



Monday, October 1, 2012

4:30 PM - 6:00 PM

903 – IP Nuts and Bolts

James Derry

Associate General Counsel & Chief Intellectual Property Officer
Arbitron Inc.

Scott Forsyth

Senior Attorney
Microsoft Corporation

Sara Harrington

Sr. Director Legal-IP
LinkedIn Corporation

Judy Powell

Partner
Kilpatrick Townsend & Stockton LLP

Faculty Biographies

James Derry

James Derry is the associate general counsel and chief intellectual property officer for Arbitron Inc. (NYSE: ARB). Mr. Derry is responsible for many areas including international, privacy, litigation, antitrust, export, piracy, complex licensing, joint ventures, bankruptcy, corporate, M&A, data security, compliance, and IP. He leads Arbitron's IP and competitive intelligence committees. He also serves on Arbitron's business and strategy and senior leadership committees.

Prior to Arbitron, Mr. Derry worked as in-house counsel for Procter & Gamble Co. and MicroStrategy, Inc. He began his career with Dickstein Shapiro LLC as an IP associate.

Mr. Derry engages in many civic activities such as mentorship, Special Olympics, serving on the education committee for Friends of the National Zoo, and serving as a board member to Volunteer Fairfax. He is currently the president of APAFilm, Inc. and their board, a non-profit that organizes the annual Asian American Film Festival held in D.C.

Mr. Derry received a BS from the University of Illinois Urbana-Champaign. He received his JD and a certificate in IP from DePaul University College of Law where he served as an article and notes editor for *Law Review* and was a member of the Phi Kappa Phi honorary.

Scott Forsyth

Scott A. Forsyth is presently a senior attorney at Microsoft Corporation, based in Microsoft's Mountain View, CA offices. He currently provides legal support for Microsoft's manufacturing supply chain and information systems team. His primary focus is on technology licensing and commercial agreements.

Prior to joining Microsoft, Mr. Forsyth worked at 3Com Corporation, most recently as associate general counsel. While at 3Com, he handled a wide variety of commercial transactions, including technology licenses, development agreements and sales and procurement agreements. He also worked on numerous special projects, including 3Com's China based joint venture with Huawei Technologies as well as the lead attorney in 3Com's renaming of Candlestick Park to 3Com Park. Prior to joining 3Com, Mr. Forsyth was an associate with several law firms, most recently with the San Jose office of Coudert Brothers, a New York based law firm.

Mr. Forsyth has been a long time member of ACC and has been a frequent speaker including seminars sponsored by ACC as well as LES. He is currently the treasurer and a member of the ACC's San Francisco Bay Area Chapter board of directors.

Mr. Forsyth graduated from Washington State University with a BA in marketing and later obtained his JD from the UCLA School of Law.

Sara Harrington

Sara Harrington is the senior director legal-IP at LinkedIn Corporation based in Mt. View, CA. Her responsibilities include providing legal counsel to LinkedIn in matters related to intellectual property rights, privacy, licensing and products.

Prior to joining LinkedIn, Ms. Harrington was a partner in the technology transactions group of Wilson, Sonsini, Goodrich & Rosati based in Palo Alto, CA where she counseled emerging and mature companies on intellectual property and privacy matters and represented her technology clients in a variety of transactions, including licensing, outsourcing, acquisitions and commercial matters.

She is also an adjunct professor at Hastings School of Law in San Francisco where she teaches a seminar on intellectual property licensing.

Ms. Harrington received a BA from University of California, San Diego and obtained her law degree from Cornell Law School.






Judy Powell

Judy Powell has extensive experience in trademark infringement, unfair competition, and false advertising litigation in federal courts, as well as in opposition and cancellation proceedings before the trademark trial and appeal board. She has also litigated multiple issues involving website content and domain names, having secured hundreds of domain names for trademark owners. She also advises clients on trademark licensing matters and copyright issues.


Ms. Powell has served on the Internet Committee of the International Trademark Association for the past four years and has been the firm's liaison to the Intellectual Property Committee of the Association of Corporate Counsel for the past eight years. She has been a frequent lecturer on trial strategy and Internet and trademark issues for the Institute of Continuing Legal Education and a teacher for the National Institute of Trial Advocacy program. Ms. Powell has also spoken at conferences and events for the Association of Corporate Counsel, the International Trademark Association, and the ABA forum on franchising.

Ms. Powell has been named in *The Best Lawyers in America*® for intellectual property law for the past five years, as well as being recognized by the *World Trademark Review 1000*, and the *Legal 500 United States*. In 2011, she was honored with the "Excellence in IP Award" by the Intellectual Property Committee of The Association of Corporate Counsel. Ms. Powell is AV(R) rated by Martindale-Hubbell.*


ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



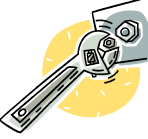

#ACCAM12




AM.ACC.COM



IP Nuts & Bolts








James Derry
Scott Forsyth
Sara Harrington
Judy Powell




October 1, 2012


ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12




AM.ACC.COM



Your Panel for Today

- **James Derry**
Associate General Counsel & Chief Intellectual Property Officer, Arbitron Inc.
- **Scott Forsyth**
Senior Attorney, Microsoft Corporation
- **Sara Harrington**
Sr. Director Legal-IP, LinkedIn Corporation
- **Judith A. Powell**
Partner, Kilpatrick Townsend & Stockton LLP


ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



Agenda

- Patents - The Basics
- Copyrights, Trade Secrets & Open Source Software
- Software Licensing
- Trademarks
- Questions

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



Patents – The Basics


James Derry, CIPP/US, CIPP/IT, CIPP/E, CIPP/C
Associate General Counsel & Chief Intellectual Property Officer
Arbitron Inc.
9705 Patuxent Woods Drive
Columbia, Maryland 21046-1572

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

What is a Patent?

- Government grant of monopoly
 - 20 years from the date of filing
- Right to exclude
 - the right to exclude others from making, using, selling, offering for sale, or importing the patented invention for the term of the patent, subject to payment of the required maintenance fees
- Property for which others must pay for use
 - Fixed Fee, Reasonable Royalty, Cross-licensing
- Assignable, transferable & licensable
 - Exclusive v. non-exclusive, Field of Use limit




ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

What is a Patent NOT?

- Guaranteed money
 - 95% of all patents fail to produce revenue
- Guaranteed to issue
- Self-enforcing
 - Responsibility to monitor the market place for infringement, and file a lawsuit herself in federal court
- Free
 - On avg. – approximately \$50K/patent (U.S.)
 - International – exponentially increases costs (validation and/or translation costs are incurred; notwithstanding foreign counsel fees)




ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Association of Corporate Counsel

Utility Patent

- ❑ **Utility Patent Application**
 - ❑ Covers new, non-obvious, functional aspects of invention
 - ❑ Includes drawings, a detailed description of the invention, and one or more claims covering the invention
 - ❑ Publishes 18 months after filing
 - ❑ Usually not examined for at least 2 ½ years depending on art unit
 - ❑ Protection lasts 20 years from filing date
 - ❑ Protection defined by claims
- ❑ **Practical Tips**
 - ❑ (1) James' Rule of 20: less than 20 pages in length and 20 claims.
 - ❑ (2) No more than 3 independent claims
 - ❑ (3) If filing internationally (PCT route, etc.) – allow foreign counsel to review PRIOR to filing to ensure conformity with local practices.
 - ❑ (4) If important concept, keep a continuation pending to allow flexibility to pursue additional claims if you see a competitor entering and/or encroaching (see also NPE tips below).
 - ❑ (5) Pursue breadth within reason – do not open yourself up to more prior art than absolutely necessary.



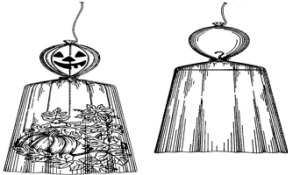
ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Association of Corporate Counsel

Design & Provisional Patent

- ❑ **Design Patent Application**
 - Covers aesthetic/design aspects of invention
 - Usually issues within 1 year
 - Protection lasts 14 years from issuance
 - Protection defined by drawings
 - Need not be functional at all
 - No maintenance fees & costs less than utility
- ❑ **Provisional Patent Application**
 - Not examined and it is informal
 - Serves as placeholder – important under AIA
 - Must be “converted” into utility application within 1 year
 - Most often used when a company is still developing or unsure of the commercial feasibility
 - No ongoing protection, although still can use “patent pending”
- ❑ **Practical Tips**
 - ❑ (1) File a provisional if you are at least 50% sure that the inventive concept will be used and/or deployed by your company even if not fully vetted.
 - ❑ (2) Monitor competitor's patent filings, issuances, press releases, SEC filings, etc.
 - ❑ Doing so allows you to ‘trend’ what is occurring in your industry and w/competitors
 - ❑ Pick the top 3 competitors (no one has unlimited resources)
 - ❑ (3) If you do not want your competitors or others to know what your company is working on, a provisional can buy you extra time until you are ready to commercialize



ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

America Invents Act

- The AIA's "first-inventor-to-file" provisions go into effect on **March 16, 2013***
 - A claim with an effective filing date on or after March 16, 2013, or
 - A priority claim to any patent or application that contains or contained at any time a claim with an effective filing date on or after March 16, 2013.
- Applicant is entitled to a patent unless:
 - Claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date
 - Prior Art has been expanded temporarily, geographically, and substantively!
 - Cannot swear behind references – anything UP to date of filing IS prior art!
 - This means international affiliates need to be careful in what they do – can bar you! If using outside counsel, one month or less to prepare and file from the date they receive the invention disclosure from your company.
 - (2) Make sure to spend time on the front-end and obtain as complete of an invention disclosure from your inventor(s) to avoid unnecessary delays.
 - (3) Defensively – be aggressive in publishing ideas if no desire to patent to preclude others from obtaining a patent.

*Proposed Rules Issued July 26, 2012; Final Rules Expected February 2013

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

Safe Harbor of AIA

- Safe Harbor
 - AIA removes as prior art a 'disclosure'
 - By an inventor
 - Less than one year before filing of an application
- People that can make disclosures include more than just named inventor(s)
 - Likely protects corporate disclosures and publications by scientific teams
- Once inventor makes a qualifying disclosure, AIA removes as prior art **any** published disclosures of the invention (regardless of who made the later disclosure)
- Applicant can make a defensive publication and bar others from obtaining patent rights

ACC ANNUAL MEETING 2012 ORLANDO
 SEPT 30-OCT 3
 WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Safe Harbor AIA - Application

- Facts
 - Filer #2 publishes the invention Jan. 15, 2014
 - Filer #1 files non-provisional patent Feb. 1, 2014
 - Filer #2 files non-provisional patent Feb. 5, 2014
- Result
 - Filer #1 cannot get patent because it is anticipated by the Jan. 15 disclosure
 - Under a PURE first-to-file, Filer #2 would not get a patent
 - However, under AIA – second-filer gets the patent
 - Practical Tip:** If I learn (from my monitoring activities), a competitor is pursuing similar technology/processes, and I do not have time to prepare and/or file a utility or provisional, I may have time to publish the concepts before they have had time to actually file (sales presentations/trade show rumors).
 - Underscores importance that your company needs to be extremely careful in letting the 'cat out of the bag' before IP protection has been sought and/or obtained.

ACC ANNUAL MEETING 2012 ORLANDO
 SEPT 30-OCT 3
 WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Patent Troll



ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

What is a Patent Troll?

- Does not practice or commercialize patented inventions
- Acquires and holds patents solely for litigation and licensing
- "non-practicing entity" (NPE) or "patent holding company"
- NPE patent enforcement used to be an issue that really only affected companies in the classic high technology sector – hardware, software, semiconductors, communications, and consumer electronics. That is no longer the case, as NPEs are increasingly bringing patent enforcement actions against the users and sellers of technology, as well the producers.

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

NPE - Litigation

*Patent Freedom Research (July 13, 2012) - <https://www.patentfreedom.com/>

Year	Number of Cases
2001	578
2002	593
2003	584
2004	611
2005	1079
2006	1014
2007	2089
2008	2074
2009	2371
2010	3921
2011	5031
2012 (Est)	3538

In 2011, another record setting year, there were more than 5,000 occasions when a company found itself in litigation with an NPE, a number that has increased by an average of over 35% per year since 2004.

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AM.ACC.COM

NPE Exposure by Industry

Industry	Operating Companies in NPE Patent Litigations	Unique Operating Companies in NPE Patent Litigations	NPEs in Patent Litigations	NPE Patent Litigations	NPE-Litigated Patents
Electronics	2824	566	324	1472	1416
Retail	2754	954	284	1125	896
Media/Telecom	2329	711	272	1222	972
Computer Software/Services	2296	961	314	1286	1240
Computer Hardware	2017	338	321	1141	1348
Financial Services	1569	601	168	644	407
Automotive & Transport	1512	530	144	609	489
Consumer Products	812	528	175	486	406
Semiconductor	705	145	132	420	516
Industrial Manufacturing	527	415	187	421	541
Healthcare & Pharma	401	403	81	264	206
Energy/Utilities	452	294	136	335	342
Other (Hotels, Services, Agriculture etc.)	1321	845	265	873	755

*Patent Freedom Research (July 13, 2012) - <https://www.patentfreedom.com/about-npes/industry/>

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AM.ACC.COM

NPE - Discussion

- Even bad patents are very expensive to defend against
- 80% of defendants will settle
- Average Litigation Costs
 - Through summary judgment - \$2.5MM
 - Summary judgment through appeal - \$2.5MM
- Practical Tips:**
 - (1) Invitation to license: consider striking pre-emptively (DJ) to establish jurisdiction that is more favorable to your company and/or unfavorable to offering entity.
 - (2) Joint defense: Sometimes, competitors can become your best friends in these situations. Pool resources together to attack.
 - (3) Post-grant review: AIA may offer a vehicle to challenge patent(s) that is more economically desirable in conjunction with a DJ.
 - (4) Settling: Try to receive a license to more than just what is asserted; but, to any patent(s) in the NPE's portfolio that can be asserted in your FIELD OF USE.
 - Make sure you have right to sub-license. Provides leverage since it may offer benefit to your competitors/partners down the road if they are approached.
 - Make sure it covers continuations, divisionals, and/or CIP's.
 - Continuations – your continuations that are pending may offer value to the NPE (see tip above on keeping some patent families alive through continuations). Consider selling/assigning them to the NPE in return for a cross-license. This can also offset the monetary amount being sought by the NPE.

ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



AM.ACC.COM

ACC Association of
Corporate Counsel

Copyrights, Trade Secrets & Open Source Software

Sara Harrington
Sr. Director Legal-IP, LinkedIn Corporation

ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



AM.ACC.COM

ACC Association of
Corporate Counsel

Copyrights, Trade Secrets & Open Source Software

- **Copyrights**
 - Ownership
 - Enforcement
 - DMCA
- **Trade Secrets**
 - Data Security
 - Residuals and Feedback
- **Open Source Software**

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN HOUSE COUNSEL CONNECT

ACC Association of Corporate Counsel

Comparison of Forms of IP

	<u>Trademark</u>	<u>Copyright</u>	<u>Trade Secret</u>	<u>Utility Patent</u>	<u>Design Patent</u>
Subject Matter	Word, symbol, sound, shape to identify source	Expression (not ideas)	Information: process, list, formula, etc.	Useful apparatus, process, composition	Ornamental design for article of manufacture
Must Be	Distinctive	Original, creative	Secret	New and non-obvious	New and non-obvious
Obtaining Rights	Use (registration optional)	Fix in tangible medium (notice and registration optional)	Reasonable efforts of secrecy	Application with U.S. government	Application with U.S. government
Rights Conferred	Prevents others from using same or confusingly similar mark	Reproduce, distribute, prepare derivative works, perform, display	Prevent others from misappropriation	Make (have made), use, sell, offer for sale, import	same

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN HOUSE COUNSEL CONNECT

ACC Association of Corporate Counsel

Copyrights (17 U.S.C. § 101. et seq):

“Original works of authorship, fixed in any tangible medium of expression”

- literary works, musical works, dramatic works, choreographic works, pictorial, graphic and sculptural works, motion pictures and other audiovisual works, sound recordings, architectural works
- Originality is a low threshold (Feist case – telephone white pages)
- Work of authorship – purposefully left undefined by Congress
- Fixed in any tangible medium – if “sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration”
Computer programs protectable as literary works and as audiovisual works (screen displays, web sites)
- Not available for names, titles, short phrases (Circular 34)

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Copyrights

Exclusive Rights and Limits

- Duration: 70 years+ life/ lesser of 95 years from publication or 120 years from creation
- Exclusive Rights Granted to the Copyright Holder: Reproduce, distribute, publicly display, publicly perform, create derivative works of, perform by means of digital audio transmission
- Limits on Exclusive Rights:
 - First Sale Doctrine
 - Fair Use Doctrine and factors:
 - Purpose and character of the use, including whether commercial
 - Nature of the copyrighted work
 - Amount of substantiality of the use in relation to the work as a whole
 - Effect of the use on the potential market or value of the work
 - May Include: Criticism, comment, news reporting, teaching, scholarship or research.


ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Copyrights

Ownership

- Ownership of copyright is distinct from ownership of the tangible
- Ownership vests in the author of the work, unless it's a "work made for hire"
 - a work prepared by an employee within the scope of employment; or a work specially ordered or commissioned for use as one of the following:
 - (i) contribution to a collective work, (ii) part of a motion picture or other audiovisual work, (iii) translation, (iv) supplementary work, (v) compilation (vi) instructional text, test, or answer material for a test, or (vii) atlas
- Take Away: Best Practice is to get an assignment of intellectual Property Rights (including copyrights) from Employees and Consultants




ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

Copyright Formalities

- Copyright notice is permissive
- Copyright registration is permissive, but:
 - Required for infringement suits
 - Required to be eligible for statutory damages
 - Required to be eligible for attorney's fees
 - Deposit requirements can be problematic for computer programs

Registration Mechanics:
Deposit with the Copyright Office for use of Library of Congress
Special Rules for software source code



ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

Copyright Enforcement

- 3-year statute of limitation
- Direct, vicarious or contributory infringement
- DMCA safe harbors for ISPs
- Civil Remedies
 - Equitable relief, actual damages + profits, or statutory damages
- Criminal offense if willful

ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

Copyright DMCA Safe Harbor

- Intended for Internet Service Providers
- Condition Precedent for Safe Harbor
 - File Interim Designation of Agent to Receive Notification of Claimed Infringement
- Conditions of Eligibility

“has adopted and reasonably implemented, and informs subscribers and account holders of the service provider’s system or network of, a policy that provides for the termination in appropriate circumstances of subscribers and account holders of the service provider’s system or network who are repeat infringers; and accommodates and does not interfere with standard technical measures.
- Notification, Take-Down, Counter Notification

ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

Trade Secrets

- Sources of Trade Secret Law
 - Uniform Trade Secret Act
 - Adopted by 46 States
 - Common Law
- Compare to Patents
 - Not Registered
 - Not made publicly known
 - Unlimited Time Duration
 - Limitations
 - Unauthorized Disclosure
 - Reverse Engineering
 - Independent Development (no exclusivity)

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

Trade Secret Law

(Ca. Civ. Code Section 3426.1(d))

"Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

- (1) Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and
- (2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

Trade Secrets- Protection

- Security
 - Sign-in, Badges, Restricted Visitor Access, Guards, Locks, Fences, etc.
 - Marking
 - Data Security (law and contract)
 - Authentication, Encryption and Limited Access (need to know)
 - Industry Standards
 - Evolving
 - Vary drastically given the nature of the information
 - Credit card Info (PCI)
 - Health Information (HIPPA)
- Agreements
 - Employee and Consultant NDAs
 - NDAs
 - Service Providers (Cloud Computing)

ACC ANNUAL MEETING 2012 ORLANDO
 SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Trade Secrets- Residuals/Feedback Clause

	Discloser	Recipient
Residuals	Best: SILENT Next: May only use those ideas retained in the unaided memory of authorized employees who no longer have access to specific Information.	BEST: Free to use ideas, information and understandings retained in the memory of the Recipient employees for any purpose.
Feedback	Discloser is free to use without restriction the ideas, suggestions and feedback obtained from Recipient regarding Discloser's confidential information.	SILENT

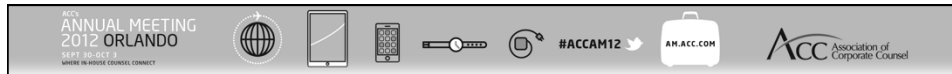
ACC ANNUAL MEETING 2012 ORLANDO
 SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Open Source Software What is Open Source?

- Generally, Open Source simply refers to a program whose source code is available and is *not* closed or secret (aka proprietary*)
 - Two most common terms are “free software” or “open source”
- Common attributes of Open Source licenses:
 - Source code available to user
 - Royalty-free copying and distribution
 - Right to modify source code
 - Attribution requirement
 - Copyleft or Viral effect: modifications of the Open Source must be licensed under the Open Source license terms if distributed
 - Most requirements triggered upon **DISTRIBUTION** only

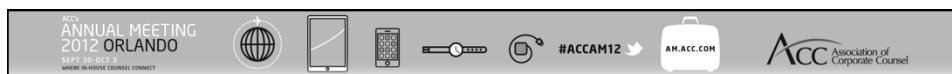
* **NOTE:** Open Source is still subject to copyright (i.e., not in the public domain). The “proprietary” vs. Open Source distinction is not about copyright, but about the freedoms (most importantly, access to the source code) a licensee has under an open source license as opposed to a “proprietary” license.



ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

Open Source Software

- No “single” license (literally hundreds)
 - Examples: GPL, LGPL, Apache, BSD
- Each license is different and presents its own requirements and interpretation issues
- Measured on a scale from “Copyleft” to “Permissive”
- Benefits include: No cost, access to source for customization, interoperability, quality code
- Your company uses open source software:
 - Android, Linux, MySQL, Web Servers
 - Embedded in many “commercial” software packages



ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

What Are the Potential Risks of Open Source?

- Open Source licenses found enforceable in US and abroad; violators subject to breach of contract and copyright claims
- Trusted Source: comes with no guarantees or indemnity
- Ambiguity of Terms: meaning and requirements of licenses unclear
- Vendors: often include Open Source without knowing and/or telling
- Employees/Consultants: inadvertent tainting of company code through involvement with Open Source projects
- Patents: some Open Source includes patent licenses that could implicate company patent portfolio
- Viral Effect: important company code could become tainted if used with Open Source and distributed

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AM.ACC.COM

Open Source Risks

- Scale of Risk:
 - **Starting an Open Source project**
 - *Most risk due to possibility of inadvertently providing proprietary code under permissive Open Source terms*
 - **Participating in an Open Source project**
 - *Less risk than above because of more limited participation, but still some risk due to the same possibility*
 - **Including Open Source in Products**
 - *Once and if distributed, somewhat ambiguous license requirements apply, and failure to comply with such subjects company to copyright and breach of contract claims*
 - **Using Open Source Internally**
 - *Less risk if used solely internally, but Open Source may eventually find its way out the door, at which point obligations are triggered*






ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AM.ACC.COM


Risks of Open Source?

- **Worst Case:** entire code base required to be disclosed and company is subject to statutory damages under copyright law
 - *This scenario has not happened and may be unlikely under US law*
- **Middle Road:** settlement: comply, pay legal fees, appoint Open Source compliance officer, etc.
 - *Most likely outcome and has happened frequently*
 - *Typically copyright holders most concerned with compliance, and so as long as you're not a willful infringer and fix things upon prompting, they are happy*
- **Best Case:** comply with the applicable license and/or the copyright holder is happy with your level of compliance


ACC ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12








AM.ACC.COM




Open Source Risk Mitigation

- **Contractual Terms with Vendors**
 - Warranties
 - Indemnities
 - Exhibits listing applicable Open Source
- **Due diligence of Vendors' Use of Open Source**
 - Consider Palamida or BlackDuck scrubs with larger deals
- **Company Open Source Intake and Use Policy**
 - Ongoing employee education crucial
- **Software Scrubs Before Distribution**
 - Black Duck and Palamida
- **Architecting the Separation of Open Source from company code**
 - Wrappers and/or work-arounds


ACC ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12




AM.ACC.COM



Software Licensing

Scott Forsyth
Senior Attorney, Microsoft Corporation


ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



Software Licensing Checklist

- Software Licensing Checklist provided in your materials
- Approach from perspective of Licensee
- Lists sample questions/issues you may raise with your business team
- The checklist is not intended to:
 - Be an exhaustive list
 - To address all issues you may face
- Not all questions/issues may be relevant to your situation
- The following slides contain a sample of some of the questions/issues from the checklist






ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT




Software License

- Identify Parties to the License Agreement
 - Will any affiliates/subsidiaries for either party be involved
 - If so, identify the role they will play
- What software is being licensed
 - Clearly identify the software
 - Form of software being licensed/delivered
 - Binary
 - Source Code


ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12








AM.ACC.COM




Software License (cont.)

- What does Licensee intend to do with the software
- Clearly identify the license rights that Licensee requires
- Will Licensee modify the software
 - If so, who will make the modifications
 - Who will own the modifications
 - If Licensee, does Licensor require a grant back license


ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12








AM.ACC.COM




Software License (cont.)

- Will Licensee integrate the software with other applications or hardware
 - If so, what does Licensee need from Licensor to accomplish this
 - Will Licensee involve any 3rd parties in its internal integration efforts
- Do any outside companies need rights to the software
 - How about to develop applications or complementary software


ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12








AM.ACC.COM




Software License (cont.)

- Are there any restrictions on Licensee's use of the software
 - Are they technical
 - Are they contractual
 - Are the restrictions easy to manage
- Are there any 'flow-down' terms required by Licensor
 - To Licensee's customers
 - To developers


ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12








AM.ACC.COM




Software License (cont.)

- What is the 'term' of the license/License Agreement
 - If not perpetual, how is the license/License Agreement renewed
 - Can Licensee continue to sell products after termination
 - Does Licensee have alternatives if the license/License Agreement is terminated or expires


ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12








AM.ACC.COM




Software License (cont.)

- What is the license fee and how will it be paid
 - One time payment
 - Per unit royalty
 - Other
- Are use/royalty reports to be provided to Licensor
 - Can Licensee's existing processes support the reporting requirements


ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12








AM.ACC.COM




Software License (cont.)

- Does Licensor offer support/maintenance
 - Is it sold separately or part of the licensee fee
 - What does the support/maintenance include
 - Updates, upgrades, bug fixes
 - Onsite or remote support
 - How long is support/maintenance offered
- Does the software include any open source software
 - If yes, what are the open source license terms


ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12








AM.ACC.COM




Software License (cont.)

- Does Licensor warrant the software
 - If yes, for how long
 - How is the remedy/benefit different from support/maintenance
 - What is Licensor's track record for reliable software
- Does Licensee require a source code escrow
 - What are the 'triggers' for escrow release
 - What may Licensee do if escrow release occurs


ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



#ACCAM12





AM.ACC.COM




Judith A. Powell
Kilpatrick Townsend & Stockton LLP

TRADEMARKS



ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



AM.ACC.COM ACC Association of Corporate Counsel


What Can You Protect

- The term “trademark” includes any word, name, symbol, or device, or any combination thereof ...

Section 45 of the Lanham Act, 15 U.S.C. § 1127

47

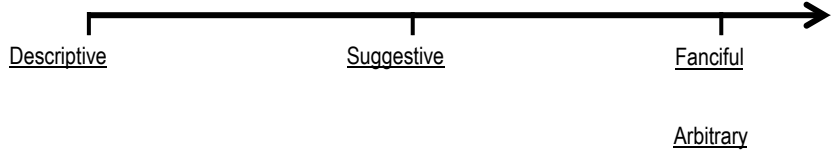
ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



AM.ACC.COM ACC Association of Corporate Counsel

Distinctiveness Spectrum

Stronger protection for stronger marks



Descriptive Suggestive Fanciful
Arbitrary

48

ACC ANNUAL MEETING 2012 ORLANDO
 SEPT 30-OCT 3
 WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Association of Corporate Counsel

Distinctiveness Spectrum

Stronger protection for stronger marks

Descriptive Suggestive Fanciful

Holiday Inn

BEER NUTS
Peanuts

Leggs

Coppertone

RaceTrac

CLOROX

Google

Arbitrary

JFLYGLAWS
SUPER SKATE CENTER

Apple
49

ACC ANNUAL MEETING 2012 ORLANDO
 SEPT 30-OCT 3
 WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Association of Corporate Counsel

What Can You Protect

Slogans

Just Do It

The Ultimate Driving Machine

Symbols

50

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

What Can You Protect

Colors

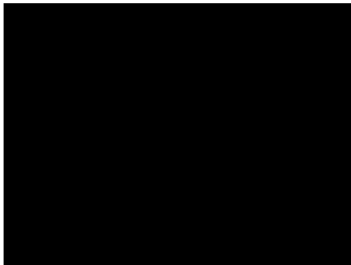
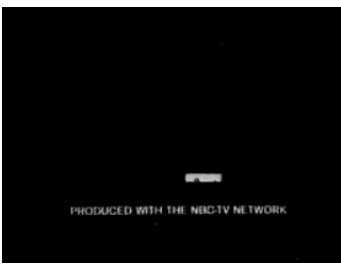
51

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

What Can You Protect

Sounds

MGM Lion 	NBC Chimes 
--	---

52

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

What Can You Protect

Other Nontraditional

Fragrance **Touch**




53

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM







What Can You Protect

Shapes



54

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

     #ACCAM12  AM.ACC.COM

ACC Association of Corporate Counsel

If The Trade Dress Fits . . .

- Trade dress “involves the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques.”

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

     #ACCAM12  AM.ACC.COM

ACC Association of Corporate Counsel

What Can You Protect

Registered for “restaurant services”



56

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

What Can You Protect



57

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

How to Build and Protect Marks

- Use
 - Necessary in the U.S.
 - Marketing to educate public
 - Connect the brand to the company – use House brand

58

ACC ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

How to Build and Protect Marks

- Registration
 - Necessary everywhere but U.S.
 - Where: All countries of manufacture, major markets, key expansion markets
 - Consider also domains, social media platforms

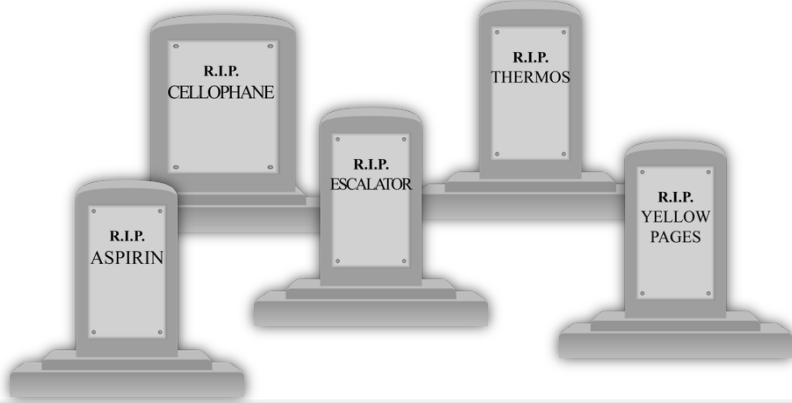
59

ACC ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

Correct Use of Marks

- Adjective, not a noun
- Prevent genericide







60

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

Correct Use of Marks

- In contrast: Correct Usage
 - BAND-AID 
 - JELL-O 
 - Q-TIPS 
 - KLEENEX 

61

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

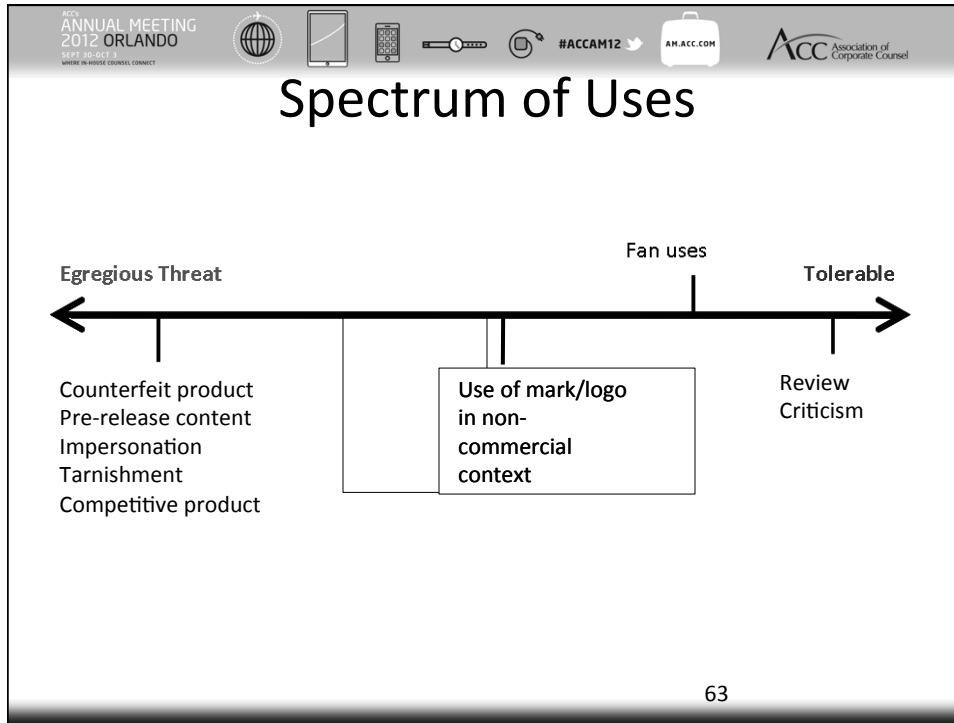
AMACC.COM

Prioritizing What/When/Where To Protect

- Skip registration of short life cycle items
- Pick your battles for enforcement
- Investigate, investigate, investigate

“Thank you for your September 5 letter. We agree that your company’s mark is likely to be confused with our company’s mark. However, we have used our mark continuously since June, 2007, and as your letter states, your company started its use and filed its application in August, 2007. Therefore, we request that you immediately cease....”

62



-
- The slide, titled "Factors to Consider", lists five key questions for evaluating the use of a mark:
- Who is using the mark?
 - What result are you seeking and why?
 - Is the use damaging to your business/IP?
 - Is the use a violation of the law?
 - Is the use a violation of TOS of a site?
- The slide includes a header with the ACC logo and text: "ACC'S ANNUAL MEETING 2012 ORLANDO SEPT 30-OCT 3 WHERE IN-HOUSE COUNSEL CONNECT". It also contains social media icons for a globe, smartphone, tablet, key, and Twitter, along with the hashtag #ACCAM12 and the website URL AM.ACC.COM. The number 64 is located at the bottom right of the slide.

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Protecting Your Company Against Trademark Claims

- Adoption of new mark procedure
- Use of competitors' marks – parody is not as broad as marketing thinks it is
- Terms of service on websites to protect against secondary liability

65

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

YouTube Terms of Service

“...without prior notice and at its sole discretion.”

7. Account Termination Policy

A. YouTube will terminate a User's access to its Website if, under appropriate circumstances, they are a repeat infringer.

B. YouTube reserves the right to decide whether Content or a User Submission is appropriate and complies with these Terms of Service for violations other than copyright infringement, such as, but not limited to, pornography, obscene or defamatory material, or excessive length. YouTube may remove such User Submissions and/or terminate a User's access for uploading such material in violation of these Terms of Service at any time, without prior notice and at its sole discretion.

8. Digital Millennium Copyright Act

A. If you are a copyright owner or an agent thereof and believe that any User Submission or other content infringes upon your copyrights, you may submit a notification pursuant to the Digital Millennium Copyright Act ("DMCA") by providing our Copyright Agent with the following information in writing (see 17 U.S.C 512(c)(3) for further detail):

- A physical or electronic signature of a person authorized to act on behalf of the owner of an exclusive right that is allegedly infringed;
- Identification of the copyrighted work claimed to have been infringed, or, if multiple copyrighted works at a single online site are covered by a single notification, a representative list of such works at that site;
- Identification of the material that is claimed to be infringing or to be the subject of infringing activity and that is to be removed or access to which is to be disabled and information reasonably sufficient to permit the service provider to locate the material;
- Information reasonably sufficient to permit the service provider to contact you, such as an address, telephone number, and, if available, an electronic mail;
- A statement that you have a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law; and
- A statement that the information in the notification is accurate, and under penalty of perjury, that you are authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.

YouTube's designated Copyright Agent to receive notifications of claimed infringement is: Heather Gillette, 1000 Cherry Ave., Second Floor, San Bruno, CA 94066, email: copyright@youtube.com, fax: 650-872-9513. For clarity, only DMCA notices should go to the Copyright Agent; any other feedback, comments, requests for technical support, and other communications should be directed to YouTube customer service through <http://www.google.com/support/youtube>. You

66

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

Facebook Terms of Service

5. Protecting Other People's Rights

We respect other people's rights, and expect you to do the same.

1. You will not post content or take any action on Facebook that infringes or violates someone else's rights or otherwise violates the law.
2. We can remove any content or information you post on Facebook if we believe that it violates this Statement.
3. We will provide you with tools to help you protect your intellectual property rights. To learn more, visit our How to Report Claims of Intellectual Property Infringement page.
4. If we remove your content for infringing someone else's copyright, and you believe we removed it by mistake, we will provide you with an opportunity to appeal.
5. If you repeatedly infringe other people's intellectual property rights, we will disable your account when appropriate.
6. You will not use our copyrights or trademarks (including Facebook, the Facebook and F Logos, FB, Poke, Wall and 32665), or any confusingly similar marks, without our written permission.
7. If you collect information from users, you will: obtain their consent, make it clear you (and not Facebook) are the one collecting their information, and post a privacy policy explaining what information you collect and how you will use it.
8. You will not post anyone's identification documents or sensitive financial information on Facebook.

"... You will not post content or take any action on Facebook that infringes or violates someone else's rights or otherwise violates the law."

"... We can remove any content or information you post on Facebook if we believe that it violates this Statement."

67

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

Twitter Terms of Service

The Twitter Rules

Our goal is to provide a service that allows you to discover and receive content from sources that interest you as well as to share your content with others. We respect the ownership of the content that users share and each user is responsible for the content he or she provides. Because of these principles, we do not actively monitor user's content and will not censor user content, except in limited circumstances described below.

Content Boundaries and Use of Twitter


In order to provide the Twitter service and the ability to communicate and stay connected with others, there are some limitations on the type of content that can be published with Twitter. These limitations comply with legal requirements and make Twitter a better experience for all. We may need to change these rules from time to time and reserve the right to do so. Please check back here to see the latest.

- ***Impersonation:** You may not impersonate others through the Twitter service in a manner that does or is intended to mislead, confuse, or deceive others
- ***Trademark:** We reserve the right to reclaim user names on behalf of businesses or individuals that hold legal claim or trademark on those user names. Accounts using business names and/or logos to mislead others will be permanently suspended.
- ***Privacy:** You may not publish or post other people's private and confidential information, such as credit card numbers, Social Security/National Identity numbers, without their express authorization and permission.
- ***Violence and Threats:** You may not publish or post direct, specific threats of violence against others.
- ***Copyright:** We will respond to clear and complete notices of alleged copyright infringement. Our copyright procedure is available at [http://www.twitter.com/copyright](#).
- ***Unlawful Use:** You may not use our service for any unlawful purposes or for promotion of illegal activities. International users agree to comply with all local laws regarding online conduct and acceptable content.
- ***Verified accounts:** You may not use the Verified Account badge unless it is provided by Twitter. Accounts using the badge as part of profile pictures, background images, or in any way implying false verification will be permanently suspended.

"... You may not use our service for any unlawful purposes..."

68

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT




Hot Issues

- Online/Mobile Apps
 - Counterfeits
 - Keywords
 - Social Media

69

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



Enforcement

- The “whack-a-mole” effect – consider creative litigation
- *Chanel v. Does 1-1000*, 2:11-cv-01508-KJD (D. Nov. 2011)
 - Tests potential relief against websites selling counterfeit goods, and the social media gateways to those sites.
 - TRO and Preliminary Injunction relief include an order requiring Google, Facebook, Twitter, etc. to "de-index and/or remove [the domain names] from any search results pages."

70

ACC ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM


Hot Issues and Trends

Expanded Nominative Fair Use

***Toyota Motor Sales USA, Inc. v. Farzad Tabari*, 610 F.3d 1171 (9th Cir. July 8, 2010)**

Defendants allowed to use:

- buy-a-lexus.com
- buyorleaselexus.com



71

ACC ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM


Hot Issues and Trends

Third Party Fair Uses

- Licensees
- Unauthorized distributors
- Resellers
- Critics
- Fans
- Parodists
- Competitors

72

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT




ACC Association of Corporate Counsel

First Amendment


Different standards for commercial vs non-commercial use

73


ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT



ACC Association of Corporate Counsel



Questions?



ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM #ACCAM12

IP NUTS & BOLTS: PATENTS – THE BASICS

James Derry, CIPP/US, CIPP/IT, CIPP/E
Associate General Counsel & Chief Intellectual Property Officer
Arbitron Inc.
9705 Patuxent Woods Drive
Columbia, Maryland 21046-1572

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM #ACCAM12

What is a Patent?

- ❑ Government grant of monopoly
 - ❑ 20 years from the date of filing
- ❑ Right to exclude
 - ❑ the right to exclude others from making, using, selling, offering for sale, or importing the patented invention for the term of the patent, subject to payment of the required maintenance fees
- ❑ Property for which others must pay for use
 - ❑ Fixed Fee, Reasonable Royalty, Cross-licensing
- ❑ Assignable, transferable & licensable
 - ❑ Exclusive v. non-exclusive, Field of Use limit

The United States Of America

The Director of the United States Patent and Trademark Office

Has received an application for a patent for a new and useful invention. The title and description of the invention are enclosed. The propriety of law have been complied with, and it has been determined that a patent on the invention shall be granted under the law.

United States Patent

Grants to the person(s) bearing this to the patent the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States of America or importing the invention into the United States of America for the term set forth below, subject to the payment of maintenance fees as provided by law.

If this application was filed prior to June 8, 1995, the term of this patent is the longer of seventeen years from the date of grant of this patent or twenty years from the earliest effective U.S. filing date of the application, subject to any statutory extensions.

If this application was filed on or after June 8, 1995, the term of this patent is twenty years from the U.S. filing date, subject to any statutory extensions, if the application contains a specific reference to an earlier filed application, or application under 35 U.S.C. 110, (a) or (b)(1); the term of the patent is twenty years from the date on which the earliest application was filed, subject to any statutory extensions.

J. W. Derry

Director of the United States Patent and Trademark Office

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

ACC Association of Corporate Counsel

Exclusive vs. Non-Exclusive

- ❑ A patent grants its owner the right to exclude others from practicing the patented invention, and it does not give the patent owner the right to practice the patented invention. Licenses should be understood in this context.
- ❑ **Exclusive License:** Under an exclusive license, a patent owner transfers all indicia of ownership to the licensee only retaining the title to the patent. From the point of view of the patent owner, he surrenders all rights under the patent (including the right to sue for infringement and the right to license) to the licensee. In essence, the licensee steps into the shoes of the patent owner and acquires the right to sub-license the patent and sue for patent infringement. However, the exclusivity can be limited by a field of use. That means that the licensee gets a promise from the patent owner that the patent will not be licensed to anyone else in a stipulated field of use.
- ❑ **Non-exclusive license:** By granting a non-exclusive license, the patent owner essentially promises not to sue the licensee for patent infringement. Some people think that by acquiring a non-exclusive license the licensee acquires the freedom to operate in the space protected by the licensed patent, but this may or may not be the case. It depends on whether or not the licensee's products infringe other patents.


ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

ACC Association of Corporate Counsel

What is a Patent NOT?

- ❑ Guaranteed money
 - ❑ to produce revenue
- ❑ Guaranteed to issue
- ❑ Self-enforcing
 - ❑
- ❑ Free
 -

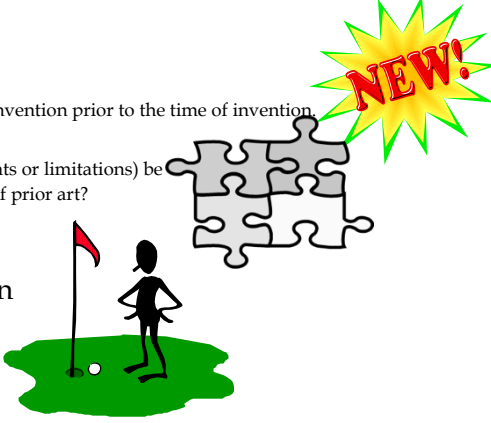


ACC ANNUAL MEETING 2012 ORLANDO
 SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM #ACCAM12

Requirements for a Patent

- One Invention
- New
 - No other publication of the invention prior to the time of invention
- Non-Obvious
 - Can all of the teachings (elements or limitations) be found in a piece or few pieces of prior art?
- Useful
- Fully Disclosed
 - Written description
 - Enablement
 - Best mode
 - Definiteness
- Not Barred
- Subject Matter




ACC ANNUAL MEETING 2012 ORLANDO
 SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM #ACCAM12

Patents - General

- One invention per patent
 - Improper: electronic device and its apps
 - Once issued, patents cannot be held invalid for claiming more than one invention
- Restriction
 - If multiple inventions in the claims, the PTO will "restrict" to one - forcing you to choose
 -
 -
 - File a Divisional Application to pursue the rest



ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

ACC Association of Corporate Counsel

Continuation Applications

- Continuation Applications
 - Special type of patent application
 - Gets the priority date of the original application
 - Allows an applicant to keep fighting for an invention
 - If the original is still pending, you can file another patent to get additional claims for the same invention
- Continuation-in-Part Applications
 - Add new subject matter

Let's say you file a patent application on a novelty makeup carrier. The examiner allows claims 1-4, but rejects the rest for being too broad. You want the claims to issue, but you don't want to give up on the others, so you file a continuation application on those claims, modify them if you like, and keep fighting with the USPTO.

Another instance in which these are handy is where you want to expand your claims. In the application, you disclose that it can be situated in any orientation around the knuckles. But, you only claim it being on the top. Now, you want to go back and claim it being on the palm side of the hand. Provided you described such an embodiment in the original application, and that application has not been rejected or allowed, you can go back and argue for more claims.

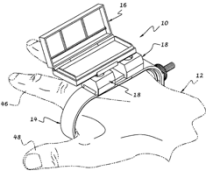


FIG. 1

Continuations in part occur when you have an improvement or modification. If it was not supported in the original application, you file a CIP. Unlike the Continuation, the CIP does not automatically get the benefit of the first application's filing date. As such, it is not preferred in most instances.


ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM


ACC Association of Corporate Counsel


Design Patents

- Design patents
 - For aesthetic things
 - Limited to designs
 - Need not be functional at all
 - Term – 14 years from issuance date
- Cost less than utility patents
 - \$1320/\$660 fees through issuance
 - No maintenance fees
- Who uses design patents?
 - Not preferred by fashion industry




ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN HOUSE COUNSEL CONNECT






Design Patent Example





US000497618S1

<p>(32) United States Design Patent Andre et al.</p> <p>(54) MEDIA DEVICE</p> <p>(75) Inventors: Bartley K. Andre, Menlo Park, CA (US); Daniel E. Conter, San Francisco, CA (US); Danielle De Felice, San Francisco, CA (US); Richard K. Hamilton, San Francisco, CA (US); Jonathan P. Iyer, San Francisco, CA (US); Francis Robert Kery, San Francisco, CA (US); Matthew Dean Ruberbach, San Francisco, CA (US); Douglas B. Sotager, San Carlos, CA (US); Carla Q. Sord, Palo Alto, CA (US); K. Brantlinger J. Sullinger, Redwood City, CA (US); Engene Anthony Whang, San Francisco, CA (US)</p> <p>(73) Assignee: Apple Computer, Inc., Cupertino, CA (US)</p> <p>(*) Term: 14 Years</p> <p>(21) Appl. No.: 29/180,558</p> <p>(22) Filed: Apr. 25, 2003</p> <p>(51) IPC (7) Cl.: D14-0000-001-14-03</p> <p>(52) U.S. Cl.: D14-496</p> <p>(56) Field of Search: D14-435, 474, 486, 483, 217, D21-332, 333, 273, 138, B1, 453, 43, 47, 200, 208, 1, 308, 3, 307, 369, 2, 24, 25, 370, 342, 343, 344</p> <p>(50) References Cited U.S. PATENT DOCUMENTS E2004,009 B 6/1082 McCoutry</p>	<p>(10) Patent No.: US D497,618 S</p> <p>(45) Date of Patent: Oct. 26, 2004</p> <table border="0" style="width: 100%; font-size: 8px;"> <tr> <td>4,976,435 A</td> <td>12/1990</td> <td>Shaford et al.</td> </tr> <tr> <td>5,102,082 A</td> <td>8/1993</td> <td>Isaac et al.</td> </tr> <tr> <td>5,691,832 A</td> <td>8/1997</td> <td>Ragunar</td> </tr> <tr> <td>5,812,646 A</td> <td>8/1999</td> <td>Rain et al.</td> </tr> <tr> <td>6,266,681</td> <td>10/1999</td> <td>Dodge</td> </tr> <tr> <td>6,365,669 B</td> <td>2/2000</td> <td>Schloss</td> </tr> <tr> <td>6,497,269 B</td> <td>2/2001</td> <td>Soroki et al.</td> </tr> <tr> <td>6,234,477 B1</td> <td>7/2001</td> <td>Sasaki et al.</td> </tr> <tr> <td>6,448,810 B</td> <td>11/2001</td> <td>Yama</td> </tr> <tr> <td>6,882,115</td> <td>11/2001</td> <td>Sakamoto et al.</td> </tr> <tr> <td>6,482,250 B</td> <td>12/2003</td> <td>Chang et al.</td> </tr> <tr> <td>6,872,245 B</td> <td>5/2004</td> <td>Andre et al.</td> </tr> <tr> <td>6,865,269 B</td> <td>12/2003</td> <td>Lam</td> </tr> </table> <p>* cited by examiner</p> <p><i>Primary Examiner</i>—Purbhakar Dushmukh <i>Attorney, Agent, or Firm</i>—Royer Weaver & Thomas, LLP</p> <p style="text-align: center;">CLAIM</p> <p>(57) We claim the ornamental design for a media device, substantially as shown and described.</p> <p style="text-align: center;">DESCRIPTION</p> <p>FIG. 1 is a perspective view of a media device in accordance with the present design. FIG. 2 is a front view for the media device. FIG. 3 is a rear view for the media device. FIG. 4 is a top view for the media device. FIG. 5 is a bottom view for the media device. FIG. 6 is a right side view for the media device; and FIG. 7 is a left side view for the media device.</p> <p style="text-align: right;">1 Claim, 3 Drawing Sheets</p>	4,976,435 A	12/1990	Shaford et al.	5,102,082 A	8/1993	Isaac et al.	5,691,832 A	8/1997	Ragunar	5,812,646 A	8/1999	Rain et al.	6,266,681	10/1999	Dodge	6,365,669 B	2/2000	Schloss	6,497,269 B	2/2001	Soroki et al.	6,234,477 B1	7/2001	Sasaki et al.	6,448,810 B	11/2001	Yama	6,882,115	11/2001	Sakamoto et al.	6,482,250 B	12/2003	Chang et al.	6,872,245 B	5/2004	Andre et al.	6,865,269 B	12/2003	Lam
4,976,435 A	12/1990	Shaford et al.																																						
5,102,082 A	8/1993	Isaac et al.																																						
5,691,832 A	8/1997	Ragunar																																						
5,812,646 A	8/1999	Rain et al.																																						
6,266,681	10/1999	Dodge																																						
6,365,669 B	2/2000	Schloss																																						
6,497,269 B	2/2001	Soroki et al.																																						
6,234,477 B1	7/2001	Sasaki et al.																																						
6,448,810 B	11/2001	Yama																																						
6,882,115	11/2001	Sakamoto et al.																																						
6,482,250 B	12/2003	Chang et al.																																						
6,872,245 B	5/2004	Andre et al.																																						
6,865,269 B	12/2003	Lam																																						



ACC'S ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN HOUSE COUNSEL CONNECT





America Invents Act

- ❑ The AIA's "first-inventor-to-file" provisions (i.e., new Sections 102 and 103) go into effect on March 16, 2013, and apply to "any application for patent, and to any patent issuing thereon, that contains or contained at any time" either:
 - ❑ A claim with an effective filing date on or after March 16, 2013, or
 - ❑ A priority claim to any patent or application that contains or contained at any time a claim with an effective filing date on or after March 16, 2013. (AIA § 3(n)(1))
- ❑ USPTO Rules will likely require applicant to file a statement regarding which regime applies ("first-to-invent" v. "first-inventor-to-file") for any patent application filed on or after March 16, 2013, but claiming priority to a patent application filed prior to March 16, 2013.
- ❑ Under the first-to-file system, the PTO and courts will NOT look into the inventors' inventive activities
- ❑ Applicant entitled to a patent unless:
 - ❑ Claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.
 - ❑ Prior Art has been expanded temporally, geographically, and substantively! 35 U.S.C. §102(a)(1).
 - ❑ Cannot swear behind references – anything UP to date of filing IS prior art!
 - ❑ This means international affiliates need to be careful in what they do – can bar you!
- ❑ (Proposed Rules Issued July 26, 2012; Final Rules Expected February 2013)

ACC ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

Safe Harbor of AIA

- ❑ Safe Harbor
 - ❑ AIA removes as prior art a 'disclosure'
 - ❑
 - ❑
- ❑ People that can make disclosures include more than just named inventor(s)
 - ❑ Likely protects corporate disclosures and publications by scientific teams
- ❑ Once inventor makes a qualifying disclosure, AIA removes as prior art any published disclosures of the invention (regardless of who made the later disclosure)
- ❑ Applicant can make a defensive publication and bar others from obtaining patent rights

ACC ANNUAL MEETING
2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

AMACC.COM

Safe Harbor AIA - Application

- ❑ Facts
 - ❑ Filer #2 publishes the invention Jan. 15, 2014
 - ❑ Filer #1 files non-provisional patent Feb. 1, 2014
 - ❑ Filer #2 files non-provisional patent Feb. 5, 2014
- ❑ Result
 - ❑ Filer #1 cannot get patent because it is anticipated by the Jan. 15 disclosure
 - ❑ Under a PURE first-to-file, Filer #2 would not get a patent
 - ❑ However, under AIA - second-filer gets the patent

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 ANACC.COM

AIA - More Information

- ▣ **For More Information:**
 - http://www.uspto.gov/aia_implementation/index.jsp







ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT


#ACCAM12 ANACC.COM

USPTO Patent Fee Proposal - AIA

Description	Current Large Entity Fee (Alternative)	Proposed Large Entity Fee	Dollar Change	Percent Change	Rationale
Utility-Basic Filing, Search, and Exam (total)	\$1,250	\$1,840	\$590	47%	More closely aligns fee revenue with cost of service.
Request for Prioritized Exam (Track 1)	\$4,800	\$4,000	(\$800)	-17%	Encourages greater program participation and aligns the large entity fee with cost of service.
Excess Claims (Independent in Excess of 3)	\$250	\$460	\$210	84%	Encourages applicants to file compact and carefully devised applications.
Excess Claims (Total in Excess of 20)	\$60	\$100	\$40	67%	
Application Size	\$310	\$400	\$90	29%	Encourages efficient prosecution and assists in reducing patent pendency.
Extensions for Response within 1st Month	\$150	\$200	\$50	33%	
Extensions for Response within 2nd Month	\$560	\$600	\$40	7%	
Extensions for Response within 3rd Month	\$1,270	\$1,400	\$130	10%	
Extensions for Response within 4th Month	\$1,980	\$2,200	\$220	11%	
Extensions for Response within 5th Month	\$2,690	\$3,000	\$310	12%	
Request for Continued Examination (RCE)	\$930	\$1,700	\$770	83%	Achieves cost recovery and continues to offer applicants a viable option to dispute a final rejection when the applicant believes the examiner has erred.
Notice of Appeal *	\$620	\$1,500	\$880	142%	Better aligns services with costs and reduces fee burdens associated with examiner withdrawal of final rejections.
Filing a Brief in Support of an Appeal	\$620	\$0	(\$620)	-100%	
Filing an Appeal	\$0	\$2,500	\$2,500	102%	Encourages applicants to submit complete applications with all relevant information during prosecution.
Supplemental Examination	\$5,180/\$16,120	\$7,000/\$20,000	\$5,700	27%	
Combined Pre-grant Publication and Issue	\$2,040	\$960	(\$1,080)	-53%	Combined to streamline the fee structure; reduced to promote public information to encourage follow-on innovation and reduce initial costs to patent owners who may not know the value of their invention immediately.
Maintenance - 1st Stage	\$1,130	\$1,600	\$470	42%	Increased to achieve goals and better align front-end and back-end fees; early stage fees are lower in recognition of the uncertainty of patent value; as time goes on, an inventor can better measure the value of an invention and determine whether maintenance is truly worthwhile.
Maintenance - 2nd Stage	\$2,850	\$3,600	\$750	26%	
Maintenance - 3rd Stage	\$4,730	\$7,600	\$2,870	61%	

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT







     #ACCAM12  ANACC.COM




Practical Tips

- ❑ Create written documentation indicating that 'you' created the invention (lab notebooks, meeting minutes, technical reports, etc.).
 - ❑ Write only the facts, what you did, when you did it, how you did it, and reason for any gaps
 - ❑ AVOID - comparison to prior art and/or self-praise
- ❑ Keep patent applications to 20 pages or less, 3 independent claims or less, and 20 claims or less to reduce fees and translation costs.
- ❑ Make sure to understand the AIA and first-to-file strategies including the 'Safe Harbor' - every day you delay - something else may serve as prior art against you.
- ❑ Monitor key competitors' patent filings, SEC filings, press releases, etc. All of this can allow you to see 'trends' on areas they are moving into in the near future.
- ❑ Set up a system to monitor patents that 'issue' that may be related to your company's products and/or services.
 - ❑ Initiate post-grant proceedings if necessary
- ❑ If filing internationally, send the draft to foreign counsel to review and make suggestions PRIOR to it being filed (can save a lot of headache and money down the road).

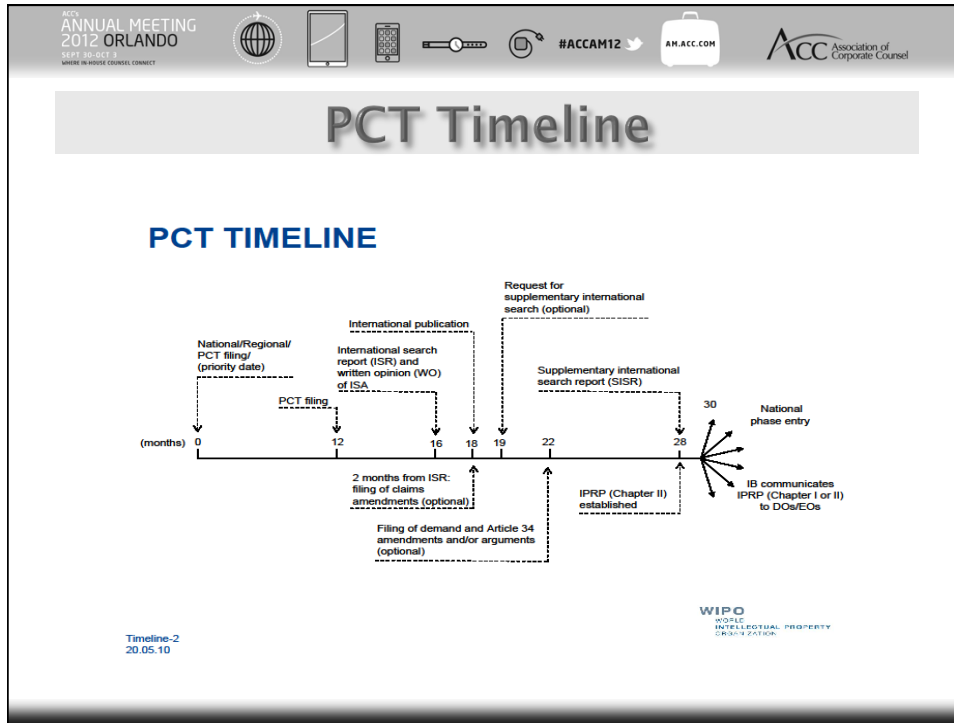
ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

     #ACCAM12  ANACC.COM



Patent Cooperation Treat - 1970

- ❑ What it does
 - ❑ Creates a centralized patent review process
 - ❑ Not binding, but highly persuasive
 - ❑ Standardized application
 - ❑ Gives inventor a way to maintain priority for international applications, so long as inventor files PCT:
 - ❑ First, or
 - ❑ Within 12 months after filing national application
 - ❑ File with local Receiving Office (RO) - USPTO, EPO, JPO
 - ❑ RO performs search & gives patentability opinion w/in 16 months of first filing
 - ❑ Application published 18 months after first filing
 - ❑ Applicants can ask for a supplemental search
 - ❑ Allows inventor to delay costs of filing patents in multiple nations
 - ❑ Up to 30 months - must enter national phase



ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 ANACC.COM

What is a Patent Troll?

- ❑ Does not practice or commercialize patented inventions
- ❑ Acquires and holds patents solely for litigation and licensing
- ❑ "nonpracticing entity" (NPE)
- ❑ "patent holding company"
- ❑ NPE patent enforcement used to be an issue that really only affected companies in the classic high technology sector – hardware, software, semiconductors, communications, and consumer electronics. That is no longer the case, as NPEs are increasingly bringing patent enforcement actions against the users and sellers of technology, as well the producers

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 ANACC.COM

Patent Troll Statistics

13%	30%	40%
Hardware*	Software*	Finance*

- ❑ Since 1985 – 325 Trolls, 3,100 lawsuits, 4,500 defendants**
- ❑ 36% of all patent lawsuits are from trolls*
- ❑ However, trend lately is that no industry is safe

*Colleen V. Chien, *Davids, Goliaths, and Kings: Narratives and Evidence in the Litigation of High-Tech Patents*, N.C. L. Rev. (2009)

**Patent Freedom Research (2010), available at <https://www.patentfreedom.com/research.html>

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

Top 10 Most Active Trolls

Entity	US Patent Publications	Patent Families
Intellectual Ventures	10-15k (Est)	-
Round Rock Research LLC	3652	1300
Rockstar Consortium LLC	3428	2867
Interdigital	2955	1463
Wisconsin Alumni Research Foundation (WARF)	2556	1896
Mosaid Technologies Inc	2011	1219
Rambus	1696	727
Tessera Technologies Inc	1375	683
Acacia Technologies	1316	575
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	1160	935
IPG Healthcare 501 Limited	1141	1074

*Patent Freedom Research (July 13, 2012) - <https://www.patentfreedom.com/about-npes/holdings/>

ACC'S ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

NPE - Litigation

Year	Number of Litigations
2001	578
2002	593
2003	584
2004	611
2005	1079
2006	1014
2007	2089
2008	2074
2009	2371
2010	3921
2011	5031
2012 (Est)	3538

*Patent Freedom Research (<https://www.patentfreedom.com/npes/holdings/>)
*Patent Freedom Research (July 13, 2012) - <https://www.patentfreedom.com/about-npes/litigations/>

In 2011, another record setting year, there were more than 5,000 occasions when a company found itself in litigation with an NPE, a number that has increased by an average of over 35% per year since 2004.

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

NPE Exposure by Industry

Industry	Operating Companies in NPE Patent Litigations	Unique Operating Companies in NPE Patent Litigations	NPEs in Patent Litigations	NPE Patent Litigations	NPE-Litigated Patents
Electronics	2824	566	324	1472	1416
Retail	2754	954	284	1125	896
Media/Telecom	2329	711	272	1222	972
Computer Software/Services	2296	961	314	1286	1240
Computer Hardware	2017	338	321	1141	1348
Financial Services	1569	601	168	644	407
Automotive & Transport	1512	530	144	609	489
Consumer Products	812	528	175	486	406
Semiconductor	705	145	132	420	516
Industrial Manufacturing	527	415	187	421	541
Healthcare & Pharma	401	403	81	264	206
Energy/Utilities	452	294	136	335	342
Other (Hotels, Services, Agriculture etc.)	1321	845	265	873	755

*Patent Freedom Research (July 13, 2012) - <https://www.patentfreedom.com/about-npes/industry/>

- ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN-HOUSE COUNSEL CONNECT
- #ACCAM12 AMACC.COM
- ### NPE - Facts
- ▣ Even bad patents are very expensive to defend against
 - ▣ 80% of defendants will settle
 - ▣ Litigation Costs
 - Through summary judgment - \$2.5MM
 - Summary judgment through appeal - \$2.5MM
 - ▣ Risk of Losing
 - Median damage judgment - \$12MM
 - Probability defendant will lose - 29%
 - Discounted Cost - \$3.5MM
 - ▣ Total Expected cost - \$8.5MM

ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

NPE - Analysis

- Plaintiffs – avg. median cost \$5MM
 - Expected gain - \$12MM
 - Probability of plaintiff winning - 29%
 - Discounted gain - \$3.5MM
- Total Expected Loss - \$1.5MM (-30% ROI)
- Both Lose – Defendant loses more
 - \$8.5MM – D; \$1.5MM – P
- E.D. of Texas – 52% success rate; \$20MM median damage award*
- District of Connecticut – 10.5% success rate; \$530K median damage award*
- (1) In an adjudicated U.S. lawsuit, a plaintiff has to win at 3 stages to obtain a final victory.
 - A) on summary judgment
 - B) at trial
 - C) on appeal
 - **OVERALL ODDS – 24.1% (Likelihood of ultimately prevailing)**


ACC ANNUAL MEETING 2012 ORLANDO
SEPT 30-OCT 3
WHERE IN HOUSE COUNSEL CONNECT

#ACCAM12 AMACC.COM

NPE – Analysis (Continued)


- Bargaining range for settlement of a cases with \$25MM exposure b/w \$500K and \$11MM.
 - More defendant can reduce cost of litigation in ways plaintiff cannot match, bargaining range narrows as the top end drops dollar for dollar
 - If defendant can inflict fee risk on the plaintiff, both ends of the settlement range drop by the discounted value of the sanctions risk
 - Case Size (from AIPLA's Economy Survey 2009)
 - \$1MM
 - End of discovery - \$500K
 - Trial + Discovery + Experts + Appeal - \$1MM
 - \$1-25MM
 - End of discovery - \$1.8MM
 - Trial + Discovery + Experts + Appeal - \$3.1MM
 - >\$25MM
 - End of discovery - \$3.7MM
 - Trial + Discovery + Experts + Appeal - \$6.3MM

*PWC 2009 Patent Litigation Study



Patent Basics 101

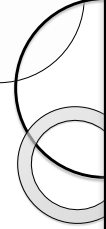
1



Basis for Patent Rights

- United States Constitution Article I, Section 8:
Congress has 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"

2

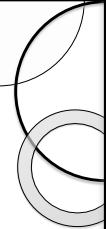


Legal Requirements for a Patent

Must be Statutory Subject Matter

- A Process (method of doing something)
- A Machine (an apparatus used to do something)
- An Article of Manufacture
- A Composition of Matter
- An Improvement on any of the above

3

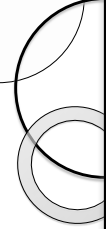


Must be Novel

Invention must be novel (new) over the prior art

- The claimed invention has not been disclosed in the “prior art” (before the filing of the patent application)
- Identity between the claimed invention and the subject matter in the prior art is required
- Prior Art
 - Publicly accessible information captured in a form that can be found by others in the field
 - Information must be publicly accessible and the date of its disclosure must be able to be proven

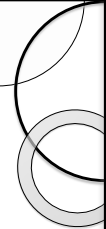
4



Must be Non-Obvious

- The invention must non-obvious/ involve an inventive step
 - Obviousness measures the difference between what is in the prior art and what is claimed as the invention
 - The prior art must not suggest what is claimed as the invention
 - Critical inquiry is the claimed invention relative to the prior art

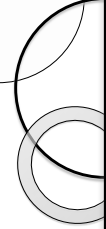
5



Must be Useful

- The invention must have a “practical utility” (real world use) or application in any field of industry
- Abstract ideas, laws of nature and unapplied concepts are not patentable

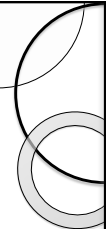
6



Novelty Requirements

- In the United States, a patent is awarded to the first person to invent
- An inventor cannot obtain a patent if the invention:
 - Was known or used by others in the US; or
 - Was patented or described in a printed publication in the US or a foreign country before the invention by the applicant

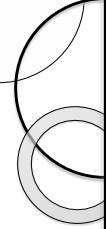
7



Novelty Requirements (Cont.)

- There is an absolute bar to obtaining a patent if the invention:
 - Was patented or described in a printed publication in the US or a foreign country; or
 - Was in public use or on sale in the US more than one year before the filing of a patent application
- The other requirements of novelty and non-obviousness also apply.

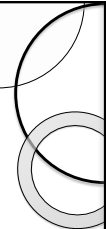
8



Disclosure Requirements for a Patent

- The “quid pro quo” of the patent system is the early disclosure of technical information in return for exclusive rights for a limited time
- The purpose of the disclosure requirements is to put the public in possession of the invention once the patent expires

9



Disclosure Requirements for a Patent (Cont.)

- Enablement-requires that the disclosure enable a person of ordinary skill in the art to reproduce and make the invention
- Written Description-the patent application is viewed as evidence of what the inventor “invented” as of the filing date
- Best mode-what did the inventor believe to be the best mode of practicing the invention-if any-at the time the application was filed
- Subjective best mode-best mode is not objective, but is subjective-what the inventor actually believed at the time the application was filed

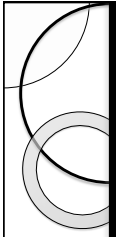
10



Disclosure Requirements for a Patent – Written Description

- The specification of the patent application must contain a written description of the invention and of the manner and process of making and using it in full, clear, concise and exact terms so that any person skilled in the art to which the invention pertains or is most nearly connected is able to make and use the invention
- The claims as-filed are considered part of the specification

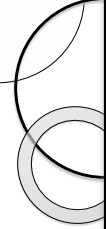
11



Disclosure Requirements for a Patent – Enablement

- The patent specification must enable one of ordinary skill in the art to practice the patented invention

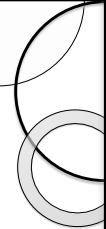
12



Patent Rights

- Inventorship
- Ownership

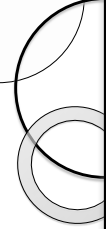
13



Determining Inventorship

- An inventor is someone who contributes intellectually to the claimed invention
 - To determine inventorship, you must first determine what the invention is and then determine who contributed to making it
 - Often, inventorship is defined by negatives: An inventor is not someone who merely contributed non-inventive information. An inventor is also not someone who simply ran routine tests.

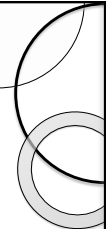
14



Record the Invention

- Keep contemporaneous notes of meetings, telephone calls, lab work and other writings in a bound notebook
- Have the pages of the lab notebook signed and dated by someone who understands the invention but is not a co-inventor
- Maintain records of slides and or disclosures made in presentations and copies of reports

15



Patent Rights Conferred

- An issued patent grants the right to its owner to prevent others from making, using, selling, offering for sale or importing the patented invention in the United States without authorization for a period of 20 years from the date of filing
- An issued patent does not guarantee the right to practice the patented invention (can still be sued by other patent holders for violating their patents)

16



Loss of Patent Rights

- Public Disclosure
- Written (Scientific Journal Articles, Abstracts, Posters, Web sites (even if material is later removed), Published or issued patents, Sales Literature, etc.
 - Your own publication
 - Publications of others (file early)
- Oral (Any oral disclosure not made under an NDA)
- To affect patentability, the disclosure must be enabling (teach how to make and use the invention) to the extent that it at least makes the invention obvious

17



Loss of Patent Rights (Cont.)

- Public Use
 - In the United States
 - In Foreign Countries
- Offer for Sale/Sale
- Lack of Evidence of Invention

18



Loss of Patent Rights (Cont.)

- Grace Periods
 - One year grace period in US for:
 - Own publication
 - Offer for sale
 - Public use
 - No grace period in foreign countries-absolute novelty is required

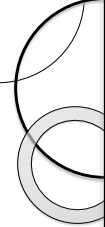
19



Types of Patents

- Three basic types of patents:
 - Utility: a new and useful invention, process, design, or substance
 - Design: a new and original ornamental design for an article of manufacture
 - Plant: A new and unique variety of plant

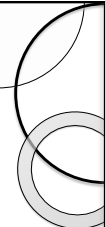
20



Types of US Patent Applications

- Provisional
- Regular Utility
 - Continuation
 - Divisional
 - Continuation-in-part

21



Foreign Applications (filed through the PCT)

- International Stage
 - International Search Report
 - Written Opinion
- National Stage

22



Timing for Foreign Filing a US Patent Application

- Regular Utility-have one year from US filing date to foreign file
- Provisional-have one year to convert to regular utility application and to foreign file

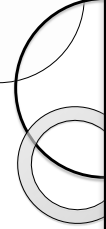
23



Steps in the Patenting Process

- Invention/conception
 - The formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention as it is later to be applied in practice
- Reduction to Practice
 - Actual (make the invention and demonstrate that it works for its intended purpose)
 - Constructive (file patent application directed to the invention)

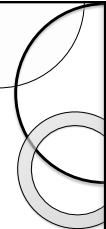
24



Steps in the Patenting Process (Cont.)

- Determine the Scope of the Invention
- Determine Inventorship

25



Steps in the Patenting Process (Cont.)

- File application
- File Information Disclosure Statement
- Publication of Application
- Receive Office Action
- Office Action contains rejections relating to one or more of novelty, obviousness, utility, written description, best mode, et.
- Prepare and file response to office action, either amending claims of application or disputing position of patent examiner
- Notice of Allowance
- Issuance of Patent

26

Patents – Introduction

Broadly defined, inventions are any discovered product, composition, or method, whether or not patentable. When inventions go beyond an abstract idea and meet certain requirements, the invention becomes eligible for protection under the patent law. Under U.S. patent law, a patent gives the holder the right to exclude others from making, using, selling, offering for sale, or importing the invention during the patent term. Then, after the patent expires, the invention may be used freely by anyone. It is important to recognize a patent does not give its owner the right to practice the invention itself. That right depends on the absence of others having an applicable right to exclude (patents). Thus, use of a patentable invention can be blocked by other patents.

There are a number of different types of patents:

- “Utility Patents” are the most common type. They are available for any “new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” When referring simply to “patents,” one is usually referring to utility patents. Utility patents have a term commencing at grant (issuance) and ending 20 years after the application filing date. Under certain circumstances, the expiration can be extended beyond the 20th anniversary.
- “Design Patents” cover the look of the ornamental features of a product. Unlike utility patents, design patents do not protect functional features. For example, a design patent may be used to protect the stylistic shape of a product, such as a stapler, but the stapler’s slot which accepts paper to be stapled is functional and a design patent affords no protection for this feature. “If the patented design is primarily functional rather than ornamental, [a design] patent is invalid”; but the functional feature could be the subject of a utility patent. The term of a design patent is 14 years measured from the date of grant.
- Plants may be protected: (1) by utility patents, (2) by plant patents, and (3) through the Plant Variety Protection Act. “Plant Patents” protect distinct and new varieties of plants.⁶ While originally limited to asexually reproduced plants, today, sexually reproduced plants may also be patented. A plant patent gives its owner the right to exclude others from grant until the 20th anniversary of the application’s filing. The Department of Agriculture issues a Certificate of Plant Variety Protection for original plants reproduced sexually. The Certificate affords the right for 18 years to exclude others from selling, offering for sale, reproducing, importing, or exporting the variety, or using the variety in producing a hybrid or different variety.

There are other names in use for patents that are not technically different types, but are associated with certain attributes:

- “Reexamination” and “reissue” patents are patents that the U.S. Patent and Trademark Office (PTO) has granted already and then reconsidered under certain circumstances, as discussed further below.
- “Process patents” are utility patents in which the claimed invention is a process or method as opposed to an apparatus or product.

- “Business method patents” are utility patents that claim the processes involved in conducting business, that is, methods of conducting commercial activities as distinguished from scientific activities.
- “Paper patents” are patents where the inventions have not yet been put in use and exist only on paper. A patent can be obtained and maintained even if the invention is not actually “reduced to practice,” i.e., actually made.
- “Improvement patents” are patents on modifications or additions to an earlier invention.
- “Pioneer patents” are patents issued on a very significant technological advance.
- “Submarine patents” are patents that issue from applications that have been pending for long periods of time, sometimes twenty years or more, without any public knowledge of their existence. The elimination of submarine patents was one rationale for adopting publication of patent applications and changing the U.S. patent term from “17 years from grant” to “20 years from filing.”

To secure a patent, the inventor submits an application for examination in the PTO. The application must sufficiently describe the invention so that an ordinarily skilled person in the relevant art can make and use it. The scope of the invention for which exclusive rights are sought is defined in one or more numbered paragraphs, called “claims,” at the end of the application text. A PTO examiner will review the application to determine whether the invention as presented is patentable.

To be patentable, the invention must be:

- New; this is also called the novelty requirement. The invention must not be already in the “prior art,” i.e., publicly known or used, before the first filing of an application for the patent. The novelty requirement is strictly construed – there is novelty if any aspect of the claim is new, or even if all of the parts of the invention are old but have not been combined as recited in the patent claim.
- Useful; this requirement generally means that the invention has a practical application.
- Nonobvious; even if the invention is not shown by a single prior art reference and is therefore novel, it is not patentable if, at the time of invention, it would have been obvious to a person with ordinary skill in the relevant art to make the modifications that result in what is being claimed, such as by combining the teachings of two or more prior art references to arrive at the combination of parts of the patent claim.

U.S. patent law requires that the applicant be the original and true inventor. So, it is important to file patent applications in the name of the individual(s). Invention has two parts – a mental act of conception in sufficient detail such that a person having ordinary skill in the art may practice the invention without undue experimentation, and a physical act of actually practicing the invention (“reducing the invention to practice”) or constructively doing so by filing a patent application. Two or more persons may jointly conceive of an invention, in which case all of the inventors must apply for the patent. But the joint inventors do not have to make their respective contribution together, or in the same place, or at the same time. In most instances the inventor(s)

record a document transferring ownership of the invention and the patent application to a company at the same time the application is filed.

The PTO examiner will issue a report (commonly referred to as an “office action”) to the patent applicant, setting forth the results of the examination. Typically, the PTO examiner will find reasons to reject all of the patent claims. This is a notable low point in the application process for the applicant. However, the applicant may respond with arguments refuting the examiner’s findings and changing the scope of the claims if necessary. Ultimately, upon agreement between the PTO and the inventor on the scope of the patentable invention, a patent is granted.

The examination process briefly described above is carried out on “regular” patent applications.

Prior to filing a regular utility application, it may be desirable to file a “provisional” patent application to secure what is an earlier “effective” filing date for the subject matter included in the later regular application. The requirements for a provisional application are less rigorous than those for a regular application. In order to be proper, a provisional patent application requires only a description of the invention sufficient to enable a skilled person to practice it, an identification of at least one of the inventors, and the prescribed fee. The description does not have to include the abstract or claims found in regular applications, but they may be included if desired. The inventor’s oath required by the patent statute is not required. However, provisional patent applications are not examined, automatically expire after one year, and cannot be renewed. So, in order to secure an issued utility patent having the priority (filing date) of the provisional, a regular application must either replace the provisional or request that the provisional application be “converted” to a regular application within that one-year period. Advantageously, the time before replacement or conversion of the provisional application does not count towards the 20-year term of the utility patent.

As mentioned above, once a patent has been granted, the PTO can still consider changes. This is primarily done through Reissue, Reexamination, and Certificates of Correction.

- Certificates of Correction are usually used to fix obvious minor errors. These can be PTO errors in printing the patent, or applicant errors, such as obvious transcription typos. More serious errors can be corrected by reissue.
- Reexamination is a procedure for the PTO to consider substantial new issues of patentability based on printed publications and prior art patents. Any person, including the patent owner, can request reexamination. The existence of an error in the original patent is not required. The procedure makes a record of the PTO’s judgment about the new issues – changes in the patent may or may not be made.
- Reissue is a procedure for correcting an error in the issued patent. For example, the patentee may seek a reissue on the basis that the claims are too broad or too narrow. However, the application for reissue must be filed within two years of the patent grant date in order to obtain broader claims. There is no time limit if narrower claims are sought.

Because the PTO is usually a more favorable and economical forum, patentees will often use reexamination and reissue to have prior art and other issues considered by the PTO prior to asserting the patent against an infringer in court.

Certificates of Correction are not substantive changes in the patent. Thus, they are effective as of the grant date, and are considered part of, the originally issued patent. In contrast, any significant substantive changes in reexamination certificates and reissue patents are effective upon issuance, and may be subject to rights which came into existence after the original patent grant date.

Patents – The Patent Program

A. Introduction

U.S. patents have gained strength and importance in recent years, particularly since the establishment of the Court of Appeals for the Federal Circuit in 1982. Because that court has exclusive jurisdiction over all appeals of patent cases from the U.S. district courts, the law has become more uniform and predictable, and forum shopping less effective. Having more consistent rules permits patent attorneys to draft stronger patents. As a result, courts are upholding more patents. Moreover, damages in some patent infringement cases have reached the hundreds of millions of dollars. Litigation costs, win or lose, are extensive. In view of both the cost of litigation and potential damages, every company should consider taking steps both to strengthen its own patent portfolio and to decrease its risk of infringing another's patent when conducting the company's business. In establishing a new patent program or revising an established one, these steps should include determining what patent rights the company already has or may develop or acquire, reviewing the company's products for infringement of others' patent rights, and establishing policies and procedures focused on an appropriate treatment of inventions and patents for the company's business.

It is important to keep in mind when evaluating any program that a patent gives its owner only a right to exclude. Thus, the patent does not confer upon the owner any right to practice the patented invention, and practicing the invention could infringe another's patent. Rather the patent gives the owner the right to prevent others from practicing the patented invention.

The patent's exclusionary right can enable a company to legally block its competitors from adopting the company's patented innovations. Thus, a strong patent portfolio is essential for a company to maintain its competitive advantage in the marketplace. Moreover, the company can generate revenue by licensing others to practice its patented inventions. Also, a strong patent portfolio may be useful for cross-licensing for settling infringement disputes with its competitors.

B. Policies and Procedures for Protection of Company Patent Rights

In order to implement a patent program effectively, the company should adopt and follow appropriate policies and procedures for managing inventions. Generally, these policies and

procedures will address the handling of inventions and patents from conception of the invention until the patent expiration. This should include establishment of an entity (usually a committee) responsible for overseeing employee invention agreements, handling disclosure of inventions outside the company, documentation of new developments, filing for and maintaining patents, and clearance of new products for patent infringement.

I. Employment Agreements

An important element of any patent program is the use of proper and adequate employment agreements. In the United States, absent an agreement otherwise, the owner of an invention is the inventor himself. Thus, with some important exceptions, a company employee who makes an invention, rather than the company, will own the invention and all of the patent rights associated with it, even if the employee uses company resources or facilities, or makes the invention while on the job. The exceptions include:

- Employed to invent; one exception is an employee who was employed to invent and is therefore obligated to transfer ownership to the company.²² This could include research scientists and engineers whose specific job responsibilities are to develop new product ideas. On the other hand, if the employee is hired in a general technical position, he may retain his inventions.
- Fiduciary duty; another exception is an employee who has a fiduciary duty to the company. This typically includes the officers of the company and may include other employees that are highly important to the company. An employee with a fiduciary duty may be required to transfer ownership of an invention to the company.
- Shop rights; under the “shop rights doctrine,” a company whose employee makes an invention using the company’s time or resources may have a non-exclusive, non-transferable, royalty-free license to use the invention under any patent that issues.²⁴ But the shop right is not an ownership right and does not entitle the company to participate in procurement, enforcement, or licensing of the patent. However, the shop right survives the employee’s termination and may be transferred to a third-party along with the entire business.

The best way for the company to secure rights to the inventions of its employee is to have the employee enter into an agreement to disclose the inventions to the company and to assign the rights in those inventions to the company. Such contracts are governed by state law. Typically, these agreements will obligate the employee to assign to the company all of his rights to any invention made in the course of employment or on his own time but in the company’s area of interest.

In some circumstances, it may be reasonable to extend the agreement to inventions conceived during employment and reduced to practice after employment. It may even be appropriate to require assignment of inventions conceived shortly after termination of

employment, if necessary to protect a legitimate interest of the company. A court is more likely to uphold an employment agreement if it is reasonable.

Reasonableness turns on many factors, including whether trade secrets of the company are involved and whether the agreement is unduly harsh and oppressive to the employee. An invention assignment agreement is a contract and requires consideration. Most often, employment is the consideration and the agreement is signed prior to or upon starting work. If the invention agreement is being obtained later or is being changed for an existing employee, some additional consideration should be given to the employee or else the new agreement may not be enforceable. The consideration may be, for example, a raise, bonus, or promotion. Mere continued employment is not adequate consideration in some states. However, terminating the employee and then conditioning the rehire on signing the invention agreement should be adequate consideration.

As part of the invention agreement process, the employee should be advised of and agree to follow the company's policies and procedures on inventions. Upon termination of the employee, it is advisable to give the employee a copy of the signed invention agreement, remind the employee of his or her duties under it, and obtain a signed acknowledgement that he or she has received a copy.

2. Third-Party Agreements

Another element of the patent program should address the handling of the disclosure and development of inventions in dealings between the company and third parties. The company should review information to be disclosed and inventions developed by the company prior to disclosure to third parties to ensure that disclosure will not adversely impact patent rights. The company's patent policy should specify the involvement of in-house counsel at the onset of these types of dealings to establish an appropriate agreement prior to disclosure of technical or business information or development. An initial non-disclosure agreement may be established for initial dealings. A more extensive agreement, considering the nature of the business relationship, should be finalized prior to further dealings to address, for example, the parties' respective ownership of inventions and subsequent patents; responsibilities for procurement, maintenance, and enforcement of patents; and warranties and indemnification.

a) Disclosures

It is common to need to disclose technical or business information when dealing with vendors, customers, and business partners. Whenever this occurs, the disclosure should be covered by an agreement that adequately protects the company's interest in the information. The agreement can be relatively simple in most situations. Some companies include a confidentiality agreement as part of a visitor sign-in procedure. When disclosing information to another, the agreement should require the recipient to keep the information confidential and to not use it for any unauthorized purpose for a sufficient period of time. Absent a

confidentiality obligation, a disclosure may adversely affect the patentability of the invention. This adverse impact attaches immediately in some foreign countries.

The confidentiality period should preferably extend at least until the invention has been published by the company through a patent publication or otherwise.

Typically, the authorized use of the information should be limited to the business purpose for which the company disclosed it. Further measures may be warranted in some cases to protect the information, such as a contractual obligation specific to the handling and return of the information, a limitation as to which employees are allowed access, or technical measures to prevent reverse engineering of any product samples that may be disclosed. Such disclosures may occur in either direction. When the company is receiving information, it may be desirable to minimize the company's obligations of confidentiality and nonuse of the other party's technical or business information.

b) Developments

If the business relationship will potentially result in patentable inventions, the company and the other party should agree on who will own the inventions, who will bear the expense of procuring patents, and what rights each will have to practice and enforce the patents. Absent any agreement, the employers would likely own the patent rights of their respective inventor employees, and each co-owner could use and/or license any resulting patent without accounting to the other owners. In some circumstances, the applicable law may result in a transfer of title or license rights to the other party, such as to the United States Government in the case of government contracts.

3. Prior Review of Company Publications

All publications by the company, whether marketing materials, advertisements, trade show handouts and displays, articles published by employees, SEC filings, Internet sites, product packaging and labeling, or otherwise, might contain a disclosure of an invention that could adversely affect the company's patent rights in the United States or a foreign country. Rules concerning disclosure vary by country. Therefore, the company should routinely review materials before publication. The company should adopt a formalized "approval to publish" procedure.

4. Invention Reporting

Once conceived, employees should report inventions to the company as soon as possible. If patent protection for the invention is not pursued timely, it could be lost. The company should make the reporting of inventions not only the employee's responsibility, but also the responsibility of the first-line managers who are aware of the work being performed by the employees under them. Managers can be trained to recognize when an invention is sufficiently developed to report it to the company. The company can use the Sample

Invention Disclosure Form found in Chapter XV as an invention record for gathering the information needed for the company to consider the merits of the invention and to highlight any potential bars to patentability.

5. R&D and Product Development Records

Researchers, engineers, product developers, and others who may make inventions should keep adequate records of their day-to-day work. This is important to document the conception of inventions and their reduction to practice. The U.S. patent system grants a patent to the first-to-invent. When there are multiple claims of inventorship of the same invention, the first-to-invent is entitled to the patent, provided (s)he did not abandon, suppress, or conceal the invention. When determining who was first-to-invent, the date of conception and the work done to diligently reduce the invention to practice are critical. Thus, inventor's work records must be sufficient to be accepted by a court or the Patent Office to prove date of conception and diligence in reducing the invention to practice. The records should be complete, made in the ordinary course of the work, and permanent.

Proper record keeping under the patent program should preferably include the following:

- Use of bound notebooks;
- Legible writing;
- Use of permanent dark ink;
- Timely entry of information into the book;
- Identification of errors with an explanation;
- Crossing out of errors, without obliterating or erasing corrections;
- Entering the information in chronological order;
- Not leaving blank space on a page;
- Using every page;
- Not allowing the employees to take the books away from the office;
- Signing and dating each page at the end of each day;
- Having each page promptly witnessed and dated, preferably by two people who understand the information but who are not inventors;
- Having the witnesses sign under the statement "Read and understood by."

Many records are now kept electronically. However, a problem with electronic records is that it is hard to verify with certainty when they were produced, that they have not been altered, and what "version" a witness reviewed. When using electronic records, the employee should print them out, sign and witness them, and the company should preserve them in a manner resistant to alteration, e.g., on microfilm or scanned and burned on a CD. Keeping notebooks properly and timely requires work and discipline on the part of the employee. Some companies motivate their employees to keep these records by making it part of their performance appraisal and having a supervisor check the notebooks periodically.

6. New Product Review

New products should be assessed during the development phase for identification of potentially patentable subject matter and potential infringement issues. This is discussed in more detail below. The company should establish a system whereby patent counsel is made aware of potential new products and periodically reviews the progress of the product development.

7. Determining Whether to Apply for a Patent

The subject matter that may be patented has been interpreted to be “anything under the sun that is made by man.” The Supreme Court has identified what may not be patented as “laws of nature, natural phenomena, and abstract ideas.” In recent years, courts have recognized the scope of statutory subject matter to include “business methods.” In *State Street Bank v. Signature Financial, Inc.*, the court held that the PTO’s long-standing practice of automatically rejecting any claim to a method of doing business did not properly reflect the law. Rather, the court held that claims drawn to a method of doing business should be treated like other process claims; for example, claims to a chemical process.³² The patentability of business methods is currently under *en banc* review by the Federal Circuit in *In Re Bilski*, No. 2007-1130 (Fed. Cir. Feb. 15, 2008) (order granting *en banc* review)). However, it should be noted that business methods are not patentable in some foreign countries.

A company rarely files patents on every invention it makes. Rather, the company will weigh the costs and benefits of filing. The costs include not only the monetary expense, but also the mandatory disclosure of any confidential information resulting from publishing the invention. Factors to consider are set forth in the following sections.

a) Relation of the Invention to the Company Business

When evaluating potential patent protection, a company should first consider whether the invention relates to any company profit centers. For example, a software company may not desire to patent its employee’s invention of a magnifying device for viewing a computer screen. Although the product may be of use to software programmers in developing the company’s products, it may only be of minimal use to the company if it is not in the business of manufacturing or marketing such products. This ancillary invention may benefit the company by reducing development costs, but does not impact its profit center sufficiently to justify pursuing a patent. Conversely, if the company were a computer monitor manufacturer, the invention would more closely relate to its profit center and would represent a potential new product. In this case, the company may decide to pursue patent protection to the extent necessary to preserve rights, pending the company’s business decision whether to proceed with a new product incorporating the invention.

b) Competitive Advantage

Even if the invention relates directly to a company profit center, the company must consider whether the expected scope and timing of patent rights would provide a sufficient advantage in the marketplace to justify proceeding on this basis. Duplicating a public invention may be quite easy. A prime example is computer software that may embody thousands, or hundreds of thousands, of hours of labor to make a program or database that, once created, is readily duplicated in perfect copies with almost no effort. The rapid pace of technological development sometimes outpaces the time it takes to secure a patent. By the time the patent issues, the value of the technology may have waned. In such cases, the lead time the innovator enjoys over his competitor may be insufficient market protection, because by the time the competitor catches up, the technology and the market have moved on to something better. Also, if the expected patent scope is relatively narrow, competitors may be able to “design around” the patent easily. In these cases, the company may decide that its competitive advantage is greater by avoiding publication and keeping the invention a trade secret.

c) Defensive Benefit

One benefit of filing a patent application is that it can establish prior art against patent applications filed later, such as by the company’s competitors. This helps prevent a competitor from making the same invention and patenting it, thereby precluding your company from using its own invention. This situation can occur when competitors are simultaneously seeking to solve the same technological problems to meet the needs of the marketplace and they invent the same solution to those problems. When that happens and more than one inventor files a patent application on the same invention, the PTO decides which one is entitled to the patent through a special process known as an “interference.” The first applicant has advantages in that process.

The recently instituted publication system is also important for establishing defensive prior art. U.S. patent applications used to be secret and unpublished prior to the issue date, regardless of how long it took to prosecute the patent. Beginning with applications filed in November of 2000, however, United States patent applications are published 18 months (or less) after filing. However, applications whose filing predates November 2000 may still remain confidential, depending on actions taken by the applicant during prosecution. Also, if an applicant forswears seeking corresponding applications in other countries, the applicant may still prevent publication of a U.S. application. In addition to publishing through patent applications, companies can publish an invention with Statutory Invention Registration, in trade journals, or other publications that make the invention generally available to the public on a provable date.

d) Technology Transfer

Another benefit of obtaining patents is the value that may be received from transferring the patent rights through sale or licensing. For some companies, the transfer of technology is a primary profit center. Patent rights may be licensed not only to generate revenue but also as an element of settling a conflict or dispute with a competitor.

8. Determining the Scope of Patentability

Once the company has decided that it desires to seek patent protection on the invention, it should conduct a patentability study to assess the likely scope of the exclusive rights of any resulting patent. This study should be conducted through an in-house or outside patent lawyer. There is no legal requirement to conduct such a study and an application can be filed without one. However, a study will allow the company to evaluate whether the likely patent coverage is worth the expense before incurring the large part of the costs. The results can also be used to more properly focus the application on the patentable aspects of the invention.

The patent lawyer will conduct a search, usually in the records of the PTO, to locate prior art that may affect the patentability of the invention. If the invention is a design, the search will include the PTO's design patent collection. From the search results and any other information provided by the company, the patent lawyer will render an opinion as to the likely scope of patent protection that may be obtained on the invention.

In addition, patent reform legislation is subject to ongoing debate and should be considered when evaluating the company's intellectual property portfolio. Further, patentability standards can be changed or modified based on case law. Recently, in *KSR International Co. v. Teleflex, Inc.*, the Supreme Court redefined the standards for obviousness. As a result, the company should be aware that any patentability opinion is merely an opinion and not a definitive answer regarding the patentability of an invention. Also, the company should consider examining the availability of patent rights in foreign countries as well as in the United States.

9. Preparing a Patent Application

If the company decides to proceed after reviewing the opinion, the patent lawyer prepares a patent application for review by the inventors. When the application is approved by the inventors, they sign a required declaration that they are the inventors and that they believe the invention is patentable. They also execute an assignment of the invention to the company. Once all papers and fees are filed with the PTO, the examination process begins. The PTO currently accepts the patent application either in hard copy or electronically, with the trend being towards requiring most if not all applications to be filed electronically. Electronic filings are currently required only when the applicant requests the application to be published early.

For utility inventions, the company may initially file a provisional patent application. Some of the significant features of a provisional application are:

- The provisional filing date can be used to establish the priority date for corresponding foreign applications.
- The provisional filing date does not count when calculating patent term.

- The cost of preparing and filing may be relatively low because the requirements for a provisional application are less rigorous than those for a regular application. This allows additional time for the company to make a decision to proceed with the cost of a regular application.
- Provisional applications are not examined.
- Provisional applications are not published.
- Provisional applications expire at the end of one year.

Because the provisional applications expire without becoming patents, a regular application eventually needs to be filed.

The Patent Office has considered several programs by which it can expedite the patent examination process. The most notable of these is Accelerated Examination. During the examination process the company may file a petition to make the patent application “special” with the USPTO, thereby allowing the company to obtain a final decision on patentability within 12 months of the filing date. Accelerated Examination is intended for situations in which a prolonged delay in granting an application would harm the commercial viability of the technology sought to be patented. The company should review the USPTO website³⁹ for updates regarding special programs.

Once the patent application is examined, the company may have to make decisions regarding filing additional related applications. Examples are:

- Continuation applications; during examination of a patent application by the PTO, the examiner and the company may not reach agreement on the patentability of all of the claims. In this case, the company can appeal, or can continue prosecution by filing a Request for Continued Examination (RCE) or a “continuation application.” Both contain the same disclosure as the prior application and have the benefit of its filing date. The essential difference is that a continuation is a new application and will be examined in order with other new applications. An RCE, however, is not a new application but rather is a continued examination of the original application. The next Office Action by the Examiner can be expected very quickly (a month or less). The PTO has recently enacted rules that limit the number of continuation applications that may be filed for each original application. The rules were set to go into effect on November 1, 2007, but due to a current legal challenge in federal court, it is uncertain when and if the rules will take effect.
- Continuation-in-Part (CIP) applications; a CIP application differs from a continuation application because it contains additional disclosure. The CIP will enjoy the benefit of the filing date of the prior application only for claims that are fully supported by the disclosure of the prior application, and all other claims will have the benefit of only the CIP filing date.

10. Costs

The costs of conducting the state of the art study, patentability study, preparation of the patent application, and prosecution to issuance in the PTO will vary depending on the complexity of the invention. Additionally, PTO fees vary based on whether the company is designated a large or small entity. A recent survey reported the following typical mid-range costs (the 25th and 75th percentiles). The costs below are the averages (rounded to the nearest \$100) in 2004, over the entire United States and do not take the variation by geographical location into account. Also, these costs do not include the official PTO fees.

- Novelty search and opinion: \$1,500 average
- Preparation of a utility patent application
 - Minimal complexity: \$5,000 to \$8,000
 - Relatively complex electrical/computer: \$8,000 to \$13,000
- Preparation of a provisional patent application: \$2,000 to \$5,000
- Preparation of a design patent application: \$1,000 to \$2,000
- Preparation and filing of an amendment in prosecution of a patent application
 - Minimal complexity: \$1,000 to \$2,000
 - Relatively complex electrical/computer: \$2,000 to \$3,500
- Issuance of a patent: \$400 to \$800

In addition, three maintenance fees must be paid at 3.5, 7.5, and 11.5 years after the issue date of the patent to maintain the patent's enforceability. As of July 2007, these government fees were \$900, \$2,300, and \$3,800, respectively for a large entity. The survey reports attorney charges of, on average, \$200 for paying maintenance fees.

11. Timing

A company should file patent applications before events occur that will result in the loss of patent rights. Generally, this means before the public use or disclosure of the invention. The United States has a grace period of one year to file after public use or disclosure, but most other countries have no grace period. Also, filing promptly will establish an earlier filing date, preventing later art from affecting patentability and, in addition, enhance the company's position in any interference (priority) contest. The company's patent lawyer should consider the information provided in the Invention Disclosure Form or other record of invention in determining the critical dates for filing.

12. Other Considerations in Filing Patent Applications

There are several consequences of filing a patent application that the company should consider.

a) Confidentiality

The subject matter of the patent application will be published or available to the public when the patent is granted or is referred to in another issued patent. Also, new utility patent applications are published about 18 months after the priority date to which the application is entitled, which in some cases can be only a few months after actual filing in the U.S. An applicant can avoid publication of an application (and thus maintain its confidentiality) by filing a request with the application⁴² and certifying that the invention disclosed in the application has not been, and will not be, be the subject of an application filed in any other country, or under a multilateral international agreement. In effect, the applicant must forswear foreign rights to the invention. If this request is denied, the application will be published. Other reasons why an application may not be published include: the application is no longer pending, as when the application was abandoned or allowed; the application is subject to a government secrecy order; or the application is a provisional or design patent application, neither of which is subject to publication.

b) Invention Secrecy Act and Atomic Energy Act

The PTO reviews every U.S. patent application for subject matter falling under either the Invention Secrecy Act of 1951 or the Atomic Energy Act of 1954. That subject matter includes information that would be detrimental to the national security if publicly known, and inventions directed to the use of special nuclear material or atomic energy. Under the Invention Secrecy Act, the PTO may issue a secrecy order placing the application in suspension, precluding the company/applicant from disclosing the information in the application and from filing any foreign patent applications. Although the applicant is entitled to compensation from the government for damages and any use of the invention by the government, such a secrecy order may preclude the company from practicing the invention in its own business. Under the Atomic Energy Act, the company cannot patent any invention directed to the use of special nuclear material or atomic energy in an atomic weapon. Also, the government may invoke compulsory licensing of inventions directed to the production or use of special nuclear material or atomic energy.

C. Instituting a New Patent Program – A Phased Approach

Instituting an entire new patent program will likely take many weeks or months. The program may be phased in to address the more urgent areas first and may consist of the following steps:

1. Conduct a baseline audit to determine what patents and patent applications the company has and what third-party relationships exist that affect inventions;
2. Determine what company patent rights are perceived as important by the company; these will include patent rights that are used or projected to be used in the business; you may find that patent rights exist for discontinued products or on inventions that may not be important to the company business;
3. Put in place confidentiality agreements and disclosure and publication review guidelines so the company will not unintentionally lose patent rights; have all new employees sign invention disclosure and assignment agreements as a

- condition to employment and before starting work; prepare and file patent applications, maintain patent application prosecution and pay outstanding maintenance fees and annuities on important patents and patent applications; revival may be available for lapsed patent applications and issued patents;
4. Establish a long-term program and a budget; have them approved by management;
 5. Institute the patent program for the long-term; this includes having all patent applications entered in a docket system for tracking prosecution and maintenance due dates; computerized docket systems are preferred and are available from a variety of vendors; patent annuity payment services are also available;
 6. Set up a Patent Committee;
 7. Have existing employees sign any new agreements as a condition to receiving a raise, bonus, or promotion.

D. Patent Training for Employees

All employees should receive some level of training on the company's policies and procedures regarding inventions. For researchers, engineers, and other employees that are likely to make inventions, the training should be more extensive, covering basic principles of patentability and the employee's responsibilities to the company regarding reporting and recording inventions. Managers should receive the same extensive training. In addition, managers should be trained on their responsibilities under the company's policies and procedures and on interactions with the patent committee. This more extensive training should be conducted by a patent lawyer.

E. Avoiding Infringement of Third-Party Patent Rights

Usually patent infringement problems arise after the company's infringing product is already in the marketplace. At this stage, the infringement can result in serious consequences for the company, including litigation costs, retooling costs, distraction of employees to deal with the matter, adverse customer relations, and perhaps the loss of the entire product line. The company can take steps to avoid infringement problems through its patent program. The key is for the company to be aware of new manufacturing processes and product designs and clear them for infringement at an early stage, when any necessary changes can usually be carried out more economically. By monitoring new product developments and company invention disclosures, the company can identify significant proposed product and process changes that warrant clearance before marketing.

I. State-of-the-Art Study

A "state of the art" study may be conducted early on in a product development project to find existing patents and publications for similar products and processes. The study should include a search for patents and review of the

literature. This study will provide information on what others have invented when confronted with similar problems. It will also identify, early in the design process, any existing patents to be avoided. Any necessary design changes can likely be made at this stage efficiently and at low cost.

2. Infringement Study

Once a product or service is sufficiently developed so that its final functional configuration is fairly well determined, the company should conduct a patent infringement study and obtain an infringement opinion. This should be done prior to incurring significant new tooling and manufacturing facility commitments or launching a new service into the market. If the study reveals infringement issues, they may be correctible at this stage. Also, in the event the product or service is later found to infringe a patent, having the infringement opinion can help avoid any award of enhanced damages for willful infringement, which could be up to three times the amount of compensatory damages, as well as any award of attorneys' fees to the patentee. However, recent case law as well as proposed patent reforms may make it more difficult for a plaintiff to obtain treble damages. In general, there is no "adverse inference that an opinion was or would have been unfavorable" where an alleged infringer fails to produce an exculpatory opinion of counsel.

The infringement opinion should:

- Be in writing and rendered by a competent patent lawyer;
- Include a comparison of the claims of the patent with the company's product and include reasons why the product does not come within the scope of the patent claims;
- Include a review of the patent's prosecution file history;
- Be rendered prior to commencement of manufacturing and marketing activity. If the company makes changes to the design of the product after the infringement opinion is rendered, it should obtain a supplemental opinion.

3. Designing Around Patents

"Designing around" a patent means to configure a product or process so that it does not infringe the patent. The product or process infringes the patent if it includes all of the elements of any one of the patent's claims, the numbered paragraphs at the end of the patent text. The elements of a claim are the structural features or steps listed. Typically, "designing around" eliminates at least one enumerated element in each of the patent's claims. Often, the same element can be identified for many, if not all, of the claims in a patent. The element does not have to be a novel one but can be one that is old in the art. Sometimes avoiding use of the element is simple. Other times, extensive effort is required to develop an alternative approach while still maintaining a commercially acceptable product.

4. Validity Study

If an infringement issue is discovered and the product cannot be modified to avoid the patent without rendering the product inferior or uncompetitive, the validity of the patent claims can be analyzed. However, it is usually more difficult to defend a patent infringement claim based on invalidity, and thus preferable to have a non-infringement position based on the product's lack of one of the claimed features as discussed above. The most common basis for invalidity is prior art not considered by the PTO in examining the patent. Thus, the study includes a search specifically for such additional prior art. The invalidity search is often extended beyond the records of the PTO to other patent collections that may not yet have been searched, such as those at the European Patent Office and the Japanese Patent Office.

5. Licensing

Another option for dealing with a potential infringement issue is to seek a license under the patent. If the patent owner is willing to grant the license under commercially acceptable terms and conditions, this will enable the company to use the needed patented invention in the company's products or services. The company may also cross-license its own patents to the patent owner.

6. Monitoring Competitors for Infringement of the Company's Patent Rights

To help maintain its competitive edge, a company needs intelligence on the products and services its competitors are offering in the marketplace. This information is helpful not only in the configuration and pricing of the company's products, but also in policing the company's patent rights. Good sources of such intelligence include:

- Trade shows;
- Web sites;
- Trade journals;
- Patent searches;
- Customers and vendors;
- Private detectives;
- Reverse engineered products;
- Competitors' employees;

The patent program should include the gathering of intelligence on the competitors' products. Marketing personnel particularly have many contacts with good sources of such information. They should be trained how to gather it properly and report it back to the company.

F. Asserting Patent Rights

If the company feels that another party has violated its patent rights, it has a variety of options that it may pursue, ranging from offering to license the patented technology to filing a lawsuit. Before proceeding with a lawsuit, the company should warn the alleged infringer in clear language of its potential infringement of one or more of the company's patents. This letter should also warn of the company's intentions to enforce its patent rights. If the alleged infringer fails to cease its infringing use, suit should be filed in a timely fashion in order to ensure that the company obtains the venue of its choice for trial. If licensing negotiations are not begun or suit is not filed in a timely fashion, the alleged infringer may file an action for a declaratory judgment, thereby obtaining the venue of its choice for the trial. As explained below, there are many considerations in asserting patent rights.

1. Declaratory Judgments

A declaratory judgment of invalidity is a court action in which an alleged infringer seeks a judgment declaring a patent invalid. In order to seek such a judgment, the alleged infringer must have standing to sue. In general, anyone who has received a direct threat of enforcement of patent rights has standing to sue for a declaratory judgment. In 2007, the Supreme Court held that a patent licensee need not breach the licensing agreement in order to have standing to seek a declaratory judgment regarding the validity of the licensed patent. Therefore, a licensee who believes the licensed patent is invalid may elect to seek a declaratory judgment challenging the patent's validity.

2. Remedies

The two most common forms of remedies are an award of monetary damages and an injunction preventing the defendant from further utilizing the patent. Courts typically awarded monetary damages in the forms of a reasonable royalty rate for the use of the patent and lost profits. An injunction prohibits the infringer from further use of the patented technology. The Supreme Court recently held that the same factors apply in determining whether to issue an injunction in a patent case as apply in other contexts. In order for an injunction to issue, the patent holder must show that: 1) it has suffered an irreparable injury; 2) monetary damages would not be able to fully compensate the patent holder's injuries; 3) the balance of hardships between the parties warrants an equitable remedy such as an injunction; and 4) an injunction would not disserve the public's interests. When an injunction issues, the infringer is prohibited from further use of the patented technology. The infringer may also be ordered to pay damages, typically in the form of a reasonable royalty or lost profits for its past infringing use of the patented technology.

3. Enforcement at the International Trade Commission

The United States International Trade Commission (ITC) provides an additional avenue through which patent holders may elect to enforce their rights. While the ITC cannot impose monetary penalties upon infringers, the ITC can prohibit the importation of

products that it deems to infringe patent rights. It is common for patent holders to proceed with an ITC and federal district court action at the same time.

4. Costs

The cost of patent litigation varies with respect to the amount of money that is at issue in the action. A recent survey reported the following typical mid-range costs (the 25th and 75th percentiles) for patent litigation. The costs below are the averages (rounded to the nearest \$100,000) in 2005, over the entire United States and do not take the variation by geographical location into account. Also, these costs are estimates of the total cost of litigation, including court fees.

Less than \$1 million at issue

End of discovery: \$200,000 to \$500,000

All costs: \$400,000 to \$900,000

\$1 to \$25 million at issue

End of discovery: \$600,000 to \$2,000,000

All costs: \$1,200,000 to \$3,500,000

More than \$25 million at issue

End of discovery: \$1,400,000 to \$4,000,000

All costs: \$2,500,000 to \$6,000,000

Sample License Checklist for Company as Licensee

The following sample checklist may be helpful in engaging with your company's business team during initial discussions of a proposed licensing arrangement where your company (Licensee) desires to license software from another company (Licensor). Some of the issues raised below may require additional discussions with Licensor as well as additional internal discussions among Licensee's business team in order to resolve or determine whether such issues are relevant or not.

Note: This sample checklist is neither meant to be exhaustive nor address all relevant issues the Licensee may face in a licensing transaction. Additionally, not all the items mentioned may be applicable in all situations.

1. Parties

- a. Identify the exact corporate name and address of Licensor. Are there any subsidiaries involved?
- b. Is Licensee's licensing entity the parent company?
 - i. If not, then which Licensee entity is licensing the software?
 - ii. Do multiple Licensee entities need access to the software; including rights to use and distribute the software?

2. License

- a. What software is being licensed and in what format (source, object, verilog, documentation, designs, etc.)?
- b. What does Licensee intend to do with the software?
- c. What license rights does Licensee require?
- d. Does Licensee need any modifications made to the software?
 - i. If so, who will make them?
 - a. If Licensor, then at what cost?
 - ii. Who will own the modifications?
- e. Does Licensee need to allow third parties to access to the software?
 - i. If so, who (subcontractors, outsourced developers, contract manufacturers or customers)?
 - ii. For what purposes?
- f. Are there any known restrictions on Licensee's right to use the software?
 - i. Technical, machine, use, site or other restrictions
 - ii. Territory restrictions
- g. Does Licensor require that Licensee use a 'special' end user license or 'flow-down' any special terms?
- h. Is the software home grown by Licensor or did they license components from third parties?
 - i. If licensed from a third party, what rights does Licensor have in the software?
- i. Is any of the software subject to an open source license? If so, see Item 8 (Open Source) below.

- j. Is the software hosted or being used on internal equipment by Licensee?
 - i. If hosted, is there any data privacy issues based on the data Licensee will have access to?
 - ii. Is the system security adequate?
- k. Does the software need to be integrated with other applications?
 - i. If yes, what does Licensee need to accomplish this?
 - ii. Will Licensor do this for Licensee and if so, at what cost?

3. Term of License Agreement

- a. Perpetual or fixed term (number of years)
- b. Renewal option (mutual agreement, notice by a party or auto-extension)
- c. If there is an expiration date, be sure that date meets Licensee's needs or Licensee has an alternate source for similar or replacement software.
- d. Consider a "sunset period" after expiration in order to sell out the products containing the software and to support existing users.
- e. Administrative issue for Licensee to consider; who is managing expiration or renewal dates on finite term agreements.

4. Payments and Royalties

- a. What is the fee and how will it be paid? (e.g., up front, ongoing, fully paid, NRE, per copy, percentage of revenue (in which case, how is revenue is defined), any carry forwards.)
- b. What other payments must be made (e.g., maintenance, taxes, duties, withholding tax, etc.)
- c. How and when are fees paid? What currency?
- d. Must Licensee report to Licensor?
 - i. If so, how often, what format, what level of detail, what are the record retention requirements?
 - ii. Can Licensee's existing processes support these requirements?
- e. Does Licensor have the right to audit Licensee? How often? What are the damages if Licensee under reports/pays?

5. Delivery and Acceptance

- a. Delivery terms (DAP Destination vs. Ex-Factory) (e.g., who is responsible for cost of delivery and who is liable for items while in transit?)
- b. Will delivery of software be electronic or via hard media; discuss implications with Licensee's finance or tax group in advance.
- c. Any formal acceptance period or criteria and process for return or repair of nonconforming software?
- d. Any Service Level Agreements required?
- e. How mission critical is the software?

6. Maintenance and Support

- a. Does Licensee require maintenance and support?
- b. What type of maintenance and support does Licensor offer?
- c. Is maintenance and support sold separately or is it part of the license fee?

- i. If separate, how is it calculated? Any cap on yearly increase?
- ii. Do any parties other than Licensor provide maintenance and support?
- d. What does Licensee receive under any maintenance and support program?
 - i. Updates, upgrades, enhancements and/or new versions? Are these defined clearly?
- e. What level of effort will be used to resolve problems?
 - i. Will Licensor commit to a fixed period for maximum resolution time?
 - ii. Commitment aside, what is Licensor's typical turnaround time?
- f. How long will the software be supported after the license agreement expires in order to support customers?
- g. Is any training included? If so, when is it available and for how long? At what cost?

7. Proprietary Rights; Indemnification

- a. IP Ownership - Who owns what?
 - i. Remember, if anyone will be making modifications, be clear as to the ownership and license rights of those modifications.
- b. Indemnification for IP infringement – what territory, what rights, what amounts, what remedies really work for Licensee, any \$\$ caps?
 - i. Does Licensee have any alternative sources for comparable software?
 - ii. What is the expected time for transitioning to new software if something goes wrong and Licensee can no longer use this software?

8. Open Source

- a. Does the software being licensed contain any open source code?
- b. If so, please provide a copy of the applicable open source code license(s)?
- c. Explain how Licensee will use the software covered by the open source license?
- d. Will Licensee modify the open source code?
- e. Will Licensee incorporate the open source code into Licensee's product/code? If so, how?
- f. Are there alternatives to the open source code?

9. Warranties by Licensor

- a. What is the length of Licensor's warranty period?
- b. What is the length of the warranty Licensee is offering its customers?
- c. What does Licensor's warranty cover?
- d. What remedies are offered and do they make sense?
- e. If \$\$ cap on IP infringement, consider asking for a warranty regarding no past infringement claims.
- f. Is there a clear process for resolving defects?
- g. What is the warranted turnaround time?
- h. What is the expected turnaround time?

10. Confidentiality

- a. Is the software Licensor's "family jewels"?
- b. Do not simply reference existing NDA without first making sure it covers this situation and that it is not subject to expiration during the potential agreement term.
- c. When will software be old and cold?

- d. Does Licensee have comparable software in existence or in process?
 - i. If no, does Licensee anticipate developing comparable software?

11. Limitation of Liability – Please work with Licensee’s legal representative.

12. Termination

- a. Think about migration to alternative software if license is terminated and whether this software is needed for the long haul or just as a stop gap for a limited period of time. (e.g., is it core technology?)
- b. If license is terminated, does Licensee require or desire any rights to source code from a source code escrow?

13. Source Code Escrow.

- a. Does Licensee need the source code held in escrow? If yes,
 - i. What are the triggers for release of source code?
 - ii. When is source code deposited? What about updates/upgrades?
 - iii. Can Licensee or 3rd party inspect/verify source code?
 - iv. What may Licensee do with the source code?
 - v. What license fees does Licensee owe following the release of source code?
- b. Who bears the cost of the escrow?

14. International Issues

- a. Foreign know how or other IP registrations might be needed.
- b. Export Control issues – any encryption software involved?
- c. Withholding tax applicable? Is it included in the determination of royalties?

15. Others Using Software

- a. Are any other subsidiaries in Licensee using this software?
- b. If so, which subsidiary?
- c. If not now, would Licensee envision any subsidiaries being interested in the future?

16. Other

- a. Any other pertinent information regarding this transaction (such as how Licensee will use the software) that would be helpful for Licensee’s legal and business teams to know?
- b. Any pertinent information on the Licensor or Licensor’s software that would be useful for Licensee’s legal and business teams to know?

	<p>BARNES & THORNBURG^{LLP} btlaw.com</p>
	<h2 data-bbox="927 478 1203 520">Patent Trials</h2> <p data-bbox="420 625 773 743">Donald E. Knebel Barnes & Thornburg LLP November 12, 2007</p> <p data-bbox="386 940 1227 982"><small>© 2007 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears. This Barnes & Thornburg LLP publication should not be construed as legal advice or legal opinion on any specific facts or circumstances. The contents are intended for general informational purposes only, and you are urged to consult your own lawyer concerning your situation and any specific legal questions you may have, or address any questions concerning the foregoing to a Barnes & Thornburg attorney.</small></p>

	<h2 data-bbox="412 1150 683 1192">Introduction</h2>
	<ul data-bbox="399 1268 867 1738" style="list-style-type: none">• Voir Dire• Jury Selection• Opening Statement• Witnesses• Handling Documents• Demonstrative Exhibits• Instructions• Closing Argument <p data-bbox="355 1780 613 1822"><small>© 2007 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small></p> <p data-bbox="1021 1787 1263 1822">BARNES & THORNBURG^{LLP} btlaw.com</p>

Voir Dire

- The primary objective of voir dire is to determine the best jurors for each side
- This is done by determining biases and abilities of prospective jurors
- Most federal judges do the voir dire themselves, based on questions submitted by the parties
- If given an opportunity to do so, use the voir dire to develop rapport

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Jury Selection - 1

- Possible Biases
 - For or against the companies involved
 - For or against patents
 - For or against large corporations
 - For or against foreign businesses
 - For or against entrepreneurs
- A juror that is too knowledgeable will control the deliberations
- A juror that is under-educated is unlikely to affect the outcome

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Jury Selection - 2

- Peremptory Challenges
 - Most courts allow three per side
 - They are used to eliminate jurors likely to favor the other side
 - Procedures for striking differ from court to court and must be followed carefully
 - If juror to be stricken is from protected class, counsel will have to articulate a neutral reason
- Challenges for cause can be used in cases of obvious bias or unsuitability

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Opening Statement

- The opening statement is to articulate the theme and set the tone
- It is *not* the time to discuss legal or evidentiary principles
- Graphics in opening statements can be effective, but courts differ on their use
- Deposition videos can be effective, but only if very short
- Documents can be shown if stipulated

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Witnesses - 1

- The witnesses and their order should be selected to tell the story in a logical way
- Typical order for plaintiff in patent case
 - Corporate representative – tells about party
 - Inventor – tells about prior art and invention
 - Depositions of defendants – tell about infringement
 - Marketing representative – tells about effect of infringement
 - Infringement expert – explains infringement
 - Damages expert – quantifies damages

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Witnesses - 2

- It is usually useful for the plaintiff in a patent case to address the validity of the patent in its own case
- This is done indirectly
 - Inventor discusses the prior art in the context of explaining the problem
 - The inventor can point to differences between his/her invention and the prior art
 - The inventor can also deal with on-sale issues in the context of commercializing the invention

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Witnesses - 3

- Typical order for defendant in patent case
 - Corporate representative – tells about party
 - Developer of accused product– tells about independent development and lack of copying
 - Depositions of plaintiffs – tell about facts underlying validity challenge
 - Infringement and validity expert – explains non-infringement and invalidity contentions
 - Damages expert – quantifies damages

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Witnesses - 4

- Cross examination has two purposes
 - Destroy credibility of witness
 - Establish facts to support other party's claim
- Destroying credibility is rare and risky – juries sympathize with most witnesses and believe they are doing their best
- The best questions are those taken directly from a deposition, with no ambiguity in the answer

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Handling Documents

- Most courts now expect exhibits to be handled electronically
- “Trial Director” is essential for good presentation of exhibits
 - Allows on the fly highlighting
 - Requires someone other than the interrogating lawyer to run the equipment

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Demonstrative Exhibits

- Juries learn much better when they both see and hear
- Animations are especially useful in patent cases
- Demonstrative exhibits only have to be consistent with the testimony of the person offering them
- Because of that, they are not evidence and do not go to deliberations

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Instructions

- Because instructions are now typically taken to the jury room, they can influence the outcome
- Instructions should be written to be understandable to the jurors
- Errors regarding instructions must be preserved
 - An objectionable instruction must be objected to
 - Any instructions wanted must be tendered

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Closing Argument

- In cases involving counterclaims, the plaintiff cannot assume it will go last
- The point of the closing argument is to relate the evidence to the instructions and what the jury is to decide
- The jury should be shown how to complete the verdict form
- The most emotional arguments should be saved for rebuttal

© 2007 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

BARNES & THORNBURG^{LLP}
btlaw.com

America Invents Act: Effective Dates

Joshua P. Larsen
Barnes & Thornburg, LLP

joshua.larsen@btlaw.com

317-231-6422

July 25, 2012

© 2012 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears. This Barnes & Thornburg LLP publication should not be construed as legal advice or legal opinion on any specific facts or circumstances. The contents are intended for general informational purposes only, and you are urged to consult your own lawyer concerning your situation and any specific legal questions you may have, or address any questions concerning the foregoing to a Barnes & Thornburg attorney.

Overview

- AIA Provisions Already in Effect
- AIA Provisions Taking Effect Sept. 16, 2012
- AIA Provisions Taking Effect Mar. 16, 2013
- Exercise of USPTO Fee Setting Authority (Predicted March 2013)

© 2012 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.

BARNES & THORNBURG^{LLP}
btlaw.com

Filing of Patent Applications

- *Prioritized Examination:* For patent applications (and requests for continued examination) filed electronically on or after Sept. 26, 2011 (where the application includes an executed oath/declaration and no more than 4 independent claims and 30 total claims), an applicant may request prioritized examination for an additional fee of \$4800 (\$2400 for small entities). (AIA § 11(h); 37 C.F.R. § 1.102(e))
- *Electronic Filing Incentive:* All patent applications filed via mail or hand-delivery on or after Nov. 16, 2011, are subject to an additional fee of \$400 (\$200 for small entities). (AIA § 10(h); 37 C.F.R. §§ 1.16(t), 1.445(a)(1))

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Patentability of Certain Inventions

For all patent applications pending on, or filed on or after, Sept. 16, 2011:

- “Any strategy for reducing, avoiding, or deferring tax liability . . . shall be deemed insufficient to differentiate a claimed invention from the prior art.” (AIA § 14)
- “No patent may issue on a claim directed to or encompassing a human organism.” (AIA § 33)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Reexaminations (More to Follow)

- For any appeal to the Board in an *ex parte* reexamination that is pending on, or brought on or after, Sept. 16, 2011, further review is limited to the Federal Circuit (formerly, D.D.C. was also available). (AIA § 6(h)(2); 35 U.S.C. § 306)
- For all requests for *inter partes* reexamination filed between Sept. 16, 2011, and Sept. 14, 2012, the standard for instituting an *inter partes* reexamination has been changed to “the information presented in the request shows that there is a reasonable likelihood that the requester would prevail with respect to at least 1 of the claims challenged in the request.” (AIA § 6(c)(3); 35 U.S.C. §§ 312, 313) (*Same standard as upcoming inter partes review proceedings*)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Litigation-Related Provisions

For any civil action commenced on or after Sept. 16, 2011:

- “[F]ailure to disclose the best mode shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable.” (AIA § 15; 35 U.S.C. § 282) (*Applies to all “proceedings”*)
- Joinder of accused infringers in one action is permissible only if “any right to relief is asserted against the parties jointly, severally, or in the alternative with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences.” (AIA § 19; 35 U.S.C. § 299)
- Board decisions, patent term adjustment decisions, and USPTO disciplinary proceedings are now reviewable by E.D. Va. (formerly, by D.D.C.). (AIA § 9; 35 U.S.C. §§ 32, 145, 146, 154 (b)(4)(A))

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Prior Commercial Use Defense

- Almost all patents issued on or after Sept. 16, 2011, are subject to a “prior commercial use” defense. (AIA § 5; 35 U.S.C. § 273) This defense requires good faith, commercial use in the U.S. by the accused infringer more than one year prior to the claimed invention’s effective filing date or disclosure to the public. (Id. at § 273(a))
- *University Invention Exemption*: This defense may not be asserted if the claimed invention “was, at the time the invention was made, owned or subject to an obligation of assignment to either an institution of higher education [or a university-associated technology transfer organization].” (Id. at § 273(e)(5))

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Patent Marking

For all cases pending on, or commenced on or after, Sept. 16, 2011:

- Constructive notice under Section 287(a) may be provided by “virtual marking” using an Internet posting. (AIA § 16; 35 U.S.C. § 287(a))
- Recovery for false patent marking is limited to the U.S. government and persons who have “suffered a competitive injury.” (AIA § 16; 35 U.S.C. § 292)
- False patent marking does not include marking a patent that covered a product but is expired. (Id.)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Filing of Patent Applications

For all patent applications filed on or after Sept. 16, 2012:

- The application may be made by a “person [or entity] to whom the inventor has assigned or is under an obligation to assign the invention” (but an inventor oath/declaration is still required) and any resulting “patent shall be granted to the real party in interest.” (AIA § 4(b); 35 U.S.C. § 118)
- An individual who is under an obligation of assignment may include the required oath/declaration statements in an executed assignment and need not execute a separate oath/declaration. (AIA § 4(a); 35 U.S.C. § 115)

(Proposed Rules Issued Jan. 6, 2012; Final Rules Expected August 2012)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

“Deceptive Intent” Provisions

For all “proceedings” commenced on or after Sept. 16, 2012:

- Correcting inventorship no longer requires that the “error arose without any deceptive intention.” (AIA § 20; 35 U.S.C. §§ 116, 256)
- Retroactive foreign filing licenses no longer require that the foreign filing took place “without deceptive intent.” (AIA § 20; 35 U.S.C. § 184)
- Reissue applications no longer require that the error in the patent have been made “without any deceptive intention.” (AIA § 20; 35 U.S.C. § 251)

(Proposed Rules Issued Jan. 6, 2012; Final Rules Expected August 2012)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Third Party Submissions

Beginning Sept. 16, 2012, third parties will be able to submit patents, published patent applications, or other printed publications, along with a concise explanation of the asserted relevance of each document submitted, in many pending patent applications. (AIA § 8; 35 U.S.C. § 122(e))

- Third party submissions must be made before the date of a notice of allowance.
- Third party submissions must be made before the later of (1) six months after the date of publication or (2) the date of a first Office action on the merits rejecting any claim.

(Final Rules Issued July 17, 2012)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Advice of Counsel

For all patents issued on or after Sept. 16, 2012, the “failure of an infringer to obtain the advice of counsel with respect to any allegedly infringed patent, or the failure of the infringer to present such advice to the court or jury, may not be used to prove that the accused infringer willfully infringed the patent or that the infringer intended to induce infringement of the patent.’ ’ (AIA § 17; 35 U.S.C. § 298)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Supplemental Examination

Beginning Sept. 16, 2012, the owner of any patent “may request supplemental examination of a patent in the Office to consider, reconsider, or correct information believed to be relevant to the patent.” (AIA § 12; 35 U.S.C. § 257)

(Proposed Rules Issued Jan. 25, 2012; Final Rules Expected August 2012)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Inter Partes Review

- No requests for *inter partes* reexamination may be filed after Sept. 14, 2012. (AIA § 6(c)(3); 37 C.F.R. § 1.913)
- Beginning Sept. 16, 2012, a third party may file a petition for *inter partes* review of any patent (including patents that were not subject to *inter partes* reexamination). (AIA § 6(a),(c)(2); 35 U.S.C. § 311) *Inter partes* review will have the same substantive scope as *inter partes* reexamination, but will be conducted under an entirely new set of procedures. A petition for *inter partes* review may not be filed:
 - During the first nine months after issuance or during the pendency of any post-grant review. (35 U.S.C. § 311(c))
 - Where the third party has already “filed a civil action challenging the validity of a claim of the patent.” (35 U.S.C. § 315(a)(1))
 - Where the third party was served with a complaint alleging infringement of the patent more than one year before the date of the request. (35 U.S.C. § 315(b))

(Proposed Rules Issued Feb. 9-10, 2012; Final Rules Expected August 2012)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Post-Grant Review

- While the post-grant review provisions of the AIA go into effect on Sept. 16, 2012, a third party may only file a petition for post-grant review of a patent that was subject to the “first-inventor-to-file” provisions of the AIA (*see later slides*). (AIA § 6(d),(f)(2)(A))
- A petition for post-grant review may not be filed:
 - After the first nine months after issuance of the patent. (35 U.S.C. § 321(c))
 - Where the third party has already “filed a civil action challenging the validity of a claim of the patent.” (35 U.S.C. § 325(a)(1))

(Proposed Rules Issued Feb. 9-10, 2012; Final Rules Expected August 2012)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Transitional Program for Covered Business Method Patents

- Beginning Sept. 16, 2012, a third party may file a petition for transitional review of a covered business method patent, so long as the third party (or its privy) “has been sued for infringement of the patent or has been charged with infringement under that patent.” (AIA § 18(a)(1)(B))
- “For purposes of this section, the term ‘covered business method patent’ means a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” (AIA § 18(d)(1))

(Proposed Rules Issued Feb. 9-10, 2012; Final Rules Expected August 2012)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

First-Inventor-To-File Provisions

- The AIA's "first-inventor-to-file" provisions (i.e., new Sections 102 and 103) go into effect on March 16, 2013, and apply to "any application for patent, and to any patent issuing thereon, that contains or contained at any time" either:
 - A claim with an effective filing date on or after March 16, 2013, or
 - A priority claim to any patent or application that contains or contained at any time a claim with an effective filing date on or after March 16, 2013. (AIA § 3(n)(1))
- USPTO Rules will likely require applicant to file a statement regarding which regime applies ("first-to-invent" v. "first-inventor-to-file") for any patent application filed on or after March 16, 2013, but claiming priority to a patent application filed prior to March 16, 2013.

(Proposed Rules Issued July 26, 2012; Final Rules Expected February 2013)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Derivation Proceedings

- Beginning Mar. 16, 2013, an applicant "may file a petition to institute a derivation proceeding in the Office," but "only within the 1-year period beginning on the date of the first publication of a claim to an invention that is the same or substantially the same as the earlier application's claim to the invention." (AIA § 3; 35 U.S.C. § 135)
- Beginning Mar. 16, 2013, a patent owner "may have relief by civil action against the owner of another patent that claims the same invention and has an earlier effective filing date, if the invention claimed in such other patent was derived from the inventor of the invention." (AIA § 3; 35 U.S.C. § 291) This civil action "may be filed only before the end of the 1-year period beginning on the date of the issuance of the first patent containing a claim to the allegedly derived invention." (Id.)

(Proposed Rules Issued Feb. 9-10, 2012; Final Rules Expected August 2012)

© 2012 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

USPTO Fee Setting Authority

- The USPTO now has the authority to set or adjust any patent or trademark fee but “only to recover the aggregate estimated costs to the Office” of the associated activity or service. (AIA § 10(a)) The USPTO plans to adjust numerous patent fees (*see next slide*), but it must follow a detailed rulemaking procedure for doing so. (AIA § 10(d), (e)) The USPTO currently predicts that this rulemaking procedure will be complete in March 2013.
- New “micro entity” status will entitle certain applicants to a 75% discount of many USPTO fees, but this discount will not be available until the USPTO exercises its fee setting authority. (AIA § 10(g))

© 2012 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

USPTO Patent Fee Proposal (2/7/12)

Description	Current Large Entity Fee (Alternative)	Proposed Large Entity Fee	Dollar Change	Percent Change	Rationale
Utility—Basic Filing, Search, and Exam (total)	\$1,250	\$1,840	\$590	47%	More closely aligns fee revenue with cost of service.
Request for Prioritized Exam (Track 1)	\$4,800	\$4,000	(\$800)	-17%	Encourages greater program participation and aligns the large entity fee with cost of service.
Excess Claims (Independent in Excess of 3)	\$250	\$460	\$210	84%	Encourages applicants to file compact and carefully devised applications.
Excess Claims (Total in Excess of 20)	\$60	\$100	\$40	67%	
Application Size	\$310	\$400	\$90	29%	Encourages efficient prosecution and assists in reducing patent pendency.
Extensions for Response within 1st Month	\$150	\$200	\$50	33%	
Extensions for Response within 2nd Month	\$560	\$600	\$40	7%	
Extensions for Response within 3rd Month	\$1,270	\$1,400	\$130	10%	
Extensions for Response within 4th Month	\$1,980	\$2,200	\$220	11%	
Extensions for Response within 5th Month	\$2,690	\$3,000	\$310	12%	
Request for Continued Examination (RCE)	\$930	\$1,700	\$770	83%	Achieves cost recovery and continues to offer applicants a viable option to dispute a final rejection when the applicant believes the examiner has erred.
Notice of Appeal *	\$620	\$1,500	\$880	142%	Better aligns services with costs and reduces fee burdens associated with examiner withdrawal of final rejections.
Filing a Brief in Support of an Appeal	\$620	\$0	(\$620)	-100%	
Filing an Appeal	\$0	\$2,500	\$2,500	102%	Encourages applicants to submit complete applications with all relevant information during prosecution.
Supplemental Examination	\$5,180/\$16,120	\$7,000/\$20,000	\$5,700	27%	
Combined Pre-grant Publication and Issue	\$2,040	\$960	(\$1,080)	-53%	Combined to streamline the fee structure; reduced to promote public information to encourage follow-on innovation and reduce initial costs to patent owners who may not know the value of their invention immediately.
Maintenance - 1st Stage	\$1,130	\$1,600	\$470	42%	Increased to achieve goals and better align front-end and back-end fees; early stage fees are lower in recognition of the uncertainty of patent value; as time goes on, an inventor can better measure the value of an invention and determine whether maintenance is truly worthwhile.
Maintenance - 2nd Stage	\$2,850	\$3,600	\$750	26%	
Maintenance - 3rd Stage	\$4,730	\$7,600	\$2,870	61%	

© 2012 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

BARNES & THORNBURG^{LLP}
btlaw.com

Thank you. Any Questions?

For More Information:

http://www.uspto.gov/aia_implementation/index.jsp

© 2012 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.
This Barnes & Thornburg LLP publication should not be construed as legal advice or legal opinion on any specific facts or circumstances. The contents are intended for general informational purposes only, and you are urged to consult your own lawyer concerning your situation and any specific legal questions you may have, or address any questions concerning the foregoing to a Barnes & Thornburg attorney.

	<p>BARNES & THORNBURG LLP btlaw.com</p>
	<p style="text-align: center;">The America Invents Act</p> <p style="text-align: center;">March 1, 2012</p> <p>Thomas J. Donovan Mark P. Vrla Barnes & Thornburg LLP</p>
<p><small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears. The Barnes & Thornburg LLP publication should not be construed as legal advice or legal opinion on any specific facts or circumstances. The contents are intended for general informational purposes only and you are urged to consult your own lawyer concerning your situation and any specific legal questions you may have, or address any questions concerning the foregoing to a Barnes & Thornburg attorney.</small></p>	

	<p>Congressional Intent 2</p>
	<p>SEC. 30. SENSE OF CONGRESS.</p> <ul style="list-style-type: none">• It is the sense of Congress that the patent system should promote industries to continue to develop new technologies that spur growth and create jobs across the country which includes protecting the rights of small businesses and inventors from predatory behavior that could result in the cutting off of innovation.
<p><small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small></p> <p style="text-align: right;">BARNES & THORNBURG LLP btlaw.com</p>	

	<h2 data-bbox="412 264 902 310">Themes of Legislation</h2> 3
	<ul data-bbox="412 384 1146 758" style="list-style-type: none"><li data-bbox="412 384 1084 464">• Make dealings with Patent Office more business-friendly.<li data-bbox="412 478 1073 558">• Address abuses that have occurred in litigation/streamline disputes.<li data-bbox="412 573 1109 653">• Encourage innovation to greatest extent possible.<li data-bbox="412 667 1146 758">• Adapt laws to harmonize with international patent offices and practices. <p data-bbox="355 898 613 932"><small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small></p> <p data-bbox="1024 898 1263 932">BARNES & THORNBURG LLP btlaw.com</p>

	<h2 data-bbox="412 1192 850 1239">Overview of the Act</h2> 4
	<ul data-bbox="412 1312 1198 1770" style="list-style-type: none"><li data-bbox="412 1312 899 1350">• First-Inventor-to-File (FITF)<li data-bbox="412 1356 1084 1394">• Changes to Prior Art in §§102 and 103<li data-bbox="412 1400 1198 1480">• Expanded Prior Commercial Use as Personal Defense to Infringement<li data-bbox="412 1486 1097 1566">• More Meaningful 3rd Party Submissions during Prosecution<li data-bbox="412 1572 760 1610">• Post Grant Review<li data-bbox="412 1617 776 1654">• Inter Partes Review<li data-bbox="412 1661 1081 1698">• Supplemental Examination after Grant<li data-bbox="412 1705 873 1743">• Right to Appellate Review <p data-bbox="355 1824 613 1858"><small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small></p> <p data-bbox="1024 1824 1263 1858">BARNES & THORNBURG LLP btlaw.com</p>

	Overview of the Act - Continued 5
	<ul style="list-style-type: none">• Changes to §287 Related to Patent Marking• Lack of advice of counsel cannot be used to prove willful infringement• Failure to disclose the best mode cannot be used to invalidate or make a patent unenforceable• Limits joinder in patent actions• Converts the BPAI to the Patent Trial and Appeal Board• Assignee is permitted to file applications without an inventor oath <p><small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small></p> <p>BARNES & THORNBURG LLP btlaw.com</p>

	Overview of the Act - Continued 6
	<ul style="list-style-type: none">• Prioritized Examination (\$4,800 Fee/10,000 per year)• Micro Entity (Income < \$150K/yr)• Limitations on Patentable Subject Matter<ul style="list-style-type: none">– Tax Strategies are not patentable– Human organisms are not patentable– Business Method Patent Transitional Program• Pro-harmonization Goal• Patent Litigation Study• Patent Funding and Improvements to Patent System <p><small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small></p> <p>BARNES & THORNBURG LLP btlaw.com</p>

	Timing	7
	<ul style="list-style-type: none"> • September 16, 2011 <ul style="list-style-type: none"> – Defense to infringement based on prior commercial use of any patent issued on or after enactment – Venue in any civil action filed on or after enactment – Fee setting authority (sunsets in 7 years) – Fees for patent services – Tax strategies deemed within the prior art with respect to any patent application that is pending on, or filed on or after, enactment, and to any patent that is issued on or after enactment – Best mode requirement in any proceedings commenced on or after enactment – Marking with respect to any case that is pending on, or commenced on or after, enactment – Jurisdiction and procedural matters with respect to any civil action commenced on or after enactment – Pro bono program – Limitation on issuance of patents (human organisms) with respect to any application that is pending on, or filed on or after, enactment 	
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>		BARNES & THORNBURG LLP <small>btlaw.com</small>

	Timing - Continued	8
	<ul style="list-style-type: none"> • September 26, 2011 <ul style="list-style-type: none"> – Prioritized examination fee – Fee Increases of 15% • October 1, 2011 <ul style="list-style-type: none"> – Patent And Trademark Office funding • November 15, 2011 <ul style="list-style-type: none"> – Electronic filing incentive • September 16, 2012 <ul style="list-style-type: none"> – Inventor's oath or declaration – Post grant review proceedings – Citation of prior art and written statements – Patent Trial and Appeal Board – Pre-issuance submissions by third parties – Supplemental examination – Transitional program for covered business method – Technical amendments • March 16, 2013 <ul style="list-style-type: none"> – First inventor to file 	
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>		BARNES & THORNBURG LLP <small>btlaw.com</small>

	<h2 style="text-align: center;">Commercial Use Defense</h2> <p style="text-align: right;">9</p>
	<ul style="list-style-type: none"> The AIA implemented a prior commercial use defense for any patent that issues after enactment of the law. This provision allows an accused infringer that has practiced an invention commercially to use that prior commercial practice of the invention as a personal defense against infringement of a patent. This defense is applicable when the accused infringer uses a proprietary process in the normal course of business, but does not publicly disclose it. The prior use is a personal defense for the accused infringer. The effect of this change is to prevent an entity that uses a process as a trade secret from later being found to infringe a patent issued to a later independent inventor. This prevents a potentially unfair outcome that would occur if an entity maintains a trade secret and an independent inventor patents the trade secret later than the entity implemented the trade secret.
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	BARNES & THORNBURG LLP <small>btlaw.com</small>

	<h2 style="text-align: center;">Joinder</h2> <p style="text-align: right;">10</p>
	<ul style="list-style-type: none"> The AIA implemented a limitation on the joinder of patent defendants. The law expressly excludes the use of an assertion of infringement against multiple defendants as a basis for joining the infringement action simply because the same patent or patents are at issue. This change is an attempt to limit the ability of patent “trolls” to sue multiple, unrelated, defendants in a single action. Unrelated infringers may still be joined, but only for reasons more substantial than the simple fact that they are accused of infringing the same patent(s).
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	BARNES & THORNBURG LLP <small>btlaw.com</small>

	<h2 style="text-align: center;">Best Mode</h2>	11
	<ul style="list-style-type: none"> • A failure to disclose the best mode of practicing an invention in the patent specification was eliminated as grounds for finding a patent invalid. However, disclosure of the best mode is still a requirement under 35 U.S.C. §112. There has been significant commentary regarding this issue and the question as to whether the best mode has been effectively eliminated as a requirement. The current conventional analysis of this issue is that a purposeful failure to disclose the best mode or to disclose something other than the best mode may be grounds for a finding of inequitable conduct, rendering the patent unenforceable. This issue will likely be subject to differing opinions until addressed by the courts. 	
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>		BARNES & THORNBURG LLP <small>btlaw.com</small>

	<h2 style="text-align: center;">Patent Marking – False Marking</h2>	12
	<ul style="list-style-type: none"> • The false marking statute, 35 U.S.C. 292, has been amended to eliminate the <i>qui tam</i> provision. Individuals are no longer able to sue on behalf of the United States and share in any fines for falsely marking an article as being patented. Now, only the United States may sue for penalties under the false marking statute. The change extinguished most of the false marking litigation that was in process at the time the law was enacted. However, the law has added a provision that provides that “A person who has suffered competitive injury as a result of a violation of this section may file a civil action . . . for recovery of damages adequate to compensate for the injury.” 	
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>		BARNES & THORNBURG LLP <small>btlaw.com</small>

Patent Marking – Virtual Marking

13

- The patent marking statute, 35 U.S.C. 287, has been amended to provide for virtual marking of products. The public may now be given notice of a patent that covers an article through a “virtual mark.” Virtual marking is established by fixing on the product “the word ‘patent’ or the abbreviation ‘pat.’ together with an address of a posting on the Internet, accessible to the public without charge for accessing the address, that associates the patented article with the number of the patent.” This change simplifies notice marking so that marking can be accomplished by maintenance of the website to show a listing of products with a listing of associated patents. Virtual marking eliminates the need for continuous updating of product labeling as patents issue and expire.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Prioritized Examination

14

- The AIA establishes that the Director of the USPTO may implement a prioritized examination process. By paying a fee of \$4,800 in addition to the normal filing fees, the applicant for an original application can petition to have the application prioritized for examination. The rules for acceptance for prioritized examination are being established as part of the USPTO rulemaking process, but the AIA currently limits the number of applications eligible for prioritization at 10,000 per year. This provision, while in effect, is inoperable until rulemaking is completed.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

	<h2 data-bbox="412 264 808 310">Fees and Funding</h2> 15
	<ul data-bbox="412 373 1201 554" style="list-style-type: none"><li data-bbox="412 373 1201 554">• The USPTO now has the ability to set its own fees, subject to Congressional oversight. Excess fees collected by the USPTO are placed in a holding account with the USPTO. Those excess fees are held until appropriated by Congress to the USPTO. The patent fees that were in effect at the time of signing were established by law. Those fees were then increased by 15% on September 26, 2011.
<small data-bbox="354 898 613 932">© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	<small data-bbox="1024 898 1268 932">BARNES & THORNBURG LLP btlaw.com</small>

	<h2 data-bbox="412 1192 958 1239">Third Party Submissions</h2> 16
	<ul data-bbox="412 1302 1201 1461" style="list-style-type: none"><li data-bbox="412 1302 1201 1461">• Under the AIA, third parties are permitted to submit publications to the USPTO for consideration during prosecution. The publications must be submitted at least before a notice of allowance is given in the application but no later than the later of six months after publication or before a first action on the merits. The submitter must identify the relevance of the submitted art.
<small data-bbox="354 1824 613 1858">© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	<small data-bbox="1024 1824 1268 1858">BARNES & THORNBURG LLP btlaw.com</small>

Post-Grant Review Proceedings

17

- Once a patent has been granted, and during a nine-month period thereafter, a third party may request post-grant review of validity of the patent. This includes any review of any issue related to patentability, including issues related to 35 U.S.C. §112. The standard required to trigger the review is that it is “more likely than not” that one of the claims of the patent is unpatentable. A key provision of the new law is that the petitioner is estopped from raising new issues in a later review, if those issues could have been reasonably raised during the post grant review.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Inter Partes Review

18

- After the nine-month period, a third party may petition for an inter partes review of patentability under §§102 and 103. The petitioner must show a “reasonable likelihood” that one or more claims will be held unpatentable to trigger the review. The patent owner may file one response to amend the claims after the review has been commenced.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Supplemental Examination

19

- Under the new section 35 U.S.C. §257, a patent owner may request supplemental examination “to consider, reconsider, or correct information believed to be relevant to the patent.” If it is determined that a substantial new question of patentability is implicated by the request, reexamination will be ordered and conducted according to the current reexamination procedures in place. Supplemental examination allows a patent owner to submit prior art and correct other errors. Any errors that are corrected will not subject the applicant to a charge of inequitable conduct in the original prosecution of the application as long as there was no fraud in the original prosecution.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Patent Trial and Appeal Board

20

- The Board of Patent Appeals and Interferences will be replaced with the Patent Trial and Appeal Board (PTAB). The PTAB will: hear appeals on petition from applicants of rejections by examiners; review appeals of reexamination proceedings; conduct derivation proceedings (to determine which of multiple applications is to the true inventor); and conduct inter partes reviews and post-grant reviews.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

First-Inventor-To-File

21

- The AIA includes implementation of a first-inventor-to-file (FITF) system of determining patent ownership that generally relies on a completely new 35 U.S.C. §102 that redefines what is considered prior art and establishes exceptions for the new definitions of prior art. The new section §102(a)(1) establishes that a patent will not grant if “the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.” The AIA defines “effective filing date” as “the actual filing date of the patent or the application for the patent containing a claim to the invention” or “the filing date of the earliest application for which the patent or application is entitled, as to such invention, to a right of priority under section 119, 365(a), or 365(b) or to the benefit of an earlier filing date under section 120, 121, or 365(c).”

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

First-Inventor-To-File - Continued

22

- Prior art also includes a patent issued or a patent application published after the effective filing date of the claimed invention, but that has an effective filing date earlier than the effective filing date of the patent application in question. In other words, if a first inventor files for a patent and a subsequent independent inventor files for a patent after the effective filing date of the first inventor, but the first inventor's patent or publication does not publish until after the effective filing date of the subsequent independent inventor, the first inventor's application will be considered a novelty destroying piece of prior art, even though the patent application of the original inventor was not publicly available at the time the subsequent independent inventor filed.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

First-Inventor-To-File - Continued 23

- It is important to understand that essentially, the effective filing date is the date of the actual filing of the application or the actual filing of the parent application to which the application claims priority. The concept of an “invention date” has been eliminated from the law such that inventors’ rights are established on the day of the filing of the application that discloses the invention. It is no longer possible to “swear behind” the filing date of a different inventor.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

First-Inventor-To-File - Continued 24

- The new §102 includes certain exceptions that may be used by an inventor to overcome prior art rejections. These exceptions are designed, apparently, to prevent an unjust result under certain circumstances. For example, if an inventor makes a public disclosure and files for his patent within one year, the earlier disclosure is not prior art to the inventor’s subsequent application. In addition, if a prior filed patent application that does not publish until after the effective filing date discloses the subject matter claimed, the prior filed, later published, patent application will not be prior art if both of the patent applications were commonly owned on the effective filing date of the later filed application.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

First-Inventor-To-File - Continued 25

- The new §102 provides for the recognition of common ownership under a joint research agreement. The joint research agreement provision requires that the joint research agreement: be in place on or before the effective filing date of the claimed invention; be a result of activities undertaken within the scope of the joint research agreement; and the parties to the joint research agreement are disclosed in the application for patent.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

First-Inventor-To-File - Continued 26

- The new §102 also prevents a patent application by an individual who has obtained information regarding invention from any inventor and filed a patent application before the effective filing date of the true inventors from being used as prior art against the true inventors. Practically speaking, the determination of these conditions must be made in a derivation proceeding before the new PTAB created by the AIA. The AIA, in operation, should prevent inventions from being misappropriated and applications filed with an earlier effective date by a non-inventor from being used as prior art against the actual inventor.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

First-Inventor-To-File - Continued 27

- The AIA also completely replaces 35 U.S.C. §103 and relies on the definitions of prior art in §102. The new §103 now reads that a patent “may not be obtained . . . if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to person of ordinary skill in the art.” While this does not appear to change the definition of obviousness as has been established by the courts, only references that meet the definition of prior art under the new §102 may be used. The net effect of the modifications to §§102 and 103 is that additional prior art may now be used to form an anticipation rejection (this includes the prior art that was previously optionally sworn behind), which in effect increases the prior art which may be used to form an obviousness rejection.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

First-Inventor-To-File - Continued 28

- It should be understood that because art that is not publicly available at the time of filing may be subsequently used to reject an application, it will be difficult to assess the value of a particular patent application until after the application actually issues and applicable prior art is clearly in the public record.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

New §102	29
<p>(a) NOVELTY; PRIOR ART. - A person shall be entitled to a patent unless —</p> <p>(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention; or</p> <p>(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the filing date of the claimed invention.</p> <p>(b) EXCEPTIONS. — (1) Disclosures Made 1 Year or Less Before the Effective Filing Date of the Claimed Invention. - A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if -</p> <p>(A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or joint inventor; or</p> <p>(B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or joint inventor.</p> <p>(2) Disclosures Appearing In Applications And Patents. - A disclosure shall not be prior art to a claimed invention under subsection (a)(2) if -</p> <p>(A) the subject matter disclosed was obtained directly or indirectly from the inventor or joint inventor;</p> <p>(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or joint inventor; or</p> <p>(C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject of an obligation of assignment to the same person.</p>	
<p><small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small></p>	
<p>BARNES & THORNBURG LLP btlaw.com</p>	

New §102 - Continued	30
<p>(c) COMMON OWNERSHIP UNDER JOINT RESEARCH AGREEMENTS.—Subject matter disclosed and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person in applying the provisions of subsection (b)(2)(C) if—</p> <p>(1) the subject matter disclosed was developed and the claimed invention was made by, or on behalf of, 1 or more parties to a joint research agreement that was in effect on or before the effective filing date of the claimed invention;</p> <p>(2) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and</p> <p>(3) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.</p> <p>(d) PATENTS AND PUBLISHED APPLICATIONS EFFECTIVE AS PRIOR ART.—For purposes of determining whether a patent or application for patent is prior art to a claimed invention under subsection (a)(2), such patent or application shall be considered to have been effectively filed, with respect to any subject matter described in the patent or application—</p> <p>(1) if paragraph (2) does not apply, as of the actual filing date of the patent or the application for patent; or</p> <p>(2) if the patent or application for patent is entitled to claim a right of priority under section 119, 365(a), or 365(b), or to claim the benefit of an earlier filing date under section 120, 121, or 365(c), based upon 1 or more prior filed applications for patent, as of the filing date of the earliest such application that describes the subject matter.</p>	
<p><small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small></p>	
<p>BARNES & THORNBURG LLP btlaw.com</p>	

	<h2 style="text-align: center;">New §103</h2> <p style="text-align: right;">31</p>
	<p>A patent for a claimed invention may not be obtained, notwithstanding that the claimed invention is not identically disclosed as set forth in section 102, if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains. Patentability shall not be negated by the manner in which the invention was made.</p>
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	<p style="text-align: right;">BARNES & THORNBURG LLP btlaw.com</p>

	<h2 style="text-align: center;">35 USC 102 FIRST INVENTOR TO FILE</h2> <p style="text-align: right;">32</p>
	<p>Timeline</p> <p><i>Old system:</i> Tom Conceives → Tom Reduces to Practice → Ben Independently Conceives → Ben Reduces to Practice → Tom Files → Ben Files</p> <p><i>New system:</i> Ben Independently Conceives → Ben Reduces to Practice → Tom Conceives → Tom Reduces to Practice → Ben Files → Tom Files</p> <p style="text-align: center;">Old system: Tom can win New system: Ben wins</p>
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	<p style="text-align: right;">BARNES & THORNBURG LLP btlaw.com</p>

	<h2 style="margin: 0;">WHICH 35 USC 102/103 APPLIES?</h2> <p style="margin: 0;"><i>Assume all claims NP disclosed by P, and one of ten claim of DIV not disclosed in P</i></p>	33								
<p>Timeline</p>	<p>What if March 16, 2013 falls on:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">D?</td> <td style="width: 50%;">B?</td> </tr> <tr> <td>-Old applies to both</td> <td>-Old applies to both</td> </tr> <tr> <td>C?</td> <td>A?</td> </tr> <tr> <td>-Old applies to both</td> <td>-New applies to DIV</td> </tr> </table>	D?	B?	-Old applies to both	-Old applies to both	C?	A?	-Old applies to both	-New applies to DIV	33
D?	B?									
-Old applies to both	-Old applies to both									
C?	A?									
-Old applies to both	-New applies to DIV									
<p>35 U.S.C. 102 and 103 in effect before March 16, 2013 will apply to applications filed before March 16, 2013, and continuations.</p>		33								
<p>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</p>		<p>BARNES & THORNBURG LLP btlaw.com</p>								

	<h2 style="margin: 0;">WHICH 35 USC 102/103 APPLIES?</h2> <p style="margin: 0;"><i>Assume one of ten claims of NP is not disclosed by P, and one claim of ten of CIP is disclosed by NP but not Prov</i></p>	34								
<p>Timeline</p>	<p>What if March 16, 2013 falls on:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">D?</td> <td style="width: 50%;">B?</td> </tr> <tr> <td>-Old applies to both</td> <td>-New applies to CIP</td> </tr> <tr> <td>C?</td> <td>A?</td> </tr> <tr> <td>-Old applies to both</td> <td>-New applies to both</td> </tr> </table>	D?	B?	-Old applies to both	-New applies to CIP	C?	A?	-Old applies to both	-New applies to both	34
D?	B?									
-Old applies to both	-New applies to CIP									
C?	A?									
-Old applies to both	-New applies to both									
<p>New law will apply to any application that ever contains a claim that has an effective filing date on or after March 16, 2013.</p>		34								
<p>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</p>		<p>BARNES & THORNBURG LLP btlaw.com</p>								

OLD 102(G) INTERFERENCE STILL AVAILABLE? 35

Tom and Ben are both diligent and timely and make nothing public until both applications are filed, and Ben's application is not issued before Tom's application is examined

Timeline

- Tom Conceives
- Tom RTP
- Ben Indep. Conceives
- Ben RTP
- Date: A
- Tom Files
- Date: B
- Ben Files
- Publ of Ben's Appl

What if March 16, 2013 falls on:

A? -102(g) Interference not available for Ben?

B? -102(g) Interference available for Ben?

35

© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

35 USC 102(A)(1) AVAILABLE TO PUBLIC 36

Timeline

- Tom Conceives
- Tom Reduces to Practice
- Ben Independently Conceives
- Ben Reduces to Practice
- Tom Files
- Ben Sells in UK

Old system: Tom can win
New system: Ben is Prior Art to Tom

36

© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

37

35 USC 102 (A)(1) AND (B)(2)

Timeline

Tom Conceives

Tom Reduces to Practice

Tom Discloses Anywhere

Ben Independently Conceives

Ben Reduces to Practice

Ben Discloses Anywhere

Ben Files

Tom's disclosure is prior art, regardless of Tom's or Ben's conception dates

37

© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

38

35 USC 102(A)(1) AND (B)(2)

Timeline

Tom Conceives

Tom Reduces to Practice

Tom Discloses Anywhere

Ben Independently Conceives

Ben Reduces to Practice

Ben Discloses Anywhere < 1 Year

Ben Files

Neither Ben's nor Tom's disclosure are prior art

38

© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

	<h2 style="margin: 0;">35 USC 102(A)(2) PUBS AND FILING DATE</h2>	39
<p>Timeline</p>	<p style="text-align: center;"> Old system: Tom can win New system: Ben is Prior Art to Tom </p>	39
© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.		BARNES & THORNBURG LLP btlaw.com

	<h2 style="margin: 0;">3rd Party Submissions</h2>	40
<p>New subsection to 35 U.S.C. §122 -</p> <p>(e) PREISSUANCE SUBMISSIONS BY THIRD PARTIES.—</p> <p>(1) IN GENERAL.—Any third party may submit for consideration and inclusion in the record of a patent application, any patent, published patent application, or other printed publication of potential relevance to the examination of the application, if such submission is made in writing before the earlier of—</p> <p style="margin-left: 20px;">(A) the date a notice of allowance under section 151 is given or mailed in the application for patent; or</p> <p style="margin-left: 20px;">(B) the later of—</p> <p style="margin-left: 40px;">(i) 6 months after the date on which the application for patent is first published under section 122 by the Office, or</p> <p style="margin-left: 40px;">(ii) the date of the first rejection under section 132 of any claim by the examiner during the examination of the application for patent.</p> <p>(2) OTHER REQUIREMENTS.—Any submission under paragraph (1) shall—</p> <p style="margin-left: 20px;">(A) set forth a concise description of the asserted relevance of each submitted document; . . .</p>		
© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.		BARNES & THORNBURG LLP btlaw.com

	Citation of Prior Art	41
<p>§ 301. Citation of prior art and written statements</p> <p>(a) IN GENERAL.—Any person at any time may cite to the Office in writing</p> <p>—</p> <p>(1) prior art consisting of patents or printed publications which that person believes to have a bearing on the patentability of any claim of a particular patent; or</p> <p>(2) statements of the patent owner filed in a proceeding before a Federal court or the Office in which the patent owner took a position on the scope of any claim of a particular patent.</p> <p>(b) OFFICIAL FILE.—If the person citing prior art or written statements pursuant to subsection (a) explains in writing the pertinence and manner of applying the prior art or written statements to at least 1 claim of the patent, the citation of the prior art or written statements and the explanation thereof shall become a part of the official file of the patent. . . .</p> <p>(d) LIMITATIONS.—A written statement submitted pursuant to subsection (a)(2), and additional information submitted pursuant to subsection (c), shall not be considered by the Office for any purpose other than to determine the proper meaning of a patent claim in a proceeding that is ordered or instituted pursuant to section 304, 314, or 324. . . .</p>		
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>		BARNES & THORNBURG LLP <small>btlaw.com</small>

	Post Grant Review	42
<ul style="list-style-type: none"> • Post grant review within 9 months after grant on any patentability issue except best mode. • Petition will be granted and the review triggered if the petitioner shows that it is “more likely than not” that at least one claim is unpatentable. • Estoppel: “the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that post-grant review.” • Stays litigation. 		
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>		BARNES & THORNBURG LLP <small>btlaw.com</small>

	<h2 style="text-align: center;">Post Grant Review</h2> <p style="text-align: right;">43</p>
	<p>§ 321. Post-grant review</p> <p>(a) IN GENERAL.—Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute a post-grant review of the patent. The Director shall establish, by regulation, fees to be paid by the person requesting the review, in such amounts as the Director determines to be reasonable, considering the aggregate costs of the post-grant review.</p> <p>(b) SCOPE.—A petitioner in a post-grant review may request to cancel as unpatentable 1 or more claims of a patent on any ground that could be raised under paragraph (2) or (3) of section 282(b) (relating to invalidity of the patent or any claim).</p> <p>(c) FILING DEADLINE.—A petition for a post-grant review may only be filed not later than the date that is 9 months after the date of the grant of the patent or of the issuance of a reissue patent (as the case may be).</p>
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	<small>BARNES & THORNBURG LLP btlaw.com</small>

	<h2 style="text-align: center;">Inter Partes Review</h2> <p style="text-align: right;">44</p>
	<ul style="list-style-type: none"> • After initial post grant review, replaces “optional inter partes reexamination” with “inter partes review.” • The patent owner will have the right to file a "preliminary response" to the third party requester's petition for Inter Partes Review • The patent owner is allowed to file <u>one motion to amend the patent to either cancel any challenged claim or propose a reasonable number of substitute claims.</u> • Petitioner must show “reasonable likelihood” that at least one claim is unpatentable for the review to be triggered. • The new Act directs the Director to provide the following regulations (among others): (a) standards and procedures for <u>discovery</u>, limited to depositions of affiants/declarants and "what is otherwise necessary in the interest of justice;" (b) providing for protective orders; (c) requiring patent owner to file any additional factual evidence and expert opinions relied on with the response to the petition; (d) providing the right to an oral hearing for either party; and (e) <u>requiring the Board to decide the Inter Partes Review within 1 year of granting the petition.</u> • Stays litigation if filed before litigation.
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	<small>BARNES & THORNBURG LLP btlaw.com</small>

Inter Partes Review

45

§ 311. Inter partes review

- (a) **IN GENERAL.**—Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent. The Director shall establish, by regulation, fees to be paid by the person requesting the review, in such amounts as the Director determines to be reasonable, considering the aggregate costs of the review.
- (b) **SCOPE.**—A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.
- (c) **FILING DEADLINE.**—A petition for inter partes review shall be filed after the later of either—
- (1) the date that is 9 months after the grant of a patent or issuance of a reissue of a patent; or
 - (2) if a post-grant review is instituted under chapter 32, the date of the termination of such post-grant review.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Supplemental Examination

46

§ 257. Supplemental examinations to consider, reconsider, or correct information

- (a) **REQUEST FOR SUPPLEMENTAL EXAMINATION.**—A patent owner may request supplemental examination of a patent in the Office to consider, reconsider, or correct information believed to be relevant to the patent, in accordance with such requirements as the Director may establish. Within 3 months after the date a request for supplemental examination meeting the requirements of this section is received, the Director shall conduct the supplemental examination and shall conclude such examination by issuing a certificate indicating whether the information presented in the request raises a substantial new question of patentability.
- (b) **REEXAMINATION ORDERED.**—If the certificate issued under subsection (a) indicates that a substantial new question of patentability is raised by 1 or more items of information in the request, the Director shall order reexamination of the patent. . . .During the reexamination, the Director shall address each substantial new question of patentability identified during the supplemental examination

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

	<h2 style="margin: 0;">Supplemental Examination - Continued</h2>	47
	<p>(c) EFFECT.—</p> <p>(1) IN GENERAL.—A patent shall not be held unenforceable on the basis of conduct relating to information that had not been considered, was inadequately considered, or was incorrect in a prior examination of the patent if the information was considered, reconsidered, or corrected during a supplemental examination of the patent. The making of a request under subsection (a), or the absence thereof, shall not be relevant to enforceability of the patent under section 282.</p>	
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>		BARNES & THORNBURG LLP <small>btlaw.com</small>

	<h2 style="margin: 0;">Supplemental Examination - Continued</h2>	48
	<p>(e) FRAUD.—If the Director becomes aware, during the course of a supplemental examination or reexamination proceeding ordered under this section, that a material fraud on the Office may have been committed in connection with the patent that is the subject of the supplemental examination, then in addition to any other actions the Director is authorized to take, including the cancellation of any claims found to be invalid under section 307 as a result of a reexamination ordered under this section, the Director shall also refer the matter to the Attorney General for such further action as the Attorney General may deem appropriate. Any such referral shall be treated as confidential, shall not be included in the file of the patent, and shall not be disclosed to the public unless the United States charges a person with a criminal offense in connection with such referral.</p>	
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>		BARNES & THORNBURG LLP <small>btlaw.com</small>

	<p>Patent Marking - Qui Tam Eliminated 49</p>
	<p>35 U.S.C. 292 False marking.</p> <p>(a) Whoever, without the consent of the patentee, marks upon, or affixes to, or uses in advertising in connection with anything made, used, offered for sale, or sold by such person within the United States, or imported by the person into the United States, the name or any imitation of the name of the patentee, the patent number, or the words "patent," "patentee," or the like, with the intent of counterfeiting or imitating the mark of the patentee, or of deceiving the public and inducing them to believe that the thing was made, offered for sale, sold, or imported into the United States by or with the consent of the patentee;</p> <p>...</p> <p>Shall be fined not more than \$500 for every such offense.</p> <p style="text-align: center;">Only the United States may sue for the penalty authorized by this subsection.</p>
<p><small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small></p>	<p>BARNES & THORNBURG LLP btlaw.com</p>

	<p>Patent Marking Continued – New Right Created 50</p>
	<p>35 U.S.C. 292 False marking.</p> <p>(b) A person who has suffered <u>a competitive injury</u> as a result of a violation of this section may file a civil action in a district court of the United States for recovery of damages adequate to compensate for the injury.</p>
<p><small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small></p>	<p>BARNES & THORNBURG LLP btlaw.com</p>

Patent Marking – Virtual Marking

51

35 U.S.C. 287 Limitation on damages and other remedies; marking and notice.

- (a) Patentees, and persons making, offering for sale, or selling within the United States any patented article for or under them, or importing any patented article into the United States, may give notice to the public that the same is patented, either by fixing thereon the word “patent” or the abbreviation “pat.,” together with the number of the patent, **or by fixing thereon the word ‘patent’ or the abbreviation ‘pat.’ together with an address of a posting on the Internet, accessible to the public without charge for accessing the address, that associates the patented article with the number of the patent,** or when, from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

Advice of Counsel

52

§ 298. Advice of counsel

The failure of an infringer to obtain the advice of counsel with respect to any allegedly infringed patent, or the failure of the infringer to present such advice to the court or jury, may not be used to prove that the accused infringer willfully infringed the patent or that the infringer intended to induce infringement of the patent.

Compare this to the collective holdings of:

- *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 72 USPQ2d 1560 (Fed. Cir. 2004) holding that there is no adverse inference drawn from a lack of advice of counsel in the totality of circumstances analysis of willfulness.
- *In re Seagate Technology LLC*, 83 USPQ2d 1865 (Fed. Cir. 2007) holding that willfulness requires showing of objective recklessness, by clear and convincing evidence that there is an (i) objectively high likelihood that defendant’s actions constituted infringement of valid patent, and (ii) objectively defined risk was either known or so obvious that it would have been known. Defendant’s state of mind is not relevant

© 2011 Barnes & Thornburg LLP. All Rights Reserved.
This page may be freely copied and distributed if kept
intact and the copyright notice appears.

BARNES & THORNBURG LLP
btlaw.com

	<h2 style="text-align: center;">Best Mode</h2> <p style="text-align: right;">53</p>
	<p>35 U.S.C. §282</p> <p>The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:</p> <p>(3) Invalidity of the patent or any claim in suit for failure to comply with—</p> <p>(A) any requirement of section 112, except that the failure to disclose the best mode shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable; or</p> <p>(B) any requirement of section 251.</p>
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	BARNES & THORNBURG LLP <small>btlaw.com</small>

	<h2 style="text-align: center;">Study of Patent Litigation</h2> <p style="text-align: right;">54</p>
	<p>SEC. 34. STUDY OF PATENT LITIGATION.</p> <p>(a) GAO STUDY.—The Comptroller General of the United States shall conduct a study of the consequences of litigation by nonpracticing entities, or by patent assertion entities, related to patentclaims made under title 35, United States Code, and regulations authorized by that title.</p> <p>(b) CONTENTS OF STUDY.—The study conducted under this section shall include the following:</p> <p>(1) The annual volume of litigation described in subsection (a) over the 20-year period ending on the date of the enactment of this Act.</p> <p>(2) The volume of cases comprising such litigation that are found to be without merit after judicial review.</p> <p>(3) The impacts of such litigation on the time required to resolve patent claims.</p> <p>(4) The estimated costs, including the estimated cost of defense, associated with such litigation for patent holders, patent licensors, patent licensees, and inventors, and for users of alternate or competing innovations.</p> <p>(5) The economic impact of such litigation on the economy of the United States, including the impact on inventors, job creation, employers, employees, and consumers.</p> <p>(6) The benefit to commerce, if any, supplied by non-practicing entities or patent assertion entities that prosecute such litigation.</p>
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	BARNES & THORNBURG LLP <small>btlaw.com</small>

	<h2 style="text-align: center;">Transitional Program for Business Methods</h2> <p style="text-align: right;">55</p>
	<p>(a) TRANSITIONAL PROGRAM.—</p> <p>(1) ESTABLISHMENT.—Not later than the date that is 1 year after the date of the enactment of this Act, the Director shall issue regulations establishing and implementing a transitional post-grant review proceeding for review of the validity of covered business method patents. The transitional proceeding implemented pursuant to this subsection shall be regarded as, and shall employ the standards and procedures of, a postgrant review under chapter 32 of title 35, United States Code, subject to the following:</p> <p style="text-align: center;">. . . .</p> <p>(B) A person may not file a petition for a transitional proceeding with respect to a covered business method patent unless the person or the person's real party in interest or privy has been sued for infringement of the patent or has been charged with infringement under that patent.</p>
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	<small>BARNES & THORNBURG LLP btlaw.com</small>

	<h2 style="text-align: center;">More Money for the USPTO?</h2> <p style="text-align: right;">56</p>
	<p>SEC. 22. PATENT AND TRADEMARK OFFICE FUNDING.</p> <p>(a) IN GENERAL.— . . . (2) There is established in the Treasury a Patent and Trademark Fee Reserve Fund. If fee collections by the Patent and Trademark Office for a fiscal year exceed the amount appropriated to the Office for that fiscal year, fees collected in excess of the appropriated amount shall be deposited in the Patent and Trademark Fee Reserve Fund. To the extent and in the amounts provided in appropriations Acts, amounts in the Fund shall be made available until expended only for obligation and expenditure by the Office in accordance with paragraph (3).</p> <p>(3)(A) Any fees that are collected under sections 41, 42, and 376, and any surcharges on such fees, may only be used for expenses of the Office relating to the processing of patent applications and for other activities, services, and materials relating to patents and to cover a share of the administrative costs of the Office relating to patents.</p>
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	<small>BARNES & THORNBURG LLP btlaw.com</small>

	<h2 style="text-align: center;">Additional Patent Offices</h2> <p style="text-align: right;">57</p>
	<p>SEC. 23. SATELLITE OFFICES.</p> <p>(a) ESTABLISHMENT.—Subject to available resources, the Director shall, by not later than the date that is 3 years after the date of the enactment of this Act, establish 3 or more satellite offices in the United States to carry out the responsibilities of the Office.</p> <p>(b) PURPOSES.—The purposes of the satellite offices established under subsection (a) are to—</p> <ol style="list-style-type: none"> (1) increase outreach activities to better connect patent filers and innovators with the Office; (2) enhance patent examiner retention; (3) improve recruitment of patent examiners; (4) decrease the number of patent applications waiting for examination; and (5) improve the quality of patent examination.
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	<small>BARNES & THORNBURG LLP btlaw.com</small>

	<h2 style="text-align: center;">Conclusions</h2> <p style="text-align: right;">58</p>
	<ul style="list-style-type: none"> • Don't forget the old law. It is going to apply for most of the rest of our careers. • See the detailed law at: http://www.uspto.gov/aia_implementation/bills-112hr1249enr.pdf • See information on the USPTO implementation at: http://www.uspto.gov/aia_implementation/index.jsp
<small>© 2011 Barnes & Thornburg LLP. All Rights Reserved. This page may be freely copied and distributed if kept intact and the copyright notice appears.</small>	<small>BARNES & THORNBURG LLP btlaw.com</small>