

FENNEMORE CRAIG

I - Law

INTELLECTUAL PROPERTY LAW ALERT

As a friend of Fennemore Craig, we thought you might be interested in *Fennemore Craig I-Law*, a bi-weekly e-mail from Fennemore Craig's Intellectual Property Group that provides an update on e-commerce, Internet, trademark, patent, licensing and copyright news. Each issue will contain a sentence or two about the latest story with a link for those who want additional information. Periodically, on particularly important news, a more in-depth analysis will be provided.

Fennemore Craig counsels clients on Internet, branding and e-commerce issues and protection and commercial exploitation of patents, copyrights, trademarks, and trade secrets. Clients include a range of domestic and international businesses from Internet start-ups to large multi-nationals, in industries ranging from computer software and hardware to pharmaceuticals, toys, games, optics, and electronics.

If you think other people would benefit from this communiqué, please let them know that they may subscribe by sending an e-mail to Cheryl Martin-DeVries at cdevries@fclaw.com. If you would like to obtain back issues of *Fennemore Craig I-Law*, please refer to the Issues & Answers section of our web site at www.fennemorecraig.com.

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COPYRIGHTS

- Strike one. In a very important decision affecting copyright holders and free speech, a Federal Appeals Court has affirmed a decision that the Digital Millennium Copyright Act (DMCA) prohibits publication of or linking to DVD-encryption cracking software. The first five links are to media stories and the last link is to the opinion.
http://news.cnet.com/news/0-1005-200-8011238.html?tag=mn_hd
<http://www.zdnet.com/zdnn/stories/news/0,4586,5100096,00.html?chkpt=zdnnp1tp01>
<http://www.law.com/cgi-bin/gx.cgi/AppLogic+FTContentServer?pagename=law/View&c=Article&cid=ZZXS5QZMUC&live=true&cst=1&pc=3&pa=0&s=News&Explgnore=true&showsummary=0>
<http://www.law.com/cgi-bin/gx.cgi/AppLogic+FTContentServer?pagename=law/View&c=Article&cid=ZZ41I6NUC&live=true&cst=1&pc=3&pa=0&s=News&Explgnore=true&showsummary=0>
<http://www.newsbytes.com/news/01/172560.html>
http://www.2600.com/news/112801-files/UniversalBrief_3.pdf
- Strike two. Another court has thrown out a professor's lawsuit claiming that a legal threat under the DMCA from the recording industry prevented the professor from publishing a paper outlining ways to attack music encryption technology.
http://news.cnet.com/news/0-1005-200-8010671.html?tag=mn_hd
- Strike three? But, free music swapping services are at higher levels than anytime in the past.
<http://www.nytimes.com/2001/11/29/technology/29MUSI.html>
- Can linking to another website make you legally liable for copyright infringement? Here is an article that suggests that the recent Appeals Court decision on the "DeCSS case" indicates that linking can make one liable.
<http://www.nytimes.com/2001/12/14/technology/circuits/14CYBERLAW.html>
- A new Internet copyright treaty, negotiated by 165 countries five years ago that requires 30 signatures to go into effect, has just been signed by the 30th country. The treaty, which prohibits online piracy, will go into effect March 6, 2002.
<http://www.nandotimes.com/technology/story/188907p-1830020c.html>
- Russian programmer Dmitri Sklyarov, the first person indicted for violating the Digital Millennium Copyright Act, was let go by the federal government. As *I-LAW* readers will recall, Sklyarov wrote a software program that decrypted electronic books.
<http://www.nytimes.com/2001/12/14/technology/14HACK.html>
<http://www.wired.com/news/politics/0,1283,49122,00.html>

DOMAIN NAMES

- Federal Anti-cybersquatting law trumps UDRP decision. A Massachusetts resident registered the domain name corinthians.com. In a UDRP dispute, he was labeled a cybersquatter and forced to turn over the domain name to a Brazilian company. After the

Federal District Court refused to hear a case challenging the UDRP decision, a Federal Court of Appeals held that the U.S. Anti-Cybersquatting Protection Act can be used to overturn a UDRP provision.

<http://www.ca1.uscourts.gov/cgi-bin/getopn.pl?OPINION=01-1197.01A>

- EResolution, one of four accredited domain name UDRP arbitration handlers, will no longer handle domain name dispute cases. EResolution has only been selected eight percent of the time by trademark owners who brought UDRP proceedings. EResolution believes that trademark owners use of "forum-shopping" was the reason the company was selected so infrequently.
<http://www.newsbytes.com/news/01/172619.html>
- ICANN has drafted an agreement for the new .aero domain provider, Societe Internationale de Telecommunications Aeronautiques (SITA). Consumer activists claim that the restrictions on the .aero domain (limiting ownership of .aero domain names to air transport and travel industry providers) would unfairly exclude air travel consumer groups and other travel- and transport-related entities that are non-travel providers.
<http://www.newsbytes.com/news/01/172422.html>
- Afiliat, the manager of the .info domain, has decided to handle sunrise-period, fraudulently-registered domain names a little differently than planned. Rather than challenging all of the obviously fraudulent registrations, Afiliat is first allowing registrants to "correct" any registration information that was "incorrectly" inputted. Registrants will also be allowed to withdraw their registrations without any arbitration proceeding, although no registration fees will be refunded.
<http://www.newsbytes.com/news/01/172726.html>
<http://www.nytimes.com/2001/12/06/technology/06DOMA.htm>
- ICANN approves .coop domain agreement with National Cooperative Business Association, with plans to launch the domain on January 30, 2002..
<http://www.newsbytes.com/news/01/172508.html>
http://biz.yahoo.com/iw/011128/01035258_1.html
- Interestingly, Larry Flynt, infamous porn publisher of *Hustler Magazine*, has an estranged daughter, Tanya Flynt, who is an anti-porn crusader. The publisher of *Playboy* has recovered the domain name playboyonline.com from Flynt's daughter.
<http://www.newsbytes.com/news/01/172451.html>
- It's almost as if he is a living, male rock star. Actor Kevin Spacey has lost his recent U.S. court attempt to get back kevinpacey.com from a cybersquatter.
<http://www.theregister.co.uk/content/6/23030.html>
- Owner of the site link-o-rama.com (a major database of online porn) cannot recover linkorama.com in a UDRP proceeding because the owner failed to establish one of the following criteria: (1) He had trademark rights in the link-o-rama.com domain name, or (2) His competitor had bad faith in registering the allegedly infringing domain name.
<http://www.newsbytes.com/news/01/172636.html>

- The committee handling the wedding of a Dutch crown prince has lost the domain name it intended to use, oranjefonds.nl. The first Dutch king was William of Oranje, and in his name the Dutch Royal Family is known as "House of Oranje." The Oranje Fund (which in Dutch is "Oranje Fonds") was set up to collect funds as a charitable contribution in honor of the marriage. The domain name was registered by the cybersquatter after the committee announced its name. The Royal Family intends to go to court to get the domain name back.
<http://www.newsbytes.com/news/01/172862.html>
- Kraft sells a product in Europe called Sugus. A Swiss gentleman whose boyhood nickname was Sugus registered Sugus.com to sell PEZ collector items. Kraft brought a UDRP to get the domain name.
<http://www.newsbytes.com/news/01/172851.html>
- The Chinese domain name registrar may not reserve famous domain names for the owners of the famous marks, but must treat the domain names like any other domain name, according to a Chinese court.
http://www.idg.net/ic_778197_1773_1-3921.html

ONLINE & E-COMMERCE ISSUES

- One of the critical tests for restricting porn, despite free speech concerns, is whether the material is obscene under the "local community standard." In other words, would the local community view the porn as obscene or not? However, the Internet poses a problem in which the parameters of "local community" is not clear. The Internet sends material to every community across the nation and across the world. Therefore, by which "local community" should the "local community standard" apply? The article in the first link below discusses these issues. This was also a major issue when the Supreme Court heard oral argument on whether the Children's Online Protection Act, an online children anti-porn law, is constitutional. The second link discusses the Supreme Court's hearing.
<http://slate.msn.com/?id=2059088>
<http://www.nytimes.com/2001/11/30/technology/30CYBERLAW.html>
- A California law has been successfully used by online posters to dismiss claims that the posters' messages about the plaintiff corporation were defamatory. The Strategic Litigation Against Public Participation Law (known as "SLAPP") was designed to protect individuals from retaliatory lawsuits by corporations that feel they have been disparaged. The California Court of Appeals ruled that online bulletin boards are "public forums," in which the opinions expressed were the opinions of shareholders--not competitors--and that the issue was an issue of "public interest."
<http://www.newsbytes.com/news/01/172455.html>
- Online journalism gets same libel protection as offline journalism, says the New York Supreme Court.
<http://www.wired.com/news/politics/0,1283,48996,00.html>
<http://www.theregister.co.uk/content/6/23328.html>

- The Megaphone Effect. If you are receiving online criticisms, in most scenarios, the best policy is to ignore your critics because a dispute with a critic often brings you more bad publicity and problems than the critics ever did on their own. An international e-commerce consulting firm learned this lesson the hard way. KPMG, a company that promotes its Internet expertise, insisted that a critic who linked to KPMG's website take down its link because the critic had not signed a linking agreement with KPMG. The critic refused. Once this dispute became public (the exchange of correspondence was posted on the critic's site), numerous others decided to establish "unauthorized" links to the site, resulting in publications like *Wired* and *I-LAW* to writing about the situation. The critic received so many visitors that his site was temporarily knocked offline.
<http://www.wired.com/news/business/0,1367,48874,00.html>
- For a while, the State of California was selling birth records for 24 million Californian residents with the information posted on the Internet. However, due to identity theft issues, California Governor Gray Davis suspended the state's sale of birth and death records, stating that personal information should not be "traded like baseball cards."
<http://www.siliconvalley.com/docs/news/depth/037140.htm>
<http://www.siliconvalley.com/docs/news/depth/priv120601.htm>
- Only three percent of websurfers regularly read website privacy policies. The remaining 97% do not read the policies because they are too long and complicated.
<http://www.ecommercetimes.com/perl/story/15084.html>
- X%\dfasdhfapsdfasl;kfaweplasdfpp0q24rjhn. What? You couldn't read that? The U.S. government has updated its encryption standards to 256-bit encryption.
<http://www.siliconvalley.com/docs/news/tech/076110.htm>
- President Bush signed law extending ban on Internet taxes.
http://news.cnet.com/news/0-1007-200-8015654.html?tag=mn_hd
- President Bush signs law containing substantial cyber-security funding.
<http://www.newsbytes.com/news/01/172526.html>
- The nine states that refused to agree to the Bush Administration's proposal for the Microsoft settlement are proceeding with their anti-trust suit against Microsoft. These states are seeking tougher remedies against Microsoft than adopted in the settlement agreement.
<http://www.nytimes.com/2001/12/06/technology/06SOFT.html>
- An anti-Internet-censorship organization wins Spam lawsuit under State of Washington's new anti-spam law. The organization brought the suit in small claims court and won \$2,000.
<http://www.newsbytes.com/news/01/172891.html>
- Oops. AOL has removed a link found on its kids-only site that took kids to a hardcore porn site.
<http://www.newsbytes.com/news/01/172416.html>

- K'Plah. The universal translator, a staple in Star Trek that allows Captains Kirk, Picard, et al, to speak to aliens without knowing their language, has taken a small step closer to reality. A wearable translating computer developed by the Naval Research is due out soon.
<http://www.nandotimes.com/technology/story/191180p-1853956c.html>

TRADEMARKS

- The appointment of the new Director of the U.S. Patent and Trademark Office, former Representative James Rogan, was confirmed by the U.S. Senate.
<http://www.newsbytes.com/news/01/172676.html>
- The Madrid protocol (soon to be available in the U.S., hopefully) allows trademark owners to secure protection of their marks in other countries that are part of the protocol by filing a single application in their home country. However, some countries that have signed the treaty have failed to pass legislation making such a registration enforceable in that country.
<http://members.inta.org/membersonly/bulletin/l.asp?l=41>
- McSurprise. McDonald's actually lost a trademark dispute with a British restaurant owner that runs two "McChina Wok Away" restaurants. Despite the restaurant's use of McDonald's ubiquitous and famous MC prefix, despite identical services, and despite the fact that McDonald's has been successful in stopping marks such as McLawyer for legal services, the British Court held that customers were not likely to be confused. No doubt an appeal will be filed Mcquickly.
<http://www.sky.com/skynews/article/0,,30000-1036580,00.html>
<http://www.bergen.com/biz/mcchin2820011128.htm>
- Changes to banking laws in 1994 that allowed interstate banking has had the unintended consequence of putting many banks into conflict over their names and trademarks.
<http://boston.bcentral.com/boston/stories/2001/12/03/story8.html>
- Two companies are fighting over the trademark rights to VIRGIN, each side claiming that they are the true VIRGIN. Both are worried about confusion by the public.
http://biz.yahoo.com/rf/011204/n0480652_1.html

TRADE SECRETS

- Think twice before acting. Former Intel engineer is sentenced to two years in prison for stealing Intel's trade secrets.
<http://www.siliconvalley.com/docs/news/tech/intel121201.htm>

PATENTS

- British Telecommunications, which claims to have a patent for hyperlink technology, now has a trial date in February for its patent infringement lawsuit.
http://www.idg.net/crd_idgsearch_732742.html

- It has been over 20 years, but the Supreme Court has finally tackled another patent case. The Court upheld patent protection for sexually reproduced plants. Farmers say the decision will increase the cost of planting; seed companies say it will foster more investment in seed testing.

[http://www.law.com/cgi-](http://www.law.com/cgi-bin/gx.cgi/AppLogic+FTContentServer?pagename=law/View&c=Article&cid=ZZZO6HJW2VC&live=true&cst=1&pc=3&pa=0&s=News&Explgnore=true&showsummary=0)

[bin/gx.cgi/AppLogic+FTContentServer?pagename=law/View&c=Article&cid=ZZZO6HJW2VC&live=true&cst=1&pc=3&pa=0&s=News&Explgnore=true&showsummary=0](http://www.law.com/cgi-bin/gx.cgi/AppLogic+FTContentServer?pagename=law/View&c=Article&cid=ZZZO6HJW2VC&live=true&cst=1&pc=3&pa=0&s=News&Explgnore=true&showsummary=0)

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