

Supreme Court Declines to Hear Appeal: Cablevision's Remote-Storage DVR Will Stand

The Supreme Court has declined to hear the appeal filed in the case against the cable provider Cablevision, leaving undisturbed the Second Circuit's earlier decision in *Cable News Network, Inc., et al., v. CSC Holdings, Inc., et al.* Unlike a regular DVR that holds stored programming in a consumer's own home, the network-based remote-storage DVR holds recorded copies on the network's server and "streams" the programming when a subscriber is ready for viewing. The denial of certiorari results in a final ruling that Cablevision's remote-storage DVR service does not make Cablevision liable for direct copyright infringement; that the "buffer" copies that resulted in the course of the recording process are legal; and that the replaying of recorded programming does not constitute an unauthorized performance. Under the

leading case, *Sony Corp. of America v. Universal City Studios, Inc.*, such use was found to be a permissible way to allow consumers to view programming at a time of their choosing, and not a violation of the network's rights.

This case was discussed previously in the analysis of the "text-to-speech" function in the latest Kindle, as an example of one approach the various circuit courts have taken when determining whether unlawful copying has occurred. One of the most notable aspects of the Second Circuit's decision was its analysis of the guidelines for when a copy is only "transitory" or when it is sufficiently fixed so as to result in an unlawful copy. Overturning the Cablevision case could very well have made Amazon's position much less clear.

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President Defeated and Tiger Shoots Par in UDRP Decisions

In some recent UDRP domain-name decisions involving personal names and common-law trademarks, world-renowned fame did not guarantee success in obtaining transfer of domain names associated with the names. Former President Clinton was defeated in a UDRP decision involving three domain names similar or identical with his name, while Tiger Woods went 1-1 in securing domain names matching his children's names.

Former President of the United States William J. Clinton and The William J. Clinton Presidential Foundation brought a UDRP complaint against Web of Deception regarding the domain name registrations for "williamclinton.com", "williamjclinton.com" and "presidentbillclinton.com". Each of these domain names provided direct links to the website for the Republican National Committee. Complainant asserted that he had established common-law trademark rights in his name and its variations. It

was also alleged that the Respondent was known to have deliberately registered other domain names of politicians, such as President Obama and Senator John McCain, for various nefarious reasons. Respondent asserted that his registrations and use of the domain names constituted a fair use and were therefore not a use in bad faith. Respondent also claimed that he was working with others to promote the idea that some domain names, including the names of famous places and politicians, deserve protection under federal statutes.

In denying the UDRP claim, the Panelist analyzed the three necessary elements of a UDRP and determined that not all of the elements were supported by the evidence. In assessing whether the domain names were identical or confusingly similar to a trademark or service mark in which the Complainant has rights, the Panelist followed the common view of the UDRP

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Understanding Social Networking

Social networking involves using online services (e.g. Facebook, Twitter, Blogger, YouTube) to connect and interact with a community of people through online publishing and discussion.

Social networking allows companies and individuals to increase their online visibility, gain credibility, and build meaningful relationships with others.

Unlike a traditional company website that focuses on the particular company, social-networking websites are portals to a multitude of standardized user profiles belonging to various individuals and organizations. Membership in a social network (in addition to having a traditional website) offers brand owners certain advantages over using a traditional website alone; most notably, complimentary exposure and ability to interact with other network members. There are hundreds of social-networking sites and service providers. Some, like Facebook and Twitter, cater to the general public, while others, like IQONS and Model Mayhem are more niche-oriented (these two focus on fashion and modeling industries respectively). *continued on page 5*

Timing is Everything: In re PMSI (June 3, 2009)

On June 3rd, 2009, the Trademark Trial and Appeal Board (TTAB) upheld a decision by the Examining Attorney, rejecting the Statement of Use for the mark PMSI MSA on "healthcare cost containment, namely, medical, pharmacy, durable medical equipment and specialty service reimbursements for third party payers under government sponsored programs" in International Class 35. The Examining Attorney concluded that the Statement of Use was ineffective as it was not filed by the actual owner, as the mark had changed hands three days before filing. The TTAB affirmed.

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In re PMSI (continued from page 1)

The United States Patent and Trademark Office (USPTO) mailed the Notice of Allowance to AmerisourceBergen Corp. (ABC) for the PMSI MSA mark on April 1, 2008 which required ABC to file its Statement of Use by October 1, 2008.

On September 8th, 2008, ABC completed and signed the Statement of Use for its PMSI MSA application. On that same day, but after signing the Statement of Use, ABC assigned the PMSI MSA mark to PMSI, Inc. (PMSI). The TTAB concluded that the assignment was effectuated the moment ABC signed the assignment document. Nothing in the document stated otherwise, and neither PMSI nor ABC argued with this conclusion by the Board.

On September 10th, 2008, ABC mailed the Statement of Use to the USPTO, which was received by the USPTO on September 12th, 2008. On September 11th, 2008, PMSI recorded the assignment electronically with the USPTO, thus the assignment was recorded on the same date.

The Examining Attorney issued an office action rejecting the Statement of Use several weeks later, on October 9th, after the deadline to file or correct the Statement of Use had passed, concluding that the Statement of Use was improper, as ABC, was not the owner of the application on the date ABC filed the Statement of Use, September 10th, 2008. Neither PMSI nor ABC had filed an extension of time to file a Statement of Use before the deadline lapsed, thus no corrections could be made, and the application was deemed abandoned.

ABC disagreed, arguing that

The Examining Attorney improperly held that ABC was not the owner of the mark when the SOU was filed on September 10, 2008. As of that

date, the USPTO records would have shown that ABC, the original Applicant, was the owner of record of the application and entitled to take action, namely to file a SOU to issue the allowed application for registration. The assignment to PMSI was submitted the day after the SOU was filed for the purpose of insuring [sic] that the registration would issue in the name of the assignee of the mark and goodwill pursuant to § 502 T.M.E.P.

PMSI also argued against the refusal, discounting the importance of the timing of the assignment itself, citing Assignment Rule 3.54 which states, in sum, that the Office does not determine the validity of an assignment document recorded with the USPTO, or the effect that the same document has on title of an application. The section also states, however, that, when necessary the Office will determine whether a party cited in the assignment document has the authority to take action in a matter pending before the Office.

PMSI argued that, at the time the Statement of Use was filed, the USPTO records still listed ABC as owner of the mark. Moreover, PMSI's intention was clear, given the sequence of timing in signing the Statement of Use and the assignment.

The Trademark Trial and Appeal Board disagreed, acknowledging that the effect of assignment could not be reconciled with the statutory requirements for filing a Statement of Use in the present situation.

The Board reviewed the assignment document and concluded that the assignment effectuated a complete and total transfer of ownership of the application on September 8th, 2008, as no other intention could be inferred from the language in the assignment, itself.

Therefore, PMSI, "stepped into the shoes of ABC as owner of the application. PMSI became, 'the applicant.'"

Trademark Act Section 1(d)(1) requires that the "applicant shall file in the Patent and Trademark Office a verified statement that the mark is in use in commerce." On September 10, 2008, when ABC filed the Statement of Use, ABC was not the applicant, and thus was not in compliance with the statutory requirement.

Even if the assignment had NOT been recorded with the USPTO, the defect could potentially serve as grounds for attack on the resulting registration, according to the Board. Thus, the application was deemed abandoned for lack of a proper Statement of Use.

The Board also acknowledged its regret in the decision, noting that ABC and PMSI acted with "the best intent and even in earnest to secure early issuance of the registration in the assignee's name," but that the lack of compliance with necessary statutory requirements and regulations could not be ignored.

This ruling, though apparently sound in its reading of the relevant regulations, appears to set form over substance. True, ABC could have avoided the problem by waiting to physically assign the application until after the Statement of Use was filed. However, could this result have been avoided if PMSI had physically filed the Statement of Use document signed by ABC? The governing statute for filing a Statement of Use cited by the Board in its decision, 15 U.S.C. § 1051(d)(1), states that the applicant of the mark must file the Statement of Use document, not that the applicant must sign the Statement of Use document. At the time of verification, ABC was the only party that could verify the actual use of the mark, as ABC was the applicant at the time use commenced,

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namely, October 13, 2006, according to the Statement of Use document filed by ABC.

Though ABC and PMSI stressed their intent as owners of the mark in their respective arguments against the refusal, namely, the parties' intent to bring the application to registration, while ensuring registration would be with the proper party, this intention was seemingly found irrelevant by the TTAB's decision to follow their reading of the respective statute and regulations.

Cablevision (continued from page 1)

Numerous broadcasters have objected to remote-storage DVRs that allow consumers to store television shows and other programming on the cable provider's video-on-demand server instead of on consumers' own hardware. But does it really matter where a viewer's saved programming resides? As long as each individual request for saved programming results in an individually saved copy that can be viewed, how is this different from the nearly outdated option of recording programming on a VHS cassette that is permitted by *Sony*? Those opposed to the remote DVR argued that remote storage, as opposed to a physical onsite set box or VHS, crossed an already blurry line. Not only did they claim that remote storage was akin to archiving and re-transmitting their programs, but, as a result of a "storage buffer" created when the program is replayed, the broadcasters claimed that the technology created a new, infringing copy, violating the network's rights in performance. Cablevision clearly took the position that it was no different than the use permitted by the *Sony* case. Whether requested programming was stored on a user's own box, or whether it was stored remotely, it was only accessible by that viewer, and the choice of what to record, when, and for how long was still dictated by the viewer. If a viewer failed to record

programming at its originally-designated time, Cablevision was not enabling access to copies recorded by other viewers or providing an "on demand" service. A copy of a program recorded by a viewer was transmitted to that same viewer, thus, no *public* performance was made.

The suit was originally filed by Cartoon Network and CNN, among others. After an initial district court opinion in favor of the broadcasters, the Second Circuit overruled the decision, finding that the storage buffer was not unlawful because although a copy is made, it is no longer than 1.2 seconds and is constantly being overwritten. The Second Circuit found that such copy was never more than transitory and thus did not make Cablevision liable for infringement. Furthermore, as a result of any programming only being stored at the command of a customer, Cablevision itself did not actually own any copies of programming, which was considered to be controlled solely by the users. The Second Circuit also made a note that many of the facts that were relied upon by the district court in finding Cablevision liable for the creation of the copies, such as Cablevision's "continuing relationship" with its RS-DVR customers, control over content that could be recorded, and the "instrumental[ity]" of copying to the RS DVR system, are actually more pertinent to a consideration of contributory infringement, rather than direct infringement. *Cablevision I*, 478 F. Supp. 2d at 618–20. Just as with the long-standing opinion in *Sony Corp. of America v. Universal City Studios, Inc.*, simply because such technology has the ability to be used for an infringing behavior, the court would not block it due to its substantial non-infringing use, and would not find the provider liable of direct infringement.

The denial of certiorari ultimately adopted by the Supreme Court was strongly favored by the Solicitor General, who had been asked by the Supreme Court to ren-

der an advisory opinion as to whether the appeal should be heard. One of the points made in the Solicitor General's brief was that a usual reason for granting certiorari—a disagreement among the circuits—was not present. This view also suggests that the seemingly conflicting results reached in the Second Circuit's decision in *Cablevision* and in Ninth Circuit case *MAI Systems Corp. v. Peak Computer, Inc.* 991 F.2d 511 (9th Cir. 1993) are not, in fact, irreconcilable. The Second Circuit court held that when just over one second of an audiovisual work, a "buffer," is held on a remote-storage DVR, the copying is only transitory and did not violate copyright holder's rights. This opinion could be seen at odds with *MAI* in which the Ninth Circuit found that loading a program into RAM makes a copy of the software that can be restricted by copyright, and since such copy could be "perceived, reproduced, or otherwise communicated," it infringed plaintiff's copyright in the software. In its decision, the Second Circuit specifically stated that reliance on *MAI* and subsequent cases following its rule was not proper in the *Cablevision* matter, as the *MAI* court did not address any requirement for duration of the "copy," as it was not necessary to the issues in the case. The Supreme Court appears to agree with this line of reasoning, seemingly making a determination that the outcomes of the two circuits are not at odds.

Also of note was the brief's point that *Cablevision* took the issues of secondary, contributory infringement off the table, along with issues of fair use. Considering that those two areas are prime for clarification in issues involving network-based digital technology, the Solicitor General took the position that the present case simply did not have the whole scope of legal issues and facts that would make it an ideal case for clarifying the entire panoply of legal questions raised by the new technology. While this is not exactly a ringing

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endorsement of the Second Circuit's decision, nonetheless, it does allow it to stand, and clarifies the fact that no major split is perceived among opinions issued by different circuits. In fact, the Solicitor General's opinion was critical of certain aspects of the Second Circuit's decision, perhaps most notably its analysis of whether the playback feature of the remote DVR could constitute a "public performance." In the brief, the Solicitor General pointed out that it found certain language questionable as it could imply that a performance would not be "public" unless it could be transmitted to more than one person. Regardless of the fact that such an opinion from the Solicitor General is not legally binding as

precedent, the Supreme Court appears to have endorsed these views.

Still, the issue remains far from settled. Was it really that "storage buffer" copy and subsequent replaying that was the problem for the networks, or was this motivated by a perceived loss of ad revenue as a result of fewer viewers watching programming "live" and choosing instead to watch at their leisure and skip the advertisements? Also not resolved are any issues of contributory infringement, and it remains to be seen if any new litigation arises once Cablevision, or other providers, begin to actually provide the services in dispute, and one of the broadcasters may eventually raise a claim for secondary

infringement as a result of the mis-deeds of the eventual users of a remote storage DVR technology.

For now, the ruling, in conformity with *Sony*, still requires that the cable provider's servers maintain a separate digital copy for each viewer when so requested, instead of allowing multiple users to access a single central copy. If the ad revenue is really the strongest motivator for the broadcasters, one wonders if this leaves the avenue open for cable providers and networks to come to a compromise to restrict technology that enables viewers to skip over ads in exchange for the right to only maintain one copy of programming, rather than one for each request.

UDRP Decisions (continued from page 1)

policy, in that a trademark registration is unnecessary where Complainant can prove common-law rights by establishing that its mark has acquired secondary meaning. After easily establishing secondary meaning in the WILLIAM CLINTON mark, it was determined that the disputed domain names were confusingly similar to Complainant's mark. The Panelist also determined that the Respondent was not commonly known by the disputed domain names, and that Respondent had no rights or legitimate interest in the domain names. The Panelist opined that the domain names resolving to a website related to the Republican Party were not considered a *bona fide* offering of goods and services, nor a legitimate noncommercial or fair use.

of conduct. While the Respondent's conduct in registering the names of politicians was considered a pattern, the Panelist summarily determined that the Respondent had adequately rebutted any inference of bad faith. The Panelist further found that the fact the domain names linked to the Republican National Committee website, while possibly giving the impression of an affiliation with its political competitor, was not within the scope of the Policy. The UDRP request for transfer was therefore denied as to all three domain names.

In other recent personal name UDRP cases, Eldrick 'Tiger' Woods attempted to retrieve domain names that matched his minor children's names. While Tiger was able to "birdie" the recovery of the domain name "samalexiswoods.com" in a default UDRP proceeding where the Respondent consented to transfer, he "bogeyed" the UDRP proceeding to transfer the domain name "charlieaxelwoods.com" matching his newborn son's name, Charlie Axel Woods. In each case, Complainant attempted to claim common-law trademark rights based on rights in the TIGER WOODS marks, while also

unsuccessfully asserting common-law trademark rights in his newborn children's names.

In the contested UDRP matter, the Respondent had registered the domain name the day after Charlie Axel Woods was born. The Panelist did not reach the issues of rights or legitimate interests, or bad faith registration and use, as the matter was decided based on lack of a trademark or service mark in which Complainant has rights. The key issue was whether the personal name "Charlie Axel Woods" is protectable as a common law trademark or service mark. The Panelist relied on a review of a World Intellectual Property Organization (WIPO) report regarding the Internet Domain Name Process. The report notes that Panel decisions that elected to protect personal names occurred in cases where the law of the particular country recognized the registration of personal names as trademarks or services marks or where countries recognized the common law acquisition of trademarks or service marks through use and the acquisition of a secondary meaning as the source of goods or services. *continued on page 5*

The decision turned on the last element of a UDRP, as the Panelist decided that Complainant had failed to meet the burden of proof regarding bad-faith registration and use under Policy ¶14(a)(iii). The Panelist noted that the only potentially available claim for bad faith that would apply related to preventing the mark holder from registering the domain, and this element requires a showing of a pattern

Popular Social Networking Tools

Service	Description
Badoo	Social-networking website. Allows users to create profiles, upload content and grow their network by inviting or accepting invitations from other users. Offers various communication tools to encourage interaction between users.
Bebo	
Facebook	
Friendster	
MySpace	
Odnoklassniki	
Orkut	
V Kontakte	
LinkedIn	
Xing	
Meetup	Interest-based networking focused on meeting offline to participate in various activities
Ning	Interest-based networking tool that allows users to join or create networks based on specific interest. Brand owners may create a network around their brand.
Blogger	Blogging platform
Livejournal	
WordPress	
Meebo	Instant messaging tool that supports simultaneous connection to multiple IM services, allowing user to communicate with other users without having to use the same service.
Tumblr	Microblogging application
Twitter	
Flickr	Social-networking website centered around photo sharing
YouTube	Video-sharing platform
Vimeo	
FriendFeed	Aggregator service that consolidates updates from social networking websites, blogs, tweets, etc.

UDRP Decisions *(continued from page 4)*

There is also a split of opinion as to whether the UDRP should be broadened to protect non-commercial uses of personal names. In its advisory report, WIPO has noted that “persons who have gained eminence and respect, but who have not profited from their reputation in commerce, may not avail themselves of the UDRP to protect their personal names against parasitic registrations”. Following prior UDRP decision, the Panelist in this case determined that, in a jurisdiction that recognized common law marks, the personal name must be used in connection with a commercial offering of goods and services or that the personal name in question has acquired secondary meaning as the source of such goods or services. Although Tiger Woods attempted to piggyback trademark or service mark rights in his own name, it was determined that his son must have his own rights, as the child’s name was not confusingly similar to the TIGER WOODS marks. Since Charlie Axel Woods was a newborn, and no evidence was presented in support of his common law trademark rights, the request to transfer the domain name was denied with no need to consider the other elements of the UDRP policy.

Social Networking: What Others Are Doing *(continued from page 1)*

General Electric Company

GE has been using a custom-build professional-networking tool called SupportCentral to connect vendors, customers and employees for many years.

GE blogs: <http://www.grcblog.com/>, <http://www.gereports.com/>.

GE uses Facebook to attract IT talent and has set up discussion forums for employees and general public. GE was one of the first companies to be granted a namesake URL: <http://www.facebook.com/GE>.

GE also has YouTube and Twitter profiles used to broadcast company news, <http://www.youtube.com/user/GEreports>; http://twitter.com/GE_reports.

Exxon Mobil

Exxon Mobil is a prime example of a company with zero involvement in social media and a case study that demonstrates that if you do not manage your online reputation, others will do it for you.

Exxon Mobil is not using Twitter, or any other social media forum to communicate about its corporate operations. Last year, when someone impersonated the brand

on Twitter, the incident received a lot of media attention. The offending account was later suspended.

Another well-publicized hoax involving the brand was perpetrated by a Facebook user creating an event called Free Gallon of Gas Day, <http://www.facebook.com/event.php?eid=12912038029&ref=nf>.

Brand owners should be monitoring the discussion and mentions of their brands in social networks. Brand owners should also consider participating, because, as this case study shows, the power has shifted to those who participate.

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Social Networking (continued from page 5)
Procter & Gamble

Procter & Gamble has challenged itself to understand and master social media tools, regarding social media as the future of marketing. To better understand the power of social media, the company has recently hosted Digital Hack Night, bringing together marketers and social media experts. People were split into four teams of about 40 people and each team had been given a unique newly-created URL to promote and generate t-shirt sales for charity through social networking. The exercise was to be accomplished in four hours.

"In 60 minutes through networking, well targeted ads, SMS messaging, and viral videos we have generated 1200 hits for a site that didn't even exist before 5pm tonight."

This exercise illustrated the power of social networks to promote a brand and to generate sales by driving visitors to a traditional website that otherwise may not have attracted any customers.

Sample YouTube videos made in the course of the project can be seen at http://www.youtube.com/watch?v=sU-3WrAx8XI&feature=channel_page and at <http://www.youtube.com/watch?v=lrn9pp7F3tk>.

Procter & Gamble, like many others, has recently claimed a personalized URL for its Facebook page: <http://www.facebook.com/procterngamble>.

Overview of Most Popular Services

Twitter (<http://www.twitter.com>)

Twitter is a micro-blogging service that lets users publish short (up to 140 characters) messages or "tweets" which appear on a user's page (<https://twitter.com/>

USERNAME) and are transmitted to each of the user's subscribers or "followers." Users can restrict their readership to a circle of friends or allow open access to anyone. Users may send and receive tweets via the website or use browser- or smartphone-based applications for added convenience and extra features.

Twitter allows users to add keywords or "hashtags" to their tweets by prefixing a word or phrase with the # symbol. The @ symbol followed by a username is used to direct a tweet to the attention of that specific user. These features are exploited by various applications. For example, Twitterhawk (<http://www.twitterhawk.com/>) is a targeted-marketing application that sends automated customized responses based on specified keywords and user's location; TweetBeep (<http://tweetbeep.com/>) keeps track of conversations that mention you, your products, your company, your website or blog, or anything else you want to monitor, and provides hourly reports. There are applications for pre-scheduling tweets to post at a certain time or periodically at a given interval; for managing your followers, for posting updates to other networking sites, for aggregating and organizing your friends' feeds, etc.

Brand owners may use Twitter to communicate with their tech-savvy followers, to build a community of brand supporters, create awareness, draw traffic to company website, gauge customer satisfaction level, get customer feedback and re-tweet praise from customers to potential customers; as well as keep track of competitors and police brand abuse.

Similarly to URLs, having the company name or housemark as the username is desirable for the company. The goodwill associated with the CANON mark, for example, has attracted 1,363 followers (as of this writing) to <http://twitter.com/canon>, a significant number considering that this user has posted zero updates and is not

following anyone else.

Defensively registering every possible combination of company name and trademarks is not practical, in our view, because such "ghost" usernames may detract from the company's official account, diluting a brand's Twitter presence.

Twitter prohibits impersonation and name squatting and is known to honor companies' requests to protect their brands.

Facebook (<http://www.facebook.com/>)

Facebook is a social-networking website that allows users to create profiles and join networks organized by geographical region, city, school and workplace. Users can share information about themselves, add other users as friends, and communicate with other users in a variety of ways including posting status updates, sending private messages, writing on user's virtual wall, instant messaging, "poking," sending virtual gifts, "tagging," and sending event invitations.

Companies and organizations may set up a company page to provide information about the company, publicize company news and upcoming events, share photos and videos, host discussion boards, and recruit talent. Individual users may then choose to become "fans" of your company, and generate interest in your company among their friends.

Companies and individual users may also create groups—clubs organized around a particular idea or topic. For example, Motorola's fan group bills itself as "The latest and the greatest, of one of the most stylish brands in the telecommunication business!" and, as of this writing, has some 2,844 members.

On June 13, 2009, Facebook has intro-

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Social Networking *(continued from page 6)*
duced a customized URL feature, allowing users to claim <http://www.facebook.com/USERNAME> as a link to their profile. Although on a very short notice, brand owners had been encouraged to register their marks to prevent abuse.

Blogger (<https://www.blogger.com/>)

Blogger is a popular blog publishing platform. Blogs that do not publish to their own websites are hosted by Google as subdomains of blogspot.com, e.g. <http://USERNAME.blogspot.com/>

Maintaining a blog increases one's online visibility and is a good way to showcase one's expertise and leadership in a particular field or industry.

We do not believe that defensive registrations of company names, marks, or officers' names as usernames are practical and do not recommend creating them. We recommend hosting company blogs on the company's official website(s).

YouTube (<http://www.youtube.com/>)

YouTube is a video sharing service. Users may upload videos to their profile or "channel" to share; search for other videos; view, rate and leave comments; subscribe to the channels that interest them; tag favorite videos for further reference and embed video files into other sites.

Google markets YouTube to brand owners as "the world's largest focus group."

A brand channel with a strong following can provide tremendous insights into the consumers who interact with your content and your brand.

Google's recent integration of Google Analytics, its web-traffic tracking tool, with YouTube brand channels has the potential of giving brand owners a much richer and deeper understanding of their brand channel's performance, enabling them to track such metrics as how long visitors stay, repeat visits, bounce rate, and page views per visitor. Brand owners wishing to tailor their videos to a specific audience would benefit from knowing where channel viewers are located geographically and what languages they speak—information that Google Analytics provides.