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application.

Under this two-step analysis, the Patent Office has been frequently issuing post-*Alice* section 101 rejections to software patent applications. Most rampant among these 101 rejections is the abstract idea of “organizing human activities,” for which there is no definition and no case law basis.³ Examiners have been using this abstract idea as a “catch-all that...

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How to Fight the Jabberwock Known as *Alice*



Krista Y. Chan

Associate

“Beware the Jabberwock, my son!” from *Through the Looking Glass, and What Alice Found There* (1871) by Lewis Carroll.

Since *Alice v. CLS Bank*¹, companies have found that obtaining software patents is more difficult, especially as many software patent applications going through the examination process at the USPTO were drafted before the

Alice decision. Although almost anything under the sun made by man is patentable, abstract ideas are not. *Alice* was the Supreme Court’s way of reinforcing that principle.

Alice enforces a two-step framework first articulated in *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*²:

1. Determine whether the claim is directed to an abstract idea, natural law, or natural phenomena
2. Examine the elements of the claim both individually and in combination to determine whether additional elements of the claim involves an “inventive concept” that “transform[s] the nature of the claim” into a patent eligible

Copyright: Still Relevant after 500 Years



David Carstens

Partner

Copyright is used to protect original works of authorship that are fixed in a tangible medium of expression. It is a useful tool to prevent the copying of books, software, and other valuable creative and useful works. It was developed almost 500 years ago largely in response to the invention of the printing press in 1440 by German Johannes Gutenberg. Gutenberg was a

goldsmith by profession and developed a complete printing system which allowed the precise and rapid creation of metal movable type in large quantities.

The mechanization of bookmaking led to the first mass production of books in history in assembly line-style. A single Renaissance printing press could produce 3,600 pages per workday. Books of bestselling authors like Luther or Erasmus were sold by the hundreds of thousands in their lifetimes.

The British Crown decided to censor the new industry. So in 1557 Queen Mary granted the exclusive right of printing to the Stationer's Company. Those rights included the right to destroy unauthorized presses and books. It held these rights until 1694. In 1710, the first modern copyright act was passed in England – entitled the Statute of Ann. It provided authors the exclusive right to print their books for a period of 28 years. However, booksellers had so much control over the ability to bring a new book to market that the authors usually had to sell their copyright to the bookseller.

After our successful revolution from England, the United States passed the Copyright Act of 1790. However, protection was limited to maps, charts and books and lasted for a term of 14 years, renewable for an additional 14 years. In 1909, a new Copyright Act allowed for protection of “all writings of an author” for two terms of 28 years. But new technologies such as radio, television and the phonograph created new issues and economic interests. These issues were addressed in the Copyright Act of 1976 which governs copyright today. It provides five basic economic rights to the author, including the right to make copies, the right to...

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What do you mean by “Around?” And Why the PTAB and the Courts May Disagree



Shaukat A. Karjeker

Partner

While non-patent lawyers might wonder why there is such a fuss about the word “around,” the meaning of what appears to be a common term is a “big deal” in determining the scope of patent claims, and whether a patent that was subjected to the dreaded Inter Partes Review proceeding has valid claims.

By way of introduction, under the America Invents Act (the “AIA”) new proceedings were instituted to test the validity of already issued patents in the Patent Office. One of these is the Inter Partes Review (“IPR”) proceeding in which any party can challenge the validity of an issued patent by presenting prior publications (“prior art”) to show that the patent claims were invalid because they did not meet the statutory requirements of novelty, or non-obviousness.

In general, the more broadly a patent claim is construed, the higher the likelihood that it will encompass prior art and be found invalid. Ordinarily, once a patent is issued, a challenger must show invalidity in a court by “clear and convincing” evidence, which is a relatively high burden of proof. In addition, the court will interpret the patent claim in view of the patent specification and the prosecution history. This standard limits the scope of the patent claim to some extent, which reduces the chance of invalidity. This was the only avenue available prior to the AIA. But now, in an IPR proceeding under the AIA, the challenger has a significant advantage: the Patent Trial and Appeals Board (“PTAB”) uses standards that tilt the balance toward the challenger.

Firstly, the PTAB applies “the broadest reasonable” claim interpretation (i.e. a broader claim scope than in court). Secondly, in an IPR the challenger has only to meet the “preponderance of the evidence” (i.e. >50% probability) burden of proof as to invalidity. No wonder then that most challengers select the IPR route to try to invalidate a “problematic patent.” Also, unsurprisingly, IPRs have gained a reputation as the “graveyard of patents.”

In light of these differing standards between the courts...

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Don't Go to the Trouble of Creating a Website and then Ignoring the Trademark Infringement Lawsuit



Gregory
Marcum

Of Counsel

If you've taken the time and effort to create a website in a competitive industry and your trademark is arguably close to an industry competitor, don't make the mistake of ignoring a subsequent trademark infringement lawsuit. In a recent case set in the federal court for the Southern District of Texas, Insurance Depot Marketing Corporation did not file an answer to Neutron Depot's lawsuit that alleged:

- Trademark infringement
- Unfair competition
- Dilution
- Cybersquatting

Neutron Depot owned the mark INSURANCE DEPOT. Defendant Insurance Depot Marketing used the mark on its website. Plaintiff asked for statutory damages under the Lanham Act and the Anti-Cybersquatting Consumer Protection Act based on Defendant's use of INSURANCE DEPOT on its website that offered competing insurance services and use of the mark in website advertisements and links. Plaintiff also asked for an injunction against Defendant's further use of the mark, an order of forfeiture or cancellation of the mark, a permanent injunction against use of the domain 'www.insurancedepotamerica.com', and attorney fees and costs.

Plaintiff's complaint further alleged gross negligence, willful, deliberate, and intentional acts that were done with full knowledge and conscious disregard for plaintiff's rights, i.e. Defendant knew Plaintiff owned the mark. This was important because these allegations made it an exceptional case. The legal implication of this is that a prevailing party is entitled to its reasonable attorney fees in an exceptional case.

All the allegations went unchallenged because defendant did not file an answer and thus defaulted. It is important to know that this court, and others, have found that defendants are deemed to have admitted knowingly and intentionally conduct when they default.

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Firm Updates

AWARDS

- > We are honored to announce David Carstens, Colin Cahoon, and Vincent Allen have received the prestigious award "Best Lawyers in Dallas 2016" by D Magazine.
- > Carstens & Cahoon, LLP has been named Best IP Law Firm and Patent Attorney of the Year in the state of Texas. We are honored to receive this award from Acquisition International.
- > The firm completed the PepsiCo Outside Counsel Diversity Survey and has been recognized by PepsiCo as having some of the best diversity and engagement metrics and practices among the firms that were surveyed.

SPEAKING ENGAGEMENTS, PRESENTATIONS, & Other News

- > Partner Colin Cahoon will soon be a published author. His first novel, historically-based fiction titled, *The Man With the Black Box*, with murder, seduction, politics, and patent lawyers, will available on Amazon, barnesandnoble.com, and iBooks starting August 2nd.
- > Partners, Ted Baroody and James Ortega, sponsored and participated in Dallas Bar Association's Pro Bono Golf Tournament on April 28, 2016.
- > Congratulations to Colin Cahoon, who just celebrated his 25th anniversary with the State Bar of New Mexico. He was also a guest on the 660 AM Mark Davis Show on March 21st.
- > Colin Cahoon has been elected to membership in the Fellows of the Texas Bar Foundation. Fellows of the Foundation are selected for their outstanding professional achievements and their demonstrated commitment to the improvement of the justice system throughout the state of Texas.

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Professional Profile



Krista Y. Chan

Associate

Krista Chan's practice area includes patent prosecution, trademark prosecution, agreements for the development, transfer or licensing of technology, patent and trademark infringement opinions, and intellectual property litigation support. She is a registered patent attorney with the U.S. Patent and Trademark Office and a member of the State Bar of Texas.

Ms. Chan received her law degree from University of Houston Law Center in 2015, where she served as Vice President and Webmaster of the Intellectual Property Student Organization and as Vice President Internal of the Asian Law Student Association. Her undergraduate studies focused on software engineering, digital signal processing, and microprocessor applications and engineering. She interned with Hewlett Packard before joining the firm.

Prior to law school, she graduated from the University of Texas at Austin with a Bachelor of Science degree in Electrical Engineering. While at UT Austin, she was a member of Eta Kappa Nu Psi Chapter, the Institute of Electric and Electronics Engineers, and the Women in Engineering Program.

Ms. Chan is currently a member of the American Bar Association, Dallas Bar Association, and Dallas Association of Young Lawyers. She serves on the Dallas Bar Association Intellectual Property Section New Lawyers Committee.

Her interests include traveling and foreign languages, strategy games, playing piano, hiking, graphics design, and discovering new and interesting foods. She also enjoys folding paper cranes and stringing them together.

The photo on the right shows the *Senbazaru*, a group of one thousand cranes made by Ms. Chan that hangs in her office.

