



## **Patent Law Year in Review**

A Look Back at 2011 and Ahead to 2012

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JANUARY 19, 2012

Agenda

8:00 a.m. – 8:05 a.m.	Introduction
8:05 a.m. – 8:25 a.m.	The Supreme Court on Patent Issues in 2011
8:25 a.m. – 8:55 a.m.	Patentable Subject Matter
8:55 a.m. – 9:15 a.m.	Continuing Issues in Claim Construction
9:15 a.m. – 9:35 a.m.	Section 112 in 2011: Written Description, Definiteness
9:35 a.m. – 9:45 a.m.	--Break--
9:45 a.m. – 9:55 a.m.	Overview of the America Invents Act
9:55 a.m. – 10:25 a.m.	The AIA – A USPTO Perspective
10:25 a.m. – 10:40 a.m.	Reexamination in 2011 and Under the AIA
10:40 a.m. – 11:20 a.m.	Evolving Contours of Patent Litigation
11:20 a.m. – 11:45 a.m.	A Look Ahead at Key Patent Issues in 2012
11:45 a.m. – 12:00 p.m.	--Break--
12:00 p.m. – 1:00 p.m.	Patent Law and Ethics in 2011

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**PATENT LAW YEAR IN REVIEW**  
A Look Back at 2011 and Ahead to 2012



**Program Co-Chairs:**  
Darren Donnelly, Heather Mewes,  
Rajiv Patel, Saina Shamilov



**Topics**

- The Supreme Court on Patent Issues In 2011
- Patentable Subject Matter
- Claim Construction
- Section 112
- Overview of the America Invents Act (“AIA”)
- The AIA — A U.S.P.T.O. Perspective
- Reexamination In 2011 and Under the AIA
- Evolving Contours of Patent Litigation
- A Look Ahead to Key Patent Issues In 2011
- Patent Law and Ethics In 2011

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## The Supreme Court on Patent Issues in 2011

Michael Sacksteder

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## Supreme Court in 2011

- n *Microsoft v. i4i*
  - Clear and convincing affirmation of the *status quo*
- n *Global-Tech v. SEB*
  - Oedipus defense doesn't work
- n *Stanford v. Roche*

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## Microsoft v. i4i

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## A Much-anticipated Event



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**A Much-anticipated Event**

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**i4i v. Microsoft: Patent Case of the Year? Supremes to Decide**  
Posted on April 16, 2011 by Henry Sneath | 1 Comment

**Microsoft vs. i4i at U.S. Supreme Court: Future of patent law at stake**  
April 18, 2011 at 7:58 am by Todd Bishop | Comment

**Will the Supreme Court Relax the Burden of Proof for Patent Invalidity?**  
May 5, 2011

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**Questioning the Law of Gravity**

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“Under §282 of the Patent Act of 1952, “[a] patent shall be presumed valid” and “[t]he burden of establishing invalidity of a patent claim shall rest on the party asserting such invalidity, 35 U.S.C. §282. **We consider whether §282 requires an invalidity defense to be proved by clear and convincing evidence.**”

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### *i4i v. Microsoft* Facts

- n i4i alleged infringement of "i4i's patent" by Microsoft Word
- n Trial verdict for i4i
- n On-sale bar defense under 35 U.S.C. §102(b)
  - No dispute over timing of sale of i4i's S4 product
  - Dispute whether S4 practiced claimed invention
  - Source code destroyed, inventor testimony
  - S4 issue never before PTO
  - Microsoft objected to jury instruction re standard of proof

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### Microsoft's Proposed Hybrid Standard

"Microsoft's burden of proving invalidity and unenforceability is by clear and convincing evidence. **However, Microsoft's burden of proof with regard to its defense of invalidity based on prior art that the examiner did not review during prosecution of the patent-in-suit is by preponderance of the evidence.**"

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## Alternative Issues

- n Whether preponderance standard must always apply to invalidity defense
- n Whether preponderance standard must apply “at least when an invalidity defense rests on evidence that was never considered by the PTO in the examination process”

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## Issue One: Uniform Lower Standard?

- n Has Congress chosen a particular standard of proof?
  - No express mention of Clear and Convincing standard in statute
  - Presumption of patent validity
    - “Common-law term” — where used in statute, assume common-law meaning was intended
    - “[T]here is a presumption of validity, a presumption not to be overthrown except by clear and cogent evidence.” *RCA v. Radio Eng’ g Labs*, 293 U.S. 1, 2 (1934)
      - “more than a dubious preponderance”

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**Issue Two: Lower Standard for Non-PTO Art?**

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n *KSR v. Teleflex* on non-cited art:

- “[T]he rationale underlying the presumption – that the PTO, in its expertise, has approved the claim – seems much diminished.”

n But see: Congress, common-law terms, etc.

- If Congress had wanted a variable standard of proof, “we assume it would have said so expressly.”

n Presumption “weakened” or “dissipated”?

- “New evidence supporting an invalidity defense may ‘carry more weight’ . . . than evidence previously considered by the PTO.” <sup>13</sup>

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**Why Do We Care?**

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“Preponderance” =  
50.000000000000000001%

“Beyond a reasonable doubt” = beyond a reasonable doubt

“Clear and convincing evidence” = ?

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## A Question of Advocacy

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- n "Same standard as the state applies when deciding whether to take a baby away from its mamma . . . ."
- n "Red Zone"

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## Global-Tech v. SEB S.A.

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## Inducement of Infringement

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“Whoever actively induces infringement of a patent shall be liable as an infringer.”

35 U.S.C. §271(b)

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## Elements of Inducement

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- n Act(s) of inducement
- n Underlying direct infringement
- n Intent
  - To cause acts that constituted direct infringement?
  - Specific intent to cause infringement of patent?

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## Specific Intent is Required

n “Accordingly, inducement requires evidence of culpable conduct, directed to encouraging another's infringement, not merely that the inducer had knowledge of the direct infringer's activities”

*DSU Medical v. JMS*, 471, F.3d 1293, 1306 (Fed. Cir. 2006) (en banc)

## *DSU Medical v. JMS*

“The interesting portion of this opinion rests in Section III.B, where the CAFC convened an *en banc* panel to clarify that ‘inducement’ of infringement requires intent *to induce actual infringement, which necessarily requires knowledge of the patent.*”

Dennis Crouch

**Not So Fast . . .**

- n Inducement requires specific intent to cause infringement of a particular patent
- n Have to be aware of the patent to do that
- n Except when you do not . . .

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**Willful Blindness?**



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Or if you prefer . . .



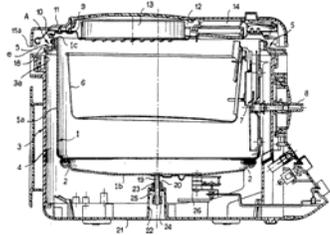
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*Global-Tech Appliances*

- n "Cool touch" deep fryer
  - Metal frying pot
  - Plastic housing
  - Air in between
- n Defendant copied design
- n Defendant conducted right-to-use study
- n Did not tell lawyer it had copied plaintiff's design



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### ***Global-Tech Appliances***

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- n “[W]e now hold that induced infringement under § 271(b) requires knowledge that the induced acts constitute patent infringement”
- n Fed. Cir. standard: “Deliberate indifference to a known risk”
  - Recklessness
  - Too low
- n Willful blindness is correct standard

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### **So What is Willful Blindness, Exactly?**

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- n Subjective belief in high probability that a fact exists, plus
- n Deliberate actions to avoid learning that fact
- n “[A] willfully blind defendant is one who takes deliberate actions to avoid confirming a high probability of wrong doing and who can almost be said to have known the critical facts.”

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**For Example . . . ?**

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- n Plaintiff's cool-touch fryer was successful in U.S. market
- n Defendant copied all but cosmetic features
- n Defendant copied overseas model of fryer
  - No U.S. patent marking
- n Defendant's CEO (Sham) was an inventor on his own patents
  - Knew about marking requirements
- n Did not tell attorney product was copied

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**Stanford v. Roche**

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### *Stanford v. Roche*

- n Cetus developed PCR — a technique used here for measuring HIV in the bloodstream
- n Cetus and Stanford worked on testing new AIDS drugs
- n Stanford co-inventor conducted research at Cetus to learn about PCR
- n Roche later acquired Cetus' assets

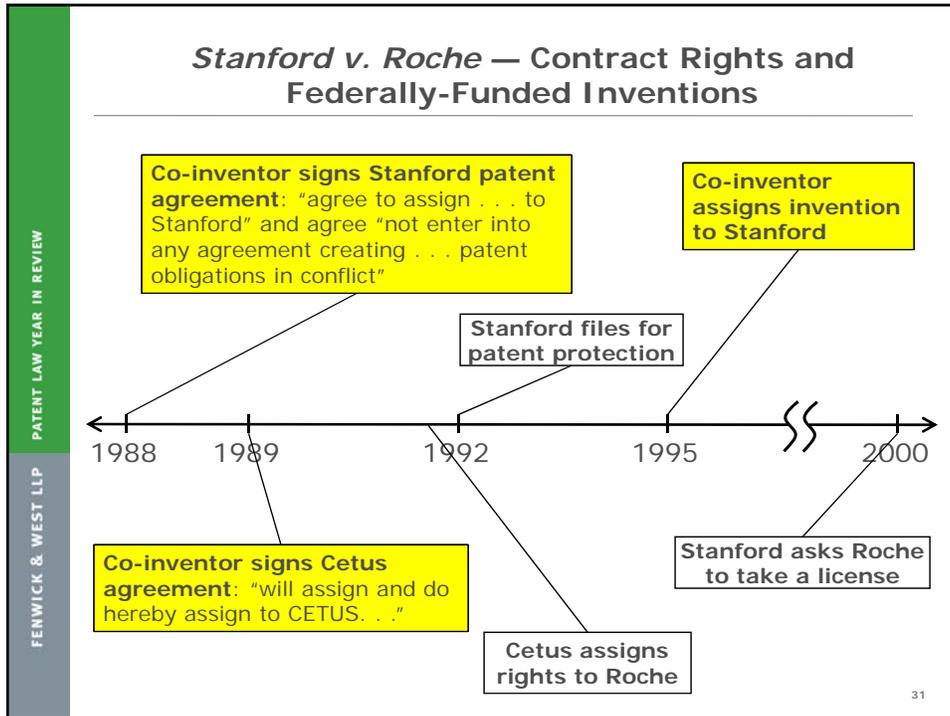
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### *Stanford v. Roche*

- n Stanford sued Roche for infringement by Roche's HIV test kits
- n Roche claimed that it already had ownership rights in patent via assignment from the co-inventor
- n Stanford asserted that Bayh-Dole Act negated Roche's defense

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### Bayh-Dole Act



Non-profit organization may "elect to retain title" to any "subject invention"

"Subject invention" = "any invention of the contractor conceived or first actually reduced to practice in performance of work under a funding agreement"

Vertical text on the left side of the slide reads: PATENT LAW YEAR IN REVIEW (top, green background) and FENWICK & WEST LLP (bottom, grey background). A small number '32' is in the bottom right corner.

### *Stanford v. Roche*

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- n Question presented: Whether an inventor employed by a federal contractor may defeat the contractor's right under the Bayh-Dole Act to retain title in inventions arising from federally-funded research by contractually assigning his rights to a third party

### Supreme Court Reasoning

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- n Inventor owns absent assignment
- n Statutory exceptions are unambiguously stated
  - E.g., inventions under contracts with NASA "shall be the exclusive property of the United States"
  - No such language in Bayh-Dole Act
- n "Invention of the contractor" → limits retention of rights to inventions owned by Stanford
- n "Retain" means "hold or continue to hold"
  - Not "acquire" or "obtain"

**Stanford v. Roche — Contract Rights and Federally-Funded Inventions**

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**n Holding:** The Bayh-Dole Act does not automatically vest title to federally funded inventions in federal contractors or authorize contractors to unilaterally take title to such inventions

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**Patentable Subject Matter**

Robert Sachs and Carolyn Chang

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## *Cybersource v. Retail Decisions*

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- Not PSM: Claims to relating IP addresses to credit card transactions
  - “All of claim 3’s method steps can be performed in the human mind, or by a human using a pen and paper.”
- Not PSM: “Computer program product” claims!
- Legal Blunder: Like Bilski, Cybersource admitted that methods could be done without computer!

3. A method for verifying the validity of a credit card transaction over the Internet comprising the steps of:

- a) obtaining information about other transactions that have utilized an Internet address that is identified with the credit card transaction;
- b) constructing a map of credit card numbers based upon the other transactions and;
- c) utilizing the map of credit card numbers to determine if the credit card transaction is valid.

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## *Ultramercial v. Hulu*

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- PSM: Claims to “read ads, get music”
- Section 101 is coarse filter, not to be used in place of 112, 102, 103
- “By its terms, the claimed invention invokes computers and applications of computer technology.”
- Notes that claim requires “extensive and complex” programming
- Emphasizes RCT “statutory override” test
- Riffs on software/hardware equivalence
- Limits Cybersource’s ‘purely mental steps’ exclusion

••A method for distribution of products over the Internet via a facilitator, said method comprising the steps of:

- a first step of receiving, from a content provider, media products that are covered by intellectual-property rights ... and are available for purchase, wherein each said media product being comprised of at least one of text data, music data, and video data;
- a second step of selecting a sponsor message to be associated with the media product, said sponsor message being selected from a plurality of sponsor messages, ....
- a third step of providing the media product for sale at an Internet website;
- a fourth step of restricting general public access to said media product;
- a fifth step of offering to a consumer access to the media product without charge to the consumer on the precondition that the consumer views the sponsor message;
- a sixth step of receiving from the consumer a request to view the sponsor message...;
- a seventh step of, in response to receiving the request from the consumer, facilitating the display of a sponsor message to the consumer: an eighth step of, if the sponsor message is not an interactive message, allowing said consumer access to said media product after said step of facilitating the display of said sponsor message;
- a ninth step of, if the sponsor message is an interactive message, presenting at least one query to the consumer and allowing said consumer access to said media product after receiving a response to said at least one query;
- a tenth step of recording the transaction event to the activity log, said tenth step including updating the total number of times the sponsor message has been presented; and
- an eleventh step of receiving payment from the sponsor of the sponsor message displayed.”

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**Patent Eligibility for “Mental Steps”:  
*Classen Immunotherapies, Inc. v. Biogen IDEC***

- Relationship of infant immunization schedule and later occurrence of chronic immune-mediated disorders
- 2 sets of patent claims at issue:
  - Method of lowering risk of chronic immune-mediated disorders, including immunization on a schedule determined to be of lower risk
  - Method of determining whether an immunization schedule affects incidence of chronic immune-mediated disorders

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**Patent Eligibility for “Mental Steps”:  
*Classen Immunotherapies, Inc. v. Biogen IDEC***

- Emphasized that § 101 is threshold inquiry
- Recognized practical distinctions between the question of patent-eligibility and substantive conditions of patentability
- Guided by *Bilski's* warning against adopting categorical rules with wide-ranging and unforeseen impact

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**Patent Eligibility for “Mental Steps”:**  
***Classen Immunotherapies, Inc. v. Biogen IDEC***

- First set of claims with immunization step directed to a specific, tangible application
- “[T]raverses the coarse eligibility filter of § 101”
- Second set of claims directed to collecting and comparing known information fails to meet threshold
- Abstract principle that variation in immunization schedule may have consequences for certain diseases without putting principle to practical use

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**Preempting Natural Phenomena**  
***Prometheus Labs., Inc. v. Mayo Collaborative Services***

- Optimizing efficacy of treatment by administering drug and determining level of drug metabolites that indicate a need to adjust dosage
- District court granted summary judgment of invalidity under § 101:
  - Patents claimed only correlations between drug metabolite and therapeutic efficacy
  - Correlations are natural phenomena and the patent claims “wholly pre-empt” the correlations
- Federal Circuit reversed under machine-or-transformation test

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**Preempting Natural Phenomena**  
*Prometheus Labs., Inc. v. Mayo Collaborative Services*

- Emphasized expansive nature of § 101
- An *application of a law of nature*, natural phenomenon, or abstract idea is patent-eligible
- Claims recite specific treatment step — administration of drug — not just the correlation
- Transformation of human body (effect of metabolizing drug) satisfies transformation prong of machine-or-transformation test

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**Supreme Court Review**  
*Prometheus Labs., Inc. v. Mayo Collaborative Services*

- Issue of whether correlations preempt natural phenomena
- Oral argument suggests recognition of degrees of complexity in correlations
- Important ramifications for personalized medicine industry

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**Isolated Gene Patents**  
*The Ass'n for Molecular Pathology v. Myriad Genetics*

- Patentability of claims directed to isolated genes
- Federal Circuit panel decision was divided
  - Lourie found structure of isolated genes to be markedly different from what is found in nature
  - Moore concurred, finding structure and function of gene fragments are markedly different than what is in nature. Relied on historical background of PTO practice for isolated full genes.
  - Bryson dissented finding no relevant difference between isolated and naturally occurring genes

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**Isolated Gene Patents**  
*The Ass'n for Molecular Pathology v. Myriad Genetics*

- Petition for certiorari filed with the Supreme Court
- Response brief filed last week
- Will Supreme Court take on question of whether human genes are patentable

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## Continuing Issues with Claim Construction

Virginia DeMarchi

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## Another "Curse"

- Some members of the court have begun referring to the "curse" of "indefinite and ambiguous claims, divorced from the written description, that we are regularly asked to construe"
- The Federal Circuit continues to grapple with the oft-cited problem of navigating the "fine line between construing the claims in light of the specification and improperly importing a limitation from the specification into the claims"

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## Significant Claim Construction Decisions in 2011

- *Retractable Technologies, Inc. v. Becton, Dickinson and Company*, 653 F.3d 1296 (Fed. Cir. 2011)
  - Rehearing en banc denied, 659 F.3d 1369 (Fed. Cir. 2011), with dissent
- *Arlington Industries, Inc. v. Bridgeport Fittings, Inc.*, 632 F.3d 1246 (Fed. Cir. 2011), *rehearing en banc denied*, 2011 U.S. App. LEXIS 9463 (Fed. Cir. 2011)
- *Markem-Image Corp. v. Zipher Ltd.*, 657 F.3d 1293 (Fed. Cir. 2011), *rehearing en banc denied*, 2011 U.S. App. LEXIS 23484 (Fed. Cir. 2011)

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## *Retractable Technologies* (Panel Decision)

- Construction of term “body” in claims to a retractable syringe
- Claim language: independent claims use “body”; one dependent claim uses “one-piece body”
- Specification: criticizes prior art syringe body as not one piece; summary of invention refers to “the invention” as featuring one-piece body; only embodiments are one piece, none are multi-piece
- “A construction of ‘body’ that limits the terms to a one-piece body is required to tether the claims to what the specifications indicate the inventor actually invented.”

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**RETRACTABLE TECHNOLOGIES  
(Panel Decision)**

- Plager concurrence: actual invention should be focus of claim construction; patents should make “full disclosure of what is actually invented and . . . claim that and nothing more”
- Rader dissent: claims are not limited to one-piece body; no special definition of body in specification; no disavowal of claim scope; improper to import limitations from the specification into the claims; claim differentiation requires different conclusion

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**RETRACTABLE TECHNOLOGIES  
(En Banc Denial)**

- Court declined rehearing en banc on two issues:
  - Role of specification in construing claims
  - Whether appellate court should give deference to district court’s claim construction (*Cybor* issue)
- Two dissents cite split within the court on both issues, but also uncertainty in “crucial” claim construction outcomes
- O’Malley, dissenting: “The fact . . . that the panel members could not agree on the proper claim construction in this case . . . underscores the complicated and fact-intensive nature of claim construction and the need to rethink our approach to it.”

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### *Arlington Industries*

- Construction of “spring metal adaptor” and “spring steel adaptor” for electrical connector in junction box
- Claim language: on appeal accused infringer argued “spring” modified “metal adaptor,” but before district court agreed claims require adaptor made from “spring metal/steel;” directional language – “spring inward” – used in claims when not referring to type of metal; some claims recite an adaptor with “less than a complete circle;” others do not
- Specification: describes “spring metal” as type of metal; all drawings show a split in the ring, but only one of four embodiments explicitly described as having an “opening”

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### *Arlington Industries*

- Prosecution history: Examiner understood “spring metal adaptor,” without limitation specifying incomplete circle, encompassed unsplit adaptors
- Extrinsic evidence: necessary to have a split for adaptor to work
- “Review of the intrinsic evidence reveals no intent to limit the term “spring metal adaptor” by using it in a manner that excludes unsplit adaptors.”
- “The name of the game is the claim.” (quoting Judge Rich)

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### *Arlington Industries*

- Lourie concurrence/dissent: “The bottom line of claim construction should be that the claims should not mean more than what the specification indicates, in one way or another, the inventors invented.”
  - One specification clearly shows inventors only invented an adaptor with a split; other specification not clear
  - “[C]laim differentiation should not enlarge claims beyond what the specification tells us the inventors contemplated as their invention.”

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### *Markem-Imaje*

- Construction of “drive the spools” term; used in regulating tension of tape used in thermal printing
- Claim language: ordinary meaning of “drive” is broad enough to encompass holding torque as well as rotation; used in different ways in different parts of claim; claims do not require measuring tension
- Specification: describes both applying torque to cause rotation and applying torque for other purposes; discusses problem of tension and need to calculate required adjustment
- “[T]hough ‘some method of deriving a tension measurement’ may be required to make a claimed device operational, it is not proper to incorporate that method into the claim construction.”

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### *Markem-Imaje*

- Newman dissent: “The panel majority . . . ignores the paramount importance of the specification in claim construction.” (citing *Retractable Technologies*)
  - Court may not enlarge the scope of the patent beyond what the patentee described as his invention
  - “Where a limitation is placed in a claim by the specification, the claim must be construed to include the limitation.”
  - Specification includes discussion of how tension may be measured, or calculated indirectly, and such measurement is necessary to the invention

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### **Competing Views of Claim Construction**

<p>“If the metes and bounds of what the inventor claims extend beyond what he has invented or disclosed in the specification, that is a problem of validity, not claim construction.”</p> <p>(J. Moore, dissenting from en banc denial in <i>Retractable</i>)</p>	<p>“[T]he basic mandate is for claims to be interpreted in light of the specification of which they are a part because the specification describes what the inventors invented. The specification is the heart of the patent. In colloquial terms, ‘you should get what you disclose.’”</p> <p>(J. Lourie, concurring and dissenting in <i>Arlington</i>)</p>
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**Section 112 in 2011**

Teresa Corbin

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**Indefiniteness**

- Indefiniteness of Computer Processes
  - *Typhoon Touch Technologies, Inc. v. Dell, Inc.*
  - *Inventio AG v. ThyssenKrupp Elevator Americas Corp.*
  - *In Re Katz Interactive Call Processing Patent Litigation*

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***Typhoon Touch Tech. v. Dell, Inc. et al.***

- The Court narrowly interpreted functional claim limitations
  - Claim directed to a “computer” that included various elements including a “memory for storing [a] data collection application”
  - Typhoon argued the claimed invention only required the memory be capable of storing the data collection application
  - District Court and Federal Circuit agreed: construction required memory actually be used for storing the data collection application. Spec’s described embodiments all had memories that actually included the application rather than just the capability

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***Typhoon Touch Tech. v. Dell, Inc. et al.***

- Federal Circuit reversed grant of summary judgment of invalidity based on indefiniteness. The patent claimed a portable computer with a touch screen instead of a keyboard for data entry
- Issue: Did the specification disclose adequate structure for the means plus function language “Means for cross-referencing”
- District Court held limitation invalid as indefinite under 35 U.S.C. §112 because the specification did not disclose a cross referencing algorithm in plain language in the text of the specification. Cited *Aristocrat Technologies v. International Game Technology* 521 F. 3d. 1328, 1334 (Fed. Cir. 2008)
- Federal Circuit held that specification disclosed sufficient structure by reciting in prose the algorithm to be implemented by the programmer. Disclosure of source code or a specific mathematical algorithm was not required

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### ***Inventio AG v. ThyssenKrupp Elevator Americas Corp.***

- Strong Presumption Against Means Plus Function Construction
  - Patents relate to a device that allows elevator passengers to enter their floor destination as they call for the elevator
  - During claim construction District Court concluded two terms, “computing unit” and “modernizing device,” lacked sufficient structure to avoid Section 112 para. 6. Held terms indefinite because the written description failed to disclose corresponding structure to perform the recited function

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### ***Inventio AG v. ThyssenKrupp Elevator Americas Corp.***

- Federal Circuit reversed
  - Strong presumption against means plus function construction when “means” is not used in claim language
  - Presumption can be rebutted if challenger demonstrates that the claim term either 1) fails to recite sufficiently definite structure or 2) recited function without reciting sufficient structure for performing that function
  - Look to the intrinsic record, including the written description to determine if a challenger has rebutted the presumption that a claim lacking the term “means” recites sufficiently definite structure. Can look to extrinsic evidence also. CAFC rejected argument that you look to claim language only

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### ***Inventio AG v. ThyssenKrupp Elevator Americas Corp.***

- CAFC held Inventio’s claims described how the “modernizing device” functions as an electrical circuit that receives signals, processes signals, and outputs signals to other components in the patented system. The written description depicts the modernizing device and its internal components, and show how the elements are connected to the elevator control and computing unit components of the elevator system, thereby conveying structure. Rejected ThyssenKrupp’s argument that that the term “device” is a generic structural term that typically does not connote sufficient structure
- Court also rejected ThyssenKrupp’s reliance on *Brown v. Baylor Healthcare* that a claimed computer is not sufficient structure to perform the claimed functions as a matter of law. “Brown did not hold, as a matter of law, that a claimed “computer” is not sufficiently definite structure to avoid the application of §112, ¶6. It depends on how those skilled in the art would understand the structural significance of the claim language , assessed against the presumptions that flow from a drafter’s choice to employ or not to employ the term “means”
- Unlike *Brown*, Inventio’s claims describe how the computing unit is connected to the modernizing device and the floor terminals of the elevator system, and while the written description refers to the computing unit as a computer, it thoroughly explains the steps that a computer program would execute

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### ***In Re Katz Interactive Processing Patent Litigation***

- Limiting the Number of Infringement Claims in Litigation Does Not Violate Due Process
  - Multidistrict litigation. Consolidation of 25 suits relating to four groups of interactive call processing systems
  - Katz asserted 1,975 claims from 31 patents
  - Court limited Katz to no more than 40 claims per defendant group and required Katz, after discovery, to narrow the number to 16 per defendant group. Katz appealed the District Court’s decision not to sever and stay unselected claims
  - Fed. Cir. upheld limit on the number of patent claims that could be addressed in the litigation. Katz was not divested of rights in unselected claims without due process as Katz made no effort to identify unselected claims that were not duplicative or that presented unique issues. “While different claims are presumed to be of different scope, that does not mean that they necessarily present different questions of validity and infringement”

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### *In Re Katz Interactive Processing Patent Litigation*

- Indefiniteness (§112 ¶ 2 –Hybrid Claims Invalidated)
  - Section 112, paragraph 2, requires that the claims of a patent “particularly point out and distinctly claim the subject matter which the applicant regards as his invention. A claim is considered indefinite if it does not reasonably apprise those skilled in the art of its scope
  - The Federal Circuit expanded its hybrid claim jurisprudence by affirming the District Court’s ruling that Statistical Interference Claims 1, 2 and 83 of the ‘893 patent are indefinite under *IPXL Holdings L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377, 1384 (Fed. Cir. 2005) because they claim both an apparatus and a method of use
  - “interface means for providing automated voice messages relating to a specific format to certain of said individual callers, **wherein said certain of said individual callers digitally enter data through said digital input means**”

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### *In Re Katz Interactive Processing Patent Litigation*

- Indefiniteness (§112 ¶ 2 –Hybrid Claims Invalidated) (cont’d)
  - Katz sought to distinguish IPXL on the ground that the term “wherein” does not signify a method step but instead defines a functional capability. The Court disagreed. The “wherein” language is directed to users actions, not system capabilities
  - These claims create confusion as to when direct infringement occurs because they are directed to both systems and to actions performed by “individual callers.” The claims fall squarely within the rationale of IPXL and are indefinite
  - Court distinguished *Microprocessor Enhancement Corp v. Texas Instruments* (Fed. Cir. 2008). That case dealt with a method claim that recited structural elements. A “method of executing instructions in a pipelined processor comprising: [structural limitations of the pipelined processor]; the method further comprising: [method steps implemented in the pipelined processor].” Distinguished IPXL because the method claim in *Microprocessor* did not create confusion as to when the claim was directly infringed; direct infringement occurred upon practicing the claimed method in a processor with the structural limitations

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## *In Re Katz Interactive Processing Patent Litigation*

- Disclosing only General Purpose Processor Often But Not Always Fatal
  - The patent claims relate to interactive call processing and conferencing systems. Ten of the selected claims included “means for processing” type limitations.
    - Ex. “means for processing at least certain of said answer data signals.”
  - District Court, applying *WMS Gaming, Inc. v. International Game Technology*, found the ten claims indefinite because the specification disclosed only general purpose processors without disclosing any of the algorithms used to perform the claimed functions. Federal Circuit agreed as to three claims
  - Under Federal Circuit precedent, “a computer-implemented means-plus function term is limited to the corresponding structure disclosed in the specification and equivalents thereof, and the corresponding structure is the algorithm.” Citing *Harris Corp v. Ericsson, Inc.* “By claiming a processor programmed to perform a specialized function without disclosing the internal structure of that processor in the form of an algorithm, Katz’ claims exhibit the ‘over breadth inherent in open-ended functional claims.’ ... in violation of the limits Congress placed on means-plus-function claims in Section 112, paragraph 6”

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## *In Re Katz Interactive Processing Patent Litigation*

- Thus the claims which claim a “processing means . . .for receiving customer number data entered by a caller and for storing the customer number data . . . and based on a condition coupling an incoming call to the operator terminal, the processor means visually displaying the customer number data” but do not disclose an algorithm that corresponds to the “based on a condition coupling an incoming call to the operator terminal” function are indefinite
- Claiming Only a General Purpose Computer Permissible Where the Claimed Functions Are Coextensive with the Tasks that Can Be Performed by Any General Purpose Computer
  - The CAFC reached the opposite result on the remaining seven claims even though no algorithm was disclosed
  - Here the CAFC ruled that the claim elements could simply claim a general process computer. “In the these claims, the Court found that Katz had not claimed a specific function performed by a special purpose computer, but has simply recited the claimed functions of “processing,” “receiving,” and “storing.” These functions can be performed by any general purpose processor without special programming so it is not necessary to disclose more structure than the general purpose computer that performs those functions. These claims do not run afoul of the rule against purely functional claiming because the functions of “processing,” “receiving,” and “storing” are coextensive with the structure disclosed, i.e., a general purpose processor

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PATENT LAW YEAR IN REVIEW

### Written Description

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- *Atlantic Research Marketing Systems, Inc. v. Troy Jr. et al.* (Fed. Cir. October 6, 2011)
- *Crown Packaging v. Ball Metal Beverage Container Corp.* (Fed. Cir. April 1, 2011)
- *Boston Scientific Corp. v. Johnson & Johnson* (Fed. Cir. June 7, 2011)
- *Centocor Ortho Biotech v. Abbott Laboratories* (Fed. Cir. February 23, 2011)

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PATENT LAW YEAR IN REVIEW

### *Atlantic Research Marketing Systems, Inc. v. Troy Jr. et al.*

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- Troy, a former employee of Atlantic, sold hand guards that attached to rifles solely by clamping to the yoke/barrel nut, which is used to attach the barrel to the firearm
- Atlantic sued for patent infringement and misappropriation of trade secrets. (Patent No. 6,499,245 and Reissue Patent No. 39,465)
- CAFC. affirmed grant of summary judgment of invalidity of patent claims 31-36 on written description grounds
  - Specification does not provide any evidence that the inventor conceived of a hand guard that uses the yoke/barrel nut as the one and only attachment point
  - Conclusion supported by fact that Atlantic viewed the yoke/barrel nut only design as a trade secret.
  - Claims 31- 36 clearly cover such a design. Applicant used the reissue process to impermissibly obtain claims unsupported by the written description

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***Atlantic Research Marketing Systems, Inc.  
v. Troy Jr. et al.***

- Claims 1-29 of the '465 explicitly required two attachment points and claim 30 explicitly required a receiver sleeve attachment point
- Court held that importing a receiver sleeve limitation into claims 31-36 was inappropriate because to do so would eviscerate the plain meaning of the claim language
- Plaintiff won here by arguing both patent infringement and trade secret misappropriation
- Troy's attempt to argue both that the patent disclosed the trade secret but that the specification did not support the claims backfired

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***Crown Packaging Technology, Inc. v. Ball  
Metal Beverage Container Corp.***

- CAFC reversed summary judgment of invalidity for failure to meet WDR. The WDR may be met even when the claimed invention solves only one of the problems addressed by the patent
- The two patents at issue shared a single specification that identified two ways to save metal when seaming can ends (lids affixed to the top of beverage cans) and can bodies
- Specification taught that improvements in metal usage could be made by increasing the slope of the chuck wall and limiting the width of the anti-peaking bead
- Specification discloses a new seaming method employing a modified seaming chuck that does not drive deeply into the anti peaking bead
  - Avoided causing damage to the chuck or reinforcing bead, which might result from the narrowing of the bead, or other potential manufacturing problems

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### ***Crown Packaging Technology, Inc. v. Ball Metal Beverage Container Corp.***

- Issue: whether the specification demonstrated that applicants possessed the ability to use one of the improved methods for saving metal without also employing the other method
- Distinguishing *Revolution Eyewear*
  - CAFC: “It is a false premise that if the problems addressed by the invention are related, then a claim addressing only one of the problems is invalid for lack of sufficient description.”
- The common specification included data that demonstrated that metal savings could be achieved by varying the slope of the chuck wall even when the reinforcing bead’s width was held constant
- The original claims show that the applicant had in mind the invention as claimed
  - Dependent claims added a limitation that would not be needed if the inventors intended that driving would occur outside the reinforcing bead in all embodiments of the claimed invention

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### **Enforcing Written Description in the Unpredictable Arts — *Boston Scientific v. J & J***

- Patents relate to drug eluting coronary stents that use rapamycin or macrocyclic lactone analogs thereof to prevent re-narrowing of the artery after balloon angioplasty
- Species-Genus Analysis. Federal Circuit affirmed the grant of summary judgment of invalidity for lack of written description on a series of stent patents wherein the claims at issue recite stents that elute certain rapamycin “analog,” but the patents did not describe any specific analogs
- Under this approach, a sufficient description of a genus requires disclosure of
  - 1) a representative number of species falling within the scope of the genus or
  - 2) structural features common to the members of the genus so that one of skill in the art can “visualize or recognize” the members of the genus

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**Enforcing Written Description in the Unpredictable Arts — *Boston Scientific v. J & J***

- Lack of Examples. “Although examples are not always required to satisfy the written description requirement, the lack of any disclosure of examples may be considered when determining whether the claimed invention is adequately described
- Use of POSITA Knowledge. Cannot be used to fill in the blanks when the specification contradicts information that the patentee alleges is “well-known” to a person of ordinary skill at the effective filing date. In this situation, no reasonable jury could conclude that the patentee was in possession of the inventor
  - Majority concluded that the “specification of the 1997 patents itself refutes any conclusion that the structural elements and its mechanisms of action and biological activity was known . . . Thus there is insufficient correlation between the function and structure of rapamycin and its analogs to provide adequate written description support for the entire genus of macrocyclic lactone analogs of rapamycin”

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**Enforcing Written Description in the Unpredictable Arts — *Boston Scientific v. J & J***

- Judge Gajarsa concurred with the judgment of invalidity and the majority’s ruling on the ‘662 patent but felt as to the remaining patents that the enablement requirement of 35 U.S.C. §112, ¶1 is the appropriate tool for invalidating claims that are broader than their disclosure

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**PATENT LAW YEAR IN REVIEW**

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### ***Centocor Ortho Biotech, Inc. v. Abbott Laboratories***

- '775 patent claims fully human antibodies to human necrosis factor a ("TNF-a")
- Jury found infringement and awarded \$1.67 Billion in damages
- Federal Circuit reversed finding claims invalid for lack of written description
- The 1994 CIP Centocor relied on for priority lacked disclosure for any human variable regions (the portion of the antibody that binds to TNF-a). "While the patent broadly claims a class of antibodies that contain human variable regions, the specification does not describe a single antibody that satisfies the claim limitation. It does not disclose any relevant identifying characteristics for such fully human antibodies or even a single human variable region. Nor does it disclose any relationship between the human TNF-a protein, the known mouse variable region that satisfies the critical claim limitations, and potential human variable regions that will satisfy the claim limitations"

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**PATENT LAW YEAR IN REVIEW**

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### ***Centocor Ortho Biotech, Inc. v. Abbott Laboratories***

- Disclosure of a Protein Does Not Necessarily Suffice to Support Claims to all Associated Antibodies
- Centocor, relying on PTO written description guidelines, argued WDR met by fully disclosing the human TNF-a protein. While acknowledging this may be true in some cases, Federal Circuit rejected its application to the multi-part claims at issue
- WDR for certain antibody claims can be satisfied by disclosing a well characterized antigen. Reasoning applies to disclosure of newly characterized antigens where creation of the claimed antibodies is routine. Here, creation of the claimed antibodies was not routine
- Claiming antibodies with specific properties (i.e., binds the antigen with a certain specificity) can lead to a claim that does not meet the WDR even if the human protein (antigen) is disclosed because antibodies with those properties have not been adequately described
- Here, Centocor "failed to support its contentions that generating fully human antibodies with the claimed properties would be straight forward for a person of ordinary skill in the art" at the time

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PATENT LAW YEAR IN REVIEW

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## Overview of the America Invents Act (AIA)

Robin Reasoner

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## Leahy-Smith America Invents Act

- Public Law No. 112-29 (H.R. 1249)
- Changes Title 35 of the U.S. Code and related statutes
- Effective date of changes varies by provision
- AIA Timeline:

Enacted 9/16/2011

You Are Here

General Effective Date 9/16/2012

First Inventor to File 3/16/2013

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**AIA Key Provisions  
Implemented September 16, 2011**

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- Elimination of best mode as a defense: applies to proceedings commenced on or after 9/16/2011
- Virtual patent marking option: applies to any case pending on, or commenced on or after 9/16/2011
- Limitations on false marking lawsuits: applies to all cases pending on or commenced on or after 9/16/2011

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**AIA General Effective Date  
September 16, 2012**

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- Revisions to inventor's oath or declaration: applies to any patent application filed on or after 9/16/2012
- *Inter partes* review regulations: Director shall issue regulations in advance of 9/16/2012 and shall take effect on 9/16/2012
- Expansion of right to submit prior art and statements regarding pending patent applications
- Supplemental examination

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**AIA First Inventor to File  
Implemented March 16, 2013**

- Applies to any application where at least one claim has a priority date on or after 3/16/2013
- Inventors will still have one year grace period for their own actions – unchanged
- Actions more than a year before the priority date are still prior art – also unchanged
- **3rd party actions less than a year before the priority date:**
  - Old rules: can possibly avoid based on invention date (swear behind)
  - **New rules: can possibly avoid based on public disclosure date (but remember that such a disclosure would bar foreign patents)**

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**The AIA – A USPTO Perspective**

John Calvert (USPTO) and Stuart Meyer

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## The AIA – A USPTO Perspective

- Slides for this presentation are provided as a separate handout in your booklet

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## Reexamination in 2011 and Under the AIA

Rajiv Patel

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***Marine Polymer Technologies, Inc. v.  
HemCon, Inc. (Fed. Cir. Sept. 26, 2011)***

*"Anything you say can, and will, be used against you when arguing patentability in reexamination."*

Rajiv Patel

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***Marine Polymer Technologies***

- Marine Polymer sued HemCon for infringement
  - Claim construction – “biocompatible” means low variability, high purity, and [[little or]] no detectable reactivity
    - Elution test score of zero (no reactivity in test) in some dependent claims and test score of 1 or 2 (mild reactivity in test) in some dependent claims; claim 6 – no score noted
  - During litigation, patent sent to reexamination
  - Claim construction submitted to Examiner, but Examiner did not follow citing specificity of term and inconsistency between independent claims (no reactivity) and dependent claims (some reactivity)
  - Marine Polymer cancelled dependent claims and Examiner approved independent claim noting agreement with District Court definition

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### *Marine Polymer Technologies*

- At District Court - final judgment ready
  - Prior to reexamination, finding that HemCon products were found to have no detectable reactivity
  - From reexamination, surviving claims corresponding to no detectable reactivity were not amended
- HemCon appealed to Federal Circuit arguing that finding of infringement should be reversed as scope of claims changed in reexamination and thus they are entitled to intervening rights
  - Marine Polymer argues that actual language of claim at issue was not amended; asserted claims require no detectable reactivity

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### *Marine Polymer Technologies*

- Absolute intervening rights at issue:
  - Protects accused infringers right to continue using, selling or offering to sell specific products covered by reissue or reexamined claims when particular accused product has been made before the date of the reissue or reexamination and the scope of the claims is substantively changed
  - In determining whether substantive changes have been made, must discern whether the scope of the claims has changed and not merely whether different words are used

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### *Marine Polymer Technologies*

- Do arguments made to the PTO during reexamination amend scope of claims for purposes of intervening rights even when claims are not amended?
  - Federal Circuit notes that it has consistently held arguments made to PTO on reexamination can create estoppel or disavowal and thereby change scope of claims even when the language of claims does not change
  - Federal Circuit retains consistency: “if the scope of the claims actually and substantively changed because of Marine Polymer’s arguments to the PTO, the claims have been amended by disavowal or estoppel, and intervening rights apply [even through the claims were not amended]”
- Here, Federal Circuit in 2-1 (Garjarsa and Dyk) decision found District Court claim construction was incorrect as specification and claims both showed some biological reactivity (and not zero)
  - Marine Polymer did not raise objection to District Court construction and claims did not explicitly cover alternate embodiments that could have recited no reactivity

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### *Marine Polymer Technologies*

- Dissent by Lourie –
  - Noted claims 12 and 20 were not amended
  - Statute requires intervening rights apply to amended or new claims (35 U.S.C. §§ 307(b), 316(b))
  - Accordingly, no intervening rights
- ***UPDATE Post PLYIR: On January 20, 2012, the Federal Circuit decided to rehear the Marine Polymer case en banc on the original briefs and vacated the original opinion***

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***Bettcher Industries, Inc. v. Bunzl USA, Inc. et al.*** (Fed. Cir., Oct. 3, 2011)

*"It ain't over 'till its over"*

Rajiv Patel

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***Bettcher Industries***

- Bettcher sued Bunzl for infringement of U.S. Patent 7,000,325
- *Inter partes* reexamination of patent requested during pendency of litigation at District Court
  - Reexamination was granted; Examiner declined to adopt Bunzl proposed rejection and issued Right of Appeal Notice
  - Bunzl appealed to the Board of Patent Appeals and Interferences
  - When RAN issued, Bettcher requested District Court to exclude certain invalidity references under 35 USC § 315(c) – estoppel – arguing that Examiner considered art; District Court agreed it was Final Determination

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### *Bettcher Industries*

- Bunzl filed motion for new trial and included art considered by Examiner, but District Court denied motion; Bunzl appealed
- Federal Circuit on estoppel – case of first impression
  - “A third-party requester whose request for an inter partes reexamination results in an order under Section 313 is estopped from asserting at a later time, in any civil action ... the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings.”
  - Key issue: construction of “finally determined”

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### *Bettcher Industries*

- Under 35 USC § 315(a): patent owners may appeal to BPAI upon “final decision;” under 315(b) third parties may appeal to BPAI upon “final decision”
- Under 35 USC § 315(c): language specifically is “final determination” and is distinct from “final decision”
- Under 35 USC § 316: “when the time for appeal has expired or any appeal proceeding has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable”

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PATENT LAW YEAR IN REVIEW

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### *Bettcher Industries*

- Under 35 USC § 317: (a) ... may [not] file a subsequent request for inter partes reexamination of the patent until an inter partes reexamination certificate is issued and published under Section 316 ... ; (b) Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of ... claim of the patent, then may [not] thereafter request an inter partes reexamination of any such patent claim ...
  - Subsection 317(a) applies to pending reexaminations and subsection 317(b) applies when all examinations and appeals have been terminated

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### *Bettcher Industries*

- Framework of reexamination proceedings also suggests estoppel attaches after all appeals have terminated
  - BPAI may asset new grounds for rejection provided applicant has opportunity to respond
  - Allows for continuation of prosecution before examiner, thereby suggesting that reexamination is not final prior to exhaustion of all appeal rights
- Finally, legislative history states estoppel arises after a final decision or a final decision in any appeal of such reexamination

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## The America Invents Act (AIA)

### *The Future of Reexamination – Post Grant Proceedings*

Rajiv Patel

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## Post Grant Proceedings - Standards

Proceeding	Standard
Ex Parte Reexamination	SNQ (Substantial New Question of patentability)
Inter Partes Reexam – <i>until 9/16/2012, then replaced by Inter Partes Review</i>	Grant request if reasonable likelihood of prevailing on at least one challenged claim
Inter Partes Review – <i>effective 9/16/2012 (but 9 months after a issuance or date of when PGR terminates)</i>	Grant petition if reasonable likelihood of prevailing on at least one challenged claim
Post Grant Review – <i>effective 9/16/2012, and only for patents with a filing date on or after 3/16/2013</i>	Grant petition if reasonable likelihood that at least one challenged claim is unpatentable or determination that petition raises a novel or unsettled important legal question important to other patents or patent applications

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<b>Post Grant Proceedings - Summary</b>			
	<b>Ex Parte Reexam</b>	<b>Post Grant Review (PGR)</b>	<b>Inter Partes Review</b>
Effective	Now	9/16/2012 for patents with filed on/after 3/16/2013	9/16/2012 (9 months after a issuance or date of when PGR terminates)
Threshold Standard	Substantial new question of patentability	Reasonable likelihood that Petitioner would prevail on a claim	Reasonable likelihood of prevailing on at least one challenged claim
Challenge Basis	102/103 (printed prior art only)	101, 112, 102/103 (any)	102/103 based on printed prior art
Discovery	None	Limited discovery	Limited discovery
Duration	About 2-3 years	12-18 months (statute)	12-18 months (statute)
Estoppel	n/a	Yes ("could have been raised")	Yes ("could have been raised")
Settlement Effect	Does not stop proceeding	Stops proceeding	Stops proceeding

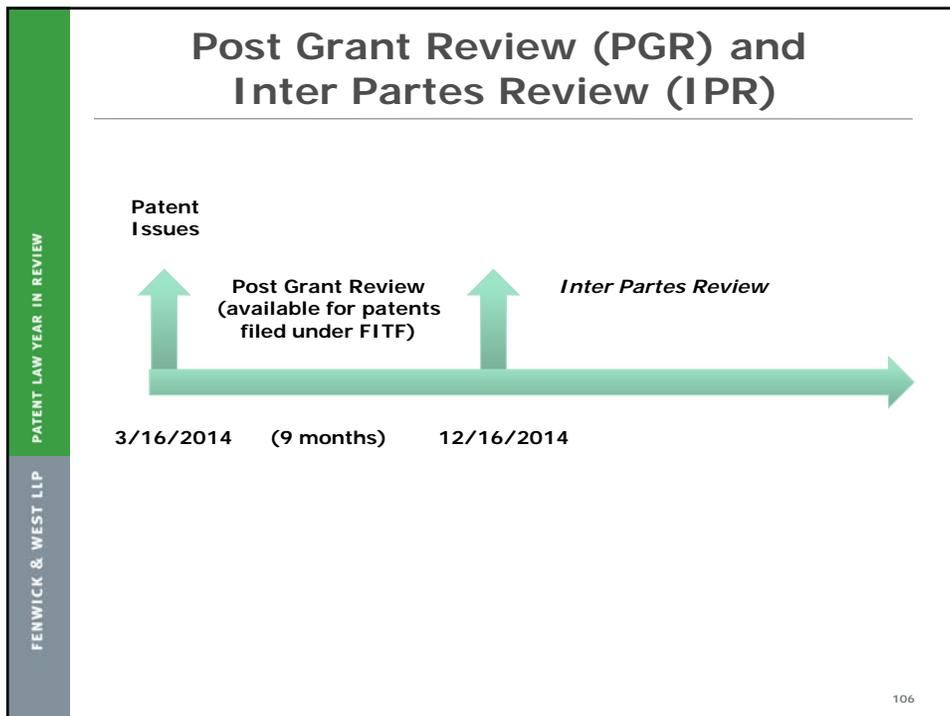
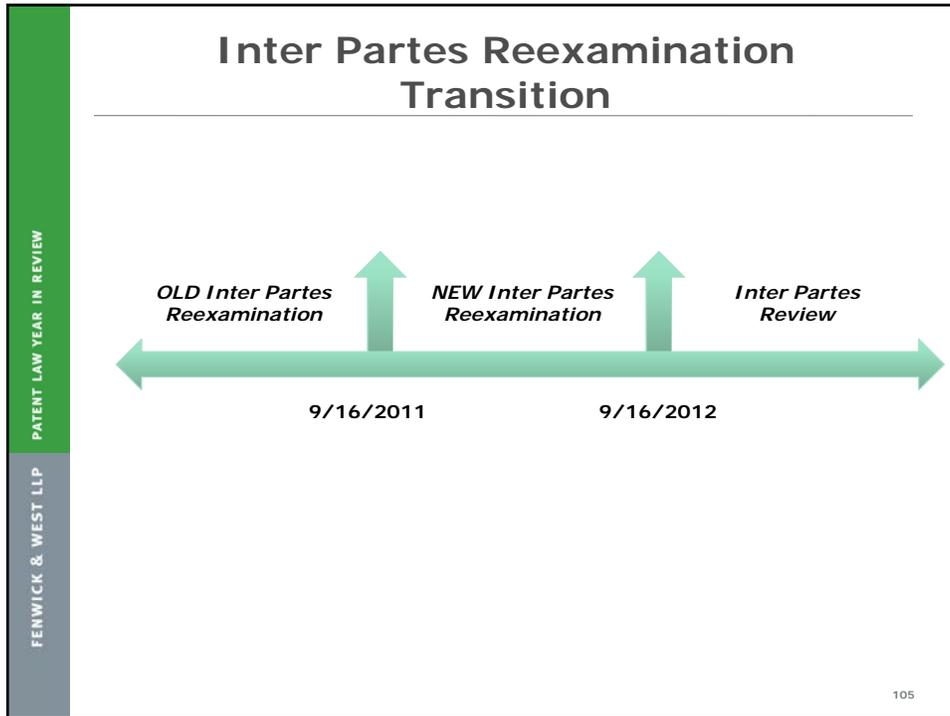
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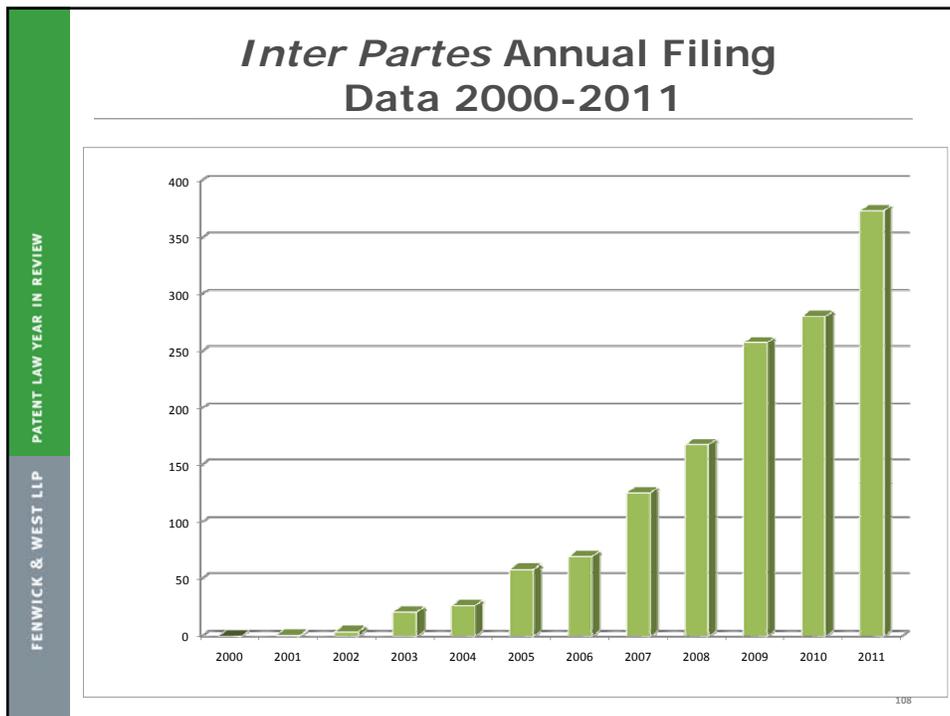
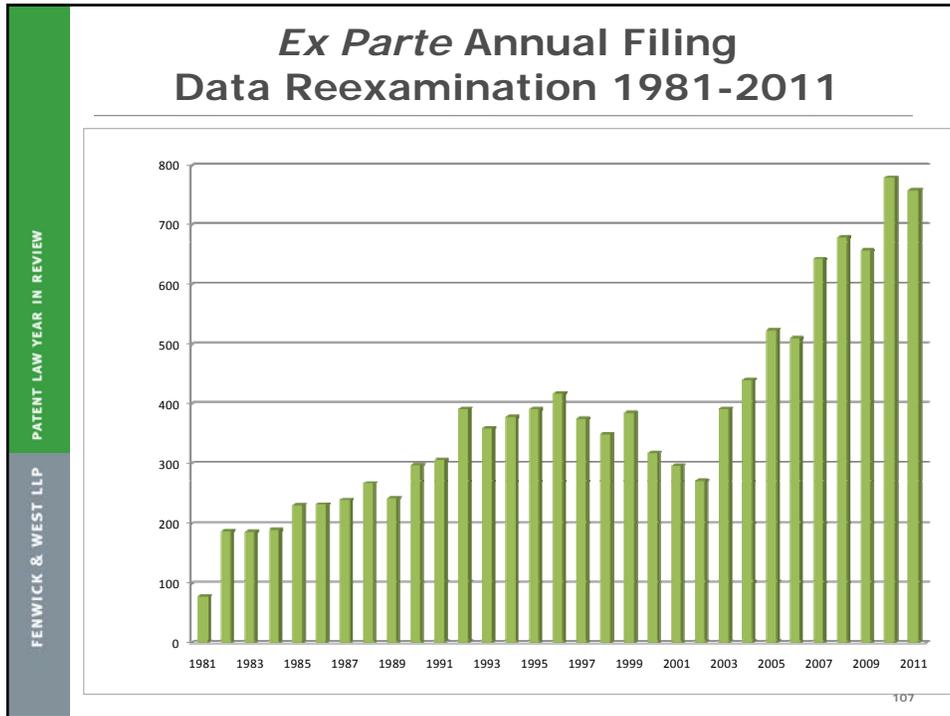
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<b>Post Grant Proceedings v. Litigation</b>				
	<b>Ex Parte Reexam</b>	<b>PGR</b>	<b>IPR</b>	<b>Litigation</b>
Presumption of Validity	n/a	n/a	n/a	Yes
Burden of Proof	Preponderance of Evidence	Preponderance of Evidence	Preponderance of Evidence	Clear and convincing evidence
Claim Scope	Broadest reasonable meaning	Broadest reasonable meaning	Broadest reasonable meaning	Legal claim construction (e.g., <i>Phillips</i> )
Basis for challenging patent	102/103 (printed refs)	101, 102/103 (not limited to printed prior art), 112	102/103 (printed refs)	Any basis
Venue – Decision maker	Central Reexam Unit (CRU)	Patent Trial and Appeals Board (PTAB)	PTAB	District Court Judge/Jury

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### Reexamination: What Art Units

Percentage of requests	Ex Parte	Inter Partes
Chemical	27%	18%
Electrical	37%	52%
Mechanical	34%	29%
Design	2%	1%

Source: U.S. PTO Filing Data as of September 30, 2011.  
 Data on *ex parte* reexaminations is for 1981-2011. data on *inter partes* reexaminations is for 2000-2008.

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### Reexamination: In Litigation

Percentage of Requests	<i>Ex Parte</i>	<i>Inter Partes</i>
granted	92%	95%
known to be in litigation	33%	70%

Proceedings in which...	<i>Ex Parte</i>	<i>Inter Partes</i>
all claims confirmed	23%	11%
all claims cancelled	11%	44%
claim changes	66%	45%

Source: U.S. PTO Filing Data as of September 30, 2011.  
 Data on *ex parte* reexaminations is for 1981-2011. data on *inter partes* reexaminations is for 2000-2008.

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### Motions to Stay Pending Reexamination

Venue	2008		2009		2010	
	Percentage Granted	Percentage Denied	Percentage Granted	Percentage Denied	Percentage Granted	Percentage Denied
<b>N.D. Cal</b>	70.59%	29.41%	86.67%	13.33%	71.43%	28.57%
<b>C.D. Cal</b>	28.57%	71.43%	53.85%	46.15%	77.78%	22.22%
<b>Del</b>	16.67%	83.33%	50.00%	50.00%	33.33%	66.67%
<b>E.D. Tx</b>	55.81%	44.19%	21.05%	78.95%	47.62%	52.28%
<b>N.D. Tx</b>	83.33%	16.67%	63.64%	36.36%	33.33%	66.67%
<b>E.D. Wi</b>	50.00%	50.00%	100.00%	0.00%	0.00%	100.00%
<b>E.D. Va</b>	0.00%	0.00%	0.00%	100.00%	66.67%	33.33%

Source: As compiled by Bijal Vakil, White & Case LLP

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### Motions to Stay Pending Reexamination

Venue	2008			2009			2010		
	Granted	Denied	Total cases	Granted	Denied	Total cases	Granted	Denied	Total cases
<b>N.D. Cal</b>	12	5	170	13	2	168	15	6	206
<b>C.D. Cal</b>	4	10	201	7	6	276	14	4	236
<b>Del</b>	1	5	166	4	4	233	3	6	259
<b>E.D. Tx</b>	24	19	302	4	15	250	10	11	647
<b>N.D. Tx</b>	5	1	42	7	4	42	2	4	62
<b>W.D. Tx</b>	0	1	15	0	0	25	0	0	38
<b>S.D. Tx</b>	1	0	34	1	1	38	3	2	47
<b>E.D. Wi</b>	1	1	24	2	0	26	0	2	20
<b>W.D. Wi</b>	0	0	41	0	0	25	0	0	39
<b>E.D. Va</b>	0	0	63	0	3	58	6	3	65

Source: As compiled by Bijal Vakil, White & Case LLP

Data Sources  
 Docket Navigator; Lexis Courtlink; James Pistorino, *Concentration of Patent Cases in Eastern District of Texas Increases in 2010*, 81 BNA Patent, Copyright & Trademark Journal 803 (2011)

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PATENT LAW YEAR IN REVIEW

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## The Evolving Contours of Patent Litigation

Saina Shamilov and Ryan Tyz

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PATENT LAW YEAR IN REVIEW

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## Evolving Contours of Patent Litigation

- International Trade Commission
  - Domestic industry requirement
- Venue developments
  - Recent Federal Circuit decisions
  - The America Invents Act and its effect on venue analysis
- Patent Pilot Program
- Potential Discovery Limitations
  - Judge Rader's Model Electronic Discovery Order
- District Courts In Post-*Uniloc* Era
- The Changing Face Of the Federal Circuit

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## International Trade Commission: Domestic Industry Requirement

- *Mezzalingua Associates, Inc. (d/b/a PPC, Inc.) v. International Trade Commission* (Fed. Cir., Oct. 4, 2011)
  - Section 337 makes unlawful the importation of articles that infringe a valid and enforceable United States patent, but only if a domestic industry “relating to the articles protected by the patent . . . exists or is in the process of being established.” 19 U.S.C. § 1337(a)(2)
    - Significant investment in plant and equipment;
    - Significant employment of labor or capital; or
    - Substantial investment in its exploitation (engineering, R&D, licensing)
  - Litigation expenses spent on infringement actions do not automatically establish domestic industry unless those expenses are related to licensing and are substantial

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## Recent Venue Developments

- *In re Verizon Business Network Services, Inc.*, (Fed. Cir., Mar. 23, 2011) (Linn, J.)
  - Held that E.D. Tex. erroneously denied transfer motion where the only reason for not transferring the case was built in efficiencies from a case construing the same technology five years earlier
- *In re Link\_A\_Media Devices Corp. (LAMD)*, (Fed. Cir., Dec. 2, 2011)
  - Held that D. Del. erroneously denied transfer motion where the only reasons for not transferring the case were the defendant’s incorporation in the forum and the plaintiff decision to file suit there

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**The America Invents Act and Its Effect on Venue Analysis**

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- Joinder of accused infringers
- Allegations insufficient for joinder
- Waiver
- Effective date
- Practical implications

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**Patent Judge Pilot Program**

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- Goal
- 14 district courts
- Assignment of patent cases
- Implementation
- Federal Judicial Center special webpage
- Practical implications

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## New Discovery Limitations?

- Patent cases “suffer from disproportionately high discovery expenses”
- “Blanket stipulated orders requiring the production of all relevant documents lead[] to waste”
  - No email collection unless specific email production requests are propounded for specific issues
  - Email production to be limited to five custodians
  - No metadata

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## Post-*Uniloc* Era

- No definitive guidance yet as to how to apply *Uniloc*
- District courts still have a significant discretion dominated by case facts
  - *Convolve, Inc. v. Dell, Inc.* (E.D. Texas)
  - *Inventio AG v. Otis Elevator Co.* (S.D. New York)
  - *Mondis Technology Ltd. V. LG Electronics, Inc.* (E.D. Texas)
  - *Oracle America, Inc. v. Google, Inc.* (N.D. California)
  - *Lucent Technologies, Inc. v. Microsoft Corp.* (S.D. California)

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**The Changing Face of the Federal Circuit**

- In the last 3 years, extraordinary turn-over in the Federal Circuit
  - New chief judge (Rader – 2010)
  - Four judges take senior status or retire
    - Alvin Schall (2009)
    - Haldane Mayer (2010)
    - Paul Michel (2010)
    - Arthur Gajarsa (2011)
  - Three new circuit judges
    - Kathleen O'Malley (2010)
    - Jimmie Reyna (2011)
    - Evan Wallach (2011)
  - Even more turnover expected

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**A Look Ahead at Key Patent Issues in 2012**

Heather Mewes

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## A Look Ahead at Key Patents Issues in 2012

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- Pending decision:
  - *Caraco v. Novo Nordisk*
  - *Mayo v. Prometheus*
  - *Kappos v. Hyatt*
  - *Akamai v. Limelight/McKesson v. Epic Systems*
- Other key issues for decision in 2012

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## *Caraco Pharms. v. Novo Nordisk*

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- Supreme Court argument held Dec. 5, 2011
- Issue:
  - Whether an ANDA applicant may assert a counterclaim when (1) there is an approved method of using the drug that the patent does not claim and (2) the brand manufacturer submits patent information to the FDA that misstates the patent's scope requiring correction
- Federal Circuit said no right to counterclaim applying strict statutory interpretation

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### *Caraco Pharms. v. Novo Nordisk*

- Where formulation patents have expired, patent protection may be limited to particular uses
  - Repaglinide (PRANDIN – diabetes drug) uses:
    - Repaglinide by itself
    - **Repaglinide in combination with metformin**
    - Repaglinide in combination with thiazolidinediones
  - Formulation patent expired; only other patent covered repaglinide in combination with metformin
- Caraco sought ANDA approval for carve-out label excluding use in combination with metformin

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### *Caraco Pharms. v. Novo Nordisk*

- Carve-out labels only permitted if there is no overlap between proposed carve-out and the patent use code
  - Novo’s original use code: Use of repaglinide in combination with metformin to lower blood glucose
  - Novo’s amended use code: A method of improving glycemic control in adults with type 2 diabetes mellitus
- Carve-out label denied because of overlap
- Caraco filed counterclaim, but Federal Circuit said statute only allows counterclaim if patent does not claim “an approved method”

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### *Mayo v. Prometheus*

- SCT argument held Dec. 7, 2011
- Issue:
  - Whether 35 USC § 101 is satisfied by a patent claim that covers observed correlations between blood test results and patient health
- This isn't the last we'll hear on section 101 (*Myriad*, *Classen*)

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### *Kappos v. Hyatt*

- Supreme Court argument held Jan. 9, 2012
- Issues:
  - When the PTO denies an application, and the applicant commences a civil action against the Director under 35 USC § 145, can the applicant introduce evidence of patentability that was not presented to the agency but could have been?
  - When new evidence is introduced, is there any deference to the PTO's prior decision?
- Federal Circuit allowed new evidence and found that no special deference owed beyond standard of review

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### *Kappos v. Hyatt*

- Impacts very few cases at present
  - Costs of proceeding under 35 USC § 145 prohibitive except in select cases
- But, Supreme Court may address broader issues of deference owed to the PTO
  - Increasingly, issues appear where there are parallel reexamination and patent infringement actions

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### *Akamai v. Limelight/ McKesson v. Epic Systems*

- Federal Circuit *en banc* argument held Nov. 18, 2011
- Issue:
  - Whether all steps of a method claim must be performed by or under the direction of a single party for there to be infringement
- Federal Circuit panels followed prior precedent holding that there must be a single actor that controls performance of all steps of the claim

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**Akamai v. Limelight/  
McKesson v. Epic Systems**

- Often relevant in software cases where end user performs some steps at client computer but other steps are performed by vendor's server
- Federal Circuit may reinterpret "control" requirement to expand joint infringement
  - End user / software vendor
  - Contracting parties acting in concert
- Inducement as direct infringement?

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**A Look Ahead at Key Patents  
Issues in 2012**

- Still to come:
  - Deference and claim construction (*Retractable*)
  - Obviousness (*Kinetic Concepts v. Smith & Nephew*)
  - Standard of proof for DOE (*Saint-Gobain v. Siemens*)
  - International patent exhaustion (*Kirtsaeng v. John Wiley*)
  - Attorneys fees for defendants (*Media Queue v. Netflix*)
  - Injunctions

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**Patent Law and Ethics in 2011**

Darren Donnelly, Bryan Kohm, and  
Charlene Morrow

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**Inequitable Conduct**

Darren Donnelly

FENWICK & WEST LLP

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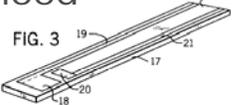
**En banc CAFC makes inequitable conduct more difficult to prove — *Therasense***

- Equitable defense to patent infringement arising from Supreme Court unclean hands cases
  - Misrepresented or omitted material information
  - With the specific intent to deceive the PTO
  - Equities warrants rendering patent unenforceable
- 1988 *en banc* limit on intent in *Kingsdown* did not cure the “plague”
  - Doctrines expanded
  - Patent practitioners react — perceived PTO deluge

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**Undisclosed information found inconsistent with arguments for patentability — Materiality**

- Claims directed to disposable blood glucose test strip for diabetes management
  - “active electrode...exposed [to whole blood] without an intervening membrane”
  - Key limitation arising during difficult 13+ year prosecution
    - Prior art used membranes (1) to prevent blood cells fouling electrode and (2) to slow
    - Repeated rejections based on ‘382 Patent
    - “optionally, but preferably, when being used on live blood, a protective membrane surrounds...”



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**Undisclosed information found inconsistent with arguments for patentability — Materiality**

- Examiner requests declaration to show prior art required membrane for whole blood to overcome rejection based on '382 patent
  - Declaration: (1) One skilled in the art at the time would think a protective membrane was required; (2) Would not understand '382 to teach use of protective membrane is optional with whole blood
  - Argument: "Mere patent phraseology"
- Different position European Patent Office (EPO) proceedings re: '382 specification

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**Undisclosed information found inconsistent with arguments for patentability — Materiality**

- District court finds patent unenforceable
  - Arguments to EPO were material
  - '382 Patent also invalidated claims
- Federal Circuit panel affirms with J. Linn, dissenting
- *En banc* Federal Circuit creates new standard of materiality and clarifies intent
  - Concurring and dissenting opinions
  - Vacates and remands

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### Held: “But-for” standard of Materiality

- “This court holds that, as a general matter, the materiality required to establish inequitable conduct is but-for materiality”
- Non-disclosure of prior art to the PTO
  - But-for material if the PTO would not have allowed a claim
  - Court applies preponderance of evidence standard
    - Giving claims broadest reasonable construction
  - Invalidity is sufficient but not necessary condition

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### Held: “But-for” standard of Materiality

- Rationale — unintended consequences of doctrine’s encouragement of PTO disclosure
  - Prosecutors deluge PTO examiners with prior art
  - Litigation strategy to expand discovery and smear
  - “Atomic bomb” remedy
  - Cannot be cured by reissue
  - Offensive claims and exceptional case
  - *Kingsdown’s* raising intent standard did not work
- PTO Rule 56 allowed these problems — not adopted

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**Held: Exception for “affirmative acts of egregious misconduct”**

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- Incorporates holdings from Supreme Court unclean hands cases
  - “deliberately planned and carefully executed scheme[s] to defraud PTO and the courts”
- Guidance on exception
  - Material: Filing of an unmistakably false affidavit
  - Still require “but-for” materiality
    - Failure to mention reference in affidavit require
    - Non-disclosure of prior art

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**Held: Specific intent to deceive PTO standard**

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- Knew of the reference,
- Knew that it was material, and
- Made a deliberate decision to withhold it
- Proven by clear and convincing evidence
- Separate requirement from materiality
  - District court should not use a “sliding scale”
  - May infer from indirect and circumstantial evidence
    - May not be found when there are multiple reasonable inferences
  - Patentee need not offer any good faith explanation unless challenger first makes clear and convincing threshold showing

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**O'Malley — Equitable doctrine requires permitting more flexible standard**

- Dissents from materiality standard
  - Equitable nature of doctrine demands flexibility
  - Concerned some unforeseen type of intentional misconduct may warrant equitable relieve but be outside of rigid rules
  - Would allow district court discretion on remedy —patent unenforceability not required
- Material where:
  - (1) but for the conduct the patent would not have issued
  - (2) the conduct constitutes a false or misleading representation of fact; or
  - (3) the district court finds that the behavior is so offensive that the court is left with a firm conviction that the integrity of the PTO process as to the application at issue was wholly undermined.
- Generally concurs with majority intent holdings

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**Dissenters argue for standard of PTO Rule 56**

- Bryson, joined by Gajarsa, Dyk, and Prost
  - Court split because of (1) deference to PTO position and (2) belief majority's standard will undermine disclosure incentives
  - Doctrine can be fixed
  - View outcome as nearly abolishing doctrine
- PTO as *amicus* argues for its Rule 56 standard
- Practical problems from "but for" standard
- Majority standard not mandated by authorities it relied upon

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### PTO Proposed Rulemaking

- PTO announced proposed new Rule 56(b) materiality standard
  - (1) The Office would not allow a claim if it were aware of the information applying appropriate standards; or
  - (2) The applicant engages in affirmative egregious misconduct before the Office as to the information
- “[T]he Office is considering further actions that may provide an incentive for applicants to assist the Office by explaining/clarifying the relationship of prior art to the claimed invention”
- “The Office . . . expects that patent applicants are inclined to be forthcoming and submit information beyond that required by proposed Rule 56, in an effort to assist examiners in performing their duties”

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### Conclusions and Implications

- Doctrine significantly limited
  - Pleading stage of litigation — tension between import of *Exergen* and burden under *Therasense* standard
    - Courts allowing some leeway on intent
      - *Human Genome Sciences Inc., et. al. v. Genentech Inc., et. al.*, 2-11-cv-06519 (CACD December 9, 2011) (Pfaelzer, J.); *EON Corp. IP Holdings, LLC v. T-Mobile USA, Inc., et. al.*, 6-10-cv-00379 (TXED December 13, 2011) (Love, M.J.).
  - Invalidity issues likely to play role in (not)establishing materiality of undisclosed art
- Federal Circuit’s evolving attention to management of adjudication on the merits
- Watch scope of “affirmative acts of egregious misconduct” exception

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## Conclusions and Implications

- Empirical effects on PTO practice to be seen
  - Cost of disclosure vs. analysis
  - Alternative PTO measures
  - Dissenters' speculation of effects on tough cases
- Procedures for practitioners to revisit "but-for" materiality at or near close of prosecution
- Declarations under §131 and §132 warrant heightened attention

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## Document Retention

Bryan Kohm

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## 2011 Federal Circuit *Rambus* Cases

- Two related cases
  - *Micron Technology, Inc. v. Rambus Inc.*, 645 F.3d 1311 (Fed. Cir. 2011) ("*Micron*")
  - *Hynix Semiconductor Inc. v. Rambus Inc.*, 645 F.3d 1336 (Fed. Cir. 2011) ("*Hynix*")
- Federal Circuit clarifies when litigation is "reasonably foreseeable" for purposes of spoliation
- Federal Circuit also weighs in on piercing of attorney-client privilege

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## What Is Spoliation?

- "Spoliation of evidence is the destruction or significant alteration of evidence, or the failure to properly preserve property for another's use as evidence in pending or **reasonably foreseeable litigation.**"
  - *Zubulake v. UBS Warburg LLC*, 220 F.R.D. 212, 216 (S.D.N.Y. 2003) (internal quotation marks omitted)

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**Timeline**

- ~ 1992: Rambus developed strategy of demanding license fees & litigation damages for SDRAM
- Feb. 1998: noted that it needed to get “battle-ready”
- March 1998: presentation to Board proposing litigation strategy
- Q2 1998: continued to develop litigation strategy, which included document retention policy
- Aug. 1998: instructed prosecution counsel to discard non-official files
- Sept. 1998: hired outside counsel to prepare for litigation

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**Timeline**

- Sept. 1998: held first shred day – 400 boxes
- June 1999: first patent-in-suit issued
  - Two days later CEO requests that first licensing or litigation target be identified
- Aug. 1999: held second shred day – 300 boxes
  - No record of specific documents, but related to contract and licensing negotiations, patent prosecution, JEDEC participation, Board meetings and finances
- Dec. 1999: litigation hold implemented
- Jan. 2000: filed suit against Hitachi

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### CAFC Presented with Two Conflicting Rulings

- *Hynix* case – Northern District of California found no spoliation:  

“[T]he path to litigation was neither clear nor immediate. Although Rambus began to plan a litigation strategy as part of its licensing strategy as early as February 1998, the institution of litigation could not be said to be reasonably probable because several contingencies had to occur before Rambus would engage in litigation...”

- *Hynix Semiconductor Inc. v. Rambus Inc.*, 591 F. Supp. 2d 1038, 1062 (N.D. Cal. 2006)

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### CAFC Presented with Two Conflicting Rulings

- *Micron* case – District of Delaware held Rambus’s patents unenforceable due to spoliation  

“The court concludes that litigation was reasonably foreseeable no later than December 1998, when Karp had articulated a time frame and a motive for implementation of the Rambus litigation strategy... Therefore, a duty to preserve potentially relevant evidence arose in December 1998 and any documents purged from that time forward are deemed to have been intentionally destroyed, i.e., destroyed in bad faith.”

- *Micron Inc. v. Rambus Inc.*, 591 F. Supp. 2d 1038, 1062 (N.D. Cal. 2006)

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### Litigation Can Be Reasonably Foreseeable Even if Contingencies Exist

- The reasonable foreseeability standard “is not so inflexible as to require that litigation be ‘imminent, or probable without significant contingencies.’” *Micron* at 1320
- “Contingencies whose resolutions are reasonably foreseeable do not foreclose a conclusion that litigation is reasonably foreseeable.” *Hynix* at 1346

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### Contingencies Cited by the Northern District of California and Rambus

- (1) the direct RDRAM ramp had to be sufficiently developed so as not to jeopardize RDRAM production
- (2) Rambus’s patents covering non-RDRAM technology had to issue
- (3) product samples from potentially infringing DRAM manufacturers had to be available in the market
- (4) the noncompatible products had to be reverse engineered and claim charts made showing coverage of the actual products
- (5) Rambus’s board had to approve commencement of negotiations with a DRAM manufacturer
- (6) the targeted DRAM manufacturer had to reject Rambus's licensing terms

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## Guidance Offered by the Court

- Knowledge of actual infringement increases foreseeability
  - “While it may not be enough to have a target in sight that the patentee believes may infringe, the **knowledge of likely infringing activity** by particular parties **makes litigation more objectively likely to occur** because the patentee is then more likely to bring suit.”  
*Micron* at 1323

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## Guidance Offered by Court

- Federal Circuit noted that steps taken by Rambus in furtherance of litigation suggested reasonable foreseeability
  - “Rambus concluded that it would ‘need to litigate against someone to establish [a] royalty rate and have [the] court declare [the Rambus] patent[s] valid’”
  - Evaluated forums and prioritized targets
  - Prepared claim charts and determined an expected timeline for litigation

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## Document Destruction Policies Are Legitimate

- “[W]here a party has a long-standing policy of destruction of documents on a regular schedule, with that policy motivated by general business needs, which may include a general concern for the possibility of litigation, destruction that occurs in line with the policy is relatively unlikely to be seen as spoliation.” *Micron* at 1322

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## Piercing of Attorney-Client Privilege

- Federal Circuit pierced Rambus’s attorney-client privileged based on crime-fraud exception
  - California Penal Code § 135 bars destruction of documents “about to be produced in evidence.”
  - Documents were “about to be produced” in *Hitachi* litigation
  - Rambus began destroying documents based on communications with counsel

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## Exceptional Case

Bryan Kohm

FENWICK & WEST LLP

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### Bases for Exceptional Case Finding

- Litigation misconduct
- Misconduct in securing patent
- Bad faith assertion of frivolous claims

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### *Eon-Net LP v. Flagstar Bancorp*

- Eon-Net (NPE) or related entities had filed over 100 lawsuits asserting involving same portfolio
- *Modus operandi* was to extract nuisance fee settlement
  - Fixed scale based on revenues
    - \$25K for less than \$3M in sales
    - \$50K for \$3-20M in sales
    - \$75K for \$20-100M in sales

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### *Eon-Net LP v. Flagstar Bancorp*

- Patents related processing information originating from hard copy documents
- Claims not specifically limited to hard copy documents; specification was so limited
- Plaintiff alleged that claims covered processing information originating from websites

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### *Eon-Net LP v. Flagstar Bancorp*

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- Destroyed documents from prior litigation while cases still pending
  - Based on “document retention policy” of not retaining any documents
- Failing to engage in claim construction in good faith
  - Offered no proposed constructions
  - Lodged incomplete and misleading extrinsic evidence
  - Submitted declarations that contradicted earlier deposition testimony

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### *Eon-Net LP v. Flagstar Bancorp*

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- Case deemed exceptional pursuant to 35 U.S.C. § 285 on ground of bad faith assertion of frivolous claims
  - Infringement claims deemed objectively baseless because specification limited to processing information originating from hard copy documents
  - Bad faith established by:
    - Goal of extracting nuisance value settlement
    - Conduct during claim construction proceedings

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***Marctec, LLC v. Johnson & Johnson et al.***

- Patents related to surgical implant in which a polymeric material is **bonded by heat** to an expandable implant
- Patentee **disclaimed stents** during prosecution in order to overcome rejection
- Plaintiff offered no proposed constructions of claim terms
  - Argued that specification should be referenced only if claim language was ambiguous
- Claim construction order specifically held that stents were disclaimed during prosecution

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***Marctec, LLC v. Johnson & Johnson et al.***

- Martec's response to summary judgment motion
  - Submitted expert testimony that "bonded by heat" limitation was met
    - Rationale was that if coating (polymeric material) was sprayed on stent at speed of sound, droplets would increase in temperature
    - Alternative basis was that heat was involved in manufacturing process before the bonding step
  - Argued nothing in prosecution history disclaimed stents
- District court grants summary judgment of non-infringement and finds exceptional case under 35 U.S.C. § 285

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***Marctec, LLC v. Johnson & Johnson et al.***

- CAFC affirms finding of exceptional case
  - Infringement claims were baseless and asserted in bad faith
    - Infringement theory contradicted specification and prosecution history
    - Claim construction positions lacked evidentiary support
  - Marctec engaged in litigation misconduct
    - Misrepresented the law of claim construction and the district court's claim construction rulings
    - Relied on junk science offered by expert

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**LAW GOVERNING  
MULTI-FORUM PRACTICE**

Charlene Morrow

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### Applicable Law

- Member of California Bar is subject to obligations of California law, both within and outside the state
  - Cal. R. Prof'l Conduct 1-100(D)(1) (ethical rules "govern the activities of members in and outside this state, except as members lawfully practicing outside this state may be specifically required by a jurisdiction in which they are practicing to follow Rules of Professional Conduct different from these rules.")

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### Applicable Law

- Cal. Eth. Opn. 2001-155: California attorney's Web site must comply with California requirements re attorney advertising
- In addition, "Attorney A ... must comply with the rules of each jurisdiction that apply to her and impose additional or stricter requirements than those found in California"
- Results in most strict set of rules being applied

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### Applicable law

- California lawyer appearing in legal proceeding outside the state is also subject to the applicable local rules
  - Eastern Dist. of Texas Local Rule AT-2: The standards of professional conduct adopted as part of the Rules Governing the State Bar of Texas shall serve as a guide governing the obligations and responsibilities of all attorneys appearing in this court. It is recognized, however, that no set of rules may be framed which will particularize all the duties of the attorney in the varying phases of litigation or in all the relations of professional life. Therefore, the attorney practicing in this court should be familiar with the duties and obligations imposed upon members of this bar by the Texas Disciplinary Rules of Professional Conduct, court decisions, statutes, and the usages customs and practices of this bar

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### Applicable Law

- *In re Univ. of South Fla. Board of Trustees*, Misc. Docket No. 111 (Jan. 12, 2012):
  - Where California law required automatic disqualification, but Pennsylvania law applicable in the district court gave court discretion in determining whether to permit representation, Pennsylvania law governed because it was “different” from the California rules
  - This resulted in more lax standard being applied

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### Applicable law

- Member of Patent Bar is further subject to regulation by Patent Office
  - 37 C.F.R. § 10.66 (2011) (Requiring member of Patent Bar to refuse to accept or to continue employment if the interests of another client may impair the independent professional judgment of the practitioner)

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### Applicable Law

- *Openwave Sys., Inc., v. 724 Solutions (US) Inc., No. C 09-3511*, 2010 U.S. Dist. LEXIS 49628 (N.D. Cal. Apr. 22, 2010):
  - In determining whether to disqualify firm, declined to follow test created by the Board of Patent Appeals and Interferences requiring the patents in two successive representations to be “identical or essentially the same” subject matter. *Anderson v. Eppstein*, 59 U.S.P.Q.2d 1280 (BPAI 2001).
  - Applied California ethics decisions

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## Attorney Disqualification

Charlene Morrow

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## Conflicts of Interest

- When can a client disqualify one of its former law firms for suing it for patent infringement?
- Can a non-client disqualify an attorney who had access to its confidential information via other than an attorney-client relationship?

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### Substantial Relationship Must Exist Between Representations

- Substantial relationship test:
  - Legal claim need not be same; test is whether the “nature of the evidence that would be helpful in establishing [the] allegations” in one suit overlaps with that in the prior engagement. *Trone v. Smith*, 621 F.2d 994, 999 (9th Cir. 1980)
- If substantial relationship exists, “access to confidential information will be presumed, and attorney disavowals disregarded”
  - *Id.* at 999 (Inquiry into actual communications improper)

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### Substantial Relationship Must Exist Between Representations

- *Openwave Sys., Inc., v. 724 Solutions (US) Inc., No. C 09-3511*, 2010 U.S. Dist. LEXIS 49628 (N.D. Cal. Apr. 22, 2010):
  - Declined to follow test created by the Board of Patent Appeals and Interferences requiring the patents in two successive representations to be “identical or essentially the same” subject matter. *Anderson v. Eppstein*, 59 U.S.P.Q.2d 1280 (BPAI 2001)
  - Found former client failed to meet burden of proving that prior U.S. prosecution work was in relevant technology area, rather than generally in the field of wireless

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### Substantial Relationship

- In addition to assessing technology, conduct a specific inquiry to determine if client policies and practices regarding patent prosecution or licensing are relevant, such as where a charge of inequitable conduct or patent misuse is made or antitrust allegations are raised
  - *E.g., Trone*

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### Substantial Relationship

- *Openwave, cont'd.*
  - Substantial relationship found where opposing counsel's firm represented former client in opposition proceedings in Australia on Australian counterpart to U.S. patent cited by USPTO as § 103 prior art
- *In re Shared Memory Graphics LLC, 659 F.3d 1336 (Fed. Cir. 2011):*
  - District court found and Federal Circuit did not reject finding that prior representation on same chipset was substantially related, although different chips were at issue in second lawsuit

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## Receipt of Third Party Confidential Information

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- When can a client bar a lawyer who received its confidential information from a third party from being adverse to it in a subsequent lawsuit?

PATENT LAW YEAR IN REVIEW

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## Receipt of Third Party Confidential Information

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- *Dino v. Pelayo*, 145 Cal. App. 4th 347 (Cal. Ct. App. 1st Dist. 2006): noting in *dicta* that if attorney received confidential information from a consulting expert retained by the opposing party in the same case, it must protect that confidence

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**Receipt of Third Party Confidential Information**

- *Morrison Knudson Corp. v. Hancock, Rothert and Bunshoft*, 69 Cal. App. 4th 223 (Cal. App. 1st Dist. 1999), holding that law firm that received information about other litigation involving similar claims via role as underwriter’s counsel had duty to maintain that information in confidence and should be disqualified

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**Receipt of Third Party Confidential Information**

- *Tyco Healthcare Group LP v. Ethicon Endo-Surgery*, Civ. No. 3:10CV60 (D. Conn. Dec. 30, 2011): Disqualifying lawyers and damages expert who interacted with trial support lead who had worked with opposing counsel in prior trial in same matter on mock trial and witness prep. Refusing to disqualify rest of trial team absent proof of access to confidential information. Requiring counsel who created conflict to reimburse other side for fees of deposition of new damages expert

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**Receipt of Third Party Confidential Information**

- *Roosevelt Irrigation Dist. v. Salt River Project Agricultural Improvement and Power Dist.*, Civ. No. 10-00290 (D. Ariz. Aug. 26, 2011) (applying version of ABA Rules of Professional Conduct):
  - No written JDA need be shown, as joint defense privilege arises as a matter of law
  - Disqualification where proof confidential information regarding same discharge sites exchanged during joint defense

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**Receipt of Third Party Confidential Information**

- ABA Comm. On Ethics and Prof'l Responsibility Formal Op. 95-395 at 5 (1995) (noting that under Model Rules an attorney who participated in a joint defense consortium "would almost surely have a *fiduciary* obligation to the other members of the consortium, which might well lead to his disqualification," and citing Fifth Circuit disqualification opinion)

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## Receipt of Third Party Confidential Information

- *In re Shared Memory Graphics LLC, 659 F.3d 1336 (Fed. Cir. 2011):*
  - In house counsel for AMD received confidential information of Nintendo pursuant to a joint defense agreement between AMD and Nintendo in a prior lawsuit
  - In house counsel then moved to a law firm, Floyd & Buss, which then brought suit against Nintendo on same chip set
  - All judges agree that this presents a disqualifying conflict (n.2 (Dyk and Schall); Newman dissent))

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## Conflict Waiver

- Majority holds that conflict has been waived
- Provision in Joint Defense Agreement: "The parties expressly acknowledge and agree that nothing in this Agreement ... shall be used as a basis to seek to disqualify the respective counsel of such party in any future litigation." *Id.* at 1339

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## Conflict Waiver

- District court and dissent conclude Nintendo only intended to address future disputes between AMD and Nintendo, and did not intend to address scenario where counsel moved to another entity who sued Nintendo.
- Majority found disqualification was clear. They stated that “courts applying California law ... have generally recognized the enforceability of advanced waiver of potential future conflicts, *even if the waiver does not specifically state the exact nature of the future conflict.*” *Id.* at 1341 (emphasis added)

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## Conflict Waiver

- The majority cited Comment [22] to ABA Model Rules of Prof'l Conduct, R. 1.7 : “if the client is an experienced user of the legal services involved and is reasonably informed regarding the risk that a conflict may arise, such consent is more likely to be effective”
- The majority concluded that courts applying California law have “generally recognized the enforceability of advanced waiver of potential future conflicts, even if the waiver does not specifically state the exact nature of the future conflict.” *Id.* at 1341

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### Conflict Waiver

- The majority cited only *Visa U.S.A., Inc. v. First Data Corp.*, 241 F. Supp. 2d 1100 (N.D. Cal. 2003). In *Visa*, the district court found on the facts before it full disclosure prior to waiver, and then enforced the waiver
- Future waivers are still likely to be disputed on the basis of intent, and full disclosure, particularly if litigated in California state court

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### Jurisdiction in federal court

Charlene Morrow

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## Federal vs. State Jurisdiction

- Client believes attorney has committed malpractice in patent prosecution, licensing or litigation. Where will case be litigated?
- Practice note: an overlapping analysis applies to other claims of breach of contract or tort that stem from a patent, patent licensing or patent infringement dispute

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## Action Filed in Federal Court

- "The district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States" 28 U.S.C. § 1331
- "The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents .... Such jurisdiction shall be exclusive of the courts of the states in patent ... cases." 28 U.S.C. § 1338 (a)

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### Action Filed in Federal Court

- Federal district court action can be maintained in the first instances if at least one claim is subject to federal jurisdiction; remainder of claims are subject to pendent jurisdiction, to be maintained in the discretion of the court

*Warrior Sports, Inc. v. Dickenson Wright, P.L.L.C.*, 631 F.3d 1367, 1372 (Fed. Cir. 2011)

*Davis v. Brouse McDowell, L.P.A.*, 596 F.3d, 1360-61 (Fed. Cir. 2010)

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### Transfer to Federal Court

- A case filed in state court should be litigated in federal court if "the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of one of the well-pleaded claims." *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 809 (1988) (antitrust cause of action did not require resolution of patent law issues)

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## Transfer to Federal Court

- Transfer to federal court proper where each of the claims at issue raise a substantial question of federal patent law
  - *Air Measurement Techs., Inc. v. Akin Gump Strauss Hauer & Feld*, 504 F.3d 1262 (Fed. Cir. 2007)

## The Pendulum Swings?

- *Byrne v. Wood, Herron & Evans, LLP et al.*, Docket No. 2011-1012 (Nov. 18, 2011) (non precedential opinion):
  - Judges Lourie, O'Malley and Gajarsa hold that under existing precedent, malpractice claim based on alleged failure to obtain broadest possible claim scope during prosecution was properly transferred to federal court
  - Judges O'Malley and Gajarsa suggest the Court should reconsider prior precedent, and refuse to exercise jurisdiction where the claim turns on the failure to obtain a hypothetical patent

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### Existing Precedent

- Federal jurisdiction over alleged failures:
  - To meet § 102(B) bar (*Air Measurement Techs., Inc. v. Akin Gump Strauss Hauer & Feld*, 504 F.3d 1262 (Fed. Cir. 2007));
  - To draft broad enough claim (*Immunocept, LLC v. Fulbright & Jaworski*, 504 F.3d 1281 (Fed. Cir. 2007)); and
  - To file complete divisional application (*Landmark Screens v. Morgan, Lewis & Bockius, LLP*, 183 Cal. App. 4th 238 (6th Dist. 2010))
- No criticism of analysis of more concrete claims

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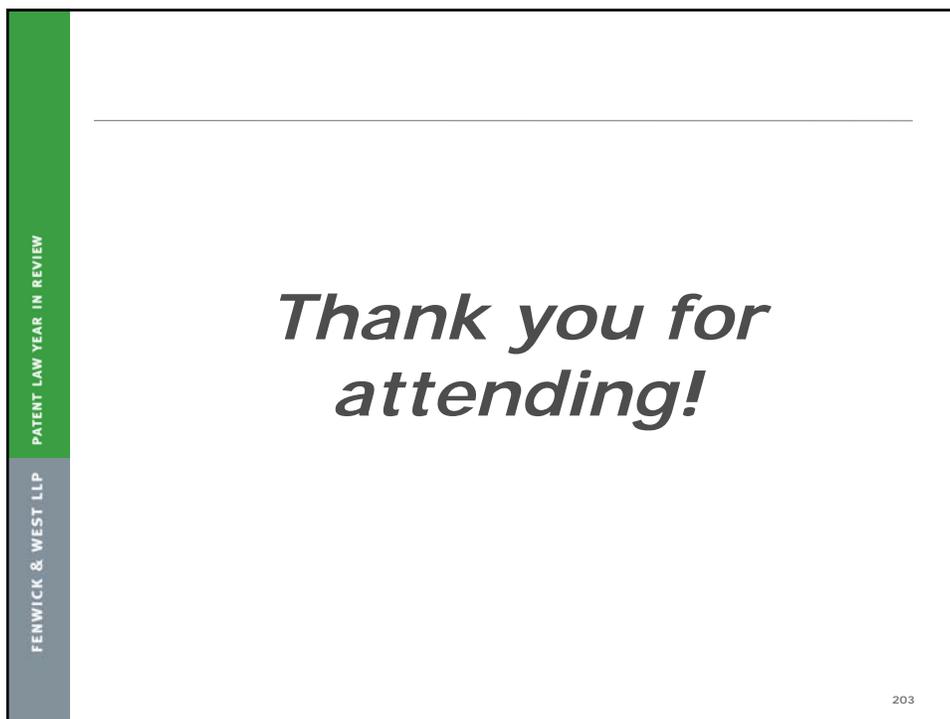
PATENT LAW YEAR IN REVIEW

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### Faculty

- Carolyn Chang
- Teresa Corbin
- Virginia DeMarchi
- Darren Donnelly
- Bryan Kohm
- Stuart Meyer
- Charlene Morrow
- Rajiv Patel
- Robin Reasoner
- Robert Sachs
- Michael Sacksteder
- Saina Shamilov
- Ryan Tyz
- John Calvert\* (from the USPTO)

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# Status Report: USPTO Implementation of the America Invents Act



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## Progress Report: Rulemakings

- 20 provisions related to USPTO operations to implement
- 7 provisions implemented
- 9 provisions addressed in Notices of Proposed Rulemaking (NPRMs) to issue on 12 Month Timeline
  - 4 NPRMs issued on January 5-6, 2012
  - 5 NPRMs and 1 Guidance Document to issue in late January 2012
- 2 provisions in progress on 17 Month Timeline
- 2 provisions to begin work on 18 Month Timeline\*



## Implemented Provisions

(Effective on September 16, 2011 or within 60 days)

	AIA Provision	Implementation Documents
<b>1</b>	Change in inter partes reexamination standard	Revision of Standard for Granting an Inter Partes Reexamination Request, 76 Fed. Reg. 59055 (Sept. 23, 2011)
<b>2</b>	Tax strategies are deemed within the prior art	Memo to Examiners, Sept. 20, 2011
<b>3</b>	Best mode	Memo to Examiners, Sept. 20, 2011
<b>4</b>	Human organism prohibition	Memo to Examiners, Sept. 20, 2011
<b>5</b>	Prioritized examination	Changes to Implement Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59050 (Sept. 23, 2011)
<b>6</b>	15% transition surcharge	Notice of Availability of Patent Fee Changes Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59115 (Sept. 23, 2011)
<b>7</b>	Electronic filing incentive	Notice of Availability of Patent Fee Changes Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59115 (Sept. 23, 2011); and Fee for Filing a Patent Application Other than by the Electronic System, 79 Fed. Reg. 70651 (Nov. 15, 2011)

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## Implementation Ongoing: 12 Month Timeline

(Effective on September 16, 2012)

1. [Inventor's oath/declaration](#)
2. [Third party submission of prior art in a patent application](#)
3. [Citation of prior art in a patent file](#)
4. [OED Statute of Limitations \(effective September 16, 2011\)](#)
5. Supplemental Examination
6. Inter partes review
7. Post-grant review
8. Transitional program for covered business method patents
9. Derivation (effective on March 16, 2013)

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## NPRMs Published to Date

- Changes to Implement the Preissuance Submissions by Third Parties Provision of the Leahy-Smith America Invents Act, 77 Fed. Reg. 448 (Jan. 5, 2012)
- Changes to Implement Miscellaneous Post Patent Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 442 (Jan. 5, 2012)
- Changes to Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 982 (Jan. 6, 2012)
- Implementation of the Statute of Limitations Provisions for Office Disciplinary Proceedings, 77 Fed. Reg. 457 (Jan. 5, 2012)

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## 12 Month Timeline

SEP 16 2011	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP 16 2012
				NPRMs Publish in Fed. Reg.						FRs Publish in Fed. Reg.		
Prepare G2 NPRMs			OMB Review of G2 NPRMs	Public Comment on G2 NPRMs		Prepare G2 FRs			OMB Review of G2 FRs	Delayed Effective Date of G2 FRs USPTO Public Roundtables on FRs		
					USPTO Public Roundtables on NPRMs	USPTO Prepare Internal Guidance, MPEP Updates, Examiner Training, etc. on G2 FRs						

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## AIA Roadshows



Date	Venue	Location
Friday, February 17	USPTO Campus	Alexandria, VA
Friday, February 24	Sunnyvale Public Library	Sunnyvale, CA
Monday, February 27	Marratt Library, University of Utah	Salt Lake City, UT
Wednesday, February 29	Dallas Public Library	Dallas, TX
Friday, March 2	Broward County Main Library	FL. Lauderdale, FL
Monday, March 5	Boston Public Library	Boston, MA
Wednesday, March 7	Chicago Public Library	Chicago, IL

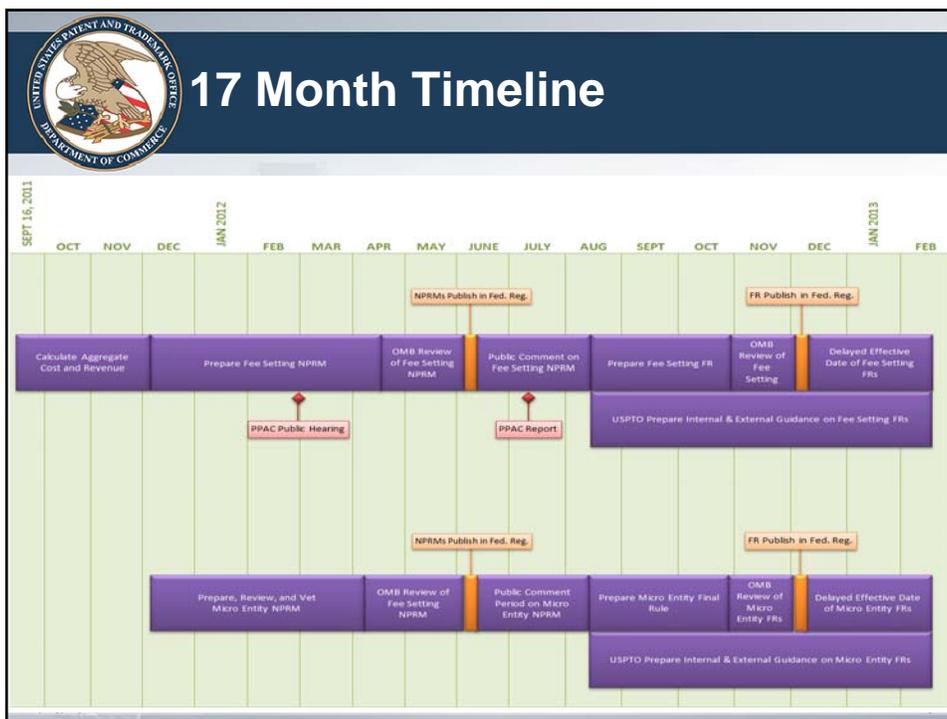
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## Implementation Ongoing: 17 Month Timeline

1. Fee Setting Authority
  - Authority effective on September 16, 2011
  - Authority to be exercised by rulemaking
  
2. Micro-entity
  - Status effective on September 16, 2011
  - 75% discount is not available until USPTO exercises fee setting authority

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**Implementation in Future: 18 Month Timeline\*** (Effective on March 16, 2013)

1. First-Inventor-to-File
2. Repeal of Statutory Invention Registration

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**Progress Report: Studies**

- 7 studies for USPTO to conduct as lead
- 2 studies in progress

Topic	Due Date from Enactment
International Patent Protection for Small Businesses	4 months
Prior User Rights	4 months
Genetic Testing	9 months
Misconduct Before the Office	Every 2 years
Satellite Offices	3 years
Virtual Marking	3 years
Implementation of AIA	4 years

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## Progress Report: Programs

Topic	Due Date from Enactment
Pro Bono	Immediately
Diversity of Applicants	6 months
Patent Ombudsman for Small Businesses	12 months
Satellite Offices	3 years

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## Pro Bono Program

- Provides pro bono legal assistance to financially under-resource independent inventors and small businesses to file and prosecute patent applications
- Minnesota program running
- Task Force formed to expand the program to other cities; USPTO participating

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## Satellite Offices

- USPTO required to open 3 satellite offices in three years
- Initial office planned for Detroit; opening 2012
- Request for Comments on Additional USPTO Satellite Offices for the Nationwide Workforce Program, 76 Fed. Reg, 73601 (Nov. 29, 2011)
  - Written comments until January 30, 2012

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## AIA Micro-Site

<http://www.uspto.gov/americaninventsact>

**Implementation Information**

- Patent Examination
- Inter Parties Disputes
- Fees and Budgetary Issues
- AIA Studies and Reports
- Programs
- Miscellaneous

**AIA Resources**

- AIA Informational Videos
- AIA Press Releases and Speeches
- AIA Frequently Asked Questions
- AIA Comments
- AIA Blog

**Announcements and Upcoming AIA Events**

Tuesday, September 20, 2011 @ 2:10pm:  
Commissioner Robert L. Stof  
The 21st AI Ohio Annual Institute on Intellectual Property  
Cleveland, OH

Wednesday, September 21, 2011 @ 2:10pm:  
Commissioner Robert L. Stof  
The 21st AI Ohio Annual Institute on Intellectual Property  
Cincinnati, OH

Friday, September 23, 2011 @ 1:00pm:  
Commissioner Robert L. Stof  
Virginia State Bar IP Law Section  
Arlington, VA

Tuesday, September 27, 2011 @ 1:00pm:  
Commissioner Robert L. Stof  
American Conference Institute  
America Invents Act Webinar  
<https://www2.gotomeeting.com/register/22501338>  
Registration is complimentary

**Leahy-Smith America Invents Act Implementation**



President Barack Obama signs the America Invents Act September 16, 2011, at Thomas Jefferson High School for Science and Technology in Alexandria, Va.

**Message from Director David Kappos**

On September 16, 2011, President Barack Obama signed into law the Leahy-Smith America Invents Act, which will foster innovation and spur job creation in the United States. The Act sets into motion the most comprehensive overhaul to our nation's patent system since 1836.

The new law will afford more certainty for patent applicants and owners, and provide the USPTO the resources needed to operate efficiently and issue high-quality patents. Implementation of the new law will occur over a period of months, and our USPTO team will seek input and provide updates as along the way. I strongly encourage you to use this site to regularly track progress pertaining to the agency's implementation efforts.

All of us at USPTO look forward to working together with the innovation community to tackle the exciting challenges of rolling-out this historic law. Here are a few documents to get started:

- [America Invents Act Signing Ceremony](#)
- [White House chat on the America Invents Act](#)
- [Press Release: President Obama signs America Invents Act](#)
- [Leahy-Smith America Invents Act](#)
- [America Invents Act Effective Dates](#)
- [USPTO Fee Schedule](#)

**Timeline: Major Milestones**

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# Thank You



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## PATENT LAW YEAR IN REVIEW

### 2011 Authorities

#### THE SUPREME COURT ON PATENT ISSUES IN 2011

(Michael Sacksteder)

*Microsoft Corp. v. i4i Ltd. P'ship*,  
131 S.Ct. 2238 (2011)

*Global-Tech Appliances, Inc. v. SEB S.A.*,  
131 S.Ct. 2060 (2011)

*Bd. Of Trustees of the Leland Stanford Jr. Univ. v. Roche Molecular Sys., Inc.*,  
131 S.Ct. 2188 (2011)

#### PATENTABLE SUBJECT MATTER

(Robert Sachs, Carolyn Chang)

*Cybersource Corp. v. Retail Decisions, Inc.*,  
654 F.3d 1366 (Fed. Cir. 2011)

*Ultramercial LLC v. Hulu LLC*,  
657 F.3d 1323 (Fed. Cir. 2011)

*Classen Immunotherapies, Inc. v. Biogen IDEC*,  
659 F.3d 1057 (Fed. Cir. 2011)

*Prometheus Labs., Inc. v. Mayo Collaborative Servs.*,  
628 F.3d 1347 (Fed. Cir. 2010), *vacated*, 130 S.Ct. 3543 (2010)

*The Ass'n for Molecular Pathology v. U.S. Patent & Trademark Office*,  
653 F.3d 1329 (Fed. Cir. 2011), *petition for cert. filed* (No. 11-725)

#### CONTINUING ISSUES OF CLAIM CONSTRUCTION

(Virginia DeMarchi)

*Retractable Techs., Inc. v. Becton, Dickinson & Co.*,  
653 F.3d 1296 (Fed. Cir. 2011), *reh'g denied (en banc)*,  
659 F.3d 1369 (Fed. Cir. 2011) (Moore, J., Rader, J., O'Malley, J. dissenting)

*Arlington Indus., Inc. v. Bridgeport Fittings, Inc.*,  
632 F.3d 1246 (Fed. Cir. 2011), *reh'g denied (en banc)*, 2011 U.S. App. LEXIS 9463  
(Fed. Cir. Apr. 11, 2011) (Lourie, J. dissenting)

*Markem-Imaje Corp. v. Zipher Ltd.*,  
657 F.3d 1293 (Fed. Cir. 2011), *reh'g denied*, 2011 U.S. App. LEXIS 23484  
(Fed. Cir. Oct. 27, 2011)

## **SECTION 112 IN 2011**

*Atlantic Research Mktg. Sys., Inc. v. Troy Jr., et al.*,  
Nos. 2011-1002, 2011-1003 (Fed. Cir. 2011)

*Crown Packaging v. Ball Metal Beverage Container Corp.*,  
635 F.3d 1373 (Fed. Cir. 2011)

*Boston Scientific Corp. v. Johnson & Johnson*,  
647 F.3d 1353 (Fed. Cir. 2011)

*Centocor Ortho Biotech v. Abbott Labs.*,  
636 F.3d 1341 (Fed. Cir. 2011)

*Typhoon Touch Techs., Inc. v. Dell, Inc.*  
659 F.3d 1376 (Fed Cir. 2011)

*Inventio AG v. ThyssenKrupp Elevator Americas Corp.*,  
649 F.3d 1350 (Fed Cir. 2011)

*In Re Katz Interactive Call Processing Patent Litig.*,  
639 F.3d 1303 (Fed. Cir. 2011)

## **OVERVIEW OF THE AMERICA INVENTS ACT (AIA)**

(Robin Reasoner)

| Leahy-Smith America Invents Act, Pub. L. No. 112-29 (H.R. Rep. No. 1249) (2011)

## **THE AIA – A USPTO PERSPECTIVE**

(John Calvert of the USPTO, Stuart Meyer)

## **REEXAMINATION IN 2011 AND UNDER THE AIA**

(RAJIV PATEL)

*Marine Polymer Techs., Inc. v. Hemcon, Inc.*,  
659 F.3d 1084 (Fed. Cir. 2011)

*Bettcher Indus., Inc. v. Bunzl USA, Inc.*,  
661 F.3d 629 (Fed. Cir. 2011)

#### **THE EVOLVING CONTOURS OF PATENT LITIGATION**

(SAINA SHAMILOV, RYAN TYZ)

*John Mezzalingua Assoc., Inc. v. Int’l Trade Comm’n*,  
660 F.3d 1322 (Fed. Cir. 2011)

*In re Verizon Business Network Servs, Inc.*,  
635 F.3d 559 (Fed. Cir. 2011)

*In re Link\_A\_Media Devices Corp.*,  
662 F.3d 1221 (Fed. Cir. 2011)

#### **A LOOK AHEAD AT KEY PATENT ISSUES IN 2012**

(HEATHER MEWES)

*Caraco v. Novo Nordisk*  
601 F.3d 1359 (Fed. Cir. 2010), *cert. granted*, 131 S.Ct. 3057 (2011)

*Prometheus Labs., Inc. v. Mayo Collaborative Servs*,  
628 F.3d 1347 (Fed. Cir. 2010), *vacated*, 130 S.Ct. 3543 (2010)

*Hyatt v. Kappos*,  
625 F.3d 1320 (Fed. Cir. 2010) (*en banc*),  
*cert. granted*, 131 S.Ct. 3064 (2011)

*Akamai Techs., Inc. v. Limelight Networks, Inc.*,  
629 F.3d 1311 (Fed. Cir. 2010), *rehearing granted (en banc)*,  
2011 U.S. App. LEXIS 8167 (Fed. Cir. Apr. 20, 2011)

*McKesson v. Epic Sys.*,  
No. 210-1291, 2011 U.S. App. LEXIS 7531 (Fed. Cir. Apr. 12, 2011) ), *rehearing granted (en banc)*, 2011 U.S. App. LEXIS 10674(Fed. Cir. May 26, 2011)

*Retractable Techs., Inc. v. Becton, Dickinson & Co.*,  
653 F.3d 1296 (Fed. Cir. 2011), *reh’g denied (en banc)*, 659 F.3d 1369  
(Fed. Cir. 2011)

*Kinetic Concepts v. Smith & Nephew*,  
No. 2011-1105, 2011 U.S. App. LEXIS 19520 (Fed. Cir. Sept. 21, 2011)

*Siemens Med. Solutions USA, Inc. v. Saint-Gobain Ceramics & Plastics, Inc.*,

637 F.3d 1269 (Fed. Cir. 2011), *rehearing denied*, 647 F.3d 1373 (Fed. Cir. 2011)

*Kirtsaeng v. John Wiley*  
654 F.3d 210 (2d Cir. 2011)

*Media Queue v. Netflix, Inc.*,  
2010 U.S. Dist. Lexis 44485 (N.D. Cal. Mar. 31, 2010)

**PATENT LAW AND ETHICS IN 2011**

(DARREN DONNELLY, BRYAN KOHM, CHARLENE MORROW)

*Therasense, Inc. v. Becton, Dickinson and Co.*,  
649 F. 3d 1276 (Fed. Cir. 2011)

*Human Genome Sciences, Inc., et. al. v. Genentech, Inc., et. al.*,  
No. 2:11-cv-06519 (C.D. Cal. Dec. 9, 2011) (Pfaelzer, M.)

*EON Corp. IP Holdings LLC v. T-Mobile USA, Inc., et. al.*  
6:10-cv-00379 (E.D. Tex. Dec. 13, 2011) (Love, M.J.).

*Micron Tech., Inc. v. Rambus, Inc.*,  
645 F.3d 1311 (Fed. Cir. 2011)

*Hynix Semiconductor Inc. v. Rambus Inc.*,  
645 F.3d 1336 (Fed. Cir. 2011)

*Eon-Net LP v. Flagstar Bancorp*,  
653 F. 3d 1314 (Fed. Cir. 2011)

*Marctec LLC v. Johnson & Johnson, et al.*,  
No. 2010-1285, 2012 U.S. App. LEXIS 8 (Fed Cir. Jan. 3, 2012)

Cal. R. Prof'l Conduct 1-100(D)(1)

*In re Univ. of S. Fla. Board of Trustees*,  
Misc. Docket No. 111, 2012 U.S. App. LEXIS 821 (Fed. Cir. Jan. 12, 2012)

*In re Shared Memory Graphics LLC*,  
659 F.3d 1336 (Fed. Cir. 2011)

*Tyco Healthcare Group LP v. Ethicon Endo-Surgery*,  
No. 3:10-cv-60 (D. Conn. Dec. 30, 2011)

*Roosevelt Irrigation Dist. v. Salt River Project Agricultural Improvement and Power Dist.*,

No. 10-00290, 2011 U.S. Dist. LEXIS 96162 (D. Ariz. Aug. 26, 2011)

*Warrior Sports, Inc. v. Dickenson Wright P.L.L.C.*,  
631 F.3d 1367 (Fed. Cir. 2011)

*Byrne v. Wood, Herron & Evans LLP et al.*,  
No. 2011-1012, 2011 U.S. App. LEXIS 23127 (Fed. Cir. Nov. 18, 2011)

# Highlights of the America Invents Act (AIA): An Executive Summary of the New Patent Law

BY RAJIV P. PATEL

Fenwick  
FENWICK & WEST LLP

The American Invents Act (AIA) was signed into law on September 16, 2011. It is the first significant amendment to U.S. Patent Law since 1999, and possibly since 1952. The Act changes the structure in which a patent protection may be procured and how issued patents may be challenged.

The chart below highlights some of the key provisions of this act from a Patent Procurement and Portfolio Development (activities before the U.S. Patent and Trademark Office) perspective and a Patent Challenges (including patent litigation and reexamination) perspective of this Act. The chart highlights key provisions of the AIA, notes the effective date of the particular provision, and provides insights on potential impact of the provision.

## Patent Procurement and Portfolio Development: Before the U.S. Patent and Trademark Office

Provision of AIA	Statute 35 U.S.C.	Effective Date	Impact and Other Notes
<b>First Inventor To File</b>			
<p>The U.S. patent system is moving from a first inventor to invent system to a first inventor to file system. In this system, it no longer matters as to who first invented the invention, but rather who first filed for patent protection.</p> <p>Unlike true first to file systems found in jurisdictions outside the U.S., the U.S. first inventor to file system is more of a first to disclose system. Specifically, the new law provides that the first inventor to publicly disclose their invention is permitted a one year period in which to file for patent protection and not have that public disclosure asserted as prior art against their filed application.</p>	<p>§102; §103</p>	<p>March 16, 2013</p>	<p>A primary impact of this provision will be removing flexibility on timing of patent preparation and filing as well as when costs can be incurred.</p> <p>Under the old law, an inventor had a one year grace period after any public disclosure in which to prepare and file a patent application. Hence, if a current quarterly budget did not allow for preparation and filing of patent application to be publicly disclosed within the quarter, it could be pushed into another quarter. Under the new law, this would result in a potential loss of patent rights.</p>

Provision of AIA	Statute 35 U.S.C.	Effective Date	Impact and Other Notes
<b>Prioritizing Patent Application Examination</b>			
<p>The AIA allows an applicant to request prioritization of an application for products, processes, or technologies important to the U.S. economy or U.S. competitiveness.</p> <p>The AIA also allows for prioritized examination of a patent application. Under this provision, for a fee of \$4,800, examination of a patent application can be accelerated by being placed higher within a prioritization queue at the U.S. Patent and Trademark Office.</p>	§2(b)(2)	September 26, 2011	<p>Once rules are promulgated for requesting prioritization, the impact for using this provision is expected to increase filing costs as certain aspects of the rules would have to be satisfied in order for the request to be considered by the U.S. Patent and Trademark Office.</p> <p>For the fee based prioritization, the cost impact of this provision is an additional fee of \$4,800 per application in addition to any patent application preparation and filing fees.</p>
<b>Supplemental Examination</b>			
<p>Supplemental examination allows a patent holder to request examination of a patent to consider, reconsider, or correct information believed to be relevant to the patent. The idea behind this provision is to give a patent holder an opportunity to correct issues involving initial examination of the patent. An example of when this provision may be used is a patent holder having the U.S. Patent and Trademark Office review a reference that perhaps should have been submitted in an initial examination; once considered by the U.S. Patent and Trademark Office, it may eliminate an issue of inequitable conduct counterclaim in a subsequent litigation.</p>	§257	September 16, 2012	<p>The impact of this provision is one or more potential initial rounds of examination. The process used for evaluating the information will be similar to ex parte reexamination – i.e., is there a substantial new question of patentability raised by the one or more items of the information in the request.</p>
<b>Patent Fees Increase</b>			
<p>The AIA increases patent fees by 15% (or more) for everything from application filing fees, petition fees, and maintenance fees.</p>		September 26, 2011	<p>Two immediately felt cost impacts of this provision is a 15% increase in filing costs and maintenance fee costs. The total impact can be fairly significant for a company having a patent portfolio that number hundreds of patent assets.</p>

Provision of AIA	Statute 35 U.S.C.	Effective Date	Impact and Other Notes
<b>Virtual Marking</b>			
Once a patent is issued a patent holder has the option of either physically marking the product (same as old law) or affixing an internet address that associates the patented article with a patent number.	§287(a)	September 16, 2011	This provision is likely to provide a cost savings because products with expiring patent numbers do not have to be retooled or redesigned to include patent numbers.

### Patent Challenges: Patent Litigation and Reexamination

Provision of AIA	Statute 35 U.S.C.	Effective Date	Impact and Other Notes
<b>Derivation Proceedings</b>			
There may be instances in which a first inventor to file may have filed based on invention details derived from a second inventor. In such instances, the second inventor may initiate a “derivation proceeding” in which they can ask the U.S. Patent and Trademark Office to change inventorship on the application filed by the first inventor so that the second inventor is instead named as an inventor (and thus first inventor to file).	§135; §291	March 16, 2013	This provision of the law had no prior corollary under the old law. Hence, the impact of this provision is not yet known, but is anticipated to potentially increase costs from a few thousand to many thousands of dollars based on the contentiousness of the proceedings.
<b>Post-Grant Review</b>			
Post-Grant Review allows a third-party may seek to cancel one or more claims of a patent. The challenge must be brought within 9 months after a patent issued (or reissued). The challenge can be lack of novelty, obviousness, indefiniteness, or lacking support in specification. The basis for challenge can be other patents, printed publications, affidavits, or declarations, e.g., of expert witness.	§§321-329	March 16, 2013* September 16, 2012	One potential cost impact may include monitoring patent activity of particular companies or inventors to identify when particular patents are issued or reissued. There will be cost impact for companies that focus on prior art searching and analysis and/or expert witness analysis to determine whether to bring a challenge and on what grounds. Thereafter, the costs impact will turn to preparing and filing the challenge.  *Note that this provision is noted to take effect on September 16, 2012; however, it only applies to patents based on first to file applications, which are not filed until March 16, 2013. Hence, practically this provision may not be effective until sometime after March 16, 2013, when such first to file applications begin to issue.

Provision of AIA	Statute 35 U.S.C.	Effective Date	Impact and Other Notes
<b>Inter Partes Review</b>			
Inter Partes Review is similar to inter partes reexamination, which is being phased out. Inter Partes Review allows a third-party may seek to cancel one or more claims of a patent. Inter partes review can be asserted 9 months after a patent issues (or reissues) or the date of when Post-Grant Review terminates. The challenge can be lack of novelty or obviousness only and the basis for challenge only can be other patents or printed publications.	§§311-318	September 16, 2012	A cost impact here will focus on prior art searching and analysis to determine whether to bring a challenge and on what basis. Thereafter, the costs impact will turn to preparing and filing the challenge.
<b>Prior User Rights Defense</b>			
A defense to infringement now includes an accused infringer's own prior commercial use in the U.S. of the subject matter claimed in a patent. This provision applies to any patent issued on or after September 16, 2011.	§273	September 16, 2011	A cost impact here will correspond to investigating and maintaining accurate recordkeeping of the prior commercial use in the U.S.
<b>Review of Business-Method Patents</b>			
There will be a separate set of rules promulgated for review of business method patents. Only a party sued or charged with infringement by a patent holder may request this review.		September 16, 2011	This provision may reduce the costs associated with challenging the validity of business method patents by using an administrative process rather than a judicial process.
<b>Best Mode Requirement</b>			
The AIA continues to require an applicant for a patent to disclose the best mode known at filing of the application to carry out the invention. However, if an applicant fails to do so, under the AIA this cannot be the basis for invalidity or unenforceability.	§282	September 16, 2011	A cost impact here will be negligible here for preparation of applications. However, for litigation, the potential for cost savings could be high due to possible reduced discovery burdens.

Provision of AIA	Statute 35 U.S.C.	Effective Date	Impact and Other Notes
<b>Advice of Counsel in Willfulness Allegations</b>			
The AIA now includes a specific provision that states that a failure to obtain advice of counsel may not be used to prove willful infringement.	§298	September 16, 2012	This provision may help to reduce costs with respect to necessarily having to obtain an opinion of counsel for each instance in which willfulness allegations could arise.
<b>False Marking</b>			
Allows only for the U.S. government to sue for penalties associated with false marking of a patented article. A third party may sue for damages due to false marking if that party has suffered a competitive injury. Also, it is no longer a false marking penalty when products are marked with a patent number that previously covered the product, but which patent has since expired.	§287	September 16, 2011	There appears to be no cost impact here, and likely a cost savings here because products with expiring patent numbers do not have to be retooled or redesigned to remove expired patent numbers.

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## Patent Alert

Historic Patent Reform Passes Congress, but Will Have Minimal Effect on Most Companies

STUART MEYER, DAVID AHN, ROBERT SACHS AND JOHN MCNELIS

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On September 8, 2011, the Senate passed, without amendment, the House version of patent reform legislation. In his jobs speech to a joint session of congress shortly after the senate vote, the president mentioned the bill approvingly. We expect the bill to be signed into law shortly.

The centerpiece of the legislation changes the U.S. from a first-to-invent to a first-to-file approach for determining which of two inventors deserves a patent. This change brings the U.S. in line with the rest of the world, as most other countries use the first-to-file rule. We anticipate that this change will have minimal impact for most companies. Most companies with patent programs generally file as early as possible to preserve their options for international patent rights, and to avoid junior status in the U.S. should another party file for the same invention.

Despite a decade of consideration and debate over proposed bills for the past five years, the most notable aspect of the legislation is what it does not address. The legislation does not tackle problems of excessive damages that were originally considered key to patent reform, nor issues about patentability of information-age innovations or business methods. It does not address issues relating to the rise of non-practicing entities or patent aggregators. In sum, there is less addressed in the final legislation than many expected.

The other significant issue that was to be addressed in the legislation was putting an end to fee diversion – Congress’s practice of taking USPTO fees and putting them to other uses. The new legislation helps in spirit but ultimately allows Congress to continue this practice. As a result, we do not expect any visible improvement in the USPTO speed in reviewing and granting patent applications.

Some of the changes go into effect upon the signing of the bill, others over the following year, and some, including the most significant changes relating to the first-inventor-to-file and changes to the one year grace period, go into effect 18 months after the bill becomes law. This will give applicants and practitioners ample time to prepare for the change. Here are some of the significant changes in the bill:

### 1. First-Inventor-to-File System

The bill contains provisions shifting from a first-to-invent system to a first-inventor-to-file system. The

current first-to-invent system awards a patent to the inventor who is the first to invent regardless of whether the application was the first to be filed in the patent office for that invention under certain circumstances. Under the first-inventor-to-file system of the bill, the inventor who wins the race to file the first application will be awarded a patent regardless of the date of invention. As a corollary to this change, the bill also abolishes the so-called “interference proceedings” for determining the first inventor.

Even under the bill, a patent is still awarded to a true inventor and not to an applicant who derived the invention from the true inventor. To determine whether an applicant is a true inventor, the bill establishes a new proceeding called “derivative proceeding.”

### 2. One-year grace period

Under current patent law, an inventor may file for a patent application within one year (i.e., grace period) from the date an invention is published, publicly used, offered for sale or sold in the U.S. This one year term is currently afforded regardless of who published, publicly used, offered for sale or sold the invention. In the bill, the one-year grace period is allowed only for the inventor’s disclosure or disclosure derived from the invention. Accordingly, the one-year grace period will no longer apply to a third party’s disclosure of the invention.

### 3. Procedures for Challenging Applications or Patents

The bill establishes a new post-grant review proceeding that allows a third party to contest the validity of an issued patent within one year of issuance. In response to the challenge, a patent owner can file a preliminary response within two months of the post-grant review petition and also cancel the challenged claims or propose substitute claims. The proceeding is conducted before Patent Trial and Appeal Board (PTAB) that replaces the current Board of Patent Appeals and Patent Interferences (BPAI).

The bill also establishes an *inter partes* post grant review procedure that replaces the current *inter partes* reexamination procedure. A request for *inter partes* post grant review can be filed when there is “reasonable likelihood” that the review will result in

cancellation of one or more claims. The *inter partes* post grant review can be filed only after the time period for the post-grant review has expired. In the *inter partes* post grant review the issued patent can be contested based on the lack of novelty or non-obviousness evidenced by submitted patents or printed publications. The *Ex parte* reexamination procedure, which allows limited participation of its petitioner compared to *inter partes* procedures, remains as a valid option to contest the patents after the reform.

The bill also improves the procedure that allows a third party to assist the USPTO to examine patent applications. In addition to submitting patents, published patent applications and other printed publications to the patent office (which is currently allowed), the bill further allows the third party to submit a concise description of relevance of documents being submitted.

#### **4. Substitute Inventor's Oath or Declaration**

Under current patent law, the assignee of a patent application needs to file a petition if an inventor declines to sign an inventor's oath or declaration. In some cases, the process of preparing this petition can be expensive and time-consuming. The bill simplifies the process when the inventor refuses to sign the oath or declaration by allowing the assignee to file a substitute oath or declaration in place of the inventor. The assignee no longer needs to prepare and file a petition if the inventor refuses to sign the oath or declaration.

#### **5. Prior User Defense**

Current patent law recognizes the defense against a business method patent for a person accused of infringing the patent under certain circumstances. Under the bill, this defense is expanded to non-business method patents and applies if the person accused of infringing the patent had actually reduced the subject matter to practice and commercially used the subject matter at least one year before the effective filing date of the patent.

The bill also includes various other changes such as: (i) removal of best mode requirement as a basis for invalidating issued patents, (ii) limiting patent false marking claims, (iii) reducing patent office fees to micro entities, (iv) allowing virtual marking of patent numbers on websites for the purpose of putting a third party on notice of patents, and (v) expanding the authority of the patent office to set fees.

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## First to File in the Unpredictable Arts: Change in Law Requires Balancing of Competing Interests

August 5, 2011

BY NICHOLAS HURT AND MICHAEL SHUSTER

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Currently pending before Congress is the “America Invents Act.” Although patent reform has been proposed several times in the past decade, this year its imminent passage is widely expected. Among the bill’s dramatic changes is a switch from our patent system’s current first-to-invent regime (a feature unique to American patent law) to a first-to-file system. This hotly-contested change aligns the United States with the way the rest of the world determines priority for patent rights among competing applications filed by different inventors for the same invention.

Instead of maintaining the arcane “interference” procedure to analyze priority by determining which party invented first, the change awards priority to the entity that first gets their application filed with the patent office. In competitive technology fields this move puts additional pressure on companies to quickly make critical patent strategy decisions about how to protect newly-conceived inventions. Among the most important are decisions about how best to balance the need for winning the race to the patent office with completing the work required in a patent specification.

Patent specifications must include a detailed description of the claimed invention according to the requirements of 35 U.S.C. Section 112, which states that the patent specification “shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art...to make and use the same.” The written description requirement is satisfied if a person of ordinary skill in the field can determine that the inventor was “in possession” of the claimed invention. The showing required to satisfying this “possession” test varies among fields according to their degree of unpredictability.

In the “predictable” arts, such as software and mechanical sciences, the bar is relatively low. For example, for software patents, simple flow charts can provide sufficient disclosure in the absence of any source code to enable a software developer to practice the invention and to show that the inventor

was in possession of the invention. Biotechnology, chemistry, and life sciences, on the other hand, are treated as “unpredictable” arts, as scientists are often unable to precisely predict how simple changes in temperature, pressure, and pH can affect biological processes. Thus, patents in unpredictable arts are routinely subject to stricter scrutiny under the written description requirement. This requirement can be satisfied by one or more examples providing detailed experimental results showing possession of a working invention. It can also be satisfied via a biological deposit of the invention. Functional descriptions alone, however, are often inadequate.

And of course, one cannot describe what has not yet been conceived. “In some unpredictable areas of chemistry and biology, there is no conception until the invention has been reduced to practice.” *MacMillan v. Moffett*, 432 F.2d 1237 (CCPA 1970). In addition, if the experimental results reveal factual uncertainty with respect to the functional descriptions, then this data “so undermines the specificity of the inventor’s idea that it is not yet a definite and permanent reflection of the complete invention as it will be used in practice.” *Burroughs Wellcome Co. v. Barr Labs. Inc.*, 40 F.3d 1223 (Fed. Cir. 1994). These decisions provide the basis for the doctrine of “simultaneous conception and reduction to practice” in unpredictable arts, where an inventor is unable to establish a conception until he has reduced the invention to practice through successful experimentation. *The Regents of the University of California v. Synbiotics Co.*, 849 F.Supp. 740 (S.D.Cal., 1994).

Filing a provisional application with prophetic examples of the invention is one way to meet this requirement and to obtain the earliest filing date. Upon collecting experimental data, a utility application can be filed sometime during the next 12-month period that claims priority to the earlier-filed provisional application. In this situation, the applicant would assert that the experimental data merely confirms what was described in the prophetic examples, indicating that the inventor had possession of the invention at the time of the provisional application filing.

However, the time required to perform additional work to develop the invention to the point where such confirmatory data are obtained can sometimes take more than a year. In such case, conversion to a utility application could be risky because the absence of experimental data could lead an examiner to reject the claims for inadequate written description or expose issued claims to similarly-based validity challenges. Under these circumstances, the better course could be to allow the provisional application to go abandoned, and re-set the one year clock by re-filing a second provisional instead of a utility application. The price paid for this approach is loss of the first priority date and its substitution with another, one year later.

Under the current first-to-invent patent system, losing the benefit of a provisional application date to ensure that the application is optimally enabled before filing a utility application with the U.S. Patent and Trademark Office is less risky. Published prior art that may bar patentability can be monitored to assess the level of pressure to convert a provisional application to a utility application. Meanwhile, any unpublished applications to the same or a similar invention could be overcome with a showing of prior conception and diligent reduction to practice (*i.e.*, first-to-invent). In contrast, under a first-to-file patent system, an unpublished application directed to the same or a similar invention could become an absolute bar to patentability, a possibility that increases the pressure to obtain the earliest filing date possible. Complicating matters, the heightened level of uncertainty and pressure to file early must still be balanced with a careful approach to ensure adequate written description support in the utility application.

A “rolling provisional” strategy provides an approach for maintaining optimal balance between these competing needs. Following this strategy, an applicant files a number of provisional applications within one year of the first-filed provisional. Each subsequent provisional application includes additional data that increases the likelihood that the application provides adequate written description support for the invention. This could be a costly and time consuming process, but may be worthwhile for selected inventions, as it will provide several balance points between written description support and filing date which can be relied upon. The utility application must still be filed within one year of the first-filed provisional to maintain a proper priority claim.

On the other hand, merely re-filing a provisional application every couple of months is a cheap strategy and one that will at least take the pressure off of a specific conversion date. Under this strategy, an earlier-filed provisional must be explicitly abandoned before the next one is filed so that the one-year conversion deadline for filing the utility application is extended without jeopardizing the priority claim to the subsequent provisional application filing date. Pushing the conversion date can be a sensible option when confirmatory data cannot be obtained within one year of first-filed provisional. This strategy allows an inventor to hedge between loss of a few months priority, and improving the quality of written description through incorporation of confirmatory data.

The proposed and likely-to-pass patent reform bill will present some intriguing twists to the careful balance between competing validity requirements in strategic patent prosecution. It will be interesting to see how the balance between a first-to-file requirement with a very clear and unambiguous date cutoff balances against the competing, yet sometimes vague, written description requirement under 35 U.S.C. Section 112 for patent prosecution in unpredictable arts such as biotechnology and life sciences. As U.S. practice conforms with the rest of the world’s first-to-file system, strategies that balance the competing interests of securing an early filing date and satisfying the written description requirement should be carefully considered in securing patent protection for inventions involving unpredictable arts.

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# The Patentability Black Hole

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An inventor faces a number of significant hurdles and pitfalls in patenting his invention. Having a patent specification providing proper and sufficiently thorough disclosure of the invention being claimed by the patentee can, by itself, be a large hurdle, especially in the biosciences where experimental data is essential. Section 112, first paragraph, of Title 35 of the United States Code sets forth the disclosure requirements that all patentees must meet. This section is commonly interpreted as requiring that a patent specification contain a full written description showing that the inventor was in possession of the claimed invention at the time the patent application was filed (the “written description” requirement) and that a patent specification enable a person of ordinary skill in the relevant field to make and use the invention based on the specification (the “enablement” requirement). See *Ariad Pharmaceuticals, Inc. v. Eli Lilly and Company*, 598 F.3d 1336, 1340 (2010).

While patentees in all fields must meet both of these requirements, the bioscience fields and other “unpredictable arts” are effectively held to a heightened standard of disclosure that can be a challenge to meet. Courts have repeatedly held that “actual” reduction to practice (i.e., experimental data) is not required for patentability. Nonetheless, inventors in the unpredictable arts are routinely required to provide experimental data showing that a compound or method does have the effect claimed (known as a “working example”) in order to satisfy the disclosure requirement for their inventions. *Ariad*, 598 F.3d at 1352. In the race to get a patent application filed as early as possible, however, an inventor may only have time to acquire a limited amount of experimental confirmation of his invention. Commonly, the inventor only possesses in vitro experimental data or possibly in vivo data from animal model experiments, as testing in a human population can take years and millions of

dollars. Yet, with only in vitro experimental data, the USPTO will often reject a claim to an invention that is broad enough to cover in vivo methods. Furthermore, even in vivo animal-model data may not support a claim that encompasses methods involving humans. See USPTO Training Materials for Examining Patent Applications with Respect to 35 U.S.C. Section 112, First Paragraph-Enablement Of Chemical/Biotechnical Applications, Sections III.A.1, III.A.2.c.ii, III.C. Thus, the inventor may only have enough data to provide working examples supporting a narrow, less desirable claim to his invention.

One possible solution to this dilemma is for an inventor to wait to file his patent application until he generates sufficient experimental data to broadly demonstrate working examples of his invention that are sufficient to meet the written description and enablement requirements for the unpredictable arts. The problem is that the inventor will then face issues meeting other patent law requirements, including that his invention be novel and nonobvious. The nonobviousness requirement, in particular, can be a difficult, sometimes insurmountable, hurdle for inventors. Section 103 of Title 35 of the U.S. Code governs the nonobviousness requirement and states that a patent cannot be obtained if, in view of the prior art, the invention would have been obvious at the time of filing to a person having ordinary skill in the art. This hurdle increased with a 2007 U.S. Supreme Court case, *KSR v. Teleflex*, which held that an invention combining familiar elements in a predictable way is likely to be obvious. See *KSR International Co. v. Teleflex, Inc.*, 127 S.Ct. 1727, 1739 (2007). Yet, in reality, nearly every invention is basically a combination of elements that are known or familiar in some manner. If the various elements of the invention claimed are found across multiple pieces of prior art, those prior art references can be used in combination to invalidate a claimed invention.

Between the disclosure requirements and the nonobviousness requirements, the inventor can thus get stuck in a patent law Catch-22. If the inventor gets his application to the USPTO too early, his patent application may fail because he does not have the data he needs to fully describe his invention so that he can meet written description and enablement. Yet, if he waits for the essential data and so gets to the USPTO any later, his patent application may fail because his invention may be held obvious in view of the ever-expanding prior art, which may grow to contain all of the elements of his invention. So, where is the disconnect between the requirements for an inventor to disclose an invention versus the prior art to render an invention unpatentable? What has created this patentability black hole between proper disclosure and obviousness into which inventors so inevitably fall?

The black hole seems due, at least in part, to the fact that the prior art cited against a patent application is not held to the same disclosure requirements as is the application itself. The prior art need only provide a description disclosing the invention, but does not need to provide experimental evidence or working examples. Moreover, although the prior art is supposed to be enabling, the enablement requirement is lessened and the burden is on the inventor to prove the prior art is not enabled. *Novo Nordisk Pharms., Inc. v. Bio-Tech. Gen. Corp.*, 424 F.3d 1347, 1355 (Fed. Cir.2005). In addition, there is no section 112 written description requirement for prior art references. Thus, while a patent application can be found to lack sufficient written description or enablement of the invention, a prior art reference disclosing even less can be used to show the invention to be not novel or obvious.

Consider, for example, an inventor working in a new biosciences field who files patent claims on a method for inhibiting gene expression using a biological mechanism that the inventor has just discovered in vitro. If the USPTO can find a reference suggesting that this new field is unpredictable, and so in vitro data does not necessarily correlate with results in vivo

(e.g., in humans), the claimed invention would likely be found not enabled or properly described for in vivo uses. Yet, a prior art reference describing the same method, but providing no experimental data, would likely be cited by a Patent Examiner as rendering this same claim obvious. Not only will this inventor in this new field be unable to patent in vivo treatment of humans, but also inventors in later years following—those who do provide actual human clinical data—will likely be unable to patent in vivo treatment of humans. Even though the prior art itself provides no in vivo human data, it still describes that invention. This effectively results in no inventors, even pioneers in a new field, being able to claim the broader method.

Similarly, a claim to a particular type of genetic sequences from 10 to 20 nucleotides in length, filed with a patent specification that only provides experimental data for one 15-nucleotide genetic sequence, might not have sufficient written description or enablement to cover the full scope of that claim. The Patent Examiner will likely require limitation of the claim to only sequences of 15 nucleotides in length or possibly to only the single particular sequence disclosed. Yet, a prior art reference mentioning that sequences of this type can be 1 to 50 nucleotides in length, without actually providing experimental examples, would still likely be cited by the Examiner as rendering this same claim obvious.

How can this patent law paradox for the unpredictable arts be solved? One solution to the black hole problem would be to require the prior art to meet the same standard of enablement and written description as is required of an inventor under section 112. In the predictable arts, for example, a patentability hole also exists between obviousness and disclosure requirements, but in practice it seems to be a much smaller pothole in the patent road, partly because the predictable arts are held to a lower disclosure standard—one closer to the standard applied to the prior art. If the prior art were held to the same disclosure standard as a patent application, the prior art would only render obvious an invention if the

prior art itself also fully enabled and described that invention.

In the meantime, inventors in the unpredictable arts still have to deal with this unfortunate paradox. To help mitigate the patentability black hole, patent practitioners in the unpredictable arts should file patent applications as early as possible and should disclose the invention in as much detail as they can, with an eye towards aggressively including as much experimental data as they can. Filing the application first as a provisional application provides the additional benefit of buying a year of time for gathering more experimental data. As new data are acquired, additional “rolling” provisional applications can be filed to secure additional early priority dates, and all of these applications can be consolidated into a single nonprovisional one year from the first provisional’s filing date. While this approach cannot actually solve the patentability black hole problem, accumulating experimental data that supports the patent claims as thoroughly and as broadly as possible will help to at least limit its consequences.

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# Classen v. Biogen Idec et al. – The Latest Installment in the Patent-Eligibility Arena

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## Introduction

On August 31, 2011, the Federal Circuit issued its long-awaited decision in *Classen Immunotherapies, Inc. v. Biogen Idec et al.* The case was remanded by the Supreme Court back to the Federal Circuit with instructions to consider the Court's earlier *Bilski* decision on patent-eligibility under 35 U.S.C. § 101. At issue was the district court's application of common-law exclusions from patent eligibility, *i.e.*, "laws of nature, natural phenomena, and abstract ideas." *Diamond v. Diehr*, 450 U.S. 175, 185 (1981). The district court had granted summary judgment finding all claims ineligible because they were directed to the "abstract idea" that there is a relation between the infant immunization schedule for infectious diseases and the later occurrence of chronic immune-mediated (non-infectious) disorders. The Federal Circuit reversed its prior decision for two patents, now finding them patent eligible and affirmed its prior decision for the third patent, finding its claims patent ineligible.

Three Classen patents were at issue, No. 6,638,739 ("the '739 patent"), No. 6,420,139 ("the '139 patent") and No. 5,723,283 ("the '283 patent"), all titled "Method and Composition for an Early Vaccine to Protect Against Both Common Infectious Diseases and Chronic Immune Mediated Disorders or their Sequelae" and based on Classen's discovery that vaccines administered at an early age can substantially decrease incidence of chronic immune mediated side effects.

Claims of the '139 and '739 patents are directed to methods whereby information on immunization schedules and occurrence of chronic disease is "screened" and "compared," a lower risk schedule is "identified," and a vaccine is "administered on that schedule. They are exemplified by '739 claim 1:

1. A method of immunizing a mammalian subject which comprises:

(I) screening a plurality of immunization schedules, by

(a) identifying a first group of mammals and at least a second group of mammals, said mammals being of the same species, ..., each group of mammals having been immunized according to a different immunization schedule, and

(b) comparing the effectiveness of said first and second screened immunization schedules in protecting against or inducing a chronic immune-mediated disorder ...,

(II) immunizing said subject according to a subject immunization schedule, according to which at least one of said infectious disease-causing organism-associated immunogens of said lower risk schedule is administered in accordance with said lower risk screened immunization schedule, ....

Classen stated that the '139 and '739 patents are infringed when a health care provider reads literature and selects and uses an immunization schedule that provides lower risk for developing chronic immune-mediated disorder.

The court characterized the '283 patent claims as directed to the first step of the '739 claim, *i.e.*, as reading on reviewing and comparing published information of effects of schedule in treated and control groups with respect to the occurrence of immune-mediated disorders. This characterization was vigorously disputed by the dissent, as we summarize below. Claim 1 of the '283 patent is exemplary:

1. A method of determining whether an immunization schedule affects the incidence or severity of a chronic immune-mediated disorder in a treatment group of mammals, relative to a control group of mammals, which comprises immunizing mammals in the treatment group of mammals with one or more doses of one or more immunogens, according to said immunization schedule, and comparing the incidence,

prevalence, frequency or severity of said chronic immune-mediated disorder or the level of a marker of such a disorder, in the treatment group, with that in the control group.

Classen stated that the '283 patent is infringed when a person reviews relevant information, whether the person is a producer of vaccines, a health care provider, or a concerned parent.

Defendants argued that Classen methods are directed to no more than steps of reading published information, that “determining” and “comparing” are mental steps, and that any immunizing step is simply conventional post-solution activity that cannot transform an unpatentable principle into a patentable process (citing *Parker v. Flook*, 437 U.S. 584, 590 (1978)).

Classen argued that his method is not an abstract idea, but rather a new and useful application of newly-discovered scientific fact. Classen further argued that claims of all three patents meet the machine or transformation test, citing *Prometheus Laboratories'* holding that “claims to methods of treatment ... are always transformative when one of a defined group of drugs is administered to the body to ameliorate the effects of an undesired condition.” 628 F.3d at 1356.

35 U.S.C. § 101 – defines the types of inventions that can be patented:

§101. Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Common law exclusions to 101's scope include “laws of nature, natural phenomena, and abstract ideas.” *Diamond v. Diehr*, 450 U.S. 175, 185 (1981), although “application of a law of nature or mathematical formula to a known structure of process may well be deserving of patent protection.” *Id.* at 187. “Abstract idea” has not been defined by the courts. The Federal Circuit cited to its *Research Corporation* decision (627 F.3d 859 (Fed. Cir. 2010)) for guidance on the scope of this exclusion:

This court also will not presume to define “abstract” beyond the recognition that this disqualifying characteristic should exhibit itself so manifestly as to override the broad statutory categories of eligible subject matter and the statutory context that directs primary attention on the patentability criteria of the rest of the Patent Act.

627 F.3d at 868. It also noted that commercial application of technology is relevant to deciding whether invention is so abstract as to negate §101 subject matter. *Id.* at 869.

The court characterized §101 as a “coarse eligibility filter” rather than the final arbiter of patentability. Accordingly, when claims are within the general classes of §101 subject matter and not manifestly abstract, it is preferred to apply the substantive conditions and requirements of patentability. It cited to the Supreme Court which, in its *Bilski* decision, disfavored “categorical rules that might have wide-ranging and unforeseen impacts,” and suggested narrowly-applied patent-eligibility exclusions. 130 S. Ct. 15 3229.

Applying this analysis, the court concluded that because claims of the '139 and '739 patents include the physical step of immunizing on the determined schedule, they are directed to a specific, tangible application and thus “traverse[] the coarse eligibility filter of §101.” *Classen* slip opinion at 18-19. As to defendants' arguments related to “mental steps,” the Federal Circuit pointed out “precedent establishing that the presence of a mental step is not of itself fatal to §101 eligibility, and that ‘infinite variety’ of mental and physical activity negates application of rigid rule of ineligibility” *Classen* slip opinion at 15, internal citations omitted.

In contrast, the court held that claim 1 of the '238 patent, which does not require using the information about immunization schedules for immunization purposes, was not patentable stating, “methods that simply collect and compare data, without applying the data in a step of the overall method, may fail to traverse the §101 filter.” *Classen* slip opinion at 19-20 (internal citations omitted). It distinguished “immunizing” in '238 patent as referring to gathering of published data from “immunizing” recited in the '139 and '739 where it was a concrete, physical step of these process claims.

Judges Rader and Newman wrote separately to provide additional views. In advancing reasons for declining to restrict subject matter eligibility further, they pointed out several instances in which “judge-created standards” limiting patent eligibility were met with new claim forms (e.g., “Beauregard” claims in the U.S. and “Swiss-style” claims in Europe). They suggested that some restrictions end up driving research funding to more hospitable locations. Supporting their arguments were examples of decisions from the U.S. and abroad that favored the early development of the U.S. biotechnology industry. “Thus, with some considerable blame on its eligibility doctrines, Europe lost innovation investment to the United States. Our country became the world leader in biotechnology innovation. Nevertheless, the tide can turn against us, too. The effect of eligibility restrictions can send innovation investment elsewhere.” *Classen* additional views at 5.

Judge Moore’s dissent criticized the majority’s analysis and characterized the claims as directed to “a fundamental scientific principle so basic and abstract as to be unpatentable subject matter .... Classen claimed a monopoly over the scientific method itself.” *Classen* dissent at 2. She criticized the majority for not considering “the extent of preemption by these staggeringly broad and abstract claims.” *Classen* dissent at 3. Unlike the claims in *Prometheus*, which were drawn to administration of a specific drug for treatment of a specific disease, and measurement of a specific metabolite, Classen’s claims are not directed to any specific treatment steps or any specific chronic immune disorder. She saw no difference between the claims of the ’139 patent and ’739 patent on the one hand (both of which the majority found patent eligible) and those of the ’238 patent. The ’238 claims, she argued, require two steps: “(1) immunizing a group of mammals according to a schedule and then (2) comparing the incidence of chronic immune mediated disorder in the group to a control group.” *Id.* at 4. She was “perplexed by the majority’s suggestion that the claim ‘is directed to the single step of reviewing the effects of known immunization schedules,’ as the claim clearly requires *immunizing mammals* and then comparing the results to the known group.” *Id.*, internal citations omitted.

As for all three patents, Moore felt each fell quite far on the wrong side of the patent-eligibility line. She explained that for the ’283 patent, Classen’s claims were directed to the scientific method as applied to the field of immunization. She pointed to the absence of limitations with respect to the immunogen, the schedule, the type of chronic immune disorder, and the nature of the control group. She noted similar absences in representative claims from the ’139 and ’739 patents, and concluded that “Classen cannot escape the fundamental abstractness of his claims by limiting them to a single field of use – immunization – since ‘the prohibition against patenting abstract ideas cannot be circumvented by attempting to limit the use ... to a particular technological environment. *Id.* at 7, internal citations omitted. Her analysis characterized the immunizing step of the ’238 patent as “data gathering” and that for the ’139 and ’739 patents as “post-solution activity,” neither one of which, she argued, could transform an unpatentable principle into a patentable process.” *Id.* at 9-10.

Moore’s dissent focuses on preemption analysis and points out logical inconsistencies in the majority’s analysis based on both claim language, and the court’s precedents for § 101. The policy considerations raised by Judges Rader and Newman might hold the key to how the majority “split the baby” in finding claims of the ’238 patent and those of the ’139 and ’739 patents on opposite sides of § 101’s patent eligibility line. The preemption issue is now front and center in the *Prometheus* Supreme Court case. Hopefully the Court will provide better guidance on this issue than it did years ago in setting out the test for obscenity – we’ll know it when we see it.

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# Patenting Personalized Medicine Inventions after *Myriad*

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The Federal Circuit's recent decision in *Assoc. for Mol. Pathology v. USPTO* (2010-1406) (informally referred to as the *Myriad* decision), provides some clarity to entrepreneurs and scientists working in the personalized medicine industry. The Court overturned the district court decision and confirmed that isolated DNA molecules are patent eligible subject matter as they "have a distinctive chemical identity and nature – from molecules that exist in nature." Slip opinion at 41. The Court did not limit patent eligibility to cDNA as had been suggested by the U.S. Government in its *amicus* brief. Judge Moore's concurrence highlights an important policy further supporting the majority decision. The settled expectations of the biotechnology industry should not be taken lightly and deserve deference. Concurring-in-part slip opinion at 21. Nevertheless, the Court found some of the disputed method claims patent eligible and some not. The claims that included only steps of analyzing and comparing DNA sequences were found not to be patent eligible whereas the claim that included steps of growing cells and determining their growth rate were patent eligible.

For those in the personalized medicine industry, the news that isolated DNA molecules remain patent eligible is good news. Although, as genetic sequence data proliferates, we can anticipate a time in the not-too-distant future when new genetic variations will be found less often. In the post-genomic age, claims to isolated nucleic acid compositions having a defined sequence or polymorphism will become increasingly rare.. Personalized medicine's greatest innovations lie in teasing out the powers of sequence polymorphisms and marker panel expression levels to predict disease likelihood, severity, activity, or therapy response. In the absence of composition claims, these innovations find patent protection through method claims.

The *Myriad* decision provides guidance to the types of method claims that are patent eligible. The patent-eligible method claim (claim 20 of U.S. Pat. No. 5,747,282) included steps directed to growing cells and determining or comparing growth rates. The

Court found the steps of growing the cells and the comparing of the growth rates to be transformative and "central to the purpose of the claimed process." Slip opinion 53. As we'll discuss later in the article, including such steps in a method claim can later create problems associated with their enforcement. The patent-ineligible method claims in the *Myriad* case (including claim 1 of U.S. Pat. No. 5,709,999 and claim 1 of U.S. Pat. No. 5,710,001) only included steps directed to comparing or analyzing sequences. The Court found these steps could "be accomplished by mere inspection alone" and thus are "directed to the abstract mental process of comparing two nucleotide sequences." Slip opinion at 52-53.

The Court looked to its own prior decision in *Prometheus Laboratories, Inc. v Mayo Collaborative Services* (628 F.3d 1347 (Fed. Cir. 2010)) in making these eligibility determinations. In *Prometheus*, the claims at issue were directed to methods of optimizing therapy for specific drugs (6-mercaptopurine and azathiopurine) by determining whether specific metabolite levels were above or below a threshold. Levels exceeding the threshold indicate that dosing should be adjusted downward, and vice versa. All claims recite determining the level of metabolite. Some claims also recite administering the drug prior to the determining step. For those claims including a drug administering step, the Court stated, "[t]he transformation is of the human body and of its components following the administration of a specific class of drugs and the various chemical and physical changes of the drugs' metabolites that enable their concentrations to be determined. We thus have no need to separately determine whether the claims also satisfy the machine prong of the test." Slip opinion at 16. As for claims that did not include "administering" the Court found the metabolite determining step "necessarily involves transformation." Quoting a *Prometheus* expert, the Court noted that " 'at the end of the process, the human blood sample is no longer human blood; human tissue is no longer human tissue.' " Slip opinion at 18.

Pre-emption analysis provides another useful framework for evaluating patent-eligibility of method claims in the personalized medicine space. Note that the *Prometheus* claims are directed to a specific drug used to treat a specific disease, and the monitoring of a specific threshold of a specific metabolite to indicate the need to adjust dose up or down. Such a claim does not pre-empt all uses of the basic biological fact that drugs work best when their concentration is within a therapeutic window, or that drugs are metabolized to other compounds whose concentrations can be determined.

The Court's analysis of Myriad claim 20 of the '282 Patent illustrates such an inquiry. Claim 20 is directed to a method for screening potential cancer therapeutics via changes in cell growth rates. As mentioned previously, it includes the steps of growing cells, determining their growth rates and then comparing their growth rates. In addition to finding that the steps of growing the cells and determining their growth rates were transformative and "central to the purpose of the claimed process," the Court also assessed whether the claim was attempting to claim the scientific principle that decreased growth rate of cells after treatment with a substance indicates that the substance inhibits cell growth. The Court found that this claim did not claim a scientific principle because, "The claim does not cover all cells, all compounds, or all methods of determining the therapeutic effect of a compound. Rather, it is tied to specific host cells transformed with specific genes and grown in the presence of absence of a specific type of therapeutic." The Court quoted its own decision in *Prometheus* where they determined that the claims at issue in *Prometheus* "do not preempt all uses of the natural correlations; they utilize them in a series of specific steps." Slip opinion at 54. The invalidated method claims in *Myriad* pose the question as to whether claims broadly covering the basic relationship between particular polymorphisms and disease risk pre-empt all use of basic biological fact that certain BRCA1/2 polymorphisms are correlated with ovarian and breast cancer risk. The public policy in favor of a robust, domestic personalized medicine industry is best served by drawing the eligibility line in a way that includes claims drawn to particular polymorphisms used to analyze particular disease risks, activities, or responses. Such claims do not pre-empt all use of

the biological law that genes impact disease, or even that genetic information about BRCA1/2 can be used to predict cancer risk. The U.S. Supreme Court has granted *cert* in *Prometheus* and the case will be heard in the next term.

The preemption analysis can be extended to other types of personalized medicine claims. Claims directed to multianalyte index assays, analyze expression of multiple biomarkers using a predictive model to determine diagnose disease or determine an individual's disease risk. Claims can be drawn in a manner that does not preempt the basic biological fact that biomarker levels are correlated with disease state. For example, claims that are drafted to address a particular condition and recite particular biomarkers, do not preempt all uses of this basic biological fact because in general, many independent sets of biomarkers can be used to arrive at a particular prediction. Thus, other biomarkers are still available for others to use in creating their own diagnostic kits. Additionally, because the use of the biomarkers is tied in the claim to a particular condition, the recited biomarkers can still be used freely in other diagnostic methods.

The Court did not apply the preemption analysis in determining that claim 1 of the '999 Patent and claim 1 of the '001 Patent were not patent eligible. Instead, the Court looked to the verbs used in the steps of these claims, "analyzing" and "comparing," and found the steps to be "only abstract mental processes." Slip opinion at 49-50. However, using the preemption analysis, these claims would be patent eligible. There is a natural correlation between a person's genetic makeup and cancer. Claim 1 of the '999 Patent however is directed to determining whether the sample BRCA1 gene being analyzed has one of a group of enumerated alterations. There could be other alterations to that gene or to other genes that also correlate to an increased risk of breast or ovarian cancer. Claim 1 of the '001 Patent is directed to determining a difference between the BRCA1 gene in a patient's tumor sample to the BRCA1 gene in a non-tumor sample from the patient. This claim presents a closer call under preemption analysis because it is not limited to particular polymorphisms, but rather broadly covers all use of the biological fact that BRCA1 polymorphisms can predict cancer risk. In

considering the *Prometheus* case, the Supreme Court has the opportunity to provide clarity on the use of the preemption analysis that could lead to a different result on the patent eligibility for claims such as those invalidated in the *Myriad* decision.

This analysis can also be applied to the claims at issue in *Classen Immunotherapies, Inc. v. Biogen Idec, et al.*, a case whose decision is due from the Federal Circuit any day now. Classen's claim 1 is to a method of determining whether an immunization schedule affects the incidence or severity of chronic-immune-mediated disorders. The claim is however not limited to a particular immunogen, class of immunogens, disorder, class of disorders or marker or class of markers. Thus, there is a reasonable argument that the Classen claim preempts all uses of the natural correlation between immunizations and immune-mediated disorders. The Court may determine that these claims are not patent eligible under preemption analysis. We note as an aside that the Machine or Transformation test would lead to a different result, since surely a subject is transformed upon immunization.

In drafting a method claim that is patent eligible, a new issue can be created if the various steps of the method claim are performed by more than one party. A step such as determining the presence or absence of a particular SNP in a patient sample can be performed by a contract lab while the diagnosis of what that SNP means for a patient will be made by the patient's physician. In the near future, many patients will carry extensive genetic information as part of their electronic medical record. Such information can be generated by a company specializing in low cost sequencing, while the analysis can be carried out by a separate company focused on diagnostic test development. Under these facts, determining whether a patient has a particular mutation is separate from understanding its diagnostic implications.

In either scenario, there is the problem of divided infringement. Currently, in order to find infringement of a method claim, one party must do all of the steps of the asserted method or if more than one party performs the steps of a claimed method, one party must be exercising "control or direction" over the entire process. (*BMC Resources, Inc. v. Paymentech,*

*L.P. 498 F.3d 1373, 1380-81 (Fed. Cir. 2007)*) Additional guidance is coming from the Court when it rehears *McKesson Technologies Inc. v. Epic Systems Corp.* and *Akamai Technologies, Inc. v. Limelight Networks, Inc. en banc* next session. In the panel decisions for those cases, now vacated, the Court had articulated a very strict standard for finding that one party controls or directs the process. In granting the request for rehearing *en banc*, it is possible the Court is considering softening that very strict standard but it is less likely that the original standard that one party directs or controls the process will be changed. In *MuniAuction, Inc. v. Thomson Corporation*, the Court stated that one party directs or controls the entire process if that party would be vicariously liable for the actions of the second party doing the method steps that the first party is not actually doing. (532 F.3d 1318, 1330 (Fed. Cir. 2008)) Thus, it is prudent to write method claims that include steps that are only performed by a single party – such as the party actually making a diagnosis.

The Federal Circuit's expected *Classen* decision and the upcoming *Prometheus* Supreme Court decision will hopefully bring even more clarity for the personalized medicine community. We suggest that preemption analysis provides a way to draw the 101 subject matter line for method claims in a way that preserves settled expectations and promotes a robust, domestic personalized medicine industry without unduly impeding either basic research or the ability of the personalized medicine industry to bring products to market.

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## Litigation Alert

The U.S. Supreme Court Upholds a Clear and Convincing Evidentiary Standard for Patent Invalidity Under 35 U.S.C. §282.

*Microsoft Corp. v. i4i LP et al.*, No. 10-290, Argued April 18, 2011 – Decided June 9, 2011.

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### Summary

On Thursday June 9, 2011, the Supreme Court, by an 8-0 decision, held that a party challenging validity of a patent must prove invalidity by clear and convincing evidence rather than by a preponderance of evidence under 35 U.S.C. §282. The Court's holding refused Microsoft's proposal to establish a lower evidentiary standard for invalidating a patent based on prior art that an examiner did not review during prosecution of the patent-in-suit.

### Background of the Case

In *Microsoft*, the plaintiffs ("i4i") asserted U.S. Patent No. 5,787,449 ("the '449 patent"), relating to editing mark-up language documents, such as those created using extensible mark-up language or XML, against Microsoft's Word products. Specifically, i4i alleged that Microsoft Word® users infringe the '449 patent when they use the application to open files containing custom XML.

At trial, Microsoft alleged that the '449 patent was invalid because the technology claimed in the patent was practiced by an S4 software product, a product undisputedly sold by i4i more than a year before the patent application was filed, and not considered by the USPTO during the prosecution of the '449 patent. However, the parties disagreed over whether the software actually included the invention claimed in i4i's patent. Since i4i had destroyed the S4 source code in normal course of business nine years prior to any litigation, Microsoft used other evidence to support its contention that S4 embodied the invention claimed in the '449 patent, namely statements made by the inventors of the '449 patent that the claimed technology was packaged in the S4 product. i4i disputed whether this evidence was clear and convincing and dismissed Microsoft's reliance on an S4 user manual by claiming that the manual did not

provide the requisite level of detail necessary to determine what was practiced by the S4 product.

Unable to prove invalidity by a clear and convincing standard, Microsoft proposed jury instructions providing that Microsoft's burden of proof with respect to invalidity based on the S4 product should be preponderance of evidence since the USPTO did not consider the S4 product when issuing the '449 patent. Microsoft cited *KSR Int'l Co v. Teleflex Inc.*, 550 U.S. 398 (2007) wherein the Court noted that it was "appropriate to note that the rationale underlying the presumption – that the PTO, in its expertise, has approved the claim – seems much diminished" in that case. However, the US District Court for the Eastern District of Texas agreed with i4i and instructed the jury that Microsoft had the burden of proving invalidity by clear and convincing evidence. Thereafter, the jury found the '449 patent valid and infringed and awarded i4i about \$290 million.

The Federal Circuit affirmed the District Court's judgment by concluding that the jury instructions were correct in light of Federal Circuit precedence. The court explained that its decisions in *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301-1311-16 (Fed. Cir. 2009), and *Tech. Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1327 (Fed. Cir. 2008) make clear that the Supreme Court's decision in *KSR* did not change the burden of proving invalidity by clear and convincing evidence.

### The United State Supreme Court's Decision

In *Microsoft*, the Supreme Court first determined whether 35 U.S.C. §282 prescribed a standard of proof with which a challenger must prove invalidity. 35 U.S.C. §282 provides that "[a] patent shall be presumed valid...[t]he burden of establishing

invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.” The Court posited that “although the statute explicitly specifies the burden of proof, it includes no express articulation of the standard of proof.” Slip. Op. at 6.

Since the statute does not provide a definition of the term “presumed valid,” the Court interpreted the term based on its common law meaning as articulated in *RCA*, 293 U.S. 1 (1934), wherein Justice Cardozo wrote for a unanimous Court that “there is a presumption of validity, a presumption not to be overturned except by clear and cogent evidence.” *RCA*, 293 U.S. at 2. The Court held that “by the time Congress enacted §282 and declared that a patent is ‘presumed valid,’ the presumption of patent validity had long been a fixture of the common law.” Slip. Op. at 8.

The Court did not find Microsoft’s arguments convincing, that prior to 1952’s enactment of §282, the Court applied a clear and convincing standard of proof in two limited circumstances. Additionally, the Court did not find that *KSR*’s language required a lower burden of proof. The Court observed that numerous Courts of Appeal have held that the “the presumption of validity is ‘weakened’ or ‘dissipated’ in the circumstances that the evidence in an infringement action was never considered by the PTO.” *Id.* at 16. But the Court refused to read the cases “to hold or even to suggest that a preponderance standard would apply in such circumstances.” *Id.* The Court cites Judge Rich’s opinion in *American Hoist*, 725 F.2d, at 1360 that “[w]hen new evidence touching validity of the patent not considered by the PTO is relied on, the tribunal considering it is not faced with having to disagree with the PTO or with deferring to its judgment or with taking its expertise into account. The evidence may, therefore, carry more weight and go further toward sustaining the attacker’s unchanging burden.”

Finally, the Court refused to judge “the comparative force” of policy arguments of whether a heightened standard of proof ought to apply in patent validity actions.

Since the common law definition of “presumed valid” had a well settled meaning of requiring a clear and convincing standard of proof to invalidate a patent, the court held that the District Court properly interpreted 35 U.S.C. §282 by requiring the defendant to prove invalidity by clear and convincing evidence.

### Implications

*Microsoft* clarifies that patent invalidity under 35 U.S.C. §282 must be proven by clear and convincing evidence regardless of whether the prior art in question was reviewed by the examiner or not.

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## Patent Alert

Federal Circuit's *Therasense* Decision Toughens Standards for Establishing Inequitable Conduct

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Responding to views from the United States Patent and Trademark Office (“PTO”) and elsewhere about the unintended consequences of the inequitable conduct doctrine in its current form, the Federal Circuit issued a divided *en banc* ruling yesterday that will make it harder to establish the requisite showings of materiality and intent to prevail on this defense. Writing for the majority in *Therasense, Inc. v. Becton, Dickinson and Co.*, Chief Judge Rader emphasized the impact of a finding inequitable conduct (unenforceability of the entire patent) and lamented that the doctrine has been overused to the detriment of the courts and “the entire patent system.”

### BACKGROUND OF THE CASE

Inequitable conduct is an equitable defense to patent infringement that, if proved, bars enforcement of a patent. This judge-made doctrine evolved from a trio of Supreme Court cases applying the equitable doctrine of unclean hands.

The inequitable conduct issue in *Therasense* concerned the district court’s finding that the patentee made representations to the PTO about the meaning of a statement in one of its prior art patents that were inconsistent with arguments made to the European Patent Office (“EPO”) about the same statement.

The invention at issue is directed to test strips for measuring the level of glucose in a sample of blood; when blood contacts the test strip, glucose in the blood reacts with an enzyme, resulting in the transfer of electrons to an electrode on the strip and then to a glucose meter. During prosecution of the patent with the PTO, the original application was repeatedly rejected for anticipation and obviousness based on a prior art patent (also owned by the patentee) which disclosed a similar test strip, but referred to the use of a protective membrane “optionally, but preferably when being used on live blood.” In an attempt to distinguish this prior art, the patentee told the PTO, in both a declaration and amendment, that a person of ordinary skill in the art would understand the statement in the prior art as requiring a membrane for use with whole blood. Prior to this representation to the PTO, when trying to obtain the prior art patent from the EPO, the patentee had argued that the same statement was “unequivocally clear” that the membrane is optional, and merely preferred for live blood.

Following a bench trial, the district court held the patent unenforceable for inequitable conduct because the patentee did not disclose to the PTO the previous statements it had made to the EPO. On appeal, a panel of the Federal Circuit affirmed the finding of unenforceability, with one of the judges dissenting. The panel’s decision was vacated when the Federal Circuit agreed to grant the patentee’s petition for rehearing *en banc*.

### HEIGHTENED STANDARD FOR ESTABLISHING INEQUITABLE CONDUCT

To prevail on the defense of inequitable conduct, the accused infringer must prove that the applicant misrepresented or omitted material information with the specific intent to deceive the PTO. In its split decision (6-1-4) in *Therasense*, the Federal Circuit explicitly “tightens the standards” for finding both intent and materiality.

#### *Materiality*

A significant aspect of the *Therasense* ruling is the Court’s adoption of a heightened “but-for” standard for establishing materiality. Under this standard, prior art that an applicant fails to disclose to the PTO is only considered material if the PTO would not have allowed a claim had it been aware of the undisclosed prior art. Notably, the “but-for” standard adopted in this ruling sets an even higher bar for establishing materiality than the PTO’s own regulations set forth under 37 C.F.R. §1.56 (“Rule 56”). In explicitly declining to adopt the Rule 56 standard, the majority reasoned that it would not be sufficiently stringent to address two problems it stated resulted from a more relaxed standard of proof for materiality: applicants’ prophylactic tendency to flood the PTO with only marginally-relevant information during the prosecution phase, and patent litigators’ over-assertion of the inequitable conduct defense.

The Court did carve out an exception to this heightened “but-for” standard for the materiality prong of inequitable conduct. If an accused infringer can demonstrate that the patentee has engaged in *affirmative acts* of egregious misconduct, as opposed to mere omissions, then the misconduct will be considered material absent any further showing. As to what type of acts may come within this exception, the court noted that “the filing of an

unmistakably false affidavit” would qualify, but it did not attempt to define its boundaries except to note that it was incorporating elements of early Supreme Court unclean hands cases, which dealt with “deliberately planned and carefully executed scheme[s]” to defraud the PTO and the courts.

### *Intent*

With respect to the intent prong, the Federal Circuit reiterated its prior holdings that a finding that a patent applicant’s misrepresentation or omission amounted to negligence or recklessness under a “should have known” standard will not be sufficient to prevail on a claim of inequitable conduct. Rather, the accused infringer must show that the applicant knew of the prior art reference, knew that it was material, and made a deliberate decision to withhold it. And while acknowledging that it may be necessary to infer specific intent from indirect and circumstantial evidence, the court emphasized that in order to prove inequitable conduct, that an intent to deceive the PTO must be the *only* reasonable inference that can be drawn from the totality of available evidence. In other words, if there are multiple reasonable inferences that may be drawn, only one of which constitutes a specific intent to deceive, this will not satisfy the intent requirement for inequitable conduct.

### *No Sliding Scale*

Lastly, the Court affirmatively rejected the use of a “sliding scale” approach to the materiality and intent requirements for establishing inequitable conduct. Under this previously applied approach, a particularly strong showing of materiality might be enough to make up for a weak showing of intent to deceive—and vice versa. Emphasizing that these are two separate and unrelated requirements, the court also reiterated that no matter how strong the evidence of materiality may be, a district court may not infer intent solely from materiality.

## **IMPLICATIONS**

This highly anticipated revisiting of the legal doctrine on inequitable conduct will make it harder for accused infringers to establish unenforceability on these grounds in litigation. Application of the materiality rule which will require a district court to determine whether the PTO would have allowed claim(s) to issue had it been aware of the withheld information (applying the same standard the PTO would have, namely a preponderance of evidence standard and giving the claims the broadest reasonable interpretation) will be important to watch as it evolves. Other recent Federal Circuit decisions placed greater emphasis at the pleading stage to weed out unmeritorious claims of inequitable conduct. The materiality standard

in *Therasense* often may require a substantive analysis of the patent-in-suit, prosecution context, and understanding of the teachings of the prior art information at issue. Patentees presumably will continue to seek early dismissal of inequitable conduct defenses and, when based on the heightened materiality standard, may require significant work on the part of the district court to make the determination. One aspect of this determination to watch at the pleading stage, is what, if anything, district courts will require beyond just the allegation that “but for” information being withheld, the patent would not have issued. In the merits stage another aspect to watch is the weight that district courts will give to expert opinion on the “but for” behavior of the PTO.

Those prosecuting patent applications and managing prosecution of portfolios should revisit their guidelines and practices on disclosing information. One of the articulated concerns of the *Therasense* court was reducing the cautionary incentive of prosecutors to “over disclose” information to the PTO, often without context or explication of its possible relevance. With an eye to achieving this, information which, in recent years, often would be disclosed during prosecution as a matter of course now can be seen as not material. In revisiting prosecution guidelines, one check to consider is reviewing prosecution at or near the time of closing, to determine if events may have made some information “material” in the but-for sense which earlier had not been. Additionally, the Federal Circuit’s exception of certain affirmative acts from the heightened “but-for” standard will continue to warrant close review of declarations under 37 C.F.R. §§ 1.131 and 1.132 (Rules 131 and 132) arguing for patentability for compliance with the duty of candor. In addition, since the determination of which type of acts fall under this different standard will likely be hard fought between litigants, it will be an important issue for prosecutors to monitor as it evolves in the courts.

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## Patent Litigation Alert

*In re* Link\_A\_Media Devices Corp.

DARREN E. DONNELLY, RYAN MARTON AND MICHAEL SAUNDERS

Fenwick  
FENWICK & WEST LLP

On December 2, 2011, the Federal Circuit in *In re Link\_A\_Media Devices* made a significant ruling affecting the District of Delaware's hold on suits filed against Delaware corporations that operate outside of the District. In particular, the Federal Circuit held that the District of Delaware erroneously denied defendant Link\_A\_Media Devices Corp.'s (hereinafter "LAMD") motion to transfer a patent infringement action from the District of Delaware to the Northern District of California where the only reasons for not transferring the case were the defendant's incorporation in the forum and the plaintiff decision to file suit there.

### BACKGROUND OF THE CASE

In *Link\_A\_Media*, the plaintiff, Marvell International Ltd. ("Marvell"), asserted four patents against LAMD in the District of Delaware. LAMD is a Delaware corporation with its headquarters in the Northern District of California that makes, sells and distributes microchips for data storage devices. Nearly all of LAMD's employees work at its corporate location in the Northern District of California. Marvell is a holding company headquartered in Bermuda that is the assignee and sole owner of the four asserted patents. An entity related to Marvell, Marvell Semiconductor, Inc., is headquartered in the Northern District of California. LAMD moved to transfer the case to the Northern District of California under 28 U.S.C. § 1404(a), and Marvell opposed. The district court denied the motion to transfer.

The district court reasoned that because LAMD was incorporated in Delaware, it had no reason to complain about being sued in that forum. It distinguished LAMD from other cases in which transfers were granted where the defendant was a "regional entity," noting "LAMD has offices not only in California, but also in Minnesota, the United Kingdom, and Japan" and therefore is "not only a national player, but more of an international one, displacing it from regional enterprise status."

The district court was also unpersuaded by LAMD's arguments that it would have been more convenient to litigate the case in California because LAMD's witnesses and records were located there. The district court reasoned: "[i]n this electronic age, there are no substantial burdens associated with discovery or witness availability that support the need for transfer" because "documents are generally stored, transferred and reviewed electronically," and because depositions are generally taken where witnesses are located and only a handful of witnesses will actually testify live at trial.

Finally, the district court decided that California and Delaware have equal public interest in having the case litigated locally because "[e]ven if the parties may be considered to be California residents, LAMD is a corporate citizen of Delaware."

### THE FEDERAL CIRCUIT'S TRANSFER RULING

*Link\_A\_Media* sought review of the district court's decision via writ of mandamus. In its decision, the Federal Circuit held that the district court abused its discretion by denying LAMD's motion to transfer venue. Because the district court's ruling on the motion was based on the law of the regional circuit, it applied Third Circuit law. It began by considering the various private and public interest factors outlined in *Jumara v. State Farm Ins. Co.*, 55 F.3d 873, 779 (3d Cir. 1995) and determined that "the district court failed to balance those factors fairly and instead elevated two considerations to overriding importance." In particular, the Federal Circuit held that the district court erred by "making Marvell's choice of forum and the fact of LAMD's incorporation in Delaware effectively dispositive of the transfer inquiry."

With respect to Marvell's choice of forum, the Federal Circuit found that the deference courts generally are allowed to give to the plaintiff's chosen forum during the transfer analysis applies much less forcefully where the plaintiff files suit someplace other than in its home forum.

With respect to LAMD's incorporation in Delaware, the Federal Circuit pointed out that "[n]either § 1404 nor *Jumara* list a party's state of incorporation as a factor for a venue inquiry" and noted further, "[i]t is certainly not a dispositive fact in the venue transfer analysis, as the district court in this case seemed to believe." The Federal Circuit therefore found it was inappropriate for the district court to have relied so heavily on this fact.

It explained:

Aside from LAMD's incorporation in Delaware, that forum has no ties to the dispute or to either party. LAMD is headquartered in the Northern District of California, where its relevant witnesses and evidence are located. Marvell is a holding company that is incorporated in Bermuda and has its principal place of business there. The named inventors of the patents-in-suit, moreover, are employed by a Marvell affiliate, Marvell Semiconductor, Inc., which is headquartered in Santa Clara, California, only three miles from LAMD.

The Federal Circuit also noted the district court gave too little consideration to private interest factors relating to the convenience of the witnesses and the location of the parties' books and records. It held that "[w]hile advances in technology may alter the weight given to these factors, it is improper to ignore them entirely."

The Federal Circuit furthermore held for the reasons explained above that the district court erred by treating the fact of LAMD's incorporation in Delaware as dispositive of the public interest analysis.

Finally, the Federal Circuit rejected Marvell's argument that because the "District of Delaware's judges are highly experienced in patent infringement litigation" the case should remain there. It noted that Marvell's argument did not appear to be a factor under the Third Circuit standard, which considers the public interest factor favoring the forum having familiarity with "applicable state law," not Federal patent law. The Federal Circuit noted that there was no evidence that the District of Delaware had a unique understanding of patent laws that would lead to a speedier resolution of the case in that forum than in the Northern District of California.

## IMPLICATIONS

Like cases in recent years involving transfer of venue from the Eastern District of Texas, *In re Link\_A\_Media* can be seen as part of an increased concern by the Federal Circuit that patent infringement cases be heard in a forum that has a logical connection with the merits of the dispute and that "forum shopping" not be enabled by rigid rules effectively barring transfer. This ruling has particular significance because many companies are incorporated in Delaware (that historically has been viewed by some as a plaintiff-friendly forum) and it now will likely be more difficult to maintain suits there against such companies that operate elsewhere.

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## Patent Litigation Alert

Patent Litigation Alert: Recent Developments and Potential Changes in the Litigation of False Marking Claims Under 35 U.S.C. § 292

March 18, 2011

BY DAVID SCHUMANN AND ERIN C. JONES, PH.D.

Fenwick  
FENWICK & WEST LLP

A number of notable developments in Patent False Marking law over the last month indicate that courts and legislators continue to focus on clarifying the reach of the law. Suits brought under U.S.C. Section 292, the False Marking Statute, provide penalties against any person that marks an “unpatented article” with any word or number indicating that the article is patented with the intent to deceive the public. This provision permits enforcement via qui tam actions, whereby any person, not merely one who has been harmed, may sue on the behalf of the government and claim half of the award.

False marking suits became more attractive after the Federal Circuit’s December 2009 decision in *Forest Group Inc. v. Bon Tool Co.*, 590 F.3d 1295 (Fed. Cir. 2009), which held that penalties in false marking actions must be imposed on a per article basis. The statute provides that such penalties amount to “not more than \$500 for every such offense,” so the new rule had the potential to lead to hefty fines for mass-produced articles. It has been estimated that over 800 false marking cases have been filed since December 2009.

Recent developments in False Marking law include a decision by the Federal Circuit that raises the pleading standards in False Marking cases and makes them easier to dismiss, decisions by federal district courts dismissing False Marking cases based on lack of standing and unconstitutionality – issues now pending before the Federal Circuit, and legislative amendments proposed to curb further cases.

### Heightened Pleading Standards in False Marking Cases

On Tuesday, the Federal Circuit granted in part a petition for writ of mandamus in *In Re BP Lubricants USA Inc.*, Misc. Docket No. 960, holding that general allegations are not sufficient to allege intent to deceive in a false marking case. Reasoning by analogy to the False Claims Act, another statute that attempts to curb fraud via qui tam actions brought on behalf

of the government, the Federal Circuit held that the heightened standards of Rule 9(b) should be applied to False Marking cases as well. Rule 9(b) states that “a party must state with particularity the circumstances constituting fraud or mistake. Malice, intent, knowledge, and other conditions of a person’s mind may be alleged generally.” As the goal of the statute is to “condemn[] fraud ‘but not negligent errors or omissions,’” the court approved the use of the heightened pleading standard in order to weed out “claims that do little more than speculate that the defendant engaged in more than negligent action.” Slip Op. at 6.

The effect of the heightened pleading standard is that plaintiffs will be required to “allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind.” Slip Op. at 7. Although intent to deceive is subject to an objective standard, such that “the fact of misrepresentation coupled with proof that the party making it had knowledge of its falsity is enough to warrant drawing the inference that there was a fraudulent intent,” a false marking complaint must provide “specific underlying facts” in order “to reasonably infer that the defendant was aware that the patent expired.” Slip Op. at 6, 8. It is not enough to make a general allegation that the party “knew” or “should have known” that the patent was expired. See Slip Op. at 8. Along these lines, the court rejected the statement that BP is a “sophisticated company and has experience applying for, obtaining, and litigating patents” as a conclusory allegation “not entitled to an assumption of truth at any stage in litigation.” Slip Op. at 8. Rather than conclusory allegations, the court suggested that facts should be alleged to show, for example, that that the defendant sued a third party for infringement of the patent after the patent expired or made multiple revisions of the marking after expiration. Slip Op. at 9. This decision will have the effect of forcing plaintiffs to perform more pre-suit research before filing suit and make a false marking case easier to dismiss.

## Constitutional Challenges to False Marking Law on Appeal

Constitutional challenges to the False Marking Statute have led to different results in district courts, owing to different methodologies for evaluating such claims and confusion over how to deal with the quasi-criminal nature of the False Marking Statute.

For example, on Monday, the Northern District of Ohio issued a reaffirmance of its February 23, 2011 Order finding the False Marking Statute's qui tam provision unconstitutional, following a request from the U.S. Government for reconsideration of the court's February 23, 2011 Order. *Unique Product Solutions, Limited v. Hy-Grade Valve, Inc.*, 5:10-cv-01912-DAP (N.D. Ohio Mar. 14, 2011) (Docket No. 21). In its February 23, 2011 Order (Docket No. 18), the court found the qui tam provision unconstitutional under the Take Care Clause of Article II of the Constitution (§ 3), whereby the President "shall take Care that the Laws be faithfully executed." *Unique Product*, Docket No. 18, at 6, 14. Analyzing the qui tam provision according to the standard developed by the Supreme Court in *Morrison v. Olson*, 487 U.S. 654 (1988), the court found the qui tam provision unconstitutional because it fails to provide the executive branch with sufficient control over false marking litigation in which the United States is the real party in interest. *Id.* at 14-15. The court noted the lack of assurance that the Department of Justice will be served with a False Marking complaint or any relevant pleadings, lack of oversight by the government, and the risk that the government may be bound by a settlement and be precluded from bringing its own suit, without ever having been notified of the suit in progress. *Id.* at 11-12. The False Marking Statute was contrasted with the False Claims Act, which has been found constitutional under *Morrison*: "the FCA requires the complaint to be served on the Attorney General, allows the government to intervene within 60 days, keeps the complaint sealed while the Attorney General decides whether to intervene, allows the government to take control of the litigation, and requires Department of Justice approval to dismiss the complaint even if the government has not intervened." *Id.* at 12. The court noted that as statutory penalty is not calibrated to the size or economic strength of the defendant, the significance of the product, or to the degree of competitive harm the false marking may have had beyond simply the gross number of articles

falsely marked; these cases should be brought by "government attorneys who have no financial stake in the outcome of the litigation or settlement, not by private parties motivated solely by the prospect of financial gain." *Id.* at 14.

In the March 14, 2011 Order, the court responded to The Government's March 8, 2011 motion for reconsideration on the grounds that the Court had incorrectly characterized the False Marking Statute as criminal, rather than civil, based on the Federal Court's decision in *Pequignot v. Solo Cup Co.*, 608 F.3d 1356, 1363 (Fed. Cir. 2010). Acknowledging that the statute could arguably "be construed as criminal, civil, or, as the government contends, a civil-criminal hybrid," the court insisted that such a characterization would not affect its constitutionality analysis, as the analysis used by the court has been applied to qui tam provisions in civil cases as well, including False Claims Act cases. *Unique Product*, Docket No. 21, at 5.

Other courts, however, have analyzed this same constitutionality question and reached the opposite result. In 2009, the district court in *Pequignot v. Solo Cup Co.*, 640 F. Supp. 2d 714, (E.D. Va. Mar. 27, 2009), found no violation of the Take Care Clause of the Constitution, based on the historical acceptance of qui tam actions in general, on the idea that a civil False Marking suit does not "cut to the heart" of the executive branch's constitutional duty under the Take Care clause and so executive control is not so essential, because a relator's qui tam suit "does not bar the government from initiating its own action," and because the government had intervened in that case to defend the constitutionality of the statute. The court also analyzed standing issues and held that the plaintiff had standing to pursue suit on the United States' behalf as a qui tam relator. These issues were not presented to the Federal Circuit in the appeal that led to its decision in *Pequignot v. Solo Cup Co.*, 608 F.3d 1356, 1363 (Fed. Cir. 2010).

Guidance may be on the horizon on constitutionality and/or standing issues under the False Marking Statute, in *FLFMC, LLC v. Wham-O*, Case No. 2011-1067, currently on appeal to the Federal Circuit. This case is an appeal of an August 3, 2010 decision of the Western District of Pennsylvania, in which the court found that a False Marking plaintiff had no standing to sue because the harm done to the government by

false marking is a “sovereign” injury, rather than a concrete financial injury like the kind dealt with by the False Claims Act. *United States v. Wham-O, Inc.*, No. 2:10-cv-00435, (W.D. Pa. Aug. 3, 2010) (Docket No. 28), at 10-14. The court held that such a sovereign injury cannot be assigned to a private entity, and stated that even if it could be assigned, the injury would not constitute “concrete and actual or imminent harm” that could confer standing on a plaintiff. *Id.* at 14-15. This is an argument that was considered and rejected by the *Pequignot* district court. *See* 640 F. Supp. 2d at 724. In briefing filed February 22, 2011, Defendant Wham-O presented arguments on this standing issue as well as on the question of whether the qui tam provision violates the Take Care clause under *Morrison*. Accordingly, the Federal Circuit’s upcoming decision on this case has the potential to shift the law and undercut the current prosecution of False Marking claims.

### **Legislative Developments**

Recent weeks have also seen a resurgence of activity regarding patent reform law, with the passage of Senate Bill S. 23 on March 8, 2011, which proposed changes to the False Marking Statute. Changes proposed include a new requirement that “Only the United States may sue for the penalty authorized by this subsection,” referring to subsection (a), which authorizes a fine for false marking acts. The bill provides a new subsection (b), which allows “[a]ny person who has suffered a competitive injury” to file suit, but only for “recovery of damages adequate to compensate for the injury.” These changes would apply to all cases pending when the act was enacted. On March 14, 2011, a stand-alone bill was proposed in the House of Representatives to amend the False Marking statute by adding a new section that exempts parties from a False Marking fine as long as there was no change to the “manufacturing or production process of the item” after the patent expired, or if there was a change, the word “expired” is added to the marking.

Although it may take some time for the impact of these events to come to fruition, the continuing focus of both legislators and federal judges on False Marking issues means the potential is high for significant changes to occur in this body of law in 2011.

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- The Regents of the University of California

Ms. Chang represented The Regents of the University of California in enforcing the university's patents on fluorescence *in situ* hybridization used in cancer diagnostics. Ms. Chang was also a member of the trial team that secured a \$25 million jury award for Informatica Corporation in its patent infringement suit against Business Objects.

Ms. Chang is a collaborator on the Federal Judicial Center's patent handbook for judges, the *Patent Case Management Judicial Guide* (2009). Ms. Chang was recently named a 2009 Northern California "Rising Star" in the area of Intellectual Property Litigation.

Ms. Chang received her J.D. from the University of California, Hastings College of the Law, *cum laude*, in 2001 and was elected to the Order of the Coif. She received her B.A. in molecular cell biology and political science from the University of California, Berkeley in 1998.

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Ms. Corbin tries patent cases in federal district courts throughout the country and has successfully handled appeals to the Federal Circuit Court of Appeals and the U.S. Supreme Court. She has represented clients in international and domestic arbitration and mediation proceedings. She also has represented major corporations in internal investigations, and in trademark infringement matters before federal courts and in opposition proceedings before the Trademark Trial and Appeal Board.

Ms. Corbin is a recognized leader for women in the legal profession. Her activities have included such roles as hosting the annual AIPLA Women in IP program each year since its inception (2008-2009 San Francisco, 2010 Silicon Valley), serving on the steering committee for the new San Francisco Bay Area Chapter of Women in Bio, and speaking at the annual Linkage Women In Leadership Summit in 2008 and 2009.

Ms. Corbin received her J.D., *magna cum laude*, from Santa Clara University School of Law in 1987 and her B.A. degree from the University of Michigan in 1983.

Prior to joining Fenwick & West, Ms. Corbin was a partner with Howrey LLP in San Francisco. She was recently named one of the Top 75 Women Litigators and one of the top rainmakers in California by *The Daily Journal Extra*. Ms. Corbin has also been named a Northern California *Super Lawyer* from 2004-2010.

Ms. Corbin was an extern for Justice Joseph R. Grodin of the California Supreme Court. She is a member of the State Bars of California and the District of Columbia. She is also admitted to practice before the U.S. District Courts in California, Delaware, Maryland, Massachusetts and Texas as well as the U.S. District Court of Appeals for the Federal Circuit and the U.S. Supreme Court. Ms. Corbin is also a member of the American Bar Association, American Intellectual Property Law Association, California Bar Association, District of Columbia Bar Association, Federal Circuit Bar Association, San Francisco Bar Association and the San Francisco Bay Area Intellectual Property American Inn of Court.

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## Representative Cases:

- *Caliper Life Sciences, Inc., Xenogen Corporation, and The Board of Trustees of Leland Stanford Junior University v. Carestream Health, Inc.* Representing Stanford University in patent infringement litigation involving in vivo molecular imaging.
- *Nuvoton Technology Corporation*, Serving as outside intellectual property counsel for Nuvoton in connection with its semiconductor business.
- *Semiconductor Energy Laboratory Co., Inc. v. Chi-Mei Optoelectronics, Inc. et al.* Served as lead counsel for defendant Chi-Mei Optoelectronics and its customers in patent infringement litigation involving LCD design and manufacturing technology. The matter was favorably settled on the eve of trial after summary judgment rulings of invalidity and non infringement.
- *Synopsys, Inc. v. Ricoh Company Ltd.* Acted as lead defense counsel for Synopsys and its customers in patent infringement litigation involving EDA software. In the related re-examination proceeding, the Patent Office rejected all of the claims of the patent-in-suit as invalid on multiple grounds.
- *MedImmune, Inc. v. Centocor, Inc., et al.* Acted as lead counsel for patent owners Stanford and Columbia Universities in a patent declaratory judgment action involving a method of manufacturing monoclonal antibodies. The matter was successfully settled following remand to the U.S. District Court for the District of Maryland after appeals to the Federal Circuit and U.S. Supreme Court.
- *LG Philips LCD Co., Ltd. v. Tatung Company, et al.* As lead counsel for Chunghwa Picture Tubes and its customers in a patent infringement case involving LCD design and thin-film transistor manufacturing technology, defeated four of the six asserted patents relating to LG Philips' self proclaimed, crown jewel side mounting technology. The matter was settled while awaiting rulings on post-trial motions.
- *LG Philips LCD Co., Ltd. v. Chunghwa Picture Tubes Co. Ltd., et al.* Acted as lead counsel for Chunghwa Picture Tubes and its customers in a patent infringement case involving LCD design and thin-film transistor manufacturing technology. After forcing a dismissal of one of the two patents-in-suit based on an on-sale bar, the matter was settled while awaiting rulings on post-trial motions.

- *Guardian Industries v. Chunghwa Picture Tubes Co. Ltd.* Served as lead counsel for Chunghwa Picture Tubes and its customers in patent infringement litigation involving LCD design and thin-film transistor manufacturing technology which was settled favorably.
- *Affymetrix, Inc. v. Incyte Genomics, Inc.* As lead counsel for Incyte in three patent infringement cases involving DNA microarrays and related U.S. patent interference and European patent opposition proceedings, successfully defeated a motion for preliminary injunction. Following a favorable claims construction ruling, all of the cases were settled after numerous summary judgment motions were decided in favor of Incyte.
- *Myriad Genetics, Inc. v. OncorMed, Inc.* Acted as counsel for OncorMed, a Maryland company involved in genetics testing and counseling, in five lawsuits in both Washington DC and Utah involving patents related to BRCA1 and BRCA2, human genes associated with elevated risk for breast and ovarian cancer. All five cases were settled in May 1998.
- *Brooktree, Inc. v. S3 Corporation.* As counsel for S3 in a patent infringement case involving S3's graphics accelerator chips, successfully defeated Brooktree's motion for preliminary injunction and obtained an order bifurcating the inequitable conduct claims and setting them for trial in advance of the liability issues. The case was favorably settled the day the inequitable conduct trial was to commence.
- *The Metro v. San Jose Mercury News.* As counsel for the San Jose Mercury News in trademark infringement litigation brought by The Metro, successfully defeated The Metro's motion for a preliminary injunction, which led to a walk away settlement of the litigation.

**Speaking Engagements:**

- *Getting Value from Your Personal Brand: Practical Tools for Identifying, Evolving, Communicating and Leveraging Your Personal Brand and Why it is Critical to Your Success*, Chief Intellectual Property (chips) Panel Meeting, June 2010.
- *Level 5 Leadership: Does It Work for Women in Highly Competitive Environments*, Linkage Women in Leadership Summit, San Francisco, CA (November 2009). Panelist
- *Women's Affinity Groups*, Linkage Women in Leadership Summit, San Francisco, CA (November 2008). Panelist



## Virginia K. DeMarchi

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Litigation Group

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Emphasis:

Patent Litigation

Intellectual Property Litigation

Virginia K. DeMarchi is a partner in the Litigation Group of Fenwick & West LLP, a law firm specializing in technology and life sciences matters. She practices out of the firm's Mountain View, California, office. Ms. DeMarchi represents technology clients in patent litigation and in litigation involving other forms of intellectual property.

Ms. DeMarchi has tried six federal district court cases and has argued appeals to the Federal Circuit and the Ninth Circuit. Before joining Fenwick & West, Ms. DeMarchi worked as a trial attorney in the Civil Division of the U.S. Department of Justice in Washington, D.C. She served as a judicial law clerk to the Honorable Steven J. McAuliffe, U.S. District Court for the District of New Hampshire following law school.

Ms. DeMarchi received her undergraduate degree, with distinction and honors in Humanities from Stanford University in 1990. She graduated with a J.D., *cum laude*, in 1993 from Harvard Law School. She is admitted to practice in federal and state courts in California, the Court of Federal Claims, and the Courts of Appeals for the Federal Circuit and the Ninth Circuit.

Ms. DeMarchi has been named a Northern California "Super Lawyer" in the area of Intellectual Property Litigation (2011).

Her clients include:

- Hewlett-Packard Company
- Infoblox, Inc.
- Joby, Inc.
- LSI Corporation
- National Products, Inc.
- Netflix, Inc.
- Novozymes A/S and Novozymes North America, Inc.
- YMAX Corporation

### Publications/Presentations

*A Look Ahead: Patent Cases Before the U.S. Supreme Court and Federal Circuit in 2011*, Fenwick & West Patent Law Year in Review (January 2011).

*Navigating Contractual Indemnity Obligations for Claims of Patent Infringement*, ABA IP Litigation Newsletter (January 2010).

*Selected Legal Issues for Cloud Computing*, CTUAA Annual Conference (December 2009).

*Injunctions After eBay v. MercExchange*, abridged version published in Daily Journal "Focus" column (July 27, 2007).

*Recent Developments in the Law of Business Damages*, Bridgeport Continuing Legal Education (June 2006).

*Can Expert Witnesses Be Sued?* California Litigation, vol. 14, no. 3 (2001).

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## Significant Litigation Matters

### Patent Cases

*Novozymes v. Danisco.* Ms. DeMarchi represented Novozymes in a successful action against rival Danisco for infringement of Novozymes' patent for an improved alpha-amylase useful for fuel ethanol production, among other industrial applications. A jury found that Danisco willfully infringed Novozymes' patent and awarded over \$18.2 million in damages.

*Parallel Networks v. FriendFinder Networks.* Ms. DeMarchi defended FriendFinder in a patent infringement trial in the United States District Court for the Eastern District of Texas, where she helped the client obtain a defense damages verdict of less than \$1.3 million in the face of the plaintiff's demand of \$62 million. The patents-in-suit concerned web page delivery.

*O2 Micro International v. Monolithic Power Systems.* Ms. DeMarchi represented O2 Micro in the company's efforts to obtain discovery in the U.S. for use in foreign patent proceedings pursuant to 28 U.S.C. §1782, including the successful defeat of an appellate challenge in the Ninth Circuit.

### Other Intellectual Property Cases

*National Products v. Gamber-Johnson.* Ms. DeMarchi represented National Products at trial challenging rival Gamber-Johnson's false advertising. The jury found Gamber-Johnson had deliberately violated the Lanham Act and awarded National Products substantial damages.

*Joby v. Toca America.* Ms. DeMarchi represented Joby in a trade dress infringement action to protect its unique product design. Joby's motion for a preliminary injunction was resolved by stipulation and the matter settled thereafter.

*CollegeNET v. XAP Corporation.* Ms. DeMarchi represented XAP in its defense against claims of patent infringement and false advertising, and second-chaired two trials on the false advertising claim.



Darren E. Donnelly

Partner

Litigation and  
Intellectual Property Groups

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Emphasis:

Intellectual Property

Patent Litigation

Technology Litigation

Darren E. Donnelly is a partner in the Litigation and Intellectual Property Groups and focuses on patent and other technology litigation and counseling. Mr. Donnelly practices out of the firm's Mountain View, California office. His practice emphasizes data management, technical computing, telecommunications, and Internet technologies. The clients Mr. Donnelly has represented include:

- Amazon.com, Inc.
- Cognos, Inc.
- Cryptography Research, Inc.
- Electronic Arts
- Good Technology
- Hewlett Packard
- Informatica Corporation
- Intuit
- Netflix
- Symantec Corporation
- VIA Technologies, Inc.
- Zappos

Mr. Donnelly received undergraduate degrees from Stanford University in mathematical and computational science and economics. He received an M.S. from Stanford where his graduate work focused on the design of intelligent decision systems. He attended law school at Santa Clara University, graduating with a J.D. in 1997.

Mr. Donnelly served as trial counsel for Amazon.com in *Cordance Corp. v. Amazon.com*, winning a defense verdict before a Delaware jury that found two of three patents not infringed and the one remaining patent invalid.

Mr. Donnelly served as trial counsel for Informatica in *Informatica Corp. v. Business Objects*, winning a \$25 million jury award in its patent suit against Business Objects.

Mr. Donnelly represented Cryptography Research, Inc. ("CRI") in *Cryptography Research v. VISA*, a watershed case for the secure smart card industry, where CRI asserted eight fundamental patents covering differential power analysis countermeasure against Visa International. VISA settled on terms very favorable to CRI.

Mr. Donnelly represented Netflix in *Lycos v. Netflix et al.* where, after transferring the case from a "rocket docket" to a more favorable venue, he convinced the court to stage the case to allow accelerated — and ultimately successful — summary judgment of non-infringement with minimal discovery. Mr. Donnelly has subsequently represented Netflix in other several other matters all to favorable resolution.

For over a decade, Mr. Donnelly has represented Amazon.com and its affiliates in several patent infringement cases, including against Barnesandnoble.com, where he helped enforce via preliminary injunction, Amazon.com's 1-click® patent.

Mr. Donnelly is admitted to practice before the United States Patent and Trademark Office. In addition to preparing and prosecuting patent applications in the U.S. and abroad, he has counseled companies on patent portfolio development and management, patent licensing strategies, and patent enforcement strategies.



## Bryan A. Kohm

Senior Associate

Litigation Group

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Emphasis:

Patent Litigation

Trade Secret Litigation

Complex Commercial Litigation

Bryan A. Kohm is a senior associate in the Litigation Group of Fenwick & West LLP, a law firm specializing in technology and life sciences matters. Mr. Kohm is resident in the San Francisco office.

He practices intellectual property and complex commercial litigation, with a focus on representing high technology and life science companies in patent infringement and trade secret misappropriation disputes. Mr. Kohm has experience in a wide variety of venues throughout the country, including federal and state courts, the International Trade Commission, and the Court of Appeals for the Federal Circuit.

His representative matters include:

- *In the Matter of Certain Biometric Scanning Devices* – Mr. Kohm served as trial counsel in the defense of a Korean manufacturer of fingerprint detection devices in an investigation pending before the International Trade Commission.
- *The Laryngeal Mask Company Ltd. et al. v. Ambu A/S et al.* – Mr. Kohm represented Ambu, a leading manufacturer of medical devices, in a patent infringement action brought by a competitor. Mr. Kohm assisted Ambu in obtaining summary judgment of non-infringement and invalidity.
- *St. Clair Intellectual Property Consultants v. Samsung Electronics Co. Ltd. et al.* – Mr. Kohm currently represents Hewlett-Packard Company in a patent infringement action filed by St. Clair Intellectual Property Consultants relating to digital cameras.
- *BrandPort, Inc. v. Virgin Mobile USA, LLC* – Mr. Kohm assisted Virgin Mobile in obtaining a complete defense victory in a trade secret action. BrandPort filed suit alleging that Virgin Mobile misappropriated 55 of its trade secrets disclosed in a request for proposal process.
- *CallWave, Inc. v. Web Telephony, LLC* – Mr. Kohm represented CallWave, a provider of enhanced voice over IP telecommunications services, in a patent infringement matter with Web Telephony, LLC. A favorable settlement was obtained.

Mr. Kohm has been a member of teams representing, among others, the following additional clients:

- BitTorrent, Inc.
- Cisco Systems, Inc.
- Fairchild Imaging, Inc.
- Intuit Inc.
- Kovio, Inc.
- Omniture, Inc.

Mr. Kohm received his J.D. from Santa Clara University School of Law in 2004, where he served as an editor for the *Santa Clara Computer & High Technology Law Journal*. He received his B.A. in philosophy from Hamilton College, New York, in 2001.

Mr. Kohm is a member of the state bar of California and is admitted to practice before all federal district courts in California, as well as the United States District Court for the Eastern District of Texas and the United States Court of Appeals for the Federal Circuit.

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Heather N. Mewes

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Emphasis:

Patent Litigation

Appeals

Heather N. Mewes is a partner in the Litigation Group of Fenwick & West LLP, a law firm specializing in technology and life sciences matters. Ms. Mewes' practice focuses on patent litigation and appeals. She has experience in a variety of technological fields, principally relating to bioscience and computer technologies. Ms. Mewes has represented technology companies and universities in high stakes patent litigation. For example, she served as lead counsel for Intuit in a case involving mobile banking products and won summary judgment of non-infringement only 8 months after the case was originally filed. She also served as second chair on a team that successfully enforced university patents covering award-winning personalized medicine products. She has defeated numerous suits against her clients brought by patent trolls in the Eastern District of Texas and elsewhere. In addition, Ms. Mewes has prosecuted and won appeals on behalf of her clients in the Federal Circuit, including for example *The Regents of the University of California v. Dako*, 517 F.3d 1364 (Fed. Cir. 2008), *Hewlett-Packard v. Acceleron*, 587 F.3d 1358 (Fed. Cir. 2009) and *Digital Insight v. MShift*, Case No. 2011-1057 (Fed. Cir. 2011). Among the clients Ms. Mewes has represented are:

- Abbott Molecular Inc.
- CooperVision, Inc.
- Good Technology, Inc.
- Hewlett-Packard Company
- Intuit Inc.
- O<sub>2</sub>Micro International Ltd.
- The Regents of the University of California

Ms. Mewes is active in the San Francisco Bay Area Intellectual Property American Inn of Court and the Federal Circuit Bar Association. She also serves on the Board for the Boalt Hall Alumni Association.

Ms. Mewes has been recognized as a "Rising Star" in the area of Intellectual Property Litigation by *Northern California Super Lawyers* from 2009-2011.

Ms. Mewes clerked for the Honorable William C. Bryson, United States Court of Appeals for the Federal Circuit and is admitted to practice in that court, as well as all federal courts in California and the Eastern District of Texas.

Ms. Mewes received her J.D. from the University of California at Berkeley, Boalt Hall, Order of the Coif. While at Boalt, Ms. Mewes served as Editor-in-Chief of the *Berkeley Technology Law Journal* and as a member of the *California Law Review*. Ms. Mewes received her B.S. in foreign service from Georgetown University, *Phi Beta Kappa*.

Ms. Mewes is a member of the State Bar of California.

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## Stuart P. Meyer

Partner

Intellectual Property Group and  
Litigation Group

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### Emphasis:

Patent, Copyright, Trade Secret  
Protection

Strategic Intellectual Property  
Planning

Intellectual Property Litigation

Intellectual Property Audits

Counseling in Related Areas

Stuart P. Meyer is a partner in the Intellectual Property and Litigation Groups of Fenwick & West LLP, a law firm specializing in technology and life sciences matters. Mr. Meyer counsels clients on intellectual property matters, including technology-based litigation, performing strategic intellectual property planning and intellectual property audits for high technology companies, and securing patent, copyright, and other intellectual property rights.

Mr. Meyer's client portfolio includes a wide variety of high technology companies, from small start-ups to multinational public companies. Mr. Meyer has also represented other organizations prominent in high technology, such as the Massachusetts Institute of Technology, for which he served as counsel in litigation involving the so-called RSA encryption patent, considered to be fundamental to data privacy. Significant corporate clients he has represented include:

- ACNielsen
- Apple Inc.
- Canon Research Americas, Inc.
- Cisco Systems, Inc.
- Compuware Corporation
- GE Healthcare
- Glaxo Wellcome
- Google Inc.
- Hewlett-Packard Company
- Intuit Inc.
- Palm, Inc.
- Sun Microsystems, Inc.
- Symantec Corporation

Mr. Meyer has been a guest lecturer on copyright law at the University of California's Boalt Hall School of Law. He has contributed to books and authored numerous articles on intellectual property law. He is frequently invited to lecture on this topic throughout the United States and abroad. Mr. Meyer was recently named one of *The Best Lawyers in America 2012* in Information Technology Law and as a "Leading Individual" for Intellectual Property Law by *Chambers USA 2011*. He was also named to *The International Who's Who of Internet & e-Commerce Lawyers, 2009* and *The International Who's Who of Business Lawyers, 2010* published by *Who's Who Legal*. *Intellectual Asset Management* magazine includes Mr. Meyer in their *IAM 250-The World's Leading IP Strategists* guide for 2009, 2010 and 2011. He has also been recognized as a Northern California "Super Lawyer" in the areas of Intellectual Property and Intellectual Property Litigation each year since 2006.

Mr. Meyer was an electrical engineer with an engineering consulting firm in the telecommunications area before entering law school. He received his B.S. in Electrical Engineering from Carnegie Mellon University, his M.S. in Electrical Engineering and Computer Science from Princeton University, and his J.D. from Yale Law School.

His affiliations include the International Technology Law Association, formerly the Computer Law Association (of which he is a past president); the American Intellectual Property Law Association; the Intellectual Property Owners Association; the American Bar Association Section on Patent, Trademark & Copyright Law; the Association for Computing Machinery; and the Institute of Electrical & Electronics Engineers.

Mr. Meyer is a member of the state bars of California and Vermont. He is also a member of the bar for the District of Columbia. He is a registered patent attorney and practices regularly before the U.S. Patent and Trademark Office.

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Charlene M. Morrow

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Emphasis:

Patent Litigation

Intellectual Property Litigation

Charlene M. Morrow is Chair of the firm's Patent Litigation Group which has more than 50 members, and also leverages the expertise of the firm's 45+ member Patent Group.

She has an active nationwide trial practice representing software, semiconductor and medical device companies in a range of disputes, both on the plaintiff and defense side, including recent jury trial victories in California and Delaware.

Ms. Morrow's clients have included:

- Ambu A/S
- Hewlett-Packard Company
- Los Alamos National Security, LLC
- Rovi Corporation
- The Regents of the University of California

Ms. Morrow received her A.B., summa cum laude from the University of Southern California, *Phi Beta Kappa*, *Sigma Xi* and her J.D. from the University of California at Berkeley, Boalt Hall School of Law, where she was the Senior Notes and Comments Editor for the *High Technology Law Journal*, received the Prosser Prize in Computer Law, and was elected to the Order of the Coif.

Ms. Morrow is a member of the State Bar of California, admitted to practice in the courts of the State of California, in the Northern, Central and Eastern Districts of California, in the District of Arizona and in the Eastern District of Texas. She is also admitted to practice in the Ninth and Federal Circuit Courts of Appeal.

### **Appellate Representations**

Ms. Morrow was lead counsel for Hewlett-Packard in *Hewlett-Packard Co. v. Acceleron LLC*, 587 F.3d 1358 (Fed. Cir. 2009), which set a new standard for when a declaratory judgment action may be brought against a patent holder.

### **Software Representations**

Ms. Morrow has handled software patent cases involving a wide range of software techniques, including user interfaces, voice recognition interfaces, 2-D and 3-D graphics, digital rights management, Internet technologies, and other communications and networking technologies. She has also handled software copyright, trade secret, and contract disputes.

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Ms. Morrow was lead trial counsel substituted in to defend Macromedia in a seven-patent, two-jurisdiction dispute between Adobe, Inc. and Macromedia. After back-to-back jury trials that resulted in a net damage award in favor of Macromedia, and while Macromedia's request for an injunction against Adobe Illustrator was pending, a resolution was reached.

Ms. Morrow was appellate counsel substituted in to handle an appeal for Apple of an adverse summary judgment ruling; the resulting reversal is reported at *Apple Computer, Inc. v. Articulate Sys. Inc.*, 234 F.3d 14 (Fed. Cir. 2000).

### **Semiconductor Representations**

Ms. Morrow has handled patent, trade secret and breach of contract cases involving semiconductor equipment, semiconductor process technologies, device design, integrated circuit design, and packaging.

Ms. Morrow substituted in to defend O2Micro, Inc. in a patent and trade secret dispute with Monolithic Power Systems, and was instrumental in obtaining a defense jury verdict that the patents asserted against O2Micro were both invalid and non-infringed. O2Micro also obtained a jury verdict of \$ 12 million on its trade secrets counterclaim. Both jury verdicts were affirmed on appeal in 2007.

Ms. Morrow was asked to defend start-up Scenix Semiconductor in a six patent case brought against it by Microchip Technologies. She obtained the withdrawal of four of the six patents, and defeated a preliminary injunction motion on the remaining two. The district court's claim construction and preliminary injunction decisions were affirmed on appeal, and the matter settled thereafter. *MicrochipTechnology, Inc. v. Scenix Semiconductor, Inc.*, 2000 U.S. App. LEXIS 14131 (2002).

In connection with her defense of client Information Storage Devices, which was sued by Atmel Corporation shortly before it went public, Ms. Morrow conducted the first *Markman* (claim construction) hearing held in the Northern District of California. She went on to obtain summary judgment of noninfringement of two of three patents, sanctions, and summary judgment of invalidity of the third patent on an issue of first impression. The latter ruling was reversed in part on appeal in *Atmel Corp. v. Information Storage Devices, Inc.*, 1998 U.S. Dist. LEXIS

17564 (Fed. Cir. 1999). The matter settled favorably following remand and renewal of ISD's motions.

### **Medical Device Representations**

Ms. Morrow has handled patent, trade secret and breach of warranty cases involving a variety of endoscopic and implantable technologies.

In 2007, Ms. Morrow was lead trial counsel for The Regents of the University of California in a bench trial on the original patent portfolio covering the Guglielmi detachable coils, used primarily in treating brain aneurysms. The matter settled on the first day of trial, in a manner very favorable to The Regents, after a series of favorable rulings on the defenses raised by defendant ev3.

### **Additional Information**

Following law school, Ms. Morrow clerked for the Honorable William W Schwarzer, United States District Court for the Northern District of California.

Ms. Morrow is AV-rated by Martindale-Hubbell. She is one of four intellectual property litigators mentioned in "Crisis Management: 28 Experts to Call When All Hell Breaks Loose," *Corporate Legal Times* (Jan. 2003), is ranked as a 2011 "Northern California Super Lawyer" by *San Francisco* magazine and has been named as one of the "Best Lawyers in the Bay Area" by *Bay Area Lawyer* magazine. She was recognized by *The Daily Journal* as one of the state's top 35 patent professionals (covering patent litigators, prosecutors and portfolio managers) and named one of the leading women litigators in California for 2010.

Ms. Morrow is a President Emerita of the San Francisco Bay Area Intellectual Property Inn of Court. She has given presentations on patent litigation and trial skills to the American Bar Association, Intellectual Property and Litigation sections, and to the Practising Law Institute. Recent publications by Ms. Morrow include: "Indemnity Exclusions for Goods Made According to Specification or Industry Standard," *American Intellectual Property Law Association* (Fall 2009).



Rajiv P. Patel

Partner

Intellectual Property (IP) Group

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Emphasis:

Patent Procurement

Strategy

Counseling

Prosecution

Patent Disputes

Reexamination

Litigation

IP/Patent Transactions

Due Diligence

Audits

Rajiv P. Patel is a partner in the Intellectual Property Group of Fenwick & West LLP. He is regularly called upon to advise on a wide range of patent matters ranging from patent strategies for startup companies, patent audits and restructuring for emerging companies, patent diligence in financing and merger and acquisition matters, and patent litigation and reexamination cross-over strategies for companies embroiled in patent disputes.

In patent procurement matters, Mr. Patel creates patent strategies and counsels, prepares and prosecutes patents in areas such as integrated circuit design, mobile, media and gaming, and medical device and analytics technologies. He advises companies on strategic uses of patent reissue proceedings and actively prosecutes such proceedings. He also appears in appeals before the Board of Patent Appeals and Interferences. In addition, Mr. Patel develops and executes global patent strategies involving patent procurement in Europe, Canada, Australia, Japan, Korea, China, Taiwan, Brazil and India.

In patent dispute matters, Mr. Patel is active in reexamination and litigation proceedings in technology areas that include solid-state memories, electronic gaming, Internet infrastructure, electronic commerce, and media and entertainment.

In patent transaction matters he is involved with negotiations of patent and intellectual property ("IP") licenses, and leads IP due diligence and audit matters in corporate transactions in industries such as clean technology and social media.

Among the clients Mr. Patel has represented are:

- Amazon.com, Inc.
- Canon Research Americas, Inc.
- Hewlett-Packard Company/Palm, Inc.
- Logitech, Inc.
- Sipro Lab Telecom, Inc.
- Synopsys, Inc.
- Twitter, Inc.
- Ustream, Inc.
- VoiceAge Corporation
- Woodman Labs, Inc. (dba GoPro)

In addition to his law practice, Mr. Patel was an Adjunct Professor of Law at the University of California, Hastings College of the Law where he taught a patents course. Presently, he is on the faculty of Practising Law Institute and chairs the Advanced Patent Prosecution program.

Mr. Patel has been recognized as a Northern California "Super Lawyer" in the area of Intellectual Property each year since 2006.

Mr. Patel received his Bachelor of Science (with high honors) in Electrical Engineering from Rutgers University (NJ). He received his Juris Doctor and Master of Intellectual Property from the University of New Hampshire (formerly Franklin Pierce Law Center). He is a member of the California Bar and is registered to practice before the U.S. Patent and Trademark Office.

Highlighted Legal Experience:

Patent Strategy and Portfolio Development

- Served as in-house patent counsel role for large electronics industry company, managing patent portfolio and instructing outside counsel.
- Created patent strategy and developing patent portfolio for \$500 million plus product line for a peripherals company.
- Restructured existing portfolio of 100-plus patents for a devices company to align patent portfolio with re-directed business strategy.
- Created patent strategy and advised on patent portfolio for on-line auction company. Patent portfolio sold for over \$750,000.
- Sample Patents (Electrical / Electronics):
  - U.S. Patent No. 7,058,907 Reduction of Cross-Talk Noise in VLSI Circuits
  - U.S. Patent No. 6,246,294 Supply Noise Immunity Low-Jitter Voltage-Controlled Oscillator Design
  - U.S. Patent No. 6,052,033 Radio Frequency Amplifier System and Method
  - U.S. Patent No. 5,991,296 Crossbar Switch with Reduced Voltage Swing and No Internal Blocking Path
  - U.S. Patent No. 5,948,083 System and Method for Self-Adjusting Data Strobe
- Sample Patents (Consumer / Mechanical Products):
  - U.S. Patent No. 6,813,372 Motion and Audio Detection Based Webcamming and Bandwidth Control
  - U.S. Patent No. 6,246,016 Optical Detection System, Device, and Method Utilizing Optical Matching
  - U.S. Patent No. 5,835,852 Integrated Electronic Communication Device and Clip
- Sample Patents (Computer Architecture/Software):
  - U.S. Patent No. 6,389,405 Processing System for Identifying Relationships Between Concepts
  - U.S. Patent No. 6,275,622 Image Rotation System
  - U.S. Patent No. 6,055,629 Predicting Branch Instructions in a Bunch Based on History Register Updated Once
  - U.S. Patent No. 5,995,955 System and Method for Expert System Analysis Using Quiescent and Parallel Reasoning and Set Structured Knowledge Representation

Highlighted Legal Experience:

Patent IP Transactions (Representative Matters)

- Led intellectual property audit for Fortune 500 communication company's intellectual property in wireless technology and advised on intellectual property issues in context of tax framework.
- Led intellectual property audit for electronic gaming company and developed intellectual property management structure for company.
- Conducted numerous intellectual property due diligence projects for high-technology investments by venture capital companies and for targets and acquirers in merger and acquisition matters.

Patent Litigation (Representative Cases)

- *Nomadix v. Hewlett-Packard Company et al.* – patent litigation involving Internet protocol network redirection.
- *Reunion.com and GoodContacts Ltd. v. Plaxo, Inc.* – patent litigation involving social media and contact management technology.
- *Akamai Technologies, Inc. v. Speedera Networks, Inc.* – patent litigation involving Internet content delivery services.
- *Planet Bingo, LLC v. GameTech International, Inc.* – patent litigation involving casino style games on electronic devices.
- *GameTech International, Inc. v. Bettina Corporation* – patent litigation involving electronic gaming.
- *SanDisk Corporation v. Lexar Media, Inc.* – patent litigation involving flash memory consumer products.
- *ICTV, Inc. v. Worldgate Communications, Inc.* – advised on patent litigation strategy in interactive television market.
- Litigation and reexamination crossover matters – advised on and led *ex parte* and *inter partes* reexaminations in litigation context.
- Reexamination patent defense – advised on and led defense of patents in reexamination, including highly visible electronic commerce patent at U.S. Patent and Trademark Office.

Teaching Experience

- Program Co-Chair; ITechLaw India Conference.
- Program Chair; Practising Law Institute course on “Advanced Patent Prosecution”.
- Program Chair; Practising Law Institute course on “Reexamination and Patent Litigation Crossover Proceedings”.
- Faculty Member; Practising Law Institute courses on “Fundamentals of Patent Prosecution,” and “Patent Law for the Non-Specialist”.
- Adjunct Professor of Law at University of California, Hastings College of the Law.

## Publications

- *"Eighteen Months Later: How Bilski has Impacted Process Patents"*, 2011.
- *"Seven Sins – IP Mistakes Technology Start Ups Should Avoid"*, 2010.
- *"Developing a Patent Strategy - A Checklist for Getting Started"*, 2003-2008.
- *"International Patent Strategy"*, [www.fenwick.com](http://www.fenwick.com), 2006-2007.
- *"An Introduction to U.S. Patent Prosecution,"* Fundamentals of Patent Prosecution, Practising Law Institute, 2005-2008.
- *"Challenging (or Strengthening) Patents in the U.S. Using Patent Reexamination"*, ITechLaw Association Asian Conference, Mumbai, India, 2008.
- *"Patent Reexamination and the Crossover with Litigation"*, Practising Law Institute, 2007-2008.
- *"Software Escrows as Part of an Intellectual Property Strategy,"* ITechLaw Association First Asian Conference, Bangalore, India, 2005.
- *"Underutilized Patent Reexaminations Can Improve Business Strategy,"* Daily Journal, Vol. 110, No. 75, April 19, 2004.
- *"Software Outsourcing Offshore – Business and Legal Issues Checklist,"* SHG Software 2004 Conference, 2004.
- *"A Strategic Look at the Final Rejection,"* Advanced Patent Prosecution Workshop, Practising Law Institute, 2003 - 2006.
- *"Think Value, Not Cheap, For Long-Term Success,"* Succeeding with New Realities, TiEcon 2003, Published by TiE Silicon Valley 2003.
- *"The Intellectual Property Audit,"* Building and Enforcing Intellectual Property Value, An International Guide for the Boardroom 2003, Published by Globe White Page 2002.
- *"Patent Portfolio Strategy for Start-Up Companies: A Primer,"* Patent Strategy and Management, Vol. 3, No. 7, Nov. 2002.
- *"Potent Portfolio,"* Daily Journal, Vol. 106, No. 244, Dec. 15, 2000.
- *"Own Idea,"* Daily Journal, Vol. 105, No. 10, Jan. 15, 1999.
- *"Disclose Lite,"* Daily Journal, Vol. 103, No. 55, Mar. 21, 1997.

## Organization and Community Participation

- Board Member, University of New Hampshire School of Law
- Board Member (past), ITechLaw Association
- American Intellectual Property Law Association
- TiE ("The Indus Entrepreneurs"/"Talent, Ideas, Enterprise")
- Coach (Soccer and Baseball)



Robin W. Reasoner

Associate

Intellectual Property Group

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Emphasis:

Patents

Robin W. Reasoner is an associate in the Intellectual Property Group of Fenwick & West LLP, a law firm specializing in technology and life sciences matters. Ms. Reasoner's practice includes strategic patent counseling and obtaining domestic and foreign patent rights in a number of technical fields, including optics, computer software, and business methods. She has prepared and prosecuted numerous provisional and utility applications.

In addition to securing patent protection for her clients, she has attacked issued patents on behalf of clients in litigation proceedings in U.S. Federal Courts and in *inter partes* reexamination proceedings before the U.S. Patent and Trademark Office. She also provides IP due diligence and litigation support.

The following are among the clients Ms. Reasoner has represented on patent matters:

- AOptix Technologies, Inc.
- Cisco Systems, Inc.
- Google Inc.
- Honda R&D Americas, Inc.
- Informatica Corporation
- Intuit Inc.
- Logitech, Inc.

Ms. Reasoner received her J.D., with distinction, from Stanford University in 2004. She received her B.A., with honors and *Phi Beta Kappa*, in physics and economics from Grinnell College in 1999.

Ms. Reasoner is a member of the State Bar of California and is registered in the U.S. Patent and Trademark Office as a patent attorney.



Robert R. Sachs

Partner

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Emphasis:

Strategic Patent Portfolio  
Development

Software Patents

Robert R. Sachs is a partner in the Intellectual Property Group of Fenwick & West LLP, a law firm specializing in high technology matters, headquartered in Mountain View, California.

Mr. Sachs is resident in the San Francisco office and his practice concentrates on strategic patent counseling and prosecution for software technologies.

He is also the primary patent evaluator for a various patent pools on today's most important audio, video, and communications technologies, including IEEE 802.11, MPEG-4 AAC, DVB-MHP, OCAP, Digital Radio Mondiale, and NFC-IP.

Particular areas of expertise include Internet technologies, multimedia applications, user interfaces, audio/video technologies. Clients he has represented include:

- Google Inc.
- Facebook, Inc.
- Intuit Inc.
- Harrah's Entertainment
- Via Licensing
- Apple Inc.
- Barclay's Global Investors
- Excite@Home
- Dreamworks Inc.

Mr. Sachs received his J.D. from Yale Law School in 1990, and his M.S. in software engineering from National University in 1996. He earned a B.A. in philosophy and a B.A. in psychology from the University of California, San Diego, in 1987, where he graduated *summa cum laude*.

#### Selected Speaking Engagements

Mr. Sachs has been a speaker and panelist at many conferences, including:

- *Churchill Club Great Debate: Should Software Be Patentable?*, Fenwick & West LLP, Mountain View, CA, February 16, 2011
- *Business Methods Partnership Meeting*, United States Patent & Trademark Office, September 19, 2010
- *Seventh Annual Ecommerce Best Practices Conference*, Stanford Law School, June 25, 2010
- *Bilski Amicus Roundtable*, Fenwick & West LLP, Mountain View, CA, July 10, 2009.
- *Sixth Annual Ecommerce Best Practices Conference*, Stanford Law School, June 12, 2009.
- *Patent Pools: Still Relevant After All These Years* at Licensing Executive Society USA & Canada, 2009 Winter Meeting, San Antonio Texas, February 26, 2009
- *Shifting Strategies in Patent Law* at 2009 Santa Clara Computer & High Technology Law Journal Symposium, January 30, 2009

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- *Strategic Legal Considerations for MoTV Businesses*, at Mobile TV & Video Summit at NAB2007, Las Vegas, Nevada, April 17, 2007.
- *Strategies for Claim Drafting for Business Method and Financial Patents*, at Software IP Strategy Summit, Palo Alto, California, February 20, 2007.
- *Business Method Patents in the United States*, at Patent Law Year in Review: 2006, Palo Alto, California, January 19, 2007.

## Selected Publications

Mr. Sachs is the author of several articles on patent strategy, including:

- *Making Sense of the Revived Machine-or-Transformation Test in In re Bilski*, by Robert Sachs & Robert Hulse. IP & Technology Law Journal, Jan. 2009.
- *On Shaky Ground: The (Near) Future of Patents After Bilski*, by Robert Sachs & Robert Hulse. The Intellectual Property Strategist, Vol. 15, No. 3, Dec. 2008.
- *Lessons in Patent Prosecution Quality Control from the Federal Circuit*, on the implications of the Federal Circuit's decision in Microsoft Corp. v. Multi-Tech Systems on how patents are prosecuted. Fenwick & West IP Bulletin, July, 2004.
- *Strategic Use of Continuation Applications*, on using continuation applications to expand a patent portfolio for licensing, litigation, and competitive advantage.
- *Strategic Patent Due Diligence*, on how to assess patent portfolios during mergers and acquisitions.
- *A Framework for Identifying Inventions Worth Patenting*, on using competitive advantage based analysis to select inventions for patenting.
- *Method Madness* on patenting financial inventions in light of the Federal Circuit decision in *State Street Bank*.
- *Global Warning: The Internet's International Nature Presents Complex Patent Problems*, on problems in patenting inventions relating to the Internet and E-commerce.
- *Software Support & Analyzing the PTO's Guidelines for Computer Implemented Inventions*, analyzing the PTO's 1996 guidelines for examining software patents

## Key Experience

- Created patent strategy for one of the early Internet music download websites, for which primary patent on system architecture sold for \$7 million.

- Patented fundamental mutual fund model of age-based lifecycle mutual funds for a leading financial service company, now a \$110 billion market.
- Patented demand forecasting models for private software firm, used by several multinational retailers and fast food chains.
- Negotiated patent license with world's largest software and computer company, resulting in savings to client in excess of \$5 million in royalties.
- Created patent strategy for leading casino and hotel management company, including prosecution of strategic patents on player tracking systems.

## Sample Patents

### **Internet Technologies**

- Internet profiling (6839680)
- Method and apparatus for mapping a community through user interactions on a computer network (6745196)
- Scalable database management system (7065526)
- System and method for extension of group buying throughout the internet (6934690)

### **Graphics**

- 3D stroke-based character modeling suitable for efficiently rendering large crowds (6326972)
- Method and system for detecting scenes and summarizing video sequences (5805733)
- Method, apparatus, and software product for generating outlines for raster-based rendered images (5767857)
- Method, apparatus, and software product for generating weighted deformations for geometric models (5892691)
- Shape interpolation for computer-generated geometric models using independent shape parameters for parametric shape interpolation curves (6108011)

### **Computers and Communications**

- Compressed file patcher (7162717)
- Fairly partitioning resources while limiting the maximum fair share (6909691)
- Granting access rights to unattended software (7024689)
- Identification and authentication management (7117529)

- Method and system for dynamically synthesizing a computer program by differentially resolving atoms based on user context data (5966533)
- Method and system for synchronous operation of linked command objects (6757905)
- Providing quality of service guarantees to virtual hosts (6976258)
- Reducing stack memory resources in a threaded computer system (6968557)
- Regulating file access rates according to file type (6907421)
- System and method for providing cooperative interrupts in a preemptive task scheduling environment (5911065)
- Teleservices computer system, method, and manager application for integrated presentation of concurrent interactions with multiple terminal emulation sessions (5974135)

### **Financial Inventions**

- Business Demand Projection System And Method (5,459,656)
- Cash flow optimization using a genetic algorithm (7124105)
- Client-Server Online Payroll Processing (6,411,938)
- Customer valuation in a resource price manager (7212978)
- Dynamic market equilibrium management system, process and article of manufacture (7107230)
- Integrated system and method for analyzing derivative securities (5692233)
- Investment Fund Management Method And System With Dynamic Risk Adjusted Allocation Of Assets (5,812,987)
- Investment Fund Management Method and System (6,336,102)
- On-line group-buying sale with increased value system and method (7194427)
- Personal online banking with integrated online statement and checkbook user interface (5903881)
- Product Demand System And Method (5,299,115)
- Report generation system and method (5423033)
- System and method for determination of incremental value at risk for securities trading (5819237)
- Watershed method for controlling cashflow mapping in value at risk determination (6122623)

## **User Interface**

- Data refinery: a direct manipulation user interface for data querying with integrated qualitative and quantitative graphical representations of query construction and query result presentation (6208985)
- Immersive movement-based interaction with large complex information structures (6154213)
- Method and system for automatic classification of video images (5872865)
- System And Method Enabling Awareness Of Others Working On Similar Tasks In A Computer Work Environment (5,960,173)
- User Interface And Method For Controlling And Displaying Motion, Visual, And Sound Effects Of An Object On A Display (5,592,602)
- Visualization of information using graphical representations of context vector based relationships and attributes (5794178)
- Wireless Communication Device With Markup Language Based Man-Machine Interface (6,317,781)

## **Predictive Modeling and Solutions**

- Fast Explanations Of Scored Observations (5,745,654)
- Fraud detection using predictive modeling (5819226)
- Predictive modeling of consumer financial behavior (6430539)
- Risk determination and management using predictive modeling and transaction profiles for individual transacting entities (6330546)
- Unsupervised Identification Of Nonlinear Data Cluster In Multidimensional Data (6,226,408)
- Cortronic neural networks with distributed processing (6366897)

## **Information Retrieval**

- Dynamic content organization in information retrieval systems (6236987)
- Dynamic Generation Of Contextual Links In Hypertext Documents (6,122,647)
- Information retrieval system and method with implementation extensible query architecture (5577241)
- Representation And Retrieval Of Images Using Context Vectors Derived From Image Information Elements (6,173,275)
- System and method for accelerated query evaluation of very large full-text databases (5915249)

- System And Method For Portable Document Indexing Using N-Gram Word Decomposition (5,706,365)
- System and method for searching and recommending objects from a categorically organized information repository (7031961)

#### **Interactive Television**

- Reminder system for broadcast and non-broadcast events based on broadcast interactive applications (6725461)
- Personal convenience unit for enhancing patron use of gaming machines (6116597)

#### **Gaming**

- National customer recognition system and method (6183362)
- Bet guarantee system (5766075)
- Customer worth differentiation by selective activation of physical instrumentalities within the casino (6003013)

#### **Miscellaneous**

- Assigning and managing patron reservations for distributed services using wireless personal communication devices (6748364)
- Integrated disease information system (6108635)
- Transformation of real time data into times series and filtered real time data within a spreadsheet application (5926822)
- Hierarchical biological modeling system and method (5808918)



Michael J. Sacksteder

Partner

Litigation Group

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Emphasis:

Patent Litigation

Intellectual Property Litigation

Michael J. Sacksteder is a partner in the Litigation Group of Fenwick & West LLP, a law firm specializing in high technology and life sciences matters. Mr. Sacksteder practices out of the firm's San Francisco office. Mr. Sacksteder's practice focuses primarily on patent litigation and litigation involving other substantive areas of intellectual property law, including copyright, trade secret, trademark, and unfair competition.

Mr. Sacksteder has served as trial counsel in a number of patent and other intellectual property trials in United States District Court and has engaged in successful appellate practice before the United States Court of Appeals for the Federal Circuit. He has substantial experience in all aspects of pretrial litigation, including claim construction in patent cases.

Mr. Sacksteder's experience encompasses a variety of technological fields, including computer graphics, mainframe software tools, wireless messaging systems, semiconductors, optical networks and nucleic acid microarrays. Representative clients include:

- Apple Inc.
- Asyst Technologies, Inc.
- Cisco Systems, Inc.
- Compuware Corporation
- FriendFinder Networks, Inc.
- Good Technology, Inc.
- Intuit Inc.
- KANA Software, Inc.
- Lexar Media, Inc.
- Macromedia, Inc.
- O<sub>2</sub>Micro International Ltd.
- Omniture, Inc.
- ONI Systems, Inc.
- Plaxo, Inc.
- SAP AG
- Silver Spring Networks

Recently, Mr. Sacksteder successfully argued for a multi-defendant patent lawsuit to be transferred from the Eastern District of Texas to the Northern District of California. In 2008, Mr. Sacksteder served as trial counsel for two defendants in a patent trial in the United States District Court for the Eastern District of Texas. Although the plaintiff – a “non-practicing entity” – had sought \$62 million in damages, the jury instead adopted the defendants' damages figure of \$1.257 million. In 2007, Mr. Sacksteder represented Asyst Technologies in trial in the patent lawsuit *Asyst Technologies v. Empak, et al.* in the United States District Court for the Northern District of California. The jury found Asyst's patent valid and infringed, and awarded Asyst \$74.7 million in lost profits damages for lost sales and price erosion.

In 2005, Mr. Sacksteder served as trial counsel for O<sub>2</sub>Micro in the trade secret and patent case *O<sub>2</sub>Micro v. Monolithic Power Systems*. The jury awarded O<sub>2</sub>Micro \$12 million for the willful misappropriation of O<sub>2</sub>Micro's trade secrets and found that all asserted claims of Monolithic Power Systems' patents-in-suit were invalid and not infringed. Shortly before the O<sub>2</sub>Micro trial, Mr. Sacksteder served as trial counsel for plaintiff Compuware Corporation in the trade secret, copyright and antitrust case *Compuware v. IBM*. That case was settled in Compuware's favor for \$400 million after being tried to a jury for five weeks.

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Mr. Sacksteder has been recognized as a Northern California “Super Lawyer” in the area of Intellectual Property Litigation in 2010 and 2011.

Mr. Sacksteder received his J.D., *magna cum laude*, from Northwestern University, where he was a member of the Order of the Coif. While in law school, Mr. Sacksteder was editor-in-chief of the *Northwestern University Law Review* and represented Northwestern in national moot court competitions. Mr. Sacksteder received his undergraduate degree, with honors, from Indiana University. Prior to attending law school, Mr. Sacksteder worked as a television journalist.

Mr. Sacksteder is a member of the State Bar of California, and is active in the San Francisco Bay Area Intellectual Property American Inn of Court and the American Intellectual Property Law Association. He is admitted to practice in all state and federal courts in California, the United States District Courts for the Eastern District of Texas and the Eastern District of Michigan, and the United States Courts of Appeals for the Ninth Circuit and the Federal Circuit.



Saina S. Shamilov

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Emphasis:

Patent Litigation

Saina S. Shamilov is a partner in the Litigation Group of Fenwick & West LLP, a law firm specializing in technology and life sciences matters. Ms. Shamilov's practice focuses on intellectual property law with emphasis on patent litigation.

Ms. Shamilov has represented clients in various technological fields including networking and telecommunications, e-commerce and Internet-related technologies, software engineering, computer architecture, CRM systems and database management.

The following are among the clients Ms. Shamilov has represented:

- Amazon.com, Inc.
- Ciena Corporation
- Concur Technologies, Inc.
- Foundry Networks, Inc.
- SAP AG
- Silicon Image, Inc.
- Sun Microsystems, Inc.
- Virgin America, Inc.

Prior to attending law school, Ms. Shamilov was a software engineer, and designed and implemented GPS systems.

Ms. Shamilov is a member of the State Bar of California and is registered to practice before the U.S. Patent and Trademark Office. She is also an Adjunct Professor at Santa Clara University School of Law and the author of "*Opinion Letters in the Wake of In re Seagate Technology*", an article published in the July 18, 2008 Daily Journal. Ms. Shamilov was recognized as a Rising Star by Northern California Super Lawyers in 2009, 2010 and 2011.

Ms. Shamilov received her J.D. from Santa Clara University School of Law in 2001, where she received a High Tech Law Certificate. She received her B.S. in Computer Science from the University of California, Davis in 1997. She is fluent in Russian.

Ryan A. Tyz

Associate

Litigation Group

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**Emphasis:**

Intellectual Property Litigation,  
Counseling and Licensing

Ryan A. Tyz is an associate in the Litigation Group of Fenwick & West and practices out of the firm's Mountain View office. He represents clients in a broad range of technology areas, including bioscience, Internet, microprocessor, and software.

Mr. Tyz represented The Regents of the University of California in enforcing the university's patents on fluorescence *in situ* hybridization used in cancer diagnostics.

In 2007, Mr. Tyz was a member of the trial team that secured a multi-million dollar jury award for Informatica Corporation in its patent infringement suit against Business Objects.

Mr. Tyz also represented Cryptography Research, Inc. in enforcing the company's differential power analysis countermeasure patents against Visa, Inc.

In addition, Mr. Tyz has defended against numerous suits brought by "patent trolls" and others in the Eastern District of Texas and other federal district courts throughout the country.

Mr. Tyz received his J.D. from the University of Oregon School of Law in 2004, where he was a member of the *Oregon Law Review*. He received his M.A. in sociology of law, *cum laude*, from the Institute for the Sociology of Law, Spain in 2001. Mr. Tyz received his B.A., in law and society from the University of California, Santa Barbara in 1998.

Member of the State Bar of California and admitted to practice before the U.S. Court of Appeals for the Federal Circuit and the U.S. District Court for the Eastern District of Texas.

His representative clients include:

- Amazon.com, Inc.
- Cryptography Research, Inc.
- Informatica Corporation
- Proofpoint, Inc.
- The Regents of the University of California

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John J. Calvert

Senior Advisor

**Office of Innovation  
Development  
United States Patent and  
Trademark Office**

Mr. Calvert's responsibility as the Senior Advisor of the Office of Innovation Development is to assist and advise the Associate Commissioner for Innovation Development on ways to increase the USPTO presence in the independent inventor, small business and entrepreneurial communities. Mr. Calvert will be directly responsible for pro bono initiatives and the independent inventor/small business Ombudsman program prescribed in the America Invents Act.

Prior to be named Senior Advisor, Mr. Calvert was Administrator for the Inventor Assistance Program, which included inventor outreach, small business outreach and university outreach initiatives. The USPTO made outreach and education a high priority due to the increased interest in intellectual property both by business and education. He expanded the Inventor Assistance Program to include educational initiatives for students, inventors and small businesses and has created inventor assistance through pro bono and pro se initiatives both inside the USPTO and through working with universities and Bar organizations.

Mr. Calvert graduated from North Carolina State University with a Bachelor of Science Degree in Textile Technology in May 1971. He worked for 13 years in the textile industry prior to returning to N.C. State University to pursue a Master of Science Degree in Textile Management. In February of 1990, Mr. Calvert joined the U.S. Patent and Trademark Office as an examiner specializing in textile technology. He became a Primary Examiner in 1995 and a Supervisory Patent Examiner in 1998. He was responsible for supervising as many as 25 examiners in the areas of textile technology and absorbent products. Mr. Calvert also served as Acting Director for the Office of Independent Inventor Programs. He has worked on various details and work assignments during his career at the USPTO.

Mr. Calvert received the Department of Commerce Bronze Medal for superior Federal service and the United States Patent and Trademark Office Exceptional Career Award. He completed studies in the Syracuse University, Maxwell School certificates program of Advanced Public Management and completed the Executive Development Seminar sponsored by the Office of Personnel Management.





