



Hot Topics in IP, Technology, and Advertising



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Presenters



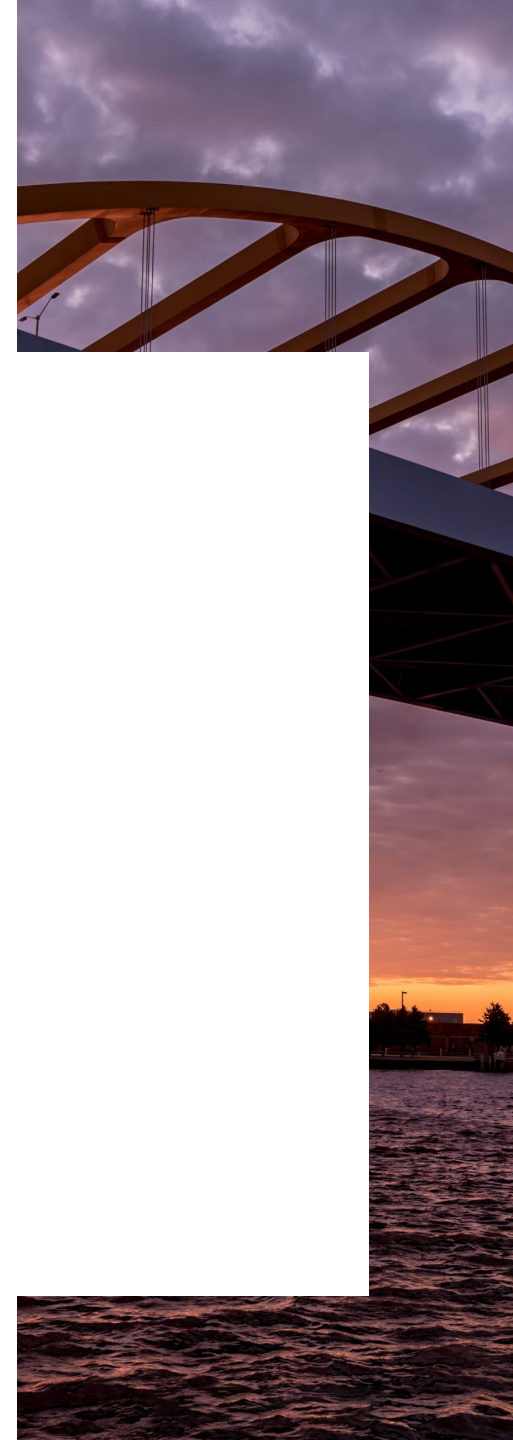
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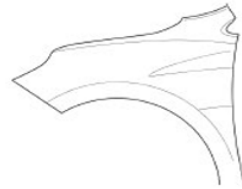






Patent Law

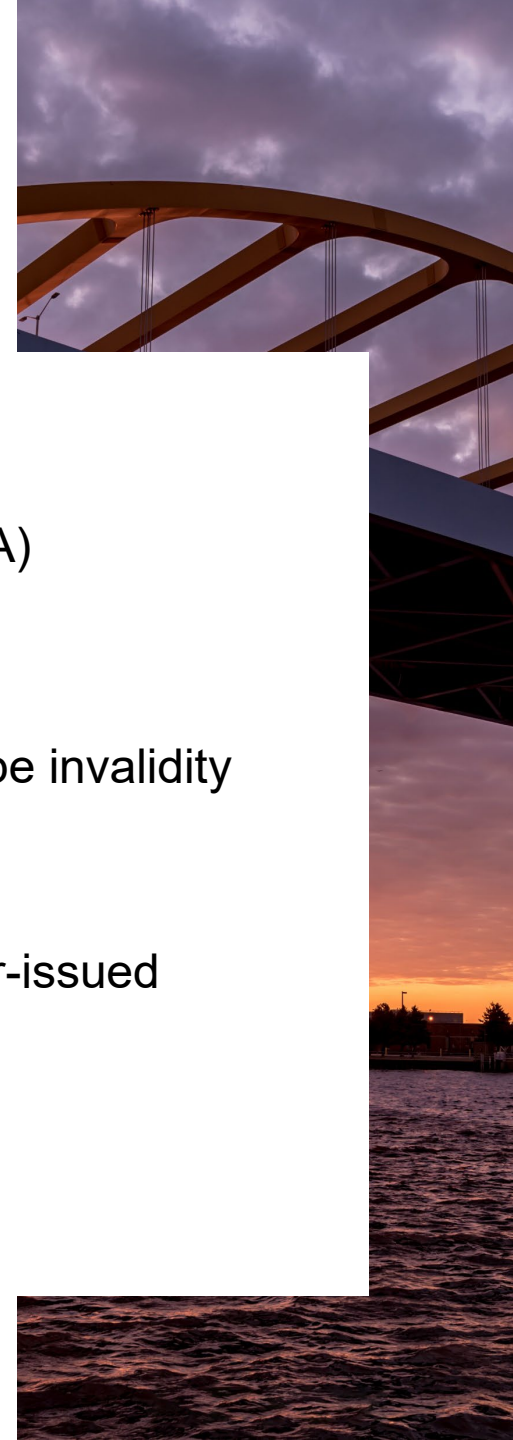
Design Patents – Obviousness Standard

- *LKQ v. GM*, Fed. Cir. (en banc)
 - Design patent for a vehicle’s front fender
 - Overruled the *Rosen-Durling* test for determining design patent obviousness as improperly rigid
 - The statutory rubric and the Supreme Court precedent (particularly *Smith v. Whitman Saddle*, *Graham John Deere*, and *KSR v. Teleflex*) suggest a more flexible approach
 - Remanded for the USPTO Patent Trial and Appeal Board (PTAB) to address obviousness under this framework

<i>'625 PATENT CLAIMED DESIGN</i>	<i>LIAN PRIMARY REFERENCE</i>	<i>TUCSON SECONDARY REFERENCE</i>
 Appx0063 , FIG. 2	 Appx0450 , FIG. 4 (cropped, annotated)	 Appx0464 (cropped, rotated)

Obviousness-Type Double Patenting

- 2023 refresher: *In re Collect*, Fed. Cir.
 - ODP is assessed based on expiration date including any patent term adjustment (PTA)
 - Patents invalid because no terminal disclaimer filed
 - Too late to file terminal disclaimers because the patents had expired
 - The holding concerned practitioners because the fact pattern suggested there could be invalidity based on a later-filed patent
- 2024 update: *Allergan v. MSN Labs.*, Fed. Cir.
 - First-filed, first-issued parent patent with PTA cannot be invalidated by later-filed, later-issued child patent with less, if any, PTA



“Publicly Disclosed by the Inventor”

- *Sanho v. Kaijet Technology*, Fed. Cir.
 - PTAB
 - Sanho’s patent unpatentable as obvious based on a published patent application that pre-dated Sanho’s patent
 - Inventor’s prior sale of a product embodying the claimed invention did not qualify for the exemption of § 102(b)(2)(B)
 - Federal Circuit affirmed
 - “There is no indication the sale disclosed the inventive subject matter to the public sufficiently for the exception to prior art in section 102(b)(2)(B) to apply.”



“Publicly Disclosed by the Inventor”

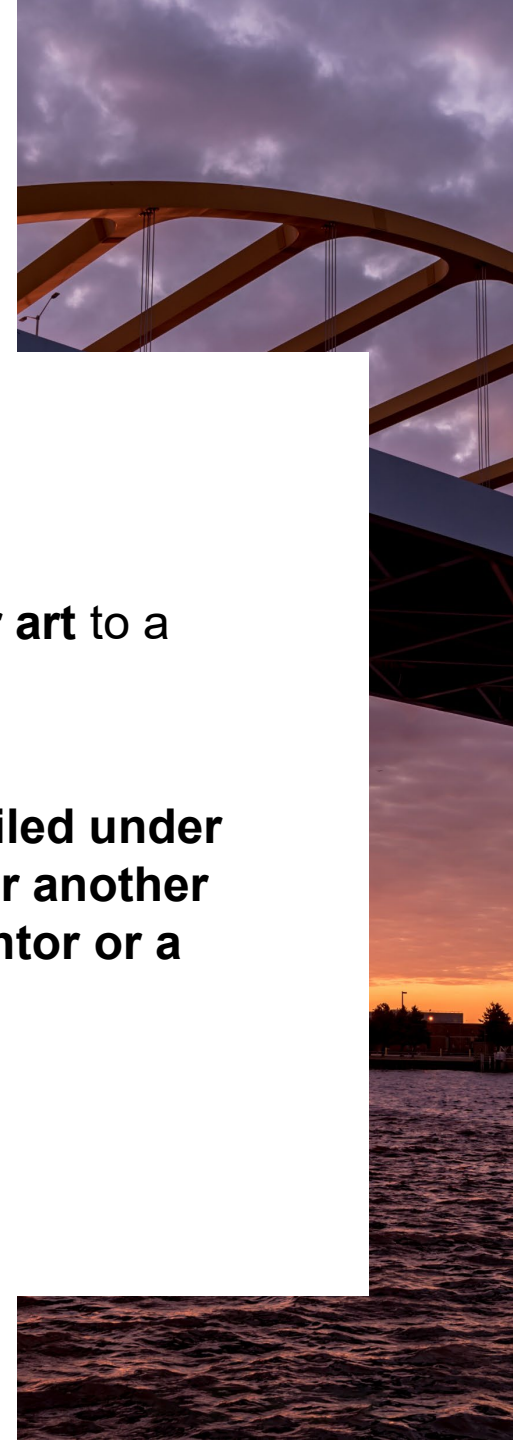
§ 102(b)(2)(B):

(2) Disclosures appearing in applications and patents. — **A disclosure shall not be prior art** to a claimed invention under subsection (a)(2) if —

(A) . . . ;

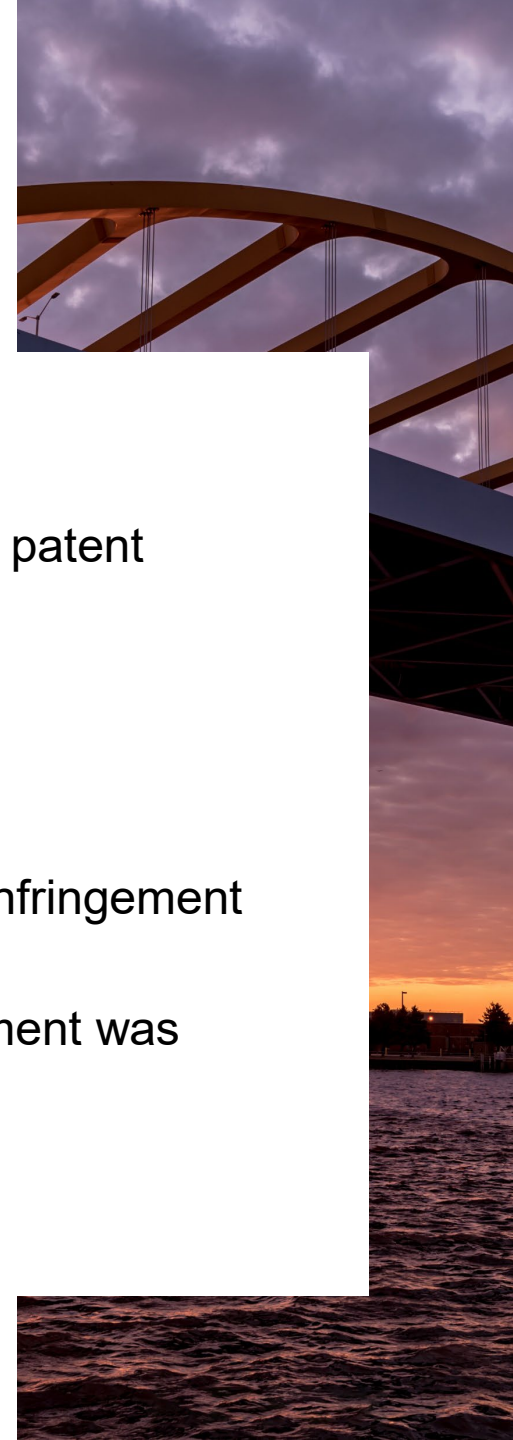
(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(C)



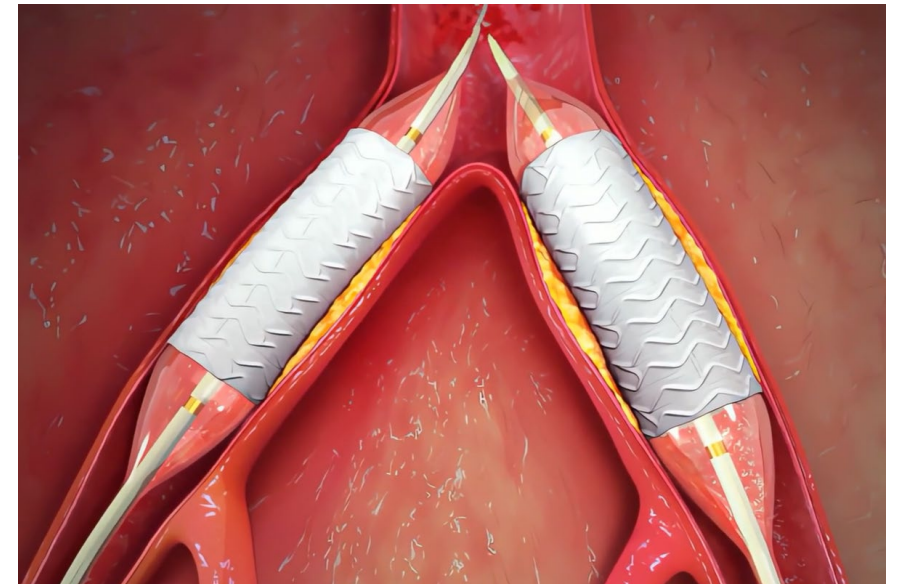
Standing to Pursue Appeal of IPR Decision

- *Platinum Optics Technology v. Viavi Solutions*, Fed. Cir.
 - Viavi sued Platinum Optics in N.D. Cal. for infringement, but voluntarily dismissed the patent infringement claims (with prejudice)
 - Platinum Optics filed a petition for IPR
 - The PTAB found Platinum Optics failed to show the challenged claims unpatentable
 - Platinum Optics appealed
 - The Federal Circuit held there was no Article III standing for the appeal because the infringement claims had been dismissed with prejudice
 - Platinum Optics argument that it expected Viavi to sue again for subsequent infringement was “mere speculation”



Patent Misuse

- *C.R. Bard v. Atrium Medical*, 9th Cir.
 - Bard continued to seek royalties from Atrium after its U.S. stent patent expired in 2019
 - Atrium stopped making minimum payments after patent expired
 - Bard sought US\$53m in unpaid royalties
 - District court
 - Dismissed Bard’s claim for patent misuse for seeking royalties after the patent expired
 - Ninth Circuit reversed
 - Bard’s subsidiary had a parallel Canadian patent that remained active through 2024



Storefront Cases

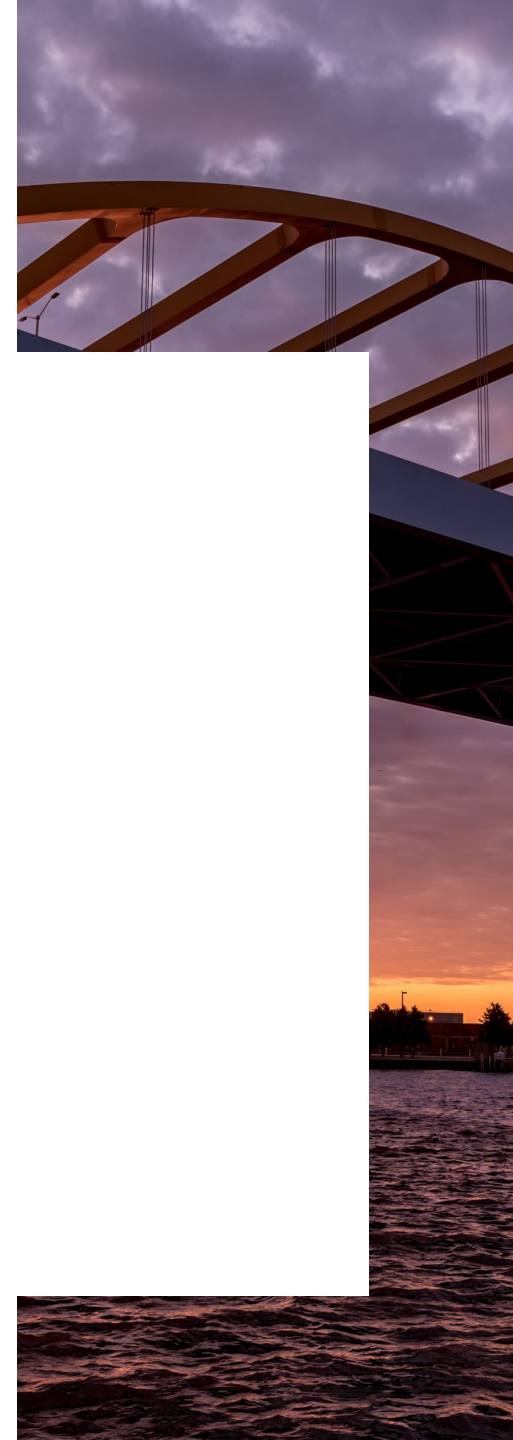
Storefront cases have exploded in 2024

Plaintiff joins dozens of alleged infringers in a single lawsuit

- The lawsuits typically list defendants as foreign companies operating online storefronts on Amazon, eBay, Etsy, etc.
- Judges have granted TROs freezing U.S. bank accounts and banning internet storefronts

Judges have been pushing back

- E.g., dismissal, denial of TRO, or order to show cause regarding lack of relationships of defendants



Online Retailers Use Various Tactics

- Explosion of infringement if there is no enforcement
- After takedown, re-list products under different product listings
- After takedown, reappear using different retailer names
- Use false images on product listings to hide infringement
- Beg for retraction of infringement complaints
- Impersonate complainants to seek retractions of infringement complaints



Discharge of Royalty Obligations Via Bankruptcy

- *In re: Mallinckrodt PLC*, 3rd Cir.
 - Mallinckrodt could discharge its obligation to pay future royalties to Sanofi-Aventis in bankruptcy
 - Sanofi-Aventis sold the rights to Acthar Gel to Mallinckrodt outright for US\$100K up front and a promise to pay a 1% royalty on net sales over US\$10M a year in perpetuity
 - Third Circuit:
 - “To protect itself, Sanofi could have structured the deal differently. It could have licensed the rights to the drug, kept a security interest in the intellectual property, or set up a joint venture to keep part ownership. But it chose not to do so. Instead, it sold its rights outright, leaving itself with only a contingent, unsecured claim for money. And under the Bankruptcy Code, that claim is dischargeable.”





Copyright Law

Supreme Court – Statute of Limitations

- Statute of limitations, 17 U.S.C. § 507(b)
 - “No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued”
- *Warner Chappell Music, Inc. v. Nealy*, Supreme Court
 - Copyright infringement claim would have been untimely but for the discovery rule
 - Holding: Copyright owner can obtain monetary relief for any timely infringement claim, no matter when the infringement occurred
 - Open issue: The court did not address whether the discovery rule applies to a claim for copyright infringement because the defendant did not challenge application of the discovery rule



Persistent Cases Brought By Individuals

Artists,
photographers, and
tattoo artists can bring
claims for copyright
infringement

Technology exists to
scan the Internet for
infringement

It is important to
counsel employees to
not use content from
the internet

Photograph Cases



- Pest control company used photograph of an ant from the internet on its website; photographer of the ant sued
 - *Wild v. Full Scope Services*, S.D. Tex.
- High-end real estate photographer accuses media outlet Front Office Sports of using photos on its website and social media pages
 - *Affordable Aerial Photography v. Front Office Sports*, S.D.N.Y.

Photograph Cases



- Photographer sues Barry Sanders for copying photo used to create memorabilia, apparel, etc.
 - *Allen Kee v. Barry Sanders*, S.D.N.Y.
- Photographer sues news outlet for copying photo of Jalen Brunson for news story
 - *Corey Sipkin Photography v. Sports Video Group*, S.D.N.Y.



NBA Tipoff 2023:

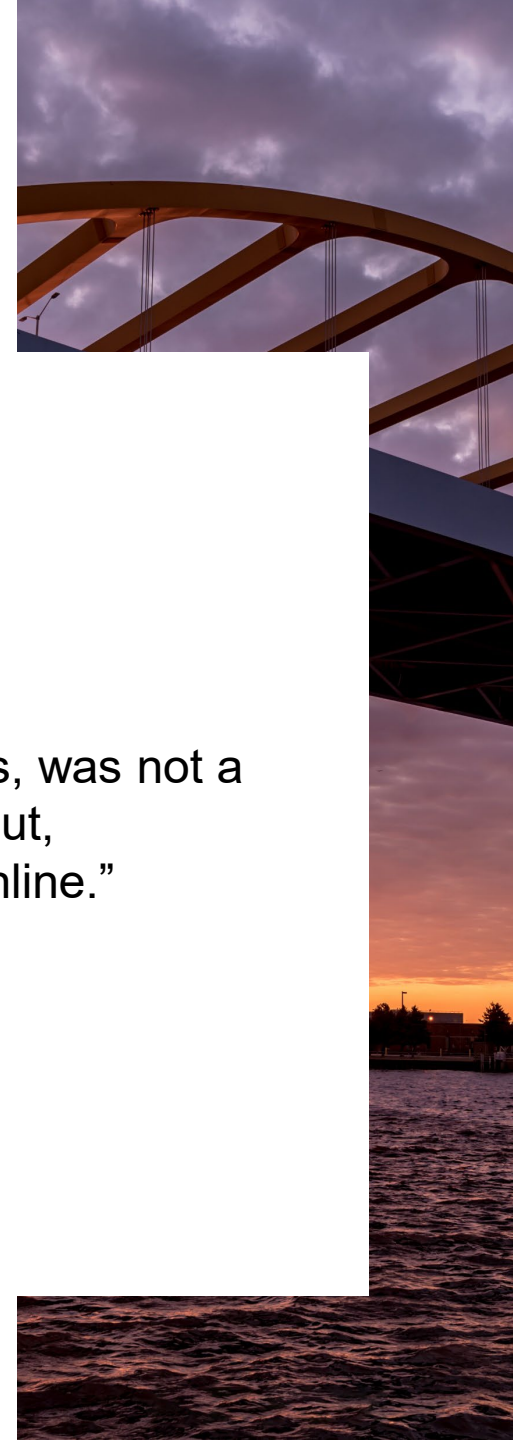
***Sony Music v. Cox* – Indirect Copyright Infringement**

- *Sony Music Entertainment v. Cox Communs., Inc.*, 4th Cir.
 - Some users of Cox's internet service infringed plaintiffs' copyrights by downloading or distributing songs over the internet without permission
 - Plaintiffs sued Cox for copyright infringement
- Procedural status
 - Petition for panel rehearing and petition for rehearing en banc denied
 - Supreme Court invited Solicitor General to file a brief (Nov. 25, 2024)



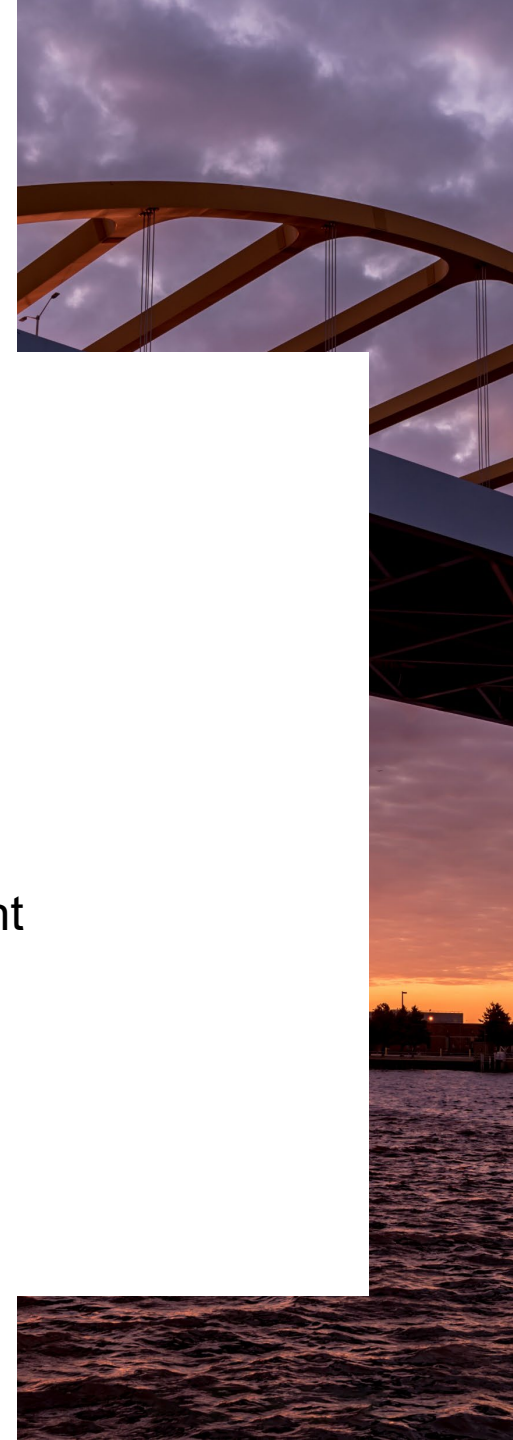
Sony Music v. Cox – Vicarious Infringement

- Elements of vicarious infringement
 1. Defendant profits directly from the infringement; and
 2. Defendant as a right and ability to supervise the direct infringer.
- Court:
 - “The continued payment of monthly fees for internet service, even by repeat infringers, was not a financial benefit flowing directly from *the copyright infringement itself*. As Cox points out, subscribers paid a flat monthly fee for their internet access no matter what they did online.”
 - It was irrelevant that Cox was on notice of repeat infringers.
 - The volume of infringing activity was also irrelevant.



Sony Music v. Cox – Contributory Infringement

- Elements of vicarious infringement
 1. Knowledge of the infringing activity; and
 2. Induces, causes or materially contributes to the infringing conduct of another
- Intent element — actual intent is not required
 - May be shown by willful blindness; or
 - Knowledge that infringement was substantially certain to result
- No intent for a lawful activity unless the seller knows of *specific* instances of infringement
- Court:
 - Affirmed summary judgment of intent based on infringement notices sent to Cox
 - Cox forfeited certain arguments not made in opposition to summary judgment



AI Cases

- “Blade Runner 2049” production company accused Tesla of feeding an image from the movie into an AI-driven image generator
 - *Alcon Entertainment v. Tesla*, C.D. Cal.
- Publishers behind the *Wall Street Journal* and the *New York Post* accused Perplexity of using news articles in the database for its AI answer engine
 - *Dow Jones & Co. v. Perplexity AI*, S.D.N.Y.

THE WALL STREET JOURNAL.



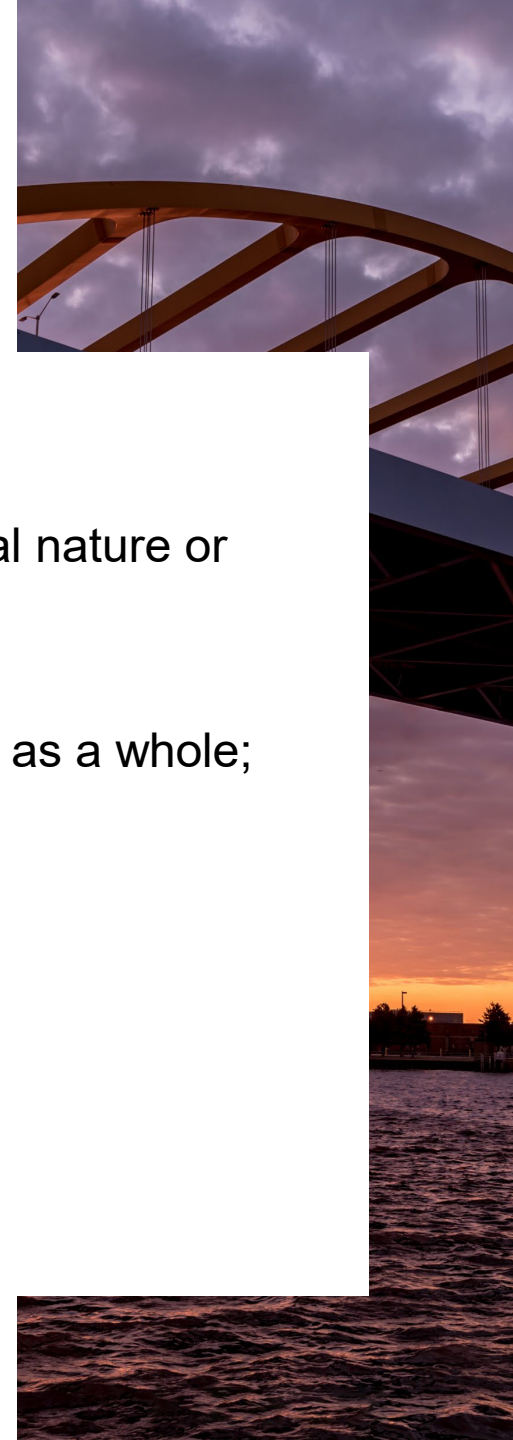
AI Cases

- Various celebrities/authors/organizations have sued OpenAI for using their content to train ChatGPT
 - *In re: OpenAI ChatGPT Litigation*, N.D. Cal.
 - *Authors Guild v. OpenAI*, S.D.N.Y.



Fair Use – Legal Refresher

- Defense to copyright infringement under 17 U.S.C. § 107 using the following factors:
 1. The purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
 2. The nature of the copyrighted work;
 3. The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
 4. The effect of the use upon the potential market for or value of the copyrighted work.



Fair Use – 2023 Refresher

- *Andy Warhol Foundation Visual Arts v. Goldsmith*, Supreme Ct.
 - Silkscreen based on photo of Prince was not fair use because it shared the same commercial purpose



Fair use – 2024 Cases

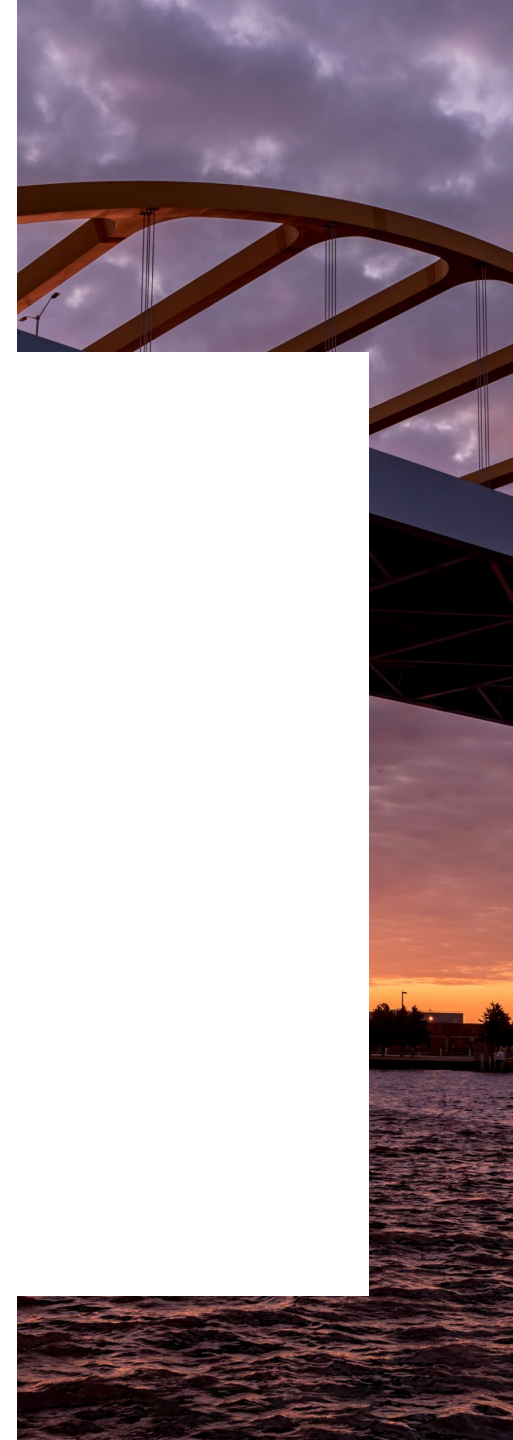
- *Santos v. Kimmel*, S.D.N.Y. (appeal pending)
 - Jimmy Kimmel sent 14 bogus requests for videos on Cameo, a website where celebrities can be paid to make personalized video messages
 - Kimmel aired videos of George Santos on his show
 - District court dismissed copyright infringement claims under the fair use doctrine
 - Defendants copied the videos for the transformative purposes of criticism and commentary
 - Commercial nature of endeavor was not dispositive of first factor
 - No harm to potential or existing market for the videos



Fair Use – 2024 Cases



- *ASTM v. UpCodes*, E.D. Pa.
 - State and local governments often incorporate standards by reference
 - Standards organizations often charge a fee to access the standards
 - ASTM (standards organization) sued UpCodes for posting standards
 - District court denied motion for preliminary injunction based on fair use
 - Use was noncommercial and transformative
 - Nature of work was factual
 - UpCodes published standards incorporated into Philadelphia’s building codes



Other Notable Copyright Cases

- American Airlines wins US\$9.4m from Skiplagged for copyright infringement after other claims dismissed as untimely
 - *American Airlines v. Skiplagged*, N.D. Tex.



Other Notable Copyright Cases

- Tattoo cases
 - Judge upholds jury verdict of no infringement (based on implied license) relating to depictions of LeBron's tattoo in NBA 2K video game series
 - *Hayden v. 2K Games*, N.D. Ohio
 - Judge grants JMOL of no damages relating to depictions of tattoos on WWE wrestlers
 - *Alexander v. Take-Two Interactive Software*, S.D. Ill.
 - Jury finds tattoo of Miles Davis not substantially similar to copyrighted photograph and covered by fair use
 - *Sedlik v. Von Drachenberg*, 9th Cir. (appeal pending)

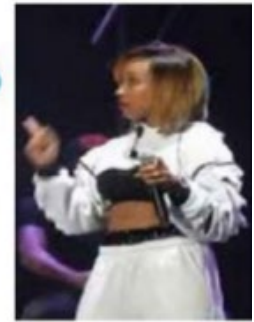
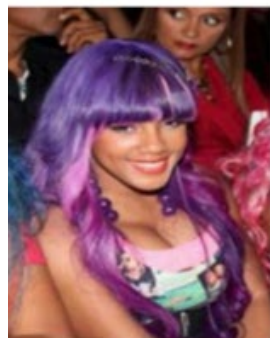
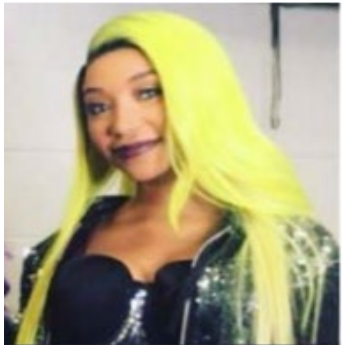




Trademark Law

Trade Dress Infringement

- *MGA Entertainment v. Harris*, C.D. Cal.
 - Rapper T.I. and the pop group he co-owns (OMG Girlz) sued MGA for infringement of trade dress and publicity rights relating to O.M.G. dolls
 - Jury awarded rapper T.I. \$71.4M in compensatory and punitive damages
 - Third trial



No Trademark Infringement By Law Firm's Google "Conquesting"

- *Lerner & Rowe PC v. Brown Engstrand & Shelly LLC*, 9th Cir. (precedential)
 - Law firm Lerner & Rowe sued competitor firm Brown Engstrand & Shelly (advertised as Accident Law) for trademark infringement based on Google "conquesting"
 - Accident Law successfully bid on Google search terms "Lerner Rowe," "Lerner & Rowe," and "Lerner and Rowe"
 - Caused Google's search engine to promote links to Accident Law based on these search terms
 - Ninth Circuit: Insufficient evidence of consumer confusion
 - Data supplied by Google and the firm showed evidence of confusion in just 0.216% of users exposed to the search results
 - Accident Law's advertising link was clearly labeled for Accident Law Group
 - Accident Law search results generally came alongside clearly labeled results for Lerner & Rowe's own website



Other Notable Trademark Cases



- Trademark infringement suit over LaMelo Ball's signature shoes; dispute over who owns the trademarks
 - *Gregory Alan Foster v. Puma North America, C.D. Cal.*
- Lamar Jackson opposing "Eight" trademark registered by beer company co-founded by Troy Aikman
 - *In the Matter of Trademark Application Serial No. 97/931,214, TTAB*

Other Notable Trademark Cases

- Court preliminarily enjoins Oakland airport from using “San Francisco Bay” in its name
 - *City and County of San Francisco v. City of Oakland*, N.D. Cal.
- Jury finds online retailer willfully infringed Penn State’s trademarks
 - *The Pennsylvania State University v. Vintage Brand*, M.D. Pa.

SAN FRANCISCO BAY
OAKLAND INTERNATIONAL
AIRPORT **I**  **OAK**





Advertising

Patent Marking as False Advertising

- A claim for false advertising under the Lanham Act, 15 U.S.C. § 1125(a)(1) requires a misrepresentation regarding:
 - “the ***nature, characteristics, qualities***, or geographic origin of his or her or another person's goods, services, or commercial activities”
- *Crocs, Inc. v. Effervescent, Inc.*, Fed. Cir.
 - District court dismissed the claim on summary judgment finding that misrepresentations that a product is “patented,” “proprietary,” and “exclusive” are not directed to nature, characteristics, or qualities of a product
 - Federal Circuit reversed and remanded



Our Shoe of the Future

We are pioneering the use of bio-based, bio-circular content in our Croslite™ compounds to transform plant-based waste into shoes that have all the comfort you expect from Crocs. 100% of the bio-based material we use is certified as bio-circular by ISCC PLUS. As of September 2024, we proudly use 25% bio-circular content within our Croslite™ compounds.*

By 2030, we will achieve 50% bio-circular content within our Croslite™ compounds.

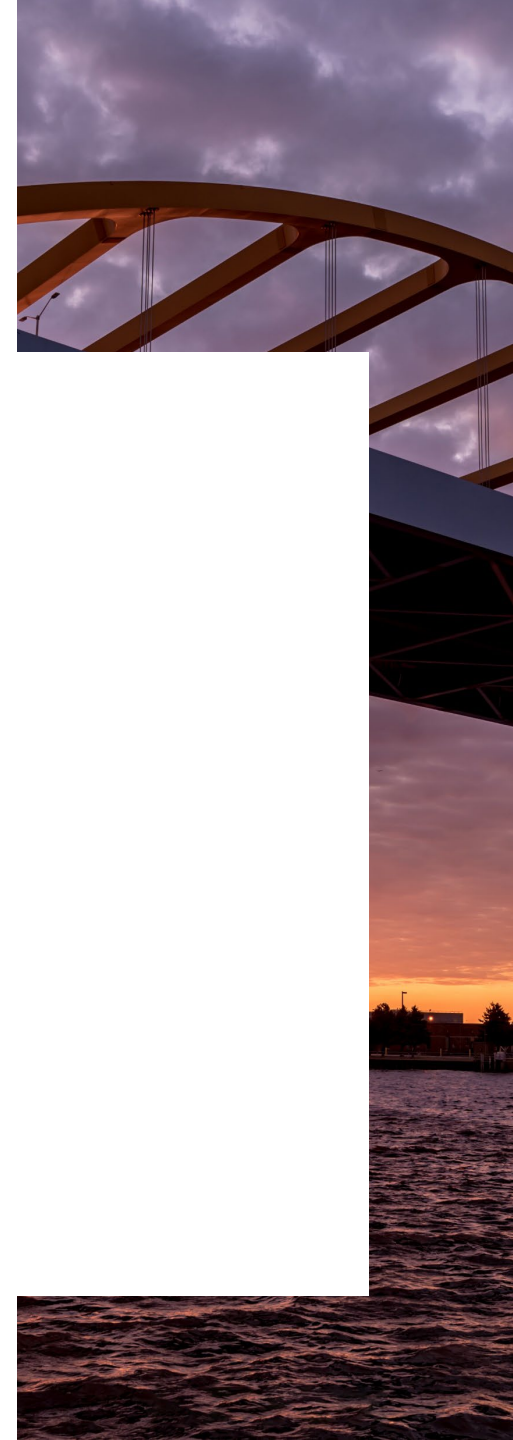
*The majority of our shoes are made with Croslite™ compounds, which account for nearly 80% of all raw materials purchased and produced. We source repurposed bio-based waste from other industries (bio-circular materials) to produce bio-circular Croslite™ compounds. Our portfolio of Croslite™ compounds contains at least 25% bio-circular content, calculated on an annual average (September 2023 to September 2024) using a mass balance approach as certified by ISCC PLUS.

FTC Authority

- FTC has been aggressive on advertising issues
 - Guidelines
 - Penalties
- FTC landscape on advertising could change
 - Potential challenges to the FTC's authority on advertising issues
 - Supreme Court's rejection of Chevron deference in *Loper Bright v. Raimondo*
 - Challenges to the FTC's attempt to ban most noncompete clauses
 - Lina Khan's term ends in September 2024



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS



Made in USA – FTC standard

- FTC has a strict standard:
 - The final assembly or processing of the product occurs in the United States;
 - All significant processing that goes into the product occurs in the United States;
 - And all or virtually all ingredients or components of the product are made and sourced in the United States.



Made in USA – Tenth Circuit

- *I Dig Texas v. Creager*, 10th Cir.
 - Competitor action involving claims for false advertising under the Lanham Act
 - Some products had been assembled in the United States, others in China
 - Even for products assembled in the United States, some components had come from overseas
 - Sixth Circuit: Courts not required to follow FTC rules
 - Affirmed summary judgment no literal falsity
 - Statement ambiguous even under FTC’s rules
- Made in USA advertising is a target of the plaintiffs’ bar

DON'T BUY 110% MADE IN CHINA - MONTANA Post Drivers Driver WHY? - \$1 (Marble Falls TX & Dewey Oklahoma)



FTC Rule Bans Fake Online Reviews

- Examples:
 - Fake or false consumer reviews, consumer testimonials, and celebrity testimonials
 - Buying positive or negative reviews
 - Insider reviews and consumer testimonials (unless connection disclosed)
 - Misrepresenting that a website or entity it controls provides independent reviews or opinions
 - Review suppression
 - Selling or buying fact indicators of social media influence, such as followers or views generated by a bot or hijacked account



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS



Exclusions on Imports

ITC and U.S. Customs & Border
Protection

Notable ITC cases

- *AliveCor v. ITC* (and *AliveCor v. Apple*), Fed. Cir.
 - ITC banned imports of certain Apple Watches with technology related to pulse oximeters (Apple halted sales of the impacted watches shortly before the exclusion order went into effect)
 - Apple obtained a ruling from the U.S. Customs and Board Protection that its modified design (disabling the infringing functionality) does not infringe, thus circumventing the exclusion order
 - Conflicting invalidity decisions by PTAB and ITC, due at least in part to evidence of secondary considerations not available to the PTAB due to the protective order in the ITC action
 - Both cases are on appeal



Notable ITC cases

- *In the Matter of Certain Blood Flow Restriction Devices with Rotatable Windlasses and Components Thereof*, ITC
 - ITC banned foreign counterfeits of a tourniquet used by U.S. military
 - General exclusion order appropriate in light of evidence that a group of companies continued to sell counterfeit CATs throughout the course of the trade investigation, and the difficulties of enforcing a limited ban



U.S. Customs & Border Protection e-Recordation Program

- U.S. Customs & Border Protection (CBP) has the authority to detain, seize, forfeit, and ultimately destroy merchandise seeking entry into the U.S. if it bears an infringing trademark or copyright that has been registered with the United States Patent and Trademark Office (USPTO) or the United States Copyright Office (USCOP), and has subsequently been recorded with CBP
- E-Recording with the CBP
 - Trademarks
 - US\$190 per International Class of Goods (IC), per trademark registration
 - Copyrights
 - US\$190 per copyright

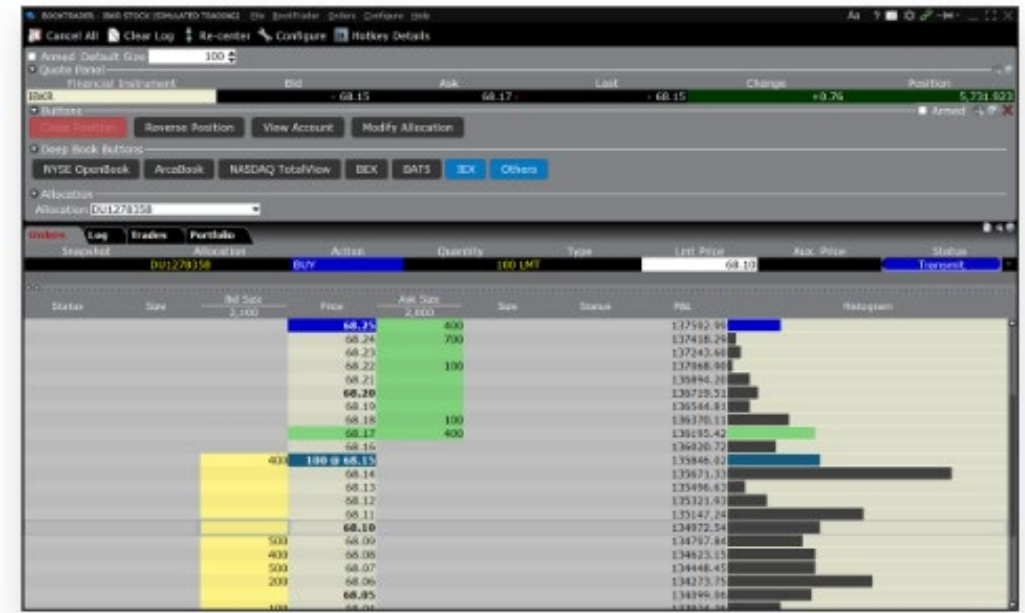




Foreign Activity and Damages

Patent Infringement – *Brumfield v. IBG*

- *Brumfield v. IBG*, Fed. Cir.
 - Holding: the extraterritorial analysis set forth by the Supreme Court in *WesternGeco v. ION Geophysical* for a case involving 35 U.S.C. § 271(a)
 - *WesternGeco* involved § 271(f)(2)
 - The court reasoned that *WesternGeco* superseded the Federal Circuit’s prior decision in *Power Integrations v. Fairchild Semiconductor*, which involved § 271(a)
 - Affirmed the district court’s exclusion of expert testimony including foreign damages
 - The damages expert pointed to the making of software in the United States, but the asserted patent claims recited hardware (“a computer readable medium”)



Copyright Infringement – *Motorola v. Hytera*

- *Motorola v. Hytera*, 7th Cir.
 - Noted the Supreme Court had already held the Copyright Act does not give a clear, affirmative indication that it applies extraterritorially
 - *Impression Products v. Lexmark* (2017)
 - Copyright owner may recover damages for foreign infringement if:
 1. An initial act of copyright infringement occurred in the United States; and
 2. The domestic infringement enabled or was otherwise “directly linked to” the foreign infringement
 - Motorola failed to prove that Hytera made unauthorized download from Illinois server, as opposed to a mirrored server abroad



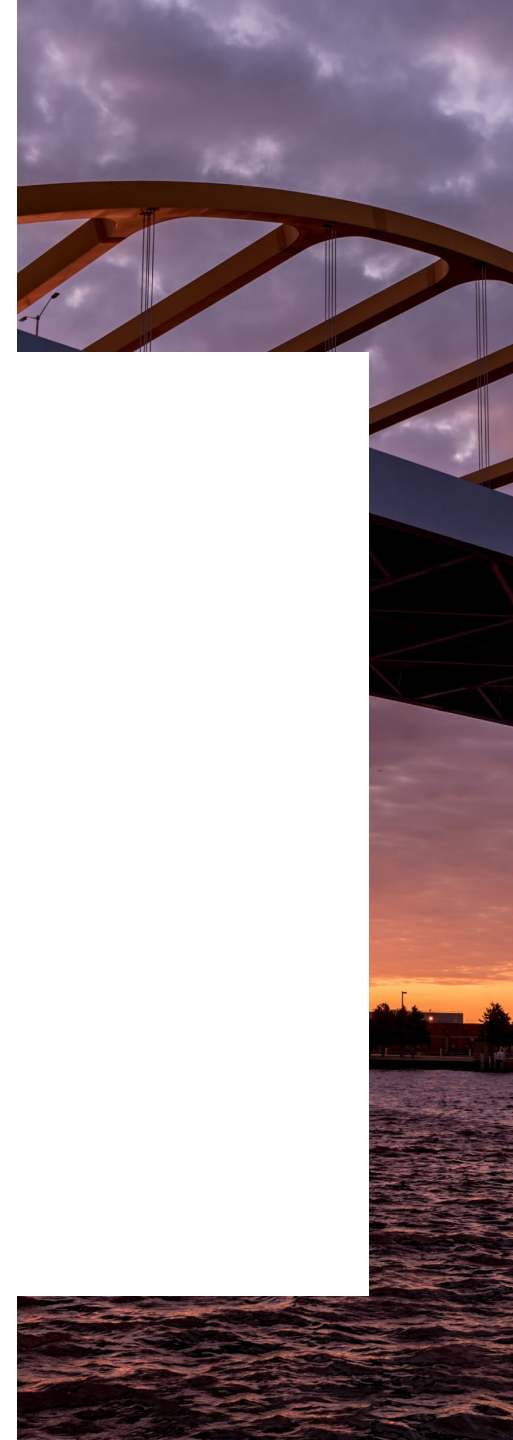
Trade Secret Infringement – *Motorola*

- *Motorola v. Hytera*, 7th Cir.
 - Defend Trade Secrets Act (DTSA) has extraterritorial reach so long as “an act in furtherance of the offense was committed in the United States”
 - Hytera’s marketing of products embodying Motorola’s trade secrets in the United States satisfied this requirement
 - Motorola entitled to relief based on Hytera’s worldwide sales of products furthered by misappropriation, regardless of where in the world the remainder of the illegal conduct occurred



Thank You

- Questions?



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