



## The IP Beacon<sup>®</sup> The Intellectual Property Law Newsletter of Haynes and Boone, LLP

November 2020



David A. Bell



Mike  
McArthur

### David Bell and Mike McArthur in *Intellectual Property Magazine*: Name Drop

It's official: the Washington Redskins are no more. Well, the name, that is. Despite team owner Daniel Snyder's famous 2013 proclamation – "We'll never change the name. It's that simple. NEVER. You can use caps" – the National Football League (NFL) team announced the retirement of the 'Redskins' name and logo on 13 July 2020.

The team's name has long been a controversial talking point, with critics claiming the term 'Redskins' is a racial slur and a negative stereotype towards Native Americans.

What's next? A rebrand, accompanied by the task of selecting and protecting a new name. Any large rebrand can be costly and arduous, but it is even more complex for sports franchises. Given the public spotlight, counterfeiting concerns, and the myriad licensing and merchandising issues for beloved teams, rebranding from the Redskins would be challenging enough without the controversy surrounding the name change and the ramifications of its public retirement without a more permanent replacement on hand.

On 20 July, the team proceeded with a placeholder – the Washington Football Team. The organisation's leadership, marketing team and trademark counsel now have more than sufficient time to settle on a more permanent name. The trademark issues Washington will face during the next year are considered below.

Excerpted from *Intellectual Property Magazine*. To read the full article, click [here](#).  
(Subscription required)

**David McCombs, Theo Foster, Eugene Goryunov, Scott Jarratt, Calmann Clements in *The Patent Lawyer*: ‘Good for the Gander: Patent Owners Face IPR Estoppel, Too’**



David McCombs



Theo Foster



Eugene Goryunov



Scott Jarratt



Calmann Clements

Most patent litigators are familiar with the *inter partes* review estoppel that bars a petitioner from relitigating its validity challenge after the Patent Trial and Appeal Board (PTAB) issues a Final Written Decision. But a lesser-known estoppel provision exists and prohibits a patent owner from “taking

action inconsistent with” an adverse judgment, including pursuing before the Patent Office a “claim that is not patentably distinct from a finally refused or canceled claim.” The patent owner estoppel rule has gotten little attention, so this article will explore what qualifies as a triggering “adverse

judgment” and what the rule prohibits a Patent Owner from doing.

**Disclaimer may trigger adverse judgment and patent owner estoppel**

Patent Owners at times make the strategic decision to disclaim all or some of the challenged claims to avoid institution or otherwise terminate an IPR trial. Such disclaimer may be construed as a request for adverse judgment. One of the “[a]ctions construed to be a request for adverse judgment” is the “disclaimer of a claim such that the party has no remaining claim in the trial.”

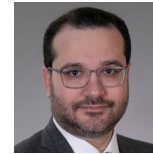
Previously, different panels at the PTAB had reached different conclusions as to the PTAB’s authority to enter adverse judgment prior to institution. This split was resolved, however, when the Federal Circuit confirmed that the PTAB may enter adverse judgment before institution.

Excerpted from *The Patent Lawyer*. To read the full article, click [here](#).

**PTAB Reforms Under Director Iancu’s Leadership**



David McCombs



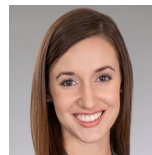
Eugene Goryunov



Clint Wilkins



Jonathan Bowser



Angela Oliver

Andrei Iancu was sworn in as Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office (PTO) on February 23, 2018, after being unanimously confirmed by the Senate. During his nomination hearings, Mr. Iancu testified that he would take a hard look at the Patent Trial

and Appeal Board (PTAB) and try to achieve what he viewed as the correct balance between fostering innovation and improving patent quality. Shortly after his confirmation, Director Iancu stated that, under his leadership, the PTAB would “take a holistic approach to fully implement the intent” of the America Invents Act (AIA) so that PTAB trials would “be a true alternative to district court litigation, not a consistent multiple bite at the apple.”

Change began swiftly under Director Iancu’s leadership, whether as a necessary reaction to court decisions or as a concerted effort to update (or wholesale change) PTAB trial practice. And while many stakeholders have applauded the changes made to PTAB trial practice over the past few years, change, of course, is almost never without controversy. Regardless, PTAB trial practice has undergone substantial transformation with Director Iancu at the helm. This article summarizes the most significant changes.

To read the full article, click [here](#).

**Joseph Matal and David McCombs in  
*FedCircuitBlog*: Online Symposium: Will  
the CBM Program Retire Too Early?"**



Joseph  
Matal



David  
McCombs

The Transitional Program for Covered Business Method ("CBM") Review will come to an end on September 16, 2020, after eight years. In our view, the CBM program's brief history

is a cautionary tale about the costs that are imposed on the system when the Supreme Court delays in rectifying a mistake.

In 1998, the Federal Circuit issued its revolutionary decision in *State Street Bank & Trust Co. v. Signature Financial Group*. The Court held that patent-eligible subject matter extends to "anything under the sun made by man" and includes methods of conducting business.

This was a sharp break from history. The patent eligibility statute has remained substantively unchanged since the Patent Act of 1793, and for two centuries it was always understood to limit patentable subject matter to the "useful arts"—to what we would today call technology. During these centuries, the patenting of business methods was virtually unheard-of.

*State Street* led to a surge in the patenting of business methods and their assertion in the courts. The impact on the character and reach of patent litigation was dramatic. Suddenly, businesses that do not deal in technology, and that had never been the target of infringement suits before, found themselves being sued for the way that they structure their transactions, for conducting their business over the internet—and notoriously, even for how they pay their taxes. These claimed "inventions" were well outside the public's understanding of what the patent system is appropriately used for.

And the Supreme Court did—nothing. Eight years later, in *eBay v. MercExchange*, Justice Kennedy made passing reference to the "potential vagueness and suspect validity" of business method patents. It was not until the 2010 *Bilski* decision that the Court finally

invalidated a business method patent as "abstract." And it was not until the *Alice* decision—issued 16 years after *State Street* was decided—that the Supreme Court made clear that business methods are not patentable, no matter how specific they are or whether they are implemented on a computer.

Excerpted from *FedCircuitBlog*. To read the full article, click [here](#).

**Trends in ISP and Platform Liability: CDA  
Section 230 and DMCA Safe Harbors**



Wesley Lewis

The internet as we know it today was made possible, in part, through the creation of a legal framework that permits platforms and internet service providers (ISPs) to host user-generated content without substantial risk of liability. Two significant statutes are

collectively responsible for establishing this framework: The Communications Decency Act of 1996 (CDA) and The Digital Millennium Copyright Act (DMCA), enacted in 1998.

Without these two pieces of legislation, the internet would be a vastly different place than it is today. The CDA and DMCA both allow ISPs, social media platforms, and other online service providers (collectively referred to in this article as "service providers") to act as conduits and repositories for user-generated content without liability for such content. This statutory civil immunity allows service providers to take a hands-off approach to user-generated content, obviating the need to conduct pre-publication moderation or review of content made available on or through their services. Without this protection, service providers would be less likely to host the third-party content we have come to expect on the internet—such as reader commentary on news sites, YouTube videos, and Instagram posts—lest they be exposed to liability for defamation, copyright infringement, or other causes of action arising from the user-generated content they host. Considering, for example, that an estimated 500 hours of video are uploaded to YouTube *per minute*, service providers simply could not exist in their current form without Section 230 of the CDA and Section 512 of the DMCA to protect them from liability arising from such content.

Yet, despite their importance to the modern internet, Section 230 and the DMCA's safe-harbor provisions have been subject to increasing scrutiny and criticism from a variety of sources—particularly over the past year. Litigants, lawmakers, and even President Trump have all sought to limit or overcome the protections of Section 230 and the DMCA in an effort to hold service providers more accountable for user-generated content they host. Service providers should be cognizant of these developments and understand that Section 230 immunity and the safe harbor protections Section 512 of the DMCA are neither absolute nor indestructible in this rapidly changing legal landscape.

Read the full article [here](#).

**Eugene Goryunov, David McCombs, Raghav Bajaj, Dina Blikshteyn, Jonathan Bowser and Angela Oliver in *LegalTech News***



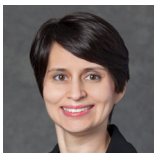
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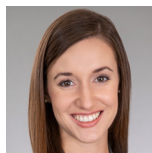
Eugene  
Goryunov



Dina  
Blikshteyn



Jonathan  
Bowser



Angela Oliver

In our [previous article](#), we explored several legal implications that artificial intelligence will have on patent law, and the availability of patent protection for AI inventions. In this article, we explore the impact of AI in the legal industry, including new AI tools for legal departments, and how to plan for risk when using these AI tools.

## AI in the Legal Sector

Machine learning is an application of AI in which AI's algorithms learn from past experiences and then apply this knowledge to predict future outcomes.

Because there are many similarities between the law and machine learning, the law is conducive to AI and its machine learning applications. For example, both the law and AI machine learning infer rules from historical examples to apply to new situations. Legal rulings involve applying propositions based on prior precedent to the facts at issue and deriving an appropriate conclusion. AI machine learning uses the same process. The law and AI machine learning are both logic-oriented methodologies (e.g., if X happens, then the result should be Y).

Natural language processing (NLP) is another application of AI in which the AI's algorithms automatically process and interpret words based on the context in which the words are used. For example, rather than processing a word in isolation, NLP processes the word based on the other words used in the same phrase or sentence in which the word appears, and the topic or application in which the word is used. This is similar to law that requires attorneys to analyze terms in a contract or identify facts of a case that is similar to a case at issue.

## Common Uses for AI Tools

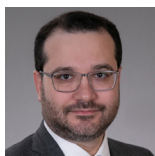
Machine learning and NLP have enabled a number of AI tools to be developed to help legal departments reduce costs, develop data-driven strategies, assess risk, and become more productive. Below, we identify some of the AI tools that are available to legal departments.

Excerpted from LegalTech News. To read the full article, click [here](#).

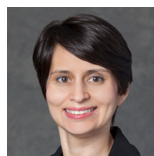
**David McCombs, Eugene Goryunov, Dina Blikshteyn, Roy Falik in *Law360*: The Ethics of Using Chatbots For Legal Services**



David  
McCombs



Eugene  
Goryunov



Dina  
Blikshteyn

Today, artificial intelligence chatbots are becoming more and more common. They are computer programs designed to imitate human conversation, either using voice or text.

AI chatbots include neural networks trained on data that includes human conversations. Natural language processing and natural language understanding algorithms allow AI chatbots to understand, respond and participate in these human communications.

These ubiquitous chatbots are already present in our homes as Amazon's Alexa or Google Home, in our mobile phones as Apple's Siri or Google's Android Assistant, and on the internet as customer service bots used by companies like Amazon, HSBC and Coca-Cola. Their progression into law firm offerings is not far away.

AI chatbots are designed to have a conversation with a human and provide answers to the human's requests without a human representative's intervention and only involve a human in the most difficult queries. Some chatbots can automate a user interaction with the company entirely from start to finish, generating income (by, for example, allowing instantaneous response to user queries, which increases conversion rates and lowers the likelihood of potential leads going unanswered) and lowering costs.

Excerpted from *Law360*. To read the full article, click [here](#). (Subscription required)

**Haynes and Boone Lawyers Recognized as 2020 WTR Global Leaders**

Haynes and Boone Partners Purvi Patel Albers, Jeff Becker and David Bell are featured as 2020 World Trademark Review (WTR) Global Leaders. Haynes and Boone is pleased to have the most ranked Texas lawyers of any full-service firm.

[Read more](#)

**Haynes and Boone Recognized in 2021 *Best Lawyers in America* Guide**

More than 100 Haynes and Boone lawyers from across the firm are included in the 2021 edition of *The Best Lawyers in America* directory published by Woodward/White, Inc. Lawyers are selected based on detailed peer-review evaluations. Nineteen lawyers from the Intellectual Property practice were individually recognized.

[Read more](#)

**Haynes and Boone Ranked as Leading Firm in 2020 IPR Intelligence Report**

Haynes and Boone and eight of its lawyers are included in the 2020 edition of Patexia Inc.'s IPR Intelligence Report on the nation's leaders in *inter partes* review (IPR) proceedings before the Patent Trial and Appeal Board (PTAB). Among the report's highlights, Haynes and Boone ranked as the 7th most active firm for petitioners at the PTAB (up from 10th in 2019) and one of the top ten best performing firms overall.

[Read more](#)

**Haynes and Boone Lawyers Recognized in Inaugural 'Ones to Watch' Listing**

Forty-seven Haynes and Boone lawyers are included in the inaugural Best Lawyers® "Ones to Watch" directory this month.

The Ones to Watch distinction is given to attorneys early in their careers in recognition of their outstanding professional excellence in private practice in the U.S. Eight lawyers from the Intellectual Property practice were individually recognized.

[Read more](#)

## IP QUIZ

### Trademark Trivia

Is this a useful cookie?



### According to the U.S. Trademark Trial and Appeal Board, the answer is YES.

YES, according to the U.S. Trademark Trial and Appeal Board.

The design of the delicious Pocky stick cookie is, in fact useful, beyond simply satisfying your sweet tooth! [So says the 3rd Circuit](#), which recently upheld a lower court's ruling against the famous treat's trade dress registrations.

Ezaki Glico Co. Ltd., the Japanese confectionery company and inventor of Pocky biscuit stick cookies, sued the makers of a copy-cat cookie alleging, among other claims, infringement of Ezaki Glico's trade dress registrations. The District Court granted defendant Lotte Confectionery Co., Ltd.'s, motion for summary judgment, finding that Pocky's design was functional and thus not protectable.

In affirming, the 3rd Circuit rejected Ezaki Glico's interpretation that functionality requires the design to be "essential" to the product. The Court noted that this position took too-narrow a view of trademark law's functionality doctrine and conflated the protections of the Lanham Act with the Patent Act. The 3rd Circuit reaffirmed that under both the Lanham Act and case law, a feature is functional if it is useful.

Here, the Court noted that nearly every feature of Pocky's trade dress registrations related to the practical functions of holding, eating and sharing the dainty snack. For example, the uncovered part of the cookie serves as a

mess-free mechanism for holding the snack while the slim shape makes the cookie easy to eat and compact enough to pack several cookies at a time to share with friends. Pocky's own internal documents revealed that the design of the cookie was intended to be a snack that people could eat without getting chocolate on their hands. Advertisements for Pocky didn't help Ezaki Glico's case either, with ads boasting about the "no mess handle of the Pocky stick" and further describing the cookies as an efficiently packed snack that "lends itself to sharing anytime, anywhere, and with anyone."

The Court was careful to draw a distinction between trademark and patent law, noting that trade dress protection is not intended to create patent-like rights in innovative aspects of product design. Although Ezaki Glico created Pocky, the Court held that it could not use trade dress to keep competitors from copying it. "Trade dress protects features that serve only to identify their source" noted the Court, "[i]t does not cover functional (that is, useful) features. That is the domain of patents, not trademarks."

And that, said the Court, was just the way the cookie crumbles!

The case is *Ezaki Glico Kabushiki Kaisha et al v. Lotte International America Corp. et al*, No. 19-3010 (3d Cir. 2020).

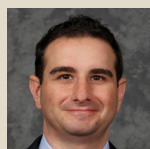
If you have any questions, please visit the Haynes and Boone [Intellectual Property Law](#) page of our website.



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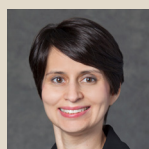
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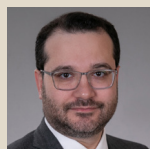
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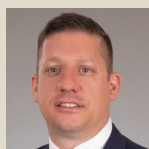
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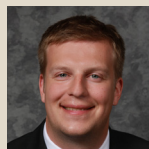
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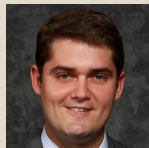
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