

### **Face-off, Facebook, Inc. v. Teachbook.com LLC**

In August 2010, the social media company, Facebook, Inc. ("Facebook") filed suit in the Northern District of California, San Jose, against Illinois-based Teachbook.com LLC ("Teachbook"). Facebook has alleged misappropriation of the allegedly distinctive "BOOK" portion of Facebook's trademark by the Defendant, Teachbook, saying it unfairly adopted the suffix as a reference to Facebook's popularity and reputation.

Facebook has raised allegations based upon federal trademark infringement, federal and state trademark dilution, federal false designation of origin, common-law trademark infringement, common-law unfair competition, and cybersquatting. Facebook has requested preliminary and permanent injunctive relief enjoining the Defendant from using its TEACHBOOK mark, or any similar marks thereto.

In its complaint, Facebook describes itself as "a prominent provider of online networking services...dedicated to making the web more social, personalized, smarter and relevant." Facebook states

its facebook.com website is the second most trafficked website in the United States with over 150 million users. Facebook argues that it has used its mark continuously in commerce since 2004, noting that FACEBOOK is highly distinctive with regard to online networking services. By virtue of this use, Facebook alleges that its mark has achieved "famous" status within the meaning of Section 43(c) of the U.S. Trademark Act, 15 U.S.C. Section 1125(c).

Defendant, Teachbook, is "A Professional Community for Teachers," according to its website where teachers can share lesson plans, instructional videos and other educational resources. Facebook alleges that Teachbook has placed itself as a "Facebook substitute" as "Many schools forbid their teachers to maintain Facebook...accounts...With Teachbook, you can manage your profile so that only other teachers and/or school administrators can see your personal information." Facebook alleges that, essentially, Teachbook is trying to become Facebook "for teachers."

*continued on page 2*

### **The 2010 KSR Guidelines Update – Useful, but Limited**

As mentioned in earlier editions of our Newsletter, a U.S. Supreme Court decision issued in April 2007 (*KSR Int'l. Co. v. Teleflex Inc.*, 550 U.S. 398 (2007); "KSR") challenged prevailing thinking on obviousness determinations under U.S. patent law. From the practitioner's perspective, the decision arguably heightened patentability standards and made successful patent prosecution more difficult. Since issue, the case has been the subject of a great deal of scrutiny in the patent field.

In October 2007, the U.S. Patent & Trademark Office (USPTO) issued new guidelines for USPTO personnel determining whether a given claim was obvious. The USPTO recently updated

these guidelines in view of the body of caselaw promulgated under KSR (2010 KSR Guidelines Update, published at Federal Register 75(169):53643 (September 1, 2010); "Update").

The Update serves to reiterate basics of making an obviousness determination, and to place recent obviousness cases within categories of reasoning identified in KSR. We see the Update as an analysis of caselaw, spun from the USPTO perspective, that will serve as a useful basis for USPTO obviousness rejections and withdrawal of rejections for the foreseeable future. We discuss a few features and limitations of the Update below.

*continued on page 2*

### **Generic gTLDs—Possible Morality and Public Order Hold-up**

The efforts of ICANN to bring new gTLDs to the online community continue to move at a slow pace. The Fourth version of the Draft Applicant Guidebook concluded its public comment period on July 21, 2010, and ICANN has yet to release its Summary/Analysis of comments. Although it appears that compromise and consensus on IP protections in new gTLDs is essentially finished, additional issues surrounding the process may keep the process churning before new gTLDs come to fruition.

The latest Guidebook included the incorporation of specific trademark protections that were updated based on recommendations from the Special Trademarks Issues Review Team, along with consideration of prior public comments. These near final versions provide trademark protection mechanisms including: the Uniform Rapid Suspension, the Trademark Clearinghouse, and the Post-Delegation Dispute Resolution Proposal.

Other remaining issues with competing interests include resolving the question of whether registries and registrars should have cross ownership. This complex issue involves whether a new gTLD must have a separate registrar for a registry. This could affect a company gTLD (i.e. .IBM, .CANON) by potentially requiring use of a separate registrar, even though domain names in the new gTLD might be limited to those registered within the company.

Another issue that has brought varying opinions is in regards to the Morality and Public Order objection, which is one of four bases for objecting to a new gTLD. The other bases for standing to object are string-confusion objections, legal-rights objections, and community objection. The current proposal provides that objections to applied-for gTLDs that offend moral and

*continued on page 3*

**Teachbook.com** (continued from page 1)

Though Teachbook has not yet filed its Answer, Greg Shrader, managing partner for Teachbook, has stated that Teachbook will fight the action.

Facebook has taken an aggressive stance against trademark applications containing either "FACE" or "BOOK" since 2007. The company has filed trademark oppositions or extensions of time to oppose 115 trademark applications since 2007, according to the Trademark Trial and Appeal Board's website, many of which are based on the junior mark's adoption of "BOOK." It appears that Facebook's stance on "BOOK" users, and the concern that it could dilute the FACEBOOK mark, was established several years prior to this current TEACH-

BOOK action. It also appears that most of these actions settled, so many of the situations avoided the analytical scrutiny of the dilution and likelihood-of-confusion tests before the Trademark Trial and Appeal Board.

Even if Facebook is correct in its claim that FACEBOOK has become famous under the trademark statute, it may still be a leap to establish that the adoptions of marks containing "FACE" or "BOOK" dilute and/or cause confusion with the FACEBOOK mark. It will be interesting to see how far the federal court allows that fame to stretch. Will the federal court determine that TEACHBOOK will likely cause confusion with FACEBOOK given the shared

term "BOOK"? Currently, there are over 790 trademark registrations containing "book" in classes in which Facebook operates, 9, 38, 41 and 42. These registrations have all been coexisting on the United States trademark register. Though this is not, by any means, an absolute determination of whether confusion or dilution will result in the marketplace, it will be interesting to see how the Court treats the visual, aural, and conceptual differences in TEACHBOOK versus FACEBOOK. On the other hand, although TEACHBOOK is comprised of two words couched in the educational arena with "Teach" and "Book," one does wonder if Teachbook would have adopted that particular mark if Facebook had never existed.

**KSR** (continued from page 1)

**Update — Basics of making an obviousness determination**

The Update emphasizes that obviousness determinations must be made in view of the facts of the case, and based on foundations of obviousness laid out in *Graham v. John Deere* (383 U.S. 1 (1966)) (requiring consideration of the scope and content of the prior art, differences between the claims and prior art, the level of ordinary skill required in the art, and secondary indicia of nonobviousness).

The effect of *KSR*, according to the Update, is to provide Examiners with a flexible approach to considering the facts of the case. However, Examiners are still required to provide a reasoned explanation as to why a skilled person would find an invention obvious at the time the claimed invention was made. This reasoning can include considering creative or routine steps the skilled person might make in view of the prior art. The Update notes that no absolute or "per se" rules are intended to exist with regard to obviousness determinations, and emphasizes that *KSR* applies across all technologies,

including "unpredictable" arts such as biotechnology.

**Update — Categorizing recent cases**

In addition to the already-recognized teaching-motivation-suggestion test, *KSR* identifies six courses of reasoning for Examiners to use when making an obviousness determination. The Update categorizes recent caselaw into several of these courses of reasoning, in an attempt to pull recognizable rules from the cases for the use of all.

For instance, the Update states (section 4A, Example 4.1) that when known elements are combined in a known manner to obtain predictable results, the invention may still be nonobvious if the combination of the elements involves such additional effort that no skilled person would undertake it without a recognized reason to do so (citing *In re Omeprazole Patent Litigation*, 536 F.3d 1361 (Fed. Cir. 2008), where an omeprazole pill having 2 coatings was considered nonobvious because the prior art did not disclose certain difficulties in coating the pill).

The Update also reports (Section 4A, Example 4.4) facts showing that an "apparent reason to combine" elements may serve as a reason for upholding a determination of obviousness (citing *Ecolab, Inc. v. FMC Corp.*, 569 F.3d 1335 (Fed. Cir. 2009), where a method of treating meat by spraying with an antibacterial solution was obvious because the skilled person would do this to treat and remove bacteria on the surface of meat).

One problem we see with the Update is that, while it focuses on facts important in a given case, it does not provide a great deal of guidance on how USPTO personnel should choose between facts. Facts teaching away from an invention and providing an apparent reason to combine elements may easily coexist within a given case; the weight given by the Examiner to either fact may be the difference between allowance and rejection. Our only answer to such problems is to rely on good old-fashioned lawyering to convince an Examiner, as true pre-*KSR*, post-*KSR* and beyond.

**Generic gTLDs** *(continued from page 1)*

public order be decided by independent experts. Of concern to some is that many strings may be offensive in one language and benign in others or that one person, religion or organization's beliefs of morality may be strongly divergent from those of another. Although the Government Advisory Committee of ICANN has voiced objections to the current mechanism in the Guidebook for addressing potential objections, it has not provided any specific guidance for an alternative mechanism that would recognize the relevance of national laws and effectively address

gTLD strings that raise national, cultural, geographic, religious and/or linguistic sensitivities.

Other concerns being addressed and investigated include the possibility of providing support to new gTLD applicants from organizations and areas of the world where financial and technical resources may be limited. Issues also remain regarding Internationalized Domain Name (IDN) gTLDs and IDN ccTLDs (country-code TLDs, such as .US, .DE, .CN). In addition, ICANN has yet to provide a

final analysis and summary of the public comments submitted on the Fourth Draft Applicant Guidebook.

As there are a number of issues that still remain to be resolved before the new gTLD process is finalized, the application process for new gTLDs is likely not going to occur until at least sometime in 2011. Although the new gTLDs concept has been ongoing since 2005, ICANN no longer has a timeline in place for new gTLDs' anticipated start.