FICPI SEMINAR SERIES

New developments for IP practitioners

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INTERNATIONAL FEDERATION OF
INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION
VON PATENTANWÄLTEN

FICPI

ACTING FOR THE IP PROFESSION WORLD WIDE

Session 3: How the Internet is changing the Practice of IP Law

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Brett's expertise: a. o. servicing clients in the artificial intelligence and machine learning, financial services, emerging technologies, data analytics, wireless telecommunications

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How the Internet is Changing the Protection and Enforcement of IP

Brett J. Slaney
Chair – Work & Study Commission, Group 6
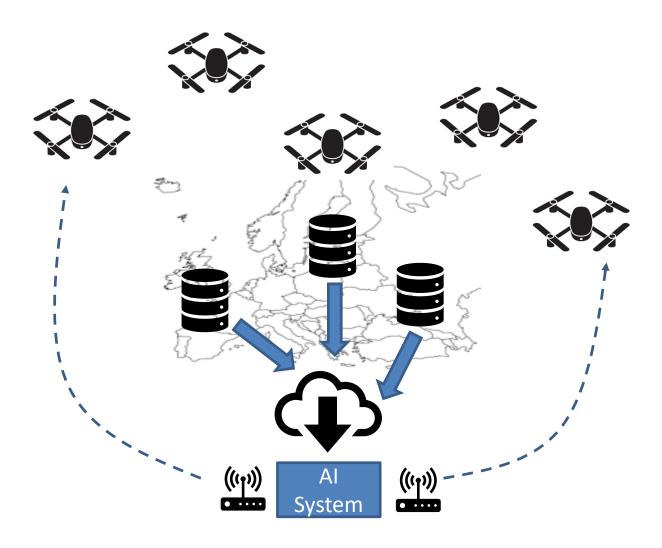Partner - Blake, Cassels & Graydon LLP (CA)
November 22, 2019

Agenda

1. Case study

2. Infringement in a cloud system

3. Disclosures on the Internet

Case Study – Drone Delivery System

Features to Claim

- Using <u>local</u> data sources to determine delivery windows, routes, weather, traffic, customer availability, shared deliveries, cancellations, new orders in real time.

- Collecting data and sending to <u>cloud-based</u> AI system.

- Using AI system to generate delivery instructions.

- Using AI system to sending delivery instructions to drones in the field.

- Using AI system to instruct deployment of more drones as needed.

- Using AI system to instruct drones to transfer packages in the air.

- Using local servers to collect feedback from local drones in real-time

Challenges

- Data collection occurs in many jurisdictions.

- Drones travel across borders.

- Drones instructed by AI system, located in a central location.

- AI system not necessarily in same jurisdiction as data collection servers.

- "Invention" includes features in drone and features in AI system.

How Do We Capture Infringement?

- Claim from perspective of single "actor".

- Can we claim data collector activities?

- Method(s) or system(s) or both?

- Jurisdictional issues – where is inventive activity actually occurring?

- Detectability – does drone execute all operations in a single jurisdiction? (method vs. system claim)

Divided Infringement

- Akamai Technologies, Inc. v. Limelight Networks, Inc., 797 F.3d 1020 (Fed. Cir. 2015)

- Looked at proper legal standard for determining patent infringement liability when multiple actors are involved in carrying out the claimed infringement of a method patent and no single accused infringer has performed all of the steps (i.e. "divided" infringement).

- Court held that one actor could be held liable for the acts of another actor: "when an alleged infringer conditions participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method and establishes the manner or timing of that performance."

- Court also held that where multiple: "actors form a joint enterprise, all can be charged with the acts of the other[s], rendering each liable for the steps performed by the other[s] as if each is a single actor."

Example claim

- Everyone involved:

1.   A method for instructing delivery of objects using a drone, comprising:

      connecting to local data sources at local server;

      sending local data to AI system;

      analyzing local data at AI system, to generate global delivery profile;

      generating, at AI system, delivery instructions;

      determining, at AI system, target drone(s);

      sending instruction(s) to drone(s);

      receiving, at drone(s), delivery instruction(s);

      executing, at drone(s), at least one in-air operation to coordinate delivery; and

      delivering, by drone(s), at delivery destination.

Example claim (con..)

- ## Multiple Actors:

1. A method for instructing delivery of objects using a drone, comprising:

   connecting to local data sources at local server;

   sending local data to AI system;

   analyzing local data at AI system, to generate global delivery profile;

   generating, at AI system, delivery instructions;

   determining, at AI system, target drone(s);

   sending instruction(s) to drone(s);

   receiving, at drone(s), delivery instruction(s);

   executing, at drone(s), at least one in-air operation to coordinate delivery; and

   delivering, by drone(s), at delivery destination.

Example claim (con..)

- Drone perspective:

1.   A method for ==delivering objects== using a drone, comprising:

receiving, at ==the drone==, delivery instruction(s), the delivery instructions sent by an AI system to target drone(s), the delivery instructions ==based on== a global delivery profile generated from local data analyzed by the AI system, the AI system having received the local data from a local server.

executing, at the drone, at least one in-air operation to coordinate delivery; and

delivering, by the drone, at delivery destination.

Example claim (con..)

- ## AI System perspective:

1.	A method for instructing delivery of objects using a drone, comprising:
	receiving local data at AI system, the local data having been collected by a local server connecting to local data sources;
	analyzing local data at AI system, to generate global delivery profile;
	generating, at AI system, delivery instructions;
	determining, at AI system, target drone(s);
	sending instruction(s) to drone(s) ==to enable== drone(s) to execute at least one in-air operation to coordinate delivery and to deliver at delivery destination.

Example claim (con..)

- ## Data collector perspective:

1.   A method for <mark>collecting data</mark> to enable drones to be instructed to perform deliveries, comprising:

connecting to local data sources at local server;

<mark>collecting local data from the local data sources</mark>;

sending local data to AI system <mark>to enable</mark> AI system to analyze local data to generate global delivery profile, to generate delivery instructions, to determine target drone(s), and to send instruction(s) to drone(s); and to enable drone(s) to receive delivery instruction(s), execute at least one in-air operation to coordinate delivery, and deliver at delivery destination.

Internet and Digital Disclosures

Internet and Digital Disclosures

- General Issues:

1. Dates
   - Undated content
   - Updating/changing dates
   - Authenticity of date stamps

2. Information Contents
   - Edited content
   - Contributions on different dates
   - Automatic updates
   - Automated information creation

3. Availability
   - Hidden content
   - Obscure content
   - Searchability
   - Indexing

Internet and Digital Disclosures

- Information Disclosure Issues:
  - Dynamic content (e.g., video)
  - Documenting dynamic content
  - Establishing date
  - Unreliability of citing URLs
  - Getting back to content later
- Prior Art Issues:
  - Not everything is found in a search engine
  - Difficulty in searching social media
  - Documenting for IDS

Internet and Digital Disclosures

- Tips, and Tricks:
  - Capture frames of a video to generate static document
  - Record at least "accessed" date when you find disclosure
  - Wayback machine

- Possible (Future) Solution:
  - Blockchain to date stamp and provide authentic record of disclosure

Questions?

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Internet Evidence in Support of IP Claims

Coleen Morrison
November, 2019

INTERNET-DERIVED EVIDENCE IP PROSECUTION CASES

USPTO – Specimens

➢ Most prominent issue today involving Internet derived evidence in our daily practice involves specimens of use before the USPTO

➢ In ~ 2016 USPTO became aware of rampant abuse of evidence to support a claim of use.

➢ Launched a pilot programme to combat flawed evidence

➢ Applicants were digitally modifying or otherwise mischaracterizing use in a substantial number of cases

➢ FICPI met with UTPTO - comment at the time was that they were shocked at results of investigation.

Result:

USPTO acquired software to spot digital alteration of specimens (eg EOTJTP)

Allowed interested parties to notify regarding specimens (not inter partes)

Change to representation rules EVERYONE (including foreign domiciled applicants) requires US representation

In one day in August shortly before the change believed almost 2000 potentially flawed applications filed

INTERNET-DERIVED EVIDENCE IP CASES ADMINISTRATIVE & COURTS

Hearsay: Not first-hand. Someone else's facts

A statement made:

1. out of court: and
2. to prove the truth of the matter asserted

What is behind the objection?

1. It's not "best" evidence
2. Inability to "test" the evidence via cross-examination

Case Study

The Maple Sugar Shack:

➢ is a restaurant in the tiny area of the Atlantic Provinces of Nova Scotia
➢ Achieved incredible notoriety by Canadian standards…

INTERNET-DERIVED EVIDENCE IP CASES

There are any number of celebrity Chefs stopping by to make strudel and all other manner of delicious food

…and more…

Case Study

➢ MAPLE SUGAR SHACK trademark has been registered since 2011

➢ But recently patrons have been complaining on-line that the "restaurant in Toronto is not as good"

➢ MAPLE SUGAR SHACK looked into the matter and learned that another restaurant called Maple Sug'r Shak has opened in Toronto

➢ MAPLE SUGAR SHACK Challenged

INTERNET-DERIVED EVIDENCE IP CASES

Welcome to the case of:

MAPLE SUGAR SHACK Ltd. v Maple Sug'r Shak Inc.

Fact Situation 1:   Online Reviews from Customers Evidencing Confusion

MAPLE SUGAR SHACK Ltd. (senior rights holder) has located a customer who left an on-line review saying:

> "I thought the Toronto restaurant was a sister restaurant of the NS establishment. But looking more closely the spellings are different so I don't think they are related"

The review page is entered as evidence.

INTERNET-DERIVED EVIDENCE IP CASES

Admissible with Probative Value?

US- Probably ok if authenticated

ABT Systems LLC v. Emerson Electric Co. (2013)

➢ Even if confused is recognised by declarant going to "state of mind"

Canada Opposition Board –

➢ Probably ok. Not for truth of contents
➢ Necessity + Reliability (Reasoned Approach)

Canada Federal Court ?

Signals that maybe hearsay rules will be strictly applied… at least in Pharma cases

Pfizer Canaa Inc. v. Teva Canada Limited (2016) FCA 161

➢ In that case a damages award was overturned because the witness attesting to damages did not have first hand knowledge
➢ Strict interpretation of rules of evidence

Fact Situation 2 – Mistakes in E-mails etc.

Online materials are uncovered indicating that some customers have sent e-mail messages to bob@maplesugarshack.com not bob@maplesugrshak.com

Does this support a claim of confusion?

US

Probably not.
Incorrect spellings of names not confusion
Groupion LLC v Groupon Inc., (2012)

Canada TMOB no juris. but if pleaded, evidence and argued…possibly.
Greater emphasis on actual confusion possibly bc more being found?
Canada Fed Ct? Less likely

Fact Situation 3 – Statement Other than from Customers

MAPLE SUGAR SHACK evidences a web posting by a prominent Internet food blogger, Julian Crumb saying saying this about the restaurant:

> Of the nearly 1000 restaurant reviews this blogger has commented upon, the ==Maple Sug'r Shack== recommendation is the one I provide with the greatest hesitation. First of all, I caught sight of the celebrity chefs in the kitchen. All one can say is ….no, no, no!! Kindly send them back to their desks at prominent IP firms where they can fulfill their original mandate of being talented <u>Patent Attorneys</u>. I sincerely believe them to be good at these tasks...but cooking- not so much…even if that strudel did smell pretty good when they made it in Vienna at the FICPI Forum!

US

No. Should be consumers, not others

Tavern Corp v. Dutch Kills Cenrtraal (2015)

Canada

Possibly the Board, if not formally then "flavor"? Fed Ct. tougher

Best argument might be that if someone sophisticated in the field is confused all the more likely ordinary consumers will be confused.

Fact Situation 4 – Unreliable Comments

The Plaintiff locates the following on-line post referring to the Toronto Restaurant:

> *The talent and abilities of THE MAPLE SUG'R SHACK celebrity chefs is exceeded only by their good locks, sharp wit and general fitness for anything and everything …Everest next, saving humanity? Bringing countless new members to the CET?*

US

Ha! We have a case to rely on. Our courts have said re on-line rants:
> He/She **"appears to be someone so easily confused that even Trademark law cannot protect her [him]"** As such, we can disregard such ravings.

Canada

No such luck ….trademark law protects everyone, but this is probablu not reliable

Fact Situation 5 – Wayback Evidence

In spite of allegations otherwise, the Plaintiff evidences web pages from the Wayback Machine showing that the Maple Sug'r Shack website only became active 2 years ago in 2017 well after the MAPLE SUGAR SHACK trademark came into use.

US – jurisprudence both ways- outcome uncertain, more about authenticity than hearsay. One circuit tends to accept if Wayback employee authenticates, another want plaintiff to authenticate info relating to its own site.

Canada – Principled approach Necessity + Reliability. Board tends to accept

Australia (2019) – Plaintiff argued not business records bc not records of pl or def. Court agreed that business records exception does not apply to Wayback Machine findings but admitted the evidence anyway. Can disregard where evidence not in despite or its application would cause unecessar expense or delay. Accepted reliability

The Plaintiff:

Evidences that a Google search of "Sugar + Shack + Restaurant + Canada" yields a first 10 results all linking to the Plaintiff in support of a claim that its mark is very distinctive

US

Not convinced about significance of Google findings, maybe to prove similar channels of trade

Dahl v. Swift Distribution (2010)
Oculu, .L.L.C. v, Oculus VR Inc. (2015)
Quai Corp v. Mattel (2011)
Grouping v. Groupon supra
In re St. Helena Hospital (2014)

Canada

Hey! We've not really developed our law enough, but could it make sense to look at this?

So Could it Make Sense to Look to Search Engines?

US- No (see previous commentary)
Canada- hmm let's think about this??

The raison d'etre for search engines is to link searchers (customers) to what they are looking for (products or services). These search engine companies have vast resources that are aimed at doing this well and getting customers to the site they are looking for.

Note: trademarks are shortcuts to link products/services to owner.

Therefore does a search engine do a reasonable job at showing what happens in the commercial world to link trademarks to customers?

Can search engines do a better job than judges relying somewhat on speculation?

INTERNET-DERIVED EVIDENCE

Search engine

- ✓ Algorithms predicts what on-line sites consumers associate with a mark
  - ✓ Page rank counts number and quality of hits
  - ✓ Importance of linking site
  - ✓ Downgrade recycled content
  - ✓ Prioritizes natural links
  - ✓ Assess time at site (do they return quickly to listing)
  - ✓ AI by linking words found together- e.g butterfly stroke
- ✓ Cost free and neutral survey?
- ✓ Search engines introduces commercial component which court cannot necessarily do well
- ✓ Motivated to provide consumers with the info they want

Perhaps this evidence should be accorded high probative value?

Thank-You for participating!

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