

Lackebach Siegel, LLP *today!*

INTELLECTUAL PROPERTY ATTORNEYS SINCE 1923

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PATENT CORNER

Featuring patents recently issued to Lackebach Siegel clients

United States Patent Number:

8,141,657

STEERABLE ROTARY DIRECTIONAL DRILLING TOOL FOR DRILLING BOREHOLES

The present invention provides a directional drilling apparatus and method for use in drilling bore holes. The apparatus comprises a plurality of movably mounted cutting elements, wherein the cutting elements are movable between radially retracted and extended cutting positions. A rotary valve is provided for synchronizing the movement of the cutting elements between their respective extended and retracted positions. Control of the directional drilling system is affected by synchronized movement of the cutting elements from an inner to an outer radial position in accordance with the angular position of the drill bit. Means are provided for directing high pressure cutting fluid to the region between the cutting elements and the rotatable body.

Continued on page 6

Is Outsourcing No Longer In?

By Eileen C. DeVries

Many companies have moved manufacturing off-shore, notably to China, to receive the immediate benefits of significantly reduced labor costs – overshadowing increased shipping expenses and delays. But for many, the issues of quality control and product recalls soon reared their ugly heads. Now, the destructive and expensive long term costs of intellectual property and trade secret theft are the newest hidden costs of outsourcing manufacturing.

Steve Denning posits in *Forbes* magazine that “Outsourcing has become a self-destructive bad habit that is pursued even when ... it makes no business sense...” But John Bussey of the *Wall Street Journal*, opines that low-tech manufacturing is not America’s future. After all, as Bussey observed, if “the Chinese are really good at producing low-cost [items] and the U.S. is really good at innovative technology and advanced manufacturing – which would you rather be?”

The answer is that many companies are bringing manufacturing back to the U.S. – from Nissan’s auto manufacturing,

and GE batteries and NCR automatic teller machines, to low-tech Starbucks mugs. More than 40% of cars built in the U.S. are products of foreign automobile companies, including Japanese companies. BMW, Maserati, Honda, Kia and Toyota are making moves to the U.S. with production facilities. Other examples include the Coleman Company, which is moving production of its 16-quart wheeled plastic cooler from China to Kansas; Sleek Audio, an audio company that is moving production of its products from Chinese suppliers to its plant in Florida; and Peerless Industries, a video firm that is moving manufacturing of its audio-visual systems from China to Illinois.

Among the reasons that now favor the U.S. over China for manufacturing many items are complicated supply chains, longer development times, and intellectual property issues. Technology and automated production processes that exist now in most manufacturing factories are reducing labor needs and boosting productivity, and if manufacturing were located in the U.S.,

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Attorney Profile

Position at Firm: Counsel



Eileen C. DeVries

Trademark Search/Prosecution and Litigation Departments

As Counsel, Ms. DeVries lends her skills to different departments of the firm, namely, the Trademark Search, Trademark Prosecution and Litigation Departments. Her broad and longstanding knowledge of business operations issues gives her insight that helps clients as they, for example, select and defend trademarks, and navigate intellectual property protection alternatives.

In the Trademark Search Department, Ms. DeVries is responsible for conducting searches in a wide variety of industries, from

Attorney Profile: Continued on page 10

Lackenbach Siegel *today* and Since 1923

The Ubiquitous Non-Disclosure Agreement By Howard N. Aronson

For most companies, intellectual property, customer lists, and marketing and business plans rank among their most valuable assets. So when a business is sold or merged, when third party mold makers or engineers are engaged, or even when a cost estimate is obtained from a fabricator or potential vendor, there is a need to protect confidentiality. While one of the simplest of agreements, typically adapted from a ubiquitous "standard" form, the Non-Disclosure Agreement (NDA) should always be reviewed before each transaction. There is no "one size fits all" NDA, and using a "standard" form for different situations has consequences.

It is important to consider on which side of the transaction you stand, and then assess which of the various components of an NDA should be revised for your benefit.

Likely areas to mull over and amend include:

- ◆ Mutual or unilateral obligations;
- ◆ The Parties' Intent;
- ◆ Definition of "confidential information";
- ◆ The obligations of confidentiality and the individuals/entities to which it extends;
- ◆ The exclusions from the obligation to keep confidential;
- ◆ The duration of both the agreement and the confidentiality obligations; and
- ◆ Provisions related to governing law, venue and jurisdiction.

Important Components of an NDA:

Parties – When dealing with large corporate entities, be certain that the agreement binds parent, subsidiary and/or affiliate companies that are key to

the purpose of the transaction and the disclosure.

Intent – It is usually best for both parties, in the preamble or beginning of the agreement, to characterize the purpose/intent for disclosing the information e.g., new product development or evaluation; business sale or merger; joint venture or license; fabrication estimates, etc.

Definition of Confidential Information

– Depending upon whether you are disclosing or receiving information, it is important to know whether the obligation runs to just documents and material in tangible

form, or whether it also relates to verbal discussions, PowerPoint presentations, or business banter related to the purpose of the agreement. Be careful to consider whether the agreement mandates that any documents falling within the agreement be marked "Confidential," or that the obligations run to documents and things that have been provided pursuant to the purpose of the agreement, whether or not so marked.

Exclusions – Most NDAs exclude information that is publicly known at the time of the disclosure or that subsequently becomes publicly known through no fault of the receiving party. Also typically excluded is information known by the receiving party before disclosure that is known by the receiving party through legitimate means other than from the disclosing party, or required to be disclosed required by law (subpoena, etc.). In proving whether confidential information was known or created by the receiving party before the execution of the NDA, the disclosing party often benefits from mandates that such be proven by dated documentary evidence.



U.S. Patent Statistics *Trending Upwards*

For 2011, U.S. utility patent application figures trended slightly upward yet again. The total of 503,582 utility patent applications is up 2.7% from the 490,226 applications in 2010, and represents an all time high. The shift toward a majority of patents issuing to foreign entities continued in 2011. Of the 224,505 total utility patents that issued in the United States last year, 115,879 (or 51.6%) were issued to residents of foreign countries -- an increase of 3.6% over 2010. U.S. residents accounted for 108,626 (or 48.4%) of the utility patents issued in 2011.

Of the utility patents issued to foreign residents, Japanese residents accounted for 46,139 (or 39.8%). This number is 20.6% of the total U.S. utility patents which issued in 2011, up 0.2% from 2010. As a percentage of the total utility patents, Japan was followed by South Korea, Germany, Taiwan, and Canada. The top ten list was filled out by France, the United Kingdom, China, Israel, and Australia. High growth countries in 2011 (those with more than 500 utility patents granted) included India, China, Sweden, Taiwan, South Korea, Italy, Netherlands, Australia, and Israel.

Within the United States, California once again led all states with 28,148 utility patent grants, 25.9% of all utility patents issued to U.S. residents. This number equates to 12.5% of all U.S. utility patents granted. The other major state contributors as a percentage of all U.S. utility patents were Texas (3.4%), New York (3.1%), Massachusetts (2.3%), and Washington (2.1%).

A total of 907 utility patents were issued to all U.S. Government agencies, which was down 7 from the previous year. The Navy continued to lead the way with the highest percentage of utility patents granted to government agencies at 34.3%, followed by the Department of Health and Human Services at 16.8%, the Army at 14.1%, NASA at 11.8%, and the Department of Agriculture at 5.8%.

Patent Cooperation Treaty (PCT) filings for 2011 saw an increase in total filings of 10.7% up to 181,900, with strong growth from China (+33.4%), Japan (+21%), Canada (+8.3%), the Republic of Korea (+8%), and the United States (+8%), offsetting a mixed performance of European countries, with Switzerland (+7.3%), and France (+5.8%), experiencing growth, while the Netherlands (-14%) and Finland (-2.7%) saw declines. The United States remains the largest user of the PCT system with 48,596 international applications, followed by Japan with 38,888 filed applications, Germany with 18,568 filings, China with 16,406 filings, and the Republic of Korea with 10,447 filings in 2011.

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Patents, Trademarks, Copyrights

The Ubiquitous Non-Disclosure Agreement *Continued from page 2*

Obligations of the Receiving Party –

While the agreement may provide that a party executing the NDA maintain the confidentiality of information, it is important to have more detail. It is often prudent to have the agreement recite that the receiving party shall restrict access of confidential information to only those employees, contractors and third parties who are reasonably required to effect the stated intent (such as attorneys or accountants), and who shall be notified of the confidential obligations. With respect to contractors and third parties, consider including an obligation that they be required to sign non-disclosure restrictions at least as extensive as the underlying NDA. The object is avoiding the receiving party to allow your confidential information to become publicly known.

Duration – It is important to consider from your point of view of the transaction whether there should be a time period, such as the common two, three or five years, or whether it should be perpetual, which would effectively mean that it remains in effect so long as the confidential information remains "confidential," as that term is defined in the NDA.

Miscellaneous – NDAs often recite that nothing in the agreement shall constitute that the parties are partners, joint ventures, or the like, for purposes of liability, and a well-written NDA agreement will provide "boilerplate" legal provisions such as governing law, venue and juris-

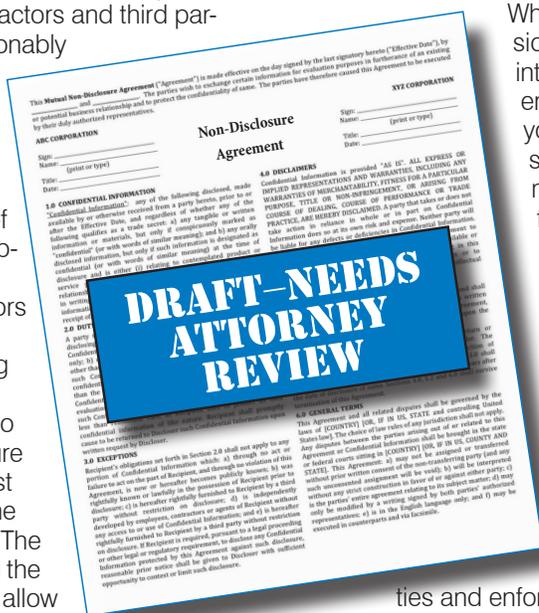
dition - meaning that it defines the laws of a specific state that shall apply should there be the need to litigate the agreement, and defines which courts in what geographic location shall have the right to, or be restricted to hearing the dispute between the parties.

While other legal considerations, such as integration and severability, are points your attorney is best suited to consider, most parties benefit from the inclusion of these two legal principles. Severability means that if a court finds any provision invalid or unenforceable, the remainder of the agreement is interpreted to effect the intent of the parties and enforced. Integration

means that the agreement encompasses the complete understanding of the parties with respect to the subject matter and supersedes all prior proposals, discussions, agreements and undertakings to avoid any prior negotiations being misunderstood.

With all said – while NDAs are common and most often short, there are areas that should always be reviewed to see if they benefit your side of the transaction. It is common to negotiate revisions so that they further your position. Your counsel is best involved in revising an NDA, which depending on how constructed, can either help to protect or destroy your valuable assets.

To discuss confidential matters, please email Howard N. Aronson at: HAronson@Lackebach.com



Better than Gold

Patents increase 10,000% in value

Once pegged at \$35 per ounce, in 1971 President Nixon allowed gold to trade freely. Now, 41 years later, after a 4700% increase in value, gold hovers around \$1650 per ounce. Patents cost about \$10,000 or so to secure. Prices per patent in the sale of some large patent portfolios have reached \$1,000,000! A 10,000% increase in value often in less than ten years. **Patents are the new business gold.**

Some years ago the "patent troll" NTP that owned a few patents related to RIM's Blackberry technology sued RIM for patent infringement, forcing it to settle for a reported \$612,500,000. **But little did we know then that \$600 Million would be eclipsed by two recent patent infringement suits (Monsanto suing Du Pont and Apple suing Samsung) each precipitating \$1 Billion jury verdicts.**

In connection with the sale of patent portfolios, we have seen \$1.1 Billion; \$4.6 Billion; and \$12.5 Billion passing hands recently. Microsoft broke the Billion dollar barrier when it purchased 800 patents from AOL at \$1,375,000 per patent. So when Apple, Microsoft and others (trumping Google and Intel) purchased 6000 patents from Nortel Network for \$4.6 Billion – the \$700,000 per patent price did not offend. When \$12.5 Billion traded hands between Google and Motorola Mobility for a company that reportedly owns approximately 20,000 patents world wide, the price of less than \$520,000 per patent seemed palatable. But why spend fortunes for large patent portfolios when only a few key patents were sufficient for NTP to secure \$612,500,000 from Blackberry, and when Apple needed essentially two patents related to an ancillary feature of its iPhone to assault HTP Corp, Motorola, and Samsung.

There may be great value in patents that are related to only ancillary features and components of a product or process. By way of example, technology developed in 2005 by Apple for its "slide to unlock" feature is embodied in only two of its primary patents. With such low technology patents, Apple has now sued its competition to slow them down, and is causing uncertainty and substantial expenses to be incurred.

The American Intellectual Property Law Association reports in its 2011 Survey that patent infringement law suits that have over \$25 million at risk now cost an average of \$6,018,000 in legal fees and even for patent suits with less than \$1 million at risk cost an average of \$916,000.

Patents, the business gold – are valuable to attack, counter attack, and as a resource for sale and licensing. Wise businesses now recognize the great power and value of a patent.



\$\$\$ Billion – the New \$\$\$ Million

By Robert Golden

Within a few weeks of each other, juries in two separate patent infringement actions handed down \$1 Billion verdicts. If the verdicts survive post-trial motions and appeals (and if the parties do not otherwise settle the cases), they will be among the five largest patent verdicts ever. **First, in early July, a jury in the Federal District Court in St. Louis handed down a \$1 Billion judgment in a patent infringement lawsuit brought by Monsanto Co. against DuPont Co. related to the plaintiff's Roundup Ready seeds. Then, at the end of August, a jury in the Northern District of California awarded Apple \$1.05 Billion in its much-publicized dispute with Samsung.**

Aside from the size of the awards, both litigations are notable for their underlying legal issues. In the Monsanto case, the jury awarded the verdict notwithstanding the fact that DuPont never sold the infringing product. Though the decision is difficult to analyze because the court's ruling and many of the damages-related documents were sealed to protect the parties' proprietary business and financial information, it appears that the verdict was based on DuPont's pre-sale activities using Monsanto's patented technology, including research, development, and pre-sale preparations. The speculation is that the amount of the jury's verdict was based on the parties' pre-litigation licensing discussions.

In the Apple litigation, the majority of Samsung's infringement was based on Apple's design patents, which as opposed to utility patents, share more in common with trademarks, as they protect only a product's ornamental, non-functional features. A design patent is infringed when "in the eye of an ordinary observer" the allegedly infringing design and the patented design are "substantially the same." **Throughout the trial, Samsung had derided Apple's design patents as merely protecting "rectangles with rounded corners." Nevertheless, the Apple design patents were found to be valid and, in many instances, infringed.**

Monsanto developed and patented genetically modified seeds (for soybeans and other crops) that can withstand the application of the weed killer Roundup. Inclusion of the "Roundup Ready" gene in seeds allows farmers to apply Roundup to the crop, killing off the weeds but leaving the crop unharmed. DuPont had attempted to develop its own Roundup resistant gene called Optimum GAT, but later decided to combine its gene with the Roundup Ready gene. Monsanto claimed DuPont did so to hide the fact that Optimum GAT did not work.

In broad strokes, the complicated area of assessing damages in a successful patent infringement suit are aimed at rendering the plaintiff whole ("damages adequate to compensate for the infringement" but in no event "less than a reasonable royalty for the use made of the invention by the infringer..."). In view of the fact that during licensing negotiations between the parties that took place prior to the commencement of the lawsuit, DuPont apparently offered royalties that would have precipitated \$1 Billion revenue for DuPont (based upon an anticipated \$3 billion in profits according to some commentators), many assume that it led the jury to award \$1 billion as a "reasonable royalty." Troubling is the lack of any product sales in the marketplace when the relevant statute mandates that the "reasonable royalty" be "for the use made of the invention by the infringer." In this case, the "use" had to entail internal machinations by DuPont, not revenue generating sales to commercial purchasers.

The Monsanto verdict is the fifth largest patent infringement verdict in U.S. history (the fourth largest until the Apple verdict).

Two of the three larger verdicts (excluding the Apple verdict) were reversed on appeal, and the third was cut by approximately two thirds as a result of a settlement reached before the appeal was decided.

Aside from an appeal, DuPont, in a separate action has sued Monsanto for anti-trust and patent misuse in a litigation that will be presented to a jury in September 2013.

Monsanto has publicly declared that the decision illustrates DuPont's "unauthorized use of the Roundup Ready technology [that] was both deliberate and aimed at rescuing its own failed technology." As such, the jury held DuPont to willful infringement, which enables a court to grant attorney's fees as well as treble damages. While it is clear that DuPont explored developing the special seed to compete with Monsanto, on a corporate level it terminated plans for commercial exploitation of the product during 2011 and made no sales of such seed in commerce. The ebullient Monsanto notes the verdict as highlighting recognition of its "substantial investment[s] in developing cutting-edge technology" and that its intellectual property rights were "fairly valued."

In view of the large numbers involved, we hope to find an explanation by the U.S. Court of Appeals for the Federal Circuit, about the astronomical dam-

age award once an appeal is argued and decided. But as the judgment has only recently been handed down, the court may modify the verdict in connection with post-trial motions, or the parties could reach a post verdict settlement.

The patent infringement battle between these two titans has certainly grabbed the attention of patent owners and patent litigators. DuPont's available court papers indicate four law firms appearing on its behalf, but such legal bulk did little to avoid a devastating loss.

The Apple case is part of Apple's worldwide battle against not only Samsung, but against Google and all phone and tablet manufacturers using Google's Android operating system. The ongoing battle has not only played out in the courts, but in the ongoing "arms race" to obtain patents. In August of 2011 Google announced its intention to buy Motorola Mobility and its patent portfolio for \$12.5 Billion (a deal which was not concluded until May of this year, based in large part, on US Justice Department and other governments' review and approval). Google's Motorola Mobility purchase was apparently motivated by Apple's \$4.6 Billion purchase (as part of a consortium) of Nortel's patent portfolio.

Each side in the battle is attempting to arm itself with a large patent portfolio in the hopes of either discouraging suits or providing counter-strike capability. Indeed, this is the strategy Samsung followed in the case against Apple, by asserting counterclaims for infringement of two patents that Samsung claimed were essential to standard wireless technology. The jury, however, rejected Samsung's infringement claims.

Apple, Samsung, Google, and Motorola have all been engaged in litigation around the country, and around the world. The parties have asserted claims of patent infringement, as well as various antitrust claims arising from alleged violations of rules and regulations relating to the licensing of "standard-essential" patents. The recent \$1.05 verdict is certainly the most decisive blow to date, but hardly the end of this ongoing war.

In both of these patent infringement cases the jury award represents shockingly large damage assessments, determined necessary to render the respective plaintiffs whole. The long term commitment to protect intellectual property proved to be a valuable investment.

To discuss money damages, please email Robert Golden at: RGolden@Lackebach.com

Off Shore or On Shore?

"It is not paranoia if they're stealing your secrets."

Is Outsourcing No Longer In? *continued from page 1*

these advantages also would allow for better protection of trade secrets and related IP.

Rebecca Bagley writes in *Forbes*, "Labor costs are just the beginning." She goes on to explain that there are varied costs associated with foreign manufacture that are far higher abroad than at home, including, "the almost incalculable potential for lost intellectual property offshore." GE, Google, Microsoft, and BASF are turning their backs on China and heading back to the U.S. because of China's failure to protect intellectual property.

A recent U.S. Department of Commerce report highlighted the importance of IP to the U.S. economy, stating that IP intensive industries directly accounted for 27.1 million American jobs, or 34.8 percent of the U.S. gross domestic product. Foreign IP theft has a monumental cost, and has influenced companies to re-shore.

A Massachusetts wind energy company suffered a loss of 70% of its business after a Chinese partner enticed one of its employees to steal the company's premier technology. As the *New York Times* observed, "[S]tories like [these] are rampant. Japanese and European companies like Kawasaki Heavy Industries and Siemens AG say they are competing against their once junior Chinese partners and their own technology for global high-speed rail business." *Business Week* ("Inside the Chinese Boom in Corporate Espionage") reported numerous corporate spying cases involving China:

"This campaign has been in the works for years and targets a swath of industries: biotechnology, telecommunications, and nanotechnology, as well as clean energy. One U.S. metallurgical company lost technology to China's hackers that cost \$1 billion and 20 years to develop, U.S. officials said last year. An Apple global supply manager pled guilty in 2011 to funneling designs and pricing information to China and other countries; a Ford Motor engineer was sentenced to six years in prison in 2010 for trying to smuggle 4,000 documents, including design specs, to China. Earlier this month, the National Aeronautics and Space Administration told Congress that China-based hackers had gained access to sensitive files stored on computers in the Jet Propulsion Laboratory."

Forbes reported that "espionage risks increase when executives step onto China's soil" and quoted Alan Paller of the security-focused SANS Institute:

"When you get off the plane in China, it takes seconds for your cell phone to become a beacon for them to watch you and monitor communications. If you have a cellphone, you're communicating with the government whether you want to or not... It's intellectual property theft at an enormous rate."

A *Business Week* reviewer commented, "It's not paranoia if they're stealing your secrets."

Harry Moser points out that "offshoring" ultimately contributes to instability and waste. Moser's *Total Cost of Ownership Estimator* is featured in the Reshoring Initiative Website: http://reshorenw.org/TCO_Estimator.cfm and includes intellectual property among his criteria. Investment advisors Manning & U Napier explain:

"Intellectual property...rights are not as strong in most [emerging markets], especially China, as they are in America and other developed nations. As China has begun to create its own companies to penetrate its consumer market, there have been ongoing issues with theft of intellectual property from U.S. companies. There have also been accusations of adding extra shifts to multi-nationals' factories to make counterfeit products. Companies are becoming increasingly tired of dealing with this, and it is making them rethink current and future operations in China."

The Center for Responsible Enterprise and Trade (CREATE.org) writes,

"Several economic trends have escalated the risk and prevalence of trade secret theft, including the globalization of trade and interconnected supply chains, the growing importance of innovation and information technology to competitiveness, and the rise of overseas markets as a critical source of production and economic opportunity."

"In countries with a weak rule of law, trade secret theft is so pervasive and so clearly a part of a strategy in certain intellectual property-intensive industries that supply chains in operation in those countries inevitably create vulnerabilities and access points for theft of trade secrets. Companies have suffered crippling financial losses, been forced to eliminate jobs..."

In sum, the immediate advantage of cheaper overseas labor costs must be insightfully balanced against quality control issues that can permanently damage good will as well as stolen IP and theft of trade secret costs. Many companies now see such costs weighing in heavier than short term labor savings.

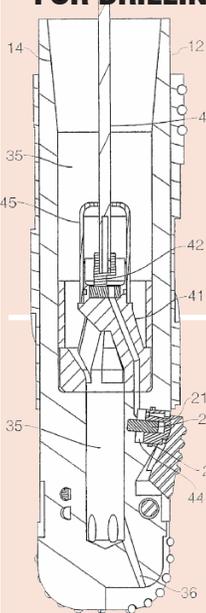
To discuss intellectual property protection, please email Eileen DeVries at: EDevries@Lackebach.com

Patents, Trademarks, Copyrights

PATENT CORNER

Continued from Page 1

STEERABLE ROTARY DIRECTIONAL DRILLING TOOL FOR DRILLING BOREHOLES



United States Patent Number: **8,141,657**

Date of Patent March 27, 2012

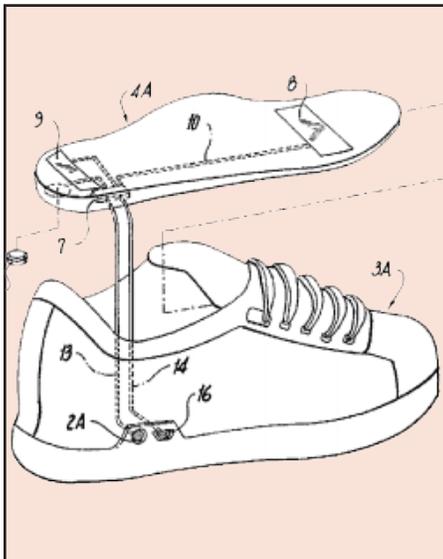
Assignee: Merciria Limited, Nottinghamshire (Great Britain)

Notable, Recent LS Patents

STIMULUS TRAINING SYSTEM AND APPARATUS TO EFFECTUATE THERAPEUTIC TREATMENT

Patent No.: 7,997,007

Assignee: Early Success, Inc. (USA)



METHOD AND SYSTEM FOR DETECTION AND COMPENSATION OF A RAPID TEMPERATURE CHANGE ON A PRESSURE MEASUREMENT CELL

Patent No.: 8,099,249

Assignee: VEGA Grieshaber KG (Germany)

HORN DEVICE HAVING A POWER SUPPLY AND AN ELECTRICAL CONTROL CIRCUIT

Patent No.: 8,149,097

Assignee: Wolo Mfg., Corp. (USA)

RETRACTABLE UTILITY KNIFE

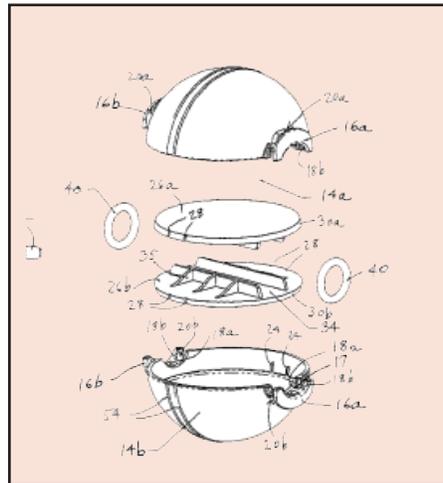
Patent No.: 8,201,336

Assignee: Olympia Tools International, Inc. (USA)

PERCUSSION ACCESSORIES FOR DRUMSTICKS

Patent No.: 8,058,541

Assignee: Rhythm Tech Inc. (USA)



BOTTLE

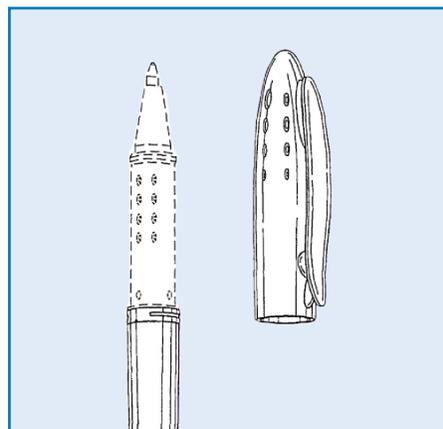
Patent No.: D645,756

Assignee: Rensselaer Polytechnic Institute (USA)

PEN

Patent No.: D641,404

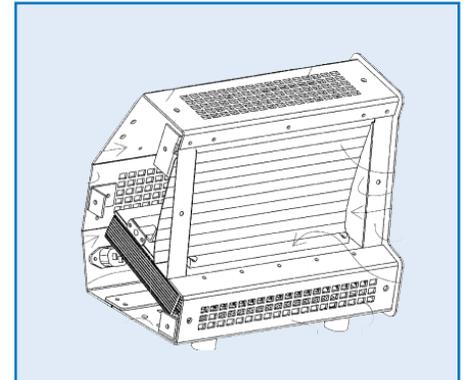
Assignee: Mitsubishi Pencil Company, Limited (Japan)



LED CYCLORAMA LIGHT

Patent No.: 8,152,332

Assignee: Altman Stage Lighting Co., Inc. (USA)



EXTENDABLE UTILITY BAR

Patent No.: 8,061,688

Assignee: JPJ Investment Holding Corp. (USA)

FIRE-RESISTANT ORDINARY CERAMIC BATCH, AND FIRE-RESISTANT PRODUCT THEREFROM

Patent No.: 8,030,236

Assignee: Refratechnik Holding GmbH (Germany)

METHOD FOR COUPLING ONLINE AND INTERNET SERVICES

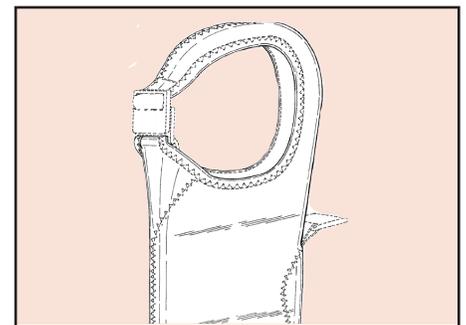
Patent No.: 8,010,641

Assignee: T-Mobile Deutschland GmbH (Germany)

BOTTLE HOLDER

Patent No.: D650,985

Assignee: Built NY, Inc. (USA)



RESCUE TOOL

Patent No.: 8,065,939

Assignee: Channellock, Inc. (USA)

SPINDLE BEARING ARRANGEMENT FOR A LONGITUDINAL SEAT ADJUSTING GEAR

Patent No.: 8,176,805

Assignee: IMS Gear GmbH (Germany)

COLLECTABLE GIFT CARDS

Patent No.: 8,186,599

Assignee: Royalty Pros Licensing, LLC (USA)

Domains, Internet and Advertising Law

TRADEMARK CORNER

Notable, recent LS Trademarks

SARABANDA

Registrant: WMiniconf S.r.L. (Italy)

NIKKEI

Registrant: Kabushiki Kaisha Nihon Keizai Shimbun Sha dba Nikkei Inc. (Japan)

RIVALEONE

Registrant: MGM Mondo Del Vino S.r.L. (Italy)

IMPULSIVE GROUP A LIFESTYLE HOSPITALITY COMPANY

Registrant: Impulsive Enterprises Ltd. (USA)



HONORA

Registrant: Honora Industries, Inc. (USA)

HAVERSELECT

Registrant: Haver Analytics, Inc. (USA)

TONEPRINT

Registrant: T.C. Electronic A/S (Denmark)

D.A.P.

Registrant: Pelliconi & C. S.P.A. (Italy)

EDARBI

Registrant: Takeda Pharmaceutical Company Ltd. (Japan)

BALANCEON

Registrant: Ezaki Glico Kabushiki Kaisha (Japan)

TRIANGLE Design

Registrant: Éclairage Roger Pradier (France)



POLIDIRECT

Registrant: Polimport Comércio e Exportação Ltda. (Brazil)



CREATIVE ROOTS

Registrant: Horizon Group USA, Inc. (USA)

THE PIANO GUYS

Registrant: TPG Productions LLC d/b/a The Piano Guys (USA)

BARBIZON

Registrant: Barbizon International, LLC (USA)

LABYRINTH SYSTEM

Registrant: Arte Corporation (Japan)

ICUT-PRO

Registrant: Dexter- Russell, Inc. (USA)

DIAFLAME

Registrant: LGP Gem Ltd. (USA)

-KC

Registrant: Kenneth Cole Productions, Inc. (USA)

THE MUSCLE COMPANY

Registrant: Myos Corporation (USA)



B (stylized)

Registrant: Burtco Enterprises, Inc. (USA)

MCQTECH

Registrant: Albert Metz GmbH & Co. KG (Germany)



VIRTUS WAFER

Registrant: Zhejiang Yuhui Solar Energy Source, Co., Ltd. (China)

SENSE ENGINE

Registrant: Crystal Semantics Limited (United Kingdom)

TOM CAT BAKERY

Registrant: Bakewise Brands, Inc. (USA)



TUTU ANNA

Registrant: Tutuanna Co., Ltd. (Japan)

QUBICA AMF THE POWER OF PARTNERSHIP

Registrant: Qubica AMF Worldwide S.A.R.L. (Luxembourg)

SOFT WHISPER BY POWERSTICK

Registrant: A.P. Deauville, LLC (USA)

MITSUKAN

Registrant: Kabushiki Kaisha Mitsukan Group (Japan)

ISENSE

Registrant: Ad Pepper Media International N.V. (Netherlands)

CHANNELLOCK

Registrant: Channellock Inc. (USA)



THE DUNES EAST HAMPTON

Registrant: Safe Harbor Retreat LLC (USA)

SKINGENECELL 1P

Registrant: Shiseido Company, Ltd. (Japan)

MOCA

Registrant: Neurosearch Developments, Inc. (Canada)

Continued on Page 9

More Patents

PATENT CORNER

Continued from Page 6: Patent Corner

UKULELE

Patent No.: D652,069

Assignee: Team International Music, Co., Ltd. (Taiwan)

VIDEO ENDOSCOPE

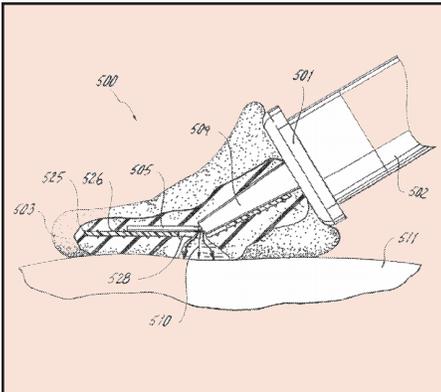
Patent No.: 8,211,008

Assignee: Digital Endoscopy GmbH (Germany)

DISPENSING APPLICATOR FOR FLUIDS

Patent No.: 8,186,897

Assignee: Biomed Packaging Systems, Inc. (USA)



METHOD FOR PIN-LESS REGISTRATION OF A PLURALITY OF LAMINATE ELEMENTS

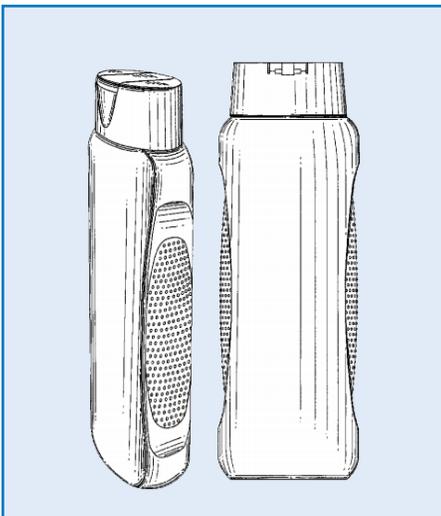
Patent No.: 8,065,121

Assignee: Duetto Integrated Systems, Inc. (USA)

BOTTLE

Patent No.: D646,978

Assignee: A.P. Deauville, LLC (USA)



PRY BAR ERGONOMIC HANDLE

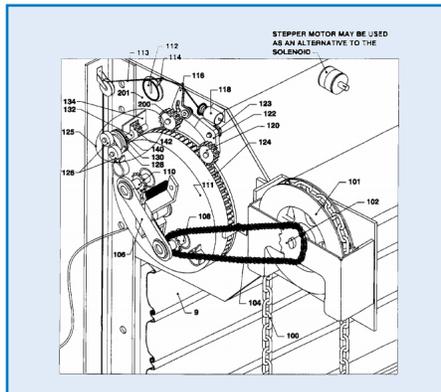
Patent No.: 8,032,991

Assignee: Mayhew Steel Products, Inc. (USA)

METHOD AND APPARATUS FOR DRIVING A ROLLER SHUTTER DOOR

Patent No.: 8,069,896

Assignee: Alpine Overhead Doors, Inc. (USA)



RECEIVER UNIT

Patent No.: D650,809

Assignee: Sound Associates, Inc. (USA)

FLOOR LAMP

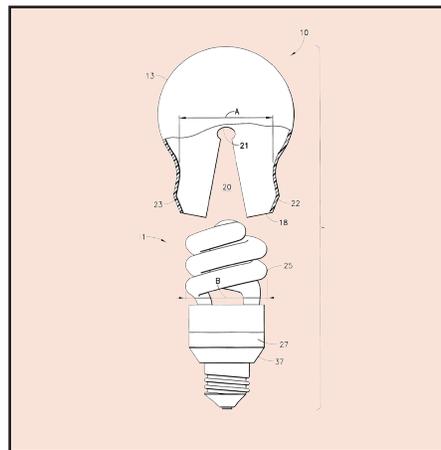
Patent No.: D641,915

Assignee: Herbert Waldmann GmbH & Co. KG (Germany)

COVER SLEEVE FOR CFL BULB

Patent No.: 8,215,803

Assignee: Gregg Singer (USA)



SHOE SOLE

Patent No.: D659,960

Assignee: Aerogroup International Holdings LLC (USA)

FIRE DETECTOR

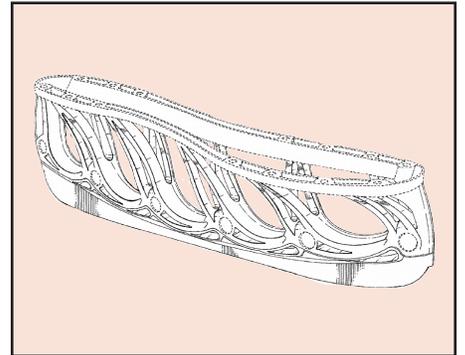
Patent No.: D641,645

Assignee: Hochiki Corporation (Japan)

SKATE SUPPORT

Patent No.: D659,216

Assignee: T'Blade SportTech GmbH (Germany)



HAIR TREATMENT COMPOSITION

Patent No.: 8,273,336

Assignee: Shiseido Company, Ltd. (Japan)

SURGICAL INSTRUMENT WITH A SHAFT HAVING A SLIDING PART

Patent No.: 8,206,408

Assignee: Rebstock Instruments GmbH (Germany)

REUSABLE ASSEMBLY FOR CONTAINING, DISTRIBUTING AND CONSUMING MINERAL WATER

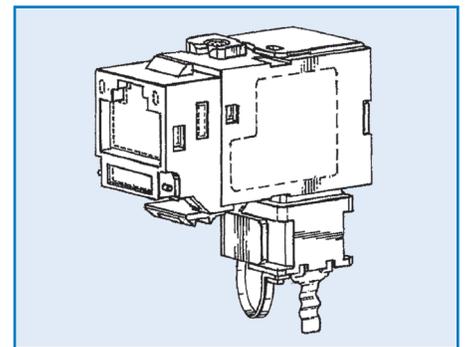
Patent No.: 8,002,145

Assignee: Stop Air Locacao de Sistemas de Embalagens de Liquidos Ltda. (Brazil)

WIRING OUTLET MODULE

Patent No.: D658,584

Assignee: MC Technology GmbH (Germany)



BUS BAR

Patent No.: 8,167,632

Inventors: Friedbert Bruetsch (Germany)
Ronald Dold (Germany)

INTEGRATED CIRCUIT CHIP COMPONENT, MULTI-CHIP MODULE, THEIR INTEGRATION STRUCTURE, AND THEIR FABRICATION METHOD

Patent No.: 7,977,801

Inventor: Ryo Takatsuki, Oita-Ken (Japan)

More Trademarks

TRADEMARK CORNER

Continued from Page 7: Trademark Corner

KUREHA

Registrant: Kureha Corporation (Japan)



V DESIGN

Registrant: Vociality International Limited (United Kingdom)



REPORTER

Registrant: Fin.Ing. S.R.L. Italy Limited Liability Co. (Italy)

SINDOPOWER

Registrant: Semikron International GmbH (Germany)

LEJAY DEPUIS 1841

Registrant: Lejay Lagoute (France)

PIXIV

Registrant: Pixiv Inc. (Japan)

DEICA

Registrant: Nishida, Yoshiaki (Japan)

PORPOISE DESIGN

Registrant: Ctrip.com International, Ltd. (Cayman Islands)



MARIO VALENTINO

Registrant: Mario Valentino S.P.A. (Italy)

DEX STEEL U.S.A.

Registrant: Dexter-Russell, Inc. (USA)

CLASSICAPLUS

Registrant: Alitalia S.P.A. (Italy)

BLUE LINK

Registrant: Hyundai Motor America (USA)

SOUNDCHECK

Registrant: WNYC Radio (USA)

BURMERVELD

Registrant: Burmerveld BV (Netherlands)

E.UMM

Registrant: Calzoni S.R.L. (Italy)

SIAL

Registrant: Societe Pour L'Expansion Des Ventes (France)

BLACK EIGHT 8

Registrant: Beijing Century Haoyun Lingyin Music Instrument Corporation (China)



FRONTOR

Registrant: J.G. Weisser Sohne GmbH & Co. (Germany)

WIND DANCERS

Registrant: Reeves International, Inc. (USA)

TORAYCA

Registrant: Toray Kabushiki Kaisha (Japan)



CHAMPAGNE THEOPHILE A REIMS T&C

Registrant: Champagne Louis Roederer (France)

JX NIPPON OIL & GAS EXPLORATION

Registrant: JX Holdings, Inc. (Japan)

KAISER

Registrant: Nekarth Industria e Comercio de Pecas Emaquinas, Ltda.(Brazil)

PMC PRO

Registrant: Mitsubishi Materials Corporation (Japan)

PMTURBO

Registrant: Advantest Corporation (Japan)

H

Registrant: The H Company IP, LLC (Halston) (USA)



RED NOSE

Registrant: Xtreme Sports Importacao E Comercio Ltda. (Brazil)



REDEX

Registrant: Redex (France)

TESTONI

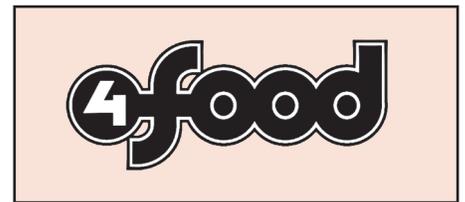
Registrant: A. Testoni S.P.A. (Italy)

HERB TREE

Registrant: W. Atlee Burpee Company (USA)

4FOOD

Registrant: 4Food, LLC (USA)



IGNITE-NOT

Registrant: Louis Hornick & Co., Inc. (USA)

FURLA CANDY BAG

Registrant: Furla S.P.A. (Italy)



CHOICE OF CHAMPIONS

Registrant: Everlast World's Boxing Headquarters Corp. (USA)

Red Lacquer Trademark?

Attorney Profile Continued from Page 1: Eileen C. DeVries

highly technical businesses such as automobile, electronics and pharmaceutical manufacturers, to food supply and beverage companies, as well as fashion and cosmetics companies. Her background in litigation allows her to identify issues in trademark clearance that help clients select and adopt trademarks and service marks, including slogans and design marks, avoiding potential conflicts.

In the Litigation Department, Ms. DeVries prepares briefs and motions related to team on trademark, trade secret, patent, copyright and trade dress matters, in federal district courts and before the United States Trademark Trial and Appeal Board. She has a particular expertise in media law and publication issues. She combines legal training and investigative skills with editing and writing proven to help produce polished submissions that present clients' arguments in the most effective and persuasive manner.

Ms. DeVries is admitted to the bar of the State of New York and to the Federal District Court in the Southern and Eastern Districts of New York. She is a co-author of "Protecting Designs by Trademarks, Copyrights, and Design Patents," in the treatise, *Intellectual Property Counseling*

and Litigation. Prior to being a part of the Lackenbach team, she has practiced intellectual property law with the firm of Nixon, Hargrave, Devans and Doyle, as well as with St. Onge, Steward, Johnston and Reens.

A graduate of Wellesley College, Ms. DeVries holds a J.D. from Cornell Law School and an M.A. in Mass Communication from the University of Minnesota. She is a member of the American Bar Association and the New York State Bar Association and their Intellectual Property and Litigation Sections, as well as the Connecticut Blue Star Mothers and the Federalist Society, Connecticut Lawyers Chapter.

Her firm foundation in writing and researching created at Wellesley and honed at University of Minnesota, coupled with her extensive and rigorous legal education at Cornell, have created a multi-faceted, talented attorney in demand by many of the firm's clients.

Stellar factual research, as well as her creative, compassionate and aggressive legal advice have enabled many Lackenbach clients to achieve favorable results when facing difficult and seemingly damaging legal outcomes.



Dorothy's Ruby Red Shoes Got Less Attention

Not often do both sides of a bitterly fought litigation claim victory. *Yves Saint Laurent* (YSL) was sued by *Christian Louboutin* over the use of the color red for shoe soles.

Louboutin owns a federal trademark registration for a Chinese-red color outsole on a shoe, and in the marketplace is notable and recognizable for its bright red lacquer soles.

Louboutin attacked YSL for selling an all red "monochromatic" shoe and an Appellate court recently handed both sides a partial victory after a lower court had ruled for YSL by initially holding that trademark rights could not exist in a single color within the fashion industry. The appellate court was clear—a single color item can "acquire trademark significance," even in the fashion industry. While the appellate court upheld rights in the color red for shoe soles, when there is a contrasting upper color, it specifically allowed continued sales of the "monochromatic" all red YSL shoe.

A win for all, especially single color trademark owners in the fashion industry. It was encouraging to see the lower court judge reversed, as his views were contrary to basic trademark law, which demands an assessment as to whether the purchasing public associates a single color with one designer or source. A director of Fordham University's Fashion Law Institute opined that the judge

"went way off the reservation," getting "bigger than his robe" and that the appellate court nicely trimmed his legal robes "back down to size."

The lower court thought that the ownership of the color red for a fashion item would "cast a red cloud over the whole industry, cramping what other designers could do while allowing Louboutin to paint with a full palette." The judge failed to comprehend that trademark rights exist based upon what the purchasing public perceives and relies upon at the point of purchase — regardless of whether it is a single color, product shape, logo or word. The decision never materially impacted color marks outside the fashion industry.

The appellate decision allows single color trademarks to continue to exist, both within and outside the fashion industry. There were actually three winners after this appeal — both parties and the public that rely upon color marks for purchasing decisions.

No law firm has more experience protecting color trademarks than Lackenbach Siegel, which filed an Amicus Curiae ("Friend of the Court") Brief with the U.S. Supreme Court in 1995 in the seminal color case, Qualitex. Lackenbach has secured many color trademark registrations for its clients and successfully defended such rights over the last 30 years. Color, smell, sound, and product shape are all potentially protectable as trademarks when non-functional and used for a sufficient period of time so as to become distinctive. Please call to have a Lackenbach attorney review your colors.



No More Rules, Please!

NEW TRADEMARK OFFICE PILOT STUDY

Steer Clear of Unsold Goods

In May of 2012, the Trademark Office published new rules as part of a pilot study aimed at determining accuracy of the trademark register. The new rules give trademark examining attorneys authority to request, at the proof of use (Sections 8 and 71) stages, additional evidence of use, including specimens of use, sufficient to establish use of all of the goods listed in the registration. The pilot study - intended to last for two years - went into effect on June 22, 2012. The requests for additional proof will come in the form of a post-registration office action, and the Trademark Office has already started issuing such actions. While the right to request additional proof existed with respect to new applications, prior to the implementation of the new rules, the authority to request such additional proof post-registration did not exist. **At the conclusion of the two year study, the Trademark Office will evaluate the results and determine whether or not to permanently implement the new rules.**

The US Trademark Office explained its rationale:

"The objective of the final rule is to facilitate the USPTO's ability to verify the accuracy of identifications of goods/services in trademark applications and registrations. The rule ensures that the USPTO may properly examine the nature and veracity of allegations of use made during the trademark application or post registration phase, and upon request, may require additional specimens or other information or exhibits, such as a photograph of the mark appearing on certain goods. Another purpose of the rule is to harmonize the requirements that can be made as part of the examination of use allegations made in post registration maintenance documents, which are currently more limited, with the requirements authorized in the examination of use allegations made prior to registration."

The initial program will be fairly limited, and the process and timing will be familiar. The Trademark Office will randomly select approximately 500 trademark registrations for which a Section 8 or 71 affidavit was filed and issue an Office action requiring additional proof of use of the mark. Although a declaration will be required to verify the proof of use, one declaration may support all the additional proof. The random selection will include all types of registrations and will represent

less than 1% of the total number of affidavit usually processed during a typical six month period." Normal response times, namely six months, will apply to these office actions.

The motivation for the pilot program was, at least in part, the Court of Appeals for the Federal Circuit's decision in *In re Bose Corp.*, (Federal Circuit 2009), clarifying the high standard for fraud on the USPTO in trademark cases and overruling a number of TTAB decisions which had lowered the bar for fraud. Based on the high standard of fraud, and the holding that only a finding of fraud would result in cancellation of the entire registration (as opposed to a finding of mistake which would result only in cancellation of specific goods), there remains little to insure the accuracy of the trademark register. Thus, the new rules introduce another layer of accountability, whereby registration owners may be forced to prove that they actually use the mark on all of the goods or services listed in their registration, thereby insuring the accuracy of the register. Under the new rules,

"if a response is filed but fails to include the required evidence or specimens, the USPTO will deem the Section 8 or 71 affidavit unacceptable as to the goods or services to which the requirement pertained and delete them from the registration. Such a response may also trigger a further requirement for proof of use as to some or all of the remaining goods/services. However, assuming the Section 8 or 71 affidavit is otherwise acceptable, and any requested proof of use as to remaining goods/services is satisfied, the remaining goods/services will be unaffected. By contrast, if no response to the Office action is filed within the response period, and no time remains in the statutory filing period, the registration will be cancelled (37 CFR 2.163(c), 7.39(b))."

From a practical standpoint, registration owners should take care to carefully review their actual usage within or with the US at the time of proof of use (Section 8 or 71 for Madrid Protocol registrations) and renewal so as to avoid the possible negative implications of the failure to prove use upon request from the Trademark Office.

The new rules can be found at <http://www.gpo.gov/fdsys/pkg/FR-2012-05-22/pdf/2012-12178.pdf>.

INVENTIONS OF THE YEAR

The European Patent Office granted its *Inventor Awards* for **Research**, for a hepatitis B treatment that presents less cross-resistance with other pharmaceuticals, to French scientists and for **Industry**, recognizing a computer-aided individually fitted hearing-aid device, to Danish inventors.

Popular Science magazine recognized an Australian automotive engineer for his high-efficiency, low-emission engine that utilizes heated oil by redirecting exhaust gas into a bypass to create a less viscous lubricant. It also recognized an inflatable abdominal tourniquet that urges a wedge-shaped bladder against a patient's aorta invented by a Desert Storm medic and an Army surgeon.

Ideal Home Show awarded its highest honor to a smell producing robot that produces fragrances based on a users internet occurrences, responding with different smells to different functions, e.g., a tweet, reminder, etc. It can produce both pleasant odors (strawberry or lemon) as well as annoying smells (fish or trash).

Ireland's **University College Cork** awarded its prestigious *Innovation of the Year* to an inventor at the Tyndall National Institute for a component of a high-performance frequency synthesizer for use with wireless communication signals. The *High Sciences Invention of the Year* was awarded for a gastrointestinal feeding tube placement kit for surgeons that spans the gastrointestinal and abdominal walls.

Acknowledgement Zone

Howard N. Aronson continued his longstanding tradition of being positioned among the top trademark filers in the nation, filing 350 applications last year. Remarkably, over 300 prior filed applications granted as registrations last year, exceeding virtually all other filers.

- and -

Andrew F. Young filed over 135 patent applications, and secured 90 granted patents last fiscal year - a preeminent accomplishment and personal best.

International Trademark Department

RO'S OBSERVATIONS

By Rosemarie B. Tofano

Philippines – Famous Mark Protection –

The Supreme Court prohibited registration of HARVARD JEANS USA for jeans in view of the famous HARVARD university name. The registration was cancelled because Philippines law prohibits "registration of a mark which may disparage or falsely suggest a connection with persons, living or dead, institutions..." The Court held HARVARD internationally "well-known" and considered its registration in 50 countries very probative, as well as the 350 year old history and extensive global promotion. "Well-known" status prevents third party registration regardless of whether the university registered its mark in the Philippines or not.

Cayman Islands, Turks & Caicos – Burdensome Annual Renewals –

These Island jurisdictions have instituted annual maintenance fees. In the Turks & Caicos, it became effective for all marks as of January 1, 2012. Should a renewal fee be missed for over a month, trademark rights become

suspended until the fee is paid. While the renewal cost is approximately \$100, a seemingly small government charge for maintenance, the obligation being annual is administratively oppressive. It also distinguishes these countries from the majority of other global jurisdictions that require renewal every ten years. One would hope that local law firms will establish multi-year procedures to reduce administrative costs and correspondence.

Thailand – Successful Seizure Action –

It has become easier to secure a Civil Court seizure (an "Anton Pillar" order) against a terminated licensee if there is a clear contractual breach, and evidence of irreparable harm and urgency. The relief allows the court's Execution Office to take possession of the contested illegal goods. As securing relief against businesses has previously been illusive, the issuance of a seizure award in 2011 is notable. It was fairly common practice for terminated licensees – to continue making the licensed goods for sale. Such activity has almost always been considered a civil wrong, thus criminal relief using the police was not available. The issuance by a civil court of an effective Anton Pillar order is welcome and should help Thailand attract production contracts from previously trepid foreign companies.

Korea – Meaningful Piracy Enforcement –

The Korean Special Police Squad for Trademarks was recently created and confiscated approximately 50,000 counterfeit items from a total of 141 companies. This represents a 600% increase in the number of companies charged than in 2010 before the special squad was commissioned. The effectiveness of the Special Police is credited to its independent status – not requiring coordination with the prosecutors' office or regular police. Seizure statistics show clothing and accessories accounted for the majority of seized products, followed by bags and shoes.

European Union – Slogans Face Hurdles –

The General Court upheld both the Appellate Court and an examiner who refused BETTER HOMES AND GARDENS for registration for insurances services. It was found devoid of any distinctive character considering English syntax, grammar and meaning. The Appellate Court found the phrase banal, and the General Court held the phrase would be directly understood for its services aiding in securing better homes and gardens. The High Court found the mark "not particularly original or resonant" and that it did "not require at least some interpretation or thought on the part of the relevant public."

NOTABLE DEVELOPMENTS *By Rosemarie B. Tofano*

Portugal – While the law provides that a company name may be refused on the grounds of a prior registered trademark, and the reverse also being the law, there is no search by the company name Registry of trademark registrations. To remedy the situation, there is now a notification procedure provided for national, CTM and IR registrations effective in Portugal. A Declaration with trademark particulars is filed to prevent a confusingly similar company name. If the Registry grants a company name that appears similar after a Declaration is filed, remedial action can be taken by way of an administrative opposition.

Saudi Arabia – A jail sentence was imposed on an infringer for the first time. The defender had six prior offenses, each of which resulted in an increased fine. Finally, at the next offense, the governing authority recommended to the high court to impose imprisonment. Publically, the Anti-Piracy Alliance issued a statement pointing to "huge losses for the Saudi economy" that piracy brings to justify that unique sentence.

OHIM – The long awaited and valuable mediation system was introduced October 24, 2011 and serves as an alternative to an appeal to the Board of Appeals in trademark and design applications. It allows for resolving opposition and cancellation disputes between parties, but an appeal must be filed and paid for (\$985) and mediation takes place in Alicante. If mediation takes place in Brussels, then an additional fee of \$925 is due to cover travel expenses.

China – The most recent revision of the Trademark law was published September 1, 2011 for comment. Among the significant intended changes are: multi-class applications; recognizing color trademarks; prior rights required to oppose; statutory damages increased to RMB 1,000,000; and increased penalties for repeated or longstanding (five years) infringements. The new law is intended to extend protection to highly distinctive marks with evidence of fame to the same mark in a different class. The draft surprisingly does not address the unique classification system.

Thailand – A Supreme Court Decision has finally determined that a distributorship agreement is not a license and accordingly, need not be registered with the Department of International Property to be enforceable. The Court reasoned that if the transition involves solely selling or distributing finished goods, it is not trademark use and the agreement is accordingly not a license. License agreements must be recorded to be enforceable but the law does not define what agreements are licenses.

Singapore – The Trademark Office implemented the 10th Edition of the Nice Classification System for all applications filed after January 1, 2012. There is a multi-lateral agreement with the U.S., Japanese and OHIM trademark offices to accept such classified goods and services in all four jurisdictions. The arrangement requires recognition of the same identification of goods/services in applications filed in such offices as proper, thus avoiding official actions.

Madrid System – 2011 was the best year ever for new filings (42,270) with OHIM filing the most (5,859), Germany (5,000) and the U.S. (4,791). More than half of all new applications were filed by EU entities. There were 323,855 designations for extension with China being the favorite jurisdiction (18,724) followed by the EU, USA, Russia, Switzerland, Japan and Australia. The Philippines became a member state on July 25, 2012 and Mexico has approved the Madrid Protocol treaty and is expected to be a member state late 2013.

For more information about International Trademarks, please email: Rosemarie B. Tofano, RTofano@Lackebach.com

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