



LEASON  
ELLIS INTELLECTUAL  
PROPERTY  
ATTORNEYS

THE  
**Newtonian**<sup>®</sup>

ISSUE #32, SPRING 2023



# LETTER FROM THE EDITOR

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Dear Friends and Colleagues,

This issue of The Newtonian is themed: look back and look ahead. You'll find that each practice group has a pair of insight cases: one that discusses a notable development from 2022 and one that identifies a development that is likely to be important in 2023.

## LITIGATION PRACTICE GROUP INSIGHTS

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The image on the cover is original artwork created by DALL-E-2, "a new AI system that can create realistic images and art from a description in natural language." AI is a hot topic now, especially for intellectual property law. It's an issue we will almost certainly face and one about which you can expect us to share insights. In the meantime, we simply hope to inspire you. The language prompt for this image was simply: "Reflection of the past and view of the horizon in the style of David Hockney."

As always, we hope you find value in The Newtonian. 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  
Partner  
Editor, The Newtonian

# FIRM NEWS

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## Promotions and Team Expansion Mark the Start of a New Year at Leason Ellis

The firm promotes Matthew Frisbee, Henry Gabathuler, and Michelle Levin and welcomes new associate Tatsuya Adachi. Once again, Leason Ellis demonstrates the strength of the firm's culture and its commitment to attorney growth within the firm. "Matt, Henry, and Michelle are consummate professionals who have grown as attorneys in innumerable ways. They're vital members of our team and represent the next generation of growth at Leason Ellis. We couldn't be happier for the firm and for them," said David Leason.



### **Matthew L. Frisbee, Partner**

Matt is a seasoned trademark lawyer who helps clients develop tailored strategies for protecting and enforcing their brands in the U.S. and abroad. He takes a holistic approach to brand protection and utilizes diverse channels to safeguard intellectual property. Matt holds degrees from The George Washington University (B.A., summa cum laude) and Washington & Lee University School of Law (J.D., 2007, cum laude).



### **Henry A. Gabathuler, Partner**

Henry has extensive experience securing patent protection in the U.S. and worldwide. In addition, he handles patent, trademark, copyright, antitrust, and general business litigation matters at the district and appellate court levels. Henry holds degrees from Lafayette College (B.S., Electrical and Computer Engineering) and Brooklyn Law School (J.D., 2007).



### **Michelle J. Levin, Of Counsel**

Michelle's practice includes all aspects of domestic and foreign trademark prosecution, including trademark counseling, clearance, and international filing, matters before the TTAB, and contentious matters abroad. Michelle holds degrees from the University of Michigan (B.A., Economics) and Brooklyn Law School (J.D., 2007).



### **Tatsuya Adachi, Associate**

Tatsuya joins Leason Ellis as an Associate in the Litigation Practice Group. Tatsuya holds degrees from Skidmore College (B.A.) and the Benjamin N. Cardozo School of Law (J.D., 2016).

# PATENT

## PRACTICE GROUP INSIGHTS

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2022

### Section 101 Has Become Even More Unsettled

The courts have issued several decisions about patent eligibility under §101 of the Patent Act, invalidating certain patent claims. Critics are concerned that these decisions have made it harder for pending applications to be approved and will make more patents subject to §101 challenges in the future. Recent §101 decisions include *American Axle & Manufacturing v. Neapco Holdings LLC*, *Interactive Wearables, LLC v. Polar Electro Oy*, and *David A. Tropp v. Travel Sentry, Inc.*

**1. *American Axle & Manufacturing, Inc. v. Neapco Holdings LLC, Neapco Drivelines LLC*, 967 F.3d 1285 (Fed. Cir. 2020) (cert. denied).**

The *American Axle* case involved a patent for manufacturing a shaft assembly of a driveline system. The Federal Circuit found two of the method claims were not eligible for patenting under §101 because they were just an application of a natural law and “nothing more,” because the claims failed to recite specific steps involved in applying the natural law to achieve the claimed result. The dissent argued that the decision expanded the requirements for patent eligibility too far by: 1) liberally characterizing claims as being directed to a natural law, and 2) importing elements of the enablement requirement under §112 by requiring the patentee to specify how the result of step is accomplished in the claims.

**2. *Interactive Wearables, LLC v. Polar Electro Oy*, 501 F.Supp.3d 162 (E.D.N.Y. 2020) (Federal Circuit affirmed; petition for cert pending).**

The *Interactive Wearables* case is a dispute over a patent for improved devices for playing audio and visual media content. The district court found the claims were invalid because they only claimed an abstract idea of providing information in conjunction with media content. The Federal Circuit summarily affirmed. *Interactive Wearables* petitioned the Supreme Court to clarify the standard under §101. Like *American Axle*, *Interactive Wearables* raises the question of whether it is improper for the court to consider whether the claimed invention is properly enabled in connection with its inquiry under §101.

3. *Travel Sentry, Inc. v. Tropp*, 527 F.Supp.3d 256 (E.D.N.Y. 2021) (*Federal Circuit affirmed; petition for cert pending*).

The *Tropp* case involves a patent for improving airline luggage inspection. The district court ruled (and the Federal Circuit affirmed) that the claims were not eligible because they did not have enough of an inventive concept. Tropp is asking the Supreme Court to clarify the proper application of Section 101 and to make the patent-eligibility rules match the language of section 101.

## INSIGHTS

- The Federal Circuit's decision in *American Axle* could very well result in an increase in patent eligibility challenges in technology areas such as industrial manufacturing.
- Critics of the Federal Circuit's decisions say that it is improper to include elements of the enablement requirement in the §101 inquiry and that patent claims are being wrongly characterized as natural laws.
- Although Supreme Court decided not to consider the *American Axle* case, the Supreme Court might still weigh in on similar questions concerning §101 questions in connection with *Interactive Wearables* and *Tropp*.
- Patent applicants should be careful when drafting claims that use natural laws by not simply reciting the functional result, and including specific ways of applying those laws.



Image: DALLE-E-2 "Interactive wearables for playing audio and visual media content in the style of Keith Haring."

2023

## The Unitary Patent and the Unified Patent Court Arrive in Europe

Europe is launching a new patent system with two major changes: a single patent right (Unitary Patent) and a unified court system (Unified Patent Court [UPC]) to handle disputes.

### Unitary Patent

The current European Patent Office system requires applicants to choose which European countries to validate a granted application in. This can lead to high costs from translation, validation, and recurring renewal fees for each selected country.

The Unitary Patent aims to simplify this process by providing a single patent right for 17 participating European countries. Non-participating countries like Croatia, Poland, Spain, and UK can still be covered using the traditional validation process. When filing a patent in Europe, applicants can choose between the Unitary Patent with uniform rights in participating countries or the traditional validation process in selected countries. The Unitary Patent comes with a single, annual renewal fee and reduced translation costs after a 6-year transition period, if the patent is filed in English, French, or German. The Unitary Patent will be available when the UPC is established, expected on June 1, 2023.

### Unified Patent Court (UPC)

The UPC will have the exclusive jurisdiction to handle unitary patent disputes, including infringement and revocation proceedings. The UPC will have exclusive jurisdiction over non-unitary European patents after a 7-year transition period unless patent holders opt out. By opting out, patent holders retain the right to litigate in national courts.

### INSIGHTS

- The Unitary Patent streamlines the European patent process with a single annual fee and reduced translation costs for patents filed in English, French, or German.
- The UPC is a new and untested court and thus presents some uncertainty and risk.
- Patent holders must weigh the benefits of a uniform patent in all participating countries versus the risk of the patent being challenged in a single proceeding affecting rights in all participating countries.
- During the transition period, non-unitary patent disputes can still be handled in national courts.

# TRADEMARK

PRACTICE GROUP INSIGHTS

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2022

## Trademark Office Change in Deadline for Office Action Responses

Congress passed the Trademark Modernization Act of 2020 in December 2020 with the goal of simplifying trademark registration and enforcement in the United States. In November 2021, the USPTO implemented a Final Rule that reduced the deadline for responding to Office Actions from six months to three months, effective December 3, 2022, for applications filed under Sections 1 or 44 of the Trademark Act only. The new deadline does not apply to pre-registration Office Actions for applications filed under the Madrid Protocol. For applicants having trouble meeting the accelerated deadline, a one-time, three-month extension is available for \$125. Failing to adhere to the new timeline will result in the abandonment of the application.



Post-registration Office Actions will also have a three-month deadline, with the option for one extension, but only for Office Actions issued after October 7, 2023, and this will apply to all registrations, including those based on the Madrid Protocol.

According to the USPTO, the purpose of this change is to reduce the overall time it takes to obtain a trademark registration by expediting the response time to Office Actions.

## INSIGHTS

- The new USPTO deadline applies to pre-registration Office Actions issued on or after December 3, 2022, and changes the response time for Office Actions from six months to three months. The deadline does not apply to applications filed under the Madrid Protocol.
- A one-time, three-month extension is available for \$125. A shorter three-month deadline for all post-registration Office Actions will go into effect on October 7, 2023.
- The best course of action for applicants is to submit fully compliant trademark applications in the first place. Applicants and registrants should review Office Actions carefully before responding by working with experienced lawyers.

2023

## Does BAD SPANIELS Make For Bad Law? SCOTUS

In the 2020 Ninth Circuit trademark infringement case *VIP Products, Inc. v. Jack Daniel's Properties, Inc.*, 953 F.3d 1170 (9th Cir. 2020) (the "BAD SPANIELS" case), the court held that a dog toy shaped like a bottle of Jack Daniel's whiskey and bearing labels parodying Jack Daniel's trade dress was an "expressive work." This expanded the definition of "expressive work" to include everyday items that contain a non-zero level of expression rather than just literary or artistic works. As a result, the court found that the dog toy qualified for special First Amendment protections and instructed the lower court to use the "so-called" Rogers test (instead of the traditional likelihood-of-confusion test for trademark infringement), putting a heavy burden on plaintiffs to prevail in cases of trademark infringement. Jack Daniel's appealed the decision, and the Supreme Court granted certiorari in November 2022.

As pointed out in the International Trademark Association's amicus brief, co-authored by Leason Ellis partner Marty Schwimmer (see [here](#)), arguing that "traditional expressive works" should be granted special treatment under the Rogers test because consumers perceive content differently when it is in the title or text of an expressive work rather than when it is in "trademark spaces."



While the parties (and INTA) argue for various tweaks to the Rogers test, the Department of Justice, in its amicus brief, has argued that there is no statutory basis for the Rogers test at all and that any First Amendment considerations are already incorporated in the conventional likelihood of confusion test. As such, the DOJ contends that requiring a plaintiff to meet the requirements of the Rogers test prior to applying the statutorily prescribed likelihood of confusion standard is improper.

## INSIGHTS

- The DOJ has adopted an extreme view in its brief, which, at first glance, will weaken First Amendment protection for all expressive works.
- The outcome of this case could have major implications for all trademark infringement cases. Oral arguments are currently set for March 22nd, and the Supreme Court's decision will likely be issued by the end of June.
- If the Supreme Court affirms the BAD SPANIELS decision, it will lead to a slippery slope where almost any work could be considered an expressive work and could skirt the traditional likelihood of confusion analysis for trademark infringement. This would place a heavy burden on trademark infringement plaintiffs and be a huge swing of the pendulum in favor of the defendants.
- If the Supreme Court adopts the DOJ's suggestion to discard the Rogers test and require a likelihood of confusion analysis for expressive works, it would essentially make these cases immune to summary judgment motions or 12(b)(6) motions to dismiss due to the sheer number of questions of fact that cannot be determined without trial. In practice, this means that a well-financed plaintiff has a significant advantage over the defendant, even if the defendant used a mark not as an identifier of source but within the context of an expressive work such that infringement could not be found on the merits.

# COPYRIGHT

## PRACTICE GROUP INSIGHTS

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2022

### Developments in the Copyright Claims Board

The Copyright Claims Board (CCB), a forum for copyright claimants to seek damages up to \$30,000, opened its doors last June. The CCB hears three types of copyright cases: (1) copyright infringement, (2) declarations of non-infringement, and (3) claims of misrepresentation regarding notices submitted under the Digital Millennium Copyright Act.

As of December, 281 claims had been filed. Most claims relate to the alleged infringement of pictorial, graphic, and sculptural works, but there are also claims for literary works, sound recordings, motion pictures, and audiovisual works. The CCB aims to provide an affordable and accessible option for individuals and small businesses asserting copyright claims, and so far, nearly 66% of claims have been filed without a lawyer. However, approximately 80% of claims have been dismissed for failure to comply with procedures and deadlines, highlighting the steep learning curve for claimants and the need for more education about the system for it to run smoothly and reach its full potential.

#### INSIGHTS

- Participation in CCB proceedings is voluntary for both claimants and respondents. Claimants can choose to litigate in federal court, and respondents can choose to opt out of CCB proceedings. CCB proceedings are conducted online, and claimants do not need a registered copyright to file a claim but can file for copyright registration simultaneously.
- Statutory damages are limited to \$15,000 per work infringed in CCB proceedings compared to potentially \$150,000 per work infringed in federal court. Claimants who register their work post-infringement can also seek damages of up to \$7,500 per work infringed. Attorney's fees are generally not recoverable in CCB proceedings.

## Two Princes: SCOTUS to Put Its Spin on Copyright Fair Use



*The original Lynn Goldsmith photograph of Prince and Andy Warhol's portrait of the musician.*

The US Supreme Court is expected to decide a case this year concerning the boundaries of the fair use doctrine under the U.S. Copyright Act, *Andy Warhol Foundation for Visual Arts, Inc. v. Goldsmith*, 11 F.4th 26 (2d. Cir. 2021). The case involves photographer Lynn Goldsmith's 1981 copyrighted photographic portrait of the music icon Prince and Andy Warhol's silkscreen paintings based on the portrait, which were created without Goldsmith's permission. The issue in the case is whether Warhol's paintings are unauthorized infringements of Goldsmith's copyright or if they are non-infringing fair uses. Specifically, the Supreme Court will consider the extent to which the purported "transformativeness" of a secondary work relative to the copied copyrighted work—e.g., aesthetic transformation or transformation of meaning or message—weighs in favor of fair use.

The argument by the Andy Warhol Foundation for Visual Arts, the successor to Andy Warhol's copyrights in the screen prints, and the position adopted by the district court prior to the appeal, is that Warhol's works were "'transformative' because, while the Goldsmith photograph portrays Prince as 'not a comfortable person' and a 'vulnerable human being,' [Warhol's] Prince Series portrays Prince as an 'iconic, larger-than-life figure[.]'" The U.S. Court of Appeals for the Second Circuit reversed, stating: "[W]hether a work is transformative cannot turn merely on the stated or perceived intent of the artist or the meaning or impression that a critic—or for that matter, a judge—draws from the work." The Supreme Court heard oral arguments in October 2022 and is expected to hand down its decision soon.

### INSIGHTS

- At stake for the copyright law community is the potential resolution of a perceived tension that has been building for decades within the fair use case law concerning the "transformativeness" doctrine, in particular: whether its boundaries are clearly defined or uniformly applied by courts and whether it should be considered as part of the fair use analysis at all.
- The case has attracted significant attention from the copyright and arts communities, with no fewer than 38 amicus briefs filed by various stakeholders, including artists' rights organizations, law professors, individual artists, and others.

# LITIGATION

## PRACTICE GROUP INSIGHTS

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2022

### Protecting Confidential Information in Court Proceedings

Intellectual property lawsuits often involve confidential technical, business, or financial information. To prevent this information from becoming public during court proceedings, such as written briefs or hearings, the parties must request a court order to seal the records and/or the courtroom.

U.S. district courts have become more strict about what confidential information can be filed “under seal” and what must be made public. A recent case, *Uniloc USA, Inc. v. Apple Inc.*, 25 F.4th 1018 (Fed. Cir. 2022), highlights the importance of being thorough when trying to keep confidential information private.

In *Uniloc*, Uniloc sought to file 109 license agreements with the district court “under seal” as evidence in its patent infringement lawsuit against Apple. Only 31 of the 109 licensees requested their information be kept confidential, and only 13 submitted declarations to support their request. Only the Electronic Frontier Foundation, a non-party appointed by the court to advocate for unsealing, opposed Uniloc’s request.

The district court judge denied Uniloc’s motion to seal on grounds that it was overly broad and unsupported. Multiple appeals on the issue ensued and the Federal Circuit affirmed the lower court in most respects but remanded for the court to perform a more detailed analysis of whether certain third-party confidential information should be sealed.

#### INSIGHTS

- Parties should expect that a district court will perform a thorough analysis before granting a party or non-party the right to maintain information confidentiality.
- It is crucial to provide strong support for a motion to seal confidential information.
- Keeping confidential information sealed from public view comes with additional risk of litigation within a litigation, increased costs, and the risk of the court denying the request.
- There is a possibility that the increased scrutiny will discourage parties from pursuing court claims or push resolution to confidential arbitration or mediation.



Photo link <https://www.supremecourt.gov>

**2023**

## Patent Enablement Goes to SCOTUS

Enablement under §112 of the Patent Act is one of several requirements for obtaining a patent, and generally requires that a patent specification adequately describe how to make and use the claimed invention. The U.S. Supreme Court will hear *Amgen, Inc. v. Sanofi* in 2023 to address the issue of whether a patent can cover a class of related compounds (genus) when the specification only describes some of the members of the genus (species). The lower courts found Amgen's patents on the monoclonal antibody Repatha® to be invalid due to lack of enablement for essentially claiming patent protection for a large class of antibodies while only describing some of them. Amgen argues that the decision overly extends the existing enablement requirement by requiring the specification to describe virtually all the possible embodiments (the "full scope") of the claimed invention rather than enabling a person skilled in the art to "make and use" the claimed invention as recited in the relevant statute. Sanofi argues the opposite, saying that the patentee has to describe how to make and use the entire invention, not simply part of the invention.

The upcoming Supreme Court review will be significant for the patent system as it will clarify the scope of the enablement requirement for obtaining a patent with genus claims.

### INSIGHTS

- The Supreme Court's decision will likely have a significant impact on what types of genus patent claims will be deemed valid moving forward.
- If the lower court's ruling is upheld, biotechnology and pharmaceutical companies may have to reassess their existing patents including genus claims and their strategies for protecting future inventions. The outcome of the case may also provide clarity for patent practitioners on the enablement requirement. However, this remains to be seen as the Supreme Court's decision has not yet been issued.

# OF INTEREST

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## IN CASE YOU MISSED IT

### **Mel Garner and Rob Isackson Filed an Amicus Brief on behalf of the New York Intellectual Property Law Association (NYIPLA) at U.S. Supreme Court in *Amgen, Inc. v. Sanofi***

Mel Garner was counsel of record and Rob Isackson was a co-author of the NYIPLA's recently filed amicus brief in this highly anticipated Supreme Court case regarding the extent of the enablement requirement for U.S. patent law. The brief proposes "a new rule which involves limiting Section 112 to its statutory language and requiring an applicant to disclose a reasonable number of species sufficient to give the Patent Office examiner confidence that the genus is supported." The brief was not filed in support of either party.

### **Mel Garner Speaks at PLI's IP Issues in Business Transactions 2023 Program on January 4-5, 2023**

On the first day of the two-day program, Mel, joined by Gail Zarick (IBM Corporation), spoke on the topic of *Designing, Creating, and Pruning an IP Portfolio*, including issues related to IP acquisitions and sale and identifying IP rights vital for companies to reach their business objectives.

### **Yuval Marcus and Jordan Garner Meet with Clients at the 2023 J.P. Morgan Healthcare Conference**

In furtherance of the firm's vibrant life sciences IP due diligence practice, in January, Yuval and Jordan traveled to San Francisco to meet with clients and corporate co-counsel at the 2023 J.P. Morgan Healthcare Conference. For insight into the strategies they utilize when conducting IP due diligence in M&A transactions involving life sciences and medical technology companies, see their article recently published in CorporateLiveWire's Intellectual Property 2023 Expert Guide entitled "Intellectual Property in M&A Transactions and Investments: The Importance of Effective IP Due Diligence."

## Leason Ellis Attended the Hon. William C. Connor Inn of Court's 15th Annual Reception & Dinner in Honor of the Federal Judiciary

The Hon. William C. Connor Inn of Court's mission includes advancing the education of attorneys, judges and the public in the field of intellectual property law. At the 15th annual reception and dinner, Leason Ellis partner Mel Garner, a member of the Connor Inn of Court Executive Committee made opening remarks as awards for excellence were presented to three members of the judiciary. More than 20 judges attended the event and Leason Ellis attorneys Mel Garner, Jordan Garner, Tatsuya Adachi and Yuval Marcus sat at a table with judges from the Federal Circuit, Southern District of New York and Eastern District of New York.



*Back row, center: Tatsuya Adachi, Yuval Marcus, Jordan Garner  
Seated at left: Mel Garner, Connor Inn Executive Committee Member  
Kogan (5<sup>th</sup> from right)*



*Connor Inn Executive Committee, Mel Garner (2nd from right) with  
honorees Hon. Laura Taylor Swain (3rd from right), Hon. Kara F. Stoll  
(4th from right), and Hon. Brian*

# WHAT'S NEXT

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## **Leason Ellis Supports the Regeneron Westchester Science & Engineering Fair (WESEF)**

Each year, Leason Ellis makes a generous donation to WESEF, which is used to support their high school student science fair event, and STEM outreach efforts and confer “Leason Ellis – Team Project Awards” to numerous Westchester County students. In March 2023, Leason Ellis partner Ralph Crispino will be an event judge on Saturday, March 18th, then present the awards at the student ceremony on March 23rd.

Last year our awards went to the following students for their research projects:

- MMalak Aljumaey and Zowie Mullings | Yonkers Partners in Education
- Leonah and Leysha Esteves | Peekskill High School
- Iva and Ella Chee | Yorktown High School

## **Elizabeth Barnhard to Present CLE for Women’s Bar Association of the State of New York (WBASNY) on April 27, 2023**

Elizabeth Barnhard, along with Rebecca Stadler (Stadler IP), will be presenting a 1-hour webinar CLE entitled “Understanding the Asset Value of Patents, Trademarks and Copyright,” to members of the Women’s Bar Association of the State of New York on April 27, 2023. Elizabeth will discuss the value of IP assets in various contexts, including valuating of businesses, determining marital assets, planning estates and trusts, investments, and bankruptcy. Registration information will be available at <http://wbasny.org>.

## **Rob Isackson to Lead Intellectual Property Owner's Association (IPO) Task Force on FTC's Proposed Ban on Non-Compete Agreement**

The Federal Trade Commission (FTC) has proposed a ban on non-compete clauses between employers and their workers, considering it an unfair method of competition. The proposed rule would make it illegal under federal law to have non-compete agreements with workers but would exempt non-compete clauses in franchisee-franchisor and business buyer-seller agreements. It would apply retroactively, requiring employers to repeal existing non-competes and notify current and former workers, and it would apply to all workers, including employees, independent contractors, interns, and volunteers. Rob Isackson is leading a task force for the IPO on the proposed ban. Rob will direct the task force in preparing comments on the potential impacts of the proposed rulemaking. Public comments are due by March 6, 2023.

### **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](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 at [leasonellis.com](http://leasonellis.com).

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