

Hunt Control Systems, Inc. v. Koninklijke Philips Electronics N.V.

The Trademark Trial and Appeal Board (“the Board”) recently upheld an opposition to the U.S. extension of a Madrid Protocol application based solely on opponent’s common law trademark rights.

Koninklijke Philips Electronics (“Philips”) filed an application to register the mark SENSE AND SIMPLICITY to market its line of electronics products, specifically goods in International Class 9. This application was based on a corresponding International Registration, seeking extension of protection under the Madrid Pro-

ocol. Hunt Control Systems (“Hunt”) alleged that it had maintained common law rights to the mark SIMPLICITY covering identical goods, and opposed Philips’ application.

The Board was required to determine the scope of the goods being opposed as well as whether the opposer could rely on an application by the opposer’s parent company. The complexity of these issues presented a sharp contrast to the relatively simple likelihood of confusion analysis that followed. *continued on page 3*

“Magic Microscopes,” Trees and Kidneys: A Myriad of Arguments under 35 U.S.C. 101

In our April and May 2010 Newsletters, we reviewed a controversial New York District Court decision that invalidated patent claims directed to breast cancer genes as unpatentable subject matter under 35 U.S.C. 101. See *Association for Molecular Pathology et al. v. United States Patent and Trademark Office et al.*, 2010 U.S. Dist. LEXIS 35418 (SDNY April 5, 2010). The decision goes against long-standing U.S. policy and practice that takes a broad view of patentable subject matter under U.S. law. The holder of the patents

in the case, Myriad Genetics (defendant/appellant), has appealed to the Federal Circuit. We report below on oral arguments presented on appeal in April 2011, and in particular arguments made for and against the patenting of isolated genes.

The chemistry and structure of isolated genes were not much discussed during oral argument, despite the Court’s pointed questions in that direction. Rather, arguments were peppered with analogies *continued on page 2*

Facebook Promotion Rules Updated

Facebook recently revised its Promotion Guidelines and related Policies regarding contests, competitions, sweepstakes and similar offerings. Marketers and advertisers interested in running promotions using the social networking site should remember that, in addition to complying with Federal and State laws, they will also need to comply with Facebook’s policies.

Here are a few highlights from Facebook’s Guidelines:

1. A company cannot run a promotion directly from its Facebook page. Facebook requires that promotions be administered within “Apps on Facebook.com.” In order to

run a promotion on Facebook, a company must create an app to be loaded inside the Facebook frame.

2. Promotions can be designed to require a user to “Like” a Page or “Check In” to a Place to register. Accessing the app can also be used to register participants. Other than these actions, companies cannot condition registration or entry in a promotion on taking any action on Facebook. So, marketers may not require participants to “Like” a Wall post, or upload a photograph on a Wall in order to enter a contest. Marketers also may not use Facebook posts to notify the winner of a promotion. *continued on page 2*

Pop Culture and Intellectual Property

It is not that often that trademarks and copyrights are at the forefront of pop culture, but in the past few weeks each have surfaced in different but unique ways.

First, within days after the announcement of Osama Bin Laden’s death during a raid led allegedly by the top-secret United States Navy Seal Team 6, eight separate applications to register trademarks containing the word SEAL were filed in the USPTO. Among these, several applications were filed by various parties in connection with watches, timepieces, commemorative coins and action figures. Additionally, the day after the announcement, Disney Enterprises filed three applications for the mark SEAL TEAM 6 in connection with various toys, clothing, games, and “entertainment services.” Could this be a hint at the first film and games to recreate the attack?

Seeking to capitalize on the reputation and popularity of the U.S. Navy’s special forces, these parties took steps to at least attempt to secure some form of rights to a name now known world-wide, even if we are unsure if such a SEAL TEAM 6 even exists. What rights, if any, these parties will ultimately secure in the mark is unknown at present, but the rapid filing of applications containing the SEAL TEAM 6 term was interesting to see. Trademark provides a party with a temporary, limited monopoly over a term as used in connection with enumerated goods/services, so why not try to take hold of that with a popular term?

Another recent entertainment related development involves the upcoming film *Hangover 2*. In the film, one character wakes up to find out that at some point the night before he received a tribal design tattoo on his face. The tattoo is remi-

continued on page 3

Myriad (continued from page 1)

to various substances. Counsel for Myriad Genetics argued that, like a baseball bat made from wood from a tree, isolated genes are structurally and functionally distinct from genes occurring in nature and therefore are patentable subject matter. Counsel for the American Civil Liberties Union (plaintiff/appellee) argued that isolated genes are more like an unpatentable kidney, easily snipped from one body and placed in another.

Counsel from the U.S. Department of Justice (DOJ) stayed more in the chemical field and directly addressed isolated gene sequences themselves, but ranged far more broadly than necessary for this case. The DOJ stated that human inventions are patentable subject matter and products of nature are not, articulating a “magic microscope” test to identify products of nature: if one could “zoom” a magic microscope to see a substance in nature, the substance is a natural product and not patentable subject matter. Purification and isolation do not render the purified substance patentable.

With regard to DNA inventions, the DOJ argued that its “magic microscope” could show the sequence of any gene in naturally-occurring DNA, and so isolated genes are an unpatentable product of nature. The magic microscope cannot see cDNAs or methods for using DNA, and so such are not products of nature under this test. The DOJ analogized that no one would think lithium patentable at the time of its isolation, even though it existed only as a salt or in combination with other substances until isolated in 1818. Similarly an isolated electron is not patentable, nor is pollen that cures cancer. According to the DOJ, if isolated genes are patentable subject matter, electrons and pollen are also.

The Court, noting the potential breadth of the DOJ’s arguments, asked about the

patentability of vitamin B12 and antibodies. The DOJ referred to taxol (a drug isolated from tree bark) as properly patented only in terms of the process for isolating the compound. The DOJ also indicated that aspirin (acetylsalicylic acid) was properly patented as a product of the acetylation of naturally-occurring (and presumably unpatentable) salicylic acid.

The Court noted that the government appears divided on this issue, as the U.S. Patent and Trademark Office (USPTO) has allowed patents on isolated genes for over 35 years and currently indicates isolated genes are patentable subject matter on its website. The DOJ notified the Court that its “high level” review revealed it is “impossible” to write a brief in support of isolated gene patents, placing the DOJ at odds with the USPTO. When the Court noted that in view of the split in executive authority and 35 years of industry development, this matter may best be considered by Congress, the DOJ responded the courts should decide this matter with no deference to 35 years of acquiescence by the USPTO and U.S. courts.

The DOJ’s position seems problematic at best, and almost revolutionary under current practice. If adopted, this position would open the door for a substantial broadening of the scope of unpatentable subject matter under 35 U.S.C. 101. The DOJ’s arguments are somewhat reminiscent of controversies raised when governments that traditionally prohibited patenting of pharmaceutical products (from natural and synthetic sources), but allowed patenting of related processes, changed their laws to join the World Trade Organization – a change generally encouraged by the U.S. government at that time.

We will report further on the effects of these arguments upon reviewing the Federal Circuit’s decision in this case.

—Valerie Neymeyer-Tynkov

Facebook (continued from page 1)

3. Requests to users to be allowed to access their Facebook ID and personal data in order to run the app must be included and must follow a standard “Request for Permission” format. Companies cannot use personal data from Facebook for any purpose other than running their contest app. If marketers wish to obtain personal data, they must get explicit consent from the user before using it.

4. In order to cut down on spam, the promotion cannot incentivize players to use the News Feed or contact their friends regarding the promotion. For example, “Share this game with 10 of your friends and receive 10 points,” is not acceptable. However, the promotion can ask contestants if they would like to publish a News Feed story when they reach a milestone or take an action that might be associated with an award.

5. Promotions on Facebook must include the following:

a. A complete release of Facebook by each entrant or participant.

b. Acknowledgment that the promotion is in no way sponsored, endorsed or administered by, or associated with, Facebook.

c. Disclosure that the participant is providing information to the company and not to Facebook.

6. The promotion cannot use Facebook’s name (other than in the required release and disclosures), trademarks or logos and Facebook cannot be mentioned in the Rules or other materials relating to the promotion. Marketers should make sure that consumers understand that the promotion originates from their company and not from Facebook.

—Carolyn Knecht

Hunt (continued from page 1)

The parties first disputed which specific goods in Class 9 were opposed. The rules for Madrid Protocol oppositions provide that once goods are specified in the electronic filing, they cannot be amended. Hunt attempted to test this rule by claiming that a supplementary form explaining the basis for the opposition, and attached with the original electronic filing of the notice of opposition form, served to amend the filing by adding the words “and related products” to the list of goods being opposed. Although filed simultaneously with the initial opposition, the Board refused to include the related products not listed in the form. Because the opposition electronic filing system required Hunt not to add goods to be opposed but rather to delete them from the list provided in Philips’ application, the Board did not allow Hunt to add what it had previously affirmatively removed from its opposition filing.

Secondly, a dispute arose regarding which of Hunt’s goods would be examined in the likelihood of confusion analysis. The Board allowed all of Hunt’s claimed goods under its common law rights, including any “related components.” This decision turned out to be fortunate for Hunt, because although its application covering the claimed goods in Class 9 had ripened into registration during the course of the litigation, because the application was registered to Hunt’s parent company and not Hunt itself, this registration could not be used to define either the scope of goods claimed nor priority in the SIMPLICITY mark. Even further to Hunt’s advantage, Philips admitted Hunt’s use for the goods claimed going back to Hunt’s priority date.

Given that most of the arguments related to the scope of the goods examined were resolved in Hunt’s favor, the likelihood

of confusion analysis was very straightforward. The Board, after examining the DuPont factors, determined that both the marks and the goods they covered were substantially similar, and thus a likelihood of confusion was present.

This case is noteworthy because it both clarified the strict rule relating to goods claimed in opposing a Madrid Protocol request for extension of protection, and because it set forth an expansive view of common law rights allowing a party to effectively oppose a registration without a federal registration of its own. The outcome may have been different if Philips had not stipulated to use and the priority of Hunt’s marks, but nevertheless this case can serve as a blueprint for an individual or business with strong common-law rights in opposing even a strong application.

—Daniel Lano

Pop Culture (continued from page 1)

niscent of the facial tattoo sported by former heavyweight boxing champion Mike Tyson. S. Victor Whitmill, a tattoo artist in St. Louis, has filed suit against the film’s producers claiming that use of the tribal design face tattoo in the movie infringes his copyright in that artwork. The producers apparently received a release from Mike Tyson to copy the tattoo for the film but Whitmill claims that he, not Tyson, owns the copyright and no release was obtained from him.

This case represents a unique issue. A tattoo is like any other piece of art. Generally speaking, the creator of a work of art retains copyright to that artwork, including the right to reproduce the work. In many instances, the artist will assign his or her rights in the work to the party that commissioned it. Here, that could mean Whitmill’s rights in the tattoo art transferred to Mike Tyson and the film producers would have only required his release. However,

Whitmill contends he never assigned, transferred or licensed his rights to Tyson. Therefore, he still owns rights in the tattoo art and reproduction of that art on another character in the film is an infringement.

At the same time, regardless of ownership of the copyright, since the tattoo is inextricably linked to Mike Tyson, literally, would use of that tattoo design in a film on a character who is clearly not Mike Tyson even constitute infringement? Given the nature of the film, a comedy involving reality-stretching hijinks, could use of the tattoo be a form of parody or fair use? Whatever the substantive outcome of the litigation, this case again demonstrates the depth to which film producers must dive in order to ensure complete clearance for items appearing in films.

—Mark A. Nields