



IDEAS ON INTELLECTUAL PROPERTY LAW

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Behind the curtain

“Jersey Boys” doesn’t violate copyright on autobiography

The long-running Broadway musical “Jersey Boys” chronicles the history of the band known as the Four Seasons — and spawned copyright litigation that has run nearly as long as the play itself. The latest scene recently unfolded in the U.S. Court of Appeals for the Ninth Circuit, which came down on the side of the boys in the band.

MUSICAL CREATES DRAMA

Donna Corbello is the widow and heir of Rex Woodward, who had a written agreement to ghost-write the autobiography of Thomas DeVito, an original member of the Four Seasons. Woodward and DeVito agreed to share in any profits arising from the manuscript. Woodward died in 1991, after completing the manuscript but before publication. Corbello shopped the manuscript around after his death, but it was never published.

In 1999, DeVito and another band member signed an agreement granting two of their former bandmates, Frankie Valli and Bob Gaudio, the exclusive right to use aspects of their lives related to the band — including their biographies — in the development of a musical. DeVito gave the play’s writers and producers a copy of the manuscript for research purposes.

After the show premiered, Corbello sued numerous parties involved, including band members, alleging that the musical constituted an unauthorized

derivative work of the autobiography. Multiple rounds of litigation ensued, but the most recent appeal involved the trial court’s conclusion that any infringement was permissible fair use. The court ruled in the defendants’ favor, and Corbello turned again to the appellate court for relief.

COURT PULLS BACK THE CURTAIN

The Ninth Circuit affirmed the district court’s ruling but not on fair use grounds. Instead, the court conducted a “substantial similarity” analysis. It considered several alleged similarities between the play and the manuscript.

Only similarities between protected aspects of a copyrighted work can result in infringement liability. Nonprotectable elements include ideas, historical facts, common phrases, scenes-a-faire (that is, “situations and incidents that flow necessarily



or naturally from a basic plot premise” or generic plot line) and familiar scenes and themes that are staples of literature.

According to the court, the manuscript here was a work of historical fact. The creative aspects generally didn’t concern areas such as character, plot and setting but rather writing style and presentation. Writing style and presentation are protected by copyright, but historical elements aren’t — ideas aren’t protectable, only the expression of those ideas.

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Applying this framework, the court found several similarities fell short on the substantial similarity test because they involved only the nonprotectable elements. For example, Corbello claimed that the introduction of DeVito at the outset of the play, with his “cool demeanor” on display, was substantially similar to a description of him in the manuscript as

“cool beyond belief.” But, the court said, DeVito isn’t a fictional character whose personality was created in the manuscript. A character based on a historical figure isn’t protected for copyright purposes.

Both the play and the manuscript also describe the band’s induction into the Rock & Roll Hall of Fame, where they played together for the first time in many years. In the manuscript, DeVito says he felt like he was “stepping from a time machine.” In the play, as the Four Seasons perform, he asks, “Is this like being in a [expletive] time machine, or what?”

The court found that the idea that band members playing together after years apart would evoke the feeling of a time machine flows naturally from the plot premise of a band reuniting — “classic scenes-a-faire.” Moreover, the words “time machine” constitute an ordinary phrase that isn’t protectable.

THE FINAL SCENE

The appellate court ultimately concluded that the play didn’t infringe any expressive protectable elements of the manuscript. Facts can’t form the basis for a copyright claim, and all of the alleged similarities were based on elements that were treated as fact in the manuscript and thus unprotected. ■

TRUTH OR FICTION: YOU CAN’T HAVE IT BOTH WAYS

The court in *Corbello* (see main article) adopted the “asserted truths doctrine” (sometimes referred to as “copyright estoppel”) as part of its substantial similarity analysis. Under the doctrine, a court will treat the parts of a work that are presented as fact, as fact. In other words, an author who holds a work out as nonfiction can’t later claim, in litigation, that parts of the work actually are fiction and therefore entitled to full copyright protection.

Corbello repeatedly held out the manuscript as a factual account. For example, the text represents itself as a “complete and truthful chronicle of the Four Seasons.” Both Corbello and her husband emphasized to potential publishers that the work provided a behind-the-scenes factual look at the band.

It was irrelevant, the court said, that the work wasn’t ever published. The representations made by the work — to a few actual readers, future intended readers or the general public — are what matters.

“Method of preparation” involving natural phenomenon is patent-eligible

The U.S. Court of Appeals for the Federal Circuit has taken the unusual step of modifying and clarifying an earlier opinion considering whether an invention related to a natural phenomenon was patent-eligible. Although the case deals with a “method of preparation,” it may also provide some valuable clues on how best to structure diagnostic claims to increase the odds of patent eligibility.

CASE ORIGINS

The patent claims at issue distinguish and separate the tiny amount of fetal DNA in a pregnant woman’s bloodstream from the vast amount of maternal DNA to determine fetal genetic alterations. They grew from the discovery of the significant difference in size between maternal and fetal DNA. The process applies size parameters selected by the inventors to remove maternal DNA and leave behind enough fetal DNA for testing.

Illumina Inc., the patent holder, sued Ariosa Diagnostics Inc., for patent infringement. The trial

court found the patents invalid because they covered an ineligible natural phenomenon. In March 2020, the Federal Circuit reversed. Months later, the court issued a modified opinion.

THE COURT’S PHENOMENAL FINDING

The U.S. Supreme Court has long held that laws of nature and natural phenomena aren’t eligible for patents. However, applications and uses of such phenomena may be eligible, and an invention doesn’t become ineligible merely because it uses a law of nature or natural phenomenon. The Federal Circuit’s focus, therefore, fell squarely on whether the patents cover the discovered natural phenomenon (the difference in DNA size) or a patent-eligible invention that exploits that discovery.

The court concluded that the patents cover an eligible method that uses the natural phenomenon. Specifically, the patents cover methods for preparing a fraction of cell-free DNA that’s enriched in fetal DNA. The methods include defined process steps — for example, selectively removing DNA fragments

above a certain size threshold — to increase the relative amount of fetal DNA compared to maternal DNA in the sample.

Critically, the court pointed out that the size thresholds identified in the patents aren’t dictated by any natural phenomenon (in fact, the size distributions of fetal and maternal DNA overlap each other). Rather, they’re “human-engineered parameters” that



optimize the amount of maternal DNA removed and the amount of fetal DNA remaining. This creates an improved end product that's more useful for genetic testing than a natural extracted blood sample.

Laws of nature and natural phenomena aren't eligible for patents.

The court emphasized that the method does more than simply observe the differences in size or detect the presence of that phenomenon. It includes physical process steps that change the composition of the mixture, resulting in a DNA sample that's different from the naturally occurring sample in the mother's blood.

The Federal Circuit distinguished this case from a U.S. Supreme Court case that held a naturally occurring DNA segment is a product of nature and not patent-eligible just because it's been isolated. The patents here, it explained, didn't cover the DNA itself. Moreover, the Supreme Court expressly declined to extend its holding to method patents claiming an innovative process used to isolate DNA, as opposed to the DNA itself.

A POTENTIAL PATH TO PATENT SUCCESS?

Inventions in the life sciences space often fight an uphill battle when it comes to obtaining patent protection. It may be that would-be patentees will have better luck crafting their inventions as methods of preparation than as methods of diagnosing or detecting. ■

Don't let patent licensing missteps cost you

The owner of three software-related patents can attest to the highs and lows of patent litigation after the U.S. Court of Appeals for the Federal Circuit ruled in its case. Unlike other patents challenged as patent-ineligible under the so-called *Alice* test, its patents were upheld — but the patentee lost out on millions in pre-suit damages due to a licensing misstep.

A GOOD START

Packet Intelligence LLC owns patents on apparatuses and methods for monitoring information packets over a computer network. In contrast to previous approaches that monitor “connection flows,” which can't account for certain disjointed sequences, the patented inventions identify and classify “conversational flows.” The latter can be used to generate helpful analytics for understanding network load and usage.

Packet Intelligence sued NetScout Systems Inc. for patent infringement. NetScout argued the patents were invalid because they covered a patent-ineligible abstract idea. The district court rejected that defense, and a jury found willful infringement and awarded pre- and post-suit damages.

MORE POSITIVE NEWS

On appeal, NetScout contended that the patents cover the abstract idea of collecting, comparing and classifying packet information and were therefore invalid. The Federal Circuit, however, disagreed.

In assessing the invalidity defense, the trial court had applied the U.S. Supreme Court's two-step *Alice* test for identifying patents that cover nothing more than abstract ideas. Under the test, the court determines first whether the claimed invention is a



patent-ineligible abstract idea. If so, it then determines whether the invention includes an “inventive concept” that transforms it into a patent-eligible application of the abstract idea.

The appeals court, though, noted that it has previously recognized that “software-based innovations can make ‘non-abstract improvements to computer technology’ and be deemed patent-eligible subject matter at step 1.” That, it found, was the case here.

The court determined that the invention presented a technology solution to a technological problem — identifying disjointed connection flows. The patents focused on a specific improvement in computer technology, rather than an abstract idea. And, because the patents didn’t cover an abstract idea, the court needn’t consider the second step.

A TOUGH TURN OF EVENTS

NetScout also argued on appeal that it wasn’t subject to pre-suit damages because Packet Intelligence’s licensees failed to properly mark their products that used the patents. The jury had rejected the marking defense and awarded \$3.5 million for pre-suit infringement.

Under Sec. 287 of the Patent Act, a patentee that makes or sells a patented item and fails to properly mark the item can’t collect damages until it:

1. Begins providing constructive notice (by marking the item) or actual notice, or

2. Sues the alleged infringer.

The patentee can recover damages only for the period after the notification or lawsuit filing has occurred. A patentee’s licensee also must comply with Sec. 287.

The Federal Circuit found in NetScout’s favor on this issue. It explained that Packet Intelligence didn’t meet its burden of showing that a licensee’s unmarked products didn’t actually use the patented apparatuses.

The court also rejected Packet Intelligence’s argument that the pre-suit damages could alternatively be affirmed based on NetScout’s alleged internal use of the patented methods in testing, customer support and customer training (the marking requirement doesn’t apply to method patents). The Federal Circuit found no evidence that these activities caused damages. The activities may have driven sales of certain products that used patented apparatuses, but those products were unmarked so Packet Intelligence was barred from recovering damages for their pre-suit sales.

LESSON LEARNED

The court reversed the pre-suit damages in their entirety, as well as any enhanced damages based on the pre-suit damages. Packet Intelligence could have avoided this dire result by ensuring its licensees properly marked their products. Don’t make the same mistake. □

Who can file for trademark cancellation?

Owners of registered trademarks could see an uptick in attempts to cancel those marks. That's because the U.S. Court of Appeals for the Federal Circuit recently held that parties can pursue cancellation even if they don't show a proprietary interest in the contested mark.

TTAB FINDS NO STANDING

Australian Therapeutic Supplies Pty. Ltd. first adopted the mark NAKED for condoms in early 2000 in Australia. As early as April 2003, it began marketing its products in the United States through its website.

Naked TM LLC owns a registration for the mark NAKED for condoms; the application was filed in September 2003. Australian contacted Naked to claim rights in its unregistered mark in 2006. The companies engaged in settlement negotiations by email, but Australian contends that no formal agreement was reached and also filed a petition to cancel registration of the NAKED mark.

The Trademark Trial and Appeal Board (TTAB) found that the parties, based on their email correspondence, had entered an informal agreement that Australian wouldn't use or register its mark in the United States. The agreement, the TTAB said, led Naked to reasonably believe Australian had abandoned its rights in the United States to the NAKED mark for condoms.

The TTAB held that Australian didn't have standing (authority) to pursue cancellation because it didn't

have proprietary rights in its unregistered mark. Australian appealed to the Federal Circuit.

COURT PROTECTS THE PETITIONER

On review, the court explained that the issue was whether Australian had established a cause of action under the Lanham Act, the federal trademark law. Petitioners can seek cancellation if they believe they are — or will be — damaged by a registered trademark. A petitioner must demonstrate a “real interest” in the proceeding and a reasonable belief of damage.



The court found that Australian didn't have to establish a proprietary right in its mark. The act requires only a *belief* of damage.

Thus, the court determined that Australian showed a real interest because it twice filed applications to register its mark. And it demonstrated a belief of damage because the U.S. Patent and Trademark Office rejected those applications based on a likelihood of confusion with Naked's registered mark. The company's advertising and sales in the United States also demonstrate a real interest and reasonable belief of damage.

A LOW BAR

Notably, the court pointed out that the act doesn't impose a minimum threshold of commercial activity to satisfy the real interest requirement. The requirement is intended only to prevent litigation where no real controversy exists between the parties. ■



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