

# 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



March 2011

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## PATENT

***Fresenius Medical Care Holdings, Inc. v. Paddock Laboratories, Inc.; Fresenius Medical Care Holdings, Inc. v. Amneal Pharmaceuticals, LLC***, C.A. Nos. 09-11130-RGS, 10-111429-RGS, 2010 U.S. Dist. LEXIS 107080 (D. Mass. Oct. 6, 2010) (Stearns, D.J.) [*Claim Construction*].

Plaintiff Fresenius Medical Care Holdings, Inc. ("Fresenius") filed suit separately against defendants Paddock Laboratories, Inc. ("Paddock") and Amneal Pharmaceuticals, LLC ("Amneal") alleging that both companies' proposed generic versions of Fresenius's PhosLo gelcaps infringe U.S. Patent Nos. 6,576,665 ("665 patent") and 6,875,445 ("445 patent"). The cases were consolidated and the District Court (Stearns, D.J.) recently issued an order on claim construction disputes.

The Fresenius PhosLo gelcaps at issue deliver a calcium acetate composition to patients suffering from hyperphosphatemia, which is an excess of phosphate in the bloodstream (the condition is often seen in patients with chronic renal failure). Calcium acetate is one of the most effective phosphate binders that can help clear phosphorous from the body before it enters the bloodstream. The '665 and '445 patents are directed to calcium acetate capsules that are smaller than those in the prior art and that better mask the unpalatable taste of the calcium acetate.

The Court construed four terms favoring Fresenius's arguments in each case. The first term considered was "caplet." Claim 1 of both the '665 and '445 patents refers to a "quantity of calcium acetate" formed into a "caplet." Fresenius argued that, because its caplets are placed inside an outer capsule, "caplet" should be construed to mean a "generally oblong cohesive mass for fitting into a capsule body so that, after the capsule top is fitted onto the capsule body, the volume of the resulting finished capsule is substantially completely filled." Paddock contended that a caplet must have sufficient integrity to be "an independent dosage form." After examining the specifications of both patents, their prosecution history, and various extrinsic sources, the Court agreed with Fresenius that forming a caplet is a step in the process of filling a capsule, and a caplet need not have sufficient integrity to be an independent dose. Accordingly, the Court construed "caplet" to mean "a capsule-shaped tablet with sufficient integrity to survive insertion into the capsule delivery vehicle."

The second term considered was “capsule,” itself. Here, Paddock asserted that statements made during prosecution, along with the importance of size stressed by Fresenius, meant that “capsule” should be construed as meaning capsules smaller than size #00 (the largest size that can be swallowed by most patients). Paddock pointed to passages from the ‘665 patent disclosing that, contrary to the claimed invention, prior art manufacturing techniques were “unable to produce a calcium acetate capsule or tablet of the usual dosage amount that is less than #00 in size.” Paddock also pointed to several instances in the prosecution history where Fresenius highlighted reduced pill size as a key benefit of the invention. Ultimately, the Court found that Fresenius had not clearly disclaimed the use of capsules of size #00 or greater, and construed the term to mean “a capsule within a size range consistent with what a human patient with chronic renal failure can manipulate and swallow.” The Court noted that this may or may not include a size #00 capsule, an issue to be decided by a jury after hearing expert medical evidence.

The third term addressed was the word “about,” which was used in describing bulk density ranges for the calcium acetate compositions. The Court summarily stated that nothing in the record suggested Fresenius meant to define “about” to mean anything other than “approximately.”

The final term construed was the phrase “bulk density.” Bulk densities of the calcium acetate compositions are important because Fresenius found that compositions having particular bulk density ranges could be compressed further to create a smaller caplet. The ‘665 patent defined “bulk density” as “the density, typically of a solid, as poured or passively filled into a measurement device.” Paddock argued that the term was indefinite and incapable of construction, whereas Amneal argued that it must mean a quantity of material that has not been modified in any way. Fresenius, in response, asserted that bulk density simply referred to the density of the compositions “immediately before compression” into a caplet. Citing the specification of the ‘665 patent, the Court sided with Fresenius and construed “bulk density” to mean “the mass-to-volume ratio of the calcium acetate composition immediately prior to compression, as measured by one of two methods set forth in the patent specifications.”

*Haemonetics Corp. v. Fenwal, Inc.*, C.A. Nos. 05-12572-NMG, 09-12107-NMG, 2010 U.S. Dist. LEXIS 108985 (D. Mass. Oct. 13, 2010) (Gorton, D.J.) [*Status Conference*].

The District Court (Gorton, D.J.) denied the motion of plaintiff Haemonetics Corp. (“Haemonetics”) for a status conference at which Haemonetics sought to set a discovery schedule, culminating in a second *Markman* hearing with respect to its revised infringement theory in these consolidated cases. The Court instead ordered the parties to file summary judgment motions.

*The ‘05 Case:* In the ‘05 case, Haemonetics sued Fenwal Inc. and Baxter Healthcare Corp. (collectively “Fenwal”) for infringement of U.S. Patent No. 6,705,983 (the “‘983 patent”). Haemonetics and Fenwal both manufacture and sell centrifuge devices designed to separate red blood cells from human blood. The ‘983 patent describes a “centrifugal unit” comprising (1) a vessel in which blood components are separated in a separation chamber and (2) tubing through which blood flows in and out of the vessel. The District Court construed the disputed term “centrifugal unit” in claim 16 to mean the vessel of the blood separation device only and not any associated tubing. The jury then returned a verdict for Haemonetics, finding the ‘983 patent to be valid and infringed.

On appeal, the Federal Circuit reversed and vacated the jury verdict, finding that the District Court had erred in its construction of “centrifugal unit” to mean just the vessel because claim 16 specifically defines “centrifugal unit” as containing two structural components—*both* the vessel *and* its associated tubing: “[a] centrifugal unit comprising a centrifugal component and a plurality of tubes.”

*The ‘09 Case:* During the pendency of the appeal in the ‘05 case, Fenwal redesigned its blood separation device, but Haemonetics sued Fenwal for infringement on this redesigned product as well.

After the Federal Circuit denied its petition for rehearing en banc in the ‘05 case, Haemonetics filed new infringement contentions in the District Court in which Haemonetics sought a new claim construction—this time involving the phrase “plurality of tubes”—to revive its infringement case. It also moved for a status conference to discuss case scheduling leading up to a second *Markman* hearing. The Court denied the motion for a status conference on the grounds

that a second *Markman* hearing was unnecessary since Haemonetics was not entitled to a “second bite at the apple.” The Court described Haemonetics’ new proposed construction as “pure sophistry” and found that it was inconsistent with the meaning previously stipulated to by the parties at trial in the ‘05 case. The Court further held that Haemonetics was barred by the doctrine of judicial estoppel from advancing a new construction of “plurality of tubes.” At Fenwal’s urging, the District Court set a briefing schedule for summary judgment motions based on the Court’s initial claim construction as modified by the Federal Circuit.

***Palomar Medical Technologies, Inc. v. TRIA Beauty, Inc.***, C.A. No. 09-11081-RWZ, 2010 U.S. Dist. LEXIS 112200 (D. Mass. Oct. 13, 2010) (Zobel, D.J.) [*Claim Construction*].

Plaintiff Palomar Medical Technologies, Inc. (“Palomar”) filed suit against Defendant TRIA Beauty, Inc. (“TRIA”) alleging infringement of U.S. Patent No. 5,595,568, entitled “Permanent hair removal using optical pulses” (the “’568 patent”), and U.S. Patent No. 5,735,844, entitled “Hair removal using optical pulses” (the “’844 patent”). The District Court (Zobel, D.J.) resolved claim construction disputes regarding various terms within the asserted claims of the ‘568 and ‘844 patents.

The first claim construction dispute concerned the meaning of “transparent device” and “transparent apparatus” within the ‘568 patent. Palomar argued that the terms correspond to the “contact device” in the specification and should be construed to include the limitation “for converging optical radiation.” The Court agreed with Palomar that the “transparent device” and “transparent apparatus” correspond to the “contact device,” but found that the specification only provides that the contact device is *preferably* convex so as to converge radiation. Because “preferred embodiments do not define the scope of the patent claims” (citing *Kara Tech, Inc. v. Stamps.com Inc.*, 582 F.3d 1341, 1348 (Fed. Cir. 2009)), the Court declined to adopt the limitation proposed by Palomar that the “transparent device” and “transparent apparatus” converge optical radiation.

The next claim construction issue concerned the phrase “a surface shaped to contact said skin region” within claim 14 of the ‘568 patent. TRIA argued that the term “shaped” means “not flat.” The Court declined to accept TRIA’s proposed construction, however, because the specification explicitly states that the contact surface

“can be either convex or substantially flat.”

The Court also noted that the doctrine of claim differentiation precluded TRIA’s construction because a subsequent dependent claim limited the shape to a convex surface. The Court reasoned that if TRIA’s proposed exclusion of a “flat” shape were accepted, the dependent claim would be superfluous because “convex” and “substantially flat” are the only shapes contemplated in the specification.

The Court also construed several terms of the asserted claims of the ‘844 patent. The parties disagreed as to the meaning of the term “cool” within claims 1 and 19. Palomar proposed that the term means “removing heat,” whereas TRIA argued that “cool” means reducing the skin temperature *below the pre-treatment level*. The Court agreed with Palomar that “cool” should be construed in its more general sense because “the claims expressly contemplate optical radiation treatment with ‘at most minimal heating’ of the skin while the cooling occurs.”

The final claim construction issue concerned the phrase “substantial refractive index match” within claim 17 of the ‘844 patent. TRIA proposed that the phrase means that the refractive index of the applicator is “approximately equal” to the refractive index of the skin. The Court noted that TRIA’s proposed construction provided no additional clarity. Rather, the Court found that examples from the specification sufficiently illustrate the meaning of a “substantial” refractive index match. Further, it found that a “substantial refractive index match” within the meaning of the claim can not only exist between the skin and the applicator itself, but also between the skin and a substance disposed between the applicator and the skin.

***Ascion, LLC v. Ruoey Lung Enterprise Corp.***, C.A. Nos. 09-10293-GAO & 09-11550-GAO, 2010 U.S. Dist. LEXIS 113177 (D. Mass. Oct. 25, 2010) (O’Toole, D.J.) [*Claim Construction*].

Ruoey Lung Enterprises Corp. (“Ruoey Lung”) owns U.S. Patent No. 7,448,100, entitled “Motorized Bed that is Movably Closer to the Wall” (the “’100 patent”). At issue in the consolidated cases is whether motorized beds manufactured by Ascion, LLC, Tempur-Pedic Int’l Inc., Tempur-Pedic Sales, Inc., Optima Healthcare, Inc. and Apex Health Care Mnfg., Inc. (collectively, “the Ascion Defendants”) infringe the ‘100 patent. The parties stipulated to the meaning of one claim term, but disputed the meaning of fifteen others. The District Court (O’Toole, D.J.) settled those claim construction disputes.

Initially, the Court addressed a threshold issue regarding how much phrase-fractionating was necessary. Ruoe Lung asked the Court to construe certain phrases in their entirety, such as “a first support frame pivotally mounted on the linking frame,” whereas the Ascion Defendants asked the Court to construe elements of those phrases separately, e.g., “a first support frame,” “pivotally mounted,” and “linking frame.” The Court noted that while the answer to this issue may vary from case to case, in this case the problem seemed almost theoretical since the parties’ proposed constructions were not dependent on whether the whole phrase or the shorter element was the focus of construction. Yet, the Court stated that, in this situation, it made sense to address the shorter elements directly because these elements recurred throughout the claims in various combinations.

One of the claim construction disputes of note concerned the meaning of “mounted” and its use in the phrases “pivotally mounted on/between” and “movably mounted.” Ruoe Lung argued that the term has an ordinary meaning and needs no construction. It, nevertheless, proposed that if construction was required the terms means “a connection of one element to another, either directly or indirectly.” The Ascion Defendants argued that mounting required “a direct physical attachment of an element to a supporting element.” The two main points of contention for this element were (1) whether the attachment must be direct and (2) whether the attachment must be a supporting element. The Court found that the construction depended upon the relationship between the two elements, and that this dependency was ultimately a question for the trier of fact. The Court, however, held that an element is mounted if it is “attached or affixed to another element either directly or indirectly or by means of a device or structure that facilitates or accomplishes the attachment.” The Court also found that the distinction between “mounted on” and “mounted between” indicated that the supporting element limitation was unnecessary.

A recurrent theme in the Court’s construction of the various terms was the caution against importing claim limitations from preferred embodiments when those limitations are not necessary to achieve the purpose of the invention. For example, the Court found that a slide facilitated “guided” movement, but not necessarily “linear” movement. Limiting the claim to linear movement was unacceptable because it improperly implied that movement be strictly in a straight line.

On the other hand, the Court also repeatedly mentioned that the construction must not be too general and should relate to the real-world function of the invention. For instance, in response to Ruoe Lung’s proposed construction of “movably mounted” as one element able to move in relation to another element, the Court stated that this was “too general and unrelated to the claimed invention. The purpose of the invention is to move the bed laterally when a portion of it is elevated to permit the user to sit up so that the user is closer to a wall . . . .” The Court found that “movably mounted” means “mounted in such a way as to permit the linking frame to move laterally (that is, toward the head or foot of the bed) in relation to the base frame.” Later in the opinion, for a different element, the Court noted that the Ascion Defendants’ proposed construction of first and second support frames was “useful, . . . insofar as it relates the first and second support frames to their real-world function.” The Court construed each of these terms, respectively, to include reference to where the user’s head and legs would rest.

***Rubin v. The General Hospital Corp.***, C.A. No. 09-10040-PBS, Report & Recommendation (D. Mass. Nov. 1, 2010) (Collings, U.S.M.J.) [*Inventorship*].

Magistrate Judge Collings denied The General Hospital Corp.’s motion to dismiss.

Plaintiffs confirmed that they did not intend to assert a separate count of patent invalidity under § 102(f), but rather only sought relief to correct inventorship under 35 U.S.C. § 256. That later section of the patent act “provides a cause of action to interested parties to have the inventorship of a patent changed to reflect the true inventors of the subject matter claimed in the patent.” The Court found it unnecessary to determine whether a plaintiff seeking relief under § 256 must or can also invoke § 102(f). “Rather, it is enough to determine that a claim to correct inventorship is all that is at stake in this action.”

***Collect LLC v. Rogers Corp.***, C.A. No. 09-11908-MLW, 2010 U.S. Dist. LEXIS 124637 (D. Mass. Nov. 23, 2010) (Wolf, D.J.) [*Removal*].

The District Court (Wolf, D.J.) remanded this trade secret misappropriation case on the grounds that it did not involve a question of federal patent law justifying removal under 28 U.S.C. § 1338(a).

Collect LLC ("Collect") originally sued defendant Rogers Corporation ("Rogers") in Massachusetts state court, alleging that Rogers misappropriated its trade secrets in violation of its technology agreements with Collect and used those trade secrets in an international patent application, which was subsequently converted into a U.S. patent application. Rogers moved for summary judgment on the grounds that a release by Collect barred its claims. In its opposition, Collect asserted that Rogers had deliberately excluded Collect and one of its employees as inventors in the international patent application after the date of the release. The trial court denied Rogers' motion, finding material issues of fact as to whether alleged misappropriation by Rogers occurred after the date of the release.

But Rogers then removed the case to federal court, claiming that the way Collect framed the "inventorship" issue in its summary judgment opposition revealed for the first time that the case involved a federal question. Rogers asserted that Collect's arguments created federal jurisdiction under 28 U.S.C. § 1338(a), which provides for exclusive federal jurisdiction "in any civil action arising under an Act of Congress, relating to patents . . . ."

Judge Wolf rejected Rogers' assertion of federal jurisdiction. The Court noted that this was not the traditional § 1338(a) case, such as an infringement action, in which federal patent law actually creates the cause of action. The Court further noted that Collect's complaint did not turn on a substantial question of federal patent law that would justify removal under § 1338(a) because the question of "inventorship" would not need to be decided to resolve the case. Instead, the Court found that the case turned on whether the technology at issue was a trade secret and, if so, whether Collect's technology agreements with Rogers permitted Rogers to claim inventorship in its patent application—all questions determined under state law.

***Nuance Communications, Inc. v. Vlingo Corp.***, C.A. No. 09-11414-RWZ, Order (D. Mass. Dec. 15, 2010) (Zobel, D.J.) [*Stay Pending Reexamination*].

Judge Gertner summarily denied defendant Vlingo Corp.'s motion to stay pending reexamination. Although it recognized that this patent infringement litigation has been a substantial drain of financial resources, "the court does not agree with defendant's supposition that a trial four months hence is the greater danger to its survival than an indefinite stay pending a decision by the Patent Office."

***Acoustic Techs., Inc. v. Itron, Inc.***, C.A. No. 10-10500-NMG, Report and Recommendation (D. Mass. Dec. 21, 2010) (Bowler, U.S.M.J.) [*Inventorship; Standing*].

Defendant Itron, Inc. ("Itron") filed a motion to dismiss, claiming that Plaintiff Acoustic Techs., Inc. ("ATI") is only a co-owner of the patent and that all co-owners must be joined in the action in order to maintain the infringement claims. While the Court (Bowler, U.S.M.J.) agreed that all co-owners must be joined, it found that Itron failed to meet its burden of establishing that ATI is not the exclusive owner of the patent-in-suit. Accordingly, Magistrate Judge Bowler recommended that Itron's motion to dismiss be denied without prejudice.

In the late 1990s, ATI, in consultation with PECO Energy Company ("PECO"), designed a system to transmit information from electronic energy meter readers to PECO's billing system. In connection with the design of this system, ATI and PECO entered into several agreements. The relationship, however, ultimately was terminated by PECO, and the parties settled their differences and executed a settlement agreement in September 1999. Under the settlement agreement, PECO agreed to pay ATI \$1.2 million to complete certain testing on the developed technology and agreed to retain and share exclusive rights to all intellectual property developed during the so-called "production agreement." This intellectual property is referred to as the "Contract IP."

Meanwhile, in October 1997, PECO filed an application that led to U.S. Patent No. 5,986,574 (the "'574 patent"), entitled "A System and Method for Communication between Remote Locations." The '574 patent issued on November 16, 1999 and the PTO later issued two continuation patents.

In addition, within one year of the execution of the settlement agreement, PECO assigned to CIC Global, LLC ("CIC Global") its rights to, among other things, the '574 patent and the two continuation patents. After AIT learned of the patents, it filed a demand for arbitration arguing that PECO breached the settlement agreement by licensing the patents to CIC Global. The arbitrator agreed with ATI that the '574 patent and the two related continuation patents constituted "Contract IP" and, thus, PECO had violated the settlement agreement by its purported assignment of same to CIC Global.

Shortly after the arbitration award, ATI, PECO, and CIC Global executed a new agreement—the Intellectual Property Rights Agreement (the “IPR”). The IPR reflected the arbitrators’ decision that the ‘574 patent discloses claimed inventions that incorporate and include the Contract IP. It also contained a number of recitals that evidence ATI, PECO, and CIC Global’s “objective intent to present themselves as co-owners” of the ‘574 patent and other patents.

The question before the magistrate judge was two-fold: (1) whether a co-owner of a patent-in-suit must be joined to maintain an infringement action and (2) whether ATI, as a factual matter, had the ability to sue Itron.

Magistrate Judge Bowler answered the first half of the question affirmatively. She characterized the issue as a “prudential issue of standing rather than an Article III constitutional issue of standing.” Citing to a series of decisions from the Federal Circuit, Magistrate Judge Bowler recognized the general rule that a joint owner must join all other co-owners in a patent infringement suit in order to establish standing. Accordingly, the Court found PECO and CIC Global necessary parties if they are, in fact, co-owners of the asserted patents.

As to the disputed status of PECO and/or CIC Global as co-owners, the Court conducted an in-depth analysis of the settlement agreement and the IPR. This analysis was done under Massachusetts law and with reference to the arbitrators’ findings regarding ownership. Ultimately, the Court, however, found that the arbitrators’ decision could not be used defensively against ATI. Magistrate Judge Bowler, therefore, recommended that Itron’s motion to dismiss be denied without prejudice.

***Bayer Healthcare LLC v. Centocor Ortho Biotech, Inc.***, C.A. No. 09-CV-11362-FDS, Memorandum and Order (D. Mass. Dec. 23, 2010) (Saylor, D.J.) [*Claim Construction*].

Plaintiff Bayer Healthcare LLC (“Bayer”) filed suit against Defendant Centocor Ortho Biotech, Inc. (“Centocor”) alleging that Centocor’s Simponi product infringes U.S. Patent No. 5,654,407 (the “‘407 patent”). The District Court (Saylor, D.J.) settled claim construction disputes regarding the ‘407 patent.

The Court conducted a *Markman* hearing with respect to the construction of claim 1, which reads:

A composition comprising human monoclonal antibodies that bind specifically to human tumor necrosis factor alpha.

The parties agreed this was the relevant claim to be construed, but disagreed as to the meaning of three sets of terms in this claim: (1) “composition;” (2) “human monoclonal antibodies;” and (3) “bind specifically to human tumor necrosis factor alpha.” The District Court adopted the claim construction set forth in *Abbott Labs. v. Bayer Healthcare LLC*, No. 09-CV-40002-FDS (D. Mass. Jan. 5, 2009), in which the same patent was at issue and construed. The Court did make two relatively minor adjustments to the construction, which did not affect the ultimate interpretation of the terms.

With respect to “*Binds to an Epitope Shared by Human and Mouse TNF $\alpha$* ,” Centocor suggested that the construction required an antibody covered by the patent bind to an epitope shared by human and mouse tumor necrosis factor alpha (“TNF $\alpha$ ”) because the inventors intended the specific embodiment in the specification to be strictly coextensive with the claims. Abbott had not proposed this in the earlier case. The Court found that although the ‘407 patent only described one specific embodiment, the Federal Circuit “has expressly rejected the contention that . . . the claims of the patent must be construed as being limited to that embodiment.” The Court noted that the key inquiry on this limitation is “whether the patentee [set] out specific examples of the invention to accomplish those goals, or whether the patentee instead intends for the claims and the embodiments in the specification to be strictly coextensive.”

The Court also found that, in the ‘407 patent, the B5 embodiment was illustrative, not restrictive. The Court provided three reasons to support this conclusion: (1) a disclaimer in the specification stating the embodiments were illustrative; (2) the specification focused on applications in *human* medicine, rendering binding to mouse TNF $\alpha$  irrelevant; and (3) the inclusion of binding to mouse TNF $\alpha$  in a dependent claim indicates that the inventors intended the invention to be broader than B5. Further, the doctrine of claim differentiation also weighed against Centocor’s proposed construction.

## TRADEMARK

### *Personal Jurisdiction and Internet Presence*

In October 2010, in two separate cases, the District Court considered the issue of whether a defendant is subject to personal jurisdiction in Massachusetts simply because the defendant has an “internet presence” in the Commonwealth. In *Edvisors Network, Inc. v. Educational Advisors, Inc.*, the Court closely followed the analysis set forth in *Zippo Manuf. Co. v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119 (W.D. Pa. 1997), to determine that the defendant’s internet presence subjected it to personal jurisdiction in Massachusetts. On the other hand, in *Sportschannel New England LP v. Fancaster, Inc.*, Judge Gertner rejected the analysis set forth in *Zippo*, finding it obsolete. She set forth new criteria, noting that “something more” than mere interactivity is required to show that a defendant has purposefully availed itself of the law of Massachusetts. As a result, the defendant’s internet presence in this second case did not rise to a level which subjected it to personal jurisdiction in the Commonwealth.

*Edvisors Network, Inc. v. Educational Advisors, Inc.*, C.A. No. 10-10347-PBS, Report and Recommendation (D. Mass. Oct. 12, 2010) (Dein, U.S.M.J.)  
[*Personal Jurisdiction*].

The dispute in this case centers on the trademarks EDVISORS and EDAVISORS. The plaintiff and owner of the registered trademark EDVISORS, Edvisors Network, Inc. (“Edvisors”), asserted a claim of trademark infringement against the defendant, Educational Advisors, Inc. (“EA”), in connection with EA’s use of the Internet domain name “edadvisors.com” and the “edadvisors” mark. EA moved to dismiss for lack of personal jurisdiction. Magistrate Judge Dein recommended that the motion be denied.

Edvisors is a Massachusetts corporation that used its EDVISORS registered trademark since at least January 1998 in connection with its business of providing educational consulting services to schools, colleges, and universities, including advice and consulting services relating to accreditation. EA, which is a California corporation, provides customized solutions and consulting services for educational institutions involved in the accreditation process.

EA moved to dismiss on the theory that it had no relevant ties to Massachusetts sufficient to confer jurisdiction over it in Massachusetts. EA never maintained any offices, facilities, telephone lines, or bank accounts in Massachusetts. EA never owned or rented property in Massachusetts. None of EA’s officers or employees lived in Massachusetts. In fact, no EA employee or representative had ever visited Massachusetts for business purposes, no direct mailings from EA had ever been sent into the forum, and no advertising designed specifically to target Massachusetts or its residents had ever occurred. EA had never derived any revenue from business transacted in Massachusetts. Nevertheless, as a result of EA’s internet presence in Massachusetts, the Court found that EA had “purposefully availed” itself of the law of Massachusetts.

To exercise personal jurisdiction over a defendant: “(1) the Massachusetts long-arm statute must grant jurisdiction over each defendant, and (2) the exercise of jurisdiction must comport with Constitutional Due Process.” The Court’s analysis focused on this second requirement.

Due process requires that the defendant has maintained “minimum contacts” with Massachusetts “such that maintenance of the suit does not offend traditional notions of fair play and substantial justice.” The court evaluates the quality and quantity of the potential defendant’s contacts. If the defendant does not have continuous and systematic activity in Massachusetts, the First Circuit considers: (1) whether the claims are “related to” defendant’s activities in Massachusetts; (2) whether the defendant has purposefully availed itself of the law of Massachusetts; and (3) whether the exercise of jurisdiction would be reasonable. In short, the court decides whether the defendant could reasonably anticipate being “haled into court.”

The Court first determined that because the question at issue—whether Massachusetts residents are or are likely to be confused between EA’s services and Edvisors’s services—“arises from” the exposure of Massachusetts residents to the EA website, that the “related to” inquiry is sufficient to establish specific jurisdiction.

With respect to the second inquiry, the Court found that EA had “purposefully availed” itself of the law of Massachusetts. It relied on the test stemming from the 1997 *Zippo* trademark infringement case involving an internet domain name, which indicates that the level of

interactivity of a website determines the likelihood of personal jurisdiction. Following *Zippo*, courts found websites that provide the ability to e-mail the site owner sufficiently interactive to find that the website owner “purposefully availed” itself of the law of the state in which the website was present. See *Hasbro, Inc. v. Clue Computing, Inc.*, 994 F. Supp. 34, 45 (D. Mass. 1997). In view of decisions like *Hasbro*, the Court found EA’s website to be sufficiently interactive to “purposefully avail” itself of the law of Massachusetts.

Similar to *Hasbro*, the Court found EA’s website to be interactive because it encouraged users to contact EA and submit their own contact information through the website’s “Contact Us” feature. The Court also considered EA’s solicitation of business by inviting users to request a free consultation a further way in which the EA website was interactive. Although there was no evidence of solicitation targeting residents of the forum, the Court noted that EA did not take any measures to avoid contact in Massachusetts. In fact, the Court noted that the EA website lists the Massachusetts Association of Private Career Schools as one of many agencies and organizations that EA can put individuals in touch with to assist in the accreditation process. The Court also noted that clients listed on EA’s website include national accrediting agencies that have Massachusetts schools as their members. Finally, the Court found that EA’s efforts have been successful in reaching a Massachusetts audience because a Massachusetts vocational school contacted EA to request a quote for accreditation consulting services (although no agreement for services was reached).

In view of all of these factors, the Court held that EA “purposefully availed” itself of the law of Massachusetts, and thus the second inquiry for establishing specific jurisdiction was satisfied.

With respect to the “reasonableness” inquiry, the Court analyzed the five Gestalt factors to determine that exercising jurisdiction was reasonable. The Court found that, although Massachusetts may be “somewhat inconvenient” for EA, the inconvenience is not significant enough to outweigh the other four factors that weigh in favor of jurisdiction.

Accordingly, Magistrate Judge Dein recommended to Judge Saris that the motion to dismiss for lack of personal jurisdiction be denied.

*Sportschannel New England LP v. Fancaster, Inc.*, C. A. No. 09- 11884-NG, 2010 U.S. Dist. LEXIS 106272 (D. Mass. Oct. 1, 2010) (Gertner, D.J.) [*Personal Jurisdiction*].

Plaintiff Sportschannel New England LP, which does business as Comcast SportsNet New England (“SportsNet”), filed this lawsuit seeking a declaratory judgment in connection with the word FANCASTER. Defendant Fancaster, Inc. (“FI”) moved to dismiss for lack of personal jurisdiction. The District Court (Gertner, D.J.) granted that motion and also dismissed all claims related to the other defendant, Craig Krueger (“Krueger”), because SportsNet did not contest that Krueger assigned his rights in the mark at issue.

FI has been in the business of providing wireless broadcasting services related to sports entertainment since the 1980s. In 1988, Krueger, FI’s president, trademarked “FANCASTER.” Subsequently, in 2007, he assigned his interest in the trademark to FI.

In 2001, SportsNet, a Boston-based cable sports network, began a public service program called the “New England FanCaster Program.” The program educated local students about careers in broadcasting. More recently, SportsNet began to expand the use of “FanCaster.” As a result, SportsNet filed this declaratory judgment suit.

FI moved to dismiss on the theory that its internet presence was not sufficient to confer jurisdiction over it in Massachusetts. FI is a South Dakota corporation with its principal place of business in New Jersey.

Applying the well-established three-part inquiry to assess whether the due process requirements have been met, the Court focused its opinion on the “purposeful availment” question. The Court found that FI had not purposefully availed itself of the law of Massachusetts. In doing so, it determined that the test typically used to make this determination was obsolete. That test, stemming from a 1997 trademark infringement case involving an internet domain name, *Zippo Mfg. Co. v. Zippo Dot Com*, 952 F. Supp. 1119 (W.D.Pa. 1997), indicated that the level of interactivity of a website would determine the likelihood of personal jurisdiction. The Court, however, recognized that now most every website is interactive, and thus held that “[s]omething more is required.”

Although the Court did not define “something more,” it did distinguish the present case from cases in which the potential defendant purposefully directed its business toward forum residents. For instance, in a case in the Eastern District of Michigan, because the website in question targeted Michigan residents by selling sports memorabilia with logos of Michigan athletic teams, such as the Detroit Lions and the Detroit Tigers, such actions were enough for the defendant to “purposefully avail” itself to the law of Michigan. In the present case, however, tagging of videos at [www.Fancaster.com](http://www.Fancaster.com) as “Boston” and “Red Sox” were not considered to specifically target Massachusetts residents because FI is not selling product, and further, because FI labels its videos with the name of sports teams around the country, not just Massachusetts-based teams.

SportsNet argued FI “purposefully availed” itself of the law of Massachusetts by sending correspondence to SportsNet alleging trademark infringement. While the Court recognized that in some instances a patent infringement letter can be a *contributing act* to establish specific jurisdiction, it refused to find that a letter sent to clarify or make note of a potential conflict does not constitute “purposeful availment,” particularly when the defendant has few other activities in the forum. The Court stated that activities amounting to the mailing (or e-mailing) of “cease and desist” letters alone cannot constitute “purposeful availment” under due process: “The Court therefore finds that the holder of a trademark has the right to enforce his trademark without subjecting himself to personal jurisdiction in forums in which he has limited or no substantial contacts otherwise.”

***Santander Consumer USA Inc. v. Mark Walsh, C.A. No. 08-11778-MBB, 2010 U.S. Dist. LEXIS 126458 (D. Mass. Nov. 30, 2010) (Bowler, U.S.M.J.) [Summary Judgment].***

Plaintiff Santander Consumer USA Inc. (“Santander”) filed suit against Mark Walsh et al. (collectively “Defendants”) alleging trademark infringement, false designation of origin, unfair competition, and trademark dilution under the Lanham Act. The complaint additionally alleged violations of M.G.L. c. 93A and 110H and the Texas Anti-Dilution Statute. The Defendants filed various counterclaims alleging fraudulent procurement under the Lanham Act, antitrust violations under the Sherman Act, and violation of M.G.L. c. 93A. The Defendants moved for summary judgment on several of the claims and counterclaims. Santander likewise moved for judgment on the pleadings on several of the counterclaims pursuant to F.R.C.P. 12(c).

The dispute arose over the Defendants’ use of the mark “DriveUSA.” Santander asserted that the use infringed several of their federally-registered marks, including DRIVEUSA, DRIVE and DRIVE FINANCIAL SERVICES, for financial services for automobile loans (“Santander’s marks”).

As to the Defendants’ motion for summary judgment on Santander’s claims of trademark infringement, false designation of origin, and unfair competition under the Lanham Act, the Court (Bowler, M.J.) applied the First Circuit’s eight-factor test to determine if a reasonable factfinder could find a substantial likelihood of confusion between Santander’s mark and Defendants’ use of the mark “DriveUSA.” The Court determined that the marks, as well as the goods sold under the marks, were sufficiently similar that a reasonable jury could find that Defendants’ use of “DriveUSA” could generate confusion. Similarly, the Court found that the channels of trade, advertising, and class of potential purchasers for goods sold under the marks were sufficiently similar that a reasonable jury could also find in favor of Santander. Though there was no evidence of actual confusion or of bad faith by Defendants in adopting the “DriveUSA” mark, the Court ultimately concluded that, on the whole, a reasonable jury could find a substantial likelihood of confusion between the marks.

The Defendants further argued that the term “drive” in Santander’s marks is merely descriptive such that the marks are not registerable. The Court, however, concluded that even if the marks are descriptive, a reasonable jury could find that Santander’s longstanding and prominent use of the marks was sufficient to develop secondary meaning such that the marks could be worthy of trademark protection.

As to Santander’s dilution claims under Massachusetts and Texas law, the Court denied the Defendants’ motion for summary judgment. Unlike a federal trademark dilution claim, which requires that the mark be “famous,” both the Massachusetts and Texas statutes only require that the mark be “distinctive.” With specific reference to the Massachusetts dilution claim under M.G.L. c. 110H, the Court found that Santander’s marks reasonably could be found to be “very strong,” and thus distinctive, within the meaning of M.G.L. c. 110H. Ultimately, the summary judgment record was found to provide sufficient evidence to support a finding of potential confusion or diminution in the uniqueness and individuality of the mark.

***Homeowner Options for Mass. Elders, Inc. v. Brookline Bancorp., Inc.***, C.A. No. 09-11790-NMG, 2010 U.S. Dist. LEXIS 127128 (D. Mass. Dec. 1, 2010) (Gorton, D.J.) [*Summary Judgment*].

Because the District Court (Gorton, D.J.) concluded that genuine issues of material fact exist, the trademark infringement claims brought by plaintiff Homeowner Options for Mass Elders (“H.O.M.E.”) survived summary judgment.

H.O.M.E. brought this suit against Brookline Bancorp., Inc. (“Brookline Bank”) in 2009, alleging, among other things, that Brookline Bank used proprietary forms related to a reverse mortgage program developed by H.O.M.E. These forms included the H.O.M.E. Loan Reverse Annuity Analysis & Schedule Order Form (the “Order Form”), which contains the acronym “H.O.M.E.” at the top and twice in the body. Brookline Bank had a limited license to the H.O.M.E. forms, including the Order Form, until 1997. H.O.M.E. alleged that Brookline Bank impermissibly used the Order Form on ten occasions between 2004 and 2009 and, thus, committed trademark infringement. Brookline Bank moved for summary judgment on the basis that there is no actionable likelihood of confusion.

In analyzing the question of likelihood of confusion, the Court relied upon the eight factor test well established in the First Circuit. It noted that the “most important factors are evidence of actual confusion, similarity of the marks, similarity of the goods and strength of the plaintiff’s mark.” The Court concluded that a fact finder could reasonably infer that Brookline Bank’s use of the Order Form was likely to cause confusion as to the affiliation between H.O.M.E. and Brookline Bank. Moreover, evidence of actual confusion as a result of the use of the Order Form was found to be persuasive evidence of likelihood of confusion. “The confusion of non-purchasers, such as FPC and others who may have received the form, is relevant to the inquiry into likelihood of confusion and would be commercially relevant if it injures H.O.M.E.’s goodwill and reputation.” As a result of these genuine issues of material fact, summary judgment was denied.

***Unleashed Doggie Day Care, LLC v. PetCo Animal Supplies Stores, Inc.***, C.A. No. 10-10742-GAO, 2010 U.S. Dist. LEXIS 133192 (D. Mass. Dec. 16, 2010) (O’Toole, D.J.) [*Preliminary Injunction*].

Plaintiff Unleashed Doggie Day Care, LLC (“UDDC”) sued defendant PetCo Animal Supplies Stores, Inc. (“PetCo”) for trademark infringement and moved for a preliminary injunction to preclude PetCo from using the mark UNLEASHED. The District Court (O’Toole, D.J.) denied the motion.

UNLEASHED is an unregistered mark. Therefore, to succeed on an infringement claim, UDDC “must demonstrate both that its mark merits protection and that the allegedly infringing use is likely to result in consumer confusion.”

First, the Court determined that the mark UNLEASHED, when used by a company that provides day care for dogs, is descriptive. Despite UDDC’s contention that a connection from UNLEASHED to its products and services required imagination, the Court found that the mark immediately describes the nature of the day care services—permitting dogs to run free of their leashes. The Court also found additional indicators of descriptiveness in the similar uses by numerous third parties as well as through UDDC’s owner’s testimony that the mark was meant to be “a description of what we were doing and what we felt described the services and products we offered.”

Second, the Court determined that the UDDC had not provided a sufficient showing that the mark acquired secondary meaning so as to achieve the distinctness required for trademark protection. The Court discounted the two customer affidavits submitted by UDDC as direct evidence of secondary meaning by reasoning that merely two affidavits from a client pool of 1500 dog owners and a claimed target market consisting of every dog owner in Massachusetts, Rhode Island, and New Hampshire are clearly insufficient to establish a public understanding that the mark refers exclusively to UDDC. Having determined that UDDC does not have a distinctive mark in UNLEASHED, the Court concluded that UDDC has not shown a substantial likelihood of demonstrating that UNLEASHED is entitled to trademark protection and, therefore, has not shown a substantial likelihood of proving that PetCo has violated section 43(a) of the Lanham Act.

Next, the Court opined that PetCo's use of UNLEASHED is not likely to result in consumer confusion. In doing so, the Court applied the First Circuit's eight factor test for establishing likelihood of confusion. In considering the similarity of the marks, the Court considered "the total effect," and that otherwise similar marks are not likely to be confused when used in conjunction with the clearly displayed name and/or logo of the manufacturer. Since PetCo uses UNLEASHED together with "by PetCo," a recognizable national brand, the Court determined that the two marks are sufficiently dissimilar such that consumer confusion is unlikely.

In considering the similarity of the goods, the Court found that since PetCo currently does not provide similar pet care services in Massachusetts, such hypothetical similarity of services does not establish a likelihood of confusion. In addition to its pet care services, however, UDDC sells pet care products including food, treats, and accessories at "Unleashed—The Shop." Therefore, the Court determined that the similarity of the two companies' goods weighs in favor of UDDC.

In considering evidence of actual confusion, the Court discounted two instances of UDDC customers' erroneous association of UDDC with PetCo by finding that in neither of the two cases the customer was so confused as to purchase from PetCo while believing that he or she was purchasing from UDDC. The Court also considered an instance of an individual who wanted to inquire with UDDC about a job at Unleashed by PetCo to be insufficient to establish actual confusion. Here, the Court held that actual confusion must be in the mind of an actual or potential purchaser and not a prospective employee.

Finally, the Court determined that PetCo's due diligence in a full trademark search constituted favorable intent in adopting the mark.



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*For further information, please contact the co-chairs of the IP Litigation Practice, Daniel J. Gleason and Ronald E. Cahill, or your attorney at Nutter at 617-439-2000.*

Daniel J. Gleason  
dgleason@nutter.com  
617-439-2233

Ronald E. Cahill  
rcahill@nutter.com  
617-439-2782

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