

Diligently Proceed with Discovery

The National Football League is well known for its vigorous protection of its crest logo design, registered in the U.S. Trademark Office in connection with a variety of goods. As such, it was no surprise when the NFL opposed an application for registration of the SPORTS SKIRTS and Crest Logo mark for motorcycle fender side cover panels. As the end of the discovery period in *National Football League v. DNH Management, LLC* approached, the NFL filed a motion to extend discovery.

While Trademark Trial and Appeal Board rules require that the moving party show good cause for seeking an extension of time, the TTAB usually grants such motions liberally, "so long as the moving party has not been guilty of negligence or bad faith and the privilege of extensions is not abused." In the present case, the NFL filed its motion 12 days before the scheduled end of discovery and had taken no discovery during the allotted discovery period. In denying the NFL's motion, the TTAB acknowledged that there was no evidence of bad faith by the NFL and that the request was the first such request.

Nevertheless, the TTAB determined that the NFL did "not made the minimum showing necessary to establish good cause to support an extension of the discovery period for any length of time." The NFL claimed its delay in proceeding with discovery was due to settlement negotiations between the parties. However, in its brief, DNH Management admitted that it never had any interest in settlement, never responded to the NFL's efforts at communication, and at no point during the discovery period engaged in or encouraged any settlement discussions. The TTAB supported its denial of the NFL's request by stating that the NFL should have "reasonably concluded" that it needed to move forward with discovery in the absence of any movement on settlement negotiations. "Clearly, the opposers' claimed need for an extension of discovery is the product solely of opposers' unwarranted delay in initiating discovery." While this decision does not touch on motions to extend discovery that are filed jointly or filed with consent, it is a clear reminder that the TTAB will do its part to keep pending disputes moving towards resolution.

Pilot PPH Program to Include Canada and Korea

On January 14, 2008, the USPTO announced the expansion of its pilot cooperation program to include the patent offices of Canada and the Republic of Korea. The program first began with the Japanese Patent Office in July 2006, was expanded to the United Kingdom Intellectual Property Office in September 2007, and building on the initial success of these pilots, the Patent Prosecution Highway (PPH) has been expanded to include two additional offices. The program permits member offices to take into account the work done on a corresponding application, that is an application in which the disclosure and claims are for the most part identical, and to use the search results and examination

strategy. For example, an applicant that has filed corresponding applications in at least two offices involved in the program, can use the search and examination results of a first application that has been acted on by one of the offices which has determined that the claims are allowable, to have the corresponding application receive expedited treatment by the second and subsequent offices, including an examination out of turn by the second office.

The pilot PPH program takes effect on 28 January 2008 and will continue for one year. The program can be extended for another year if insufficient data have been

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NSI Front Running Domain Names

In an active beginning to 2008 on the domain name front, Network Solutions created an uproar in the domain name community when it began a practice that it claimed was a customer protection measure, but many in the industry considered to be "front running" by the registrar. Front running occurs when one conducts a domain name availability search but does not immediately register the domain name, and the domain name is then registered by somebody else within minutes or hours after the search. Front runners get access to search terms through registries, Spyware, or through ISPs. They then attempt to make money through pay-per-click ads, or by reselling the domain name at a higher price.

Network Solutions has admitted that it "reserves" domain names that have been searched for availability through its homepage and not immediately purchased. Network Solutions then holds the reserved domains during the 5-day grace period for payment, while precluding the availability of the domain name through other registrars, including lower-priced registrars. The name is not placed on reserve for the particular searcher, and is available for anyone to register. If the domain name is not registered during the 5-day period, it is then released back to availability through any registrar. The

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iTunes into Movie Retail

Apple has expanded its ever-growing entertainment empire beyond television shows to offer digital downloads of full-length motion pictures through its iTunes store. iTunes now offers over 75 movies, and it is expected that current offerings will swell within the next year. The same controversial Digital Rights Management (DRM) rules that have long been applicable to iTunes music offerings, known as FairPlay, will also apply.

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PPH Program *(continued from page 1)*

compiled to judge its effectiveness. Also, monitoring of the program is required as any participating country office may cancel its participation before the first year is completed, that is, before January 2009, for any reason, although the major one of concern is that an excessive number of applicants will petition for the PPH and so overwhelm the patent office of a favored second application country.

To take advantage of the PPH program, a second filed application in a participating PPH country must meet the following requirements (simplified somewhat for this explanation):

- 1) The application must be a Paris convention application based on a country application of one of the countries taking part in the pilot program, or be a PCT application based on a country application of one of the participating countries.
- 2) The application in the first filed country has at least one claim that is indicated to be allowable and the claims of the second filed application are identical or can be amended to be identical to the allowable claim(s).
- 3) Examination has not yet begun in the office of the second filed application.
- 4) The Applicant must file a request with a petition to make special in the office of the second filed application, together with any applicable fee.
- 5) The Applicant must submit all office actions that are relevant to patentability from the file wrapper history of the first filed application.
- 6) In the USPTO, applicant must file an information disclosure statement citing all the references that were cited in the application prosecution in first filed office.

Additional procedural requirements must be met, for example, electronic filing of the petition and supporting documents. This pilot PPH program appears to be driven by the offices' desire to spread the work for a series of multiple country applications having identical claims, and so make the process of examination easier by building on the work of each other's examining corps. One obvious drawback to this program is the loss of an independent examination by other offices. Such independent search and examination often develops pertinent art that when addressed in the course of an application prosecution, renders claims of a scope more likely to withstand a subsequent validity attack.

iTunes *(continued from page 1)*

FairPlay controls copyright-protected music and videos by limiting the number of computers consumers can use to play the content and by restricting copying. DRM is intended to protect copyright holders, but has faced controversy, as many argue the limitations it imposes on the use of legitimately-acquired content do not match fair use rights granted by copyright law – DRM thwarts the legal copying as well as the illegal copying.

It is exactly this controversy that lead iTunes and EMI group to offer the entire EMI music catalog free from DRM for a higher price last April, which leaves many wondering about the prospects of DRM-free movies being offered. According to Apple Chief Executive Steve Jobs, the likely answer is no – unlike music industry with its history of using the DRM-free CD format, video has never been distributed DRM-free. Rather, video content has always been regulated by the Content Scramble System (CSS) to prevent copying.

Front Running *(continued from page 1)*

concern is that any company conducting an availability search relating to a new trademark or desired domain name may be vulnerable if it uses Network Solutions to check availability and does not immediately register the name.

Front running and domain name tasting have become pervasive in the domain name industry. Domain name tasting is when a domain name is registered and the attendant website is populated with pay-per-click advertising. If the site does not generate enough revenue during the 5-day Add Grace Period (AGP), the domain name is deleted without any payment. Registrars who provide bulk registrations for registrants whose business model is based on tasting, have deleted as many as 95.5% of the domains within the AGP. Tens of millions of domains are registered and deleted each month through tasting.

In an attempt to combat the domain name registration abuses of front running and tasting, ICANN, the governing organization for domain names, has voted to make its registrar-level transaction fee of \$0.20 for domain name registrations non-refundable, discontinuing the current practice of refunding the fee for "tasted" domains.

When the .ORG registry instituted a five-cent surcharge for registrars that dropped more than 90 percent of their registered domains after the AGP, the percentage of deletions dropped from more than 90 percent to less than 30 percent. The .BIZ and .INFO registries have proposed similar plans for resolving the AGP issue, but many in the industry are still waiting for VeriSign, the registry for .COM, to address these abuses.