



IDEAS ON INTELLECTUAL PROPERTY LAW

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A notable shift

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A notable shift

Software survives patent-eligibility test

Patents covering software can face an uphill battle when challengers contend the software is actually a patent-ineligible abstract idea. In *Mentone Solutions LLC v. Digi Int'l Inc.*, the U.S. Court of Appeals for the Federal Circuit recently upheld one such patent, though, shedding some light on how these patents can withstand judicial scrutiny.

A COMMUNICATION PROBLEM

Mentone Solutions owns a patent on a method for dynamic resource allocation in mobile communication systems. In earlier systems, mobile devices could communicate with a single network through packet data channels with uplink slots (which transmit information to the network) and downlink slots (which receive information from the network).

Limitations in those systems restricted certain multi-slot configurations, in turn reducing the amount of bandwidth that mobile devices could use to communicate with cell towers. The patented invention allows more multi-slot configurations than were previously possible. It does this, in part, using so-called “shifted” uplink status flags (USFs) sent to mobile devices. The result is a higher rate of data transmission.

Mentone sued two companies for infringement of its patent, and those companies argued that the invention was patent-ineligible. The trial

court dismissed the lawsuit before trial, finding the patent invalid because it covered a patent-ineligible abstract idea. Mentone appealed.

PROBLEM SOLVED

The U.S. Supreme Court has established a two-step test — known as the *Alice* test, for the case in which it was established — for identifying patents that cover patent-ineligible concepts. Under the first step, the court determines whether the claimed invention is a law of nature, a natural phenomenon or an abstract idea. If so, it proceeds to the second step and determines whether the invention includes an “inventive concept” that transforms it into a patent-eligible application of the concept.

As the Federal Circuit noted, in cases involving software, the first step often depends on whether the patent focuses on specific asserted improvements in computer capabilities — as opposed to just a process or system that qualifies as an abstract idea for which



IDENTITY AUTHENTICATION PATENT SURVIVES ALICE TEST

About one month before it ruled in *Mentone* (see main article), the U.S. Court of Appeals for the Federal Circuit found a method of identity authentication patent-eligible. It previously had found methods of authentication and verification ineligible under the *Alice* test.

The patent at issue in *CosmoKey Solutions GmbH & Co. KG v. Duo Security LLC*, covered a method for authenticating the identity of a user conducting a transaction at a computer terminal, including activating an authentication function on the user's mobile device. Relying on earlier Federal Circuit opinions, the trial court found that the patent covered the abstract idea of authentication. It determined that the invention comprised steps that were routine activities already known in the field of authentication, and thus were ineligible for patentability.

The Federal Circuit disagreed, noting that it has found specific verification methods that depart from earlier approaches and improve technology to be patent-eligible. It concluded that the invention provides a specific improvement that increases security, prevents unauthorized access by a third party and is easy to implement.

computers are involved only as a tool (for example, by automating existing abstract practices). The court has found the former type of software claims to be patent-eligible under step one.

The court reached a similar conclusion here. It found that the patent describes an improvement to computer functionality — specifically, allowing additional multi-slot configurations for certain types of mobile devices using extended bandwidth allocation.

Patents are invalid
if they cover a patent-
ineligible abstract idea.

The patent doesn't merely describe generalized steps to be performed on a computer or, as the defendants argued, data manipulation on a generic computer, the court said. Rather, the patent specification provides important details on a technological problem arising specifically in the realm of computer networks and how the invention solves that problem. The patent, the Federal Circuit found, demonstrates how the shifted USF allows a mobile device to use a multi-slot configuration it otherwise couldn't.

The Court of Appeals faulted the trial court for basing its conclusion that the invention was an abstract idea on only a "high-level description" of how USFs generally operate in mobile devices using extended bandwidth allocation. The lower court's description of the abstract idea didn't even mention shifted USFs and, therefore, was "untethered" to the patented invention.

The Federal Circuit also distinguished the patent here from a patent for a method of transmitting packets of information over a communications network that it had found ineligible in a 2017 case. That patent, it explained, merely described a series of abstract steps (for example, "converting," "routing" and "controlling") using results-based language. Unlike this patent, it didn't describe any means for achieving a technological improvement.

MAKE THE CALL

Because it found the invention patent-eligible under the first step of *Alice*, the Federal Circuit didn't need to consider the second step. It reversed the trial court's motion to dismiss, thereby reviving the infringement lawsuit. ▣

Off the leash

Design copyright case gets another life

A common phrase such as “I love you” written in a lower-case cursive, italicized font on garments can’t possibly be copyrightable, right? Probably not, but a ruling from the U.S. Court of Appeals for the Fifth Circuit in *Cat and Dogma, LLC v. Target Corp.* demonstrates how a design using such a phrase could gain copyright protection.

THE CLAWS COME OUT

Cat and Dogma LLC (Dogma), is a Texas-based children’s clothing company. In 2015, it published a two-dimensional design for pajamas consisting of the phrase “i love you” displayed in a cursive, italicized font, all in lowercase typeface. The phrase is arranged in 25 rows of repeating text, repeating three to five times in each row. The company registered the design with the U.S. Copyright Office, effective September 19, 2019.

In 2017, multinational retailer Target Corporation began selling a line of children’s clothes, sheets and blankets that incorporated the phrase “i love you,” written in a cursive, italicized font and all-lowercase typeface. Target’s clothes also display the phrase in rows of repeating text.

Dogma filed a copyright infringement lawsuit against Target in October 2019. The trial court dismissed the case before trial.

COURT ESTABLISHES BOUNDARIES

On appeal, the Fifth Circuit primarily focused on whether Dogma adequately alleged the substantial similarity between the two designs necessary to get its case to

trial. To evaluate substantial similarity, it explained, a side-by-side comparison is done to determine whether a layperson would view the designs as substantially similar.

The Fifth Circuit noted, though, that when the original design contains elements that aren’t protectable under copyright law, a court must first distinguish between the protectable and unprotectable elements. The court then determines whether the allegedly infringing design is substantially similar to the original design’s protectable aspects.

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DISMISSAL PAWS-ED

Dogma didn’t claim that any elements of the design (the selection of the phrase, the font and the lowercase typeface) constituted original, protectable expression individually. Rather, it argued that the protectable aspect was the selection and arrange-

ment of those elements. Dogma further asserted that, in issuing Dogma a certificate of copyright registration, the Register of Copyrights necessarily had determined that the design



possessed the requisite degree of originality to merit copyright protection.

The appellate court held that Dogma's claim sufficiently alleged originality in its selection and arrangement of the unprotectable elements to move to the trial phase. While Target raised several arguments challenging the degree of originality, those arguments couldn't be appropriately assessed before trial.

Next up for consideration was whether Dogma alleged substantial similarity between the protectable selection and arrangement of the design and Target's allegedly infringing products. Comparing the designs in the light most favorable to Dogma (as required when weighing a pre-trial dismissal),

the court noted that the designs appear to be similarly arranged.

It therefore determined that a reasonable jury could find the designs substantially similar based solely on the similarity of the selection and arrangement of the underlying elements. However, the ultimate determination, the Fifth Circuit said, should be left to a factfinder at trial, whether a judge or jury.

NOT A PURR-FECT ENDING YET

The ruling isn't the end of the story. As noted by the Fifth Circuit, the trial court or a jury could find the similarities between the designs to be insubstantial. But the court found the allegations deserve their day in court. ▣

USPTO announces new trademark sanctions process

The U.S. Patent and Trademark Office (USPTO) has taken another step in its ongoing campaign to protect the integrity of the trademark register. It recently announced a new administrative process it will wield to investigate improper submissions filed with the USPTO in trademark matters.

INVESTIGATION CAN MEAN SUSPENSION

The agency will use the new process to investigate suspicious submissions related to trademark applications or registrations to determine whether they:

1. Appear to violate the USPTO rules or the USPTO's website's terms of use, and
2. Are part of an improper filing scheme.

The USPTO may identify or otherwise learn of a suspicious submission through various means. Those include information received from internal sources

(for example, examining attorneys and data analytics staff) or through external sources (for example, letters of protest, law enforcement, media reports or the agency's scam-reporting email account).

Once an investigation is launched, the relevant trademark application(s) may be removed from examination status. In such circumstances, the agency will update the application's prosecution history to indicate the application is suspended pending administrative review.

Any associated deadlines also are suspended. The applicant will be unable to make any electronic submissions other than an express abandonment of the application, a withdrawal of attorney or a petition to the USPTO director. If an applicant wishes to make an additional submission, it will need to file a petition to the director that satisfies the applicable requirements.

CAUSE REQUIRED TO SHAKE SANCTIONS

If an investigation turns up conduct that “illustrates violations” of the rules or terms of use — especially conduct suggesting an intent to circumvent USPTO rules — the agency may issue the individuals or entities involved an order to show cause. This is a type of court order demanding an explanation of why sanctions *shouldn’t* be imposed. Potential sanctions include:

- Terminating all involved applications,
- Striking a submission,
- Precluding a party from appearing before the USPTO in trademark matters, and
- Deactivating all relevant accounts on the USPTO’s website.

The USPTO announcement of the new process notes that merely resubmitting documents or appointing a new attorney won’t preempt sanctions. The agency will set a deadline for responses to orders to show cause and consider only timely responses that explain why it shouldn’t impose sanctions.

The announcement also stresses that trademark applicants and registrants are responsible for all actions or omissions made by representatives on their behalf. Specifically, misrepresentation or deceit by a representative doesn’t necessarily constitute an “extraordinary situation” that might warrant a petition to the director to request suspension or waiver of a rule.

SANCTIONS THROW A LONG SHADOW

Ultimately, the USPTO will issue a final decision that could include an order for sanctions. If an order calls for termination of a pending application, the agency will terminate that application and update its electronic records to indicate that the application was terminated on the entry of sanctions.

Applicants generally won’t be allowed to revive terminated applications unless they can demonstrate that the USPTO erred in including the application in the sanctions order. Rather, they’ll need to file new



applications to seek registration of marks that were the subject of terminated applications.

When a sanction terminates an existing trademark registration, the USPTO will deem the sanctions order to be a final decision adverse to the owner’s right to keep the mark registered. These owners can file new applications for their marks.

If sanctioned actors continue to violate the USPTO rules or website terms of use, the agency may take additional actions to enforce sanctions orders. The announcement doesn’t go into detail on what such actions might entail, though.

TRANSPARENCY MOVING FORWARD

The USPTO has signaled its intention to promote transparency in the sanctions process for applicants, registrants and third parties who are interested in a particular application or registration. It will place documents — including orders to show cause and for sanctions regarding specific applications and registrations — in the USPTO’s public online Trademark Status and Document Retrieval database. The database also will show if an application’s examination is suspended because of a pending investigation or order.

Contact us for more information on the new sanctions process or any other trademark concerns. ■

Post-AIA patents aren't immune to interference proceedings

When the America Invents Act (AIA) changed the U.S. patent system from a “first to invent” to “first inventor to file for a patent” system, it created some confusion. For example, questions arose about the applicability of interference proceedings to patent applications filed after the “first to file” provision took effect on March 16, 2013. Now, in *SNIPR Tech. Ltd. v. The Rockefeller University*, the Patent Trial and Appeal Board (PTAB) has attempted to provide some clarity.

PATENTEE CRIES FOUL

The issue arose after the U.S. Patent and Trademark Office declared an interference — that is, a dispute over which party first invented an invention claimed by multiple parties — between several patents owned by SNIPR Technologies Limited and The Rockefeller University. The patents all cover a method of killing or modifying bacteria using the CRISPR gene-editing technology.

Once an interference is declared, the PTAB determines which inventor has “priority” and therefore is entitled to the patent. Rockefeller’s patent application listed a priority date that fell before March 16, 2013 (pre-AIA), and the SNIPR patents had a priority date after that day (post-AIA). SNIPR sought to terminate the interference proceeding, arguing that Congress eliminated such proceedings for post-AIA patents. Because all its patents were filed post-AIA, SNIPR claimed, the interference declaration was contrary to the law.

PATENTEE STRIKES OUT

As noted, the AIA eliminated the requirement that an inventor be the first to make an invention it wishes to patent. In turn, it also eliminated interference proceedings for determining who first invented a claimed invention.

The board, however, pointed to a timing provision in the AIA that specified that, for interfering patents, the “first to invent” standard would continue to apply for pre-AIA patents. In the PTAB’s view, the provision demonstrated Congress’s intent to allow interferences under circumstances after the enactment of the AIA, contrary to SNIPR’s position.

According to the PTAB, Congress could have ended all interferences at the implementation of the AIA. If it had, different parties could both have been issued patents for the same invention even when one party has an effective filing date before March 16, 2013. But, according to the PTAB, Congress did not do so.

The PTAB concluded that Congress contemplated interferences between pre-AIA and post-AIA applications and patents. It then found in Rockefeller’s favor on the issue of priority because it was the first to invent the claimed invention.

THE GAME ISN'T OVER

SNIPR may well appeal the PTAB’s ruling in this case. Until the U.S. Court of Appeals for the Federal Circuit, which hears all appeals of patent cases, or the U.S. Supreme Court addresses the issue, it remains unsettled. □





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