

Patent and Trademark Bulletin

for the District of Massachusetts

A reporter on recent patent and trademark opinions from the United States District Court for the District of Massachusetts



July 2013

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PATENT

PerkinElmer Health Sciences, Inc. v. Agilent Technologies, Inc., C.A. No. 12-10562-NMG, 2012 WL 139737 (D. Mass. Jan. 8, 2013) (Gorton, D. J.) [*Standing*]

PerkinElmer Health Sciences, Inc. (“PerkinElmer”) brought suit against Agilent Technologies, Inc. (“Agilent”), alleging that Agilent breached a sublicense agreement and infringed patents for which PerkinElmer holds an exclusive license. Agilent moved to dismiss the case on the basis of lack of standing. The Court denied Agilent’s motion, finding that PerkinElmer had “all substantial rights” in the patents.

The patents at issue in this case—U.S. Patent No. 5,130,538, No. 5,686,726, and No. 5,581,080—resulted from the work of three researchers at Yale University (“Yale”) in the field of charged ions. The patents were assigned to Yale, which continues to hold them.

In March 1997, Yale granted an exclusive license to the ‘538 Patent and any subsequently-issued, related patents to Analytica of Branford, Inc. (“AoB”) and its successors. According to this agreement, Yale retained the right to use the patents for non-commercial purposes, to participate in infringement actions brought by AoB, and to sue an alleged infringer if, after providing notice to AoB, AoB declined to sue. The license otherwise granted AoB an exclusive, world-wide license for the life of the patents. In 2009, AoB merged with and into PerkinElmer.

In March 2012, PerkinElmer filed a complaint alleging that Agilent willfully and materially breached a sublicense agreement related to the patents-in-suit when it failed to make royalty payments. PerkinElmer also alleged that Agilent infringed the patents. Agilent moved to dismiss the complaint under Fed. R. Civ. P. 12(b)(1) arguing that PerkinElmer lacked standing to sue Agilent because it did not own all substantial rights to the patent.

The patentee and its successors-in-title have standing to bring an infringement claim under the Patent Act. Moreover, an exclusive licensee is considered a successor-in-title with standing to sue for patent infringement if the patent owner transferred “all substantial rights” to the patent under the license agreement. In assessing whether “all substantial rights” were transferred from Yale to PerkinElmer, the Court reviewed the nine factor test set forth in *Alfred E. Mann Found. For Scientific Research v. Cochlear Corp.*, 604 F.3d 1354, 1360-61 (Fed. Cir. 2010). According to that case, “the nature and scope of the licensor’s retained right to sue accused infringers is the most important.”

The District Court analogized PerkinElmer's rights to those rights retained by the licensor in *Vaupel Textilmaschinen KG v. Meccanica Euro Italia S.P.A.*, 944 F.2d 870, 874 (Fed. Cir. 1991). There, the Federal Circuit held that an exclusive patent licensee had standing to sue for infringement where it acquired: (1) rights from the patentee to bring lawsuits for infringement, (2) the exclusive right to make, use, and sell items practicing the patent, and (3) total responsibility to incur costs arising from the pursuit of an infringement action. The dispositive grant was the right to sue, which was subject only to the obligation to inform the patent owner. The District Court noted that "[a]lthough the patentee retained a veto right on sublicensing the patent, a reversionary right in the event of bankruptcy and a right to receive infringement damages, the Federal Circuit ruled that none of those rights 'was so substantial as to reduce the transfer to a mere license or indicate an intent not to transfer all substantial rights.'" In the case at hand, the license agreement's limitation on assignments was counteracted by PerkinElmer's ability to sublicense its rights and to use the patents and settle claims without Yale's supervision. The only limitations on PerkinElmer's rights were Yale's right to bring suit against alleged infringers if PerkinElmer chose not to and the limitation on assignment of the license. Accordingly, Judge Gorton concluded that "all substantial rights" in the patents had been transferred to PerkinElmer and, thus, PerkinElmer had standing to pursue the present infringement case.

Inline Plastics Corp. v. EasyPak, LLC, C.A.
No. 11-cv-11470-TSH, Memorandum and Order on Claim Construction (D. Mass. Jan. 22, 2013) (Hillman, D.J.) [*Claim Construction*]

Plaintiff Inline Plastics Corp. ("Inline") filed suit against EasyPak, LLC ("EasyPak") alleging infringement of U.S. Patent Nos. 7,118,003 ("the '003 patent") and 7,073,680 ("the '680 patent"). EasyPak seeks declarations of non-infringement and invalidity of the '003 patent and the '680 patent under 35 U.S.C. §§ 102, 103, and 112. The District Court (Hillman, D.J.) settled claim construction disputes for various terms in the two patents.

Inline's patents are directed to tamper resistant and tamper evident clamshell packaging systems for storing and displaying food. The '003 and '680 patents improve on traditional clamshell food packaging by providing a locking mechanism. The Court construed five disputed terms from the '003 and '608 patents: (1) "frangible

section;" (2) "frangible section, which upon severing;" (3) "tamper evident bridge;" (4) "tamper-resistant/evident container;" and (5) "lock." The "frangible section" and "frangible section, which upon severing" were treated as one term for purposes of claim construction. The Court's treatment of each term is addressed in turn below.

"Frangible section" and "frangible section, which upon severing"

Inline's proposed construction calls for "at least one score line or at least one perforation line" whereas EasyPak's construction limits the claim to a "removable tear strip." In response to EasyPak's construction, Inline argued that the narrow proposed construction "suggest[s] that [the Court] look to only specific embodiments, figures and description[s] in complete disregard of the clear and express language of the [patents], which provide[] [for] a broader disclosure." But, the Court noted that "Inline commits the same transgression it accuses EasyPak of...[as] it would have this Court validate a secondary and inconspicuous embodiment in complete disregard of the overwhelming evidence to the contrary."

Further, the Court reasoned that the doctrine of claim differentiation did not apply even though dependent claims state that the frangible section is delimited at least in part by a pair of parallel score lines. It noted that claim differentiation is not a hard and fast rule, and claims cannot be broadened beyond their correct scope through the doctrine. In arriving at the Court's construction, Judge Hillman engaged in an analysis of how frequently the term frangible appears in the specification and notes that it is most frequently shown and described as being removable. The Court also points to the prosecution history, noting that Inline stated that the containers contained a tear strip during prosecution. Thus, the Court construed the frangible terms to mean "a removable tear strip, delimited by at least two severable score lines."

"Tamper evident bridge"

Ultimately, the Court rejected both parties' proposed constructions for this term. First, the Court found EasyPak's prosecution history estoppel argument inapplicable. Judge Hillman noted that because the disputed term was disclosed by the prior art, there was no disclaimer to the exclusion of another embodiment. Thus, following the well-settled *Phillips* rubric for claim construction, the Court construed the term to mean "a structure that connects the lid and base portions

of the container and also contains a removable tear strip, delimited by at least two severable score lines, which once removed provides evidence that tampering has occurred."

"Tamper-resistant/Evident Container" and "Lock"

In construing "tamper-resistant/evident container" and "lock," the Court engaged in a straightforward analysis of the specification and prosecution history to arrive at the constructions and stated that the *Markman* hearing revealed relatively little dispute over their meanings. With regard to "tamper-resistant/evident container," the parties agreed to define "tamper-resistant/evident container" conjunctively, meaning that it could be either tamper resistant, tamper evident, or both. Even though the parties agreed to the construction during the *Markman* hearing, the Court pointed to the specification to show the disclosure supports "features which either deter unauthorized tampering or clearly indicate whether unauthorized tampering has occurred, or both." The Court concluded that the proper construction was "a container incorporating structural elements designed to deter, indicate, or deter and indicate, unauthorized tampering or opening prior to consumption."

Again, the *Markman* hearing revealed little dispute over how the term "lock" was used throughout the specification. The Court stated that claim 1 provided the support for the construction as well as passages from the specification and thus construed "lock" as "a secondary engagement mechanism for non-permanently maintaining the peripheral flange of the cover adjacent to the upper peripheral edge of the base when the container is closed."

FEDERAL CIRCUIT SPOTLIGHT

Rubin v. The General Hospital Corporation,
2011-1439 (Fed. Cir. March 28, 2013)

On March 28, 2013, the Federal Circuit upheld Judge Casper's summary judgment decision, which dismissed plaintiff's request to correct inventorship because there was no evidence of collaboration between the teams of scientists at Fordham University and Massachusetts General Hospital ("MGH").

In 2000, Drs. Berish Y. Rubin and Sylvia L. Anderson identified genetic mutations causing Familial Dysautonomia ("FD") and authored an article, which they sent to the American Journal of Human Genetics. Despite express instructions from Drs. Rubin and Anderson, the journal forwarded the abstract to Dr. Gusella at MGH for peer review. The complaint alleged that Dr. Gusella and his colleagues at MGH used the still-confidential article to complete their research and file a provisional patent application claiming their discovery. Drs. Rubin and Anderson sought relief under 35 U.S.C. § 256 to be substituted as inventors on the patents-in-suit or, alternatively, to be named as joint inventors.

The Federal Circuit first addressed the issue of joint inventorship. Because the teams of scientists worked independently and because the information was passed to MGH inadvertently, the Court held that the evidence did not support joint invention in accordance with 35 U.S.C. § 116. Second, the Court agreed with Judge Casper that the "real" issue was not of correcting inventorship, but rather of priority of invention. Because § 256 is a general remedial statute, the question is not of "correcting" named inventors. Rather, the issue of priority is one to be determined by PTO procedures.

Koninklijke Philips Elecs. N.V. v. Zoll Medical Corp., C.A. No. 10-11041-NMG, 2013 WL 812484 (D. Mass. March 4, 2013) (Sorokin, M.J.) [*Contentions and Testing Data*]

This case involves claims of infringement involving multiple patents by both parties. The present issue concerns the withholding of certain testing information by defendant ZOLL Medical Corporation ("ZOLL"). Plaintiffs, Koninklijke Philips Electronics N.V. and Philip Electronics North America Corporation (collectively, "Philips"), moved to compel that information. The Court (Sorokin, M.J.) ordered its production, finding that any claim of protection under the work product doctrine was waived when ZOLL cited to the information in its publicly-filed infringement contentions.

ZOLL explicitly cited to testing data throughout its preliminary infringement contentions, which were filed on the Court's docket. It now seeks to shield the data, asserting that ZOLL's trial experts will not rely upon it

and that it is immune from discovery as work product. The Court, however, rejected both these arguments. First, the Court noted that ZOLL cannot avoid disclosure merely because it now disavows any intent to use the information in the future. Because of its reliance on the data in the infringement contentions, it is relevant under Fed. R. Civ. P. 26. Second, a party cannot incorporate work product into a publicly-filed document and then decline to produce that same work product on the basis of privilege. Allowing such a result would provide ZOLL with the classic “sword and shield” weapon that basic principles of fairness preclude. Accordingly, Chief Magistrate Judge Sorokin allowed Philips motion to compel to the extent it seeks “technical information regarding the dates, parameters, and tests references through ZOLL’s preliminary infringement contentions....”

Abbott GmbH & Co., KG v. Centocor Ortho Biotech, Inc., C.A. No. 09-11340-FDS, 2013 WL 952380 (D. Mass. March 8, 2013) (Saylor, D.J.) [*Post-Trial Motions*]

Following an eleven day trial in the Fall of 2012, Plaintiffs AbbVie Deutschland GmbH & Co., AbbVie Biosearch Center, Inc., and AbbVie Biotechnology Ltd. (collectively, “Abbott”) filed a renewed motion for judgment as a matter of law seeking to overturn the jury’s verdict with respect to its invalidity findings. The Court (Saylor, D.J.) denied Abbott’s motion.

In 2009, Abbott initiated suit against Janssen Biotech, Inc. and Centocor Biologics, Inc. (collectively, “Centocor”);¹ alleging that Centocor’s product, Stelara, infringed U.S. Patent Nos. 6,914,128 (the “128 patent”) and 7,504,485 (the “485 patent”). The patents are directed to a set of antibodies for interleukin-12 (IL-12), a naturally-occurring human protein that assists the immune system by binding to receptors on the surface of certain cells in response to infection. Overproduction of IL-12 can lead to immune diseases, such as psoriasis, and, therefore, the antibodies at issue in this case seek to block the effects of IL-12. At trial, Centocor did not contest infringement. It did, however, assert that the patent claims were invalid under 35 U.S.C. §§ 102, 103, and 112. The jury agreed, finding invalidity on three separate grounds: written description, enablement, and obviousness. This summary focuses on the first two of those three grounds.

Written Description

Abbott challenged the jury’s finding that the patent-in-suits’ claims failed to meet the written description requirement. To meet that requirement, where a patent claims a genus, the specification must adequately describe species that are “representative of the entire genus.” “When there is a substantial variation within the genus, one must describe a ‘sufficient variety of species to reflect the variation within the genus.’” Abbott argued post-trial that the evidence proffered by Centocor regarding whether the disclosed antibodies were representative of other members of the genus was irrelevant because it was based only on structural differences between the disclosed and non-disclosed species. It also argued that differences between the disclosed antibodies and the allegedly infringing product, Stelara, were irrelevant.

First, Judge Saylor found that, based on the evidence elicited at trial—including testimony from Abbott’s expert—the jury was free to credit Centocor’s claim that structure is relevant to the functional claims and that the disclosed species were not representative. Indeed, Abbott’s own expert testified that he had “no idea how many antibodies would meet the scope of the claims.” At bottom, Abbott’s evidence “was not so overwhelming as to require a conclusion of representativeness.”

Second, the Court found that it was not unreasonable for the jury to infer that, if the claimed genus included an antibody that was fundamentally different from the disclosed antibodies, that the disclosed antibodies were not representative. Because Stelara indisputably fell within the claimed genus, Centocor used differences between Stelara and the disclosed antibodies to illustrate the variety within the genus. The Court held that it was not unreasonable for the jury to be persuaded by this illustration.

Judge Saylor also rejected Abbott’s various other legal and policy arguments. Although accepting the general principle that there is “no universal requirement that a patent disclose every species,” the Court held that the failure to disclose one species could render the patent invalid if that species calls into question the representativeness of the disclosed species. Moreover, the Court emphasized that representativeness, a question of fact, is not the same as numerosity. Next,

¹Nutter McClennen & Fish LLP represents Centocor as local counsel in this action.

the Court analyzed the Federal Circuit's language in *Ariad Pharmaceuticals, Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1350 (Fed. Cir. 2010) (en banc). That case set forth two tests for the written description requirement: (1) a representative species test and (2) a structural features test. Abbott contended that in applying the first of these two tests, one need not determine whether one of skill in the art can "visualize or recognize" the members of the genus based on the representative number of species. This contention, however, was found to be unsupported. Finally, the Court disagreed with Abbott's concern that Centocor's structural arguments, when taken to their logical extreme, would allow future defendants to argue invalidity based on arbitrary distinctions, such as molecular weight. Focusing only on the issue before him, Judge Saylor concluded that "there was sufficient testimony about the relevance of structure to the claim limitations to establish a clear link between structure and function."

Enablement

As with written description, the law requires, when a patent claims a genus, that the specification enable a representative number of species falling within its scope. Although the patent indisputably enabled the disclosed species, the central question was whether it enabled enough species so as to be representative of the genus. The jury found, in part on the basis that Stelara was not enabled, that the patent did not enable the full scope of the claimed invention. The Court upheld this verdict for the same reasons that it upheld the verdict with respect to written description.

Keurig, Inc. v. JBR, Inc., C.A. No. 11-11941-FDS, 2013 WL 1213061 (D. Mass. March 22, 2013) (Saylor, D.J.) [*Claim Construction*]

Plaintiff Keurig, Inc. ("Keurig") asserts infringement allegations against Defendant JBR, Inc. ("JBR") in connection with Keurig's patents related to a method and apparatus for brewing a single cup of coffee. These infringement allegations, as well as JBR's defenses, hinge upon the construction of multiple terms of the utility patents at issue, U.S. Patent Nos. 7,165,488 (the "'488 patent") and 7,346,138 (the "'138 patent").

The Court characterizes the "heart of the dispute" as being whether the claims cover "the method of using a JBR cartridge in conjunction with a Keurig brewer to brew a cup of coffee." To decide that question, the Court must first construe the claims of the patents. The parties dispute eight claim terms, and this summary will address three of those disputes.

Handle

The term handle appears in both utility patents. A typical use is as follows: "[A] handle that is moveable between open and closed positions to cause the receptacle to move between the vertical and inclined positions...." Keurig argued that no construction was necessary, but JBR proposed that the term be construed as "the part of the apparatus to be grasped by the hand." Judge Saylor agreed with Keurig, reasoning that—given the commonplace nature of the term—there is little cause for concern that a juror would not understand the meaning of a handle or that her understanding would differ from that of one of ordinary skill in the art.

Cartridge or Beverage Cartridge

Although the parties agree that the terms "cartridge" and "beverage cartridge" describe a container that holds or contains a beverage medium used in a single-serve brewer, JBR seeks to further limit the term by requiring that the container be pierceable and internally subdivided by a filter element. To resolve this dispute, the Court first looked to the language of the claims.

Because one of the dependent claims teaches a method "wherein the said beverage cartridge includes a beverage medium and a filter element," the Court reasoned on the basis of claim differentiation that a filter element cannot be a definitional characteristic of a cartridge. It held, "Here, claim 30 would be rendered superfluous if a "cartridge" by definition included a "filter element." Accordingly, JBR's attempt to narrow the term in this way must be rejected.

With respect to the pierceable nature of the cartridge, the Court found that the claim terms provided little guidance and, therefore, looked to the specification. Being mindful of not importing preferred embodiments into the claim, the Court ultimately found that Keurig's definition better comports with the term's usage in the claims.

Piercing

Certain claims of both patents-in-suit require "piercing the beverage cartridge...." As a threshold matter, Judge Saylor found that the key question was whether piercing requires only "passing through" or puncturing. In any event, "the parties seem to agree that '[t]he purpose of piercing the beverage cartridge is to get the hot water into the beverage cartridge to make a beverage.'"

The most compelling evidence of the meaning of piercing came from the figures in the specification. One of those figures clearly depicted the inlet probe (which does the piercing) as a sharp, as opposed to blunt, instrument. The Court found it “hard to imagine another purpose for this instrument except that of puncturing the top of a beverage cartridge in order to make a hole in it.” Moreover, it noted that JBR appeared to be attempting to broaden the scope of the claim term for purposes of its patent-exhaustion and permissible-repair defenses. Heeding the Federal Circuit’s caution against strained constructions suggested by counsel “retained to offer creative arguments in infringement litigation,” the Court found that piercing means “making a whole in or through.”

TRADEMARK

Por-Shun, Inc. v. Bruce Jenks d/b/a Maple Valley Creamery, C.A. No. 11-11763-RBC, Findings of Fact and Conclusions of Law (D. Mass. Jan. 10, 2013) (Collings, M.J.) [*Trademark Validity*]

Plaintiff Por-Shun, Inc. (“Por-Shun”) filed a two-count complaint in this Court against Defendant Bruce Jenks d/b/a Maple Valley Creamery (“Jenks”), for trademark infringement and unfair competition in violation of the Lanham Act. On December 14, 2011, Jenks filed an answer to the complaint together with a counterclaim alleging a claim for common law trademark infringement and a claim for unfair and deceptive business practices in violation of Massachusetts General Laws Chapter 93A. In the first phase of this bifurcated action, the Court found that Por-Shun’s mark “Sugar Maple Creamery” is merely descriptive and has not acquired secondary meaning.

Por-Shun is a business located in Wilmington, Massachusetts. It has been in operation since 1983. Por-Shun sells ice cream as well as other dairy and food products. In 2009, Por-Shun introduced a new line of ice cream called Sugar Maple Creamery. Maple Valley Creamery is the name of Jenks’s ice cream business located in Hadley, Massachusetts.

The parties disagreed on where the mark “Sugar Maple Creamery” falls on the distinctiveness continuum. The Court began its analysis by explaining that a trade name is safeguarded by the Lanham Act only if the mark is “distinctive,” a term of art meaning that the mark must be arbitrary and suggestive. A suggestive terms suggests rather than describes characteristics of the goods;

a descriptive term merely describes a characteristic or ingredient of the article to which it refers. If the term is merely descriptive, the term must have acquired a secondary meaning.

The Court explained that “Sugar Maple Creamery” as a term conveys an immediate idea of a dairy product made at a creamery with sugar or maple sugar or possibly maple flavoring. Accordingly, the Court found that the mark “Sugar Maple Creamery” was merely descriptive.

Having concluded that the mark “Sugar Maple Creamery” was merely descriptive, the Court then determined whether the mark had acquired a sufficient secondary meaning so as to entitle it to protection. Proof of secondary meaning entails vigorous evidentiary requirements, which Por-Shun failed to meet. The Court used the following factors in its determination: (1) length and manner of the mark’s use, (2) the nature and extent of advertising and promotion of the mark, and (3) the efforts made in promoting a conscious connection, in the public’s mind, between the name or mark and a particular product.

Por-Shun had employed the designation “Sugar Maple Creamery” on its ice cream and yogurt containers since 2009. However, Por-Shun hired no public relations professionals to promote the brand, spent no money on advertising, and created no website to promote the brand. Also, Sugar Maple Creamery products constituted only a minute portion of the approximately \$200 million annual ice cream sales in Massachusetts. For these reasons, the Court found that Por-Shun failed to establish that the mark “Sugar Maple Creamery” had acquired secondary meaning.

True Fit Corp. v. True & Co., C.A. No. 12-11006-GAO, 2013 WL 789213 (D. Mass. March 4, 2013) (O’Toole, D.J.) [*Preliminary Injunction*]

Plaintiff True Fit Corp. (“True Fit”) filed suit against True & Co. for trademark infringement and filed a motion for preliminary injunction, seeking to enjoin True & Co. from using “true” in connection with personalized fitting software and services. The Court (O’Toole, D.J.) denied the motion, finding that several of the asserted marks were neither distinctive nor had acquired secondary meaning. As to the marks that were protectable, the Court concluded that there was no likelihood of confusion.

True Fit was founded in 2005 and has offered services, either directly to consumers or through retailers such as Macy's and Nordstrom, that allow consumers to enter personal information (e.g., measurements and body type) into a system which ultimately suggests several pairs of jeans that might fit the consumer well. Through this process the consumer creates a TRUE FIT profile. True & Co. is an e-commerce lingerie retailer, which has registered various domain names, including "trueandco.com" and "yourtruefit.com." It also uses the slogan YOUR TRUE FIT.

After reviewing the familiar four part test for the grant of a preliminary injunction, the Court addressed the validity of fourteen marks, including seven federally-registered marks. As to those seven marks, the Court found that they did not achieve incontestable status and, therefore, True & Co. only needed to show that the marks are descriptive by a preponderance of the evidence. Because it was common among retailers and consumers to use the word "true" in connection with fitting and sizing, the Court found that True & Co. met its burden to show that the marks are descriptive. True Fit, therefore, was required to show that its marks had acquired secondary meaning. But the Court found that True Fit's circumstantial evidence of secondary meaning was weak. Moreover, it rejected True Fit's attempt to claim ownership over and secondary meaning for the "family of TRUE marks," similar to the "Mc" mark that precedes the names of McDonald's food items. The Court stated, "True Fit has failed to show that the public associates the word 'true' used in connection with apparel fitting services as indicating a common origin." Nevertheless, the Court did find that the marks FIND YOUR TRUE FIT, TRUE FIT, and TRUE TO YOU may have a likelihood of secondary meaning. Accordingly, it turned its analysis to the question of consumer confusion.

Judge O'Toole invoked the familiar eight-part test identified in *Pignons S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482 (1st Cir. 1981), in evaluating likelihood of confusion. First, although the Court found that both companies used the word "true" in their marks, the "total effects of the marks, considering their designs, fonts, and color schemes are substantially different." With regard to the channels of trade, the Court held that the mere fact that both companies use the Internet to provide their services was not enough to favor True Fit. In fact, the Court found persuasive the argument that True Fit and True & Co. operate through

different channels given that the former's services can only be accessed through a retailer whereas the latter's services can be accessed directly from its own website. The Court also noted that the advertising of the two companies is different and that, even though nuanced in some respects, "women who shop online are likely to be more sophisticated and more aware of the nuances of marketing and e-commerce than the average consumer." Ultimately, the Court found that seven of the eight factors weighed against True Fit and in favor of True & Co. with respect to likelihood of confusion.

The Court gave short shrift to the irreparable harm, balancing of harms, and public interest factors. At bottom, only three marks were found likely to be protectable and, as to those three marks, True Fit did not meet its burden to show a likelihood of consumer confusion.

Francesca Records v. Geils Unlimited Research, LLC, C.A. No. 12-11419-FDS, 2013 WL 1000422 (D. Mass. March 12, 2013) (Saylor, D.J.) [*Preliminary Injunction*]

This case concerns a dispute over rights to, among other trademarks, the name J. GEILS BAND. Defendants moved to dismiss the complaint, asserting that it failed to state a claim upon which relief can be granted. Defendants also argue that, because plaintiffs' Lanham Act claims fail, this Court lacks subject matter jurisdiction. The Court (Saylor, D.J.) denied the motion.

Plaintiffs John W. Geils ("Geils") and his record label, Francesca Records, initiated this suit against the remaining members of The J. Geils Band, the band's manager, and various entities related to the band's reunion performances. Plaintiffs contend that they own the trademarks to GEILS, J. GEILS, JAY GEILS, and J. GEILS BAND. Defendants contest that claim, instead contending that they own the marks as a result of a 1982 agreement.

The Court's opinion devotes a significant amount of time to the history of The J. Geils Band, the formation of a corporation named T & A Research and Development Corp. ("T&A"), and a 1982 shareholders agreement for T&A. Among other things, the shareholder's agreement purports to confer control over the name J. GEILS BAND and J. GEILS to Peter Wolf and Seth Justman and to prohibit Geils from using the name if he leaves the group. Geils alleges that he was not allowed to consult with an attorney, not given the opportunity to negotiate the terms, and, ultimately, was forced to accept this shareholder's agreement.

At this stage of the litigation, the question before the Court was not who owns the marks, but only whether Plaintiffs' complaint sufficiently states a claim for relief. To answer this question, the Court reviewed each of the four categories of claims asserted—declaratory judgments as to trademarks, declaratory judgments as to the shareholder's agreement, validity of T&A, and remaining state law claims.

The threshold question with respect to the request for declaratory judgments as to trademark ownership and infringement was whether there is an actual "case or controversy." Applying the standard articulated in *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007), the Court found that—given the competing use of the marks and the parties' concurrent attempts to protect it—a controversy is immediate and real. The Court also found that Plaintiffs alleged sufficient facts to support a finding that the marks had been first used in 1967 by Geils and, therefore, he may have a claim to ownership. Although Defendants counter that Geils transferred any ownership interest he had in the marks via the 1982 shareholders' agreement, the Court found that a determination on that factual and legal issue—especially given Geils' claims regarding the enforceability of that agreement—could not be decided at this early stage. Moreover, Geils' trademark infringement claims survived because, if Geils prevails on his ownership claim, Defendants' use of the mark may be confusing in that audiences would expect Geils to be part of the performance.

The Court also allowed Plaintiffs to proceed on their request for declaratory judgment concerning the validity and applicability of the 1982 shareholder's agreement. First, the Court rejected Defendants' arguments that the three year statute of limitations for contract claims time barred Plaintiffs' request. The Court characterized the request as essentially a defense to Defendants' arguments that the shareholder's agreement is an affirmative defense to trademark infringement. "It is indeed a well-established principle that parties are generally permitted to raise defenses that, if raised as affirmative claims, would be time-barred." Because Plaintiffs are not seeking any affirmative relief with respect to this claim and because the Plaintiffs' request for declaratory judgment is in many respects equitable, the Court could not conclude that the statute of

limitations bars Plaintiffs' claims. Second, the Court refused to apply the heightened pleading standard of Fed. R. Civ. P. 9(b), which by its terms applies to claims of "fraud or mistake," to Plaintiffs' allegations of duress or coercion in the context of contract formation. But even if the particularity requirement did apply, Plaintiffs' met that requirement here by alleging that the duress or coercion involved pressure put on Geils by other band members and their attorneys after Geils expressed a desire to leave the band. The operative conversations are alleged to have taken place around September 10, 1982 in Boston. Accordingly the "who, what, when and where details" of the alleged conduct were pled.

Similarly, the Court held that Plaintiffs' challenge to the validity of T&A as a valid corporation and the remaining state court claims were sufficiently pled.

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