



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

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### **Squarely Decided: The Fifth Circuit Sides with Spongebob**

**Katharyn Zagorin**

On May 22, 2018, in *Viacom Int'l, Inc. v. IJR Capital Invs., LLC*, 242 F. Supp.3d 563 (2017), the Fifth Circuit Court of Appeals upheld summary judgment in favor of Viacom International Inc. (Viacom) on its trademark infringement and unfair competition claims against IJR Capital Investments, LLC (IJR). 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.”

Viacom is the owner of *SpongeBob SquarePants*, an animated television series created for Viacom's Nickelodeon Network that first premiered in 1999, and recently renewed for a twelfth season. The series follows the life of the title character, SpongeBob SquarePants, and his friends in the underwater town of Bikini Bottom. The Krusty Krab, the center of the controversy in this case, is a fast-food restaurant in the submerged town owned by Mr. Krabs, a money-hungry business owner intent on making a profit off the Krabby Patties grilled by SpongeBob.

In 2014, Javier Ramos, the owner of IJR, decided to open Krusty Krab restaurants of his own in Texas and California. Rather than fast food, the restaurant was to sell seafood, namely shrimp, crawfish, and po-boys. IJR filed a federal trademark application for THE KRUSTY KRAB for restaurant services in December 2014, which was issued a notice of allowance in August 2015. In November 2015, Viacom sent a cease-and-desist letter to IJR, asking IJR to withdraw its application for THE KRUSTY KRAB, and alleging infringement of its common law mark The Krusty Krab. After IJR refused to comply with Viacom's demands, Viacom filed suit in January 2016 with nine claims, including unfair competition under the Lanham Act and trademark infringement under Texas common law. After Viacom filed a motion for summary judgment on eight of its nine claims, the district court granted the motion on its Lanham Act unfair competition and common law trademark infringement claims. The district court dismissed the other seven claims with prejudice, as requested by Viacom, and IJR then appealed.

As with a federal trademark infringement claim, proving trademark infringement under Texas common law requires the plaintiff to show that it owns a legally protectable mark and that the defendant's use of that mark creates a likelihood of confusion as to source, affiliation, or sponsorship. IJR alleged that neither of these

elements had been proved by Viacom. The first issue considered by the Court of Appeals was “[w]hether Viacom actually uses the The Krusty Krab as a source identifier.” In assessing this issue, the Court addressed a “threshold question,” deciding that “specific elements from within a television show—as opposed to the title of the show itself—[can] receive trademark protection.” The Court reasoned that “[e]xtending trademark protection to elements of television shows that serve as source identifiers can serve” to protect goodwill and investments made in trade names, as well as to guard against consumer confusion.

However, the Court was careful to note that “use within a popular television series does not necessarily mean that the mark is used as a source identifier.” The court said the question in this case was “whether The Krusty Krab mark, ‘as used, will be recognized *in itself* as an indication of origin for the particular product or service.’” In other words, The Krusty Krab must create “a separate and distinct commercial impression.” The Court clarified that “[i]n evaluating whether elements of a television series are trademarks, the focus is on the role that the element plays within the show and not the overall success or recognition of the show itself,” reasoning that an “an element [that] only occasionally appears in a successful television series” may not serve as an indication of origin. On the other hand, “an element [that] plays a more central role in a franchise” will usually receive trademark protection.

The Court found that The Krusty Krab’s “central role” in the SpongeBob franchise provided “strong evidence” that the mark serves as an indication of origin for the show and its associated goods. The Krusty Krab “is integral to ‘SpongeBob SquarePants,’ as it appears in over 80% of episodes, plays a prominent role in the SpongeBob films and musical, and is featured online, in video games, and on licensed merchandise.” Moreover, The Krusty Krab appears on various consumer products, such as Lego toy products and aquarium ornaments, among others. The Court found that the licensing of The Krusty Krab mark on these various consumer goods “provide[d] further evidence that Viacom uses The Krusty Krab as a source identifier and therefore owns the mark.” The Court also found that the use of the fictional restaurant in playsets and aquarium ornaments indicated that The Krusty Krab creates a distinct commercial impression.

In continuing its analysis of whether or not Viacom owns a valid mark, the Court found that the The Krusty Krab mark acquired distinctiveness through secondary meaning, as shown by the fact that “[o]ver 80% of episodes...include The Krusty Krab, and it is a central element of the SpongeBob universe.” In addition, Viacom’s millions of dollars earned on the licensed goods and feature films that use the mark in question provide further evidence that The Krusty Krab has acquired distinctiveness. The Court also considered the effectiveness of print and Internet advertisements for the Krusty Krab products and films. Finally, the Court found that The Krusty Krab’s popularity in the media and appearance on the series’ social media platforms indicated that the mark has acquired secondary meaning.

Turning to the second element of the infringement analysis, the Court assessed whether or not IJR’s use of The Krusty Krab created a likelihood of confusion as to source, affiliation, or sponsorship by considering the following seven factors:

1. The type of mark allegedly infringed
2. The similarity between the two marks
3. The similarity of the products or services
4. The identity of retail outlets and purchasers
5. The identity of the advertising media used
6. The defendant’s intent
7. Any evidence of actual confusion

The Court found that Viacom’s mark was strong, due to its acquired distinctiveness, and that the marks at issue were identical. Moreover, although Viacom’s mark referenced a fictional hamburger restaurant in a television show, while IJR’s mark was intended to be used in connection with a seafood restaurant, the fact that “Viacom could naturally develop a real The Krusty Krab restaurant based on the fictional eatery, as its subsidiary did when it licensed Bubba Gump Shrimp Co.,” indicated a likelihood of confusion. In addition, both Viacom and IJR target the general public, although the Court found that there were “substantial differences in the retail outlets and the predominant purchasers that mitigate the possibility of confusion.” While Viacom “targets television viewers,

toy stores, and online retailers... IJR's services will only be available in brick-and-mortar restaurants," indicating different retail outlets. The Court also found that, despite some overlap, "the core consumers of each mark are dissimilar." Although, the Court noted the real possibility that children, or adults, who are fans of SpongeBob could choose to eat at IJR's restaurant due to the name. Because the record contained no evidence of IJR's advertising efforts, the sixth factor was neutral in the likelihood of confusion analysis.

With regard to IJR's intent, the Court found that "the district court erred in inferring bad intent" and that there was "a genuine issue of material fact as to whether IJR intended to derive benefits from Viacom's The Krusty Krab." Although Ramos became aware of Viacom's mark during a clearance search before submitting IJR's application for THE KRUSTY KRAB, and his friend Ivan Murillo admitted that some might associate the name with SpongeBob SquarePants, the Court found that "Murillo's word association, without more, does not establish bad faith at summary judgment" and that "mere awareness of the senior user's mark does not establish[...]bad intent."

Finally, the Court contemplated actual confusion, considering a consumer survey presented by Viacom that found "30% of respondents thought The Krusty Krab was connected with Viacom and 35% of respondents associated the hypothetical restaurant with Viacom." The Court found fault with the survey's word-association question asking if "THE KRUSTY KRAB restaurant [is] affiliated or connected with any other company or organization," stating that word-association surveys are entitled to little weight. Despite this, the Court found no substantial defect in the survey and that the survey weighed in favor of a finding of likelihood of confusion.

Ultimately, the Court found an "impermissible" likelihood that "consumers would affiliate Viacom's legally protectable The Krusty Krab mark with IJR's seafood restaurant by the same name." Although fairly predictable in its holding, this case brings the Fifth Circuit's dealing with elements of television shows in line with several other circuit courts, making clear that integral components of a television series can be protectable trademarks. In arriving at this conclusion, the court relied on its own case, *Conan Props, Inc. v.*

*Conans Pizza, Inc.*, involving the use of the name and image of Conan the Barbarian in a pizza restaurant, suggesting that characters could receive trademark protection. 752 F.2d 145, 148, 150 (5th Cir. 1985). The Court was also informed by the decision in *Warner Bros., Inc. v. Gay Toys, Inc.*, a Second Circuit decision holding that "trademark protection may extend 'to the specific ingredients of a successful T.V. series,'" in that case a muscle car from the television series "Dukes of Hazard." 658 F.2d 76 (2d Cir. 1981). A similar ruling was also made by the Seventh Circuit regarding the same muscle car. *Processed Plastic Co. v. Warner Commc'ns, Inc.*, 675 F.2d 852 (7th Cir. 1985). Although Viacom ultimately prevailed in this case, it now appears to be taking a more proactive approach to protecting its favorite hamburger joint, having filed an application for KRUSTY KRAB covering a website related to television programs in January 2017. (Fed. Trademark Application Serial No. 87305436). But even if other television series don't follow Viacom's lead in applying for federal protection, the Fifth Circuit has signaled its willingness to protect trademark rights in important elements of shows, from character names to underwater restaurants and (presumably) anything in between.

### **The Printed Matter Doctrine - *Praxair Distrib., Inc. v. Mallinckrodt Hosp. Prods. IP Ltd.***

Paul Dietze, Ph.D. and Elizabeth M. Crompton, Ph.D.



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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.

The printed matter doctrine dictates that "[c]laim limitations directed to printed matter are not entitled

to patentable weight unless the printed matter is functionally related to the substrate on which the printed matter is applied.” Slip op. at 9. Determining if the printed matter doctrine applies is a two-step process. The first step involves determining whether a claim limitation is directed to printed matter. If the claim limitation is not directed to printed matter, the doctrine does not apply. If, however, the claim limitation is directed to printed matter, then the second step involves determining whether the printed matter has a functional or structural relation to the substrate on which it is printed. If the claim limitation has a functional or structural relation to the substrate on which it is printed, the doctrine does not apply and the limitation is given patentable weight.

In *Praxair Distrib.*, the panel upheld an *inter partes* review decision by the Patent Trials and Appeal Board (“PTAB”) of the United States Patent and Trademark Office finding that claims 1-8 and 10-11 of U.S. Patent No. 8,846,112 (“the ‘112 patent”), owned by Mallinckrodt Hospital Products (“Mallinckrodt”) and directed to methods of supplying a cylinder of nitric oxide gas to medical professionals along with information regarding potential harmful side effects of nitric oxide when treating certain neonates for hypoxia (“the providing information limitation”), were unpatentable because they were obvious in view of the prior art.<sup>1</sup> *Id.* at 3-4. Various dependent claims of the ‘112 patent added additional steps, directed to what a recipient of the provided information should do with that information. In particular, claim 3 recited “evaluating the potential benefit” of treatment (“the evaluating limitation”), claim 7 provided a recommendation that treatment should be discontinued in certain patients if certain events occur (“the recommendation limitation”), and claim 9 recited that treatment should be discontinued in accordance with the recommendation of claim 7. *Id.* at 4-5. The PTAB had found that claim 9 was patentable, and the panel reversed that finding based on obviousness in view of prior art.

In construing the claims, the PTAB applied the printed matter doctrine and “interpreted the providing information, evaluating, and recommendation claim limitations to be either printed matter or purely mental steps not entitled to patentable weight, as those limitations lacked a functional relationship to the other claim limitations except in claim 9.” *Id.* at 6. Mallinckrodt argued that the PTAB “erred in applying

the printed matter doctrine during claim construction, rather than when assessing patentability, [and] substantively misapplied the printed matter doctrine by extending it to encompass mental steps.” *Id.* at 9. Mallinckrodt further argued that “whether claims are directed to mental steps may only be considered in determining patent eligibility, not obviousness, and thus the Board erred in not giving patentable weight to the evaluating limitation of claim 3.” *Id.* at 12.

The panel held that the PTAB had properly applied the printed matter doctrine. First, the panel discussed how it was not improper to apply the printed matter doctrine to mental steps stating that, although early cases developing the printed matter doctrine applied it to claims literally encompassing “printed” materials, the doctrine is not so limited, and “a claim limitation is directed to printed matter ‘if it claims the content of information.’” *Id.* at 9-10 (citing *In re DiStefano*, 808 F.3d 845, 848 (Fed. Cir. 2015)).

The panel also held that it was not improper to apply the printed matter doctrine to claim construction, stating: “The Board’s printed matter analysis here only required analyzing and interpreting the meaning of the claim language. That is claim construction, which is ultimately a legal inquiry.” *Id.* at 11.

The panel also disagreed with Mallinckrodt’s argument that the issue of whether claims are directed to mental steps, e.g., the evaluating limitation of claim 3, may only be considered in determining patent eligibility, not obviousness. *Id.* at 12. The panel reasoned that mental steps may attempt to capture informational content and, therefore, may be considered printed matter. *Id.* The panel stated that “while subject matter eligibility underlies the printed matter doctrine, many of our printed matter cases have arisen in the context of anticipation or obviousness” and “[t]he printed matter doctrine thus raises an issue where the § 101 patent-eligibility inquiry and the § 102 and § 103 novelty and nonobviousness inquiries overlap.” *Id.*, citations omitted. Thus, the panel held: “Because claim limitations directed to mental steps may attempt to capture informational content, they may be considered printed matter lacking patentable weight in an obviousness analysis. Accordingly, a limitation that merely claims information by incorporating that information into a mental step will receive patentable weight only if the limitation is functionally related to the substrate.” *Id.*

With regard to claim 9, the panel found that the providing information limitation did have patentable weight because the claim “requires the medical provider to take a specific action, discontinue treatment, as a result of the recommendation limitation” and, therefore, was functionally related to the other limitations of the claim. *Id.* at 9-10. The panel, however, found that claim 9 was obvious in view of prior art.

Judge Newman, although concurring with the decision, argued that “the printed matter doctrine does not apply to unprinted matter.” Concurring op. at 1. According to Judge Newman “[m]ental steps are mental, not printed[, and t]he printed matter doctrine is directed to printed matter, not information and not mental steps.” *Id.* at 1-2. Judge Newman stated that she would have simply held the claims unpatentable based on obviousness in view of prior art.

*Praxair Distrib.* further expands the scope of the printed matter doctrine, beyond just printed matter, and beyond informing someone of information (as in *King Pharm. Inc. v. Eon Labs, Inc.*, 616 F.3d 1267, 1279 (Fed. Cir. 2010)), to also include mental steps. This holding allows the printed matter doctrine to encompass thinking about information. The panel opinion cautioned that otherwise a claim limitation that simply adds printed matter and a “think about it” step would give patentable weight to information content. Slip op. at 13. Accordingly, when drafting a claim that includes an information provision, it may be worthwhile to recite a functional relationship, e.g., taking action based on the information, so as to avoid having the information discarded as “printed matter.”

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<sup>1</sup> The providing information limitation of claim 1 recited “providing to the medical provider (i) information that a recommended dose of inhaled nitric oxide gas for treatment of neonates with hypoxic respiratory failure is 20 ppm nitric oxide and (ii) information that, in patients with preexisting left ventricular dysfunction, inhaled nitric oxide may increase pulmonary capillary wedge pressure (PCWP), leading to pulmonary edema, the information of (ii) being sufficient to cause a medical provider considering inhaled nitric oxide treatment for a plurality of neonatal patients who (a) are suffering from a condition for which inhaled nitric oxide is indicated, and (b) have pre-existing left ventricular dysfunction, to elect to avoid treating one or more of the plurality of patients with inhaled nitric oxide in order to avoid putting the one or more patients at risk of pulmonary edema.” Slip op. at 4.

## Vanda v. West-Ward: This Time, Dosage Adjustment Claims are Patent Eligible Subject Matter

Stephanie Sivinski



Stephanie Sivinski

The Federal Circuit’s decision in *Vanda Pharmaceuticals Inc. v. West-Ward Pharmaceuticals*, No. 2016-2707, addresses the complicated topic of patent eligibility in the pharmaceutical space. The decision upheld the district court’s decision finding of Vanda’s personalized medical treatment claims

as patent eligible under § 101. The case also confirms that amending an Abbreviated New Drug Application (ANDA) to address a patent issued after the original ANDA’s filing can infringe the later-issued patent.

Vanda owns a New Drug Application (NDA) for FANPAT (iloperidone), an antipsychotic drug used to treat schizophrenia. *Id.* at 4. Upon filing the NDA, Vanda listed U.S. Reissue Patent No. 39,198 in the Food and Drug Administration’s Orange Book for iloperidone. *Id.* at 2. In 2013, West-Ward filed its ANDA seeking approval to manufacture and sell a generic version of iloperidone. *Id.* at 5. While West-Ward’s ANDA was pending, the Patent Office issued U.S. Patent No. 8,586,610. Soon thereafter, Vanda listed the ‘610 Patent in the Orange Book. *Id.* at 6. West-Ward amended its ANDA to include a certification that the ‘610 patent was invalid or not infringed. *Id.*

The ‘610 Patent discloses a method of treating schizophrenia patients with iloperidone, including analyzing the patient’s genotype and determining the proper iloperidone dosage based on that genotype. *Id.* at 3. The human body metabolizes iloperidone with an enzyme encoded by the CYP2D6 gene. *Id.* Some individuals have low CYP2D6 activity, and therefore poorly metabolize drugs like iloperidone. *Id.* These poor metabolizers are at a higher risk for an abnormal heart beat when treated with iloperidone. *Id.* The ‘610 Patent teaches that poor metabolizers, who can be identified by a genetic test, should be treated with a lower dose of iloperidone to reduce that risk. *Id.*

Vanda sued West-Ward for infringement of the ‘610 Patent in the District of Delaware. *Id.* West-Ward raised several defenses at trial, including (1) that



amending its ANDA could not constitute an act of infringement because the '610 Patent issued after the original ANDA filing date and (2) that the '610 Patent was invalid under § 101 as directed to patent-ineligible subject matter. *Id.* at 12, 26. After a bench trial, Judge Sleet found that West-Ward's proposed generic drug induced infringement and that the '610 Patent was not invalid. *Id.* at 6-7. West-Ward appealed.

## Infringement

The Hatch-Waxman Act states that "it shall be an act of infringement to submit an application" seeking to manufacture, use, or sell "a drug. . . the use of which is claimed in a patent." *Id.* at 13-14 (quoting 35 U.S.C. § 271(e)(2)). This allows brand-name and generic drug manufacturers to litigate issues of infringement and invalidity before a generic version of the drug is actually sold or marketed. *Id.* at 14. ANDA applicants who want to market their generic drug prior to patent expiration can certify that the patents listed in the Orange Book for the relevant drug are either invalid or would not be infringed by the proposed generic drug. *Id.* at 5. These certifications are referred to as "Paragraph IV certifications." *Id.* West-Ward alleged that filing an amended ANDA with an updated Paragraph IV certification did not constitute an act of infringement when the updated certification addressed a patent that was not listed in the Orange Book when the ANDA was originally filed. In other words, does amending a Paragraph IV certification to address a subsequent patent constitute "submit[ting] an application" under § 271(e)(2)?

The Federal Circuit found that it does. First, the '610 Patent was a patent "for a drug. . . the use of which is claimed in a patent" under 35 U.S.C. § 271(e)(2) (A) regardless of whether it issued before or after West-Ward's initial Paragraph IV certification. *Id.* at 14. Second, the proper infringement analysis must consider the amended ANDA, including the amended Paragraph IV certification. *Id.* (citing *Ferring B.V. v. Watson Labs., Inc.*-Fla., 764 F.3d 1382, 1390 (Fed. Cir. 2014) and *Bristol-Myers Squibb Co. v. Royce Labs., Inc.*, 69 F.3d 1130, 1135 (Fed. Cir. 1995)).

Third, the FDA regulatory framework "expressly contemplates certifications for patents that issue after the ANDA is filed." *Id.* at 16. NDA applicants have a continuing obligation to update patent information even for patents that issue after the FDA

approves the drug. *Id.* Furthermore, ANDA applicants have a corresponding duty to update Paragraph IV certifications, even as to subsequently issued patents, until the ANDA is approved. *Id.*

Finally, legislative history further supports a finding that amendments to Paragraph IV certifications addressing subsequent patents can infringe. *Id.* Under certain circumstances, the FDA's approval of an ANDA will be stayed for thirty months if the drug manufacturer brings suit for patent infringement. *Id.* at 17. Earlier versions of the statute permitted a stay if suit was brought within 45 days of a Paragraph IV certification, including amended certifications. *Id.* This allowed for multiple 30 month stays if patents issued after the ANDA filing date. *Id.* In 2003, Congress amended the provision to provide a stay only for Paragraph IV certifications made in response to patents existing when original ANDA was filed. *Id.* In light of this, the Federal Circuit concluded that an amended Paragraph IV certification addressing a subsequent patent could be an infringing act.

## Patent Eligibility

After affirming that West-Ward's ANDA induced infringement of the '610 Patent, the court addressed whether the infringed claims were even patent-eligible. West-Ward argued that the claims were ineligible under § 101 because they were directed to a natural relationship between iloperidone, CYP2D6 metabolism, and the abnormal heart beat iloperidone can induce. *Id.* at 26.

Determining subject-matter eligibility requires a two-step process. *Id.* at 27. First, the court must determine whether the claims of the '610 Patent are directed to a patent-ineligible concept, in this case a law of nature. *Id.* If the claims are directed to an ineligible concept, then the court must determine whether the claims reflect an "inventive concept." *Id.* Here, the majority did not reach the second step of the inquiry, finding that the claims were not even directed at ineligible subject matter. *Id.* at 28.

Much of the court's opinion compares the '610 Patent's claims with those the Supreme Court found ineligible in *Mayo Collaborative Services v. Prometheus Laboratories*. In *Mayo*, the representative claim recited "a method for optimizing treatment of a . . . disorder" comprising the steps of (1) administering a

particular drug, (2) determining the level of that drug in the patient's blood, and (3) adjusting the patient's dose upward if the drug appears below a certain threshold and adjusting the dose downward if the drug appears above a certain threshold. The '610 Patent recites a method of "treating a patient" with a drug, comprising the steps of (1) determining how a patient will metabolize the drug using a genetic test, and (2) administering one of two dosages depending on the results of that genetic test. Representative claims of the '610 Patent and the patent at issue in Mayo are presented below:

Vanda	Mayo
<p>A method for treating a patient with iloperidone, wherein the patient is suffering from schizophrenia, the method comprising the steps of:</p> <p>determining whether the patient is a CYP2D6 poor metabolizer by:</p> <p>obtaining or having obtained a biological sample from the patient; and</p> <p>performing or having performed a genotyping assay on the biological sample to determine if the patient has a CYP2D6 poor metabolizer genotype;</p>	<p>A method of optimizing therapeutic efficacy for treatment of an immune-mediated gastrointestinal disorder, comprising:</p> <p>(a) administering a drug providing 6-thioguanine to a subject having said immune-mediated gastrointestinal disorder; and</p> <p>(b) determining the level of 6-thioguanine or 6-methyl mercaptopurine in said subject having said immune-mediated gastrointestinal disorder,</p> <p>wherein the level of 6-thioguanine less than about 230 pmol per 8×10<sup>8</sup> red blood cells indicates a need to increase the amount of said drug subsequently administered to said subject and</p>

Vanda	Mayo
<p>and if the patient has a CYP2D6 poor metabolizer genotype, then internally administering iloperidone to the patient in an amount of 12 mg/day or less, and if the patient does not have a CYP2D6 poor metabolizer genotype, then internally administering iloperidone to the patient in an amount that is greater than 12 mg/day, up to 24 mg/day, wherein a risk of QTc prolongation for a patient having a CYP2D6 poor metabolizer genotype is lower following the internal administration of 12 mg/day or less than it would be if the iloperidone were administered in an amount of greater than 12 mg/day, up to 24 mg/day.</p>	<p>wherein the level of 6-thioguanine greater than about 400 pmol per 8×10<sup>8</sup> red blood cells or a level of 6-methyl mercaptopurine greater than about 7000 pmol per 8×10<sup>8</sup> red blood cells indicates a need to decrease the amount of said drug subsequently administered to said subject.</p>

Both claims correlate an individual's ability to metabolize the drug with the proper dosage for that individual. But, according to the majority opinion, the claims in *Mayo* merely recited that natural relationship, while the '610 Patent "claims an application of that relationship." *Id.* at 30. The court found that the '610 Patent's recitation of specific dosages, and the specification's explanation of the significance of those specific dosages, distinguished this case from *Mayo*. *Id.* The court also seemed persuaded by the representative claims' respective preambles. Vanda's

claimed “a method for treating a patient” while *Mayo’s* claimed “a method for optimizing therapeutic efficacy for treatment” of a particular disorder. *Id.* at 29.

While the subject matter-eligibility inquiry inherently requires some line-drawing, the court relied on a very thin line to distinguish Vanda’s claims from *Mayo’s* ineligible ones. Chief Judge Prost dissented from the majority opinion, stating that she would have held the ‘610 Patent claims were directed to a law of nature and therefore ineligible. *Id.*, dissent at 2. In her opinion, claims that merely apply a law of nature are not patent-eligible either. *Id.* This decision highlights the difficulty courts have had in applying the Supreme Court’s subject-matter eligibility, including from *Mayo* and *Alice Corp. v. CLS Bank*. Generic drug manufacturers accused of infringement should fully appreciate the subjective nature of a § 101 defense when evaluating their litigation risk.

### Haynes and Boone Helps Colorado Client Obtain ITC Orders Against Patent Infringers

A Haynes and Boone team led by Denver Partner Robert Ziemian helped a firm client, Nite Ize, Inc., (Nite Ize) 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 GEO issued by the ITC became final in April, barring the Chinese-made products that infringe Nite Ize’s patents from being imported. The order directs the U.S. Customs and Border Protection Agency to prevent the products from entering the United States. The ITC also issued cease and desist orders against the importers of infringing products.

Nite Ize, based in Boulder, Colorado, designs and sells online a wide variety of products, including the popular Steelie line of phone holders and mounts that were knocked-off. Overseas manufacturers were attempting to undercut Nite Ize by selling the knockoffs online.

“Companies like Nite Ize, often find it difficult to combat knockoffs imported by overseas companies that are difficult to track, so an ITC order stopping the products at the border is a more effective solution than suing the infringers individually,” Ziemian said.

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. The ITC published the order in February, and it became final after a 60-day waiting period. Haynes and Boone Associate Michael Goodman also worked on the case.

In a press release, Nite Ize Chief Legal Officer Clint Todd said: “With the growth of enormous digital marketplaces, intellectual property infringement by foreign entities is becoming a critical issue for product manufacturers in the U.S., and not many viable options remain. This general exclusion order will be a powerful tool in our fight to stop the wave of knockoffs from abroad.”

Haynes and Boone’s Denver-based intellectual property lawyers represent companies seeking to build and protect their portfolios and defend against the IP suits of others; investors and lenders deploying capital to companies in various growth stages; and parties entering into critical IP licensing agreements. Our lawyers have advanced science degrees and practical experience working with and for companies developing new products and pushing boundaries. The IP team has counseled clients in the consumer product, biotechnology, medical device, healthcare, telecom, e-commerce, software and energy sectors.

Multiple news outlets reported the win, including the following:

[Law360](#) (Subscription required)

[Law Week Colorado](#)

[SNEWS](#)

[World Intellectual Property Review](#)



**Haynes and Boone Partners Ranked Among World's Top Patent Lawyers by *IAM Patent 1000***

*Intellectual Asset Management (IAM) Patent 1000* legal directory, published by Globe Business Media Group, recognized seven Haynes and Boone partners in its 2018 edition as “top-players” in the field.

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***D.C. Super Lawyers* Recognizes Haynes and Boone Lawyers**

Five intellectual property lawyers have been featured in the 2018 *Washington, D.C. Super Lawyers* and *Rising Stars* directories, annual award listings published by Thomson Reuters.

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**Haynes and Boone Shines in 2018 *Chambers USA* Rankings**

More than 50 Haynes and Boone lawyers and 18 practice areas have been recognized in the 2018 *Chambers USA* legal directory published by Chambers & Partners. Seven Haynes and Boone intellectual property lawyers were recognized this year.

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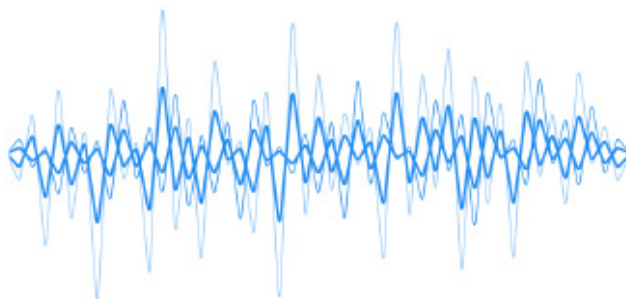
**Haynes and Boone Recognized in *D Magazine's* 2018 Best Lawyers List**

*D Magazine*, D Magazine Partners, named seven Haynes and Boone intellectual property department lawyers to its Best Lawyers in Dallas list for 2018.

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## Trademark Trivia

Can you trademark a sound?



**YES, you can trademark a sound.**

Examples include the NBC chimes (the first sound registered as a trademark in the U.S.), the MGM lion roar, Law & Order's "Chung Chung," 60 Minutes' ticking stopwatch, Homer Simpson's "D'oh!" and Darth Vader's breathing.

## Trademark Trivia

Which candy shape is trademarked?



**The Hershey's Kiss shape is trademarked.**

Other examples include the Blow Pop, Altoids Tin, Candy Buttons, Lifesaver, Fruit Stripe Gum, Candy Lips, M&Ms, Pez, Ring Pop, Skittles, Tic Tac, Toblerone, Tootsie Roll, Tootsie Pop and Twizzler.

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



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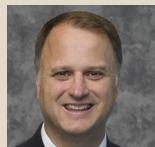
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