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CB&S® Legal Update

Intellectual Property

News & Developments in Intellectual Property Law

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Don't Just Stand There - Invent Something!

Hollywood's Hedy Lamarr was born Hedwig Eva Maria Kiesler in Vienna, Austria in 1913. In 1933, she married Friedrich Mandl, who was 30 years her senior and an arms supplier to the Nazis. He was obsessed with her and rarely let her out of his sight. She learned to hate him and his Nazi friends, and so in 1937, she drugged Mandl, as well as the French maid he had hired to spy on her, and escaped to London. There she met Louis B. Mayer, who brought her to Hollywood and promoted her as "The Most Beautiful Girl in the World". She adopted the screen name Hedy Lamarr and appeared in 25 movies during her film career. She was quoted as saying that "any girl can be glamorous. All she has to do is stand still and look stupid."

Hedy Lamarr may have been glamorous, but she was far from stupid. In 1940, she met musician George Antheil at a party in Hollywood. They became friends and later began talking about what they could do to help the war effort. They developed a sophisticated anti-jamming device for radio-controlled torpedoes, which operated according to a principle that Lamarr described as "frequency hopping". Antheil suggested that a modified player piano roll could be placed in both the transmitter and the receiver in the torpedo and driven by a clockwork mechanism to constantly change the frequencies of the controlling signals among 88 variations, making the control system virtually impossible to jam. In December of 1940, Lamarr and Antheil offered their invention to the U.S. Navy through the recently-established National Inventor's Council ("NIC"). The Navy considered the "piano roll" technology impractical, but Charles Kettering, chairman of the NIC (and General Motors) encouraged Lamarr and Antheil to apply for a patent. On August 11, 1942, Lamarr (who applied under her then married name of Hedy Kiesler Markey) and Antheil received U.S. Patent No. 2,292,387 for their "Secret Communication System". Lamarr offered to join the NIC but was told that she could be of more help to the war effort by using her celebrity status to sell War Bonds. She once sold $7,000,000 in War Bonds at a single event by offering a kiss to the purchaser of each $50,000 Bond.

In 1962, the U.S. Navy began using an electronic version of Lamarr's "frequency hopping" technology. Subsequent patents in frequency changing, which are generally unrelated to torpedo control, refer to the Markey/Antheil patent as the pioneering work in the field. Today "frequency hopping", or spread spectrum technology, is used in military applications, as well as in cellular telephones and internet communications.

George Antheil died in 1959, and Hedy Lamarr died in 2000.

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Wal-Mart's Parody Nightmare

WAL-QAEDA - WAL*OCAUST. A Judge recently ruled that a Georgia man has the right to use these slogans and to sell T-shirts and other items bearing these terms. It all started a few years ago when Charles Smith, a frequent Wal-Mart shopper, was offended by some of Wal-Mart's store practices, such as checking receipts, and by news reports regarding Wal-Mart's foreign trade practices and positions. Smith began producing products bearing anti-Wal-Mart slogans and registered several domain names, including walocaust.com.

Wal-Mart contacted Smith and requested he cease and desist. Smith then brought a declaratory judgment action requesting a ruling that he had the right to sell his anti-Wal-Mart products. Wal-Mart countersued for trademark infringement, unfair competition, cybersquatting and dilution of its famous Wal-Mart trademarks. Wal-Mart claimed its marks were tarnished by the Nazi and Al-Qaeda references. However, the U.S. District Court ruled in favor of Smith, finding that his parody of the marks was for non-commercial use protected by the First Amendment even though Smith sells his wares for commercial gain. The court noted that any reasonable person could determine that Smith's primary intent was self-expression, and that commercial gain was secondary.

This broad decision could spell trouble for businesses seeking to protect trademarks from infringement and dilution. Wal-Mart has said it may appeal to the Eleventh Circuit Court of Appeals in Atlanta.

Oops, Watch Those Copyrights!

How the Presidential Candidates Have Done More Than Flubbed the Lines to Their Campaign Songs

Behind every presidential candidate is that catchy theme song that plays at every campaign event and cycles through endless sound bytes on the cable news channels. Despite all the planning and strategy sessions, campaign staffs have repeatedly tripped over artists' copyrights of the music by failing to clear the rights to use their chosen anthems.

During the current presidential campaign, one nominee has twice received cease and desist notices for songs the campaign chose. First came a request by John Mellencamp to stop use of both "Our Country" and "Pink Houses" and then another request to cease use of Abba's "Take A Chance on Me."

Clearance rights are applicable to more than political campaigns. They are also relevant to businesses. Whether it's filming television or internet commercials, using a background or theme song, or playing music as a tie-in to a high-profile promotional event, businesses should clear the rights to use of copyrighted material.

American Society of Composers, Artists ("ASCAP") and Performers and Broadcast Music Inc. ("BMI") are two of the largest sources for music clearance.

Patent Markings: A Little Carelessness Could Mean an Expensive Lawsuit

If your company manufactures or sells a product that has been the subject of one or more patents, then you probably mark the product with the appropriate patent number(s). However, you probably haven't given a second thought about those listed patent numbers since the time they were added to the label on your product. A recent court decision has now given you reason to pay careful attention to those patent numbers listed on your product label.

In *Pequignot v. Solo Cup*, the court ruled that if the patent for a product has expired, a product label listing the expired patent number is a false patent marking. According to the court, "[a]n article that was once protected by a now expired patent is no different than an article that has never received protection from a patent," and it is the patent owner's obligation to remove expired patent numbers from the product label at the appropriate time. The court also concluded that conditional markings, such as a statement that the product "may be covered by patent," also constitute a false patent marking when the product is not patented or the subject of a pending patent application. Under this ruling, each false marking offense is punishable by a fine of not more than $500.

The court acknowledged that the false patent marking statute requires an intent to deceive the public before there can be any liability for false patent marking, and the absence of intent to deceive the public will likely protect most companies from any liability for false patent marking. However, the question of whether there is an intent to deceive the public is a question of fact that is not typically resolved by a Motion to Dismiss or anything short of

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Update: St. Clair's Application # 10/890,635

In our March 2008 Legal Update, we reported on the patent application of John Quincy St. Clair, which is directed to a training system "which enables a human being to acquire sufficient hyperspace energy in order to pull the body out of dimension so that the person can walk through solid objects such as wooden doors." We speculated that Mr. St. Clair might have a difficult time getting his application over the statutory hurdle of "utility" (35 U.S.C. §101). At the time of our report, Mr. St. Clair's application had not been examined; however, on March 28, 2008, the U.S. Patent and Trademark Office issued an Action rejecting all of the claims of Mr. St. Clair's application "because the claimed invention is not supported by either a credible asserted utility or a well established utility", among other reasons. Mr. St. Clair has not responded to the Office Action.

Trademarks

Keyword Abuse Update

The law is still unsettled regarding whether purchasing another's trademark as a "keyword" is trademark infringement. One line of cases holds that this use is not "use in commerce" and therefore is not actionable under the Lanham Act. Several other courts have reached the opposite conclusion. Recently, a U.S. District Court in Florida took an interesting approach by ordering a defendant to activate the Plaintiff's "Orion" trademark as a "Negative Keyword" on Google and an "Excluded Word" on Yahoo. The effect is to prevent the search engines from displaying any of the defendant's advertisements if a user types "Orion" into the search bar.

Damages/Attorneys' Fees

Attorneys' fees are always a hot button issue in a trademark infringement case and are now an important consideration when electing damages under the Lanham Act. In some cases of trademark counterfeiting, a plaintiff may be entitled to elect statutory damages under the Lanham Act rather than proving its actual damages. Since actual damages are notoriously hard to prove, this can be an attractive option when a defendant has counterfeited the plaintiff's trademark. However, the Ninth Circuit Court of Appeals recently ruled that in such cases, the plaintiff may forgo the right to recover its attorneys fees, but it did leave some wiggle room by declining to decide whether a court might, in its discretion, award attorneys fees in an "exceptional case."

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costly and time-consuming litigation. As a result, while your company may not have any significant risk of exposure to liability for false patent marking by failing to remove expired patent numbers from your product labels, your company may have a significant risk of incurring unnecessary and significant legal fees.

So what should your company do in the wake of this decision? First, it would be wise to immediately review all your patent markings to determine if any of the listed patent numbers identify expired patents. If any of your patent markings contain a patent number identifying an expired patent, that patent number should be removed from the product label immediately. It would also be advisable to calendar the expiration dates of your company's patents so that products made or sold after the patent expiration date are no longer marked with the expired patent number. Periodic reviews of your patent markings, your issued patents and your pending patent applications should also be conducted.

It remains to be seen how other courts will respond to this decision, but it is possible that other courts will narrow the ruling or perhaps reject it altogether. Until then, your company should pay careful attention to its patent markings, issued patents and pending patent applications. A little carelessness could mean an expensive lawsuit.

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