

***Lost in [Literal] Translation:
Application of the Doctrine of
Foreign Equivalents in In re Helen
Trimarch and Michael Merr***

In a split decision on May 14th, 2009, the United States Trademark Trial and Appeal Board (TTAB) reversed a finding of likelihood of confusion based upon misapplication of the doctrine of foreign equivalents. In *In re Helen Trimarch and Michael Merr*, the TTAB concluded that the application for ALLEZ FILLES! & Design for certain clothing items would not cause confusion with the registration for GO GIRL, on identical clothing items, despite the literal translation of "allez filles" to "go girls."

The Examining Attorney originally refused registration of ALLEZ FILLES! & Design, in the name of Helen Trimarch and Michael Merr, based upon a 2(d) likelihood of confusion with Registration No. 2227005 for GO GIRL. Both marks cover clothing items in class 25. The Examining Attorney determined that "Allez Filles" was equivalent to "go girl" based upon an online translation, Applicant's submitted translation of the mark, and a message from the USPTO's translator stating that "Allez Filles" translates to "go girls."

Upon appeal, Applicant argued that "allez filles" is, technically, grammatically incorrect French, thus French-speaking consumers would not bother to directly translate the phrase. Applicant contended that, at most, French-speaking consumers may recognize the phrase, "allez filles," to mean "let's go girls," or "allez les filles." This interpretation differed from the phrase "go girl" which, Applicant argued, had a more "urban" connotation in the English language than the invitational "let's go girls."

Two of the three TTAB judges agreed that the doctrine of foreign equivalents would not apply, as French-speaking consumers

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***Google Expands Use of
Trademarks in its AdWords
Despite Adverse Court Rulings
finding "Use in Commerce" and
New Class Action Suits***

Google has announced that it will be amending its AdWords Trademark Policy in June. In a move that will likely not please trademark owners, Google will be changing its AdWords Trademark Policy on how it follows up on complaints regarding trademark use in keywords. Google will also allow trademark terms in ad text in the U.S. These changes come on the heels of recent adverse legal rulings and lawsuit filings against Google regarding its sale of trademarks as keywords in advertising.

Beginning June 4, 2009, Google will no longer restrict trademark use in keywords in an additional 190 countries, conforming to its current policy for the United States, Canada, United Kingdom and Ireland. Keywords that were previously restricted as a result of a trademark investigation will begin triggering ads in the affected regions. While the expansion of this policy covers a significant number of countries, it will still not apply to most of the European Community nor to Australia, New Zealand, or China. With the changes, Google will no longer investigate complaints relating to the use of trademarks as keywords by AdWords advertisers. The result will be that users in these additional countries will see ads in the sponsored links section containing advertising triggered by the trademarks purchased as keywords. A company may purchase a competitor's trademark as a keyword, and a user searching for that keyword will see a greater number of ads, including those of the trademark holder's competitor. Google will continue to perform investigations related to ad text, but will no longer restrict keywords based on a trademark complaint and investigation.

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***Supreme Court to Review
Business Method Patent Bilski
Decision***

In an order that is sure to have major repercussions for the future of patent law, the U.S. Supreme Court granted *certiorari*, agreeing to take up for appeal the case of *Bilski v. Doll*. The order granting the appeal is a discretionary act of the Supreme Court, and is an acknowledgment that patent law principles of the permissible scope of patentable subject matter are in need of further clarification.

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***Monsanto and DuPont Entangled
in Another Patent Infringement
Dispute***

Monsanto and DuPont have a long history of patent-related disputes and licensing agreements to maintain the *status quo* as cooperative rivals in the highly competitive field of genetically engineered agricultural seeds. Their current dispute has resulted in lawsuit filed by Monsanto in the federal district court for the Eastern District of Missouri, alleging patent infringement, breach of contract and unjust enrichment by DuPont and its subsidiary, Pioneer Hi-Bred International, Inc., through Pioneer's allegedly unlawful use of Monsanto's proprietary Roundup Ready herbicide-tolerant technology in soybean and corn seeds.

Monsanto's Roundup Ready seeds have been genetically engineered to enable soybean and corn plants to tolerate exposure to glyphosate weed killers and herbicides, namely, Monsanto's Roundup. In 2002 DuPont licensed Monsanto's Roundup Ready seed technology, but has been developing its own glyphosate resistant seed technology, named Optimum GAT, to offer an alternative to Monsanto's Roundup. Through field testing DuPont had determined that Optimum GAT seeds did not perform as desired. DuPont did determine that

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would most likely ignore the phrase given its grammatical incorrectness. Moreover, while “allez” translates, literally, to “go” and “filles” to “girls,” it does not necessarily hold that “allez filles” is *equivalent* to the meaning of English phrase “go girls,” as online translations often do not consider phrasal meanings of words in combination. As the phrases were not, in the Board’s opinion, equivalent, the doctrine of foreign equivalency would not apply. The Board reversed the refusal based upon the lack of foreign equivalency which added to the overall differences in sound, appearance, and overall commercial impression between “ALLEZ FILLES! & Design” and “Go Girl.”

In his dissent, Judge Drost argued that the doctrine of foreign equivalents would apply in this situation, as “Allez Filles” was “the type of term that prospective purchasers would stop and translate.” While “the line between foreign words that consumers would stop and translate is not always clear” Judge Drost argued that the TTAB should assume every individual with a familiarity of the foreign language would translate a foreign term. Moreover, in the present situation, the TTAB’s decision allowed two marks covering identical goods to exist on the register, one reading “GO GIRL” and the other having a literal translation to “GO GIRLS,” whether or not the literal translation was actually “equivalent.” According to Judge Drost the refusal should have been maintained, as the meaning of the marks was similar enough to cause potential confusion in the marketplace.

In re Helen Trimarch and Michael Merr ultimately turned upon whether French-speaking consumers would or would not stop to translate the term “allez filles” and whether literal and equivalent translations are one in the same. This case illustrates the enduring difficulty in applying the doctrine of foreign equivalents, especially

in cases where an equivalency would mean the difference between refusal and allowance. The Board’s split opinion seems to call for greater clarification in the standards which determine the doctrine of foreign equivalents’ application in a given situation. Such clarification may be difficult to accomplish, especially given the already subjective nature of the standard and its requirement to predict the mental decisions of everyday consumers.

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Focusing specifically on business method patents, the *en banc* decision of the Court of Appeals for the Federal Circuit (CAFC), Chief Judge Michel writing for nine of the twelve members of the CAFC opined on the issue of patentable subject matter as widely applied in test from a previous decision, *State Street Bank v. Signature Financial Group*. The CAFC opinion did not explicitly overrule the *State Street* decision, but declared *State Street’s* “useful, concrete and tangible” test as being irrelevant to determine whether the claimed method constitutes a statutory “process” under § 101 so as to be the patent eligible subject matter under the Patent Laws.

The basis of the *Bilski* opinion is grounded in the intent of the Congress in defining what is patentable subject matter. Generally, neither laws of nature, natural phenomena, nor abstract ideas are patentable. The CAFC concluded the claims of *Bilski* were unpatentable because they failed the new test which was established by the Court. The court held that any process that does not transform physical matter or require performance by machine is not within the definition of “process.” “Process” is defined in the 1952 patent statute (35 U.S.C. §100(b)) as “a process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material.” In contradistinction, a precedential decision of the Supreme

Court found a life form to be patentable, and opined that “everything under the sun made by man” should be considered patentable.

While in *Bilski* the CAFC reaffirmed generally that both business methods and software are patent eligible subject
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combining or “stacking” the Roundup Ready technology with the Optimum GAT technology resulted in a “plow-worthy” seed.

The trigger for this lawsuit is a provision in the 2002 license agreement that is aimed at preventing the combining or “stacking” of non-Roundup Ready technologies with Roundup Ready seeds. Monsanto aims to enforce the anti-stacking provision of the license agreement. DuPont claims the anti-stacking clause was nullified by the U.S. Justice Department in 2008 when the DOJ ordered Monsanto to abandon similar restrictions on cottonseed breeders.

The parties have exchanged unpleasantries in the media. Monsanto CEO has stated that “... unlawfully taking technology is neither imitation nor flattery; it is unethical and wrong. A true technology company respects patents and its contractual agreements and delivers new products through its own innovation and honest collaboration.” A DuPont VP fired back, stating that “Monsanto has a long history of using litigation and aggressive tactics to preserve their monopoly and attempt to intimidate customers, seed partners, and competitors.”

While this litigation is in its infancy and no clear path to resolution has been established, another license agreement or amendments to the 2002 agreement may ultimately be negotiated to return Monsanto and DuPont to their *status quo ante*.

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Google also will be making changes to its AdWords policy in the United States, with the effects beginning on June 15, 2009. These changes will only affect ads targeting the U.S. If an ad doesn't comply with Google's trademark policy in other countries, the ad may not be eligible to appear in those other countries. The significant change in policy is that Google will now allow, under certain criteria, the use of trademarks in ad's text, even if the advertiser does not own that trademark and has no explicit approval from the trademark owner to use it. These changes only pertain to sponsored advertising and will not impact natural search results. Ad texts containing trademarks will be allowed if the website: facilitates the sale of goods or services, or sells components, replacement parts or compatible products corresponding to the trademark; contains information about the goods or services corresponding to the trademark; or, when the term is used in a descriptive or generic way and not in reference to the trademark owner. The policy will not pertain to ads containing competitive or critical information about the goods and services corresponding to a trademark.

Allowing additional trademark use in AdWords and text would appear to fly in the face of recent court rulings and lawsuits involving Google. In Google's AdWords program, advertisers bid on and purchase keywords, which may include trademarks of third parties. When an internet user enters a search term using Google's search engine, the resulting hits include regular or "natural" search results based on relevance, along with "Sponsored Links" results triggered by the particular keywords in the search query. These "Sponsored Links" are paid, contextual advertising that is auctioned for sale through Google's AdWords, with the highest bidder usually having its Sponsored Link listed first.

In the recently anticipated decision in *Rescuecom Corp. v. Google Inc.*, 562 F.3d 123 (2nd Cir.2009), the U.S. Court of Appeals for the Second Circuit determined that Google's sale of trademarks in its AdWords program was considered a "use in commerce" which could subject Google to trademark infringement liability. In that case, Google had sold the RESCUECOM trademark to third parties, including Rescuecom's competitors, through its AdWords program and "Keyword Suggestion Tool". The Court found that Google had recommended, encouraged and sold the Plaintiff's trademark, and therefore made use of the mark. The Court determined that this use was more than just internal use, and was, in fact a use in commerce. However, the Court remanded the matter back to the district court for further proceedings to determine whether Google's use of Rescuecom's trademark caused a likelihood of confusion or mistake, or dilution. The pending outcome leaves trademark owners, keyword purchasers and keyword sellers in the dark as to trademark infringement liability regarding use of the trademarks as keywords. In the meantime, trademark owners are also concerned about possibly having to pay more money to Google so that their ads appear ahead of competitors' ads.

The issue of use of a third-party trademark in Google AdWords advertising has also been hotly debated and contested in the European Community. Preliminary rulings regarding whether Google's AdWords advertising constitutes relevant use of a trademark sufficient for infringement have been inconclusive. These preliminary rulings from the Austrian Supreme Court and the highest French civil court have been sent to the European Court of Justice for determination of whether the use of a third-party trademark as a keyword is infringing. Similarly, three decisions from the German Federal Supreme Court

have reached differing results based on differing facts. The German Federal Supreme Court has also sought referral to the European Court of Justice for further determination. These decisions are not expected until the summer of 2010, thereby leaving uncertainty regarding liability for use of trademarks as keywords in Europe.

In a further outcry of some trademark owners disturbed by Google's AdWords policies, two class action lawsuits were recently filed against Google in Federal Court in Texas. While both were filed by the same law firm, the suits are for the protection of two different classes. In the initial lawsuit filed, *FPX, LLC v. Google, Inc.*, the Plaintiff, Firepond, alleges that Google's AdWords policy infringes the trademarks of all Texas trademark owners. The second lawsuit, brought by 'John Beck Amazing Profits, LLC', is on behalf of all U.S. trademark holders. Whether the Federal Court determines that the trademark issues and parties can sufficiently be joined to be certified as a class action remains to be seen. If a class is certified in these cases, of greater concern to trademark holders may be whether Google decides to settle the cases thereby binding all trademark owners who have not opted out of the class, and eliminating their right to sue.

What is clear from the above matters involving Google's AdWords policy is that uncertainty still exists in the United States and around the world in viewing trademark infringement liability for use of a third-party trademark in one's keyword advertising on Google's websites. It would be prudent for trademark owners and advertisers to keep a close eye on future decisions and developments involving Google's AdWords trademark policies and keyword sales.

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matter, the decision also reiterated that a more appropriate test is the “machine or transformation” test as set forth above. The patent community had interpreted that test to require a method or software either be associated with a machine or device or alternatively that the method transform a particular article into a different state or thing.

In *Bilski*, the court affirmed the Examiner’s rejection of Bilski’s method claims, by affirming the ruling of the Board of Patent Appeals and Interferences. The claims

were drawn to a method of hedging risk in the field of commodities trading. The CAFC found that the *Bilski* claims failed to provide the necessary transformation a particular article into a different state or thing. Now the U.S. Supreme Court has determined that its guidance is necessary for further clarification of what subject matter is patentable under the patent laws enacted by the Congress. It is generally assumed that the U.S. Supreme Court would not have granted *certiorari* unless it intends to overturn the CAFC decision. However, further clarification of the

eligible subject matter will be a welcome result, whatever the outcome. Numerous business method patents have been issued by the USPTO and their validity is in question following the CAFC *Bilski* decision. As an added variable, timely consent by the Senate to the appointment to the Supreme Court of Judge Sotomayor will allow the case to be heard by a full complement of nine justices, and should also provide some insight into her philosophy regarding patents, something that her prior experience as a prosecutor and judge has not yet revealed.