



Monday, October 19
9:00 am–10:30 am

801 State Street is Out, Bilski is In: Intellectual Property Law Year in Review

Bakari Brock
Associate Corporate Counsel
Google

Steve Gardner
Partner
Kilpatrick Stockton LLP

Michael Goggans
General Counsel
Peavey Electronics Corporation

Faculty Biographies

Bakari Brock

Associate Corporate Counsel
Google

Steve Gardner

Steve Gardner is a partner in Kilpatrick Stockton LLP, resident in its Winston-Salem, NC office. He serves as co-chair of the firm's patent litigation group. Mr. Gardner maintains an active practice in patent litigation, due diligence, counseling, and prosecution strategy and management. He has represented companies in patent suits in federal courts in Colorado, Delaware, the District of Columbia, Florida, Georgia, Illinois, Louisiana, Missouri, North Carolina, Ohio, Oklahoma, and Texas, including multiple cases in the Eastern District of Texas.

Prior to joining Kilpatrick Stockton, Mr. Gardner clerked for the Hon. Frank W. Bullock, Jr., Chief Judge, US District Court for the Middle District of North Carolina, and the Hon. Alvin A. Schall, US Court of Appeals for the Federal Circuit.

Mr. Gardner currently serves as editor-in-chief of the ABA's Intellectual Property Litigation newsletter. For several years, Mr. Gardner has been elected to *Business North Carolina* magazine's Legal Elite List as one of the top patent attorneys in North Carolina based on a survey of all members of the North Carolina bar. He is listed in the 2009 edition of The Best Lawyers in America® for intellectual property law. He also serves on the board of The Children's Museum of Winston-Salem and as a Deacon for the South Fork Church of Christ.

Mr. Gardner received a BS and MS from the University of North Carolina at Charlotte. He received a JD, with honors, from the Wake Forest University School of Law, where he was editor-in-chief of the law review.

Michael Goggans

Michael Goggans is general counsel of Peavey Electronics Corporation, a leading worldwide manufacturer of musical instruments, professional audio equipment and sound reinforcement systems. Mr. Goggans manages all legal matters for the affiliated companies of Peavey.

Prior to joining Peavey, Mr. Goggans was a partner in one of Mississippi's largest law firms. There he focused on complex litigation, including asbestos, silica and pharmaceutical defense. Additionally, Mr. Goggans managed the firm's IP practice. Mr. Goggans formerly served as an assistant district attorney, where he was lead counsel for prosecuting crimes of violence against women and children.

Always an advocate for improving educational resources, Mr. Goggans serves as president of the Mississippi School for Mathematics and Science Foundation and works with the Mississippi Afterschool Alliance. Mr. Goggans is also active in local civic organizations and assists with such programs as Habitat for Humanity.

Mr. Goggans earned his JD from Fordham University School of Law. He later obtained an LLM from Franklin Pierce Law Center.

ACC Association of Corporate Counsel

Recent Patent Case Law and Its Implications for In-House Counsel (October 20, 2008 – June 30, 2009)

Steve Gardner
Kilpatrick Stockton LLP

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

In re Bilski (en banc)

- A process is patent-eligible under § 101 only if: "(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing.
- The Bilski court refused to hold that claims to business methods and software are not patentable per se under Section 101.
- The Bilski test—the "machine-or-transformation test"—however, may render 1000s of patent claims invalid.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!


ACC Association of Corporate Counsel

The "Machine" Branch

- No guidance on the "machine" branch of the test.
- Does the recitation of a computer suffice to tie a process claim to a "particular machine or apparatus"?
- Ferguson held that a "machine" is a "concrete thing, consisting of parts, or of certain devices and combination of devices." This "includes every mechanical device or combination of mechanical powers and devices to perform some function and produce a certain effect or result."
- The vast majority of decisions addressing Bilski indicate that a general purpose computer is not a tie to a "particular machine or apparatus."

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!


 Association of Corporate Counsel

The "Transformation" Branch

- "A claimed process is patent-eligible if it transforms an article into a different state or thing."
- Eligible "articles" must be either (a) "physical objects or substances" or (b) "representative of physical objects or substances."
- Apparently, transformation of data that does not necessarily represent a physical object or substance is insufficient.
- How does one claim encryption methods, data transmission methods, data analysis methods, etc. in which the type of data operated on is irrelevant?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!


 Association of Corporate Counsel

Process Claims and the Machine-or-Transformation Test under § 101

- "[E]ven if a claim recites a specific machine or a particular transformation of a specific article, the recited machine or transformation must not constitute mere 'insignificant [extra]-solution activity.'"
- Bilski cited three of its cases that involved the following "insignificant extra-solution activity" (per the court):
 - "a simple recodation step";
 - "a pre-solution step of gathering data"; and
 - "a step of recording the bids on each item [in a method of conducting an auction], though no particular manner of recording (e.g., on paper, on a computer) was specified."

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

 Association of Corporate Counsel

Apparatus/Product claims under Bilski

- Abele (Fed. Cir. 1982) applied the "process" test under Section 101 to a product claim.
- The Board of Patent Appeals has applied the Bilski test to computer-readable-media claims (apparatus claims).
- Stayed tuned. The Supreme Court will probably decide Bilski late this year or early next year.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Standards for Patent Exhaustion

Did the Supreme Court explain when the authorized sale of an item that does not fully embody the patented item gives rise to exhaustion?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Standards for Patent Exhaustion

- Yes, in Quanta.
- The Court held that if (1) the product's "only reasonable and intended use was to practice the patent" and/or (2) the product "embody[s] essential features of [the] patented invention," (i.e., the product "substantially embodies" the patented invention), then exhaustion occurs.
- It is unclear from the Court's analysis whether both (1) and (2) must be present for exhaustion to occur.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!


ACC Association of Corporate Counsel

Unconditional Covenant Not to Sue and Patent Exhaustion

Does an unconditional covenant not to sue "authorize" sales by the covenantee for purposes of patent exhaustion?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




Unconditional Covenant Not to Sue and Patent Exhaustion

- Yes, per TransCore.
- The court found that the covenant “authorizes all acts that would otherwise be infringements: making, using, offering for sale, selling, or importing.
- [The patentee] did not, as it could have, limit this authorization to, for example, ‘making’ or ‘using.’

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




Unconditional Covenant Not to Sue and Patent Exhaustion

Does such an unconditional covenant not to sue “authorize” sales for purposes of patent exhaustion if the agreement containing the covenant also states as follows: “No express or implied license or future release whatsoever is granted to [the purchaser] or to any third party by this Release”?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!



Unconditional Covenant Not to Sue and Patent Exhaustion

- Yes, per TransCore.
- The court found that the inclusion of such language “refers only to the effect of the release provision and thus does not require a different result.”

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Relevancy of Intent Not to Provide Rights to Licensee's Customers

Is it relevant to patent exhaustion analysis that the parties (e.g., patentee and seller / licensee) intended not to provide downstream rights to the seller / licensee's customers?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Relevancy of Intent Not to Provide Rights to Licensee's Customers

- No, according to TransCore.
- The court held that, under Quanta, "[t]he only issue relevant to patent exhaustion is whether [the seller's / licensee's] sales were authorized, not whether [the patentee and seller / licensee] intended, expressly or impliedly, for the covenant to extend to [the seller/licensee's] customers."
- The court held, "evidence of the parties' intent not to provide downstream rights" to the seller's/licensee's customers is "irrelevant and could not impact the outcome reached by the district court and affirmed here."

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Exhaustion Applies to Patents Not Issued at the Time of Exhausting Sale

Can exhaustion apply to a patent that had not issued at the time the patentee authorized a sale?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Exhaustion Applies to Patents Not Issued at the Time of Exhausting Sale

- Yes, per TransCore.
- The court held that an implied license to practice the not-yet-issued patent arose by legal estoppel (the later-issued patent was broader than, and necessary to practice, the patent expressly mentioned in the written agreement between the parties).
- The court held that the seller / licensee's "sales" were authorized and thus patent exhaustion applied to the later-issued patent.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Distribution of Papers in the Academic Context Under § 102(b)

Is it a printed "publication" under § 102(b) if an inventor distributed copies of a ten-page paper describing the invention to the following more than a year before his patent application was filed, all without confidentiality agreements, to:

- (a) six of his teachers,
- (b) a technician from whom he was seeking fabrication assistance,
- (c) another doctor, and
- (d) a later employer as part of a research proposal, none of which were governed by a legal obligation of confidentiality?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Distribution of Papers in the Commercial Context Under § 102(b)

- No, in this instance, as a matter of law (Cordis).
- The evidence supported a finding that there was an "expectation of confidentiality" between the inventor and the companies.
- The inventor "testified that he requested confidentiality" in post-agreement discussions and was "surprise[d]" when he was shown the language of the agreement.
- No evidence the request for confidentiality was not honored.
- The entities kept their copies confidential, whether or not they were legally obligated to do so.
- "The mere fact that there was no legal obligation of confidentiality... is not in and of itself sufficient to show that [the inventor's] expectation of confidentiality was not reasonable."

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

"Written Description" Requirement and Anticipation under § 102

Must a prior art description satisfy the written description requirement of 35 USC § 112, first paragraph, in order to anticipate a claim?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

"Written Description" Requirement and Anticipation under § 102

- No, pursuant to Gleave.
- There is a subtle distinction between a written description adequate to support a claim under § 112 and a written description sufficient to anticipate its subject matter under § 102(b).
- "The difference between 'claim-supporting disclosures' and 'claim-anticipating disclosures' was dispositive in Lukach (CCPA 1971), which pointed out that "the description of a single embodiment of broadly claimed subject matter constitutes a description of the invention for anticipation purposes ..., whereas the same information in a specification might not alone be enough to provide a description of that invention for purposes of adequate disclosure...."

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Enabling Use and Anticipation under § 102

Must a prior art description "enable any person skilled in the art to ... use" the invention (i.e., "enable" per § 112)?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Enabling Use and Anticipation under § 102

- No, according to Gleave.
- "[A] reference need disclose no independent use or utility to anticipate a claim under § 102."
- A reference satisfies the enablement requirement of § 102(b) by showing that one of skill in the art would know how to make the relevant sequences disclosed in prior art.
- If the prior art provides 'no understanding of which of the targets would be useful' it is of no import, because it is within the skill of an ordinary person in the art to make chemical sequence.
- absent a use-oriented limitation in the claim, "evidence as to whether particular compounds [disclosed in the prior art] work for their intended purpose is irrelevant to" § 102(b) analysis.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Obviousness of DNA Sequences Under § 103 when Protein is Known

If (a) a protein is disclosed in the prior art but neither the amino acid sequence of the protein nor the DNA sequence encoding that protein is disclosed, and (b) prior art procedures to isolate and sequence the DNA encoding that protein are routine procedures, then is a claim to an isolated DNA sequence encoding that protein obvious under § 103?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!


ACC Association of Corporate Counsel

Obviousness of DNA Sequences Under § 103 when Protein is Known

- Generally, yes per Kubin.
- Granting ""protection to advances that would occur in the ordinary course without real innovation retards progress.""
- "In light of the concrete, specific teachings of [the prior art], artisans in this field ... had every motivation to seek and every reasonable expectation of success in achieving the [claimed] sequence.... In that sense, the claimed invention was reasonably expected in light of the prior art and 'obvious to try.'"
- Ortho-McNeil (2008), states "KSR posits a situation with a finite, and in the context of the art, small or easily traversed, number of options that would convince an ordinarily skilled artisan of obviousness".

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




**“Reasonable Expectation of Success”
under § 103**

If the prior art provides a “reasonable expectation of success” for obtaining an isolated DNA sequence within the scope of a claim, is the claim obvious under § 103?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




**“Reasonable Expectation of Success”
under § 103**

- Generally, yes according to Kubin.
- The “prior art here provides a ‘reasonable expectation of success’ for obtaining a polynucleotide within the scope of [the claim], which, “[f]or obviousness under § 103 [is] all that is required.”
- Prior art which gives “no direction as to which of many possible choices is likely to be successful” or “only general guidance as to the particular form of the claimed invention or how to achieve it” may not give rise to a “reasonable expectation.”

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!



**Written Description Requirement for
Claiming a Genus**

To satisfy the written description requirement for a claimed genus, must a specification describe the claimed product or process such that a person of ordinary skill in the art would understand that the genus claimed has been invented, not just a species of the genus?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Written Description Requirement for Claiming a Genus

- Yes, as stated in Carnegie Mellon.
- “[A] person of skill in the art must be able to ‘visualize or recognize the identity of the members of the genus.’”
- The claims encompassed a genus of plasmids that contained coding sequences relating to all bacteria, but the specifications disclosed only a single coding sequence from one bacterial source.
- Disclosure of a single gene coding sequence was not representative of the entire claimed genus, which included hundreds of thousands, if not millions, of species.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

PTO's Written Description Guidelines

Did the Federal Circuit explain how to satisfy the written description requirement for a claimed genus?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

PTO's Written Description Guidelines

- Yes, in part, as discussed in Carnegie Mellon and In re Alonso.
- “The written description requirement for a claimed genus may be satisfied [1] through sufficient description of a representative number of species ... [2] by disclosure of relevant, identifying characteristics, i.e., structure or other physical and/or chemical properties, [3] by functional characteristics coupled with a known or disclosed correlation between function and structure, or [4] by a combination of such identifying characteristics, sufficient to show the applicant was in possession of the claimed genus.
- A “representative number of species” means that the species which are adequately described are representative of the entire genus. Thus, when there is substantial variation within the genus, one must describe a sufficient variety of species to reflect the variation within the genus. ... Satisfactory disclosure of a “representative number” depends on whether one of skill in the art would recognize that the applicant was in possession of the necessary common attributes or features of the elements possessed by the members of the genus in view of the species disclosed.
- For inventions in an unpredictable art, adequate written description of a genus which embraces widely variant species cannot be achieved by disclosing only one species within the genus.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Standard for Obviousness versus Written Description

If (a) all of the valves shown in the specification have a spike inside the valve's cavity for piercing a seal through which fluid can flow, (b) pre-slit seals are described as making piercing easier, and (c) it would have been obvious to a person of ordinary skill that a pre-slit seal could be used without a spike, then is a claim to a valve that is not limited to a valve having a spike invalid under § 112's "written description" requirement as a matter of law?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Standard for Obviousness versus Written Description

- Yes, per ICU.
- A specification "need not recite the claimed invention in [exact words] but must do more than merely disclose that which would render the claimed invention obvious."
- Look to what one skilled in the art would have understood the invention to be.
- Lizard Tech (2005), found claims invalid for failing written description where a "person of skill in the art would not understand how to [make the transform] generically and would not understand [the inventor] to have invented a method for making [the transform] ... except by [the method described]".

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Materiality of Office Actions in Related, Co-Pending Applications

If an IDS is submitted in a reexamination proceeding that notes the existence of a co-pending continuation application, then can it be inequitable conduct not to submit two Office Actions from the continuation proceeding in the reexamination proceeding when all material prior art noted in the Office Actions was disclosed in the reexamination proceeding?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Materiality of Office Actions in Related, Co-Pending Applications

- Yes, it can be, according to Larson.
- "Because the [undisclosed] Office Actions contained another examiner's adverse decisions about substantially similar claims, and because the [undisclosed] Actions are not cumulative to the [earlier] Office Actions [about which the reexamination panel was aware], the district court correctly found the withheld Office Actions material."
- Judge Linn concurred and wrote separately to say that this decision "perpetuates what was once referred to as a 'plague' of inequitable conduct accusations."

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

"Capable of Infringing" is not Proof of Infringement

Is a claim infringed when the accused product is "reasonably capable of operating in an infringing manner"?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

"Capable of Infringing" is not Proof of Infringement

- No, capability alone does not generally infringe (Bell Aerosol).
- Past opinions that indicate that a "capable" product infringes are "relevant only to claim language that specifies that the claim is drawn to capability."
- "[I]nfringement is not proven per se by a finding that an accused product is merely capable of infringing."
- Plaintiff presented no proof that the accused product "was ever placed in the infringing configuration" and the accused product could operate in a non-infringing configuration.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

License to "Make, Use, and Sell" is a Right to have the Product Made by Others

Does a license that provides the licensee the right to "make, use, and sell" a product also give the licensee the right to have the product made by a third party?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

License to "Make, Use, and Sell" is a Right to have the Product Made by Others

- Yes, "absent a clear indication of intent to the contrary," at least under Utah law (CoreBrace).
- The court found such a right even though there was a clause in the license agreement that reserves to the licensor "all rights not expressly granted to [the licensee]."

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

En banc Review of Tafas

Can the PTO, on its own accord, adopt rules that (a) limit applicants to two continuation applications; (b) limit applicants to one RCE; (c) require applicants to submit an examination support document (ESD) that provides information about prior art and why they believed claims were patentable over the prior art if the applicant presented more than five independent claims or 25 total claims; and (d) require applicants to engage in a pre-examination search and provide specific details about the scope of search in certain instances?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

En banc Review of Tafas

- Yes, it can, with the exception of part (a).
- Part (a) is invalid because such a rule conflicts with 35 USC § 120 (governing when applications are given the benefit of an earlier filing date).
- En banc review was granted in July 2009.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Marking Not Required for Actual Damages in Assertion of Method Claims

If (a) a patent contains both method and apparatus claims and (b) the patentee asserts only the method claims, then does the marking requirement of 35 USC § 287(a) apply (i.e., must the patentee have marked the apparatus with the patent number to obtain damages prior to actual notice)?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Marking Not Required for Actual Damages in Assertion of Method Claims

- No, per Crown Packaging.
- Because the patentee "asserted only the method claims" of a patent containing both method and apparatus claims, "the marking requirement of ... § 287(a) does not apply."
- Crown Packaging left intact the rule of American Medical (1993): "[B]oth apparatus and method claims of the ... patent were asserted and there was a physical device produced by the claimed method that was capable of being marked. Therefore, ... AMS was required to mark its product ... to recover damages under its method claims prior to actual or constructive notice being given...."

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Significant Trademark Cases

Michael D. Goggans
Peavey Electronics Corporation

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Tiffany v. Ebay

- *Tiffany (NJ) Inc. v. eBay, Inc.*, 576 F. Supp. 2d 463 (S.D.N.Y. 2008)
- eBay allowed listings of counterfeit Tiffany products.
- Court rejected secondary liability to the auction site based solely on generalized knowledge that unauthorized merchandise was being sold on the site.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!


ACC Association of Corporate Counsel

Cohiba

- NY common law trademark case
- *Empresa Cubana del Tabaco v. Culbro Corp.*, 587 F. Supp. 2d 622 (S.D.N.Y. 2008)
- Misappropriation does not require a showing of bad faith
- Having a federal trademark registration does not preclude being found liable under state unfair competition laws.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




Guitar Body Shapes

- *Stuart Spector Designs, Ltd. v. Fender Musical Instruments Corp.*, Opp. No. 91161403, (T.T.A.B. March 25, 2009)
- Body shapes of Telecaster, Stratocaster, P-Bass found to be generic

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




Residual Goodwill

- *Gen. Motors Corp. v. Aristide & Co.*, 87 U.S.P.Q.2d 1179 (T.T.A.B. 2008)
- GM opposed registration of LASALLE, which it had not sold since 1940
- Mere fact of collectors does not by itself defeat the statutory presumption of abandonment

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!



Keywords and Trademarks

- *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123 (2d Cir. 2009)
 - Second Circuit now in line with other courts in finding search engine keywords to be protected.
- *Fin. Express LLC v. Nowcom Corp.*, 564 F. Supp. 2d 1160 (C.D. Cal. 2008)
 - Use of others TMs as search engine keywords constitutes “use in commerce” and is intended to increase the likelihood of commercial transactions

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Hotels.com

- *In re Hotels.com, L.P.*, 87 U.S.P.Q.2d 1100 (T.T.A.B. 2008), affirmed, Appeal No. 2008-1429 (Fed. Cir. July 23, 2009).
- Despite fact that only one entity may have a particular web address, it is not sufficient to indicate source of origin, particularly when the website is composed of generic terms (hotels and .com)
- Survey evidence was disregarded as self-serving

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Double Entendres

- *In re Dean S. Carlson*, 91 USPQ2d 1198 (TTAB 2009)
- Compression and misspelling of descriptive terms are insufficient to be deemed inherently distinctive as a word mark.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Sounds

- *In re Vertex Group LLC*, 89 U.S.P.Q.2d 1694, 1700 (T.T.A.B. 2009)
- *Nextel Communications, Inc. v. Motorola, Inc.*, Opposition No. 91164353, slip op. (T.T.A.B. June 12, 2009)
- Secondary meaning is necessary for registration of sound
- Nextel's application for a chirp is still pending.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Standing to Sue

- *Coyne's & Co. v. Enesco, LLC*, 565 F. Supp. 2d 1027 (D. Minn. 2008)
- While a non-exclusive licensee may not have standing under Section 32, it does under Section 43(a)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Likelihood of Confusion

- *John Allan Co. v. Craig Allen Co.*, 540 F.3d 1133 (10th Cir. 2008)
- An intent to copy a mark does not create a rebuttable presumption of likelihood of confusion, it's just one factor in the analysis.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Likelihood of Confusion

- *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213 (9th Cir. 2008)
- The potentially infringing goods need not be in direct competition if they are sufficiently related, and a broad approach should be taken by the court when reviewing

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Likelihood of Confusion

- But some marks are so dissimilar that confusion is not likely as a matter of law.
- *Ava Enterp. v. P.A.C. Trading Group*, 86 U.S.P.Q.2d 1659 (T.T.A.B. 2008)
- *Douglas v. Osteen*, 560 F. Supp. 2d 362 (E.D. Pa. 2008)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Counterfeiting

- Counterfeiting is a crime of moral turpitude justifying deportation:
 - *Magasouba v. Mukasey*, 543 F.3d 13 (1st Cir. 2008); *Tall v. Mukasey*, 517 F.3d 1115 (9th Cir. 2008)
- US Customs can levy civil penalties against the importers of counterfeit marks even if the marks are no longer in use:
 - *United States v. Able Time, Inc.*, 545 F.3d 824 (9th Cir. 2008), *petition for cert. filed*, 77 U.S.L.W. 3562 (U.S. Mar. 23, 2009).

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Right of Publicity

- NY Right of Privacy is limited to real people, not characters portrayed by the real people
 - *Burck v. Mars, Inc.*, 571 F. Supp. 2d 446 (S.D.N.Y. 2008)
- Licensed rights of publicity are limited by the terms of the license
 - *Estate of Mantle v. Rothgeb*, 537 F. Supp. 2d 533 (S.D.N.Y. 2008)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Damages

- A plaintiff need only prove gross sales. The infringing defendant then has the burden of showing which sales were non-infringing
 - *Venture Tape Corp. v. McGills Glass Warehouse*, 540 F.3d 56 (1st Cir. 2008), cert. denied, 77 U.S.L.W. 3528 (U.S. Mar. 23, 2009)
 - *WMS Gaming Inc. v. WPC Prods. Ltd.*, 542 F.3d 601 (7th Cir. 2008)
 - *Trilink Saw Chain, LLC v. Blount, Inc.*, 583 F. Supp. 2d 1293, 1323 (N.D. Ga. 2008)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Fraud on the USPTO

- *Grand Canyon West Ranch, LLC v. Hualapai Tribe*, 88 U.S.P.Q.2d 1501 (T.T.A.B. 2008)
 - Even though not verified, agreeing to examiners amendment that expanded the goods and services beyond actual use is the equivalent of fraud.
 - Cancellation of the Registration is the proper remedy

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Fraud on the USPTO

- *Herbaceuticals Inc. v. Xel Herbaceuticals Inc.*, 86 U.S.P.Q.2d 1572 (T.T.A.B. 2008)
 - TTAB suggested that inaccurate recitation of goods and services may be remedied by partial cancellation of the registration's coverage
- *G&W Laboratories, Inc. v. G.W. Pharma Ltd.*, 89 U.S.P.Q.2d 1571 (T.T.A.B. 2009)
 - TTAB allowed multiple class application to escape fraud by deleting the problem classes in their entirety, viewing it as multiple single class applications.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Fraud on the USPTO

- *University Games Corp. v. 20Q.net Inc.*, 87 U.S.P.Q.2d 1465 (T.T.A.B. 2008)
 - A pre-publication amendment to correct listed goods and services creates a rebuttable presumption that applicant did not willfully intend to deceive the USPTO.
- *Zanella Ltd. v. Nordstrom, Inc.*, Opposition No. 9117785889, slip op. (T.T.A.B. Oct. 23, 2008)
 - Correction by the owner prior to any actual or threatened challenge to the registration creates a rebuttable presumption that owner did not willfully intend to deceive the USPTO.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Follow the Rules (They Mean It!)

- Faxed pleadings have no validity: *Vibe Records Inc. v. Vibe Media Group LLC*, 88 U.S.P.Q.2d 1280 (T.T.A.B. 2008)
- Failure to serve notice of opposition resulted in dismissal with prejudice: *Schott AG v. L Wren Scott*, 88 U.S.P.Q.2d 1862 (T.T.A.B. 2008)
- If you wait till last day to serve written discovery or notice deposition, your motion for extension of time will be denied: *Nat'l Football League v. DNH Mgmt. LLC*, 85 U.S.P.Q.2d 1852 (T.T.A.B. 2008)
- Even if the parties agree, you can't go over the 25 page limit on SJ briefs: *Cooper Techs. Co. v. Denier Elec. Co.*, 89 U.S.P.Q.2d 1478 (T.T.A.B. 2008)
- You can't supplement discovery responses during trial and rely upon them: *Quality Candy Shoppes/Buddy Squirrel of Wis., Inc.*, 90 U.S.P.Q.2d 1389 (T.T.A.B. 2007)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Copyright

Bakari Brock
Google Inc.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Copyright Update

- Remote Storage
- Licensing
- Authorship
- CDA
- Statute of Limitations
- Legislation
- News/Trends

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Remote Storage – Cablevision*

- **Facts:**
 - Remote storage digital video recorder (RS-DVR)
 - Users store recorded programming on remote servers
- **Parties narrowed the issues:**
 - Direct, not contributory infringement.
 - No fair use defense.
- **Alleged copying in 3 ways:**
 - Buffer program stream
 - Copies live on RS-DVR servers
 - Public performance during playback

*Cartoon Network LP v. CSC Holdings, Inc. and Cablevision Systems Corp., 536 F.3d 121 (2d Cir. Aug. 4, 2008) (reversing Twentieth Century Fox v. Cablevision, 478 F. Supp. 2d 607 (S.D.N.Y. 2007)).

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Remote Storage – Cablevision

- **Result:**
 - Buffer copies only transitory in duration.
 - Copies made at user's request
 - Streaming of copies not a "public performance" under the Act
 - Cert. denied*

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Licensing – Microsoft*

- **Facts:**
 - Licensed discount “Student Media” product to Jordanian Ministry of Education
 - Limited to its students, faculty and staff only.
 - Big Boy acquired 10K copies of Student Media and imported them to the US.
- **Claims:**
 - MS
 - 17 USC 501 – copyright infringement
 - 17 USC 602(a) – infringing importation
 - BB
 - 17 USC 109(a) counterclaim – first sale doctrine

*Microsoft Corp. v. Big Boy Distribution LLC, 589 F.Supp.2d 1308 (S.D. Fla. 2008).

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Fist Sale Doctrine

- **Result:**
 - First sale inapplicable.
 - Student Media copyrighted in US, it is manufactured in Ireland, and licensed for use in Jordan.
 - 109 *only* applies to copies made in the United States. Licensed discount “Student Media” product to Jordanian Ministry of Education

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Licensing – Wilchombe*

- **Facts:**
 - Wilchombe wrote a song for rapper Lil Jon (at his request) and performed it live for him during a recording session.
 - Lil Jon’s label subsequently released the track.
 - Wilchombe later filed copyright registration claiming sole authorship and commenced an infringement action.
- **Resolution:**
 - District Court – granted summary judgment for defendants. Plaintiff’s conduct granted non-exclusive implied license.
 - 11th Cir. affirmed. Implied licenses may be granted via conduct or given orally.

*Wilchombe v. TeeVee Toons, Inc., 555 F.3d 949 (11th Cir. 2009)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Authorship – Richlin*

- Facts:**
 - Richlin co-wrote screen treatment of Pink Panther, and screenplay as work for hire.
 - Richlin's heirs sought royalties in renewal of copyright interest in film.
- Issues:**
 - Three criteria**:
 - Shared intent - "putative authors ma[de] objective manifestations of a shared intent to be coauthors"
 - Control – "author superintended the work by exercising control"
 - Valuable Contribution – attributing "the audience appeal of the work" to both authors and whether "the share of each in its success cannot be appraised."

*Richlin v. Metro-Goldwyn-Mayer Pictures, 531 F.3d 962 (9th Cir. 2008) cert. denied, 129 S. Ct. 1002 (2009).
**Aalmuhammad v. Lee, 202 F.3d 1227, 1234 (9th Cir. 2000).

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Authorship – Richlin

- Result:**
 - Richlin found to be co-author of treatment, but this does not mean he automatically gains copyright interest in the motion picture.
 - Renewal interest failed to vest in heirs – treatment was never "published," and thus never protected by Federal copyright law.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel


CDA

- Barnes*:**
 - User asked Yahoo! To remove allegedly defamatory content. Yahoo! employee stated that they would do so.
 - 47 USC 230 -- "no provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider."
 - Appellate court confirmed, however reversed on issue of promissory estoppel.
- Further discussion:**
 - Roomates.com**
 - Craigslist

*Barnes v. Yahoo!, Inc., No. 05-36189, 9th Cir. May 7, 2009.
**Fair Housing Council of San Fernando Valley, et al. v. Roomates.com LLC, 489 F.3d 921(9th Cir. 2007) aff'd en banc 2008 WL 879293 (9th Cir., April 3, 2008)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




Statute of Limitations – Haughey*

- **Facts:**
 - Fired employee retained copyrighted insurance policies.
 - District court set aside jury verdict for damages
- **Issue:**
 - 17 USC 507(b): “[n]o civil action shall be maintained under the provisions of [the Copyright Act] unless it is commenced within three years after the claim accrued.”
 - “Injury” vs. “Discovery” rule
- **Result:**
 - Court applies Discovery rule.

*William A. Graham Co. v. Haughey, 2009 WL 1564223 (3d. Cir. 2009)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




Legislation

- **Performance Rights Act (HR 848/S. 379)**
 - Would grant performance right in terrestrial broadcast of sound recordings.
- **Shawn Bentley Orphan Works Act of 2008 (S. 2913)**
 - Would limit remedies in copyright infringement cases involving orphan works.
 - Unanimous Senate vote; referred to House Committee of the Judiciary.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




Registration

- **Copyright office:**
 - Fee for Special Handling of Registration Claims (37 CFR Part 201)
 - Interim rule – waiver of special handling fee for expediting a application pending for six months or more if applicant intends to file an infringement action.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!



News/Trends

- **Sound Exchange**
- **Rate Court**
- **Pirate Bay**
- **RIAA**
- **Digital trends**

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

- The Freeman-Walter-Abele test for whether a process claim is patentable subject matter is “(1) determining whether the claim recites an ‘algorithm’ within the meaning of Benson, then (2) determining whether that algorithm is ‘applied in any manner to physical elements or process steps.’” The State Street Bank / Alappat test is whether the process produces a “useful, concrete, and tangible result.” Is either test or the “technological arts” test viable post-Bilski?

No (In re Bilski). The en banc court held that “we conclude that the Freeman-Walter-Abele test is inadequate.” “[W]hile looking for ‘a useful, concrete and tangible result’ may ... provide useful indications of whether a claim is drawn to a fundamental principle or a practical application of such a principle, that inquiry is insufficient to determine whether a claim is patent-eligible.... [W]e also conclude that the ‘useful, concrete and tangible result’ inquiry is inadequate” “Neither the PTO nor the courts may pay short shrift to the machine-or-transformation test by using purported equivalents or shortcuts such as a ‘technological arts’ requirement.”

- Did the Federal Circuit reformulate the test for when a claimed process is patent-eligible under § 101?

Yes (In re Bilski). The en banc court held that a process is patent-eligible under § 101 if: “(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing.” (citing Benson, S. Ct. 1972; Diehr, S. Ct. 1981).

The court explained: “The true issue before us then is whether Applicants are seeking to claim a fundamental principle (such as an abstract idea) or a mental process. [T]he underlying legal question ... is what test ... governs the determination by the [PTO] or courts as to whether a claim to a process is patentable under § 101 or, conversely, is drawn to unpatentable subject matter because it claims only a fundamental principle.” This “machine-or-transformation test” addresses the issue.

- Are business method claims and claims to software excluded by the machine-or-transformation test?

No (Bilski). “We further reject calls for categorical exclusions beyond those for fundamental principles already identified by the Supreme Court. We rejected just such an exclusion in State Street, noting that the so-called ‘business method exception’ was unlawful and that business method claims (and indeed all process claims) are ‘subject to the same legal requirements for patentability as applied to any other process or method.’ We reaffirm this conclusion.” (citations omitted)

- Can a patent claim that depends for its operation on human intelligence or mental processes alone satisfy the requirements of Section 101?

No (Comiskey). Section 101 “does not allow patents to be issued on particular business systems—such as a particular type of arbitration—that depend entirely on the use of mental processes.... [T]he patent statute does not allow patents on particular systems that depend for their operation on human intelligence alone.... Thus, it is established that the application of human intelligence to the solution of practical problems is not in and of itself patentable.”

- Did the Bilski court provide guidance on the “machine” part of the test?

No (Bilski). “Applicants themselves admit that the language of claim 1 does not limit any process step to any specific machine or apparatus. As a result, issues specific to the machine implementation part of the test are not before us today. We leave to future cases the elaboration of the precise contours of machine implementation, as well as the answers to particular questions, such as whether or when recitation of a computer suffices to tie a process claim to a particular machine.” (citation omitted)

- Is a “machine” under Bilski a “concrete thing, consisting of parts, or of certain devices and combination of devices”?

Yes (Ferguson). The court explained that a “machine” is a “‘concrete thing, consisting of parts, or of certain devices and combination of devices.’ This ‘includes every mechanical device or combination of mechanical powers and devices to perform some function and produce a certain effect or result.’” (quoting Nujiten, which is quoting Burr (S. Ct. 1863) and Corning (S. Ct. 1853)).

- Does a claim's recitation of the following limitations include the use of a "machine":

- "module," such as "a registration module for enrolling" persons;
- "a means for selecting an arbitrator from a[] ... database"; and
- "wherein access to the ... arbitration is established through the Internet, ... telephone, ... or other communications means"?

Yes, at least under the "broadest reasonable interpretation" (Comiskey). "These claims, under the broadest reasonable interpretation, could require the use of a machine See ... *The Computer Glossary* ... (defining module as "[a] self-contained hardware or software component that interacts with a larger system" ... defining database as "any electronically-stored collection of data")." The Federal Circuit said that "we think that the § 101 question should be addressed in the first instance by the PTO. We therefore remand to the PTO to consider whether [these claims] recite patentable subject matter under § 101."

- Does a claim to a "method of marketing a product" comprising "developing a shared marketing force, said shared marketing force including at least marketing channels, which enable marketing a number of related products..." include a "machine or apparatus" under Bilski?

No (Ferguson). The court explained that a "shared marketing force" is not a "concrete thing, consisting of parts, or of a certain devices and combination of devices."

• Is a claim to a “paradigm for marketing software” comprising “a marketing company that markets software from a plurality of different independent ... software companies, and carries out ... operations associated with marketing of software for all of said different independent ... software companies, in return for a contingent share of a total income stream from marketing of the software ...” a claim to a “machine” under Section 101?

No (Ferguson). The court reasoned that “the paradigm claims do not recite ‘a concrete thing, consisting of parts, or of certain devices and combination of devices,’ (citing Nuijten) and as Applicants conceded during oral argument, ‘you cannot touch the company.’ To the contrary, Applicants do no more than provide an abstract idea—a business model for an intangible marketing company.” (citation omitted)

• Did the Bilski court provide guidance on the “transformation” part of the test?

Yes, some (Bilski). The transformation part of the test itself involves at least a three-part test:

“A claimed process is patent-eligible if it transforms an article into a different state or thing. This transformation must be central to the purpose of the claimed process.” (emphasis added)

The court provided some guidance on the “article,” but little to none on “different state or thing” or on whether a transformation is “central” to a process’s “purpose.”

- Did the Bilski court address what sorts of things constitute “articles” such that their transformation is sufficient to impart patent-eligibility under Section 101?

Yes (Bilski). “It is virtually self-evident that a process for a chemical or physical transformation of physical objects or substances is patent-eligible subject matter.”

- “The raw materials of many information-age processes ... are electronic signals and electronically-manipulated data. And some so-called business methods ... involve the manipulation of even more abstract constructs such as legal obligations, organizational relationships, and business risks.” Did the Bilski court explain which of these constructs constitute an “article” such that its claimed transformation constitutes patent-eligible subject matter?”

Yes (Bilski). The court explained that such constructs that are either (a) “physical objects or substances” or (b) “representative of physical objects or substances” are “articles” whose transformation can yield patent-eligible process claims, but transformations of constructs that are neither cannot alone yield patent-eligible claims.

- Did the court provide examples of constructs that are “representative of physical objects or substances” and those that are not?

Yes (Bilski). Are: (1) “wherein said data is X-ray attenuation data produced in a two dimensional field by a computed tomography scanner”

Are not: (2) “the data at a data point in the field”; and (3) “public or private legal obligations or relationships, business risks, or other such abstractions.”

(1) “clearly represented physical and tangible objects, namely the structure of bones, organs, and other body tissues. [T]he transformation of that raw data into a particular visual depiction of a physical object on a display was sufficient to render that ... process patent-eligible.” (2) “did not specify any particular type or nature of data; nor did it specify how or from where the data was obtained or what the data represented.” (3) “cannot meet the test because they are not physical objects or substances, and they are not representative of physical objects or substances.”

- Will all process claims that meet the machine-or-transformation test meet § 101?

No (Bilski).

- Will adding a limitation to a process claim that includes a specific machine or transformation of an article but that is “extra-solution” activity (e.g., “post-solution activity”) allow a process claim to meet the machine-or-transformation test?

No “insignificant” extra-solution activity in the claim can cause the process claim to meet the test (Bilski). The court explained that “even if a claim recites a specific machine or a particular transformation of a specific article, the recited machine or transformation must not constitute mere ‘insignificant postsolution activity.’” (citing Diehr and Flook)

- Did the court provide some examples of such “insignificant” extra-solution activity?

Yes (Bilski).

The court quoted Flook: “[T]he Pythagorean theorem would not have been patentable, or partially patentable, because a patent application contained a final step indicating that the formula, when solved, could be usefully applied to existing surveying techniques.”

The court also cited three of its cases that involved the following “insignificant extra-solution activity” (per the court):

“a simple recodation step”;

“a pre-solution step of gathering data”; and

“a step of recording the bids on each item [in a method of conducting an auction], though no particular manner of recording (e.g., on paper, on a computer) was specified.” (citations omitted)

- Does this “insignificant” extra-solution rule apply to steps that are not “post-solution,” but instead that appear at the beginning of the claimed process or in the middle of the process?

Yes (Bilski). “[W]e have recognized that the Court's reasoning is equally applicable to any insignificant extra-solution activity regardless of where and when it appears in the claimed process.”

- Are apparatus / product claims analyzed in the same manner as method claims under the test described in Bilski?

Maybe some (Abele, Fed. Cir. 1982). “If the functionally-defined disclosed means and their equivalents are so broad that they encompass any and every means for performing the recited functions, the apparatus claim is an attempt to exalt form over substance since the claim is really to the method or series of functions itself. In computer-related inventions, the recited means often perform the function of ‘number crunching’ (solving mathematical algorithms and making calculations). In such cases the burden must be placed on the applicant to demonstrate that the claims are truly drawn to specific apparatus distinct from other apparatus capable of performing the identical functions. If this burden has not been discharged, the apparatus claim will be treated as if it were drawn to the method or process which encompasses all of the claimed ‘means.’” (quoting In re Walker, Fed. Cir. 1980; emphasis added).

- Did the Supreme Court explain when the authorized sale of an item that does not fully embody the patented item gives rise to exhaustion?

Yes (Quanta). The Court held that if (1) the product's "only reasonable and intended use was to practice the patent" and/or (2) the product "embodie[s] essential features of [the] patented invention," (i.e., the product "substantially embodies" the patented invention), then exhaustion occurs. It is unclear from the Court's analysis whether both (1) and (2) must be present for exhaustion to occur (most likely so, but it is not clear).

- Does an unconditional covenant not to sue "authorize" sales by the covenantee for purposes of patent exhaustion?

Yes (TransCore). The court found that the covenant "authorizes all acts that would otherwise be infringements: making, using, offering for sale, selling, or importing. [The patentee] did not, as it could have, limit this authorization to, for example, 'making' or 'using.'"

- Does such an unconditional covenant not to sue “authorize” sales for purposes of patent exhaustion if the agreement containing the covenant also states as follows: “No express or implied license or future release whatsoever is granted to [the purchaser] or to any third party by this Release”?

Yes (TransCore). The court found that the inclusion of such language “refers only to the effect of the Release provision and thus does not require a different result.”

- Is it relevant to patent exhaustion analysis that the parties (e.g., patentee and seller / licensee) intended not to provide downstream rights to the seller / licensee’s customers?

No (TransCore). The court held that, under Quanta, “[t]he only issue relevant to patent exhaustion is whether [the seller’s / licensee’s] sales were authorized, not whether [the patentee and seller / licensee] intended, expressly or impliedly, for the covenant to extend to [the seller / licensee’s] customers.” Therefore, the court held, “evidence of the parties’ intent not to provide downstream rights” to the seller’s / licensee’s customers is “irrelevant and could not impact the outcome reached by the district court and affirmed here.”

- Can exhaustion apply to a patent that had not issued at the time the patentee authorized a sale?

Yes (TransCore). The court held that an implied license to practice the not-yet-issued patent arose by legal estoppel (the later-issued patent was broader than, and necessary to practice, the patent expressly mentioned in the written agreement between the parties). The court held that the seller / licensee's "sales" were authorized and thus patent exhaustion applied to the later-issued patent.

- Does the scope of the claim term "wound" include wounds besides those on the skin (e.g., does it include wounds beneath the skin) when the specification describes only wounds on the skin?

No, at least not in this instance (Kinetic Concepts). The court found that "[a]ll of the examples described in the specification involve skin wounds. To construe 'wound' to include fistulae and 'pus pockets' would ... expand the scope of the claims far beyond anything described in the specification."

Judge Dyk dissented, noting that the specification uses "include" to indicate that there are other "wounds" besides those shown in the examples and that medical dictionaries define wound as "(1) trauma to any of the tissues of the body, especially that caused by physical means and with interruption of continuity [or] (2) a surgical incision."

- If (a) an independent claim recites “[a] valve, comprising ... a *spike* located within said cavity in said body; and a *seal located on said spike* ...” and
 - (b) a dependent claim from it recites “*wherein said end of said spike is pointed so that it can pierce said seal* ...,”

then is it proper to construe “spike” to require “a pointed tip for piercing the seal” in light of the claim differentiation doctrine?

Yes, it can be (ICU). The court explained that “although claim differentiation counsels against construing the spike term to require the pointed/piercing features of [the dependent claim], this doctrine is not a rigid rule but rather is one of several claim construction tools.”

- If (a) an independent claim recites “[a] valve, comprising ... a spike located within said cavity in said body; and a seal located on said spike ...” and
 - (b) a dependent claim from it recites “wherein said end of said spike is pointed so that it can pierce said seal ...,”

then is it proper to construe “spike” to require “a pointed tip for piercing the seal” in light of the claim differentiation doctrine?

Yes, it can be (ICU). The court found it influential that the dependent claim was added to the patent in a continuation “years after the filing date of the original patents, the issuance of [earlier related patents], and the introduction of the allegedly infringing ... products.”

- Does “simultaneous,” as used in a claim, mean (a) “at the same instant” or (b) “during the same period of time” or “interleaved” in time?

(b) in this context (Broadcom). “The district court reasoned that “because the ... patent claims a radio unit with a single transceiver, and because a single transceiver cannot achieve full communication with two networks at the same time, [the defendant’s] construction could mean that the patent would not perform its stated function. Accordingly, the [c]ourt agree[d] with [the patentee] that the construction ‘during the same period of time’ most accurately construes the meaning of the term simultaneous.” (citing Cordis, Fed. Cir. 2008, which states that “a construction that renders the claimed invention inoperable should be viewed with extreme skepticism”). The Federal Circuit, reasoning in the same manner, affirmed.

- Does the claim term “different” in the claim phrase “a second wireless communication different from the first” mean (a) simply different (i.e., “different” refers to such differences as physical separation, a different owner, or other differences) or (b) a different method of communication?

(b) in this instance (Kyocera). The court noted that the claim refers to “communication circuitry” “being adapted” to use the two different communications. The court reasoned that the “different[ce]” between the two communications must therefore be “somehow significant” because circuitry “capable of using a ‘first wireless communication need not be ‘adapted’ to use a ‘second wireless communication different from the first’ unless the difference between the [two] is somehow significant.” The court found that this “suggests that the two claimed wireless communications are not merely ‘different’ in any way, but in such a way that requires adaptations in “communication circuitry” to facilitate both wireless uses.”

- Can “objects of the present invention” in the Summary of the Invention limit the scope of patent claims?

Yes (Netcraft). In limiting “providing a communications link” to “providing customer access to the internet” “based on a reading of the ... specification in its entirety,” the court found highly influential the language of the Summary of the Invention:

The main object of the present invention is to create a new business opportunity for telephone companies, cable television companies, existing Internet access providers, and companies offering financial services by creating a way for them to offer to their subscribers a method of securely buying and selling goods and services of any value over the Internet.

Another object of the present invention is an Internet billing method which is cost effective for transactions having transaction amounts ranging from pennies to a few dollars.

Still another object of the present invention is to provide a secure method of billing commercial transactions over the Internet.

A further object of the present invention is an Internet billing method which is simple to use from both the customer's point of view and that of vendors on the Internet.

Yet another object of the present invention is a billing method which can be used by a large number of existing Internet users without requiring major changes in how the users customarily behave and conduct commercial transactions.

These and other objects of the present invention are achieved by an Internet billing method in accordance with the present invention. A provider establishes an agreement with a customer, and a second agreement with a vendor, wherein the provider agrees with the customer and the vendor to bill for products and services purchased over the Internet by the customer from the vendor. Associated with the customer agreement are one or more billing accounts to which purchases may be charged. Associated with the vendor agreement are one or more methods of remitting funds to the vendor. The provider creates access to the Internet for the customer through the provider's equipment. When the customer orders a product or service over the Internet from the vendor, the provider obtains transactional information transmitted between the customer and the vendor including a transaction amount relating to the ordered product or service and the provider then bills the transaction amount to a customer billing account and remits a portion of the transaction amount to the vendor.

(some emphasis added, some original)

- Is there a general rule that any use of “the present invention” in the specification automatically limits the claims?

No (Netcraft). The “use of the phrase ‘the present invention’ does not “automatically” limit the meaning of claim terms in all circumstances, and ... such language must be read in the context of the entire specification and prosecution history. [Here], however, ... the ... specification's repeated use of the phrase “the present invention” describes the invention as a whole, and ... the prosecution history does not warrant a contrary result.” (citations omitted) In so reasoning, the court noted that the only embodiments disclosed involved providing internet access to customers by the third party.

- Does the following claim require 3 separate circuits to infringe?

A circuit ... comprising:

a first circuit for monitoring the output to generate a ... feedback signal;
a second circuit for generating a ... control signal ...; and
a third circuit for monitoring the current to the load

No (Linear). The court held that “there is nothing in the claim language or specification that supports narrowly construing the terms to require a specific structural requirement or entirely distinct ‘second’ and ‘third’ circuits. Rather, the ‘second’ and ‘third’ circuits must only perform their stated functions.”

- Does the following claim require 2 separate control signals to infringe?

A circuit ... comprising: ...

a second circuit for generating a first control signal ...; and
a third circuit for monitoring the current to the load to generate a second control signal

No (Linear). The court stated that “[n]or does the specification indicate that the ‘second control signal’ must be entirely distinct from the claimed ‘first control signal.’ In fact, the specification discloses the contrary.... Thus, the patent shows that the first control signal can be a part of the second control signal, precluding a requirement that the two control signals must be entirely distinct.”

- Are product-by-process claims limited by the process steps recited in the claim for purposes of determining infringement?

Yes (Abbott) (en banc). The court resolved a conflict between prior opinions. Scripps (1991) stated “[T]he correct reading of product-by-process claims is that they are not limited to product prepared by the process set forth in the claims” (emphasis added). Atlantic Thermoplastics (1992) stated the opposite— “process terms ... serve as limitations in determining infringement.”

The en banc court sua sponte resolved the conflict in favor of the Atlantic Thermoplastics rule. Three judges dissented, complaining that the court did not follow its en banc procedure and that the holding is wrong.

- Is a new trial required if the district court fails to instruct the jury on the construction of a critical claim term, despite at least one party's request to do so?

No, not if the failure is “harmless” (Kinetic Concepts). The Federal Circuit found that “[b]ecause the jury's verdict is supported under the proper construction, and because we perceive no danger under the circumstances of this case that the jury may have used an incorrect construction of ‘wound’ that might have prejudiced Defendants, there is no need to remand for a new trial.”

• Is it a printed “publication” under § 102(b) if an inventor distributed copies of a ten-page paper describing the invention to the following more than a year before his patent application was filed, all without confidentiality agreements:

- (a) six of his teachers,
- (b) a technician from whom he was seeking fabrication assistance,
- (c) another doctor, and
- (d) a later employer as part of a research proposal, none of which were governed by a legal obligation of confidentiality?

No, in this instance, as a matter of law (Cordis). The court held that “the record here contains clear evidence that such academic norms gave rise to an expectation that disclosures will remain confidential.” The court noted that an expert “testified that the ‘code of practice which occurs worldwide in academic circles, in departments, in medicine’ includes treating a document describing scientific research in the ‘same confidential manner as you would if you had been given it directly by the author.’”

• Is it a printed “publication” under § 102(b) if an inventor sought to commercialize his invention by distributing (more than a year before his application was filed) copies of a paper describing his invention to two companies with which he entered agreements that did not include a confidentiality obligation, one of which said that the company “shall not be committed to keep secret any idea or material submitted”?

No, in this instance, as a matter of law (Cordis). The court found that the evidence supported a finding that there was an “expectation of confidentiality” between the inventor and the companies. The inventor “testified that he requested confidentiality” in post-agreement discussions and was “surprise[d]” when he was shown the language of the agreement. “There is no suggestion that the request for confidentiality was not ... honored. [He] confirmed that the entities kept their copies ... confidential, whether or not they were legally obligated to do so. ‘[T]here is no evidence that [the companies] would have distributed, or in fact did distribute, the [paper] outside of the company.’ The mere fact that there was no legal obligation of confidentiality... is not in and of itself sufficient to show that [the inventor’s] expectation of confidentiality was not reasonable.”

- Must a prior art description satisfy the written description requirement of 35 USC § 112, first paragraph in order to anticipate a claim?

No (Gleave). The court cited Vas-Cath (1991), which explains that the CCPA “recognized a subtle distinction between a written description adequate to support a claim under § 112 and a written description sufficient to anticipate its subject matter under § 102(b). The difference between ‘claim-supporting disclosures’ and ‘claim-anticipating disclosures’ was dispositive in Lukach (CCPA 1971),” which pointed out that “the description of a single embodiment of broadly claimed subject matter constitutes a description of the invention for anticipation purposes ..., whereas the same information in a specification might not alone be enough to provide a description of that invention for purposes of adequate disclosure....”

- Must a prior art description “enable” the claimed invention in order to anticipate a claim?

Yes, in one sense, but not under Section 112 (Gleave). “As long as the reference discloses all of the claim limitations and enables the ‘subject matter that falls within the scope of the claims at issue,’ the reference anticipates....” But it does not have to meet the “enablement” requirement of Section 112, paragraph 1.

- Must a prior art description “enable any person skilled in the art to ... use” the invention (i.e., “enable” per § 112)?

No (Gleave). “[A] reference need disclose no independent use or utility to anticipate a claim under § 102.” The court explained that, here, the “claims are to compositions of matter—oligonucleotides—and therefore a reference satisfies the enablement requirement of § 102(b) by showing that one of skill in the art would know how to make the relevant sequences disclosed in Wright [(prior art)]. Thus, the fact that Wright provides ‘no understanding of which of the targets would be useful’ is of no import, because [the patentee] admits that it is well within the skill of an ordinary person in the art to make any oligodeoxynucleotide sequence. As such, Wright is an enabling disclosure sufficient to anticipate [the claims] under § 102(b).” The court stated that, absent a use-oriented limitation in the claim, “evidence as to whether particular compounds [disclosed in the prior art] work for their intended purpose is irrelevant to” § 102(b) analysis. (emphasis added)

- If a single prior art document discloses each and every limitation in a claim, is the claim anticipated under Section 102?

Not necessarily (Net MoneyIN). “[T]he prior art reference—in order to anticipate ...—must not only disclose all elements of the claim within the four corners of the document, but must also disclose those elements ‘arranged as in the claim.’” (citation omitted; emphasis added). Here, a single prior art document disclosed two protocols for carrying out a transaction. Between them the protocols arguably included all limitations, but neither included all limitations “arranged as in the claim.” The court concluded that neither anticipate. The court also said “[t]he district court was also wrong to combine parts of the separate protocols shown in the ... reference in concluding that [the claim] was anticipated. [T]here may be only slight differences between the protocols disclosed in the ... reference and the [claimed system]. But differences between the prior art reference and a claimed invention, however slight, invoke the question of obviousness, not anticipation.”

- If a prior art article cites a second prior art article in a footnote, can the two articles be treated as “single reference” for purposes of anticipation under Section 102?

No, more is required (Commonwealth Scientific). Two articles can be treated as a “single reference” for anticipation purposes if one of the articles incorporates the other by reference (citing Advanced Display Systems, Fed. Cir. 2000). “To incorporate material by reference, the host document must identify with detailed particularity what specific material it incorporates and clearly indicate where that material is found in the various documents.” A footnote citing the article without comment is insufficient to incorporate by reference for this purpose.

- If (a) a protein is disclosed in the prior art but neither the amino acid sequence of the protein nor the DNA sequence encoding that protein is disclosed, and (b) prior art procedures to isolate and sequence the DNA encoding that protein are routine procedures, then is a claim to an isolated DNA sequence encoding that protein obvious under Section 103?

Generally, yes (Kubin). Quoting KSR, the court stated that granting “protection to advances that would occur in the ordinary course without real innovation retards progress.” The court reasoned that “[i]n light of the concrete, specific teachings of [the prior art], artisans in this field ... had every motivation to seek and every reasonable expectation of success in achieving the [claimed] sequence.... In that sense, the claimed invention was reasonably expected in light of the prior art and ‘obvious to try.’” (citing Ortho-McNeil (2008) (“KSR posits a situation with a finite, and in the context of the art, small or easily traversed, number of options that would convince an ordinarily skilled artisan of obviousness.”)).

- If the prior art provides a “reasonable expectation of success” for obtaining an isolated DNA sequence within the scope of a claim, is the claim obvious under Section 103?

Generally, yes (Kubin). The court explained that the “prior art here provides a ‘reasonable expectation of success’ for obtaining a polynucleotide within the scope of [the claim], which, ‘[f]or obviousness under § 103 [is] all that is required.’” (citations omitted) The court indicated, however, that prior art which gives “no direction as to which of many possible choices is likely to be successful” or “only general guidance as to the particular form of the claimed invention or how to achieve it” may not give rise to a “reasonable expectation.”

- Can statements in a patent’s specification constitute evidence of unexpected results?

Yes, sometimes (Sud-Chemie). The court explained that “conclusory statements in a patent’s specification cannot constitute evidence of unexpected results in the absence of factual support.” In contrast, the court stated that detailed examples in the specification that show unexpected results can, however, constitute such evidence that should be taken into account by the court.

- If
 - a) Patent A discloses certain compounds and one process for making those compounds (an acylation process),
 - b) Patent A claims the compounds, and
 - c) 16 years later, the patentee files a continuation application claiming the process for making the compounds and Patent B issues as a result,then is Patent B invalid and properly rejected for “obviousness-type” double patenting? The applications were filed before June 8, 1995, and terms are 17 years from issuance.

Yes, unless the process claimed in Patent B is “patentably distinct” from the product claimed in Patent A (Takeda). This is black-letter law. The double patenting doctrine prevents a patentee from receiving two patents for a single invention. Statutory double patenting prevents “same invention” patenting. Non-statutory, or “obviousness-type,” double patenting prevents “claims in separate applications or patents that do not recite the ‘same’ invention, but ... claim inventions so alike that granting both exclusive rights would effectively extend the life of patent protection.”

- The MPEP states that a product and a process for making the product are patentably distinct if “the product as claimed can be made by another materially different process.” Are processes developed after the filing of the original patent application relevant in the product-process “patentably distinct” inquiry?

Yes (Takeda). Disagreeing with the Patent Office, the Federal Circuit reasoned as follows: The product-claims application was filed in 1974. “The secondary application (... the process application of ... 1990) actually triggers the potential of an ‘unjustified extension of patent term.’” When filing the secondary application, the applicant essentially avers that the product and process are “patentably distinct.” Thus, the relevant time frame for determining whether a product and process are “patentably distinct” should be at the filing date of the secondary application. This approach allows an applicant to rely on some later-developed methods to show that the product and process are ‘patentably distinct.’” Judge Schall dissented, stating that he would use the presumed invention date (1974).

- To satisfy the written description requirement for a claimed genus, must a specification describe the claimed product or process such that a person of ordinary skill in the art would understand that the genus claimed has been invented, not just a species of the genus?

Yes (Carnegie Mellon). Citing Eli Lilly (Fed. Cir. 1997), the court explained that “a person of skill in the art must be able to ‘visualize or recognize the identity of the members of the genus.’” Here, the claims “encompass a genus of recombinant plasmids that contain coding sequences for DNA polymerase or nick-translation activity from any bacterial source.” The specifications disclosed only “the *polA* gene coding sequence from one bacterial source, *viz.*, *E. coli*.” “[T]he specification fails to disclose or describe the *polA* gene coding sequence for any other bacterial species.” “The district court concluded that the disclosure of the *E. coli polA* gene was not representative of and failed to adequately support the entire claimed genus.” ... According to Roche's expert, Dr. Bambara, bacteria constitute a large class of organisms that include thousands, and potentially millions, of unidentified species.”

- Did the Federal Circuit explain how to satisfy the written description requirement for a claimed genus?

Yes, in part (Carnegie Mellon; In re Alonso). The court found the PTO's Written Description Guidelines to be “an accurate description of the law ... and ... persuasive authority.” The court quoted it: “The written description requirement for a claimed genus may be satisfied [1] through sufficient description of a representative number of species ... [2] by disclosure of relevant, identifying characteristics, *i.e.*, structure or other physical and/or chemical properties, [3] by functional characteristics coupled with a known or disclosed correlation between function and structure, or [4] by a combination of such identifying characteristics, sufficient to show the applicant was in possession of the claimed genus. A “representative number of species” means that the species which are adequately described are representative of the entire genus. Thus, when there is substantial variation within the genus, one must describe a sufficient variety of species to reflect the variation within the genus.... Satisfactory disclosure of a “representative number” depends on whether one of skill in the art would recognize that the applicant was in possession of the necessary common attributes or features of the elements possessed by the members of the genus in view of the species disclosed. For inventions in an unpredictable art, adequate written description of a genus which embraces widely variant species cannot be achieved by disclosing only one species within the genus.” (emphasis added)

- If (a) all of the valves shown in the specification have a spike inside the valve's cavity for piercing a seal through which fluid can flow, (b) pre-slit seals are described as making piercing easier, and (c) it would have been obvious to a person of ordinary skill that a pre-slit seal could be used without a spike,

then is a claim to a valve that is not limited to a valve having a spike invalid under Section 112's "written description" requirement as a matter of law?

Yes (ICU). The court explained that a specification "need not recite the claimed invention in [exact words] but must do more than merely disclose that which would render the claimed invention obvious." The court found that "[b]ased on this disclosure, a person of skill in the art would not understand the inventor ... to have invented a spikeless medical valve." Citing Lizard Tech (2005) (specification described only one method; claims not limited to the method; claims invalid for failing written description because "person of skill in the art would not understand how to [make the transform] generically and would not understand [the inventor] to have invented a method for making [the transform] ... except by [the method described]").

- Is the written description requirement met for a method claim comprising the single step of reducing NF-KB activity when the specification (a) "hypothesizes three classes of molecules potentially capable of reducing NF-KB activity (e.g., describing decoy molecule structures and stating with no description that they could be used to reduce NF-KB activity), (b) "discloses no working or even prophetic examples of methods that reduce NF-KB activity," and (c) discloses "no completed syntheses of any of the molecules prophesized to be capable of reducing NF-KB activity," and when "[t]he state of the art at the time of filing was primitive and uncertain"?

No, as a matter of law (Ariad). Defendant argued that the specification "amounts to little more than a research plan." The court rejected patentee's assertion that "because there is no term in the asserted claims that corresponds to the molecules, it is entitled to claim the methods without describing the molecules." The court cited Rochester (2004) (invalid because patentee did not show "that the ordinarily skilled artisan would be able to identify any compound based on [the specification's] vague functional description"). The court explained that "the specification must demonstrate that [the patentee] possessed the claimed methods by sufficiently disclosing molecules capable of reducing NF-KB activity so as to 'satisfy the inventor's obligation to disclose the technologic knowledge upon which the patent is based, and to demonstrate that the patentee was in possession of the invention that is claimed.'"

- If an IDS is submitted in a reexamination proceeding that notes the existence of a co-pending continuation application, then can it be inequitable conduct not to submit two Office Actions from the continuation proceeding in the reexamination proceeding when all material prior art noted in the Office Actions was disclosed in the reexamination proceeding?

Yes, it can be (Larson). The court held “[b]ecause the [undisclosed] Office Actions contained another examiner's adverse decisions about substantially similar claims, and because the [undisclosed] Actions are not cumulative to the [earlier] Office Actions [about which the reexamination panel was aware], the district court correctly found the withheld Office Actions material.” (citing Dayco, 2003) Judge Linn concurred and wrote separately to say that this decision “perpetuates what was once referred to as a ‘plague’” of inequitable conduct accusations.

- In an inequitable conduct inquiry, does the burden remain on the party asserting inequitable conduct until it has shown both materiality and intent?

Apparently not (Praxair). “An inference of intent to deceive is generally appropriate ... when (1) highly material information is withheld; (2) ‘the applicant knew of the information [and] ... knew or should have known of the materiality of the information; and (3) the applicant has not provided a credible explanation for the withholding.’” (emphasis added; citing Ferring, Fed. Cir. 2006)).

- Is materiality evidence of intent?

No (Abbott). “Materiality is not evidence of intent, which must be established as a separate factual element of a discretionary ruling of inequitable conduct.” “Materiality, even if found, does not establish intent.” The October Abbott opinion (Newman, Gajarsa, Sr. Judge Archer) did not cite the conflicting September Praxair opinion (Dyk, Bryson; Judge Lourie dissenting).

- Is a claim infringed when the accused product is “reasonably capable of operating in an infringing manner”?

No, capability alone does not generally infringe (Bell Aerosol). The court explained that past opinions that indicate that a “capable” product infringes are “relevant only to claim language that specifies that the claim is drawn to capability.” The court cited Fantasy Sports Properties (2002) for the proposition that “infringement is not proven per se by a finding that an accused product is merely capable of infringing.” (ACCO Brands (2007) is also cited).

The court found that because the plaintiff presented no proof that the accused product “was ever placed in the infringing configuration” and “it is clear that [it] does not necessarily have to be placed in the infringing configuration,” summary judgment of non-infringement was proper.

- Does a party that sells or offers to sell software containing instructions to perform a method directly infringe a method claim covering the method under § 271(a)?

No (Ricoh). “As the court in NTP recognized, ‘a process is nothing more than the sequence of actions of which it is comprised.’ This court has also stated that a process “consists of doing something, and therefore has to be carried out or performed.” [S]oftware is not itself a sequence of actions, but rather it is a set of instructions that directs hardware to perform a sequence of actions.” “The cases noted here make clear that the actual carrying out of the instructions is that which constitutes a process within the meaning of § 271(a).”

- Section 271(c) provides that one who sells a component especially designed for use in a patented invention may be liable as a contributory infringer, provided that the component is not a staple article of commerce suitable for substantial noninfringing use. If a company sells a component that is “a staple article of commerce suitable for substantial noninfringing uses” but that component includes a sub-component that is (a) especially designed for use in a patented invention and (b) not a staple article, can the company be held liable for contributory infringement under Section 271(c)?

Yes (Ricoh). Such a company “should not be permitted to escape liability as a contributory infringer merely by embedding that [sub-component, e.g., a microcontroller] in a larger product with some additional, separable feature before importing and selling it.... [O]therwise, then so long as the resulting product, as a whole, has a substantial non-infringing use based solely on the additional feature, no contributory liability would exist despite the presence of a component that, if sold alone, plainly would incur liability. Under such a rule, evasion of the protection intended by Congress ... would become rather easy.”

Judge Gajarsa dissented: “[T]he majority’s expansive interpretation of ... ‘offers to sell or sells’ subjects not only Quanta to contributory infringement liability, but also Dell, HP and any other reseller of Quanta’s drives. These resellers come within the majority’s reading of § 271(c) even though their only activity is to sell an unpatented ... disc drive (or even an entire computer system) that has multiple functions, only one of which is alleged to practice [the] claimed methods.” (Note: Judge Gajarsa seems to ignore the “knowing” requirement of § 271(c)).

- Can a circular arc in a stent meet a “corner” limitation in a claim (construed as “a place where two surfaces meet to form an angle”) via the doctrine of equivalents?

Yes, it can (Cordis). The court found that “particularized” expert testimony as to equivalent function, way, and result can be sufficient evidence to support such a jury’s verdict under the doctrine of equivalents. The court found that such a finding does not “vitiate” the “corner” limitation because it does not “render[] the pertinent limitation meaningless” or “effectively eliminate that element in its entirety.” (citations omitted).

- If a) an agreement expressly provides that Company X covenants not to sue to Company Y as to Patent A, b) Patent B issues to Company X after the agreement, and c) Patent B is broader than (and necessary to practice) Patent A, then can Company X sue Company Y for infringing Patent B?

No; legal estoppel prevents it (TransCore). AMP (CCPA 1968) held that when a patentee sells or licenses a patent which is narrower than an earlier-issued patent (and the earlier-issued patent is required to practice the later one), the patentee is estopped from suing the grantee for infringement of the earlier-issued patent. The court found “no reason” for distinguishing between “earlier” or later patents because “the timing of patent issuance is no more relevant to this inquiry than the timing of acquisition.” “The basic principle is ... quite simple: ‘Legal estoppel refers to a narrow[] category of conduct encompassing scenarios where a patentee has licensed or assigned a right, received consideration, and then sought to derogate from the right granted.’”

- If a) an agreement expressly provides that Company X covenants not to sue to Company Y as to Patent A,
b) Patent B issues to Company X after the agreement, and
c) Patent B is broader than (and necessary to practice) Patent A,

but the agreement states “this covenant not to sue shall not apply to any other patents to be issued in the future,”

then can Company X sue Company Y for infringing Patent B?

No, the agreement’s language does not allow it (TransCore). The court held that “[t]his language may protect [the patentee] against [assertions] that future patents generally are impliedly licensed, but it does not permit [the patentee] to derogate from the rights it has expressly granted and thus does not preclude a finding of estoppel.” In other words, the legal estoppel effect of (a) – (c) is not trumped by “shall not apply” provision in the contract.

- Does a license that provides the licensee the right to “make, use, and sell” a product also give the licensee the right to have the product made by a third party?

Yes, “absent a clear indication of intent to the contrary,” at least under Utah law (CoreBrace). The court found such a right even though there was a clause in the license agreement that reserves to the licensor “all rights not expressly granted to [the licensee].”

- If a company (a) participates in a standards setting organization (SSO) and (b) does not submit a technical proposal, and the SSO's written agreement (i) provides no express requirement to disclose patents unless a member submits a technical proposal but (ii) includes the provision following this question, then is the company required to disclose its relevant patents to the SSO? “[M]embers/experts are encouraged to disclose as soon as possible IPR information (of their own or anyone else's) associated with any standardization proposal (of their own or anyone else's). Such information should be provided on a best effort basis.”

Yes, because of the “best efforts” clause (Qualcomm). “[W]hile the language of the [agreement] may not expressly require disclosure by all participants in all circumstances (e.g., if relevant [patents are] not disclosed despite the use of best efforts), it at least incorporates a best efforts standard (even apart from the submission of technical proposals). By Qualcomm's own admission, it did not present evidence of any efforts, much less best efforts, to disclose patents associated with the standardization proposal (of their own or anyone else's) to the [SSO]....” (emphasis added; citing Rambus, Fed. Cir. 2003)

- If a particular company participates in a standards setting organization (SSO) that contains no express requirement that participants disclose their relevant patents, but participants (besides the particular company) treat the SSO as imposing a duty to disclose relevant patents, then is the particular company required to disclose its relevant patents to the SSO?

Yes, it can be (Qualcomm). The court held that since (a) the duty is not contrary to the SSO's written agreement and (b) the trial court found “clear and convincing evidence that [the] participants treated the [SSO's written policies] as imposing a duty to disclose,” then the court would uphold the finding that a requirement to disclose relevant patents to the SSO existed. The court said: “[W]e agree ... that ... ‘[a] duty to speak can arise from a group relationship in which the working policy of disclosure of related intellectual property rights (‘IPR’) is treated by the group as a whole as imposing an obligation to disclose information in order to support and advance the purposes of the group.’” (emphasis added)

- What is the remedy for violating an implied duty to disclose intellectual property rights to a SSO?

Possible remedies include (a) a waiver of rights to enforce the relevant patents against the resulting standard and (b) a finding that the patents are unenforceable against anyone (Qualcomm). Here, the court found that the former is the appropriate remedy.

- If competitors agree to license a certain patent for use only in a specified standard and not for any other use (such as use in a competing standard or technology), then have the competitors committed an antitrust violation and/or patent misuse that would render the patent unenforceable?

Possibly, yes (Princo). The court stated that “[a]greements between competitors not to compete are classic antitrust violations.” (citations omitted) “Agreements preventing patent licensing of competing technologies also can constitute such violations.” (citing Standard Oil (S. Ct. 1931); other S. Ct. opinions; and the DOJ & FTC’s Antitrust Guidelines for the Licensing of IP (1995) (“In the absence of evidence establishing efficiency-enhancing integration from the joint assignment of patent rights, the Agency may conclude that the joint marketing of competing patent rights constitutes horizontal price fixing and could be challenged as a per se unlawful horizontal restraint of trade.”)). Such agreements are not within the rights granted to a patent holder.”

- If (a) competitors agree to license a certain patent for use only in a specified standard and not for use in a competing standard or technology and (b) the competing standard or technology “could not have been viable,” then have the competitors committed patent misuse that would render the patent unenforceable?

No, not through such an agreement alone (Princo). The court explained that “evidence that a suppressed technology would have been viable would be sufficient; on the other, proof that a suppressed technology could not have been viable would be sufficient to negate a charge of misuse. We need not determine at this time where on the continuum between “certainly would have been viable” and “certainly could not have been viable” the appropriate standard lies. We leave that issue for consideration in the first instance by the Commission, together with the question of whether the evidence here satisfies the standard.” Judge Bryson would have affirmed the ITC’s rejection of this misuse theory.

- Does the “safe harbor” provision of § 271(e)(1)—“It shall not be an act of infringement to make, use, offer to sell, or sell within the [US] or import into the [US] a patented invention ... solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs or veterinary biological products”—apply to process patents as well as product patents (e.g., when the imported product was made in another country by an infringing process in violation of § 271(g))?

Yes (Amgen). Amgen asserted that “certain importations of recombinant human erythropoietin and derivatives thereof (collectively “EPO”), as well as the process by which the EPO is produced in Europe, infringe. The court held that “[a]pplying the safe harbor exemption of ... § 271(e)(1), the imported EPO is not subject to exclusion based on infringement of either product or process patents, to the extent that the imported EPO is used to develop information that is reasonably related to the development and submission of information to the federal regulatory authority.”

- If (a) a patent contains both method and apparatus claims and (b) the patentee asserts only the method claims,

then does the marking requirement of 35 USC § 287(a) apply (i.e., must the patentee have marked the apparatus with the patent number to obtain damages prior to actual notice)?

No (Crown Packaging). The court held that because the patentee “asserted only the method claims” of a patent containing both method and apparatus claims, “the marking requirement of ... § 287(a) does not apply.”

Crown Packaging left intact the rule of American Medical (1993): “[B]oth apparatus and method claims of the ... patent were asserted and there was a physical device produced by the claimed method that was capable of being marked. Therefore, ... AMS was required to mark its product ... to recover damages under its method claims prior to actual or constructive notice being given....”

- If the question of infringement is a “close one” and a “difficult task” when viewed objectively, can willful infringement be found?

No, as a matter of law (DePuy Spine). The court found that “the record developed in the infringement proceeding in this case, viewed objectively, indisputably shows that the question of equivalence was a close one, particularly insofar as equivalence ‘requires an intensely factual inquiry.’ The mere fact that the jury ultimately found equivalence does not diminish the difficulty of their task, which must be viewed objectively. Accordingly, the district court was correct to rule on JMOL that an objectively high likelihood of infringement could not have been found under Seagate's first prong [(“patentee must show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent”)].”

- Is it an abuse of discretion or a 7th Amend. violation for a district court to appoint an independent expert to analyze infringement and validity and to testify to the jury about the expert's analysis and conclusions (e.g., claims are invalid or infringed) while telling the jury that "the court ordered the parties to retain an independent witness"?

No, at least not under Ninth Circuit law (Monolithic). Rule 706(a) of the Federal Rules of Evidence allows a district court to appoint an expert witness. The court stated that "[t]he predicaments inherent in court appointment of an independent expert and revelations to the jury about the expert's neutral status trouble this court to some extent." The court found, however, that "under Ninth Circuit law, district courts enjoy wide latitude to make these appointments. This court perceives no abuse of discretion in this case where the district court was confronted by what it viewed as an unusually complex case and what appeared to be starkly conflicting expert testimony." The court noted that the jury's verdict (all claims obvious) did not perfectly track the expert's opinion (one claim obvious).

- If (a) the plaintiff's testifying expert reviews the results of a test on an Accused Product that indicates the absence of infringement, (b) the test and its results were neither produced nor indicated on a privilege log, and (c) the plaintiff and its attorney were aware of the test, then is it an abuse of discretion for the court to sanction the plaintiff and its attorney?

No (ClearValue). The plaintiff and its attorney acknowledge that "documents and information disclosed to a testifying expert in connection with his testimony are discoverable by the opposing party, whether or not the expert relies on the documents and information in preparing his report" but asserted that they "forgot" about those tests because he was only designated as a claim construction expert (and not an infringement expert) at the time of the tests. The Federal Circuit rejected this argument.

- If (a) the plaintiff's testifying expert reviews the results of a test on an Accused Product that indicates the absence of infringement, (b) the test and its results were neither produced nor indicated on a privilege log, and (c) the plaintiff and its attorney were aware of the test, then is it an abuse of discretion for the court to enter judgment for the defendant as a sanction?

Yes, in this case (ClearValue). The court reversed the entry of judgment, finding that the sanction was too harsh under Fifth Circuit law.

- If (a) the plaintiff's testifying expert reviews the results of a test on an Accused Product that indicates the absence of infringement, (b) the test and its results were neither produced nor indicated on a privilege log, and (c) the plaintiff and its attorney were aware of the test, then is it an abuse of discretion for the court to order payment of the defendant's attorneys fees and costs by the plaintiff and the plaintiff's attorney as a sanction?

Yes, in this case (ClearValue). The court remanded most of the attorneys fees and costs award (~\$2.7 million) because it depended on the defendant's status as prevailing party (which was reversed). The court found that the district court abused its discretion by ordering the attorney to pay fees and costs without considering his ability to pay (the amount was more than his previous year's net income). The court remanded, stating the district court "should not consider any further sanctions for the discovery violations which are the subject of this appeal." Judge Newman dissented in part, indicating that she would remand to consider the attorney's ability to pay.

- Can the filing of a ANDA paragraph IV certification stating that an Orange Book-listed patent is invalid be considered “litigation misconduct” that can support the award of attorneys’ fees against the filer under 35 USC § 285 if a district court finds the certification to be “baseless” and to not present a prima facie case of invalidity?

Yes (Takeda). This can be particularly true if the paragraph IV filer proceeds on different theories in litigation than is presented in the certification.

- Is a district court deprived of declaratory judgment jurisdiction if a patentee covenants not to sue a DJ plaintiff for past infringement?

No, not necessarily (Revolution Eyewear). The court held that while a covenant not to ever sue for infringement in relation to products identical to the DJ plaintiff’s current products might deprive a district court of declaratory judgment jurisdiction, a covenant that does not repudiate a future suit can leave open a controversy “at a level of ‘sufficient immediacy and reality’ to allow” declaratory judgment jurisdiction.

- As an “incentive for generic pharmaceutical companies to challenge suspect Orange Book listed patents, the Hatch-Waxman Act grants the first company to submit a Paragraph IV ANDA a 180-day period of generic marketing exclusivity during which time FDA will not approve a later-filed Paragraph IV ANDA based on the same NDA.” Will a possible delay in the future of a first Paragraph IV ANDA filer in launching its generic product give rise to declaratory judgment jurisdiction by a later Paragraph IV ANDA filer against the patentee?

No, not alone (Janssen). The case distinguished Caraco (Fed. Cir. 2008). The court explained that “at the time when the district court entered final judgment in this case, [the later filer's] alleged harm of indefinite delay of approval was too speculative to create an actual controversy to warrant the issuance of a declaratory judgment.”

- The Hatch-Waxman Act allows a district court to lengthen or shorten the 30-month stay of the FDA’s approval of an ANDA that arises if the patentee sues pursuant to Hatch-Waxman if “either party to the action failed to reasonably cooperate in expediting the action.” If the generic drug manufacturer amends its ANDA, provides samples, and discloses documents shortly before and after the discovery deadline, does the district court abuse its discretion by extending the stay by approximately 4 months?

No (Eli Lilly). The court held “[u]nlike Andrx, in this case, the district court extended the statutory thirty-month stay based on its findings of Teva's lack of cooperation in expediting the patent litigation in its court. The court's findings were not based on Teva's filing with the FDA.” Judge Prost dissented, asserting that the district court made insufficient factual findings regarding a failure to reasonably cooperate.

- Can the PTO, on its own accord, adopt rules that (a) limit applicants to two continuation applications; (b) limit applicants to one RCE; (c) require applicants to submit an examination support document (ESD) that provides information about prior art and why they believed claims were patentable over the prior art if the applicant presented more than five independent claims or 25 total claims; and (d) require applicants to engage in a pre-examination search and provide specific details about the scope of search in certain instances?

Yes, except that (a) is invalid because such a rule conflicts with 35 USC § 120 (governing when applications are given the benefit of an earlier filing date) (Tafas). The court found that such rules are procedural (the district court found them to be substantive) and are to be given deference under Chevron. The court did not find that (b) – (d) conflict with the US Code.

The court remanded to the district court, indicating that “[t]his opinion does not decide any of the following issues: whether any of the Final Rules, either on their face or as applied in any specific circumstances, are arbitrary and capricious; whether any of the Final Rules conflict with the Patent Act in ways not specifically addressed in this opinion; whether all USPTO rulemaking is subject to notice and comment rulemaking under 5 U.S.C. § 553; whether any of the Final Rules are impermissibly vague; and whether the Final Rules are impermissibly retroactive.” Judge Rader dissented.

- Can the PTO, on its own accord, adopt rules that (a) limit applicants to two continuation applications; (b) limit applicants to one RCE; (c) require applicants to submit an examination support document (ESD) that provides information about prior art and why they believed claims were patentable over the prior art if the applicant presented more than five independent claims or 25 total claims; and (d) require applicants to engage in a pre-examination search and provide specific details about the scope of search in certain instances?

Yes, except that (a) is invalid because such a rule conflicts with 35 USC § 120 (governing when applications are given the benefit of an earlier filing date) (Tafas).

En banc review was granted in July 2009.

- If a company opposing a motion for preliminary injunction “raises a substantial question” concerning infringement, validity, or enforceability, is the district court required to deny the motion?

No, per Judge Newman; Yes, per Judge Gajarsa; no position from Sr. Judge Archer (Abbott). Judge Newman says: “The dissent quotes with approval a past panel statement that ‘In resisting a preliminary injunction, however, one need not make out a case of actual validity. Vulnerability is the issue at the preliminary injunction stages, while validity is the issue at trial.’ Indeed, this court’s precedent makes this statement, in direct conflict with other, earlier statements that the standard is not vulnerability, but likelihood of success on the merits. The correct standard is not whether a substantial question has been raised, but whether the patentee is likely to succeed on the merits, upon application of the standards of proof that will prevail at trial.” (emphasis added; citations omitted)

Judge Gajarsa: “ [W]hen the alleged infringer raises a substantial question regarding validity, a preliminary injunction cannot issue because the patentee has failed to demonstrate a likelihood of success on the merits. Judge Gajarsa calls the portion of Judge Newman’s opinion that makes her point “a pleasant, ambulatory, and meandering discussion....”

- If a substantial number of material witnesses reside within a transferee venue and none reside with the original venue (Eastern District of Texas), is it proper for the district court to consider witness convenience as a factor only if the transferee venue “will be more convenient for all of the witnesses”?

No (Genentech). The Federal Circuit disagreed with “the district court’s rigid assessment. Because a substantial number of material witnesses reside within the transferee venue and the state of California, and no witnesses reside within the Eastern District of Texas, the district court clearly erred in not determining this factor to weigh substantially in favor of transfer.” The court found that the district court “clearly abused its discretion in denying transfer of venue to the Northern District of California” and ordered transfer via a writ of mandamus.

Recent Patent Case Law September 1, 2008 – June 30, 2009

Index of Cases Addressed (By Date)

Case Number	Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
1.	<i>Janssen Pharmaceutica, N.V. v. Apotex, Inc.</i> , 540 F.3d 1353 (Fed. Cir. 2008)	Sept 4, 2008	3	Declaratory judgment jurisdiction	76	Moore (op.) Michel, Ch. J. Rader
2.	<i>Carnegie Mellon Univ. v. Hoffmann-La Roche Inc.</i> , 541 F.3d 1115 (Fed. Cir. 2008)	Sept 8, 2008	4	Written description	48, 49	Lourie (op.) Bryson Prost
3.	<i>Broadcom Corp. v. Int'l Trade Comm'n</i> , 542 F.3d 894 (Fed. Cir. 2008)	Sept 19, 2008	2	ITC; claim construction	28	Bryson (op.) Rader Linn
4.	<i>Commonwealth Scientific & Indus. Research Org. v. Buffalo Tech. (USA), Inc.</i> , 542 F.3d 1363 (Fed. Cir. 2008)	Sept 19, 2008	3	Anticipation; incorporation by reference; obviousness; means plus function	42	Bryson (op.) Rader Lourie, (conc.)
5.	<i>Praxair, Inc. v. ATMI, Inc.</i> , 543 F.3d 1306 (Fed. Cir. 2008)	Sept 29, 2008	3	Inequitable conduct; claim construction; indefiniteness	53	Dyk (op.) Bryson Lourie (conc.-in-part & dis.-in-part)
6.	<i>Kyocera Wireless Corp. v. Int'l Trade Comm'n</i> , 545 F.3d 1340 (Fed. Cir. 2008)	Oct 14, 2008	3	Claim construction	29	Rader (op.) Bryson Linn
7.	<i>Net MoneyIN, Inc. v. VeriSign, Inc.</i> , 545 F.3d 1359 (Fed. Cir. 2008)	Oct 20, 2008	3	Means-plus-function claims; anticipation	41	Linn (op.) Clevenger, Sr. J. Moore

Case Number	Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
8.	<i>Abbott Labs. v. Sandoz, Inc.</i> , 544 F.3d 1341 (Fed. Cir. 2008)	Oct 21, 2008	3	Invalidity; inequitable conduct; preliminary injunction; infringement	34, 54, 80	Newman (op.) Archer (conc. in judgment & joins except Parts I & VI) Gajarsa (dis.)
9.	<i>In re Bilski</i> , 545 F.3d 943 (Fed. Cir. 2008) (en banc)	Oct 30, 2008	5	Section 101; patentable subject matter	2-4, 6, 7, 9, 11-19	En Banc Michel, Ch. J.(op.) Dyk (conc.) Newman (dis.) Mayer (dis.) Rader (dis.)
10.	<i>In re Alonso</i> , 545 F.3d 1015 (Fed. Cir. 2008)	Oct 30, 2008	3	Written description	49	Stearns (op.) (designation) Michel, Ch. J. Mayer
11.	<i>Qualcomm Inc. v. Broadcom Corp.</i> , 548 F.3d 1004 (Fed. Cir. 2008)	Dec 1, 2008	4	Standards organizations; IP disclosure	62-64	Prost (op.) Mayer Louie
12.	<i>Takeda Chem. Indus., Ltd. v. Mylan Labs., Inc.</i> , 549 F.3d 1381 (Fed. Cir. 2008)	Dec 8, 2008	3	ANDA; litigation misconduct	46, 47, 74	Lourie (op.) Rader Bryson (conc.-in-part & in result)
13.	<i>Netcraft Corp. v. eBay, Inc.</i> , 549 F.3d 1394 (Fed. Cir. 2008)	Dec 9, 2008	3	Claim construction	30, 31	Prost (op.) Bryson Linn
14.	<i>Ricoh Co. Ltd. v. Quanta Computer Inc.</i> , 550 F. 3d 1325 (Fed. Cir. 2008)	Dec 23, 2008	4	Obviousness, infringement, contributory infringement	56, 57	Linn Dyk Gajarsa (dis. as to Sec. III.B) (per curiam)

Case Number	Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
15.	<i>In re Comiskey</i> , 554 F.3d 967 (Fed. Cir. 2009) (reissued opinion)	Jan 13, 2009	3	101; patentable subject matter	5, 8	Dyk (op.) Michel, Ch. J. Prost
16.	<i>Sud-Chemie, Inc. v. Multisorb Technologies, Inc.</i> , 554 F.3d 1001 (Fed. Cir. 2009)	Jan 30, 2009	3	Secondary considerations of non-obviousness	45	Bryson, (op.) Sr. J. Rader Friedman
17.	<i>Kinetic Concepts, Inc. v. Blue Sky Medical Group, Inc.</i> , 554 F.3d 1010 (Fed. Cir. 2009)	Feb 2, 2009	3	Claim construction	25, 35	Prost (op.) Bryson, Sr. J. Dyk (dis.)
18.	<i>Ball Aerosol and Specialty Container, Inc. v. Limited Brands, Inc.</i> , 555 F.3d 984 (Fed. Cir. 2009)	Feb 9, 2009	4	Infringement	55	Lourie (op.) Clevenger, Sr. J. Linn
19.	<i>Revolution Eyewear, Inc. v. Aspex Eyewear, Inc.</i> , 556 F.3d 1294 (Fed. Cir. 2009) (corrected Feb. 20, 2009)	Feb 13, 2009	3	Declaratory Judgment jurisdiction	75	Newman (op.) Schall Moore
20.	<i>Eli Lilly and Co. v. Teva Pharmaceuticals USA, Inc.</i> , 557 F.3d 1346 (Fed. Cir. 2009)	Feb 24, 2009	3	Hatch-Waxman; extension of 30-month stay; failure to reasonably cooperate in expediting the action	77	Rader (op.) Michel, Ch. J. Prost (dis.)
21.	<i>Monolithic Power Systems, Inc. v. O2 Micro Int'l Ltd.</i> , 558 F.3d 1341 (Fed. Cir. 2009)	March 5, 2009	3	Court-appointed testifying experts; obviousness	70	Rader (op.) Plager Gajarsa
22.	<i>In re Ferguson</i> , 558 F.3d 1359 (Fed. Cir. 2009)	March 6, 2009	3	Patentable subject matter	7, 9, 10	Gajarsa (op.) Newman (conc.) Mayer

Case Number	Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
23.	<i>ICU Medical, Inc. v. Alaris Medical Systems, Inc.</i> , 558 F.3d 1368 (Fed. Cir. 2009)	March 13, 2009	4	Claim construction; claim differentiation; written description; Rule 11	26, 27, 50	Moore (op.) Michel, Ch. J. Prost
24.	<i>Crown Packaging Technology, Inc. v. Rexam Beverage Can Co.</i> , 559 F.3d 1308 (Fed. Cir. 2009)	March 17, 2009	3	Final judgment; doctrine of equivalents; marking	68	Moore (op.) Bryson, Sr. J. Gajarsa
25.	<i>Larson Mfg. Co. of South Dakota, Inc. v. Aluminart Products Ltd.</i> , 559 F.3d 1317 (Fed. Cir. 2009)	March 18, 2009	3	Inequitable conduct; cumulative references	52	Schall (op.) Clevenger, Sr. J. Linn (conc.)
26.	<i>Tafas v. Doll</i> , 559 F.3d 1345 (Fed. Cir. 2009), <i>en banc</i> rehearing granted, 2009 WL 1916498 (Fed. Cir. July 06, 2009) (en banc)	March 20, 2009	3	Patent Office rules	78, 79	Prost (op.) Bryson (conc.) Radar (dis.)
27.	<i>ClearValue, Inc. v. Pearl River Polymers, Inc.</i> , 560 F.3d 1291 (Fed. Cir. 2009)	March 24, 2009	3	Testifying experts; sanctions	71-73	Schall (op.) Dyk Newman (dis. & conc.-in-part)
28.	<i>In re Gleave</i> , 560 F.3d 1331 (Fed. Cir. 2009)	March 26, 2009	3	Anticipation	38-40	Prost (op.) Michel, Ch. J. Moore
29.	<i>Cordis Corp. v. Boston Scientific Corp.</i> , 561 F.3d 1319 (Fed. Cir. 2009)	March 31, 2009	3	Claim construction; printed publication; anticipation	36, 37, 58	Dyk (op.) Mayer Huff (designation)
30.	<i>In re Kubin</i> , 561 F.3d 1351 (Fed. Cir. 2009)	April 3, 2009	3	Obviousness	43, 44	Rader (op.) Friedman Linn

Case Number	Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
31.	<i>Ariad Pharmaceuticals, Inc. v. Eli Lilly & Co.</i> , 560 F.3d 1366 (Fed. Cir. 2009)	April 3, 2009	3	Written description; inequitable conduct	51	Moore (op.) Linn (conc.) Prost
32.	<i>TransCore, LP v. Electronic Transaction Consultants Corp.</i> , 563 F.3d 1271 (Fed. Cir. 2009)	April 8, 2009	3	Patent exhaustion; impact of licenses on later-issuing patents	21-24, 59, 60	Gajarsa (op.) Dyk Moore
33.	<i>Princo Corp. v. Int'l Trade Comm'n</i> , 563 F.3d 1301 (Fed. Cir. 2009)	April 20, 2009	3	Patent misuse; antitrust	65, 66	Dyk (op.) Gajarsa Bryson (dis. & conc.-in-part), Sr. J.
34.	<i>Amgen Inc. v. Int'l Trade Comm'n</i> , 565 F.3d 846 (Fed. Cir. 2009) (reissued opinion)	April 30, 2009	3	Safe harbor	67	Newman Lourie (per curiam) Linn (dis. as to Sec. I.A)
35.	<i>Linear Technology Corp. v. Int'l Trade Comm'n</i> , 566 F.3d 1049 (Fed. Cir. 2009)	May 21, 2009	3	Claim construction; infringement	32, 33	Schall (op.) Mayer Lourie
36.	<i>CoreBrace LLC v. Star Seismic LLC</i> , 566 F.3d 1069 (Fed. Cir. 2009)	May 22, 2009	3	Licensing	61	Lourie (op.) Friedman Prost
37.	<i>In re Genentech, Inc.</i> , 566 F.3d 1338 (Fed. Cir. 2009)	May 22, 2009	3	Personal jurisdiction	81	Linn (op.) Michel, Ch. J. Friedman
38.	<i>DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.</i> , 567 F.3d 1314 (Fed. Cir. 2009)	June 1, 2009	3	Doctrine of equivalents; ensnarement; lost profits; pull-through products; willful infringement	69	Linn (op.) Newman Bryson, Sr. J.

Case Number	Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
39.	<i>Caraco Pharm. Labs., Ltd. v. Forest Labs., Inc.</i> , 527 F.3d 1278 (Fed. Cir. 2008)	Apr 1, 2008	3	Declaratory judgment jurisdiction	76	Gajarsa (op.) Prost Friedman, Sr. J. (dis.)
40.	<i>Quanta Computer, Inc. v. LG Elec., Inc.</i> , 128 S. Ct. 2109 (2008)	June 9, 2008	5	Patent exhaustion	20, 23	Thomas , J. (op.) (unanimous)

Recent Patent Case Law
September 1, 2008 – June 30, 2009

Index of Cases Addressed
(By Case Name)

Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
<i>Abbott Labs. V. Sandoz, Inc.</i> , 544 F.3d 1341 (Fed. Cir. 2008)	Oct 21, 2008	3	Invalidity; inequitable conduct; preliminary injunction; infringement	34, 54, 80	Newman (op.) Archer (conc. In judgment & joins except Parts I & VI) Gajarsa (dis.)
<i>Amgen Inc. v. Int'l Trade Comm'n</i> , 565 F.3d 846 (Fed. Cir. 2009) (reissued opinion)	April 30, 2009	3	Safe harbor	67	Newman Lourie (per curiam) Linn (dis. As to Sec. I.A)
<i>Ariad Pharmaceuticals, Inc. v. Eli Lilly & Co.</i> , 560 F.3d 1366 (Fed. Cir. 2009)	April 3, 2009	3	Written description; inequitable conduct	51	Moore (op.) Linn (conc.) Prost
<i>Ball Aerosol and Specialty Container, Inc. v. Limited Brands, Inc.</i> , 555 F.3d 984 (Fed. Cir. 2009)	Feb 9, 2009	4	Infringement	55	Lourie (op.) Clevenger, Sr. J. Linn
<i>Broadcom Corp. v. Int'l Trade Comm'n</i> , 542 F.3d 894 (Fed. Cir. 2008)	Sept 19, 2008	2	ITC; claim construction	28	Bryson (op.) Rader Linn
<i>Caraco Pharm. Labs., Ltd. v. Forest Labs., Inc.</i> , 527 F.3d 1278 (Fed. Cir. 2008)	Apr 1, 2008	3	Declaratory judgment jurisdiction	76	Gajarsa (op.) Prost Friedman, Sr. J. (dis.)

Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
<i>Carnegie Mellon Univ. v. Hoffmann-La Roche Inc.</i> , 541 F.3d 1115 (Fed. Cir. 2008)	Sept 8, 2008	4	Written description	48, 49	Lourie (op.) Bryson Prost
<i>ClearValue, Inc. v. Pearl River Polymers, Inc.</i> , 560 F.3d 1291 (Fed. Cir. 2009)	March 24, 2009	3	Testifying experts; sanctions	71-73	Schall (op.) Dyk Newman (dis. & conc.-in-part)
<i>Commonwealth Scientific & Indus. Research Org. v. Buffalo Tech. (USA), Inc.</i> , 542 F.3d 1363 (Fed. Cir. 2008)	Sept 19, 2008	3	Anticipation; incorporation by reference; obviousness; means plus function	42	Bryson (op.) Rader Lourie, (conc.)
<i>Cordis Corp. v. Boston Scientific Corp.</i> , 561 F.3d 1319 (Fed. Cir. 2009)	March 31, 2009	3	Claim construction; printed publication; anticipation	36, 37, 58	Dyk (op.) Mayer Huff (designation)
<i>CoreBrace LLC v. Star Seismic LLC</i> , 566 F.3d 1069 (Fed. Cir. 2009)	May 22, 2009	3	Licensing	61	Lourie (op.) Friedman Prost
<i>Crown Packaging Technology, Inc. v. Rexam Beverage Can Co.</i> , 559 F.3d 1308 (Fed. Cir. 2009)	March 17, 2009	3	Final judgment; doctrine of equivalents; marking	68	Moore (op.) Bryson, Sr. J. Gajarsa
<i>DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.</i> , 567 F.3d 1314 (Fed. Cir. 2009)	June 1, 2009	3	Doctrine of equivalents; ensnarement; lost profits; pull-through products; willful infringement	69	Linn (op.) Newman Bryson, Sr. J.

Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
<i>Eli Lilly and Co. v. Teva Pharmaceuticals USA, Inc.</i> , 557 F.3d 1346 (Fed. Cir. 2009)	Feb 24, 2009	3	Hatch-Waxman; extension of 30-month stay; failure to reasonably cooperate in expediting the action	77	Rader (op.) Michel, Ch. J. Prost (dis.)
<i>ICU Medical, Inc. v. Alaris Medical Systems, Inc.</i> , 558 F.3d 1368 (Fed. Cir. 2009)	March 13, 2009	4	Claim construction; claim differentiation; written description; Rule 11	26, 27, 50	Moore (op.) Michel, Ch. J. Prost
<i>In re Alonso</i> , 545 F.3d 1015 (Fed. Cir. 2008)	Oct 30, 2008	3	Written description	49	Stearns (op.) (designation) Michel, Ch. J. Mayer
<i>In re Bilski</i> , 545 F.3d 943 (Fed. Cir. 2008) (en banc)	Oct 30, 2008	5	Section 101; patentable subject matter	2-4, 6, 7, 9, 11-19	En Banc Michel, Ch. J. (op.) Dyk (conc.) Newman (dis.) Mayer (dis.) Rader (dis.)
<i>In re Comiskey</i> , 554 F.3d 967 (Fed. Cir. 2009) (reissued opinion)	Jan 13, 2009	3	101; patentable subject matter	5, 8	Dyk (op.) Michel, Ch. J. Prost
<i>In re Ferguson</i> , 558 F.3d 1359 (Fed. Cir. 2009)	March 6, 2009	3	Patentable subject matter	7, 9, 10	Gajarsa (op.) Newman (conc.) Mayer
<i>In re Genentech, Inc.</i> , 566 F.3d 1338 (Fed. Cir. 2009)	May 22, 2009	3	Personal jurisdiction	81	Linn (op.) Michel, Ch. J. Friedman
<i>In re Gleave</i> , 560 F.3d 1331 (Fed. Cir. 2009)	March 26, 2009	3	Anticipation	38-40	Prost (op.) Michel, Ch. J. Moore
<i>In re Kubin</i> , 561 F.3d 1351 (Fed. Cir. 2009)	April 3, 2009	3	Obviousness	43, 44	Rader (op.) Friedman Linn

Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
<i>Janssen Pharmaceutica, N.V. v. Apotex, Inc.</i> , 540 F.3d 1353 (Fed. Cir. 2008)	Sept 4, 2008	3	Declaratory judgment jurisdiction	76	Moore (op.) Michel, Ch. J. Rader
<i>Kinetic Concepts, Inc. v. Blue Sky Medical Group, Inc.</i> , 554 F.3d 1010 (Fed. Cir. 2009)	Feb 2, 2009	3	Claim construction	25, 35	Prost (op.) Bryson, Sr. J. Dyk (dis.)
<i>Kyocera Wireless Corp. v. Int'l Trade Comm'n</i> , 545 F.3d 1340 (Fed. Cir. 2008)	Oct 14, 2008	3	Claim construction	29	Rader (op.) Bryson Linn
<i>Larson Mfg. Co. of South Dakota, Inc. v. Aluminart Products Ltd.</i> , 559 F.3d 1317 (Fed. Cir. 2009)	March 18, 2009	3	Inequitable conduct; cumulative references	52	Schall (op.) Clevenger, Sr. J. Linn (conc.)
<i>Linear Technology Corp. v. Int'l Trade Comm'n</i> , 566 F.3d 1049 (Fed. Cir. 2009)	May 21, 2009	3	Claim construction; infringement	32, 33	Schall (op.) Mayer Lourie
<i>Monolithic Power Systems, Inc. v. O2 Micro Int'l Ltd.</i> , 558 F.3d 1341 (Fed. Cir. 2009)	March 5, 2009	3	Court-appointed testifying experts; obviousness	70	Rader (op.) Plager Gajarsa
<i>Net MoneyIN, Inc. v. VeriSign, Inc.</i> , 545 F.3d 1359 (Fed. Cir. 2008)	Oct 20, 2008	3	Means-plus-function claims; anticipation	41	Linn (op.) Clevenger, Sr. J. Moore
<i>Netcraft Corp. v. eBay, Inc.</i> , 549 F.3d 1394 (Fed. Cir. 2008)	Dec 9, 2008	3	Claim construction	30, 31	Prost (op.) Bryson Linn
<i>Praxair, Inc. v. ATMI, Inc.</i> , 543 F.3d 1306 (Fed. Cir. 2008)	Sept 29, 2008	3	Inequitable conduct; claim construction; indefiniteness	53	Dyk (op.) Bryson Lourie (conc.-in-part & dis.-in-part)

Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
<i>Princo Corp. v. Int'l Trade Comm'n</i> , 563 F.3d 1301 (Fed. Cir. 2009)	April 20, 2009	3	Patent misuse; antitrust	65, 66	Dyk (op.) Gajarsa Bryson (dis. & conc.-in-part), Sr. J.
<i>Qualcomm Inc. v. Broadcom Corp.</i> , 548 F.3d 1004 (Fed. Cir. 2008)	Dec 1, 2008	4	Standards organizations; IP disclosure	62-64	Prost (op.) Mayer Louie
<i>Quanta Computer, Inc. v. LG Elec., Inc.</i> , 128 S. Ct. 2109 (2008)	June 9, 2008	5	Patent exhaustion	20, 23	Thomas, J. (op.) (unanimous)
<i>Revolution Eyewear, Inc. v. Aspex Eyewear, Inc.</i> , 556 F.3d 1294 (Fed. Cir. 2009) (corrected Feb. 20, 2009)	Feb 13, 2009	3	Declaratory Judgment jurisdiction	75	Newman (op.) Schall Moore
<i>Ricoh Co. Ltd. v. Quanta Computer Inc.</i> , 550 F. 3d 1325 (Fed. Cir. 2008)	Dec 23, 2008	4	Obviousness, infringement, contributory infringement	56, 57	Linn Dyk Gajarsa (dis. as to Sec. III.B) (per curiam)
<i>Sud-Chemie, Inc. v. Multisorb Technologies, Inc.</i> , 554 F.3d 1001 (Fed. Cir. 2009)	Jan 30, 2009	3	Secondary considerations of non-obviousness	45	Bryson, (op.) Sr. J. Rader Friedman
<i>Tafas v. Doll</i> , 559 F.3d 1345 (Fed. Cir. 2009), <i>en banc</i> rehearing granted, 2009 WL 1916498 (Fed. Cir. July 06, 2009) (en banc)	March 20, 2009	3	Patent Office rules	78, 79	Prost (op.) Bryson (conc.) Radar (dis.)
<i>Takeda Chem. Indus., Ltd. v. Mylan Labs., Inc.</i> , 549 F.3d 1381 (Fed. Cir. 2008)	Dec 8, 2008	3	ANDA; litigation misconduct	46, 47, 74	Lourie (op.) Rader Bryson (conc.-in-part & in result)

Case Name & Citation	Date	Rating	Subject	Pages (Slides)	Judges
<i>TransCore, LP v. Electronic Transaction Consultants Corp.</i> , 563 F.3d 1271 (Fed. Cir. 2009)	April 8, 2009	3	Patent exhaustion; impact of licenses on later-issuing patents	21-24, 59, 60	Gajarsa (op.) Dyk Moore

Significant Trademark Cases 2008/2009

Section 801: State Street to Bilski
2009 ACC Annual Meeting

Liability for Sale of Infringing Product

- *Tiffany (NJ) Inc. v. eBay, Inc.*, 576 F. Supp. 2d 463 (S.D.N.Y. 2008)

Misappropriation/Unfair Competition in light of Federal Registration

- *Empresa Cubana del Tabaco v. Culbro Corp.*, 587 F. Supp. 2d 622 (S.D.N.Y. 2008)

Failure to Police Marks

- *Stuart Spector Designs, Ltd. v. Fender Musical Instruments Corp.*, Opp. No. 91161403, (T.T.A.B. March 25, 2009)

Residual Goodwill

- *Gen. Motors Corp. v. Aristide & Co.*, 87 U.S.P.Q.2d 1179 (T.T.A.B. 2008)

Search Keywords

- *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123 (2d Cir. 2009)
- *Fin. Express LLC v. Nowcom Corp.*, 564 F. Supp. 2d 1160 (C.D. Cal. 2008)

Domain Names as Trademarks

- *In re Hotels.com, L.P.*, 87 U.S.P.Q.2d 1100 (T.T.A.B. 2008), affirmed, Appeal No. 2008-1429 (Fed. Cir. July 23, 2009)

Inherent Distinctiveness

- *In re Dean S. Carlson*, 91 USPQ2d 1198 (TTAB 2009)

Sound Marks

- *In re Vertex Group LLC*, 89 U.S.P.Q.2d 1694, 1700 (T.T.A.B. 2009)
- *Nextel Communications, Inc. v. Motorola, Inc.*, Opposition No. 91164353, slip op. (T.T.A.B. June 12, 2009)

Licensee's Standing to Sue

- *Coyne's & Co. v. Enesco, LLC*, 565 F. Supp. 2d 1027 (D. Minn. 2008)

Likelihood of Confusion

- *John Allan Co. v. Craig Allen Co.*, 540 F.3d 1133 (10th Cir. 2008)
- *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213 (9th Cir. 2008)
- *Ava Enterp. v. P.A.C. Trading Group*, 86 U.S.P.Q.2d 1659 (T.T.A.B. 2008)
- *Douglas v. Osteen*, 560 F. Supp. 2d 362 (E.D. Pa. 2008)

Counterfeiting

- *Magasouba v. Mukasey*, 543 F.3d 13 (1st Cir. 2008)
- *Tall v. Mukasey*, 517 F.3d 1115 (9th Cir. 2008)

- *United States v. Able Time, Inc.*, 545 F.3d 824 (9th Cir. 2008), *petition for cert. filed*, 77 U.S.L.W. 3562 (U.S. Mar. 23, 2009)

Right of Publicity

- *Burck v. Mars, Inc.*, 571 F. Supp. 2d 446 (S.D.N.Y. 2008)
- *Estate of Mantle v. Rothgeb*, 537 F. Supp. 2d 533 (S.D.N.Y. 2008)

Damages

- *Venture Tape Corp. v. McGills Glass Warehouse*, 540 F.3d 56 (1st Cir. 2008), *cert. denied*, 77 U.S.L.W. 3528 (U.S. Mar. 23, 2009)
- *WMS Gaming Inc. v. WPC Prods. Ltd.*, 542 F.3d 601 (7th Cir. 2008)
- *Trilink Saw Chain, LLC v. Blount, Inc.*, 583 F. Supp. 2d 1293, 1323 (N.D. Ga. 2008)

Fraud on the PTO

- *Grand Canyon West Ranch, LLC v. Hualapai Tribe*, 88 U.S.P.Q.2d 1501 (T.T.A.B. 2008)
- *Herbaceuticals Inc. v. Xel Herbaceuticals Inc.*, 86 U.S.P.Q.2d 1572 (T.T.A.B. 2008)
- *G&W Laboratories, Inc. v. G.W. Pharma Ltd.*, 89 U.S.P.Q.2d 1571 (T.T.A.B. 2009)
- *University Games Corp. v. 20Q.net Inc.*, 87 U.S.P.Q.2d 1465 (T.T.A.B. 2008)
- *Zanella Ltd. v. Nordstrom, Inc.*, Opposition No. 9117785889, slip op. (T.T.A.B. Oct. 23, 2008)

PTO Procedure

- *Vibe Records Inc. v. Vibe Media Group LLC*, 88 U.S.P.Q.2d 1280 (T.T.A.B. 2008)
- *Schott AG v. L'Wren Scott*, 88 U.S.P.Q.2d 1862 (T.T.A.B. 2008)
- *Nat'l Football League v. DNH Mgmt. LLC*, 85 U.S.P.Q.2d 1852 (T.T.A.B. 2008)
- *Cooper Techs. Co. v. Denier Elec. Co.*, 89 U.S.P.Q.2d 1478 (T.T.A.B. 2008)
- *Quality Candy Shoppes/Buddy Squirrel of Wis., Inc.*, 90 U.S.P.Q.2d 1389 (T.T.A.B. 2007)

ACC Association of Corporate Counsel

Recent Developments in Patent Law

Steve Gardner
Kilpatrick Stockton LLP
Winston-Salem, NC

October 19, 2009

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

§ 101 – *In re Bilski (en banc)*

- § 101: “Whoever invents or discovers any new and useful process ... may obtain a patent therefor”
- **Bilski**: A “process” is patent-eligible under § 101 only if: “(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing.”
- As applied, this “machine-or-transformation test” likely renders 1000s of software-oriented patent claims invalid.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!


ACC Association of Corporate Counsel

§ 101 – *In re Bilski (en banc)*

- Not academic: 5 / 6 district court cases applying **Bilski** found claims invalid; approximately 90% of Board of Patent Appeals cases applying **Bilski** found claims unpatentable.
- Significant concern to those seeking to protect software-based processes in particular, but impacts all process / method claims
- Oral argument at the Supreme Court next month

2009 Annual Meeting
October 18-21 Boston


Don't just survive. Thrive!

 § 102 – “Public” becomes harder to show

- No legal obligation of confidentiality is required for a disclosure to be non-public. A reasonable “expectation of confidentiality” is sufficient. (Cordis)
- Norms / practice impact “reasonable expectations”:
 - “[A]cademic norms gave rise to an expectation that disclosures will remain confidential.”
 - The court noted a “code of practice which occurs worldwide in academic circles, in departments, in medicine” includes treating a document describing scientific research in the ‘same confidential manner as you would if you had been given it directly by the author.’” (Id.)

2009 Annual Meeting
October 18-21 Boston


Don't just survive. Thrive!

 § 102 – Prior art does not have to meet § 112 to anticipate

- Prior art does not have to satisfy either the written description requirement or the enablement requirement of § 112 to anticipate a claim. (Gleave)
- Regarding enablement:
 - That one of skill in the art would know how to make the claimed product in light of the prior art is sufficient.
 - “[E]vidence as to whether [the prior art references] work for their intended purpose is irrelevant.” (Id.)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

 § 103 – “Obvious to try” begins to take root and lowers the bar

- If the prior art provides a “reasonable expectation of success” for obtaining a product or process within the scope of a claim, then the claim is obvious and invalid. (In re Kubin)
- “KSR posits a situation with a finite, and in the context of the art, small or easily traversed, number of options that would convince an ordinarily skilled artisan of obviousness.” (Id., quoting Ortho-McNeil (2008))

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

§ 112 – Written description requirement given more teeth

- CAFC endorsed the PTO's Written Description Guidelines as "an accurate description of the law [and] persuasive authority." (Carnegie Mellon)
- PTO Guidelines:
 - "[W]hen there is substantial variation within the genus, one must describe a sufficient variety of species to reflect the variation within the genus...."
 - "For inventions in an unpredictable art, adequate written description of a genus which embraces widely variant species cannot be achieved by disclosing only one species within the genus."

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

§ 112 – Disclosure that makes the invention obvious is insufficient

- (a) All valves in the specification have a spike inside the valve's cavity for piercing a seal through which fluid can flow, (b) pre-slit seals are described as making piercing easier, (c) it would have been obvious to a person of ordinary skill that a pre-slit seal could be used without a spike, and (d) a claim was not limited to a valve having a spike ...
- ... so the court found the claim invalid for failing the "written description" requirement.
- A specification "need not recite the claimed invention in [exact words] but must do more than merely disclose that which would render the claimed invention obvious." (ICU)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

§ 271 – "Capable" of infringement is not infringement

- "[I]nfringement is not proven per se by a finding that an accused product is merely capable of infringing." (Bell Aerosol)
- Past opinions that indicate that a "capable" product infringes are "relevant only to claim language that specifies that the claim is drawn to capability." (Id.)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel § 271 – Licensing-risks highlights

- Quanta (S. Ct. 2008) presents a risk of unintentional loss of patent rights when licensing: Authorized sale of a product embodying less than all limitations of a claim can exhaust a patentee's patent rights in product and method claims.
- Risks include: Not being able to pursue downstream users for infringement when those users combine the product with unauthorized devices or otherwise use the product in a way undesired by the patent owner.
- How does the patent owner lessen or eliminate this risk when making sales or authorizing sales?

2009 Annual Meeting October 18-21 Boston Don't just survive. Thrive!

ACC Association of Corporate Counsel § 271 – Licensing-risks highlights

- Under Quanta, "[t]he only issue relevant to patent exhaustion is whether [the seller's / licensee's] sales were authorized, not whether [the patentee and seller / licensee] intended, expressly or impliedly, for the covenant [not to sue] to extend to [the seller / licensee's] customers." (TransCore)
- "[E]vidence of the parties' intent not to provide downstream rights" to the seller's / licensee's customers is "irrelevant and could not impact the outcome reached by the district court and affirmed here." (Id.)

2009 Annual Meeting October 18-21 Boston Don't just survive. Thrive!

ACC Association of Corporate Counsel § 271 – More licensing risk ...

- A provision giving "[t]he right to 'make, use, and sell' a product inherently includes the right to have it made by a third party, absent a clear indication of intent to the contrary." (CoreBrace, citing South Corp. (1982))
- A provision that the licensee may not "assign, sublicense, or otherwise transfer" its rights to any party except an affiliated, parent, or subsidiary company is not a "clear indication of intent to the contrary." (Id.)
- If two competitors agree to license a patent for use only in a particular standard and not for any other use (such as in a competing standard), the competitors may have committed an antitrust violation and/or patent misuse. (Princo)

2009 Annual Meeting October 18-21 Boston Don't just survive. Thrive!

ACC Association of Corporate Counsel § 282 – Inequitable conduct plague

- In an reexamination proceeding, the patent attorney disclosed the existence of a co-pending continuation application and material prior art, but did not disclose two Office Actions received in the continuation application.
- Larson: The two Office Actions can constitute material information that should have been disclosed. The court remanded to the district court to consider intent.
- Judge Linn: This decision “perpetuates what was once referred to as a ‘plague’” of inequitable conduct accusations.

2009 Annual Meeting October 18-21 Boston Don't just survive. Thrive!

ACC Association of Corporate Counsel § 282 – Consolation prize: At least the pleading must be more specific


- “[I]n pleading inequitable conduct ..., Rule 9(b) requires identification of the specific who, what, when, where, and how of the material misrepresentation or omission committed before the PTO.” (Exergen)
- “[A] pleading of inequitable conduct ... must include sufficient allegations of underlying facts from which a court may reasonably infer that a specific individual (1) knew of the withheld material information or of the falsity of the material misrepresentation, and (2) withheld or misrepresented this information with a specific intent to deceive the PTO.” (Id.)

2009 Annual Meeting October 18-21 Boston Don't just survive. Thrive!

ACC Association of Corporate Counsel § 287 – Patent marking clarified

- § 287: “In the event of failure ... to mark, no damages shall be recovered ... except on proof that the infringer was notified ..., in which event damages may be recovered only for infringement occurring after such notice.”
- If (a) a patent contains method and apparatus claims, and (b) the patentee produced an apparatus by the claimed method that was capable of being marked, then, to obtain pre-suit damages, marking or actual notice:
 - is required if the patentee asserts both the method and apparatus claims
 - is not required if the patentee asserts only method claims. (Crown Packaging)

2009 Annual Meeting October 18-21 Boston Don't just survive. Thrive!


 Association of Corporate Counsel

Controversial PTO Rules dropped

- **Tafas:** The PTO could likely implement its highly controversial proposed rules
 - limiting applicants to one RCE and two continuation applications
 - requiring an Examination Support Document if the applicant presented more than 5 independent or 25 total claims, etc.
- Earlier this month, with en banc consideration pending, the PTO announced plans to drop the proposed rules.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!


 Association of Corporate Counsel

Reform Bills (Still) Pending

- House and Senate bills entitled Patent Reform Act of 2009 pending (S. 515 / S. 610 / H.R. 1260)
 - Very similar to the Reform Acts of '05 and '07
 - Reported out of Judiciary Committee (Report 111-18, May 12).
 - The House held a hearing on April 30.
- Important provisions include:
 - damages (apportionment; "specific contribution over the prior art")
 - post-grant review (cancellation-type proceedings)
 - first-to-file system
 - changes to patent venue statute
 - expand evidence available in reexamination (allow public use and "on sale" evidence)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

 Association of Corporate Counsel

S.369: "Reverse payment" / "pay for delay" unlawful in ANDA suits

- Amendment to the Clayton Antitrust Act
- "[U]nlawful ... for any person, in connection with the sale of a drug product, to directly or indirectly be a party to any agreement resolving or settling a patent infringement claim in which-- (1) an ANDA filer receives anything of value; and (2) the ANDA filer agrees not to research, develop, manufacture, market, or sell the ANDA product for any period of time."
- Judiciary Committee approved 12-7 last week
- Opposed by branded and generic pharma; supported by Obama admin, FTC, DOJ, EU antitrust regulators,...

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Extras

Supplemental resources available on www.acc.com

701 - Practical Tips Regarding IP Indemnifications

Program Material. December 2007

<http://www.acc.com/legalresources/resource.cfm?show=19896>

Value Practice: Deconstructing IP Litigation Matters and Implementing
Alternative Fee Arrangements.

Toolkit Resource. June 2009

<http://www.acc.com/legalresources/resource.cfm?show=379009>

Model License Agreement between an American Association and a European
Association

Sample Form & Policy. February 2009

<http://www.acc.com/legalresources/resource.cfm?show=132304>

Please note, these additional resources are provided by the Association of Corporate
Counsel and not by the faculty of this session.