THE

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Yuval Marcus

Takes the Helm at Leason Ellis

In This Issue:

LEASON ELLIS
INTELLECTUAL PROPERTY ATTORNEYS

LETTER FROM THE EDITOR

Dear Friends and Colleagues,

Leason Ellis is entering a new and exciting era. As of January 1st, Yuval Marcus became the firm's second Managing Partner in its 15-year history. As a special feature of this issue, Yuval shares his thoughts on the firm's first 15 years and goals for the future.

Along with Firm News and In Case You Missed It, here is an overview of the practice group case discussions you will find.

PATENT

Federal Circuit Narrowly Defines Scope of Comparison Prior Art for Evaluating Design Patent Infringement
By Henry A. Gabathuler

TRADEMARK

Don't Just Register & Forget It! Why Filing Declarations of Use Early Is Best Practice
By Kevin M. Wallace and Karin Segall

Get INFORM-ed: A Primer on the INFORM Consumers Act
By Emily A. Rice and Sara E. Gruber

COPYRIGHT

Against the Odds: Persistence Prompts Copyright Review Board to Reverse Refusal to Register
By Tatsuya Adachi and Henry A. Gabathuler

LITIGATION

Are You Bound by Terms Reached During Mediation?
By Stefanie M. Garibyan

If online marketplaces concern your practice or your business, please make a point to read the fantastic summary of the INFORM Consumers Act prepared by Emily Rice and Sara Gruber. They've proven to be a potent writing team and you won't want to miss it.

As always, we hope you find value in The Newtonian. Please feel free to share it with others and to send your thoughts to us at inquiries@leasonellis.com.

Warmly,

Henry A. Gabathuler
Partner
Editor, The Newtonian

FIRM NEWS

Leason Ellis Appoints Yuval H. Marcus as Managing Partner

Yuval Marcus

On December 29, 2023, Leason Ellis announced that Yuval Marcus has been appointed as Managing Partner of the firm effective January 1st. Yuval is currently a Co-Chair of the Litigation Practice Group of the firm and a member of its Executive Committee.

Yuval is the second Managing Partner in the history of the firm. David Leason has served as Managing Partner since its founding in 2008. This past spring, Leason Ellis celebrated its 15th anniversary with a party at the Yale Club in New York City. According to David, it was the right time to make a change in the firm's leadership. "Having started Leason Ellis with my co-founder Ed Ellis over 15 years ago and grown the firm into a practice with over 30 attorneys and more than 70 professionals in all, I feel a great sense of accomplishment," said David. He added, "the vision that I had for the firm has come to fruition, and Yuval is more than capable of managing our next phase of growth." David remains on the Executive Committee and will continue his practice as an equity partner of the firm.

A Few Words from Yuval Marcus

Dear Clients, Friends, and Colleagues,

I'm honored to take the helm as Leason Ellis' managing partner and by the overwhelming show of support. Under David Leason's 15 successful years of leadership, the firm has grown from just a few attorneys when it was founded in 2008 to more than 30 attorneys today.

Leason Ellis represents a broad range of enterprise types and sizes across an impressive array of industries. We counsel clients, provide portfolio strategy and protect some of the most consequential brands and innovations at the forefront of creativity. We are committed to providing innovative, practical, and insightful solutions to support our clients' businesses and IP strategies.

At the core of everything we do is our focus on our clients, providing the excellent service they've grown accustomed to, and our ability to help them utilize their IP assets to achieve their business objectives. That is only possible by knowing a client's business and with a diverse team of smart, talented, and dedicated IP professionals who collaborate and care deeply about our clients' needs. That's Leason Ellis' team.

Leason Ellis provides opportunities for our legal professionals to learn from exceptional legal minds and handle cutting edge IP legal issues while being able to balance that with personal interests outside of the office. To enhance this value proposition, we plan to:

1. Enhance our flexible post-COVID office environment to encourage additional collaboration.

2. Continue our thought leadership on important IP issues via articles, speaking engagements, and the preparation of Amicus briefs.

3. Develop more formal internal training and mentoring programs.

Many other plans are in place to ensure the continuity and longevity of the firm as a preferred resource for clients who seek quality counsel on how best to develop and utilize their IP assets, and to retain and attract talented IP professionals. I look forward to working with my partners and Marlene Sauer, our Executive Director, to implement these initiatives.

Yuval H. Marcus
Managing Partner

Leason Ellis Appoints Matthew Frisbee to Trademark & Copyright Practice Group Co-Chair

After 15 years of service, Matt Frisbee has succeeded Peter Sloane as a Trademark & Copyright practice group co-chair. We thank Peter for his 15 years of service in this role and are excited about the team Matt will lead with Lauren Emerson. The current leadership team is:

Patent Practice Group Co-Chairs

Edward Ellis

Jordan G. Garner

Trademark and Copyright Practice Group Co-Chairs

Lauren B. Emerson

Mathew L. Frisbee

Litigation Practice Group Co-Chairs

Yuval H. Marcus

Cameron S. Reuber

Diversity, Equity, and Inclusion

Melvin Garner

Pro Bono Initiatives

Robert M. Isackson

Peter Sloane: The Johnny Appleseed of Our Trademark and Copyright Practice

Peter Sloane

When Peter Sloane joined Leason Ellis in 2009 as a third principal partner, his vision was to establish a trademark and copyright practice commensurate with the firm's rapidly growing patent practice. Peter's vision has more than come to fruition. Under his leadership, our Trademark and Copyright Practice Group has grown to twelve attorneys and four paralegals. From the beginning, Peter used his intuition and enterprising spirit to attract marque clients and talented colleagues, building what the World Trademark Review calls "one of New York's very best trademark practices." Peter's innate ability to connect with others, be a thought leader, write articles (and encourage others to do so), speak on panels, and develop friendships with like-minded attorneys has elevated Leason Ellis to a household name among trademark practitioners across the globe.

With tremendous gratitude, we announce that Peter has decided to step back from his role as Co-Chair of the Trademark and Copyright Practice Group to allow future leaders to develop. Peter will continue to serve on Leason Ellis' Executive Committee and help position the firm for ongoing success as it continues to grow and evolve. We welcome Matt Frisbee, who joins Lauren Emerson as Co-Chairs of the Trademark and Copyright Practice Group, and they both look forward to building on Peter's solid platform and many achievements.

Leason Ellis Is Recognized Once Again by World Trademark Review in its 2024 WTR 1000 Rankings

"Operating out of White Plains, IP boutique Leason Ellis is one of New York's very best trademark practices. With tactical finesse, fearless strategy and a collaborative, team-oriented style, the ensemble delivers top-notch brand advice that runs the gamut, from global portfolios to full-scale litigation."

2024 WTR 1000 recommends our below attorneys:

Lauren B. Emerson, whose "advice is always clear, strategic, and focused on securing a commercial outcome for the client."

Matthew L. Frisbee for his "experience managing multi-jurisdictional portfolios" and "expertise in product design and issues."

Michelle J. Levin as a "very responsive practitioner" who "is driven by her clients' interests."

Yuval H. Marcus as "a leading disputer at the firm" who handles matters in "a timely manner" with communication that "is precise and to the point."

Cameron S. Reuber as "a dyed-in-the-wool litigator... an invaluable strategic partner."

Martin Schwimmer is "very smart and knowledgeable, and an excellent counselor and litigator."

Karin Segall as a "highly knowledgeable" attorney who "doggedly pursues the best outcomes for her clients."

Peter S. Sloane, who is "fast, responsive, and cost-efficient" and who "prioritizes building and maintaining long-term relationships."

Read the Ranking worldtrademarkreview.com/rankings/wtr-1000.

PRACTICE GROUP INSIGHTS

PATENT

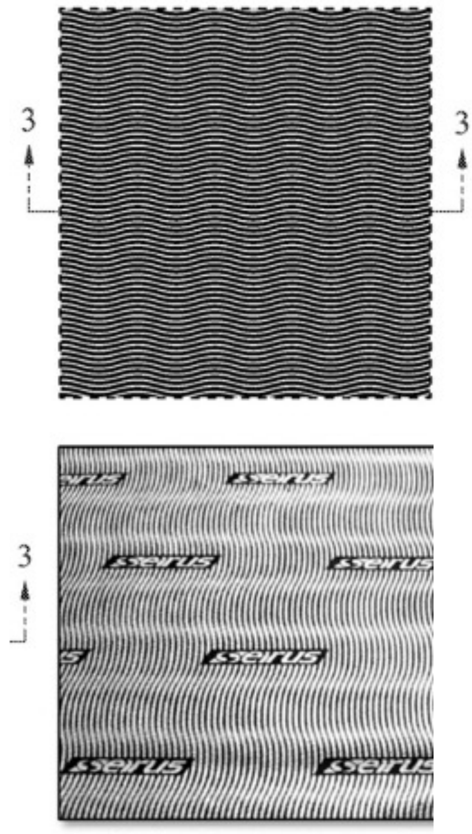
Federal Circuit Narrowly Defines Scope of Comparison Prior Art for Evaluating Design Patent Infringement

Originally Published in The Patent Lawyer Magazine Newsletter

By Henry A. Gabathuler

The Federal Circuit, in a case of first impression, recently defined the proper scope of "comparison prior art" in evaluating infringement of a design patent. *Columbia Sportswear N. Am., Inc. v. Seirus Innovative Accessories, Inc., 80 F.4th 1363 (Fed. Cir. 2023) ("Columbia II")*. Acknowledging its precedent had not articulated a test, the Federal Circuit held that "to qualify as comparison prior art, the prior art design must be applied to the article of manufacture identified in the claim." *Id.* at 1378. Notably, this decision narrows the scope to align with what qualifies as anticipatory prior art, tying both to the claimed article of manufacture.

Design patents cover the ornamental design of an article of manufacture. Infringement occurs when the ornamental appearance of the claimed and accused designs is substantially similar to that of an "ordinary observer." *Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d 665, 670 (Fed. Cir. 2008) (citations omitted)*. In close cases, where the claimed and accused designs are

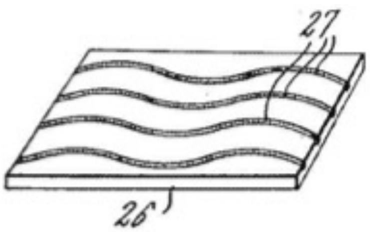


Top: Columbia's D'093 patent design for heat-reflective material
Bottom: Seirus' accused heat-reflective material

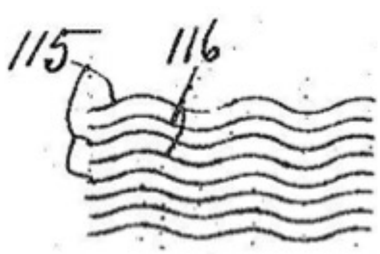
not dissimilar, the ordinary-observer infringement test is applied in view of comparison prior art, which can provide a helpful frame of reference for identifying salient similarities or distinctions between the claimed and accused designs. See e.g., *Id. at 676, 677*.

Columbia Sportswear had alleged that Seirus's gloves and other apparel infringed its U.S. Design Patent No. D657,093 on "heat reflective material."

Seirus asserted non-infringement, relying in part on three comparison prior art references:



U.S. Pat. 2,539,690 ("Boorn"): Plastic coated fabric with inlayed stripes



U.S. Pat. 1,515,792 ("Respess"): Fabric with threads or cords for making tires

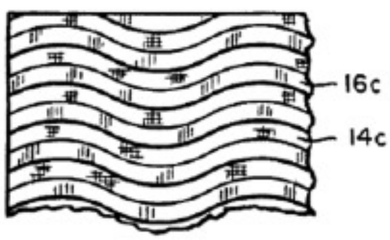


FIG. 5

U.S. Pat. 5,626,949 ("Blauer"): Breathable shell for outerwear

In 2016, the District Court granted summary judgment of infringement. *Columbia Sportswear N. Am., Inc. v. Seirus Innovative Accessories, 202 F. Supp. 3d 1186, 1196 (D. Or. 2016)*. It found most of the prior art fabric wave patterns were of limited relevance because they "cover[ed] products far afield" from heat-reflective material. *Id.* Seirus appealed, and that judgment was vacated by the Federal Circuit, which held that the relevance of comparison prior art was a fact question that should have been left to a jury. *Columbia Sportswear N. Am., Inc. v. Seirus Innovative Accessories, Inc., 942 F.3d 1119 (Fed. Cir. 2019)*.

After remand, the jury considered Seirus' comparison prior art and returned a verdict that Seirus' fabric design did not infringe. Columbia appealed, arguing that the District Court erred by not articulating the proper standard for the jury to decide what constitutes comparison prior art. The Federal Circuit agreed that the error was prejudicial and clarified the law, holding that "to qualify as comparison prior art, the prior art design must be applied to the article of manufacture identified in the claim." *Columbia II, 80 F.4th at 1378*. It reasoned this standard:

(i) Comports with the purpose of comparison prior art "to help inform an ordinary observer's comparison between the claimed and accused designs—designs that, necessarily, must be applied to the same article of manufacture." *Id.* ("Naturally, prior art designs will help in that comparison only to the extent that they are applied to that article of manufacture.").

(ii) Is consistent with the results of many prior decisions. *Id. at 1379*.

(iii) Provides a common standard for identifying prior art that anticipates invalidity and comparative for infringement and makes "good practical sense." *Id*.

Remanding the case to the District Court for further proceedings, the Federal Circuit declined to address whether Seirus' comparison prior art constituted heat reflective material and posited whether "heat reflective material" might now require a claim construction. *Id. at 1382*.

PATENT INSIGHTS

Going forward, Columbia II favors patent owners in cases involving comparison prior art. By limiting the comparison of prior art an accused infringer can rely on for non-infringement, Columbia II has made it easier for patent owners to prove design patent infringement.

Columbia II highlights the role the identified article of manufacture has in defining the scope of protection of a design patent. While applying the same standard for anticipatory and comparison prior art should help to reduce ambiguity for all litigants, it will likely bring more attention to claim construction to define the scope of the claimed article of manufacture and applicable prior art.

Design patent applicants should carefully consider the title/article of manufacture identified in a design patent application. Choosing a specific article of manufacture helps avoid prior art that might invalidate a design patent claim or limit its scope when evaluating infringement. Doing so, however, comes at the expense of potentially broader patent coverage.

Applicants seeking broader protection after Columbia II could benefit from filing multiple applications covering respective articles of manufacture ranging from the specific (e.g., “heat reflective material”) to the more generic (e.g., “fabric”).

PRACTICE GROUP INSIGHTS

TRADEMARK

Don't Just Register & Forget It! Why Filing Declarations of Use Early Is Best Practice

By Kevin M. Wallace and Karin Segall

After ten months of waiting for an examination and another 30 days for the opposition period to pass, you finally have your trademark registration! Now what?

It's easy to set aside that certificate of registration and pay it no mind. But five years later, you will be reminded that it's time to file a Declaration of Use! What's that?

The U.S. Patent & Trademark Office ("USPTO") requires owners of trademark registrations to confirm they are still using their trademarks for the registered goods and services. This Declaration must be filed between the fifth and sixth years after registration and can be filed at any time in that window.

Once the Declaration is filed, your registration will live on for the remainder of its 10-year life cycle, at which time you can renew and must re-declare your continued use of the mark. Deadlines are deadlines, but there is no need to wait to the last minute to file your Declaration of Use!

TRADEMARK INSIGHTS

It is best practice to file as soon as practicable in the fifth to sixth-year window, and here are five reasons why.

Preserve time to resolve certain office actions. If the USPTO has questions about your Declaration of Use, which it issues via an "Office Action," you will have six months to respond regardless of when you filed the Declaration within the fifth to sixth year window. But certain issues can only be resolved if done before the sixth-year post-registration (e.g., creating and substituting a specimen of use).

Maximize the remaining registration period. As we learned during the pandemic, life is unpredictable. Your manufacturer might close unexpectedly. Your distributor may stop carrying your products. Filing early means you lock in the next few years of registered protection regardless of unexpected interruptions to your use.

Simplify diligence. If your company is contemplating a sale of assets or unexpectedly receives a purchase offer, you want your trademark portfolio in order. If you file Declarations of Use early, there will be fewer questions during diligence about whether those are being filed and when to file them before closing.

Avoid additional and unwanted costs. Inflation is undefeated. The cost of anything can go up over time, including trademark filings. Whether it is your attorney's fees for preparing the Declaration of Use or the USPTO's fee for filing, there is a chance those costs increase the longer you wait. So, the sooner you file, the more cost certainty you have.

Reduce stress. Technical issues can easily ruin deadlines if you wait to the last minute. Filing early means less worry about the unexpected at the last minute. It also means fewer reminder emails from your attorney.

PRACTICE GROUP INSIGHTS

TRADEMARK

Get INFORM-ed: A Primer on the INFORM Consumers Act

By Emily A. Rice and Sara E. Gruber

In Issue #34 of The Newtonian, we wrote about recent trends in the social media marketplace involving the promotion of counterfeit goods and related best practices for brands and content creators. See Counter[feit] Culture: The Influence and Impact of Counterfeit Goods.

While enforcement mechanisms for counterfeit goods promoted and sold via the social media marketplace still lag, brands are not without recourse.

On June 27, 2023, the INFORM Consumers Act (the "INFORM Act" or the "Act") (*15 U.S.C. § 45f*), a bipartisan bill aimed to enhance "transparency [in] online transactions and to deter criminals from acquiring stolen, counterfeit, or unsafe items and selling them through [online] marketplaces" became effective. Notably, the Act allows online marketplace users to report suspicious activity regarding high-volume third-party sellers. *Id.* Relevant online marketplaces include, among others, Amazon.com and Etsy. The Act imposes certain requirements on online marketplaces, such as collecting, verifying, and disclosing the contact information of their online sellers.

These due diligence measures help with validating that (1) the sellers are legitimate and (2) the products listed by the sellers are authentic goods. The Act intends to dissuade bad actors from engaging in illegitimate business practices because their identity will be readily verifiable. High-volume selling bad actors can no longer hide behind anonymous businesses and accounts to escape liability for selling stolen and counterfeit goods on online marketplaces. Online marketplaces not complying with the INFORM Act can face civil penalties (implemented by the Federal Trade Commission ("FTC")) of $50,120 per violation.

Why was the INFORM Act enacted?

The INFORM Act targets specific problems: bad actors who sell stolen goods online or counterfeit goods online, all to the detriment of legitimate brands and unsuspecting consumers. Before Congress passed the INFORM Act it was nearly impossible for brands to identify the bad-acting sellers on online marketplaces. A brand may notice or be informed of stolen and counterfeit goods posted on an online marketplace, yet, in most instances, it could not determine the identity of seller of the stolen and counterfeit goods. Without identifying the seller of the stolen and counterfeit goods, brands were left with incomplete enforcement remedies, primarily, the online marketplace's takedown procedure. Now, under the INFORM Act, brands will be able to obtain the name, email address, phone number, tax identification number, and bank account information of the bad actor and can take more direct action with that information.

To whom does the INFORM Act apply?

The INFORM Act provides that "an online marketplace shall require any high-volume party seller on such online marketplace's platform to provide, no later than ten days after qualifying as a high-volume third-party seller on the platform," certain identifying information.

1. **Online marketplaces.** "Online marketplace" includes any person or entity that operates a consumer-directed electronically based or accessed platform that enables third-party sellers to engage in the sale, purchase, payment, storage, shipping, or delivery of a consumer product in the United States. *See* 15 U.S.C. § 45f(f)(4) Examples include Amazon, eBay, and Etsy.

2. **High-volume third-party sellers.** A "third-party seller" is any seller, independent of an online marketplace, who sells, offers to sell, or contracts to sell a consumer product in the United States through such a platform. A "high-volume third-party seller" is a third-party seller that, "in any continuous 12-month period during the previous 24 months, has entered into 200 or more discrete sales or transactions of new or unused consumer products" and has "an aggregate total of $5,000 or more in gross revenues" *See* 15 U.S.C. § 45f(f)(3).

What are the obligations of online marketplaces and high-volume third-party sellers under the INFORM Act?

There are several key obligations, including:

1. **Ten days to disclose information.** Online marketplaces must require sellers to, within 10 days of qualifying as a high-volume third-party seller, provide the online marketplace with their banking information, tax identification information, and contact information, which includes a name, phone number, and a copy of a government-issued ID (for individuals) or business record (for businesses).

2. **Verify and disclose information.** The online marketplace must then verify the seller's information within 10 days of receipt and disclose the seller's identity to consumers in a "clear and conspicuous manner," namely, by including the seller's name, address, telephone number and email or messaging address either in the product listing or the order confirmation message to the consumer after a purchase is completed.

3. **Provide a reporting mechanism.** Online marketplaces are also required to provide consumers with a mechanism that allows them to report any suspicious seller activity.

4. **Monitor accuracy.** Online marketplaces must notify sellers at least annually to certify their information is current within 10 days of notice and monitor the accuracy of the information provided. If any high-volume third-party seller neglects to provide the required information, the online marketplace must suspend the seller from the market until they comply.

There are notable exceptions to the information disclosure requirements under the INFORM Act, including:

1. **Partial Disclosure When No Business Address.** Upon request and certification by a high-volume third-party seller, an online marketplace may disclose only a partial address for the seller to consumers if the seller does not have a business address, i.e., the seller conducts its business from a residential address. Note, however, that this exception only provides that the online marketplace "may provide partial disclosure." This means a high-volume third party cannot escape identification by operating its business from a residential address.

2. **Substitute Disclosure for Physical Address for Product Returns.** Upon certification, a high-volume seller can submit a physical address for product returns as its address for the online marketplace to disclose.

3. **Partial Disclosure When No Phone Number.** Upon certification, if a high-volume seller has no phone number besides a personal phone number, the online marketplace may disclose that the seller has no phone number, and inquiries should be directed to the seller's email address or other means of electronic messaging provided to the seller by the online marketplace.

If an online marketplace becomes aware that a high-volume third-party seller has been afforded the benefit of one of the Act's exceptions by making false statements to the online market or is unresponsive to communications, the online marketplace, after ten days of written or electronic notice, may suspend the seller's sales activities. The seller may remedy this by consenting to full disclosure of the required identifying information.

What is the impact of the INFORM Act on consumers?

The INFORM Act benefits more than just brands. It also enables consumers to report stolen or counterfeit goods and enhanced security in the legitimacy of the purchase of goods sold on online marketplaces.

TRADEMARK INSIGHTS

The INFORM Act demonstrates an adherence to the current legal framework (discussed in our last article) in *Tiffany (NJ) Inc. v. eBay, Inc.,* Civ. No. 08-3947 (2d Cir. 2010), which established the principle that while platforms bear some responsibility for selling counterfeit goods, trademark owners bear the ultimate burden of protecting their goodwill by policing counterfeit items sold in online marketplaces. However, the INFORM Act does shift additional diligence responsibilities to the online marketplaces.

Insights for specific interested parties include:

1. **Trademark Owners.** Online marketplaces must now maintain and disclose identifying information for high-volume third-party sellers, which is a helpful enforcement tool. Note, however, that trademark owners still bear the responsibility of enforcement. As its name suggests, the INFORM Act provides information to consumers and trademark owners, it does not require online marketplaces to police stolen or counterfeit goods.

2. **Sellers.** If you sell goods online, it is important to determine whether you meet the definition of "high-volume third-party seller" (i.e., a seller who has, within the relevant period, entered into 200 or more discrete sales or transactions of new or unused consumer products, aggregating in $5,000 or more in gross revenue). Best practice as a seller includes careful monitoring of sales and revenue of goods to determine when you are at or near this threshold and provide the necessary identifying information within 10 days of qualifying. Thereafter, sellers should pay close attention to periodic notices from online marketplaces requiring sellers to update or certify their seller information. Sellers are incentivized in this respect because failure to stay compliant could result in the immediate suspension of their selling privileges.

3. **Online marketplaces.** Qualifying online marketplaces are required to collect, verify, and disclose the high-volume third-party sellers' contact, banking, and tax information within the relevant and notably short time periods. Online marketplaces are also responsible for monitoring the accuracy and currency of the contact information provided and for suspending sellers who become non-compliant with the Act. Online marketplaces must also implement data security measures to protect the data and information from unauthorized use.

4. **Consumers.** Consumers can feel more confident in their online transactions because of the INFORM Act. One of the most important goals of the Act is to increase transaction transparency in the eyes of consumers. Consumers can substantiate this confidence by reporting any noncompliance to the online marketplace through the online marketplace's submission portal. Further, the FTC has its portal through which consumers can report violations.

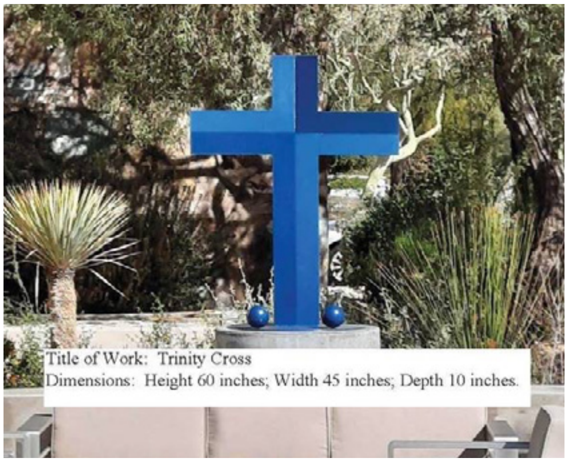
PRACTICE GROUP INSIGHTS

COPYRIGHT

Against the Odds: Persistence Prompts Copyright Review Board to Reverse Refusal to Register


By Tatsuya Adachi and Henry A. Gabathuler

The U.S. Copyright Office Review Board recently granted artist Daniel John Van Such's application to register the copyright in a three-dimensional sculptural work titled "Trinity Cross." The decision resulted from Van Such's **second** request to reconsider the Copyright Office's initial refusal to register the work and is notable because reversals of refusals are relatively rare. Indeed, of the Review Board's 33 published opinions from 2022, only four reversed a refusal to register a work.



Images of Daniel John Van Such's Trinity Cross from the decision

The decision's focus on the sufficiency of creative authorship reflected in "Trinity Cross" suggests the Copyright Office initially determined the work failed to meet the U.S. Copyright Act's originality requirement. Described by the U.S. Supreme Court in *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*, the seminal case on originality, as "the bedrock principle of copyright" and "the very premise of copyright law," the Copyright Act's originality requirement is two-fold: the work must have been "independently created by the author," and it must possess "at least some minimal degree of creativity." *499 U.S. 340, 345, 347 (1991)*. As to the latter requirement, only a "modicum of creativity" is necessary; the threshold is "extremely low." *Id. at 345, 362*.

Nonetheless, the Copyright Office has advised that "simple geometric symbols are not eligible for copyright protection." U.S. Copyright Office, Compendium of U.S. Copyright Office Practices ("Compendium (Third)") *§ 906.1 (3d ed. 2021)*. Accordingly, in its initial review of Van Such's application, the Copyright Office likely focused on the eight rectangular steel plates and three spheres on a circular base comprising the work in refusing registration.

Upon Van Such's second request for reconsideration, the Copyright Office Review Board focused on the work as a whole rather than its parts in isolation and ultimately determined it exhibited sufficient copyrightable authorship and could be registered. According to the Copyright Office, if simple geometric symbols are displayed in a manner that goes beyond "a preordained or obvious arrangement," such a work would be entitled to copyright protection. Compendium (Third) *§ 906.1*. Here, the Review Board stated the rectangular steel plates and spheres comprising "Trinity Cross" were "arranged and welded together at different angles to create a three-dimensional cross-like element that allows light to enter through the parabolic center opening and cast shadows on the sculpture and surrounding ground." Accordingly, the Review Board determined Van Such's selection, coordination, and arrangement of those elements to be sufficiently original for copyright protection.

The "Trinity Cross" decision demonstrates the potential benefits of seeking reconsideration of a refusal to register. An applicant's first request for reconsideration will undergo a review by a Copyright Office staff attorney who was not involved in the initial examination of the application. The second request for reconsideration will undergo a review by the Copyright Office Review Board, which consists of the Register of Copyrights (the director of the Copyright Office), the general counsel of the Copyright Office or their designees, and a third individual designated by the Register. The reconsideration decisions are made de *novo*, meaning the application is reviewed without deference to the Copyright Office's prior decisions. The potential for success through reconsideration must be weighed against the benefits of leaving well enough alone. Indeed, an applicant whose registration has been denied can file suit for copyright infringement in federal court. *17 U.S.C. § 411(a)*. However, while a court might be willing to determine a plaintiff's work is copyrightable in contradiction of the Copyright Office's first refusal to register, it may be more likely to accord deference to an affirmance of such refusal issued by the Review Board.

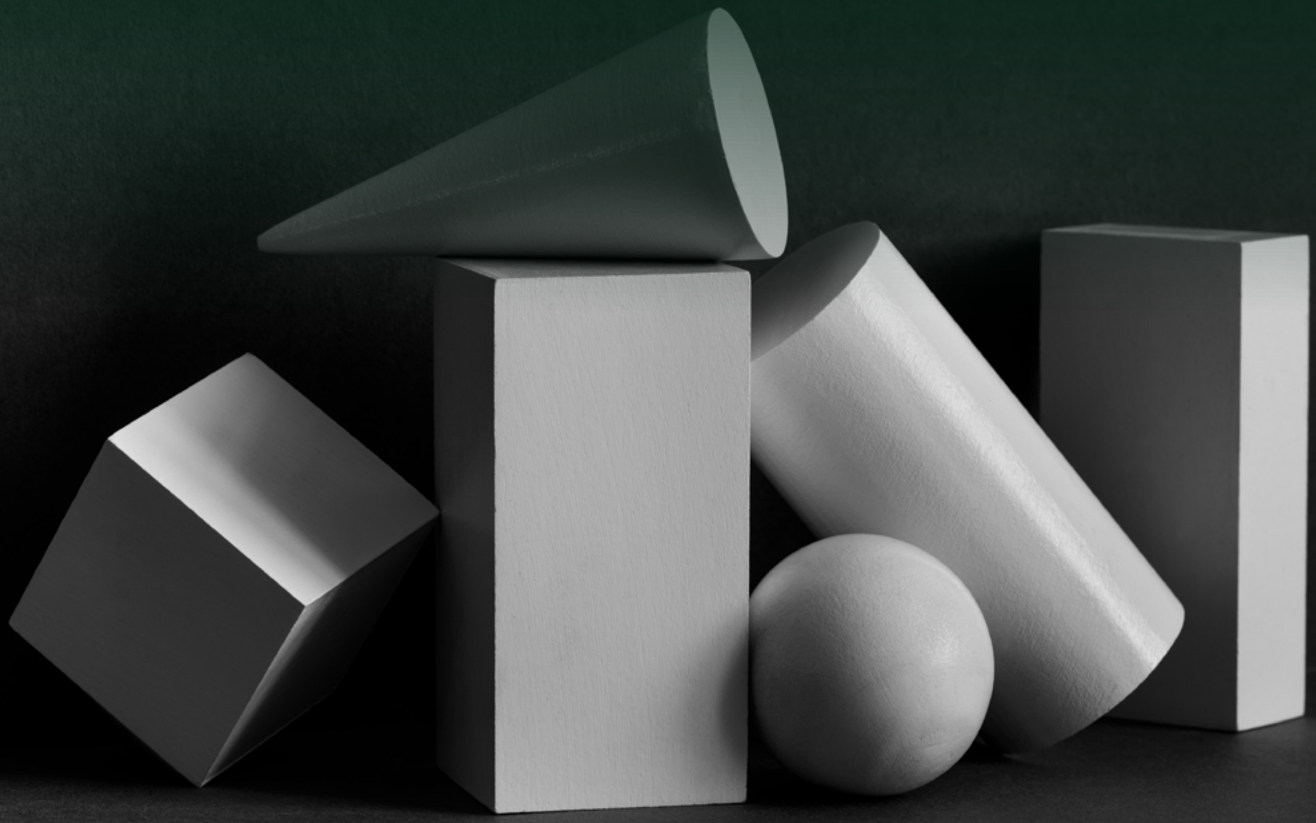
COPYRIGHT INSIGHTS

1. The Copyright Office's Review Board rate of reversing refusals is low, but reversals do happen.

2. Applicants should carefully weigh the pros and cons of requesting reconsideration of a refusal, including, for example, considering the merits of the refusal, risks attendant with a potential affirmance of the refusal, and whether a positive decision at the Copyright Office is necessary to achieve business objectives relating to the work in question.

3. The "Trinity Cross" decision demonstrates the potential benefits of seeking reconsideration of a refusal to register a work. Persistence, even in the face of an unsuccessful first request for reconsideration, can yield a positive result, particularly when supported by reasonable arguments in favor of registration.

4. The Copyright Office fee for the first request for reconsideration is $350 and $700 for the second. Guidance from experienced copyright counsel through the initial application process can help reduce the probability of a refusal to register in the first instance.



PRACTICE GROUP INSIGHTS

LITIGATION

Are You Bound by Terms Reached During Mediation?

By Stefanie M. Garibyan

At various inflection points in U.S. litigation, parties will often enter mediation—ether by court order or party agreement. There are multiple mediation formats, but the goal is always the same: leave with terms each party can accept to resolve a dispute, in whole or in part. There are two potential outcomes of particular interest here. First, a mediator can be successful in finding common ground between the parties; in that case, the parties can build on that foundation by leaving the mediation with an agreed-upon term sheet. Second, when a mediator is unsuccessful at reaching an agreement during the session but still believes a deal is possible based on the common ground identified, the mediator can propose a foundation likely to be acceptable to the parties, which both sides can accept or reject. If accepted, the parties again leave mediation with agreed-upon terms. In both cases, the way forward is the same: the parties work together to draft a long-form settlement agreement reflecting the general terms agreed upon at mediation.

But the question inevitably arises: what happens when the parties disagree on the long-form settlement agreement? One option, of course, is that the parties walk away from the deal and resume litigation. But that is not the only option. A party can seek to enforce a term sheet or accept the mediator's proposal. In that case, courts will look to the barebones term sheets to determine whether a contract was formed. If a term sheet contains all material and essential terms of the deal and the parties intend to be bound by those terms, a court may enforce those basic terms even if the parties cannot agree to a long-form agreement.

LITIGATION INSIGHTS

When accepting a deal in mediation, there are a few important practice points to take away:

1. When considering a mediator’s proposal, one should pay particular attention to the terms proposed and consider whether they contain the requisite specificity to resolve the issue each term purports to address. Gambling that ambiguous terms can be favorably clarified during the negotiation of a long-form agreement carries an unnecessary risk that is best mitigated during mediation. Communicating acceptance of a proposal upon the condition that specific terms have an unambiguous meaning is advisable.

2. When accepting a deal, clearly state your intent, particularly if you do not want to be bound by a mediator’s proposal or term sheet. There is a public policy favoring settlements, so courts will strive to find an enforceable agreement where they can. If you intend the deal reached in mediation not to be binding and instead to be an unenforceable agreement to draft a long-form agreement, state that explicitly.

3. If you do want the deal to be binding and to be able to enforce it against your opponent, make sure you’ve included all aspects that you believe to be material and essential. A court will evaluate what is material and essential based on context and the negotiations, so if something is important, make sure it is included. In this case, it’s common practice to state in the term sheet that the parties intend to be bound by its terms.

4. If intentions are clearly stated at the mediation, when drafting a long-form settlement agreement and fleshing out the terms, you will be armed with knowing whether you can successfully bring your opponent back to terms as agreed upon at mediation, which is useful leverage in negotiations.

IN CASE YOU MISSED IT

Leason Ellis Executive Director Marlene Sauer Provides Insights to International Trademark Association on Law Firm Recruitment

Leason Ellis' Executive Director, Marlene Sauer graced the cover of a recent International Trademark Association (INTA) Bulletin. Marlene was interviewed about how law firms can recruit and retain talent in the coming year. Her insight and advice were valuable not just to law firms but to young lawyers entering the legal field today. Marlene wisely observed that they should prioritize differentiating themselves in their "demonstrated commitment to the practice of law" and that "being respectful to colleagues at all levels" is essential to long-term success.

Leason Ellis Of Counsel Elizabeth Barnhard Nominated for Prestigious IP Industry Accolades

Leason Ellis Of Counsel Elizabeth Barnhard was nominated by several firms and clients for and subsequently selected by IAM as a 2024 IAM 300 Global Leader and 2023 IAM Strategy 300 Leader.

Ever committed to promoting the development of the next generation of IP lawyers, Elizabeth recommended in her related IAM interview that aspiring IP professionals "[d]evote an hour each day to read about something new and expand your knowledge base, stay current on new developments and fuel your creative thinking."

Leason Ellis Partner Peter S. Sloane Publishes Update to the Legal Resource, "Advertising in the United States: Overview" Published by Practical Law Global

The resource considers the framework regulating the advertising industry, the rules and standards required for substantiating advertising claims and for making disclosures, whether freedom of speech and expression rights affect the regulation of advertising, the complaints procedure, regulations on advertising methods (such as product placement, outdoor advertising, and bait advertising), regulations on advertising content (including rules on false and misleading advertising), industry-specific regulations, restrictions on advertising to children, intellectual property right protections, and protections on the use of people in advertisements. Reproduced from Practical Law with the permission of the publishers.

Leason Ellis Partner Mel Garner Presents on 2024 IP Issues in Business Transactions

On January 11, 2024, Mel Garner, a partner at Leason Ellis, presented at the Practicing Law Institute's (PLI's) "IP Issues in Business Transactions 2024" event. The presentation emphasized the strategic role of IP within corporate environments. The program covered a breadth of pertinent topics, including due diligence aspects, licensing agreement analyses, handling data and online assets in conjunction with IP transactions, the role of artificial intelligence as a business asset, and the perspectives of in-house counsel when dealing with IP issues.

Leason Ellis Partner Mel Garner is Honored by The Conner Inn of Court

On January 24th, the 16th Annual Reception and Dinner of The Hon. William C. Conner Inn of Court presented Excellence Awards to Judges and honored Mel's 50 years of practicing IP law. The event, at which Leason Ellis had a table, included over 50 judges from the Federal Circuit, Second Circuit, Eastern District of New York, and Southern District of New York. Mel's remarks on his years of practicing IP law in New York were warmly received by an adoring audience.

Leason Ellis Partner Matthew L. Frisbee Joined Kelly IP Partner Kelu L. Sullivan to Deliver a CLE Course on Responding to Trademark Office Actions

The CLE course, presented on January 31, 2024, guided trademark counsel on addressing refusals of registrations, from failure to function refusals, specimen refusals, suspension requests, to post-registration audits. The panel offered strategies for counsel to overcome refusals that arise in the trademark application process.

Leason Ellis Partner Mel Garner Joins Panel Discussion on the Interplay between Innovation, Diversity, Equity, and Inclusion

On January 31, 2024, Leason Ellis Partner Mel Garner lent his expertise as a member of a distinguished three-person panel at a colloquium titled "Incentivizing Innovation, Entrepreneurship and Creativity Through Diversity, Equity, Inclusion and Accessibility." The event, held at the Sheraton Old San Juan in San Juan, Puerto Rico, was part of a joint effort sponsored by AIPLA, FICPI, and AIPPI. Garner and other industry leaders representing IP offices, associations, law firms, corporations, and universities discussed the imperative of fostering diversity and inclusion within the innovation and IP sector. A Statement of Principles was developed from the event, encapsulating a collective vision and strategies for encouraging a more diverse and accessible environment for innovation and creativity.

Leason Ellis Associate Sara Gruber Appointed to International Trademark Committee

Leason Ellis Associate Sara Gruber was recently appointed to the International Trademark Association's (INTA's) Commercialization of Brands Committee for the 2024-25 term. The Committee develops educational programs, best practice guidelines, and other resources relating to the in-market commercialization of brand offerings. Sara is poised to play a vital role in future developments.

Sara was also recently admitted to practice in the Federal District Court for the Southern District of New York (S.D.N.Y.).

Drop Us A Line

We're always thinking and know you are too, so we welcome your comments, questions, and suggestions. As a firm dedicated to the application of keen insight in intellectual property law and business, our goal is to make The Newtonian a useful periodical that you read and share. Reach us at inquiries@leasonellis.com.

About Leason Ellis

Clients engage Leason Ellis to obtain outstanding legal counsel to protect and enforce their intellectual property rights. Our specialized practice area excellence comes from a keen appreciation for inventiveness, creativity, branding, a profound understanding of the law, and a powerful commitment to using IP to help our clients achieve their business objectives. Learn more about Leason Ellis at leasonellis.com.

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