

# The Goods On IP<sup>®</sup>

An Intellectual Property Newsletter for Consumer Product Companies

July 2018



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The July 2018 issue of Sterne Kessler's *The Goods on IP*<sup>®</sup> discusses developments on copyright infringement lawsuit timing, prosecuting consumer product claims that include conjunctive limitations, and an update on membership in the Hague for design patent applications. This issue also provides an update on design patent PTO litigation statistics.

Sterne Kessler's [Consumer Products](#) practice is focused on the unique intellectual property needs of consumer product companies. Our practice integrates utility and design patent and trademark expertise to implement the right combination of IP tools available to meet our clients' global business goals. For more information, please contact [Mark Rygiel](#) or [Tracy-Gene G. Durkin](#).

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## **COPYRIGHTS - SUPREME COURT TO WEIGH-IN ON WHEN A COPYRIGHT OWNER CAN SUE FOR INFRINGEMENT**

By: [Tracy-Gene G. Durkin](#), [Ivy Clarice Estoesta](#) and [Shelise Rupp](#)

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By: [Mark W. Rygiel](#) and [Trevor M. O'Neill](#)

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Two years ago, the U.S. Supreme Court clarified the test for determining when a three dimensional design for a “useful article” is copyrightable, resolving an issue that had divided the federal circuit courts for years. Although the practical implications of that decision are still being sorted out, the high court has moved on to another important copyright issue. Last month, the Court agreed to resolve the question of what the Copyright Act means when it states that “registration” is necessary before any lawsuit alleging copyright infringement can be filed.

Although copyright is inherently granted to all original works that are “fixed in any tangible medium of expression,” the Copyright Act is clear that registration by the U.S. Copyright Office is a prerequisite to filing any copyright lawsuit, making it one of the best-known benefits of a federal copyright registration. But that is not all; registration also creates a public notice of ownership that anyone can search, one that can be relied on in case of any future enforcement action. It also establishes *prima facie* evidence of the validity of a work and the recorded ownership if it is registered within five years of publication. Timely registration even makes it possible for a copyright owner to recover attorneys’ fees, costs, and statutory damages in the case of infringement – meaning that, instead of just actual damages, up to \$150,000 can be recovered for every single instance of infringement.

In a 2009 case involving Sony (*Sony BMG Music Entertainment, et al. v. Tenenbaum*), the rights to thirty different registered songs were found to have been infringed. Though actual damages would not likely have been very high, the jury awarded statutory damages to the tune of \$22,500 per song, for a total award of \$675,000 – a sum that would not have been possible without the initial registrations. A federal registration even allows right-holders to put the U.S. Customs on notice to prevent importation of infringing copies of the work in question. So while

copyright is inherent in every eligible work, registration can bring a great deal more to the table.

However, courts have long disagreed on whether denial or approval of a copyright application constitutes “registration,” or whether merely filing a complete application constitutes “registration.” Some circuits have adopted the application approach and hold that the Act’s requirement is met once a complete application has been filed. Others have adopted the registration approach, finding that the requirement is met when the final certificate is in hand (or registration is refused). Still others have declined to adopt either approach.

In the current case, *Fourth Estate Public Benefit Corp. v. Wall-Street.com LLC*, the district court followed the registration approach, and dismissed Fourth Estate’s copyright infringement claim on the basis that the Copyright Office had not yet approved or denied Fourth Estate’s application for copyright registration. The Eleventh Circuit affirmed the district court and held that “[f]iling an application does not amount to registration.” Interestingly, the U.S. solicitor general has already taken sides, asking the justices to affirm the Eleventh Circuit’s ruling. It would appear, then, that the government is of the opinion that the Copyright Office’s disposition (either approval or refusal) of an application is required by the language of the statute.

Whatever the high court decides, it will hopefully bring clarity to an issue to which the circuits have long been asking for guidance. Until then, copyright owners who intend to enforce their copyrights would be wise to seek formal registration with the Copyright Office before bringing suit and avoid the issue entirely.

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By: [Mark W. Rygiel](#) and [Trevor M. O'Neill](#)

The phrase “at least one of” is used in claims to indicate selection from a group of elements that follows the phrase. When used, practitioners may grapple with whether “at least one of A and B” or “at least one of A or B” is appropriate. Recent guidance from the Patent Trial and Appeal Board provides clarity on the issue and may help practitioners claim a particular group of consumer products as intended.

The Board recently designated the 2017 *ex parte* appeal decision in *Ex parte Jung* as informative because it discusses issues of claim construction that arise when “at least one of” is used in a claim. Appellants in *Jung* filed an appeal with the Board after their claims were rejected during prosecution.<sup>[1]</sup> The claims are directed at methods for playing back a scene using Universal Plug and Play, and the relevant portions of the claims recite “at least one of [first item category] and [second item category].”<sup>[2]</sup> Appellants argued that their claims should be construed to read “at least one of [first item category] and at least one of [second item category],” which effectively requires a selection of at least one item from each category for a total of at least two items.<sup>[3]</sup>

The Board agreed with Appellants and held that ordinarily the phrase “at least one of” should be construed to apply to each of the categories of items that follow.<sup>[4]</sup> The Board based its holding on a Federal Circuit case, *Super Guide*, that examined a similar issue.<sup>[5]</sup> In that case, the Federal Circuit held that the ordinary meaning and usage of the phrase “at least one of” is such that it applies to each of the categories that follows.<sup>[6]</sup> The Board went on to explain, however, that “[a]n Examiner may adopt a different meaning if called for based upon the usual claim construction considerations, including analyzing the specification for any definition or disavowal.” This conclusion, the Board reasoned, followed from dicta in *Super Guide* and a line

of decisions that did not follow *Super Guide* because of distinguishing factual information present in those cases.<sup>[7]</sup> The Board noted that in these situations, “like [in] any claim construction straying from ordinary meaning, the Examiner should set forth the reasoning for such an interpretation, including citations and explanations of relevant portions of the claims, specification, or prosecution history.”<sup>[8]</sup>

Practitioners and applicants should take caution when using the phrase “at least one of”. Ideally, the meaning of the phrase, including where it is intended to mean “at least one from each of the following categories,” should be made explicit in the specification. For example, in *Jung*, the specification included examples of both usages of “at least one of” (i.e. selecting one or more from each category or selecting one item total), but the Board found that this was not sufficient to overcome the ordinary meaning of the phrase, stating “[a] mere example of ‘or’ in the Specification without more that would compel the disjunctive is insufficient to overcome the ordinary meaning of a claim using the conjunctive ‘and’.”<sup>[9]</sup> Practitioners and applicants should also consider other claim language that does not use the phrase, such as, for example, a broader genus that includes both A and B.

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<sup>[1]</sup> *Ex Parte Jung*, Appeal 2016-008290 at 2 (P.T.A.B. Mar. 22, 2017).

<sup>[2]</sup> *Id.*

<sup>[3]</sup> *Id.* at 3.

<sup>[4]</sup> *Id.* at 8.

<sup>[5]</sup> *Super Guide Corp. v. DirectTV Enters., Inc.*, 358 F.3d 870, 885-86 (Fed. Cir. 2004).

<sup>[6]</sup> *Ex Parte Jung* at 4-5.

<sup>[7]</sup> *Id.* at 6-7.

<sup>[8]</sup> *Id.* at 8.

<sup>[9]</sup> *Id.* at 9-10.

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The Hague Agreement, the international registration system for industrial designs, continues to grow as Canada will become its newest member on November 5, 2018. As we reported back in [January](#), Russia also joined the Hague this year.

Canada joins a growing (and long) list of members. Currently under the Hague system designs can be registered through the Patent Offices in the following member countries and regions: the African Intellectual Property Organization (OAPI), Albania, Armenia, Azerbaijan, Belgium, Belize, Benin, Bosnia and Herzegovina, Botswana, Brunei, Bulgaria, Cambodia, Croatia, Côte d'Ivoire, Denmark, Egypt, Estonia, European Union (EU), Finland, France, Gabon, Georgia, Germany, Ghana, Greece, Hungary, Iceland, Italy, Japan, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Mali, Monaco, Mongolia, Montenegro, Morocco, Namibia, Netherlands, Niger, North Korea, Norway, Oman, Poland, Portugal, Moldova, Romania, Russia, Rwanda, Sao Tome and Principe, Senegal, Serbia, Singapore, Slovenia, South Korea, Spain, Suriname, Switzerland, Syria, Tajikistan, Tunisia, Turkey, Turkmenistan, Ukraine, and the United States.

After Canadian membership comes into force later this year, applicants can designate Canada in their international design applications (“IDAs”). As a reminder, the Hague system does not eliminate substantive examination or patentability requirements in any country. Therefore, applicants should ensure they are familiar with the rules and regulations of any country they designate in their IDA or else they run the risk of failing to obtain design rights in any country in which they fail to satisfy the local requirements.



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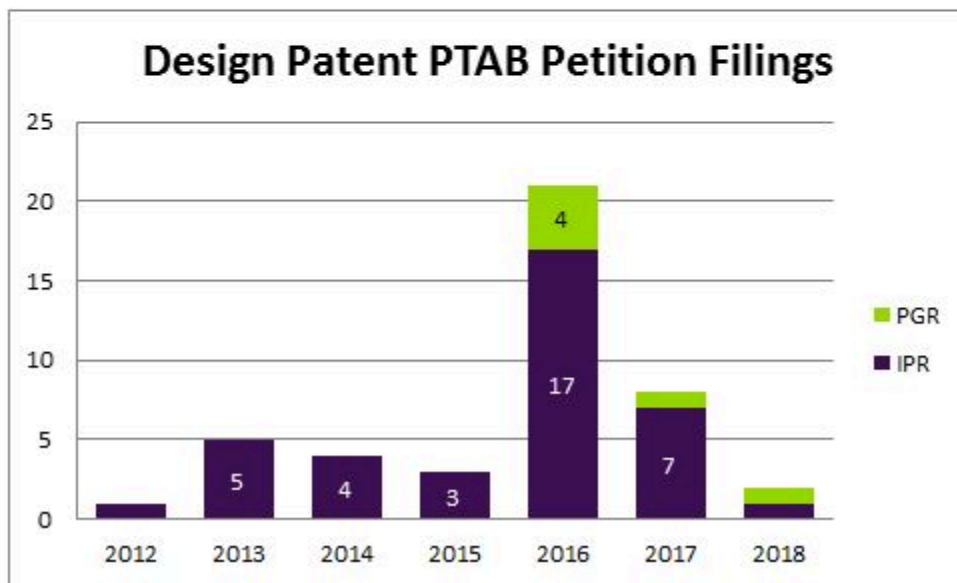
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### **I. Proceeding Breakdown**

Year	IPR	PGR	Grand Total
2012	1		1
2013	5		5
2014	4		4
2015	3		3
2016	17	4	21
2017	7	1	8
2018	1	1	2
<b>Grand Total</b>	<b>38</b>	<b>6</b>	<b>44</b>



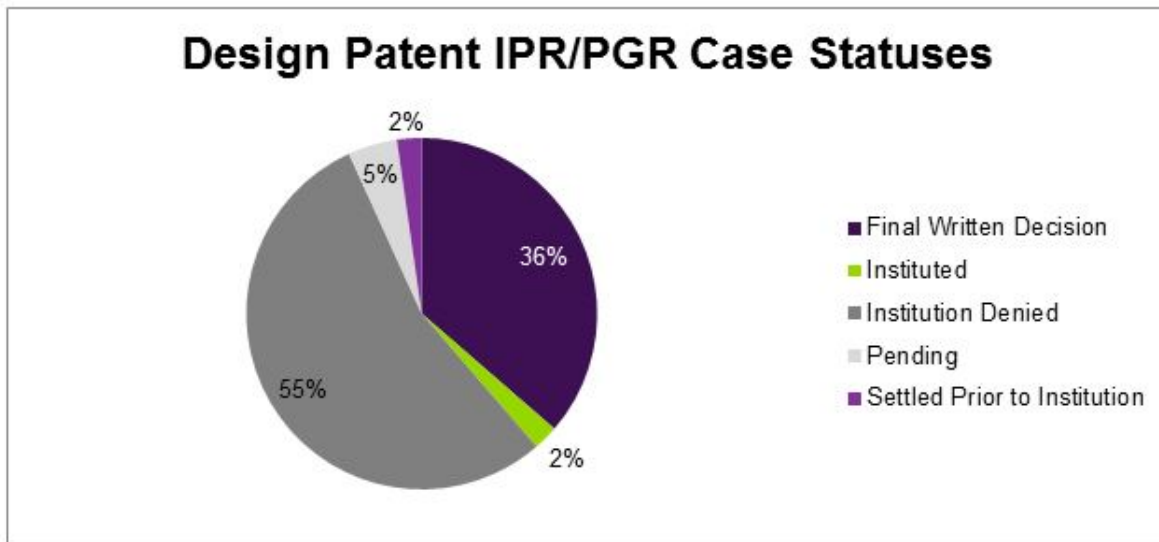
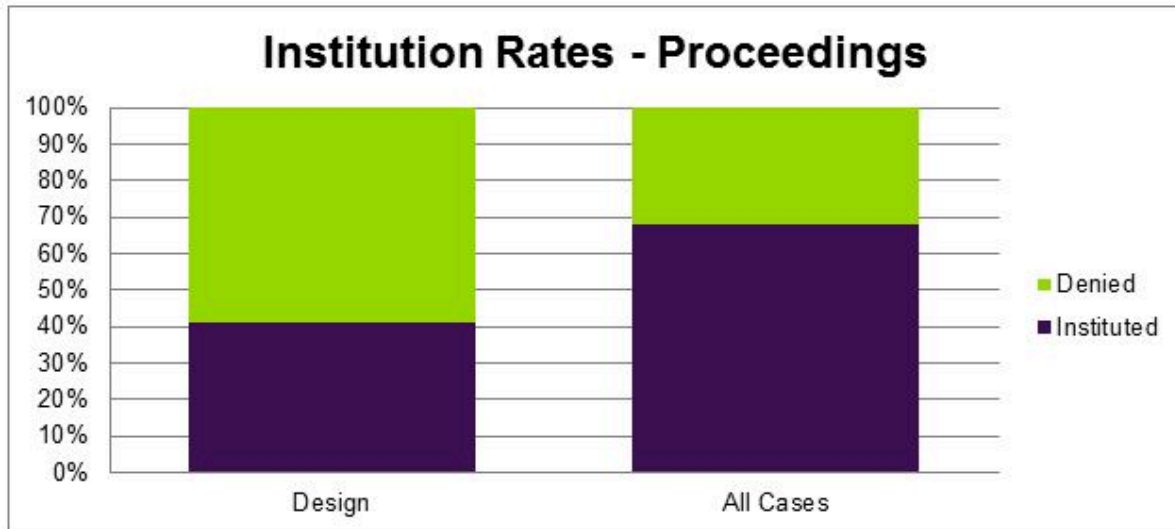
## II. Institution Rates/Case Studies

The institution rate for design patents, for both claims and proceedings, is 41% (17/41).

For cases overall, the proceeding institution rate is 68%, and the claim institution rate is 61%.

Here is a breakdown of the current case statuses for all of the design cases:

Status	Total
Final Written Decision	16
Instituted	1
Institution Denied	24
Pending	2
Settled Prior to Institution	1
<b>Grand Total</b>	<b>44</b>

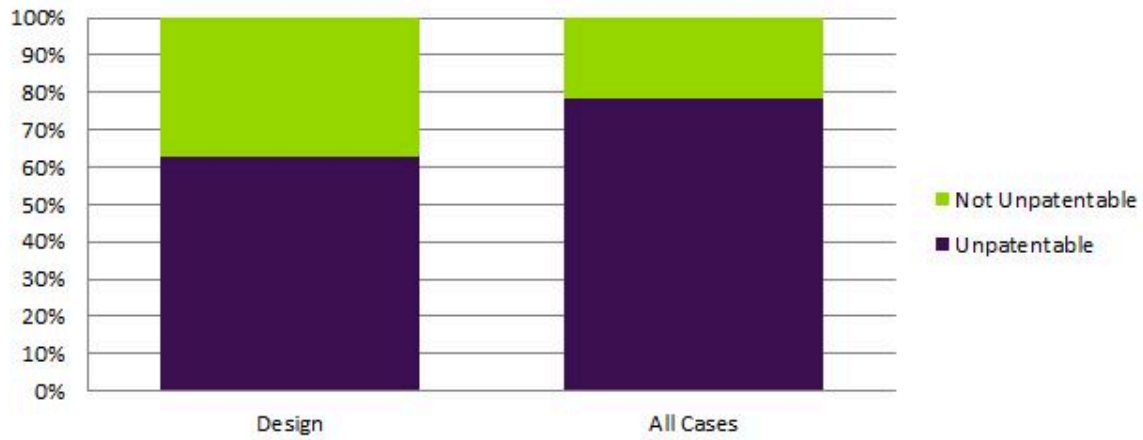


### III. Final Written Decision (FWD) Outcomes

#### A. Claim Cancellation Rate

The instituted claim has been cancelled in 10 of 16 design FWDs (63%). The overall claim cancellation rate is 77%.

## FWD Instituted Claim Outcomes



### B. FWD Ground Type

Claim Outcome	FWD Ground Type		Grand Total
	102/103	103	
Not Unpatentable	2	4	6
Unpatentable	4	6	10
Grand Total	6	10	16

### C. FWD Prior Art Type

Trial Number	FWD Ground Type	FWD Prior Art Type
PGR2018-00073	103	Patent
IPR2018-01006	103	Patent
IPR2017-00096	102/103	Patent
IPR2017-00095	103	Patent
IPR2017-00094	103	Patent
IPR2017-00091	103	Patent
IPR2016-00826	103	Patent
IPR2016-00816	103	Patent
IPR2016-00130	102/103	NPL
IPR2015-01453	102/103	NPL
IPR2015-00416	103	NPL/Patent
IPR2015-00306	103	Patent
IPR2013-00580	102/103	Patent
IPR2013-00501	102/103	Patent
IPR2013-00500	102/103	Patent
IPR2013-00072	103	Patent

Claim Outcome	FWD Prior Art Type			Grand Total
	Patent	NPL	Both	
Not Unpatentable	4	2	0	6
Unpatentable	9	0	1	10
Grand Total	13	2	1	16

#### IV. Technology Areas

Tech Area	#
Footwear	15
Household Items	11
Construction	4
Retail Fixtures	4
Automotive	2
Electronics	2
Furniture	2
Apparel	1
Aviation	1
Gaming	1
Medical Devices	1

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