Intellectual Property

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I. INTRODUCTION

This Article surveys case law developments in the area of intellectual property, including patents, copyrights, and trademarks, relevant to Georgia during the period from January 1, 2005 to December 31, 2005. Intellectual property law comprises several discrete yet overlapping areas of law. The four primary areas of intellectual property law are patent law, trademark law, copyright law, and trade secret law.[1] Because patent law and copyright law are provided for in the United States Constitution,[2] these cases are based on federal law and are litigated in federal courts. Trademark law and trade secret law have both federal[3] and state aspects, and the cases regarding these areas are

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1. Some secondary areas that will not be surveyed in this Article include trade dress and know-how. Further, as most precedential decisions are under federal law, this Article will not include cases from the state courts.

2. Article 1, Section 8, Clause 8 of the United States Constitution provides, that "The Congress shall have Power . . . 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." U.S. CONST. art. I, § 8, cl. 1, 8. Authors and Writings refer to copyright, and Inventors and Discoveries refer to patent.

3. Article 1, Section 8, Clause 3 of the United States Constitution is the Commerce Clause, which forms the constitutional basis for federal trademark and unfair competition legislation, and provides, that "The Congress shall have Power . . . To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes." U.S. CONST. art. I, § 8, cl. 1, 3.

based on federal or state law. However, the more interesting cases often are litigated in the United States federal courts.

The authors have not attempted to include all cases that touch upon intellectual property, but instead have selected decisions that are of more significance or interest, or that may indicate a particular direction in these areas of law. While the cited cases often have multiple issues, the authors have reported only on the more relevant or interesting intellectual property issues. As such, this Article will focus on developments selected from the federal courts that are controlling or binding on Georgia federal courts.

II. PATENT CASES

A. *Claim Construction*

Patent claims, at least in the United States, are usually in the form of a series of numbered expressions that follow the description of the invention in a patent or patent application. Patent claims define, in technical or scientific terms coupled with legal terms, the protection conferred by a patent and are often paramount in both examination proceedings and in litigation.

In cases involving patent infringement, the claims must first be construed to determine the metes and bounds of the patent, that is, the scope of coverage or protection of the patent.[4] Patent claims are construed using a number of factors, and a patent applicant can be her own lexicographer by defining terms in the patent, or by looking to the prosecution history of the patent application in the United States Patent and Trademark Office (the "USPTO"). As will be seen, claims construction has been a dynamic area over the last year.

For example, in *Phillips v. AWH Corp.*,[5] the United States Court of Appeals for the Federal Circuit, in an en banc decision, redefined the law of claims interpretation to focus more on intrinsic evidence than on extrinsic evidence.[6] The patent-in-suit was directed to "vandalism-resistant walls," and the main claim recited the limitation "internal steel baffles," which the district court and the three judge panel of the Federal Circuit interpreted to mean baffles (for deflecting bullets) at an angle other than ninety degrees.[7] In reversing this claim interpretation, the

4. Markman v. Westview Instruments, 517 U.S. 370, 373 (1996) (quoting McClain v. Ortmayer, 141 U.S. 419, 424 (1891)).

5. 415 F.3d 1303 (Fed. Cir. 2005).

6. *Id.* at 1317, 1319.

7. *Id.* at 1309-10.

en banc Federal Circuit stated that the claims should be construed as understood by a person with ordinary skill in the art of the patent application itself.[8] From the patent specification, the court found that the term would have been interpreted as a baffle at any angle, including ninety degrees.[9]

In redefining claim interpretation, the Federal Circuit rejected the approach used in *Texas Digital Systems v. Telegenix*[10] and its progeny.[11] The court noted that the *Texas Digital* approach relied "too much . . . on extrinsic sources such as dictionaries, treatises, and encyclopedias and too little on intrinsic sources, in particular the specification and prosecution history."[12] The court further noted that the *Texas Digital* approach "focus[ed] the inquiry on the abstract meaning of words rather than on the meaning of claim terms within the context of the patent," which resulted in an abstraction.[13] Specifically, extensive reliance on extrinsic evidence in claim construction divorces the meaning of the claim elements from what the claim means to one of ordinary skill in the art.[14]

By shifting the focus of claim interpretation to intrinsic evidence, the specification and the prosecution history became paramount.[15] In fact, the court noted that under 35 U.S.C. § 112,[16] the specification should guide claim construction because section 112 provides a "statutory directive that the inventor provide a 'full' and 'exact' description of the claimed invention. . . ."[17] Further, the court indicated that a focus on intrinsic evidence can help prevent the importation of unclaimed elements into the claims.[18] In the end, the court understood and recognized that "there will still remain some cases in which it will be hard to determine whether a person of skill in the art would understand the embodiments to define the outer limits of the claim term or merely to be exemplary in nature."[19]

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8. *Id.* at 1326-27.
9. *Id.* at 1327.
10. 308 F.3d 1193 (Fed. Cir. 2002).
11. *Phillips,* 415 F.3d at 1320.
12. *Id.*
13. *Id.* at 1321.
14. *Id.*
15. *See id.* at 1319, 1323.
16. 35 U.S.C. § 112 (2000).
17. *Phillips,* 415 F.3d at 1316.
18. *See id.* at 1321.
19. *Id.* at 1323.

In *Norian Corp. v. Stryker Corp.*,[20] the Federal Circuit held that while the word "'a' generally means 'one or more' in open-ended claims containing the transitional phrase 'comprising,' . . . [the] general rule does not apply when the specification or the prosecution history shows that the term was used in its singular sense."[21] Specifically, the term "a sodium phosphate" in the patent claim[22] for a kit for preparing calcium phosphate compositions to be used as "bone cements" was construed by the district court as limited to a single sodium phosphate and not other phosphates.[23] The court found that such a narrow claim construction was supported by three factors: (1) the claim was amended to use the closed transitional phrase "consisting of" from the open ended "comprising"; (2) the listed examples in the specification used multiple types of sodium phosphate and did not disclose other non-sodium phosphates or multiple phosphates; and (3) "[t]he prosecuting attorney advised the examiner that the amendment 'limit[ed] the claimed kit to one in which the solution is made of water and a single solute, where the solute is either a sodium phosphate or a sodium carbonate, which solute is completely dissolved in the water.'"[24] In its decision, the court noted that the patentee would have used the "at least one" language, as the patentee did with other elements in the claim, if the claim was intended to cover a kit with more than one type of sodium phosphate.[25]

In *LizardTech, Inc. v. Earth Resource Mapping, Inc.*,[26] the Federal Circuit held that a single embodiment of the invention included in the patent specification may not always support a generic claim construction under which an entire genus of the invention would be protected.[27] In a patent directed to a seamless wavelet transform ("DWT") for allowing digital images to be greatly compressed with very little loss of information, the relevant claims in suit were directed to the general element of a seamless DWT without any limitation to how the seamless DWT was

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20. 432 F.3d 1356 (Fed. Cir. 2005).

21. *Id.* at 1359 (citing Elkay Mfg. Co. v. Ebco Mfg. Co., 192 F.3d 973, 977-79 (Fed. Cir. 1999)).

22. The claim in the patent-in-suit provides:

> A kit for preparing a calcium phosphate mineral, said kit consisting of: at least one calcium source and at least one phosphoric acid source free of uncombined water as dry ingredients; and a solution consisting of water and a sodium phosphate, where the concentration of said sodium phosphate in said water ranges from 0.01 to 2.0 M and said solution has a pH in the range of about 6 to 11.

Id. at 1357.

23. *Id.* at 1357-58.

24. *Id.* at 1360 (emphasis omitted).

25. *Id.* at 1359.

26. 424 F.3d 1336 (Fed. Cir. 2005).

27. *See id.* at 1342-43.

achieved.[28] The specification of the patent disclosed a single embodiment in which the seamless DWT was achieved via maintaining updated sums, while the defendant was using an alternative process to achieve a seamless DWT that did not involve maintaining updated sums.[29] The court held that the relevant claims could not be construed generically beyond the disclosed embodiment as "a person of skill in the art would not understand how to make a seamless DWT generically and would not understand LizardTech to have invented a method for making a seamless DWT, except by 'maintaining updating sums of DWT coefficients.'"[30]

In *Tap Pharmaceutical Products, Inc. v. OWL Pharmaceuticals, L.L.C.*,[31] the Federal Circuit held that statements made during the prosecution of a foreign patent application for the same invention may not create estoppel in the United States.[32] The claims of the patent-in-suit were directed to a compound "comprising a copolymer . . . of lactic acid and . . . of glycolic acid," which the defendants contended only covered copolymers produced from lactic acid and glyocolic acid as starting materials.[33] In construing the claims to encompass copolymers "produced by any method," the court found that the specification disclosed the copolymer broadly, even though the specification only provided examples of copolymers made from lactic and glycolic acid.[34] Further, the Federal Circuit dismissed the patentee's statement made during the prosecution of a related European patent application in the European Patent Office that the invention did not include compounds from lactide and glycolide, noting that the patentee did not make these statements in front of the USPTO.[35]

From these representative cases, it can be seen that the Federal Circuit is relying more now than before on the patent specification to interpret the breadth and scope of the claims. It is becoming even more imperative for the patent practitioner to include as many possible alternatives for the invention elements as possible, or at least disclose the invention in the broadest language possible when drafting a patent application.

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28. *Id.* at 1337-38.
29. *Id.* at 1340-41.
30. *Id.* at 1345. The court also noted that a generic claim was not adequately disclosed under 35 U.S.C. § 112. *Id.* at 1344-45.
31. 419 F.3d 1346 (Fed. Cir. 2005).
32. *See id.* at 1350-51.
33. *Id.* at 1349.
34. *Id.* (noting U.S. Patent No. 4,728,721 (issued Mar. 1, 1988)).
35. *Id.* at 1350.

B. Standing for Declaratory Judgments

A declaratory judgment is a judgment issued by a court in a civil action that declares the rights and obligations of a party in a dispute. However, a declaratory judgment does not result in any award of damages to any party to the case; rather, a declaratory judgment typically is requested when a party is threatened with a lawsuit, but the threatened lawsuit has not been filed. In patent cases, a declaratory judgment usually is ordered to declare that a patent is invalid or not infringed by the requesting party.

Because federal courts cannot grant advisory opinions under Article III of the United States Constitution,[36] an actual case or controversy, that is, standing, must exist to obtain a declaratory judgment. Over the last year, there have been several cases examining the standing issue for issuing a declaratory judgment in the patent context.[37] Not surprisingly, the United States Supreme Court now has agreed to examine the issue of declaratory judgments in the patent setting.[38]

In *Teva Pharmaceuticals USA, Inc. v. Pfizer Inc.*,[39] the Federal Circuit held that the Orange Book[40] does not itself create standing for a generic drug manufacturer to obtain a declaratory judgment.[41] Teva Pharmaceuticals USA, Inc. ("Teva"), a manufacturer of generic drugs, filed an Abbreviated New Drug Application ("ANDA") seeking approval to market a generic version of Pfizer, Inc.'s drug Zoloft® (sertraline hydrochloride), used for treating depression.[42] After filing a Paragraph IV certification[43] against one of the Orange Book patents, Teva sought a declaratory judgment that the patent at issue was invalid.[44] In this case, Pfizer never threatened Teva with litigation, but Pfizer did file an infringement action against the previous ANDA filer, Ivax Pharmaceuti-

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36. U.S. CONST. art. III, § 2, cl. 1.

37. *See, e.g.,* Teva Pharm. USA, Inc. v. Pfizer, Inc., 395 F.3d 1324 (Fed. Cir. 2005); MedImmune, Inc. v. Centocor, Inc., 409 F.3d 1376 (Fed. Cir. 2005).

38. *MedImmune, Inc.,* 2006 U.S. LEXIS 1134, at *1.

39. 395 F.3d 1324 (Fed. Cir. 2005).

40. The Orange Book is published by the United States Food and Drug Administration, and it identifies approved drug products, their therapeutic equivalence evaluations, and the patents protecting those products. U.S. Dep't of Health & Human Serv., Food & Drug Admin., APPROVED DRUG PRODUCTS WITH THERAPEUTIC EQUIVALENCE EVALUATIONS (26th ed. 2006).

41. *See Teva Pharm.,* 395 F.3d at 1333 (stating that "Teva's reliance on Pfizer's listing of the '699 patent in the Orange Book is misplaced.").

42. *Id.* at 1326, 1329.

43. A paragraph IV certification is a certification that a patent is invalid or uninfringed by the generic drug in the ANDA.

44. *Teva Pharm.,* 395 F.3d at 1327.

cals USA, Inc.[45] That action eventually settled with Ivax receiving a royalty license.[46] Teva took the position that Pfizer would sue Teva upon the marketing of a generic version of Zoloft® and that Teva needed a judgment on the validity of the patent at issue to move forward in marketing a generic version.[47] The Federal Circuit disagreed and held that Pfizer's compliance with the Hatch-Waxman listing requirement should not be construed as a blanket threat to potential infringers.[48] Finally, the court dismissed the action for lack of standing without a determination of whether the patent at issue was valid.[49]

In *MedImmune, Inc. v. Centocor, Inc.*,[50] the Federal Circuit held that a non-infringing patent licensee lacks standing for obtaining a declaratory judgment of patent invalidity.[51] Centocor was an exclusive licensee of a patent directed to lymphocytic cells that produce chimeric immunoglobulins, which it sublicensed to MedImmune.[52] After Centocor refused to terminate the contract, MedImmune brought an action for a declaratory judgment that it was not infringing the patent.[53]

Because *Gen-Probe, Inc. v. Vysis, Inc.*[54] clearly established that a licensee in good standing does not have standing to obtain a declaratory judgment of patent invalidity,[55] MedImmune asked the court to overrule this precedent as it created an untenable choice between paying a royalty on a suspect patent or engaging in litigation risks.[56] In

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45. Pfizer sued Ivax Pharmaceuticals USA, Inc. ("Ivax") for filing an ANDA with a paragraph IV certification for the '699 patent. This suit was settled out of court, and the parties entered into a settlement agreement in which Pfizer agreed to grant Ivax a royalty-bearing license on the '699 patent until its expiration in 2010. With this agreement in place, Ivax appears to be entitled to a 180-day generic market exclusivity period for a generic version of the listed drug Zoloft® after United States Patent No. 4,536,518 expires on June 20, 2006. In an interesting twist, Teva recently acquired Ivax and can now take advantage of this settlement agreement. *Id.* at 1329-30.

46. 395 F.3d at 1330.

47. *See id.* at 1332.

48. *See id.* at 1333.

49. *Id.* at 1338.

50. 409 F.3d 1376 (Fed. Cir. 2005).

51. *See id.* at 1378-79.

52. *Id.* at 1377-78.

53. *Id.* at 1378-79 (noting the district court dismissed the case for lack of an actual controversy).

54. 359 F.3d 1376 (Fed. Cir. 2004).

55. *MedImmune*, 409 F.3d at 1379 (stating that "in *Gen-Probe*, we considered the case of a licensee in good standing who sought a declaratory judgment that it was not infringing the licensed patent, and that the licensed patent was invalid . . . [and] . . . we determined that the license, 'unless materially breached, obliterated any reasonable apprehension of a lawsuit.'") (quoting *Gen-Probe*, 359 F.3d at 1381).

56. *Id.* at 1381-82.

response to this argument (that *Gen-Probe* created a "Hobson's choice" with respect to the licensee), the court stated that the previous precedent did not create this choice but rather Article III of the Constitution.[57]

In *MedImmune, Inc. v. Genentech, Inc.*,[58] which has been granted certiorari by the Supreme Court,[59] the Federal Circuit again held that a licensee in good standing cannot obtain a declaratory judgment of patent invalidity with respect to the licensed patent even if the patent is entangled with separate legal issues.[60] MedImmune filed a lawsuit that, *inter alia*, alleged antitrust violations that arose from a collusive settlement agreement of a patent interference proceeding.[61] MedImmune also requested a declaratory judgment that the patent was invalid for inequitable conduct that occurred before the USPTO in settling the patent interference proceeding.[62] To complicate matters, MedImmune was a licensee in good standing of the patent because it was paying royalties on the patent irrespective of the ongoing litigation.[63]

In holding that MedImmune could not challenge the validity of the patent, the Federal Circuit mechanically applied *MedImmune, Inc. v. Centocor* and *Gen-Probe, Inc. v. Vysis*, *Inc.*, and accordingly, held that MedImmune, as a licensee in good standing and not in reasonable apprehension of suit, could not bring a declaratory action to challenge the patent in question.[64] Again, the Federal Circuit stressed that MedImmune must materially breach its license to create a case under Article III.[65] Further, the court noted that the involvement of the patent in question in a separate controversy did not provide a jurisdictional basis for a declaratory judgment action.[66] The Supreme Court has now granted certiorari to decide whether Article III's grant of jurisdiction of "all Cases . . . arising under . . . the Laws of the United States,"[67] as implemented in the "actual controversy" requirement of the Declaratory Judgment Act, 28 U.S.C. § 2201(a),[68] requires a patent licensee to refuse to pay royalties and thus commit a material breach of

57. *Id.* at 1382.
58. 427 F.3d 958 (Fed. Cir. 2005).
59. MedImmune, Inc. v. Genentech, Inc., No. 05-608, 2006 U.S. LEXIS 1134, at *1 (U.S. Feb. 21, 2006).
60. *See Genentech*, 427 F.3d at 964-68.
61. *Id.* at 965.
62. *Id.* at 961.
63. *Id.* at 962.
64. 427 F.3d at 963.
65. *Id.*
66. *See id.* at 968.
67. U.S. CONST. art. III, § 2, cl. 1.
68. 28 U.S.C. § 2201(a) (2000).

the license agreement before being able to sue to declare the patent invalid, unenforceable, or not infringed.[69]

A common theme throughout the declaratory judgment cases is the court's maintaining of the general rule that a patent licensee must breach the license before it has standing to request a declaratory judgment of patent invalidity. Typically, a licensee will deposit the unpaid license royalties in an escrow account to create the breach and to mitigate the damages.

C. Invalidation

Patent invalidity is a powerful counterclaim or defense to patent infringement. A patent may be invalid for numerous technical and substantive reasons. In three instructive cases in 2005, the Federal Circuit addressed several of these reasons, including the issues of the indefiniteness[70] of a claim for a system having a method element,[71] the on-sale bar[72] in the context of a joint research agreement,[73] and the amount of evidence needed to support an experimental use defense to a "public use" bar.[74]

First, in *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*,[75] the Federal Circuit held that a system claim, having a method step, is, under 35 U.S.C. § 112, invalid as indefinite.[76] In that suit, IPXL sued Amazon, alleging that Amazon's "one-click" purchasing system infringed several claims of IPXL's patent at issue.[77] After affirming the district court's finding that most of the patent claims were invalid as anticipated by the prior act, the Federal Circuit held that one claim was indefinite under 35 U.S.C. § 112 because it included limitations directed to both a system and a method for using that system.[78] Specifically, Claim 25 was directed to a "system" in which, *inter alia*, "the user *uses* the input means to either change the predicted transaction information or accept

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69. *MedImmune, Inc.*, 2006 U.S. LEXIS 1134, at *1.

70. A claim that is indefinite under 35 U.S.C. § 112 (2000) is invalid.

71. *See* IPXL Holdings, L.L.C. v. Amazon.com, Inc., 430 F.3d 1377 (Fed. Cir. 2005).

72. The on-sale bar of 35 U.S.C. § 102(b) (2000 & Supp. III 2003) is triggered if the invention is both (1) the subject of a commercial offer for sale not primarily for experimental purposes, and (2) ready for patenting. Pfaff v. Wells Elecs., Inc., 525 U.S. 55, 67 (1998). Ready for patenting means either that the invention was reduced to practice or that enabling disclosures existed. *Id.* at 67-68.

73. *See* Enzo Biochem, Inc. v. Gen-Probe, Inc., 424 F.3d 1276 (Fed. Cir. 2005).

74. *See* Lisle Corp. v. A.J. Mfg. Co., 398 F.3d 1306 (Fed. Cir. 2005).

75. 430 F.3d 1377 (Fed. Cir. 2005).

76. *Id.* at 1384.

77. *Id.* at 1378.

78. *Id.* at 1380, 1384 (affirming the invalidity of Claims 1, 2, 9 and 15).

the displayed transaction. . . ."[79] Accordingly, Claim 25 was held to be indefinite and invalid because it was not clear whether the claim was directed to a method or a system.[80]

Second, in *Enzo Biochem, Inc. v. Gen-Probe, Inc.*,[81] the Federal Circuit held that a commercial offer for sale of an invention to a joint researcher prior to the critical date triggers the one-year bar and invalidates the patent-in-suit.[82] In this case, the patent holder, Enzo, entered into a joint research agreement with Ortho Diagnostic Systems ("Ortho") to develop a human diagnostic product using Enzo's nucleic acid probe for *Neisseria gonorrhoeae.*[83] The Enzo-Ortho joint research and funding agreement, which was executed more than one year prior to the filing of a patent application on the probe,[84] stated, *inter alia*, that "ENZO shall supply to ORTHO and ORTHO shall purchase from ENZO for use in Licensed Products no less than ninety percent (90%) of ORTHO's United States requirements or seventy-five percent (75%) of ORTHO's worldwide requirements" of the probe.[85] As the *Neisseria gonorrhoeae* probe was ready for patenting, that is, it was fully invented enough to prepare a patent application on, the Federal Circuit held that the Enzo-Ortho agreement was a commercial offer for sale between unrelated parties, as opposed to an agreement merely for experimental use, and invalidated the patent-in-suit.[86]

Third, in *Lisle Corp. v. A.J. Manufacturing Co.*,[87] the Federal Circuit held that a patentee need only provide "evidence" of experimental use to rebut a prima facie case of public use and defeat the invalidation of the patent-in-suit.[88] Despite Lisle providing its prototype of an improved automobile steering repair tool to various repair shops without a formal confidentiality agreement over thirty months prior to filing the patent application, the Federal Circuit upheld the jury's findings that the repair

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79. *Id.* at 1384 (emphasis added). The term "uses" is related to a method claim. *See id.*

80. *Id.* at 1384.

81. 424 F.3d 1276 (Fed. Cir. 2005).

82. *Id.* at 1282.

83. *Id.* at 1279.

84. 35 U.S.C. § 102(b) provides that a person shall be entitled to a patent unless, *inter alia*, the invention was on sale in this country more than one year prior to the date of the application for patent in the United States. Judicial precedent has established a two-prong test for the application of the on-sale bar: first, the product must be the subject of a commercial offer for sale; and second, the invention must be ready for patenting. *Enzo Biochem*, 424 F.3d at 1281 (quoting *Pfaff,* 525 U.S. at 67).

85. *Enzo Biochem*, 424 F.3d at 1279.

86. *See id.* at 1285, 1286.

87. 398 F.3d 1306 (Fed. Cir. 2005).

88. *Id.* at 1316-17.

shops' use of the device was "experimental."[89] If the circuit court had held otherwise, the court would have negated the patentability of the invention based on a "public use."[90] To counter A.J.'s attempt to show the invention was for public use, Lisle relied on the testimony of a coinventor who stated that Lisle had contacted the repair shop mechanics every two to four weeks to receive testing feedback; that the device was modified in design during this time; and that Lisle had prior working relationships with those mechanics.[91] Accordingly, the court held that no legal error existed in a jury instruction that only required Lisle to proffer "evidence" of experimental use.[92]

D. Procedures

Aside from substantive issues of patent law, in 2005 the Federal Circuit also has resolved several procedural issues that directly affect patent enforcement. Often the Federal Circuit generates precedents in patent cases that bind district courts throughout the country on procedural issues.

For example, in *Symbol Technologies, Inc. v. Lemelson*,[93] the Federal Circuit held that filing continuation applications[94] with previously allowed claims for the purpose of delaying their issuance is an abuse of the patent system and triggers the doctrine of prosecution laches.[95] Using a system of filing patent applications with previously allowed claims, Lemelson, a pioneer in identification bar code technology and an icon to patent practitioners, was able to keep alive patent applications with priority dates back to 1954.[96] Concluding that Lemelson had abused the patent system and that prosecution laches applied to the patent-in-suit, the court then noted that patent applications should be "permitted to issue when they have been allowed and the statutory requirements complied with."[97] While the court did not explicitly define

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89. *Id.* at 1315.
90. *See id.*
91. *Id.*
92. *Id.* at 1316-17 (noting that a review without deference to the disctrict court may not have the same result).
93. 422 F.3d 1378 (Fed. Cir. 2005).
94. A "continuation application" is a patent application filed by an applicant pursuing additional claims to an invention disclosed in an earlier application that has not yet been issued or abandoned. Continuation applications often use the same specification as the pending parent application and maintain any date priority claims of the original patent application.
95. *Symbol Tech.*, 422 F.3d at 1385.
96. *Id.* at 1382.
97. *Id.* at 1386.

the standard for prosecution laches, the court noted that prosecution laches would not ordinarily be triggered by the four "legitimate grounds" for filing a continuation application.[98] Those grounds are: (1) filing a divisional application in response to a restriction requirement, even when the divisional application is filed just before the parent application issues; (2) refiling rejected claims in order to present newly found evidence of unexpected advantage; (3) filing a continuation to support broader claims; and (4) refiling claims for other reasons that are "not unduly successive or repetitive."[99] However, an "18 to 39 year delay in filing and prosecuting the asserted claims" was held to trigger the doctrine of prosecution laches.[100]

In *Pandrol USA, LP v. Airboss Railway Products, Inc.*,[101] the Federal Circuit held that an inventor of the patent-in-suit can be barred from testifying on behalf of the alleged infringer.[102] The alleged infringer, Airboss, wanted to have one of the inventors of the patent-in-suit testify in support of Airboss's position that the patent-in-suit was invalid.[103] In denying Airboss's request, the Federal Circuit held that the doctrine of assignor estoppel, which is an equitable doctrine that prevents one who has assigned the rights to a patent (or patent application) from later contending that what was assigned is a nullity, estopped or barred the inventor from testifying that the patent was invalid.[104]

In *NTP, Inc. v. Research In Motion, Ltd.*,[105] the Federal Circuit held that infringement under section 271(a) of the Patent Act[106] can apply even if one or more of the limitations of the patent claims are practiced outside of the United States.[107] Research In Motion, Ltd. ("RIM"), a

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98. *Id.* at 1385.

99. *Id.*

100. *Id.* at 1382 (citing Symbol Tech., Inc. v. Lemelson Med., Educ. & Research Found., 301 F. Supp. 2d 1147, 1156 (D. Nev. 2004)).

101. 424 F.3d 1161 (Fed. Cir. 2005).

102. *Id.* at 1166-67.

103. *Id.*

104. *Id.*

105. 418 F.3d 1282 (Fed. Cir. 2005). The Federal Circuit revised its earlier opinion after Research in Motion petitioned for an en banc hearing. *See* NTP, Inc. v. Research in Motion, Ltd., 392 F.3d 1336, 1370 (Fed. Cir. 2004) (holding that the infringement under section 271 could occur where limitations were performed abroad if the "control and beneficial use" was in the United States) (citing Decca Ltd. v. United States, 544 F.2d 1070, 1083 (Ct. Cl. 1976)).

106. 35 U.S.C. § 271(a) (2000 & Supp. 2003) (providing that "whoever without authority makes, uses, offers to sell, or sells any patented invention, *within the United States* or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.") (emphasis added).

107. *NTP*, 418 F.3d at 1316-17.

Canadian company that provides the BlackBerry® e-mail system and devices, was allegedly infringing a series of patents, which included both method and system claims.[108] While the technical details for integrating the e-mail systems are very complex, the very simple version is that some of the elements of the BlackBerry® system are outside of the United States.[109] Based on a grammatical reading of the clause "within the United States" in section 271(a) of the Patent Act, the Federal Circuit held that finding infringement in cases where elements of the claimed invention are abroad is dependant on the type of infringing act (use or sale) and the type of claims (method claims or systems claims).[110] Specifically, the court found that a system claim could be infringed by "use" if the "place where control of the system is exercised and [the] beneficial use of the system" are in the United States, even if the element itself is not in the United States.[111] However, the court held that a method or process could be infringed by "use" only if each element was practiced in the United States.[112] Accordingly, the court found that certain patents, particularly those with system claims, were infringed by RIM.[113]

In *Mercexchange v. EBay, Inc.*,[114] which is now on appeal to the Supreme Court, the Federal Circuit held that a patent holder is entitled to a permanent injunction after a finding of infringement, outside of exceptional circumstances.[115] After a jury trial and the determination that EBay willfully infringed Mercexchange's patents relating to a fixed-price purchasing feature on auction sites, the district court did not issue a permanent injunction, reasoning that Mercexchange's willingness to license, failure to practice its patents, and the general validity questions concerning business method patents weighed against the finding of any presumption that Mercexchange would suffer irreparable harm without an injunction.[116] In holding that the district court abused its discre-

108. *Id.* at 1287-89.

109. *Id.* at 1291, 1314.

110. *Id.* at 1318-20.

111. *Id.* at 1317 (discussing the infringement of a system where a component is practiced abroad).

112. *Id.* at 1317-18 (discussing the infringement of a system) and 1322 (discussing the infringement of a method where a step is practiced abroad).

113. *Id.* at 1317, 1325-26. This case settled in early 2006 with RIM paying NTP more than $600 million. Interestingly, while the court was threatening issuing an injunction against RIM for infringing the patents, the USPTO initially found the patents invalid during a contemporaneous reissue proceeding.

114. 401 F.3d 1323 (Fed. Cir. 2005).

115. *Id.* at 1339.

116. *Id.* at 1338-39.

tion by not granting the permanent injunction, the Federal Circuit noted that the district court failed to provide any reason why "this case is sufficiently exceptional to justify the denial of a permanent injunction."[117] Further, the court noted that the statutory right to exclude the statutory right to an injunction applied to the patentee, whether the patentee chose to "practice [the] patents" to license them, and that any additional leverage in licensing from the injunction was a "natural consequence" of the right to exclude.[118]

E. Patent and Antitrust

In *Independent Ink, Inc. v. Illinois Tool Works, Inc.*,[119] the Federal Circuit held that the possession of a patent used in a tying agreement between the patented product and an unpatented product creates a rebuttable presumption of market power.[120] Illinois Tool Works, Inc. ("ITW") was sued by an ink manufacturer on the allegation that ITW engaged in an illegal tying and monopolization violation under the Sherman Act[121] by licensing its patented printheads only "when used in combination with ink and ink supply systems supplied" by its subsidiary, Trident.[122] Following a "long history" of Supreme Court precedents (and noting that maybe the law should be changed), the Federal Circuit held that a patent presumptively defined the relevant market as the nationwide market for the patented product itself, that is, the printheads, and created a presumption of market power within that market.[123] As such, ITW had the difficult burden of rebutting the presumptions, which it could not overcome on the record.[124] Accordingly, summary judgment for ITW was reversed and the case was remanded to "permit [ITW] an opportunity to supplement the summary judgment record with evidence that may rebut the presumption."[125] The Supreme Court granted certiorari[126] to decide whether a patent creates a rebuttable presumption of market power in a Sherman Act tying case,

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117. *Id.* at 1339.
118. *Id.*
119. 396 F.3d 1342 (Fed. Cir. 2005).
120. *Id.* at 1344, 1351-53.
121. 15 U.S.C. §§ 1-7 (2000 & Supp. III 2003).
122. *Indep. Ink*, 396 F.3d at 1345.
123. *Id.* at 1346, 1348, 1349, 1351 (citing United States v. Loew's, Inc., 371 U.S. 38 (1962); *see also id.* at 1351 (noting that it is the responsibility of the Congress or the Supreme Court to change the law).
124. *Id.* at 1352-53.
125. *Id.* at 1353.
126. The Supreme Court granted certiorari in *Illinois Tool Works, Inc. v. Independent Ink, Inc.,* 125 S. Ct. 2937 (2005).

and in early 2006 decided "no," a patent does not create a presumption of market power.[127]

In *Schering-Plough Corp. v. Federal Trade Commission*,[128] the Eleventh Circuit Court of Appeals, which includes Georgia, rejected both a per se analysis and a rule of reason approach to evaluating the anticompetitive effect of the settlement of a patent infringement suit.[129] Schering-Plough Corp. ("Schering") settled a patent infringement action with a generic drug maker over the patented blood pressure drug, K-Dur #20®, by paying the generic company to suspend research, development, and marketing of the patented compound for a period of time.[130] The FTC issued a cease-and-desist order to Schering, alleging that the settlement was a per se restraint of trade.[131] In rejecting a per se analysis and rule of reason analysis as inappropriate in evaluating patent infringement settlements,[132] the Eleventh Circuit held that, because patents are inherently exclusionary, such settlements should be analyzed under *Valley Drug Co. v. Geneva Pharmaceuticals, Inc.*[133] by evaluating "(1) the scope of the exclusionary potential of the patent; (2) the extent to which the agreements exceed that scope; and (3) the resulting anticompetitive effects."[134] As such, the Eleventh Circuit vacated the FTC's cease-and-desist order because it was based on a per se analysis.[135]

F. Miscellaneous

In *Merck KGaA v. Integra Lifesciences I, Ltd.*,[136] the Supreme Court held that the safe harbor provision provided by 35 U.S.C. § 271(e)(1)[137] exempts the use of patented inventions in preclinical testing used to

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127. Ill. Tool Works, Inc. v. Indep. Ink, Inc., 126 S. Ct. 1281, 1284 (2006).

128. 402 F.3d 1056 (11th Cir. 2005).

129. *Id.* at 1065-66.

130. *See id.* at 1059. "The companies negotiated a three-part license deal [involving a different drug manufactured by the generic drug maker], which called for Schering to pay (1) $60 million in initial royalty fees; (2) $10 million in milestone royalty payments; and (3) 10% or 15% royalties on sales." *Id.* at 1060. The present value of that drug was between $225-265 million. *Id.*

131. *Id.* at 1061.

132. *Id.* at 1065; *see also id.* at 1076. "Simply because a brand-name pharmaceutical company holding a patent paid its generic competitor money cannot be the sole basis for a violation of antitrust law." *Id.*

133. 344 F.3d 1294, 1312 (11th Cir. 2003).

134. *Schering Plough*, 402 F.3d at 1066 (citing *Valley Drug Co.*, 344 F.3d at 1312).

135. *See id.* at 1076.

136. 125 S. Ct. 2372 (2005).

137. 35 U.S.C. § 271(e)(1) (2000 & Supp. III 2003) (section concerning the Food, Drug, and Cosmetic Act ("FDCA"), which regulates, *inter alia*, the marketing of drugs).

support the filing of a new drug application ("NDA") with the Food and Drug Administration ("FDA"), even if the specific results of the testing are not actually submitted with the NDA.[138] The Court held that this exemption from infringement extends to all uses of patented inventions that are "reasonably related" to the development and submission of any information under the Federal Food, Drug and Cosmetic Act ("FDCA"), and that this exception necessarily extends to "(1) experimentation on drugs that are not ultimately the subject of an FDA submission or (2) [the] use of patented [inventions] in experiments that are not ultimately submitted to the FDA."[139] However, the Court noted in dicta that "[b]asic scientific research on a particular compound, performed without the intent to develop a particular drug or a reasonable belief that the compound will cause the sort of physiological effect the researcher intends to induce, is . . . not 'reasonably related to the development and submission of information' to the FDA."[140]

In *Ultra-Precision Manufacturing, Ltd. v. Ford Motor Co.,*[141] the Federal Circuit held that a state unjust enrichment claim relating to a disclosed invention is precluded by federal patent laws.[142] In this case, Ultra-Precision disclosed an engineering design for a noise reducer to Ford without a confidentiality agreement in place.[143] After Ford began selling the design, Ultra-Precision sued Ford, alleging it was entitled to part of the savings from the invention based on the Michigan state law for unjust enrichment.[144] The court held that, while Congress did not explicitly preempt or intend to usurp the entire field of unjust enrichment, applying state law to afford "'patent-like protection' to discoveries unprotected under federal patent law" was in direct conflict with federal patent laws.[145] As such, the unjust enrichment theory proffered by Ultra-Precision was preempted because it had "the potential to take aim at the federal scheme."[146]

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138. *Merck*, 125 S. Ct. at 2380-83.
139. *Id.* at 2382-83.
140. *Id.* at 2382.
141. 411 F.3d 1369 (Fed. Cir. 2005).
142. *Id.* at 1380-82.
143. *Id.* at 1371-72.
144. *Id.* at 1372-75.
145. *Id.* at 1377-78 (citing Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 156 (1989)) (noting that the policy of the federal patent laws is to preclude obtaining a royalty-like award on a discovery that is not patented).
146. *Id.* at 1382.

III. TRADEMARK CASES

Federal case law controlling Georgia for trademark law essentially comes from the Eleventh Circuit and the United States Supreme Court. In this period, three interesting cases in the field of trademark law were decided by the Eleventh Circuit and the federal district courts in Georgia.

First, in *Unique Sports Products, Inc. v. Babolat VS*,[147] the District Court for the Northern District of Georgia denied summary judgment in a trademark infringement action brought by Unique Sports Products, Inc. ("Unique").[148] This trademark infringement action pertained to the trademark LIGHT BLUE for overgrips, which were well known throughout the tennis industry.[149] In denying summary judgment to the defendants, the district court held, *inter alia*, that (1) there were fact issues as to whether color was functional, and therefore not subject to trademark protection, and, if not functional, whether the LIGHT BLUE trademark had acquired secondary meaning; (2) there was an insufficient showing supporting the allegation that Unique had obtained the LIGHT BLUE trademark by fraud; and (3) there were fact issues as to whether there was a likelihood of confusion, which is required for an infringement claim.[150] Thus, although this case had promising issues, none were decided. Hopefully, we will see some results in 2006 to report in the next installment of this Article.

In *Go Medical Industries Pty, Ltd. v. Inmed Corp.*,[151] the Northern District of Georgia vacated a jury award of over $64 million[152] that was granted in a trademark infringement[153] verdict.[154] On review, the court held that royalties awarded by a jury in a trademark action are subject to the court's exercise of equitable discretion under the Lanham Act, 15 U.S.C. § 1117(a).[155] The court noted that it could

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147. 403 F. Supp. 2d 1229 (N.D. Ga. 2005).

148. *Id.* at 1231, 1238, 1245-46.

149. *Id.* at 1231-33.

150. *Id.* at 1234-43.

151. No. 1:01-CV-313-TWI, 2005 U.S. Dist. LEXIS 19588 (N.D. Ga. Jan. 25, 2005).

152. *Id.* at *2-*3. The jury found in favor of the plaintiffs for $6,156,571 on a breach of contract claim, $3,873,236 for unjust enrichment, and $19,000,000 in punitive damages. On the trademark infringement claim, the jury found in favor of the plaintiffs for the sum of $2,672,419 as a reasonable royalty and $32,265,634 for unjust enrichment. *Id.* at *8.

153. The case also included patent infringement claims and contract claims, but the patent claims were dismissed on summary judgment. *Id.* at *7.

154. *Id.* at *2-*3.

155. 15 U.S.C. § 1117(a) (2000 & Supp. III 2003); *Go Medical,* 2005 U.S. Dist. LEXIS 19588, at *16-*22.

enter judgment based on "the circumstances of the case, for any sum *above* the amount found as actual damages, [but] not exceeding three times such amount."[156] The court also found that "although reasonable royalties [were] generally considered in some cases to reflect actual damages, the royalties awarded at trial were, for all practical purposes, a recovery based on profits" because they were based on a "hypothetical royalty rate."[157] The court noted that the plaintiffs in this case "did not present any evidence other than speculation and conjecture that use of [its] name was a substantial contributing factor to the [d]efendants' sales of the product."[158] Ultimately, the court reduced the award of damages for trademark infringement to those more similar to damages for breach of contract claims, noting that the plaintiffs did not even take their own mark seriously.[159]

IV. COPYRIGHT

Copyright law is exclusively federal law. The Supreme Court issued one opinion on a case involving copyright issues, which affects the entire country.[160] However, the Eleventh Circuit and the district courts in Georgia had a particularly active docket of cases involving copyright issues.[161]

First, in *Metro-Goldwyn-Meyer Studio, Inc. v. Grokster Ltd.*,[162] the Supreme Court unanimously held that peer-to-peer ("P2P") file-sharing software developers may be liable for contributory and vicarious liability in connection with the unauthorized sharing of movies and music by computer users using their products, even if their products have non-infringing uses.[163] Grokster distributes free software that allows computer users to share electronic files through P2P networks without

156. *Go Medical,* 2005 U.S. Dist. LEXIS 19588, at *17-*18 (quoting Lanham Act, 15 U.S.C. § 1117(a)).

157. *Id.* at *19.

158. *Id.* at *16.

159. *Id.* at *22, *33-*34, *37. The court stated, "If the Plaintiffs were seriously concerned about exploitation of the O'Neil name, they could have applied for injunctive relief immediately after termination of the agreement." *Id.* at *22.

160. *See* Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd., 125 S. Ct. 2764 (2005).

161. *See* Hines v. Dean, No. 1:02-CV-3390-MHS, 2005 WL 3159074 (N.D. Ga. Nov. 28, 2005); HGI Asociates, Inc. v. Wetmore Printing Co., 427 F.3d 867 (11th Cir. 2005); Maverick Boat Co. v. American Marine Holdings, Inc., 418 F.3d 1186 (11th Cir. 2005).

162. 125 S. Ct. 2764 (2005).

163. *Id.* at 2770-82.

using central servers.[164] Grokster generates revenue by selling advertising that it distributes as the software is used by the peers.[165]

While the district court and the Ninth Circuit granted summary judgment for Grokster, determining that its product was capable of substantial non-infringing uses,[166] the Supreme Court found that Grokster's affirmative steps to induce infringement notwithstanding any non-infringing uses rendered Grokster liable for copyright infringement.[167] Specifically, the Court distinguished the present case with the well–known precedent of *Sony Corp. of America v. Universal City Studios, Inc.*[168] In that case, the product (the Sony videocassette recorder) was primarily for the lawful purpose of "time shifting," and the distributor of the Sony product had no intent to bring about unlawful violations of copyrights.[169] In *Grokster*, by contrast, the primary intent was to unlawfully copy copyrighted materials.[170] As such, the Ninth Circuit misapplied *Sony* to mean that when "a product is capable of [any] substantial lawful use, the producer [cannot] be held contributorily liable for third parties' infringing use of it. . . ."[171]

Concluding that Grokster was liable for inducing infringement, the Court appeared to be concerned with certain evidence indicating that Grokster intentionally encouraged users to infringe copyrighted material.[172] The Court noted that "one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties."[173] Such inducement, the Court held, was evident from Grokster's promotions targeting the former Napster users,[174] its voiced objective that recipients use it to download copyrighted works, and its lack of efforts to develop filtering tools or other mechanisms to diminish the infringing

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164. *Id.* at 2770.

165. *Id.* at 2774.

166. It is a well-established rule that if a product has substantial non-infringing uses it may not infringe a copyright. *Id.* at 2777 (citing Sony Corp. of America v. Universal City Studioes, Inc., 464 U.S. 417, 442 (1984); 35 U.S.C. § 271(c) (2000 & Supp. III 2003)).

167. *Id.* at 2774-75, 2779-82.

168. 464 U.S. 417 (1984).

169. *Grokster*, 125 S. Ct. at 2777.

170. *Id.* at 2777-82.

171. *Id.* at 2778.

172. *Id*. at 2780-82. The Court stated, "The unlawful objective is unmistakable." *Id.* at 2782.

173. *Id.* at 2780.

174. A & M Records, Inc. v. Napster, Inc., 114 F. Supp. 2d 896, 911, 913-14, 919-20 (N.D. Cal. 2000) (held that an internet service used to facilitate file sharing induced copyright infringement).

activity resulting from using its software and to prevent known infringers from using its software.[175] The Court vacated the summary judgment in favor of Grokster and stated that "reconsideration of MGM's motion for summary judgment will be in order."[176]

Second, in *Hines v. Dean*,[177] the Northern District of Georgia held that the defendant Dean was not entitled to attorney fees in connection with a copyright infringement action.[178] Hines, a music producer and musician, brought an action against Dean alleging that Dean appropriated two hip-hop songs entitled "What Y'all Want" and "Guilty."[179] In support of the action, Hines relied on his own testimony and the testimony of his attorney to prove his case.[180] The court dismissed the action on the basis that the songs were not substantially similar to Hines's material.[181] While the court recognized that Hines failed to provide sufficient evidence to support his case, the court did not award attorney fees to Dean in part because Dean did not dispute access to Hines's work and because the court did not want to discourage legitimate plaintiffs.[182]

In *HGI Associates, Inc. v. Wetmore Printing Co.*,[183] the the Eleventh Circuit held that the doctrine of copyright estoppel[184] can result from an ill-conceived plan to ensnare a suspected software pirate.[185] After suspected software pirate HGI Associates ("HGI") approached Wetmore Printing Company ("Wetmore") about purchasing from Wetmore software owned by Microsoft Corporation ("Microsoft"),[186] Microsoft Licensing, Inc. ("MSLI") requested that Wetmore help it investigate HGI's activities

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175. *Grokster*, 125 S. Ct. at 2772-73, 2781-82.
176. *Id.* at 2782-83.
177. No. 1:02-CV-3390-MHS, 2005 WL 3159074 (N.D. Ga. Nov. 28, 2005).
178. *Id.* at *3-*4.
179. *Id.* at *1.
180. *Id.* at *2.
181. *Id.* at *3.
182. *Id.*
183. 427 F.3d 867 (11th Cir. 2005).
184.

> Copyright estoppel applies when the alleged infringer can show that (1) the copyright owner knew the facts of the infringement, (2) [the copyright] owner intended its conduct to be acted upon or the copyright owner acted such that the alleged infringer has a right to believe it was so intended, (3) the alleged infringer is ignorant of the true facts, and (4) the alleged infringer relies on the copyright owner's conduct to his detriment.

Id. at 875 (citing Carson v. Dynegy, Inc., 344 F.3d 446, 453 (5th Cir. 2003)).

185. *Id.* at 870, 875-76.
186. *Id.* at 870-71.

by participating in a transaction with HGI and recording its details.[187] After negotiations and discussions, Wetmore and HGI eventually entered into a contract that required Wetmore to supply to HGI Microsoft software kits[188] without any future royalties to Microsoft.[189] HGI then relied on the contract by, *inter alia*, pre-selling the kits and signing a three-year warehouse lease for use in distributing the kits.[190] Wetmore then reneged on the contract, alleging that the contract would, *inter alia*, violate Microsoft's copyrights.[191]

The Eleventh Circuit concluded that the four prongs or conditions for copyright estoppel were met in this case, which prevented Wetmore from relying on the infringement of Microsoft's copyrights to void its contract with HGI.[192] First, the court noted that "Wetmore and MSLI knew that HGI was seeking to purchase Microsoft software from Wetmore and that HGI did not have a licensing . . . approval to distribute from Microsoft."[193] "Second, . . . Wetmore and MSLI intended HGI to place orders for the software . . . and they intentionally misled HGI regarding its ability to purchase approved software."[194] Third, the court determined that "HGI justifiably believed that Wetmore's software kits would include any and all royalty payments to Microsoft."[195] The court noted that "Wetmore and MSLI knew of this ignorance and actively sought to induce it."[196] "Fourth, HGI relied on Wetmore's conduct and the conduct of MSLI acting through Wetmore's agents to its detriment."[197] Accordingly, the doctrine of copyright estoppel applied to any possible claim by Wetmore that Microsoft's copyrights were violated by the contracts between Wetmore and HGI.[198]

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187. *Id.*

188. "A software 'kit' includes a copy of the requested Microsoft software on compact disc, a printed manual, and a certificate of authenticity." *Id.* at 870 n.1. "Wetmore sells its software kits for approximately $2.50 each [to legitimate large companies] . . . after the sale, Wetmore notifies MSLI, who then charges . . . a separate licensing fee." *Id.* at 870.

189. *Id.* at 870-72.

190. *Id.* at 871-72.

191. *See id.* at 872.

192. *Id.* at 875-76.

193. *Id.* at 875.

194. *Id.*

195. *Id.* (noting that "HGI was ignorant as to any further royalty payments required, and both Wetmore and MSLI were silent when HGI asserted its belief that it would not need a license from Microsoft to purchase the software from Wetmore.").

196. *Id.*

197. *Id.* at 876.

198. *Id.*

In *Maverick Boat Co. v. American Marine Holdings, Inc.*,[199] the Eleventh Circuit determined that the defendants in a copyright infringement action were entitled to attorney fees in a case involving an invalid vessel hull design copyright registration.[200] Maverick Boat Company ("Maverick") brought an action against a competitor alleging that it infringed a vessel hull copyright for the "bay boat."[201] Maverick obtained a copyright registration on the original design of its vessel hull under the Vessel Hull Design Protection Act ("VHDPA"),[202] which registration later was admitted to be invalid as it was made "public more than two years prior to the date of its application."[203] Maverick then obtained a copyright registration on a revised design, alleging that the revised design was a "substantial revision" over the original design.[204] After agreeing with the district court that the revised design was not a substantial revision,[205] and hence not copyrightable, the Eleventh Circuit held that the district court appropriately awarded attorney fees to American Marine Holdings, Inc. "based upon Maverick's 'careless conduct surrounding [the] registration[,] . . .' Maverick's 'decision to turn a blind eye to reasonable doubt surrounding the validity of [the registration],' . . . 'the impact of Maverick's conduct on AMH and Blazer's businesses,'" and the substantial legal expenses that resulted from defending Maverick's claims.[206]

V. FINAL NOTES

January 1, 2005 through December 31, 2005 was an interesting and relatively active period in the field of intellectual property. As expected, the courts heard and decided cases interpreting some of the more precedent-setting cases handed down over the previous few years. However, many of the decided cases provide a sharp insight into the direction the courts appear to be heading, such as towards a stricter

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199. 418 F.3d 1186 (11th Cir. 2005).

200. *Id.* at 1192.

201. *Id.* at 1188-90.

202. 17 U.S.C. §§ 1301-1332 (2005).

203. *Id.* at 1189.

204. *Id.* at 1189-90, 1191.

205. The Eleventh Circuit accepted the claim that Maverick's revision was not substantial from the district court's consideration and finding of the following:

> (1) the nature of the changes made to the "original" Pathfinder 2200 V-Hull design; (2) the similarities between the "original" design and the "revised" design; and (3) the lack of evidence of the revision process, including, for example, the lack of evidence to support the veracity of the publication date on DVH 0056.

Id. at 1191.

206. *Id.* at 1192.

interpretation of the rights granted under the intellectual property laws and the corollary that intellectual property practitioners may have to be even more careful in the drafting of patents, licenses, and contracts.