



Intellectual Property Law Section

State Bar of Texas

Special Issue - 2015 Advanced Intellectual Property Law Course

28th Annual Advanced Intellectual Property Law Course

Reporting by David DeZern, Jabbar Fahim, Michael Hawes, Peggy Keene, and Thomas Kelton.

On March 18, the Intellectual Property Section cosponsored a half-day workshop entitled “Getting Your Patent Granted.” The various speakers discussed topics related to prosecution of patent applications, such as claim drafting in light of *Alice* and *Mayo*, the use of pilot programs, and drafting and prosecuting international patent applications.

On March 19–20, the Intellectual Property Law Section cosponsored the 28th Annual Advanced Intellectual Property Law Course. Hope Shimabuku (Xerox Business Services, Dallas) served as course director, with Dyan House (Carter Scholer, Dallas) and Brian McCormack (Baker & McKenzie, Dallas) acting as moderators. Andrews Kurth, LLP and Williams Morgan, P.C. served as event sponsors.

Wednesday

Getting Your Patent Granted Workshop

Wei Wei Jeang (Andrews Kurth, Dallas) began the workshop with an overview of significant patent cases on § 101 patent eligibility. Ms. Jeang also touched on §§ 102, 103, and 112 and provided valuable tips for responding to examiners’ rejections.



Wei Wei Jeang

Ms. Jeang summarized the progression of patent eligibility and the changes U.S. patent law has endured. Notably, many § 101 cases have imported the question of novelty into the question of patent eligibility, a debate that continues as seen in *Mayo Collaborative v. Prometheus Labs*. Most recently, *Alice* created a two-step analysis for determining patent eligibility, the second step of which considers novelty above and beyond a claim directed to abstract ideas, laws of nature, or natural phenomena.

Ms. Jeang also discussed the USPTO’s Interim Guidance stemming from *Alice*. She summarized the USPTO’s focus with respect to computer-implemented claims: improvements to the function of the computer itself, use of “a particular machine,” and effecting a transformation or reduction to a different state or thing. Practically, examiners are giving automatic § 101 rejections to computer-implemented claims. Put another way: *Alice* represents a new, high hurdle when drafting claims directed to computer-based inventions.

Advising Clients on Their Portfolio and Their Patent Applications

Michael Locklar (Adolph Locklar, Houston) spoke about the role of outside counsel for companies without in-house IP counsel. He characterized the primary problem for outside IP counsel as the lack of regular contact with inventors, business team members, and other stakeholders. Educating the people who operate in these



Michael Locklar

positions ultimately begins with explaining the basics of IP and how patents work.

Frequently, business team members have wrong beliefs about patents because of their unfamiliarity with and common misconceptions about the subject matter, such as believing that a patent grants an affirmative right to make, sell, or use the invention. Mr. Locklar recommended establishing an IP Committee to help both the outside IP counsel as well as the client manage their goals and expectations.

In Mr. Locklar's opinion, outside IP counsel's roles should be a facilitator, a mentor, and a technical resource. As a facilitator, counsel should assist the stakeholders to stay on track, reminding the client of deadlines and upcoming dates by keeping regular meetings. As a mentor, counsel should guide the client through the decision-making process. Finally, as a technical resource, counsel should expect to answer legal questions as well as questions regarding fees and costs.

USPTO Examination Guidance

Marc Hubbard (Hubbard Law, Dallas) addressed recent changes to the USPTO's examination guidance and detailed where it differs from case law. His presentation provided helpful drafting tips to take advantage of the guidance, and suggested how practitioners should respond to rejections under the guidance.



Marc Hubbard

The guidance represents and highlights the shift away from bright-line rules and towards a focus on what the applicant invented. Most importantly, the guidance provides patent examiners with an analytical framework for determining subject-matter eligibility when claims are directed to abstract ideas, laws of nature, and natural phenomena.

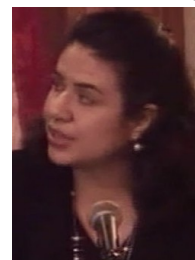
Mr. Hubbard noted some of the primary criticisms of the guidance. These include the lack of any requirement of evidence to support a rejection on the grounds of patent-ineligible subject matter, making the two-part *Mayo* framework the exclusive test for determining if the claims are drawn to patent-eligible subject matter, and the lack of useful guidance on what constitutes an abstract idea. Mr. Hubbard also suggested an interview with the examiner before responding to a § 101 rejection.

Claim Drafting After *Alice* and *Mayo*

Indranil Chowdhury (Chowdhury & Georgakis, Houston) moderated a panel of in-house counsel from diverse industries regarding § 101 issues in patent prosecution after *Alice* and *Mayo*. The panel included Brianna Hinojosa-Flores (Blackberry), Keiko Ichiye (Alcon Laboratories), and Kristina Leavitt (Exxon Mobil). The panelists discussed their recent experience in prosecuting patent applications in their respective technology areas.



Indranil Chowdhury

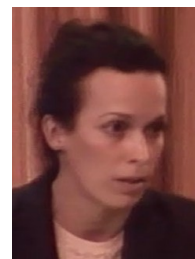


Brianna Hinojosa-Flores

The panelists briefly summarized *Alice* and *Mayo*, as well as some other decisions on § 101 eligibility. They also referred to the USPTO's guidance to examiners and applicants for analyzing § 101 eligibility. This guidance, however, hews closely with Supreme Court and Federal Circuit precedent. One panelist observed that, as a result, practitioners may have difficulty identifying tests or



Keiko Ichiye



Kristina Leavitt

general rules, particularly for identifying an abstract idea. Another panelist noted that even examiners seem to be struggling with how they should analyze claims and apply the new guidance.

Each of the panelists then provided attendees with practical tips on overcoming § 101 issues in their respective technology fields. They addressed considerations for drafting claims and the specification that can help get an invention over the eligibility threshold. The panelists also suggested drafting applications with more specificity regarding novel aspects of the invention to help overcome eligibility challenges.

First-in-Line Procedures for Advancing Patent Applications

Craig Cox (Bell Nunnally & Martin, Dallas) discussed USPTO programs that may speed up prosecution of patent applications. The programs highlight the USPTO's attempt to reduce the time to reach a final decision on allowability.



Craig Cox

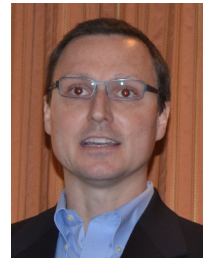
Four of these programs move applications to the front of the prosecution line: Prioritized Examination, Accelerated Examination, the Patent Prosecution Highway, and petitions to make special. With Prioritized and Accelerated Examination, the USPTO aims to reach a final decision on allowability within 12 months. Accelerated Examination is far less expensive than Prioritized Examination, but requires a pre-filing search and a support document that analyzes patentability in light of the search results. The Patent Prosecution Highway is a cooperative agreement among various patent offices around the world aiming to avoid duplicated work. Petitions to make special provide applicants with expedited examination based on the applicant's age, a government request, or if the subject matter relates to quality of the environment, energy,

or terrorism.

The two other programs give practitioners an opportunity to informally convince the examiner to allow the application without preparing and filing a written response. The First Action Interview Pilot Program entitles applicants to respond to a pre-interview communication from the examiner as well as an interview before the examiner issues the first office action. Finally, the After Final Consideration Program is similar to the First Action Interview Pilot Program, but occurs after a final office action.

Patent Examiner Interviews

Andrew Metrailler (Conley Rose, Dallas) provided a helpful overview of patent examiner interviews. Mr. Metrailler discussed the types of interviews, who can conduct and participate in the interviews, when to conduct an interview, how to prepare for and conduct an interview, and what the practitioner's goals should be going into an interview.



Andrew Metrailler

Many inventors see an examiner as an adversary bent on refusing a patent, but Mr. Metrailler emphasized that the examiner's and applicant's interests are *not* at odds. Given that, getting the most out of the examiner interview can both drastically improve the chances of getting an allowance and significantly reduce costs to the client by reducing the number of responses to USPTO communications.

Effective Use of Pilot Programs

Aly Dossa (Osha Liang, Houston) spoke about the effective use of pilot programs. Using available pilot programs can reduce costs for clients and prosecution time.



Aly Dossa

Mr. Dossa focused on three

pilot programs. The Glossary Pilot Program, geared towards the computer arts, aims to promote patent-claim clarity but has a cap of 200 total applications. Under the Extended Missing Parts Pilot Program, applicants may defer fees for 12 months for original non-provisional utility or plant applications that claim priority to a provisional application. Finally, the Quick Path Information Disclosure Statement Program may be useful after a notice of allowance but newly discovered prior art must be disclosed.

Drafting and Prosecuting International Patents

For the last presentation of the workshop, Warren Franz (Franz Law, San Antonio) discussed drafting and prosecuting international patent applications. Mr. Franz provided some guideposts to help patent practitioners think ahead and plan the drafting of claims as well as strategy for prosecuting patent applications or application families.



Warren Franz

Mr. Franz stressed that patent practitioners must sensitize themselves to foreign filing. Preparing an application with a focus on foreign filing requires much more foresight than is generally needed in the United States because of the level of support for claims that foreign jurisdictions may require. Claim drafting also presents a challenge to the unwary, especially if no thought is given to claim dependency, ordering, and wording.

Thursday

Immoral and Disparaging Trademarks

To start the Advanced IP course, Anna Raimer (Jones Day, Houston) discussed the recent examination of scandalous and disparaging trademarks, which have come under increased scrutiny due to the recent controversy



Anna Raimer

surrounding the Washington Redskins trademark. Ms. Raimer walked through how to evaluate such trademarks under the statutory language and analyzed recent holdings from the Trademark Trial and Appeal Board, Federal Circuit, and other federal courts. She explained the distinction between scandalous and disparaging marks while clarifying differences between marks that may be considered sexually obscene, profane, crude, religiously offensive, religiously disparaging, ethnically disparaging, commercially disparaging, or symbolically disparaging.

Lastly, Ms. Raimer reviewed the issue of standing in such trademark cases as well as practical considerations that attorneys should consider when advising their clients. Particularly, Ms. Raimer noted that practitioners should evaluate potentially scandalous or disparaging marks in the context of the relevant marketplace and from the standpoint of the general public.

Trademark Genericism

Tyson Smith (Pirkey Barber, Austin) discussed trademark genericism and explained how to assert or defend against such a claim. He also tested the audience's knowledge of generic marks by challenging attendees to guess whether several famous trademarks have become generic.

Mr. Smith also provided the audience with examples of evidence most useful to clients and practitioners when asserting or defending against a claim of trademark genericism. For example, he evaluated the utility of survey evidence and examined the *Teflon* and *Thermos* standards of consumer surveys in relation to their use before the TTAB. Mr. Smith closed by highlighting proper usage guidelines that clients should follow in order to avoid having the validity of their mark challenged based on genericism claims.

Expansion of the Fair Use Doctrine

Michael Donaldson (Donaldson & Callif, Beverly Hills, CA) dissected the recent expansion of the fair use doctrine. He introduced new insights and methods for practitioners to use when considering whether incorporation of a copyrighted work constitutes fair use.



Michael Donaldson

According to Mr. Donaldson, answering three simple questions will allow practitioners to know whether they qualify for a safe harbor under the defense of fair use: the amount of copyrighted material used in a new work, the appropriateness of the use, and the strength of the connection between the point being made (in the new work) when compared to the amount of copyrighted material used overall. To illustrate his points, he analyzed film and television clips under a “fair use spectrum” and explained how the differing use of the copyrighted material in their respective media vehicles allowed his clients to secure insurance, beat claims of copyright infringement, and improve the overall quality of their works. Further, Mr. Donaldson taught practitioners how fair use applies in both fictional and non-fictional works.

Supreme Court Update

Mark Dodd (Sidley Austin, Dallas) updated attendees on recent intellectual property decisions by the Supreme Court. First, Dr. Dodd highlighted three patent cases. In *Limelight Networks, Inc. v. Akamai Tech., Inc.* (2014), the Court held that a defendant may not be liable for inducing infringement of a patent unless there is a direct infringement.



Mark Dodd

In *Medtronic, Inc. v. Mirowski Family Ventures, LLC* (2014), the Court held that when a licensee seeks a declaratory judgment against a patent to establish noninfringement, the burden of proving infringement remains with the patentee. In *Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc.* (2015), the Court held determinations of subsidiary factual issues during claim construction are reviewed for clear error rather than *de novo*.

Second, Dr. Dodd highlighted two copyright cases. In *Petrella v. Metro-Goldwyn-Mayer, Inc.* (2014), which concerned the film *Raging Bull*, the Court held laches cannot be invoked to preclude a claim for damages brought within the three-year window, but it may affect claims for equitable relief. In *American Broadcasting Co. v. Aereo, Inc.* (2014), the Court addressed whether retransmission of a copyrighted television program over the internet constitutes a “public performance.” Aereo argued that each subscriber was receiving a transmission of a copy specifically recorded for that subscriber, but the Court held that the technological differences, which were invisible to the subscriber, were insufficient for Aereo to avoid liability.

Finally, Dr. Dodd discussed three Lanham Act cases. In *Lexmark Int'l, Inc. v. Static Control Components, Inc.* (2014), the Court developed a new test for standing under the Lanham Act requiring consideration of both the zone of interests and proximate causation of damages. In *POM Wonderful, LLC v. Coca Cola Co.* (2014), the Court held that a competitor may bring a Lanham Act claim challenging food labels regulated by the Food, Drug and Cosmetic Act—that is, the Lanham Act and FDCA do not preclude one another. In *Hana Financial, Inc. v. Hana Bank* (2015), the Court held that whether two trademarks may be tacked for purposes of determining priority is a jury question.

An Update on Post-Grant Proceedings

Nathan Rees (Norton Rose Fulbright, Dallas) updated attendees on various statistics concerning post-grant proceedings. With respect to filings, Mr. Rees characterized the PTAB as overwhelmed, with monthly filings continuing to steadily increase over prior years. This has lengthened the timelines for *ex parte* appeals. Mr. Rees noted that the PTAB has discretion to limit the number of post-grant proceedings beginning in October 2015.



Nathan Rees

Mr. Rees provided the audience with his “lessons learned” for each stage of the proceeding. In the petition stage, for example, pick your best two or three grounds with detailed analysis rather than a large number of grounds. In the preliminary response phase, the respondent cannot provide “new” testimony, including existing testimony from related litigation. Common reasons for non-institution include inadequate expert testimony, failure to provide an adequate claim construction, unclear analysis, and failure to disclose the real party in interest, which creates jurisdictional issues.

A Fireside Chat With Sarah Harris

Over Thursday’s lunch, Hope Shimabuku (Xerox Business Services, Dallas) chatted with Sarah Harris, General Counsel for the USPTO. Ms. Harris’s previous experience includes time with Haynes and Boone, Cooper Industries, Hewlett-Packard, and Compaq.

Ms. Harris explained the organization of the Office of General Counsel (OGC), which includes over 100 people in three different offices: the Solicitor’s Office, the Office of General Law, and the Office of Enrollment and Discipline (OED). The Solicitor’s Office

represents the agency in all IP matters, litigates in federal court, advises the Department of Justice on IP matters, and advises the Solicitor General in matters before the Supreme Court. The Office of General Law advises in rulemaking, handles administrative law issues, employment law, FOIA requests, and represents the Office in labor and employment cases. The OED administers the patent bar, the law school clinic certification program, and investigates practitioner misconduct.

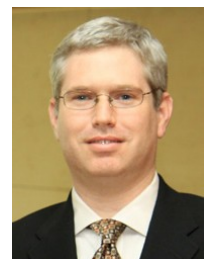


Sarah Harris and Hope Shimabuku.

When asked about the biggest surprises she had coming from the private sector, Ms. Harris highlighted the extremely talented attorneys working for the OGC, many of which are former federal law clerks, law firm principals, and assistant United States attorneys. She is also surprised at the influence of the USPTO, which advises the government on copyrights and trade secret issues as well as patents and trademarks. She also commented that, despite the stereotype of government employees, the PTO is a great place to work filled with extremely talented people who work very hard.

Ethics in the Post-AIA World

After lunch, Thomas Kelton (Haynes and Boone, Richardson) addressed several important developments in the ethics standards that affect patent litigators, patent prosecutors, and those who participate in



Thomas Kelton

post-grant proceedings. The USPTO has promulgated ethical rules concerning behavior of counsel and parties at these proceedings, including sanctions for unethical behavior. Additionally, Mr. Kelton discussed ethical issues in patent prosecution practice in light of the elimination of the best-mode requirement and the addition of Supplemental Examination, although he doesn't expect either of these to significantly change patent prosecution.

Jurisdictional Traps for the Unwary

Joshua Bennett (Carter Scholer, Dallas) addressed how to avoid jurisdictional traps in IP cases. He noted that many attorneys overlook jurisdictional issues, and problems in this area remain common.

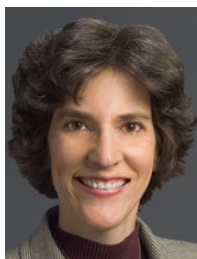


Joshua Bennett

Mr. Bennett outlined some of the factors that are important under *Gunn v. Minton*, 133 S.Ct. 1059 (2013), including whether the claim includes a substantial question of federal patent law and whether the patent law question is a necessary element of a well-pleaded claim. He also outlined various claims to which the *Gunn*'s standards apply or don't apply. He provided some work-arounds, such as diversity jurisdiction or creative use of counterclaims, for protecting claims from a federal-question trap.

Offers to License and Fraudulent Demand Letters

Sharon Israel (Mayer Brown, Houston) discussed recent developments in demand-letter legislation. These developments are in response to what some believe to be a rash of fraudulent demand letters by



Sharon Israel

unscrupulous patent owners.

Eighteen states have recently passed legislation regarding patent infringement demand letters, and 19 states have pending demand-letter bills. These laws and bills differ dramatically in scope, but a common requirement is disclosure of basic information about how the patent in question is allegedly infringed and identification of the patent's ownership. Some states require entity registration or bonding to send letters to potential licensees. Ms. Israel expects challenges to these laws on federal-law preemption and First Amendment grounds.

Attorney's Fees and Sanctions

Prof. W. Keith Robinson (SMU Dedman School of Law, Dallas) presented recent decisions concerning "exceptional" patent cases after *Octane Fitness* and *Highmark*. He reviewed cases from the five district courts with the largest patent dockets.



Prof. W. Keith Robinson

To date, those courts have found cases "exceptional" based on a "contorted and conclusory" litigation position (*Bayer CropScience AG v. Dow AgroSciences LLC*, 2015 WL 108415 (D. Del. 2015)); an absurd claim-construction position (*IPVX Patent Holdings, Inc. v. Voxernet LLC*, 2014 WL 5795545 (N.D. Cal. 2014)); the failure to adjust a litigation strategy during the lawsuit based on court rulings, inconsistencies in the parties' arguments, burdensome discovery, gamesmanship or misrepresentations by a party, and the unwillingness to spend resources to prosecute a claim. (*Cambrian Sci. Corp. v. Cox Commc'ns, Inc.*, 2015 WL 178417 (C.D. Cal. 2015); *Chalumeau Power Sys. LLC v. Alcatel-Lucent*, 2014 WL 4675002 (D. Del. 2014)).

Friday

Patent Law Update

On Friday morning, Gale Peterson (Law Office of Gale R. Peterson, San Antonio) updated attendees on recent patent-law decisions, the make up of the Federal Circuit, and the Supreme Court. Mr. Peterson noted that the liberal-conservative split in the Supreme Court manifests mostly in the area of patent-eligible subject matter. Specifically, the liberal wing of the Court (particularly Justice Brewer) has a narrow view of patent-eligible subject matter.



Gale Peterson

Mr. Peterson's notable 2015 rulings and forthcoming decisions to watch include:

- *Teva Pharm. USA Inc. v. Sandoz*, 135 S.Ct. 831 (2015) (holding the Federal Circuit should apply a clear error standard of review to a district court's resolution of subsidiary factual matters made during claim construction);
- *Kimble v. Marvel Enters., Inc.*, 135 S.Ct. 781 (2014) (granting cert. to determine whether royalty payments may extend beyond patent expiration);
- *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S.Ct. 752 (2014) (granting cert. to determine whether a defendant's belief that a patent is invalid is a defense to induced infringement); and
- *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Products, LLC*, 2014 WL 7460970 (Fed. Cir. 2014) (reinstating an appeal and requesting new briefing to consider the effect of *Petrella v. Metro-Goldwyn-Mayer* on laches in patent cases).

Mr. Peterson also referenced a number of Federal Circuit cases practitioners should know about:

- *Suffolk Tech., LLC v. AOL Inc.*, 752 F.3d 1358 (Fed. Cir. 2014) (holding a Usenet post to be a printed publication under § 102);
- *Medtronic CoreValve, LLC v. Edwards Lifescience Corp.*, 741 F.3d 1359 (Fed. Cir. 2014) (holding a patent was not entitled to claim priority to an international application because a priority claim in an intermediate application omitted a reference to a prior intermediate application and broke the chain of priority; thus, the claims were anticipated by the parent applications);
- *K/S HIMPP v. Hear-Wear Techs., LLC*, 751 F.3d 1362 (Fed. Cir. 2014) (holding a requestor in an *inter partes* reexamination cannot rely on "common knowledge" without documentary support);
- *In re Roslin Institute*, 750 F.3d 1333 (Fed. Cir. 2014) (holding claims to animal clones drawn to non-eligible subject matter because claimed animals did not possess "markedly different characteristics than any found in nature");
- *Digitech Image Tech., LLC v. Electronics for Imaging, Inc.*, 758 F.3d 1344 (Fed. Cir. 2014) (holding claims to a "device profile" and corresponding method ineligible because claims were not drawn to a tangible embodiment of data);
- *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014) (holding claims to a "familiar commercial arrangement" to be patent-ineligible subject matter);

- *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014) (patent eligibility must be considered first);
- *DDR Hldgs., LLC v. Hotels.com, LP*, 773 F.3d 1245 (Fed. Cir. 2014) (holding claims to an Internet-related invention pass muster under *Alice* and were drawn to patent-eligible subject matter);
- *Content Extraction & Transmission, LLC v. Wells Fargo Bank, Nat'l Ass'n*, 776 F.3d 1343 (Fed. Cir. 2014) (affirming dismissal under Rule 12(b) (6) and concluding that the asserted claims were drawn to patent-ineligible subject matter);
- *Gilead Sci., Inc. v. Natco Pharma Ltd.*, 753 F.3d 1208 (Fed. Cir. 2014) (a patent that issues after, but expires before, another patent can qualify as a double-patenting reference for the later-issued patent);
- *AbbVie Deutschland GmbH & Co., KG v. Janssen Biotech, Inc.*, 759 F.3d 1285 (Fed. Cir. 2014) (a sufficient description of a genus requires the disclosure of either a representative number of species falling within the scope of the genus or structural features common to the members of the genus so that one of skill in the art can recognize the members of the genus);
- *Promega Corp. v. Life Tech. Corp.*, 773 F.3d 1338 (Fed. Cir. 2014) (using “comprising” in a claim limitation and arguing for a broad claim construction that is not limited to what is listed in that limitation may result in a finding of lack of enablement; in § 271(f)(1), active inducement does not require the involvement of a third party, and the phrase “substantial portion of the components of a patented invention” does not require at least two components);
- *H-W Tech., L.C. v. Overstock.com, Inc.*, 758 F.3d 1329 (Fed. Cir. 2014) (when an issued claim omits a material limitation, and the omission is not evident on the patent’s face, the patentee cannot assert that claim until it has been corrected by the PTO);
- *In re Dinsmore*, 757 F.3d 1343 (Fed. Cir. 2014) (holding a terminal disclaimer that incorrectly states two patents are commonly owned is not an “error” under § 251, and therefore cannot be “corrected” with a reissue application);
- *Antares Pharma, Inc. v. medac Pharma Inc.*, 771 F.3d 1354 (Fed. Cir. 2014) (for claims in a reissue patent, the specification must clearly and unequivocally disclose the newly claimed invention as a separate invention);
- *St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.*, 749 F.3d 1373 (Fed. Cir. 2014) (a decision by the Director not to institute an *inter partes* review is not appealable to the Federal Circuit, and may not be appealable at all);
- *In re Dominion Dealer Solutions, LLC*, 749 F.3d 1379 (Fed. Cir. 2014) (a writ of mandamus may not be used to compel the Director to grant *inter partes* review);
- *In re the Procter & Gamble Co.*, 749 F.3d 1376 (Fed. Cir. 2014) (a writ of mandamus may not be used to force the PTO to withdraw orders instituting *inter partes* review; the Director’s decision to institute is not subject to immediate review);

- *Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 769 F.3d 1371 (Fed. Cir. 2014) (when substantial activities of a sales transaction occur entirely outside the United States, pricing and contracting negotiations in the United States do not by themselves transform those activities into a sale in the United States within the meaning of § 271(a));
- *Virnetx, Inc. v. Cisco Sys., Inc.*, 767 F.3d 1308 (Fed. Cir. 2014) (rejecting the “Nash Bargaining Solution” as a model for reasonable-royalty damages without sufficiently establishing that the premises of the theorem actually apply to the facts of the case; where the smallest salable unit is a multi-component product containing several non-infringing features with no relation to the patented feature, the patentee must do more to estimate what portion of the value of that product is attributable to the patented technology);
- *Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201 (Fed. Cir. 2014) (where expert testimony explains to the jury the need to discount reliance on a given license to account only for the value attributed to the licensed technology, the mere fact that licenses predicated on the value of a multi-component product are referenced in that analysis—and the district court exercises its discretion not to exclude such evidence—is not reversible error); and
- *Japanese Found. for Cancer Research v. Lee*, 773 F.3d 1300 (Fed. Cir. 2014) (the PTO did not abuse its discretion when refusing to withdraw a disclaimer erroneously filed by applicant because of a translation error).

Standards Essential Patents

Alfie Guindi (ChenMalin LLP, Dallas) discussed standards essential patents. Mr. Guindi explained that currently there is a perception of downward pressure on the value of patents generally and standards essential patents in particular. The cases, however, are usually fact-specific with respect to the particular Standard Setting Organizations, the patents themselves, the number of patents essential to practicing the standard in question, and the behavior of the parties. As a result, it's difficult to draw bright-line rules in valuation of such patents.



Alfie Guindi

Federal Circuit Appeals

David Weaver (Vinson & Elkins, Austin) provided insight on how to handle Federal Circuit appeals. About 60% of the court's docket consists of patent appeals from district courts and the PTO, but that is increasing because of the AIA. As a result, understanding the schedule, rules, and deadlines are becoming even more important.



David Weaver

Mr. Weaver identified a very early trap for a party facing an appeal—whether to cross-appeal and when to do so. The clerk sets most other deadlines, and parties need to consult the rules linking deadlines to the docketing date because the court does not provide a scheduling order. Mr. Weaver also stepped through how to maintain a client's confidential information during the various stages of the appeal, without getting sanctioned for over-designating such material.

Finally, Mr. Weaver offered a number of tips for preparing your brief—the most important paper of the appeal. Tables, pictures, and

diagrams can be particularly effective and do not significantly impact word count. Also, focus on no more than three appeal points. This is more effective than taking the shotgun approach of raising every potential issue.

Alternative Invention Protection Schemes

Mackenzie Martin (Baker & McKenzie LLP, Dallas) addressed alternative invention protection schemes outside of the United States. She compared utility models and design patents with utility patents.

Utility models—also called utility innovations, utility solutions, and short-term patents—have a lower inventiveness requirement and shorter term than utility patents. They are limited to certain fields and generally not available for methods. They are best suited for structural inventive features. They are typically granted in months, have lower filing fees, and require fewer rounds of prosecution than utility patents. In some countries, they may simply require a registration process.

Design patents—also called “industrial designs” or “community designs”—are best suited for the “look and feel” of the product. They are typically granted in months, have lower filing fees, and require fewer rounds of prosecution than utility patents. The applications are usually simpler than utility patents and utility models. Ms. Martin noted a relatively recent trend for design patent protection for user interfaces, and suggested attendees consider design patent protection as a back-up for user interfaces.

The Internet of Things

Over Friday’s lunch, John Ansbach (General Datatech, Dallas) presented on the new technology phenomenon known as the “Internet of Things,” or IOT—the increasing connectivity of smart devices and their



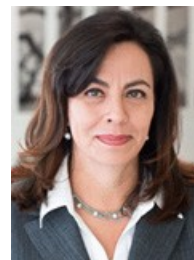
John Ansbach

ubiquitous embedding into our daily lives. Mr. Ansbach provided several examples and scenarios of how the IOT could revolutionize the way we live. Specifically, the rapid creation, transmittal, and analysis of person- or situation-specific data can drastically improve our quality of life.

Mr. Ansbach believes that the IOT revolution will undoubtedly lead to the introduction of new legal issues. Specifically, Mr. Ansbach expects many new legal questions concerning customer-facing privacy policies, internal information security policies, business-to-business commercial agreements, and cloud-storage agreements.

Joint Infringement

Hilda Galvan (Jones Day, Dallas) outlined the critical elements of a joint-infringement claim in light of the most recent evolution in the law. In view of that evolution, Ms. Galvan identified the need for proving



Hilda Galvan

one of: a single party that can be identified as performing all the steps of the method, an agency relationship such that the principle and agent perform all of the steps, or a contractual relationship such that a first company performs some of the steps and a second company has a contractual obligation to the first company to perform the remaining steps. Many courts require that these theories be set forth in the complaint, infringement contentions, jury instructions, and verdict form.

During drafting of the application, Ms. Galvan suggested using system claims or claims that treat one actor’s actions as an “environment” rather than active method steps. If those aren’t in the asserted patent, consider a reissue to seek those types of claims. Also, look for a claim construction that will support an assertion that all steps are being performed by a single actor.

IP Issues in Corporate Transactions

Shawn Helms and Jason Krieser (K&L Gates, Dallas) continued the afternoon session with a look at IP issues in corporate transactions. They addressed four disparate areas where IP issues affect general corporate contracts: (1) non-assignment and change-in-control provisions in corporate transactions; (2) urban legends regarding work-for-hire provisions; (3) IP warranty versus IP indemnity provisions in a contract; and (4) potential problems caused by restrictive privacy policies. Mr. Helms and Mr. Krieser provided attendees with detailed explanations of how these issues arise and what practitioners should consider when facing them.



Shawn Helms



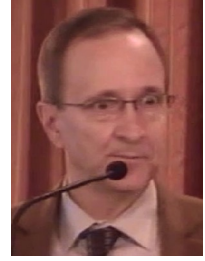
Jason Krieser

Mr. Krieser explained that work-for-hire provisions generally do not cover business software or technical documentation. These issues are usually resolved with language assigning such work product to the employer, but the inclusion of the potentially ineffective work-for-hire provision could have unintended consequences. In California, for instance, a court might look to work-for-hire language to help determine whether a person is an independent contractor or employee.

Mr. Helms discussed another area for potential unintended consequences: overly restrictive privacy policies. A privacy policy might normally provide that a company will not disclose information to an unaffiliated third party without prior consent. But such a privacy policy could potentially restrict a company from doing an asset sale where customer information would be transferred to a purchasing third party.

Copyright Remedies

Michael Heinlen (Thompson & Knight, Dallas) discussed the current status of copyright remedies and how new Internet-based innovations have led many to question the appropriateness of those remedies.



Michael Heinlen

Mr. Heinlen started with the 2014 Congressional hearings that proposed changes to the Digital Millennium Copyright Act's takedown-notice process, adjustments to statutory damages, and the possible implementation of a small copyright claims tribunal. Highlighting the complexity of the issue, he explained how the concerns of copyright owners often differ with those of Internet service providers.

Mr. Heinlen examined how the current procedure for registering a work may often inadvertently impede a copyright owner's recovery of damages, especially given the relative ease of copying, downloading, or proliferating a copyrighted work via the Internet. Mr. Heinlen also discussed how statutory damages are often seen as burdensome or inappropriate in light of today's technological advances.

Patent Attorneys and the OED

To conclude both the day and the course, Peter Brewer (Baker Donelson, Nashville) reviewed a number of decisions issued by the USPTO's Office of Enrollment and Discipline. The cases included examples in which a practitioner backdated certificates of mailing (*Moatz v. Bode* (No. D2002-14)), a practitioner left profane voicemails with administrative law judges (*In re Tassan* (No. D2003-10)), and a practitioner was arrested for having a marijuana plants and drug



Peter Brewer

paraphernalia in his apartment (In re Anonymous (2004–10)).

Mr. Brewer stressed the importance of proper financial management of a practice. For example, any check returned for insufficient funds is considered a misrepresentation. If the check is drawn from a trust account, this could also lead to ethical issues. Multiple violations may result in the OED requesting to see your financial records. The OED requires practitioners to inform clients of returned checks. If there is a loss of patent rights as a result of a returned check, the practitioner will also be charged with neglect of a legal matter.

Women in IP Law Breakfast

On Thursday morning, the Women in IP Task Force hosted the 5th Annual Women in IP Law Breakfast. During the breakfast, Dr. Karla McCain, Associate Professor of Chemistry at Austin College, explored evidence for and against common explanations for women's underrepresentation in the areas of math, science, and engineering.

A special thanks to our contributing writers who shared their summaries of the CLE presentations for this edition of the Advanced Intellectual Property Law Course Report.

These reports express the views of the authors and not that of the State Bar of Texas IP Law Section.



David T. DeZern is an associate in Sidley Austin's Dallas office. Mr. DeZern's practice focuses primarily on patent litigation. Mr. DeZern has represented both plaintiffs and defendants in patent litigation involving a variety of technologies, including power converters, software, and electronic design

automation, and at all stages, including initial pleadings, fact and expert discovery, claim construction, trial, and appeals. Mr. DeZern received

his bachelor of science in electrical engineering and law degree from the University of Texas.



Jabbar Fahim is an attorney with Gunn, Lee & Cave, P.C. in San Antonio. He holds a J.D. and a B.S. in biochemistry, both from St. Mary's University.



Michael Hawes is a partner in the Intellectual Property group of Baker Botts. Mr. Hawes assists companies seeking to resolve technology disputes, handling negotiations and cases dealing with patent and copyright infringement, antitrust violations, trade secret misappropriation and violation of the intellectual property provisions of employment agreements, especially concerning software.



Peggy H. Keene is the founder of Keene Law Firm, P.C., which focuses on intellectual property and Internet law. Having both in-house and firm experience, her practice includes licensing, e-commerce, and technology transactions. She earned her J.D. from the SMU Dedman School of Law and a B.A. from Duke University.



Thomas Kelton is an attorney at Haynes and Boone, LLP in Richardson. He focuses his practice on intellectual property matters, including procurement of patents, trademarks, and copyrights, as well as licensing intellectual property in corporate matters. Mr. Kelton's practice places special emphasis on reexaminations and inter partes reviews of patents in concurrent litigation.



Mark Your Calendar

On June 16, the **American Intellectual Property Law Association** and **SMU Dedman School of Law** will present the 2015 AIPLA Electronic and Computer Law Summit. This seminar will cover updated examination guidelines related to patent subject matter eligibility, litigation updates surrounding divided infringement and RAND/FRAND, open source licensing issues, and trade secret considerations. For details, visit www.aipla.org.

On June 18-19, the **State Bar of Texas** will hold its Annual Meeting in San Antonio at the Grand Hyatt and Henry B. Gonzalez

Convention Center. The Intellectual Property Law Section will hold its annual membership meeting on June 19 during its Section Awards Luncheon. For details, visit www.texasbar.com.

On June 29, Baker Botts will sponsor a **Young Lawyers Reception** at the JW Marriot (Austin) on behalf of the New Lawyers Committee of the SBOT IP Section, the Austin Local Networking Subcommittee of the AIPLA New Lawyers Committee, and the Austin IP Law Association. For details, visit <https://www.facebook.com/events/101793116824037>. To RSVP, email jennifer.nall@bakerbotts.com.

On September 24-26, the **Houston Intellectual Property Law Association** will hold its annual IP Institute at the Moody Gardens Hotel in Galveston. For more information, go to www.hipla.org.
