



IDEAS ON INTELLECTUAL PROPERTY LAW



FEBRUARY/MARCH
2019

Read all about it!

Printed publication bars patents on drug tracking system

Factual compilation qualifies for "thin" copyright

What's fair in copyright and trademark ...

Alleged infringement of technical standards raises questions

Court blocks trademark for sports shop



Cantor Colburn LLP

Read all about it!

Printed publication bars patents on drug tracking system

How often do you browse the Federal Register? For most people, the answer probably is never. But if you want to patent an invention that falls within the regulations of a federal agency like the U.S. Food and Drug Administration (FDA), the Federal Register might trip you up. For one patent applicant, it did just that.

PTAB INVALIDATES PATENTS

Jazz Pharmaceuticals, Inc., holds several patents on a distribution system for tracking prescriptions of “sensitive” drugs (for example, drugs that can be abused or are addictive). It also exclusively markets Xyrem®, a narcolepsy drug. Xyrem’s active ingredient is gamma-hydroxybutyrate (GHB), which can be illicitly used as a “date rape drug.”

During the regulatory review process for the drug, the FDA scheduled an advisory committee meeting and announced the meeting in a notice published in the Federal Register. The notice included a publicly available link to an FDA webpage where a visitor could access background materials from Jazz and the FDA, as well as eventual meeting minutes, transcripts and slides from the meeting.

Amneal Pharmaceuticals, LLC, requested inter partes review (IPR) of seven of Jazz’s patents for the drug distribution system. Under IPR, the U.S. Patent and Trademark Office Patent Trial and Appeal Board (PTAB) can reconsider and cancel an already-issued patent based on certain types of “prior art.” This includes printed publications showing that the invention wasn’t nonobvious before the relevant date.

The PTAB found six of the challenged patents invalid as obvious, relying on the materials on the FDA webpage. Jazz appealed, arguing that the materials didn’t constitute prior art.

FEDERAL CIRCUIT AFFIRMS

On review, the U.S. Court of Appeals for the Federal Circuit explained that public accessibility generally is considered the touchstone in determining whether a reference constitutes a printed publication. A reference is considered publicly accessible if it has been disseminated or otherwise made available so that “persons interested and ordinarily skilled” in the topic can locate it by exercising reasonable diligence. Only accessibility need be shown — it’s not necessary to establish that particular people actually received the information.

The Federal Circuit found that the webpage materials indeed were publicly accessible for several reasons. First, the notice in the Federal Register widely disseminated the materials through



a link to the public FDA website where they could be accessed. It explained which materials could be found there, when they would be available and how to navigate them.

Public accessibility generally is considered the touchstone in determining whether a reference constitutes a printed publication.

The court also considered whether the materials were addressed to or of interest to “persons of ordinary skill” in the relevant field. The PTAB found — and Jazz didn’t appeal the finding — that such persons would be familiar with the Federal Register and motivated to look for notices related to drug distribution, safety or abuse prevention. According to the Federal Circuit, wide dissemination of a reference through a publication that those

of ordinary skill would be motivated to examine strongly favors a finding of public accessibility.

In addition, the materials were available online for a substantial time (two months) before the critical date of the patents at issue. (The critical date under the applicable law for this case was one year before the date of application filing; under current law, a patent is barred if printed publication occurred any-time before the application date.) The longer a reference is displayed, the court noted, the more likely it is to be considered a printed publication.

Finally, the materials were distributed through public domain sources with no possible expectation that they would remain confidential or not be copied. The court has repeatedly emphasized the importance of such expectations when determining whether a reference is publicly accessible.

THE IMPLICATIONS

The court’s ruling could affect the patentability of a wide range of inventions that are subject to government oversight. Patent applicants beware: Materials submitted to agencies that are made publicly available could trigger the printed publication bar. ▣

“PRINTED PUBLICATION” DOESN’T REQUIRE INDEXING

The U.S. Court of Appeals for the Federal Circuit also considered the role of indexing or searchability in *Jazz Pharmaceuticals, Inc. v. Amneal Pharmaceuticals, LLC*. Jazz argued the materials at issue couldn’t qualify as prior art because there wasn’t evidence of indexing or searchability.

The court pointed out that it has consistently held that indexing or searchability is unnecessary for a reference to be a printed publication for prior art purposes. Regardless, the court said, the Federal Register (where the notice about the materials was published) was “meaningfully indexed.” The issue where it appeared included a five-page table of contents organized alphabetically by agency. Each agency’s rules, proposed rules and notices were then listed in that order.

The court declined to endorse a rule that every notice in the Federal Register satisfies the prior art requirements. But it accepted the finding of the Patent Trial and Appeal Board that a person of ordinary skill for these circumstances had a degree in pharmacy or computer science, was interested in drug distribution, safety and abuse, and would have reason to look at the register and FDA notices.

Factual compilation qualifies for “thin” copyright

More and more of our personal information is collected every day, but some of the most valuable consumer data continues to be pairings of names and addresses. Companies build massive databases that compile this information — but are these compilations protected by copyright? It depends.

COMPILING DATA

Experian Information Solutions, Inc., has compiled its ConsumerViewSM database (CVD) since 1998. It encompasses more than 250 million records, each associated with an individual consumer. The database includes pairings of names and addresses. These pairings are among the CVD’s most lucrative components because mail marketers pay substantial amounts for licenses to use them.

In 2012, Experian’s smaller competitor Nationwide Marketing Services, Inc., tried to sell Experian a data compilation that included name and address pairings. Experian tested the pairings provided in a sample to compare them with its CVD pairings. After finding a match rate of more than 97%, it sued Nationwide for copyright infringement.

The trial court dismissed the case before trial, finding Experian didn’t have a valid copyright in the name and address pairing compilation. It held that the compilation lacked sufficient creativity or originality to merit copyright protection. Experian appealed.

COPYRIGHTING COMPILATIONS

As the U.S. Court of Appeals for the Ninth Circuit noted, the Copyright Act requires only minimal creativity to render a work original and worthy of protection. Thus, while facts aren’t copyrightable, collections or compilations of facts can possess the requisite originality for copyright protection.

The appellate court reviewed several earlier federal appellate decisions considering whether compilations



of facts were copyrightable. It arrived at three general principles:

1. Although facts aren’t entitled to protection, factual compilations are entitled to some if there’s creativity in the selection, arrangement or coordination of the facts.
2. The requisite creativity to establish copyright protection in factual compilations is minimal.
3. Such compilations of factual information receive only limited — “thin” — protection.

Thus, a compiler may freely copy the facts contained in a compilation to prepare a competing work as long as the work doesn’t use the same selection or arrangement.

While facts aren’t copyrightable, collections or compilations of facts can possess the requisite originality for copyright protection.

Applying these general principles, the appellate court determined that Experian’s lists were entitled to limited protection. The company’s methods go beyond simple replication of data it receives; they produce

different, allegedly more reliable data than the other four largest U.S. database compilers do.

Experian's employees choose from multiple and sometimes conflicting sources and apply judgment in selecting the names and addresses to include. They also exclude information they view as irrelevant to Experian's clients' interests. The court found this selection process involves at least minimal creativity.

FINDING THIN PROTECTION

Nonetheless, Experian lost the case. Although the CVD was copyrightable, the protection was severely limited. The protection is so "thin," the court observed, that "a competitor's taking the bulk of the factual material from a preexisting compilation without infringement of the author's copyright is not surprising."

For that reason, the Ninth Circuit had previously held that infringement of factual compilations requires a "bodily appropriation," meaning the works must be virtually identical. Because Nationwide's database contained only 200 million pairings, the match rate between the two compilations could at most come out to 80% — insufficient to establish a bodily appropriation of the CVD.

EFFORT DOESN'T COUNT

Notably, the appellate court also rejected the "sweat of the brow" doctrine. It found that the investment of time and effort in a work doesn't necessarily make it copyrightable. Rather, it comes down to originality. □

What's fair in copyright and trademark ...

Alleged infringement of technical standards raises questions

Thousands of private organizations produce technical standards, some of which are incorporated into laws by federal, state and local governments. A federal court of appeals recently considered whether these organizations can invoke copyright and trademark laws to prevent the unauthorized copying and distribution of such works. The court, however, failed to provide a conclusive answer, focusing instead on fair use matters.

THE INFRINGEMENT CASE

Standards Developing Organizations (SDOs) meet regularly to debate best practices in their respective areas and issue or update technical standards. When an SDO publishes a standard, it generally secures a copyright registration.

In some cases, federal, state and local governments have incorporated these standards into law (for example, in building or electrical codes). They often do so "by reference." This means that, rather than spelling out a standard's requirements in the text, the code references the standard and directs interested parties to consult it.

Public.Resource.Org, Inc. (PRO) is a nonprofit dedicated to making government materials more widely available. It purchased copies of some incorporated standards, scanned them into digital files, and attached cover sheets explaining PRO's mission and the standard's source. It then posted them to a public website.

After discovering their standards were freely available on PRO's website, several SDOs sued the organization for both copyright and trademark infringement. The trial court ruled in the SDOs' favor and issued permanent injunctions prohibiting PRO from all unauthorized use of the standards and trademarks at issue. It found that none of PRO's copying qualified as fair use, nor did its reproduction of one SDO's trademarks.

The Copyright Act allows the fair use of a protected work for purposes such as criticism, comment, news reporting, teaching, scholarship or research.

PRO appealed to the U.S. Court of Appeals for the D.C. Circuit. The appellate court held that the lower court had misapplied the fair use doctrine under both the Copyright Act and the Lanham Act (the federal trademark law).

FAIR USE AND COPYRIGHT

The Copyright Act allows the fair use of a protected work for purposes such as criticism, comment, news reporting, teaching, scholarship or research. Courts consider four factors to determine whether a use is fair:

1. The purpose and character of the use (including whether the use is commercial or for nonprofit educational purposes),
2. The nature of the copyrighted work,
3. The amount and substantiality of the portion used in comparison to the work as a whole, and

4. The effect of the use on the potential market for, or value of, the work.

The appellate court reviewed each of the factors and found that PRO's copying of certain standards could qualify as fair use. But instead of making a finding of fair use, it sent the case back to the trial court to further develop the record and weigh the factors for PRO's use of each standard.

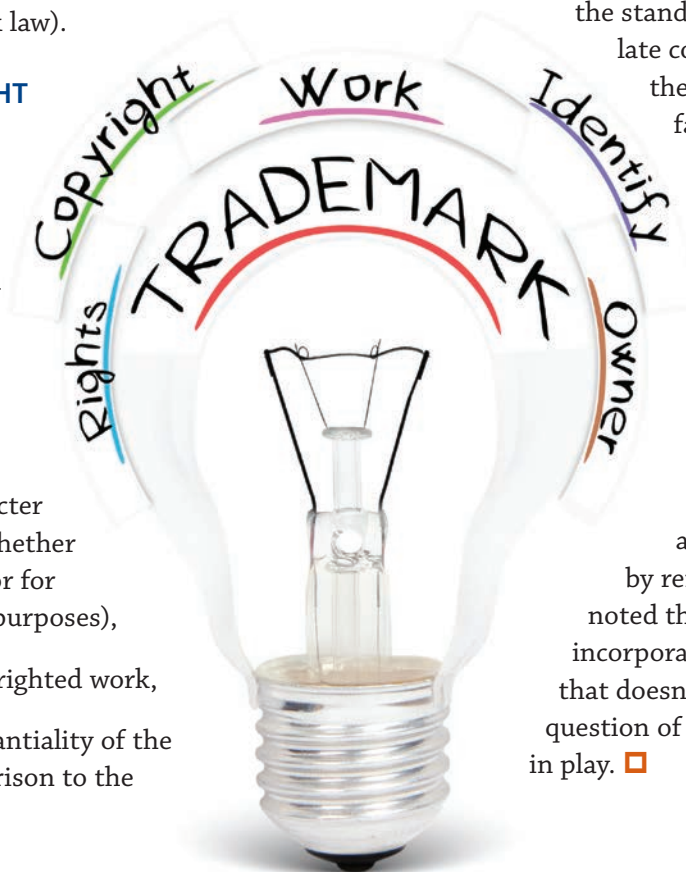
FAIR USE AND TRADEMARK

Under trademark law, "nominative" fair use occurs when the defendant uses the mark to identify the plaintiff's own goods and makes it clear to consumers that the plaintiff is the source of goods. For example, an auto repair shop may run an ad using the trademarked names of the kinds of vehicles it repairs. This type of use of a trademark isn't infringing.

PRO argued that its use of an SDO's trademarks was permissible nominative fair use. The trial court rejected this claim because it had already determined that consumer confusion over the source of the standards was likely. The appellate court disagreed and directed the lower court to consider the factors relevant to nominative fair use.

THE UNANSWERED QUESTION

After all the fair use discussion, the court declined to settle the overarching issue as to whether standards retain their copyright after they're incorporated by reference into law. The court noted that, if PRO and others use incorporated standards in a manner that doesn't constitute fair use, the question of infringement will again be in play. □



Court blocks trademark for sports shop

Registration of a trademark hinges, in part, on whether there is a likelihood of confusion with an earlier application or registration. In a recent case, a sports specialty shop learned that the trademark it sought for registration was considered likely to be confused with that of a private social club.

THE PLAYERS

Detroit Athletic Co. (DACo) is a sports specialty shop that sells souvenirs and apparel associated with Detroit professional teams. The Detroit Athletic Club (the Club) is a private men's social club.

DACo sought to register the mark "Detroit Athletic Co." for its retail services. A U.S. Patent and Trademark Office examiner refused to register the mark, finding it was likely to be confused with the Club's mark "Detroit Athletic Club," registered for clothing goods. The Trademark Trial and Appeal Board (TTAB) affirmed the refusal, and DACo appealed to the U.S. Court of Appeals for the Federal Circuit.

OFFICIAL REVIEW

The TTAB generally turns to the 13 *DuPont* factors to determine whether a likelihood of confusion exists between marks. The appellate court considered the four factors the TTAB had deemed relevant:

- Similarity of the marks,
- Similarity and nature of the goods or services,
- Similarity of trade channels, and
- Actual confusion during concurrent use of the marks.

It concluded that these factors favored a finding of likelihood of confusion.

The marks were "nearly identical in terms of sound, appearance and commercial impression." The court found it significant that the marks began with the same two words, "because consumers typically notice



those words first." This likeness weighed heavily in the court's confusion analysis.

Although the goods and services associated with the marks weren't identical, the appellate court found substantial overlap. The Detroit Athletic Club's registration described clothing goods that were "very general" in nature and covered "all types of clothing," including the clothing sold through DACo's retail services.

The court also found the social club's trade channels broad enough to encompass DACo's trade channels. The Club's registration contained no restrictions on the channels of trade or classes of customers, so its clothing was presumed to be sold in all normal trade channels to all normal classes of purchasers.

Finally, turning to evidence of a lack of actual confusion, the appellate court stressed that the relevant test is *likelihood* of confusion. DACo submitted an affidavit from a long-time customer, Internet search results, and online customer reviews for DACo and the Club. Thus, while evidence that consumers aren't confused is relevant, it's not decisive. Moreover, the court found DACo's evidence on a lack of actual confusion to be insufficient.

EXTRA POINT

The court also dismissed DACo's argument that the TTAB should have addressed every *DuPont* factor for which it offered evidence. The TTAB, it said, need not consider every factor but only those it finds dispositive. □



Cantor Colburn LLP

20 Church Street
22nd Floor
Hartford, CT 06103



Protect What's Yours

Cantor Colburn LLP is one of the largest full-service intellectual property law firms in the country, providing clients around the world with the services that allow them to enjoy the full value of their intellectual property assets.

Primary services include:

- Litigation
- Patent
- Trademark
- Strategic Portfolio Management
- Landscaping & Risk Analysis
- Copyright
- Due Diligence
- Transactional
- International
- Post Grant Proceedings
- Trade Secrets
- Opinions
- Anti-Counterfeiting
- Pharmaceutical Litigation

Call Us Today.



Hartford, CT
860.286.2929

Washington, D.C.
703.236.4500

Atlanta, GA
404.607.9991

Houston, TX
713.266.1130

Detroit, MI
248.524.2300

www.cantorcolburn.com

Managing Partners: Michael A. Cantor & Philmore H. Colburn II