

Typosquatting and the Duty to Police Infringing Trademarks

Initial Interest Confusion and 'Post-Initial Confusion'

By Mitchell Zimmerman

You are the owner of KibbleSoft, the widely used fuzzy-logic retail management software package for pet food distributors. Understanding the value of the KibbleSoft brand, you have registered the trademark and carefully policed against infringers for a number of years. And having early grasped the importance of the Internet for promoting your brand, you were also a step ahead of the cybersquatters and acquired the *kibblesoft.com* domain in 1996. Much of your business now runs through your heavy-trafficked Web site at *www.kibblesoft.com*.

Recently, however, your trademark attorneys have brought a new problem to your attention: typosquatters. Parties unrelated to KibbleSoft LLC have registered a number of variants of your domain name, including among many others *wwwkibblesoft.com*, *kibblesoft.com*, *kbblesoft.com*, and *kibblseoft.com*. The owners of these domains seek to profit, in one manner or another, from either common typographical errors or misspellings of the *kibblesoft.com* domain name.

What's in it for them? The owner of *wwwkibblesoft.com* is a competitor who forwards traffic

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Doctrine of Equivalents Applied to Means-Plus-Function Limitations

There Is No 'Equivalent of an Equivalent'

By Steven F. Meyer

A means-plus-function limitation recites a function to be performed rather than definite structure or materials for performing that function. *Chiuminatta Concrete Concepts, Inc. v. Cardinal Indus., Inc.*, 145 F.3d 1303, 1307 (Fed. Cir. 1998). Such a limitation is more narrow than a counterpart written in structural format. *Lighting World, Inc. v. Birchwood Lighting, Inc.*, 382 F.3d 1354, 1361-62 (Fed. Cir. 2004). Nevertheless, patent drafters still commonly use means-plus-function limitations in computer-related patent claims for convenience sake.

The ramifications of using means-plus-function format include: 1) any equivalent structure in the accused device that was developed after the issuance of the patent cannot literally infringe under §112, ¶ 6; and 2) the doctrine of equivalents cannot be applied to an accused structure using pre-existing technology developed before the patent issuance. In short, the Patent Statute will not produce an "equivalent of an equivalent" by applying both §112, ¶ 6 and the doctrine of equivalents to the structure covered by a means-plus-function limitation.

CONSTRUCTION OF MEANS-PLUS-FUNCTION LIMITATIONS

Determining whether an accused device infringes a patent claim that includes means-plus-function limitations is a two-step process. First, the trial court determines the scope and meaning of the asserted claim. Second, the claim, as construed by the court, is compared, limitation-by-limitation, to the accused device. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1454 (Fed. Cir. 1998).

Before a trial court undertakes to construe what appears to be a means-plus-function limitation, it must first assure that the limitation is written in the means-plus-function format that invokes §112, ¶ 6. *Rodime PLC v. Seagate Tech. Inc.*, 174 F.3d 1294, 1302 (Fed. Cir. 1999). After a trial court establishes that a means-plus-function limitation is at issue, it must construe the function recited in that limitation and then determine what structures have been disclosed in the specification that correspond to and

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Typosquatting

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to a Web page promoting its own pet food distribution software, under its own brand. The *kbblesoft.com* typosite and most of the others, however, are not operated by competitors. Rather, these Web pages are calculated to bring the careless keyboarder to “parked” domain pages that display a collection of links to Web sites selling a range of products, mostly relating to the pet business or to pet food. The owners of these domains get a small payment every time someone clicks on one of the links found at these pages.

TRADING OFF YOUR GOOD WILL WITHOUT CONFUSION?

What can you do about these typosquatters? And do you have an obligation as a trademark owner to police against all of the typosquatters, regardless of whether there is any competitive impact, or run the risk that your trademark will be deemed abandoned? Is this one of those situations in which, as Judge Pierre N. Leval has noted, “trademark law not only encourages but requires one to be vigilant on pain of losing exclusive rights”? *Procter & Gamble Co. v. Johnson & Johnson Inc.*, 485 F.Supp. 1185 (D.C.N.Y., 1979.)

Clearly, you want to stop the competitor from using *www.kbblesoft.com*. By using your mark to direct consumers to a competing Web site, they are purloining your business leads and taking business away from you.

The relevant consumers for your kind of software are sophisticated enough to realize almost immediately that they have reached your competitor’s Web site, not yours, and that the product they see there is not sponsored by KibbleSoft. Nonetheless, some of them will end up ordering the competitor’s product and you will lose sales. But is it still trademark infringement if consumers are not confused about who is the source of the product when they make the purchase decision?

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Under the doctrine of “initial interest confusion” the answer is “yes.”

This is the type of infringement that was involved in *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036 (9th Cir. 1999). In *Brookfield* the Ninth Circuit held there could be infringement if another’s mark was used in a way that drew consumers to the defendant’s Web site as an initial matter, even if — after they got there — they knew that they were not at the site of the original, intended source, that of the trademark owner. Initial interest confusion, the Ninth Circuit, explained:

is much like posting a sign with another’s trademark in front of one’s store. Suppose [Blockbuster Video] puts up a billboard on a highway reading — ‘West Coast Video: 2 Miles ahead at Exit 7’ — where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast’s store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they will simply rent there. Even consumers who prefer West Coast may find it not worth the trouble to continue searching for West Coast since there is a Blockbuster right there. Customers are not confused in the narrow sense: they are fully aware that they are purchasing from Blockbuster and they have no reason to believe that Blockbuster is related to, or in any way sponsored by, West Coast. Nevertheless, the fact that there is only initial consumer confusion does not alter the fact that Blockbuster would be misappropriating West Coast’s acquired good will. *Brookfield Communications*, 174 F.3d at 1064.

In that case, the Ninth Circuit held that using another’s mark in meta-tags (HTML code designed to facilitate identification of a Web site to Internet search engines), in order to draw traffic to a Web site as a result of Internet searches, constituted just such initial interest confusion even if the searcher was not confused about whose site was identified. Initial

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Google v. American Blind: Staying in Line with Online Advertising?

By **Monica B. Richman**

One of the hot intellectual property topics for 2005 — and perhaps beyond — is whether the sale and use of trademarks as keywords constitutes trademark infringement, and, if so, who is liable for that infringement. How the courts ultimately resolve this issue will affect the billion-dollar Internet advertising industry, those who participate in online advertising and those seeking to prevent the unauthorized use of their trademarks on the Internet. This article discusses *Google v. American Blind & Wallpaper Factory, Inc.*, 2005 U.S. Dist. LEXIS 6228 (N.D. Cal. Mar. 30, 2005), the most recent case to address the emerging issue of “mark-matching” in Internet contextual advertising, and its relationship to trademark infringement.

In *American Blind*, the Federal District Court for the Northern District of California denied Google’s motion to dismiss a trademark infringement case involving Google’s sale of American Blind’s trademarks as keywords for Internet advertising. Google had filed an action seeking declaratory relief, claiming that use of its AdWords advertising program to sell American Blind trademarks and close variations thereof does not infringe American Blind’s trademarks. American Blind counterclaimed, alleging trademark infringement, dilution, false representation, injury to business reputation, unfair competition, tortious interference with prospective business advantage, and in the alternative, contributory trademark infringement and dilution.

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Through Google’s AdWords program, advertisers may purchase or bid on certain keywords or phrases that also are trademarks. Essentially, AdWords matches contextual advertising with the end user (*ie*, the consumer) based on pre-selected terms, which can be a trademark. “Markmatching” is the process of linking competitors’ trademarks with contextual advertising. The advertisers’ links then will appear prominently when an Internet user enters those keywords into a search engine, which was precisely the case in *American Blind*.

According to *American Blind*, Google “actively and deliberately encourages American Blind’s competitors to purchase ... virtually every conceivable, though indistinguishable, iteration of [its] marks.” As a result of Google’s AdWords program, American Blind claimed that when users entered search terms identical or nearly identical to American Blind’s trademarks, links to competitors’ Web sites were displayed more prominently than links to American Blind’s Web site, which caused consumer confusion.

In its motion to dismiss all of American Blind’s counterclaims, Google contended that under the Google AdWords program, American Blind could not allege actionable trademark “use” as defined by the Lanham Act (the Trademark Act). To support its position, Google relied on *U-Haul International, Inc. v. WhenU.com, Inc.*, 279 F. Supp. 2d 723, 728 (E.D. Va. 2003) and *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734, 757 (E.D. Mich. 2003), both of which involved trademark disputes arising from pop-advertisements.

In *U-Haul International v. WhenU.com, Inc.*, the court granted defendant’s motion for summary judgment holding that the inclusion of U-Haul’s trademark and URL in a fixed keyword list to generate contextual pop-up advertisements did not constitute “use” of a mark in commerce within the meaning of the Lanham Act. In *U-Haul*, the court concluded that such use constituted a “pure machine-linking function” that did not interfere with U-Haul’s Web

site and did not interact with U-Haul’s server or systems. In *Wells Fargo & Co. v. WhenU.com, Inc.*, the court followed the *U-Haul* line of reasoning and denied Wells Fargo’s motion for a preliminary injunction based on similar allegations. In short, the respective courts found no trademark “use” because the plaintiffs had not proven that the defendants used the trademark at issue to identify defendants’ services.

“Use in commerce” in these cases apparently hinged on three factors: 1) that WhenU.com did not explicitly market or sell the specific trademarks as keywords to advertisers, but instead included them in a fixed and proprietary keyword database; 2) the resulting “markmatching” was an automated function that was not evident to the end user, irrespective of the appearance of branded competitive pop-up ads over the plaintiffs’ Web sites; and 3) the pop-up ads did not include the plaintiffs’ trademarks.

Expressly relying on the Ninth Circuit’s decision in *Playboy Enterprises, Inc. v. Netscape Communications Corp. et. al.*, 354 F. 3d 1020 (9th Cir. 2004), the only circuit court to date to address this issue, the *American Blind* court rejected Google’s claim that, at this point in the proceedings, it could rule that Google’s use of American Blind’s trademarks as “keywords” did not constitute a trademark “use.” In the *Playboy* case, Playboy successfully appealed the district court’s grant of summary judgment in favor of defendants based upon their use of Playboy’s “PLAYBOY” and “PLAYMATE” marks as part of defendants’ proprietary databases of keywords for its contextual advertising purposes. Essentially, the defendants in *Playboy* keyed banner ads for adult-oriented products to Playboy’s trademarks (“markmatching”). The Ninth Circuit found a likelihood of initial interest confusion existed and remanded the case for further consideration, but the parties settled shortly thereafter on confidential terms. The *American Blind* court, acknowledging the consequences of deciding such a critical issue on

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Equivalent

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perform that function. *Kemco Sales, Inc. v. Control Papers Co.*, 208 F.3d 1352, 1361 (Fed. Cir. 2000). The matter of what other structures are equivalent to the corresponding structure disclosed in the patent specification is an infringement issue to be decided after the trial court's *Markman* claim construction. *TM Patents, L.P. v. International Business Machines Corp.*, 72 F.Supp.2d 370, 383-84 (S.D.N.Y. 1999).

Ordinary principles of claim construction govern the interpretation of the claim language used to recite the function. *Cardiac Pacemakers, Inc. v. St. Jude Medical, Inc.*, 296 F.3d 1106, 1113 (Fed. Cir. 2002). The recited function may be interpreted in view of the patent specification. *Unidynamics Corp. v. Automatic Prods. Int'l, Ltd.*, 157 F.3d 1311, 1322 (Fed. Cir. 1998). The prosecution history may also be consulted in construing the functional language. *Desper Prods., Inc. v. QSound Labs, Inc.*, 157 F.3d 1325, 1336-37 (Fed. Cir. 1998).

"[S]tructure disclosed in the specification is 'corresponding' structure only if the specification or prosecution history clearly links or associates that structure to the function recited in the claim. This duty to link or associate structure to function is the *quid pro quo* for the convenience of employing §112, ¶ 6." *B. Braun Med. Inc. v. Abbott Labs.*, 124 F.3d 1419, 1424 (Fed. Cir. 1997). The specification has to clearly associate the disclosed structure with the recited function; it is not sufficient that the structure is disclosed in connection with a different function. *Omega Engineering, Inc. v. Rayatek Corp.*, 334 F.3d 1314, 1332 (Fed. Cir. 2003). Expert declarations attesting to a person of ordinary skill's understanding of the specification cannot supply the linkage between the disclosed structure and the recited function that is missing from the specification. *Id.*

Assuming the requisite linkage between an embodiment disclosed in the specification and the recited function, structural features of the embodiment "that do not actually perform the recited function do not constitute corresponding structure and thus do not serve as claim limi-

tations." *Asyst Techs., Inc. v. Empak, Inc.*, 268 F.3d 1364, 1370 (Fed. Cir. 2001). That is, the minute details of the disclosed embodiment that more particularly define the structure in ways unrelated to the recited function are not what §112, ¶ 6 contemplates as structure *corresponding* to the recited function. *Chiuminatta*, 145 F.3d at 1308.

Where the specification describes only one embodiment that performs the recited function, that embodiment necessarily provides the corresponding structure. See, e.g., *Smiths Indus. Sys., Inc. v. Vital Signs, Inc.*, 183 F.3d 1347, 1357-58 (Fed. Cir. 1999); *Chiuminatta*, 145 F.3d at 1308-09. A specification that merely mentions the possibility of alternative structures without specifically identifying them does not expand the scope of the corresponding structure beyond the sufficiently described preferred embodiment. *Fonar Corp. v. General Elec. Co.*, 107 F.3d 1543, 1551-52 (Fed. Cir. 1997).

On the other hand, where multiple embodiments corresponding to the recited function are sufficiently disclosed in the specification, proper application of §112, ¶ 6 generally construes the claim limitation to *separately* embrace each of those embodiments. *Micro Chemical, Inc. v. Great Plains Chem. Co.*, 194 F.3d 1250, 1258-59 (Fed. Cir. 1999). The trial court should not try to articulate a single claim construction that would encompass all of the alternative embodiments disclosed in the specification corresponding to the recited function. *Isbida Co. v. Taylor*, 221 F.3d 1310, 1316 (Fed. Cir. 2000).

LITERAL INFRINGEMENT OF MEANS-PLUS-FUNCTION LIMITATIONS

To find literal infringement of claim limitations written in means-plus-function format, the trier of fact must find: 1) the accused device performs a function identical to the recited function; and 2) the accused device incorporates the same or equivalent structure to that described in the specification as performing that function. *Wenger Mfg., Inc. v. Coating Mach. Sys., Inc.*, 239 F.3d 1225, 1238 (Fed. Cir. 2001). Functional identity and either structural identity or equivalence are *both* necessary for literal infringement

of a means-plus-function limitation. *Odetics, Inc. v. Storage Tech. Corp.*, 185 F.3d 1259, 1267 (Fed. Cir. 1999).

If the accused device does not perform the recited function exactly, there is no literal infringement of the claim. *General Elec. Co. v. Nintendo Co.*, 179 F.3d 1350, 1355-56 (Fed. Cir. 1999). As discussed below, a means-plus-function limitation that is not literally infringed because the accused device does not identically perform the recited function, may nevertheless be infringed under the doctrine of equivalents. *WMS Gaming, Inc. v. International Game Tech.*, 184 F.3d 1339, 1352-53 (Fed. Cir. 1999).

It is axiomatic that an accused device that exactly performs the recited function using the identical structure as disclosed in the specification, literally infringes the means-plus-function limitation. 35 U.S.C. §112, ¶ 6. If the accused device does not use an identical structure, the device literally infringes the means-plus-function limitation if the accused structure is equivalent to the corresponding structure disclosed in the specification. *Chiuminatta*, 145 F.3d at 1309. In *Al-Site Corp. v. VSI Int'l, Inc.*, the Federal Circuit explained that the accused structure had to have been available, or in existence, at the time of the patent issuance for it to be an "equivalent" that literally infringes. 174 F.3d 1308, 1320 (Fed. Cir. 1999). Equivalent structures arising after patent issuance (*ie*, "after arising technology") may be evaluated under the doctrine of equivalents. *Id.*

The test for determining whether the accused structure is a literally infringing "equivalent" under §112, ¶ 6 is whether the differences between the structure in the accused device and any disclosed in the specification are insubstantial. *Chiuminatta*, 145 F.3d at 1309. "In the context of section 112 ... an equivalent results from an insubstantial change which adds nothing of significance to the structure, material, or acts disclosed in the patent specification." *Valmont Indus., Inc. v. Reinke Mfg., Co.*, 983 F.2d 1039, 1043 (Fed. Cir. 1993). The "insubstantial difference" analysis requires a determination of "whether the 'way' the accused structure

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Equivalent

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performs the claimed function, and the ‘result’ of that performance, are substantially different from the ‘way’ the claimed function is performed by the ‘corresponding structure ... described in the specification,’ or its ‘result.’” *Odetics*, 185 F.3d at 1267. That is, the two structures may be “equivalent” for purposes of §112, ¶ 6 if they perform the identical recited function, in substantially the same way, with substantially the same result.

The function aspect of the “insubstantial difference” analysis is limited to the function actually recited in the means-plus-function limitation. Any additional functions performed by the corresponding structures disclosed in the specification are irrelevant. “That two structures may perform unrelated — and, more to the point, unclaimed — functions differently or not at all is simply not pertinent to the measure of §112, ¶ 6 equivalents.” *Odetics*, 185 F.3d at 1271.

Section 112, ¶ 6 requires that the accused structure and the corresponding structure disclosed in the specification be equivalent, but it does not require them to be “structurally equivalent.” The difference between “equivalent structures” and “structural equivalents” can be shown by the following example:

A claim includes part A, part B, and ‘means for securing parts A and B together in a fixed relationship.’ The written description discloses that parts A and B are made of wood and are secured together by nails. For purposes of the invention, it does not matter how parts A and B are secured; nails are not a critical part of the invention. A screw is not a nail, but for purposes of §112, ¶ 6, it is equivalent structure in the context of the invention, though it is not the ‘structural equivalent’ of a nail. *IMS Tech., Inc. v. Haas Automation, Inc.*, 206 F.3d 1422, 1436 n.3 (Fed. Cir. 2000).

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Section 112 does not mandate an equivalency comparison that necessarily focuses heavily or exclusively on physical structure. Indeed, “structures with different numbers of parts may still be equivalent under §112, ¶ 6, thereby meeting the claim limitation.” *Odetics*, 185 F.3d at 1268. The context of the invention should be considered when performing a §112, ¶ 6 analysis — two structures that are equivalent in one environment may not be equivalent in another. *IMS Tech.*, 206 F.3d at 1436.

Aspects of the prior art that were distinguished in the patent specification cannot be a literally infringing “equivalent” of the corresponding structure. *J&M Corp. v. Harley-Davidson, Inc.*, 269 F.3d 1360, 1368 (Fed. Cir. 2001). Similarly, statements made during prosecution distinguishing prior art structures may prevent those structures from being a literally infringing “equivalent” under §112, ¶ 6. *Ballard Med. Prods. v. Allegiance Healthcare Corp.*, 268 F.3d 1352, 1359 (Fed. Cir. 2001); *Alpex Computer Corp. v. Nintendo Co.*, 102 F.3d 1214, 1221-22 (Fed. Cir. 1996).

DOCTRINE OF EQUIVALENTS APPLIED TO MEANS-PLUS-FUNCTION LIMITATIONS

Where an accused product does not literally satisfy all of the limitations of a patent claim, the doctrine of equivalents will be applied, on a limitation-by-limitation basis to each literally absent claim limitation, including those limitations written in means-plus-function format. *Dawn Equip. Co. v. Kentucky Farms Inc.*, 140 F.3d 1009, 1015 (Fed. Cir. 1998); *Odetics*, 185 F.3d at 1268. “[T]he comparison, for purposes of the doctrine of equivalents, of an accused product to a claim limitation drafted pursuant to §112, ¶ 6 necessarily involves a comparison to the corresponding structure described in the specification.” *Dawn Equip.*, 140 F.3d at 1019. However, the Patent Statute will not produce an “equivalent of an equivalent” by applying both §112, ¶ 6 and the doctrine of equivalents to the structure covered by a means-plus-function limitation. *Al-Site*, 174 F.3d at 1320 n.2. That is, where there is no literal infringement of a means-plus-function limitation because the accused structure is not identical or

equivalent to the corresponding structure and the accused structure is “pre-existing” technology developed before the issuance of the patent, there is no further inquiry into equivalency under the doctrine of equivalents. *Chiuminatta*, 145 F.3d at 1311; *Nomos Corp. v. Brainlab USA, Inc.*, 357 F.3d 1364, 1369 (Fed. Cir. 2004); *Ballard*, 268 F.3d at 1363.

On the other hand, further inquiry into equivalency under the doctrine of equivalents is appropriate if the accused structure employs “after-arising” technology. “Patent policy supports application of the doctrine of equivalents to a claim element expressed in means-plus-function form in the case of ‘after-arising’ technology because a patent draftsman has no way to anticipate and account for later developed substitutes for a claim element.” *Al-Site*, 174 F.3d at 1320 n.2. In that situation, the trier of fact may apply the “insubstantial difference” analysis. *Isbida Co. v. Taylor*, 221 F.3d 1310, 1317 (Fed. Cir. 2000) (citation omitted).

Lastly, if the accused device does not literally infringe a means-plus-function limitation because the accused pre-existing structure does not perform the identical function, infringement under the doctrine of equivalents is not automatically precluded. *WMS Gaming*, 184 F.3d at 1353; *Interactive Pictures Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371, 1381-82 (Fed. Cir. 2002). In that situation, the trier of fact applies the doctrine of equivalents’ traditional function-way-result test — the accused structure must perform substantially the same function, in substantially the same way, to achieve substantially the same result, as the disclosed structure. *Kemco Sales*, 208 F.3d at 1364. Thus, an accused device can infringe under the doctrine of equivalents without literally infringing under §112, ¶ 6 because the doctrine of equivalents only requires substantially the same function, not identity of the recited function as in §112, ¶ 6. *WMS Gaming*, 184 F.3d at 1353-54; *Interactive Pictures*, 274 F.3d at 1382.



Typosquatting

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interest confusion has been recognized by the other circuits, e.g., in *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188 (5th 1998), *Dorr-Eliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 375 (7th Cir. 1996), *Checkpoint Systems, Inc. v. Check Point Software Technologies, Inc.*, 269 F.3d 270 (3rd Cir. 2001).

TYPOSQUATTING AND INITIAL INTEREST CONFUSION

What about the typosquatter? Unlike either the company putting up the false billboard in the Ninth Circuit's hypothetical or the real West Coast, in placing another's mark in its Web site meta-tags, a competitor who acquires and uses a domain typographically similar to the trademark holder's domain name does not itself cause any traffic to be diverted: Obviously, the existence of the domain *kibbelsoft.com* does not induce anyone to transpose letters when they intended to type *www.kibblesoft.com*. Nonetheless, because the competitor acquired the domain in anticipation of the error and then created a Web page that deliberately exploited the error, in all likelihood a court following the *Brookfield* line would hold the typosquatter liable on the ground that he or she intended to and did "misappropriate" the good will of KibbleSoft.

Under the widely accepted doctrine of initial interest confusion, then, trademark owners do appear to have the right to sue typosquatters for trademark infringement. But do they have the right *not* to sue them?

When a typosquatter causes loss of business to the trademark owner, the owner has every incentive to challenge and, if necessary, sue the infringer. In other instances, though, the typosquatter might be free-riding on the trademark owner's good will, but not actually diverting business or causing other real competitive harm. Must the trademark owner police against all such "misappropriations" anyway, on pain of loss of trademark rights because of failure to police?

Probably not. Although policing is generally necessary to avoid the risk of loss of trademark rights, initial interest confusion is a special case.

"Failure to police" is not a breed of waiver or laches; neither does the duty to police arise out of an obligation to the public at large to help avoid consumer confusion. There is no duty to police in the abstract, nor is the duty absolute. Failure to police can only result in the forfeiture of trademark rights if the failure is such that the mark ceases to function as a trademark. As Gilson explains, "If ... infringement [by parties against whom the trademark holder fails to take legal action] becomes sufficiently widespread, and so many others are using the mark that the public no longer associates the mark with a single source of goods or services, the mark will be considered abandoned." *Gilson on Trademark Protection and Practice* §3.05 [9][a].

Although McCarthy seems to consider relatively remote the possibility of outright loss of trademark rights (as opposed to weakening of the mark through failure to police), *McCarthy on Trademarks* §17:17, he also recognizes that loss of distinctiveness is the issue: "If there are numerous products in the marketplace bearing the alleged mark, purchasers may learn to ignore the 'mark' as a source identification. When that occurs, the conduct of the former owner, by failing to police its mark, can be said to have caused the mark to lose its significance as a mark." *Id.*

NO OBLIGATION TO 'POLICE MOST TYPOSITES

Failure to stop one or three or a half-dozen infringers does not necessarily mean loss of trademark rights, then, unless relevant consumers cease to associate the mark with a single source. But although Gilson and McCarthy focus on the *extent* of infringing uses, the *nature* of the use is critical because some kinds of infringements may not cause consumers to conclude that the mark is no longer associated with a single source.

Infringements based on initial interest confusion are of precisely this nature. Although initial interest confusion may be infringement, it is not the kind of infringement that causes a mark to lose its distinctiveness. The consumer may be misled into thinking that a freeway exit leads to Blockbuster, but the trick

does not cause her to believe that BLOCKBUSTER is associated with more than one video rental company. Likewise, a meta-tag might raise the position of a competitor's Web site in a listing of search results, but nothing about that placement suggests to consumers that the searched-for company is associated with the competitor's goods or services.

Similarly, no matter how many times consumers mistype or misspell "kibblesoft," and thereafter find themselves on Web sites not sponsored by KibbleSoft LLC, this will not cause them to identify KIBBLESOFT with any other source of pet food distribution software. KibbleSoft LLC might suffer a serious loss of business, cumulatively, from these nibbling tactics. But its mark will not necessarily be weakened or rendered any less distinctive by them.

'POST-INITIAL' CONFUSION

That said, it is important to note the "not necessarily." While typosquatting is more akin to initial interest confusion than to garden variety likelihood-of-confusion trademark infringement, context is everything: A site might draw traffic because of an Internet user's transposition of letters, but also be designed to enhance the consumer's erroneous belief of arriving at the intended site. Sites that therefore give rise to what we might call "post-initial confusion" (pardon the retronym) may well trigger a policing obligation. If the destination site displays a mark confusingly similar to the original mark, if its design

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Compiled by Eric Agovino

FEDERAL CIRCUIT DENIES *EN BANC* REHEARING IN FOSAMAX CASE

The U.S. Court of Appeals for the Federal Circuit denied Merck & Co.'s petition for an *en banc* rehearing of the decision in *Merck & Co. v. Teva Pharms. USA, Inc.*, 395 F.3d 1364 (Fed. Cir. 2005). In *Merck*, the Federal Circuit reversed a ruling of the U.S. District Court for the District of Delaware and invalidated one of the patents covering Fosamax, a blockbuster osteoporosis treatment. The Federal Circuit also found that evidence of Fosamax's commercial success was not probative of obviousness because others were legally barred from testing the invention disclosed in the patent-in-suit as a result of other patents held by Merck.

FEDERAL CIRCUIT REMANDS CASE INVOLVING RAZOR PATENT

In *Gillette Co. v. Energizer Holdings, Inc.*, No. 04-1220, 2005 WL 992023 (Fed. Cir. Apr. 29, 2005), the U.S. Court of Appeals for the Federal Circuit vacated and remanded a decision by the U.S. District Court for the District of Massachusetts denying Gillette's motion for a preliminary injunction. The case involves a dispute over whether Energizer's Quattro® razor infringes U.S. Patent No. 6,212,777 ("the '777 patent"). Claim 1 of the '777 patent, which issued on Aug. 10, 2001, is directed to a razor "comprising ... a group of first, second, and third blades. ..."

Prior to Energizer's launch of the Quattro® razor, Gillette sued Energizer and moved for a preliminary injunction. The Quattro® razor is a wet-shave safety razor with four blades. The district court denied Gillette's motion, finding that the scope of the '777 patent is limited to a razor with three blades.

On appeal, the Federal Circuit disagreed with the district court's claim construction. Specifically, the court

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found that the use of the terms "comprising" and "group of" indicates that the claims of the '777 patent cover razors with more than three blades. The court also noted that the object of the invention is to reduce "drag forces" in safety razors, and that the prior art problem solved by the invention is not attributable to the three blades themselves, but rather to their spatial arrangement. Finally, the court found that the terms "first, second, and third" are terms used to distinguish different elements of the claim, not terms used to supply a numerical limit.

Judge Glenn L. Archer, Jr. dissented from the majority's opinion, arguing that the claim and the specification of the '777 patent clearly indicate that the invention is limited to a razor with three blades.

FEDERAL CIRCUIT DECIDES FALSE MARKING CASE

The Federal Circuit decided a rare case on falsely marked products in *Clontech Labs., Inc. v. Invitrogen Corp.*, Nos. 03-1464, 04-1099, 2005 WL 1038775 (Fed. Cir. May 5, 2005). *Clontech* required the court to interpret 35 U.S.C. §292, which provides in pertinent part that: "[w]hoever marks upon, or affixes to, or uses in advertising in connection with any article, the words "patent" or any word or number importing that the same is patented, for the purposes of deceiving the public ... [s]hall be fined not more than \$500 for every such offense." The court affirmed-in-part, reversed-in-part, vacated-in-part, and remanded the case to the district court for further proceedings.

The four patents at issue are owned by Invitrogen and are directed to reverse transcriptase polypeptides ("RTs") and methods for using such RTs to prepare DNA molecules. All of the patents contain the claim limitation "substantially no RNase H activity," or similar language. The products at issue are RTs known as SUPERScript ("SS") and SUPERScript II ("SSII"), which had been

marked with all four patents. Invitrogen also sells kits containing SSII and a variety of cDNA libraries purportedly made using SSII. These kits and libraries had been marked with some of the patents at issue.

The district court found that Invitrogen's SS, SSII, kits, and library products had been falsely marked with intent to deceive the public. The court relied on evidence that Invitrogen had performed experiments in 2000 using an assay that was defined in the patent specifications as having the express purpose of determining whether the product meets the "substantially no RNase H activity" limitation. Some of the tests appeared to indicate that SS and SSII exhibited more than "substantially no RNase H activity." As a result, the court held that these experiments put Invitrogen on notice that the products were not covered by the patents in suit. According to the court, since Invitrogen failed to correct its mistake, such conduct rose to the level of deceptive intent.

On appeal, Invitrogen argued that the district court had misunderstood the legal standard for proving deceptive intent and misinterpreted the results of the 2000 experiments. The Federal Circuit held that to establish deceptive intent, a plaintiff must show by a preponderance of the evidence that the party accused of false marking did not have a reasonable belief that the articles were properly marked. After reviewing the trial testimony, the court noted that defendant's expert had given unchallenged testimony that the 2000 experiments demonstrated that the tested RTs had "no detectable RNase activity." As such, the Federal Circuit found that the district court clearly erred by finding that Invitrogen had acted

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Online Advertising

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a motion to dismiss, ruled that the parties should fully present their arguments at trial.

In rejecting Google's motion to dismiss, the court also referenced Judge Leonie Brinkema's oral ruling in *Government Employees Insurance Company v. Google et al.*, 330 F. Supp. 2d 700 (E.D. Va. 2004), in which she held that permitting advertisers to bid on trademarks and to pay search engines to be associated with those trademarks constituted "use in commerce" of the third-party trademark. Judge Brinkema, however, also

ruled that "the mere use of [a] trademark by Google as a search word or keyword ... standing alone" did not violate the Lanham Act. The court has allowed the plaintiff to proceed on the issue of whether Google is liable for violation of the Lanham Act based on the appearance of sponsor listings resulting from "markmatching" where GEICO's mark appeared as part of the result's title or text. A written opinion is expected to be issued.

The decision in *American Blind* thus leaves the law in the United States where it has been since the *Playboy* decision, namely that claims of infringement will be evaluated on the merits of each case. For the most

part, no "safe harbor" has emerged providing clear shelter to search engines selling trademarks as keywords, and, likewise, there has been no absolute ruling that such an activity amounts to trademark infringement. Currently, there are at least two other pending federal district court cases involving this practice, *Rescuecom v. Google* 04 Civ. No. 1055 (N.D.N.Y.) and *JR Cigar v. Goto.com*. 00 Civ. No. 3179 (D.N.J.), which, if decided, may shed further light on the practice of contextual advertising as it relates to this developing area of trademark law.



Typosquatting

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does not make readily evident that the consumer has reached a different Web site than the one desired, and if the site provides links to third-party goods as well as to the trademark holder's products, confusion may persist beyond the initial effort to reach the trademark holder's Web site. Such confusion may well bleed into confusion about the source of all

of the goods and services offered, impairing the distinctiveness of the mark. If that is the case, the trademark holder had better police against such sites.

CONCLUSION

Mere initial interest confusion can probably be ignored by trademark holders without serious risk to trademark rights. But when the initial diversion of consumers is linked to post-initial confusion, it cannot be safely ignored. Trademark owners

must exercise careful judgment regarding typosites, distinguishing those that are a nuisance, but are not likely to actually induce any persisting confusion, from those that may give rise to post-initial confusion. Whenever a typosquatter advances from initial interest confusion to post-initial confusion, the trademark owner's duty to police will kick in.



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with deceptive intent. The court affirmed, however, the district court's holding that Invitrogen's cDNA libraries were falsely marked because it found that Invitrogen had waived its arguments by raising them for the first time on appeal.

SENATORS INTRODUCE BIOSHIELD II LEGISLATION

Senators Joseph Lieberman and Orrin Hatch introduced new legisla-

tion, known as BioShield II, designed to provide additional incentives for pharmaceutical companies to develop biodefense countermeasures. (BioShield I, signed into law by President Bush in July 2004, authorized \$5.6 billion to aid the development of antiterrorism drugs.) The new incentives include tax breaks, intellectual property protections, and liability protections. The intellectual property protections include a provision that would restore patent terms held by the National Institutes of Health ("NIH")

to encourage companies to license NIH-funded technologies and further develop them. Such companies would receive a 17-year patent if they turn an NIH technology into an FDA-approved product before the NIH patent expires. The legislation also contains a "wild card" provision, which grants a company that develops a countermeasure a 2-year patent extension on any drug the company markets.



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