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I Need My Patent Now! Tips on Accelerated Patent Examination

By David Fitzgibbon

The United States Patent and Trademark Office (USPTO) recognizes that the filing of a patent application is simply the first step in what may be a year(s)-long journey to obtain patent protection for an invention. As with any government agency, where the application is routed significantly impacts how fast it will be considered for examination. Some applications may enter substantive examination within 12 months; other applications may take years to begin the examination process. What if you cannot wait that long? For example, you may identify a competitor who is copying the technology disclosed in your application, or your investors may want to see results. We can help you address these concerns.

There are three ways to jump to the front of the line at the USPTO: (1) Track 1 requests submitted at the filing of the application, (2) accelerated examination requests submitted anytime during examination and (3) requests to enter the patent prosecution highway before examination begins. Each option has its own costs and limitations, identified below.

In Track 1 prioritized examinations, the applicant pays a fee of either \$2,000 or \$4,000 depending on the number of employees the applicant has. If the applicant has more than 500 employees, it is referred to as a “large entity” and pays \$4,000; conversely, if the applicant has 500 or fewer employees, it is referred to as a “small entity” and pays \$2,000. In Track 1 examinations, the applicant is also limited to no more than four independent claims and 30 total claims. If you do not originally request Track 1 treatment, do not worry. You can file a continuation application at any time and request that the application receive Track 1 status. You do not even need to amend the application in any way. In our experience, Track 1 applications take anywhere from seven to 14 months from initial filing through issuance of the patent.

For accelerated examination requests, an applicant must submit a Petition to Make Special (“Petition”), which is decided by the USPTO Board of Petitions. A Petition may include specific reasons the applicant believes the Petition is necessary. In the past, the USPTO has identified the applicant’s age or health or the fact that the invention will materially enhance the environment, or contribute to the development of energy or counterterrorism measures as reasons supporting the grant of a Petition. Furthermore, from our review of the USPTO’s records, it appears that Petitions with reasons stated are granted with more regularity than those without. Regardless of the inclusion of a reason, applications for which Petitions may be filed are limited to no more than 20 claims, three of which may be independent claims. Petitions lacking reasons must also be accompanied by a \$140 fee for large entities or a \$70 fee for small entities. Petitions containing reasons are free. Although the fee for a Petition is much less than for a Track 1 application, the documentation that must be included with the Petition is significantly more onerous.

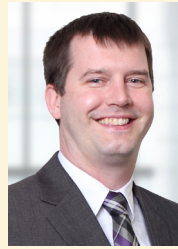
The documentation includes a pre-examination search and an information disclosure statement. With regard to the pre-examination search, the applicant *(continued on page 2)*

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must conduct a thorough search and identify (1) the field of the search by United States class and subclass and the date of the search, (2) the search terms/logic or chemical structure sequence used as a query, (3) the name of the file or files searched, and (4) the name of the database service. Furthermore, the search is required to encompass U.S. patents, U.S. patent applications, foreign patents and all available non-patent literature. This takes a lot of attorney time and satisfies only one of the two prongs. To satisfy the second prong, the applicant must include an information disclosure statement citing (1) each reference deemed most closely related to the subject matter of each of the claims; (2) identification of all the limitations in the claims that are disclosed by the reference, specifying where each limitation is disclosed for each reference cited; (3) an explanation of how each of the claims is patentable over the references cited; (4) a concise statement of the utility of the invention as it relates to each independent claim; and (5) a showing of where each limitation of the claims finds support in the written description. Again, such a showing requires a significant investment of attorney time.

If the Petition is granted, an examiner is required to meet and confer with the attorney, which is typically referred to as an “examiner interview,” before issuing the first office action. Although an interview typically hastens the examination process, it is not exclusive to the Petition process. Indeed, attorneys can request, and are almost always granted, an interview whenever they ask.

Finally, an applicant may request to enter the patent prosecution highway at any time before the entry of the substantive



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examination process. There is no fee to enter the patent prosecution highway. The only requirements are proof of at least one allowed claim in a counterpart foreign application and that the claims in the U.S. track the claims allowed in the foreign jurisdiction.

In deciding which approach is best for your portfolio, please consider that Track 1 and patent prosecution highway requests are almost always granted. Furthermore, because of the significant documentation requirements related to requests for accelerated examination, they are rarely requested and only granted about 50 percent of the time. Therefore, when it comes to accelerated examination requests, we recommend applicants elect to simply file a continuation application with a Track 1 request instead of incurring the significant attorneys’ fees required to jump through all the required hoops. Regardless of which approach might best expedite your patent application, let us know if you need your patent now. ■

Going Public: Should You or Your Clients Worry About Trademark Law When Choosing a Stock Ticker Symbol?

By Kevin R. Casey

Yes, you or they should. There are four types of intellectual property protection: copyrights, patents, trade secrets and trademarks. Stock ticker symbols are too short to be protected by copyright (and the copyright would belong to the exchange and not the company anyway, because the exchange creates them). They are neither patentable nor secret, so patent and trade secret protection are inapplicable. And research indicates that none of the ticker symbols are registered as trademarks under the federal Trademark Act. Nevertheless, companies have argued (with some success) that they acquired common law trademark rights in a ticker symbol if they used the ticker symbol in association with the sale of goods or services.

A. Background

Stock ticker symbols are used to uniquely identify publicly traded shares of a company on a particular stock market. The symbol may comprise letters, numbers or a combination of both, representing

a particular security traded publicly. (Historically, “ticker symbol” referred to the symbols that were printed on the ticker tape of a ticker tape machine.) When a company issues securities to the public, it selects an available ticker symbol for its securities, which investors use to place trade orders. Every listed security has a unique ticker symbol, facilitating the large number of trade orders inherent daily in the financial markets. For example, “KO” is the ticker symbol used by the Coca Cola Co.; “MSFT” by Microsoft, “GE” by General Electric and “IBM” by International Business Machines Corp. The symbol gives the investor information about where a stock trades and insight about the company’s performance.

The U.S. Securities and Exchange Commission gives companies reasonable discretion when picking stock ticker symbols. The SEC guidelines simply require that the ticker symbol be original (i.e., not copy another company’s stock ticker symbol) and appropriate. The New York Stock Exchange allows companies submitting their primary ticker requests to include two *(continued on page 3)*

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ranked alternatives. Nasdaq requires only one symbol choice. The exchanges generally do not deny a company's preferred option, and they certainly do not conduct a trademark conflict analysis.

Can there be trademark protection for a ticker symbol? Your first reaction might be "no, of course not." Ticker symbols are typically used in a nominative sense, to identify a company with an abbreviation of its legal name or of a trade name, rather than to indicate the company as a source of goods and services (the function of a trademark). Therefore, a stock ticker symbol does not function as a trademark for that company's goods and services. Courts have traditionally not permitted companies to trademark their ticker symbols as such. *See, e.g., Exxon Corp. v. Xoil Energy Resources, Inc.*, 552 F. Supp. 1008, 1015 (S.D.N.Y. 1981), and *Central Parking Corp. v. Park One Inc.*, 1997 WL 655925 (E.D. La. 1997). Trademark conflict can arise, however, if a company's stock ticker symbol is confusingly similar to another company's brand.

B. Stock Ticker Symbols v. Stock Ticker Symbols

Although the number of reported trademark conflicts is limited, there have been cases where stock ticker symbols have been alleged to infringe trademark rights. In *Select Sector SPDR Trust v. PowerShares Exchange-Traded Fund Trust II*, Case 4:10-cv-02589 (S.D. Tex. filed July 22, 2010), for example, the plaintiff alleged trademark infringement under Section 1125(a) of the Trademark Act, 15 U.S.C., and the common law of the state of Texas. The plaintiff had created ticker symbols for nine exchange traded funds (ETFs) covering different industries. Listed on the NYSE, each ticker symbol began with "XL," so "XLU" was for utilities and "XLE" for energy. The defendants offered their own series of ETFs, which always began with a "P" in the ticker symbol. They then decided, however, to launch a new series of ETFs traded on the Nasdaq stock exchange, each of which matched the plaintiff's industrial categories, using an identical symbol except that an "S" was added at the end; e.g., "XLUS" for utilities and "XLES" for energy. The plaintiff contended that "investors have come to associate that family of symbols and each individual symbol exclusively with the Trust's financial products. The Trust has now thus acquired strong common law trademark rights and/or common law business values in and to each member of the family of nine 'XL' symbols (collectively, 'the XL Family of Marks')." The parties settled, and the case was dismissed on Feb. 15, 2011.

In *Checkpoint Systems Inc. v. Check Point Software Technologies Inc.*, 269 F.3d 270 (3d Cir. 2001), the U.S. Court of Appeals for

the Third Circuit stated, "it seems unlikely that investors would be confused by the parties' similar marks or somewhat similar stock symbols ('CKP' and 'CHKP' for Checkpoint Systems and Check Point Software, respectively)." *Id.* at 300. The court rejected the argument that investors would be confused by the similarity between the two ticker symbols given their attention to detail in trading stocks. *Id.* The court did note, however, that the plaintiff failed to offer any evidence of actual confusion and only negligible evidence of initial interest confusion. *Id.* at 298.

Similarly, the district court rejected a trademark claim in *Basic American Medical Inc. v. American Medical International Inc.*, 649 F. Supp. 885 (S.D. Ind. 1986). The respective stock ticker symbols were "BAMI" on the Nasdaq and "AMI" on the NYSE. The district court rejected the argument that "there may be confusion because of the stock symbols of the respective parties. Inasmuch as the stock of the two companies is traded on different exchanges, the number of letters in each symbol is different, and the pronunciation of the common letters is not the same, we once again conclude that there is no likelihood of confusion." *Id.* at 892. The court was

also not persuaded that "mom and pop" investors buy and sell stock by symbol, as opposed to the underlying company name. Thus, the court did not rely on the fact that investors are generally sophisticated consumers (because the decision to invest in a company's stock typically is based not on impulse but on familiarity with the underlying company, its business and its future prospects).

C. Stock Ticker Symbols v. Trademarks

The *PowerShares*, *Checkpoint* and *AMI* cases involved arguably confusing stock ticker symbols. When a company's stock ticker symbol is similar to another company's established trademark, however, courts have sometimes found infringement. In *Maxnet Holdings Inc. v. Maxnet Inc.*, 2000 WL 714664 (E.D. Pa. May 31, 2000), the case involved the defendant's use of a confusingly similar stock ticker symbol. The district court stated that "the overall impression conveyed by the marks used by Defendant – MAXNET and MXNT – suggests a commonality of ownership or control among the parties. ... [T]he MAXNET mark and Defendant's use of the MAXNET name and the MXNT NASDAQ symbol is confusing." *Id.* at *9. Notably, the plaintiff presented evidence of actual confusion: The plaintiff had received hundreds of inquiries regarding stock sold under the defendant's stock ticker symbol after a spam email was sent out discussing the defendant's stock and a potential investment opportunity. *Id.* at *2, 10.

In *Waterman-Bic Pen Corp. v. Beisinger Industries Corp.*, 321 F. Supp. 178 (S.D.N.Y. 1970), the plaintiff (continued on page 4)



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sought to enjoin the defendant from using BIC, the plaintiff's trademark, as the defendant's trade name, trademark and ticker symbol on the predecessor to the NYSE. The plaintiff argued that the ticker symbol infringed the plaintiff's mark. The court issued a preliminary injunction against the defendant's use of the mark, finding that the defendant's use of the plaintiff's mark as a ticker symbol contributed to likelihood of confusion. The court stated:

[T]here is a high degree of similarity between the trade-marks in physical appearance and suggestion, coupled with the strength and novelty of plaintiffs' mark. Next, despite the sharp difference in the underlying product, the use of "BIC" as an exchange symbol by defendant does not reflect that distinction; nor do defendant's advertisements disassociate the stock from plaintiff corporations. We find a real possibility that both the investor in defendant's stock and the purchaser of defendant's products may assume, in an era of extreme corporate diversification, that defendant is a part of plaintiffs' corporate structure.

Id. at 180.

Similarly, in *Axiom Corp. v. Axiom Inc.*, 27 F. Supp. 2d 478 (D. Del. 1998), the district court found that the defendant's use of a stock ticker symbol similar to the plaintiff's trademark created a basis for trademark infringement. A provider of marketing database information, the plaintiff claimed that the defendant, which operated a similar business, infringed its trademark. Specifically, the plaintiff alleged consumer confusion by both the similar names of the companies and their similar stock ticker symbols. In finding infringement, the court credited the plaintiff's expert witness, who testified that Axiom and Axiom both traded on the Nasdaq and shared an identical pronunciation:

Bliss testified that investors rely in large part on information communicated orally in the form of person to person communication, financial information services and other media. He



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testified that "[a]s a result of the phonetic and graphic similarity of the corporate names and [stock] ticker symbols, the two companies have created a situation that there's a likelihood of confusion, mistake or error in the securities industry marketplace."

Id. at 489. The court also concluded that, even though investors may not be purchasers of the parties' products, evidence of investor confusion can be considered when assessing trademark infringement under the Trademark Act. *Id.* at 501.

D. Conclusion

The choice of a stock ticker symbol generally in and of itself has not supported a finding of trademark infringement. But a stock ticker symbol in combination with other factors (such as a similar overall trademark and related goods or services) has been found to violate trademark rights. Specifically, trademark infringement can be asserted successfully when (1) the defendant's name or trademark is similar to the plaintiff's name or trademark, and (2) the defendant's ticker symbol is similar to the plaintiff's trademark. In such cases, courts may find that the ticker symbol forms a basis for and contributes to trademark infringement. Accordingly, when choosing a ticker symbol, particularly when the symbol does not reflect the company's own name or brand, a company should consider the trademark rights of others. Such a proactive approach can avoid the cost and embarrassment of having to go public twice. ■

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IP Client Spotlight

Stradley represents Versum Materials, Inc., a leading materials and equipment supplier to the semiconductor industry, in connection with its intellectual property matters. The focus of Stradley's IP work with Versum Materials is on patent application preparation and prosecution, trademark prosecution, counseling with respect to navigating the IP rights of third parties, and counseling with respect to enforcing its IP rights globally. Stradley is proud to assist Versum Materials in its efforts to innovate and deliver valued products and solutions to the electronics industry.

In particular, Stradley recently assisted Versum Materials in the defense of a Taiwanese patent invalidity suit. The patent was directed to di-isopropylaminosilane (DIPAS), a key product used for depositing layers of silicon-containing material on microelectronic devices. The invalidity suit was filed by a competitor who wanted to supply the patented DIPAS to Versum Materials' semiconductor manufacturing customers in

Taiwan. An interview was held with a panel of examiners in which we advised the company to supplement its presentation to the examiners with evidence of commercial success, praise by others and copying of the patented chemical compound by others. The validity of the patent was upheld.



Versum Materials (NYSE: VSM) had \$1.1 billion in sales in fiscal 2017. Versum Materials is composed of two primary business segments, Materials and Delivery Systems and Services. It participates in six of seven key semiconductor process steps, supplying high-purity specialty-process gas, cleaners and etchants, slurries, organosilanes and organometallics deposition films, and equipment. Headquartered in Tempe, Arizona, Versum Materials has approximately 2,200 employees, 14 manufacturing plants, and six research and development facilities in the Americas and Asia. ■