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BENCHMARKS: THE NET DOES NOT  
CHANGE EVERYTHING

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Has the Internet changed everything? Pundits, professors, and businessmen undoubtedly will continue that debate for years. But when it comes to issues of personal jurisdiction—the statutory and constitutional power of local courts to render judgments against distant defendants—it is already clear that the Internet has not changed settled legal principles. While there once were fears that courts would be tempted to exercise jurisdiction over a defendant in any forum where that defendant’s Web site was accessible—essentially conferring worldwide jurisdiction—courts are instead adopting a conservative approach. Jurisdiction ordinarily will be found only where a defendant uses the Web to communicate directly with individuals in the forum state.

Two recent decisions illustrate these developments. In *Amberson Holdings LLC v. Westside Story Newspaper*, 110 F. Supp. 2d 332 (D.N.J. 2000), Amberson, holder of the trademark for the musical *West Side Story*, sued *Westside Story Newspaper*, a weekly publication based in Southern California, alleging trademark infringement. Attempting to establish jurisdiction in New Jersey, Amberson pointed to the fact that the newspaper maintained a Web site accessible in the state under the name *westsidestory.com*. In addition, the newspaper’s Web site was “hosted” under a contract with a New Jersey company, and the “host server” for the site was physically located in the state. All of that was insufficient, however, to confer jurisdiction.

Construing New Jersey law—which extends jurisdiction to the full extent permitted by the U.S. Constitution—district judge Nicholas H. Politan found that the newspaper’s activities did not satisfy the constitutional standard of “purposeful availment” of the privilege of conducting activities in the forum state. The court was not impressed with Amberson’s argument that the newspaper’s use of a New Jersey service provider and New Jersey computer servers for its Web site made it reasonable to take jurisdiction:

“This court . . . refuses to hold that inter-computer transfers of information, which are analogous to forwarding calls to a desired phone number through a switchboard, should somehow establish sufficient contacts that would subject a defendant to personal jurisdiction.”

Maintenance of a Web site was also insufficient to confer jurisdiction in *Stewart v. Vista Point Verlag*, No. 99 Civ. 4225, 2000 WL 1459839 (S.D.N.Y., Sep. 29, 2000). This copyright and trademark action was brought by Jennifer Stewart, a performance artist who claims that she is “world-renowned” for her appearances as the Statue of Liberty. Stewart sued a German publisher who used a photograph of her, appearing as the Statue of Liberty, on the cover of a German-language guidebook to New York City, and on its Web site. Although the Web site was accessible from New York, there was no evidence that the publisher had made any sales of

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the guidebook there. Granting the publisher's motion to dismiss, Judge Loretta A. Preska held that the Web site—written in German—did not “target” New York residents and therefore could not support jurisdiction under New York law or constitutional principles.

In *Amberson*, Judge Politan grouped Internet sites into three categories: interactive sites (used to conduct business over the Web); semi-interactive sites (used to exchange of information with the host computer); and passive sites (not possible to exchange information with the host computer). He found that jurisdiction is “always appropriate” for interactive sites, “never appropriate” for passive sites, and that semi-interactive sites may confer jurisdiction depending on the “degree of interactivity and commercial nature of the site.” A local court will always take jurisdiction where a Web site is used (say, by a cybersquatter) to cause injury to a local business. See, *Panavision International, L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998). Otherwise, the principles outlined in *Amberson*—which reflect the handful of appeals court decisions that have addressed Internet jurisdiction—appear to reflect the emerging consensus in the courts.

## Copyright

### COPYRIGHT LAW IS A DIAMOND'S BEST FRIEND

*Weindling International Corp. v. Kobi Katz, Inc.*  
No. 00 Civ. 2022, 2000 WL 1458788 (S.D.N.Y., Sep. 29, 2000)

Venturing into the world of commercial jewelry, a New York federal district court held that “even if the creative spark behind a commercial jewelry design is more like a flickering match than a bolt of lightning, it nonetheless is entitled to copyright protection.” On that basis, the district court extended copyright protection to Kobi Katz's design for a “bridge” diamond ring purportedly inspired by the Golden Gate Bridge in San Francisco. The court found that the design was not dictated by function, and that no evidence was presented that any “substantially similar” ring had been produced before the Kobi Katz design. Classifying diamond rings as “ornamental sculpture, even if mass-produced,” the court “respectfully disagreed” with *DBC of New York, Inc. v. Merit Diamond Corp.*, 768 F. Supp. 414 (S.D.N.Y. 1991), which treated diamond rings as “utilitarian articles” and denied copyright protection to a ring design.

### COURT SMITES RELIGIOUS CLAIM BY A SPLINTER GROUP

*Worldwide Church of God v. Philadelphia Church of God*  
227 F.3d 1110 (9th Cir. 2000)

In this decision, a claimed right to religious expression fell before rights asserted under the Copyright Act. The Worldwide Church of God owns the copyright in *Mystery of the Ages*, a religious tract written by the church's late founder, Herbert Armstrong. During Armstrong's life,

millions of free copies of the work were distributed. After his death, the Worldwide Church revised its doctrine and banned use of the tract, which it considers outdated and racist. The

Philadelphia Church of God, a splinter group, however, regards Armstrong's tract as central to its religious practice and has continued to duplicate it. A divided panel of the U.S. Court of Appeals for the Ninth Circuit rejected a fair use defense advanced by the Philadelphia Church. Analyzing the fair use factors in section 107 of the Copyright Act, the panel majority stressed that the Philadelphia Church profited from use of the work (by using it to attract new members), that the work was duplicated in its entirety and that dissemination of the tract would interfere with an "annotated" version planned by the Worldwide Church. The dissent, finding that the Worldwide Church was "less interested in protecting its rights to exploit [the work] than in suppressing Armstrong's ideas," concluded that the Philadelphia Church's duplication of the tract constituted fair use.

### **RULINGS LEAVE PHOTOGRAPHERS SMILING**

*Natkin v. Winfrey*

111 F. Supp. 2d 1003 (N.D. Ill. 2000)

*SHL Imaging, Inc. v. Artisan House, Inc.*

No. 98 Civ. 1708, 2000 WL 1457047 (S.D.N.Y., Sep. 28, 2000)

Two district courts recognized broad copyright protection for commissioned photographs. *Natkin v. Winfrey* held that two staff photographers for Oprah Winfrey's television show were the sole authors of photographs of Winfrey. The photographs, taken during production of the show, were later reproduced, allegedly without permission, in a book authored by Winfrey. Applying the test of *Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989), the district court found that the photographers—hired to take publicity photos by Winfrey's production company—were not employees of the production company, principally because they had "complete discretion" concerning "technical aspects" of their work. The photographs therefore were not works for hire under the Copyright Act. The court also rejected Winfrey's argument that she was a joint author of the photos because she had contributed her "facial expressions, her attire, the 'look' and 'mood' of the show, the choice of guests" and other factors. All of these elements were not copyrightable and thus could not support a joint authorship claim.

A similar result was reached in *SHL Imaging, Inc. v. Artisan House, Inc.* After surveying the historical treatment of photographs under the copyright laws, going back to the U.S. Supreme Court's landmark opinion in *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884), the SHL court found that photographs of mirrored picture frames intended for use by defendant's sales force were sufficiently original for copyright protection. It also rejected defendant's work for hire and joint authorship claims.

**Patents****AMENDED CLAIMS ARE NOT A  
PRESCRIPTION FOR PATENT PROTECTION**

*Purdue Pharma L.P. v. Faulding Inc.*

Nos. 99-1416, 99-1433, 2000 WL 1582737

(Fed. Cir., Oct. 25, 2000)

The “written description” requirement of section 112 of the Patent Act demands that the specification of an application contain sufficient detail to show that an inventor was “in possession of the invention” when the application was filed. While rarely applied by the courts, it is an important safeguard preventing an applicant from amending the claims during prosecution to obtain a patent on something he did not truly invent. In *Perdue Pharma*, the U.S. Court of Appeals for the Federal Circuit affirmed a judgment invalidating Perdue Pharma’s patent under this doctrine. Purdue Pharma’s complaint alleged that a morphine drug marketed by Faulding infringed a Purdue Pharma patent. While suit was pending, Purdue Pharma amended the claims of a pending patent application to cover Faulding’s product. After a patent issued on that application, Purdue Pharma dropped the original patent from its suit and substituted claims based on the new patent. Finding that Purdue Pharma’s conduct was “exactly the type of overreaching the written description requirement was designed to guard against,” the court upheld the trial court’s determination that a key limitation in the new patent’s claims was not fairly disclosed in the specification.

**CIGARETTE IS OBVIOUSLY NOT THIN ENOUGH**

*Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*

Nos. 99-1389, 99-1403, 2000 WL 1528923

(Fed. Cir., Oct. 17, 2000)

The Federal Circuit upheld a district court’s determination that a Brown & Williamson patent on a thinner cigarette was invalid as obvious, even though the trial court had erred in not considering the commercial success of the infringing product, Virginia Slims Super Slims. After a bench trial, the federal district court found that the claimed invention was only slightly thinner than previous cigarettes and that the prior art suggested advantages to further reductions in size—findings the Federal Circuit called “overwhelming evidence of obviousness.” In light of this record, the district court’s failure to evaluate the infringer’s commercial success was “harmless error.” Weighing the evidence itself, the Federal Circuit found that the infringing cigarette had achieved only a half of a percent market share, and that the evidence indicated that the limited success of Brown & Williamson’s product, Capri, was due largely to packaging and promotional activity, rather than the claimed features of the patent.

**NO DISCLOSURE, NO FRAUD**

*Life Technologies, Inc. v. Clontech Laboratories, Inc.*  
224 F.3d 1320 (Fed. Cir. 2000)

The Federal Circuit overturned a district court's determination, after trial, that a Life Technologies patent was invalid because of inequitable conduct before the U.S. Patent and Trademark Office. Life Technologies obtained a patent on an enzyme that efficiently produces a form of DNA. Among the prior art references disclosed was an academic article that provided key information to the inventors. Relying "heavily" on the testimony of a former patent office commissioner, Harry Manbeck, who testified as an expert, the district judge had held that the inventors were required not only to disclose the article, but also to reveal their "reliance" on the article and how it had "motivated" the experiments that led to the invention. Reversing, the Federal Circuit held that "the path that leads an inventor to the invention" is irrelevant, because patentability is assessed from the perspective of a hypothetical person of ordinary skill in the art, not from the viewpoint of the actual inventor. The Federal Circuit endorsed the view that there is "something—call it what you will—which sets apart [the inventor] from workers of ordinary skill."

**EMPLOYEE'S FAILURE TO SIGN IS FATAL TO SUIT**

*Banks v. Unisys Corp.*  
No. 00-1030, 2000 WL 1434495  
(Fed. Cir., Sep. 28, 2000)

This decision underlines the importance for employers of obtaining written assignments of invention rights from employees. Gerald Banks was hired by Unisys to work on development of a high-speed document sorter, and some of his work was ultimately incorporated in several patent applications. When Banks was hired, Unisys asked him to sign a standard assignment of inventive rights, but he never did so. Nevertheless, the district court granted summary judgment for Unisys, finding that Banks's work was covered by the "employed to invent" rule, under which the work of an individual hired to "invent something or solve a particular problem" is considered the property of the employer. The Federal Circuit reversed, finding that Banks's refusal to sign the assignment, and Unisys's failure to insist that he do so, raised a material question of fact as to whether the rule should apply. Paradoxically, Unisys might have won summary judgment, based simply on the fact that Banks was employed to work on a particular project, had it never asked him to sign an agreement in the first place.

## Trademarks

### DC COMICS OUTMUSCLES ATLAS CLAIM

*Atlas v. DC Comics, Inc.*

112 F. Supp. 2d 330 (S.D.N.Y. 2000)

A federal court ruled that a comic strip parodying the famous Charles Atlas sand-kicking comic strip did not constitute trademark infringement. For years, the Charles Atlas bodybuilding course has used advertisements including a comic strip showing a man—using the strength gained in the course to confront and conquer a beach bully—gaining the respect of his girlfriend. DC Comics created a *Doom Patrol* comic that mirrored the Atlas story line but with a darker ending—after beating up the bully, the comic hero assaults the woman character. Noting that the Lanham Act is to be “construed narrowly” when a trademark is used for “expressive purposes,” the court found that the *Doom Patrol* comic was a “farical commentary on plaintiff’s implied promises of physical and sexual prowess through use of the Atlas method.” On that basis, and finding no likelihood of confusion under the well-known test of *Polaroid Corp. v. Polaroid Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961), the court dismissed Atlas’ unfair competition and trademark dilution claims on summary judgment.

### COMPANY DOMAIN ON NAME CASES COUNTS REACH DIFFERENT RESULTS

*Lucent Technologies, Inc. v. Johnson\**

*Northland Insurance Companies v. Blaylock\*\**

\*CV 00-05668 (C.D. Cal., Sep. 12, 2000)

\*\*No. 00-308, 2000 WL 1460057 (D. Minn., Sep. 25, 2000)

Similar fair use and constitutional concerns arise in two cases that addressed the question of whether a domain name encompassing a company’s trademark (used at least in part to comment on that company) infringed the trademark holder’s rights. In *Lucent* Russell Johnson established a Web site with the domain name “lucentsucks.com.” The company brought suit for trademark infringement and dilution and also made a claim under the Anti-Cybersquatting Consumer Protection Act. The court denied the motion to dismiss. The court held that Lucent’s complaint made ample allegations of confusion and dilution (Johnson’s site offered pornographic materials) and also stated a claim under the anti-cybersquatting law. But because the case was only at the pleading stage, the court declined to address Johnson’s argument that, under the First Amendment, there is a safe harbor protecting “yourcompanysucks.com” domain names.

The court reached a different result obtained in *Northland Insurance*, where the domain name at issue was “northlandinsurance.com.” The site had been established by Patrick Blaylock (who had a bitter dispute with Northland Insurance) for the purpose of gathering complaints and criticism about the company. While the court denied Blaylock’s motion to dismiss, the court also

denied Northland's motion for a preliminary injunction, finding that none of the company's claims—for infringement, dilution or under the Cybersquatting Act—were likely to succeed. The court found no likelihood of confusion on the infringement claim, and found that Blaylock's use of the site was “noncommercial speech” that is nonactionable under the Federal Dilution Act. Issuance of an injunction, the court said, “would inflict substantial harm on the defendant since the potential curtailment of his First Amendment rights itself constitutes an irreparable injury.”

### **COURT TAKES A SWING AT EMI'S BENNY GOODMAN CLAIM**

*EMI Catalogue Partnership v. Hill, Holliday, Connors, Cosmopolos Inc.*  
No. 99-7922, 2000 WL 1335728 (2d Cir., Sep. 15, 2000).

Can music itself be a trademark? The U.S. Court of Appeals for the Second Circuit said no. Defendant Spalding, the maker of golf equipment, broadcast a television commercial showing golfers hitting shots to the backdrop of swing music. As originally conceived, the commercial featured the famous Benny Goodman song *Sing, Sing, Sing*, which, the Second Circuit said, is as recognizable to swing music fans as Beethoven's Fifth is to classical music lovers. But because Spalding was unwilling to pay license fees, the final version of the commercial used stock swing music instead of the Goodman song, but superimposed the phrase “Swing, Swing, Swing” on the screen. EMI, holder of rights in the Goodman song, filed a trademark action, claiming that its trademark consisted of both the song title and the music itself. While noting that trademark rights have been extended to an entertainer's distinctive voice and to a celebrity's persona, the court found that the trademark laws do not “protect the content of a creative work of artistic expression”—a field left to copyright. EMI's trademark was therefore limited to the song title. The court remanded, however, for a hearing on the issue of whether, in the overall context of the commercial, Spalding's use of the mark came within the fair use defense.

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