

IDEAS ON INTELLECTUAL PROPERTY LAW

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*ANT-LIKE PERSISTENCE

Food for thought: Court rules banana costume is copyrightable

In 2017, the U.S. Supreme Court in *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, established a two-part test for analyzing which elements of a piece of clothing are design elements protectable by copyright and which are nonprotectable functional elements. The U.S. Court of Appeals for the Third Circuit has now applied the Supreme Court’s decision for the first time in its jurisdiction.

THE CASE RIPENS

The case, *Silvertop Associates Inc. v. Kangaroo Mfg. Inc.*, stems from a business relationship gone bad. In 2010, Silvertop Associates Inc., doing business as Rasta Imposta, obtained a copyright registration for its full-body banana costume. Two years later, it began working with a company that bought and resold thousands of the costumes. That company’s founder, who was aware of the registration, also founded Kangaroo Manufacturing Inc.

After the relationship ended, Rasta discovered that Kangaroo was selling a costume that resembled its banana costume without a license. It sued Kangaroo for, among other things, copyright infringement. The trial court granted a preliminary injunction against Kangaroo, and the company appealed.

THE APPELLATE COURT SLIPS IN

Kangaroo conceded that its costume was substantially similar to Rasta’s. It claimed, though, that Rasta’s copyright wasn’t valid because the nonutilitarian pictorial, graphic or sculptural features weren’t copyrightable. Under federal copyright law, “pictorial, graphic, or sculptural features” of the “design of a useful article” are eligible for copyright protection as artistic works only if

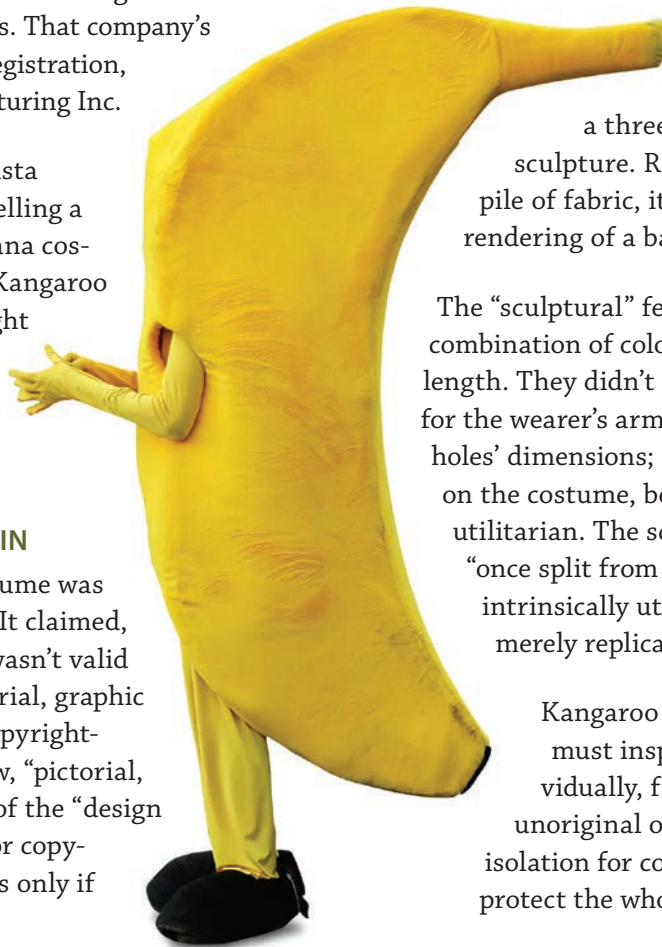
the features can be identified separately from — and are capable of existing independently of — the article’s utilitarian (or useful) aspects.

A “useful article” is an article with an intrinsic utilitarian function, which more than merely portrays the appearance of the article or conveys information (for example, a piece of clothing). Useful articles themselves aren’t protectable by copyright. The Third Circuit easily found that the banana costume is a useful article, and turned to consider whether its artistic features were copyrightable.

It determined that the artistic features of the banana costume were both separable and capable of independent existence as a copyrightable work — specifically, a three-dimensional banana sculpture. Rather than a crumpled pile of fabric, it was a “recognizable rendering of a banana.”

The “sculptural” features included the combination of colors, lines, shape and length. They didn’t include the cutout holes for the wearer’s arms, legs and face; the holes’ dimensions; or the holes’ locations on the costume, because such features are utilitarian. The sculpted banana, though, “once split from the costume,” wasn’t intrinsically utilitarian and didn’t merely replicate the costume.

Kangaroo argued that the court must inspect each feature individually, finding each either too unoriginal or too utilitarian in isolation for copyright, and decline to protect the whole — what the court



MERGER AND “SCÈNES À FAIRE” ARGUMENTS ALSO FALL

The defendant in *Silvertop Associates Inc. v. Kangaroo Mfg. Inc.* (see main article) alternatively argued that the merger and “scènes à faire” doctrines made the banana costume at issue ineligible for copyright protection. According to the U.S. Court of Appeals for the Third Circuit, both address the same question — whether copyrighting the costume would effectively monopolize an underlying idea, either directly (merger) or through elements necessary for that idea’s expression (scènes à faire).

The court concluded that the banana costume wouldn’t monopolize the underlying idea because of the many other ways to make a costume resemble a banana. It pointed out that the plaintiff had provided more than 20 noninfringing examples.

Those examples were distinguishable from the plaintiff’s costume based on features such as the shape, curvature, tips, tips’ color, overall color, length, width, lining, texture and material. And, as the court noted, while a banana costume is likely to be yellow, “it could be any shade of yellow — or green or brown for that matter.”

described as a “divide-and-conquer approach.” The Third Circuit disagreed with Kangaroo.

It noted that, in the Supreme Court case, which involved cheerleading uniforms, the Court didn’t cherry-pick the uniform designs’ colors, shapes or lines, but evaluated their combination. Thus, the Third Circuit found, the separately imagined banana, the sum of the costume’s nonutilitarian parts, was copyrightable.

A “useful article” is an article with an intrinsic utilitarian function, which more than merely portrays the appearance of the article or conveys information.

Kangaroo also argued that the banana was unoriginal because its design was based on a natural banana and depictions of natural objects in their

natural condition can never be copyrighted. In the court’s view, this argument attempted to raise the “originality requirement’s very low bar.”

The Third Circuit rejected this argument. It instead found that the essential question was whether the depiction of the natural object had a minimal level of creativity and that the banana costume in question did.

Because the nonutilitarian, sculptural features were copyrightable, the court held that Rasta was reasonably likely to prevail on its infringement claim at trial. It therefore upheld the preliminary injunction.

STAR ATHLETICA’S AP-PEEL

The *Star Athletica* ruling was expected to have a significant impact for the fashion industry. It’s questionable whether a banana costume is what prognosticators had in mind. But, as this case demonstrates, the ruling has provided some useful clarity regarding the copyrightability of the various features of useful articles. □

Back to the future

Federal Circuit rejects narrow approach to relation back doctrine

The U.S. Court of Appeals for the Federal Circuit, the appellate court that hears all patent-related appeals, recently revived an infringement lawsuit based on the relation back doctrine. The court found the trial court’s application of the doctrine, which resulted in the case being dismissed because of the statute of limitations, “overly restrictive.”

THE CHARGES

Anza Technology holds a patent that describes tools for bonding electronic components to substrates and printed circuit boards using techniques known as “wire bonding” or “flip-chip bonding.” The patent claims in question, however, only cover the flip-chip bonding technique.

Anza sued Mushkin, Inc., alleging patent infringement of the flip-chip bonding claim. After Mushkin provided a declaration that its products didn’t use the bonding technique, it filed a motion to dismiss the case. Anza agreed, and the trial court granted the motion but allowed Anza to file an amended complaint.

The company’s amended complaint removed reference to the original patent and alleged infringement of two new patents that covered wire bonding techniques. The new complaint included six of the 16 products accused of infringement in the original complaint and added two new products.

Mushkin filed another motion to dismiss, arguing the amended complaint didn’t relate back to the date of the original complaint, and the district court again granted it. The court ruled that new claims of infringement don’t relate back if:

1. They aren’t an integral part of the claims in the original complaint, and
2. Proof of the new claims won’t entail the same evidence as proof of the original claims.



Finding that to be the case here, it concluded that the infringement claims in the amended complaint were barred by the statute of limitations.

THE APPEAL

Anza appealed, arguing that the relation back doctrine did apply. Under the doctrine, an amended complaint relates back to the date of the original complaint if the amendment asserts a claim or defense that arose out of the same conduct, transaction or occurrence set out — or attempted to be set out — in the original pleading.

Interpreting the doctrine liberally, the U.S. Supreme Court has deemed it applicable if the amended complaint relates “to the same general conduct, transaction and occurrence” as the original complaint. The Court reasons that a party who has been notified of litigation about a particular occurrence has received all of the notice that statutes of limitations are intended to provide.

After reviewing the history of the relation back doctrine, the Federal Circuit concluded that the relevant considerations for determining whether newly alleged claims, based on separate patents, relate back are:

- The overlap of parties,
- The overlap in the accused products,
- The underlying science and technology,
- Time periods, and
- Any additional factors that might suggest commonality, or lack thereof, between the two sets of claims.

Ultimately, it said, the question is whether the general factual situation or the aggregate of operative facts underlying the original complaint gave Mushkin notice of the nature of the allegations against it.

The Federal Circuit found that the parties in the two complaints overlapped completely, while six of the products overlapped. The patents all shared the same underlying science and technology, despite covering different bonding techniques, and the time period in the second complaint fell wholly within the time period in the first.

A LAWSUIT REBOOTED

The Federal Circuit held that the claims in the second complaint regarding the six originally accused products related back to the date of the original complaint and reversed the motion to dismiss them. It also vacated the dismissal of the claims addressing products added in the amended complaint and remanded them to the trial court to determine whether they related back in light of the legal standard described above. □

No harm, no foul

Fair use defense wins trademark infringement case

Athletes are known for “leaving it all on the field,” or going all out in competition. A nutritional consultant firm for athletes recently took the same mindset to a trademark battle — but it didn’t emerge victorious, because a court found its opponent’s use of its mark was fair.

FUEL DUEL

SportFuel, Inc., is a Chicago-based sports nutrition and wellness consulting firm with clients that include several of the city’s prominent professional sports teams. The company has two registered trademarks for the term “SportFuel” — one for nutrition consulting and the other for dietary supplements and sports drinks.

In 2013, the sports drink company Gatorade began describing its products as “sports fuel” as part of a rebranding effort. In 2016, it registered the trademark “Gatorade The Sports Fuel Company,” but it disclaimed the exclusive use of “The Sports Fuel Company” after the Patent and Trademark Office advised that the phrase was merely descriptive.

SportFuel sued Gatorade for trademark infringement, and Gatorade countered that the Lanham Act, the federal trademark law, protected its use of “sports fuel” as fair use, which allows individuals to use otherwise trademarked language in a descriptive sense. The trial court agreed, and the case landed in the U.S. Court of Appeals for the Seventh Circuit.



PLAY-BY-PLAY ANALYSIS

The court of appeals explained that, to establish a fair use defense, Gatorade needed to show that:

- It didn't use SportFuel as a trademark,
- Its use is descriptive of its goods, and
- It used the mark fairly and in good faith.

The court found the first prong was satisfied, because Gatorade didn't use the term as a source indicator. The company's packaging and displays featured its house mark and G Bolt logo more prominently than the term; in fact, the company rarely used the term directly on product packaging. House marks don't identify the particular goods or services — rather, they identify the provider of a wide variety of goods or services, with such goods or services often themselves identified by a separate trademark or service mark.

The court also determined that Gatorade's use of the term was only descriptive of its goods, rather than suggestive. Descriptive marks describe the product category, while suggestive marks require an observer or listener to use imagination and perception to discern the nature of the goods. The court focused on the use of the term in the relevant market, and whether the term imparts information about the product directly or requires some imagination to make the connection (the imagination test).

It found that producers of nutritional products for athletes regularly use the term to describe their products. The disclaimer of "The Sports Fuel Company" in Gatorade's trademark application also indicated descriptive use.

The imagination test came down in Gatorade's favor, too. The use of the term in "Gatorade The Sports Fuel Company," the court said, clearly describes the category of goods that the company produces. It required no imaginative leap to understand that the company sells products for athletes.

Finally, the Seventh Circuit found that Gatorade used the term fairly and in good faith. Gatorade's use of the term, despite knowledge of the trademark, wasn't enough to show bad faith — nor was its continued use of the mark after the filing of the lawsuit. The court also dismissed SportFuel's claim that Gatorade's adoption of the term traced back to a falling out between the company and a SportFuel employee more than a decade before the alleged infringement began.

FINAL SCORE

Although SportFuel took the loss against Gatorade, it does retain the mark. That mark might not provide exclusive use rights in the arena of sports drinks, but it hasn't yet been tested in the context of nutritional consulting. □

Timing matters in inter partes review

Inter partes review (IPR) offers parties an expedited opportunity to challenge the validity of a patent outside of court. But, as one challenger recently learned the hard way, it's critical that arguments against patentability be raised at the proper time.

OUT OF THE FRYING PAN ...

Frymaster LLC holds a patent on a system for measuring the state of cooking oil degradation in a deep fryer using a sensor. The sensor detects when the level of the total polar materials (TPMs) generated when oil degrades is too high.

Henny Penny Corp. (HPC) challenged the validity of the patent in an IPR proceeding. Under IPR, the Patent Trial and Appeal Board (PTAB) can reconsider and cancel an already-issued patent based on certain types of “prior art” that made the claimed invention obvious and therefore unpatentable.

HPC claimed that the patent was obvious in light of two patents, referred to as Kauffman and Iwaguchi. In its initial IPR petition, HPC contended that:

- Kauffman included every limitation in the Frymaster patent (limitations define the breadth of a patent) except the sensor for measuring TPMs, and
- Iwaguchi would have motivated a “person of ordinary skill” in the relevant field to provide a sensor to measure TPMs to monitor cooking oil degradation.

After the PTAB began review proceedings, Frymaster filed its response. It argued that it wasn't predictable that integrating Iwaguchi's temperature-sensitive probe into Kauffman's apparatus would measure oil quality.

In reply, HPC shifted gears and argued that integration was unnecessary because Kauffman's sensor alone was capable of monitoring TPMs, although



Kauffman didn't explicitly disclose use of its sensor to measure TPMs. The PTAB, however, disregarded this argument, focusing only on the petition argument. It went on to find the challenged patent claims weren't obvious, and HPC appealed to the U.S. Court of Appeals for the Federal Circuit.

... INTO THE FIRE

The court found that the PTAB was within its rights to hold HPC to the obviousness theory it asserted in its original petition. Noting the expedited nature of IPR proceedings, the Federal Circuit explained that petitioners must comply with the requirement that the initial petition identify “with particularity” the evidence that supports the grounds for the challenge to each patent claim. An IPR petitioner, the court held, may not raise in reply “an entirely new rationale” for why a claim would have been obvious.

HPC's petition proposed a single obviousness theory — modifying Kauffman's system to include Iwaguchi's sensor. Thus, the court found, the PTAB was entitled to disregard the second theory raised only in the reply.

DON'T GET BURNED

The court's decision provides clear guidance to those who wish to challenge an issued patent through IPR. It's imperative to include every rationale for obviousness in the petition because those raised subsequently will be disregarded. □



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