutory damages relating to the sale of counterfeit versions of the Victorinox “SwissFlash” Swiss Army tool).

ARE THERE ANY PITFALLS TO ALLEGING COUNTERFEIT TRADE DRESS?

Given the potential benefits of a counterfeit claim, particularly in terms of access to statutory damages, trade dress owners should give serious consideration to strategic registration of trade dress. Registration leaves open the possibility of alleging trade dress counterfeiting claims in both pre-litigation demands and in any ensuing litigation matters.

This is not to say that counterfeiting allegations should become boilerplate in all trade dress infringement pleadings. For example, including a counterfeiting claim may heighten the risk of an assessment of attorney’s fees under Section 35(a) of the Lanham Act (if the trade dress owner does not ultimately prevail in the action), although this risk is the same for traditional trademark litigation. See Senate-House Joint Explanatory Statement on Trademark Counterfeiting Legislation, 130 Cong. Rec. H12076, at 12038 (Oct. 10 1984). In addition, trade dress owners should use caution in seeking ex parte seizure orders under Section 34(d) of the Lanham Act, due to the risks associated with wrongful seizure claims.

In sum, with the recent uptick in trade dress infringement claims, we can expect to see many more trade dress counterfeiting claims than in the past. In this evolving landscape, brand owners should consider registering their primary trade dress as part of a comprehensive brand strategy, to keep counterfeiting claims and statutory damages viable as remedies.

Gina Durham, co-chair of the US Social Media group, has led brand protection efforts for some of the most well-known companies in the world. She is based in Chicago and San Francisco. Reach her at gina.durham@dlapiper.com.



SUPREME COURT CORNER

Petrella v. Metro-Goldwyn-Mayer Inc.

Copyright: Status: cert. granted

Issue: Is the equitable defense of laches available in a copyright claim filed within the Copyright Act's three-year statute of limitations?

Petrella owns the rights to the screenplay for *Raging Bull*, and brought a copyright suit against MGM in 2009 for its ongoing reproduction, marketing and distribution of the 1980 movie based on her father's 1963 screenplay. Though Petrella only sought damages within the three-year statute of limitations prescribed by the Copyright Act, the Central District of California found Petrella's suit was barred by laches, i.e., that she had unreasonably delayed her case. The Ninth Circuit affirmed.

Petrella argues a Circuit split: (1) the Ninth Circuit applies a presumption in favor of laches when any infringement occurred outside the three-year limitation; (2) the Fourth, Eleventh and Second Circuits hold that laches cannot bar relief from infringement occurring within the statutory limitations period; (3) the Sixth and Tenth Circuits strongly disfavor laches in light of the statutorily mandated limitations period. MGM argues the Circuits are not split; instead, each trial court exercised its discretion under different facts resulting in disparate holdings. The Court may narrow its holding to the copyright context; however, the Court could also speak broadly about when laches is applicable to a cause of action with a statute of limitations.

Limelight Networks, Inc. v. Akamai Techs., Inc., and Akamai Techs., Inc. v. Limelight Networks, Inc.

Patent: Status: certs. pending

Issues: Does liability for indirect infringement under section 271(b) require a finding of direct infringement by a single entity? And may a party be liable for direct infringement under section 271(a), and accordingly indirect infringement under section 271(b), when two or more entities join to satisfy each limitation of a patent claim?

Akamai accused Limelight of infringing a patented method claim. Limelight performed each claimed method step except one, which Limelight's customers performed. The lower court found no direct infringement because Limelight did not direct its customers to perform the missing step. The district court could not find the claim indirectly infringed because it did not find that Limelight had directly infringed. The Federal Circuit initially affirmed.

Upon rehearing *en banc*, the Federal Circuit reversed and remanded, asking whether Limelight was liable as an *indirect* infringer for inducing its customers to perform the missing step. The court said Limelight would be liable for indirect infringement under section 271(b) if: (1) it knew of the patent; (2) it performed all but one of the steps; (3) it induced its customers to perform the missing step that it did not perform; and (4) its customers in fact performed that step. A party can be liable for indirect infringement when all steps of a claimed method are performed, but such liability does not require that a single party perform each claimed step.

Limelight argues for a stricter standard: that a party may be liable for induced infringement only if it, by itself, satisfies each limitation. Akamai urges a looser view: there is no basis to restrict direct infringement to require one entity to satisfy each limitation. Akamai also argues the Federal Circuit's imposition of agency requirement "is a significant restriction on the broader control or direction standard."

Pom Wonderful LLC v. The Coca-Cola Co.

Trademark: Status: cert. granted

Issue: Can a private party bring a Lanham Act claim challenging a product label regulated under the Food, Drug, and Cosmetic Act?

Pom brought a Lanham Act challenge against Coca-Cola alleging its "Pomegranate Blueberry" juice misleads customers, containing only 0.3 percent pomegranate and 0.2 percent blueberry juice. The Lanham Act permits challenges to misleading labeling on any goods or service to curb unfair competition. Also, the Food, Drug, and Cosmetic Act (FDCA) regulates beverage labeling and FDA regulations promulgated thereunder govern juice labeling. The parties agree that the "Pomegranate Blueberry" label meets FDA requirements.

The Ninth Circuit affirmed the lower court dismissal of Pom's Lanham Act challenge, finding FDA regulations authorize the label. Pom argues the Ninth Circuit found the FDCA to implicitly displace the Lanham Act with regard to beverage labeling; and the decision conflicts with precedent in the Third, Eighth and Tenth Circuits. Coca-Cola argues there is no circuit split and that the Ninth Circuit did not create a blanket pre-emption, but found a label specifically authorized by the FDA is not subject to a Lanham Act challenge.

Medtronic, Inc. v. Boston Scientific

Patent: Argument: November 5, 2013

Issue: Does a patent licensee seeking declaratory judgment (DJ) bear the burden to prove non-infringement?

In 1991, Medtronic entered into a patent licensing agreement allowing (1) the patent-holder to request licensing fees for any new Medtronic products covered by the patents; and (2) Medtronic to challenge new product infringement via a declaratory judgment action without terminating the license. Medtronic exercised this provision in 2007.

The Federal Circuit found the trial court incorrectly placed burden of proof for infringement on the DJ-defendant (the patent holder) and not on the DJ-plaintiff (the alleged infringer). Though infringement is normally proven by the patent holder, the Federal Circuit found Medtronic must prove non-infringement because it is seeking relief. Medtronic argues this undercuts *MedImmune v. Genentech*. *MedImmune*, however, did not address the burden of proof in such a DJ action. Amicus briefs were filed by the US and legal scholars in support of Medtronic, arguing that the burden of proof normally rests with the patent holder and that public interest and case management favor the burden remaining that way.

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