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BUSINESS METHODS: ARE THEY PATENTABLE AND HOW TO PROTECT THEM

by Kevin Moss and Aaron Frankel[1]

Methods of conducting business have changed as a result of the exploitation of the Internet and Internet companies have made efforts to protect their business models through intellectual property law, including patent protection. Indeed, the Federal Circuit confirmed in its infamous 1998 *State Street* decision that business methods are patentable subject matter, a surprise to many patent practitioners and industry insiders.[2] A year later, just days before the heart of the holiday shopping season, Amazon.com obtained a preliminary injunction against Barnesandnoble.com, asserting a patent for "one-click" shopping.[3] These two events raised fears in academic, legal and business circles that business method patents would issue for ideas that were not really novel or inventive and would stifle progress, particularly in the burgeoning field of internet e-commerce.[4] The ensuing public outcry led the Patent and Trademark Office (PTO) to change the way it examines business method patents and put several reform laws on the Congressional agenda.[5] However, with the benefit of several years of hindsight, it appears that many of the fears regarding business method patents were misplaced or exaggerated.

Part A of this note considers the *State Street* and *Amazon* decisions and their immediate aftermath, including several proposed Congressional reforms.

Part B reviews the changes implemented by the PTO to improve the examination of business method patents and the empirical evidence of the effects these changes have had, including slowing down the prosecution and issuance rate of these patents.

Part C reports on the increasing extent to which big business has embraced internet and business method patents and on several notable business method patents and litigations.

A. *State Street* and *Amazon* Caused a Public Outcry

The Patent Act provides that processes, machines, manufactures and compositions of matter are all potentially patentable.[6] To be patentable an invention must be novel, non-obvious, useful and comply with statutory disclosure requirements.[7] For some time courts had created an exception, finding that business methods were per se unpatentable.[8] The basis for the exception was the principle that ideas could not be patented, and that business methods are nothing more than ideas.[9] In 1998, while hearing an appeal for a patent covering a software-implemented investment scheme, the Federal Circuit rejected this exception, declaring that it had never existed.[10] Instead, as long as a business method ultimately yields a useful, concrete tangible result, such

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NYIPLA

PRESIDENT'S CORNER

August 25, 2005

Dear Members:

This is my first letter to you as President of the Association. It is a profound honor for me to serve as your President.

Planning has already commenced for another successful year. At our Board meeting on June 29, consistent with recent practice, we invited the Chairs of our more than 20 committees to attend, to discuss possible projects, and to consider which issue of this Bulletin to target for publication of their work product. I am pleased to report that there was significant enthusiasm and I look forward to another year in which our Committees will be active and productive.

Since our last issue of the Bulletin, the Association, led by its Committee of Past Presidents, has completed its review of the October 2003 Federal Trade Commission Report entitled “To Promote Innovation: The Proper Balance of Competition and Patent Law Policy.” This review is an excellent analysis of the FTC’s report, and is available at the Association’s website at www.nyipla.org/public/ftcreport.pdf. The report was distributed to the NYIPLA membership, to Senators and Congressional Representatives in the tri-state area, Congressman Lamar Smith of Texas, as well as the Managing Editor of the BNA IP Law Library, Chief Counsel of Intellectual Property Law-Bureau of Competition for the FTC, ABA Chair –Section of Intellectual Property Law, and Executive Director of the AIPLA. A summary of the report was presented to our members by John Sweeney, who chaired the Committee, at a CLE Luncheon Program at the Princeton/Columbia Club on June 24, 2005.

In addition, our Association submitted an Amicus Brief in Illinois Tool Works Inc., et al. v. Independent Ink, Inc. in August of this year, in which the Association urged the Supreme Court to find that where a Sherman Act §1 claim alleges that a defendant has engaged in unlawful tying by conditioning a patent license on the licensee’s purchase of a non-patented good, the plaintiff must prove that the defendant possessed market power in the relevant market for the tying product, rather than presuming such power based solely on the existence of the patent on the tying product. The Amicus Brief is also available at the Association’s website, at www.nyipla.org/public/11amicusbriefs/Amicus_index.html.

President Edward E. Vassallo

Finally, our Meetings and Forums Committee has scheduled CLE luncheon presentations on September 23, “Update on Patent Interference Practice” by Charles Gholz of Oblon, Spivak, McClelland, Maier & Neustadt; on October 21, “Open Source” by Karen Copenhaver of Black Duck Software; and on December 16, “Pop-Up Advertising, Trademarks and The Current State of the Law” by Adam Lichstein of WhenU. And, on November 18, we present our annual full day CLE program on a number of topics including Recent Developments in Foreign Patent Practice.

In sum, we are off to a good year, and I look forward to sharing it with all of you.

Cordially,
Edward E. Vassallo

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as an operable investment system, it complies with the statutory usefulness requirement.[11] Although the Federal Circuit announced that business method patents had always been patentable, the *State Street* decision opened the "proverbial floodgates" for these patents.[12]

On September 28, 1999, the PTO issued U.S. Patent No. 5,960,411 entitled "Method and System for Placing a Purchase Order Via a Communications Network" which was assigned to Amazon.com. The patent covered a method for internet commerce where consumer information, such as address and credit card number, is stored in a vendor's database. After a user logs into the system, items can be purchased from the vendor with a single action (e.g., one mouse click).[13] Barnesandnoble.com, at the time the main competitor to Amazon.com for internet based book and media retailing, offered customers an "Express Lane" shopping feature that invited users to "Buy [a product] now with just 1 click!"[14] Amazon.com quickly moved to enjoin Barnesandnoble.com from using its Express Lane feature. District Judge Pechman concluded that Amazon had demonstrated a reasonable likelihood that it would be able to prevail in enforcing the patent against Barnesandnoble.com and issued an injunction.[15]

The *Amazon* case captured the public attention in a way that few patent cases ever do.[16] Both Amazon.com and Barnesandnoble.com were household names and the litigation became a topic of water cooler conversation.[17] The timing of the *State Street* and *Amazon* decisions coincided with the exploding growth and popularity of the internet which was romanticized as a "Wild West" frontier with tremendous potential for innovative growth.[18] The popular press began to criticize the PTO for allowing the *Amazon* patent and other similar seemingly obvious patents to issue while legal academics and the software community feared these businesses method patents would stifle innovation and competition.[19] The critics believed that the PTO was allowing businesses to obtain patents for old and well known methods simply by taking the obvious step of applying them to computers or the internet, and thus obtaining a legal monopoly over art already in the public domain.[20] Many believed that the PTO was ill equipped to distinguish between truly novel business method inventions and mere obvious retreads of known methods. The debate was characterized as "one of the hottest . . . in intellectual property law,"[21] and as having "grown to a fever pitch."[22]

Under pressure to deal with the perceived threat that business method patents posed to the development of the internet, the PTO implemented the Business Method Patent Initiative, discussed in Part B, while Congress considered several additional measures. Congress passed the First Inventor Defense Act (FIDA) in 1999.[23] FIDA created a prior use defense to business method patent infringement claims whereby a defendant could defeat an infringement claim by showing that they had reduced the claimed subject matter to practice at least one year prior to the effective filing date of the patent and had commercially used the invention prior to the effective filing date.[24] Previously prior use was only relevant as proof of invalidity. FIDA does not precisely define business method patents and has not yet been applied in a reported decision.[25]

Congressmen Berman and Boucher introduced the Business Method Patent Improvement Act (BMPIA) in 2000.[26] Congressman Boucher argued that "few issues in the 107th Congress will be more important than deciding whether, and under what conditions, the government should be issuing business method patents."[27] The BMPIA contained several measures intended to heighten the scrutiny applied to business method patent applications including:

- publication of any patent application claiming a business method within 18 months of filing;
- the opportunity for anyone to submit prior art or petition for a hearing on novelty or obviousness;
- establishment of an Administrative Opposition Panel to hear challenges to the validity of newly issued business method patents;
- a preponderance of evidence standard for showing that a business method patent is invalid (as opposed to the normal clear and convincing standard); and
- a rebuttable presumption of obviousness for all business method patents that merely implement prior art using computer technology.[28]

For a time the BMPIA and other proposals for business method patent reform were vigorously debated and appeared to have significant momentum. However, a combination of the dotcom crash, the diversion of national attention following the tragic events of September 11, 2001, and a growing sense that fears of the PTO's inadequacy to evaluate business method patents were overstated led to a stalling of these efforts.[29]

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B. PTO Efforts to Reform the Examination of Business Method Patents

Business method patents fall within the PTO's Class 705, "methods for performing data processing operations," which includes more than twenty financial and management data processing areas such as market analysis, advertising, exchanges in business transactions and accounting.[30]

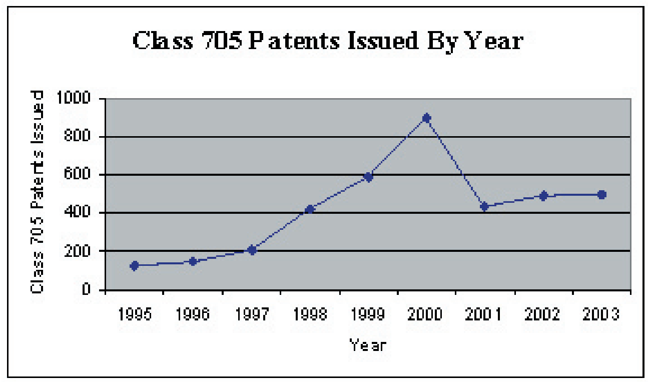
In March 2000 the PTO took several steps to improve the examination of Class 705 applications, a majority of which involve internet or computer based technologies, in response to the widely held perception that it was issuing patents of poor quality. The PTO's Business Method Patent Initiative included the following components:[31]

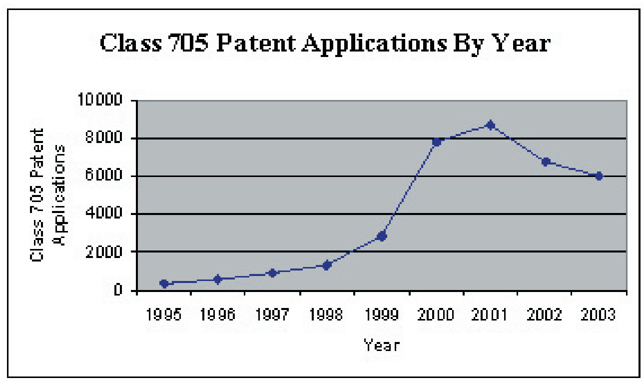
- formulating a mandatory base search strategy to ensure that relevant references to patentability were considered;
- implementing secondary review for business method patents;
- doubling the number of Class 705 examiners;
- subjecting randomly selected business method applications to heightened review;
- focusing recruiting efforts on examiners with business and computer-related experience; and
- offering examiners additional patentability search resources beyond the traditional databases of issued patents and published applications.

Now that several years have passed, we have sufficient data to assess the impact of the PTO's Business Method Patent Initiative. One effect is clear, the initiative has slowed down the process of obtaining business method patents. Class 705 application pendency has increased by approximately 39% since the PTO's adoption of the "second pair of eyes" procedure.[32] The average time from first filing to first office action for business method patent applications is 23.5 months, versus 14.6 months for all applications, and the average time until final disposition is 28.5 months verses a PTO-wide average of 25.6 months.[33]

The increased scrutiny of business method patents by PTO examiners has resulted in a lower allowance rate in 2001 and 2002, which, combined with the abandonment of applications owned by failing internet ventures, led to a decreased number of business method patents issued during that timeframe.[34] Several commentators have observed that allowance rates for business method and internet related patents are beginning to rise and that a greater number of these applications are in the pipeline.[35] Accordingly, it would be reasonable to expect an increase in the number of business method patents issued in 2004.

The following charts, based on data from the PTO website, show that business method patent issuance and applications rose sharply in the years immediately following *State Street* and *Amazon*, peaked around the time of the dot com crash, and have slowly declined through 2003.[36] Despite fears of excessiv --e proliferation of business method patents, in the five years following *State Street* less than 0.2% of the nearly one million patents issued by the PTO cover computer or internet related business methods.[37]





Others have considered the impact of the PTO initiative on the quality of the business method patents that have issued. One study has concluded that business method patents are no worse, and possibly of higher "quality" than a large random sample of general patents issued during a contemporaneous time period.[38] The study considered a number of objective indicators of patent quality including the number of cited prior art references, type of prior art references, number of claims within the patents, number of inventors, and time spent in the PTO before issuance.[39]

One commentator predicts that while the general patentability of business method patents is, at least for the time being, no longer being litigated, the Federal Circuit will address the concerns over their patentability by focusing on the novelty and non-obviousness requirements.[40] The commentator also notes that the PTO is increasingly relying upon "officially noted" subject matter, for example the general wide-spread knowledge of basic internet technology or ATM machines, to reject business method patents, as opposed to solely focusing on finding patent prior art, the primary method used for examining more traditional patents.[41]

Despite the PTO's quality control efforts, many continue to criticize the promulgation of business method and internet patents. The Electronic Frontier Foundation (EFF) has begun a campaign to convince the PTO to revoke numerous business method patents that "are too broad and harm innovation and free expression by small businesses or nonprofit organizations."[42] The EFF has posted a "Patent Hit List" of the ten "worst" patents, including several internet related business method patents, that "it wants killed, or at least redefined."[43]

C. Big Business is Adopting Business Method Patents

Large companies, particularly those with a technology or internet focus, have accepted that business method patents are here to stay and are obtaining them in increasing numbers.[44] IBM leads the way with 360 Class 705 patents issued from 1990 to 2003. Several other companies including Pitney-Bowes, Hitachi, Fujitsu and NCR have over 100 business method patents each. AT&T, Microsoft, Matsushita Electric, Walker Digital and Citibank each have over 50 such patents. Banks are also obtaining business method patents in increasing numbers. Over 50 of Citibank's 80 patents are business method patents and at least eight other banks have obtained Class 705 patents.[45] At least eleven financial services companies, led by Visa (26 of 57 total patents), and at least six financial technology firms (paced by Diebold with 19 of 164 total patents) have also obtained business method patents.[46] Other major corporations such as General Motors, TV Guide, Nintendo, Pharmacia and Johnson & Johnson have recently obtained business method patents.[47]

Notable internet related business method patents include:[48]

- U.S. Patent Nos. 5,794,207 and 5,897,620 issued to Priceline.com for its reverse-auction system of conditional offers to multiple vendors.
- U.S. Patent Nos. 5,933,811 and 5,937,392 issued to DoubleClick Inc. for methods of delivering advertising over the Internet.
- U.S. Patent No. 5,960,411 issued to Amazon.com for single-click shopping.
- U.S. Patent No. 6,329,919 issued to IBM for a system and method for providing reservations for restaurant use (IBM has since renounced the patent).
- U.S. Patent No. 6,584,450 issued to Netflix.com for a "method and apparatus for renting items," that could be used to block potential internet movie rental competitors such as Wal-Mart and Blockbuster.

As of October 2004, approximately 200 cases have been filed in district courts relating to business method patents.[49] Only a handful have reached trial with only a few resulting in a jury verdict favorable to the patent holder.[50] Several major internet and e-commerce players have become involved in business method patent litigations. Examples include:

- Online auction house eBay is requesting a new trial after a judge ordered the company to pay $29.5 million for infringing electronic marketplace patents owned by Thomas Woolston and MercExchange.[51] eBay recently settled a lawsuit relating to a patent covering personalized e-mail alerts for a large undisclosed amount.[52] AT&T has asserted an internet based payment system patent against PayPal and eBay.[53] As of early 2004, eBay was reputed to have spent at least $10 million fighting internet related business method patents.[54]
- Yahoo settled a suit brought by NCR, a computer services firm, alleging infringement of customer notification patents.[55]
- Microsoft was forced to modify Internet Explorer when sued by Eolas Technologies.[56]
- Google paid Yahoo 2.7 million shares of stock (valued at over $260 million) to settle a suit involving some of Yahoo's online search engine advertising patents.[57]
- BTG, a London-based intellectual property licensing company with over 3,500 patents, recently sued Amazon, Barnes & Noble, Netflix and other internet enterprises for infringing patents related to user tracking and marketing methods. Earlier this year, BTG filed suit against Microsoft and Apple Computer for infringement of internet software update patents.[58]
- *Harrah's Entertainment, Inc. v. Station Casinos, Inc.,* 321 F.Supp.2d 1173 (D. Nev. 2004) (granting defendant's summary judgment motion that claims covering method for rewarding casino clients were indefinite).

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- *Mopex, Inc. v. American Stock Exchange, LLC*, 2002 WL 342522 (S.D.N.Y. 2002) (Finding patent for exchange traded funds business method invalid as anticipated by prior art).

Despite the initial controversy and public outcry, time has made clear that, at least for the foreseeable future, business method patents are here to stay. Successful businesses will recognize that business method patents are a valid, enforceable and valuable form of intellectual property and for certain companies an essential tool for maintaining a dominant presence on the Internet. Businesses that fail to include business method patents in their strategic planning may forfeit the ability to block competitiors from practicing their methods, or worse, find themselves as defendants in costly infringement suits.


Kevin Moss


Aaron Frankel

[1] This article was prepared by Kevin M. Moss, Special Counsel, Kramer Levin Naftalis & Frankel LLP and Aaron M. Frankel, an associate at Kramer Levin Naftalis & Frankel LLP. This article was submitted in December of 2004 as part of a Paper prepared by the NYIPLA Internet Law Committee, chaired by Paul Reilly, entitled "Recent Case Law, Developments and Trends Concerning Trademarks, Copyrights, Patents and the Internet."

[2] *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998) (holding business methods to be patentable subject matter).

[3] *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 73 F.Supp.2d 1228 (W.D. Wash. 1999) (enjoining Barnesandnoble.com from using "Express Lane" quick checkout feature), *vacated by* 239 F.3d 1343 (Fed. Cir. 2001).

[4] Philippe J.C. Fisher, *An "Opposition" to the Recently-Proposed Legislation Related to Business Method Patents*, 20 J. Marshall J. Computer & Info. L. 397, 400 (2002).

[5] *Id.* at 401.

[6] 35 U.S.C. § 101.

[7] 35 U.S.C. § 101 *et seq*.

[8] *State Street*, 144 F.3d at 1375.

[9] *Hotel Sec. Checking Co. v. Lorraine Co.*, 160 F. 467 (2nd C.C. 1908).

[10] *State Street*, 144 F.3d at 1375. ("We take this opportunity to lay this ill-conceived [business method patent] exception to rest").

[11] *Id.* at 1375; *see also AT&T Corp. v. Excel Communications Inc.*, 50 U.S.P.Q. 2d 1447 (confirming patentability of computer-based inventions).

[12] Robert E. Lyon and Christopher A. Vanderlaan, *Method Madness*, 23-Oct L.A. Law. 28, at 28 (2000).

[13] *Amazon*, 73 F.Supp.2d at 1231.

[14] *Id.* at 1236.

[15] *Id.* at 1249. The Federal Circuit would later reverse the *Amazon* injunction finding that there were several questions as to the validity of the asserted patent. *Barnesandnoble.com*, 239 F.3d at 1360.

[16] Fisher, *supra* note 3, at 397.

[17] *Id.*

[18] *Id.*

[19] *Id.*

[20] Russell A. Korn, *Is Legislation the Answer? An Analysis of the Proposed Legislation for Business Method Patents*, 29 Fla. St. U. L. Rev. 1367, 1371 (2002).

[21] Nicholas Groombridge and Christopher Loh, *Congress Takes Aim at Business Method Patents*, N.Y. L. J., March 6, 2001, at 1, col. 1.

[22] Lyon et al., *supra* note 11, at 28.

[23] First Inventor Defense Act of 1999, Pub. L. No. 106-113, 113 Stat. 1536 (codified as amended at 35 U.S.C. § 273 (2000)).

[24] 35 U.S.C. § 273.

[25] John R. Allison & Emerson H. Tiller, *The Business Method Patent Myth,* 18 Berkeley Tech. L.J. 987, 1019 (2003).

[26] H.R. 5364, 107th Cong. (2001), updated by H.R. 1332, 107th Cong. (2001).

[27] 146 Cong. Rec. El, 651-52 (daily ed. Oct. 3, 2000) (statement of Rep. Boucher).

[28] Groombridge et al., *supra* note 20.

[29] Congressmen Berman and Boucher introduced the Patent Quality Assistance Act of 2004 (PQAA) on October 8, 2004. H.R. 5299, 108th Cong. (2004). The PQAA reintroduces many of the provisions of the BMPIA. As of late 2004, no comparable bill has been introduced in the Senate and it is not clear if this proposed law will gain traction in Congress.

[30] Korn, *supra* note 19, at 1367.

[31] *The International Law of Business Method Patents*, Econ. Rev. (Fed. Reserve Bank Atlanta), Oct. 2003, at 15.

[32] Lynn J. Alstadt, *Business-Method Patents May Be Fewer, Better*, Nat'l L.K., Sept. 2003, at S6, Col. 1.

[33] *The International Law of Business Method Patents*, *supra* note 30, at 16.

[34] Bradley Lytle & Philippe Signore, *Finance Companies Rush to Patent Business Methods*, Managing Intell. Prop., Feb. 2004.

[35] *Id.; see also* Griff Griffin & Clay Colloway, *Ensure the Best Protection for Your Business Method Invention Through Strategic Planning*, Elec. Banking L. & Comm. Rep., May 2004, at 19.

[36] Data adapted from Cecilia O. Lofters et al., *Financial Services & Business Method Patents in the Courts*, 803 PLI/Pat 33 (2004), at 39.

[37] *Id.* at 40 (citing July 18, 2004 letter from Nicholas P. Godici, Commissioner for Patents).

[38] Allison et al., *supra* note 24, at 987.

[39] *Id.* at 998.

[40] *The International Law of Business Method Patents*, *supra* note 32, at 17.

[41] *Id.*

[42] *Advocacy Group Challenges 'Business Method' Patents*, Tech. Daily AM, Apr. 22, 2004.

[43] Daniel Terdiman, *EFF Publishes Patent Hit List*, Wired News, Jun. 30, 2004.

[44] Lytle et al., *supra* note 33, at 5-6.

[45] *Id.* at 3.

[46] *Id.; see also Patent Troubles Pending in Financial Services*, Bank Sys. Tech., Jan. 2004, at 12.

[47] Brian M. Buroker, *Business-Method Patents: They're Not Just For Dotcom Companies Anymore*, 16 No. 9 J. Proprietary Rts 1, at 1 (2004).

[48] Andre R. Jaglom, *Internet, Distribution, E-Commerce and Other Computer Related Issues*, SJ075 ALI-ABA 505, at 558-59.

[49] Lofters et al., *supra* note 35, at 42.

[50] *Id.*

[51] *eBay Requests New Trial in Patent-Infringement Loss*, Tech. Daily AM, Oct. 6, 2004; *Mercexchange L.L.C. v. eBay, Inc.* 275 F.Supp.2d 695 (E.D.Va 2003).

[52] Joanna Thomson, *Rash of Costly US Claims Raises Patent Concerns*, The Scotsman, Jan. 26, 2004.

[53] Lofters et al., *supra* note 35, at 57; US Patent No. 5,329,584.

[54] Lofters et al., *supra* note 35, at 57.

[55] *Id.*

[56] *Id.*

[57] Verne Kopytoff, *Google Settles 2 Disputes Over Patent Infringement*, S.F. Chron., Aug. 10, 2004, at C.1.

[58] Scarlet Pruiit, *BTG Hits Amazon, Netflix and Others With Patent Suit*, InfoWorld, Sept. 15, 2004.

"As Time Goes By - Recounting Our Association's History and its Relevance to Today"

by Dale Carlson

I am most pleased to be serving as Association historian at the behest of President Ed Vasallo and with the support of the NYIPLA Board. There is much to recount concerning the illustrious history of this organization. Where to begin? Let's begin with a discussion of our Association's role in patent reform initiatives.

An early effort at patent reform began in 1950, and culminated in the Patent Act of 1952. Our Association was heavily involved in the effort. Giles Rich, who in 1950 became President of our Association, was at that time appointed by the former National Council of Patent Law Associations to be part of a two-person drafting team working in coordination with the Patent Office's Pasquale J. Federico to frame the Proposed legislation. Two years later the legislation was enacted.

The 1952 Act has stood the test of time until now, ushering in what Past President Andrea Ryan has called "the golden age of patent law". Giles Rich later went on to become Judge Rich, first with the Court of Customs and Patent Appeals, and later with the Federal Circuit, and sitting on the bench until age 92 – thus becoming the oldest active federal judge on record.

The motivation for patent reform a half-century ago appeared to be a general anti-patent attitude by the courts – aptly captured in the 1949 quote by Justice Jackson to the effect that "the only patent that is valid is one that this Court has not been able to get its hands on".

With that as a back-drop, it's not surprising that former Director of our Association Daniel H. Kane (the brother of Past President David S. Kane and uncle of Past President David H.T. Kane) commented on the bleak state of affairs at a "Forum of the New York Patent Law Association on the Subject of 'Patentable Invention'" held on November 30, 1949. Mr. Kane bemoaned the fact that "the patent system has been operating in an atmosphere of judicial hostility for more than a decade" (published in the February 1950 issue of the Journal of the Patent Office Society).

Today the pendulum appears to have swung in the opposite direction - raising the prospect, at least in some people's minds, that there are too many questionable patents. This perception has led to a new patent reform initiative purporting to make patents easier to attack. This initiative is embodied in a bill introduced into the House on June 8, 2005 as "the Patent Act of 2005".

As pointed out in an article in the July 4, 2005 issue of BusinessWeek magazine entitled "A Patent War is Breaking Out on the Hill", the business community is sharply divided over the new bill. The tech and financial services industry support it, but big pharma and biotech companies oppose it. The BusinessWeek article puts it bluntly: "As this war heats up, all combatants are hiring lobbyists and appealing to a divided academic community for backup. With billions of dollars in property rights at stake, it's a fight neither side can afford to lose."

Federal Circuit Judge Pauline Newman, who back in the late 1960s became the first female member of our Association's Board, recently weighed in on the current reform initiative. Judge Newman suggested that Congress should proceed cautiously in its deliberations regarding patent reform. She observed that "there's this sense [in Congress] that there are flaws in the [patent] system and in the way patents are treated in litigation. The thought that too many patents are being upheld is something that needs a firmer economic and statistical evaluation than I have seen so far."

Coinciding with our Annual Meeting this past May, Past President John Sweeney, together with a select group of other past presidents of our Association, published a fine commentary on the Federal Trade Commission's vision of proposals for patent reform.

As efforts toward patent reform gear up, our Association and its members, past and present, will doubtless play key roles in helping to shape the final result. We should all resolve to have our individual and collective voices heard on this matter of critical importance to our chosen profession.

Dale A. Carlson, a partner at Wiggin & Dana, is the Chair of the Committee on License to Practice Requirements. ■

Judge Linn at April 15, 2005 CLE Luncheon

Left to Right Mark Abate, The Honorable Richard Linn and Mrs. Patti Linn

Judge Linn spoke at the April luncheon meeting concerning effective appellate advocacy in patent cases before the United States Court of Appeals for the Federal Circuit. He provided tips on brief writing and oral advocacy for attorneys appearing before the Court. For example, he suggested focusing on appealable issues to limit the number of issues raised in an appeal. He also provided insights on the patent appeals from the perspective of the judges of the Court and the decision making process. In this regard, he noted the primacy of well written appellate brief in terms of enhancing the chance of success on appeal. He was generous with his time and with the audience, answering a number of questions after his talk. We very much appreciate Judge Linn attending and speaking at our luncheon program in New York.

Matthew Siegal and Lisa Jakob at May 20, 2005 CLE Luncheon Program

On May 20, 2005, the NYIPLA Committees on Meetings and Forums, Copyrights, and Continuing Legal Education co-sponsored a CLE Luncheon Program featuring guest speakers Matthew W. Siegal, a partner with the firm of Stroock & Stroock & Lavan LLP, and Lisa Jakob, the Director of Patent Law at Schering-Plough Corp. The topic of the CLE Program was the "Duty of Disclosure: Update and In-House Perspectives." Mr. Siegal provided an update on the duty disclosure, while Ms. Jakob provided an in-house counsel's perspective on the duty of disclosure.

The CLE Luncheon Program addressed the disclosure of foreign references and adverse testing results to the U.S. Patent & Trademark Office ("Patent Office"). Mr. Siegal began his portion of the presentation with a review of the duty of candor and good faith, and the duty of disclosure owed to the U.S. Patent Office under 37 C.F.R. §§ 1.56 (a), 1.97. Mr. Siegal illustrated the implications of the failure to conduct due diligence regarding possible on-sale bars prior to filing a patent application using *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 267 F.3d 1370 (Fed. Cir. 2001). Mr. Siegal also discussed the level of disclosure necessary when using a foreign language reference, the level of deference granted to a foreign reference, and whether the inventory has duty to provide a translation of a foreign reference if he can read the foreign reference; using the following cases

From Left to Right: Lisa Jakob, Angie Hankins, Matthew Siegal

Central Soya Co. v. Geo. A. Hormel & Co., 723 F.2d 1573 (Fed. Cir. 1983), *Semiconductor Energy Laboratory Co. v. Samsung Electronics Co.*, 204 F.3d 1368 (Fed. Cir. 2001), and *Louis A. Grant, Inc. v. Kiebler Industries*, 377 F.Supp. 1069 (N.D. Ind. 1973).

Ms. Jakob began her presentation with a discussion of whether there is an affirmative duty to disclose adverse testing results. Next, Ms. Jakob discussed the timing of disclosure adverse testing results. Ms. Jakob also discussed the disclosure of a reference during reissue of a patent that the inventor was aware of during the original prosecution of the patent application. Ms. Jakob's presentation included a discussion of *Kingsdown Medical Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 872 (Fed. Cir. 1988) and *Bristol-Myers Squibb co. v. Rhone-Pulenc Rorer, Inc.*, 326 F.3d 1226 (Fed. Cir. 2003).

The CLE Luncheon Program concluded with a lively question and answer period with topics that included burying references and the disclosure of phase three test results.

John Sweeney at June 24, 2005 CLE Luncheon Program

On June 24, 2005, John Sweeney, a past President of the Association, discussed the NYIPLA perspective on the October 23 report and recommendations of the Federal Trade Commission ("FTC") to reform the U.S. patent laws. John chaired a Past President's Committee that was chartered by immediate Past President John Murnane to formulate a response to the FTC proposals. The other members of the Committee were Thomas Creel, Melvin Garner, Karl Jorda, Robert Neuner, John Pegram, Pasquale Razzano, Al Robin, M. Andrea Ryan and Herbert Schwartz. The Committee's Report was adopted by the Board and distributed to NYIPLA members in May 2005. John discussed the NYIPLA endorsement of the following FTC recommendations: post-grant review, adequate PTO funding, "second-pair-of-eyes" review, balancing the public's interest and the applicant's interest, 18-month publication of all applications, and actual notice or copying for willful infringement. John also discussed the concerns associated with the remainder of the FTC proposal, and fielded numerous questions about the Report.

From Left to Right John Sweeney, Daniel DeVito

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NEWS FROM THE BOARD

Minutes Of May 25, 2005
Meeting Of The Board Of Directors

The meeting of the Board of Directors was called to order at the Yale Club at 6:15 p.m. by President Ed Vassallo.

Christopher Hughes, Anthony Giaccio, John Daniel, Mark Abate, John Murnane, Daniel DeVito, Susan McGahan, Robert Scheinfeld, Vincent Palladino, Dale Carlson, Karl Milde, Philip Shannon and W. Edward Bailey were present. Also present was Michael Isaacs of Star Consulting.

The minutes of the Board of Directors' Meeting held on May 3, 2005 were approved.

Ms. McGahan provided the Treasurer's Report. The Association's finances are sound and are consistent with the Association's finances at this time last year.

Mr. Vassallo reported that the Report of the Committee on the FTC Report has been bound and will now be distributed to the FTC, AIPLA, IPO, BNA PTCJ and Congressional Representatives Berman and Smith along with Congressional Representatives in New York, New Jersey and Connecticut. The report will also be made available to our membership at the Annual Dinner.

Mr. Vassallo provided the schedule of Board meetings for 2005-06. The meetings will be held at the Princeton/Columbia/NYU Club.

Mr. Abate and Ms. McGahan will attend the NJIPLA Jefferson Medal Dinner on behalf of the Association.

There was a discussion concerning the Trademark Committee's recommendation to oppose proposed anti-dilution legislation. This issue will be considered further at another meeting.

The meeting was adjourned at 6:45 p.m.

The next meeting of the Board is scheduled for Wednesday, June 22, 2005 at Noon at the Princeton/Columbia/NYU Club. ■

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ARTICLES

The Association welcomes articles of interest to the IP bar.

Please direct any submissions by e-mail to:

Ashe P. Puri, Bulletin Editor, at asheesh.puri@ropesgray.com

Guidelines are set forth at www.NYIPLA.org

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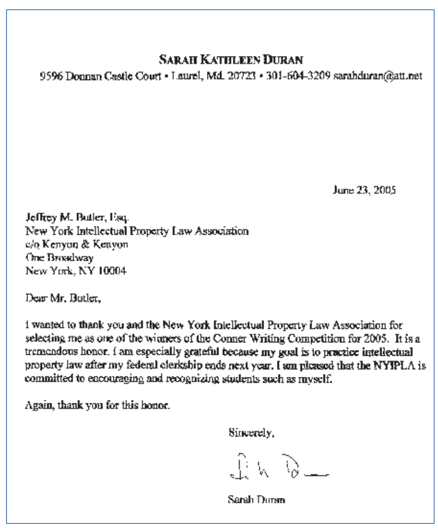
Annual Awards Dinner 2005

The Annual Awards Dinner of the New York Intellectual Property Law Association was held on Wednesday, May 25, 2005 at the Yale Club. President Edward E. Vassallo welcomed the members and guests.

Hon. William C. Conner, U.S. District Court, Southern District of New York, presented the Conner Writing Competition Awards to Sarah Duran and Caroline Nguyen. Both tied for first place and each was awarded $1,500 and a plaque. Ms. Duran's paper was titled: Hear No Evil, See No Evil, Spread No Evil: Creating a Unified Legislative Approach to Internet Service Provider Immunity. The paper written by Ms. Nguyen was titled: Expansive Copyright Protection for All Time? Avoiding Article I Horizontal Limitations Through Treaty Power.

In addition to recognizing today's fine young writers, awards were also presented to the Inventors of the Year. This year, Doctors Karen Trovato and Leendert Dorst of Philips Electronics North American Corporation were the co-winners who shared the award. Their work was for Method and Apparatus for Path Planning and they shared an overview of their work with the audience.



SARAH KATHLEEN DURAN
9596 Donnan Castle Court • Laurel, Md. 20723 • 301-604-3209 sarahduran@att.net

June 23, 2005

Jeffrey M. Butler, Esq.
New York Intellectual Property Law Association
c/o Kenyon & Kenyon
One Broadway
New York, NY 10004

Dear Mr. Butler,

I wanted to thank you and the New York Intellectual Property Law Association for selecting me as one of the winners of the Conner Writing Competition for 2005. It is a tremendous honor. I am especially grateful because my goal is to practice intellectual property law after my federal clerkship ends next year. I am pleased that the NYIPLA is committed to encouraging and recognizing students such as myself.

Again, thank you for this honor.

Sincerely,

Sarah Duran

The Keynote Speaker for the evening was James A. Toupin, Esq., General Counsel for the United States Patent and Trademark Office. Mr. Toupin was introduced by Christopher A. Hughes, Chairperson of the Annual Awards Dinner. Mr. Toupin spoke on the USPTO and the Future. His presentation was co-sponsored by the Joint Patent Practice Continuing Legal Education, Inc. and the NYIPLA Committee on Continuing Legal Education.

The 2006 Annual Awards Dinner of the Association will be held on Wednesday, May 24, 2006.

SOUTHERN DISTRICT CASE REVIEW

by Mark J. Abate [1]

A PARTY DOES NOT NEED TO ALLEGE SPECIFIC INTENT ON ITS § 271(E)(2) INDUCED INFRINGEMENT CLAIM

In Re Rivastigmine Patent Litig.,
2005 U.S. Dist. LEXIS 7167
(S.D.N.Y. April 25, 2005)
(Magistrate Judge James C. Francis IV)

Defendants opposed Plaintiffs' motion to amend their complaint to include a claim for induced infringement under 35 U.S.C. § 271(e)(2) on the ground of futility. Section 271(e)(2) provides that the filing of an ANDA for a drug claimed in a patent or the use of which is claimed in a patent is an infringing act if the filing was for commercial purposes. Defendants had filed an ANDA for the purpose of marketing rivastigmine tartrate, which is sold by Plaintiffs under the brand name Exelon. Plaintiffs' patents at issue covered the use of the drug to treat various medical conditions including Alzheimer's disease.

Plaintiffs' original complaint relied on the notion that § 271(e)(2) provides a cause of action based solely on the filing of an ANDA for commercial purposes, and alleged simply that Defendants had filed ANDAs "for the purpose of obtaining approval to engage in the commercial manufacture, use, or sale" of rivastigmine tartrate capsules. However, citing Allergan, Inc. v. Alcon Labs., Inc., 324 F.3d 1322 (Fed. Cir. 2003), Magistrate Francis noted that the Federal Circuit has "soundly rejected" this logic and has held that § 271(e)(2) merely creates "an act of infringement" for the purpose of forestalling the argument that no case or controversy yet exists. Thus, Magistrate Francis noted, a party claiming infringement under § 271(e)(2) must still prove infringement under a traditional patent infringement analysis. Because of this, Plaintiffs sought to amend their complaint to include a paragraph which stated:

On information and belief, [defendant's products] if approved, will be administered to human patients in a therapeutically effective amount for treatment of mild to moderate dementia of the Alzheimer's type, which administration constitutes direct infringement of the [relevant] patents. On information and belief, this will occur at [defendant's] active behest and with its intent, knowledge and encouragement. On information and belief, [defendant] will actively induce, encourage, aid and abet this administration with knowledge that it is in contravention of Plaintiff's right under the [relevant] patents.

Defendants argued that the proposed amendment would be futile since it was speculative and failed to set out the "specific intent" and affirmative conduct required to state a claim for induced infringement. Responding to the argument that the amendment was speculative, Magistrate Francis quoted Allergan by stating that "[a] claim under § 271(e)(2) is, by its very nature, speculative to a certain degree," but that "it is not sufficiently [speculative] to contravene the case or controversy requirement." Furthermore, Magistrate Francis held that the proposed amendment sufficiently plead the intent and conduct required to state a claim for induced infringement under § 271(e)(2). Under Allergan, a party alleging infringement via § 271(e)(2) must prove that "if the ANDA is approved, the accused infringer will induce a third party to directly infringe the asserted patent and that the accused infringer knows or should know that his actions will induce infringement." In this case, Magistrate Francis remarked, the proposed amendments address each of these elements since they allege that third parties will infringe the patents in suit at the "active behest" and with the intent of Defendants. Furthermore, with respect to Defendants' argument that the amendment insufficiently alleged specific intent, Magistrate Francis noted that the notice pleading requirements of Rule 8 do not demand that a party particularly plead specific intent at this stage of the litigation. As such, Plaintiff's motion to amend was granted.

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A PARENT COMPANY HAS NO AFFIRMATIVE DUTY TO STOP A SUBSIDIARY'S INFRINGING ACTS

Aspex Eyewear v. Altair Eyewear,
2005 U.S. Dist. LEXIS 4684
(S.D.N.Y. March 7, 2005)
(Judge Steven C. Robinson)

Plaintiff Aspex Eyewear ("Aspex") moved to join Defendant Altair Eyewear's ("Altair") parent company, Vision Services Plan ("VSP") as a necessary party under Rule 19(a), alleging that complete relief could not be accorded Aspex since "the unity between VSP and Altair is such that to the extent Altair had infringed…, VSP has infringed". Aspex did not allege any directly infringing acts on the part of VSP, but rather claimed that VSP should be joined "because it approved, authorized, and failed to prevent Altair's sale of allegedly infringing products."

The Court declined to join VSP, noting initially that a company has no duty to stop its corporate affiliates from infringing acts and citing two Federal Circuit cases: Tegal Corp. v. Tokyo Electron Co., 248 F.3d 1376 (Fed. Cir. 2001) and A. Stucki Co. v. Worthington Indus. Inc., 849 F.2d 593 (Fed. Cir. 1988). The Court then stated that the issue was whether VSP had sufficient control over Altair's activities that it should be responsible for Altair's alleged infringement. On this point, the Court observed that Federal Circuit precedent was "not entirely clear" whether to utilize the traditional standard for "piercing the corporate veil" or the kind and degree of control mentioned in the Tegal and Stucki cases, or whether there is even a difference between standards.

In Stucki, the Court remarked, the Federal Circuit stated that a parent could be liable for a subsidiary's acts "only if the evidence reveals circumstances justifying disregard of their status…as distinct, separate corporations" and cited a case that utilized the traditional standard. Tegal, however, characterized Stucki as "refusing to hold a parent corporation liable in the absence of evidence that the parent company either was an alter ego of the subsidiary or controlled the conduct of the subsidiary," and noting a lack of evidence in the case before it whether the corporation "formulates, directs, or controls [the affiliate's] operations or that it is in control of the management, policies, and operation of the affiliate."

The Court held that "the clearest statement from these cases suggests that the standard for piercing the corporate veil must be met before a parent may be held liable for the acts of its subsidiary." As such, the Court noted that the corporate entity should be recognized unless specific, unusual circumstances exist such that piercing the corporate entity would prevent fraud, illegality, injustice, a contravention of public policy, or the prevention of the corporation shielding someone from criminal liability. Also, the Court observed that "[u]nless there is at least specific intent to escape liability for a specific tort, the cause of justice does not require disregarding the corporate entity."

In the case at hand, the Court held that no cause existed to justify piercing the corporate veil, and that therefore VSP should not be added as a party defendant. Aspex, the Court noted, had based its claim on the fact that the two entities shared some common officers and directors, customers and office space, and the fact that VSP had participated in Altair's defense in the action, oversaw Altair's business activities, and had the operational authority to prevent Altair from selling certain products. Aspex had not, the Court remarked, proffered evidence directed to whether disregarding the entities' separate status would prevent VSP from committing fraud and illegitimately escape liability—evidence such as VSP's undercapitalization of Altair or diverting assets in order to avoid liability, or domination of Altair's day-to-day existence and operations. Further, the Court noted that even if the standard had been lower, Aspex would still have failed to proffer sufficient evidence of control since Aspex had, at most, alleged that VSP had the power to prevent infringing conduct by Altair.

PARTY MAY NOT "AMEND" EXPERT REPORT AND THEREBY AVOID DISCOVERY

In Re Omeprazole Pat. Litig.,
2005 U.S. Dist. LEXIS 6165
(S.D.N.Y. Feb. 25, 2005)
(Judge Barbara S. Jones)

Dr. Lawrence H. Block, an expert witness retained by defendant Eon Labs ("Eon"), submitted three expert reports regarding, inter alia, the validity and enforceability of the patents in suit. However, in a letter addressed to Plaintiffs (collectively, "Astra") three weeks prior to Dr. Block's scheduled deposition, Eon advised Astra that it had "decided to remove" from Eon's litigation defenses counterclaims of invalidity and unenforceability, and further that "Eon's expert reports of Dr. Lawrence Block are hereby amended to delete the following paragraphs". The letter identified 216 paragraphs out of a total of 284 paragraphs.

During Dr. Block's deposition, Astra asked Dr. Block what he had been told by Eon's counsel regarding the deletion of parts of his reports. Eon objected and instructed Dr. Block not to answer based on attorney-client privilege. Eon also instructed Dr. Block not to answer questions directed to the subject matter of the deleted paragraphs. Astra subsequently moved, by letter to the Special Master, for an order to compel discovery under Rule 37(a) and for sanctions under Rule 37(b). Eon cross-motioned for a protective order and for sanctions. By Order, the Special Master found the subject matter relevant and not privileged, and that Eon's instructions not to answer were therefore improper. The Special Master also found Eon and its counsel jointly and severally liable for two-thirds of Astra's expenses, including attorneys' fees, incurred in connection with Astra's motion to compel and Astra's responses to Eon's motion for a protective order. Eon subsequently appealed the Special Master's Order.

On appeal, the District Court first addressed Eon's argument that under Rule 26(a) its expert report need only disclose opinions concerning positions that Dr. Block would present at trial, and that since Eon had abandoned certain defenses discovery on those defenses was not relevant under Rule 26(b)(1). The Court affirmed the Special Master's ruling that counsel's proper course would have been to allow the questioning to continue subject to objection. See In re Omeprazole Pat. Litig., 2005 U.S. Dist. LEXIS 6112 *5 - *11 (Feb. 18, 2005) (citing Rule 30(d)(1) and noting that "there are three instances in which a person may be instructed not to answer a question, namely (1) to preserve a privilege, (2) to enforce a limitation directed by the court, or (3) to present a motion [asserting bad faith]"). The Court then addressed Eon's position that it had effectively amended the report to delete subject matter that might properly have been the basis of deposition. The Court affirmed the Special Master's ruling that a party may not amend an expert's report, since it is not a pleading. Id. at *7 - *8 (noting that "[t]he expert reports are Dr. Block's expert reports, not 'Eon's expert reports'"). Therefore, the Court held, refusal to allow an expert's testimony regarding his own opinions was improper.

The Court next affirmed the Special Master's ruling that Dr. Block's testimony regarding his understanding as to why Eon decided to withdraw the various defenses was relevant and not privileged. With respect to relevance, the Court merely held that the testimony was "clearly related" to the subject matter of Dr. Block's report. With respect to the issue of privilege, the Court affirmed the Special Master's ruling that an expert is outside the scope of privilege, and that voluntary disclosure of confidential information to a party outside the privilege waives the attorney-client privilege with respect to such information.

Lastly, the Court affirmed the Special Master's imposition of sanctions on Eon. The Special Master found that Eon's instructions for Dr. Block not to testify regarding the subject matter allegedly deleted from his opinion was not substantially justified, and that sanctions pursuant to Rule 37(a) were proper. Id. at *40. Further, the Special Master found Eon's cross-motion for a protective order "specious and frivolous," thereby justifying sanctions under rule 26(c). However, the Special Master found that Eon's instruction not to answer concerning Dr. Block's conversations with counsel regarding the decision to delete portions of the report were not without substantial justification given the degree of leniency appropriate when the issue is privilege. Therefore, the Court held, the Special Master appropriately levied expenses, including attorneys fees, on Eon in relation to the motion for a protective order and for the portion of the motion to compel related to Eon's instruction not to answer questions directed to the subject matter of the "deleted" paragraphs.

OWNER OF ABANDONED MARK MADE AN INSUFFICIENT SHOWING TO SUPPORT AN UNFAIR COMPETITION CLAIM BASED ON A FOREIGN MARK UNDER THE "FAMOUS MARK DOCTRINE"

ITC Ltd. v. Punchgini, Inc.,
2005 U.S. Dist. LEXIS 2026
(S.D.N.Y. Feb. 4, 2005)
(Judge Gerard E. Lynch)

Plaintiffs ITC Ltd. and ITC Hotels Ltd. ("ITC"), large Indian corporations, owned, operated or licensed "Bukhara" restaurants located throughout the world. ITC claimed that Defendants, former ITC employees, infringed ITC's rights in the "Bukhara" mark and dress by opening two restaurants, in 1999 and 2001, under the name "Bukhara Grill" in New York City. ITC also plead unfair competition and deceptive trade practice claims.

The Court granted summary judgment against ITC on their trademark and trade dress claims and cancelled ITC's federal registration of the "Bukhara" mark based on abandonment. While ITC had opened and licensed "Bukhara" restaurants in New York and Chicago in 1986 and 1987, and obtained a federal registration of the mark in 1987, it had subsequently closed the New York restaurant in 1991 and terminated its license to the Chicago "Bukhara" in 1997. Since terminating the license, ITC had not owned, operated or licensed a "Bukhara" restaurant in the United States. The Court noted that abandonment of a mark is a complete defense to infringement and exists when use of the mark has discontinued and there is no intent to resume use in the United States within the reasonably foreseeable future. Furthermore, non-use for three consecutive years establishes prima facie abandonment under 15 U.S.C. § 1127, and the trademark owner must thereupon come forward with evidence of "concrete plans" to resume use in the foreseeable future or activities it engaged in during the nonuse period from which an intent to resume use may be reasonably inferred.

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The Court noted that ITC did not seriously dispute that a presumption of abandonment had arisen and held that ITC's evidence was insufficient to rebut the presumption. First, documentary evidence of planned business expansion did not address expansion into the United States particularly. Next, documents purportedly evidencing plans to franchise in the United States were insufficient since the documents consisted of (1) solicitations from third parties that were never acted upon by ITC and (2) an internal communication regarding floor plans for a New York restaurant dating from 1998 that were not shown to have been approved or acted upon by ITC. Furthermore, the Court refuted the ITC's assertion that it had maintained goodwill in the "Bukhara" mark in the United States because ITC's activity since 1998 consisted of two trade show appearances promoting its "Dal Bukhara" packaged food and the sale of two shipments of such product. The Court held that these "minor activities" were insufficient to maintain goodwill in the mark and that they did not evidence intent to return to the United States as a restaurateur. In response to ITC's allegation that its nonuse should be excused due to Indian regulations that impede foreign investing, the Court merely noted that the regulations did not impede ITC's investments in "Bukhara" restaurants outside the United States. Finally, in response to ITC's assertion that it was merely waiting for the right business partner in the United States, the Court noted that an owner's "inchoate wish to keep the mark for some vague, unspecified future use" would constitute the impermissible warehousing of the mark against which the abandonment doctrine guards.

The Court then addressed ITC's unfair competition claims based on the "well-known" or "famous" mark doctrine. ITC claimed that under the doctrine, ITC's foreign mark or dress may be protected if it is so "well known" or "famous" as to give rise to a risk of consumer confusion if the mark or dress is subsequently used by someone else in the domestic marketplace. Noting that the existence and scope of the doctrine are controversial, the Court stated that only one federal appellate court has applied the doctrine— the Ninth Circuit in Grupo Gigante S.A. de C.V. v. Dallo & Co., 391 F.3d 1088 (9th Cir. 2004)—and that two early New York State cases exemplify the doctrine—Maison Prunier v. Prunier's Restaurant & Café, Inc., 288 N.Y.S. 529 (N.Y. Sup. Ct. 1936) and Vaudable v. Montmarte, Inc., 193 N.Y.S.2d 332 (N.Y. Sup. Ct. 1959).

In determining whether ITC's mark was sufficiently famous, the Court observed a split in authorities on the issue. The Vaudable court had determined the fame of the mark in issue based on whether it had attained "secondary meaning." Relevant factors in determining whether a mark has "secondary meaning" include: (1) advertising expenditures, (2) consumer studies linking the mark to a source, (3) unsolicited media coverage of the product, (4) sales success, (5) attempts to plagiarize the mark, and (6) the length and exclusivity of the mark's use. The Grupo Gigante court, on the other hand, had required an additional showing from owners of foreign marks: it had required the owner to prove that a substantial percentage of consumers in the relevant American market is familiar with the foreign mark, considering as factors whether the defendant intentionally copied the mark and whether customers of the American firm are likely to think they are patronizing the same firm that uses the mark in another country.

The Court declined to decide the issue whether to adopt the Grupo Gigante heightened standard since it held that ITC had failed to even establish a triable issue as to the "secondary meaning" in the New York market. The Court remarked that ITC failed to proffer any evidence of advertisements circulated in the New York market and that ITC had not proffered a consumer study linking the "Bukhara" mark to itself. The Court also noted that ITC could not even claim exclusive use of the mark in the United States, since several restaurants operated by non-parties existed in the United States under the mark. Also, no revenue was currently being generated by ITC's use of the mark in the United States. Regarding media reports, the Court noted that ITC failed to proffer evidence that the favorable reports it cited were ever directed to New York or that they reflected the knowledge of New York consumers. Finally, the Court held that although the record contained evidence that Defendants intentionally copied the mark and dress, such evidence was insufficient by itself to trigger any presumption of secondary meaning in the context of a claim based solely on the "well known" or "famous" mark doctrine.

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NYIPLA CALENDAR

Date:Friday, October 21, 2005
Event: Luncheon & CLE Programs
Keynote Speaker: Karen Copenhaver, Esq.
Topics: "Open Source"
Place:The Princeton Club - NYC - 15 West 43rd St.
Time: 12:00-12:30 Reception
12:30-1:00 Lunch
1:00-2:00 Program

Date: Friday, November 18, 2005
Event: CLE Fall One-Day Program
Four Expert Panels will discuss Patent Reform, Litigation, as well as Developments in Foreign Patent Practice - with speakers from Europe, India and the Peoples Republic of China. Ethics - and oher timely subjects will also be presented.
We are pleased to announce that our Keynote Speaker will be Hon. Paul R. Michel, Chief Judge U.S. Court of Appeals, Federal Circuit. Complete details to be announced.
Place: Yale Club, 50 Vanderbilt Avenue, New York, NY

Date: Friday, December 16, 2005
Event: Upcoming CLE Programs
Keynote Speaker: Adam Lichstein -General Counsel and Head of Corporate Development of WhenU
Topics: Pop-Up Advertising, Trademarks and The Current State Of The Law
Further Details to Follow
Place: The Penn Club

Date: Friday, March 24, 2006 - Save the Date
Event: The NYIPLA's 84th Annual Dinner in Honor of the Federal Judiciary and the CLE Day of Dinner Program t
Place: Waldorf-Astoria, New York.

Late April or Early May 2006 - Save the Date
Event: 22nd Annual Joint Patent Practice Update

Date: Wednesday, May 24, 2006 - Save the Date
Event: NYIPLA Annual Meeting & Awards Dinner

Date: Friday, October 14, 2005 The Federal Circuit Bar Association with the New York Intellectual Property Law Association presents: Perspectives on Patent Law and Innovation. *Hosted by Columbia Law School.* For complete details check the website of the Federal Circuit Bar Association: www.fedcirbar.org

Program Details & Registration Forms may be found on our website www.NYIPLA.org

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