

IDEAS ON INTELLECTUAL PROPERTY LAW



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Doubling down

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Using indefinite articles in patent language

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Doubling down

The latest on patentability of “isolated” DNA molecule

Members of the biotech industry were much relieved in 2011 when a three-judge panel of the U.S. Court of Appeals for the Federal Circuit held that an “isolated” DNA molecule is patentable. Early in 2012, however, the U.S. Supreme Court ordered the appellate court to reconsider its decision.

Later in 2012, the Federal Circuit returned its second ruling in *Association for Molecular Pathology v. U.S. Patent and Trademark Office and Myriad Genetics Inc.* The news for the biotech industry was once again positive — for the time being.

Origins of the case

Myriad Genetics holds seven patents related to a test for mutations in BRCA genes that are associated with a predisposition to breast and ovarian cancers.

In 1998, Myriad began sending cease-and-desist letters to various providers of clinical BRCA testing services. Eventually, a broad consortium of plaintiffs — including testing services, researchers, medical organizations and patients — sought a declaratory judgment that 15 claims in Myriad’s patents were invalid because they covered subject matter that isn’t eligible for patents.

The claims related to isolated gene sequences and diagnostic methods of identifying mutations in these sequences. They comprised three composition claims, a screening method claim, and 11 method claims covering methods of “analyzing” or “comparing” a patient’s BRCA sequence with the normal sequence to identify the presence of cancer-predisposing mutations.

To the biotech industry’s horror, the district court invalidated all of

the claims. If upheld, this ruling could have invalidated all patents for isolated DNA molecules.

Under the microscope

In 2011, a three-judge panel of the Federal Circuit held that an isolated DNA molecule was patentable. It also found that the screening method claim was patentable, but that the analyzing and comparing claims were not.

Then came the U.S. Supreme Court’s ruling in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.* In that case, the high court held that the methods at the heart of a diagnostic test weren’t patentable because a patent would monopolize a law of nature. It explained that, to be patentable, the claimed methods must have additional features that provide practical assurance that the processes are a genuine application of natural laws.

The Supreme Court subsequently vacated the Federal Circuit’s ruling in *Association for Molecular Pathology* and sent the case back for further consideration in light of *Mayo*.



Is further review on the horizon?

The U.S. Court of Appeals for the Federal Circuit's decision in *Association for Molecular Pathology v. U.S. Patent and Trademark Office and Myriad Genetics Inc.* (see main article) wasn't unanimous. Although the three-judge panel unanimously found that the methods for analyzing and comparing gene sequences were unpatentable and the screening method wasn't, they split ways on the claims related to the "isolated" genes.

Two of the judges determined that the isolated genes were patentable — but they applied different approaches to reach their respective conclusions. And the third judge found the isolated DNA genes weren't patentable. He faulted his colleagues for relying on U.S. Patent and Trademark Office policy for support and expressed concern that patenting isolated DNA would have substantial adverse effects on research and treatment involving BRCA genes.

In light of all this, observers expect the ruling to be subject to a rehearing by the full Federal Circuit and possibly further U.S. Supreme Court review.

Results confirmed

In its second ruling, the Federal Circuit came to the same conclusion as it had in its previous one: The composition and the screening method claims were patentable, but the analyzing and comparing methods were not. Here's a closer look at the two claims:

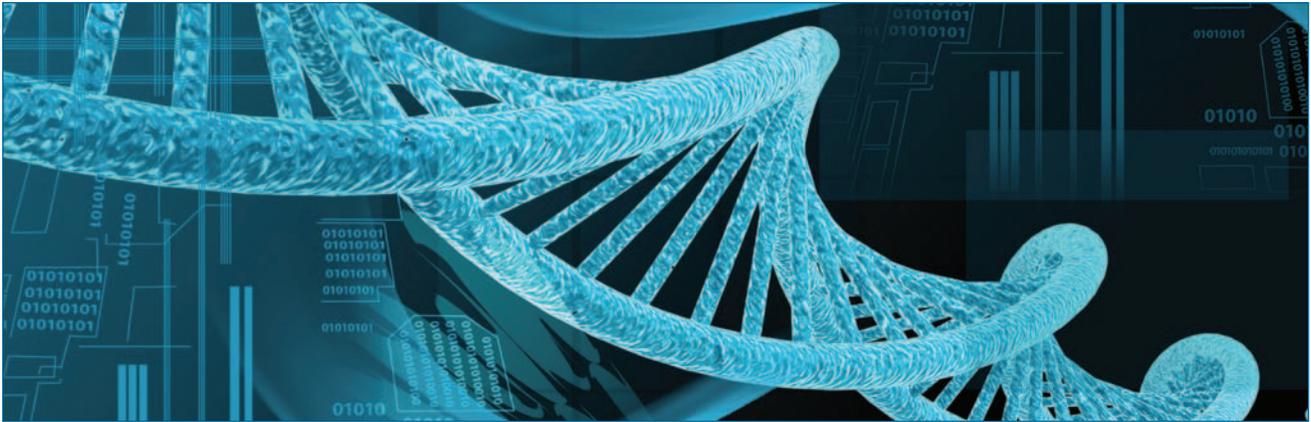
1. Composition. These covered BRCA1 and BRCA2, isolated human genes that are free-standing portions of a naturally occurring DNA molecule that have been severed or synthesized to consist of just a fraction of the molecule. The Federal Circuit found that, while *Mayo* provides "valuable insights and illuminate[s] broad, foundational principles," the decision addresses the patentability of method claims, not compositions of matter such as isolated DNA. In short, *Mayo* doesn't control the question of the patentability of such claims.

The court, therefore, applied the same framework it had the first time out, based on the distinction between compositions that have similar characteristics as in nature and compositions that human intervention has given "markedly different" characteristics. It found that, while isolated DNA genes are removed from a naturally occurring DNA molecule, they have been manipulated chemically to produce a molecule that's "markedly different" from native DNA molecules. As a result, they're patentable.

2. Method. In affirming its earlier ruling that the methods for analyzing or comparing two gene sequences to identify mutations weren't patentable because they're only mental processes, the Federal Circuit noted that *Mayo* clarifies that such diagnostic methods essentially claim natural laws that aren't patentable.

The court found that, while isolated DNA genes are removed from a naturally occurring DNA molecule, they have been manipulated chemically to produce a molecule that's "markedly different" from native DNA molecules.

The appellate court also affirmed its previous holding that the method for screening potential cancer therapeutics via changes in cell growth rates was patentable. This method, it found, applies certain steps to a man-made, non-naturally occurring transformed cell — and the transformed, man-made nature of that cell makes the claim patentable.



In conclusion (or not)

In upholding the patentability of isolated genes, the Federal Circuit left open the possibility that circumstances might change.

Congress, it pointed out, could overturn case law, as well as the long practice of the U.S. Patent and

Trademark Office, to determine that isolated DNA must be treated differently from other compositions of matter to account for its unusual status as a chemical entity that conveys genetic information. So, while we have another conclusion, we may not have the final one. ○

Does “social bookmarking” infringe on copyright holders?

When it comes to copyrighted materials, the Internet giveth and the Internet taketh away. It allows materials to be more easily and economically distributed to a mass audience, but it also allows the public a ready means of copying and sharing that content without payment. In *Flava Works, Inc. v. Gunter*, the U.S. Court of Appeals for the Seventh Circuit addressed whether so-called “social bookmarking” sites cross the line.

Uploading forbidden

Flava Works produces and distributes adults-only videos. The websites that host the videos are behind a paywall, and users must agree not to copy, transmit

or sell the videos. Users can, however, download videos to their computers for “personal, noncommercial use.” If someone then uploads a Flava video to the Internet, thereby creating a copy, he or she infringes the company’s copyright.

The social bookmarking website myVidster allows people with similar tastes to provide one another access to online materials catering to those tastes by bookmarking the materials on the site. When myVidster receives a bookmark, it obtains the video’s embed code from the server hosting the video. With that code, myVidster creates a Web page that makes the video appear to be on myVidster’s site.

Clicking on a thumbnail image on the Web page activates computer code that connects the visitor's computer to the host server. The visitor may believe he or she is seeing the video on myVidster, but the video is transmitted directly from its own server.

Flava sued myVidster for copyright infringement. The district court granted a preliminary injunction against myVidster before trial, prompting myVidster to appeal.

Sneaking in

In determining whether the preliminary injunction was appropriate, the Seventh Circuit focused on whether Flava was likely to succeed on its claim that myVidster was a contributory infringer or, as the court put it, "roughly an infringer's accomplice."

The court first considered whether myVidster contributorily infringed Flava's exclusive right to control the copying of its videos. Flava contended that, by providing a connection to websites that contain illegal copies of its copyrighted videos, myVidster encouraged its subscribers to circumvent Flava's paywall, in turn reducing Flava's income.

The Seventh Circuit agreed but pointed out that, unless those visitors *copy* the videos they view on the infringers' websites, myVidster wasn't increasing the amount of infringement. Someone who uses a thumbnail to bypass the paywall and simply watches a copyrighted video for free "is no more a copyright

infringer than if he had snuck into a movie theater and watched a copyrighted movie without buying a ticket." The one facilitating conduct that doesn't infringe — in this case, myVidster — isn't a contributory infringer.

Putting on a show

The court also weighed whether myVidster contributed significantly to the unauthorized public "performance" of Flava's copyrighted works by visitors to myVidster's site.

The Seventh Circuit pointed out that, unless visitors *copy* the videos they view on the infringers' websites, myVidster wasn't increasing the amount of infringement.

If the performance occurred when the video was uploaded, myVidster was in the clear because it didn't contribute to the user's decision to upload a Flava video. If, on the other hand, the performance occurred upon the viewing of the video, myVidster *did* play a role by providing Web surfers "addresses" for the videos via the thumbnails.

But, the Seventh Circuit found, merely providing contact information for sites where the videos were performed wasn't the same as performing them. In fact, Flava presented no evidence that the videos were even accessed via myVidster rather than other sites.

Lingering on

The court vacated the preliminary injunction, concluding that Flava wasn't likely to succeed at trial. Although Flava may yet prevail in its case, the Seventh Circuit's ruling on the lack of contributory infringement by social bookmarking sites will likely linger on for some time. ○



Trademark: Canceled

The federal trademark law was passed in 1946, long before online shopping was ever imagined. Its age is now showing — and causing problems for some online retailers. Case in point: *Lens.com, Inc. v. 1-800 Contacts, Inc.*, a recent decision handed down by the U.S. Court of Appeals for the Seventh Circuit.

Vision quest

Lens.com, an online retailer of contact lenses, applied for the mark “Lens” in connection with “retail store services featuring contact eyewear products.” The application was rejected because another company, Wesley-Jessen Corp., had registered “Lens” in connection with “computer software featuring programs used for the electronic ordering of contact lenses.” In 2002, after Lens.com sought to cancel the registration, Wesley-Jessen assigned the registration to Lens.com, which then withdrew its cancellation action.

In 2008, 1-800 Contacts sought to cancel the same registration, alleging that Lens.com had abandoned the mark because it never sold or engaged in the trade of computer software. The Trademark Trial and Appeal Board agreed and canceled the registration.

Legal focus

Under trademark law, a mark’s nonuse in commerce for three consecutive years constitutes evidence of abandonment. “Use” means the bona fide application of the mark in the ordinary course of trade. In other words, a mark is deemed to be “used in commerce” if the associated goods are sold or transported in the course of a trade or business.

As the court explained, the actual sale of goods isn’t required to satisfy the “use in commerce” requirement — as long as the goods are *transported* in commerce. Not every transport of a good is sufficient to establish ownership rights in a mark, though; some public awareness of the use is also required.

Sights set

On appeal, Lens.com argued that the distribution of software for end users over the Internet satisfies the



“use in commerce” requirement for a mark. 1-800 Contacts countered that Lens.com hadn’t actually used the mark as registered because it didn’t offer software to consumers as a good in trade.

The Seventh Circuit found that the distribution of software online can satisfy the “use in commerce” requirement if consumers actually associate a mark with software, as opposed to other services. To determine if this is so, a court must consider whether the software:

- Is simply the conduit or necessary tool useful only to obtain the trademark applicant’s services,
- Is so inextricably tied to and associated with the services as to have no viable existence apart from the services, and
- Is neither sold separately from nor has any independent value apart from the services.

The court stressed that none of these factors is necessarily more important than any of the others.

Lens.com’s software, the Seventh Circuit concluded, was merely the conduit through which it renders its online retail services and was inextricably intertwined with those services. It also found no evidence that the software had any independent value apart from rendering the services. And, beyond the factors mentioned, consumers had no reason to be aware of any connection between the “Lens” mark and Lens.com’s software.

Eyes ahead

The Seventh Circuit’s ruling clarifies the scope of trademark protection for marks used in conjunction with online retail services. It also demonstrates that trademarking in a digital marketplace may not be as straightforward as it was in the brick-and-mortar past. ○

One, singular sensation...

Using indefinite articles in patent language

So you think you know what “a” and “an” mean, do you? Well then, you might be surprised by the recent ruling from the U.S. Court of Appeals for the Federal Circuit in *01 Communique Laboratory, Inc. v. LogMeIn, Inc.*

Basic facts

01 Communique Laboratory owns a patent on technology that enables one computer to access another computer remotely via the Internet. The patent describes the use of a “locator server computer” that includes software referred to as the “location facility.”

Communique sued LogMeIn, a company that develops and markets remote access products, for patent infringement. The district court dismissed the case, concluding that, for infringement to have occurred, the location facility — which performed multiple functions — must be contained on a single computer. The LogMeIn system didn’t contain any single component that performed all of the functions performed by the location facility.

Communique appealed the district court’s construction of the term “location facility.” It asserted that the location facility could be distributed among multiple locator server computers.

LogMeIn countered by pointing to language in the patent that referred to the locator server computer in the singular, such as “a locator server computer linked to the Internet, its location on the Internet being defined by a static IP address.”

It argued that the use of singular terms meant the location facility must be included within a *single* locator server computer.

Usage insufficient

The Federal Circuit rejected LogMeIn’s argument, finding it at odds with the general rule that the indefinite articles “a” and “an” in a patent mean “one or more.” And subsequent use of definite articles such as “the” or “said” to refer back to the same term doesn’t change the general plural rule but simply reinvoles that nonsingular meaning.

The only exception occurs when language in the patent compels a departure from the general rule by demonstrating the patentee’s clear intent to limit “a” or “an” to “one.” The court here found that the patent’s use of words such as “a,” “its” and “the” was insufficient to limit the meaning of “locator server computer” to a single unit.

LogMeIn’s citing illustrations of the specifications also failed with the court. The Federal Circuit said, “The fact that a locator server computer is represented by a single box in some of the figures does not ‘necessitate’ a departure from the general rule that ‘a’ locator server computer may mean ‘one or more’ [such] computers.”

Careful drafting

Although the general rule worked in the patentee’s favor in this case, it could also work against patentees. Careful patent drafting is, as always, critical to protecting your rights. ○



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The New Internet: What Brand Owners Should Know about the New gTLDs

By Kyle T. Peterson

The online world is about to become much more sophisticated. New generic top-level domains (gTLDs) are scheduled to be released on the Internet during the third quarter of 2013. As a result, Internet Corporation for Assigned Names and Numbers (ICANN), the U.S. non-profit that coordinates the technical aspects of the Internet, is currently reviewing new gTLD applications for extensions such as .art, .Apple, and .fashion. The Internet will also become increasingly multi-lingual because it opens up the gTLD system to non-Roman characters including Arabic and Chinese extensions. For example, there are currently only 22 gTLDs (e.g., .com, .org, .net, etc.), restricted to the Roman alphabet. The number of pending gTLD applications is well over a thousand.

What does this mean for brand owners? We can expect to see a variety of brand-related extensions including .buick, .cartier, .tiffany, and .citi. Four companies with competing visions have applied for control over the .tickets extension. It is too early to say who ICANN will ultimately accredit to run these new gTLD registries or whether the competing applicants will reach some sort of settlement. However, trademark owners will, for better or for worse, be affected.

Brand owners should now take the time to rethink their marketing strategies so as not to miss extended branding opportunities worldwide. The new Internet is expected to provide multi-lingual portals for online content. As an example, companies expanding into the Japanese market may wish to add a local dimension to their brand by using the “.com” extension (Japanese for “.com”). Brand owners may also consider acquiring the relevant second-level domains (e.g., www.brand.app, www.brand.deals, etc.) when the new gTLDs are released. Although the potential options may seem overwhelming, even a small company should consider investing in the development of a new gTLD website(s) in order to take advantage of the new Internet. The benefits of having increased brand exposure and accessibility outweigh the minimal cost of registering a domain name and creating and maintaining a simple website.

Brand owners also need to be aware of increased exposure to cybersquatters and be financially prepared to enforce their intellectual property rights. It might even be a worthwhile investment to purchase important second-level domains as a defensive move as well as to deposit their valuable trademarks into the new Trademark Clearinghouse, which will issue Trademark Claims alerts of new gTLD applications that are identical to the deposited trademark at an anticipated cost of US\$150 per mark. This means if someone applies for www.yourbrand.deals, you will be notified and can timely file an objection before the domain is sold to a non-deserving party.

The new gTLD program, which has already generated over US\$350 million in application fees to ICANN, is big business for domain speculators. If you encounter problematic domain names in the new Internet, solutions will be available. The proposed Uniform Rapid Suspension System (URS) is intended to offer complainants a relatively inexpensive and quick remedy at US\$300-500 where the offending domain may be redirected to a generic landing page for the remainder of its registration period. The traditional methodologies for transferring or deleting domain names, through cease and desist letters and dispute resolution proceedings (e.g., UDRP), remain available but are more costly and time-intensive.

As the new Internet emerges, the collective identity of brand owners will be refined (or at least redefined). Being aware of the new gTLDs is one step toward maintaining your valuable brand identity.

Patterson Thunte IP's trademark team is highly knowledgeable in the areas of domain registration and protection and is pleased to assist companies looking to register a gTLD or those concerned about protecting their brands on the new Internet.

For more information, please contact Kyle Peterson at peterson@ptslaw.com or 612-252-1554.

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