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ICANN LAUNCHES NEW gTLD PROCESS

On January 12, 2012, the Internet Corporation for Assigned Names and Numbers (ICANN) began accepting applications for new generic top level domains (gTLDs). A generic top level domain is the rightmost portion of a domain name. Examples of current gTLDs include .com, .org, .edu, .biz. This initial period to register gTLDs is scheduled to end on April 12, 2012.

The availability of generic top level domains is seen by some as a land rush for speculators, although taking advantage of the opportunity is not without significant cost. The process for applying for generic top level domains requires an application fee of \$185,000 per generic top level domain name with additional costs possible if objections or issues are raised during the application process. This is in addition to any technical, legal, and other costs.

Those who are ultimately successful in registering gTLDs will be able to then sell second level domain names to others if they choose to do so. Thus, for example, if someone were to register .patent as a gTLD they may choose to allow someone to register, for a fee, mvs.patent.

The potential issues which new gTLDs create for trademark owners are first, it is possible that an applicant may seek a gTLD which corresponds to a trademark owner's mark. A list of potential new gTLDs will be published by ICANN about 2 weeks after the April 12, 2012 deadline. Timely objections to an

application for a gTLD can then be made.

In addition, once additional gTLDs are available and open for registration of second level domain names, there is the potential that others may register domain names which are the same or confusingly similar to a trademark owner's mark. These are the same concerns which have in the past been present with other gTLD domain names such as .com, .biz, etc.

ICANN is attempting to address these issues through several different mechanisms. One of these is a trademark clearing house where trademark owners may register their rights. A second mechanism prior to launching a gTLD is to provide a sunrise period to give preferential rights to trademark owners who wish to register domain names corresponding to their marks.

ICANN has promulgated various rules and guidelines which are still subject to change. As an initial step, one can review the list of new TLD applications when it is published on ICANN's web site (approximately 2 weeks after April 12, 2012) and determine (1) if any TLDs are confusingly similar with existing marks, and (2) whether there are generic TLDs of interest or concern (e.g. .bank for financial institutions or .hotel for hotels). Based on this information appropriate action can then be taken to attempt to preclude others from registering the gTLD or pursuing registration of or preventing others from registering second level domain names.

**Don't play games
with your intellectual
property.**



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PROPOSED HOUSE BILL CREATES EXCEPTION TO DESIGN PATENT INFRINGEMENT

On February 2nd two California members of Congress introduced a bill known as the Promoting Automotive Repair, Trade, and Sales (PARTS) Act, which seeks to amend title 35, United States Code, to provide an exception for design patent infringement of certain component parts of a motor vehicle. Currently, Section 271 of title 35 provides patentees a

14-year exclusivity period for all design patents without making exceptions as to the protected subject matter. The PARTS Act seeks to impose limits on OEM collision part design patents to allow aftermarket part manufacturers to produce a wider range of parts. The bill would amend current U.S. design patent law as follows:

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- The time period during which an automotive company can enforce their design patents against alternative suppliers of collision repair parts would be decreased from 14 to 2.5 years.
- Independent manufacturers and distributors of collision repair parts would be permitted to manufacture, test, market and distribute parts on a not-for-sale basis without infringing the design patents of the original manufacturer.
- Sales of alternative collision repair parts would be permitted after 2.5 years from the date of issuance of the design patent covering the part.

Similar bills have been previously proposed, but without success. The authors of the current bill argue that it will “ensure consumers have options when they repair their cars to their original state after an accident,” and “expand consumer choice, cut costs paid by insurers and drivers, and ensure competition in the automobile replacement part market.” Other supporters of the bill contend that competition is the best form of consumer protection against excessive prices. The National Association of Mutual Insurance Companies (NAMIC) advocates that “without this legislation, more and more patents will be filed

and competition for aftermarket parts will dwindle, removing options for consumers and increasing their costs.”

Opponents of this bill and similar legislation that has been introduced in the past argue that “copycat” parts are harmful to OEMs and consumers alike. They also contend that this legislation “would promote unfair competition through the theft of original concepts and ideas.” “Not only does this bill deny businesses the ability to rightfully protect their intellectual property but it promotes piracy among all global industries,” automakers, dealers and others wrote in a letter opposing past attempts to pass a similar bill. “As a result, this legislation would put American consumers, dealers, distributors, manufacturers and suppliers at risk.” Automakers also argue that the bill would allow companies to produce parts that look similar without the failsafe of rigorous development and safety testing conducted by the original designer.

Addressing earlier attempts in 2010 to pass similar legislation, Damian Porcari, director, Enforcement and Licensing, Ford Global Technologies, said, “The copyists want to eliminate design patent protection because that’s what they make. As soon as their business model includes engines, brakes and air bags, we will likely hear the call for the elimination of patent protection on all types of replacement parts. And it won’t stop with cars. The denial of intellectual property rights will always reduce copiers’ costs.”

DID YOU KNOW THAT....

by Edmund J. Sease

Many people are surprised that Iowa has an intellectual property law firm of our size with lawyers of so many diverse technical backgrounds. But Iowa is more than just farms, corn and first in the land presidential caucuses. We have a proud history of innovation.

For example, the first digital computer was invented here (Iowa State), as was buffered aspirin (University of Iowa), nylon was invented by an Iowan, as was the integrated circuit or microchip, the Eskimo Pie, and the Delicious Apple. And while former Vice President Henry Wallace didn’t invent corn, he first successfully commercialized corn hybrids and founded today’s world-wide seed corn industry.

Iowa Court cases have also contributed to the development of intellectual property law, and patent law in particular, all the way to the United States Supreme Court.

In 1892, the United States Supreme Court decided a case simply entitled *The Barbwire Patent* 143 U.S. 275 (1892). This case in fact consolidated three cases from the Northern District of Iowa all involving infringement and validity of Glidden U.S. Letters Patent 157,124 relating to an improved barbwire fence. The patent covered the now familiar twisted fence wire that one sees everywhere across the land. Defendant’s argued that the patent was invalid because of prior public use having been exhibited at a county fair in Delaware County, Iowa in 1858 and 1859. But they could find no proofs other than oral testimony. Still some twenty-four (24) witnesses swore to the existence of the wire at this early

county fair. The Supreme Court established the now well-known doctrine that oral testimony alone is insufficient to establish prior public use unless it is clear, satisfactory, and beyond a reasonable doubt. Mr. Glidden’s barbwire patent survived, despite what was or was not shown at the Delaware County Fair in 1859!

Denny Winterboer and his wife Becky, Iowa farmers in Clay County, in the northwest corner of the state in 1987 began to save soybean seed from the crop grown from seed originally purchased from Asgrow Seed and then sold it next year in so-called brown bag activities; and in addition they saved some seed to replant their own farm. This activity brought them to the Supreme Court in 1995. *Asgrow Seed Company v. Winterboer*, 115 S.Ct 788. This case too began in the Northern District of Iowa and was initially decided by Judge O’Brien who eventually was affirmed by the U.S. Supreme Court. They held, in interpreting the Plant Variety Protection Act of 1970, that a farmer may sell for reproductive purposes only such seed as he saved for the purposes of replanting his own acreage and no more without infringing.

The most recent Iowa intellectual property case arriving at the steps of the Supreme Court came from our own MVS offices in 2001, *JEM Ag Supply v. Pioneer Hi-Bred Int’l.*, 534 U.S. 124, (2001). In this case, MVS represented Pioneer, owners of many different patents on corn hybrids. The Defendant attacked the very concept of the U.S. Patent Office issuing patents on plants at all, arguing that plants could only be protected under other already existing specialized plant protection regimes, not

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the general patent law of utility patents that protects things like machines and articles such as Alexander Graham Bell's telephone, Thomas Edison's light bulb, etc. At stake was the correctness of the Patent Office's activity of issuing regular utility patents on plants since 1985. Judge O'Brien, also in another Northern District case (same Judge O'Brien that handled the Winterboer case), had said in his District Court ruling the Patent Office was correct. Both the Court of Appeals and the U.S. Supreme Court agreed with Judge O'Brien. Today this case stands as the cornerstone of all patenting with utility patents for the U.S. seed industry.

So one can say that the United States District Court for the Northern District of Iowa has been particularly influential in generating patent cases that go all the way to the United States Supreme Court, and that one Judge in particular, Judge O'Brien, has had a tremendous influence in the seed industry.

Patents aren't the only intellectual property that Iowans have contributed heavily to. We can be proud of our authors and composers who have sought the assistance of the copyright laws. For example, Mason City's Meredith Wilson composed the Music Man; Roger Williams of Des Moines the famous "Autumn Leaves" music which is still today the most popular piano composition ever sold; a Professor at the University of Northern Iowa wrote the fantastically popular Bridges of Madison County; and Clarinda is proud of the music of their famous music man, Glen Miller. The list could go on with Webster City, the prideful home of two Pulitzer Prize winners, MacKinlay Kantor author of Andersonville and Spirit Lake, and Clark Mollenhoff who won the 1958 Pulitzer Prize for national reporting on corrupt labor practices.

And so yes indeed a firm like ours needs to have lawyers with technical backgrounds as varied as the arts and sciences themselves.

SCORE – A GREAT RESOURCE FOR SMALL BUSINESSES: FIND A CHAPTER NEAR YOU!

by Jill N. Link

There are many resources available for those interested in starting or improving upon an existing business. Here is one more for you to consider! SCORE is a non-profit association funded as a resource partner with the U.S. Small Business Association (SBA). SCORE works through localized established chapters that help in the educating of entrepreneurs and small businesses in all phases.

It is estimated that nationally there are over 13,000 volunteers acting as "mentors" for SCORE chapters to provide such educational support for the association. Mentors provide confidential business counseling at no charge. Through the establishment of local chapters, mentors are identified within the community as those with varying aspects of business expertise. Therefore the SCORE mentors have a vast knowledge and experience that is available to help small business owners in the creation, start-up, growth or any other phases of success in their businesses.

The national website for SCORE is found at www.SCORE.org. SCORE was founded in 1964 and retains national headquarters in Virginia. However, it is the local 364 chapters throughout the country and U.S. territories that drive the success of this dynamic organization. For example, in Iowa there are SCORE chapters located in Waterloo, Marshalltown, Des Moines, Dubuque, Fort Dodge, Iowa City, Spencer, Muscatine, Decorah, Cedar Rapids, Sioux City, Ottumwa, Council Bluffs and Storm Lake.

In addition to the one-on-one business counseling that any person can request from a SCORE mentor, chapters frequently provide workshops, presentations and other instructional guidance. There is even more! SCORE also provides access to online webinars and other online workshops available through the national office for all chapters and members of SCORE.

The success rate of SCORE nationwide is impressive. The association demonstrates a clear and direct impact on small

businesses throughout the country. Statistics available from the national website indicate that in 2010 alone SCORE clients (those receiving counseling and other assistance from SCORE) started a total of 58,637 new businesses, created 71,449 jobs, and saved 17,629 existing jobs. The time and talent provided to local SCORE chapters through mentors is also impressive. In 2010 it is estimated that volunteers donated over 1.2 million hours of their time to provide business expertise to SCORE clients. Records assembled through local chapters indicate that nationwide SCORE mentors provided assistance and other training to 590,550 potential or existing small business owners. Record keeping through local SCORE chapters is required for funding through the SBA and these records indicate that businesses receiving mentoring or other training generated an excess of \$19.4 billion dollars in revenue. These staggering figures suggest that perhaps you or someone you know interested in starting or expanding a business venture may benefit from the resources available through a local SCORE chapter.

Again, all business counseling received through SCORE is both free and confidential. The face-to-face business mentoring and other workshops that are provided through SCORE can be a priceless asset to a small business. If a SCORE chapter is not available near you, online client sessions are also available through the SCORE website (www.SCORE.org).

In 2011 I began volunteering as a SCORE mentor for a local chapter. I have been extremely impressed with the vast qualifications and breadth of experience available from the SCORE mentors from our local chapter. In addition to the Intellectual Property mentoring I provide through our local chapter, others members provide their business expertise in the areas of marketing, business management, accounting, fundraising, employee management, tax, general law, grants and other funding, and much more. The association is a great resource and if you have any questions or are interested in learning more, do not hesitate to contact me at jill.link@ipmvs.com.

WE'RE THERE

February

Christine Lebrón-Dykeman coached the Drake IP Moot Court team and will be at INTA's region competition.

February 16

Ed Sease spoke at the "Who Owns Life?" seminar for the Intellectual Property in Biotechnology and the Life Sciences at Iowa State University.

Mike Gilchrist was a commentator at the University of Iowa College of Law discussion on patent law reform issues. Jeff Harty and John Goodhue were in attendance.

February 20

Ed Sease and Jeff Harty spoke at the Intellectual Property Law Center's 5th Anniversary Gala at Drake University Law School. Ed Sease is also a panel member.

February 25

John Goodhue gave a presentation to a group of Boy Scouts at Simpson College that will help them earn a merit badge on inventing.

February 29

Heidi Nebel attended the CSU (Colorado State University) Ventures Technology Transfer Awards Ceremony.

Jill Link spoke at the Intellectual Property 101: Keynote Considerations for Start-Ups and All Businesses at the SCORE (Small Business Administration) workshop.

February - March

Mark Hansing will coach the Urbandale High School Mock Trial team for regional and state competition.

March 6

Mark Hansing will give a two hour talk at the Iowa State University College of Design on possible copyright, patent, trademark and trade secrets issues you will experience once you start your own business or become employed.

March 14-17

Heidi Nebel and Jill Link will attend the Association of University Technology Managers (AUTM) Annual Meeting in Anaheim, CA.

Spring 2012

Jeff Harty is teaching trademark law at the University of Iowa School of Law while Mark Hansing is teaching a seminar on patent prosecution.

Ed Sease is teaching a course on Patent Office Practice at Drake University Law School.

May 5-9

Bruce McKee and Christine Lebrón-Dykeman will be at the International Trademark Association (INTA) meeting in Washington, DC.

June 14-16

Kirk Hartung and Kyle Coleman will attend the LEGUS annual meeting in Ann Arbor, MI.

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