IP Mississippi

Intellectual Property News for the
Higher Education Community of Mississippi

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MS Leads the Way on Trademarks

Earlier this year, Mississippi lawmakers amended the state trademark law to conform to the International Trademark Association's model state trademark act. The International Trademark Association has praised Mississippi lawmakers for passing the new trademark law, which will go into effect on July 1, 2009. Mississippi is only the second state in the nation to pass the current version of the model law.

The new law is noteworthy because it expands the causes of action for trademark dilution and aligns the scope and meaning of trademark dilution with the federal Trademark Dilution Revision Act of 2006.

Increased International IP Protection Proposed

A component of the proposed Foreign Relations Authorization Act for Fiscal Year 2010-2011 would create ten intellectual property specialist positions. These specialists would serve in United States embassies across the globe and also conduct diplomatic missions in order to better protect American IP interests in foreign markets. The provisions were added in an attempt to increase the defense and enforcement of American intellectual property interests and make IP protection a component of foreign policy.

The United States Chamber of Commerce, which represents three million businesses, has thrown their support behind the bill.

"IP Mississippi" is a publication of the Mississippi Law Research Institute designed to keep educators and administrators at Mississippi universities aware of current happenings in the world of intellectual property.

The Mississippi Law Research Institute is a division of the University of Mississippi School of Law. The IP Group is composed of two attorneys, William T. Wilkins and A. Meaghin Burke. For more information, please visit the website at http://www.mlri.olemiss.edu, or feel free to contact the IP Group at (662) 915-7775.

Ruckus Now Defunct

Some universities have been left scrambling to find legal alternatives to peer-to-peer file-sharing networks since Ruckus, a music downloading service supported by advertisements, stopped offering its services. Ruckus was popular with college administrators who, according to the United States Higher Education Opportunity Act, are now required to provide lawful alternatives to illegal downloading sites. It is unclear if Ruckus has shut down permanently.

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IP News of Note

- Blackboard and Desire2Learn have returned to court over new patent infringement claims. The course-management software companies have been embroiled in patent infringement litigation for years. In that litigation, Blackboard won $3.1 million in damages at the trial court; that decision has been appealed. Blackboard initiated the new litigation over patents that were issued by the government after the first trial had begun.

- The United States Second Circuit Court of Appeals held that trademark owners can sue Google for trademark infringement for selling their trademarks as search keywords. Google AdWords had been set up where advertisers could buy a trademarked term so that a search for that term would trigger the appearance of their advertisements. A lower court had held this practice to be permissible.

- The Supreme Court has agreed to review *In re Bilski*, an important patent case that may impact the limits of protection on business methods.

TurnItIn Wins Fair Use Victory

In *A.V. v. iParadigms, L.L.C.*, the Fourth Circuit Court of Appeals affirmed a lower court ruling that held the digital archiving of student papers by TurnItIn a fair use. TurnItIn.com is a plagiarism detection site that, for a fee, compares student works to a large database of archived work. Students initiated a lawsuit against the company, maintaining that the retention of digital copies of their works constituted a copyright infringement.

The Fourth Circuit rejected those claims, analyzed the use under the fair use factors, and determined that no copyright infringement had taken place. Of most importance to the court was the transformative nature of TurnItIn's use. TurnItIn.com uses the works in a quantitative way, looking for matching sentences or word choices in order to discover plagiarism; this use is very different than the initial use of the works as academic assignments.

Patent Reform Act of 2009

In March, federal patent legislation was introduced in the House and the Senate. The bill offers many changes from the current patent law. Most notably, the bill would move the American patent system from the current first-to-invent system to a first-to-file system. In other words, patent law would protect the inventor who filed with the United States Patent and Trademark Office first; previous attempts to adopt this type of system have been unsuccessful. The Patent Reform Act of 2009 also includes new restrictions on patent litigation venues by requiring some connection between the alleged infringement and venue. This rule would serve to decrease venue shopping that has marked patent litigation in recent years.

The Association of American Universities (AAU) and several other educational organizations have weighed in on this most recent patent reform process and have been generally supportive of Congressional attempts to reform the American patent system. The AAU has, however, expressed concerns about the damages provision in the proposed Senate bill because the bill tightens the criteria for determining damages and therefore would likely reduce the amount of damages available to a plaintiff in a patent case.

INTRODUCTION TO THE GOOGLE BOOK SETTLEMENT

Over the last few years, Google has been scanning books into a search database. Snippets of these books were then made available on line in response to user search queries. Google maintained that its actions were protected by the fair use doctrine. Authors and publishers disagreed with Google's analysis and sued for copyright infringement.

Late last year, Google entered into a settlement with the publishers and authors. Generally, the settlement allows Google to continue scanning books and making them available as long as they allocate payment to the copyright owners and follow various other requirements. The settlement applies only to books published before January 5, 2009, and does not apply to periodicals.

Under the settlement, all copyright infringement claims against Google related to the digital scanning of books will be dropped, even by authors who were not involved in the litigation. In order to maintain a personal cause of action against Google for copyright infringement, a copyright owner must opt out of the settlement. In exchange for joining the settlement, Google will have to share revenue generated through its digital scans.

As part of the agreement, Google will now offer three major services. Every service will be subject to specific default rules, which a copyright owner can vary. Generally, out-of-print books will be available in all three services, and in-print books will not be available to any degree under any of the three services. The three major services are:

- Previews – up to 20% of a book may be made available for free in response to a search query. (In-print books will only show bibliographic material unless the copyright owner requests more availability.)
- Consumer purchase – consumers will be allowed to purchase perpetual online access to the full text of a book. Google will set the price according to an algorithm. In-print books will not part of this service unless copyright owners specifically request a title to be available.
- Institutional subscriptions – institutions will be able to purchase subscriptions to access all books maintained in the database.

Copyright owners who do not opt out of the settlement will receive between $60 and $300 for each book scanned prior to May 5, 2009, for which they own the copyright. Google will also distribute 63% of the revenue it generates through the various services to a clearinghouse that will collect the money and distribute to the copyright holders.

Any copyright owner that does not opt out of the settlement by September 4, 2009, will be bound by the terms of the settlement if it is adopted by the court. (The initial opt-out date was May 5, 2009, but that date was later extended by the court after Google and several authors requested an extension.)

Effects of opting in (or doing nothing):

- Relinquish the right to sue Google for copyright infringement.
- Books for which you own the copyright will be available under Google's services.
- Copyright owners will be able to exercise significant control over the way their titles are used in the services. Owners will be able to determine the amount of a book displayed in a Preview and whether or not a books is made available for consumer purchase.

Effects of opting out:

- Books for which you own the copyright will not be automatically included in the services offered by Google, and, therefore, no revenue sharing will be available.
- Retain the right to sue Google for copyright infringement.
- Copyright owners can separately negotiate a license with Google so its books can be made available.

In short, if you own a copyright interest in a book that was published on or before January 5, 2009, you are a party to the lawsuit. If you accept the terms of the settlement, you do not have to do anything. If you do not want to accept the terms of the settlement, you must opt out. More information (including how to claim cash payments for books scanned before May 5, 2009) is available at the official Settlement webpage: http://www.googlebooksettlement.com/r/home.