



Intellectual Property Law Section

State Bar of Texas

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Update From The Chair

By Sharon Israel

I'm excited to be writing my first Section Newsletter Update as Chair of our Intellectual Property Law Section. Let me first thank Ted Lee for doing a terrific job as Chair of the Section over the 2007-08 year. I also would like to take this opportunity to talk a little about volunteerism and getting involved in the Section. While clients come first, it's important to take some time and give a little bit back to our profession and community. One of the ways to do that is through our IP Law Section. Volunteering doesn't always require a huge time commitment. It may mean only giving a few hours a year. No matter how small or large of a contribution you make, your time and energy is valuable and makes a difference.



Our IP Section is an impressive

organization. With over 2000 Section members, we have a terrific Section. The 2008-09 activities for the Section are underway, and we are excited about another great year. Over the next year, I hope to work on building our membership and continuing and strengthening our committee membership and activities. You may not realize it, but we have over 20 active committees.

This year, our Section will continue its award programs, two of which are directed to law students. The Section awards Women & Minorities Scholarships and conducts an IP Law Writing Contest. In addition, the Section also awards the Outstanding Texas Inventor of the Year award. For more information, check out our Section website at <http://www.texasbariplaw.org/> for details.

The Section is gearing up for the 22nd Annual Intellectual Property Law Institute, which will be held March 5-6, 2009 in San Antonio. This year's program is chaired by our Section Vice Chair, Shannon Bates. In addition, our Chair-Elect, Craig Lundell, will

be coordinating the Section's CLE program and events during the State Bar of Texas Annual Meeting to be held in Dallas, Texas on June 25-26, 2009. In addition, we anticipate our Section will continue to co-sponsor an Advanced Patent Litigation program in July 2009. Also, we hope to add to our CLE programs by offering some webinar CLE programs that our members will be able to participate in from afar. If you are interested in participating in or planning a program, including a webinar, please let me know.

Of course, we continue to be proud of our website, which includes most Section information at our fingertips. The Website Committee is ably chaired by Michael Sebastian. Our Section newsletter is also one of the valuable items of Section membership. Our Newsletter Committee continues to be chaired by Dave Hofman, and each of our newsletters, in addition to being emailed to members, is posted on our Section website.

Our Section's committees include: Alternative Dispute Resolution, Antitrust, Continuing Legal Education, Convention Arrangements, Copyright, Diversity Task Force, Electronic & Computer Law, Ethics and Unauthorized Practice, International Law, Inventors' Recognition, Litigation, Membership, Newsletter, Opinions, Patent Legislation/PTO Practice, Pro Bono Task Force, Public Relations, Section Website, Trademark Legislation/PTO Practice and Unfair Competition and Trade Secrets. The year is underway and I encourage you to join some committees and get involved. You can find more information on the committees on our website at www.texasbariplaw.org. Please contact any of the committee chairs or me to join a committee. If you have an idea, feel free to present it to any IP Law Section Council member.



Mark Your Calendar

22nd Annual Intellectual Property Law Institute, will be held March 5-6, 2009 in San Antonio.

State Bar of Texas 127th Annual Meeting to be held in Dallas, Texas on June 25-26, 2009. Friday, June 26, our section will once again offer a full day of high-quality CLE. Block out June 25 and 26 now, and make plans to attend the Annual Meeting in Dallas.



In The Section

Call for Submissions

The Newsletter Committee welcomes the submission of articles for potential publication in upcoming editions of the IP Law Section Newsletter, as well as any information regarding IP-related meetings and/or CLE events. If you are interested in submitting an article to be considered for publication or to calendar an event, please email your submission to Newsletter@texasbariplaw.org.

Article Submission Guidelines:

STYLE: Journalistic, such as a magazine article, in contrast to scholarly, such as a law review article. We want articles that are current, interesting, enjoyable to read, and based on your opinion or analysis.

LENGTH: 1-5 pages, single spaced.

FOOTNOTES AND ENDNOTES: Please refrain! If you must point the reader to a particular case, proposed legislation or Internet site, or credit another author, please use internal citations.

PERSONAL INFO: Please provide a one paragraph bio and a photograph, or approval to use a photo from your firm's website.

If you have any additional questions, please email Dave Hofman, Newsletter Chair, at Dhofman@slb.com.

Opinion Committee Looking for Blog Moderators

The IP Opinion Committee will be rolling out a blog in the near future. They are looking for several section members who are willing to act as moderators for the blog. If you would like to volunteer, please contact Neil Chowdhury at ichowdhury@cgiplaw.com.

The Watercooler

On The Move

Dave Hofman has joined Schlumberger, in Sugar Land, Texas, as an IP Attorney.

Attorneys **Laura Brock**, **Ted Fay** and **Stephen Loe** have joined the Plano office of Conley Rose, P.C.

Mandy Jenkins has joined Carstens & Cahoon, LLP in Dallas as an associate.

Eric Tauffest has joined the Dallas office of The Ware Firm.



Practice Points

Are You Safe From Cybersquatters?

By Charles Kulkarni

Cybersquatting is an ever-growing problem for business owners. In fact, the World Intellectual Property Organization reported a record 2,156 complaints alleging cybersquatting in 2007, an 18% increase from 2006. (World Intellectual Property Organization, DNS Developments Feed Growing Cybersquatting Concerns, available at: http://www.wipo.int/pressroom/en/articles/2008/article_0015.html (March 27, 2008).)

Cybersquatting is “registering, selling or using a domain name with the intent of profiting from the goodwill of someone else’s trademark.” (The Anti-Cybersquatting Consumer Protection Act (ACPA), 15 U.S.C. § 1125(d).) A “cybersquatter” registers a domain name that includes another person’s trademark and then demands payment from the trademark owner far above the fair market value of the domain name registration.

Frequently, substantial Internet traffic intended for the trademark owner is diverted to the cybersquatter website. Often, offensive material appears on a cybersquatter website causing the trademark owner to suffer loss of goodwill and loss of reputation.

Fighting Cybersquatters

If you believe that you have been victimized

by a cybersquatter, your remedies are fairly straightforward. You can sue in court to get your domain name back with the possibility of some money damages under a federal law known as the Anti-Cybersquatting Consumer Protection Act. Alternatively, you can initiate arbitration proceedings, known as a UDRP Proceeding, and win the name back without the expense of a lawsuit but also without damages.

Formal proceedings, however, can be expensive and uncertain. You have little chance of succeeding with formal measures unless the cybersquatter is trading on the goodwill of one of your strong, registered trademarks. In certain situations, formal measures also require that you show that the cybersquatter is acting in bad faith.

Therefore, your best course may be before-the-fact preventive measures, and your next-best-course may be some form of informal resolution.

Preventive Measures: Register variations of your domain name

The best way to fight a cybersquatter is to beat the squatter to registration. Domain name registration is cheap. It is far better to prevent foreseeable cybersquatting than to wait until you have a cybersquatter problem. If you want to protect your trademarks, you should register obvious and common variations of your marks as domain names. Such preventive measures are inexpensive “insurance” against cybersquatters.

Informal Reactive Measures: Use an intermediary to purchase the domain name

Before beginning formal proceedings against a cybersquatter, you should consider informal measures.

Consider using an intermediary to purchase the domain name for a nominal fee. The

worst that could happen is that the cybersquatter says, “No.” If the cybersquatter agrees to sell the registration at an acceptable price, your problem is solved. If the cybersquatter demands an excessive price, you have still lost nothing. You can later argue that the cybersquatter’s excessive price demand is evidence of “bad faith,” which is an important issue – a necessary fact – in some proceedings against a cybersquatter.

You have little chance of succeeding with formal measures unless the cybersquatter is trading on the goodwill of one of your strong, registered trademarks.

Informal Reactive Measures: A cease and desist letter and settlement

If other informal measures have failed or are dragging on, then send the squatter a cease and desist letter and try to settle. You should never delay too long before sending a cease and desist letter. Delaying can cost you valuable rights. Because a cease and desist letter does not preclude other informal measures, you can send the cease and desist letter and still try to resolve the matter by other means.

Formal Reactive Measures: A UDRP Proceeding or a Court Action

If informal measures fail, then you have two primary choices: a court action or a proceeding under the Uniform Domain-Name Dispute-Resolution Policy (UDRP). Each has its advantages and disadvantages, and you may be able to use both proceedings.

A UDRP proceeding is a relatively inexpensive, streamlined arbitration

designed to quickly resolve domain name disputes. A UDRP proceeding is available against any cybersquatter because submission to a UDRP proceeding is a precondition to registration of a domain name.

Compared to court action a UDRP proceeding is cheaper and faster. A UDRP proceeding can often be completed in about 50 to 60 days.

Note, however, that the remedies in a UDRP proceeding are very limited. The only relief available is the transfer or cancellation of the domain name.

To prevail, you must prove:

- (1) that the cybersquatter's domain name is identical or confusingly similar to your trademark,
- (2) that the cybersquatter has no rights or legitimate interests in the name, and
- (3) that the cybersquatter registered and is using the name in *bad faith*.

UDRP proceedings are usually successful (85% success). Occasionally, however, proving your case may be difficult, particularly with respect to the "bad faith" prong.

Even if you lose a UDRP proceeding, you may still file a court action. A court action is not limited by the narrow three-prong standard of the UDRP proceedings and includes other advantages, such as allowing wider discovery. One of many claims that you may assert in a court action is a claim under the Anticybersquatting Consumer Protection Act (ACPA), or you may proceed under existing trademark infringement and dilution law. Remedies available under the ACPA include forfeiture or cancellation of the domain name, transfer of the domain

name, actual damages, statutory damages between \$1,000 and \$100,000 per domain name, and increased damages for bad faith actions. (15 U.S.C. § 1117(d).) One court, under the ACPA, ordered a cybersquatter to pay statutory damages of \$500,000 for each of five domain names plus attorneys' fees of more than \$30,000. (*Electronics Boutique Holdings Corp. v. Zuccarini*, No. 00-4055 (E.D.Pa. Oct. 30, 2000).)

Final Words

The increasing frequency of online domain name disputes underscores the growing need to protect trademarks in the online arena. Protecting trademarks online requires a thorough consideration of both preemptive measures and reactive measures (through purchases, settlement, formal proceedings, or court actions).

The above article expresses the view of the author, and not necessarily those of the State Bar of Texas IP Law Section.



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Pirates of the Twenty-First Century Tips for Fighting Back

By Zach W. Hilton

Over the course of the last couple of decades, the counterfeiting of every conceivable product has become endemic worldwide. While thought of as harmless by many, the massive amount of trade currently occurring in counterfeit products can often lead to disastrous consequences for both individuals and businesses.

As the World Health Organization (WHO) now estimates that approximately 8-10% of the global medicine supply chain is counterfeit, it is not difficult to imagine the harm that may be caused to the millions of unsuspecting persons that ingest or inject useless and often dangerous knock-off drugs. Even the highly regulated aviation industry is seeing counterfeit components make their way into aircraft systems. Such components have been blamed for multiple commercial aviation accidents that have resulted in numerous fatalities.

Though not as readily apparent as the life-threatening consequences highlighted above, businesses are also feeling the pain from counterfeiting as their revenues shrink as a result of being in direct competition with knock-offs of their own products. It is estimated that counterfeiters annually reap approximately \$640 billion in sales from counterfeited goods worldwide. Although some industries have been traditionally harder hit by counterfeiters than others, prudence dictates that your clients investigate the extent to which counterfeiting may be affecting their bottom line and that you assist them in formulating an effective anti-counterfeiting strategy.

Combating Counterfeiters

One available means by which you can assist your clients in taking action against counterfeiters is to work in cooperation with the U.S. Customs and Border Protection agency (Customs) in their efforts to seize counterfeit goods as they enter the United States at our nation's many points of entry (shipping ports, border crossings, international airports, etc.). Customs has implemented a program which primarily relies on businesses to notify it of the existence of intellectual property rights they seek to protect through Customs' power to seize counterfeit goods upon entry into the

United States.

In order to facilitate this process, Customs has provided participants with its Intellectual Property Rights e-Recordation (IPRR) online system (<https://apps.cbp.gov/e-recordations>). The online system allows participants to notify Customs of the existence of specific registered trademarks and copyrights owned by the participant.

...the World Health Organization now estimates that approximately 8-10% of the global medicine supply chain is counterfeit...

Customs then monitors imports for counterfeited goods bearing such trademarks, or bearing or embodying such copyrighted works. When found, the goods are seized by Customs.

To record a trademark or copyright, a participating business or its representative is required to enter specific information concerning the trademark or copyright, such as the registration number, the name of the owner, an identification of the trademark or copyright, etc. The participant must also identify the names of entities that are permitted to use the particular intellectual property being recorded and the country in which genuine goods are manufactured. A fee of \$190 is required for each trademark (per International Class of goods) or copyright recorded with Customs. A more detailed description of the procedures involved in the recordation process may be found at 19 C.F.R. §§ 133.0 – 133.53.

Active Involvement with Customs is Essential

With the high volume of recordations filed with Customs and the sheer number of goods flowing into the United States on a daily basis, it is not enough to merely record

your clients' intellectual property rights and expect Customs to seize all counterfeit goods associated with those rights. Active involvement with Customs personnel at the key ports in which you anticipate the importation of counterfeited goods is essential to effectively preventing shipments of counterfeit goods from entering the country.

Once a trademark or copyright has been recorded with Customs and key ports of importation are identified, the Customs personnel at those ports should periodically be sent information specifically identifying the IP rights you seek to have protected. You should send items such as photographs of both your client's trademark or copyrighted work and any known counterfeited goods, a list of likely unauthorized importers of counterfeited goods, and the names of countries you anticipate may be the origin of shipments of targeted counterfeited goods.

In general, the more effective you are at educating Customs personnel at key ports as to the rights you seek to protect, the more likely it is that the counterfeited goods you are targeting will be seized upon entry into the country. Therefore, we recommend that you regularly travel to key ports of entry and build a rapport with the Customs personnel, giving them periodic presentations that remind them of what they should be looking for in trying to prevent the targeted counterfeited goods from successfully entering the country. Not surprisingly, the primary key to working with Customs personnel in implementing an anti-counterfeiting strategy is persistence.

There are no easy fixes to combat counterfeiting, but with persistence and a concentrated effort, you can help make an impact that will improve your clients' bottom line and put the counterfeiters out of business.

The above article expresses the view of the author, and not necessarily those of the State Bar of Texas IP Law Section.



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Patent Litigators' Corner – Trick of the Trade: Certified Copies of Patents and Publications

by Tung T. Nguyen and Jennifer L. Jadow

Any patent litigator would agree that making it all the way to trial is rare. Statistics show that roughly 95% of patent cases settle before trial. Because of this, even the best practitioners are often years into their legal career before they experience a trial first-hand. And, while an attorney may be a pro at responding to interrogatories, arguing claim construction or revising expert reports, he or she might not be as comfortable when it comes to properly authenticating a document for trial. This is the first in a series of articles offering some useful practice pointers to patent litigators as they attempt to prepare for the trial that realistically may never come.

The best litigators start thinking about the trial from the date the complaint is filed. This means thinking ahead about how the jury and the judge will view the evidence you present.

A common practice among plaintiff's counsel in patent infringement cases is to begin the trial by displaying to the jury a certified copy of the patent-in-suit. Unlike the simple black and white patent that one can download from the Patent Office website, this version of the patent comes across as regal and

distinguished. The certified copy contains a red ribbon on the front and a gold seal of certification from the Patent Office. The intention with such a display, of course, is to establish in the minds of the jurors that a patent is something of value, something authentic and unique, something so important that it is issued by the government



Certified copy of a patent from the United States Patent and Trademark Office.

with a *real* ribbon tied around it. It doesn't always stop there though. We have heard of instances in which counsel for an inventor went so far as to enclose the patent-in-suit under a glass bell jar, proceeding then to handle it only with white gloves.

Now, to any patent attorney out there who shuffles through dog-eared and highlighted copies of patent after patent every day, this is completely absurd. *But*, to the jury? Ahhh the jury. This is an image that remains in

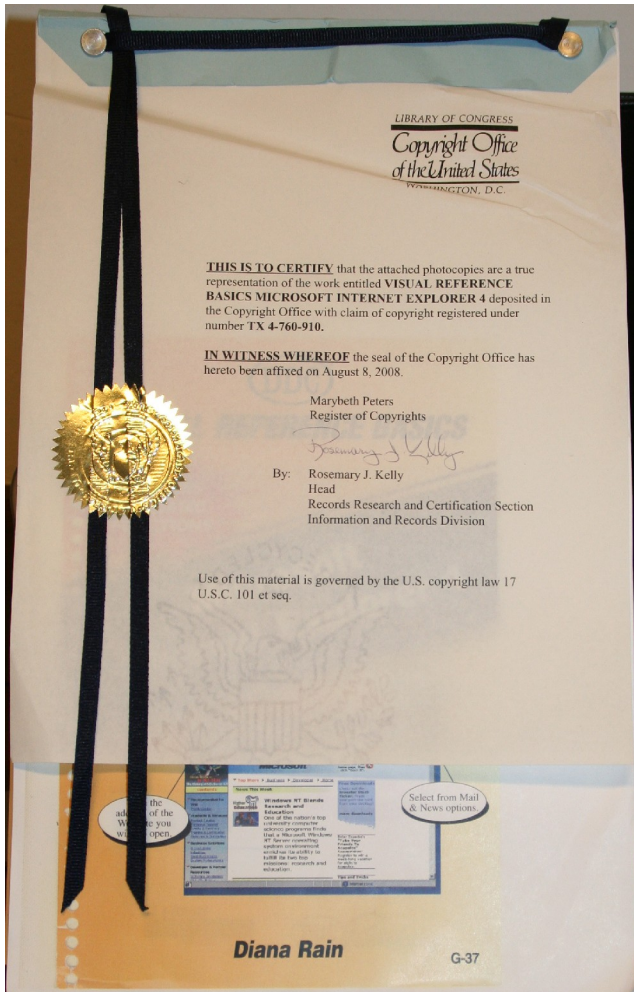
their heads throughout the rest of the trial -- this pristine, untouchable, certified masterpiece, originated by the inventor sitting before them, and certified by the federal government. The stage is set. Plaintiff's counsel can paint the picture from here on out of the defendant -- the villain -- who has trampled on this precious patent.

Certificate of registration from the United States Copyright Office.

Frustrating as this can be for the defense, it is a trial tactic which is extremely effective. Why? Because it is memorable. The inventor's counsel has taken the time to think through the exhibits, even those as basic as the patent-in-suit, and made them *important*.

Less known to practitioners is a similar trick which can be used by the other side -- the defendant who is trying, perhaps, to prove that the patent is invalid. Prior art comes in all forms. Authenticating the prior art, and most importantly, the date of the prior art, is essential to an argument of invalidity.

Interestingly, the United States Copyright Office and the Library of Congress offer similar certified versions of books. A party to litigation can submit to either of these offices a list of the publications they need



Certified copy of a publication from the United States Copyright Office.

and a signed copy of a Litigation Statement. The Litigation Statement simply verifies that counsel needs a copy of the publications for litigation purposes and that it will not be used for any other purpose. Because of significant delays at both offices with mailed requests, it is best to have someone hand deliver it. You are charged 50 cents per page for color copies and 25 cents per page for black and white copies. What you get in return, however, is well worth the money! It is a certified copy of the book, from cover to cover, with a navy ribbon wrapped around it

(yes, a *real* ribbon) and a gold seal. Just like the effect on the jury and the court of seeing the certified, ribboned copy of the patent, this has an equally grandiose effect. Suddenly, the book is not just a book -- it is a *certified* work of art, that pre-dates that dusty old dog-eared version of the patent that the defense will, of course, show the jury.

Something that may be of even more importance to the trial lawyer is the usefulness of the certified version of prior art publications for authentication purposes. Unlike a version of the prior art book that you might pick up at a bookstore, this version is a certified copy of a public record which is self-authenticating under Rule 902 of the Federal Rules of Evidence. Thus, the ordinary efforts one must go through to prove up the date of certain pieces of prior art, which are usually heavily contested by the plaintiff, are all alleviated.

So there it is, our first trick of the trade: use certified copies of any and all publications you intend to use at trial. This will paint a memorable image in the minds of the jurors and it will save you a lot of hassle at trial.

The above article expresses the view of the authors, and not necessarily those of the State Bar of Texas IP Law Section.



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