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This newsletter is provided with our compliments. Its purpose is to inform our readers of developments within the firm and in the legal field of intellectual property law. We invite your comments, questions, and opinions.

Trademarks in the .COM Millennium

by Rex A. Donnelly, IV

If you are considering forming your own web-based, e-commerce business, or merely developing a website to support your existing business, you may wish to consider trademark protection for that catchy Internet domain name that you hope will entice the world to beat a path to your website. Not everything with a .COM on the end of it can be federally registered as a trademark, and there are a number of considerations unique to domain name trademarks to keep in mind.

The Domain Name Must Be More Than Just an Address

A domain name, like any other term, can be registered as a trademark or service mark only if it identifies and distinguishes a source of goods or services. If the domain

name merely serves as a website address, it no more indicates the source of goods than does a street address or a telephone number for a standard brick-and-mortar business. In certain situations, however, the phone number or the address is actually used as a mark (i.e., 1-800-COLLECT[®]). It is in similar situations where the Internet domain name can be federally registered.

The specimen of use submitted with the trademark application must show the use of the proposed mark

as a trademark or service mark. For example, a specimen consisting of letterhead or a business card that merely lists the mark as an Internet website address will not suffice. On the other hand, a printout of an Internet home page referring to the site as the "CATCHYNAME.COM Virtual Store" might suffice. As a general rule, a trademark should be used as an adjective that modifies a generic name or a product or service category (i.e., AMAZON.COM[®] Books).

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R&P is proud to announce the addition of two new attorneys. Aekta Patel is a recent graduate of Franklin Pierce Law Center and has a B.S. in Chemical Engineering from Purdue University. Scott McKeown joins R&P with a B.S. in Electrical Engineering from Temple University and his J.D. from Temple University School of Law. R&P welcomes these two new talents and looks forward to their contributions.

Legal Spotlight: The American Inventors Protection Act of 1999

With the recent enactment of the Intellectual Property and Communications Omnibus Reform Act of 1999, some significant changes in Patent & Trademark Office procedures, as well as the rights of patentees, are about to be realized. Title IV of the Act is known as the American Inventors Protection Act of 1999, and changes, arguably significantly, certain Patent & Trademark Office (PTO) procedures and the rights of inventors and patentees. Highlighted below are some of the more relevant changes.

Inventors' Rights

This subtitle fulfills the need of regulating invention promoters. Virtually unregulated prior to the enactment of this law, the invention promotion industry often engaged in exploitative behavior in its dealings with inventors.

An "invention promoter" is defined to include any entity ("person, firm, partnership, corporation, or other entity") that performs invention promotion services and holds itself out through advertising in any mass media as providing such services. The term does not include government agencies, nonprofit organizations, entities evaluating issued utility patents or previously filed nonprovisional patent applications, entities participating in the sale of stock or business assets, or parties that directly engage in the retail sales of products.

Under this law, invention promoters must enter into a written contract with an inventor. Importantly, the invention promoter has a duty to disclose certain information to the inventor, prior to entering into the contract for services. Before contracting, the invention promoter must provide to the inventor written information about the company, including the total number of evaluations the promoter has provided in the past five years, broken down by information on the number of inventors who contracted with the invention promoter or his company, the number who received profits from their inventions in excess of the fees paid, and the number who entered into license agreements as a result of the services.

The First Inventor Defense

The Act creates a new defense known as the "first inventor defense" that can be asserted by inventors accused of patent infringement in certain circumstances. The defense applies to accused infringers that can establish that they reduced the patented invention to practice at least one year before the patent's effective filing date. The first inventor defense takes effect on the date of the Act's enactment, November 29, 1999, but the defense does not apply to pending patent infringement lawsuits filed prior to that date.

The Act explicitly provides, however, several significant limitations and qualifications of the new first inventor defense. The invention for which the defense is asserted must be for a method. The issue of whether an invention is a method will most likely be determined based on the underlying nature of the invention as opposed to the technical form of the patented claims. For example, a method for doing business claimed in a patent as a programmed machine may be considered a method if it could have been claimed as a method.

Patent Term Guarantee

The Act also provides a guarantee that, under some circumstances, the term of any utility patent issued from an application filed on or after May 29, 2000 will be at least 17 years from the issue date (i.e., the application will have no more than a 3-year pendency). In general, the term of any patent which issues from an application that is pending for more than three years will be extended to compensate for prosecution delays at the U.S. Patent and Trademark Office, assuming those

delays were not caused by the patent applicant. The extension to which an applicant is entitled can be reduced or eliminated by delays caused by the applicant, including the filing of a continuation application.

Optional Inter Partes Reexamination

The Optional Inter Partes Reexamination Procedure Act of 1999 has been added to the Title 35 of the U.S. Code and provides a procedure for a party who is not the patentee to participate in the reexamination of a patent. This new procedure for inter partes reexamination is in addition to ex parte reexamination, in which only the patentee participates. The new reexamination procedure is effective as of November 29, 1999, and will be applicable to any U.S. patent that issues from an original application filed on or after that date.

The procedure for instituting and conducting an inter partes reexamination is very similar to that of the prior ex parte reexamination. Generally, for either reexamination procedure, any person at any time may seek to commence an inter partes reexamination of a patent based upon any prior act consisting of patents or printed publications which may have a bearing on the patentability of any claim of the patent at issue.

Additional changes have occurred, including fee changes which were highlighted in the Winter 2000 issue of INSIGHT, Vol. 10, No. 1. More detailed information will be forthcoming as the Patent and Trademark Office issues regulations pertaining to these and other changes in the law. As those regulations are published, more information will be provided in these pages. ■

Announcing

Paul Prestia has been named as one of the 20 Charter members of the American Intellectual Property Law Association Fellows. The Fellows group was organized to assist AIPLA with scholarly, educational, research, and informational projects. Each Fellow has proven to be a distinguished practitioner with an exemplary record of service and contribution to the profession.



Recently, one of our German Associates, Dr. Susanne Teipel, became a partner with the firm of Schwabe, Sandmair, Marx. Shown here are Dr. Teipel and Kevin Casey during a reception in her honor, held in R&P's offices during one of her welcomed visits. Through the development of many such close relationships with its numerous foreign associates, R&P is well positioned to handle the needs of its clients throughout the world.



Speaker's Forum

- Allan Ratner and Kevin Casey, both engineering graduates of Rensselaer Polytechnic Institute, provided seminars at RPI's first "Patent Day" in Troy, New York on March 3, 2000. RPI alumni in the field of intellectual property law (patents, trademarks, copyrights, trade secrets, and licensing) gathered with students and faculty who are involved or interested in the field. The "day" included seminars on the subjects, a luncheon forum addressing RPI's developing focus on IP, one-on-one sessions advising students, and discussion groups.
- The Pennsylvania Bar Institute (PBI) provides Pennsylvania lawyers with continuing legal education, over 100 course titles each year, that is timely and of the highest possible quality. Lawyers rely on PBI books and seminars for practical and accurate information. Kevin Casey was selected as a faculty member for the PBI seminar discussing the American Inventors Protection Act of 1999 on March 22 and 23, 2000. Kevin's presentation and his accompanying PBI manuscript addressed a particular

title of the new Act: the prior user defense for business methods.

- Benjamin Leace participated in a panel discussion at the inaugural event of the Temple Intellectual Property Law Network at the James E. Beasley School of Law. Ben spoke about trademarks on the Internet, an increasingly popular and important area of I.P. law.
- Jim Simmons spoke at two I.P. events sponsored by the Small Business Development Center of Lehigh University. On Sept 14, 1999, Jim presented a workshop on Foreign Patent Protection to about 30 small entrepreneurs. On March 15, 2000, Jim provided a program titled "Protecting Your Ideas and Inventions" to a group of about 35 people sponsored by the Ben Franklin Technology Center. Both programs were sponsored by the Small Business Development Center of Lehigh University.
- Lawrence Ashery participated in a panel discussion in New York City where he presented a comparative study to about 400 attorneys on employee invention remuneration requirements in Japan as compared to typical situations in the U.S. A recent litigation in Japan highlighted

the differences in employee compensation between U.S. inventors and their Japanese counterparts.

- Jonathan Spadt spoke to about 150 chemical engineering undergraduates at Penn State University on April 13, 2000. The seminar was an introduction to patent law and focused on the U.S. patent system. Many of the students were interested in the ever-increasing role of intellectual property in the life of an engineer and the markets that employ them. While visiting his alma mater, Jonathan also spoke to several freshmen engineering students about opportunities in the intellectual property profession.
- On April 18, 2000, Andy Ney and Eric Dichter spoke about the implications of the patent laws and the Patent & Trademark Office's examination guidelines for biotechnological inventions on the Human Genome Project at the local meeting of the American Association of Individual Investors. With increased media attention on genome research, this timely topic was well received by those who invest in this area of technology. ■

Trademarks in the .COM Millennium

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The Website Must Do More Than Just Advertise Your Own Products or Services

Advertising one's own products and services is not a service in the eyes of the U.S. Patent and Trademark Office. Thus, for example, Multinational, Inc. (MI) with a website at MI.COM that merely provides information about the goods or services sold by MI cannot register MI.COM as a trademark based on that use alone. If, on the other hand, goods and services can be ordered from that website, then the use supports registration of the service mark. In general, to qualify as a service in the eyes of the USPTO, the service must be (1) a real activity, (2) for the benefit of others, and (3) not merely an ancillary activity or necessary activity related to an applicant's larger business.

The Registered Trademark Need Not Include the Top-Level Domain Name

In a domain name mark, the consumers tend to look to the second-level domain name as the source identifier, not the top-level domain name. Thus, even if the specimen of use lists the mark as

CATCHYNAME.COM, you may still just apply for CATCHYNAME as the trademark. For example, the owners of the recently well-advertised virtual pet store located at www.petopia.com have filed applications for both the marks PETOPIA and PETOPIA.COM.

The Rest of the Regular Trademark Rules Still Apply

Even if all of the above considerations are satisfied, just adding the .COM (or .NET, .ORG, etc.) after a name still does not automatically qualify the name for federal registration. All of the normal trademark rules still apply. Of special interest among these rules are the following.

Marks that present a likelihood of confusion with respect to another mark cannot be registered. The top-level domain name will be afforded little weight in the determination of whether an application presents a likelihood of confusion. Thus, for example, the mark CATCHYNAME.COM for retail bookstore services offered on the Internet is not likely to be allowed registration over a pre-existing brick-and-mortar bookstore having the name CATCHYNAME BOOKS.

Merely descriptive (i.e. BOOKS.COM for a bookstore) or generic (i.e. BOOKSTORE.COM for a bookstore) marks cannot be regis-

tered on the Principal Register (but merely descriptive marks may be registered on the Supplemental Register). Certain marks not qualified for registration on the Principal Register, but which are still capable of distinguishing the applicant's goods or services, may be registered on the Supplemental Register. Marks on the Supplemental Register, however, are not entitled to all of the benefits of marks on the Principal Register. The addition of a non-descriptive term to a merely descriptive or generic second-level domain name, however, may support registration on the Principal Register (i.e. XYZBOOKS.COM or XYZBOOKSTORE.COM).

Marks that are deceptively misdescriptive, such as a deceptively geographically misdescriptive mark, cannot be registered on either the Principal or Supplemental Register. Thus, for example, DELAWAREINC.COM for a web-site providing information about, and the advantages of incorporation in, New Jersey cannot be federally registered.

Because of the need to stand out in a sea of domain names, the importance of a catchy domain name to any Internet-based business cannot be underestimated. Securing federal trademark registration for the domain name should, therefore, be a key part of the business plan.

Reprints Available

The Bureau of National Affairs, Inc. (BNA) has published a treatise titled *Electronic and Software Patents: Law and Practice*. Allan Ratner and Kevin Casey are two of the four authors of Chapter 13 of

the treatise, directed to noninfringement, invalidity, and unenforceability opinions. The other two authors are former R&P attorneys who, since working with Allan and Kevin on the treatise,

have accepted in-house positions with two of R&P's clients. Anthony DiBartolomeo is with SAP America and Anthony Grillo is with Lucent Technologies. ■

Ratner & Prestia specializes in patent, trademark, and copyright matters and realizes an obligation to keep its clients, and others, informed in those areas. The articles in this newsletter are intended to provide only a brief, general overview of each subject and are not necessarily the opinion of this firm. R & P recommends that readers seek specific information on particular matters of concern.

INSIGHT is published by Ratner & Prestia. The firm welcomes your articles, ideas for articles, comments, and suggestions. Please contact Jonathan H. Spadt, the editor, at our offices:

*Suite 301, One Westlakes, Berwyn, P.O. Box 980, Valley Forge, PA 19482
Phone: (610) 407-0700 • Fax: (610) 407-0701
Email: mail@ratnerprestia.com • <http://www.ratnerprestia.com>*

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