SHIMOKAJI IP
INTELLECTUAL PROPERTY

June 2017

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

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

US Supreme Court Changes the Landscape (Venue) for Patent Lawsuits

The patent statute says that an infringement lawsuit may be brought where the defendant resides, or where the defendant has committed acts of infringement and has a regular place of business.

In *TC Heartland v. Kraft,* the US Supreme Court ruled that, under the patent venue statute, domestic corporations reside only in their state of incorporation. Therefore, a patent infringement lawsuit cannot be brought against a corporation in any court where the defendant is subject to personal jurisdiction.

The defendant in *TC Heartland* was incorporated in Indiana, headquartered in Indiana, and shipped allegedly infringing products into Delaware. However, defendant was not registered to conduct business in Delaware.

Plaintiff sued in Delaware. Defendant sought to move the lawsuit to Indiana.

COMMENT:

Previously, patent owners could pick any court to bring a patent infringement lawsuit, if the defendant sold the infringing product/service where the court was located. Many patent owners chose a court that was patent owner friendly.

Now, the landscape has changed because the choice of where to file suit is more restricted. This may be a big advantage to infringers. And it may lead to much fewer lawsuits in the Eastern District of Texas.

Encoding and Decoding a Digital Image is Not Patentable

After reexamination of its patent, Recogni sued Nintendo.

The Federal Circuit described the patent as a method of a user displaying images, assigning codes to the images using a mathematical formula, and then reproducing the images.

Therefore, according to the Federal Circuit, the patent "reflects standard encoding and decoding, an abstract concept long utilized to transmit information." Morse code and ordering at a fast food restaurant according to a numbering system "all exemplify encoding at one end and decoding at the other end."

Further, the Federal Circuit found that the use of a mathematical formula did not "transform" the abstract idea of encoding/decoding into something patentable. In other words, a formula that changes data into another form of data is not patentable.

COMMENT:

This case might be generally described as one that involves the mere manipulation of data. Data goes in and data comes out. That will be difficult to patent.

"Google" is Not a Generic Trademark

How often do you say or hear "Google it"?

Plaintiff acquired over 700 domain names that included the word "google". Google filed a cybersquatting action and the domains were transferred to Google. Plaintiff then filed a district court lawsuit to cancel the Google trademark as being generic.

The Ninth Circuit started by explaining that generic terms are not protectable because they do not identify the source of goods. For example, according to the court, "Aspirin" and "Thermos" did not start out as generic but have become generic names for certain goods - i.e., genericide.

Plaintiff argued that "google" became generic for "the act" of searching the internet. The court disagreed and said that a name can become generic for a particular good or service. Plaintiff's argument about verb use - "the act" - did not relate to a good or service.

Next, plaintiff argued that a word for a trademark must be used as an adjective. Again, the court rejected the argument, explaining that a trademark can be a noun.

COMMENT:

It was likely difficult for a "cybersquatter" to garner much sympathy from the court. That could have affected plaintiff's ability to persuade the court on legal grounds.

Urban Outfitters Willfully Infringed Copyrighted Fabric Design

Unicolors sued Urban for infringement of the former's copyrighted fabric design.

The Ninth Circuit recited the basic elements for copyright infringement: 1) ownership of the work and 2) copying of the protected elements of the work. The latter may be proved by a) defendant's access to the work and b) substantial similarity between the ideas and expression.

The Ninth Circuit explained that this is "one of those exceptional cases" where the two works are "so overwhelmingly identical that the possibility of independent creation is precluded".

The court pointed to the fact that the two fabrics "include complex patterns with nearly identical orientation, spacing, and grouping of complicated florets and feathers". And, "each has an ombre color pattern and uses color in similar ways for highlight and contrast".

Finally, in agreeing that Urban willfully infringed, the court said "regardless of how difficult it may be to determine whether particular designs have been registered with the Copyright Office, a party may act recklessly by refusing, as a matter of policy, to even investigate or attempt to determine whether particular designs are subject to copyright protection".

COMMENT:

The jury awarded damages of $164,000 but the court awarded attorney fees of $366,000. It may be a lesson that intentionally proceeding with a blind eye may not be the best approach.

Contact Us

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