



IDEAS ON INTELLECTUAL PROPERTY LAW

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**When (and whether) contradictory
claim language invalidates a patent**

**Do operating manuals qualify as
"printed publications" under patent law?**



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Creativity doesn't have to be fancy

"Run-of-the-mill" certificate qualifies for copyright protection

Copyright protection applies only to original works — but you might be surprised at just how low the bar for originality is under federal copyright law. In *Premier Dealer Servs. Inc. v. Allegiance Admr's LLC*, a case involving an auto dealer's loyalty certificate, the court found that even "the dull and workaday" can qualify for protection.

CERTIFICATE FUELS DISPUTE

Premier Dealer Services competes with Allegiance Administrators to manage auto dealers' loyalty programs, whereby customers arrange to have their cars serviced at the dealership after purchase. In 2008, Premier designed a two-page loyalty certificate to collect an auto owner's personal information and spell out the program's terms and conditions. It registered the form for copyright protection in 2012, within five years of initial publication, which gave the copyright a statutory presumption of validity.

In 2018, one of Premier's clients switched to Allegiance to administer its loyalty program. It continued to use the Premier loyalty certificate and provided Allegiance a copy. Allegiance substituted its contact information but left the remainder of the certificate intact and incorporated the certificate into its own plan.

Premier sued Allegiance for copyright infringement. The trial court granted pretrial judgment to Premier and awarded a portion of Allegiance's profits from using the certificate. Allegiance appealed to the U.S. Court of Appeals for the Sixth Circuit, arguing the certificate wasn't entitled to copyright protection because it wasn't sufficiently original.

A minimal degree of creativity is met when authors make nonobvious choices from among more than a few options.

DRIVING OVER THE THRESHOLD

The appellate court began its analysis by noting the threshold for originality is low, requiring only a minimal degree of creativity. This is met when authors make nonobvious choices from among more than a few options. Examples include choices about style and setting, as well as decisions about which materials to include and how to organize it.

Most works satisfy the low creativity standard, no matter how basic the subject matter. But other qualifications do apply. For instance, copyright



MILEAGE MAY VARY: DIFFERENT FORM, DIFFERENT RESULT

Just a few weeks before the judgment in the *Premier Dealer* case (see main article), a different federal appeals court, the U.S. Court of Appeals for the Eighth Circuit, considered whether another auto dealership form was copyrightable. In *Ragan v. Berkshire Hathaway Automotive, Inc.*, the court concluded that the form lacked the necessary originality.

The plaintiff had obtained a copyright registration for a customer intake form that purportedly helped dealerships sell cars. The form included questions, prompts, headings, fill-in-the-blank lines and check-boxes; it consisted of fewer than 100 words. When the plaintiff sued a dealership that allegedly used the form without permission, the dealership argued the form wasn't copyrightable.

The plaintiff claimed the selection and arrangement of words used as headings and question prompts made the form sufficiently original, but the appellate court disagreed. The mere selection of words — as opposed to selecting and grouping categories and subcategories, as in *Premier Dealer* — doesn't make a work copyrightable. The form needed to exhibit some degree of creativity. The court found it didn't because it didn't convey information.

protection doesn't extend to “scenes a faire,” which arise when the expectations of an industry or subject matter require an author to express facts in a particular way — in other words, when only a few choices are feasible for that setting.

An example of a work not meeting the threshold requirement for copyright is a phone book that collects the facts of residential phone numbers and addresses and expresses them alphabetically according to homeowners' last names. Other ordering options are available, but alphabetical order has come to be expected, so the originality falls short of that required for copyright.

But the court held that Allegiance's originality challenge to Premier's copyright fell short. The “run-of-the-mill” subject matter of the certificate didn't detract from Premier's creative choices in crafting it.

In addition, the appellate court rejected Allegiance's contention that the scenes a faire doctrine applied, finding Allegiance failed to produce evidence that external constraints dictated how Premier created its certificate. Rather, Premier's certificate expressed the idea of a particular type of loyalty program, and comparison of Premier's certificate with others that

Allegiance had submitted showed that companies can choose different ways to express that idea.

The court highlighted several differences between Premier's certificate and others. For example, Premier's certificate included a distinct section on eligibility that covered different categories of required maintenance, including a selection of mileage options between required oil changes. A rival form lacked this section and provided only a single oil change standard.

The certificates' content also expressed the idea of covering damage to a vehicle in different ways. Premier's certificate identified several categories of covered parts, some of which depended on whether the part had damage from “mechanical failure to an internally lubricated part.” The rival form listed different parts under the single heading of “Engine” and offered to expand coverage to other components in the event of “mechanical failure ... caused by the above-listed parts.”

COPYRIGHT DOESN'T REQUIRE A LOT

In affirming the district court's decision, the appeals court emphasized that copyright laws protect all manners of works. The only necessity is to satisfy the “modest imperatives of originality.” □

Filing delay costs trademark holder infringement damages

A federal appellate court recently upheld a lower court’s finding of trademark infringement. So far, so good for the trademark holder. But that wasn’t the end of the story. The court also ruled that the holder’s delay in pursuing its infringement claim barred it from recovering disgorgement damages.

TRIAL TIME

Rolex Watch USA is a well-known seller of luxury watches with legally protectable interests in many trademarks. BeckerTime primarily sells decades-old preowned watches with Rolex-branded parts. The watches at issue in the case were sold by BeckerTime as “Genuine Rolex” and had at least one Rolex trademark. But they also contained both Rolex and non-Rolex parts as well as diamonds, bezels and bands not authorized by Rolex.

Rolex sued BeckerTime for trademark infringement and sought to recover, or “disgorge,” BeckerTime’s profits from the infringement as damages. After a bench trial (a trial decided by a judge, rather than a jury), the court held that BeckerTime infringed Rolex’s trademark by counterfeiting Rolex watches and blocked the defendant from using Rolex’s trademark in certain applications.

The court, however, concluded that Rolex wasn’t entitled to disgorgement of profits because the “laches doctrine” applied. Both parties appealed.

A SECOND LOOK

The U.S. Court of Appeals for the Fifth Circuit first considered whether the trial court had applied the correct legal framework when determining that BeckerTime infringed Rolex’s trademarks. It held that the court hadn’t erred in finding that infringement occurred because BeckerTime’s watches lacked sufficient disclosures and therefore created a likelihood of confusion in consumers.

Next, the appeals court weighed Rolex’s arguments regarding the applicability of the laches defense. To prevail on a laches defense in a trademark case, a defendant must show:

- The plaintiff’s delay in asserting trademark rights,
- Lack of excuse for the delay, and
- Undue prejudice to the alleged infringer because of the delay.

A defendant who intentionally infringed with the bad faith intent to capitalize on the trademark’s goodwill has unclean hands.

Laches may not be available where the party asserting the defense has “unclean hands.” A defendant who intentionally infringed with the bad faith intent to capitalize on the trademark’s goodwill has unclean hands and therefore can’t wield the laches defense.

The appellate court acknowledged an “inherent” aspect of reselling luxury goods — that the sellers wish to benefit from the brand name’s goodwill and reputation. But it also cited emails between BeckerTime and its customers showing that the company went to great lengths to clarify which parts were original Rolex, which were customized or modified, and which were “aftermarket.” This indicated that BeckerTime didn’t intentionally infringe Rolex’s mark, so the unclean hands analysis didn’t apply and the laches defense was allowed.

The court found that, while Rolex didn’t sue until 2020, Rolex’s agent should have known about BeckerTime in 2010, at a minimum, and no later than 2013, when a Rolex employee wrote that BeckerTime watches were junk. BeckerTime probably wouldn’t have shifted its business model



to be reliant on the sale of altered Rolex watches if Rolex had sued promptly.

Rolex offered no justification for the delay, instead simply arguing that BeckerTime didn't establish that it suffered the requisite undue prejudice. The appeals court, however, found that the 10 years of "permitted sales" allowed the company to build up a successful business that

it otherwise wouldn't have invested in, and this was "clear prejudice."

WATCH YOUR MARK

By dragging its feet when it came to asserting its trademark, Rolex forfeited its right to significant disgorgement damages. If you suspect that your trademark has been infringed, seek legal advice as soon as possible to preserve your rights. ▣

When (and whether) contradictory claim language invalidates a patent

Indefinite" patent language can invalidate a patent, leaving it unenforceable and creating a cascade of negative consequences for a company or individual relying on its protections. The U.S. Court of Appeals for the Federal Circuit, the court that hears all patent-related appeals, has shed some light on how contradictory language can affect the indefiniteness analysis.

CLAIM LIMITATIONS POWER PATENT CHALLENGE

Maxell Ltd. owns a patent for a rechargeable lithium-ion battery. The patent requires at least two lithium-containing transition metal oxides, represented by formulas that include a transition

metal element dubbed "M¹." Two claim limitations in the patent — one broad and one narrow — state requirements for M¹.

Maxell sued Amperex Technology Limited for infringement of the patent after Amperex challenged the patent's validity. The trial court held that the claim language defining M¹ was indefinite on the ground that the two limitations contradicted each other.

CONTRADICTION IN TERMS

A patent will be found invalid for indefiniteness if it doesn't conclude with at least one claim that particularly points out and distinctly claims the invention. The patent must inform, with reasonable



certainty, those skilled in the relevant art about the scope of the patented invention.

The trial court took issue with the following phrase that combined the two limitations in question: “M¹ represents at least one transition metal element selected from Co [cobalt], Ni [nickel] and Mn [manganese], ... wherein the content of Co in the transition metal M¹ of the formulae (1) and (2) is from 30% by mole to 100% by mole.”

A patent must inform, with reasonable certainty, those skilled in the relevant art about the scope of the patented invention.

The court reasoned that the phrase was indefinite because the first limitation didn’t require the presence of cobalt (nickel or manganese would suffice, too), but the second limitation did require cobalt. For an element to be both optional and required, it said, was a “contradiction on its face.”

TWO THINGS ARE POSSIBLE

Maxell turned to the Federal Circuit for relief. The appellate court didn’t disagree with the trial court that a contradiction in a claim can produce indefiniteness, leading to the invalidation of a patent. But Maxell prevailed nonetheless, as the Federal Circuit found no such contradiction. The

two claims’ limitations, it said, weren’t contradictory because it was “perfectly possible” for a transition metal element to satisfy both.

And it made no difference that the two requirements were placed in separate limitations, rather than both appearing in the first limitation (requiring that the metal element contain cobalt, nickel or manganese). This placement, the court said, didn’t alter the logical point that it’s possible to meet both requirements. After all, an individual trying to understand the scope of an invention should know not only that any particular claim language must be read in the context of the full claim, but also that all limitations must be considered when determining the scope.

While the appellate court implied that a “more artful” way of stating the two requirements in the same claim existed, it found a readily discernible explanation for the placement: The second requirement was added during patent prosecution to avoid an earlier reference that primarily used nickel as a transition metal. Moreover, the fact that there were other ways of drafting the claim didn’t render the claim language contradictory or indefinite.

WORDS MATTER

Ultimately, the appellate court’s ruling was good news for Maxell. But other patentees and would-be patentees shouldn’t overlook the underlying lesson: Contradictory claim language *can* invalidate a patent, so careful crafting is essential. □

Do operating manuals qualify as “printed publications” under patent law?

It’s well established that existing patents can render an invention unpatentable for obviousness. But patents aren’t the only kind of “prior art” that can undermine patentability. Other printed publications — including operating manuals prepared for customers — also might invalidate an invention’s patent.

MEAT OF THE MATTER

Provisur Technologies owns two patents related to high-speed mechanical slicers used in food-processing plants. It sued Weber for infringing the patents.

In response, Weber sought inter partes review (IPR) of the patents. Under IPR, the Patent Trial and Appeal Board (PTAB) can reconsider and cancel an already-issued patent based on certain types of prior art. The PTAB’s final decision is subject to review by the U.S. Court of Appeals for the Federal Circuit.

Weber contended that the patents were obvious based in part on operating manuals for its commercial food slicer. The manuals were created and disseminated to accompany and explain how to use the products.

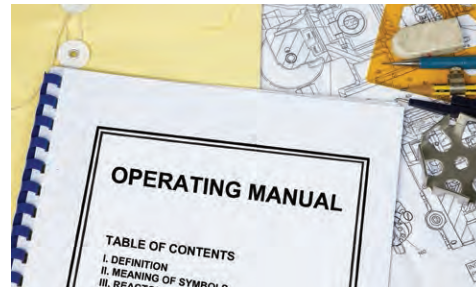
The PTAB found the manuals didn’t qualify as printed publications. It noted that they were distributed to only 10 unique customers and subject to confidentiality restrictions. The confidentiality finding was based on the PTAB’s interpretation of the manuals’ copyright notice and an intellectual property rights clause in Weber’s terms and conditions underlying the sale of each slicer product.

In the end, the PTAB concluded that Weber hadn’t proved unpatentability. Weber then appealed to the Federal Circuit.

SLICED AND DICED

Patent law defines “printed publication” — for purposes of determining whether an invention has the requisite novelty — to mean material “sufficiently accessible

to the public interested in the art.” The touchstone is public accessibility. In other words, can interested members of the relevant public locate the reference by exercising reasonable diligence?



The appeals court faulted the PTAB’s printed publication analysis in this case.

The court said, among other things, that no minimum number of occasions of access is decisive as to the public accessibility question.

It explained that, where a publication’s purpose is to interact with the intended audience, the purpose indicates public accessibility. Weber’s operating manuals were created for distribution to the interested public to provide instructions on how to assemble, use, clean and maintain the slicer, as well as how to address malfunctions. Weber employees testified that the manuals could be obtained with the purchase of a slicer or on request of an employee.

The court rejected Provisur’s argument that the slicer’s high cost prevented the manuals from being sufficiently accessible by reasonable diligence. Cost alone wasn’t dispositive because the analysis focuses on the interested public, not the general public. And the interested public included commercial entities that could afford pricey slicers.

THE FINAL CUT

The Federal Circuit reversed the printed publication determination and vacated the PTAB’s conclusions regarding patentability. The case was sent back for further proceedings, leaving Provisur’s patents vulnerable. ■



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Did You Know?

Shannon Smith was elected President of the Michigan Intellectual Property Law Association (**MIPLA**), a legal education non-profit that ties its roots back to 1913. MIPLA develops and disseminates information concerning matters affecting, and of interest to, intellectual property practitioners and their clients. MIPLA fosters good fellowship in the intellectual property community, and promotes matters of mutual interest amongst its membership and the intellectual property industry worldwide.

Corey Beaubien has been named President Elect for the 2024-2025 **Michigan IP Inn of Court**. The Michigan IP Inn of Court is a professional organization including judges, lawyers, legal educators, and others that foster a greater understanding of and appreciation for the adversary system of dispute resolution in American law, with particular emphasis on ethics, civility, professionalism, and legal skills.

Colin Cicotte recently designed a license agreement on behalf of a Tier-1 automotive supplier relating to the supply of power electronics and inverters used with battery electric vehicles to a Chinese licensor.

William Kolakowski recently secured issuance of U.S. Patent No. 11,896,426 on behalf of client Dr. Jonathan Kaufman directed to evaluation of bone using a dual-mode ultrasound technique. The patent issued following an appeal and the withdrawal of all rejections by the U.S. Patent and Trademark Office examiner based on the arguments raised in the appeal.