

# Intellectual Property

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## I. INTRODUCTION

This Article surveys caselaw developments in the area of intellectual property relevant to the Eleventh Circuit during the 2009 calendar year.<sup>1</sup> Intellectual property law comprises several discrete yet overlapping areas of law. The four primary areas of intellectual property law are patent law, trademark law (including areas such as domain name law and “cybersquatting”), copyright law, and trade secret law.<sup>2</sup> Because patent law and copyright law are provided for in the United States Constitution,<sup>3</sup> cases in these areas are litigated exclusively in

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1. For analysis of Eleventh Circuit intellectual property law during the prior survey period, see Laurence P. Colton, Todd Williams & Dana T. Hustins, *Intellectual Property, 2008 Eleventh Circuit Survey*, 60 MERCER L. REV. 1255 (2009).

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

3. Article 1, Section 8, Clause 8 of the United States Constitution provides that “[t]he 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

federal courts. Trademark law and trade secret law have both federal<sup>4</sup> and state aspects, and the cases in these areas are based on federal or state law. However, the more interesting cases often are litigated in the 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 the areas of law. While the cited cases often have multiple issues, the Authors have included only the more relevant or interesting intellectual property issues. As such, this Article will focus on developments selected from the federal courts that are controlling on federal courts in the Eleventh Circuit and will also discuss appropriate and interesting state law cases.

## II. PATENT

Following its recent yearly tradition of shaking up United States patent law, the United States Court of Appeals for the Federal Circuit, which hears all patent-related appeals, has reinterpreted the penalty that may be imposed against a patent owner for falsely marking articles as patented. As a result of this reinterpretation, greater total fines may potentially be imposed against an entity that falsely marks an article as patented. In *Forest Group, Inc. v. Bon Tool Co.*,<sup>5</sup> the Federal Circuit issued a potentially far-reaching holding regarding the penalty provision of 35 U.S.C. § 292,<sup>6</sup> the patent false-marking statute.<sup>7</sup> The decision in *Forest Group* turned on the definition of the word *offense* in 35 U.S.C. § 292(a), which provides, “Whoever marks upon, or affixes to, or uses in advertising in connection with any unpatented article, the word ‘patent’ or any word or number importing that the same is patented for the purpose of deceiving the public . . . [s]hall be fined not more than \$500 for every such offense.”<sup>8</sup>

The issue in *Forest Group* was whether every *decision* to falsely mark an article or group of articles, which can include a single production run

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Writings and Discoveries” U.S. CONST. art. I, § 8, cl. 8. *Authors* and *Writings* refer to copyright, and *Inventors* and *Discoveries* refer to patent.

4. 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 “[t]he Congress shall have Power . . . To regulate Commerce with foreign Nations, and among the several States.” U.S. CONST. art. I, § 8, cl. 3.

5. 590 F.3d 1295 (Fed. Cir. 2009).

6. 35 U.S.C. § 292 (2006).

7. See *Forest Group*, 590 F.3d at 1301.

8. 35 U.S.C. § 292(a); see *Forest Group*, 590 F.3d at 1301.

of a million articles, constituted an “offense” (as the district court had held), or whether every *article* that had been falsely marked constituted a separate “offense.”<sup>9</sup> The Federal Circuit chose the latter approach for multiple reasons. First, the court noted that as a matter of statutory interpretation, 35 U.S.C. § 292(a) “prohibits false marking of ‘*any* unpatented *article*,’ and it imposes a fine for ‘*every* such offense.’”<sup>10</sup> Second, the court noted that the policy considerations that informed the false-marking statute—in particular, the consideration that “[a]cts of false marking deter innovation and stifle competition in the marketplace”—also supported an interpretation of “offense” on a per-article basis.<sup>11</sup> As the court stated, “These injuries occur each time an article is falsely marked. The more articles that are falsely marked the greater the chance that competitors will see the falsely marked article and be deterred from competing.”<sup>12</sup> Finally, the court determined that a per-decision interpretation of “offense” would render the statute ineffective because it would provide insufficient deterrence against false marking.<sup>13</sup>

The expansive “per-article” interpretation of the term *offense* adopted by the court in *Forest Group* is significant because 35 U.S.C. § 292, as a *qui tam* statute, allows private citizens to bring suit to enforce the government’s interest in preventing patent false marking.<sup>14</sup> Thus, as the Federal Circuit acknowledged, its interpretation could give rise to a new “cottage industry” of false-marking litigation brought by “marking trolls” who have not suffered any direct harm but who stand to collect potentially massive damage awards based on the number of articles a company places into commerce with a false marking on them.<sup>15</sup>

While the potential for this type of litigation is a real concern, the Federal Circuit may soon have the opportunity to limit the reach of its *Forest Group* decision. Because *Forest Group* involved a company that falsely marked its product with patents that never covered the products at all,<sup>16</sup> it is not yet clear whether the Federal Circuit will apply the same expansive interpretation of “offense” to cases in which a company falsely marks a product with a patent that formerly covered the product

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9. *Forest Group*, 590 F.3d at 1300–01.

10. *Id.* at 1301 (quoting 35 U.S.C. § 292 (a)).

11. *Id.* at 1302.

12. *Id.* at 1303.

13. *Id.* at 1304.

14. Section 292(b) states, “Any person may sue for the penalty, in which event one-half shall go to the person suing and the other to the use of the United States.” 35 U.S.C. § 292(b).

15. *Forest Group*, 590 F.3d at 1303.

16. *Id.* at 1299.

but has since expired. Of course, it makes little sense from a statutory construction standpoint to have one definition of *offense* for falsely marking a product with expired patents and another for falsely marking a product with patents that never covered the product at all. But from a policy standpoint, the distinction is sound because the deterrence rationale noted in *Forest Group* may apply less when expired patents have been falsely marked, and the sin is not necessarily one of commission but could rather be one of omission (failing to pull a product's packaging from the market as soon as one of the patents it is marked with expires). This is especially true given that 35 U.S.C. § 287(a)<sup>17</sup> requires a product to be marked for the patentee to recover damages (unless the patentee can prove that the infringer had notice of the patent).<sup>18</sup> If products are covered by more than one patent, owners who are caught between the Scylla of 35 U.S.C. § 287(a) and Charybdis of 35 U.S.C. § 292(a) will have to constantly monitor and change out their inventory as various patents expire.

This issue may soon be resolved in the pending appeal of *Pequignot v. Solo Cup Co.*<sup>19</sup> In *Solo Cup*, a company marked a product with two patents that formerly covered the product but had since expired.<sup>20</sup> Before the Federal Circuit issued its opinion in *Forest Group*, the United States District Court for the Eastern District of Virginia in *Solo Cup* held that in expiration cases the presumption of intent to deceive is weaker than when a company falsely marks a product with patents that never covered the products at all because both the possibility of actual deceit and the benefit to the false marker are diminished.<sup>21</sup> Further, the district court interpreted the term *offense* under 35 U.S.C. § 292 on

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17. 35 U.S.C. 287 (2006).

18. *Id.* Section 287 states, in relevant part,

Patentees, and persons making, offering for sale, or selling within the United States any patented article for or under them, or importing any patented article into the United States, may give notice to the public that the same is patented, either by fixing thereon the word "patent" or the abbreviation "pat.," together with the number of the patent, or when, from the character of the article, this can not be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice.

*Id.*

19. 646 F. Supp. 2d 790 (E.D. Va. 2009).

20. *Id.* at 792.

21. *Id.* at 797–98.

a per-decision, not a per-article, basis.<sup>22</sup> Thus, it remains to be seen how the Federal Circuit will reconcile its interpretation of *offense* in *Forest Group* with the facts of *Solo Cup* in the pending appeal.<sup>23</sup>

In *Abbott Laboratories v. Sandoz, Inc.*,<sup>24</sup> the Federal Circuit resolved a split in its own jurisprudence regarding the test for infringement of product-by-process claims.<sup>25</sup> As the name suggests, a “product-by-process” claim is a claim in a patent directed toward the manner of making or manufacturing a particular product.<sup>26</sup> Such claims have sometimes been employed when it is difficult to describe the particular structure or composition of a new product, such as a novel pharmaceutical compound.<sup>27</sup>

At issue in the case was Abbott’s patent covering its Omnicef antibiotic drug. Sandoz and other generic drug manufacturers had filed Abbreviated New Drug Applications with the United States Food and Drug Administration, seeking approval to manufacture generic versions of Omnicef. During litigation in the lower courts, Abbott asserted its product-by-process claims against the generic manufacturers despite the fact that the manufacturers used different processes to make their generic versions of the drug.<sup>28</sup>

On appeal, an en banc Federal Circuit elected to resolve a split created in the early 1990s by two of its panels in *Scripps Clinic & Research Foundation v. Genentech, Inc.*<sup>29</sup> and *Atlantic Thermoplastics Co. v. Faytex Corp.*<sup>30</sup> The panel in *Scripps* held that a product-by-process claim was directed toward the product—not the process—and that a manufacturer was liable for infringement if it manufactured a product (by whatever method) that was equivalent to the product claimed in the patent.<sup>31</sup> By contrast, the panel in *Atlantic Thermoplastics* held that process limitations were key limitations of any product-by-process claim and that a manufacturer was only liable if it manufactured the product

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22. *Id.* at 801.

23. In the short time since the decision in *Forest Group*, we have seen the “cottage industry” of qui tam lawsuits arise with a vengeance. The United States Congress has also amended the currently pending patent reform bill to include a provision stating that an entity can only file a false-marking lawsuit if that entity has actually been harmed by the false marking. H.R. 4954, 111th Cong. (2009).

24. 566 F.3d 1282 (Fed. Cir. 2009), *cert. denied*, 130 S. Ct. 1052 (2010).

25. *Id.* at 1293.

26. *See id.* at 1294.

27. *See id.*

28. *Id.* at 1285–87.

29. 927 F.2d 1565 (Fed. Cir. 1991).

30. 970 F.2d 834 (Fed. Cir. 1992).

31. 927 F.2d at 1583.

using the same process as claimed in the patent.<sup>32</sup> In siding with the panel in *Atlantic Thermoplastics*, the en banc Federal Circuit in *Sandoz* cited the patent statute and noted that a patentee was required to disclose the particular details of the invention in exchange for the monopoly grant of a patent:

In sum, it is both unnecessary and logically unsound to create a rule that the process limitations of a product-by-process claim should not be enforced in some exceptional instance when the structure of the claimed product is unknown and the product can be defined only by reference to a process by which it can be made. Such a rule would expand the protection of the patent beyond the subject matter that the inventor has “particularly point[ed] out and distinctly claim[ed]” as his invention . . . .<sup>33</sup>

Thus, for the time being, process limitations in a product-by-process patent claim are considered key limitations on the claim, and entities will only be liable for infringement of that claim if the entity manufactures the product using the same process as claimed in the patent.

In *Revolution Eyewear, Inc. v. Aspex Eyewear, Inc.*,<sup>34</sup> the Federal Circuit applied the United States Supreme Court’s 2007 *MedImmune, Inc. v. Genentech, Inc.*,<sup>35</sup> standard for exercising declaratory judgment jurisdiction in a patent infringement case.<sup>36</sup> In *MedImmune* the Supreme Court overruled the Federal Circuit’s fairly narrow test for determining whether a party could bring suit against a patent owner seeking to invalidate the patent.<sup>37</sup> As announced in *MedImmune*, the proper test for declaratory judgment jurisdiction is “whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.”<sup>38</sup>

The case of *Revolution Eyewear* involved a patent dispute between two rival manufacturers of eyeglasses—*Revolution Eyewear* and *Aspex Eyewear*.<sup>39</sup> Shortly after obtaining a patent entitled “Auxiliary

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32. 970 F.2d at 846–47.

33. 566 F.3d at 1294–95 (alterations in original) (quoting 35 U.S.C. § 112 (2006)).

34. 556 F.3d 1294 (Fed. Cir. 2009).

35. 549 U.S. 118 (2007).

36. *Revolution Eyewear*, 556 F.3d at 1298.

37. *See id.* at 1297.

38. 549 U.S. at 127 (quoting *Md. Cas. Co. v. Pac. Coal & Oil Co.*, 312 U.S. 270, 273 (1941)).

39. *Revolution Eyewear*, 556 F.3d at 1295.

Eyewear Attachment Methods and Apparatus<sup>40</sup> in 2003, Revolution brought suit against Aspex, alleging that one of Aspex's products infringed the patent. In turn, Aspex filed counterclaims seeking a judgment of invalidity, non-infringement, or unenforceability. During the lengthy pretrial process, Aspex removed the allegedly infringing product from the market. Finally, just before trial was set to begin in 2007, Revolution unilaterally filed with the United States District Court for the Central District of California a covenant not to sue Aspex based on any past or present (as of the filing date) infringement by Aspex. Upon motion by Revolution, the court dismissed the case, including Aspex's counterclaims, noting that Revolution's covenant not to sue removed the controversy between the parties.<sup>41</sup>

On appeal to the Federal Circuit, Aspex maintained that there was still a substantial controversy between the parties such that declaratory judgment jurisdiction over Aspex's counterclaims was appropriate. Specifically, Aspex argued that it wished to reintroduce the same allegedly infringing product to the marketplace and that Revolution's covenant not to sue would not preclude Revolution from filing another lawsuit against Aspex based on Aspex's alleged future infringement.<sup>42</sup> The Federal Circuit, in reversing the lower court, noted that Aspex's future plans to reintroduce the allegedly infringing product to the marketplace were not speculative.<sup>43</sup> "Indeed," the Court noted, "it appears that Aspex already has in storage a quantity of the product that it sold before and wishes to sell again. In turn, Revolution states that it will return to court if Aspex reenters this market with these products."<sup>44</sup> Thus, the court distinguished its decision in *Revolution Eyewear* from prior cases in which the alleged infringer had merely vague plans to enter the market or was protected from future infringement actions based on a covenant not to sue.<sup>45</sup>

In *ICU Medical, Inc. v. Alaris Medical Systems, Inc.*,<sup>46</sup> the Federal Circuit struck down some of the patentee's claims for failing to comply

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40. U.S. Patent No. 6,550,913 (filed Nov. 2, 1998) (issued Apr. 22, 2003).

41. *Revolution Eyewear*, 556 F.3d at 1295–96.

42. *Id.* at 1299.

43. *Id.*

44. *Id.*

45. *Id.* at 1298 (citing *Benitec Austl., Ltd. v. Nucleonics, Inc.*, 495 F.3d 1340, 1348–49 (Fed. Cir. 2007) (holding that future plans of alleged infringer were too speculative to support declaratory judgment jurisdiction); *Super Sack Mfg. Corp. v. Chase Packaging Corp.*, 57 F.3d 1054, 1060 (Fed. Cir. 1995) (holding that a covenant not to sue covered future sales of the allegedly infringing product)).

46. 558 F.3d 1368 (Fed. Cir. 2009).

with the “written description” requirement of the patent statute.<sup>47</sup> Under this “written description” requirement, a patent applicant must describe the invention in sufficient detail so that one skilled in the art can clearly conclude that the inventor invented the claimed invention as of the filing date sought.<sup>48</sup> In exchange for the limited monopoly of a patent grant, the United States Patent Laws require that the applicant clearly disclose the invention.<sup>49</sup>

ICU Medical, Inc. (ICU) owned a patent directed toward valves for use in intravenous medical devices (IVs). When ICU originally filed its patent application, it only disclosed embodiments of the valves that contained a “spike” for use in piercing a particular seal on the IV device.<sup>50</sup> ICU’s original claims in the patent application similarly contained a spike in each claim. During prosecution of the patent application, however, ICU added claims that did not recite a spike. After its patent issued with such “spikeless” claims, ICU brought suit against Alaris Medical Systems, Inc., alleging infringement of the spikeless claims.<sup>51</sup>

In striking down ICU’s spikeless claims, the court discounted ICU’s arguments that the embodiments disclosed in the written specification supported “spike-optional” claims—that is, claims for which a spike may or may not be present.<sup>52</sup> Rather, the court noted, ICU’s spikeless claims were broader than the invention disclosed in the patent, and “[b]ased on this disclosure, a person of skill in the art would not understand the inventor of the . . . patent[] to have invented a spikeless medical valve.”<sup>53</sup> The court further dismissed ICU’s argument that it would have been obvious to a person of ordinary skill in the art to develop a spikeless valve based on the “preslit” embodiment disclosed in the patent specification: the court stated,

It is not enough that it would have been obvious to a person of ordinary skill that a preslit trampoline seal could be used without a

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47. *Id.* at 1378; 35 U.S.C. § 112. Section § 112 states,

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

35 U.S.C. § 112.

48. *ICU Med.*, 558 F.3d at 1377.

49. *Id.*

50. *Id.* at 1375.

51. *Id.* at 1377.

52. *Id.* at 1378.

53. *Id.*

spike . . . [Rather,] “an applicant complies with the written description requirement by describing the invention, with all its claimed limitations, not that which makes it obvious.”<sup>54</sup>

In the case of *Crown Packaging Technology, Inc. v. Rexam Beverage Can Co.*,<sup>55</sup> the Federal Circuit applied the patent marking statute, 35 U.S.C. § 287(a).<sup>56</sup> This statute requires a patentee to mark a product with the patent number as a precondition to obtaining damages in an infringement suit.<sup>57</sup> In effect, the statute is designed to provide constructive notice to the public that a product is patented.<sup>58</sup>

Rexam Beverage Can Co. owned a patent directed to a process and apparatus for reducing the diameter of the top of a beverage can before sealing the can with a cap.<sup>59</sup> The process, known as “smooth die necking,” creates a small indentation or lip (neck) near the top of the can.<sup>60</sup> Rexam licensed a third-party manufacturer to make and sell necking machines in accordance with the patent but required any end-purchaser to pay a license fee directly to Rexam if the end-purchaser used the smooth die necking feature of the machines. The machines were also capable of performing an older, noninfringing necking operation. Crown Packaging Technology, Inc. purchased several necking machines from the manufacturer, none of which was marked with Rexam’s patent number. Rexam alleged that Crown then used the machines—including the patented smooth die necking feature—to manufacture over seventeen billion cans per year for several years without paying any licensing fees to Rexam.<sup>61</sup>

During litigation between the two parties, Crown cited the patent marking statute and argued that Crown was not liable to Rexam for damages because the machines were not marked with Rexam’s patent number.<sup>62</sup> Specifically, Crown cited the case of *American Medical Systems, Inc. v. Medical Engineering Corp.*,<sup>63</sup> in which the court stated,

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54. *Id.* at 1378–79 (quoting *Regents of the Univ. of Cal. v. Eli Lilly & Co.*, 119 F.3d 1559, 1566–67 (Fed. Cir. 1997)).

55. 559 F.3d 1308 (Fed. Cir. 2009).

56. *See id.* at 1310, 1316.

57. 35 U.S.C. § 287(a). Alternatively, a patentee can recover damages if the infringer has actual notice that the product is patented. *Id.* For the text of § 287(a), see *supra* note 18.

58. *See* 35 U.S.C. § 287(a). This statute is to be distinguished from the “false marking” statute, 35 U.S.C. § 292, mentioned previously.

59. *Crown Packaging*, 559 F.3d at 1316.

60. *Id.*

61. *Id.*

62. *Id.* at 1310, 1316.

63. 6 F.3d 1523 (Fed. Cir. 1993).

Where the patent contains both apparatus and method claims, . . . to the extent that there is a tangible item to mark by which notice of the asserted method claims can be given, a party is obliged to do so if it intends to avail itself of the constructive notice provisions of section 287(a).<sup>64</sup>

Unlike in that case, however, the Federal Circuit noted that the patentee (Rexam) in *Crown Packaging, Inc.* had only asserted method claims and not apparatus claims.<sup>65</sup> In *Hanson v. Alpine Valley Ski Area, Inc.*,<sup>66</sup> the court held that 35 U.S.C. § 287(a) does not apply when a patentee asserts only a method claim, even though the patent included both a method and an apparatus claim.<sup>67</sup> In *Crown Packaging*, the court relied on *Hanson* in holding that § 287(a) did not apply to Rexam's claim for infringement against Crown.<sup>68</sup>

In *Perfect Web Technologies, Inc. v. InfoUSA, Inc.*,<sup>69</sup> the Federal Circuit applied the Supreme Court's landmark 2007 decision in *KSR International Co. v. Teleflex Inc.*<sup>70</sup> to uphold the district court's finding that the patentee's claims were obvious to a person of ordinary skill in the art and thus invalid.<sup>71</sup> In *KSR* the Supreme Court overturned prior Federal Circuit precedent in holding that patent examiners and patent litigants could rely on "common sense" or "obvious to try" arguments when seeking to invalidate patent claims.<sup>72</sup>

Perfect Web filed suit against InfoUSA, alleging infringement of Perfect Web's patent for managing bulk e-mail distribution to a group of targeted customers.<sup>73</sup> Claim one of Perfect Web's patent read as follows:

1. A method for managing bulk e-mail distribution comprising the steps:

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64. *Crown Packaging*, 559 F.3d at 1317 (internal quotation marks omitted) (quoting *Am. Med. Sys.*, 6 F.3d at 1538–39).

65. *Id.* at 1316.

66. 718 F.2d 1075 (Fed. Cir. 1983).

67. *Id.* at 1082–83.

68. 559 F.3d at 1316–17.

69. 587 F.3d 1324 (Fed. Cir. 2009).

70. 550 U.S. 398 (2007). Previous years' iterations of this Article discuss *KSR* as it wound its way through the federal court system. See Laurence P. Colton, Todd Williams & Dana T. Hustins, *Intellectual Property, 2008 Eleventh Circuit Survey*, 60 MERCER L. REV. 1255, 1266–67 (2009); Laurence P. Colton, Nigamnarayan Acharya, Todd Williams & Dana T. Hustins, *Intellectual Property, 2007 Eleventh Circuit Survey*, 59 MERCER L. REV. 1225, 1229–30 (2008).

71. *Perfect Web*, 587 F.3d at 1333.

72. See 550 U.S. at 421–22.

73. *Perfect Web*, 587 F.3d at 1326.

- (A) matching a target recipient profile with a group of target recipients;
- (B) transmitting a set of bulk e-mails to said target recipients in said matched group;
- (C) calculating a quantity of e-mails in said set of bulk e-mails which have been successfully received by said target recipients; and,
- (D) if said calculated quantity does not exceed a prescribed minimum quantity of successfully received e-mails, repeating steps (A)-(C) until said calculated quantity exceeds said prescribed minimum quantity.<sup>74</sup>

The United States District Court for the Southern District of Florida found that steps (A) through (C) were explicitly taught by the prior art.<sup>75</sup> Examining the fourth step, the district court found that it involved simple repetition of the first three steps and was “merely the logical result of common sense application of the maxim ‘try, try again.’”<sup>76</sup> Accordingly, pursuant to the decisions in *KSR*, the district court held that in view of the prior art, claim one was obvious to a person of ordinary skill in the art and was thus invalid.<sup>77</sup>

On appeal, Perfect Web argued that the district court failed to properly support its “common sense” finding with particular evidence or expert opinion.<sup>78</sup> The Federal Circuit acknowledged that findings of obviousness “cannot be sustained by mere conclusory statements.”<sup>79</sup> Nevertheless, the court wrote, the Supreme Court’s precedential decision in *KSR* “instructed that factfinders may use common sense in addition to record evidence.”<sup>80</sup> The court added that “while an analysis of obviousness always depends on evidence that supports the required *Graham* factual findings, it also may include recourse to logic, judgment, and common sense available to the person of ordinary skill that do not necessarily require explication in any [prior art] reference or expert opinion.”<sup>81</sup> Because the district court made proper factual findings and adequately explained its application of the “common sense” test articulated in *KSR*, the district court’s ruling was affirmed.<sup>82</sup>

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74. U.S. Patent No. 6,631,400 (filed Apr. 13, 2000) (issued Oct. 7, 2003).

75. *Perfect Web*, 587 F.3d at 1327.

76. *Id.* (internal quotation marks omitted) (quoting *Perfect Web Techs., Inc. v. InfoUSA, Inc.*, No. 07-80286-CIV, 2008 WL 6153736, at \*6 (S.D. Fla. Oct. 27, 2008)).

77. *Id.*

78. *Id.* at 1327–28.

79. *Id.* at 1330 (quoting *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

80. *Id.* at 1329.

81. *Id.* (citing *Graham v. John Deere Co.*, 383 U.S. 1 (1966)).

82. *Id.* at 1330.

In *Blackboard, Inc. v. Desire2Learn Inc.*,<sup>83</sup> the Federal Circuit upheld a finding that a patentee's "means-plus-function" claims were invalid for indefiniteness.<sup>84</sup> Pursuant to 35 U.S.C. § 112, an inventor may draft claims in "means-plus-function" form, wherein the claim language merely recites a "means" for performing a specific function without specifically describing the structure of the claimed means.<sup>85</sup> The corresponding structure, however, must be disclosed in the text of the patent specification so that a person of ordinary skill in the art would know how to build the claimed means based on the disclosure.<sup>86</sup>

Blackboard, Inc. owned a patent entitled "Internet-Based Education Support System and Methods."<sup>87</sup> Several claims in the patent were written in means-plus-function format<sup>88</sup> and were directed to a system for providing online educational courses.<sup>89</sup> In particular, one clause in an independent claim recited a "means for assigning a level of access to and control of each data file [in the system]."<sup>90</sup> During litigation, Blackboard argued that a paragraph in the specification referring to an "access control manager" provided the corresponding structure for the "assigning" means recited in its claim.<sup>91</sup> The Federal Circuit, however, disagreed with Blackboard, stating,

[W]hat the patent calls the "access control manager" is simply an abstraction that describes the function of controlling access to course materials, which is performed by some undefined component of the system. The ACM is essentially a black box that performs a recited function. But how it does so is left undisclosed.<sup>92</sup>

Therefore, the court held that Blackboard's means-plus-function claim was indefinite because there was no corresponding structure in the text of the specification that defined the "assigning" means.<sup>93</sup>

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83. 574 F.3d 1371 (Fed. Cir. 2009).

84. *Id.* at 1385–86.

85. 35 U.S.C. § 112. Section 112 states,

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

*Id.*

86. *Id.*

87. U.S. Patent No. 6,988,138 (filed Jun. 30, 2000) (issued Jan. 17, 2006).

88. *Blackboard, Inc.*, 574 F.3d at 1382.

89. *Id.* at 1373.

90. *Id.* at 1382.

91. *Id.*

92. *Id.* at 1383.

93. *Id.* at 1385–86.

In *CoreBrace LLC v. Star Seismic LLC*,<sup>94</sup> the Federal Circuit examined a licensee's "have made" rights under a licensing agreement.<sup>95</sup> CoreBrace owned a patent directed to a brace used in earthquake-resistant steel-framed buildings.<sup>96</sup> Star Seismic obtained a non-exclusive license to the patent, which provided Star Seismic with the right to "make, use, and sell" licensed products.<sup>97</sup> The license expressly prohibited Star Seismic from assigning, sublicensing, or otherwise transferring its rights to a third-party but was silent on whether Star Seismic could engage a third-party to manufacture licensed products on its behalf. After Star Seismic began using a third-party manufacturer, CoreBrace sued Star Seismic for breaching the license.<sup>98</sup>

In a matter of first impression under Utah law, the Federal Circuit looked to precedents by the California Supreme Court and the United States Court of Claims.<sup>99</sup> The Federal Circuit held that the "have made" right to have a product manufactured by a third-party is an inherent right of a license to "make, use, and sell" a product absent a clear indication in the license to the contrary.<sup>100</sup> CoreBrace argued that because the license at issue was a nonexclusive license rather than an exclusive one, Star Seismic should not be allowed to have others manufacture products on its behalf.<sup>101</sup> The court dismissed this argument, however, holding that the nonexclusive nature of the license had no relevance to the inherent "have made" rights under the license.<sup>102</sup>

### III. COPYRIGHT

In *Wilchombe v. Teevee Toons, Inc.*,<sup>103</sup> the United States Court of Appeals for the Eleventh Circuit addressed the question of what conduct will suffice to create a nonexclusive license to use a copyrighted work.<sup>104</sup> The dispute in *Wilchombe* centered on a song first written and recorded by the plaintiff, Redwin Wilchcombe, that was included on

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94. 566 F.3d 1069 (Fed. Cir. 2009).

95. *See id.* at 1070–71.

96. *Id.* at 1070.

97. *Id.*

98. *Id.*

99. *See id.* at 1073.

100. *Id.*

101. *Id.*

102. *Id.* at 1073–74.

103. 555 F.3d 949 (11th Cir. 2009). Note that the plaintiff's name is incorrectly spelled as *Wilchombe* (rather than *Wilchcombe*) in the case name appearing in the Federal Reporter.

104. *See id.* at 955–58.

an album by the musical group Lil Jon & the East Side Boyz without attribution or payment to Wilchcombe. When Wilchcombe sued for copyright infringement, the defendants argued that Wilchcombe had granted them an implied license to use the song on their album, and the United States District Court for the Northern District of Georgia agreed.<sup>105</sup>

The Eleventh Circuit affirmed the district court's ruling, holding that the parties' conduct had created an implied license.<sup>106</sup> In so holding, the Eleventh Circuit first noted that an implied nonexclusive license is created when one party creates a work at another party's request and hands it over, intending that the other party copy and distribute it.<sup>107</sup> The court next noted that in determining whether an implied license exists, a court should look at objective factors evincing the party's intent, such as "deposition testimony and whether the copyrighted material was delivered 'without warning that its further use would constitute copyright infringement.'"<sup>108</sup> Applying these principles, the court held that Wilchcombe had granted a nonexclusive license to Lil Jon & the East Side Boyz to use the song in question because: (1) Wilchcombe created the song for the album at Lil Jon's request and had it sent to Lil Jon for final mixing and inclusion on the album; (2) Wilchcombe testified that he understood that Lil Jon would use the song on the album; and (3) Wilchcombe never mentioned to any of the defendants that using the song would constitute copyright infringement.<sup>109</sup>

In *Arista Records, LLC v. Launch Media, Inc.*,<sup>110</sup> multiple record companies (collectively BMG) brought an action against Launch Media, Inc., a webcasting service with Internet radio capabilities. BMG alleged that Launch had willfully infringed its sound recording copyrights from 1999 to 2001. Launch's webcasting service (LAUNCHcast) enabled users to create "stations" that play songs within particular criteria selected by the user. BMG owns the copyrights in some of these songs and had a right to collect an individual licensing fee (as opposed to merely collecting a compulsory or statutory licensing fee set by the Copyright Royalty Board) for each song played through an "interactive service."<sup>111</sup> As the court noted, "[a]n interactive service is defined as a service 'that enables a member of the public to receive a transmission of a program

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105. *Id.* at 953–55.

106. *Id.* at 956.

107. *Id.*

108. *Id.* (quoting *I.A.E., Inc. v. Shaver*, 74 F.3d 768, 776 (7th Cir. 1996)).

109. *Id.*

110. 578 F.3d 148 (2d Cir. 2009), *cert. denied*, 130 S. Ct. 1290 (2010) (mem.).

111. *Id.* at 150; *see also* 17 U.S.C. § 114(d)(3)(C) (2006).

specially created for the recipient, or on request, a transmission of a particular sound recording . . . , which is selected by or on behalf of the recipient.”<sup>112</sup> The United States District Court for the Southern District of New York denied cross motions to dismiss and for summary judgment. The case was tried before a jury, which rendered a verdict in favor of Launch.<sup>113</sup>

BMG appealed the district court’s denial of its motions for dismissal, summary judgment, and judgment as a matter of law on the ground that “LAUNCHcast is an interactive service as a matter of law because LAUNCHcast is designed and operated to enable members of the public to receive transmissions of programs specially created for them.”<sup>114</sup> BMG further claimed that under the Digital Millennium Copyright Act (DMCA),<sup>115</sup> “there is no tipping point for the level of influence a user must assert before the program becomes an interactive service—all that matters is that the alleged copyright infringer is ‘transmi[tt]ing’ . . . a program specially created for’ the user.”<sup>116</sup> On appeal, the United States Court of Appeals for the Second Circuit reasoned that the case’s conflict centered on whether the webcast was “interactive.”<sup>117</sup> In other words, the issue was whether a user could either “(1) request—and have played—a particular sound recording, or (2) receive a transmission of a program ‘specially created’ for the user.”<sup>118</sup> Opting for a narrow construction of the statute,<sup>119</sup> the Second Circuit explained that Congress enacted the DMCA to prevent record sales from diminishing because of outright piracy or because of new digital media that allowed people to listen to music without purchasing records.<sup>120</sup>

With this purpose in mind, the Second Circuit examined the mechanics of LAUNCHcast.<sup>121</sup> First, LAUNCHcast prompts users to choose music artists and genres they enjoy and then asks them to rate those selections. Users also select other preferences, including the option to play songs with profane lyrics. Users are able to buy individual songs or share their radio stations (but not individual songs) with other

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112. *Arista*, 578 F.3d at 150 (alteration in original) (quoting 17 U.S.C. § 114(j)(7)).

113. *Id.*

114. *Id.* at 151 (internal quotation marks omitted).

115. Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified as amended in scattered section of 5, 17, 28, and 35 U.S.C.). The DMCA made substantive changes to Title 17 of the United States Code. *See id.*

116. *Arista*, 578 F.3d at 151 (alterations in original) (quoting 17 U.S.C. § 114(j)(7)).

117. *Id.* at 161.

118. *Id.* (quoting 17 U.S.C. § 114(j)(7)).

119. *Id.* at 164.

120. *Id.* at 157.

121. *See id.* at 157–60.

listeners. While a song on a user's radio station is playing, the user is able to pause, skip, or delete the song from the station by giving it a "zero" rating. However, the user cannot restart or repeat a song that is playing or has already played. LAUNCHcast creates the song bank by first examining unrated songs and determining whether to eliminate them from the pool for various reasons. This pool of unrated songs is compared to a pool of all songs played for the user in the last thirty days, and all songs given a zero rating, plus songs played for the user within the last three hours, are excluded from the pool. LAUNCHcast then adds the most popular songs from those rated by all LAUNCHcast users and applies a series of formulas based on the user's music genre preferences to select more potential songs—for a total of about 10,000 songs. When the songs are played on the radio station for the user, a percentage of the songs is specifically rated by the user, another percentage is implicitly rated, and a remaining percentage is unrated. To select a song to play for a user, LAUNCHcast follows a series of rules to avoid duplicate playing of songs, artists, or albums. Otherwise, the ordering of the songs is random.<sup>122</sup>

Focusing on the lack of predictability of LAUNCHcast's song selection system, the Second Circuit determined that a user of LAUNCHcast could not "request and expect to hear a particular song on demand."<sup>123</sup> Thus, the first definition of *interactive* was not met.<sup>124</sup> The court then examined whether LAUNCHcast was "specially created" for a user to determine whether it fell under the second definition of *interactive*.<sup>125</sup> The court held that LAUNCHcast was not interactive and based its determination on (1) the way in which LAUNCHcast functions and (2) the purpose and history of the DMCA.<sup>126</sup> The Court reasoned that LAUNCHcast was not "specially created" for the user for the purposes of the DMCA because its users did not have enough control over their playlists that they would choose to listen to LAUNCHcast instead of purchasing music.<sup>127</sup> In addition, the court explained that although a user eliminates a song from a playlist by rating it a zero, "the ability not to listen to a particular song is certainly not a violation of a copyright holder's right to be compensated when the sound recording is played."<sup>128</sup>

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122. *Id.* at 157–60.

123. *Id.* at 161.

124. *Id.*

125. *Id.*

126. *See id.* at 161–64.

127. *See id.*

128. *Id.* at 164.

In *Metal Morphosis, Inc. v. Acorn Media Publishing, Inc.*,<sup>129</sup> the United States District Court for the Northern District of Georgia analyzed the originality requirement for copyright protection.<sup>130</sup> The plaintiff and the defendant in *Metal Morphosis* both sold pendants in the shape of a bird's nest; when the plaintiff sued for copyright infringement, the defendant moved to dismiss,<sup>131</sup> arguing that the plaintiff's bird's-nest pendant lacked the originality needed for copyright protection to attach.<sup>132</sup> In analyzing this claim, the district court first reiterated that originality is the "indispensable, constitutional requirement for a valid copyright."<sup>133</sup> The court also noted that the Copyright Act of 1976<sup>134</sup> protects only the original expression of an idea—not the idea itself—and that a work would be deemed original if an author independently creates it and if it contains "at least some minimal degree of creativity."<sup>135</sup>

Applying these principles to the bird's-nest pendant at issue, the court first noted that in nature, birds' nests can vary significantly: they can be deeper, wider, or narrower; they can be neatly arranged out of twigs and straw or take a less symmetrical form; and they may have different numbers of eggs of various shapes and colors in them.<sup>136</sup> Given these possibilities, the court concluded that the plaintiff's bird's-nest pendant contained the requisite degree of originality.<sup>137</sup> As the court stated,

The Plaintiff's bird's nest is wide and shallow. Twigs are incorporated into the nest, but not smoothly throughout. Instead, they run more like veins across the inside bowl that highlight the eggs. This layout of the twigs may be rather obvious, but it is also somewhat unnatural. Atop the twigs are three eggs in nest—two that are off-white and one that is more lavender. Although the degree of inspiration is slight, it meets the originality threshold.<sup>138</sup>

The district court thus denied the defendant's motion to dismiss in relevant part, holding that the "slightly atypical" arrangement of the

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129. 639 F. Supp. 2d 1367 (N.D. Ga. 2009).

130. *See id.* at 1373.

131. *Id.* at 1371.

132. *Id.* at 1373.

133. *Id.*

134. Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended in scattered sections of 17 U.S.C.).

135. *Metal Morphosis*, 639 F. Supp. 2d at 1373 (quoting *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991); *BUC Int'l Corp. v. Int'l Yacht Council Ltd.*, 489 F.3d 1129, 1140-41 (11th Cir. 2007)).

136. *Id.* at 1374.

137. *Id.*

138. *Id.*

plaintiff's bird's nest provided the requisite "originality" for copyright protection to attach.<sup>139</sup>

#### IV. TRADEMARKS, DOMAIN NAME, CYBERSQUATTING

The protection of trademarks has always been an area of fruitful legal decisions. Trademarks continue to function as a main introduction to a company and its products. Over the past couple of decades, this introduction has increasingly occurred through the Internet, thus causing domain name, cybersquatting, and trademark law to intersect.

In *In re Bose Corp.*,<sup>140</sup> the Federal Circuit reversed the Trademark Trial and Appeal Board's (TTAB) decision to cancel Bose Corporation's trademark registration number for the trademark WAVE because Bose had committed fraud against the United States Patent and Trademark Office (PTO) in renewing the mark.<sup>141</sup> Bose initially filed an opposition against the mark HEXAWAVE, which had been filed by Hexawave, Inc. Bose alleged that the HEXAWAVE mark would likely be confused with Bose's registered marks, including the WAVE mark. Hexawave counterclaimed, stating that Bose's WAVE mark should be cancelled for Bose's statements to the PTO that the mark was still being used on a variety of goods when in fact, it was not being used on some of those goods.<sup>142</sup> Although Bose's Section 8 affidavit<sup>143</sup> of continued use and Section 9 renewal application<sup>144</sup> stated that the WAVE mark was still used in commerce on audio tape recorders and players, the TTAB found that Bose stopped manufacturing and selling those goods between 1996 and 1997. Further, the TTAB found that Bose's general counsel, who had signed the affidavit and renewal, knew that those products had been discontinued at the time he signed the renewal documents.<sup>145</sup>

At the time Bose's general counsel signed the renewal documents, however, Bose continued to repair audio tape recorders and players that had already been sold, and some of these were still under warranty. Although Bose's counsel testified that he believed such repairs constituted sufficient use to maintain the trademark registration for the goods,

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139. *Id.* at 1374–75.

140. 580 F.3d 1240 (Fed. Cir. 2009).

141. *Id.* at 1246.

142. *Id.* at 1242.

143. A trademark registrant must periodically file an Affidavit of Continued Use under Section 8 of the U.S. Trademark Act, 15 U.S.C. § 1058 (2006), to keep the registration in force.

144. A trademark registration must be periodically renewed under Section 9 of the U.S. Trademark Act, 15 U.S.C. § 1059 (2006), to keep the registration in force.

145. *In re Bose*, 580 F.3d at 1242.

the TTAB disagreed. Further, in support of its ruling that Bose's WAVE mark should be cancelled in its entirety for fraud, the TTAB found that the belief of Bose's general counsel concerning the repair of goods was unreasonable and that his use statement in the renewal documents was material.<sup>146</sup>

The Federal Circuit reviewed the TTAB's decision de novo<sup>147</sup> and held that although Bose had made a material misrepresentation to the PTO, it lacked an intent to deceive.<sup>148</sup> The court reasoned that "[t]here is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive."<sup>149</sup> The court held that Bose did not commit fraud when it renewed its WAVE mark and that the TTAB erred when it cancelled the mark in its entirety.<sup>150</sup> The court did hold, however, that the WAVE mark needed to be restricted to reflect the fact that it was no longer in use on audio tape recorders and players, and the court remanded the case to the TTAB for appropriate correction.<sup>151</sup> This decision illustrates the need to be careful when maintaining trademark registrations, especially when listing the goods and services that use the trademark.

In *Importers Service Corp. v. GP Chemicals Equity, LLC*,<sup>152</sup> the United States District Court for the Northern District of Georgia held that a defendant manufacturer did not infringe the trademark of its former distributor when it sold bags of its "NovaRes" citrus-beverage additive that contained its former distributor's name and logo.<sup>153</sup> The defendant, Georgia-Pacific Resins, Inc., terminated its distributor's agreement for NovaRes with the plaintiff, Importers Service Corporation. After doing so, Georgia-Pacific sent a letter to certain customers who purchased NovaRes to notify them that its agreement with Importers had been terminated but that NovaRes would still be available. A representative of Georgia-Pacific also called NovaRes customers and told them that the agreement had been terminated but that Georgia-Pacific would still supply NovaRes. In addition, Georgia-Pacific provided NovaRes customers with a credit application on which the customers had to provide "ship to" and "bill to" information to Georgia-Pacific's staff. For seven months after the agreement had been terminated, Georgia-

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146. *Id.*

147. *Id.* at 1243.

148. *Id.* at 1246.

149. *Id.*

150. *Id.*

151. *Id.* at 1247.

152. 652 F. Supp. 2d 1292 (N.D. Ga. 2009).

153. *Id.* at 1294, 1308.

Pacific sold bags of NovaRes that were marked with Importers' name and logo in addition to Georgia-Pacific's own trademarks and logos. During the relevant period, Georgia-Pacific sold eighty-one bags of NovaRes weighing fifty pounds each at an average price of \$12,781. When shipped, the bags containing the NovaRes were stacked vertically in cardboard boxes, and only the Georgia-Pacific logo appeared on the outside of the boxes shipped by Georgia-Pacific.<sup>154</sup>

Based on these facts, Importers sued Georgia-Pacific, claiming that Georgia-Pacific's continued sale of bags marked with Importers' name and logo on the bottom constituted trademark infringement.<sup>155</sup> The district court granted Georgia-Pacific's motion for summary judgment, determining that there was no likelihood that the seven customers who had received the bags of NovaRes with Importers' mark would be confused.<sup>156</sup> Likening the case to the "proverbial tree falling in a forest," the court reasoned that because the seven affected customers knew through either letter or personal contact that the distribution agreement between Importers and Georgia-Pacific had been terminated, Importers had presented no evidence that the customers were or would become confused by the bags' labels.<sup>157</sup> Further, the court noted that because Importers and Georgia-Pacific were not competitors, Georgia-Pacific's shipment of NovaRes did not divert sales from Importers.<sup>158</sup> Thus, absent any evidence of likely confusion, the court granted Georgia-Pacific's motion for summary judgment on Importers' trademark infringement claims.<sup>159</sup>

Moving to some online issues, in *Southern Grouts & Mortars, Inc. v. 3M Co.*,<sup>160</sup> the Eleventh Circuit analyzed the requirement of "bad faith intent to profit" needed to prevail on a cybersquatting claim under the Anticybersquatting Consumer Protection Act (ACPA).<sup>161</sup> The dispute in *Southern Grouts* centered on the domain name *diamondbrite.com*, which Southern Grouts & Mortars, Inc. (Southern Grouts) wanted to register and use to advertise and sell swimming pool finishes, which it marketed under the trademark "Diamond Brite."<sup>162</sup>

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154. *Id.* at 1299.

155. *Id.* at 1294, 1299–1300.

156. *Id.* at 1308.

157. *Id.* at 1307.

158. *Id.*

159. *Id.* at 1308.

160. 575 F.3d 1235 (11th Cir. 2009) (per curiam).

161. 15 U.S.C. § 1125(d) (2006); *S. Grouts*, 575 F.3d at 1243.

162. *S. Grouts*, 575 F.3d at 1238.

The issue was that 3M, a competitor in the swimming-pool finishing industry, owned the registration for the diamondbrite.com domain name.<sup>163</sup> When 3M first obtained the diamondbrite.com domain name, it enjoyed trademark rights in “Diamond Brite” for use in connection with “electronically controlled display panels and signs.”<sup>164</sup> But by the time that the dispute with Southern Grouts arose, those trademark rights had lapsed. Still, 3M continued to re-register the diamondbrite.com domain name, even though it did not display content on the website and did not intend to do so. Given these facts, Southern Grouts sued 3M for unfair competition under the Lanham Act<sup>165</sup> and violation of the ACPA.<sup>166</sup> The United States District Court for the Southern District of Florida granted summary judgment in favor of 3M,<sup>167</sup> and the Eleventh Circuit affirmed.<sup>168</sup>

The crux of the Eleventh Circuit’s holding was that Southern Grouts failed to establish that 3M possessed the requisite “bad faith intent to profit” needed for Southern Grouts to prevail on its ACPA claim.<sup>169</sup> First, the court noted that the “paradigmatic harm” the ACPA was meant to address was the practice of holding domain names for ransom with an intent to profit by selling them, and 3M had not intended to profit by selling the domain name diamondbrite.com.<sup>170</sup> In fact, 3M had done the opposite; as the court summarized, “Southern Grouts accuse[d] 3M not of a design to sell a domain name . . . but of a refusal to sell one.”<sup>171</sup> Second, the Eleventh Circuit noted that a bad faith intent to profit could be found when a defendant uses a domain name with the intent to divert customers from the website of the trademark owner.<sup>172</sup> But there was no evidence that 3M had done that, either: the court determined that Southern Grouts “had not established that 3M had any intention to profit . . . by selling or advertising products on the

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163. *Id.*

164. *Id.*

165. 15 U.S.C. §§ 1051–1141n (2006).

166. *S. Grouts*, 575 F.3d at 1238.

167. *Id.*

168. *Id.* at 1251.

169. *Id.* at 1246–47.

170. *Id.* at 1246 (citing *Lucas Nursery & Landscaping v. Grosse*, 359 F.3d 806, 810 (6th Cir. 2004)). This point was also made by the Eleventh Circuit in *Eagle Hospital Physicians v. SRG Consulting*, 561 F.3d 1298 (2009), in which the court defined *cybersquatting* as “the conduct of one who reserves with a network information center a domain name consisting of the mark or name of a company for the purpose of relinquishing the right to [that] domain name back to the legitimate owner for a price.” *Id.* at 1307 (quoting 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:71 (4th ed. 2008)).

171. *S. Grouts*, 575 F.3d at 1247.

172. *Id.*

www.diamondbrite.com website to unsuspecting customers in search of Southern Grouts' [Diamond Brite] products.<sup>173</sup> The most that Southern Grouts could show was that 3M had retained control of the diamond-brite.com domain name not to display content but to prevent others from registering it.<sup>174</sup> The court held that such conduct—whether or not it showed bad faith—did not show a bad faith intent to profit.<sup>175</sup> The court stated, “We cannot read the words ‘intent to profit’ out of the statute.”<sup>176</sup> Hence, Southern Grouts’ ACPA claim failed.<sup>177</sup>

The “bad faith intent to profit” requirement of the ACPA also played a key role in the Eleventh Circuit’s decision in *St. Luke’s Cataract & Laser Institute, P.A. v. Sanderson*,<sup>178</sup> in which the court held that a plaintiff may simultaneously recover damages for cybersquatting under the ACPA and for infringement under the Lanham Act without running afoul of the general prohibition on double recoveries.<sup>179</sup> The court outlined several points in support of this conclusion. First, the court noted that “the statutory text of the ACPA explicitly states that a cyberpiracy damages award is ‘in addition to’ any other civil remedies otherwise available.”<sup>180</sup> Second, the court held that damages awards for trademark infringement and cybersquatting are not duplicative because they serve different purposes: cybersquatting awards are aimed at deterrence while infringement awards provide compensation.<sup>181</sup> In support of this distinction, the court cited to the ACPA’s “bad faith intent to profit” requirement as evidence that damages for ACPA claims “sanction or punish” in order to deter future violations of the ACPA, whereas infringement damages only compensate the aggrieved mark owner.<sup>182</sup> In this regard, the court noted that the ACPA’s statutory damages provision was akin to the statutory damages provision in the Copyright Act,<sup>183</sup> which has also been interpreted to deter and punish wrongful conduct.<sup>184</sup>

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173. *Id.*

174. *Id.* at 1245.

175. *Id.* at 1247.

176. *Id.* at 1246 (quoting 15 U.S.C. § 1125(d)).

177. *Id.* at 1249.

178. 573 F.3d 1186 (11th Cir. 2009).

179. *Id.* at 1203; *see, e.g.*, *Gen. Tel. Co. v. EEOC*, 446 U.S. 318, 333 (1980) (“[T]he courts can and should preclude double recovery by an individual.”).

180. *Sanderson*, 573 F.3d at 1203–04 (quoting 15 U.S.C. § 1125(d)(3)).

181. *Id.* at 1204.

182. *Id.* at 1204–05.

183. 17 U.S.C. § 504(c) (2006).

184. *Sanderson*, 573 F.3d at 1205–06.

## V. FINAL NOTES

This year, 2009, continued a decade of interesting and relatively active periods in the field of intellectual property. The courts heard and decided cases interpreting some of the more precedent-setting cases handed down over the previous few years, such as *KSR*, and decided on other somewhat unexpected aspects of the law. Many of the decided cases provide additional insight into the recent direction in which the courts appear to be headed, such as a continued stricter interpretation of the rights granted under the intellectual property laws, narrowing the scope of patent and trademark registration, and the corollary that intellectual property practitioners may have to be even more careful in the drafting of patents, licenses, and contracts.