Spring 2012

Cislo & Thomas LLP Congratulates our Client Kumar Patel, Ph.D Inducted into the Inventor Hall of Fame Along with Steve Jobs

Each year certain very special inventors are inducted into the National Inventors Hall of Fame. Among the inductees was C. Kumar N. Patel, who invented the carbon dioxide laser. Dr. Patel shares this great honor with Steve Jobs who was posthumously admitted into the Hall of Fame at the same time. Since ushering in the use of high power laser applications, Dr. Patel's CO2 laser has become common and versatile with uses in the medical, industrial, and military arenas. Dr. Patel founded his own company, Pranalytica, to manufacture mid-infrared quantum cascade laser systems and gas sensing instruments. We are very proud of Dr. Patel's accomplishments and his continued innovation.

U.S. Supreme Court Rules Laws of Nature Medical Processes Are Unpatentable

In *Mayo Collaborative Services v. Prometheus Labs., Inc.* (Supreme Court 2012), a unanimous court held that Prometheus' personalized medicine dosing process is not eligible for patent protection because the process is *effectively* an unpatentable law of nature. The Prometheus invention identifies "relationships between concentrations of certain metabolites in the blood and the likelihood that a dosage of a thiopurine drug will prove ineffective or cause harm." And so a patent that simply describes that relation sets forth an unpatentable natural law." The conclusion here is that: (1) a newly discovered law of nature is itself unpatentable and (2) the application of that newly discovered law is also normally unpatentable if the application merely relies upon elements already known in the art. **To be clear, the court still maintains the "an application of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection." On the other hand, the "application" must be "significant," and not "too broadly preempt" use of the law, and include other elements that constitute an "inventive concept" that is significant and separate from the natural law itself.**

Google Keyword Advertising May Be Trademark Infringement

In our earlier newsletter, we addressed the case of *Network Automation v. Advanced Sys. Concepts*, wherein the 9th Circuit strongly suggested that the use of keyword ads involving trademarks were not infringing. Last month, the United States Court of Appeals for the Fourth Circuit (covering the federal district courts of Virginia, West Virginia, North Carolina, South Carolina, and Maryland) took a contrary position and revived Rosetta Stone's trademark infringement and dilution claims against Google in relation to Google's AdWords program. **Given that other Circuit Courts of Appeal that have addressed this issue have essentially found in favor of Google, the *Rosetta Stone* case may be appealed to the Supreme Court to resolve the split between the Circuits. But for now, trademark holders may file a keyword ad case in a district court within the Fourth Circuit.**

DMCA Violations Require "Actual Knowledge" or "Red Flag Knowledge" of Infringement

In a long-awaited decision on the scope of a Digital Millenium Copyright Act violation, *Viacom v. YouTube*, the Second Circuit affirmed the district court holding that the § 512(c) safe harbor provision for service providers such as YouTube requires knowledge or awareness of specific infringing activity before a provider is obligated to act. Thus, a general awareness of infringement is insufficient to cause an online service provider to lose safe harbor protection. The Second Circuit explained, however, that service providers had to act upon both (i) "actual knowledge" of infringement, which arises when the provider actually knows of specific infringement, and (ii) apparent or "red flag knowledge" of infringement, which arises when the provider learns of facts that make the specific infringement objectively obvious to a reasonable person, even if they are not actually aware of specific acts of infringement which occurred. In distinguishing these concepts. The court explained that "the actual knowledge provision turns on whether the provider actually or 'subjectively' knew of specific infringement, while the red flag provision turns on whether the provider was subjectively aware of facts that would have made the specific infringement 'objectively' obvious to a reasonable person." In addition, the Second Circuit said that a service provider could be liable if it remained "willfully blind" to specific infringing activity. "Willful blindness" arises when a person "was aware of a high probability of the fact in dispute and consciously avoided confirming the fact." **In the wake of the *Viacom* case, service providers may have to more effectively address red flag knowledge of infringement. In turn, copyright plaintiffs may be able to avoid summary judgment where issues of fact remain as to red flag and willful blindness issues.**

Cislo & Thomas serving at the Union Rescue Mission

We will continue our tradition of community service by giving our time to the Union Rescue Mission in downtown Los Angeles on June 30th at 11am. We have served here before and it is a very meaningful experience for our staff. If anyone would like to join, please contact us for this wonderful experience.

Peter S. Veregge, Esq.- Newsletter Editor

On behalf of our attorneys, paralegals, and staff we look forward to better helping you with any clearance, filing, licensing and litigation of intellectual property matters. Be sure to visit our website www.cislo.com and use our IP SEARCH function to check patent, trademark, copyright, and domain name matters, as well as our IP NEWS link for the latest news updates. Our goal is to provide Southern California with the best possible legal services for intellectual property and advance the success of our clients. Give us a call if we can help you. Daniel M. Cislo, Esq., Managing Partner.

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