



# THE Newtonian®

ISSUE #30, SPRING 2022

## **APPLIED INSIGHT: NEEDLE SANS HAYSTACK**

Our clients hire us to find solutions worthy of their creativity, however elusive they may at first appear to be. Read how, and get fresh insights, in our all-new newsletter.



# LETTER FROM THE EDITOR

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Dear Friends and Colleagues,

Since opening our doors in 2008, Leason Ellis has developed a global practice that is recognized by both our clients and the legal press as one of the nation's leading law firms dedicated to the practice of intellectual property law.

Over the last few years, especially with the pandemic, the way that business is conducted has changed and so have we. Our firm is entering a new stage in its growth as it remains faithful to the ideals that we hold dear, like innovation, keen insight, and business-driven counsel. We've refreshed our brand, we have a new(ish) website, and a new newsletter—one geared to helping you benefit from the insight of our practice.

Without further ado, we're delighted to share the Spring 2022 edition of our firm newsletter, The Newtonian.

In this issue, in addition to firm news, you'll read about typosquatting, the value of Schedule A proceedings against counterfeiters, the USPTO's streamlined trademark expungement and reexamination rules, A.I. as a patent inventor, and other practice group updates with our thoughtful observations.

I'm honored to have been appointed as the Editor of The Newtonian, which has been published 30 times since the founding of the firm. I'd like to acknowledge the extraordinary contribution of Peter Sloane in launching the newsletter and shepherding its publication throughout the years. I'd also like to extend special thanks to the attorneys who helped pull this new version together, including Lauren Emerson, Lauren Sabol, Matthew Frisbee, and Stefanie Garibyan.

We hope you find value in this publication. Please feel free to share it with others and to share your thoughts with us at [inquiries@leasonellis.com](mailto:inquiries@leasonellis.com).

Warmly,

Henry Gabathuler  
Senior Associate  
Editor, The Newtonian

# FIRM DEVELOPMENTS

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## Leason Ellis Is Awarded a Pair Of Silvers In The World Trademark Review (WTR) 1000 For The Seventh Year In A Row

This year, WTR called out Senior Associate **Matt Frisbee** as a stand-out portfolio manager for his “hands-on” work and “excellent qualitative advice.” Other Leason Ellis lawyers recognized by WTR include:



**Peter Sloane**

Partner: “a superb all-rounder” in counselling and litigation



**Lauren Emerson**

Partner: “one of the sharpest minds in IP” and hailed by US contemporaries as “phenomenal”



**Martin Schwimmer**

Partner: another “stand-out portfolio manager” who also “has a great understanding of the modern tech space and the legal challenges associated with it”



**Karin Segall**

Partner: “a trusted adviser, portfolio manager and TTAB proceedings expert”



**Yuval Marcus**

Partner: approaches settlements in “clever and creative ways” and is “[f]ully at ease inside the courtroom too” as he has “handled numerous high-stakes cases and created new law in the process”



**Cameron Reuber**

Partner: “a dynamic litigator who doesn’t just fight, but resolves disputes”

## Expanded Leadership At Leason Ellis

In January 2022, we proudly announced the following appointments to expand our leadership team and give voice to our diversity of thought:

### **Jordan Garner**

Patent Practice Group Co-Chair,  
along with Ed Ellis

### **Cameron Reuber**

Litigation Practice Group Co-Chair,  
along with Yuval Marcus

### **Lauren Emerson**

Trademark and Copyright Practice Group  
Co-Chair, along with Peter Sloane

### **Melvin Garner**

Partner-in-charge of the firm's diversity,  
equity, and inclusion (DEI) efforts

### **Robert Isackson**

Partner-in-charge of the firm's pro bono  
efforts (many thanks to Peter Sloane for  
his 14 years of service)

## Our Talent Pool Is Expanding



**Ralph Crispino** is a Partner who works with international companies, individuals, and start-ups to develop their U.S. and international patent portfolios, including preparation of applications and all aspects of patent prosecution. He has assisted clients in various technological areas, particularly within the oil and gas industry, including petrochemicals, clean fuels, catalyst synthesis, advanced analysis of oil, and process controls. Ralph also has patent-related experience in various other technical fields, including electrochemical cells and components, mechanical devices, and various consumer products. In addition, he has been involved in the preparation and negotiation of technology license agreements with established companies, as well as with start-up companies.



**Nicholas E. Forgione** is an Associate in the Trademark and Copyright Practice Group who works with brand owners on all aspects of trademark matters. Nick's experience includes U.S. and global trademark clearance, prosecution, and enforcement representing brand owners of all sizes from solo artists and entrepreneurs to global corporations. Nick has experience representing clients in a wide variety of industries including music and entertainment, beauty and cosmetics, medical devices, and software and technology.



**Dr. Kristin Breen** is a Patent Agent who brings advanced chemical physics degrees from Yale and over six years of experience in drafting and prosecuting U.S. and international patent applications across a variety of technologies, including chemical engineering, chemistry, petroleum refining, wastewater treatment, and drilling.

# PATENT

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## Does Artificial Intelligence Qualify as An Inventor of a U.S. Patent? No, At Least Not Yet

A group called the Artificial Inventor Project (AIP) launched a global effort to get an AI system listed as an inventor of a patent. See <https://artificialinventor.com>. To that end, the AIP filed patent applications on two inventions created by an AI system called “DABUS” in seventeen countries listing DABUS as the sole inventor.

The USPTO refused the applications and the federal District Court for the District of Virginia agreed, ruling that an AI system cannot be named as an inventor on a patent on grounds that an inventor must be “a natural person” under the letter of U.S. patent laws. Still, Judge Leoine Brinkema acknowledged that “[a]s technology evolves, there may come a time when artificial intelligence reaches a level of sophistication such that it might satisfy the accepted meaning of inventorship. But that time has not yet arrived, and, if it does, it will be up to Congress to decide how, if at all, it wants to expand the scope of patent law.” *Thaler v. Hirshfeld*, Case No. 1:20-CV-903 (LMB/TCB) 2021 WL 3934803 (E.D. Va. Sept. 2, 2021).

The District Court’s decision is now on appeal to the Federal Circuit Court of Appeals. *Thaler v. Hirshfeld*, App No. 21-02347 (Fed. Cir. 2022).

### INSIGHTS

1. AI is unlikely to qualify as an inventor under US patent law absent legislative action.
2. This decision does not foreclose the ability to patent inventions created using AI. In such cases, the inventor could reasonably include the individuals that developed, and/or trained the AI system. However, questions remain as to who, if not AI, is properly named the inventor of an invention generated by a truly autonomous AI system.





## Resolve Patent Litigation Without Costly Discovery

In some patent infringement cases, the interpretation of one or two key claim terms can drive the resolution of the case. Courts are more inclined in such cases to allow the parties to conduct limited claim construction discovery and *Markman* briefing early, and to defer regular fact and expert discovery until after the Court determines what the disputed claims mean.

Recently, Leason Ellis attorneys successfully employed this strategy when they teamed up with Williams Mullen to defend a patent infringement suit relating to vape sensing technology in the Eastern District of New York. Before engaging in costly fact and expert discovery, the team determined that interpretation of the claim term “signature” would likely drive the resolution of the case to non-infringement (if “won”), or invalidity (if “lost”). The Court agreed to expedite claim construction and defer regular fact and expert discovery until after claim construction. This happened over plaintiff’s repeated objections, resulting in the Court adopting Leason Ellis’ client’s construction of the claim term “signature.” With a claim construction that established non-infringement, the plaintiff had no choice but to dismiss its claims with prejudice. *See Soter Tech. LLC v. IP Video Corp. et al.*, No. 2:20-cv-02989-GRB-JMW (E.D.N.Y.).

### INSIGHTS

1. Developing strong claim construction and non-infringement arguments early on in a case and pushing for expedited claim construction proceedings can lead to swift resolution of patent infringement and related claims.
2. Preparing a patent application, particularly drafting patent claims, should be done with an eye toward potential litigation of the claims in the future.

[Learn more about our Patent practice and meet the team ►](#)

# TRADEMARK

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## Thoughts On Recent Expungement and Reexamination Cases

In December, the USPTO introduced streamlined rules for seeking cancellation of trademarks that (a) were not in use when the trademark application or Statement of Use were filed (reexamination), or (b) are at least three years old and cover marks that have never been used in U.S. commerce (expungement).

The USPTO has since received about 50 petitions for expungement or reexamination, instituting only seven expungement proceedings and two reexamination proceedings. In one noteworthy proceeding concerning the mark GALAVAVA covering over a dozen goods in Class 21, a third-party petitioner was able to establish a *prima facie* case for expungement for four of the goods. Interestingly, the USPTO simultaneously instituted a director-initiated expungement proceeding for the remaining goods in the registration, based on its own investigation. In particular, the USPTO relied on Google searches for the mark and owner, and searches for the mark on relevant e-commerce sites including Amazon, Home Depot, Lowes, Walmart, and Dick's Sporting Goods. Importantly, the USPTO also searched the "Wayback Machine" (archive.org) for both the mark and the owner.

### INSIGHTS

1. Given the USPTO's interest in clearing the Register of marks that are not in use, it seems likely that we will see more director-initiated proceedings that supplement a third-party petition.
2. The USPTO's review of these early cases suggests that contemporary internet searches are suitable for establishing lack of current use, rather than past use, and the Wayback Machine will be critical for establishing that a mark has never been used in commerce. The same is likely true for reexamination, which requires establishing non-use as of a specific date in the past.

## Are Scammers Targeting Your Employees or Customers? Counter Typosquatting Through UDRP Proceedings

Scammers are becoming more sophisticated in their methods for defrauding businesses. One common scam utilizes typosquatting—registering a domain name that is a misspelling of a company's domain name—and creating a fraudulent website and/or fake emails appearing legitimate to trick unsuspecting customers into providing payment or sensitive information.

Uniform Domain-Name Dispute-Resolution Policy (UDRP) proceedings enable trademark owners to cost-effectively combat abusive registrations of domain names. UDRP proceedings are quicker and less costly than litigation, usually resulting in a decision within 1-2 months of filing. Relief available under the UDRP can include the transfer of the domain name registered in bad faith to the trademark owner.

Since the beginning of the year, Leason Ellis filed UDRP proceedings successfully preventing the misuse of at least six domains that were fraudulently registered for purposes including traditional domain-name squatting, typosquatting, sending phishing emails to customers asking for wire transfers, and hosting a fake website copying photos and contact information from a company's legitimate website and purporting to sell the company's products.

### INSIGHTS

1. Scams like typosquatting are increasingly common, and trademark scammers are becoming ever more sophisticated. Use UDRP proceedings to combat typosquatters by disabling and recovering fraudulently registered domain names.
2. In addition to monitoring for traditional domain-name squatters seeking to profit from being the first to register a valuable domain name, companies should also investigate instances of typosquatting, phishing and related scams to determine whether any scams originate from a fraudulently registered domain name that can be recovered through a UDRP proceeding.

**Learn more about our Trademark practice and meet the team ►**



# COPYRIGHT

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## Inadvertent Mistakes On Copyright Registrations Are Not Fatal, Says The Supreme Court

Inadvertent mistakes on copyright applications—whether mistakes of law or mistakes of fact—will not invalidate a copyright registration, according to the Supreme Court. Specifically, the Court considered the safe harbor provision of the Copyright Act to mean that a certificate of registration is valid: “regardless of whether the certificate contains any inaccurate information, unless—(A) the inaccurate information was included on the application for copyright registration with knowledge that it was inaccurate; and (B) the inaccuracy of the information, if known, would have caused the Register of Copyrights to refuse registration.” *Unicolors, Inc. v. H&M Hennes & Mauritz, L.P.*, 525 U.S. \_\_, at 2 (2022)(quoting 17 U.S.C. § 411(b) (1)).

Although this decision makes it easier for non-lawyers to obtain valid copyright registrations because good faith mistakes of fact or law will not invalidate the registration, the Court left open an avenue for further issues to arise. It explained that “courts need not automatically accept a copyright holder’s claim that it was unaware of the relevant legal requirements of copyright law.” *Id.* at 3. Thus, the court recognized that willful blindness and circumstantial evidence can all support a finding of actual knowledge.

### INSIGHTS

1. Litigation of inaccuracies on copyright registrations will focus on whether the registration-holder had “actual knowledge.”
2. Although true good faith mistakes will be excused, it is still best practice to consult with a copyright attorney when filing a registration to ensure the application is in full compliance with the nuanced legal requirements.



## Copyright Office Considers Program For Deferred Examination

The Copyright Office has kicked off a study on deferred examination. The study is to find a workable system for copyright applicants to submit their applications and delay examination until a later date (possibly when the work is infringed, and the applicant wishes to sue).

In theory, such a system could decrease initial filing costs, which would benefit creators of many works. Another benefit is the decreased administrative burden on the Office, which loses money on every application it examines. The solution, however, raises a host of logistical and other concerns, and industry groups have offered mixed responses to the system.

### INSIGHTS

1. The coming years may bring significant changes to the copyright registration process. If you need assistance developing cost-effective filing strategies in the interim, seek the advice of knowledgeable counsel.

**Learn more about our Copyright practice and meet the team ►**

# LITIGATION

## Schedule A Proceedings—Swift Attorney Action Can Turn Wheels of Justice Quickly, Even During A Pandemic

In Schedule A proceedings, plaintiffs file suit against counterfeiters and move for *ex parte* relief while keeping the defendants' identities under seal. After injunctive relief is obtained, defendants can be served by email. Most defendants never appear, resulting in default judgments with relief ranging from transferring domain names to collecting damages from frozen assets in payment services like Amazon and PayPal.

Unbeknownst to a Leason Ellis client who runs a legitimate international business, an improper patent infringement Schedule A complaint was filed against it by a competitor in the Northern District of Illinois, resulting in an *ex parte* preliminary injunction and the freezing of its assets. After being retained on a Tuesday afternoon, Leason Ellis attorneys filed an emergency motion and appeared by video for a court hearing by Friday morning, resulting in the court vacating the preliminary injunction and dismissing three of the defendants that same day. *See Headwaters, Inc. v. The Partnerships and Unincorporated Associations Identified on Schedule A*, No. 1:21-CV-06303 (N.D. Ill.).

### INSIGHTS

1. Schedule A litigation can be a powerful tool to combat overseas IP counterfeiters and infringers that conceal their identity.
2. Schedule A proceedings, typically employed in trademark and copyright cases, can be used against patent infringers as well.
3. While Schedule A litigation can be an effective tactic against certain defendants, it should not be used as an end-run of due process or for ordinary IP disputes.
4. Pre-suit diligence is imperative to determine the appropriateness of employing the Schedule A procedure to avoid malpractice and sanctions.

[Learn more about our Litigation practice and meet the team ►](#)

# OF INTEREST

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## IN CASE YOU MISSED IT

### **Marty Schwimmer Quoted In Billboard Article “What’s In A Band Name? Apparently Lots Of Litigation”**

Leason Ellis attorneys have their fingerprints on two of the eight “big act” band name disputes mentioned in the article, namely, cases involving the Platters and the Ebonys. Band name disputes raise an interesting set of questions: Who truly constitutes the band? Is it the members, or an LLC that owns the rights to the name? Is it the original lineup, or the one that produced the biggest hits? Does one key member and a bunch of replacements count? There can be a real disparity between the legal answer, about who owns the trademark, and the emotional answer as to what the name of the band means to the members and to the public.

[Click to learn more](#) (subscription required).

### **Jordan Garner and Yuval Marcus Author Article In The Corporate LiveWire IP Expert Guide, On Litigation Risk In M&A Transactions**

When evaluating a potential investment in, or acquisition of, a technology or life sciences company, it is important to consider the risk that a third party will assert IP infringement claims, and the risk associated with any pre-existing IP litigation. The article discusses how these pre-existing or potential IP litigation risks to can be evaluated through a Freedom To Operate (FTO) review, or the analysis of pending or past patent litigation. In either scenario, it is highly recommended that diligence counsel speak with the target company’s IP counsel and inquire about the nature of the claims, the company’s position with respect to the litigation risk, and the strength of its defenses.

[Click to learn more](#)

### **Rob Isackson Quoted In An Article For Law360 Titled “Patent Policy To Watch In 2022”**

Two patent reforms are currently pending in Congress. The Restoring the America Invents Act introduced in the Senate would strengthen the 2011 Leahy-Smith America Invents Act while the Restoring America’s Leadership in Innovation Act introduced in the House of Representatives would return the U.S. to a first-to-invent system. “They’re diametrically opposed bills,” according to Rob. “Both bills seem to have some support from industry or inventor groups, and there are policy arguments for and against each side.”

[Click to learn more](#) (subscription required).

### **Dr. Susie Cheng (Leason Ellis) and Jason Johnson (Moses & Singer) Jointly Presented An Intellectual Property Webinar For The American Physician Scientists Association On February 26, 2022**

Among the audience were mostly physician-scientist entrepreneurs interested in bringing an idea from the lab and further develop it in the industry. After a discussion on IP procedures using gene editing technology as an illustration, Susie introduced different types of patent protections including utility, plant and design patents. She observed that researchers should timely file patent protection prior to public disclosure of their research and form an alliance with their tech transfer office, secure agreements with collaborators early on in their endeavor. These strategies would help in avoiding pitfalls when developing lab research into a global patent reality.

### **Marty Schwimmer Spoke At The NY Intellectual Property Law Association (NYIPLA) CLE Program “*The Intersection of NFTs and Transactional IP*”**

Per the NYIPLA: Interest in non-fungible tokens, or “NFTs,” as vehicles for conducting IP-related transactions has exploded over the past year. While NFTs have been touted as offering the possibility of “frictionless” transactions, the sale and purchase of NFTs involves traditional IP rights subject to traditional legal IP principles, including copyright, trademark and rights of publicity. The clash between NFTs and traditional IP rights has been illustrated by recent high-profile lawsuits involving NFTs for virtual Birkin bags and Nike shoes.

In this program, speakers Penny Williams (Sotheby’s), Joshua Kaufman (Venable), Marty Schwimmer (Leason Ellis), and Robert deBrauwere (Pryor Cashman) discussed the intersection between NFTs and traditional IP principles, including what IP rights that may accompany the sale of NFTs, what transactional paperwork may be required to effectuate IP transfers associated with NFTs, what IP disputes may arise in connection with NFTs, and what strategies NFT buyers and sellers might use to insulated themselves from IP-related liability.



# WHAT'S AHEAD

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May 24, 2022 | 9:15 AM—11:30 AM EDT | Mastercard, Purchase, NY 10577

## **"Best Practices for Drafting and Negotiating License Agreements and Intellectual Property Clauses in Business Agreements"**

Featuring Leason Ellis' Lauren Emerson and Jordan Garner as panelists and Yuval Marcus as moderator.

May 25—26, 2022 | Virtual Event

## **WIPR Trademarks Live 2022**

June 15—18, 2022 | Copenhagen, Denmark

## **ECTA 40th Annual Conference—Designing The Future**

September 18—20, 2022 | San Francisco, CA

## **Intellectual Property Owners Association 2022 Annual Meeting**



## DID YOU KNOW?

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Did you know the USPTO has an ID Manual of all the goods and services pre-approved by the Trademark Office? Using pre-approved wording can:



Save time and money and helps avoid Office Actions for minor objections to the identification of goods and services in a trademark application.



Allow you to take advantage of the TEAS Plus filing system, which can save \$100 per class in filing fees.

If your goods and services do not appear in the ID Manual, we can request that it be added. Requests to add items are usually approved within a few days. With the correct insight in the ID Manual, there is an opportunity to save money on every new application.

### **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 here:

[inquiries@leasonellis.com](mailto: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 here:

[www.leasonellis.com](http://www.leasonellis.com)

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