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## Pepperdine University School of Law Legal Summaries

Matthew Rollin

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**UNITED STATES SUPREME COURT****IANCU V. BRUNETTI**  
**139 S. Ct. 2294 (2019)***Synopsis:*

After being denied a federal trademark registration for the trademark “FUCT”, Erik Brunetti brought suit challenging the Lanham Act. 15 U.S.C. § 1052(a) states that a trademark is barred from registration if it “consists of or compromises immoral ... or scandalous matter.” Brunetti argued that the bar on “immoral” and “scandalous matter” violates the First Amendment. The Court held that the bar violates the First Amendment because it discriminates on the basis of viewpoint.

*Facts and Analysis:*

Under the Lanham Act, a federal trademark registration is not required for a trademark to be valid.<sup>1</sup> The owner of an unregistered trademark may use the mark in commerce and even enforce it against infringers.<sup>2</sup> However, there are benefits of registering a trademark, such as evidence of validity and constructive notice to the rest of the world of who owns the trademark.<sup>3</sup> Erik Brunetti, an entrepreneur, is the founder of a clothing line called FUCT.<sup>4</sup> The brand name and trademark is not meant to be a word, but it is supposed to be spelt out, as in F-U-C-T.<sup>5</sup> Although it is not meant to be read, one is likely to naturally read it, which causes the mark to be misinterpreted as vulgar, immoral or scandalous.

After submitting the trademark registration, the Patent and Trademark Office and the Patent and Trademark Trial and Appeal Board determined that the section 1052(a) of the Lanham Act barred Mr. Brunetti from obtaining a trademark registration for “FUCT”

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<sup>1</sup> *Iancu v. Brunetti*, 139 S. Ct. 2294, 2297 (2019).

<sup>2</sup> *Id.* at 2297.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

because it was “total vulgar” and “therefore unregistrable.”<sup>6</sup> Mr. Brunetti then filed an appeal with the Federal Circuit, in which the court held that the bar of a trademark registration because of “immoral or scandalous matter” is in violation of the First Amendment.<sup>7</sup> The Supreme Court of the United States then granted certiorari.<sup>8</sup>

Beginning its analysis, the Supreme Court looked at a previous holding, *Matal v. Tam*.<sup>9</sup> There, the Court was looking at whether Lanham Act’s ban on disparaging trademarks was unconstitutional.<sup>10</sup> The Court held that, “if a trademark registration bar is viewpoint-based, it is unconstitutional.”<sup>11</sup> In order to determine whether “immoral or scandalous” are viewpoint-based or viewpoint-neutral, the Court looked to the ordinary meaning and dictionary definition of the words.<sup>12</sup> After looking to multiple different sources of the meaning of the words immoral and scandalous, the Court came to the conclusion that the Lanham Act statute favors terms that are “aligned with conventional moral standards” and disfavors terms that are “hostile” to those standards.<sup>13</sup> To further illustrate its point, the Court looks to past examples of trademark registrations that had been denied on the grounds of immoral or scandalous matter, and came to the conclusion that, “the rejected marks express opinions that are, at the least, offensive to many Americans.”<sup>14</sup> Because of that conclusion, the Court determined that these are viewpoint based and like in *Tam*, “a law disfavoring ideas that offend discriminates based on viewpoint” and is in “violation of the First Amendment.”<sup>15</sup>

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<sup>6</sup> *Id.* at 2298.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Matal v. Tam*, 137 S. Ct. 1744 (2017).

<sup>10</sup> *Id.* at 1765.

<sup>11</sup> *Id.*

<sup>12</sup> *Iancu*, 139 S. Ct. at 2299.

<sup>13</sup> *Id.* at 2299-2300.

<sup>14</sup> *Id.* at 2300.

<sup>15</sup> *Id.*

*Holding:*

Having decided that “immoral and scandalous matter” are considered viewpoint based, the Court, sticking to precedent, held, that because it is viewpoint based, it therefore violates the First Amendment.<sup>16</sup> The Court did go on however, mentioning that the “immoral and scandalous” bar “is substantially overbroad.”<sup>17</sup> The Court goes on to say that there are many swearwords in the world, and even more immoral and scandalous ideas, and the fact that the Lanham Act excludes all of them is too much.<sup>18</sup> Thus, barring trademark registration based on opinion or the viewpoint that the words may offend the American people is a violation of the First Amendment and therefore, that section of the Lanham Act is unconstitutional.<sup>19</sup>

*Impact:*

Due to the fact that Brunetti had just been decided in this past term, the impact on the future of trademark registration is not really known. The Court seemed to be worried about how broad the language of the Lanham Act was, encompassing anything that might be considered “immoral or scandalous” to the average American. There are still bars to getting a registered trademark, but this ruling, without a doubt, narrowed the outer limits to the statutory bar. Ultimately, this is a win for trademark owners who have had trademark registrations denied in the past because of immoral or scandalous matter, but only time will tell if trademark owners will actually be able to get previous denied trademark registrations approved under this new ruling.

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<sup>16</sup> *Id.* at 2302.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

**UNITED STATES COURT OF APPEALS**

**KIDD V. THOMSON REUTERS CORPORATION**  
**925 F.3d 99 (2d Cir. 2019)**

*Synopsis:*

After being denied for a job position, in which she was ranked as the “top candidate,” Lindsey Kidd filed suit against Thomson Reuters alleging that the background check provided by them containing false information was in violation of the Fair Credit Reporting Act (“FCRA”). Kidd alleges that the false information cost her a job position when the CLEAR report sent to the Georgia Department of Health falsely stated she had been convicted of theft. The district court held, and the Second Circuit Court of Appeals affirmed that Thomson Reuters is not a consumer reporting agency and therefore, not regulated by the Fair Credit Reporting Act.

*Facts and Analysis:*

The Fair Credit Reporting Act, also known as the FRCA, was established in order to regulate the circumstances in which a “consumer reporting agency may furnish consumer reports to third parties, and the information contained in those reports.”<sup>20</sup> The typical consumer report is sold to third parties to determine lender eligibility, credit scores, employment decisions, insurance coverage and more.<sup>21</sup> When a consumer reporting agency fails to comply with the act, such as providing false information, that company may be subject to civil liability resulting in actual and punitive damages.<sup>22</sup> This issue in this case is whether Thomson Reuters is considered a consumer reporting agency in accordance with the FRCA.<sup>23</sup>

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<sup>20</sup> *Kidd v. Thomson Reuters Corporation*, 925 F.3d 99, 101 (2d Cir. 2019).

<sup>21</sup> *Id.* at 101.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at 103.

Thomson Reuters is the owner and operator of a research database known as Consolidated Lead Evaluation and Reporting, also known as CLEAR.<sup>24</sup> This database is home to numerous types of information, such as, “motor vehicle records, court records, aliases, the status of professional licenses, real property transactions, and similar information.”<sup>25</sup> The majority of CLEAR subscribers are government and law enforcement agencies.<sup>26</sup> Thomson Reuters has very strictly guidelines on what the information obtained from their databases can be used for, and they explicitly state that the information may not be used for anything related to or seemingly related to the FRCA.<sup>27</sup> They require their subscribers to commit, in writing, that they will not use the information for purposes of the FRCA, and if they are found in violation of these terms and conditions, they account may be terminated.<sup>28</sup> Between 2012 and 2016, forty-six different subscribers were found to be in violation of these terms, in which ten were terminated by Thomson.<sup>29</sup>

In 2014, the Georgia Department of Health requested the data of Ms. Kidd to help aid them in the determination of hiring her for a job in which she was ranked as the top candidate.<sup>30</sup> Upon receiving the background information, the report indicated that Ms. Kidd had been convicted of theft, and because of this newly discovered information, the Georgia Department of Health decided to pursue options elsewhere, leaving Ms. Kidd out of a job.<sup>31</sup> Ms. Kidd filed suit alleging that Thomson Reuters was in violation of the FRCA.<sup>32</sup> In determining whether Thomson Reuters is considered a consumer reporting agency, the district court looked to the language of the FRCA.<sup>33</sup> The court determined that “an entity is a consumer

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<sup>24</sup> *Id.* at 101.

<sup>25</sup> *Id.* at 102.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *Id.* at 103.

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*



reporting agency under the Act if it regularly assembles consumer information with a particular purpose or subjective intention – namely, of providing it to third parties for the use in connection with an FCRA-regulated end, such as employment eligibility.”<sup>34</sup> The court went on to state that a consumer reporting agency is “an entity that intends the information it furnishes to constitute a consumer report.”<sup>35</sup> The court essentially states that there is a specific intent requirement for one to be a consumer reporting agency, and the court looks to several other circuits that have also developed a similar specific intent or purpose standard.<sup>36</sup> The district court held that based on the text of the FRCA and how other circuits have interpreted that text, that Thomson Reuters is not a consumer reporting agency and therefore, not regulated by the FCRA.<sup>37</sup>

*Holding:*

In determining whether or not the district court erred in its decisions by stating that Thomson Reuters was not a consumer reporting agency, the Second Circuit, like the district court, went back and looked at the text of the FRCA.<sup>38</sup> Similarly, they determined that there was a specific intent requirement for the entity to actually be considered a consumer reporting agency.<sup>39</sup> Looking at all the facts in the record, the court determined that there was no specific intent for Thomson Reuters to become a consumer reporting agency, in fact, there was plenty of evidence to suggest the opposite.<sup>40</sup>

The court went through all of the evidence such as the extensive terms and conditions, the fact that on multiple occasions Thomson Reuters would require commitments from their CLEAR subscribers that they were not using the information for FRCA

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<sup>34</sup> *Id.*

<sup>35</sup> *Id.* at 105.

<sup>36</sup> *Id.*

<sup>37</sup> *Id.* at 107.

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

purposes, and the fact that Thomson Reuters had terminated accounts that were found to be in violation of the terms and FRCA.<sup>41</sup> All of this evidence strongly pointed that Thomson Reuters had no interest and therefore, no specific intent to be a consumer reporting agency.<sup>42</sup> Thus, the court held that Thomson Reuters is not a consumer reporting agency and is not regulated by the FRCA.<sup>43</sup> The court affirmed the district court's decision of summary judgment on behalf of Thomson Reuters.<sup>44</sup>

*Impact:*

The impact of this case seems reassuring, but at the same time troubling. In this present case, it is reassuring, because Thomson Reuters took extra steps and went above and beyond to make sure that its CLEAR subscribers were not using the information obtained in ways that would violate the FCRA. However, there is the potential for other companies to not be as careful as Thomas Reuters had been in this case, which opens the door for those companies not qualifying as consume reporting agencies, thus, not subject to the FCRA, but ultimately are violating the FCRA. This seems to be one of those 'time will tell' cases to see how wide of an impact it has. It appears to be the type of case where one needs to sit back and watch it unfold before they are able to make an determination in how it will impact future cases.

**KILGOUR V. SECURITIES AND EXCHANGE COMMISSION**  
**942 F.3d 113 (2d. Cir. 2019)**

*Synopsis:*

After being denied by the Securities and Exchange Commission ("SEC") for whistleblower rewards, petitioners, John Doe, Colin Kilgour and Daniel Williams, appealed to the Second

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<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

<sup>43</sup> *Id.*

<sup>44</sup> *Id.*

Circuit claiming that they were improperly denied their awards. Under the Dodd-Frank Act, which was passed by Congress in 2010, the SEC “shall pay an award or awards to 1 or more whistleblowers who voluntarily provided original information to the Commission that lead to the successful enforcement of a covered judicial or administrative action.” Based on the statutory definitions of “original information” and “leading to successful enforcement”, the SEC denied petitioners claims stating that the information was not original as defined. The Second Circuit upheld and affirmed the SEC’s decision, denying petitioners their share of the rewards.

*Facts and Analysis:*

Under the Dodd-Frank Act, the SEC “shall pay an award or awards to 1 or more whistleblowers who voluntarily provided original information to the Commission that lead to the successful enforcement of a covered judicial or administrative action.”<sup>45</sup> Original information is defined as “information not already known to the Commission from any other source, unless the applicant is the original source of the information.”<sup>46</sup> Leading to successful enforcement is defined as “information that (1) was sufficiently specific, credible, and timely to cause the SEC to open, reopen, or expand an examination or investigation leading to a successful judicial or administrative action ... or (2) concerned conduct that was already under examination or investigation and its submission significantly contributed to the success of the action.”<sup>47</sup>

Starting in June 2010, the SEC started to receive information from Deutsche Bank (“DB”) employees claiming that DB “was overstating the value of certain assets to improve the appearance of DB’s financial performance to its shareholders, the market and the investing public.”<sup>48</sup> Shortly after this complaint was filed, John Doe met with the SEC, in which he described the same information to the

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<sup>45</sup> *Kilgour v. Securities and Exchange Commission*, 942 F.3d 113, 114 (2d. Cir. 2019).

<sup>46</sup> *Id.* at 113.

<sup>47</sup> *Id.*

<sup>48</sup> *Id.* at 114.

Commission.<sup>49</sup> Unlike the first Claimant, John Doe had difficulty expressing himself to the Commission and seemed to be rather disorganized.<sup>50</sup> On multiple occasions, Doe had met with the Commission to provide more information, but every time the Commission determined that the information was duplicative of the information they had already received from the first Claimant.<sup>51</sup>

In June 2013, a second Claimant submitted a report to the Commission, which was very “detailed and comprehensive [and] absolutely critical to the investigation.”<sup>52</sup> This report was written by petitioners Kilgour and Williams.<sup>53</sup> After this reported was submitted and finalized, Claimant 2 gave permission to both Kilgour and Williams to file for the whistleblower reward because they were the authors of the report.<sup>54</sup> In July 2016, the SEC accepted whistleblower reward claims for claimant 1 and claimant 2, but denied the claims of Doe, Kilgour and Williams for a lack of original information.<sup>55</sup> Petitioners appealed to the Second Circuit.<sup>56</sup>

John Doe’s main argument was that the SEC acted in a capricious manner because they favored the information from Claimant 2 over his.<sup>57</sup> The court held that it was reasonable for the SEC staff members to find that information Doe had provided was not credible because he was extremely disorganized, and his testimony was incoherent and jumbled.<sup>58</sup> Meanwhile, Claimant 2’s information was “consistent and critical information that led to the successful enforcement action.”<sup>59</sup> The court determined that the SEC personnel reasonably believed that the information by Claimant 2

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<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> *Id.* at 115.

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* at 120.

<sup>58</sup> *Id.*

<sup>59</sup> *Id.* at 121.

was more helpful because of the way it was provided to them.<sup>60</sup> Therefore, the manner in which the SEC acted was reasonable and not capricious.<sup>61</sup>

Kilgour and Williams' main argument was that they were entitled to whistleblower award because the information provided to them by Claimant 2 was original information from a report written by them.<sup>62</sup> Dodd-Frank provides an original source exception, which states, "the Commission will consider you to be an original source of the same information that we obtain from another source if the information satisfied the definition of original information and the other source obtain the information from you or your representative."<sup>63</sup> Here, petitioners argue that because they wrote the report, they are the source of the original information.<sup>64</sup> Both the SEC and the Second Circuit disagreed, stating that this rule applies to those that give information to another federal agency that then reports it back to the SEC. Thus, the original person that provided the information is the original source, not the middle-man federal agency.<sup>65</sup> Therefore, Kilgour and Williams are not entitled to whistleblower rewards.<sup>66</sup>

*Holding:*

In determining that the petitioners were not entitled to collect a whistleblower award, the Second Circuit upheld and affirmed the decision of the Securities and Exchange Commission.<sup>67</sup> The court held that the Commission has the discretion to compare the sources of information, even if the information is relatively similar. Allowing this discretion gives room to the Commission to obtain the more accurate and critical information necessary to complete its

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<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

<sup>63</sup> *Id.*

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

<sup>67</sup> *Id.*

investigation.<sup>68</sup> Additionally, the court held that the whistleblower original source exception does not apply to those that help write the report, but that the exception only applies to other federal agencies acting as agents.<sup>69</sup>

*Impact:*

The most noticeable impact of this case is likely to fallout from the second part of the holding. That is, the fact that those that write a whistleblower report do not fall within the exception of original information and are not eligible for whistleblower awards. In this case, Kilgour and Williams argued that by not allowing them to fall under this exception, it is likely to make all whistleblower applications moot. Although the court did not agree with their argument, it still leaves the question as to whether or not there are any other exceptions to the original source rule. At this point, only time will tell if other similar cases will be brought, which will help shed more light on this original source exception.

**OSI PHARMACEUTICALS, LLC v. APOTEX INC.**  
**939 F.3d 1375 (Fed. Cir. 2019)**

*Synopsis:*

After its patent challenge to the Patent Trial and Appeal Board was denied for obviousness, OSI Pharmaceuticals appealed to the Federal Circuit arguing that because of the high failure rate of the art, one ordinary skilled in the art would not be able to invent the pharmaceutical in light of prior art. 35 U.S.C. § 103(a) requires that in order for something to be patentable, it must not be obvious to an ordinary person skilled “in a relevant field that could easily make the invention based on prior art.” To summarize, if someone else who also practices in the field would be able to make the invention based on the prior art, then it is an obvious invention and is not deemed

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<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

patentable. The court reversed the Patent Trial and Appeal Board's decision finding that, "a reasonable fact finder could not find a reasonable expectation of success. The Board's finding is thus not supported by substantial evidence...."

*Facts and Analysis:*

Title 35 of the United States Code sets forth the rules and regulations of Patent Law in the United States.<sup>70</sup> The minimal requirements of receiving a patent are patentable subject matter, novelty, obviousness, and enablement.<sup>71</sup> Each one of these categories serves an important function in determining whether an invention, process or method is worthy of receiving a patent. OSI Pharmaceuticals ("OSI") appeal from the decision of the Patent Trial and Appeal Board, in which the Board held that OSI's patent application was unpatentable because it was obvious in light of prior art.<sup>72</sup> The Board found that numerous articles and references described parts of the patent application, though not all of aspects of the application was found in any single reference.<sup>73</sup>

The Board found that the claimed combinations of the prior art "would have provided a person of ordinary skill with reasonable expectation of success ...."<sup>74</sup> The Federal Circuit, examining each of the articles and references that the Board used in making its decision, determined that the articles did indeed reference what OSI was trying to patent, but no single article contained all of the claims and a combination of such articles would be required.<sup>75</sup> The court found

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<sup>70</sup> 35 U.S.C. § 101 (2012).

<sup>71</sup> 35 U.S.C. §§ 101-112 (2012).

<sup>72</sup> *OSI Pharmaceuticals, LLC v. Apotex Inc.*, 939 F.3d 1375, 1377 (Fed. Cir. 2019).

<sup>73</sup> *Id.* at 1377.

<sup>74</sup> *Id.* at 1379.

<sup>75</sup> *Id.* at 1382-84.

that one of the articles was lacking efficacy data of the proposed drug, and that all other prior art was silent on those deficiencies.<sup>76</sup> Therefore, the references contained no data or any other promising information on the efficacy of the drug, which is evidence that one skilled in the art would not reasonable expect to succeed.<sup>77</sup>

Looking to the history of pharmaceutical companies trying to manufacturer a drug that could treat small cell lung cancer, the court found more than 1630 attempts in doing so.<sup>78</sup> The court found that once these drugs entered Phase II clinical studies, they were highly unpredictable and had a failure rate of roughly 99.5%.<sup>79</sup> The court went on to state that because of his incredibly high failure rate, it was not persuaded that one ordinarily skilled in the art could reasonable expect to succeed when combining the prior art.<sup>80</sup> Therefore, holding that the patent application was not obvious.<sup>81</sup>

*Holding:*

After deciding that the patent application was not obvious based on prior art, and that one ordinarily skilled in the art would not have reasonable expectation of success by combining these prior art references, the court reversed and remanded the Board's decision.<sup>82</sup> The court said that because of the 99.5% failure rate and no efficacy data, there is not substantial evidence to suggest one would expect to succeed.<sup>83</sup> However, the court clarified its holding by stating that, "we do not hold today that efficacy data is always required for a reasonable expectation of success. Nor are we requiring absolute predictability of success."<sup>84</sup> The court went on, "we conclude only, that on these particular facts, a reasonable fact finder could not find a

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<sup>76</sup> *Id.* at 1384.

<sup>77</sup> *Id.*

<sup>78</sup> *Id.* at 1383.

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Id.*

<sup>83</sup> *Id.*

<sup>84</sup> *Id.* at 1385.



reasonable expectation of success.”<sup>85</sup> Therefore, the Board’s finding is not supported by substantial evidence.<sup>86</sup>

*Impact:*

The impact of this case is unlikely to be significant or widespread, but it is further clarification of how 35 U.S.C. § 103 claims are handled. Previous section 103 cases have helped clarify what the Patent Trial and Appeal Board should do with ambiguous terms, and now this holding will help clarify what evidence is needed to be considered substantial evidence to hold something as obvious or not. In determining if something is obvious the Board now has to determine all the relevant facts related to the prior art, including the failure rate of the prior art, because if something has an incredibly high failure rate, one cannot reasonable expect to succeed.

**SAMSUNG ELECTRONICS Co., LTD. v. ELMS 3DS INNOVATIONS,  
LLC.**

**925 F.3d 1373 (Fed. Cir. 2019)**

*Synopsis:*

After its patent challenge to the Patent Trial and Appeal Board was denied, Samsung Electronics appealed to the Federal Circuit claiming that multiple patents belonging to Elm 3DS Innovations were invalid because the claims were overbroad, and they lacked nonobviousness. 35. U.S.C. § 103(a) requires that in order for something to be patentable, it must not be obvious to an ordinary person skilled “in a relevant field that could easily make the invention based on prior art.” In other words, if someone else who also practices in the field would be able to make the invention based on the prior art, then it is an obvious invention and is not deemed patentable. The court affirmed both of the Patent Trial and Appeal Board’s decisions. First, the court held that although the Board’s interpretation of “substantially flexible” was overbroad, it was a

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<sup>85</sup> *Id.*

<sup>86</sup> *Id.*

harmless error. Second, the patents were indeed patentable because one who is skilled in the art would not have found the combination of claims to be obvious, and thus, meets the nonobvious requirement.

Facts and Analysis:

Title 35 of the United States Code sets forth the rules and regulations of Patent Law in the United States.<sup>87</sup> The minimal requirements of receiving a patent are patentable subject matter, novelty, obviousness, and enablement.<sup>88</sup> Each one of these categories serves an important function in determining whether an invention, process or method is worthy of receiving a patent. Samsung Electronics and SK Hynix (“Samsung”) appeal from the final decision of the Patent and Trial Board where the Board found that multiple patents held by Elm 3DS were patentable.<sup>89</sup> Samsung challenged the patents claiming that the claim construction was overbroad and that in light of prior art, the patented inventions would be obvious.<sup>90</sup>

In order to determine the meaning of “substantially flexible”, the Patent Trial and Appeal Board turned to the general-purpose dictionary in order to construe its definition. Based on the dictionary, the Board determined that substantially flexible means “largely able to bend without breaking.”<sup>91</sup> The Federal Circuit stated that by the Patent Trial and Appeal Board construing the definition of substantially flexible by using a dictionary, it lead to an overbroad determination of the meaning of the phrase.<sup>92</sup> Instead, the court said that the Board should have construed it based on the “ordinary and customary meaning they would have to one of ordinary skill in the art in light of the specification and the prosecution history.”<sup>93</sup> In other

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<sup>87</sup> 35 U.S.C. § 101 (2012).

<sup>88</sup> 35 U.S.C. §§ 101-112 (2012).

<sup>89</sup> *Samsung Electronics Co., Ltd. v. Elm 3DS Innovations, LLC*, 925 F.3d 1373, 1377 (Fed. Cir. 2019).

<sup>90</sup> *Id.* at 1377.

<sup>91</sup> *Id.* at 1378.

<sup>92</sup> *Id.* at 1377.

<sup>93</sup> *Id.*

words, the Board should have construed it based on how someone trained in that art would have construed it based on the meaning of the patent application itself. The court held that although the definition construed by the Board was overbroad, based on the evidence, including the patent application itself and testimony from Elm 3DS and its experts, the incorrect interpretation of substantially flexible would not have changed the result and it was merely a harmless error.<sup>94</sup> Because of this, the court upheld the Board's decision.

Under 35 U.S.C. § 103(a), a claimed invention, process or method must be nonobvious in light of prior art to one trained or skilled in the particular or relevant field.<sup>95</sup> That is, if someone else would have believed the invention, process or method was obvious just looking at the prior art, it is not deemed patentable.<sup>96</sup> Samsung contends that the fabrication method disclosed would be obvious in light of prior art, because the combination of two prior references would achieve the same thing.<sup>97</sup> According to the Board, Samsung failed to explain "how [the] fabrication process would be changed..."<sup>98</sup> The Board "found that a person of ordinary skill in the art would not have been motivated to make such a combination and would not have had a reasonable expectation of success in doing so."<sup>99</sup> On Appeal, Samsung claimed that "the Board improperly required proof that unclaimed elements were combinable."<sup>100</sup> However, the court stated that it is well-known that "obviousness based on teachings from multiple references does not require an actual, physical substitution of elements."<sup>101</sup> The court went on to state that the only thing that matters in a nonobvious determination is "whether a person of ordinary skill in the art, having all the

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<sup>94</sup> *Id.* at 1380.

<sup>95</sup> *Id.*

<sup>96</sup> *Id.*

<sup>97</sup> *Id.* at 1381.

<sup>98</sup> *Id.* at 1382.

<sup>99</sup> *Id.* at 1381-82.

<sup>100</sup> *Id.* at 1382.

<sup>101</sup> *Id.*

teachings of the references before him, is able to produce the structure defined by the claim.”<sup>102</sup>

*Holding:*

After determining that Samsung’s argument, both for claim construction and nonobviousness, were invalid, the Federal Circuit upheld and affirmed the Patent Trial and Appeal Board’s decisions. With regard to nonobviousness, the court held that Samsung’s argument was too speculative to determine that the Board had erred in its ruling for Elm 3DS.<sup>103</sup> The court agreed with the Board, stating that Samsung failed to meet their burden by stating the Board lacked substantial evidence.<sup>104</sup> The court ultimately held that there was substantial evidence to support the Board’s findings.

*Impact:*

At this current time, due to how recently this case was published, the impact of the decision is not really known or even speculated about. It is likely that this case will be used for future precedent on how to construe specific terms and phrases within a patent application. This decision will help shape the way the Patent Trial and Appeal Board goes about defining words that are ambiguous. The Board should now look to the ordinary and customary meaning of the word within the art, instead of construing it with the dictionary definition, therefore, preventing an overbroad definition of the word. With regard to obviousness, this case affirms the notion something is not obvious if a person with ordinary skill in the art would not have been motivated to make a combination if they had the reasonable expectation that they would not succeed.

**SECRETARY OF LABOR, U.S. DEPARTMENT OF LABOR V. SEWARD  
SHIP’S DRYDOCK, INC.**  
**937 F.3d 1301 (9th. Cir. 2019)**

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<sup>102</sup> *Id.*

<sup>103</sup> *Id.* at. 1383.

<sup>104</sup> *Id.*

*Synopsis:*

After the fallout of an April 2009 incident, in which thirteen violations of the Occupational Safety and Health Act (“OSHA”) were reported, the Secretary of Labor and the Occupational Safety and Health Review Commission disagreed on the interpretation of 29 C.F.R. § 1910.134(d)(1)(iii). This section “requires the employer to identify and evaluate the respiratory hazard(s) in the workplace. To perform this evaluation, the employer must make a reasonable estimate of the employee exposures anticipated to occur as a result of those hazards....” The Commission determined, unanimously, that section 1910.134(d)(1)(iii) only requires an evaluation of respiratory hazards when respirators are necessary to protect the health of the employees. The Secretary of Labor, on the other hand, argued there is no threshold requirement of necessity for employers to be required to identify and evaluate the workplace conditions. Based on this, the Ninth Circuit granted the Secretary’s petition for review of the Commission’s decision.

*Facts and Analysis:*

Under section 1910.134 of the Occupational Safety and Health Act of 1970, “a respirator shall be provided to each employee when such equipment is necessary to protect the health of such employee.”<sup>105</sup> Furthermore, section 1910.134(d)(1)(iii) states, “the employer shall identify and evaluate the respiratory hazard(s) in the workplace.”<sup>106</sup> For years, the Secretary of Labor had interpreted this to mean that employers were required to “evaluate the respiratory hazards at their workplaces whenever there is the potential for overexposure of employees to contaminants, in order to determine whether respirators are necessary to protect the health of the employees.”<sup>107</sup> The Occupational Safety and Health Review Commission (“Commission”) disagreed with the Secretary’s

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<sup>105</sup> *Secretary of Labor, U.S. Department of Labor v. Seward Ship’s Drydock, Inc.*, 937 F.3d 1301, 1302 (Fed. Cir. 2019).

<sup>106</sup> *Id.* at 1302.

<sup>107</sup> *Id.* at 1303.

interpretation of the statute and held that this section only applies when respirators have already been determined as necessary.<sup>108</sup>

Prior to this case, it has long been held that a court cannot prefer one interpretation over another, and the court must use deference when hearing these types of cases, unless the terms are ambiguous.<sup>109</sup> To determine whether a term is truly ambiguous, the court “must carefully consider the text, structure, history and purpose of the regulation.”<sup>110</sup> “Doing so will resolve many seeming ambiguities out of the box.”<sup>111</sup>

The court begins by looking at the text and structure of the regulation.<sup>112</sup> In order to help determine the meaning behind the regulation, the court looks to the dictionary definition of the word hazard. There, the court finds that the definition is “a thing or condition that *might* operate against success or safety.”<sup>113</sup> The court finds that the definition of hazard is more aligned with the Secretary’s definition because “might” and “potential” are synonymous.<sup>114</sup> The Commission, disagreeing, argued that there must be a showing of “a significant risk of harm necessitating the use of respirators.”<sup>115</sup> The court held that the Commission’s interpretation is incorrect based on the text of the statute because the word “identify indicates that ... the regulation applies even where an employer does not already know of the hazards in the workplace.”<sup>116</sup> Moving on to the purpose and history of the regulation, the court looks to the primary objective of the regulation.<sup>117</sup> The court determined that the primary objective is “to prevent atmospheric contamination in order to prevent employees working in industrial facilities from experiencing occupational diseases caused by

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<sup>108</sup> *Id.*

<sup>109</sup> *Id.* at 1307.

<sup>110</sup> *Id.*

<sup>111</sup> *Id.*

<sup>112</sup> *Id.* at 1308.

<sup>113</sup> *Id.*

<sup>114</sup> *Id.*

<sup>115</sup> *Id.*

<sup>116</sup> *Id.*

<sup>117</sup> *Id.* at 1309.

breathing air contaminated....”<sup>118</sup> Continuing, “to achieve this goal, the Standard requires an employer first to put in place engineering control measures, such as ventilation, as feasible. Only if those measures are not feasible or are inadequate is the employer required to use respirators.”<sup>119</sup> The court found that based on the Commissions interpretation of the Standard, an employer would only be required to evaluate hazards after it becomes clear that employees are being overexposed to contaminants.<sup>120</sup> This is clearly at odds with the text because the primary objective is to prevent exposure.<sup>121</sup> Therefore, holding that section 1910.134(d)(1)(iii) requires employer evaluation for potential hazards.<sup>122</sup>

*Holding:*

After finding that the statutory text was ambiguous, and then running through the text, structure, purpose and history of the regulation, the Ninth Circuit held that that the Secretary’s interpretation was the proper interpretation of the Standard.<sup>123</sup> The court reiterated by stating that “the text, structure, purpose and regulatory history of the Standard all point in the same direction.”<sup>124</sup> Thus, the court held that section 1910.134(d)(1)(iii) “requires an evaluation of which, if any, respiratory hazards exist in the workplace where there is a potential for overexposure of employees,” therefore, remanding the case back to the Commission.<sup>125</sup>

*Impact:*

The most noteworthy impact of this case will likely be the fallout on employers. After this decision, employers will have to be

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<sup>118</sup> *Id.*

<sup>119</sup> *Id.*

<sup>120</sup> *Id.*

<sup>121</sup> *Id.*

<sup>122</sup> *Id.* at 1310.

<sup>123</sup> *Id.*

<sup>124</sup> *Id.*

<sup>125</sup> *Id.*

more cautious and proactive in checking the working conditions of their employers. Employers will have to take a new approach and set up new mechanisms to make sure they are taking the appropriate actions before employees are subjected to overexposure of contaminants. Going forward, the biggest winners from this decision are the employees, and because of this, they will now have greater access to health and safety devices, such as respirators.

**ZUNIGA V. BARR**  
**934 F.3d 1083 (9th Cir. 2019)**

*Synopsis:*

After being denied the right to counsel at a fear determination hearing, Baldemar Zuniga, a Mexican national, who illegally entered the United States as a child, appealed to the Ninth Circuit. 8 U.S.C. § 1228(4)(b) states, “the alien shall have the privilege of being represented (at no expense to the government) by such counsel, authorized to practice in such proceedings, as the alien shall choose.” Zuniga alleges that he did not properly waive his right to counsel, and he was denied counsel at his hearing. The Court of Appeals agreed with Zuniga, stating that the plain language of the statutory text is conclusive of providing the right of counsel to the petitioner. The Court of Appeals reversed and remanded back to the immigration judge.

*Facts and Analysis:*

Title 8 of the United States Code lays out the federal law dealing with immigration and nationality.<sup>126</sup> Specifically, 8 U.S.C. § 1228 handles expedited removal of aliens convicted of committing

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<sup>126</sup> 8 U.S.C. § 1228 (2012).



aggravated felonies.<sup>127</sup> In 2012, Zuniga was convicted of conspiracy of money laundering and the manufacturing and distribution of drugs.<sup>128</sup> At this time, Zuniga testified in open court against his two co-conspirators, who were part of the Knights Templar cartel.<sup>129</sup> Because Zuniga was convicted of a felony, he was placed in expedited removal proceedings in accordance with section 1228.<sup>130</sup> During a routine interview with Immigration and Customs Enforcement officers, Zuniga expressed fear of being removed to Mexico based on retribution from cartel members for his testimony against his co-conspirators.<sup>131</sup> At this point, he was sent to an asylum officer to determine if his fear was reasonable.<sup>132</sup>

During his interview with the asylum officer, Zuniga was asked if he had an attorney, because it was his right to have an attorney present for the interview.<sup>133</sup> Zuniga told the officer that he had an attorney for the reasonable fear proceedings, but that he was willing to continue the interview without the attorney present.<sup>134</sup> The officer agreed and proceeded with the interview.<sup>135</sup> At the end of the interview, the officer determined that Zuniga did not have reasonable fear of returning to Mexico and that the expedited proceedings should continue.<sup>136</sup> Under Title 8 U.S.C. § 208.31(f)-(g), a non-citizen “will be afforded the opportunity for an expeditious review of the negative screening determination by an immigration judge.”<sup>137</sup> Because Zuniga received a negative determination, he appealed to the immigration judge, arguing that his fear was indeed reasonable.<sup>138</sup>

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<sup>127</sup> *Id.*

<sup>128</sup> *Zuniga v. Barr*, 934 F.3d 1083, 1084 (9th Cir. 2019).

<sup>129</sup> *Id.* at 1084.

<sup>130</sup> *Id.*

<sup>131</sup> *Id.*

<sup>132</sup> *Id.* at 1085.

<sup>133</sup> *Id.*

<sup>134</sup> *Id.*

<sup>135</sup> *Id.*

<sup>136</sup> *Id.* at 1086.

<sup>137</sup> *Id.*

<sup>138</sup> *Id.*

During the hearing with the immigration judge, the judge informed Zuniga that he had the right to counsel of his own choosing, but the government will not pay for said counsel.<sup>139</sup> He was previously given a list of counsel for him to look at and select.<sup>140</sup> The judge then asked if he had counsel, and Zuniga responded that he did not.<sup>141</sup> After that, there was no more discussion about counsel and the judge went on to question Zuniga.<sup>142</sup> The judge believed that this was sufficient to constitute a waiver of counsel.<sup>143</sup> The immigration judge found that Zuniga did not have reasonable fear and upheld the asylum officer's decision.<sup>144</sup> Zuniga filed appeal to the Ninth Circuit claiming that his due process rights were violated, as well as the immigration judge had erred in determining his lack of reasonable fear.<sup>145</sup>

On appeal, the government conceded to the fact that the conversation between Zuniga and the immigration judge was not sufficient as a waiver, but they do so because the government believes that there was no statutory right to a counsel anyway, so an ineffective waiver doesn't matter.<sup>146</sup>

*Holding:*

The Ninth Circuit begins its analysis by looking at the plain language of the statutory text.<sup>147</sup> The court, after reading all of sections 1228, 1229 and 1362, determine that that statute does indeed state that there is a "statutory right to counsel in ... removal proceedings."<sup>148</sup> The court further states that all the above sections read together, reinforces the notion that there is a statutory right to

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<sup>139</sup> *Id.*

<sup>140</sup> *Id.*

<sup>141</sup> *Id.*

<sup>142</sup> *Id.*

<sup>143</sup> *Id.*

<sup>144</sup> *Id.*

<sup>145</sup> *Id.*

<sup>146</sup> *Id.* at 1087.

<sup>147</sup> *Id.*

<sup>148</sup> *Id.*

counsel.<sup>149</sup> The court goes on to hold that, “the text of § 1228 is both clear and consistent with the statutory scheme at issue, the plain language of the statute is conclusive in providing a statutory right to counsel.”<sup>150</sup>

In response, the government argued that a 1999 memo from the Executive Office for Immigration Review gave the government discretion in deciding whether or not a non-citizen had the right to counsel.<sup>151</sup> The court agreed with the government, but the agreement was limited to the government have discretion only in the initial reasonable fear interview, not on appeal for a negative determination review.<sup>152</sup> The court went on stating that the plain text of the statute outweighs the interpretation from the Executive Office for Immigration Review and Zuniga had the right to counsel.<sup>153</sup> The court reversed and remanded back to the immigration judge, without answering the question as to Zuniga’s claim that the immigration judge erred on determining his reasonable fear.<sup>154</sup>

Impact:

The fallout of this case is unlikely to have a noticeable impact, but in smaller settings, there is likely to have more immediate impact. The ruling of this case essentially states that the 1999 memo by the Executive Office for Immigration Review is invalid, holding that non-citizens do have a statutory right to counsel and it’s no longer at the discretion of the government. Because of this, non-citizens will now be afforded this right, which is only a benefit for those trying to appeal a negative decision from an asylum officer.

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<sup>149</sup> *Id.*

<sup>150</sup> *Id.*

<sup>151</sup> *Id.* at 1088.

<sup>152</sup> *Id.*

<sup>153</sup> *Id.*

<sup>154</sup> *Id.* at 1089.

**UNITED STATES DISTRICT COURTS**

**HAYNES V. KOHL'S DEPARTMENT STORES, INC.**  
**391 F.Supp.3d 1128 (S.D. Fla. 2018)**

*Synopsis:*

After unsuccessfully being able to access Kohl's Department Store's website because its website was incompatible with screen-reading software, Dennis Haynes filed suit alleging that Kohls has violated Title III of the Americans with Disabilities Act ("ADA"). The court held that Mr. Haynes did in fact state a claim under Title III of the ADA and Kohl's Department Store's motion to dismiss was denied.

*Facts and Analysis:*

Title III of the Americans with Disabilities Act states, "[n]o individual shall be discriminated against on the basis of disability in the full and equal enjoyment of the goods, services, facilities, privilege, advantages, or accommodations of any place of public accommodation by any person who owns, leases, or operates a place

of public accommodation.”<sup>155</sup> The issue is whether or not a website is considered a place of public accommodation. Mr. Haynes “is blind and therefore unable to engage in and enjoy the major life activity of seeing, constituting a disability as defined by the ADA.”<sup>156</sup> Mr. Haynes argues that he is unable to enjoy full access to the Kohl’s website because numerous parts of the website, including graphics, links, headings and other information are not readable because it is not compatible with his screen-reading software. Kohls argues that a website is not protected by Title III of the ADA, and in the alternative, if it was protected under the ADA, then Kohls need not comply because it would violate its due process rights.<sup>157</sup>

In analyzing the first issue, whether a website must be made ADA compliant, the district court looks to the precedent held by the Eleventh Circuit.<sup>158</sup> In Rendon v. Valleycrest Products Limited, the Eleventh Circuit held that “Title III discrimination covers both tangible barriers, that is, physical and architectural barriers that would prevent a disabled person from entering an accommodation’s facilities and accessing its goods, services and privileges and intangible barriers that restrict a disabled person’s ability to enjoy the defendant entity’s goods, services and privileges.”<sup>159</sup>

The Eleventh Circuit went on to give a test on whether a website is subject to the ADA, stating “websites are subject to the ADA if a plaintiff can establish a nexus between the website and the physical premises of the public accommodation.”<sup>160</sup> In order to do this, the plaintiff must please facts that prove the “(1) Defendant’s website provides access to a benefit of Defendant’s physical store, and (2) Plaintiff was denied access to that benefit when he could not access Defendant’s website.”<sup>161</sup> Here, Mr. Haynes argued that because the website was not compatible with his screen-reading

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<sup>155</sup> *Haynes v. Kohl’s Department Stores, Inc.*, 391 F.Supp.3d 1128, 1133 (S.D. Fla. 2018).

<sup>156</sup> *Id.* at 1132.

<sup>157</sup> *Id.*

<sup>158</sup> *Id.* at 1133.

<sup>159</sup> *Id.* at 1134.

<sup>160</sup> *Id.*

<sup>161</sup> *Id.*

software, he was unable to place orders online for in-store pickup, he was unable to access a map of his nearby stores and he wasn't able to print coupons to be used in those stores.”<sup>162</sup> Accordingly, the district court found that a nexus had been established between the online website and the physical store.<sup>163</sup> Therefore, there is a claim under Title III.<sup>164</sup>

After establishing that Mr. Haynes had a Title III claim, Kohls argued that the claim should be dismissed because it violates its due process rights.<sup>165</sup> Kohls argues that because there is no statute implementing regulations that a website needs to be ADA compliant, it violates their due process rights if they are held liable.<sup>166</sup> Additionally, they argue that holding Kohls liable for not being compatible with third-party software, in the absence of any regulations, is also a violation of their due process rights.<sup>167</sup> With regard to Kohls' first argument, the district court finds this unpersuasive because of the Rendon opinion that is sixteen years old at the time of this case.<sup>168</sup> The court states that Rendon gave the defendant ample notice that websites can fall within the scope of Title III.<sup>169</sup>

Next, the court looks to the definition of discrimination under Title III of the ADA. Here, the court outlines that the act specifically outlines that a “failure to take such states as may be necessary to ensure that no individual with a disability is excluded, denied services, segregated or otherwise treated differently than other individuals because of the absence of auxiliary aids and services.” The court takes aim at the “auxiliary aids and services” language of the statute and upon further examination, “auxiliary aids and services” include “screen reader software.”<sup>170</sup> The court agrees with

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<sup>162</sup> *Id.* at 1135.

<sup>163</sup> *Id.*

<sup>164</sup> *Id.*

<sup>165</sup> *Id.*

<sup>166</sup> *Id.*

<sup>167</sup> *Id.* at 1136.

<sup>168</sup> *Id.*

<sup>169</sup> *Id.*

<sup>170</sup> *Id.* at 1137

the defendant that there is no guidance on making their website ADA compliant, but it goes on to state that it is abundantly clear that a website needs to be ADA compliant.<sup>171</sup> The court points out that this is flexibility built into the statute to make it easier for websites to become ADA compliant.<sup>172</sup> Thus, holding that making a website ADA complaint is not in violation of the defendant's due process rights.<sup>173</sup>

*Holding:*

After determining that Mr. Haynes had a valid Title III claim, and that the claim did not violate the defendant's due process rights, the court went on to deny Kohl's motion to dismiss.<sup>174</sup> The court determined that Mr. Haynes had pleaded sufficient facts to warrant a claim under Title III and it should go to a trier of fact to determine if Kohls had indeed breach the ADA.<sup>175</sup> Lastly, the court found that Kohls had failed to establish a claim for violation of due process rights, and because of that, their motion to dismiss was denied.<sup>176</sup>

*Impact:*

Going forward, this case is likely to open the door for more cases with similar situation facts. As the world moves to a more digital world, away from the physical, it is only a matter of time until the ADA will likely be amended to address the changes of technology and the future. The Eleventh Circuit test of requiring a nexus between the physical place of accommodation and the website will likely be pushed to the limits as more and more retail shops close their doors and transition to the only the digital space. Only time will tell, but this case is likely to be the first of many more to come.

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<sup>171</sup> *Id.*

<sup>172</sup> *Id.*

<sup>173</sup> *Id.*

<sup>174</sup> *Id.*

<sup>175</sup> *Id.* at 1135.

<sup>176</sup> *Id.* at 1138.