THE IP BEACON®

The Intellectual Property Law Newsletter
of Haynes and Boone, LLP

2018 YEAR IN REVIEW
Welcome! We are pleased to highlight some of our representative intellectual property-related client successes and publications over the past year that might be relevant to your business success in the coming year.

Our IP department has continued growing and extends from California through Texas, Colorado, and Illinois to Washington, D.C. and New York. Our IP team now includes 113 IP lawyers, 11 patent agents, and 4 scientific advisors. We represented clients in 74 inter partes review/PTAB proceedings that were filed in 2018, and our patent prosecution team filed over 2,300 U.S. patent applications and helped issue more than 1,650 U.S. patents just in 2018. We also helped close the IP issues in dozens of financings, M&A transactions, and joint venture/licensing arrangements.

We invite you to read on for a review of important IP related cases from the year, IP related publications, updates on some of our firm’s litigation efforts and key deals, and a few of the awards our intellectual property team is most proud of from 2018.

YEAR IN REVIEW CASES

FOURTH ESTATE PUBLIC BENEFIT V. WALL-STREET.COM

Haynes and Boone Partner Jason Bloom co-authored the U.S. Supreme Court amicus brief on behalf of the International Trademark Association (“INTA”) in the matter of Fourth Estate Public Benefit Corp. v. Wall-Street.com. The case seeks to resolve a circuit split as to whether the Copyright Act requires claimants to simply apply for copyright registration (the application approach) or receive a registration certificate from the Copyright Office (the registration approach) before filing a copyright infringement lawsuit. The issue is important to copyright claimants who do not yet have a registration certificate but must sue quickly to protect their rights.

INTA’s amicus brief sided with the Petitioner, Fourth Estate, arguing that the application approach should win the day. As matters stand, the Copyright Office grants more than 97 percent of all applications, yet it takes between 7 and 15 months for the office to issue a registration certificate under normal circumstances. This delay can be extremely harmful to claimants who need to obtain an injunction before irreparable harm is done, who need infringing products to be seized before they are shipped overseas, or who must file suit before the statute of limitations expires. Because copyright protection vests upon the creation of a work — not its registration — and because the Copyright Act specifically allows for suit to be filed whether a registration is granted or denied, INTA joined several amici in arguing that forcing copyright claimants to wait for the issuance of a registration certificate makes little practical sense. Moreover, INTA argued that the application approach is more in line with the Berne Convention, to which the U.S. has acceded, which is designed to remove unnecessary obstacles to copyright ownership and enforcement.

The case was argued to the Supreme Court on January 8, 2019, and a ruling is expected by June.
**Viacom International Inc v. IJR Capital Investments, LLC**

**Fictional Restaurants Can Have Real Trademark Rights**

The Fifth Circuit Court of Appeals confirmed that a business name – or characters, places, or other elements – referenced in entertainment content can develop trademark rights. In *Viacom International Inc v. IJR Capital Investments, LLC*, the Court affirmed a ruling in Viacom’s favor that held that “Krusty Krab” — a restaurant in the cartoon SpongeBob SquarePants — had developed enforceable trademark rights.

Although Viacom had not used or licensed the Krusty Krab name in the foodservice industry, it “could naturally develop” a real one, “as its subsidiary did when it licensed Bubba Gump Shrimp Co., a fictional business in the movie ‘Forrest Gump,’ to create a chain of real seafood restaurants,” the Court noted.

Crucial to the Court’s finding that uses The Krusty Krab as a trademark and holds valid trademark rights is the crab shack’s “central role” in the cartoon series. Further, Viacom satisfied the use in commerce requirement because, in the brick and mortar world, it has sold products bearing the Krusty Krab phrase through licensees in several other industries. The Court also took into account survey evidence weighing in favor of likely confusion. The Court affirmed the district court’s injunction against an investment firm’s real-world plan to open seafood restaurants with the Krusty Krab moniker.

**Recent Cases**

**Sebela Int’l Limited v. Prinston Pharmaceutical, Inc.**

In the last year, we have been lead patent litigation counsel for defendant Prinston Pharmaceutical, an emerging global pharmaceutical company, in two Hatch-Waxman matters regarding proposed generic products containing linagliptin.

We were able to help Prinston negotiate an amicable resolution of the linagliptin matter.

Additionally, we handle regulatory and opinion counselling for Prinston.

**Galderma Laboratories, Ltd. and Nestle Skin Health, Inc.**

After a 10 day jury trial, a Philadelphia federal judge recently entered a judgment dismissing claims by a Swedish inventor that one of the popular Cetaphil® lines of skin care products infringed his claimed trademark and contract rights.

The case involved the trademark Restoraderm, which is used by the pharmaceutical company Galderma Laboratories, a Nestle Skin Health company, on a line of Cetaphil® products. Plaintiff Thomas Skold argued at trial that he originally coined that term and that Restoraderm was associated with his skin care formulations and technology in the dermatology community. He sought $68 million in damages and a permanent injunction barring Galderma from selling Cetaphil Restoraderm.

U.S. District Judge Wendy Beetlestone entered final judgment and resolved all post-trial motions in a 35 page Opinion issued on August 28, 2017. The
RECENT CASES

Judgment dismisses Skold’s trademark infringement, breach of contract and related claims; denies the plaintiff’s request for an injunction, and awards Skold only $58,800 in damages. Haynes and Boone represented the defendants Galderma Laboratories, L.P., Galderma Laboratories, Inc., Galderma S.A., and Nestle Skin Health S.A. Mr. Rochford served as the lead trial counsel.

NITE IZE, INC.

Haynes and Boone assisted our client, Nite Ize, Inc., secure a General Exclusion Order (GEO) from the International Trade Commission (ITC) excluding from importation all products covered by certain Nite Ize patents related to their Steelie ecosystem of hands-free mobile device mounts. Additionally, the ITC issued 16 specific exclusion orders against primarily Chinese companies, preventing them from importing knockoff mobile device holders into the United States. The ITC’s action resulted from a 15-month investigation and litigation process that included arguments before an Administrative Law Judge who found in favor of Nite Ize.

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TEXAS ASSOCIATION OF REALTORS®, INC.

Pursued copyright and trademark claims on behalf of the Texas Association of REALTORS®, Inc. (TAR) in the United States District Court for the Western District of Texas related to an online service provider’s alleged infringement of more than 50 of TAR’s copyrighted real estate forms and trademarks through its web platform.

After TAR successfully defeated the defendant’s attempt to transfer the case and won a key discovery motion, the matter was resolved to the parties’ mutual satisfaction.

IP QUIZ

IS THERE A LIKELIHOOD OF CONFUSION?

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See the answer on page 10.
Data Privacy: What 2019 Holds for U.S. Companies
Haynes and Boone News | January 23, 2019
Andrew Van Osselaer

The European Union’s General Data Protection Regulation (GDPR) went into effect in May 2018, clamping down on those that collect EU residents’ personal data — wherever they may be. There is much we could learn from the GDPR’s growing pains, but the GDPR is still in its infancy, and legislative wheels are already turning at home; U.S. lawmakers have begun flirting with GDPR-inspired omnibus data privacy regimes. As a result, companies do not have the luxury of adopting a wait-and-see approach to data privacy compliance. The time to get up to speed is now.

Diversity and Inclusion in IP Law: 2019 and Beyond
Haynes and Boone News | January 23, 2019
Brian Kwok

The first weeks of 2019 have already shown unprecedented changes in our clients’ businesses. The world economy is more dynamic, more fluid, and more interconnected. International forces, inter-dependent economies, and national policies seem to be impacting us more than ever before.

This change is also impacting the legal services industry. The law firms that will respond successfully to this volatility will focus on delivering what clients need and being more efficient in the way services are provided. Who will be delivering these services will become increasingly important.

Collateral Estoppel is Allowed to Apply to Rule 36 Affirmances of the PTAB
IP Beacon*: Patent Law Review | December 13, 2018
Adam Fowles

The Federal Circuit has affirmed that a Rule 36 judgment may serve as a basis for collateral estoppel in Patent Trial and Appeal Board (PTAB) proceedings, in addition to district court proceedings. In *VirnetX Inc. v. Apple, Inc.*, Nos. 2017-2490, 2017-2494 (Fed. Cir. Dec. 10, 2018), the Federal Circuit affirmed the PTAB’s determination in two *inter partes* reviews (IPRs) that a prior art document was a printed publication. While the PTAB’s final written decision did not reach the merits of any collateral estoppel argument, the Federal Circuit affirmed the PTAB’s determination in those two IPRs that a prior art document was a printed publication expressly on the basis of collateral estoppel in view of a Rule 36 affirmance.

Printed Publications – Public Accessibility Requires More Than Technical Accessibility
IP Beacon*: Patent Law Review | December 4, 2018
Ryan Johnson

In *Acceleration Bay, LLC v. Activision Blizzard Inc. et al.*, Nos. 2017-2084, 2085, 2095, 2096, 2097, 2098, 2099, 2117, 2118 (Nov. 6, 2018), the Federal Circuit affirmed the Patent Trial and Appeal Board’s (PTAB) final written decision in a group of related proceedings, including IPR2015-01951. The PTAB had found that several claims of the challenged patents were unpatentable and that other claims, along with substitute claims of the challenged patents, were not unpatentable. Particularly, the PTAB found that one of the references used to challenge the different patents was not a printed publication under 35 U.S.C. § 102(a). The Federal Circuit affirmed the PTAB’s decision with respect to the printed publication issue and held that the reference was not a printed publication under § 102(a).
Jason Bloom Co-Authors SCOTUS Amicus Brief for INTA in Key Copyright Case

Haynes and Boone News | September 12, 2018

Jason Bloom

The International Trademark Association (INTA) tapped Haynes and Boone Partner Jason Bloom to co-write an amicus brief in Fourth Estate Public Benefit Corporation v. Wall-Street.com, LLC, a pending U.S. Supreme Court case that will address a key issue regarding when copyright owners can sue for infringement.

Some U.S. Circuit Courts of Appeal have adopted the “application approach,” holding that a copyright claimant may sue for infringement immediately once the claimant has applied for copyright registration with the U.S. Copyright Office. But other circuit courts apply the “registration approach,” requiring copyright claimants to wait for the Copyright Office to grant or deny the registration — a process that can take several months — before they can file suit. This issue is of particular importance to copyright owners who have not obtained a copyright registration but must sue quickly to enforce their rights.

Trademark and copyright lawyers are paying close attention to the Fourth Estate case, which is expected to resolve the circuit split between the application and registration approaches.

Patent Owners See ITC As Alternate Venue

Law360 | January 5, 2018

Jamie H. McDole and Tiffany Cooke

Venue recently rose to the forefront of patent litigation law when the U.S. Supreme Court issued its decision in TC Heartland v. Kraft Foods Group Brands LLC and the Federal Circuit issued its decision in In re Cray Inc. Both decisions narrowed a long-standing interpretation of 28 U.S.C. § 1400(b), the guiding venue statute for patent infringement litigation. Based on these new cases, patent owners who elect to enforce their rights in district court may find themselves forced to litigate in a defendant’s home venue. This often undesirable result may have patent owners looking for alternative forums to assert their rights. One such forum patent owners may turn to is the U.S. International Trade Commission. While the ITC presents its own challenges, it offers a broad range of benefits to both patent owners and accused infringers. These benefits in conjunction with recent case law could result in an increase in Section 337 filings at the ITC.

Patent owners in a post-TC Heartland and In re Cray era may explore alternative forums for enforcement of their patent rights for many reasons, including to avoid the narrowed application of § 1400(b) and the corresponding risk of having to litigate in a defendant’s home venue. The ITC may be one viable alternative that offers substantive benefits for all parties involved. And if recent trends continue, the ITC may be the new forum of choice for litigating patent infringement.
What’s in a Name? Sometimes, a Claim
Food and Drug Law Institute | January 5, 2018
Suzie Trigg, Phil Hampton, and Tiffany Ferris

Savvy marketers know that a product name is important. It is part of what sets your product apart from a host of others on the market. In “trademark speak,” it is your source identifier.

Perhaps because they are so important, product names often undergo “clearance” by trademark counsel before a product launch or change, who analyze the name’s suitability as a source identifier vis-à-vis third parties and the United States Patent and Trademark Office (USPTO). A “clear” name might next undergo prosecution in an attempt to obtain a federal registration. This clearance and prosecution process often happens without any input from regulatory counsel. This approach is both problematic and costly. Product names can be more than source identifiers. They can and often do make claims about a product’s attributes. Such claims may make marketers the target of enforcement actions from federal agencies like the Food and Drug Administration (FDA).

Squarely Decided: The Fifth Circuit Sides with Spongebob
IP Beacon®: Patent Law Review | June 5, 2018
Katharyn Zagorin

On May 22, 2018, in Viacom Int’l, Inc. v. IJR Captial Invs., LLC, 242 F. Supp.3d 563 (2017), the Fifth Circuit Court of Appeals upheld summary judgment in favor of Viacom International Inc. on its trademark infringement and unfair competition claims against IJR Capital Investments, LLC. In a case of first impression, the court held that “specific elements from within a television show—as opposed to the title of the show itself—[can] receive trademark protection.”

Haynes and Boone News | May 23, 2018
Paul E. Dietze, Ph.D. and Elizabeth M. Crompton, Ph.D.

In Praxair Distrib., Inc. v. Mallinckrodt Hosp. Prods. IP Ltd., 2016-2616, -2656 (Fed. Cir. May 16, 2018), in a decision authored by Judge Lourie, the Court of Appeals for the Federal Circuit held that the printed matter doctrine is properly applied during claim construction and can include not just printed matter, but also mental steps.

AIA On-Sale Bar, Otherwise Reinterpreted
Haynes and Boone News | December 5, 2018
Paul E. Dietze, Ph.D. , Yifang Zhao

The U.S. Supreme Court heard oral arguments on December 4, 2018, in Helsinn Healthcare SA v. Teva Pharmaceuticals USA Inc. as to whether the “on-sale” bar under the America Invents Act (AIA) renders an inventor’s private sale to a third party as prior art for purposes of determining patentability.
GDPR AND PRIVACY REPRESENTATIVE EXPERIENCE

- Represented Universal Weather & Aviation, a global aviation services and products company, in support of its GDPR-compliance program and Privacy Shield certification. We drafted a Global Privacy Policy, Human Resources Data Privacy Policy, GDPR-compliant consent language, standard Data Security Addendum, and a Data Breach Response Plan for Universal Weather & Aviation. We have also assisted in addressing a number of data subject access requests and potential data incidents.

- Represented Multiview, a leader in the online B2B services and online advertising space, in the rapidly evolving areas of consent and privacy. Haynes and Boone provided ongoing legal advice and consulting in support of Multiview GDPR-compliance efforts and Privacy Shield certification. We negotiated and set the terms of Multiview’s implementation of cutting-edge privacy software. We also drafted and revised a new Privacy Policy, GDPR-compliant master services contract, standard Data Processing Addendum, and website Terms of Use for Multiview, as well as negotiating several data processing agreements with Multiview’s vendors and customers.

- Represented Examsoft, a provider of secure exam software to universities, schools, and their students worldwide, in the its international privacy efforts. Haynes and Boone supported ExamSoft’s GDPR-compliance efforts and Privacy Shield certification. We drafted a Global Data Protection Policy, Employee Data Privacy Policy, GDPR-compliant consent language, standard Data Processing Addendum, and a Data Breach Response Plan for ExamSoft.

- Represented Animoto, a provider online video editing to customers around the world. Haynes and Boone provided ongoing legal advice and consulting in support of Animoto’s GDPR-compliance efforts and Privacy Shield certification. We drafted a Privacy Policy, Employee Data Privacy Policy, online Terms of Service, standard Data Processing Appendix, and a Data Incident Response Plan for Animoto. We also assisted the company in addressing and mitigating a data incident involving phishing and attempted wire fraud.

M&A TRANSACTIONAL REPRESENTATIVE EXPERIENCE

- Represented OraMetrix, Inc., a private company and provider of innovative 3-D technology solutions improving the quality and efficiency of orthodontic care, in its sale and merger into a subsidiary of Dentsply Sirona Inc., a public company. The acquisition will allow Dentsply Sirona to enter a new and innovative market, digitally based dental aligners, and offer a product not in its previous portfolio. The transaction enables OraMetrix investors to realize full value for their shares through the innovative earn-out structure and by selling the solution they developed into Dentsply’s robust sales channel. The transaction was chosen as the “U.S.A. M&A Deal of the Year” in the $100 to $250 million-dollar category at the Global M&A Network.

- Represented Ericsson Inc. in a number of acquisitions and various warrant negotiations in 2018. Some of the notable representations include: its acquisition of Placecast, a leading enterprise-grade platform for data management and display advertising based out of California; and its acquisition of CENX, a U.S.-based service assurance technology company.

- Represented Credera Enterprises Company, a leading digital consulting firm, in the partial equity sale to Omnicom Group.

- Represented Nabors Industries in its acquisition of PetroMar Technologies, a small developer and operator of downhole logging-while-drilling (LWD) tools. Our core IP diligence team of Jeff Wolfson and Evert Tu supported our corporate team to negotiate and draft key documentation and to conduct an emergency clearance evaluation on certain critical acoustic technology before closing.

- Represented WuXi AppTec Group in the formation of a joint venture with Mayo Clinic to co-develop and deliver clinical diagnostic services in China.
Represented KMG Chemicals, Inc., a global specialty chemicals supplier, in its $1.6 billion cash and stock merger with Cabot Microelectronics Corporation pursuant to which KMG became a wholly-owned subsidiary of Cabot. Jeff Wolfson and Evert Tu conducted IP diligence and negotiated key IP terms working with a team of the Firm’s finance, corporate, environmental, and other practice groups.

Represented Alpha Holdings Inc., a South Korea-based investor, to close the purchase and sale of Second Tranche Shares from immunotherapy oncology specialist OncoSec Medical on December 7, 2018. The investment completes a commitment to OncoSec by Alpha Holdings to purchase a total value of $15 million shares of common stock priced at $1.50 per share. OncoSec is using the financing to underwrite oncology trials.
AWARDS

PATEXIA INC.’S 2018 IPR INTELLIGENCE REPORT

- Top 50 best performing law firms representing petitioners (ranked 17th)
- Top 50 best performing law firms overall representing petitioners or patent owners (ranked 42nd)
- Top 50 most active law firms overall representing petitioners or patent owners (ranked 10th)

Most active attorneys representing petitioners:
- Andrew Ehmke
  Ranked 45th, with 55 petitioner cases
- David McCombs
  Ranked 5th, with 139 petitioner cases
- David O’Dell
  Ranked 11th, with 95 petitioner cases

Best performing attorneys representing petitioners:
- Andrew Ehmke
  Ranked 25th out of 3,283 practitioners, with 71.60 percent petitioner performance
- Scott Jarratt
  Ranked 16th out of 3,283 practitioners, with 76.20 percent petitioner performance

INTELLECTUAL ASSET MANAGEMENT (IAM) PATENT 1000

- Randall Brown
- Tom Chen
- Randall Colson
- David McCombs
- Phillip Philbin
- Mark Tidwell
- Jeffrey Wolfson

MANAGING INTELLECTUAL PROPERTY 2018 AMERICAS IP STARS

- Patent Prosecution Firm of the Year
- Trademark Prosecution Firm of the Year
- Patent Contentious Firm of the Year

CHAMBERS GLOBAL 2018

- Jeffrey Becker
  Intellectual Property
- David McCombs
  Intellectual Property

D MAGAZINE BEST LAWYERS LIST 2018

- Purvi Patel Albers
- Jeffrey Becker
- Randall Brown
- Alan Herda
- David McCombs

U.S. NEWS & WORLD REPORT AND BEST LAWYERS “BEST LAW FIRMS” SURVEY

- Tier 1 Practice Areas:
  - Litigation
    Dallas/Fort Worth, Houston
  - Patent
    Dallas/Fort Worth, Orange County

- Tier 2 Practice Areas:
  - Patent Law
    Dallas/Fort Worth, San Jose
  - IP Litigation
    Orange County
  - Litigation
    San Jose
According to the U.S. Trademark Trial and Appeal Board, the answer is YES.

The Board sustained an opposition brought by Diesel S.p.A., finding a likelihood of confusion between the applicant’s mark for “smooth shave enhancer, namely, pre-shave liquid” and Diesel’s mark for “pre- and after-shave creams and lotions.”

First, the Board found that MISEL DISEL was substantially similar to DIESEL. The Board reasoned that the word “DISEL” was likely to be pronounced like DIESEL “because it looks like a mere misspelling of the common word ‘diesel.’” The Board conceded that the word “MISEL” in the applicant’s mark helped to distinguish the mark from the opposer’s, as it was likely the first word consumers noticed. However, the Board also observed that the overall mark was probably pronounced “mee-zel dee-zul” because both “MISEL” and “DISEL” end in “-EL,” which “invites a rhyming pronunciation of MISEL similar to the common pronunciation of ‘diesel.’” Thus, as the words “MISEL” and “DISEL” rhyme in the applicant’s mark, the Board found that the word “MISEL” failed to create a commercial impression separate from that of “DISEL.”

Next, the Board considered the similarity of the goods, finding the opposer’s “pre- and after shave creams and lotions” broad enough to include the applicant’s “smooth shave enhancer.” Thus, the Board found the goods at issue to be legally identical and the respective trade channels to overlap, supporting a finding of likelihood of confusion. Likewise, the Board found the goods under both marks to be relatively inexpensive items that could be purchased without careful consideration.

Finally, the Board found that the renown of the opposer’s DIESEL mark with respect to apparel also supported a finding of likelihood of confusion.

As such, the Board sustained the opposition.

**IP QUIZ - ANSWER**

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Diesel S.p.A. v. Misel Disel, LLC, Opposition No. 91225389 (November 5, 2018) [not precedential]
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