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A review of developments in Intellectual Property Law



Patent Prosecution Data Analytics

By Adnan "Eddie" M. Obissi and David R. Grosby

Preparing patent applications for examination at the United States Patent and Trademark Office (USPTO) requires proficient writing, detailed knowledge of the requirements of the Patent Act, and technical acumen. Once a patent application has

been filed, a patent practitioner must also communicate effectively with the examiner assigned to review the application, weigh the costs of claim amendments with the benefits of expeditious prosecution, and understand the needs of her clients. In large part, these considerations are influenced, not only by the aptitude or diligence of the patent practitioner, but by the unique interpretation of the claims, understanding of the Manual of Patent Examining Procedure (MPEP), and overall style of the examiner assigned to the application.

The difference between broad or narrow claims, efficient or expensive prosecution, or an issued or rejected application rests on these particularities of the examiner. Accordingly, experienced patent practitioners should, to the extent possible, understand the tendencies of the examiner, and thereby focus prosecution strategy to obtain the most valuable patent at the lowest cost to the client.

Up until recently, knowledge of particular examiners at the USPTO was limited to anecdotal exchanges between colleagues (e.g., "John Smith was very difficult to work with" or "Jane Smith was willing to work with me") or personal experience. But data analytics services now provide patent practitioners the ability to easily determine tendencies of patent examiners, which allows them to amend their prosecution strategies accordingly. This article focuses on the information provided by such services, and provides three particular scenarios where examiner-specific analytics can be used to update prosecution strategy.

Juristat's Examiner Reports¹ and Examiner Ninja² are two data analytics services that provide patent prosecution data on a per

examiner basis. Both services include user-friendly interfaces that summarize each examiner's prosecution statistics, including the total number of applications the examiner has examined and a breakdown of how many applications were issued, were abandoned, and are pending. While Juristat's Examiner Reports include more detailed information than that provided by Examiner Ninja, Examiner Reports is a paid service and Examiner Ninja is free. Which service a patent practitioner should use depends on the preferences of the practitioner and the needs of the client. However, either service can be used in any number of scenarios at any stage of prosecution to inform prosecution strategy.

Scenario 1: Determining whether to conduct an examiner interview

Many patent practitioners conduct at least one interview during the pendency of a patent application.³ However, there are times when interviews are unproductive. For instance, some examiners conduct adversarial interviews

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that stratify positions rather than reconcile them. In other cases, examiners may speak English as a second language, and may have difficulty communicating effectively during an interview. Examiner interviews may also be time and budget sensitive. For instance, a practitioner may face the choice of conducting an interview and paying a \$200 fee to extend the time for response by one month, or responding to an Office Action within the statutory time limit. Further, some clients may pay extra attorneys' fees for a practitioner to conduct an interview.

In such scenarios, Examiner Reports or Examiner Ninja may provide valuable data that allows a practitioner to make an informed decision to conduct or to forego an examiner interview. Figure 1 shows data for a particular examiner that indicates he is far more likely to allow a patent application having conducted an interview than having not. In this scenario, a practitioner may decide to conduct an examiner interview to increase the likelihood of an allowance when working with this particular examiner.



Figure 1: A breakdown of allowance rates for a particular examiner with no interview and with an interview provided by Examiner Ninja

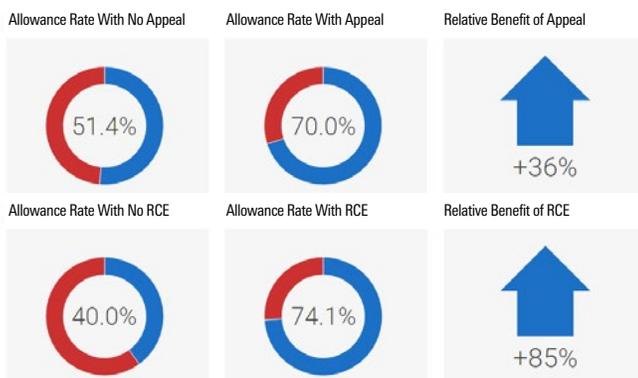


Figure 2: A breakdown of allowance rates for a particular examiner with and without an appeal or an RCE provided by Examiner Ninja



Figure 3: A breakdown of the probability of getting a new examiner in a continuation or continuation-in-part application provided by Juristat's Examiner Reports

Scenario 2: Determining how to proceed after a final rejection

Even after conducting an examiner interview, a practitioner may receive a final rejection. In such scenarios, the practitioner must determine whether proceeding with prosecution is worthwhile and, if so, which course to take. For example, the practitioner may file a request for continued examination (RCE), file an appeal, or abandon the application in favor of a continuation thereof. In some scenarios, the practitioner may have to weigh the merit of filing an RCE, a \$1,200 filing fee, and claim amendments or remarks, against filing a notice of an appeal, an \$800 filing fee, a \$2000 forwarding fee, the prospect of substantial delay in having the appeal heard, and the time required to prepare an appeal brief.

Examiner Reports and Examiner Ninja again provide useful data. Figure 2 shows the relative benefit of filing an appeal for a particular examiner, and also shows the relative benefit of filing an RCE. In the present example, the data indicates that filing an RCE provides a greater

likelihood of success with this particular examiner. However, even with such data, the practitioner should consider the strength of the final rejection and the extent that potential narrowing amendments made during continued prosecution may devalue the issued patent.

Scenario 3: Determining how best to avoid an examiner

Sometimes, even after one or two (or more) rounds of prosecution, the examiner may maintain a rejection. Whether or not the practitioner believes the rejection to be reasonable, she may consider taking steps to avoid the examiner moving forward. Such a course may be particularly

desirable where the examiner allows few applications relative to his art unit. When filing a continuation or continuation-in-part, there is a chance that the new case is reviewed by a different examiner or even a different art unit. Accordingly, the practitioner should weigh the chances of getting a different examiner with rejection statistics of the art unit.

Examiner Reports provides data that indicates the effects of a continuation or a continuation-in-part. Figure 3 shows a breakdown that indicates filing a continuation is more likely than not to result in a new examiner, and that filing a continuation-in-part provides an even greater chance of a new examiner, and also provides a better chance for a new art unit. In the present example scenario, the practitioner may decide to file a continuation-in-part application in the hopes of finding a more lenient (or reasonable) examiner.

While the example scenarios provided in this article show several benefits of using data analytics to supplement patent prosecution strategy, both featured services provide even more details that patent practitioners can use to obtain patents more efficiently. Of course, patent prosecution remains an art more so than a science, and no amount of graphs or tables will allow a practitioner to communicate effectively with an examiner, or argue more persuasively. But such information is valuable for developing a general strategy during prosecution. Ultimately, patent prosecution is about results. Patent prosecution data analytics services, such as Juristat's Examiner Reports and Examiner Ninja, are useful tools every practitioner should consider adopting in prosecuting patent applications.

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Endnotes

- <https://www.juristat.com/#examiner>
- <https://examiner.ninja/>
- USPTO study showed percentage of examiner interviews doubled from 15% to 30% from fiscal year 2008 to fiscal year 2012. https://www.uspto.gov/sites/default/files/about/advisory/ppac/20130314_PPAC_PatentOperations.pdf

The Halo Effect – Making Angels Out of Infringers?

By James C. Gumina

Historically, patent owners have pled willful infringement in an effort to support the collection of enhanced damages from an infringer. Typically, if there was willful infringement the damages were enhanced and often tripled.¹ Over the years the courts have made it increasingly more difficult to prove willful infringement, culminating with the Federal Circuit's ruling in *In re Seagate*.² *Seagate* set up a two part test that made it very difficult to establish willful infringement and likewise made it very difficult to obtain enhanced damages.³

In June 2016, the Supreme Court ruled in *Halo Elecs., Inc. v. Pulse Elecs. Inc.* that the Federal Circuit's *Seagate* analysis for willfulness was too restrictive.⁴ The Court restructured the willfulness analysis to eliminate the objective recklessness analysis, and lowered the burden of proof from a clear and convincing standard to a preponderance of the evidence standard.⁵ The Court also, in addressing enhanced damages, held that an award of enhanced damages is in the discretion of the district court to be awarded in egregious cases.⁶ On the surface, this seemed to have been a significant victory for patent owners. A lower the burden to prove willful infringement seemed as if it should be a significant deterrent to patent infringement, *i.e.*, easier to establish enhanced damages. But has it really worked out that way? Have the district courts been finding willful infringement more often post-*Halo*? And perhaps more importantly, have district courts been awarding enhanced damages more frequently post-*Halo*?

While the case law in the area is still developing, two trends are emerging: (1) a finding of willful infringement is no guarantee of an award of enhanced damages, and (2) the determination of enhanced damages is a separate and a distinct inquiry from the issue of willfulness. District courts have not found willful infringement around every corner, even with the lower standard. Those same courts, in their discretion, have not automatically concluded that willful infringement, unto itself, is egregious enough behavior to warrant enhanced damages. Moreover, district courts

that have exercised their discretion to award enhanced damages have not found that treble damages is the default, often awarding a lesser quantum of enhanced damages.⁷

The *Halo* decision makes it clear that the evaluation of willful infringement and whether to award enhanced damages under 35 U.S.C. § 284 are related but separate evaluations. The *Halo* Court said that enhanced damages are appropriate in egregious cases.⁸ The test for enhanced damages appears to be simply whether the infringer acted in a sufficiently egregious manner so as to cause the court in its discretion to enhance damages.⁹ The *Halo* Court characterized this behavior in a manner consistent with that of a "pirate" so as to distinguish the case from a "typical patent infringement case".¹⁰ While willful infringement is definitely evidence that can support an award of enhanced damages, it does not seem to be either required or necessarily sufficient to prove egregiousness.¹¹ 35 U.S.C. § 284 provides the statutory basis for enhanced damages, and never mentions willful infringement. Instead, the statute simply states that a court "may increase damages up to three times the amount found or assessed".¹² The *Halo* Court gives "willful misconduct" as an example of a situation where enhanced damages may be appropriate.¹³ It never, however, sets willful infringement as a requirement.

The Federal Circuit has provided some insight into its view of the scope of *Halo*. In the cases where it has addressed willfulness and enhanced damages post-*Halo*, the Federal Circuit has made several salient if not always consistent points. The Federal Circuit has stated that "egregious, cases [are] 'typified by willful misconduct.'"¹⁴ The Federal Circuit further has held that after *Halo*, the subjective willfulness of an infringer can support an award of enhanced damages,¹⁵ and that "district courts should exercise their discretion, 'taking into account the particular circumstances of each case,' and consider all relevant factors in determining whether to award enhanced damages."¹⁶

The Federal Circuit has also made clear that "timing *does* matter."¹⁷ Specifically, the

timing of an infringer's actions or knowledge can impact whether the case is considered egregious so as to warrant enhanced damages. The Federal Circuit held that when it comes to determining whether an accused infringer reasonably relied upon good faith defenses, the infringer "cannot insulate itself from liability for enhanced damages by creating an (ultimately unsuccessful) invalidity defense after engaging in the culpable conduct of copying or 'plundering,' patentee's patented technology prior to litigation. Proof of an objectively reasonable litigation-inspired defense is no longer a defense to willful infringement."¹⁸

Unsurprisingly, the district courts have also tended to address the issue of enhanced damages in the context of willful infringement. One court, however, specifically stated that an award of enhanced damages under 35 U.S.C. § 284 does not require a finding of willful infringement.¹⁹ That being the case, that court as well as many others are finding it difficult to find behavior egregious enough to award enhanced damages even in the light of a jury finding of willful infringement.²⁰ As set out in *Halo*, the courts have focused on whether the infringer's behavior was sufficiently egregious as to distinguish it from an ordinary infringement case.

In an effort to investigate whether the infringer's action are sufficiently egregious, the courts have continued to look at the so called *Read* factors. In *Read v. Portec*, the Federal Circuit set out a list of factors the courts might consider when determining whether to enhance damages: (1) whether the infringer deliberately copied the ideas or design of another; (2) whether the infringer when he became aware of patent protection investigated the scope of the patent protection and formed a good faith belief that it was invalid or that it was not infringed; (3) the infringer's behavior as a party to the litigation; (4) the infringer's size and financial condition; (5) closeness of the case; (6) duration of the infringer's misconduct; (7) remedial action taken by the infringer; (8) infringer's motivation for harm; and (9) whether the infringer attempted to conceal its misconduct.²¹ Since

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Halo did not alter the substantive law of willfulness or enhanced damages, referring to these *Read* factors continues to make sense, and may very well be the crux of the matter.

Understanding that most of the district courts that have spoken on the issue have been working with a record developed under *Seagate*, and only in hindsight have applied *Halo* to the cases, it is difficult to determine the parameters the courts are applying for egregiousness sufficient to distinguish a case from a “typical” patent infringement case.

While the case law in the area is still developing, two trends are emerging: (1) a finding of willful infringement is no guarantee of an award of enhanced damages, and (2) the determination of enhanced damages is a separate and a distinct inquiry from the issue of willfulness.

Several cases have affirmed a jury’s previous finding of willfulness under the new *Halo* standard, but gone on to find that, while willful, the infringer’s behavior did not rise to the level of “egregious” behavior required by *Halo* so as to warrant enhanced damages.²² In most cases there have been mitigating facts such as ceasing infringing activity upon receiving notice of the patent,²³ evidence of effort to design around the patent,²⁴ intervening rights as a result of a reexamination,²⁵ and significant pre-issuance sales activity by the infringer.²⁶

On the flip side, district courts have exercised their discretion to award enhanced damages in circumstances where the infringer acted in a manner inconsistent with fair dealing in the market place. In most cases, it took more than a finding of willful infringement – it took a fact pattern that demonstrated that the infringer took advantage of the patentee, not only with respect to the patented invention but also with respect to how they acted in the market place. While in each case the courts looked at the totality of the circumstances, often there has been a particular fact that caught the courts’ attention that seems to spark the award of enhanced damages. These facts included: (1) the infringer abandoning development of its own system in favor of an infringing system shortly after the infringer’s engineer tested the patentee’s prototype,²⁷ (2) the infringer abruptly breaking off licensing negotiations with the patentee stating a lawsuit was preferable and that they would wait until another company licensed the portfolio at which time they would be a “follower,”²⁸ and (3) the infringer arguing that their design around was invisible in the accused product but concealed that they later altered the design so as to infringe.²⁹

What seems evident from *Halo*, and the cases that have applied it, is that simply proving willful infringement (even when shown by clear and convincing evidence) is not always going to be sufficient to ensure an award of enhanced damages. To support an award of enhanced damages, patentees will now have to establish that the infringer was more than an aggressive competitor that may have played a little too close to another’s patent rights. It now seems a patentee has to show that the infringer acted inconsistently with the acts of a good faith competitor. Indeed, patentees have to convince two audiences of these facts. First, patentee must reach the threshold of establishing for the fact finder (jury or judge) that the infringer acted in an egregious manner. Whether through the *Read* factors or other evidence a patentee must demonstrate that the infringer acted in a manner most would consider beyond inappropriate. Second, once this threshold has been reached the patentee must convince the judge that the infringer’s actions were so abhorrent that discretion

should be exercised to enhance damages. It is the burden of the patentee to distinguish the case from a “typical” patent case. Because of the fluid nature of this standard the nature and quantum of proof necessary to obtain enhanced damages may vary not only with the circumstances of the case but with the experience of the audience.

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Endnotes

- ¹ See *Jurgens v. CBK Ltd*, 80 F.3d 1566, 1572 (Fed. Cir. 2012) (if there is a finding of willfulness the trial court must provide basis for not enhancing damages).
- ² *In re Seagate Tech., LLC*, 497 F.3d 1360 (Fed. Cir. 2007).
- ³ *Id.*
- ⁴ 136 S. Ct. 1923 (2016).
- ⁵ *Id.* at 1934.
- ⁶ *Id.*
- ⁷ *Compare* Core Wireless Licensing, S.a.r.l. v. LG Elecs., Inc., 2:14-cv-912-JRG (E.D. Tex. Nov. 1, 2016) (minimal enhancement); *PPC Broadband, Inc. v. Corning Optical Commc'ns. RF, LLC*, 5:11-cv-761 (N.D. N.Y. Nov. 3, 2016) (damages doubled not tripled); *Nobelbiz, Inc. v. Global Connect, LLC*, 6:12-cv-244 at p. 51 (E.D. Tex. Oct. 27, 2016) (minimal enhancement); *Polara Eng'g., Inc. v. Campbell Co., SA-cv-13-00007-DFM* (C.D. Cal. Feb. 27, 2017) (enhancement of 2.5 time damages); *Dominion Resources, Inc. v. Alstrom Grid, Inc., Civil Action No. 15-224* (E.D. Pa. Oct. 3, 2016) (damages doubled) *with* *Innovation Toys, LLC v. MGA Entm't., et al, Civil action No. 07-6510*, p. 8 (E.D. L.A. March 8, 2017) (awarding treble damages in light of egregious infringement behavior); *Imperium Holdings (Cayman), Inc. v. Samsung Elecs., 4:14-cv-371* (E.D. Tex. August 24 2016) (damages trebled).
- ⁸ *Halo*, 136 S. Ct. at 1934.
- ⁹ *Id.*
- ¹⁰ *Id.* at 1932 (“typically infringement case” held out a situation where enhanced damages should not be rewarded).
- ¹¹ *Id.* at 1933 (“none of this is to say that enhanced damages must follow a finding of egregious misconduct”). See also, *Finjan, Inc. v. Blue Coat Sys., Inc.*, Case No. 13-cv-03999-BLF, at p. 25 (N.D. Cal. July 18, 2016).
- ¹² 35 U.S.C. § 284.
- ¹³ *Halo*, 136 S.Ct. at 1934.
- ¹⁴ *Westerngeco, LLC v. Ion Geophysical Corp.*, 837 F.3d 1358, 1362 (Fed. Cir. 2016).
- ¹⁵ *Id.*
- ¹⁶ *Id.* at 1363.
- ¹⁷ *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1340 (Fed. Cir. 2016).
- ¹⁸ *Id.* at 1341.
- ¹⁹ See *Finjan, Inc. v. Blue Coat Systems, Inc.*, Case No. 13-cv-03999-BLF, at p. 25 (N.D. Cal. July 18, 2016).
- ²⁰ *Id.* at p. 28. See also, *Loops LLC v. Phoenix Trading, Inc.*, C08-1064RSM (W.D. Wash. Nov. 9, 2016); *Trustees of Boston University v. Everlight Elecs. Co.*, 12011935-PBS (D. Mass July 22, 2016); *Presidio Components, Inc. v. Am. Technical Ceramics Corp.*, 14-cv-02061 (S.D. Cal. Aug 17, 2016); *Radware LTD. v. F5 Networks, Inc.*, 5:13-cv-02024, (N.D. Cal. Aug. 22, 2016); *Chrimar Sys., Inc. v. Adtran, Inc.*, 6:15-cv-618, (E.D. Tex. June 30, 2016).
- ²¹ 970 F.2d 816, 827 (Fed. Cir. 1992).
- ²² See, e.g., *Loops LLC v. Phoenix Trading, Inc.*, C08-1064RSM (W.D. Wash. Nov. 9, 2016); *Trustees of Boston University v. Everlight Elecs. Co.*, 12011935-PBS (D. Mass July 22, 2016); *Presidio Components, Inc. v. Am. Technical Ceramics Corp.*, 14-cv-02061 (S.D. Cal. Aug 17, 2016); *Radware LTD. v. F5 Networks, Inc.*, 5:13-cv-02024, (N.D. Cal. Aug. 22, 2016); *Chrimar Sys., Inc. v. Adtran, Inc.*, 6:15-cv-618, (E.D. Tex. June 30, 2016).
- ²³ *Loops LLC v. Phoenix Trading, Inc.*, C08-1064RSM (W.D. Wash. Nov. 9, 2016).
- ²⁴ *Trustees of Boston University v. Everlight Elecs. Co.*, 12011935-PBS (D. Mass July 22, 2016).
- ²⁵ *Presidio Components, Inc. v. Am. Technical Ceramics Corp.*, 14-cv-02061 (S.D. Cal. Aug 17, 2016).
- ²⁶ *Radware LTD. v. F5 Networks, Inc.*, 5:13-cv-02024, (N.D. Cal. Aug. 22, 2016).
- ²⁷ *Artic Cat Inc. v. Bombardier Recreational Products, Inc.*, 14-cv-62369 (S.D. Fla. July 27 2016).
- ²⁸ *Core Wireless Licensing, S.a.r.l. v. LG Elecs., Inc.* 2:14-cv-912-JRG (E.D. Tex. Nov. 1, 2016).
- ²⁹ *PPC Broadband, Inc. v. Corning Optical Commc'ns. RF, LLC*, 5:11-cv-761 (N.D. N.Y. Nov. 3, 2016).

The Status of Counterfeiting

By Anthoula Pomrening and George “Trey” Lyons, III

Viewed as “one of the most pressing issues of economic and national security facing our country,” intellectual property (IP) theft, particularly counterfeiting, has been characterized as a “tremendous and ever-increasing global threat.”¹ And, while some industries have been affected to a greater extent than others, no industry is safe from counterfeiting. To the point, counterfeiting is not a problem limited to items such as luxury handbags or designer sunglasses, but one that extends to many industries— from pharmaceuticals to automotive parts, consumer electronics to cosmetics, computers to personal care products. Thus, the problems imposed on society by counterfeiting are far-reaching, and, according to recent studies, only growing.

The Magnitude of the Problem

Although difficult to quantify, there have been a number of recent, thoughtful attempts to determine the exact impact that counterfeiting has on society, both locally and globally.

For example, the Commission on the Theft of American Intellectual Property recently issued an update to its original 2013 report that conservatively estimates “that the annual cost to the U.S. economy continues to exceed \$225 billion in counterfeit goods, pirated software and theft of trade secrets and could be as high as \$600 billion.”²

Similarly, the Frontier Report has recently presented a comparable view of the magnitude of the counterfeiting problem, estimating that the total domestic production and consumption of counterfeit and pirated goods ranges from \$249 to \$456 billion in 2013.³

What is more disturbing than either of these estimates, however, is that this global counterfeiting problem is expected to grow, increasing to \$524 to \$959 billion by 2022.⁴ Furthermore, China, including Hong Kong, remains the main IP offender, accounting for 87% of the counterfeit goods that are seized as they enter the United States.⁵

But, these reports (and others like them) can only estimate the magnitude of the counterfeit problem based on relevant, but incomplete, statistical data.⁶ For example, some of these estimates are based in part

upon the seizure data from U.S. Customs and Border Protection (CBP). In Fiscal Year (FY) 2016, the number of intellectual property right seizures conducted by CBP increased 9 percent to 31,560, as compared to 28,865 in FY 2015. Had the seized goods been genuine, the total estimated manufacturer’s suggested retail price of the goods seized in FY 2016 would be \$1,382,903,001 (as compared to \$1,352,495,341 in FY 2015).⁷ In view of the sheer volume of goods imported in the United States by various means of transportation, however, the CBP officials can intercept only a small percentage of the counterfeit goods that enter the country.

Even so, the fundamental question remains: Why does counterfeiting remain such a problem—and worse yet, why is it only forecasted to grow moving forward? Ultimately, the answer is simple. The risk associated with IP theft is low when viewed against the potential upside; but the nuances of this reality are worth exploring further.

Isn’t This Somebody Else’s Problem?

As a preliminary matter, when faced with this question, people often respond: Don’t we have policing agencies monitoring and controlling the import of counterfeit goods? The answer is of course, yes; but as the second largest importer of goods in the world, there is an almost unascertainable amount of oversight to achieve.⁸ And, with this amount of imported products comes the “threat to American IP-intensive industries stem[ing] from the difficulty in enforcing protections against advanced and persistent foreign threats,” as “[I]aw enforcement lacks the capacity to patrol and protect the vast U.S. business community.”⁹

Moreover, even when a foreign company or individual is implicated in IP theft, the chances of being brought before a U.S. court are low. Finally, this problem is exacerbated by the reality that the policies of some foreign countries “rely on securing new technologies cheaply to catch up with developed economies.”¹⁰

Thus, in analyzing the most beneficial next steps to combating this international problem, one strategy might be to look inward and attempt to appreciate its impact on the day-

to-day lives of people not typically associated with counterfeiting, as well as the impact those people have on the global counterfeiting market.

The Negative Impact of Counterfeiting

On the whole, consumers often fail to appreciate all the downside associated with counterfeit products. For example, many may wonder “how bad could purchasing a counterfeit sports jersey or a fake watch really be?” In addition to the negative implications for brand owners who have worked tirelessly to protect their intellectual property, the more stark, but often overlooked, reality is that counterfeiting threatens the health and safety of consumers, as well as having serious ramifications on society as a whole.

First, counterfeit products may be harmful to the well-being and safety of consumers. For example, counterfeit pharmaceuticals may not have the same effect as the corresponding branded products. Instead, they could cause unexpected side effects or not provide the therapeutic benefit expected, thereby harming the consumer who ingests it, in some instances leading to death.¹¹ As a further example, counterfeit phone chargers likely use substandard parts and do not meet government safety requirements. Knockoff chargers run the risk of putting too much power into the battery, which may result in the battery overheating and potentially causing a fire or ruining the telephone.¹² Because fake products do not undergo the same testing and do not have to meet the same government standards as branded products, they put the health and safety of consumers at risk.

Second, although the impact of counterfeit products on the brand owners is readily understood, the trickle-down impact to future consumers goes often unappreciated. In one aspect, lost sales by missed sales opportunities result in lower profits. Further, because fake products are substandard and do not perform as expected, the reputation of the brand owners is damaged and “[c]onsumer confidence and the value of branding may suffer.”¹³ But this industrial harm has greater ramifications.

Specifically, in addition to risking consumers’ safety and health, counterfeiting in the United States results “in decreased innovation, loss of trade revenues, higher rates of unemployment, and overall slower economic

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growth.”¹⁴ On the global scale, counterfeiting is estimated to have resulted in the loss of 2.5 million jobs and of more than 60 billion euros in tax revenue among the G20 economies.¹⁵ Further, none of the taxes typically associated with the manufacture and sale of a fake product are paid by the manufacturer, the seller or the purchaser. Thus, the tax revenue that normally would go to local communities to fund schools, parks, and public services such as the police and fire department is lost.

Third, and finally, counterfeiting breeds crime and funds illegal activities. To the point, because knockoffs are produced inexpensively (due in large part to not meeting the same quality standards as branded products), the profit margins are higher. This business model has become increasingly attractive to criminals and organized crime groups, especially since the risk involved is less than that associated with the sale of drugs.¹⁶ Further, the sale of counterfeit goods provides a means for criminals to launder money and has been linked to other serious crimes such as the smuggling of drugs, firearms, and people.¹⁷

But not all illegal activities tied to counterfeiting are directed at organized crime. Particularly, because counterfeit producers operate without any government oversight and are not regulated, they are free to disregard the environmental safeguards in place and can dispose of hazardous chemicals in an unlawful manner.¹⁸ Similarly, there is no reason for following local labor laws, including those in place to protect children, often leading to unsafe working conditions and labor abuses.¹⁹

Thus, as is apparent from the above synopsis, the effects of counterfeiting are widespread, should be of concern to all, and may be directly affected by actions taken globally and locally.

The Action Steps

The 2013 IP Commission Report outlined suggestions to combat the counterfeiting problem. Although the Obama administration implemented some of the recommendations of the 2013 report, the Commission expressed its disappointment that the administration had not taken more action.²⁰ The 2017 IP commission report also includes a number of recommendations ranging from short-term to

long-term solutions, which include the following:

1. Strengthen the International Trade Commission’s 337 process to sequester goods containing stolen IP;
2. Empower the secretary of the Treasury [...] to deny the use of the U.S. banking system to foreign companies that repeatedly use or benefit from the theft of American IP;
3. Instruct the Federal Trade Commission to obtain meaningful sanctions against foreign companies using stolen IP;
4. Develop a program that encourages technological innovation to improve the ability to detect counterfeit goods; and
5. Ensure that top U.S. officials from all agencies push to move China beyond a policy of indigenous innovation toward becoming a self-innovating economy.²¹

The Trump administration’s recent comments indicate a willingness to pay increased attention to this issue. Specifically, in the President’s 2017 Trade Policy Agenda, one of the key objectives of the administration’s trade policy is “ensuring that U.S. owners of intellectual property (IP) have a full and fair opportunity to use and profit from their IP.”²² One of the major identified priorities of administration is “to use all possible sources of leverage to encourage other countries to open their markets to U.S. exports of goods and services, and provide adequate and effective protection and enforcement of U.S. intellectual property rights.”²³ Further details from the administration can be expected once the new USTR has an opportunity to further develop the policy.²⁴

In line with this recent proposal, perhaps the new administration will implement more of the recommendations offered by the IP Commission and work with other nations to combat this serious threat. Ultimately, however, counterfeiting, at the most basic level, is a supply and demand problem. As long as there is a demand, some entity will supply the products. The challenge to consumers is to eliminate the demand, perhaps by giving serious consideration to the broader impact and cost that the supply has had, and continues to have, on society.

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Endnotes

- 1 THE COMMISSION ON THE THEFT OF AMERICAN INTELLECTUAL PROPERTY, UPDATE TO THE IP COMMISSION REPORT acknowledgements (2017), available at http://www.ipcommission.org/report/IP_Commission_Report_Update_2017.pdf.
- 2 *Id.* at 1.
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- 14 GLOBAL INTELLECTUAL PROPERTY CENTER, *supra* note 12, at 5.
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- 22 OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE, 2017 TRADE POLICY AGENDA AND 2016 ANNUAL REPORT 1–2 (2017), available at <https://ustr.gov/sites/default/files/files/reports/2017/AnnualReport/AnnualReport2017.pdf>.
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When Final is Not So Final: Strategies for Overcoming Final Rejections

By Emily Miao, Ph.D. and
Alyaman Amin Amer

Typically, during prosecution of a U.S. application, a second or subsequent Office Action could be made final by the patent examiner at which time prosecution of the application is essentially closed. For an applicant who wishes to advance their applications but avoid the costs and delays of appealing final rejections, there are a number of options that the applicant could consider. For instance, final rejections could be addressed by filing an after final response under 37 CFR 1.116 which, in some cases, may lead to an allowance, depending on the type of claim amendments and arguments made. Such responses do not require any fees and can be effective when straightforward arguments or amendments are presented to overcome the rejections or when the remaining issues are simple to address. If the after final response is unsuccessful in resolving the remaining issues because the arguments are unpersuasive or raise new issues that require further consideration, the examiner will issue an Advisory Action. At this point, the applicant can either appeal or file a Request for Continued Examination (RCE) to reopen prosecution, which allows the examiner additional time to consider the amendments and arguments made in the after final response. However, both Appeals and RCEs can be expensive and can result in further delays in the prosecution of the application.¹

In part because of RCE and Appeal backlogs, the USPTO has introduced several post-examination programs to speed-up patent prosecution, increase collaboration between examiners and applicants, and reduce the number of RCE and Appeal filings. In this paper, we discuss several procedural options available to applicants after receiving a final rejection, advantages/disadvantages of each option, and conclude with suggestions on how to select the best option depending on the situation.

Pre-Appeal Brief Conference (Pre-Appeal) Program

After receiving a final rejection, or following an Advisory Action if an after final response

was filed, the applicant can file a Notice of Appeal to initiate the appeal process. Because the appeal process could be a time-consuming and expensive endeavor, one optional step in the appeal process is filing a Pre-Appeal Brief Request for Review with the Notice of Appeal. Under the program which launched nearly 10 years ago, no USPTO fees are involved in filing a Pre-Appeal request but a five-page Pre-Appeal brief which summarizes the issues is required. Under the Pre-Appeal program, before a formal appeal brief is filed, the legal and factual basis of the rejections is formally reviewed by a panel of three examiners, including the examiner of record and her supervisory patent examiner. The panel could decide to either send the application back to the examiner for further prosecution, allow the application to continue in the appeal process, or pass the application to allowance. While some applications are allowed under the Pre-Appeal process, a majority of the applications are either sent back to the examiner to reopen prosecution or continue with the appeal process. Based on statistics calculated by Juristat, only 18% of all appeals (filed with or without the Pre-Appeal request) between 2006 and January 2017 have resulted in a favorable decision for the applicant (i.e., allowance or reopening of prosecution).² And only 14% of all appeals filed with a Pre-Appeal request have resulted in allowance (either in the Pre-Appeal conference or in a subsequent Office Action if prosecution was reopened).³ Furthermore, as there is no interaction between the applicant and the panel during the Pre-Appeal review process, applicants generally do not learn the basis of the decision or what was discussed during the process.

The Pre-Appeal program can be useful in having a rejection reconsidered before proceeding with the appeal process, including the actual preparation and filing of a costly appeal brief. The cost of preparing a Pre-Appeal brief is significantly lower than an appeal brief and panel turnaround time is significantly faster. A regular appeal can take as long as 26 months to be decided.⁴ However, the Pre-Appeal program is intended to be used when the applicant believes that there is a clear

legal or factual deficiency in the rejections, such as novelty rejections where there is a missing element in the cited art. The Pre-Appeal program may be less useful in attacking obviousness rejections where arguments are based on reasons as to why the cited art references cannot be combined. Because of the make-up of the panel, some applicants believe that the likelihood of having rejections reconsidered is slim and that it may be better to file a full appeal brief that can be reviewed by an independent panel of judges at the PTAB.

After Final Consideration Pilot Program (AFCP 2.0)

The USPTO launched an internal pilot program entitled the After Final Consideration Pilot (AFCP) nearly 5 years ago to address the ever increasing RCE backlog.⁵ However, the backlog continued to grow, and in 2013 the USPTO launched a revised version of AFCP (referred to as AFCP 2.0) based on public AFCP feedback.⁶ Since its launch, AFCP 2.0 has received mostly positive feedback and has been extended several times. Under the current extension, the program will run until September 30, 2017, but is likely to be renewed again.⁷

One of the advantages of AFCP 2.0 is that it provides examiners with additional time to conduct supplemental searches and/or consider responses after a final rejection and to conduct interviews with applicants. In addition, there are no fees associated with filing a request to participate under the AFCP 2.0 program, nor are there claim number restrictions. However, all papers associated with the AFCP 2.0 must be filed via EFS-WEB and the AFCP 2.0 request must be filed with a response under 37 CFR 1.116.⁸ The response must further include a non-broadening amendment of at least one independent claim.⁹ The applicant or representative must also agree to be available for a telephone interview with the examiner. If the amendments are straightforward, allowance can be expected in many instances. However, if the amendments are extensive and/or raise new issues that cannot be addressed by the examiner within

(continued on page 8)

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the time allotted under the program, the applicant can expect to receive an Advisory Action and may need to file an RCE or appeal in order to continue prosecution.¹⁰ Furthermore, if the examiner is unable to respond within three months of the date of the Office Action, the Applicant may need to include extension fees as a result of the examiner's delay.¹¹ Even if the end result of the pilot program does not lead to an allowance, the applicant could benefit from the results of any additional search and consideration by the examiner.

The USPTO has not yet published any official statistics on the AFCP 2.0 program. However, earlier reported statistics indicated that 50% of the AFCP requests that were considered by examiners (i.e., the applicant did not receive an Advisory Action) in the period between May 19, 2013, and May 18, 2015 resulted in allowance, which corresponds to 30% of all valid AFCP 2.0 requests filed during that period.¹²

For applicants faced with a final rejection and who believe that a response under Rule 116 may lead to allowance with only limited further searching or consideration by the Examiner, the AFCP 2.0 program provides an opportunity to receive an allowance without resorting immediately to the filing of an RCE, thus potentially shortening pendency and obtaining a cost saving. However, the applicant should file the request as early as possible as an examiner is given 45 days to respond to a request and filing the request with an amendment does not toll the deadline in responding to an outstanding Office Action.¹³ In addition, the applicant should also avoid extensive claim amendments as the AFCP 2.0 is most effective when the amendment addresses simple, straightforward patentability issues.

Post-Prosecution Pilot ("P3") program

The P3 pilot program was formally launched on July 11, 2016, with the aim of increasing collaboration between patent examiners and applicants, reducing the backlog appeals to the Patent Trial and Appeal Board (PTAB), as well as reducing the number of RCEs.¹⁴ The P3 program combined the best features of the Pre-Appeal program and the AFCP program with additional benefits for the applicant. For instance, under the P3 program, an applicant can present oral arguments (a new beneficial

feature) in front of a panel of three examiners before a Notice of Appeal is filed.¹⁵ There are no USPTO fees involved to participate in the P3 program, however a P3 transmittal request must be filed via EFS-Web within two months of the mailing date of the final Office Action and be accompanied by a response of no more than five pages of arguments (a Pre-Appeal feature) and a statement that the applicant is willing and available to participate in a required 20 minute conference with the panel.¹⁶ The applicant has the option of including a non-broadening amendment of an independent claim (an AFCP feature).¹⁷ After the applicant's presentation, the panel will confer on the merits of the case and make a decision as to patentability. Unlike the Pre-Appeal program, which requires the filing of a Notice of Appeal and fee payment, the filing of a Notice of Appeal under the P3 program will terminate the P3 request.¹⁸ Filing of the P3 request will not toll the deadline of the Office Action and depending on how long it takes the panel to reach its decision, extension fees for filing a Notice of Appeal or an RCE may be needed.¹⁹

The P3 program is ideal for applicants interested in having a formal review of the pending rejections by a panel of examiners as well as an opportunity to present oral arguments in support of their position. The incorporation of the oral presentation into the P3 process is one of the main advantages of the program, allowing applicants to formally present oral arguments before a panel and possibly avoid a costly appeal. However, the P3 program was terminated in January 12, 2017, after a six month period, and the USPTO did not extend the pilot program. Based on the USPTO's statistics, the RCE backlog had decreased by 9% during the six month P3 pilot program.²⁰ In addition, 995 decisions were rendered as of December 8, 2016 in which 601 had the final rejection maintained (60.4%), 184 had prosecution reopened (18.5%), and 210 were allowed (21.1%).²¹ The USPTO is currently analyzing the results of internal and external surveys and the statistical data and will decide on whether or not to renew the P3 pilot program.

Conclusion

In summary, both the Pre-Appeal and the AFCP programs can be helpful to applicants in possibly avoiding filing RCEs or marching into a full appeal. Even if these programs do not provide the desired result, there are still benefits. For applicants faced with defective

novelty rejections, the Pre-Appeal program may be helpful. However, even with obviousness rejections, it is possible that prosecution may be reopened at the panel's discretion. The AFCP program may be more appropriate where straightforward, non-broadening claim amendments that do not raise new issues are used. Even if an applicant receives an Advisory Action, the applicant could have the benefit of any additional examiner search and consideration before deciding to file an RCE or Notice of Appeal.

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Endnotes

- ¹ In particular, the fees alone for Appeal could exceed \$3,000, and the average pendency from filing an application to a Board Decision in an Appeal is 77.7 months. The filing fees alone for the first RCE and for the second and subsequent RCEs are \$1,200 and \$1,700 respectively, with a further subsequent delay of several months before the new office action issues. See USPTO FEE SCHEDULE, <https://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule>; see also DATA VISUALIZATION CENTER, <https://www.uspto.gov/dashboards/patents/main.dashxml>.
- ² See James Cosgrove & Katrina Brundage, *A Pre-Appeal Brief Conference is a Winning Strategy, Even if it Probably Won't Lead to Allowance*, <http://www.ipwatchdog.com/2017/01/12/pre-appeal-brief-conference-winning-strategy/id=76897/>.
- ³ *Id.*
- ⁴ See Appeal and Interference Statistics 1/31/2017, https://www.uspto.gov/sites/default/files/documents/Appeal%20and%20Interference%20Statistics%20Oct_Jan%20FY17.pdf.
- ⁵ See USPTO Extends After Final Consideration Pilot to Sept. 30, 2012 (June 20, 2012), <https://www.uspto.gov/about-us/news-updates/uspto-extends-after-final-consideration-pilot-sept-30-2012>.
- ⁶ See 78 Fed. Reg. 29,117-19, available at <https://www.gpo.gov/fdsys/pkg/FR-2013-05-17/pdf/2013-11870.pdf>.
- ⁷ See After Final Consideration Pilot 2.0, <https://www.uspto.gov/patent/initiatives/after-final-consideration-pilot-20>.
- ⁸ See Guidelines for Consideration of Responses After Final Rejection, available at https://www.uspto.gov/sites/default/files/patents/init_events/afcp_guidelines.pdf.
- ⁹ 37 C.F.R. § 1.116(b).
- ¹⁰ See Frequently Asked Questions – AFCP 2.0 Pilot Program, available at <https://www.uspto.gov/sites/default/files/afcp%202-0%20faq.pdf>.
- ¹¹ See Guidelines for Consideration of Responses After Final Rejection, available at https://www.uspto.gov/sites/default/files/patents/init_events/afcp_guidelines.pdf.
- ¹² See Kate Gaudry, *The After Final Consideration Program: Allowance Prospects*, <https://www.law360.com/articles/665854/the-after-final-consideration-program-allowance-prospects>.
- ¹³ See Frequently Asked Questions – AFCP 2.0 Pilot Program, available at <https://www.uspto.gov/sites/default/files/afcp%202-0%20faq.pdf>.
- ¹⁴ See 81 Fed. Reg. 44,845-49, available at <https://www.gpo.gov/fdsys/pkg/FR-2016-07-11/pdf/2016-16423.pdf>.
- ¹⁵ *Id.*
- ¹⁶ *Id.*
- ¹⁷ *Id.*
- ¹⁸ *Id.*
- ¹⁹ *Id.*
- ²⁰ See Aborn C. Chao, *The Post-Prosecution Pilot (P3) Program – Worth Reactivating?*, available at <http://www.natlawreview.com/article/post-prosecution-pilot-p3-program-worth-reactivating>; see also RCE Backlog, <https://www.uspto.gov/corda/dashboards/patents/kpis/kpiBacklogRCEDrilldown.kpixml>.
- ²¹ See Patent Quality Conference, at 18, available at <https://www.uspto.gov/sites/default/files/documents/PatentQualityConference%20Booklet.pdf#page=20>.

Practice Tips for Copyright Owners in the Wake of *Star Athletica v. Varsity Brands*

By George “Trey” Lyons, III

After considering almost a year’s worth of substantive briefing (including fifteen separate amicus briefs), oral argument, at least ten distinct tests employed in courts throughout the country, as well as numerous novel tests proposed during the pendency of this appeal, the Supreme Court delivered a rare victory for many intellectual property (IP) owners in its recent decision: *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 137 S. Ct. 1002 (2017). Before sounding the victory trumpet for these IP owners, however, it is worth considering the rarified air in which this Supreme Court’s analysis occurred—the last time the Supreme Court addressed the impact an article’s usefulness has on its ability to be copyrighted was in 1954.¹ Here, we attempt to unpack what little clear, *practical* guidance may be garnered from this decision.

The State of the Problem

In defining the line between copyrightable works and unprotectable, utilitarian elements of industrial design, courts routinely ask “whether the aesthetic features of a useful article can be identified separately from, and can exist independently of, the work’s utilitarian functions.”² Articulating and evaluating the exact parameters and applicability of this inquiry, the “separability test,” however, has proven to be anything but straightforward.

For instance, the Sixth Circuit, acknowledging that “[c]ourts have struggled mightily to formulate a test” to accurately evaluate the separability test, enumerated and discussed nine different tests aimed at doing just that before articulating and applying its own newly-minted, five-part test directed at doing the same.³ Thus, while the details of these various tests will not be discussed at any length here, it is safe to say that the Supreme Court faced a tall task in evaluating the state and merits of the judicial landscape surrounding this inquiry—even before the first brief was filed.

The Solutions Proposed

Piling on to the confusion, in its briefing before the Court, *Star Athletica* denounced all of the approaches discussed, including the one promoted by the Sixth Circuit, and instead proposed its own four-part, strictly-construed separability analysis based on the statutory language of § 101 of the Copyright Act⁴ that would have required a court to consider:

1. “whether the pictorial, graphic, or sculptural work is a design of a useful article . . . [which] are presumptively not entitled to copyright protection . . . and only [so] if that feature satisfies the separability test, with doubts resolved against copyrightability;”⁵
2. that “[t]he presumption against extending copyright protection to utilitarian objects requires courts to identify all of the article’s inherent, essential, or natural functions,” further considering that “[t]he uses for which an article is marketed is strong evidence of its functions;”⁶
3. “whether a feature of a useful article can be recognized as a unit by itself, apart from the article’s utilitarian aspects . . . because it is purely artistic,” further assuming that “[i]f the answer is no, the feature cannot be copyrighted;”⁷ and
4. “whether the artistic feature and the useful article could both exist side by side and be perceived as fully realized, separate works,” which further requires, at least in part, that “the feature cannot advance the utility of the article, and the article cannot depend on the feature for its utility,” because “[i]f the feature is even slightly utilitarian, it cannot be copyrighted.”⁸

Furthermore, in a somewhat odd choice of proposed construction, *Star Athletica* suggested that in “close cases” under this four-part test, courts “should follow [the] analogous approach in the trade-dress arena and decline

to provide copyright protection to the useful article’s design features based on Congress’s choice not to extend the copyright monopoly to industrial designs.”⁹

In response, *Varsity Brands* criticized *Star Athletica*’s approach as an “indeterminate hodge-podge of lower-court tests,” all flawed in one aspect or another, and the sum of which would surely be as well.¹⁰ Accordingly, *Varsity Brands* reiterated the longstanding applicability and practicality of the Copyright Office’s “side-by-side” analysis for evaluating separability, which asks:

1. whether “an artistic feature can be ‘identified separately from’ the useful article’s practical features,” in essence, whether the artistic feature is ‘capable of being visualized—either on paper or as free-standing sculpture—as a work of authorship that is independent from the overall shape of the useful article’;¹¹ and
2. whether “the artistic feature is ‘capable of independent existence apart from’ the utilitarian features,” that is, whether “the artistic feature can ‘exist side by side’ with the useful article after being separated, and still be ‘perceived as [a] fully realized, separate work[.]’”¹²

The Path Taken

The Supreme Court, perhaps unsurprisingly considering the landscape with which it was presented, elected to articulate and apply its own separability test. With Justice Thomas writing for the Court, the Court held that an “artistic” feature of a claimed design of a useful article is eligible for copyright protection only if the feature:

1. “can be perceived as a two- or three-dimensional work of art separate from the useful article;”¹³ and
2. “would qualify as a protectable pictorial, graphic, or sculptural work either on its own or

(continued on page 10)

(continued from page 9)

in some other medium if imagined separately from the useful article.”¹⁴

Furthermore, the Court further clarified that because here, “one can identify the decorations [on the useful article] as features having pictorial, graphic, or sculptural qualities,” and “if the arrangement of colors, shapes, stripes, and chevrons on the surface of the [article] were separated from the [article] and applied in another medium—for example, on a painter’s canvas—they would qualify as ‘two-dimensional ... works of ... art,’ . . . [t]he decorations are therefore separable from the [article] and eligible for copyright protection.”¹⁵

And, as is the case in this oft-polarized court, the final count came down 6-2, with Justices Breyer and Kennedy dissenting—not on the basis of an incorrect test being articulated, but instead on its incorrect application to the facts of this case.

Conclusion

Simple enough, right? Likely not—especially for courts attempting to apply the simple, but seemingly ambiguous, parameters of this test in the first instance. For example, courts are likely to struggle, just as the Court seemed to, with what “perceived” *actually* means in the context of the first prong. To Justice Thomas, perception seems to be more clearly defined in terms of what it is not.¹⁶ Although this type of Justice Stewart-esque analysis may produce swift, seemingly equitable, results, in one case, it will be difficult for courts to interpret and apply to facts in others.¹⁷ This confusion is also likely to only be compounded for those courts faced with a depth of diverse, distinct jurisprudence to the contrary and a dearth of information on how to accurately (or adequately) apply this analysis moving forward.

Thus, what are IP owners left to do in the wake of *Star Athletica v. Varsity Brands*? A couple of thoughts, particularly relevant to those in the fashion, music, and other apparel industries:

1. Copyrights are cheap to prosecute (relative to, say, patents) and it seems easier to obtain protection now than it did pre-*Star Athletica*—particularly if you are seeking protection for clearly articulated design choices (*e.g.*, colors, patterns, and other shapes

(aside from those of the article itself))—so in this climate, file aggressively and file often; and

2. Regardless of all the tests proposed in this appeal, because the Supreme Court seemed to pay the most deference to the analysis already articulated and routinely applied by the Copyright Office, applicants navigating the waters of that analysis during application should do so carefully—as it appears to be even more valuable for the copyrights you plan on enforcing moving forward.

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Endnotes

- 1 See *Mazer v. Stein*, 347 U.S. 201 (1954).
- 2 See Barton R. Keyes, *Alive and Well: The (Still) Ongoing Debate Surrounding Conceptual Separability in American Copyright Law*, 69 Ohio St. L.J. 109, 109-10 (2008) (citations omitted) (“Of the many fine lines that run through the Copyright Act, none is more troublesome than the line between protectible pictorial, graphic and sculptural works and unprotectible utilitarian elements of industrial design.”).
- 3 See generally *Varsity Brands, Inc. v. Star Athletica, LLC*, 799 F.3d 468, 484-93 (6th Cir. 2015), cert. granted in part sub nom. *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 136 S. Ct. 1823, 194 L. Ed. 2d 829 (2016), and aff’d sub nom. *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 137 S. Ct. 1002 (2017).
- 4 17 U.S.C. § 101.
- 5 Brief for Petitioner at 38, *Star Athletica, LLC v. Varsity Brands, Inc.* (July 15, 2016) (No. 15-866).
- 6 *Id.*
- 7 *Id.*
- 8 *Id.* at 38-39.
- 9 *Id.* at 39 (citing *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 215 (2000) (“[t]o the extent there are close cases, we believe that courts should err on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning”—which of course has little no meaning in the context of determining copyrightability).
- 10 Brief for Respondents at 2, *Star Athletica, LLC v. Varsity Brands, Inc.* (Sept. 14, 2016) (No. 15-866).
- 11 *Id.* at 24.
- 12 *Id.*
- 13 137 S. Ct. 1002, 1016 (2017).
- 14 *Id.*
- 15 *Id.* at 1012. It is also worth noting that the Court expressly refined the extent of its holding by noting “[t]o be clear, the only feature of the cheerleading uniform eligible for a copyright . . . is the two-dimensional work of art fixed in the tangible medium of the uniform fabric,” thus “[e]ven if respondents ultimately succeed in establishing a valid copyright in the surface decorations at issue here, respondents have no right to prohibit any person from manufacturing a cheerleading uniform of identical shape, cut, and dimensions to the ones on which the decorations in this case appear.” *Id.* at 1013.
- 16 The term “perceived” appears twice, substantively, in the majority opinion—both times in the context of does not influence perceiving works of art. See *id.* at 1015 (“The statute’s text makes clear, however, that our inquiry is limited to how the article and feature are perceived, not how or why they were designed.”); *id.* at 1013 n. 2 (“A drawing of a shovel could, of course, be copyrighted. And, if the shovel included any artistic features that could be perceived as art apart from the shovel, and which would qualify as protectable pictorial, graphic, or sculptural works on their own or in another medium, they too could be copyrighted. But a shovel as a shovel cannot.”). Furthermore, it seems that Justice Breyer’s criticisms of Justice Thomas’s artistic perception, *alone*, form the basis of his dissent. See, *e.g.*, *id.* at 1030 (“Even applying the majority’s test, the designs cannot ‘be perceived as . . . two- or three-dimensional work[s] of art separate from the useful article.’”).
- 17 See *Jacobellis v. State of Ohio*, 378 U.S. 184, 197 (1964) (“I shall not today attempt further to define the kinds of material I understand to be embraced within that shorthand description [pornography]; and perhaps I could never succeed in intelligibly doing so. But I know it when I see it, and the motion picture involved in this case is not that.”).

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