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Will Sotomayor Be a Tech-Savvy Justice?

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While Judge Sonia Sotomayor may not be known for many high-profile intellectual property or technology law decisions during her nearly 17 years of service first on the bench of the U.S. District Court for the Southern District of New York and now on the 2nd Circuit U.S. Court of Appeals, she has had ample exposure to these issues during her career.

Her opinions in these area show her to be a moderate, careful jurist, qualities that will no doubt serve her well if she is confirmed to the U.S. Supreme Court.

TRADEMARK LAW

Sotomayor has substantial experience with trademark law that began while she was in private practice as a partner at Pavia & Harcourt. As listed in her Senate Judiciary Committee Questionnaire**[FOOTNOTE 1]** responses, two of her 10 "most significant litigated matters" while in private practice were trademark lawsuits. In that disclosure, Sotomayor also noted that she created an anti-counterfeiting program for her firm's client Fendi, and was in charge of that program from 1988 until she left for the bench in 1992.

During that time she "handled almost all discovery work and substantive court appearances in cases involving Fendi" in cases implicating, among other claims, "trademark and trade dress infringement, false designation of origin, and unfair competition claims."

Sotomayor disclosed that "approximately once every two months from 1989 to 1992," she would, on Fendi's behalf, apply for provisional injunctive relief in the form of ex parte seizure orders directed against street vendors and retailers selling counterfeit goods. She was also active at the policy level, helping on behalf of Fendi to establish a "task force of prominent trademark owners to change New York State's anti-counterfeiting criminal statutes."

Sotomayor has written several trademark-related opinions since joining the 2nd Circuit in 1998. *Mattel Inc. v. Barbie-club.com***[FOOTNOTE 2]** was a case brought by the trademark owner Mattel Inc., under the **Anticybersquatting Consumer Protection Act of 1999** against a bushel full of domain names. In her opinion affirming the district court's dismissal of Mattel's action, Sotomayor held that in rem jurisdiction over the domain names existed under the ACPA where the domain name registrar, registry or other registration authority is located and not, as Mattel contended, in any court in which a certificate of a domain name's registration has been deposited.

*Storey v. Cello Holdings, LLC***[FOOTNOTE 3]** was another cybersquatting case, this one involving a dispute over the domain name "cello.com." There had been two earlier proceedings between the parties over the same domain name; one a district court lawsuit brought by Cello Holdings, which was dismissed with prejudice, and next a Uniform Domain-Name Dispute-Resolution (UDRP) proceeding also brought by Cello, which awarded the domain name to Cello. Storey then sued under the ACPA for a declaration that his use of cello.com was not unlawful under the ACPA and for restoration of the cello.com domain name back to him.

The district court ruled in Storey's favor, citing the res judicata effect of the dismissal with prejudice of the first lawsuit. Sotomayor's opinion reversing that dismissal took a close look at the ACPA and noted that it treats an owner's rights to register and use a domain name as contingent upon the registrant's ongoing use of the domain name without a bad faith intent to profit from another's mark.

Because Storey had made an offer to sell the domain name to Cello Holdings after the first lawsuit, Sotomayor noted, there existed the possibility that Storey's conduct after the first case was dismissed could have given rise to a new claim under the ACPA.

*Playtex Products Inc. v. Georgia-Pacific Corp.***[FOOTNOTE 4]** was a fairly routine trademark infringement dispute involving Playtex's "Wet Ones" towlette product and Georgia-Pacific's competing "Quilted Northern Moist-Ones."

Sotomayor authored the opinion affirming the district court's dismissal of the plaintiff's trademark infringement and related claims. Perhaps the most notable portion of the opinion was its adoption of the "considerable-deference standard" for reviewing the lower court's rulings on predicate facts in an appeal of summary judgment (as opposed to the stricter clearly-erroneous standard).

COPYRIGHT LAW

If Sotomayor is "known" for any opinion in the areas covered by this column, it is the one she issued as a district court judge in *Tasini v. The New York Times Co.*,**[FOOTNOTE 5]** a copyright infringement case brought by freelance authors against the *Times* and other

periodicals arising out of the republication of their articles in electronic databases and on CD-ROMs. At issue was the following language of section 201(c) of the Copyright Act:

> In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

Sotomayor held that this language gave publishers the privilege of reissuing or revising collective works, and did not limit the republication right to the original medium.

The 2nd Circuit reversed, disagreeing with Sotomayor's interpretation of §201(c), and the U.S. Supreme Court eventually affirmed that ruling. Both courts agreed that because the electronic databases reproduced and distributed individual articles standing alone and not in context, or as "part of that particular collective work" to which any of the authors contributed, or as a "revision of that collective work," or as a "later collective work in the same series," the *Times* and other publishers were not protected from copyright infringement claims by §201(c).

PATENT LAW

Sotomayor's experience with patent cases while a member of the 2nd Circuit has necessarily been limited to other types of cases, such as antitrust, that touch on patent issues. As a district court judge, however she handled a number of patent disputes, two of which found their way to the Federal Circuit on appeal.

REFAC Int'l, Ltd. v. Lotus Development Corp.[FOOTNOTE 6] involved a patent for a method of converting a software source code program to object code. Sotomayor held that the patent was unenforceable because one of the affidavits used during prosecution to overcome the examiner's objection and secure allowance failed to disclose a number of substantial connections between the affiant and the inventor's company.

The Federal Circuit noted that, while the usual inequitable conduct claim is based on a failure to disclose relevant prior art or an affirmative misrepresentation, Sotomayor had made findings based on evidence that the omissions in this case were material and were intended to deceive. Accordingly, there was no abuse of discretion.

In *Dow Corning Wright Corp. v. Biomet Inc.*,[FOOTNOTE 7] a pre-*Festo* decision, Sotomayor denied the defendant's motion for summary judgment of non-infringement, disagreeing that prosecution history estoppel limited the patent's scope.

In that case, during prosecution, Dow Corning Wright Corp. had responded to an examiner's claim rejection based on the prior art by combining the rejected independent claim and the subsequent dependent claim. Dow maintained in the prosecution that in so doing it was merely actually combining two claims that would otherwise be impliedly combined under the law.

Sotomayor accepted Dow's argument and refused to apply prosecution history estoppel to the enforcement of the asserted claim.

The judge was for a time involved in *Intellectual Property Development Inc. v. UA-Columbia Cablevision of Westchester Inc.*, where she construed the disputed claim term "high frequency carrier" as being in "the VHF range, 54 to 216 MHz." The case was later transferred to the U.S. District Court for the Central District of California, which subsequently returned it to the district court in the Southern District of New York, where it was then assigned to Judge Pauley because Sotomayor had since been elevated to the 2nd Circuit.

The defendants moved for reconsideration of Sotomayor's construction of "high frequency carrier;" Pauley granted the motion, and it was his construction of that claim term (3 to 30 MHz) that was eventually affirmed by the Federal Circuit (though his finding of invalidity was reversed).

WORKPLACE PRIVACY

In *Leventhal v. Knapek*,[FOOTNOTE 8] an employee of the New York State Department of Transportation appealed the district court's dismissal of his lawsuit claiming that a workplace search of his office computer violated his Fourth Amendment rights.

In her opinion, Sotomayor balanced the employee's limited expectation of privacy, the DOT's legitimate need to investigate allegations of the employee's misconduct, and the "modest intrusion" presented by the search.

While the DOT had not placed the employee on notice that his office computer was subject to search at any time, the IT staff did occasionally access the computer for service-related work. Because the search of the employee's computer was "reasonably related" to its investigation of his alleged misconduct, and because the search was not "excessively intrusive," Sotomayor found that the searches did not violate his rights.

ELECTRONIC CONTRACTS

Sotomayor penned the opinion in *Specht v. Netscape Communications Corp.*,[FOOTNOTE 9] one of the earlier cases involving Internet-based agreements.

The plaintiffs in *Specht* were individuals complaining of privacy violations caused by plug-in software they downloaded from

defendants' Web site. The defendants attempted to enforce an arbitration clause included as part of the software license relating to the downloads, and the district court denied the motion. The 2nd Circuit affirmed, with Sotomayor writing the opinion.

The ruling was based on lack of reasonable notice. The software license was displayed below the "Download" button on the Web page in such a way that users would have to scroll down to review it. Sotomayor held that "where consumers are urged to download free software at the click of a button, a reference to the existence of license terms on a submerged screen is not sufficient to place consumers on inquiry or constructive notice of those terms."

In an interesting aside, Sotomayor discussed whether the dispute involved the individual plaintiffs' intellectual property rights (to determine whether the arbitration clause's exclusion for disputes relating to IP rights might be implicated). She considered, and discarded, the idea that the plaintiffs' personal information could be protected by copyright, "trade secrets, good will, or other valuable intangibles," but in the end stated that it was "not an issue that we decide today."

CONCLUSION

Sotomayor would bring to the U.S. Supreme Court a strong background in trademark and anti-counterfeiting law and a familiarity with the other major areas of IP and technology law that would be an asset to a Court that has become increasingly tech-savvy.

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::::FOOTNOTES::::

FN1 Available as of June 10, 2009 at **http://judiciary.senate.gov/nominations/SupremeCourt/Sotomayor/SoniaSotomayor-Questionnaire.cfm**.

FN2 **Mattell Inc. v. Barbie-club.com** , 310 F.3d 293 (2nd Cir. 2002).

FN3 **Storey v. Cello Holdings, LLC**, 347 F.3d 370 (2nd Cir. 2003).

FN4 **Playtex Products Inc. v. Georgia-Pacific Corp.** , 390 F.3d 158 (2nd Cir. 2004).

FN5 *Tasini v. The New York Times Co.* , 972 F.Supp. 804 (S.D.N.Y. 1997).

FN6 *REFAC Int'l, Ltd. v. Lotus Development Corp.* , 887 F.Supp. 539 (S.D.N.Y. 1995).

FN7 *Dow Corning Wright Corp. v. Biomet Inc.* , 1993 WL 60571 (S.D.N.Y. 1993).

FN8 *Leventhal v. Knapek*, 266 F.3d 64 (2nd Cir. 2001).

FN9 **Specht v. Netscape Communications Corp.** , 306 F.3d 17 (2nd Cir. 2002).