

# the ADVOCATE

September 2022

Volume 65 | No. 9

Importance of the  
U.S. International  
Trade Commission

The Beverage that  
Helped Create a  
Legal Industry

Recent Roadblocks  
to Patent Eligibility





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## On the Cover



This issue's cover photo depicts the enforcement of intellectual property rights at the border via the U.S. International Trade Commission. Pictured is an aerial view of a freight ship carrying container boxes for import and export. Getty Image photo taken in Turkey by bfk92.

## Featured Article

### 40 **The Continuing Importance of the United States International Trade Commission as a Venue for Intellectual Property Enforcement**

*Teague I. Donahey*

## Sponsored Articles

*Sponsored by the Intellectual Property Law Section*

### 14 **From the Ivory Tower to Your Household: How One Beverage Helped Create a Far-Reaching Legal Industry**

*Jeremy K. Tamsen*

### 18 **Protecting the Intellectual Property Aspects of Synthetic Diamonds: Part 2**

*Ryan Lindig*

### 22 **Getting More Patent Term: Luck and Thought**

*Ryan L. Marshall*

### 24 **Recent Supreme Court Decisions Pose Roadblocks to Patent Eligibility**

*Cynthia Boakye-Yiadom*

### 28 **Trademarks for General Practitioners**

*Romney J. Hogaboam*

### 32 **How to Protect Your Clients From Exploding International Trademark Registrations**

*Jaxon C. Munns*

### 36 **Dangers of Software Reseller Agreements**

*Alexandra A. Breshears*

## Additional Articles

### 44 **Book Review: *Business and Commercial Litigation in Federal Courts*, 5th ed.**

*Kirk J. Houston*

### 46 **Recap of the 2022 Idaho State Bar Annual Meeting**

*Teresa A. Baker*

## From the Bar

### 5 **From the Editor**

*Lindsey M. Welfley*

### 10 **President's Message**

*Kristin Bjorkman Dunn*

### 12 **Executive Director's Report**

*Diane K. Minnich*

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### Farewell, Summertime!

Lindsey M. Welfley

With school back in session and fall right around the corner, the September issue of *The Advocate* is here! This issue is sponsored by the Intellectual Property Law Section and boasts eight Section-sponsored articles, each jam-packed with informative, relevant content.

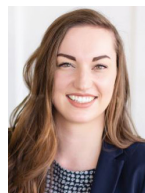
To start the issue off, Jeremy Tamsen writes an intriguing piece on the power of one beverage hailing from Florida to create a far-reaching legal industry. Next, part two of Ryan Lindig's article on the intellectual property aspects of synthetic diamonds – part one was published in the January 2022 issue, just in case you need a refresher! Following Ryan is Cynthia Boakye-Yiadom's article about the recent roadblocks to patent eligibility. On the topic of patents, next is an article by Ryan Marshall on how to get more patent term – it's part luck and part strategy.

Switching over to the trademark realm, the next article by Romney Hogaboam provides a 101 on trademarks for general practitioners. Then, Jaxon Munns writes about how to protect your clients from exploding international trademark registrations. Following Munns, Alexandra Breshears discusses the many dangers and intricacies of software reseller agreements. And last of the Section-sponsored articles, this issue's Featured Article by Teague Donahey explores the continued importance of the U.S. International Trade Commission as a vehicle for necessary intellectual property law enforcement.

This issue also includes a book review by Kirk Houston of the new fifth edition of *Business and Commercial Litigation in Federal Courts*, as well as a recap of the 2022 Idaho State Bar Annual Meeting in Twin Falls.

We hope you find this issue both interesting and helpful to your practice!

Best,



Lindsey M. Welfley  
Communications Director  
Idaho State Bar & Idaho Law Foundation, Inc.

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SEPTEMBER 2022

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## SCOTT D. GALLINA (Resignation in Lieu of Disciplinary Proceedings)

On June 28, 2022, the Idaho Supreme Court entered an Order accepting the resignation in lieu of disciplinary proceedings of Asotin County, Washington attorney and former judge, Scott D. Gallina. Mr. Gallina was admitted to the Idaho State Bar in September 1990 and the Washington State Bar Association (“WSBA”) in June 1991. The Idaho Supreme Court’s Order followed a stipulated resolution of a disciplinary proceeding that related to the following conduct.

On April 10, 2019, when Mr. Gallina was a judge in Asotin County, he was arrested by the Washington State Patrol at the Asotin County Courthouse on suspicion of second-degree rape, second-degree assault, and indecent liberties, involving two female court employees, J.G. and T.T. On April 4, 2022, Mr. Gallina’s criminal trial was set to begin when he entered into a plea agreement with the Attorney General of Washington (“AG”). On that date, the AG filed a Sixth Amended Information charging Mr. Gallina with one count of Assault in the Third Degree with Sexual Motivation with respect to J.G., a felony, and one count of Assault in

the Fourth Degree with Sexual Motivation with respect to T.T., a gross misdemeanor. Mr. Gallina pled guilty to these charges and will be sentenced to a minimum prison term of 13 months and a maximum of 27 months.

With respect to the felony count of Assault in the Third Degree with Sexual Motivation, the Sixth Amended Information alleged, and Mr. Gallina admitted, that from May 18, 2017 through April 9, 2019, he unlawfully and intentionally assaulted J.G. while she was engaged in her official duties as a court-related employee and that one of the purposes for which Mr. Gallina committed the crime was for his sexual gratification. With respect to the gross misdemeanor count of Assault in the Fourth Degree with Sexual Motivation, the Sixth Amended Information alleged, and Mr. Gallina admitted, that from January 18, 2018 to September 13, 2018, he unlawfully and intentionally assaulted T.T. with sexual motivation. Mr. Gallina’s misconduct ranged from inappropriate sexual comments to unsolicited and non-consensual shoulder rubs.

The Idaho Supreme Court accepted Mr. Gallina’s resignation in lieu of disciplinary proceedings. By the terms of the Order, Mr. Gallina may not make application for admission to the Idaho State Bar

sooner than five years from the date of his resignation. If he does make such application for admission, he will be required to comply with all of the bar admission requirements in Section II of the Idaho Bar Commission Rules and shall have the burden of overcoming the rebuttal presumption of the “unfitness to practice law.”

The Order also provides that consistent with I.B.C.R. 512(d), if an appeals court vacates or reverses Mr. Gallina’s conviction, or if a trial court enters an order granting a motion for a new trial, a motion for judgment of acquittal, or a motion to withdraw a plea of guilty, that removes Mr. Gallina’s conviction of the crimes, which are the basis for this sanction, Mr. Gallina may file with the Clerk of the Idaho Supreme Court, a motion for dissolution or amendment of the sanction.

By the terms of the Idaho Supreme Court’s Order, Mr. Gallina’s name was stricken from the records of the Idaho Supreme Court and his right to practice law before the courts in the State of Idaho was terminated on June 28, 2022.

Inquiries about this matter may be directed to: Bar Counsel, Idaho State Bar, P.O. Box 895, Boise, Idaho 83701, (208) 334-4500.

## PRACTICE WITH PURPOSE

It’s one thing to talk about meaningful pro bono work. But how do you get started? How can you ensure you’re doing your part?

Join retired magistrate Mick Hodges and attorneys from around the state to learn about pro bono opportunities and how even in retirement you can help as an Emeritus attorney.

## October

Tuesday	Wednesday	Thursday
<b>04</b>	<b>05</b> Trails End Brewery, 356 W. Bosank Ave., Coeur d’Alene, 5:30-7 p.m.	<b>06</b> Hells Canyon Grand Hotel. 621 21st St., Lewiston, 5:30-7 p.m.
<b>11</b> Canyon County Administrative Building, 111 North 11th Ave., Suite 130, Caldwell, 5:30-7:30 p.m.	<b>12</b> Idaho Supreme Court Building Lincoln Room, 451 W. State St., Boise, noon-1:30 p.m.	<b>13</b> Milner’s Gate, 205 Shoshone St. N., Twin Falls, 5:30-7 p.m.
<b>18</b>	<b>19</b> The Yellowstone Restaurant, 230 W. Bonneville St., Pocatello, 5:30-7 p.m.	<b>20</b> Bonneville County Courthouse Centennial Room, 605 N. Capital Ave., Idaho Falls, noon-1:30 p.m.

You are invited to a one-hour meal & CLE ethics training on topics important to pro bono practitioners. Learn about the benefits and the need for pro bono service at an event near you!

For questions contact Jennifer Schindele at [jschindele@isb.idaho.gov](mailto:jschindele@isb.idaho.gov). We’ll see you there!



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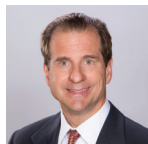
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## Lead the Way!

*Kristin Bjorkman Dunn*  
President  
Fourth District

I've practiced law for a while, but this month marks the start of something new as I begin my term as the President of the Idaho State Bar. When I selected "attorney" as my future field of work for an English class paper in the Ninth grade, I'm not sure I would have predicted that this is where I'd be in 2022.

For starters, there is the question of how much thought I actually put into the assignment. Did my teenage self just choose something in order to get on with it and put it behind me? I can't recall what made me focus my attention on "attorney," but I suppose it could have been that I approached the assignment by going through the alphabet, giving consideration to careers corresponding with each letter, or it could be that my subconscious knew this was the path for me. I can't say for sure, but I do know it was not front and center in my thoughts when I started college majoring in chemical engineering.<sup>1</sup>

Regardless of what possessed me to choose this career, I wouldn't trade it in, and now as I embark on my new role, I have been reflecting on my time as an at-

torney. Among my reflections are my early times as a new practitioner. I remember the green suit I wore to my swearing in ceremony, the new attorney program full of helpful information for beginning practitioners, and how fabulous it was to be free of the pressures of studying. Much kindness was shown to me by other attorneys in those early days, and I'm so glad that I heeded the advice of other lawyers to pick up the phone and ask questions. I can't think of a time that my call wasn't met with gracious advice. I really am grateful to those who were generous with their advice and time. And still, I remember other moments when I felt unsure - such as the time I went to my first hearing with not much more than a "you'll be fine."

These remembrances have caused me to think of the newly minted class of attorneys about to embark on their legal career. July 2022 saw a whopping 183 individuals take the Idaho bar exam. Later this month on September 30<sup>th</sup>, we will greet the successful candidates as members of the Bar, and my hope is that our new bar colleagues will be met with a hearty welcome. I remember all too well what it was like to be starting out, and you probably do too. Entering the law profession can be intimidating, even scary. Turn yourself

into a welcome committee and introduce yourself to a new lawyer. Ask them how it's going. Offer to meet them for a cup of tea<sup>2</sup> and talk about the practice. Give them the phone number that rings directly to your desk. Tell your story and learn theirs. Doing so fosters and deepens the connections and relationships within our Idaho legal community. We are a small bar and one of its advantages is the opportunity to know and relate to one another.

Become a mentor. Having a mentor and friend can make a huge difference to a newly practicing attorney. Be there to offer suggestions, help prepare for a hearing, or offer tips on conducting an initial meeting with a prospective client. Teach appreciation and respect for all members of the law office. Help our new colleagues understand the business of lawyering. Provide guidance about time management, building clientele, and developing an engagement letter. Be a source of knowledge, advice, and counsel for new attorneys. Provide feedback. Let our new attorneys know you want them to succeed.

You can also be a conduit to help our new colleagues expand their own networks. Invite a new attorney to attend a meeting with you. Maybe you are a member of Idaho Trial Lawyers Association or

a regular at Inns of Court. Perhaps you belong to one or more Sections of the Idaho State Bar and participate in the Section meetings. You might be a member of Idaho Women Lawyers or Attorneys for Civic Education. Whatever it is, ask a new attorney to join you and introduce them to others. But don't stop there. Encourage them to provide pro bono services and be involved in their communities.

Be kind. Show our new colleagues that we're a community. Remember these folks might be feeling overwhelmed. Some may be new parents. Others might be starting a second career. Some may be the first person in their family to attend college, let alone earn a graduate degree. So just be

gentle. No one wins in a game of "I had to struggle my way through; therefore, it should be no different for you."

We elevate ourselves and the Bar when we reach out and lend our support.



**Kristin Bjorkman** is a principal with the Boise law firm *Bjorkman Dempsey Foster* where her work is focused on real estate and business law. She has lived in Salmon, Burley, Moscow, Coeur d'Alene, and Boise. Kristin knows a thing or two about distances between places in Idaho. When she's not in the office you might find Kristin outdoors

on her bike, running on the greenbelt, or making a playlist of music hits from the 80's. She and her husband, Rob, have two children.


## Endnotes

1. What a surprise it must have been to Mr. Lee when I ultimately enrolled in law school. He was one of my favorite teachers at Moscow High School. He taught all my science classes and after a field trip to the chemistry lab at the University of Idaho, I was certain I'd found my calling.

2. People talk a lot about meeting for coffee but I've never liked coffee. I tried it the first time because I wanted to be like my grandma. I tried it again as an adult and still didn't like it. I suppose some people feel that way about tea. I know my husband and children think it tastes like dirt water.

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2022 Resolution Process

Diane K. Minnich  
Executive Director, Idaho State Bar

Proposed Resolutions –  
Deadline September 26

Do you, your District Bar Association, Practice Section, or committee have a proposed rule revision or law related issue that that you think should be supported by the Idaho State Bar membership? If so, the fall Resolution Process, or “Road-show,” is the opportunity to propose issues for consideration by members of the Bar.

Unlike most state bars, the Idaho State Bar cannot take positions on legislative matters, or propose changes to rules of the Court, or substantive rules governing the Bar, by act of its bar commissioners, or at its Annual Meeting. These matters must be submitted to the membership for a vote through the Resolution Process.

Idaho Bar Commission Rule 906 governs the Resolution Process. Resolutions for the 2022 Resolution Process must be

submitted to the Bar’s office by the close of business on September 26, 2022. If you have questions about the process or how to submit a resolution, please contact me at [dminnich@isb.idaho.gov](mailto:dminnich@isb.idaho.gov) or (208) 334-4500.

We hope you can join us at the fall Resolution meeting in your district. The tentative dates are listed below.

At the Resolution meetings we also

2022 District Bar Association Resolution Meetings				
District	Date	Time	District Bar President	City
First Judicial District	Thursday, November 3	Noon	Casey R. Simmons	Coeur d’Alene
Second Judicial District	Thursday, November 3	6:00 p.m.	Brennan A. Wright	Lewiston
Third Judicial District	Monday, November 14	6:00 p.m.	Jeffrey L. Phillips	Nampa
Fourth Judicial District	Tuesday, November 15	Noon	Jim A. Cook	Boise
Fifth Judicial District	Thursday, November 10	6:00 p.m.	Linda E. Wells	Twin Falls
Sixth Judicial District	Thursday, November 10	Noon	Jared A. Steadman	Pocatello
Seventh Judicial District	Wednesday, November 9	Noon	Hyrum D. Erickson	Idaho Falls

present the 2022 Professionalism and Pro Bono Awards to attorneys in each district, as well as honor retiring judges. The information about the Professionalism and Pro Bono award recipients, and the retiring judges is included in the August issue of *The Advocate*.

### Thank You

Kurt Holzer and Anne-Marie Fulfer completed their service as Bar Commissioners at the close of the 2022 Idaho State Bar Annual Meeting. It was not an easy time to serve as a commissioner. They both dealt with difficult issues, they had very

little opportunity to enjoy the role through live meetings and events. I appreciate Anne-Marie's calm, reasonable approach, and Kurt's willingness to step in and deal with challenging issues. They have different styles and approaches, both beneficial to the Bar during unique times. Special thanks to Anne-Marie and Kurt for their commitment and service to the Bar and the profession.

For the coming year, Kristin Bjorkman Dunn, began her term as President at the



end of the Annual Meeting in July, she will serve until January 2022; Laird Stone will serve as President from mid-January through the 2023 Annual Meeting in July. We welcome recently elected Commissioners Mary York of Boise and Jillian Caires of Coeur d'Alene, who join Gary Cooper, Kristin, and Laird.

As I note each year, serving as a commissioner takes an incredible amount of time. The lawyers who are elected as Commissioners are truly dedicated to serving the profession – my sincere thanks for their service!

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## From the Ivory Tower to Your Household: How One Beverage Helped Create a Far-Reaching Legal Industry

Jeremy K. Tamsen

**B**efore World War II, relatively little research and development (“R&D”) occurred in the United States and the federal government funded only about 20% of the research and development activities in the nation.<sup>1</sup> In 1940, federally funded R&D totaled only about \$130 million (in 2022 dollars) with research focusing primarily in the areas of natural resources, agriculture, and national defense.<sup>2</sup> During World War II, however, the U.S. federal government made massive investments in research to devise new innovations to bolster the military effort.

To help meet the technical demands of the war, three important changes were made to the structure of federal R&D projects. First, academic researchers were allowed to work in their own laboratories on wartime R&D projects, rather than themselves becoming members of the mil-

itary as was required during World War I. Second, the federal government created a mechanism to contract third parties for R&D work even when the approach and outcome were not precisely specified in advance. Third, the federal government agreed to pay indirect costs – or overhead – as well as paying for the direct expenses for those performing R&D under federal grants and contracts.<sup>3</sup> Motivated by the rigors of war, by 1947 federal R&D expenditures totaled about \$1.1 billion in 2022 dollars, representing an approximate 10-fold increase in federal R&D spending over just seven years.<sup>4</sup>

At the conclusion of World War II, federal support for R&D was consolidated and new agencies were formed to lead research efforts in medicine, natural sciences, aeronautics, and new weapons. The Soviet Union stunned the world in 1957 with the successful space launch of the sat-

ellite Sputnik; fears over the loss of American technological superiority spurred the federal government to create more new agencies and appropriate more funding to combat future “technological surprise.”<sup>5</sup> By 1980, total federal R&D expenditures topped \$101 billion (in 2022 dollars), representing *another* approximate 10-fold increase in U.S. federal research expenditures over 1947 levels, rising from only \$130 million in 1940.<sup>6</sup>

### The development stalemate

With such massive increases in federal R&D expenditures came a host of new innovations. By 1979, federally funded R&D resulted in the development of over 28,000 patents, all of which were owned by the federal government.<sup>7</sup> However, no clear pathways existed for third parties to license government-sponsored innova-



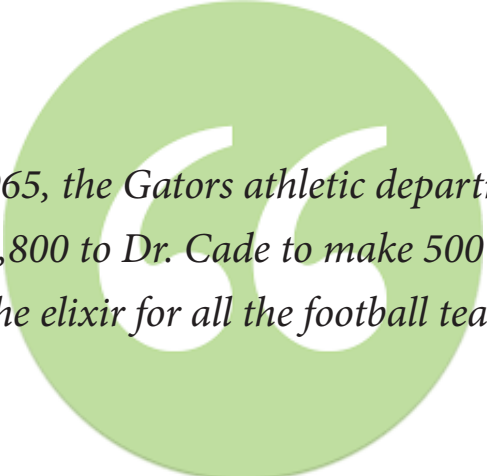
tions. Indeed a report by the U.S. General Accounting Office indicated that in 1979, out of those 28,000 issued patents, fewer than 5% of inventions funded with public money had been developed into products.<sup>8</sup>

The problem was that the government would not itself develop those patents into products, though it owned the intellectual property. At the same time, few companies were willing to invest to develop the government patents without first securing exclusive rights, since developing a

rats, though not all of the funding went to Dr. Cade.<sup>10</sup>

A lifelong sports fan, Dr. Cade became aware of a problem faced by the Florida Gators football team: players were suffering from heat exhaustion and loss of water during the heat of summer games, causing the team to lose and players to be hospitalized.<sup>11</sup> Dr. Cade had an idea for a beverage that could help. The recipe was simple, requiring just a few inexpensive ingredients, and soon Dr. Cade was ready to test his concoction against dehydra-

While the Gators had finished one successful season powered by Gatorade, Cade and his colleagues had not been successful in attracting national attention to their beverage. Like most innovative faculty members, Cade likely did not see much promise in leaving his post as a doctor and faculty member at the University of Florida to start a company marketing, selling, and distributing a product. Cade also lacked the business expertise to start and run such a venture – he was a medical researcher and faculty member, not a businessman. While they did seek success, the inventors were not interested in spending their lives marketing a beverage, so they looked for partners to help expand the venture.<sup>15</sup>



*In 1965, the Gators athletic department paid \$1,800 to Dr. Cade to make 500 gallons of the elixir for all the football teams.*

### **Attracting Investment from Stokely-Van Camp**

In March 1967, Cade and his co-inventors struck gold when they successfully negotiated a deal to license the recipe and name for Gatorade to Stokely-Van Camp Inc., a processed food company out of Indiana. Soon thereafter, the co-inventors formed the Gatorade Trust (“the Trust”) to manage royalties coming back to the inventors.<sup>16</sup> At the first presentation, the Stokely Board of Directors was unconvinced that Gatorade would be a commercial success, in part because the salty, lime-juice and water beverage was unpalatable. In exchange for the rights to use and market the Gatorade name and formula, the company declined to pay the flat fee of \$1 million asked for by the inventors. Instead, the Board chose a royalty structure: a \$5,000 signing bonus, plus a royalty of five cents on every gallon sold, with a minimum annual royalty of \$25,000.<sup>17</sup>

Developing the nascent formula for a hydration treatment into an attractive consumer-ready product took time and other valuable resources. Immediately, the company invested in creating a completed consumer product by formulating several Gatorade flavors. The owners and Board of Directors of the company were concerned about the return on their investment, so the company also sought to obtain further patent protection by filing three additional U.S. patent applications and several applications in other countries.<sup>18</sup> The company also filed a trademark for the name “Gatorade.”<sup>19</sup>

product from a nascent patent can take years of hard work and heavy investment. Therefore, the government-owned patents sat unused, a testament to a national system of innovation that was broken. Worse than being unused, the large number of unlicensed government patents actually blocked other inventors from obtaining patent rights in new inventions that could be used in commerce, if not for the blocking, unused government patents. Something needed to change.

### **Creation of Gator Aid**

In 1968, one 40-year-old Florida man and his co-workers set the stage for a watershed moment in the United States. For a few years, Dr. Robert Cade had been an Associate Professor of medicine at the University of Florida. He was working on, among other things, a small grant from the U.S. Department of Health, Education, and Welfare (“HEW”).<sup>9</sup> The HEW grant was good for \$40,000 per year to focus on studying sodium levels in the kidneys of

tion on the football field. He went to head football coach Ray Graves who agreed to allow the doctor and his co-workers to use the Gators’ freshman football team as test subjects.<sup>12</sup>

Mystique grew as the football team racked up more wins than ever, while the coaches and players credited the “Gator Aid” that Dr. Cade had invented to help the Gators win on the field. In 1965, the Gators athletic department paid \$1,800 to Dr. Cade to make 500 gallons of the elixir for all the football teams. The name was ultimately changed to “Gatorade” after the inventors realized that using the word “aid” in the name would require proof that the drink had a clear medicinal use, and subject the drink to clinical testing.<sup>13</sup> The doctors were able to make a few other sales and yielded \$1,500 by selling to schools like the University of Richmond and Miami University of Ohio. After the first football season, Dr. Cade filed a patent application for the formulation of his sports beverage by working with a patent attorney.<sup>14</sup>



Multiple changes to the drink packaging were also required in the initial year. Gatorade was initially distributed in the same metal cans used for Stokely Pork & Beans, but the composition of the drink caused the cans to deteriorate, causing it to leak into refrigerators in both stores and homes. This led to a switch to using 32 oz. glass bottles to make distribution easier, but sports teams did not like handling the glass bottles. Through further investment, the company created a powdered concentrate that could be mixed with water to make the wonder drink right on the sidelines.<sup>20</sup>

To push the beverage into the view of Americans nationwide, in 1967 Stokely executives agreed to pay \$25,000 per year to call Gatorade the official sports drink of the NFL. The contract required every NFL team to have orange Gatorade-branded coolers on the sidelines during every game, even if their team did not purchase and drink the beverage. Investments by Stokely paid dividends and Gatorade became the new flagship product for the company.<sup>21</sup>

Another road bump requiring further investment came in 1969 when cyclamate was removed by the FDA from the list of substances generally recognized as safe for use in foods, effectively banning the product in consumer beverages. The artificial sweetener was used in the original Gatorade formulation, so the company then had to scramble to find resources to reformulate their top product.<sup>22</sup>

## The Gatorade lawsuits

When the money did start to flow along with the rising tide of Gatorade sales, officials at the University of Florida (“UF”) and in the federal government took note. After royalties crested \$200,000 in 1970, and Dr. Cade collected \$42,000 from the Trust, federal government officials contacted Dr. Cade to assert that the government may be the proper owner of the patent rights in the recipe, thanks to the HEW-funded grant he was working on at University of Florida.<sup>23</sup> UF had also threatened to sue for the rights to the recipe, and in 1970, the Gatorade Trust preemptively filed suit against UF in Indiana, near the Stokely headquarters. The

University of Florida filed a countersuit in Florida against the Trust and Stokely in 1971, and the U.S. Department of Justice filed in Washington D.C. listing the Trust, Stokely, and UF as co-defendants.<sup>24</sup>

The lawsuits were settled with the U.S. federal government and the University of Florida when Stokely-Van Camp and the inventors agreed to abandon the three U.S. patent applications associated with the recipe. Instead, the doctors agreed to publish the recipe in a medical journal, free for anyone to use.<sup>25</sup> Note that, unlike the patent system of publication, the medical journal publication did not reserve any exclusive rights in the recipe for the inventors, or their licensee Stokely-Van Camp.

Through the settlement agreements, the Gatorade trademark was allowed to live on, with University of Florida taking assignment of the trademark rights and licensing them to Stokely.<sup>26</sup> The settlement also provided a share of the proceeds from future Gatorade sales to the U.S. federal government and the University of Florida, based on royalties paid to the Gatorade Trust from continued use of the Gatorade trademark by Stokely. By 2015, 50 years after the initial formula was invented, the Gatorade trademark licensing deal brought in more than \$1.1 billion in royalties.<sup>27</sup>

## What is “technology transfer”?

Following the Gatorade saga, and in the face of growing public concerns regarding American global economic competitiveness, several legislators began working on a better framework for developing federal research into products and services. Working together with universities and national laboratories across the country, Congress in the late 1970s crafted a new national innovation policy to facilitate the transfer of innovations from research institutions – primarily universities and national laboratories – to private industry, with the goal of driving societal impact from federal research investments.

In general, the practice of translating federally funded inventions and discoveries into products and services is today known as “technology transfer.” The practice was founded in the United States with the Bayh-Dole Act (“the Act”) passed by

Congress and signed into law in 1980, which authorized research institutions to retain title to intellectual property created through activities funded by federal dollars.<sup>28</sup>

The intention of the Act is to enable research institutions to use intellectual property to protect research outputs that show potential to positively impact society. By protecting new innovations prior to publication in scientific literature, research institutions can create value by creating proprietary rights that can be licensed to third parties. The revenue generated from commercially licensing patents, copyrights, trademarks, and trade secrets is an intentional outcome of the activities authorized by the Act, and research institutions are directed by the Act to invest licensing revenues in programs that support ongoing research at the institution.<sup>29</sup>

Since the patent system is best thought of as a specialized form of publication, the aims of the Act are consistent with the mission of research institutions in the U.S. – to create and disseminate knowledge. Through the system of patent application and publication, inventors and their research institutions can obtain exclusive rights in an invention – a 20-year monopoly granted by and enforceable through the federal government – while simultaneously publishing enough detail to enable another person to duplicate and build upon the results.

This monopoly serves as a time-limited reward to inventors for publicly revealing, through the patent application, the inner workings of their invention. Indeed, the patent office requires what is termed an “enabling disclosure” of the invention and how it functions; the patent application by law must be a “full, clear, concise, and exact” description of the invention, “and of the manner and process of making and using it...”<sup>30</sup> The patent system and the practice of technology transfer aim to create a balanced environment through which innovators and the greater public good can both benefit, by providing time-limited exclusivity in exchange for full public disclosure of new inventions.

## From the ivory tower to your household

Without the practice of technology



transfer, much of today's best innovations would not be available to consumers as products. Gatorade's inventors and investors endured a series of legal battles and overcame numerous practical hurdles to get the product to market. Without this foundation, it would still be very difficult to commercialize federal R&D in the United States.

So be grateful the next time that you go to sleep on a memory foam mattress brought to you by NASA-funded research, or brush your teeth with a Sonicare® toothbrush thanks to work funded by the National Institutes of Health.<sup>31</sup> When you enjoy eating a Honeycrisp® apple, think of the researchers at University of Minnesota who worked for 20 years to breed and commercialize the variety.<sup>32</sup> After Lasik eye surgery, when you can clearly read content on Google®, you can thank researchers at the University of Michigan for the laser and Stanford for the search algorithm.<sup>33</sup> Much of modern life has been touched by federal R&D, made accessible through the legal practice of technology transfer – bringing innovations from the ivory tower into your household.



**Jeremy K. Tamsen** is the Chief Technology Transfer Officer for the University of Idaho and a proud alumnus of the University of Idaho College of Law (2016). In addition to being an intellectual property

attorney, he is a professional astrophotographer and avid outdoorsman.

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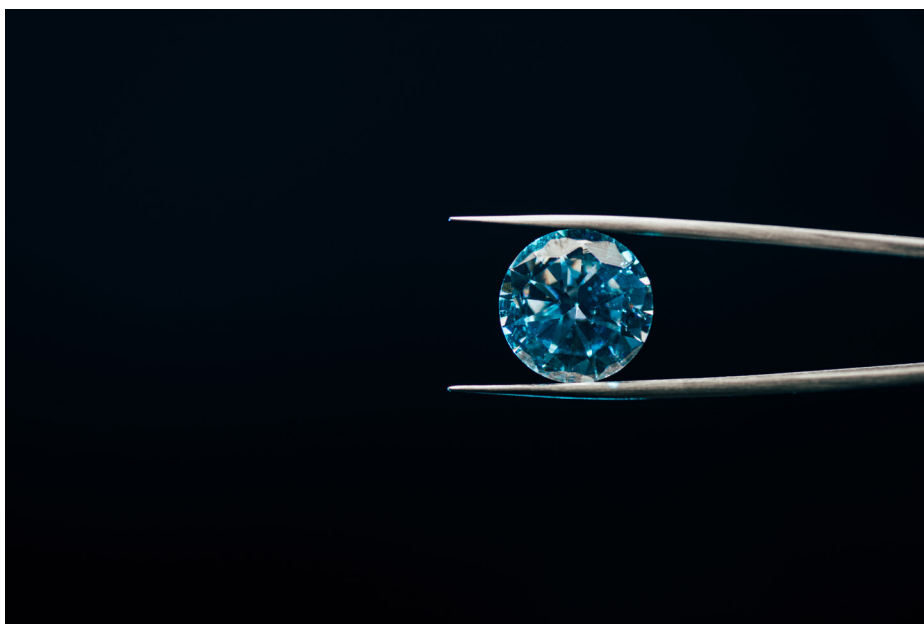
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## Protecting the Intellectual Property Aspects of Synthetic Diamonds: Part 2

Ryan Lindig

*Editor's Note: Due to length and space constraints, the author and Editorial Advisory Board opted to split publication of this article into two installments. This portion is the second half, with the first half published in the January 2022 issue.*

Recall from Part 1 of this article that we are creating and analyzing a hypothetical to explore how control over the 4C's translates to intellectual property protection.

Suppose Lili Jewelry has licensed the Meteor Cut trademark and design and utility patents to Lightbox for its creation of its flagship synthetic diamond: The Blue Moon Diamond. The diamonds are CVD grown in Lightbox laboratories and are cut using the Meteor Cut. After cutting and polishing, each diamond weighs five carats every time. In the CVD growth

chamber, Boron is added 300 parts per billion to consistently create the same light blue color, and the clarity is always graded at either VVS1 or VVS2. We will be using this fictional Blue Moon Diamond as a starting point for the following discussion on synthetic diamond protection.

### Synthetic diamond intellectual property protection

A synthetic diamond embodies the same features as a natural diamond; a canvas upon which a cut is made. Diamond cuts are still protectable when used upon synthetic diamonds as they are on natural diamonds; cuts made upon synthetic diamonds do not lose any of the patent and trademark elements that apply to cuts made on natural diamonds.

However, now that the 4C's of diamonds are within the control of manufacturers, we can begin to explore the

possibility of protecting more than just the diamond cut. The actual synthetic diamond itself could be protected through copyright and trade dress.

### Trade dress

As discussed earlier, trade dress can be registered as a trademark at the United States Patent and Trademark Office ("USPTO"). Trade dress refers generally to the total image, design, and appearance of a product and "may include features such as size, shape, color, color combination, texture, or graphics."<sup>1</sup> Size, shape, and color combinations make up a diamond. The Blue Moon Diamond is likely registrable under the USPTO as a product-design trade dress. This means it would require a secondary meaning in the minds of consumers to be protected as a trademark.<sup>2</sup>

Instilling a secondary meaning in the minds of consumers is no easy task. First, Lightbox would have to register the trade



dress by filing a drawing of the mark, so a drawing of the Blue Moon Diamond, including the name, color, cut, clarity grade, and weight, probably Trademark Class 14. Then, Lightbox would have to pour millions of dollars-worth of advertising into the Blue Moon Diamond as its signature flagship diamond and restrict its use to certain jewelry designs, such as a ring, a pair of earrings, and a necklace to limit the instances where a consumer would see the diamond. This is to create more reliable connections between the diamond and Lightbox and avoid consumers thinking every roundish blue diamond is the Blue Moon Diamond. After a few years, consumers active in the jewelry market would likely establish a secondary meaning for the diamond.

By having well-defined limits of what its trade dress is, Lightbox would set itself up for success in the courts should a claim for trade dress infringement arise. In this case as established, the trade dress is the diamond alone, as well as when set within one type of ring, one type of a pair of earrings, and one type of necklace. Most courts exercise “particular caution” when extending protection to product designs.<sup>3</sup> For example, the Yurman design company once sought to protect its jewelry design under trade dress. The court was unwilling to extend protection because Yurman could not articulate exactly what the trade dress was.<sup>4</sup>

To sustain a claim for trade dress infringement, a plaintiff must prove (1) that its claimed dress is nonfunctional, (2) that its claimed dress serves a source-identifying role, and (3) that the defendant’s product or service creates a likelihood of consumer confusion.<sup>5</sup>

Of the three infringement elements, the first two would be the most concretely challenging. While the Meteor Cut is functional, the Blue Moon Diamond as a whole is not. A competent lawyer would likely succeed in proving the diamond and relevant jewelry pieces are not functional, as jewelry is not usually considered functional.<sup>6</sup> The more difficult obstacle would be proving the Diamond has a secondary meaning within the minds of consumers. However, such a task is not impossible, especially if Lightbox were to coordinate its marketing plans with the anticipated legal challenges.<sup>7</sup>

A likelihood of consumer confusion is difficult to pin down at this stage. This is a

hypothetical scenario, and so we could go down a rabbit hole of hypotheticals about how Tiffany & Co. was able to create a synthetic manufacturing wing because of an influx of cash from their acquisition by LVMH, but that is unproductive. A likelihood of consumer confusion is possible, as with any trademark, but is not a current threat.

## Copyright

A diamond cut cannot be copyrighted on its own, and, for the same reasons, a diamond as a whole cannot either. As discussed previously the barriers to obtaining copyright protection are the originality requirement, the separability, merger, and *Scènes à Faire* doctrines, and the policy issues that come with giving a piece of art exclusive rights.

Originality means only that the work was independently created by the author and that it possess at least some degree of creativity.<sup>8</sup> Courts would be hard pressed to say that a diamond, no matter the cut, color, or specifications, could be found to be original. Diamonds have been cut since the 1500’s, and while changing the color of a diamond has not been around for as long, it is prolific.<sup>9</sup> Even if the Blue Moon Diamond could pass the threshold of originality, other sub-doctrines would prohibit its protection.

Perhaps the only copyright doctrine that applies to the cut and not the Blue Moon Diamond as a whole is the separability doctrine. Copyright does not protect the pictorial, graphic, or sculptural features of useful articles, unless those features are separable from the useful article’s utilitarian aspects.<sup>10</sup> However, the Blue Moon Diamond as a whole is not functional as just the Meteor Cut is. There is no separability argument when there is no functional part of the diamond. Even if a court was to break precedent and analyze the functionality of the Blue Moon Diamond’s elements, rather than the entire piece, an opaque stone of the same color, cut, and carat size, would likely be separable and thus protectable.<sup>11</sup>

While an argument could be made for protecting the Blue Moon Diamond under the merger doctrine, protecting it would be nearly impossible under the *Scènes à Faire* doctrine. Under the merger doctrine, a court will not protect copyright

work from infringement if the idea underlying copyright work can be expressed in only one way.<sup>12</sup> The copyright protection may be denied where the idea is inseparably tied to the expression of that idea.<sup>13</sup> Under the *Scènes à Faire* doctrine, when certain commonplace expressions are indispensable and naturally associated with the treatment of a given idea, those expressions are treated like ideas and therefore not protected by copyright.<sup>14</sup> In cases related to the copyright protectability of jewelry as a whole, lower courts have been hesitant to apply protection.<sup>15</sup>

Growing a diamond to a specific size, cut, and color can be achieved in other ways than just how Lightbox is growing the Blue Moon Diamond, but this argument would have better success under trade secret than copyright and the merger doctrine. The *Scènes à Faire* doctrine is the major barrier; it harkens back to the fundamental problem of the requirement for novelty or originality. The market has been absolutely saturated with diamond cuts and colors for centuries; diamonds are always used for jewelry. The expression of creating a diamond, not for industrial purposes, is indispensable and naturally associated with the purpose of the diamond, which is jewelry. The general consumer cannot tell the difference between a synthetic diamond and a natural diamond – she is not supposed to be able to tell the difference.

Finally, applying copyright protection to the Blue Moon diamond would also give it exclusive rights including the right to create derivative works. The majority of courts in the U.S. would be unwilling to provide copyright protection for even the most fleshed out of synthetic diamonds, because of the problems that arise with the *Scènes à Faire* doctrine, and exclusive rights.

## Trade secret

According to the USPTO, a trade secret is information that has either actual or potential independent economic value by virtue of not being generally known, has value to others who cannot legitimately obtain the information, and is subject to reasonable efforts to maintain its secrecy.<sup>16</sup>

The recipe and process for creating a synthetic diamond is likely protectable under the trade secret definition. The abil-

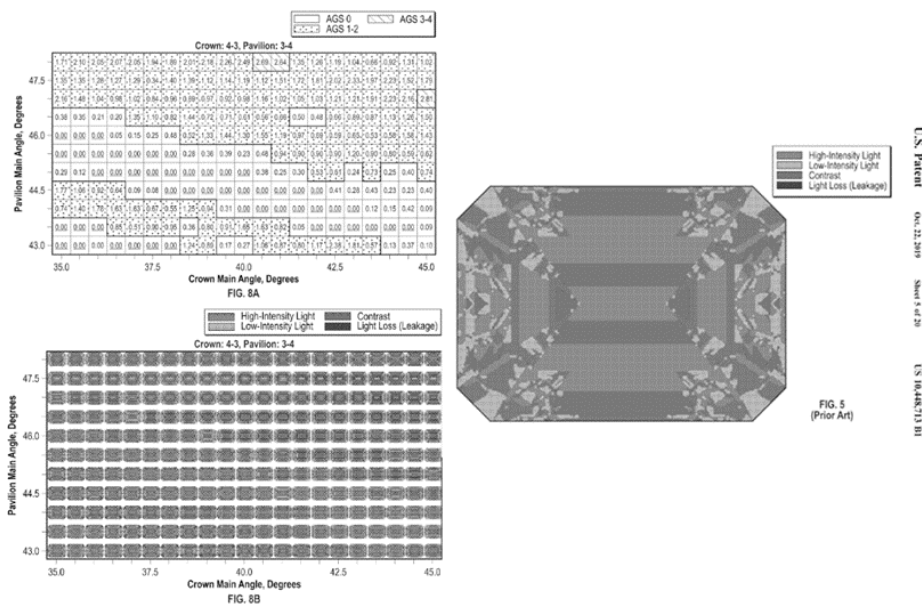


Figure 1; Previously Figure 5 in Part 1 of this article.

ity to create a valuable colored diamond exactly the same every time has independent economic value. This is proven with the patent in Figure 1; the perfect emerald cut patent demonstrates there are gem cutters striving for the perfect rating from different gem grading associations. The ability to create a consistent stone that always receives a high grading from one of those societies has economic value.

## Conclusion

Natural diamond cuts will likely forever be subjected to protection through the use of simultaneous utility and design patents, and trademark. I believe synthetic diamonds have a broader area of protectability and avenues to acquire that protec-

tion. While copyright protection is likely a dead end, a large diamond manufacturing firm, perhaps under the umbrella of a corporation or conglomerate, would likely succeed in acquiring trade dress protections for certain diamonds, as it would have the resources and foresight to plan for the long term. For the short term, trade secret protection is viable and available to every synthetic diamond manufacturer currently producing goods.



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section of technology and fashion has led him to focus on intellectual property and licensing. Outside of his legal pursuits, Ryan is passionate about traveling the country to mine for precious and semi-precious gemstones which he uses to create unique jewelry pieces and enhance his overall gemcraft expertise.

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## Getting More Patent Term: Luck and Thought

Ryan L. Marshall

The time a patent lasts can be very valuable to the patent owner. Generally the term of a patent is 20 years but in some instances the normal patent term can be lengthened. It may greatly benefit your client to investigate the availability of an extension of a patent term. How does that happen and why would you want that? There's some luck and skillful thought that goes into getting a longer patent term. If your innovation is likely to have commercial importance for many years, that additional patent term can keep competitors away for longer. This article will review patent term basics, patent term delays and extensions, and offer some practical considerations as you navigate the patent term process.

### Patent Term Basics

Patents grant their owners the right to exclude others from making, using, or selling a claimed invention.<sup>1</sup> The granting of this exclusivity right encourages innovation that improves society in a myriad of ways. The patent holder often reaps greater profits if protected from direct competition. These profits incentivize cre-

ating innovative products that benefit our culture and economy.

The patent term length has changed with time as countries harmonize patent laws and policies. The Uruguay Rounds Agreements Act<sup>2</sup> became effective on June 8, 1995 and changed the patent term in the United States making it consistent with most countries around the world.

Before June 8, 1995, utility and plant patents<sup>3</sup> typically had 17-year term from the date the patent was *issued*. Patents granted after the June 8, 1995 date have a 20-year term from the effective filing date.<sup>4</sup> Most patent matters in play today have the applicable 20-year term.

The effective patent term (the term a patent owner can actually enforce rights) is often less than 20 years because patents are often obtained before products are actually marketed or the patent office fails to timely examine a patent application.

Many factors affect the length of the effective patent term. For example, products that affect human health that are regulated by the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act must receive Food and Drug Administra-

tion ("FDA") approval before marketing. New human drug products generally undergo extensive testing to show that the drugs are both safe and effective. Those periods of regulatory review and development often take several years and continue after a patent grants.

To stimulate product development and innovation, Congress enacted Title II of the Drug Price Competition and Patent Term Restoration Act in 1984<sup>5</sup> to extend patent life to compensate patent holders for marketing time lost while developing the product and awaiting government approval.

Another factor that effects the length of the effective patent term is the time that examination processes take at the U.S. Patent and Trademark Office ("USPTO"). A patent owner cannot enforce patent rights until a patent is granted from an examined patent application.

### Patent Term Adjustment

Patent term adjustment ("PTA") is one of two statutory ways to lengthen the term of a U.S. utility patent.



The PTA statute, created in 1999, accommodates delays caused by the USPTO during examination of utility or plant patent application.

There are three forms of available PTA referred to as “A” delay, “B” delay, and “C” delay. PTA is the sum of daily totals of A, B, and C delays, excluding other periods of time.

Again, the sum of A, B, and C delay represent the PTA a patent owner is statutorily entitled to following grant of the patent. The amount of PTA is calculated shortly before the patent grants in an issue notification sent by the USPTO when the

projected publication date of the granted patent is certain. The USPTO sends an issue notification identifying the projected patent number, grant date, and its calculation of PTA applicable to the patent.

If the patent owner believes the PTA determination made by the USPTO is too short, the applicant has two months from the grant date to request reconsideration of the PTA determination. An applicant gets lucky when the USPTO takes too long giving rise to any of the A, B, and C delays. An applicant should be thoughtful and deliberate, however, to avoid activities that take away from potential PTA accrual. For example, applicants can file terminal disclaimers that shorten the patent term of subsequently granted patents that accrued PTA but by terminal disclaimer, surrender that PTA by tying the term of the subsequent patent to the term of an earlier issued patent.

Another common way that applicants surrender PTA is by delaying their own examination activities. Examples of these applicant delays include taking longer than three months to reply to a USPTO notice or office action, abandoning the application, or late payment of the issue fee. Another less common forfeiture arises when the patent applicant decides to convert a prior filed provisional application to a non-provisional application instead of filing a non-provisional application that claims the benefit of priority to the provisional filing.

There are other disqualifying activities. For example, applicants who submit preliminary amendments or other preliminary submission less than one month before issuance of an office action or notice of allowance that requires the issuance of a supplemental office action or notice of allowance may disqualify themselves from the maximum accrued period. Another disqualifying activity arises from an office action reply that is incomplete and requires a supplemental reply. Even near the end of examination, if the applicant submits an amendment after a notice of allowance, which also disqualifies the applicant from realizing the maximum amount of eligible PTA.

## Conclusion

If the product life cycle covered by a

patent is so short that the end of the patent term is not commercially significant for a patent owner, then PTA is irrelevant. Longer product life cycles, however, benefit from additional patent term. Identifying what activities to take and not take during patent examination, however, impacts the potential PTA that accrues in USPTO proceedings. Applicants, therefore, should be deliberate about timeliness and procedural decisions that count toward and against PTA accrual.



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## Endnotes

1. 35 U.S.C. §271.

2. Public Law 103-465

3. Design patents (often outside the U.S. as industrial designs) have a different term from plant and utility patents. On December 18, 2012, the Patent Law Treaties Implementation Act of 2012 (PLTIA) was signed into law. The PLTIA among other things sets forth provisions implementing the 1999 Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (“Hague Agreement”). These provisions (Title I of the PLTIA) took effect on May 13, 2015. As a result, U.S. design patents resulting from applications filed on or after May 13, 2015 have a 15-year term from the date of grant. However, patents issued from design applications filed before May 13, 2015 have a 14-year term from the date of grant.

4. The “effective filing date” for a claimed invention is the earlier of: (1) the actual filing date of the patent or the application containing a claim to the invention; or (2) the filing date of the earliest priority application (i.e., the earliest filed provisional, nonprovisional, international, or foreign application) to which a patent or patent application is entitled to a right of priority. See 35 U.S.C. § 100(i). The effective filing date is evaluated on a claim-by-claim basis.

5. Public Law 98-417

6. 35 U.S.C. § 154(b)(1)(A)

7. 35 U.S.C. § 154(b)(1)(B)

8. Typically arising after the applicant files a Request for Continued Examination (RCE).

9. 35 U.S.C. § 154(b)(1)(C)

## Three Forms of PTA

“A” delay<sup>6</sup> accrues when the USPTO fails to:

- (1) send an office action or notice of allowance more than 14 months after the application’s initial filing date;
- (2) act on a patent application more than four months after an applicant files a reply to an office action;
- (3) act following a decision on appeal or decision by a federal court finding at least one claim allowable;
- (4) issue a patent more than four months after payment of the issue fee.

“B” delay<sup>7</sup> accrues when the patent application is pending for more than three years, excluding time periods following:

- (1) continued examination;<sup>8</sup>
- (2) an interference or derivation proceeding;
- (3) imposition of a secrecy order;
- (4) review by PTO on appeal or by a federal court; and
- (5) delays in processing requested by the applicant.

“C” delay<sup>9</sup> accrues in the less frequent circumstance when the patent grant is delayed due to interference or derivation proceedings, imposition of a secrecy order, or appellate review by the USPTO or federal court that reversed an adverse determination of patentability.



## Recent Supreme Court Decisions Pose Roadblocks to Patent Eligibility

Cynthia Boakye-Yiadom

The world is a gradual continuum of ideas; human ingenuity over many centuries continues to transform and enhance our society. It is therefore imperative to encourage individuals to invent knowing that they will be supported and their intellectual property rights protected. Article 1, Section 8, Clause 8 of the U.S. Constitution grants Congress the power “to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”<sup>1</sup> The framers of the Constitution believed that patent law encouraged innovation by protecting private property. In Federalist No. 43, James Madison argued that creating patent law was a matter of reason and public good.<sup>2</sup> This article will discuss recent Supreme Court decisions and the challenges to determine

whether a particular invention is eligible for patent protection.

### Mixed reviews on current Supreme Court jurisprudence on patent eligibility

Patent law in the U.S. is governed by the Patent Act and eligibility for a patent is determined by Section 101. Under 35 U.S.C. § 101, “whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent.”<sup>3</sup> The Court has long held this language to mean that a broad range of innovation is eligible for patenting, but excluding laws of nature, abstract ideas, and physical phenomenon.<sup>4</sup> There have been mixed reviews of the Supreme Court jurisprudence of this statute. *Mayo Collaborative Services v. Prometheus Laboratories, Inc.* and *Alice Corp. v. CLS Bank*

*International* are two recent landmark cases that have guided the lower court’s decisions and the United States Patent and Trademark Office (“USPTO”) in granting patents.

At issue in *Mayo* was whether patent claims covering processes that help doctors who use thiopurine drugs to treat patients with autoimmune diseases determine whether a given dosage level is too high or too low was patent eligible.<sup>5</sup> Sometimes referred to as the “inventive concept,” the Court concluded that the claimed processes have not transformed unpatentable natural laws into patent-eligible applications of those laws because simply appending conventional steps, steps that are “well known in the art,” and specified at a high level of generality, was not enough to supply an inventive concept that could transform the claims into a patent-eligible application.<sup>6</sup>



Likewise, *Alice* involved computerized or business-method patent claims. At issue was whether a computer-implemented scheme for mitigating “settlement risk” (i.e., the risk that only one party to a financial transaction will pay what it owes) by using a third-party intermediary was patent eligible.<sup>7</sup> According to the Court, the claimed processes lacked an inventive concept and held that they were not patent-eligible because they were drawn only to the abstract idea of intermediated settlement that merely required generic computer implementation.<sup>8</sup>

emational formula for computing an alarm limit in a catalytic conversion process constituted a patent-ineligible abstract idea.<sup>11</sup> And a method for hedging against the financial risk of price fluctuations was held to be a fundamental concept in economic practice and therefore constitutes a patent-ineligible abstract idea.<sup>12</sup>

If the claim involves a statutory exclusionary category for patenting, the second question of the *Mayo* framework directs us to ask, what else is there in the claim? This question is answered by considering

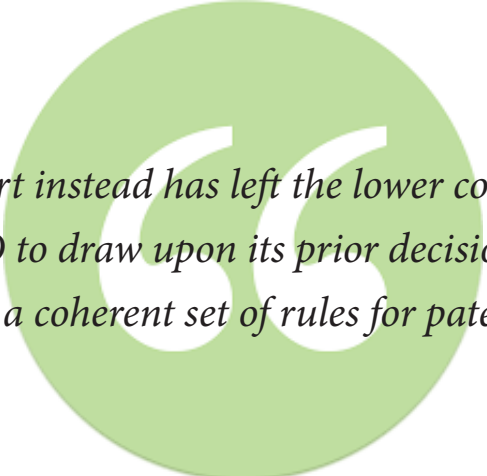
matter and have introduced a need to reassess both mature and developing patent applications. The USPTO continues to streamline its guidance on subject matter eligibility based on the case law in this area. In 2014, for example, the USPTO issued interim guidance on patent subject matter eligibility. In line with *Alice*, the guidance sets out a two-step process for determining subject matter eligibility for claims directed to laws of nature, natural phenomena, and abstract ideas. Step one says the claimed invention “must be directed to one of the four statutory categories.”<sup>15</sup> Step two says it “must not be wholly directed to subject matter encompassing a judicially recognized exception.”<sup>16</sup>

The recent case law under 35 U.S.C. § 101, including the USPTO guidance, has narrowed the scope of inventions allowed for patent protection. At the same time, it makes it challenging for applicants to show subject matter patent eligibility. In the *Alice* decision at the Federal Circuit, Judge Moore predicted that the decision may result in “the death of hundreds of thousands of patents.” By requiring the courts and the USPTO to look for the existence of an “inventive concept,” and as to whether claim elements are “well-known in the art,” recent Supreme Court decisions on Section 101 have injected ambiguity, uncertainty, and unpredictability into patent eligibility determination.

### **Uncertainty and unpredictability permeates efforts to obtain patents**

Unpredictability and uncertainty about what types of inventions qualify for patenting not only undermines the U.S. patent system but it creates unacceptable risks to investments that American entrepreneurs choose to make in innovation.<sup>17</sup> Research and development in the information technology ecosystem, for example, thrives when the rules of the road are clear; on the other hand, uncertainty with patent eligibility undermines productivity and causes issues during patent prosecution.<sup>18</sup>

According to the report that was released by the USPTO in response to its request on July 9, 2021, for public comments on the current state of patent



*The Court instead has left the lower courts and the USPTO to draw upon its prior decisions and try to synthesize a coherent set of rules for patent eligibility.*

The *Mayo* and *Alice* framework directs us to two questions: First, whether the claims at issue are directed to “abstract ideas,” “laws of nature,” or “natural phenomena,” each of which is categorically ineligible for patenting.<sup>9</sup> One of the challenges in making this first inquiry is that most patent claims involve an “idea,” or a “law of nature,” or a “natural phenomenon” or some combination thereof, at some level. Another challenge, found in computerized or business-method claims, such as was present in cases like *Alice*, is that the Court has never provided a precise definition of what constitutes an “abstract idea.”

The Court instead has left the lower courts and the USPTO to draw upon its prior decisions and try to synthesize a coherent set of rules for patent eligibility. For example, the Court held in *Gottschalk v. Benson* that claims for an algorithm to convert binary coded decimal numerals into pure binary form constituted a patent-ineligible abstract idea.<sup>10</sup> Similarly, the Court held in *Parker v. Flook* that a math-

the elements of each claim, both individually and as an ordered combination, to determine whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea.<sup>13</sup> This analysis, which the Court describes as an “inventive concept,” is an element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the ineligible concept itself.<sup>14</sup> Although this two-step approach seems to be clear, courts and practitioners have struggled with applying the test to determine whether a particular invention is eligible for patent protection.

### **Attempts to apply the Supreme Court’s patent eligibility test**

The holdings in these cases, coupled with subsequent decisions by the Court of Appeals for the Federal Circuit and guidelines from the USPTO have altered expectations regarding patent-eligible subject

eligibility jurisprudence, although stakeholders expressed differing views on the impacts of the current jurisprudence for determining patent subject matter eligibility, respondents nonetheless agreed that whatever the standard for determining whether an invention is eligible for patenting, it should be “clear, predictable, and consistently applied by the USPTO and the courts.”<sup>19</sup> While some respondents claimed that the current law is sufficiently clear, predictable, and consistent, many other respondents felt that the current state of the law creates too much uncertainty in which inventions may be eligible for patent rights, which has led to a reduction in the amount of investment in critical areas of innovation like software and medical diagnostics.

For example, International Business Machines (“IBM”) critiqued the judicially created “abstract idea” exclusion from patent eligibility because it continues to unnecessarily generate wide uncertainty about the validity of information technology patents because abstraction is a foundational characteristic of computer science.”<sup>20</sup> It is a significant concern to innovators and patentees, who rely on the patent system to protect their investment in computer-related innovations. This uncertainty reduces public confidence in issued patents, making it harder for inventors to benefit from those patents.

Recently, the U.S. Supreme Court declined to hear American Axle & Manufacturing, Inc.’s bid to revive its patent on technology for quieting driveshaft noise, turning away a case that may have clarified the circumstances under which inventions warrant a patent.<sup>21</sup> After the ruling, a U.S. Patent and Trademark Office spokesperson said that innovation “cannot thrive in uncertainty,” and that the office is committed to “making every effort to ensure that the U.S. patent system is as clear and consistent as possible.” Here, the Court rejected the certification petition even though the Solicitor General encouraged the Court to hear the case. The strength of the U.S. patent system and the incentives for innovation as intended by Congress have been called into question due to the uncertainty and unpredictability with these recent case law.

Aside from uncertainty and unpre-

dictability regarding subject matter eligibility, recent case law on Section 101 has limited the subject matter that are eligible for patenting thereby rendering many useful inventions currently ineligible for patent protection.

### **Narrow scope of allowable claims due to recent Supreme Court opinions**

In order not to render patent claims ineligible by discounting claim limitations, the Supreme Court’s earlier precedents under 35 U.S.C. § 101 required the courts and the USPTO to assess eligibility of the claimed process as a whole without exclusive considerations of written description, definiteness, novelty, and non-obviousness.<sup>22</sup> However, recent Supreme Court rulings requiring courts and the USPTO to look for the existence of an “inventive concept,” and whether claim elements are “well-known in the art,” have rendered many inventions ineligible for patent protection.

In fact, the use of these criteria have led to court decisions ignoring limitations in a patent claim by finding one or more limitations individually routine or conventional, and then rendering the balance of that claim ineligible as a matter of law.<sup>23</sup> The Federal Circuit in *Ariosa Diagnostics, Inc. v. Sequenom, Inc.* observed that the Supreme Court’s sweeping language in the patent eligibility test must be applied to require lower courts hold that groundbreaking, innovative, or even brilliant discoveries can be excluded from patent protection.<sup>24</sup>

If the Supreme Court does not offer clear guidance on how to articulate 35 U.S.C. § 101, undesirable effects including high costs to obtain a patent and risks to American innovation can undermine the purpose of Article 1, Section 8, Clause 8 of the U.S. Constitution.

### **Increase in general cost of drafting an application for a patent**

As result of the current Supreme Court decisions on patent eligibility, the cost of drafting an application has increased and the potential value of an issued patent has decreased due to patent eligibility con-

cerns. In the recently released report by the USPTO on Subject Matter Eligibility, Dominion Harbor, an intellectual property consulting firm whose business model relies on patents, argues that current subject matter eligibility jurisprudence has turned many situations that should be routine, commercial patent licensing transactions into unnecessary and costly patent litigation.<sup>25</sup> According to the New York Intellectual Property Association, since *Alice*, patent prosecution costs has increased by up to 30% and some members estimate the cost of drafting an application has increased from 20% to 30% due to patent eligibility concerns.<sup>26</sup>

### **Narrow scope of allowable claims poses a risk to American innovation**

Recent Supreme Court opinions directing the lower courts to require claims have an “inventive concept” has significantly narrowed the scope of allowable claims. Data analyzed by A. Sasha Hoyt found that during the four-year period following the Supreme Court’s *Mayo* decision, venture capitalist (“VC”) investments in disease diagnostics technologies were \$9.3 billion less than those investments would have been without *Mayo*, which held that a claimed diagnostic method was an unpatentable law of nature.<sup>27</sup>

Although VC investment totals in diagnostic technologies have generally increased since *Mayo*, that increase has been lower than VC investment in other industries over the time period analyzed.<sup>28</sup> Hoyt consequently concludes that confusing, inconsistent interpretations of Section 101 following *Mayo* has reduced incentives to invest in medical diagnostics research and development.<sup>29</sup> Additionally, IBM notes that it has had what it called “a high percentage” of U.S. patent applications abandoned for patent eligibility issues with counterpart applications in other countries that reached patent status.<sup>30</sup> This has led to a reduction in the amount of investment in critical areas of innovation like software and medical diagnostics.<sup>31</sup>

### **Conclusion**

The Court should look to offer a clear, predictable, and expansive interpretation of 35 U.S.C. § 101 for our patent system to



be strengthened and to encourage innovations which was the intended purpose of Article 1, Section 8, Clause 8 of the U.S. Constitution. The Court missed its opportunity this term to clarify the issue by rejecting the American Axle petition for certiorari, but hopefully they will take the opportunity in the near future to provide much-needed guidance in this area.



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16. *Id.*
17. See Comments Submitted by American Bar Association Intellectual Property Law Section, REGULATIONS.GOV (Sept. 7, 2021), <https://www.regulations.gov/comment/PTO-P-2021-0032-0042>.
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21. Blake Brittain, *U.S. Supreme Court rejects American Axle case on patent eligibility*, YAHOO!NEWS (June 30, 2022), <https://news.yahoo.com/u-supreme-court-rejects-american-171958332.html>.
22. See, e.g., *Diamond v. Chakrabarty*, 447 U.S. 303, 308 (1980) (noting that Congress “plainly contemplated that the patent laws would be given wide scope”).
23. Comments Submitted by American Bar Association Intellectual Property Law Section, *supra* note xvii.
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## Trademarks for General Practitioners

Romney J. Hogaboam

**I**ntellectual property law is a specialized practice area to which a practitioner can fruitfully devote a career. However, a general practitioner can serve their clients well by considering intellectual property, and trademarks specifically, when advising and serving their business clients and the earlier in the process, the better. Although expertise is always helpful, general practitioners can become reasonably knowledgeable about trademarks, identify when they can meet clients' needs, and recognize when to refer a matter out for additional expertise.

Three general types of trademarks likely affect your clients: federal registered trademarks, state registered trademarks, and common law trademarks. Although this article focuses primarily on federal registered trademarks, a basic understanding of trademarks, and each type of trademark, is helpful. The United States'

federal trademarks registration system was established in 1946 by the Lanham Act. Federal trademark statutory law may be found at 15 U.S.C. §§ 1051 *et seq.* Federal trademarks are administered by the United States Patent and Trademark Office ("USPTO") within the Department of Commerce. If an attorney is admitted to practice before the highest court in at least one U.S. state or jurisdiction, an attorney may represent clients in trademark matters before the USPTO. An attorney need not be admitted to the Patent Bar to represent clients before the USPTO on trademark matters. That means most Idaho State Bar members may legally represent clients in trademark matters before the USPTO. Idaho state trademark statutory law is found in Chapter 5 of Title 48, Idaho Code. Idaho state trademarks are administered by the Office of the Secretary of State.

"A trademark can be any word, phrase, symbol, design, or a combination of these things that identifies your goods or services. It's how customers recognize you in the marketplace and distinguish you from your competitors."<sup>1</sup> "Trademark infringement is the **unauthorized use** of a trademark or service mark **on or in connection with goods and/or services in a manner that is likely to cause confusion**, deception, or mistake about the source of the goods and/or services."<sup>2</sup> Although trademarks are generally something written or printed, other "sensory marks" have been successfully trademarked. For example, the National Broadcasting Company, Inc. obtained the first federal registered sound trademark.<sup>3</sup>

It is useful, as a preliminary matter, to distinguish, first and foremost, between registered and common law trademarks. Registered trademarks, both state and federal, involve a formal registration process



requiring an applicant (or their counsel) to file an application, the application to be reviewed to some degree, and if the necessary requirements are met, registration may be granted. Registration generally requires an identification of 1) the trademark, 2) the owner, 3) the goods and/or services for which the mark is used, 4) the date the trademark was used in commerce, and 5) evidence of use of the trademark in commerce.


One may submit a federal trademarks application before the trademark is used in commerce, but the trademark will not

ic, subject matter, and time components. First, the geographic scope in which a party has trademark rights depends on the type of trademark. In the case of a federal registered trademark, a party acquires presumptive use throughout the United States. With a state registered trademark, a party acquires narrower geographic scope, generally presumptive use throughout the state in which the trademark is registered. A common law trademark may confer the narrowest geographic scope: only the geographic area in which the mark is

pet named Gertrude), plans to sell hand scooped ice cream cones and sundaes, and does nothing more, your client may acquire a common law trademark for “Gertrude’s Ice Cream Shop” in the geographic area of the shop (maybe the metropolitan area around the brick-and-mortar store). The subject matter of the trademark would be ice cream cones and sundaes. The common law trademark would be effective starting on the day the store opens. Your client may inadvertently infringe on another federal registered, state registered, or common law trademark. Your client might be well-served to have a trademark search performed (personally, by you, or by a trademark specialist) to be aware of any possibly conflicting trademarks early in the process, likely even before they file their business formation documents, to avoid the expense of possibly having to re-brand (in addition to any infringement damages) due to trademark infringement.

In performing the trademark search, the searcher will keep in mind the factors considered when evaluating whether there exists a likelihood of confusion between two marks:

Those factors, as set forth in Scott Paper, are: (1) the degree of similarity between the owner’s mark and the alleged infringing mark; (2) the strength of the owner’s mark; (3) the price of the goods and other factors indicative of the care and attention expected of consumers when making a purchase; (4) the length of time the defendant has used the mark without evidence of actual confusion arising; (5) the intent of the defendant in adopting the mark; (6) the evidence of actual confusion; (7) whether the goods, though not competing, are marketed through the same channels of trade and advertised through the same media; (8) the extent to which the targets of the parties’ sales efforts are the same; (9) the relationship of the goods in the minds of consumers because of the similarity of function; (10) other facts suggesting that the consuming public might expect the prior owner to manufacture a product in the defendant’s market, or that he is likely to expand into that market.<sup>6</sup>



*In Idaho, one may search  
and apply for state trademarks through the  
Idaho Secretary of State website.<sup>5</sup>*

be registered to an applicant until the trademark is used in commerce. One may only submit an Idaho trademark application after the trademark has been used in commerce. Registration, if granted, is generally for a particular period and trademark registration is then generally renewable for successive periods as long as the trademark is used continuously. Registration greatly assists others in finding a trademark to avoid inadvertently infringing on a mark.

Federal trademarks, regardless of whether the trademark was registered, refused registration, or the application is still pending, are easily searchable through the USPTO website.<sup>4</sup> Many state trademark repositories are also easily searched. In Idaho, one may search and apply for state trademarks through the Idaho Secretary of State website.<sup>5</sup> Common law trademarks only require the trademark be used and do not require any form of application or review. Therefore there is naturally no centralized, searchable repository to locate common law trademarks.

Trademarks have important geograph-

ic, subject matter, and time components. Second, the subject matter scope of a trademark is generally limited to the goods or service for which a party provides. Third, the time component of a trademark generally is such that a party only acquires trademark rights upon use of the mark in conjunction with the goods or services in commerce. That is, trademark rights generally are not acquired until a customer can engage in a financial transaction for the goods or services and the mark is used to identify the goods or services.

Trademark (intellectual property) rights are similar to other property rights in that the “first in time, first in right” principle usually applies. The “first in time” trademark holder is the “senior” party and a different party to later use a mark is the “junior” party as it relates to a particular trademark. A senior party may be able to prevent a junior party from using an infringing trademark.

For example, if your client plans to open a brick-and-mortar store named Gertrude’s Ice Cream Shop (after a favorite

Although no factor is conclusive, a significant number of factors indicating a likelihood of confusion exists, or certain factors indicating there is a strong likelihood of confusion, may lead your client to choose a different mark to avoid the time, expense, and inconvenience of a trademark dispute.

In our example case of Gertrude's Ice Cream Shop a customer at an ice cream shop might reasonably also purchase fountain drinks with an ice cream cone. Therefore, Gertrude's Ice Cream Shop might infringe on a "Gertrude's" trademark for fountain drinks if such a mark exists. However, Gertrude's Ice Cream Shop may not infringe on a similar or identical trademark for a comic strip since a customer may not be likely to purchase a comic strip at an ice cream shop.

Many brick and mortar shops have websites. Gertrude's Ice Cream Shop may plan to have a website both to communicate business information (menus, hours, etc.) and offer goods for sale (such as apparel or jars of ice cream toppings) to customers. Considering probable or possible future offerings can help a client not be unduly constrained by other trademarks. For example, a federally registered trademark to another party for Gertrude's Sandwich Shop for sandwiches might be a problem if Gertrude's Ice Cream Shop wants to later expand their offerings to include sandwiches.

If one of your clients decides they may be well served by a federal registered trademark, they may be able to file *pro se* or they may required to apply through counsel. U.S. domiciled applicants may apply for federal trademarks *pro se*. However, foreign domiciled applicants must be represented by an attorney who is admitted to practice before the highest court in at least one U.S. state or jurisdiction.<sup>7</sup> Setting reasonable expectations is important and your client should realize the likely timetable. There has been a substantial increase in the number of federal trademark applications in recent years. As a result, the time required for the USPTO to respond to trademark applications with a first action has more than tripled from an average of 2.4 months in the third quarter of 2019 to an average of 7.7 months in the second quarter of 2022.<sup>8</sup>

With a little education and practice, I believe many general practitioners can give competent advice to clients on basic trademark issues. There are also a number of practitioners in the Idaho State Bar who specialize in intellectual property who would be happy to work with you and your clients' on your clients' trademark needs. Identifying those possible needs early in the process can, and arguably should, be part of representing business clients well and building durable relationships with clients.



**Romney J. Hogaboam** is a solo practitioner in Lewiston who enjoys working with clients on intellectual property matters. He worked as a patent examiner for the United States Patent & Trademark Office from 2008-2010. When he isn't at his desk, Romney enjoys endurance runs in Idaho's scenic outdoors.

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## How to Protect Your Clients From Exploding International Trademark Registrations

Jaxon C. Munns

**Y**ou may have clients come to you with a brilliant product or service that they are eager to start selling on Amazon, eBay, Etsy, or other online retailers. What may not cross their, or your mind, is the steps that need to be taken beforehand to protect their brand in the global marketplace. International trademark filings are rising at a rate never before seen, which has bogged down the United States Patent and Trademark system, making it more difficult for brands to deal with infringers, knock-offs, and other intellectual property theft. This article seeks to provide some basic steps for you to go through with your client to best prepare to handle these major obstacles.

### What is a trademark?

A trademark can be any “word, phrase, symbol, or a combination of these things that identifies your goods or services.”<sup>1</sup> In today’s ever competitive marketplace, securing and defending your client’s trademark rights is integral to their ability to

thrive and grow. The most likely instances in which your clients either have or will need trademarks are for the name of their business, the logo associated with their business, as well as the name and logo used on specific products and services.

### Common law rights vs. registered rights

Unlike other kinds of intellectual property, just by using a trademark in commerce your client has automatic rights for that trademark. However, these automatic rights only extend to the geographical area in which your client provides goods and services. For example, if your client owns and runs a restaurant in Twin Falls, his ability to use that trademark—the name of the restaurant—within the Twin Falls area is his to use exclusively, but likely does not extend to other areas of the state.

There are two ways for your hypothetical restaurant owner client to obtain the ability to be the sole person to use that trademark. First, he could file for a trademark registration with the state of Idaho.

Obtaining this registration gives your client the ability to be the only business in Idaho to use that trademark within its class of goods and services.

The other way your client could obtain protection for that trademark is to obtain a federal trademark registration with the United States Patent and Trademark Office (“USPTO”). In order to obtain this registration, your client would either need to show the USPTO that he is currently using that trademark in commerce across state lines or he has a bona fide intention to use such across state lines. Obtaining a federal trademark registration grants your client the ability to be the sole person to use that trademark within his class of goods and services for the entire United States.

### International registrations rising

Being one of the most desired economic markets globally, business owners from around the world have sought to obtain intellectual property protection for their brands here in the United States. This



number, though, has grown exponentially over the last several years.<sup>2</sup>

In 2001, less than 1% of trademark applications were filed by China-based applicants.<sup>3</sup> While applicants from other countries have risen modestly since 2001, no country has seen a more exponential growth in trademark applications filed with the USPTO than China.<sup>4</sup> Reports note that in 2021 Chinese-based applicants accounted for over 38% of all trademark applications filed with the USPTO.<sup>5</sup> The USPTO has also provided reports that many of these applications are fraudulent

if all went well and no hiccups occurred, the earliest he would receive a registration is June 2023.

Another consequence of these applications from China and other foreign jurisdictions is the USPTO instituting new policies and procedures to handle this huge influx. Beginning in 2019, the USPTO instituted a new rule that required all applicants domiciled outside of the United States use a U.S.-licensed attorney to file an application on their behalf. The USPTO instituted this rule to decrease the number of fraudulent applications from

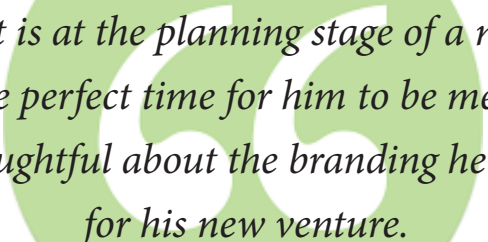
to send me a list of 5-10 potential names for their company and or product. With those 5-10 names, I am then able to conduct a clearance search, which is a search of the USPTO database, internet, and social media, to see which names I feel most confident about in obtaining a federal trademark registration.

Once approved by the client, a client that is in the planning phase can file an “intent to use” application with the USPTO and effectively reserve the trademark for a period of six months. The client can then expect a wait time of about six to nine months to hear back from the trademark office. Once approved, the client has six months to begin using the trademark in commerce. After the client begins using the trademark, he will need to file a Statement of Use, verifying to the trademark office that he has actually started using the trademark in commerce. Once complete, the client has full trademark rights.

If a client is already using the trademark, the client skips the steps of the intent to use application, and instead files an application under the classification of currently in use. Similar to intent to use, it is prudent to look at applications filed and trademarks registered with the USPTO to ensure your client has a high likelihood of success in registering these trademarks. If there are conflicting trademarks, it may be best for your client not to file at all. If the path looks clear toward a registration, a client can expect, if all goes well, to obtain a registration within nine months of filing.

## Protecting the trademark after registration

Obtaining a trademark registration is only the first step on the path toward fully protecting your client’s brand. Once obtained, your trademark remains as strong as your policing of the mark. There are multiple ways I recommend clients police their trademark rights. First is hiring an attorney or other intellectual property watch service to subscribe to updates from the USPTO regarding applications that could be confusingly similar to your client’s. If these arise, the attorney can contact the applicant directly to let them know of your intent to police the mark and to object to the applicant’s application. If the applicant declines to withdraw the application, the client, through an attorney, can file an official opposition to the



*If your client is at the planning stage of a new venture, this is the perfect time for him to be methodical and thoughtful about the branding he chooses for his new venture.*

applications, meaning there is either no bona fide intent to ever use the trademark in commerce, or the application is filed with the applicant knowing their application infringes on another trademark that is already registered.

While theories abound about the exact reason for this surge in applications from China, no one-sized-fits-all explanation exists. A few of the streams that flow into the river of this application surge involve the proliferation of e-retail, including Amazon, the Amazon brand registry’s promotion of sellers who have trademark registrations, and more.

## The consequences of surging applications

The USPTO, however, does not possess the infrastructure to handle this great surge in applications. As a result, trademark processing times have gone from an average of three to four months to approximately nine months. This means that if your client were to file for a trademark application with the USPTO next month,

other jurisdictions. Unfortunately, this goal was not accomplished; foreign applications, especially those from China based applicants, continue to rise. While the exact reason this rule change did not fulfill its intended purpose remains a mystery, it is clear those seeking to bog down the USPTO system found ways around this new rule change.

## Navigating these issues for your clients

Depending on where your client finds himself in his business journey, their status will dictate what course of action is best to navigate the extremely overloaded USPTO trademark docket. If your client is at the planning stage of a new venture, this is the perfect time for him to be methodical and thoughtful about the branding he chooses for his new venture. Without having any assets been deployed, a client is fluid and able to consider different options of names. Because of the backlog of applications at the USPTO, I tell my clients in the planning stage of their ventures

application with the USPTO.

It is also imperative that the client consistently watch the marketplace to monitor new brands to see if any of them are infringing on the client's trademark. Again, the baseline to determine infringement is whether the other trademark is confusingly similar to your client's, or would cause an ordinary consumer to be confused as to which brand of product or services she is actually purchasing.

When potentially infringing trademarks are seen in the marketplace, it is vital that the client take swift and forceful action. The first step, and typically the step that works, is to send a cease and desist letter to the infringing business demanding it stop using the trademark or else it will face an infringement lawsuit.

### How international applications have changed the trademark landscape

The explosion of online retail has made it easier for a sole proprietor to enter the U.S. economy to sell various goods and services. Indeed, we have seen proprietors

from around the globe flock to the U.S. market to sell every kind of widget and service imaginable. Amazon and other online retailers are simply not positioned to handle the vast volume of infringement that takes place on their marketplaces, so unfortunately, to prevent your client from being knocked off, the burden falls upon him to take the steps necessary to prevent these kinds of actions from taking place.

Amazon and other e-retailers use algorithms that place products higher if the business has obtained federal trademark registrations with the USPTO. Additionally, Amazon is much more open to taking infringers off of its platform when the party claiming infringement has an active federal trademark registration and the USPTO registration number to prove it.

Simply put, trademark brand strategy is not a one-size-fits-all endeavor for all types of businesses and brands. Further, the influx of foreign trademark applications has complicated the process by backlogging the system so that clients now need to project out further their business ventures and branding to ensure the best

chance at registration. The best solution for clients is to plan, police, and protect.



**Jaxon C. Munns** is a business and trademark attorney at Murray, Ziel, & Johnston, PLLC in Idaho Falls. He has serviced trademark clients from Germany, Jordan, Scotland, England, China, Canada, Mexico, Australia, and here in the U.S.A. Jaxon also provides sports representation for professional and collegiate athletes to secure endorsements for their name, image, and likeness.

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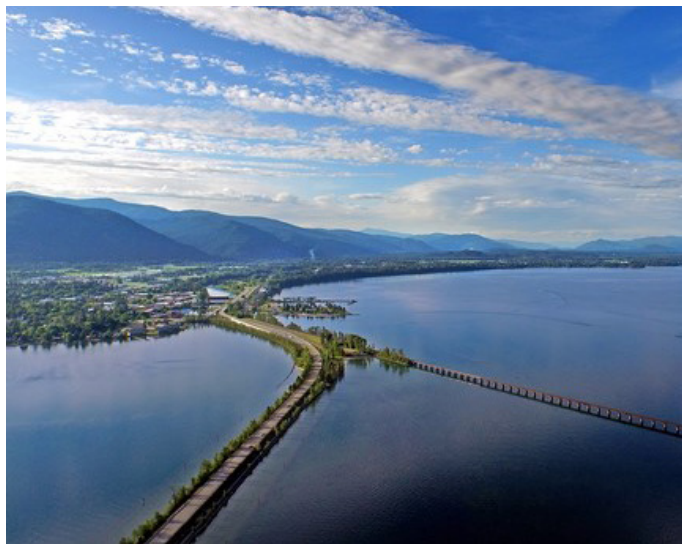
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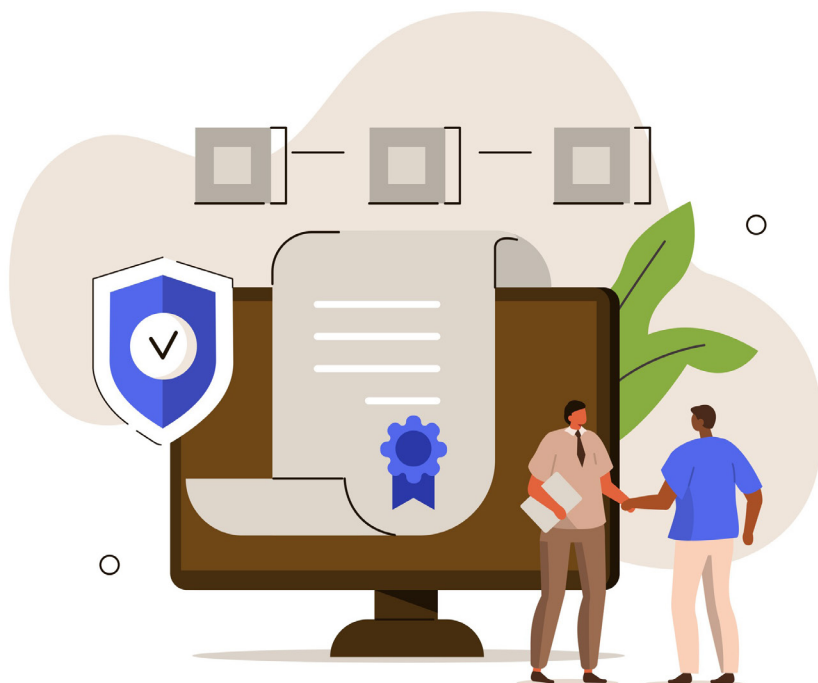
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## Dangers of Software Reseller Agreements

Alexandra A. Breshears

The ever-expanding world of software licensing and contracting poses novel circumstances, arrangements, and challenges as the law races to keep up with technology.<sup>1</sup> In this uncertain intersection of industry and law, there is a lurking danger that contract attorneys should be aware of: the use of a software reseller.

Reseller agreements are a common practice where the intellectual property owner, and often developer, of the software or application contracts with a third-party vendor to resell the products to customers. This can include the simpler example of a retail store selling the software, *i.e.*, Office Depot selling copies of Microsoft Word, up to the more complicated example of a vendor selling complex software that includes functionality, features, plug-ins, or modules of software owned by a different company. It can also include “value added resellers” who are a consultant or service provider responsible for configuring, implementing, or acting

as a support center for the technology that they are distributing.

Even lawyers who do not specialize in information technology agreements can be presented with an information technology reseller transaction. This can happen when a client brings a question to their counsel before finalizing a transaction or when that client encounters a problem and comes to their counsel for a solution. Software differs from many other contracts for goods and services as software is often technically licensed, rather than sold. As software intellectual property owners often license the software to resellers, resellers do not own the software they are selling or licensing to customers. This creates issues of privity that can impact the remedies and recovery available. Depending on the mechanics and details of the arrangement, the software may be classified as either a good or a service, which also has legal implications. Remedies and recovery can be maintained through careful drafting, and some considerations for drafting are provided in the following.

### Software: Service or good?

Whether any particular product is treated as a contract for services or goods affects the applicable substantive law. Services and goods each have varying applicable laws. The Idaho Uniform Commercial Code (“UCC”), Title 28, Idaho Code, applies to goods, whereas common law applies to services. A mixed transaction, one for goods and services, is subject to the UCC if it is *predominantly* for the sale of goods.<sup>2</sup> Where the software includes no ongoing service, is it likely to be categorized as a good.<sup>3</sup> Where software development, maintenance, updates, upgrades, streaming capabilities, or other ongoing services are provided, the scale leans toward the software being classified as a service. Of note, intellectual property owners and resellers have been disclaiming application of the UCC to their products in the use terms, and while likely that a court would honor this disclaimer, there may be circumstances where it would be set aside.<sup>4</sup>



Although Idaho Appellate Courts have not yet had an opportunity to decide whether software is classified as a good or service, other jurisdictions have typically found that software is a good and there is a high bar for the amount of “service” required to construe the sale of software as a service.<sup>5</sup> This classification of good or service impacts the recovery available as discussed in the following.

## Privity in common law

A major consideration in reseller agreements is the lack of privity of contract between the software owner and the customer. “Privity” is “[t]he connection or relationship between two parties, each having a legally recognized interest in the same subject” and “privity of contract” is “[t]he relationship between the parties to a contract, allowing them to sue each other but preventing a third party from doing so....”<sup>6</sup> “It is axiomatic in the law of contract that a person not in privity cannot sue on a contract. Privity refers to those who exchange the [contractual] promissory words or those to whom the promissory words are directed.”<sup>7</sup> “A party must look to that person with whom he is in a direct contractual relationship for relief, in the event that his expectations under the contract are not met.”<sup>8</sup> However, privity is not required where the contract is specifically executed for a third-party beneficiary and properly notes such.<sup>9</sup>

In some agreements, there may be no privity between the IP owner and the reseller. In other agreements, there may be limited privity as the IP owner requires

the customer to sign mandatory, non-negotiable use terms in an end user license agreement between the IP owner and customer. Using the example from the introduction, purchasers of Microsoft products from Office Depot are subject to the terms on the Microsoft website. Even if a client comes to an attorney prior to “contracting” or purchasing from the reseller and accepting the use terms through a link reference or a click-through, attorneys should be wary of thinking the terms with the reseller bind the intellectual property owner due to the lack of privity and should have a full view of the landscape when advising clients before and after the purchase.

Accordingly, the common practice of reselling software can have dire implications when the lack of privity between your client and the owner-publisher may limit the remedies available in the case of the software’s defect or failure. When a customer directly purchases software from a reseller, it contracts with that reseller. Consequently, the customer’s only contractual relationship is with that reseller, rather than the original owner-publisher of the software. Though the reseller may have privity with the owner-publisher, the customer does not. In these situations, the customer’s only recourse is against the reseller, not the owner-publisher.

The customer may find itself in a situation where the retailer is unable to provide a solution other than a refund if the contract allows that, which may not cover all the damages incurred. In that same scenario, the software owner-publisher may

refuse to participate in finding a solution as it has no privity with or obligations to the customer. The reseller may be unable to “repair” the software and cannot “replace” it unless the reseller is an authorized distributor of a roughly equivalent product. Additionally, some resellers refuse to provide a refund because they have already paid the intellectual property owner and a refund if the product does not work creates significant risk.

The only remedy offered may be “service credits” or “credit time,” which may not make a customer whole especially where there is a breach of confidential information or breach of contract warranting procurement of a new vendor. In the end, the customer is left without recourse against anyone. Especially dangerous is when the customer purchased the resold software package “as is.”<sup>10</sup> It may also be sold or licensed without other necessary warranties that may provide protections. The contract may also contain specific disclaimers of warranties, limitations of liability or remedies, indemnity provisions, or waivers that may all work together to limit or erase recourse altogether.

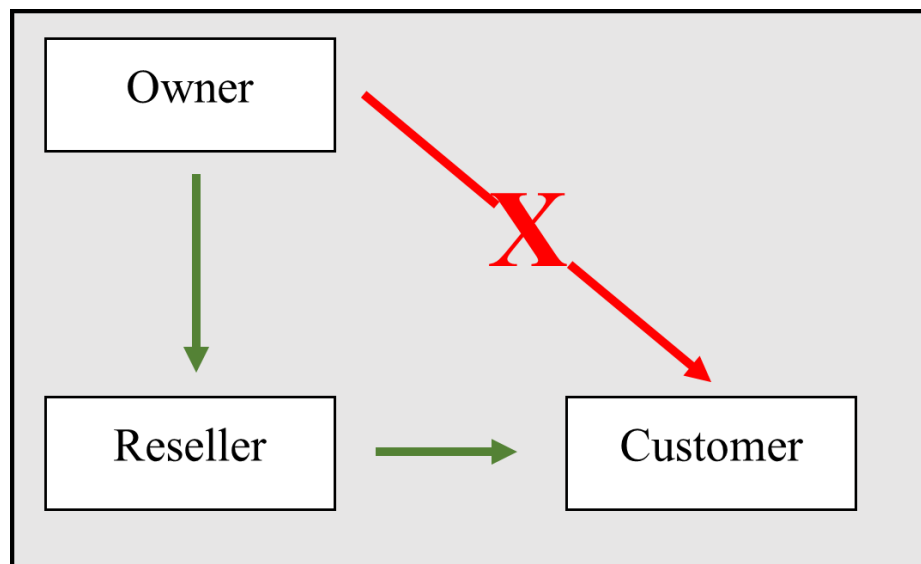
## Privity under the UCC

There are two implied warranties under the UCC for the sale of goods: merchantability and fitness.<sup>11</sup> The Idaho Supreme Court has held that privity of contract is required to recover economic losses flowing from the breach of the implied warranties.<sup>12</sup>

The economic expectations of parties have not traditionally been protected by the law concerning unintentional torts; breach of implied warranty actions for purely economic losses must be viewed in a contract setting with relevant contract principles.<sup>13</sup>

“Economic loss includes costs of repair and replacement of defective property *which is the subject of the transaction*, as well as commercial loss for inadequate value and consequent loss of profits or use.”<sup>14</sup> Economic loss should be distinguished from property damage, which is properly recoverable in tort. “Property damage encompasses damage to property other than that which is the subject of the transaction.”<sup>15</sup>

The UCC leaves to the courts the question of whether vertical privity of contract



will be required in actions for breach of implied warranties. Idaho Courts have generally required privity, though they have not directly addressed the issue of vertical privity in a reseller context.<sup>16</sup> Idaho Code Section 28-2-318 only removes privity as a requirement in personal injury actions, not warranty actions, and then only as to a limited group of potential plaintiffs.<sup>17</sup> This includes household members of a purchaser if the purchaser is an individual, and employees of a company if the purchaser is a corporate purchaser.<sup>18</sup> Nevertheless, privity is often required under the UCC to recover, as in the common law.

## Recovery

Recovery options differ depending on whether the software is deemed to be a good or service. Under the UCC, performance is governed by the agreement and gap filler provisions found in Title 28, Chapter 2, Part 5, Idaho Code. Direct damages are permitted.<sup>19</sup> Incidental and consequential damages are permitted, but privity of contract is required.<sup>20</sup> Specific performance is only allowed for antiques, art, custom-made goods, etc.<sup>21</sup> The Perfect Tender Rule governs agreements under the UCC, where only perfect tender is allowed. Changes to the contract may be permitted if made in good faith.<sup>22</sup>

In common law claims, performance is governed by the terms of the contract.<sup>23</sup> Specific performance is almost always prohibited for personal services; however it is permitted for the sale of land.<sup>24</sup> **The Material Breach Rule governs common law agreements, which states** (1) damages can be recovered for any breach; (2) only a material breach by one excuses the other from performing; and (3) whether a breach is material is a question of fact.<sup>25</sup> Finally, new consideration is required to change a preexisting duty.<sup>26</sup>

## Other actions

Another option for recovery for consumers is to look for products liability recovery, if the product falls into the category of good. Products liability cases are handled under Title 6, Chapter 14, Idaho Code. The Idaho Consumer Protection Act may be another helpful resource under Title 48, Chapter 6, Idaho Code. Additionally, under Idaho law, privity of contract is not required to maintain action

for UCC breach of warranty resulting in personal injuries.<sup>27</sup>

Though there may be options for recovery without privity in tort—software damages often sound in contract rather than in tort for losses with possible damages, including cost of replacement, procurement, loss of business, damage to internal systems, loss of data, data breach, etc. Software does not often cause property damage or personal injury, or the types of damage found in products liability. Thus, even with the other doctrines, privity is likely required in order to be able to be made whole and with reseller agreements, privity does not exist with the original owner-publisher.

## Drafting reseller agreements to protect the customer

Privity is required, in varying degrees, to recover under both the UCC and common law for breach of contract. As there is no privity with the original owner-publisher, customers of resold software must carefully draft or review the agreement for certain protections. Though not an exhaustive list, there are a few major considerations in dealing with reseller agreements to protect the customer:

- The reseller should agree to warrant that it has the legal rights to resell or license the product. The customer may also want to do its due diligence on this, including requesting a copy of the agreement between the IP owner and the reseller or verifying that the reseller is listed as an approved reseller on the IP owner's website.
- The agreement should also detail recourse if the software does not work as agreed, which may include the reseller agreeing to find a suitable replacement.
- The reseller should agree to indemnify and defend the customer if an intellectual property dispute arises where the owner-publisher files a claim against the customer for alleged unauthorized use related to the agreement between the customer and the reseller.
- The agreement should detail recourse in the event there is an intellectual property dispute or injunction to cease using the software or if the reseller's right to resell is revoked. This recourse may include replacement software, direct damages, loss of use damages, etc.
- The customer should carefully review all

specifications, requirements, and contract provisions relating to acceptance of the product, specific disclaimers of warranties, limitations of liability or remedies, indemnity provisions, and waivers.

- The customer should carefully consider accepting third party products "as is," "with all faults," or similar language.
- The agreement should include the following language: "The [resold] product will perform in accordance with the specifications of this agreement."

## Conclusion

Thus, though reseller agreements may contain inherent dangers and pitfalls, awareness and careful drafting can reduce or eliminate many of these risks.



**Alexandra A. Breshears** currently works as a Deputy Attorney General for the State of Idaho in the Division of State General Counsel and Fair Hearings. Prior to that, she clerked for Idaho Supreme Court Justices Jim Jones and Robyn Brody. The writing expresses the views of the author alone and not the views of the Office of the Attorney General.

## Endnotes

1. While this article discusses the common term of "software," the principles apply to all information technology agreements.

2. *Fox v. Mountain West Elec., Inc.*, 137 Idaho 703, 710, 52 P.3d 848, 855 (2002) (holding that the test for determining whether the Uniform Commercial Code applies to a hybrid transaction involving both sale of goods and services is whether the predominant factor is the rendition of services or the sale of goods).

3. See *United States v. City of Twin Falls Idaho*, 806 F.2d 862, 871 (9th Cir. 1986) (holding that the agreement shows that purpose of the agreement was to purchase equipment to treat wastewater with incidental installation of the equipment and subject to the UCC); see also *Fox*, 137 Idaho at 710, 52 P.3d at 855 (holding that the predominant factor in the agreement was for the designing, testing, and installation of the system and not for the sale of the system itself and thus a services contract); *Lickley v. Max Herbold, Inc.*, 133 Idaho 209, 212, 984 P.2d 697, 700 (1999) (holding that a potato growing and selling contract was predominantly for the potatoes as indicated by the weight-based cost and subject to the UCC); *Ward v. Puregro Co.*, 128 Idaho 366, 368, 913 P.2d 582, 584 (1996) (holding that fertilizer application agreement, while it incidentally involved the sale of a good (fertilizer) to farmer, had as its predominant purpose the provision of service (the application of fertilizer to farmer's crop) and was not subject to the UCC); *Pittsley v. Houser*, 125 Idaho 820, 822–23, 875 P.2d 232, 234–35 (Ct. App. 1994) (holding that in a transaction in which homeowner contracted for purchase of carpet, installed, for price of \$4,319.50 and seller paid installer \$700 for the work done in laying the carpet, and in which it did not appear that installation was factor in inducing homeowner to choose particular seller as the carpet supplier, was predominantly a contract for sale



of carpet, the UCC was applicable).

4. Other jurisdictions have considered the following when determining the predominant factor: "[C]ourts look to the language and circumstances surrounding the contract, the relationship between the goods and services, the compensation structure and the intrinsic worth of the goods provided." *Paramount Aviation Corp. v. Agusta*, 288 F.3d 67 (3d Cir. 2002) (quoting *Integrity Material Handling Sys., Inc. v. Deluxe Corp.*, 722 A.2d 552, 555 (N.J. App. Div. 1999)). A software license or reseller agreement could specify that the agreement is for goods and governed by the UCC or is a contract for services. Though a matter of first impression in this jurisdiction, this is a possible test that could be adopted—which would give weight to the language of the contract. However, the analysis may not end there and would consider the specifics of each agreement to determine whether UCC or common law is more appropriate.

5. See *RRX Indus., Inc. v. Lab-Con, Inc.*, 772 F.2d 543, 546 (9th Cir. 1985) (holding that a license for mass-produced software for use in medical laboratories was covered by the UCC, even when the software contract also provided for ancillary services such as training, repair, and system upgrading and was subject to the UCC); *Micro Data Base Systems, Inc. v. Dharma Systems, Inc.*, 148 F.3d 649, 654–55 (7th Cir. 1998) (holding that the UCC applied to the sale of custom software because labor is a service that is part of the manufacture of every good); *Advent Sys. Ltd. v. Unisys Corp.*, 925 F.2d 670, 675–76 (3d Cir. 1991) (noting that the majority of academic commentary supports the view that software fits with the definition of a good under the UCC); *Wachter Mgmt. Co. v. Dexter & Chaney, Inc.*, 144 P.3d 747, 750–51 (Kan. 2006) (even when incidental services such as modifications, corrections, maintenance, training, and consulting were provided with software, the services would have been unnecessary if the software had not been purchased, so the transaction is predominantly for a good and subject to the UCC); *Olcott Intern v. Micro Data*, 793 N.E.2d 1063 (Ind. Ct. App. 2003) (stating "generally-available

standardized software" was found to be a good under the UCC).

6. PRIVACY, Black's Law Dictionary (9th ed. 2009).

7. *Wing v. Martin*, 107 Idaho 267, 272, 688 P.2d 1172, 1177 (1984) (quoting *Caleamari and Perillo, Contracts* § 17-1 (2d ed.1977)) (quotation marks omitted).

8. *Id.*

9. *Dawson v. Eldredge*, 84 Idaho 331, 337, 372 P.2d 414, 418 (1962) (holding "before recovery can be had by a third party beneficiary, it must be shown that the contract was made for his direct benefit, or as sometimes stated primarily for his benefit, and that it is not sufficient that he be a mere incidental beneficiary." (quoting *Sachs v. Ohio Nat. Life Ins. Co.*, 148 F.2d 128, 131 (7th Cir. 1945))).

10. See Idaho Code section 28-2-316 relating to exclusion or modification of warranties relating to the sale of goods.

11. I.C. §§ 28-2-314; 28-2-315.

12. *Petrus Family Trust Dated May 1, 1991 v. Kirk*, 163 Idaho 490, 415 P.3d 358 (2018) (holding that "privity of contract is required to recover economic loss flowing from a breach of implied warranty 'unless the application of this rule would have the effect of unfairly prejudicing the plaintiff.'").

13. *Akison Corp. v. American Bldg. Co.*, 107 Idaho 406, 410–11, 690 P.2d 341, 345–46 (1984).

14. *Ramerth v. Hart*, 133 Idaho 194, 198, 983 P.2d 848, 852 (1999) (quoting *Salmon Rivers Sportsman Camps, Inc. v. Cessna Air. Co.*, 97 Idaho 348, 351, 544 P.2d 306, 309 (1975) (emphasis added)).

15. See *Robinson v. Williamsen Idaho Equip. Co.*, 94 Idaho 819, 498 P.2d 1292 (1972).

16. See *Akison*, 107 Idaho at 411 n.3, 690 P.2d at 346 n.3; see also *Salmon Rivers*, 97 Idaho at 354, 544 P.2d at 312.

17. *Salmon Rivers*, 97 Idaho at 348, 544 P.2d at 306.

18. See section 28-2-318 for individual purchasers,

and for corporate purchasers, see *Green v. A.B. Huglund and Soner*, 634 F.Supp 790, 794 (D. Idaho 1986) (holding that Idaho Code section 28-2-318 applies to employees of a corporate purchaser who would be the intended beneficiary of the express warranties). The Supreme Courts of Maine and Arkansas have interpreted provisions identical to section 28-2-318 in the same manner. See *McNally v. Nicholson Manufacturing Co.*, 313 A.2d 913 (Me. 1973); *Delta Oxygen Company, Inc. v. Scott*, 383 S.W.2d 885 (Ark. 1964).

19. I.C. §§ 28-2-711 through 717.

20. I.C. § 28-2-715; *Oats v. Nissan Motor Corp. Inc.* in U.S.A., 126 Idaho 162, 879 P.2d 1095 (1994).

21. I.C. § 28-2-716.

22. I.C. § 28-2-209.

23. *Independence Lead Mines v. Hecla Mining Co.*, 143 Idaho 22, 26, 137 P.3d 409, 413 (2006).

24. U.S. Const. amend. XIII; Oman, Nathan B., "Specific Performance and the Thirteenth Amendment" (2009) Faculty Publications. 82. <https://scholarship.law.wm.edu/facpubs/82>; *Kessler v. Tortoise Dev., Inc.*, 134 Idaho 264, 1 P.3d 292 (2000) (allowing specific performance for property).

25. *Independence Lead Mines*, 143 Idaho at 28, 137 P.3d at 415; *Ervin Const. Co. v. Van Orden*, 125 Idaho 695, 700, 874 P.2d 506, 511 (1993); *Mountain Restaurant Corp. v. Park Center Mall Associates*, 122 Idaho 261, 265, 833 P.2d 119, 123 (Ct.App.1992).

26. *Brand S Corp. v. King*, 102 Idaho 731, 733, 639 P.2d 429, 431 (1981); *Dashnea v. Panhandle Lumber Co., Ltd.* 57 Idaho 232, 238, 64 P.2d 390, 393 (1937) (citing 1 Williston on Contracts, §§ 130, 130A).

27. *Green*, 634 F.Supp. at 790.

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The sign for the United States International Trade Commission in Washington, D.C., USA, a federal agency of the United States. Photo credit: JHVEPhoto – stock.adobe.com.

# The Continuing Importance of the United States International Trade Commission as a Venue for Intellectual Property Enforcement

*Teague I. Donahey*

**T**he United States International Trade Commission (“ITC”) is one of the most important and effective venues for the enforcement of intellectual property (“IP”) rights in the United States. This is particularly true considering that many of the goods consumed in the United States today are imported from foreign countries and the ITC’s jurisdiction is squarely focused on such imported goods. Remarkably, however, the ITC is often overlooked and almost always under-appreciated as an IP enforcement venue, sometimes even by experienced counsel.

This article seeks to provide insight into ITC investigations and adjudications of international trade disputes involving IP rights—colloquially termed “Section 337” investigations—as well as a number of recent developments in the ITC’s jurisprudence and relevant pending legislation involving the authority of the ITC to investigate alleged IP violations in connec-

tion with imported goods.

## Background of the United States International Trade Commission

The ITC was formed in 1916 as the United States Tariff Commission.<sup>1</sup> The original goal of the Tariff Commission, based in Washington, D.C., was to be a non-partisan, fact-finding federal agency charged with “investigat[ing] the administrative, fiscal, and economic effects of the existing U.S. customs laws, as well as [studying] tariff relationships between the United States and other countries.”<sup>2</sup> Less than a decade later, however, the Tariff Commission was given the additional power to investigate unfair trade practices by importers and to raise tariffs or exclude imports entirely in retaliation.<sup>3</sup> In the Tariff Act of 1930, this power to investigate unfair trade practices was codified as the

Tariff Commission’s “Section 337” power.<sup>4</sup>

In 1975, the Tariff Commission was rechristened the United States International Trade Commission.<sup>5</sup> Today, the ITC is a substantial federal bureaucracy with facilities located in Southwest Washington, D.C., near the National Air and Space Museum. The ITC is governed by six commissioners, each of which are appointed by the President and confirmed by the Senate.<sup>6</sup> The ITC’s present-day duties include maintaining the Harmonized Tariff Schedule of the United States, conducting research and analysis concerning international trade issues, and—relevant to this discussion—conducting investigations and adjudications concerning alleged unfair trade practices.<sup>7</sup>

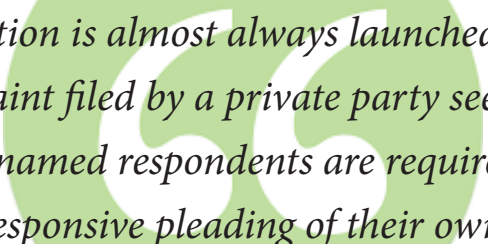
## Section 337 investigations before the ITC

The ITC’s Section 337 powers are cur-



rently codified in 19 U.S.C. § 1337 and implementing regulations are found in 19 C.F.R. § 210.1 *et seq.* Broadly, these provisions authorize the ITC to conduct investigations concerning “unfair practices” associated with the importation of products into the United States. The scope of unfair acts that could trigger a Section 337 investigation is broad and includes patent infringement, copyright infringement, trademark infringement or dilution, trade

Rules of Evidence, however, given the administrative law setting and absence of a jury.<sup>13</sup> Direct testimony at the evidentiary hearing may be live, but is often submitted in writing; live cross-examinations are permitted.<sup>14</sup> Following the evidentiary hearing, the ALJ issues an Initial Determination (“ID”) on liability and recommends a remedy,<sup>15</sup> and this ID is subsequently reviewed by the entire Commission, which then issues a Final Determination.<sup>16</sup>



*An investigation is almost always launched in response to a complaint filed by a private party seeking relief, and the named respondents are required to file a responsive pleading of their own.<sup>10</sup>*

secret misappropriation, unfair competition, deceptive trade practices, and anti-trust violations, among other potentially “unfair” acts.<sup>8</sup> Historically, however, patent infringement claims have been the most frequently-asserted claims in Section 337 investigations.

Section 337 investigations are quasi-judicial legal proceedings conducted before an Administrative Law Judge (“ALJ”) and are similar in many ways to a federal court proceeding. The ITC uses procedural rules that are similar (although not identical) to the Federal Rules of Civil Procedure.<sup>9</sup> An investigation is almost always launched in response to a complaint filed by a private party seeking relief, and the named respondents are required to file a responsive pleading of their own.<sup>10</sup> Fact and expert discovery occurs under procedures that are similar to those operative in federal courts.<sup>11</sup>

After discovery concludes, a Section 337 matter proceeds to an evidentiary hearing that is effectively a bench trial before the ALJ.<sup>12</sup> Evidentiary rules are much simpler and more relaxed than the Federal

### **Advantages of enforcing IP rights at the ITC**

There are several factors that differentiate a Section 337 investigation from a run-of-the-mill federal court action. First, Section 337 actions proceed swiftly. The ITC is statutorily mandated to conduct Section 337 investigations “expeditious[ly],”<sup>17</sup> and, by regulation, an ALJ will typically set a “target date” for completion of the entire investigation within 16 months.<sup>18</sup> Furthermore, interim deadlines are relatively short. For example, given the short timeframes involved, fact and expert discovery typically are scheduled to conclude in little more than six months.

As another example, parties are required to respond to motions and discovery requests within a mere 10 days.<sup>19</sup> The speed at which a Section 337 investigation proceeds is thus in sharp contrast with the realities of federal court litigation, which can easily drag on for years in most jurisdictions. Moreover, the ITC’s speed places tremendous pressure on Section 337 respondents, who—in addition to facing the heavy burdens and costs associated with fast-paced litigation—often find their ability to develop defenses substantially lim-

ited by time constraints.

Second, counterclaims are not permitted under Section 337.<sup>20</sup> This means that every Section 337 investigation is effectively a “one-way street” in which only the complainant’s claims will be adjudicated.

Third, under Section 337, the ITC is only empowered to investigate claims in which a “domestic industry” in the United States is being adversely affected by the alleged “unfair practices.”<sup>21</sup> In connection with IP claims, the “domestic industry” requirement generally mandates that a complainant demonstrate that it or its licensees are involved in substantial U.S.-based economic activities (e.g., manufacturing and/or R&D and the like) related to the asserted IP rights. To this extent, the ITC’s jurisdiction to adjudicate IP disputes is somewhat narrower than that of the federal courts. As a specific example, in the context of patent litigation, the “domestic industry” requirement has resulted in so-called “non-practicing entities” (a.k.a. “patent trolls”) being unable to use the ITC as a patent enforcement venue for lack of a sufficient “industry.”

Fourth, and perhaps most importantly, the ITC offers a set of unique and effective remedies. Unlike in federal court, where compensatory damages and injunctive relief are the standard remedies, the ITC issues exclusion orders barring the importation of accused products into the United States.<sup>22</sup> These exclusion orders can be “limited”—i.e., directed to the implicated products of the respondents specifically named in the investigation—or “general”—i.e., directed to all violative products from any external source, regardless of whether the source participated as a party in the investigation.<sup>23</sup>

The ITC’s exclusion orders are enforced at the border by U.S. Customs and Border Protection, which maintains robust IP enforcement capabilities and staffing.<sup>24</sup> Moreover, the ITC is also authorized to issue powerful cease & desist orders, enforceable through civil penalties, prohibiting respondents from engaging in related unauthorized activities (such as, e.g., inventorying, marketing, or advertising) within the United States.<sup>25</sup> Taken together, the ITC’s remedies are potent and effective—and the risks associated with these remedies frequently force respondents into consideration of settlement options that they otherwise might be reluctant to consider.

## Hot topic: Efforts to further streamline Section 337 proceedings

In 2013, in an effort to further streamline Section 337 investigations, the ITC initiated a “100-day” pilot program under which the Commission is authorized, at the time it institutes an investigation, to identify potentially “dispositive” issues (such as standing and whether a domestic industry exists) to be formally adjudicated by the ALJ within the first 100 days of an investigation.<sup>26</sup> The program, however, has been used relatively sparingly, possibly because it is inherently difficult to satisfactorily resolve dispositive issues within a 100-day period.<sup>27</sup>

In 2021, however, the ITC instituted a new interim pilot program similar to its prior “100-day” pilot program, but with important modifications.<sup>28</sup> First, the new program authorizes the ALJ to institute an expedited proceeding on “fewer than all issues in an investigation” (including, for example, substantive issues such as patent infringement, patent eligibility, or other patent invalidity issues) either on motion or within its own discretion.<sup>29</sup> Second, there is no strict 100-day limitation; instead, the ALJ is generally authorized to expedite discovery on the targeted issues and build an evidentiary record, to stay discovery on remaining issues, and to issue an interim ID concerning the targeted issues.<sup>30</sup> Third, the ITC’s review of any interim ID is also conducted more expeditiously than usual.<sup>31</sup>

It will take some time to know whether this new, modified pilot program will be effective and used more frequently. In one recent case, an ALJ declined to place an investigation into the new interim pilot program and resolve a patent invalidity issue first due to his concerns that, should the patent claims not be invalidated, the overall schedule would be unduly delayed.<sup>32</sup>

## Hot topic: The interplay between ITC Section 337 patent investigations and PTAB post-grant proceedings

The ITC is not the only venue where expedited patent adjudications are available. While the ITC is a venue offering

expedited proceedings that typically favor a *patent holder*, the U.S. Patent and Trademark Office (“PTO”) Patent Trial and Appeal Board (“PTAB”) conducts expedited trial proceedings generally termed “post-grant proceedings” that provide *accused infringers* an opportunity to challenge the patentability of issued patent claims on an expedited basis.<sup>33</sup> These well-known and oft-used post-grant proceedings include Post-Grant Review (“PGR”) proceedings<sup>34</sup> and Inter Partes Review (“IPR”) proceedings.<sup>35</sup>

But what happens when a given patent becomes the subject of both a Section 337 investigation and a PTAB post-grant proceeding at the same time? Which proceeding takes precedence? Given that the ITC is statutorily required to complete its investigations “expeditious[ly],” the ITC rarely stays its Section 337 proceedings for any reason, including the existence of co-pending PTAB actions.<sup>36</sup>

The PTAB, however, typically took a different approach in the past. The PTAB retains discretion to decline to institute a post-grant proceeding where there is a parallel, co-pending proceeding involving the same patent claims.<sup>37</sup> To determine whether it will decline institution in such circumstances, the PTAB has typically weighed the six so-called “*Fintiv* factors,” which include such factors as the likelihood that a stay will be issued in a parallel proceeding and the speed to trial in the parallel proceeding, among others.<sup>38</sup> When analyzed in light of the realities of a parallel Section 337 investigation, in the past, the *Fintiv* factors almost always weighed in favor of the PTAB denying institution.<sup>39</sup> Thus another benefit of initiating a Section 337 investigation at the ITC had been to prevent an adversary from using the PTAB to its defensive advantage.

The PTO recently indicated that its *Fintiv*-related policies are being significantly revised, however. On June 21, 2022, PTO Director Katherine Vidal issued a guidance memorandum to the PTAB regarding the “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation.”<sup>40</sup> The memorandum provides that, because the ITC lacks the statutory authority to formally invalidate patents, the ITC’s Section 337 adjudications are

not binding on the PTAB or on district courts, and accordingly the outcome of a Section 337 investigation cannot conclusively resolve patent invalidity issues, going forward “[t]he PTAB will not discretionarily deny petitions based on applying *Fintiv* to a parallel ITC proceeding.”<sup>41</sup> This interim guidance will govern PTAB proceedings until formal rulemaking can be completed.<sup>42</sup>

The PTO’s changed approach to parallel ITC proceedings will undoubtedly complicate efforts to obtain expedited relief in patent enforcement proceedings under Section 337. It remains to be seen how conflicts between the two agencies will get resolved, particularly from a procedural standpoint, and whether the ITC will modify its practices in an effort to adapt to the PTO’s changes.

## Hot topic: An increased focus on trade secrets

Although trade secret misappropriation has always been the type of “unfair practice” that can trigger a Section 337 investigations, historically patent-related investigations have seen the majority of the action under Section 337.<sup>43</sup> A number of recent developments, however, suggest that trade secret misappropriation could be assuming a larger focus moving forward.

First, in recent years, a series of trade secret investigations before the ITC have resulted in notable rulings that have had and will continue to have a significant impact on the use of Section 337 to combat trade secret theft. For example, in *TianRui Group Co. v. United States International Trade Commission*, the Federal Circuit confirmed that the ITC was within its authority under Section 337 to consider conduct that occurred outside the United States in determining whether “unfair practices” under Section 337 had occurred.<sup>44</sup> This application of U.S. law to extraterritorial conduct significantly expanded the ITC’s ability to address misappropriation activities conducted by foreign entities abroad.

Similarly, in another Section 337 investigation involving trade secret misappropriation, the respondents moved to terminate the proceedings on the basis



of international comity, in that the trade secret claims allegedly involved issues of Chinese law that were resolved or pending before a Chinese court.<sup>45</sup> The presiding ALJ not only rejected this argument as being “contrary to the purpose of [Section 337],” but he went further and opined that termination of the investigation on the grounds of international comity in fact would be an abuse of his discretion.<sup>46</sup>

Second, several bills have been introduced in the past several years that are specifically designed to strengthen the ITC’s ability to adjudicate trade secret cases under Section 337. For example, on April 20, 2021, Senator Lindsey Graham (R-S.C.) introduced Senate Bill S. 1245, entitled “The Combating Chinese Purloining of Trade Secrets Act.”<sup>47</sup> Under this bill, among other things, significant additional penalties could be placed on parties found to have committed trade secret misappropriation by the ITC in a Section 337 investigation—legislation that, if enacted, could further enhance the appeal of the ITC as a venue in trade secret cases.<sup>48</sup> The bill remains pending before the Senate Judiciary Committee.

A second bill, S. 2067, entitled the “Stopping and Excluding Chinese Rip-Offs and Exports with United State Trade Secrets Act of 2021,” was introduced by Senator John Cornyn (R-TX) on June 15, 2021 and is pending before the Senate Finance Committee.<sup>49</sup> This bill contemplates the creation of a new “Interagency Committee on Trade Secrets” composed of various federal agencies that is empowered to, either via a complaint filed by a private party or on its own initiative, investigate whether imported products use or otherwise implicate the use of misappropriated trade secrets.<sup>50</sup> If the Committee so finds, it would then refer the matter to the ITC for an expedited proceeding under which an exclusion order could be issued by the ITC within 30 days, subject to subsequent review proceedings.<sup>51</sup> Although the ITC already has the authority to investigate trade secret misappropriation, this legislation is clearly designed to enhance the ITC’s role in this sphere. And it will no doubt increase practitioners’ focus on the use of the ITC as a venue to remedy trade secret theft.



**Teague I. Donahey is a partner in the Boise office of Holland & Hart LLP. He has practiced in the area of IP litigation for over 20 years in both California and Idaho.**

**In addition to regularly representing clients in federal trial and appellate courts, he has significant experience handling Section 337 investigations before the United States International Trade Commission on behalf of both complainants and respondents.**

## Endnotes

1. Revenue Act, Pub. L. No. 64-271, § 700 *et seq.*, 39 Stat. 756, 795–98 (1916).
2. John M. Dobson, *Two Centuries of Tariffs: The Background and Emergence of the U.S. International Trade Commission* 89 (ITC 1976).
3. *Id.* at 94.
4. Tariff Act of 1930, Pub. L. No. 71-361, § 337, 46 Stat. 590, 703–04 (1930).
5. Trade Act of 1974, Publ. L. No. 93-618, § 171, 88 Stat. 1978, 2009 (1975).
6. 19 U.S.C. § 1330(a).
7. See, e.g., [https://www.usitc.gov/press\\_room/about\\_usitc.htm](https://www.usitc.gov/press_room/about_usitc.htm).
8. See generally Teague I. Donahey, *Expanding Horizon of Section 337 Jurisdiction*, Intellectual Property Magazine, July/Aug. 2016, at 43–44.
9. See generally 19 C.F.R. §§ 210.12–210.40.
10. See 19 C.F.R. §§ 210.12, 210.13.
11. See, e.g., 19 C.F.R. §§ 210.27–210.34.
12. See 19 C.F.R. § 210.36.
13. See 19 C.F.R. § 210.37; see also, e.g., *In the Matter of Certain Light-Emitting Diodes & Prods. Containing Same*, Initial Determination, ITC Inv. No. 337-TA-512 (May 10, 2005) at 137 n.576 (“[H]earsay evidence is not *per se* excludable in administrative proceedings but is an argument affecting the weight to be given certain evidence.”).
14. E.g., 19 C.F.R. § 210.36(d).
15. See 19 C.F.R. § 210.42.
16. See, e.g., 19 C.F.R. § 210.50.
17. 19 U.S.C. § 1337(b)(1).
18. See 19 C.F.R. § 210.51(a)(1).
19. 19 C.F.R. §§ 210.15(c), 210.29(b)(2), 210.30(b)(2), 210.31(b).
20. See 19 U.S.C. § 1337(c) (specifying that any pleaded counterclaim must be removed to federal court).
21. See, e.g., 19 U.S.C. §§ 1337(a)(1)(A), 1337(a)(2)–(3).
22. See 19 U.S.C. § 1337(d).
23. *Id.*
24. See, e.g., <https://www.cbp.gov/trade/priority-issues/ipr>.
25. See 19 U.S.C. § 1337(f).
26. See, e.g., [https://www.usitc.gov/press\\_room/news\\_release/2013/er062411.htm](https://www.usitc.gov/press_room/news_release/2013/er062411.htm). This 100-day program is now detailed by regulation in 19 C.F.R. § 210.10(b)(3).
27. See, e.g., *In the Matter of Certain Digital Set-Top Boxes and Systems and Services Including the Same*, Order Denying Request for Entry Into Early Disposition Program, ITC Inv. No. 337-TA-1315 (May 24, 2022) (“It

appears that certain information may not be obtainable in time to be used in a 100-day proceeding.”).

28. See, e.g., [https://www.usitc.gov/press\\_room/featured\\_news/337pilotprogram.htm](https://www.usitc.gov/press_room/featured_news/337pilotprogram.htm).

29. See *id.*

30. See *id.*

31. See *id.*

32. *In the Matter of Certain Electronic Exercise Systems, Stationary Bicycles and Components Thereof and Products Including Same*, Order No. 6, ITC Inv. No. 337-TA-1305 (May 6, 2022).

33. See generally <https://www.uspto.gov/patents/ptab/trials>.

34. See 35 U.S.C. §§ 321–29.

35. See 35 U.S.C. §§ 311–19.

36. See, e.g., *In the Matter of Certain Automated Storage & Retrieval Sys., Robots, & Components Thereof*, Order No. 6: Denying Respondents’ Motion to Stay, ITC Inv. No. 337-TA-1228 (Mar. 9, 2021) at 10 (noting that the ITC is statutorily required to conduct its Section 337 investigations rapidly, and “[g]ranteeing a stay whenever a respondent seeks PTA review after being named in a complaint under section 337 would not conform with these statutory requirements.”). To the contrary, under 28 U.S.C. § 1659, where there is a parallel, co-pending district court action involving an overlapping claim, it is the federal court that is statutorily required to stay the district court litigation pending the outcome of the ITC investigation.

37. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020) at 3, 5–6.

38. *Id.* at 6.

39. See, e.g., Matthew Bultman, *Companies Hit With ITC Patent Complaints Face Long Odds at PTA* (Bloomberg Law Jan. 29, 2021).

40. U.S.P.T.O. Memorandum, *Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* (June 21, 2022), available at [https://www.uspto.gov/sites/default/files/documents/interim\\_proc\\_discretionary\\_denials\\_aia\\_parallel\\_district\\_court\\_litigation\\_memo\\_20220621\\_.pdf](https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf).

41. *Id.* at 6–7 (emphasis added).

42. *Id.* at 9.

43. See, e.g., P. Andrew Riley & Jonathan R.K. Stroud, *A Survey of Trade Secret Investigations at the Int’l Trade Comm’n: A Model for Future Litigants*, 15 Columbia Sci. & Tech. L. Rev. 41, 41 (Fall 2013).

44. 661 F.3d 1322, 1326–35 (Fed. Cir. 2011).

45. *In the Matter of Certain Paper Shredders, Certain Processes for Mfg. or Relating to Same & Certain Prod. Containing Same & Certain Parts Thereof*, Order No. 5: Denying Respondents Motion for Partial Termination of the Investigation as to Fellowes Claims of Misappropriation, USITC Inv. No. 337-TA-863 (July 19, 2013) at 7–10.

46. *Id.* at 35–36.

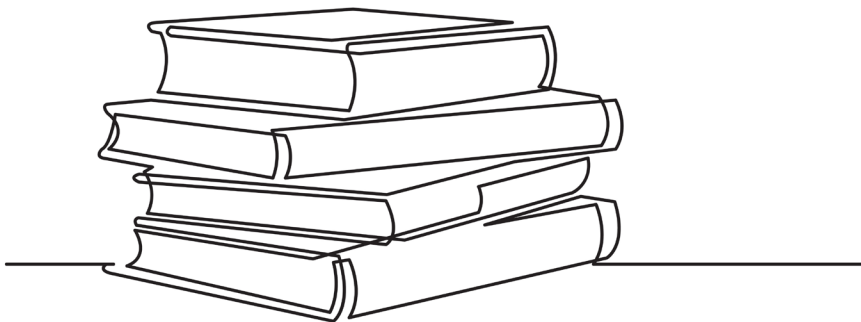
47. S. 1245, 117th Cong. (2021–2022).

48. See *id.*

49. S. 2067, 117th Cong. (2021–2022).

50. See *id.*

51. See *id.*



### Book Review:

### *Business and Commercial Litigation in Federal Courts, 5<sup>th</sup> ed.*

Kirk J. Houston

In 1998, the American Bar Association Section of Litigation, together with the West Group, published *Business and Commercial Litigation in Federal Courts*, a six-volume, 80-chapter treatise covering every major topic of interest to practitioners who litigate regularly in federal court. The Second, Third, and Fourth editions, published in 2005, 2011, and 2016, respectively, built on the success of the first edition by adding dozens of new chapters and revising legacy chapters to keep them current.

I reviewed the Fourth Edition for the September 2017 edition of *The Advocate* and was impressed with the treatise's breadth of information and the practical tools that follow each chapter. These checklists, strategy pointers, proposed orders, sample discovery requests, and model jury instructions make it easy for the reader to apply the substantive

knowledge in the chapter to his or her practice.

Just as they did with the Fourth Edition, the authors added dozens of chapters for the Fifth Edition, which is comprised of 180 chapters over 16 volumes. In addition to chapters covering substantive legal topics, this edition covers the "business" of litigation, with chapters including *Marketing to Potential Clients*, *Third-Party Litigation Funding*, and *Litigation Avoidance and Prevention*. These chapters will help the reader manage his or her firm and understand our profession from the client's perspective.

Since reading 16 volumes was not feasible for this review, I selected three chapters to review in greater detail: *Litigation Avoidance and Prevention*, one of the aforementioned chapters covering the business of law; *Social Media*, which debuted in the Fourth Edition; and *Mass Torts*.

#### ***Litigation Avoidance and Prevention***

Michael Lynch, a partner in Kelley Drye & Warren's New York office with over 20 years in practice, authored this chapter. It is unique because unlike most chapters, which cover litigation strategy, procedure, and substantive law topics, this chapter is relatively accessible to nonlawyers. It contains general business management and operations strategies for mitigating legal risk that apply to most any industry. For example, most any business should be mindful of both the substantive law and industry standards applicable to their operations.

Recognizing that business owners are unlikely to purchase this treatise, perhaps the best way to apply this chapter is to create a checklist of topics to cover with a new business or litigation client. An attorney documenting a business



transaction can use this chapter to identify potential sources of ambiguity and resolve them before closing. An attorney taking on a new litigation matter can use the strategies in this chapter to determine how a key decision was made or learn about the choices that ultimately led to the dispute. This chapter can also be used to develop ideas for a trade group presentation.

### Social Media

Paul Curnin and Susannah Geltman, partners at Simpson Thacher's New York office, authored the *Social Media* chapter. This chapter has been significantly updated to reflect changes in the law and to discuss recent case developments. The chapter continues to provide model discovery requests and address recurring issues such as the admissibility of posts and spoliation resulting from the deletion of accounts.

The chapter also provides useful citations to standards for the use of social media in juror research and model jury instructions concerning the use of

social media during trial. The chapter also provides numerous cautionary tales of social media posts that have caused Fortune 500 companies to incur significant fines. The checklists at the end of the chapter are a concise reminder of ethical and strategic issues that arise from the use of social media.

### Mass Torts

Sheila Birnbaum, Mark Cheffo, Bert Wolff, and Mara Cusker Gonzalez of Dechert LLP's Mass Torts and Products Liability practice group authored the chapter on Mass Torts. These authors have decades of experience defending pharmaceutical companies in nationwide product liability actions and that experience shines through in this chapter. They explain, for example, (1) how courts balance the competing goals of efficiency and individualized justice under the rubric of the multidistrict litigation act, (2) how courts identify and resolve common issues as well as issues that are unique to individual plaintiffs; (3) whether and

when a mass tort case is well-suited for multidistrict litigation in federal court; and (4) how discovery is sequenced when hundreds of individual cases are pending. The chapter also contains specific lessons from recent cases involving prescription drugs, opiates, and consumer products. The checklists and practice aids help the reader organize and apply the lessons in the chapter to their practice.

### Purchasing information

This treatise is available for purchase on the Thomson Reuters website.



**Kirk J. Houston** is an attorney in the Boise office of Smith + Malek, PLLC. His practice areas include commercial and real estate litigation. Mr. Houston has been licensed to practice in the state and federal courts of Idaho since 2012.

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Jack received his J.D. from the Concordia University School of Law in 2019. As an undergraduate, Jack attended Lewis-Clark State College, where he received a B.S. in Justice Studies and a B.S. in Psychology in 2015.

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Keynote speaker, James Goodnow from Fennemore Craig in Phoenix, Arizona, presented on the similarities between generations and how attorneys of all ages can work together to create productive, empowered workplaces. Photo credit: Lindsey Welfley.

## Recap of the 2022 Idaho State Bar Annual Meeting

*Teresa A. Baker*

The 2022 Idaho State Bar Annual Meeting was held in Twin Falls for the first time ever at the Canyon Crest Event Center, July 20<sup>th</sup> through the 22<sup>nd</sup>. Attendees were pleased to see their friends and colleagues in person as they gathered for award ceremonies and informative CLEs.

The Distinguished Lawyer & Jurist Awards Reception was held on Wednesday evening on the patio overlooking the beautiful Snake River Canyon with music by the John Jameson Trio. The awards ceremony began with President Kurt D. Holzer serving as the Master of Ceremonies with over 111 people in attendance. The recipients of the 2022 Distinguished Lawyer Awards were J. Ford Elsaesser of Priest River, Trudy H. Fouser, and William L. Mauk, both of Boise. The Distinguished Jurist Awards were presented to

the Hon. Christopher M. Bieter, Fourth District Magistrate Judge, and to the Hon. Candy W. Dale, U.S. Magistrate Judge for the District of Idaho. The Outstanding Young Lawyer Awards were presented to Jessalyn R. Hopkin of Pocatello and Kolby K. Reddish of Boise. Each award recipient was introduced with a short video of an interview by a colleague or friend and then each graciously accepted their award at the podium.

Thursday morning, July 21<sup>st</sup> began with a Plenary Session in which President Holzer gave an update on the state of the Bar, Idaho Supreme Court Chief Justice G. Richard Bevan gave an update on the state of the Idaho courts, and Dean Johanna Kalb spoke about the various collaborations between the University of Idaho College of Law and the Bar. President Holzer then introduced the keynote speaker, James Goodnow from Fennemore Craig

in Phoenix, Arizona. Mr. Goodnow spoke on the similarities of the millennial generation with the older generations and how all generations can work together to improve the practice of law.

A total of 5.5 CLE credits were offered on Thursday with two different breakout sessions offered. The late afternoon CLE session featured the annual “Lessons from the Masters” CLE. This year’s rendition featured the “not-so Newlywed Game” with three married couples including Justice Robyn M. Brody and Judge Jonathan P. Brody of Rupert, Judge Candy W. Dale and James C. Dale of Boise, and Judge Juneal Kerrick and David E. Kerrick of Caldwell. The session was informative and entertaining for all.

During a noon luncheon, the Idaho State Bar and Idaho Law Foundation Service Awards were presented with over a 100 people in attendance. Nine lawyers



from around the Gem State who have provided volunteer time to support the work of the Bar and the Law Foundation were honored. When the awards program concluded the Idaho Law Foundation held their Annual Meeting led by President Kari M. Campos of Idaho Falls.

The Milestone Celebration and Awards Reception: Celebrating 25, 40, 50, 60, 65 & 70 Years of Admission was held Thursday evening with over 80 people in attendance. While we have five members celebrating 70 years, the longest serving members of the Bar in attendance were 65-year mem-

bers John R. Coleman and Hon. Wallace M. Transtrum. Each of them spoke about their years of practice starting in 1957. Other 60- and 50-year attorneys in attendance also gave highlights of their careers.

On Friday, July 23<sup>rd</sup> an additional 4.5 CLE credits were offered to conference participants with a plenary session on forensic meteorology with guest speakers from AccuWeather and then two sets of CLE breakout sessions. At noon a networking BBQ was held with the Section of the Year Award presented to the members of the Young Lawyers Section. President

Holzer then passed the gavel to incoming President Kristin Bjorkman Dunn who will serve as president until January 2023.

The Annual Meeting would not be possible without the support of our sponsors. This year's sponsors included: platinum sponsors, LawPay and the Fourth District Bar Association; gold sponsors, the University of Idaho College of Law, Clio, and Primary Residential Mortgage, Inc.; silver sponsors, ALPS and the Idaho Community Foundation; and bronze sponsors, Custer Agency and Sage Forensic Accounting.



Idaho Supreme Court Chief Justice G. Richard Bevan provided an update on the state of the Courts in Idaho at the Plenary Session. Photo credit: Lindsey Welfley.





Outgoing Idaho State Bar President, Kurt Holzer (left), passed the gavel to the Idaho State Bar's newest President, Kristin Bjorkman Dunn (right). Photo credit: Lindsey Welfley.

Attendees enjoyed live music from the John Jameson Trio with beautiful canyon views in the background! Photo credit: Lindsey Welfley.





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# Court Information

## OFFICIAL NOTICE SUPREME COURT OF IDAHO

Chief Justice  
G. Richard Bevan

Justices  
Robyn M. Brody  
John R. Stegner  
Gregory W. Moeller  
Colleen D. Zahn

### Regular Fall Term for 2022

3<sup>rd</sup> Amended 08/15/22

Boise ..... August 3, 9, and 22  
Idaho Falls ..... August 24  
Pocatello ..... August 25  
Twin Falls ..... August 26  
Boise ..... September 12, 14, 16 and 29  
Coeur d'Alene ..... September 20 and 21  
Boise ..... November 2, 4, 7, 9, and 14  
Boise ..... December 5, 7 and 9

By Order of the Court  
Melanie Gagnepain, Clerk

**NOTE:** The above is the official notice of the 2022 Fall Term for the Supreme Court of the State of Idaho, and should be preserved. A formal notice of the setting of oral argument in each case will be sent to counsel prior to each term.

## OFFICIAL NOTICE COURT OF APPEALS OF IDAHO

Chief Judge  
Jessica M. Lorello

Judges  
David W. Gratton  
Molly J. Huskey  
Amanda K. Brailsford

### Regular Fall Term for 2022

2<sup>nd</sup> Amended 08/04/22

Boise ..... July 14  
Boise ..... August 2 and 4  
Boise ..... September 13  
Boise ..... October 20, 25, and 27  
Boise ..... November 10, 15 and 17  
Boise ..... December 13

By Order of the Court  
Melanie Gagnepain, Clerk

**NOTE:** The above is the official notice of the 2022 Fall Term for the Court of Appeals of the State of Idaho, and should be preserved. A formal notice of the setting of oral argument in each case will be sent to counsel prior to each term.

## Idaho Supreme Court Oral Arguments for September 2022

(All times are local - subject to change due to COVID-19)

08/15/22

### Monday, September 12, 2022 - Boise

8:50 a.m. *State v. Adams* ..... #49573  
10:00 a.m. *State v. Harrell* ..... #48839  
11:10 a.m. *Easterling v. HAL Pacific* ..... #47919

### Wednesday, September 14, 2022 - Boise

8:50 a.m. *State v. Iniguez* ..... #48920  
10:00 a.m. *Hooley v. State* ..... #48846  
11:10 a.m. *Buck v. Buck* ..... #49088

### Friday, September 16, 2022 - Boise

8:50 a.m. *State v. Roman-Lopez* ..... #49565  
10:00 a.m. *Katseanes v. Katseanes* ..... #48705  
11:10 a.m. .... OPEN

### Tuesday, September 20, 2022 - Coeur d'Alene

8:50 a.m. *State v. Ingraham* ..... #48522  
10:00 a.m. *Dorr v. IDOL* ..... #48810  
11:10 a.m. *Terrell v. Paradis de Golf* ..... #48570

### Wednesday, September 21, 2022 - Coeur d'Alene

8:50 a.m. *Nordgaarden v. Kiebert* ..... #48919  
10:00 a.m. *Latvala v. Green Enterprises* ..... #49173  
11:10 a.m. .... OPEN

### Thursday, September 29, 2022 - Boise

9:00 a.m. *Planned Parenthood v. State* ... #49615/49817/49899

## Idaho Appeals Court Oral Arguments for September 2022

(All times are local - subject to change due to COVID-19)

08/15/22

### September 13, 2022

9:00 a.m. *State v. Galindo* ..... #49123  
10:30 a.m. *State v. Parsons* ..... #48833  
1:30 p.m. *Gonzalez v. Heath* ..... #48770

## Idaho Supreme Court Calendar

Oral arguments held in Boise are now available to watch live streaming via Idaho Public Television's Idaho Live at:

<http://idahoptv.org/in-session/courts.cfm>

Please note, playback quality will depend on your Internet connection speed.

Press releases and schedules are posted as they are made available at <https://isc.idaho.gov/>.



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# Cases Pending (July 2022)

## CIVIL APPEALS

### Easements

1. Whether the district court erred by expanding the scope of the prescriptive easement to include residential use.

*Latvala v. Green Enterprises, Inc.*  
Docket No. 49173  
Supreme Court

### Medical malpractice

1. Whether the district court erred by giving a “but for” proximate cause jury instruction in a medical malpractice case involving multiple defendants and multiple causes of action.

*Beebe v. North Idaho Day Surgery, LLC*  
Docket No. 49137  
Supreme Court

### Post-conviction

1. Whether the district court erred by summarily dismissing the post-conviction petition and finding the claim that trial counsel rendered ineffective assistance by misadvising Petitioner about the sentence he would receive was disproved by the record of the guilty plea proceedings.

*Hernandez v. State*  
Docket No. 49161  
Supreme Court

2. Whether the allegations in the post-conviction petition, together with those submitted in response to the district court’s notice of intent to dismiss, were sufficient to raise the possibility of a valid claim entitling Petitioner to the appointment of counsel.

*Tatara v. State*  
Docket No. 49076  
Court of Appeals

3. Whether the district court erred by summarily dismissing the successive post-conviction petition without allowing Petitioner the discovery necessary to litigate his *Brady* claim.

*Abdullah v. State*  
Docket No. 48677  
Supreme Court

### Quiet title

1. Whether the district court erred by quieting title to the disputed property in Plaintiffs pursuant to the doctrine of boundary by agreement.

*Bass v. Esslinger*  
Docket No. 49240  
Supreme Court

### Taxes

1. Whether the Tax Commission’s Property Tax Administrative Rule 131 was entitled to administrative deference so as to preclude property owners from claiming that their operating property was unconstitutionally assessed.

*Idaho Power Co. v. Idaho State Tax Comm’n*  
Docket No. 49126  
Supreme Court

## CRIMINAL APPEALS

### Confrontation

1. Whether the district court violated Defendant’s confrontation rights when it required the witnesses in his felony aggravated battery trial to wear masks while testifying.

*State v. Cuenca*  
Docket No. 49037  
Supreme Court

### Evidence

1. Whether the district court abused its discretion in the probation violation proceedings by taking judicial notice that the primary source of income of an establishment Defendant was alleged to have frequented was the sale of alcohol.

*State v. Poston*  
Docket No. 48742  
Court of Appeals

2. Whether the district court erred by excluding Defendant’s proposed expert testimony that factors other than Defendant’s act of driving under the influence caused the victim’s injuries.

*State v. Buehler*  
Docket No. 48172  
Court of Appeals

### Mistrial

1. Whether the district court erred by denying the motion for mistrial and concluding that any prejudice would be cured by instructing the jury to disregard the inadmissible testimony.

*State v. Hensley*  
Docket No. 49150  
Court of Appeals

### Search and seizure – suppression of evidence

1. Whether the district court erred by granting the motion to suppress and concluding the probation search was invalid because, while Defendant waived her Fourth Amendment rights as a condition of her probation, she retained her rights under the Idaho Constitution.

*State v. Pool*  
Docket No. 49210  
Supreme Court

2. Whether Article I, Section 17, of the Idaho Constitution provides greater protection than the Fourth Amendment in the area of attenuation because the purpose and flagrancy factor of the federal attenuation doctrine is incompatible with the multiple purposes of Idaho’s exclusionary rule.

*State v. Marsh*  
Docket No. 48758  
Supreme Court

### Sentence review

1. Whether the imposition of a mandatory fine upon an individual whose sole source of income derives from security benefits violates federal anti-attachment law.

*State v. Goodenough*  
Docket No. 49232  
Court of Appeals

**Summarized by:**  
**Lori Fleming**

**Supreme Court Staff Attorney**  
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## Matthew J. Mullaney, Jr. 1939-2022

Matthew James Mullaney, Jr. was born in Cumberland, Md. on November 11, 1939 to Anna Adrian Conroy and Matthew James Mullaney. He graduated from La Salle High School and went to the Catholic University of America for his bachelor's degree in physics and his J.D.



He married Carol A. Martin in 1963, they had two children, and divorced in 1979. Matt moved to Idaho in 1972, passed the Idaho Bar Exam, became deputy attorney general for Idaho, and then special assistant to Governor Cecil Andrus. He filed the lawsuit that started the Snake River Adjudication with John Peavey after moving to private practice in 1977.

He married the love of his life Jackie Van Paepegghem in 1984 and earned his nursing degree in 1985. From 1988-95 he did medical malpractice defense in West Virginia for Steptoe and Johnson. Matt continued to work in law informed by his nursing studies, establishing a thriving practice in McMinnville, Or. in elder law. He brought a compassionate approach to end of life legal issues.

He was a devout Catholic serving in music ministry with Jackie for their entire married life and was part of the church cleaning committee. He volunteered in the community at the senior center and on the ethics board at the hospital in McMinnville.

Matt died peacefully in Nampa on Sunday, May 22, 2022 from complications of a brain tumor, surrounded by his wife and close family. He is survived by Jackie, his wife of 38 years; children, Anne Marie Martin and Matthew Lockwood Mullaney; five grandchildren, Theo, Claire, Evie, Emmett, and Eliza; and his four brothers, Henry, Ed, Mike, and Tim. He will be deeply missed.

## Kelly I. Beeman 1948 - 2022

Kelly Ira Beeman passed on June 8, 2022, from natural causes. He was born in Boise, Idaho, on January 20, 1948, to Dr. Joseph Ira Beeman and Dr. Helen Beeman.

Kelly graduated from Borah High in 1966 and earned the honor of "most likely to succeed." And, that he did. Kelly graduated from the University of Oregon with an economics degree, University of Virginia with a Master's in business administration, and the University of Oregon with a law degree before returning to Boise to venture out into the business world.



Kelly and his wife, Jerri were married in Christchurch, New Zealand in 1986 and returned for a visit in 1987. In 1989, Kelly answered an employment ad in *The Economist* for a Senior Advisor to the Prime Minister for the Department of Treasury. While working for the New Zealand government, he worked on setting monetary policies for the New Zealand Reserve Bank and eventually was the managing director of the North American Investment Promotions Unit, a newly created position within the New Zealand Ministry of Commerce and Trade, until his return to the States in 2003.

Upon his return to the States, he opened up his law office and practiced until his retirement in 2018. Kelly is survived by his wife, Jerri; stepson, Mark Schiller (Camille); three grandchildren, Kade, Griffin, and Sydney; and two daughters, Kimberly and Hillary. He was preceded in death by his daughter, Katherine Beeman.

## William G. "Bill" Pope 1969-2022

Bill was born on November 7, 1969 to Gerard Pope and Janet "Janie" Etcheson Pope in La Mirada, California. He grew up "where the 210 ends and the fun begins!," La Verne, California, surrounded by love and many family adventures. Bill graduated from Bonita High School in 1987.



Bill grew up playing all sports, but from a young age his passion was baseball. Bill's baseball career took him to Brigham Young University (BYU) where he graduated with a bachelor's degree in history. Bill completed law school at BYU's J. Reuben Clark Law School where he earned his

J.D. During law school, Bill was awarded the Outstanding Writing Award for his paper analyzing labor issues concerning Major League Baseball, and he worked for two years as a research assistant and editor for the late Professor LaMar C. Berrett.

Bill was a skilled attorney and he practiced for over 20 years in Idaho, Utah, and Washington in both the state and federal courts. He was proud to be a partner at the firm Perkins, Mitchell, Pope & McAllister, LLP until April 2022 when he moved his practice to Anderson, Julian & Hull, LLP.

Bill married his high school sweetheart, Teresa Santa Pope, on August 15, 1992 in the Los Angeles LDS temple. Bill loved being a dad to his three children, Jordyn, Emily, and Jake. Bill is survived by his wife, Teresa Santa Pope, and their children, Jordyn, Emily, Cameron, and Jake. He is also survived by his parents, Gerard and Janie Pope; his sister, Shannon Pope Tuft; and many loved in-laws, nieces, and nephews.

## John C. Ward 1941-2022

John Clarence Ward, beloved father, husband, grandfather, and friend, passed away on June 20, 2022, surrounded by his wife and children after a long battle with Alzheimer's disease. He was 80 years old.



John was born in Boise, Idaho, on December 3, 1941. He was the middle child of three siblings, born to Clarence Trulock and Emma Julietta Scorup Ward. After graduating from Borah High School in 1960, John attended Boise Junior College and Stanford University, graduating from Idaho State University in 1964, where he was a member of Phi Sigma Kappa. Although he was accepted to Columbia University in New York, he chose to attend law school at the University of Idaho to be closer to family. Upon passing the bar exam, he worked at Elam & Burke. Eventually, he became a partner at Langroise, Sullivan & Smylie, Holland & Hart, and Moffatt Thomas. He also served as counsel for West One Bank.

John married Nancy O'Rouark in 1966. Their two daughters, Kristen and Brooke, were born in Boise. In 1989, John



married Mikel Hudelson McMurray. John was preceded in death by his parents, Clarence and Etta; sister, Coleen Ryan; and half-siblings, Grant Ward, Roland Ward, Margaret Siddoway, and Barbara Oldenburg. He is survived by his wife, Mikel; daughters, Kristen (Mark) Jensen and Brooke (Michael) Gentry; grandchildren, Benjamin and Grace Gentry; stepchildren, Stacey (John) Slattery and Todd (Laela Wilding) McMurray; and step-grandchildren, Conner, Will, and Aiden Slattery, and Finn and Vivian McMurray; his ex-wife, Nancy; sister, JoAn (John) Zannot; and half-sister, Judith Karst.

### **Dustin A. Liddle 1985-2022**

Dustin Arthur John Liddle, born on August 21, 1985, in Orange, California, passed away suddenly from unknown heart related complications on May 16th, 2022, in Boise, Idaho at the age of 36.



Dustin was a very empathetic person who loved animals, nature, and above all, his friends and family. He had a deep thirst for knowledge and after graduating from South Eugene High School in 2003 he attended the University of Oregon where he graduated with honors in 2009 with a B.S. in accounting. After working as a CPA at a local accounting firm, he decided once again to expand his horizons and in 2013 he earned his Juris Doctor from the University of Chicago. Dustin and his family relocated to Boise, Idaho that year where he began his legal career.

Dustin is survived by his wife, Stefanie; sons, Cory and Tyler; mother, Darlyne Sinn Liddle; father, Arthur J. Liddle; brother, Ryan Davidson; sister, Debbi Gregory; stepmother, Connie Liddle; grandmother, Sharon Liddle; and step-grandmother, Joan Gorham. He was preceded in death by his grandmother, Donna Sinn; both grandfathers, Walter Sinn and Arthur R. Liddle; and nanny and lifetime mentor, Lee Agosto.

### **William D. "Bill" Olson 1933 - 2022**

Bill was born in Mullan, Idaho, during

the depression. His father, Elvin, died of pneumonia contracted in the silver mines when Bill was three, leaving his mother Chrystine to raise Bill, his three older brothers, and his older sister.



Bill attended Idaho State University, where he served as student body president and majored in journalism. After graduating from Idaho State in 1956, Bill received a scholarship to attend Washington University School of Law in St. Louis. Bill moved back to Idaho in 1959 where he made three decisions that would shape the rest of his life. He went to work as a law clerk for U.S. District Court Judge Fred M. Taylor in Boise, and after meeting Diana Ortega on a blind date in Pocatello, he married her on July 23, 1960. Finally, after his clerkship, Bill went to work with Louis F. Racine, Jr., in Pocatello, forming the law firm that eventually became Racine Olson and where Bill worked the rest of his legal career.

Bill was proud to be a member of the Idaho State Bar for more than 60 years. He was honored with the Bar's highest award in 2008, the Distinguished Lawyer Award. He enjoyed the company of the many fine lawyers he practiced with and against.

Bill is survived by his wife, Diana; his children, William Taylor (Sara), Wendy (Craig Kreiser), and Zoe Ann (Eric Geyer); his seven grandchildren, Taylor, Trevor, and Tanner Olson, Abby and Olivia Kreiser, and K and Jesse Olson-Geyer; and his brother, Ken (Dorothy). He was preceded in death by his parents, Elvin and Chrystine Olson; his sister Lucille; and his brothers, LeRoy and Robert.

### **W. Marcus Nye 1945-2022**

W. Marcus Nye was born in New York City on August 3rd, 1945. After graduation from Pocatello High School he attended Harvard University on a scholarship graduating in 1967. Soon after graduation, Mark came home to Idaho and in 1974 earned a Juris Doctor from the University of Idaho College of Law, where he was a member of the board of editors of



the Law Review. Home again in Pocatello, Mark joined the law firm of Racine, Huntley & Olson. He soon was named a partner in the firm which later became Racine, Olson, Nye and Budge.

Mark served on the Board of Governors of the American Bar Association and was past president of the Idaho State Bar. Mark was president of the 6<sup>th</sup> District Bar Association in 1982 and served as president of the Idaho Association of Defense Council in 1983. He was a member of the American Board of Trial Advocates, a Fellow of the American College of Trial Lawyers, and a member of the Idaho Trial Lawyers Association since 1980. In 1995, he boarded a plane every Friday morning for Moscow to lecture future Idaho lawyers on Products Liability at the College of Law.

As Mark began to wind down his law practice of 40 years, it was not a surprise to those who knew and worked with him, that he finally answered the call to serve in the state legislature.

Mark was preceded in death by his mother, Nora McLaren Nye; his father, Walter R. Nye; and his sister, Elisabeth Nye. Then, the devastating loss of his son, Philip, in 2003. Mark will be remembered by those he loved; his wife, Eva; children, Rob (Patty), Stephanie, and Jennifer (Chad); grandchildren, Meredith, Grant, Everett, and Alex; his sister, Marcia Nye (Mark Badger); nephews, Justin Freer (Jessica) and Jan Marcus Noorda (Makall); and nieces, Ashley Bahney (Ben), Birch Pennycook (Will), and Claire Onyechi (Kingsley).

### **W. Lynn Hossner 1939-2022**

Lynn attended school in Ashton and graduated from North Fremont High School. After graduation from high school, Lynn attended the University of Idaho and graduated with a degree in political science. He then attended one year of law school at U of I before transferring to George Washington University where he graduated proudly on June 6, 1965, with his Juris Doctorate. After graduating he passed both the Idaho



and District of Columbia bar exams.

Lynn met his future wife, Karen Hogue, at a state department dinner where they were both attending as guests. They were married Easter Sunday, April 18, 1965. They returned to Ashton to begin their family and start their careers as an attorney and school teacher. Karen passed away in 1982.

Lynn served as prosecuting attorney for 15 years. He was asked to run, on the ballot, as judge but declined because of his love for the challenge of assisting his cli-

ents with advice and encouragement.

Lynn is preceded in death by his parents, Earl and Yoland; his wife, Karen; two brothers, Larry and Fred; and a grandson, Colton. He is survived by his life-time companion, Sharon Schindler; son, Todd Hossner; daughter, Natalie (Richard) Elliott; his grandchildren, Craig (Erin) Treasure, Laiken Richardson, Hannah (Oakley) Fikstad, Hailey (Eric) Vance, Olivia Elliott, Drew Elliott, and nine great-grandchildren. Also surviving are T.L. (Sarah) Schindler, Senta (Mike) Corne-

lius, Micaela and Kayden, and Kolby (Sydnie) Cornelius.

### Keeping track

Despite our best efforts, there are times when a member's death remains undocumented. Upon learning of a fellow attorney's death, please feel free to contact Lindsey Welfley with the information at [lwelfley@isb.idaho.gov](mailto:lwelfley@isb.idaho.gov). This will allow us to honor the individual with details "In Memoriam."



## Jackpot Seminar October 22, 2022 at Cactus Pete's

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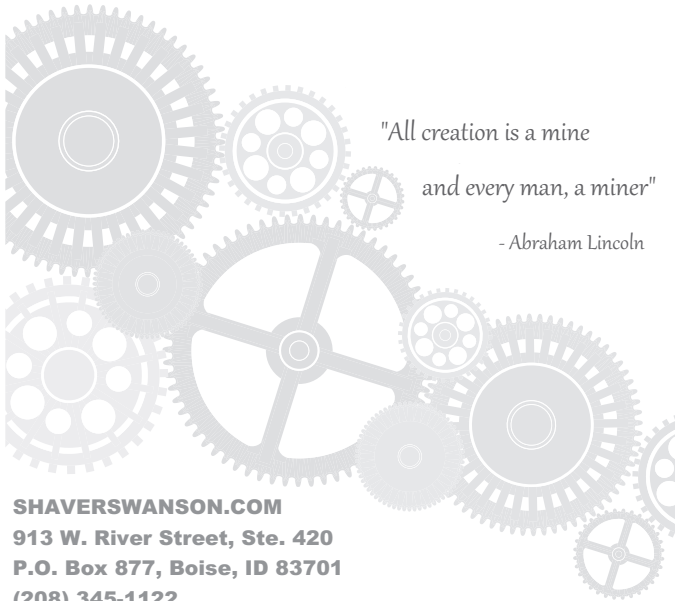


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A professional headshot of Tom Banducci, a man with grey hair and glasses, wearing a dark suit and light blue shirt.

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### Lawyer representative for Ninth Circuit

FOURTH DISTRICT – The Judges of the United States District and Bankruptcy Courts for the District of Idaho intend to appoint a Lawyer Representative to serve on the Ninth Circuit Conference of the United States Courts for a three-year term to replace Alexandra Caval. In addition to Ms. Caval, the District of Idaho's current Lawyer Representatives are Katie Ball, Sonyalee Nutsch, Robert Faucher (emeritus), and DeAnne Casperson (emeritus).

Effective November 1999, the Board of Judges adopted a Lawyer Representative Selection Plan, based upon current bar membership, which ensures state-wide representation. This plan calls for selection of lawyer representatives as follows: 2023 – 4<sup>th</sup> District; 2024 – 6<sup>th</sup> or 7<sup>th</sup> Districts; 2025 – 3<sup>rd</sup> or 5<sup>th</sup> Districts; 2026 1<sup>st</sup> or 2<sup>nd</sup> Districts; 2027 – repeat above.

Based upon the Plan, this year's lawyer representative must come from the Fourth District.

Applicants are required to: 1.) Be a member in good standing of the Idaho State Bar and be involved in active trial and appellate practice for not less than 10 years, a substantial portion of which has been in the federal court system; 2.) Be interested in the purpose and work of the Conference, which is to improve the administration of the federal courts, and be willing and able to actively contribute to that end; 3.) Be willing to assist in implementing Conference programs with the local Bar; and 4.) Be willing to attend committee meetings and the annual Ninth Circuit Judicial Conference.

Typical duties include: serving on court committees, reviewing recommendations on the use of the Court's non-appropriated fund, developing curriculum, assisting with the planning for the District conference, serving as the representative of the Bar to advance opinions and suggestions for improvement, and assisting the Court in the implementation of new programs or procedures. Any persons interested in such an appointment should submit a letter setting forth their experience and qualifications, **no later than September 30, 2022**, to the following: Ste-

phen W. Kenyon, Clerk of Court, clerk@id.uscourts.gov.

### 2022 District of Idaho Bench Bar Conference

IDAHO FALLS – Save the date! This year's conference, titled *Navigating Your Federal Practice with Confidence* is designed to provide both seasoned and new attorneys new perspectives and views to assist them in their practice before the District of Idaho.

We are excited to again welcome one of the most preeminent constitutional law scholars in the country, Erwin R. Chemerinsky, the Dean of the Berkeley Law School, who will give a United States Supreme Court update. Dean Chemerinsky will appear live via Zoom at the Idaho Falls session on October 7<sup>th</sup> and that presentation will be replayed in Boise on October 28<sup>th</sup>.

The Conference will feature a session titled "Water Law in Idaho – Historical Adjudication of Rights and Future Concerns in a Changing Environment." With Judge Eric J. Wildman, the Administrative District Judge for the Fifth Judicial District of the State of Idaho, along with Professor Dylan R. Hedden-Nicely from the University of Idaho College of Law.

Another session called "Electronically Stored Information (ESI): Avoiding Potential Pitfalls" will feature Joe Pirtle, Bar Counsel for the Idaho State Bar, Bradley Dixon, Partner at Givens Pursley, Justin May, from Johnson May in Boise, and Shane Sayer, Partner with Streamline Imaging.

Our always popular "Chambers Practices" will once again feature a selection of District of Idaho law clerks working for our magistrate, district, bankruptcy, and appellate judges.

We are excited to announce the concluding conference session called "Judicial Jeopardy" which will test your knowledge of our judges, Idaho legal history, and new practice rules.

Attorneys can attend the conferences at the Hilton Garden Inn in Idaho Falls on Friday, October 7, 2022, or at the Boise Center on Friday, October 28, 2022, so please save whichever date works for you.

Attendees will receive 5.75 CLE credits, including .5 ethics credits, for the very reasonable price of \$95.00.

Registration information can be found at [www.id.uscourts.gov](http://www.id.uscourts.gov).

### Powers Farley welcomes Michael O. DeLeon Guerrero, as an Associate

BOISE – Michael graduated from the University of Idaho College of Law and was admitted to the Idaho State Bar in 2020. Michael interned with the Ada County Prosecutor's Civil Division and was involved in the University of Idaho's Entrepreneurship Law Clinic. Michael was an associate attorney at a law firm in Boise practicing insurance defense. His practice will focus on civil litigation.



### Eismann Award honors Judge who advanced Idaho's Drug Courts

STATEWIDE – The Idaho Supreme Court is honoring a judge who led the work to make Idaho one of the first states in the nation with best-practice adult drug court standards.

Judge Ronald Wilper received the 2022 Daniel Eismann Award for Treatment Courts in recognition of his many contributions to Idaho's system of treatment courts.

Treatment courts are evidence-based tools to support Idahoans in the justice system who are at risk of recidivism and in need of behavioral health services. They reduce criminal behavior in our communities, address treatment needs, provide accountability, and help Idaho avoid costs associated with incarceration.

Judge Wilper is known for his dedication and infectious enthusiasm for treatment courts. Along with his efforts on adult drug court standards and guidelines, he presided over the Ada County Drug Court for seven years and served as deputy chair of the Supreme Court's Statewide Treatment Court Committee. He has given education and feedback to other treatment court judges all over the state.





Idaho Supreme Court Justice Gregory Moeller (left) and Judge Ronald Wilper (right).

Now retired, Judge Wilper continues to provide his services as a senior judge to treatment courts in the Third, Fourth, and Fifth judicial districts. With the National Drug Court Institute, he gives technical assistance to drug, mental health, and veterans courts throughout the country.

“If there was a Mount Rushmore for treatment court judges in Idaho, Judge Wilper would most certainly be on it,” said Justice Gregory Moeller, who presented the award in person at the Ada County Courthouse.

In earlier remarks upon learning of the award, Judge Wilper credited the people he worked with on treatment court matters throughout his career. “When professionals from the criminal justice and treatment communities work together as teammates, we do indeed help our fellow Idahoans to improve their own lives and the lives of their children,” he said.

The Daniel Eismann Award recognizes a judge who currently or previously presides over a treatment court, and who demonstrates exceptional leadership and commitment to the success of their team and participants. It is named after former Chief Justice Eismann, who was also the

first drug court judge in the state and the first chair of the Treatment Court Committee.

Learn more about Idaho’s state treatment courts at <https://annualreport.isc.idaho.gov/treatment-courts/>.

### **Announcement of new firm: Davis & Hoskisson, PLLC**

BOISE - Gary Davis and Abby Hoskisson are pleased to announce the formation of Davis & Hoskisson PLLC. Gary Davis has more than 30 years of experience in family law, criminal defense, and business law in the State of Idaho. He is a graduate of the University of Idaho College of Law. Abby Hoskisson practices family law and criminal defense in Idaho and Eastern Oregon.



### **Tyler Waite joins Campbell & Bissell, PLLC**

SPOKANE, WA – Campbell & Bissell, PLLC is pleased to announce that Tyler

Waite has accepted an offer to be a member of the firm. Mr. Waite has worked as an attorney in the firm for nearly 10 years. He earned an undergraduate degree from the University of Nevada Las Vegas and subsequently obtained a law degree from Gonzaga University. Over the last decade, Mr. Waite has been heavily involved in real estate transactions and commercial litigation with an emphasis in construction law. He is an active member of local construction industry trade associations and he enjoys assisting clients navigate through legal issues.



### **Jenny Lorraine Smith joins Breen, Ball & Marelus, PLLC**

BOISE – Breen, Ball & Marelus, PLLC is pleased to announce that Jenny Lorraine Smith has joined the firm. After moving to Boise in 2014, Ms. Smith obtained her Bachelor of Science in business administration, accounting from Montana State University-Billings in 2019. In May 2022, she graduated with her Juris Doctor from the University of Idaho College of Law. Shortly after joining the firm, Ms. Smith co-authored a supplemental brief to the Idaho Supreme Court regarding the (un) constitutionality of single-parent consent to underage marriage in the matter of *Carver v. Hornish*.

Ms. Smith is joining the firm to practice primarily in the practice of family law. Welcome Jenny!

### **Keely Duke appointed to the Idaho Judicial Council**

STATEWIDE – In June, the Board of Commissioners of the Idaho State Bar appointed Boise lawyer Keely Duke to the Idaho Judicial Council. Keely’s term began immediately after her appointment for a term ending on June 30, 2027. The appointment requires confirmation by the Idaho Senate. Keely will serve pending confirmation by the Senate.



## Natalie Camacho Mendoza of Camacho Mendoza Law has joined the Board of the Equitable Food Initiative

BOISE – Equitable Food Initiative (EFI), the multi-stakeholder workforce development and certification organization that partners with growers, farmworkers, retailers, and consumer groups, has named Natalie Camacho Mendoza to their international Board. Camacho Mendoza is currently the Chair of the Board of Farmworker Justice, a founding member of the Equitable Food Initiative. Both organizations have headquarters in Washington, D.C.

Since its founding, EFI has attracted board members who reflect the diversity of perspectives across the produce industry.

Camacho Mendoza joins EFI as an extension of her role with Farmworker Justice and will also serve on the Labor Caucus. Her family roots in the agriculture and railroad industries run deep and influence her work as an attorney and owner of Camacho Mendoza Law. In her practice, she has worked throughout Idaho including in Idaho's Indian Country. As part of her practice and advocacy work, she has represented and worked with unions and advocated for farmworkers. She has also had opportunities to represent employers and business owners. Camacho Mendoza has served on a variety of local, state, regional, and national boards, committees, and task forces across criminal justice reform, higher education, income inequality, economic development, access to healthcare, civil rights, human rights, arts, and culture.

## Attorneys Daniel Knowlton and Scott Blickenstaff join Hawley Troxell

BOISE – Hawley Troxell is pleased to announce attorneys, Dan Knowlton and Scott Blickenstaff, have joined the firm effective June 7, 2022 and May 3, 2022, respectively.

Dan is an associate in the firm's litigation and insurance practice groups. Dan has represented individual and institutional clients in matters as diverse as

premises liability, professional malpractice, commercial property losses, wrongful death and catastrophic injury, lease and contract disputes, as well as coverage and bad faith.

Dan has practiced as a litigator since 2016. Prior to private practice, he served as the staff attorney to the Honorable Melissa Moody of the Fourth Judicial District of Idaho (Ada County). While in law school, Dan served as judicial extern to the Honorable Owen Panner and Mark D. Clarke of the United States District Court for the District of Oregon, as well as the Honorable Timothy Sercombe of the Oregon Court of Appeals.

Dan took a non-traditional path to law school, having first served in the United States Army as an infantryman. He served with the 101<sup>st</sup> Airborne Division at Fort Campbell, Kentucky, and with the 2<sup>nd</sup> Infantry Division at Camp Greaves, Republic of Korea.

Dan graduated from the University of Santa Barbara, B.A. history regents scholar in 2011, and received his J.D. *cum laude* from Lewis & Clark Law School in 2015. During law school he was Articles Editor and Research Editor for the Lewis & Clark Law Review, received a certificate in Business Law, and was awarded the Paul H. Casey Business Law Scholarship.

Scott is an accomplished business and transactional attorney and a member of the firm's Banking, Business, and Real Estate law practice groups. His practice focuses on all aspects of business, banking, and real estate law, including representing companies in entity formation, financing, governance, litigation management and commercial contracting matters, and in structuring, documenting, and closing a variety of commercial, real estate, financial, and technology transactions. Scott has particular expertise in debt and equity financing, Capper-Volstead Act compliance, governance, commercial contracting, secured financings and restructurings, mergers and acquisitions, real property leasing, sales and



acquisitions, secured transactions, project development, finance and construction, and public-private joint ventures.

Before joining Hawley Troxell, Scott spent four years as Vice President, General Counsel, and Secretary and two years as General Counsel and Secretary for The Amalgamated Sugar Company, plus four years as Associate General Counsel at Boise, Inc. Prior to his in-house counsel positions, Scott spent 15 years with Orrick, Herrington & Sutcliffe LLC., a global firm focused on serving the technology and innovation, energy and infrastructure, and finance sectors.

## Fourth District Magistrate Judge appointed

FOURTH DISTRICT – The Magistrates Commission for the Fourth Judicial District, comprised of Ada, Boise, Elmore, and Valley counties, is pleased to announce that Mr. Abraham Wingrove has been appointed as magistrate judge in Ada County. Mr. Wingrove will fill a position previously held by Judge Michael Oths.

Abraham E. Wingrove was born and raised in Anchorage, Alaska. He earned his Bachelor of Arts in philosophy at Boise State University and his Juris Doctor at the University of North Dakota School of Law. While attending law school, he married his wife, Holly, in 2009. He was admitted to the Idaho State Bar in 2011.

Mr. Wingrove started his career as a public defender in Boise, Idaho. He has served as an Ada County Public Defender for the past nine years. He has represented indigent defendants in a wide variety of matters in the magistrate and district courts. Mr. Wingrove and his family enjoy the beauty of Idaho's outdoors.

Mr. Wingrove will be assigned to Ada County and was sworn in on August 15, 2022.

## Davis & Hoskisson, PLLC welcomes Russell A. Comstock

BOISE – Davis & Hoskisson PLLC is pleased to announce that after a lengthy career on the Magistrate bench in Idaho, Russ has returned to the practice of law in an "Of Counsel" role with Davis & Hoskisson PLLC. He will specialize in



domestic relations cases involving complex assets and jurisdiction issues, as well as offer consulting services on family law cases.



Russ was a Magistrate Judge for 21 years in Ada County assigned exclusively to a family law docket. After retiring in 2016, he continued to work as a Senior Judge, primarily in family law court. During his tenure on the bench, Russ was active as a leader in the development of family court policy recommendations to the Idaho Supreme Court, including leading a collaborated effort to develop and implement the Idaho Rules of Family Law Procedure. He was a frequent

lecturer at judicial conferences and at Continuing Legal Education programs for the Idaho State Bar. Russ also taught a course in family law as an Adjunct Professor for Concordia University School of Law in Boise.

Russ is a graduate of the University of Idaho College of Law and has been a member of the Idaho State Bar since 1984. He is the recipient of George G. Granata Award for Professionalism, Idaho Supreme Court 2014; Service Award, Idaho State Bar 2014; Award of Distinction, Idaho State Bar Family Law Section 2015; and the Legacy Award, Idaho Magistrate Judges Association 2019.

## Correction

In the June/July 2022 issue of *The Advocate* it was incorrectly stated in an Around the Bar notice that Jeffrey Thomson has argued nearly 50 appeals in his career. It should have read “nearly 30 appeals.”

## Share your news Around the Bar

*The Advocate* is pleased to present your news briefs, announcements of honors, awards, career moves, etc. in the “Around the Bar” column. Please send submissions to Lindsey Welfley at [lwelfley@isb.idaho.gov](mailto:lwelfley@isb.idaho.gov) and include a digital photo. Thank you.

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- 14** *Ethics for Business Lawyers*  
1.0 Ethics credit



- 16** *2022 Annual Business & Corporate Law Section CLE*  
The Grove Hotel – Boise  
6.0 CLE credits of which 1.0 is Ethics




- 22-23** *2022 Annual Estate Planning Conference*  
The Grove Hotel – Boise



- 30** *New Attorney Program*  
Boise Center East – Boise  
4.0 CLE credits of which 1.0 is Ethics



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 = Live Audio Stream

## October

- 3** *Lawyer Ethics When Working with Paralegals*

- 6** *Annual Health Law Section CLE*

- 10** *Lawyer Ethics in Real Estate Practice*

- 19** *Annual Employment & Labor Law Section CLE*

- 27-28** *Annual Workers Compensation Law Section CLE*

- 27-29** *Annual Family Law Section CLE*

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