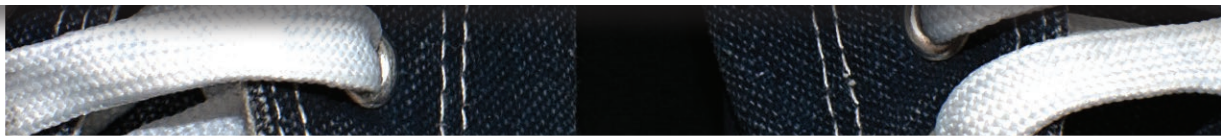




IDEAS ON INTELLECTUAL PROPERTY LAW



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Parody shoe can't outrun trademark infringement claim

Is there a substitute for the human touch?
AI-generated work isn't copyrightable

When the doctrine of equivalents results in patent infringement

Patentee's claim term definition comes back to haunt it

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Source: Ant-Like Persistence blog

Parody shoe can't outrun trademark infringement claim

The U.S. Court of Appeals for the Second Circuit has won the race to be the first appellate court to apply the U.S. Supreme Court's recent ruling in *Jack Daniel's Properties, Inc. v. VIP Products LLC* regarding the use of trademarks in expressive works. The appellate court's decision provides a helpful indication of how that ruling will play out.

CASE FOOTPRINT

The case involves a highly popular “skater” (skateboard enthusiast) shoe made by globally known footwear and apparel manufacturer Vans. The “Old Skool” shoe is one of its most recognizable products.

MSCHF is a Brooklyn-based art collective that uses artwork to comment on contemporary society by recontextualizing everyday objects. Its works often are sold with “manifestos” explaining the associated commentary. Works have critiqued music, the political system, digital media, consumerism and the legal system. They're sold in “drops”

(prescribed sales periods) and frequently sell out in a single day.

When MSCHF turned its attention to consumerism in “sneakerhead” (athletic shoe enthusiast) culture, it targeted the Old Skool with a parody called Wavy Baby. The parody incorporated and distorted the Old Skool color scheme, side stripe, perforated sole, logos on the heel and footbed, and packaging.

The Rogers test doesn't apply where an alleged infringer uses another's trademark as a source identifier for its own goods.

When Vans learned of the impending release of the Wavy Baby shoe, it sent MSCHF a cease-and-desist letter, notifying it of Vans' claim that the shoes infringed their trademarks and trade dress. MSCHF continued to promote the drop,



WHEN PARODIC INTENT AFFECTS LIKELIHOOD OF CONFUSION

In finding a likelihood of confusion between the parody Wavy Baby and the trademarked Old Skool in the *Vans* case (see main article), the U.S. Court of Appeals for the Second Circuit acknowledged that the Wavy Baby was a parody — just not one entitled to the *Rogers* test. And a parodic expressive message can figure in the assessment of the likelihood of confusion.

Citing the U.S. Supreme Court, the appellate court explained that a “successful” parody must create contrasts with its target so the message of ridicule or pointed humor comes through. It must convey that it’s not the original but a parody. If it does so, a parody is unlikely to create confusion. If a parodic use of protected marks leaves confusion about the source of a product, though, it hasn’t succeeded for purposes of trademark law and the infringement is unlawful. That, the court concluded, was the case here.

though, and launched the sale of shoes as planned, selling them on its proprietary app.

Vans filed a lawsuit and sought a temporary restraining order and preliminary injunction to block MSCHF’s use of Vans’ trademark in the Wavy Baby sneakers. The trial court granted both, and MSCHF appealed.

THE SOLE OF THE MATTER

One of MSCHF’s arguments on appeal was that the trial court erred by failing to apply enhanced First Amendment protections in its likelihood-of-confusion analysis. Specifically, it contended that the *Rogers* test applied. Under *Rogers*, when a trademark is used in an expressive work, it’s not infringement unless the challenged use of the mark 1) has no artistic relevance to the underlying

work, or 2) explicitly misleads as to the source of the content of the work.

But, in 2023, the Supreme Court in *Jack Daniel’s* held that the *Rogers* test applies only in nontrade-mark cases where the defendant hasn’t used the mark to identify the source of its goods. In other words, the test doesn’t apply where an alleged infringer uses another’s trademark as a source identifier for its own goods. In those circumstances, the traditional likelihood-of-confusion inquiry is sufficient to account for the First Amendment interest in free expression.

The Second Circuit found that the Supreme Court’s ruling rejected MSCHF’s argument that Wavy Baby’s parodic message warranted the higher First Amendment scrutiny of the *Rogers* test. While MSCHF may have intended the Wavy Baby to parody the Old Skool, the Vans mark was used at least in part as a source identifier.

MSCHF’s design evoked, with distortion, multiple elements of the Old Skool trademarks and trade dress. It also included MSCHF’s own branding on the label and heel — and even the design of its own logo evoked the Old Skool logo. Moreover, unlike the parody in the *Jack Daniel’s* case, Wavy Baby didn’t have a disclaimer disassociating it from the trademarked product or its maker.

The appeals court concluded that MSCHF used Vans’ trademarks, particularly its red and white logo, to brand its own products, seeking to benefit from Vans’ goodwill. In the court’s eyes, this constituted “quintessential trademark use” subject to the Lanham Act. The trial court, therefore, was correct in applying the traditional likelihood-of-confusion test, rather than the *Rogers* test.

TYING IT ALL UP

The appellate court also reviewed the trial court’s finding that Vans was likely to prevail in court on the issue of whether the Wavy Baby caused consumer confusion about its source. Thus, it left both the temporary restraining order and the preliminary injunction in place. ■

Is there a substitute for the human touch?

AI-generated work isn't copyrightable

Artificial intelligence (AI) seems to be everywhere these days. One place it keeps popping up is in applications submitted to the U.S. Copyright Office — where the applications have been uniformly rejected because copyrightable works require “human authorship.” One recent submission provides a good illustration of the difficulties presented by works created with the help of AI when it comes to obtaining copyright protections.

IF AT FIRST YOU DON'T SUCCEED

The application in question was filed in late 2021, with two authors listed. The applicant listed himself as the author of “photograph, 2-D artwork” and an AI painting app called RAGHAV as the author of “2-D artwork.” The application included a 17-page document describing how RAGHAV’s technology functions and how the applicant used it to create the work.

Specifically, the applicant generated the work by inputting an original photograph into the AI app along with a copy of the van Gogh painting “Starry Night,” which would be the “style” applied to the photo. He then chose a “variable value determining the amount of style transfer.”

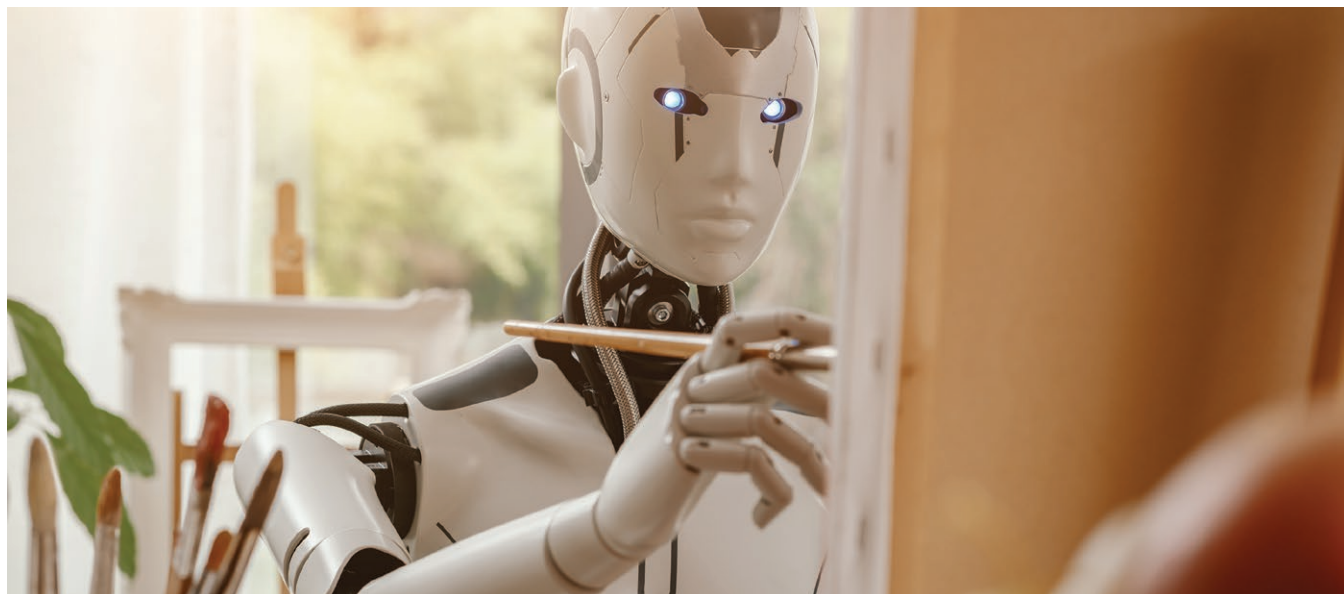
The Copyright Office refused to register the work because it lacked the requisite human authorship to support a copyright claim. Although the work included some human authorship, it said, that authorship was indistinguishable from the final work produced by the app.

The Copyright Office considers whether the AI actually conceived and executed the traditional elements of authorship.

TRY, TRY AGAIN

The applicant sought reconsideration of the initial refusal to register the work, arguing that the copyright law’s human authorship requirement doesn’t require a work to be created *entirely* by a human. This time, the office refused registration after concluding the work was a derivative work that didn’t contain enough original human authorship to support a registration.

It found the work to be a classic example of derivative authorship because it was a digital adaptation of a photograph. The new aspects were



generated by the AI app, not a human, making it not registrable. Ever persistent, the applicant requested yet another reconsideration.

On second reconsideration, the review board cited the Copyright Office's March 2023 registration guidance for works created by a generative-AI system such as RAGHAV. According to the guidance, the office considers whether the AI was merely an assisting instrument or whether it actually conceived and executed the traditional elements of authorship, such as literary, artistic or musical expression or elements of selection and arrangement.

Applying the relevant legal standards, the board found that the expressive elements of pictorial authorship in the work submitted for copyright weren't provided by the human applicant. He provided only the three inputs to the RAGHAV app — the base image, the style image and the variable value for the strength of the style transfer. It was the app that was responsible for determining how to interpolate the base and style images with the style transfer value.

The applicant claimed his decisions resulted in the work containing a sunset, clouds and a building. The board, however, found that the work contained those elements as a result of using an AI tool that generates an image with the same content as a base image but with the style of the chosen picture. He didn't control where the elements would be placed, whether they would appear or what colors would be applied to them. That was up to RAGHAV.

The app's interpretation of the photo in the style of another painting was a function of how the AI worked and was trained, not specific contributions or instructions from the applicant. His selection of the strength of the style alone didn't warrant copyright protection; selecting a single number is the type of *de minimis* authorship not protected by copyright.

STAY TUNED

The Copyright Office no doubt will continue to receive applications for works in which AI plays a creative role, especially as more decisions like this one shed light on the sticking points. In this case, though, while the applicant can apply to register his photograph, he can't register the AI-modified version. ■

When the doctrine of equivalents results in patent infringement

As an alternative route to establishing patent infringement liability, the doctrine of equivalents comes with some strict requirements. One patentee's failure to meet those requirements ended up costing it a hefty jury award on appeal.

A FREQUENCY FEUD

VLSI Technology owns a patent for a system in which at least two devices (for example, computer processors) are coupled to a "bus" that can operate at different frequencies. The invention was intended to improve the performance of portable multimedia devices.

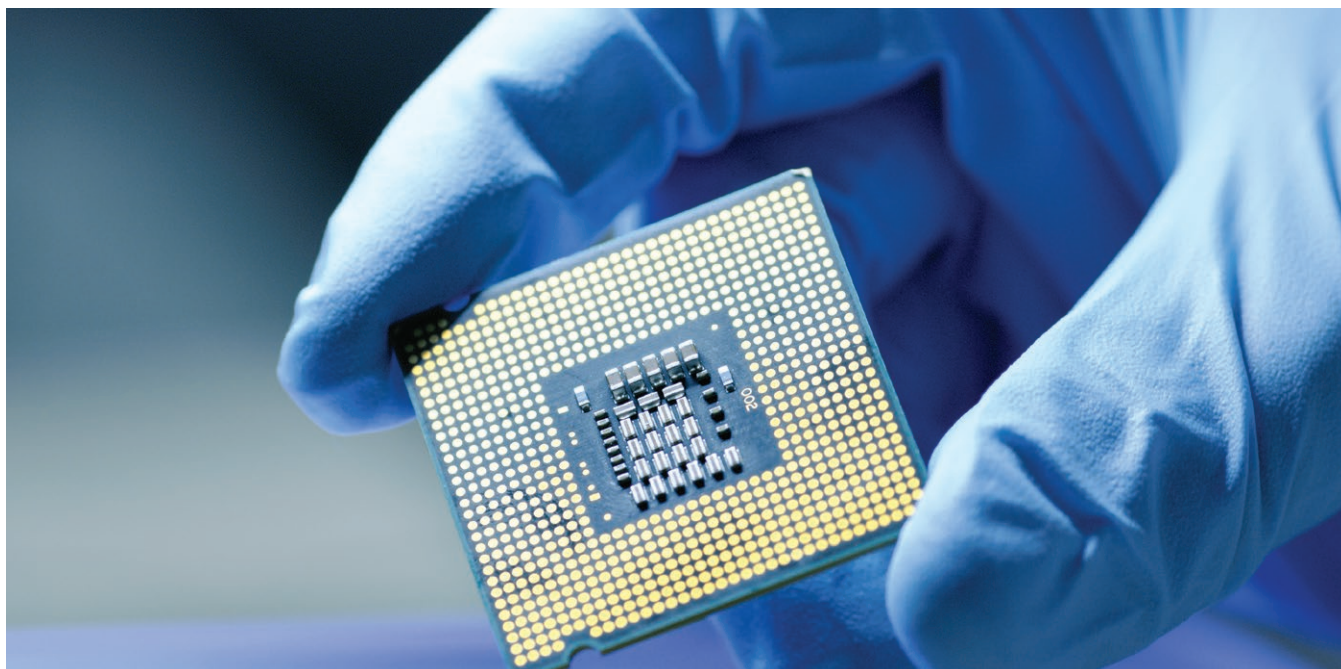
VLSI sued Intel Corporation, alleging several of its microprocessors infringed the patent. The accused

microprocessors feature cores and a bus connecting the cores. A controller can change the frequency of the bus or a core on the bus.

A jury didn't find literal infringement of the patent but awarded VLSI \$675 million for infringement under the doctrine of equivalents. Intel appealed to the U.S. Court of Appeals for the Federal Circuit, the appellate court that hears all patent-related appeals.

INSUFFICIENT EVIDENCE

The doctrine of equivalents provides a limited exception to the legal principle that a patent's claim meaning defines the scope of rights conveyed by the patent. Essentially, it allows a finding of infringement even though the accused product doesn't



literally infringe a patent claim's express terms. The infringement is instead based on an "equivalence" between elements of the accused product and the claimed elements of the patent invention. Use of the doctrine, the Federal Circuit has declared, should be "exceptional."

The doctrine of equivalents
allows a finding of infringement
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claim's express terms.

To limit the doctrine's use, the patentee must establish, among other things, that the difference between the claimed invention and the accused product was insubstantial. According to the Federal Circuit, the determination of whether a substitute element is only insubstantially different from a claimed element — and therefore an equivalent — considers whether the substitute matches "the function, way, and result of the claimed element."

In addition, the court has long demanded "specificity and completeness of proof." The patentee must provide particularized testimony and linking

argument on the insubstantiality of the differences between the products.

The Federal Circuit found that VLSI fell short on these two requirements. VLSI's expert, the court acknowledged, presented his evidence for equivalence using the "function, way, result framework" — but his testimony was insufficient. It included no meaningful explanation of how the accused elements in question worked in substantially the same way as the patented elements.

The expert described the difference between the elements as a "design choice," or just a matter of where an engineer draws a line on a schematic drawing used to illustrate functions. But, the court said, the focus should be on actual functionality-location differences. And labeling a difference a "design choice" didn't begin to explain whether the difference in the way the functionalities are actually allocated between devices is an insubstantial one.

VERDICT SHORT CIRCUITS

The Federal Circuit concluded that VLSI's evidence didn't support its doctrine of equivalents theory as a matter of law, meaning that a jury couldn't possibly come to a contrary conclusion. Therefore, the court reversed the infringement judgment. ■

Patentee's claim term definition comes back to haunt it

Federal patent law allows a patentee to devise its own definition for a claim term — or act as its own “lexicographer” — rather than settling for the “plain and ordinary” meaning. At first glance, this may seem like an advantage for patent holders. Sometimes, though, a patentee can become a lexicographer inadvertently, with disastrous consequences.

CROSSED SIGNALS

ParkerVision holds a patent related to wireless local area networks that use frequency translation technology. The patent incorporates another patent that describes two types of systems for down-converting electromagnetic (EM) signals.

Intel Corporation asked the Patent Trial and Appeal Board (PTAB) for inter partes review (IPR) of a claim in the patent. Under IPR, the PTAB can reconsider and cancel an already-issued patent based on certain types of “prior art” that made the invention obvious.



The PTAB found the challenged claim unpatentable as obvious, based in part on its interpretation of the claim term “storage element.” ParkerVision asserted that the proper meaning was “an element of an energy transfer system that stores non-negligible amounts of energy from an input electromagnetic signal.”

The board defined the term to mean “an element of a system that stores non-negligible amounts of energy from an input EM signal.” It relied on the description of a “storage module” in the incorporated patent. (The parties agreed that the term “storage module” used in the incorporated patent was synonymous with “storage element.”)

LEXICOGRAPHY LESSON

ParkerVision appealed to the U.S. Court of Appeals for the Federal Circuit, disputing, among other things, the PTAB’s interpretation of “storage element.” But the appellate court agreed with the PTAB’s interpretation, finding that ParkerVision acted as its own lexicographer to define the term. To do so, a patentee must clearly set forth a definition of the disputed claim term that diverges from the plain and ordinary meaning. The patentee also must clearly express an intent to define the term.

The court found that ParkerVision acted as its own lexicographer in the incorporated patent to define “storage element.” In the relevant paragraph, ParkerVision clearly distinguished the definitions of “holding modules” and “holding capacitances” from the definitions of “storage modules” and “storage capacitances.” It specifically stated (emphasis added): “Storage modules and storage capacitances, *on the other hand*, refer to systems that store non-negligible amounts of energy from an input EM signal.”

WORDS MATTER

Notably, the court shot down ParkerVision’s argument that the sentence above was comparative, not definitional. The Federal Circuit said that a sentence being comparative doesn’t exclude the possibility that it’s also definitional. In the end, the court upheld the PTAB’s decision finding the patent claim unpatentable. ■

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