

出國報告（出國類別：研習）

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CASRIP 2011 年暑期課程

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# 摘要

本研習是職等美國西雅圖華盛頓大學法學院「高階智慧財產權研習中心（Center for Advanced Study & Research on Intellectual Property，簡稱 CASRIP）」所舉辦之「2011 年智慧財產權法務及實務夏季課程（2011 Intellectual Property Law and Practice Summer Institute）」，其中包含為期二天之「2011 年高科技保護高峰會（2011 High Technology Protection Summit）」。

本報告針對上課內容進行記錄，其中更進一步說明上課中所提的專利相關案例。最後，期望藉由此報告的分享，對局內同仁有所助益。

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## 第一章 CASRIP 簡介與課程目的

此次出國研習係本局每年例行性的菁英領導培訓計畫一案，研習地點為美國西雅圖華盛頓大學，研習標的為「華盛頓大學法學院高階智慧財產研究中心 2011 年暑期課程」。

### 一、CASRIP

CASRIP 為 Center for Advanced Study & Research on Intellectual Property 之簡稱，係屬華盛頓大學法學院下的一附屬單位，於每年暑假期間均會辦理智慧財產權的研習課程，其內容除前置課程、核心課程、進階課程的一般上課研習課程外，尚有一最受矚目的高科技保護高峰會(High Technology Protection Summit)，係以論壇方式辦理，其內容總是針對美國最新的議題邀請美國、日本、歐洲、中國等國家的著名法官、學者、專家共聚一堂針對全球專利熱門議題發表看法與心得，因此每年總是能吸引許多學員從世界各地前往與會研討。目前 CASRIP 的主任為 Toshiko Takenaka 教授，據她在高峰會的開場白致詞中提到，CASRIP 之所以有今天要感謝微軟、Ropes & Gray 這兩家大公司以及美日的法律事務所的贊助，包括學員的獎學金與講師的費用。

### 二、課程內容

如前所述，計有前置課程、核心課程、進階課程及高科技保護高峰會，由於前置課程內容廣泛且僅為基礎介紹，CASRIP 於是貼心的設計了 4 種報名組合供學員選擇，依需求選擇課程內容，對於專長領域差異很大的學員，比較不會浪費時間。

各課程內容：

Option 1 前置課程+核心課程+進階課程；

Option 2 核心課程+進階課程；

Option 3 前置課程+核心課程；

Option 4 進階課程，4 種選擇皆可參加高科技保護高峰會。

(一)前置課程 (7 月 14-15 日)

1、著作權/商標/營業秘密入門

(Copyright/Trademark/Trade Secret Basics)

2、美國普通法系介紹

(Common Law System)

3、智慧財產專業法律英文

(Legal English for IP Specialists)

(二)核心課程 (7 月 18-21 日)

1、美國專利法入門(Basic)

2、美國專利申請(Prosecution)

3、美國專利爭訟(Litigation)

(三)高科技保護高峰會(7 月 22-23 日)

(四)進階課程 (7 月 25-29 日)

1、進階專利申請 (Advanced Patent Prosecution)

包括美國專利衝突程序、美國專利申請、歐洲專利申請、美國申請專利範圍、美國專利說明書、進階專利案例、進階專利要件、歐洲專利實施等內容。

2、智慧財產權之實施及管理 (IP Enforcement and Management)

包括美國創業、智慧財產鑑價、技術移轉、國際訴訟、專利管理、進階專利案例、智慧財產風險、技術授權、醫藥產業等內容。

進階課程係供學員依專長、興趣自由選擇參加，因三種主題的課程部分重疊、部分不同，但由於部分不同的課程係同時進行，因此同一時段的課程中僅能選擇其中之一。

3、歐洲和美國智慧財產實施 (EU and US IP Enforcement)

包括美國企業家精神、歐洲專利申請、技術移轉、國際訴訟、歐洲專利授權、進階專利案例、智慧財產風險、歐洲專利實施、技術授權等內容。

## 第二章 生活狀況

### 第一節 交通與行動機能

要飛往西雅圖最簡單的方式就是搭長榮航空直飛西雅圖 Tacoma 機場的班機，不過今年因為暑期出國到西雅圖的國人變多，當與旅行社接洽時，該班機去程必須為候補名額，華航並沒有直飛，不是從洛杉磯轉就是從舊金山轉機，而且經查中間轉機等待時間太長，華航也不適合，因此本選擇以東京為轉機點來前往（先飛往高緯度再前往西雅圖距離比較近），無奈也是候補，故最後以韓國仁川機場為轉機點。不過，有時候不幸也會變成好事，因為飛機起飛時間比較早的關係，我們一到達西雅圖的時間是下午 12 點半，到達宿舍時間是下午 3 點（出關安全檢查等待時間非常長），利用這一段日光時段正好是調整時差的好機會，我們就一起在學校跑步，順便瞭解一下環境，只要第一天晚上還算有睡眠品質，生活步調就算有了好的開始，時差問題就能比較快調整，有好精神才能吸收上課內容。

Tacoma 機場與華大之間車程約 30 分鐘，幾乎都在 freeway 行走，前人提到有三種交通工具可以搭乘，但是就個人看法，巴士絕對不是選項，因此只剩下兩種交通工具：shuttle express 小巴士或是計程車。依照個人到達時間或預算，會有不同的實際選擇，有時間等的人就坐小巴士，它的車站位於機場的停車場 3 樓，不過你必須先搭手扶梯到 4 樓，穿過一個空中走廊到達停車場，再搭手扶梯到 3 樓，看到有 shuttle express 字的車子，那就是車站，它的技術特徵就是與室內停車場在一起，否則它並不十分顯眼，很容易找不到方向。一趟車資每人为美金 38 元，當超過 2 人以上，每人就成了 21 元，主動向 bus coordinator 登記（穿紅夾克的人），他會幫你排班唱名，可刷卡或人到目的地付款，小巴士的窗邊有一排字，「如果你對司機的服務感到良好，我們接受你的恩惠」。去程時，我們的司機 Dick 一路介紹沿路所看到的建物地標等，就像台灣路邊看到的導遊，只可惜去程我們沒有看到那排字，我們將他的請求項解釋成美國人的熱情。如果你到

達時間已晚，建議省去尋找及等待小巴士的時間，直接搭計程車，價錢只有貴一些，大約 45 元，當你已經筋疲力盡，沈重腳步加上拖著大包行李，這樣的差額就不要再浪費時間，隔天早上就要上課，除非價格被抬得很高。

從學校至西雅圖 downtown 需要 20-25 分鐘的車程，看你搭哪一號的車，路線有差異，71-73 都可前往市中心，一段車資為美金 2.25 元，看你在哪裡搭車，若是離開市中心的公車，則下車付費，要注意的是，車票並不是坐完一次就無效，上面會印有轉程時限，一定時間內仍然有效，不要跟自己荷包過不去，基本上你可以把它視為來回票。

## 第二節 校園環境與 Safeco Field 棒球場

七月份的西雅圖是當地人認為最好的月份，少雨，清晨及夜間氣溫約為攝氏 14-15 度，出太陽時大約 25 度，校園的樹木以針葉林居多，相當於台灣海拔 1400 公尺的植物生態，它的氣候本質是寒冷的。不過因為乾燥所以不像台灣 14-15 度的冷，所以我們幾乎都是穿短袖上課。

剛向宿舍報到時，櫃檯會給你一隻鑰匙以及一張磁卡，鑰匙是用來開兩道門，磁卡存有一定金額（這一筆錢是你事先繳給學校），是校園福利社購物、吃飯及門禁必須用到的，電梯向上搭也需要磁卡刷一下，下樓則不必。一般而言，剛到時最想上網，宿舍網路線自備，帳號密碼在櫃檯就有一小盒裝有小紙條，上面印有必要資訊，拿一張走，要不然問一下，免得來回跑。教室一律無線上網，上課第一天會發給帳號密碼。

這次職等所住宿的為 McMahan Hall，宿舍的房型為仿家庭式客房，一個家庭有兩扇門，進入之後有四個房間，每個房間各有自己的門，發給我們一支鑰匙可以一次開這兩種門，一個家庭共用小客廳及浴廁，寢室房間內有床兩張、衣櫃兩組、L 形書桌、椅子兩張、薄被、枕頭、小電扇、毛巾，肥皂以及水杯，有網路線插孔可自備電腦上網亦可使用無線上網，所以一個小房間本來是設計給兩



個人住。每日有人會來整理床鋪並更換毛巾。

McMahon Hall，當地學生也包括送我們來的司機，都只唸成 makman，你用 McMahon 發音他們反而搞不懂你在說什麼，即使他們就在 McMahon 櫃檯工作或住在裡面，這是我剛來最感到奇怪的事，所以習慣還是最重要的。這棟建築物的 lobby 像是一個小小聯合國，來自各種膚色地域的人住在這裡，還看到台灣時報旅遊的中小學生遊學團，見台灣小朋友個個拿著電子字典在填寫表格，十分有趣，原來他們就是幫我買不到直飛機票的好朋友。

這次暑期課程上課地點位在校園西北角 15th 街與第 45th 街交叉口歷史生態博物館 Burke Museum 附近的法學院大樓 William H. Gates Hall，其實校園區域與外面商家間並沒有明顯的圍牆，15th 街過去之大學路 University Way 商家林立十分熱鬧，有書店、藥妝雜貨及許多各國餐飲店，包括期間常造訪的 China First 餐館及日本侍拉麵，可以吃到類似國內烹調方式的食物，幾步之內就有大學書店可購買紀念品，以及幾間有特色的咖啡館，日常零食與藥品可到附近 Bartell Drug 購買，若是想要更多雜貨，沿著 Brooklyn ave 往北走，有家 SafeWay 大型超市（面積介於家樂福與頂好超市之間），有蔬果及各種雜貨，吃不慣漢堡的人來這裡就有家的感覺，因為它有中式熟食區（蛋炒飯、烤雞腿、炒青菜等），以重量計價。

美國人約有九成喜歡運動或觀賞體育賽事活動，因此校園中的體育設施自然非常齊全。華大最著名體育校隊為美式足球與女子壘球，在往年都有著不錯的成績與媲美國家級的球場設施，職等利用下午課後以慢跑環繞校園順便一探究竟，其中有一條靠近 MASON Road 環繞半個校園的自行車與慢跑路線，可以享受校園濃密樹林芬多精，在這裡跑步有著舒暢感，往校園的東南角落行走可以看見浩大的美式足球場 HUSKY Stadium，這一向是華大最瘋狂且最引以為傲運動，場內廣告贊助商醒目，雖是暑假非比賽期間，但是數萬個座椅可以感受到運動在此的重視，再往內為女子壘球場及人工攀岩場，其設施與設備維護規格都令人好到無法想像。接著往北走就會看到校園的戶外網球場、足球場及棒球場，而緊鄰的室內

部份為排球與籃球場 Alaska Stadium 及健身房 Graves，再續往北走鄰近聯合灣畔有一個小型船塢 Shell-house，有幾艘快艇停放於灣岸，灣邊為廣大的濕地與自然保護區形成一個校園非常有特色的地方。

這次 CASRIP 課程第一週的週末正好美國職棒 MLB 西雅圖水手隊迎戰德州遊騎兵隊四連戰比賽，我們很幸運能見到遊騎兵這支來訪隊伍，上課時老師已告知賽程，由於這是大家剛到此的第一個週末，班上老師很希望大家都去看球賽藉此連絡感情，而又有律師事務所贊助的球票，我們皆熱愛運動，能親臨現場自然不會放過，可惜的是這是一場 lopsided game。我們由校園搭公車 71~73 路往西雅圖 Downtown 至國際區站 International Station 下車，順著人潮與往海灣方向就會發現一座人行天橋跨越過鐵道，繼續前行先經過美式足球場 Qwest Field 就會到達賽芬柯棒球場，約需花費 15~20 分鐘。由現場的氛圍與群眾互動所塑造的球場活動，以及完整詳盡的各項設施，來這看球確實是一種享受，主場球迷與這次 CASRIP 學員(一半以上是日本人)很多都是為了一睹球星鈴木一郎 Ichiro Suzuki 而來，球場處海灣旁，不時有海鷗飛進來更是有趣的特色。我們又在假日又去了一次，自費看球票價約 US \$7~70 不等，我們買的右外野票，離鈴木一郎很近，一張美金 46 元。

### 第三節 學員互動情形

此次來參加 CASRIP 學員共有 56 位，從第一週開始即依語言國籍或職業進行分組共 8 組，因為這次並沒有來自中國的研習人員，職等兩位就與五位來自韓國學員同一組，本組的學員有：

Mr. Young-Jung Oh(吳永中)：韓國律師代理人協會幹部(Bar Association)，專長為人權律師，擁有法學博士及經濟學博士，他說他的專長在於公平競爭法，專利其實他不是很懂。

Mr. Chung-Woo Lee(李充雨)：為韓國律師代理人協會幹部，李即將完成法學博士，

他也是一位律師。他們兩位熱愛戶外登山攀岩運動，參加完第二周課程就提前畢業並前往美西洛磯山脈及著名的大峽谷開車旅遊。

**Ms. Hyejin Hwang** 小姐與 **Mr. Junghwan Kim**：為韓國智慧財產培訓機構(KIPA)一員，為負責培育智慧財產教育相關訓練(如專利代理人及審查官訓練)種子師資，他們幾乎不與他人互動，下課時間他們兩位總是在一起，我們都不方便打擾，甚至連其他韓國人他們也很少去致意。

**Mr. In Gu Kwak**(郭仁求)與 **Ms. Junghee Han**(韓靜熙)：韓國智慧財產局審查官(KIPO)，其中郭仁求為專精在電力電子領域，他擁有博士學位，在 KIPO 只任職三年，本來在三星工作，這次來美國他說是他的第六次，前五次都是因為產品出了問題趕來解決，課程中與我們互動熱烈，放學後我們一起到外面吃飯，彼此交換審查心得，發現韓國審查官的結案量比我們預期的還高，他們其實個個苦不堪言；韓靜熙則是生技領域，在 KIPO 任職八年，她只參加第三週進階課程(**Option 4**、含科技保護高峰會)，最後離去時在 **Tacoma** 機場還與她碰頭，她以前在紐約唸書，有兩位女兒，先生在大學教數學，因為我們已經上完兩週後她才來，得知假日我們要去搭船而跟我們同行，於是我們三人就在船上聊了許多關於審案的甘苦，她的兩個女兒高二與國二，從小就開始上英文補習班一直到現在都是，據她說韓國學生如果想要上好學校，幾乎沒有人不補習。

**Ms. Lorri Tonnes-Priddy**：是華大法律系 J.D. 一年級學生，為本組助教(**Teaching Assistant, TA**)，韓國血統為丹麥人領養在美國長大的美國人，兩個可愛孩子的媽，她專長為生物晶片領域，這次課程中及相關細節有她協助幫我們解惑，真是謝謝她，不過她只是剛開始學習智財法律，對於專利事務的細節她也不甚瞭解。

**Ms. Kimiko**：一位日本籍助教，個性非常俠義豪爽，目前是微軟智權法律部門助理，從帶隊參訪微軟開始及在美國生活遇到一些小問題協助，都展現她為人熱心與熱情的一面，閒聊時談及喜歡甄子丹所主演葉問等類型的中國武俠片，回到台灣用 **Linkedin** 還不時接收到她的新訊息，真是一位特別的人。事實上她並不是本

班的助教，但是她坐的位置總是在助教旁邊，而且比真的助教還要熱心，常被大家誤以為她是助教。Kimiko 中文叫「笠崎貴美子」，她告訴我們，她才剛到微軟上班，因為是智財相關，微軟又是本課程贊助者，所以單位主管請她來增長知識，為了怕丟掉工作，她看起來比其他學員都認真。離開前幾天的日本人之夜，她說晚上 8 點才開始，於是她堅持要請我們吃飯，她特別開車載我們以及兩位日本學員到市區的中國飯店，並約一位微軟的同事 Rico 一起共聚，我知道她是回報我們給她的小禮物。

我們另外兩位日本籍室友 Iguchi 及 Maekawa，皆為通過考試的日本專利師，服務於東京特許事務所，平時工作非常認真，連在受訓期間在宿舍還用 EMAIL 與公司針對案件進行處理與連絡，兩位為啤酒愛好者，Maekawa-san 每天至少喝 5 瓶啤酒，問他為什麼愛喝，他回答很有趣卻是他認為真實，日本大學生沒有不會喝酒的，我說那東京大學學生？他說都一樣。Iguchi-san 是我們最敬佩的工作者，他的敬業精神遠遠超過我們對於日本人工作態度的一般認知，即使是我們晚上約他到校園走一走，只有 20 分鐘的活動，他都必須思考一陣子，然後說：「I am sorry. I have to work.」我們笑他「I have to work.」快要變成他的商標，但是內心裡是尊敬的，因為他做一件我們做不到的事。最後一晚，我們室友聚餐，聊了許多日常生活與工作經驗；另外還有中國工作兩年，自費來受訓的 Mr. Yabu，說著還算流利的北京腔，他原本在日本當專利師，後來中國的事務所有更高的行情，於是他就試試看，他也直接告訴我們，行情比日本多 1.5 倍；服務於富士電機 Mr. Tanaka，他是我們這次學員中年紀最長的，但是富冒險精神，獨自報名參加雷尼爾山(Mt. Rainer)10 小時巴士之旅，他學電路設計，一直以來他其實是工程師，因為公司專利說明書他自己撰寫，久而久之就成了公司 in-house 專利師，他上課永遠座離講師最近的座位，因為他很認真要錄音，可是畢竟不敵歲月，往往第一節上課就看見他眼睛閉著猛點頭；一位同樣與職等(國衍)同樣愛好自行車運動的 Mr. Fuji，為專責處理侵害訴訟代理之專利師，為太平洋單車隊一員最高紀

錄單車日行 400 公里，真是一位不簡單的人物，這一次來美國，我們帶一顆籃球過來打，比起 Fuji-san 帶一台腳踏車來騎，我們遜色多了，從學校到市區他都是騎腳踏車。另一位 Mr. Gomi 為機械車輛專長領域的專利師，其負責本田油電混合車相關專利案子，他也是一位慢跑的愛好者，彼此也交換平時慢跑運動選鞋的心得。

這次也認識了幾位法官：於科技保護高峰會時蒞臨並發表講演的日本大阪地方法院智財分院 Morisaki 法官，及跟我們此次全程研習的智慧財產高等法院 Chino 法官，我們在居酒屋聊到兩屆世界棒球經典賽(World Baseball Classic)時，美國如何作弊，把日本隊的全壘打判成界外球，企圖使日本淘汰，日本又如何躲過死神，從淘汰邊緣意外的起死回生而奪冠，Chino 法官對於細節知之甚詳，說到興致處我們來個 high-five，他是一位棒球迷無疑，最後他也在畢業午餐會時代表全體學員發表感謝詞及致贈竹中俊子教授鮮花；Morisaki 法官在居酒屋聊天時，他很誠心的要向我們表示感謝，對於 311 地震的捐款，年長的他說「台灣是我們真正的朋友」；另一位為來自捷克的 Martin 法官相當年輕，為人談吐頗風趣，午餐聊天時職等便口頭邀約若有機會可否邀請他到台灣進行訪問或交流，他非常重視這個口頭邀請，突然有一天還問我們公文要如何辦理，讓我們嚇了一跳；Martin 法官本班有兩位，另一位是來自德國，他全程幾乎不說話，很專心上課，下課也不與人互動；而另一位沙烏地阿拉伯 Al-Ahaidib 法官，他的座位離我們很遠，本來我們只有點頭之交，日本同學在宿舍舉辦日本人之夜，Fuji-san 買了相當多飲料食物，也邀請他前來，我們聊得很愉快，台灣給他的印象就是品質有一定保證。56 名學員中，幾乎 9 成我們都有與之互動。

來自台灣的海外朋友這次也遇到了幾位：政大的劉江彬教授就在高科技保護高峰會及 Seed IP 晚會遇到，之後的一天晚上，又在宿舍一樓遇到，此時他正好帶領一群「跨領域科技管理國際人才培訓班」到美國受訓，這群來自台灣的學員剛從 DC 至華大，準備進行一週的課程，劉教授在高峰會會後還邀請我們至他在

Bellevue 的家(西雅圖市東側)聚餐，遞給我們一張邀請函上面畫有地圖，他說這是一個 60 人的台灣人 party，可惜剛好班機當天回國而未能成行。另一位高峰會遇到的白肇昌博士為在美國執業的專利律師，台大化工畢業後到美國深造及定居已經超過 30 年，也趁著每年一度的高峰會到華大進修並補足學分，據他說美國要做專利律師也需要一些點數認證，不是那麼好混；而陳美齡小姐則在美國念法律學程，畢業後則在維吉尼亞州（USPTO 附近）從事專利代理，她本人也到本局拜訪幾次。另一位金佳柔小姐（Monica King），其任職於 Seed IP 法律事務所，在台北長大，金華國中二年級時移民西雅圖，剛從西雅圖大學 J.D. 畢業，她原來就是華大電機系畢業的學生，在波音做短暫的一年，就依家人建議念法律，她的父親是台大法律系畢業，劉江彬教授是他父親的大學同班同學。金小姐並不是 CASRIP 的學員，她是因為老闆來教課她來順道聽課，她就只來這麼一天，下次我們遇到她就是隔天參觀 Seed IP 法律事務所，當天晚上她也跟著我們一起去居酒屋與日本專利師交流。她說去年她回台灣到理律法律事務所實習過 3 個月。

#### 第四節 微軟及未來之家參訪

7 月 21 日下午 3:30 至 5:30，職等有幸受邀參觀微軟在美國西雅圖 Redmond 的總部，拜會微軟之智慧財產/授權部門副總 Mr. Gutierrez 並參觀未來科技概念屋(Home of the future, prototype)。這項拜會起因並非我們想去而是微軟想見我們，嚴格說起來我們根本沒有參觀微軟，只能說見到微軟園區以及一兩棟建築物。首先微軟已事先掌握學員名單，藉由助教發給我們參加意願表，以方便製作臨時證件，小巴士當天課程完畢，將我們送往微軟，就我的觀察，來參加的人都是為政府工作相關人員-審查官們與法官，其他最大宗的學員 patent attorney 一個都沒有，表示助教連參加意願表都沒有發給他們。我們在車上就先發給臨時證件，一到就馬上被帶往一間類似我們 18 樓禮堂的大型會議間，周邊除了地毯以外都是白色，擺著三張白色圓桌，以及不夠大家坐下來的椅子（一眼望去，我方加上對

方約 25 人，大概只有 10 張椅子)，給人一種空曠的感覺，門口一進來只見智慧財產/授權部門的主管們列隊歡迎，還沒搞清楚等一下要做什麼就已經有一位同仁要跟你聊天把你帶開，就這樣大家於是散開來，門的左側有飲料、酒及點心，大家就這樣站著聊天，交換名片，Mr. Gutierrez 開始說話簡短致詞，接著重頭戲就是微軟同仁做一個關於他們部門的簡報，過程中得知微軟的專利在美國核准率大約在 30%，我覺得出奇的低，我問他這樣正常嗎？那位簡報同仁士氣有點低落的說：我們會繼續努力。被問到為何非美國的核准率比美國地區還低，簡報同仁提到：由於我們是大公司，常常是箭靶，有許多專利提出申請後都遇到政治問題，例如向巴西提了 1000 件申請案，巴西政府不審就是不審。這樣拉低我們的核准率，還有就是我們對於各國的專利審查細節還不夠清楚，這點我們必須加強，所以我們藉此瞭解。那個簡報維持了 7 分鐘，後來又是開始大家互相聊天交流。

離開會議間，接著被帶到未來之家，我們所有人先在這個家的門口站個 3 分鐘，因為引導員 Dorsey 女士要先給我們行前教育，這是唯一可以照相的地方，進去後就不可以。



未來之家是真實的一間房子，它的特色就是利用科技到極大化，結合了聲控與觸控、投影、射頻識別、視覺 3D 等技術，讓科技與生活的每一過程結合，家中的每一個家具幾乎都有科技的影子，甚至可以互動。從導覽一開始的「只要有

人按門鈴，主人可以從手持式裝置螢幕看到是誰」、「虛擬管家學習主人的語音指令，提供今天的天氣資訊或有電子郵件、語音留言等訊息，並投影在牆壁上」，「屋主可以依據心情來選取牆壁投影的氣氛環境設定」…到「提醒主人吃藥」等等一堆科技，但是我一直感受不到那種簡單就是美的科技最高境界，就我個人從旁觀察，這不會是我們人類未來的家，你的家不會沒事嵌入 15 支 200 瓦投影機在牆裡或屋頂邊緣，當家中沒人時一天電費基本要 100 元，如果啟動全部科技的話一天至少 300 元起跳，這一間嚇人房屋其實是高耗能產物，光是所有電子/電力控制設施待機所要耗的電力就非常可觀，當它在作動更不必談，想像一下連餐桌上的畫面都有投影飛機飛來飛去。話雖如此，還是要給微軟掌聲，因為他們養了一群研究人員，天馬行空去想像未來並將它實踐，就是他們的工作，微軟嘗試做一件對地球有益的事，即使是出於利益(簡報者提到未來之家運用到許多專利)，終究地球受益，而且這是通往未來的必經之路。對於這一次的參觀，並沒有驚艷或大開眼界的感覺。

## 第五節 Seed IP 歡迎會

CASRIP 課程第二週(Week1)的週五為高科技保護高峰會登場，當天晚上一行人幾乎都到 Seed IP 所主辦的歡迎晚會，包括聯邦巡迴法院首席法官 Rader、O'Connor 教授及竹中俊子教授都到場與會，餐敘時跟與會學員聊天相當融洽，其辦公室位於哥倫比亞大廈高樓層的位置，整個西雅圖市的太空針塔(Space Needle)、艾略特海灣(Elliott Bay)、賽芬柯棒球場(Safeco Field)及奧林匹克群山(Olympic Mt.)等西雅圖天際線景色都一覽無遺，並由昨天才認識來自台灣任職於 Seed IP 的金小姐帶我們參訪他們事務辦公環境並介紹幾位同事，以及介紹曾擔任 USPTO 審查員的合夥人 Carlson 互相認識，Carlson 本人在前兩天早上課堂中亦有授課，內容實在而帶點幽默風趣，不過金小姐私下透露，他的眼神像老鷹般的銳利。最後階段的某一天，Carlson 突然跑進教室說了一段富有啟發的小故事，



大意为我們在 IP 領域的職場上選擇一條正確有未來性的道路，並期望好好走下去。

Seed IP 參觀的精彩高潮莫過於法官 Rader 跟他的樂團 Band 的小型演唱會。之前就有耳聞法官 Rader 從青少年開始就喜歡玩樂團，後來選擇走向司法法官判案一途但仍未澆熄組樂團的熱情與興趣，沒想到晚會當晚的重頭戲就是主唱 Rader 的樂團演出，大家都圍繞著在一個大約 20 坪左右大小房間聆聽，因為鼓聲節奏強烈不自禁就會拍手鼓動，當晚一共演唱了十餘首膾炙人口的西洋老歌，不禁回想我國有無這樣的多才多藝的法官，更令我覺得法官 Rader 除了司法判案外還有令人感佩之處<sup>1</sup>，當晚真是個難得的夜晚。

由於今年是 Judge Rader 成為法官的 20 週年（據他說是 21 年），CASRIP 為了表達他的支持以及其在 CAFC 期間對於司法界做出的貢獻，特別於高科技保護高峰會上彰顯其成就，有一半的主講者第一張投影片就是 Rader 法官的照片，而且非常大張，該照片同時也是這一次 CASRIP 文宣小冊子的最後一頁，因此這一次高峰會的第一天，幾乎成了 Rader 法官的表揚大會，高峰會的最後一天竹中教授於中午露天餐會時中斷十分鐘致贈紀念獎杯一座。

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<sup>1</sup>國衍個人真實感受。

## 第三章 上課重要案例及議題

CASRIP 的課程設計，主題很明確，就是以一張近乎是白紙為教學對向，因此其課程幾乎包括 IP 的一切，但是重點仍在專利這方面，而且它的對象就是要教導具有普通專利知識的學員，目標是瞭解專利從業者的事務。不過，要論專利審查的話，進階課程的諸多主題課程中，例如技術移轉或技術授權，則偏離我們所從事的工作，因此在選課上我們都是盡量以工作相關或專長符合為主，報告的內容就是以上課的實際情形做記錄。在此要說明的是，CASRIP 的課程因為包羅萬象，上課過程中甚至對於案例的事實部分僅做簡短描述，而且也不會對案例做太多討論，可以說都是淺淺的帶過，除非是美國最高法院做出的大案子或是 **CAFC en banc** 的案例才會多花一點說明，也不會很詳細。而本次的課程剛好最高法院做出幾個大案子的判決，而講師們在課堂上不管說什麼，話題都會不約而同轉到該案例，這些案例就我們來看就屬於上課的重點，本報告的中心素材就是這些案例。另外，我們雖有幸獲派參加 CASRIP 課程，但是自己知道其他同仁們正在努力審案，相信大家也想瞭解課程的內涵，我們（包括韓國審查官郭仁求先生）與助教 TA 大家一起盡量記錄講師上課的每一句話（有一點像共同筆記），最後晚上在宿舍將資料重新整理，這樣的整理記錄對於局內有興趣的同仁，應該算是提供另一種學習管道，如果配合原來的 **power point** 簡報檔，就像在上課一樣，按上課時間排序，該記錄附在附錄中，我們最多的時間跟精力就花在這個上面。

### 第一節 專利之獨立要件

案件名稱：Ariad Pharmaceuticals v. Eli Lilly, 598 F.3d 1336 (Fed. Cir. 2010) (en banc)

#### 一、案件概述

2002 年 6 月 25 日，美國第 6410516 號（下稱 516 號）專利核發當日，專利權人 Ariad Pharmaceuticals, Inc. (下稱 Ariad) 公司於麻州聯邦地方法院提起專利侵權訴訟，主張被告 Eli Lilly（禮來）公司生產銷售之 Evista 和 Xigris 和 Xigris 藥品

侵害其 516 號專利第 80、95、144 及 145 等請求項。禮來公司則抗辯 516 號專利因不符合美國專利法第 112 條之書面說明(Written Description)與可據以實施性(Enablement)要件，而應屬無效專利。陪審團未採納被告之見解，因此被告禮來公司向法官提起依法逕為判決(JMOL)聲請。地方法院駁回被告依法逕為判決之聲請，禮來公司不服而將本案上訴至聯邦巡迴上訴法院(CAFC)，CAFC 肯認被告禮來公司之見解，認定 516 號專利未符合專利法第 112 條之書面說明要件，因而認定 516 號專利無效。原告 Ariad 公司不服，向 CAFC 請求進行全院聯席審理(En Banc)，CAFC 核准該聲請。

## 二、公司簡介

(一) 原告 Ariad Pharmaceuticals, Inc.：為一生技製藥公司，1991 年成立於美國麻州劍橋市(Cambridge, Massachusetts)，主要研發領域為癌症相關藥物，與默克(Merck)集團有相當緊密之合作關係。本案中其他共同原告皆為知名的大學及研究機構，包括麻省理工學院(Massachusetts Institute of Technology)、懷海德生物醫學研究院(The Whitehead Institute for Biomedical Research)與哈佛大學(The President and Fellows of Harvard College)，均為第 6410516 號專利之共同專利權人，Ariad 則為 516 號專利之專屬被授權人。

(二) 被告 Eli Lilly and Company (禮來)：為知名的製藥公司，成立於 1876 年，總部位於美國印第安納州的印第安那波利市(Indianapolis, Indiana)，目前是全球十大藥廠之一。禮來公司主要研發產品集中於中樞神經系統用藥、癌症用藥、內分泌疾病、婦女保健、感染疾病與心血管用藥等領域。

## 三、系爭專利

美國第 6410516 號專利為一降低 NF-kB 蛋白質分子活性的方法。NF-kB 全名為 Nuclear Factor Kappa B，是一種蛋白質分子，正常狀態下與其調控蛋白 IκB 結合而處於未活化狀態，但若該複合體接收到外來刺激，IκB 將會降解而使 NF-kB 進入細胞核，引起發炎及細胞增生等反應。若能抑制該分子與 DNA 結合，則可

降低癌症等疾病的發生機率， 516 號專利提出三種可能的解決途徑：

#### 1.專一性抑制劑(Specific Inhibitors)

一種抑制 NF-kB 進行基因轉錄表現之方法，包含降低 NF-kB 活化等方法。說明書中以 IκB 為例，但未說明 IκB 如何阻斷 NF-kB 與 DNA 進行結合。

#### 2.顯性干擾分子(Dominantly Interfering Molecules)

以切短過的 NF-kB 分子為例，使該不完全分子與 DNA 結合以達不引發疾病之效果。

#### 3.誘捕分子(Decoy Molecules)

以一種偽裝成 NF-kB 的分子減少 NF-kB 與 DNA 結合的機會。專利說明書提供一例，但未說明其運作方式。

### 四、主要爭點

與書面說明要件相關的爭議為：(一)書面說明是否為獨立要件？(二)書面說明要件之適用範圍為何？

### 五、法律議題

美國專利法第 112 條第 1 項規定：「專利說明書應以完整、清晰、精簡且正確之用語，將其發明與此發明之製造及使用的方式記載於說明書之書面內容中，俾使得任何屬於該發明技術領域人士或與該發明技術領域相關人士，可以製造該發明並且使用該發明。此說明書並應記載發明人實施該發明所預期之最佳實施例。」現階段的案例發展將本項解析為三個要件，即：1.書面說明(Written Description)，2.可據以實施性(Enablement)及 3.最佳實施例(Best Mode)。

然而，本案原告否認上述見解，並依據專利法第 112 條第 1 項條文之英文文法與專利法修正歷史主張，「書面說明」等同於使相關技術領域人士「得據以實施」該發明，兩者並非獨立之要件。被告與 CAFC 則自文義解釋的角度出發，認定以書面說明為獨立要件並不會違反英文文法；且修法歷史上可以得知，國會明知法院將書面說明解釋為一獨立要件，修法時又未予以更動，因此推定國會接受法院

之解釋方法。

原告根據專利法第 112 條第 1 項認為，書面說明應同時包含「發明描述」與「發明之製造及使用方式描述」( The specification shall contain a written description of the invention, and of the manner and process of making and using it ...in such full.., as to enable a person skilled in the art.. . to make and use the same...)，可據以實施性僅係解釋書面說明之補充性詞彙。被告認為書面說明應包含「發明描述」(The specification shall contain a written description of the invention, and )；可據以實施性要件應包含使一般該領域技藝之人可據以實施之「發明之製造及使用方式描述」( The specification shall contain a written description of the manner and process of making and using it...)。CAFC 認同被告。CAFC 同時援引 O'Reilly v. Morse, 56 U.S. 62 (1853)判決，指出最高法院曾表示書面說明要件並非僅具使專業人士據以實施之目的，尚有協助決定專利範圍的效果。Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. 722 (2002)案中，最高法院更明確地將專利法第 112 條第 1 項分為「書面說明」，「可據以實施」及「最佳實施例」三個要件。因此 CAFC 遵循前例，認定書面說明要件為獨立要件。

至於爭點二之書面說明要件適用範圍及目的上，原告之備位主張，即便書面說明為一獨立要件，其效果也僅限於「決定是否可享優先權利益」之功能，如：書面說明不完整時，嗣後拒絕申請人進行專利權之補充或修正；但書面說明要件不應成為專利無效的決定事由，因專利請求項已發揮權利範圍劃分的功能，應毋須於說明書中重複進行發明範圍之檢視。

CAFC 則表示法條並未限制書面說明要件僅適用於專利說明書的嗣後修正，且依 O' Reilly 案見解，專利法 112 條第 1 項之目的本即包含「協助決定專利之範圍」，因此否定原告上述之主張。而判斷專利權是否符合書面說明要件之標準，CAFC 採取 Vas-Cath v. Mahurkar, 935 F.2d 1555 (Fed. Cir. 1991)案見解，表示「專利說明書必須充分說明，讓一般擁有專業技術人士，於專利申請日時，確實得辨認專利權

人已取得專利標的範圍時」，始符合書面說明要件。

法院運用上述方法檢驗本案 516 號專利是否符合書面說明要件，進而認定 516 號專利說明書對三種降低 NF- $\kappa$ B 活性途徑的解釋過於模糊，認定該書面說明無異於研究計畫書，一般擁有專業技術人士無法確實據此判斷專利權人已獲得之專利標的範疇，因此認定 516 號專利不符合書面說明要件而無效。

## 六、小結

CAFC 於本案中再次確認書面說明要件的獨立性，並重申其測試標準為「使一般該領域具備通常技藝之人士(Person Having Ordinary Skill in the Art)，於專利申請日時，得以辨認專利權人已取得專利標的範圍」。專利請求項必須獲得書面說明的充分支持，若通常技藝人士無法藉專利說明書確知專利範圍時，該權利範圍歸於無效。

## 第二節 不公平行為(Inequitable Conduct)之判斷標準

案件名稱：Therasense v. Becton, Dickinson, 2011 WL 2028255 (Fed. Cir. 2011)(en banc)

### 一、案件概要

1984 年原告 Therasense 向美國專利商標局(USPTO)提出系爭專利之原始申請案，其後 13 年間多次因新穎性及進步性問題而被核駁，其中重要之核駁引證為美國第 4545382 (下稱 382 號) 前案專利。1997 年，專利申請人指出舊型血糖測試片 (如 382 號專利) 均含有「必須使用保護膜」之限制，但系爭申請案已解決此技術瓶頸，而以「本感測器不需使用保護膜」為由提出新的專利請求項。審查員請求申請人提出專家證人宣誓書，證明 382 號專利申請當時，該領域具通常技藝人士確實均認為「382 號專利以使用保護膜為絕對必要，而非僅屬任意或建議性質」。原告專家證人隨後提出支持意見，因此於 1998 年獲得本件 5820551 號(下稱 551 號) 專利。

2004 年，Therasense 公司於 Becton,Dickinson（簡稱 BD）公司提起確認 (Declaratory Judgment) 之訴後，於加州北區地方法院反訴控告 BD 公司之試片侵害其 551 號等專利。本訴移轉至加州北區地方法院後，Therasense 公司再起訴控告 Nova 公司（BD 之供應商）及 Bayer 公司侵害其 551 號等專利，加州地方法院合併審理上述案件。

本案被告 BD 公司則於訴訟中發現，原告曾於 1994 年向歐洲專利局申請專利時，曾向歐洲專利局表示血糖測試片之保護膜均「僅具任意性質」，以排除德國前案。因此被告主張原告就血糖測試片前案是否須保護膜一點上說詞矛盾，且原告申請美國 551 號專利時未主動揭露不利 551 號專利之資訊予 USPTO 進行審查，被告行為應落入不正行為範疇之內。地方法院認定 551 號專利欠缺進步性而無效，且原告構成不正行為，原告不服上訴。聯邦巡迴上訴法院(CAFC)維持原審判決，但同意就不正行為部分進行全案聯席審理(en banc)。

## 二、公司簡介

（一）原告 Therasense, Inc.：Therasense 公司成立於 1997 年，總公司位於美國加州，為自我血糖監測器之領導廠商，2004 年 Abbott（安培）集團將其收購，並納入安培糖尿病照護事業部當中。

（二）被告 Becton,Dickinson and Co.：Becton, Dickinson 公司成立於 1897 年，總公司位於新澤西州，為一美國醫療設備公司。主要研發領域包含醫療器材、生物科學及診斷系統等，於全球將近五十個國家中設有據點，為全球最大之醫療設備廠商。

## 三、系爭專利

551 號專利係一種為糖尿病設計的血糖測試片。當血液與試片接觸，血液中的葡萄糖將與試片中的酵素進行反應，使葡萄糖中的電子移轉至酵素中，待電子傳送至試片電極上後，由分析儀依照電流強度計算葡萄糖濃度，以測量血糖之指數。然而，血液中存在眾多物質，紅血球亦可能附著於電極之上，產生物質之淤

積，導致電子無法順利傳輸至電極處。相關前案均以保護膜包圍電極，採取阻絕紅血球、讓葡萄糖通過之方式避免淤積，551 號專利則強調「不用保護膜」之技術特徵。

#### 四、主要爭點

1. 單純因普通過失(Negligence)或重大過失(Gross Negligence)而錯誤表示或未提供適當資訊予美國專利商標局進行審查，是否滿足不正行為之主觀欺騙意圖要件？
2. 重大性(Materiality)要件之檢測標準為何？
3. 法院是否可使用移動尺度法(Sliding Scale Approach)調整不正行為主觀欺騙意圖及重大性要件之證明程度？

#### 五、法律議題

申請人於專利審查過程中若曾蓄意錯誤表示或未提供適當資訊予 USPTO 進行審查，則專利權人嗣後據此專利提起侵權訴訟時，被告得主張專利權人構成不正行為，使該專利整體產生不可執行(Unenforceable)之效果。不正行為抗辯之構成要件包含：1.主觀欺騙意圖(Intent to Deceive)；2.客觀行為重大性，被告負有清楚且具說服力(Clear and Convincing Evidence)程度之舉證責任以釐清事實，法院最後再據此衡量系爭行為是否惡性重大足以使整個專利產生不可執行之效果。

主觀欺騙意圖要件上，CAFC 曾採取普通過失或重大過失之低度標準，當申請人知悉或可得知悉不揭露系爭參考資料對審查員而言係屬重要時，則申請人即具有主觀之欺騙意圖。但本案聯席意見採取高度之確切意圖(Specific Intent)標準，並表示不正行為抗辯源起於三個最高法院之判決，因此其標準應回歸最高法院判決加以判斷。美國最高法院先前三起判決中，專利申請人均涉及積極偽證、偽造及隱匿證據等蓄意詐欺 USPTO 與法院情事，因此法院方將不潔之手(Unclean Hands)法理運用於原告惡質不當行為(Egregious Misconduct)，藉以懲罰原告而駁回專利權人之訴訟。因此被告即須證明申請人明知該重要資訊存在，且蓄意扣留



該證據時，始符合不正行為之主觀要件要求，僅普通過失或重大過失仍未落入不正行為之範疇。

客觀重大性要件上，本案聯席意見採取「若非則無」之因果關係測試(**But-For Test**)，並解釋基於公平原則，不正行為之後果為系爭專利所有權利範圍皆不可執行，則若非原告未揭露之證據足以影響申請案之可專利性，法院即無課予申請人如此嚴重懲罰之必要。亦即，僅當原告未揭露之證據一旦提出，審查員即會否決系爭專利之核准時方屬之。然而本案法院就此設有一例外，即當申請人係刻意地計畫且仔細地執行欺騙預謀時，該惡質不當行為(**Egregious Misconduct**)推定具有重大性，以符合最高法院之前例。

聯邦法規第 37 章第 56 條（後簡稱為 **Rule 56**）就何謂專利申請之重大資訊進行定義，本案不同意見書中表示，基於 **USPTO** 之行政專業，法院於不正行為重大性認定上應參考行政機關制定之 **Rule 56** 標準。然而，本案多數意見對 **Rule 56** 之標準並不認可，並表示該條文之定義歷經 1950 年、1977 年及 1992 年之多次變更，如此變更不但容易使權利人無明確標準予以遵循，且現行 1992 年版本之規定將可專利性相關之資訊均列為重大性項目，若採此一標準將導致申請人不論相關性高低，均須將其所握有之資訊全數提交予 **USPTO**，會導致審查資訊之壅塞。

最後，聯席意見指出主觀欺騙意圖與客觀重大性為兩獨立要件，法院不得採取移動尺度法(**Sliding Scale Approach**)調整主觀意圖與客觀重大性之證明比例，亦即法院不可僅因系爭資訊具備極高重要性，即推定申請人未揭露之行為顯具欺騙意圖，而減少被告證明主觀欺騙要件之舉證責任。本案聯席意見重新定義不正行為抗辯之判斷標準後，表示地方法院認定事實之標準有誤，因而將本案發回地院重新審理。

## 六、小結

不正行為抗辯為一衡平法理，源自於美國最高法院判決，經 **CAFC** 於眾多案

件中擴大其適用空間，並將範圍自「蓄意詐欺」擴張到「單純之未揭露重要資訊」，希望以專利不可執行之強烈效果，督促申請人向 USPTO 提出所有相關前案資訊。然而，擴大不正行為之適用已導致現實上諸多未預見之後果，如：被告挾不正行為抗辯請求原告擴大證據開示範圍，增加訴訟成本；不正行為結果影響專利代理人聲譽，希望透過法院判決以澄清名譽，而不利訴訟之和解；專利申請人因懼怕不正行為之強烈效果，而向 USPTO 提供過度大量但可能無直接相關之前案，癱瘓審查進度。基於以上，CAFC 聯席審理意見於本案中即傾向限縮不正行為抗辯之適用，僅於被告得提起清楚且具說服力證據（clear and convincing evidence），證明原告主觀上具有確切欺騙意圖，且客觀上原告隱藏資訊具影響可專利性之重大性，或原告行為符合惡質不正當行為範疇時，始構成不公正行為而產生專利整體不可執行之效果。本案例在上課中 Adelman 教授看法與 CAFC 不同，仍堅持原告有蓄意隱瞞具影響可專利性之重大事證。

### 第三節 合理權利金適用因素判斷

現在科技大廠所申請的專利範圍可謂天羅地網，要不採到地雷通常都很難，因此有許多情況不需經過訴訟，專利權人直接找上侵權的一方索取權利金，在美國 90% 的專利訴訟聯邦地方法院還沒開始審理就已經停外和解，另外 10% 被告仍認為有勝算而進入法院。研究專利制度是一整套的學問，我們一般只有注意專利審查及侵權的認定標準，侵權後的學問往往才是一家公司更想知道的。

專利權人習慣於膨脹計算權利金的基礎或是提高權利金的比率，以獲得更高的賠償，這也導致近幾年來賠償金額屢創新高。本節係根據 Seed IP 資深律師及合夥人上課講授資料以及高峰會 Judge Rader 談到相關資訊整理而成。

美國專利法自 1952 年以來，就未曾大幅修訂，為了使美國專利法能配合科技發展並與國際接軌，美國國會從 2005 年開始就不斷提出專利改革法案，其中的主要議題之一，就是確認損害賠償之計算方式以及懲罰性損害賠償之判斷原

則。

由於立法途徑無法有效解決此等問題，美國法院乃藉由司法的手段來解決此棘手的問題，其中的關鍵人物就是現在美國聯邦巡迴上訴法院院長 **Rader** 法官。特別是從 2007 年以後，例如：德州東區、德拉瓦州以及維吉尼亞州東區等聯邦地方法院，接連不斷的判決出天价賠償金額後，**Rader** 法官不但指派自己親自到問題比較嚴重的地方法院去實際參與案件的審理，同時也在他領導的聯邦巡迴上訴法院透過判決展現出新的規範。此種雙管齊下的方式，有效的改變了損害賠償的判斷基礎。**Rader** 法官在高峰會演講中提到幾個關於合理權利金的重點：

(1) **Rader** 法官在擔任美國聯邦巡迴上訴法院之院長之後，大力推動限制電子化證據開示(e-Discovery)程序之範圍。證據開示(Discovery)程序係於訴訟程序中，透過雙方當事人交換案件的資訊與證據，使雙方了解對方所擁有之證據，藉此釐清且確定爭點，是美國民事訴訟程序中相當重要之一環。現今許多公司使用電子郵件交換信息或電子化儲存資料，因而衍生出電子化證據開示程序(e-Discovery)，其係指於訴訟程序中，雙方當事人交換電子資訊與證據。然而，由於雙方都負有舉證的責任，且蒐集、閱讀並篩選出主要的證據需要耗費大量時間與金錢，因此美國專利訴訟花費非常嚇人。

**Rader** 法官希望藉由合理限制電子化證據開示程序使訴訟程序更快並更有效率；然而，他也承認，或許限制電子化證據開示程序會造成某些關鍵證據缺失，少部分案子因此不公正的情形，但卻可提升訴訟程序的效率以及省下大筆的開銷，利大於弊。

(2) 在美國，專利侵權損害賠償要定出何謂「足夠之賠償」，考量的重點包括：專利權人所損失利益(lost profits)，以及合理的權利金 (reasonable royalty)。然而，若是受到侵權的專利特徵僅是被控侵權產品的一個小元件時，該如何衡量專利侵權之損害賠償金？專利權人可主張該產品之整體利益，或僅該部分的利益？該如何計算比例？

Rader 法官舉了三個與美國專利侵權損害賠償之合理權利金相關的案例：

### 1. Lucent v. Microsoft

Lucent 公司控告微軟公司侵害其專利，為了計算損害賠償，Lucent 公司以 0.5% 作為權利金比率的公式來計算合理權利金，以此作為損害賠償之基礎。本案之爭點在於，Lucent 主張應適用整體市場價值法則(entire market value rule)，以個人電腦之平均價格乘上 0.5%來計算權利金；然而，微軟以 Lucent 所擁有的專利僅佔了個人電腦之一小部分，無適用整體市場法則之餘地。

整體市場價值法是以權利金基礎 × 權利金比率 = 損害賠償金額的公式計算，然而當專利權人擁有的專利僅是被控侵權產品的一小部分，權利金基礎能否直接以被控侵權產品之價值計算？

整體市場價值法則之成立，主要還是需考量該專利對系爭產品價值的實質貢獻(actual contribution)，也就是專利本身的確創造了任何顧客需求或產品價值。

### 2. ResQNet.com v. Lansa

本案之爭點在於決定如何決定權利金比率。聯邦上訴法院認為不得利用無關且不適當的先前授權合約當作計算專利侵權損害賠償金額之基礎。

### 3. Uniloc v. Microsoft

在此案中，聯邦上訴法院認為之前用以計算侵權損害賠償金額之合理權利金的 25%基本原則是根本上有誤的工具(fundamentally flawed tool)。2011 年 1 月 4 日美國聯邦巡迴上訴法院(CAFC)做出裁決結果，認為微軟的確有侵權行為，但明確拒絕使用過去所謂 25%的系爭產品預期利潤所計算做為賠償金的規定，未來將重新審理合理的賠償金問題。不管過去如何普遍地使用 25%是侵權者支付專利權利合理使用費的起碼比率，至少將來這種做法將來可能會停止，至於如何更精確的計算出合理的權利金值得觀察。

#### 第四節 明確和令人信服證據 vs 優勢證據

##### 一、 本案背景

i4i (I4I Limited Partnership) 為美國第 5,787,449 號專利的專利權人，該專利是有關於一種編輯電腦文件的改良方法，主要是將文件的內容與資料結構的屬性資訊分開儲存。2007 年，i4i 在德州東區地方法院起訴，控告 Microsoft 故意侵權，主張 Microsoft 製造與販售的 WORD 產品侵害 i4i 的專利。而 Microsoft 除了否認侵權外，還反訴 i4i 專利無效且無法據以實施，Microsoft 主張根據美國專利法第 102 條 (b)<sup>2</sup> 的 on-sale bar，使得 i4i 專利失去有效性，因為 i4i 在專利申請前的一年之前已販售實施該專利技術的軟體 S4。兩造同意 i4i 販售 S4 軟體的事實，但是針對該軟體是否已實施 i4i 專利的發明，i4i 對陪審團提出反對意見。基於 USPTO 審查委員不知道有 S4 軟體的事實，Microsoft 反駁 i4i 之主張，即，Microsoft 的專利無效抗辯必須藉由「明確且令人信服的證據」來證明。Microsoft 主張：若是基於系爭專利於訴訟期間完全未受到審查委員審查的先前技術證據，則在無效抗辯中的證明標準，只需採用優勢證據 (preponderance of the evidence) 標準。

地院駁回 Microsoft 提出的證明標準，並判決系爭專利並非無效，Microsoft 為故意侵權、Microsoft 必須賠償損害賠償金 2.9 億美元，並核發永久禁制令。Microsoft 繼而上訴至 CAFC，CAFC 維持地院判決，並認為依據美國專利法第 282 條之解釋，陪審團要求 Microsoft 提供證明專利無效的證據必須為明確且令人信服的證明標準，此一要求並無錯誤。隨後 Microsoft 又上訴至最高法院，最高法院於 2011 年 6 月 9 日作出判決。

##### 二、證明標準層次

所謂證明標準是指提出控訴的一方說服事實發現者其控訴事實成立的程度，

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<sup>2</sup> “A person shall be entitled to a patent unless — (a) the invention was..., or (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, **more than one year** prior to the date of the application for patent in the United States”

英美法上，一般可分為三種標準：(1) 優勢證據標準，其證明度約大於 50%，也就是說超過 50% 的可能性可以證明事實成立，這種標準一般見於英美民事訴訟中，專利侵權通常也使用此標準；(2) 明確且令人信服的證據標準，其證明程度高於優勢證據標準，這種標準的可能性自然高於 50%，如果我們要說別人的專利無效，標準要更高，在美國都是使用此一標準，這樣的證明度一般認為在 70-80%；(3) 無合理懷疑 (beyond a reasonable doubt) 標準，所提出之證據須排除一切可合理懷疑之疑點，證明度超過 90%，因為刑事判決造成的後果大於民事，若誤判將導致一方失去自由甚至生命，所以刑事案件皆使用此標準。以上三個標準是講師 Michaeljohn (西雅圖資深專利律師) 以及 LaMarca (USPTO solicitor) 上課至少重複 5 次以上，一直要大家牢記在心。

### 三、最高法院的見解

Microsoft 上訴到最高法院，主要主張以下兩點：(1) 在專利無效抗辯中，只要以優勢證據說服陪審團即可；(2) 至少當無效抗辯所採用的證據是 PTO 於審查過程中從未考量過的證據時，就應該使用優勢證據標準。Microsoft 提出上述主張的用意，是想藉由降低證明標準，或者至少在某些特殊情況下必須降低證明標準，並企圖說明本案正是符合該特殊情況，因此只需要以標準較低的優勢證據標準來證明專利無效即可，藉此提高 Microsoft 的抗辯成功機率。

但最高法院認為：如同美國專利法第 282 條所述「一專利應被推定為有效」及「主張一專利的全部或任何部分申請專利範圍無效之舉證責任應由主張者(即主張無效的一方)負擔」。雖然法令明確地規定舉證責任的歸屬，卻未清楚地說明證明標準，但是最高法院表示，法令的問題不能簡單地就此打住。最高法院假設國會於立法之初所選的用語的通常意義，就能用於明確地表達立法目的，當國會於法規中使用普通法的用語，則表示其沒有其它不同的意義。因此，專利法第 282 條所載一專利應被「推定有效」，國會使用的用語就是在普通法中被確立意義的用語。

最高法院認定其在 RCA 案的裁決是權威性的。在該案中，追溯近一世紀以來最高法院及其它法院的判例法（case law），Cardozo 法官代表法院表示：「關於有效性的推定，除了藉由清楚且令人信服的證據之外，不應被推翻（there is a presumption of validity, a presumption not to be overthrown except by clear and cogent evidence）」。Cardozo 法官提出下列原則來解釋：「攻擊專利有效性的侵權者負有說服的重大責任，且除非他的證據強過一可疑的優勢證據，否則他會失敗」。而且 Cardozo 法官還透過其他說明表達以下觀點：當攻擊者可能是真正發明人時，都要以較高的證明標準來證明專利無效，更何況攻擊者並非真正發明人時，此標準的使用更加確立。

最高法院又表示，「普通法推定」換句話說反應了普遍的了解，即，以優勢證據標準認定專利無效實在太含糊可疑（dubious）。因此在國會頒布專利法第 282 條且宣告專利係「推定有效」之前，專利有效性的推定長久以來已是普通法的一部分。依專利法第 282 條規定，該推定不僅涵蓋舉證責任的配置，也涵蓋施加一提高的證明標準。基於一普通法用語伴隨其普通法意義的一般規則，而且最高法院引用了幾件案件中的說明，認為不能只因為專利法第 282 條沒有明確地重申該較高的證明標準，而推論國會企圖對該推定捨棄較高的證明標準。因此，最高法院認為 RCA 案未留下疑問，其依附於專利有效性之普通法推定是一個關於其「效力」的措詞，那就是，用於克服它的證明標準。

Microsoft 重申前述兩個主張中較為限縮的第二個主張，認為優勢證據標準必須至少應用在那些只提供給事實調查者而未出現在 PTO 審查程序中的證據。尤其因為 KSR 案的存在，使依據該有效性推定的闡述—USPTO 已依據其專業核准專利範圍—似乎變得薄弱。

針對 Microsoft 的主張，最高法院提出以下幾點見解：

（1）雖然在此情況下尚有其它理由可以支持此推定，但是 Microsoft 的陳述的確是事實。然而，問題依然在於國會是否明確說明可適用的證明標準。如同已經建

立的，國會所作的就是將專利有效性的普通法推定編入法典，並且隱含有較高的證明標準。

(2) 在最高法院於 1952 年以前的案件從未採用或認同 Microsoft 所想像的變動的 (fluctuating) 證明標準。而且這些案件也沒有指出任何低於明確且令人信服的標準可以用於侵權行為所引起的無效性抗辯，即使在判決的附帶意見也沒有指出。相反地，法院在 RCA 案對此爭點直接說明，因為當提供給法院的證據不同於 PTO 已經考慮過的證據時，即須採用較高的證明標準，所以當提供給法院的證據與在 PTO 的證據相同時，此標準的採用就更為明確。同樣地，法院敘明有疑義的優勢證據從不足以支持無效抗辯，而且沒有明顯的例外。最後，不管相關的先前技術證據是否已經被 PTO 審查委員考慮過，最高法院通常使用較高的證明標準。

(3) 由專利法第 282 條的法條內容，看不出國會打算違反這樣的理解而制定一個將隨著每一案件提高或降低的變動性證明標準，因為可以肯定的是，在 1952 年以前，多數上訴法院觀察到，在侵權訴訟的證據未被 PTO 考慮過的情況下，有效性的推定是被弱化或消散的，但最高法院不能因此將這些案例解讀為認為、甚至是建議一個優勢標準將應用於這些情況，最高法院拒絕將這樣的解讀歸因於國會。相反地，最高法院瞭解這些案例是反應了相同的常識原則，也就是 CAFC 自始至終都認定：在一個侵權訴訟的無效性抗辯中，當要考量新的證據時，可以比先前被 PTO 所考慮過的證據佔有更高的權重。如同 American Hoist 一案中，Rich 法官解釋道：「當法院依據未被 PTO 考慮到的涉及專利有效性的新證據時，其面對的不是必須與 PTO 持不同意見、或聽從其審定或將其專業知識列入考量。此證據可能因此佔有較高的權重並且更加確認攻擊者的不變責任」。

(4) 雖然 Microsoft 在給陪審團的主張中強調 S4 軟體從未被 PTO 考量過，但 Microsoft 沒有向地方法院要求「法官應指示陪審團去考量這個證據」。Microsoft 現在才在給最高法院的答覆理由書 (reply brief) 中，堅持「法官應指示陪審團



去考量這個證據」一事曾被核准，但最高法院認定 Microsoft 的該主張來得太慢，因此拒絕考慮該主張。

兩造與法院之友對於國會採取清楚且令人信服的證明標準的看法有相反觀點。Microsoft 與其法院之友主要是主張高證明標準會過度地讓不好的專利逃過無效性的挑戰而阻礙創新。而 i4i 及其法院之友則主張：較高的證明標準適當地限制非專業的陪審團推翻行政機關的專家在思量後所作的審定。而且較高的證明標準是專利協議的必要元素，也是促使發明人公開揭露其發明以交換專利權之保護。

最高法院認為其沒有立場去審判兩造對於證明標準的主張，因為將近三十年來，CAFC 對於專利法第 282 條的解釋，就如同法院今日所作的一般。在這段期間，國會已不只一次修訂專利法第 282 條，但就如同最高法院及 Microsoft 所知，國會未曾考慮降低證明標準。此外，國會已考量到「壞 (bad)」專利而修改專利法，包含增加複審程序 (reexamination process) 中的雙造複審 (inter partes reexamination)。綜上所述，專利法第 282 條所採納的證據標準已不被動搖，儘管來自於聯邦政府內部或外部的批評不斷，國會還是留給 CAFC 對於專利法第 282 條的解釋空間。當國會在 1952 年將專利有效性的普通法推定編入專利法時，已將可適用的證明標準明確化。從那時起，國會已允許 CAFC 對於專利法第 282 條的正確解釋的成立。

基於上述理由，無論專利法第 282 條是否要求無效抗辯必須以明確且令人信服的證據來證明，最高法院都認定要如此。最高法院維持 CAFC 的判決，也就是 Microsoft 侵害 i4i 專利，必須賠償 2.9 億美金。

#### 四、小結

在最高法院的判決結果出爐之前，原本各界有許多猜測認為最高法院既然接受審理本案，可能是打算推翻現行較高的證明標準，但最終，最高法院還是認定美國專利法第 282 條的「推定有效」有很大的效力，因此專利的無效性抗辯仍必

須藉由明確且令人信服的高證明標準來說服。此外，最高法院還提出一個值得注意的見解：在無效抗辯中提供給陪審團的證據是一個未曾提供給 USPTO 的新證據時，法院要作的只是在考量證據時可以給予證據不同的權重，但不需要改變證明標準。在美國，要將專利打掉，經過這個案子之後，看起來仍然困難。

## 第五節 刻意視而不見之誘使侵權-美國最高法院

案件名稱：Global-Tech Appliances, Inc. v. SEB S. A. (2011)

### 一、案件事實

專利權人 SEB S.A. 是法國的家用設施製造商，在 1980 年後期，SEB 發明了一種不燙手的油炸鍋，並於 1991 年取得了美國專利。在 1997 年，SEB 的美國競爭對手 Sunbeam Products, Inc. 委託香港華利泰有限公司 (Pentalpha Enterprises, Ltd.) 設計油炸鍋。Pentalpha 在香港購買了 SEB 的油炸鍋，並直接拷貝了 SEB 的產品設計，而由於 Pentalpha 所購買的 SEB 油炸鍋並非銷售於美國市場，故其上並未帶有 SEB 的美國專利的相關標示。Pentalpha 並委請律師進行自由使用權 (Freedom-to-Operate) 的分析，但並未告知律師，其產品直接拷貝了 SEB 油炸鍋的設計。由於律師並未檢索到 SEB 的美國專利，故最終出具了可自由使用的法律意見書。而 Sunbeam 則開始在美國販賣 Pentalpha 為其設計並製造的油炸鍋。SEB 先控告 Sunbeam 專利侵權，而取得了庭外和解。隨後，SEB 再行控告 Pentalpha，並提出兩點主張：(1) Pentalpha 將油炸鍋賣給 Sunbeam 的銷售行為直接侵犯了 SEB 的專利；(2) Sunbeam 轉售油炸鍋的行為直接侵犯了 SEB 的專利，而由於油炸鍋係由 Pentalpha 所供應，故 Pentalpha 的行為還構成「誘使侵權」(inducing infringement)。下級法院同意 SEB 的主張，故判決 Pentalpha 敗訴。Pentalpha 不認為自己有誘使侵權，因而上訴到美國最高法院。

### 二、法院判決：

美國最高法院以 8 票對 1 票的比數，裁定 Pentalpha 敗訴，並作出以下法律解釋：

1. 誘使侵權構成的要件，是誘使方必須「知悉」某一行為會構成專利侵權，卻仍誘使他人為之("induced infringement under §271(b) requires knowledge that the induced acts constitute patent infringement.")。
2. 「明知」(包括 actual knowledge 與 constructive knowledge)及「刻意視而不見」(willful blindness)皆可滿足「知悉」(knowledge)這個法律要件。換句話說，只要誘使方對被誘使方的侵權事實刻意視而不見，則誘使方的行為就可能構成誘使侵權。
3. 刻意視而不見("willful blindness")有兩個要件，一是誘使方主觀地相信侵權的事實很可能存在，二是誘使方故意避免獲悉侵權的事實("(1) the defendant must subjectively believe that there is a high probability that a fact exists and (2) the defendant must take deliberate actions to avoid learning of that fact.")。

基於下列事實，最高法院判定 Pentalpha 的行為的確構成誘使侵權：

1. 在幫 Sunbeam 設計油炸鍋時，Pentalpha 搜集了大量的美國市場訊息，並知道 SEB 深受市場歡迎的油炸鍋應是採用了新穎的技術。由此可推論出 Pentalpha 搜集市場訊息的行為，知道侵權事實很可能存在。
2. Pentalpha 的總裁是好幾件的美國專利的發明人，他知道在美國以外市場販賣的產品，通常不會標示有美國專利的字樣。雖然 Pentalpha 知道其所複製的油炸鍋是 SEB 特別為美國市場所設計的，但卻刻意購買了 SEB 在香港所販賣的油炸鍋來複製設計。另外，在委請律師提供可自由使用的法律意見書時，Pentalpha 並未告知律師其所設計製造的油炸鍋根本直接複製 SEB 的設計。由此可推論出 Pentalpha 刻意避免獲悉侵權事實。

### 三、小結

在美國，專利侵權分為直接侵權(direct infringement)與間接侵權(indirect

infringement)兩種。間接侵權更進一步分為誘使侵權(inducing infringement)與協助侵權(contributory infringement)兩種，只有在直接侵權人存在時，間接侵權人才會存在。

美國專利法 271 條(a)款禁止直接侵權的行為，若一個人的行為就滿足了專利法的全要件原則，即可構成直接侵權。而若多個人的行為一起滿足了專利法的全要件原則，則只有在其中一者控制並指導(control and direct)其他共同侵權者的行為時，共同直接侵權(joint direct infringement)才會成立。美國專利法 271 條(b)款禁止誘使侵權的行為，最高法院已在本案作出最新的解釋，亦即「刻意視而不見」可滿足「知悉」這個法律要件。

#### 第六節 先發明原則 vs 先申請原則

美國是不久前還是先進國家中堅持實行先發明制度的唯一國家。近年來，在國際專利協調問題上，美國一直站在專利法國際協調、甚至建立統一專利審批制度的立場上。而從專利法的國際協調角度來看，先發明制度完全是美國獨特的制度，在國際上並沒有市場。在這一點上，美國堅持先發明制度似乎與其國際協調的政治目的不盡相同。而且，一般來講，先發明制度增加了專利申請的費用，同時也延長了專利授權的期限。那麼，美國究竟為什麼堅持這一制度呢？從老師上課中所提到的一位前專利局局長的觀點，比較讓人理解為何美國的堅持。

美國國內對於先發明制度存在的必要性也是存在疑問的，在美國國內也引起爭論，上課時 Toshiko Takenaka 說到，儘管美國在法律制度上採用的是先發明制度，而實際上超過 99%的申請案是在先申請制度下進行審查。因此，美國在大體上實行的也是先申請制度。而相對來說，其他國家實行的先申請制度更為簡單明瞭。同時，由於小發明的申請人提供是先發明人的足夠證據難度較高，因此，先發明制度不利於那些申請簡單發明的小發明人。另外，由於擁有技術秘密的發明人在這一制度下可以威脅專利權人的權利，使這一制度形成專利權不確定的可能。

或許有人問，美國既然在大致實行的也是先申請制度的審查，改不改似乎沒有差別。不過熟悉專利遊戲內涵的專家都知道，專利的關鍵不在已核准的 99%，而是關鍵的 1%。

其實大多美國司法界人士是支持先發明制度的。根據上課講師指出，過去美國前專利局局長 Donald W. Banner 認為，實行先發明制度主要有以下幾點好處。第一、可以保證發明人有一年的寬限期，從而保護發明人在一年的時間裡能夠避免公諸大眾的不利影響，同時也可以給發明人在這一期限內考慮是否申請或者出售其發明的權利，從而提高了專利的效率；第二、可以保證在後申請人宣誓<sup>3</sup>在先的權利，而這一權利已經是一種廣為美國發明人所普遍接受的權利；第三、拋棄了先發明原則必然導致發明人在產生了發明設想時就要申請專利，從而使很多發明人進行無效率的申請，既使他們喪失了評估發明商業價值的機會，也提高特別是中小發明人的獲得專利的費用。

另外他還指出，在美國先申請制度下新穎性的原則，美國的專利審查員在審查專利案時，可能根本無從知道使該案不具新穎性的外國申請，美國專利的確定性仍可能會被未見於刊物的技術或在外國使用的產品所影響。他認為，專利的訴訟費用將會大量增加。針對先發明原則下對於新穎性之訴，他也提出一些事實：事實上，只有千分之一的專利進行了新穎性訴訟，其中只有 80%最終通過上訴暨衝突委員會（BPAI）<sup>4</sup>進行了裁決，這其中又只有 41%的決定有利於在後申請一方。因此，沒有必要為了節省這麼小的訴訟代價而來擴大先前技術。

反對先申請制度的另一個問題發生在對小發明人的保護上。他認為，大企業

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<sup>3</sup>宣誓這一件事情在美國算是不得了的大事，老師在上課時間了一個問題並且以班上同學作統計，問題是：誰是專利說明書最重要的人？我們的回答有 14 種人，各有一些票數，有法官、審查官、公司大股東、買方、發明人、利害關係人…，老師還提示其實這不是統計而是有一個正確答案，最後是發明人，但是發明人得票數卻很少，反而擁有最後生殺大權的法官得票最多卻不是答案，原因是發明人在專利申請時宣誓，最後大家還是一頭霧水，特別是我們，我們的文化是今天的宣誓明天隨時還是可以改的，美國卻是嚴肅看待。

<sup>4</sup>上訴暨衝突委員會（BPAI）決定誰是先發明人的過程而言，由於誰是先發明人的問題牽涉繁複的事實問題，專利上訴暨衝突委員會需經檢視眾多證據以決定誰是先發明人。研發日誌通常在此時即扮演很重要的角色，而有發明人以外他人簽名，例如其他研發同事簽名見證之研發日誌其說服力要較僅含發明人簽名或沒有簽名之發明日誌要來的有說服力。

並不依賴專利戰略。他引用了前聯邦巡迴上訴法院主審法官 Howard Markey 的觀點。Markey 法官認為，許多大公司並不需要專利制度。他們可能也要專利，但只是當作保護性措施，是為了對抗那些可能發明某些公眾需要的東西並且獲得專利，從而使大公司被迫與其談判的小公司，而不是將專利用到生產線上。大公司反而願意在規模、服務、數量、財務深度和促銷方面進行競爭，而不是專利方面。

### 三、觀點

美國先發明制度的主要法律依據是專利法第 102 條 b 款，該款規定，除非在美國申請專利的申請日前一年前，該發明已經在本（美）國或者外國有過同樣的專利或者在印刷的出版物上記載，或者在本（美）國公開銷售過或者已為公眾使用，發明人都應該被授予專利權。

從這一條的規定可以看出，美國專利的新穎性和進步性標準其實是相對的而非絕對。也就是說，在先發明制度下，一個外國的申請不能影響一個美國申請（的新穎性和進步性），除非並且只到該申請人以英語在相應的美國專利申請日之前申請了美國專利。由此，如果美國放棄了先發明制度，一方面，美國專利的新穎性就會成為絕對的，相對於美國專利的先前技術就會大量增加，而由於外國相應專利即便是只早一天申請，也會影響到美國專利的新穎性，這就可能進一步造成美國專利有效性的不穩。專利法第 102 條 b 款，從某種角度上來說，反映了美國專利制度對於專利權確定性的追求，但從國際專利法律協調的角度看，這一規定實質是透過縮小美國專利審查的先前技術範圍，從專利制度角度盡最大可能保護了美國技術在美國市場上的壟斷地位。同時，也促使外國申請人早日以英語申請美國專利，儘快在美國以英語公開其技術，可謂一舉兩得。

而小發明人保護的問題則是司法實踐中產生的具體問題。從立法形式上來看，根本無法確定該條對於小發明人有什麼特殊的保護。應該說，先發明制度對於小發明人都是有利有弊的，這一制度對於大公司和小公司的保護沒有實質上的差別。儘管一年的寬限期可能給小發明人帶來利益，但司法實踐中的舉證等問題也可能

給他們帶來麻煩。世界各國的實踐也沒有表明先申請原則就不利於中小企業的申請。

總之，先發明制度的實質內涵還是：關鍵不在於節省訴訟費用，而在於新穎性比對的範圍。那麼，美國堅持先發明原則的基礎是什麼？其立法的考慮必然反映其社會的要求。從這一角度看，美國堅持這一原則的背景在於以下幾個方面。一是英美法的傳統法哲學觀念的支配。儘管美國的憲法草創者湯瑪斯傑弗遜否定了智慧財產權是人的自然權利的哲學，而僅僅把其作為促進社會福利和財富增長的一種工具性的手段，但是，不可否認，勞務產生權利的觀念在美國法的哲學中仍然有著重要的作用。在這種哲學的影響下，先發明者擁有權利具有最大的合理性，美國從此來看只是在維護憲法，美國《憲法》第 1 條第 8 項第 8 款明訂，就著作人及發明人個別的著作及發現，國會可予以一定期間的排他權，以促進科學和實用技藝的進步<sup>5</sup>。其次，如前所述，這也是保護本國利益的需要。專利法 102 條 b 的實質是給了美國發明人一年的寬限期，按照上課時所發的教科書 *Case and Materials on Patent Law* 一書的說法，就是「有時可能起到保護本國發明者利益的作用」。同時，這樣的設計，既避免了外國人在其本國專利到期的情況下，還能享有美國專利，又使外國人儘快到美國以英語申請專利，間接促進專利技術在美國以英語公開。更重要的是：美國現有科技發展優勢以及司法資源的現狀。這兩者決定了美國不會輕易放棄先發明制度。就先發明這個制度，美國法院創造出了一系列的概念來在訴訟程序中證明先發明，這必然造成訴訟成本的上升。但正如 *Donald W. Banner* 指出：沒有必要為了節省這麼小的訴訟代價而擴大先前技術。也就是說，對於美國司法界來講，綜合考慮，這樣的訴訟成本是值得的，它縮小了先前技術的範圍，保護了自己的市場。從社會發展的現實來看，美國科技研究發展的實力居於世界領先地位。其研發的深入程度和廣泛程度是開發中國家甚至

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<sup>5</sup> Article 1, Section 8: Congress shall have power ... to promote the progress of science and useful arts, by securing for limited times for authors and inventors to their respective writings and discoveries.

歐日先進國家難以追及的。儘管如此，其本國的研究機構也不可能包山包海就所有的課題申請專利。但是，一旦這些機構發現有外國申請人申請了美國專利，那麼，一方面，由於專利申請這一行為本身就透露該發明的市場前途，美國國內發明人也就不再需要對其進行評估，直接利用一年的寬限期，由暗轉明，申請同樣的專利。另一方面，由於美國的研究機構已經紮根很深，有所謂主場優勢，他們往往可以較為從容地利用美國法院創造的一套概念體系，證明自己是先發明人，從而贏得專利權。

美國 Obama 總統日前已經簽署專利改革法案，有人說這會解決積案的問題，其實由 First-to-Invent 改成 First-to-File 不會解決積案，但是改革法案中有一點必須指出就是：保證美國專利局從申請人那裡收取的費用不必被政府其他部門均攤。這對缺錢缺人的專利局形同獲得一張終生保障卡，解決積案應該有希望。值得探討的是美國為何會同意國際調和？若從各個大小公司角度來看也許錯綜複雜，從兩黨的政治面觀察也不知是多少算計，但是只就美國的科技國力來看，問題就會簡單。美國前專利商標局局長支持先發明制度說法發生在 10 年前（2001），這表示關於這個議題 10 年前就已經開始在爭執，我們應該問，為何不是發生在 20 年前，難道這種不調和的事 20 年前沒有嗎？10 年前正好是美國科技大泡沫的第一年，20 年前美國國力日正當中，沒有人敢提出這種問題，而當大家在為這個議題爭執的時候（2001）其實就是美國國力下滑的跡象。簡單的說，經過了 10 年，美國與其他地區科技水平雖然領先但幅度不如以往，美國老是捉住 First-to-Invent 不放而自我保護，意義已經不大，還不如放手。最後，要注意的是，專利改革法案關於先申請的名詞使用並不是一般的名詞 First-to-File，而是 First-Inventor-to-File，這樣不但可以避開違憲的問題，仍留一些操作空間。美國 Harvard 大學退休的歷史經濟系教授 Landis 曾在他的《新國富論》書中寫到：使用筷子的人通常有著靈活敏捷的反應，他觀察未必正確，其實拿刀叉的人反應不會比較差。



## 第七節 專利可實施性測試-Adelman 教授講授案例

這是上課唯一有稍微多講授的案例。關於可實施性的另一項測試為公開的範圍與請求的範圍相當，雖然公開的詳盡程度並未要求對大量製造所請求的發明給予指導的程度，但是公開必須盡可能對權利要求的全部予以細述及揭示。一件早期生物技術可以作為例證，在 *In re Wright*, 999 F. 2d 1557, Federal Circuit, 1993 一案中，Stephen E. Wright 博士請求一個對抗病理學上的 RNA 病毒疫苗的製造方法，其後又請求該疫苗本身，最後又請求使用該疫苗對抗 RNA 病毒的方法。RNA 病毒包含多變的、遺傳性的多樣群組的極微小且具傳染性的帶原體，會產生嚴重的疾病如愛滋病毒、某種血癌及某些腫瘤等。Wright 博士請求一般性地製造疫苗對抗 RNA 的方法，但其申請案公開一個實例：一項可使雞免疫、對抗禽類傳染病毒的製造方法，這個病毒是 RNA 病毒的特別型式，關於 Rous 病毒類，美國專利商標局 PTO 授與 Wright 博士雞疫苗及其製造方法的專利，但拒絕授予其一般性 RNA 病毒及其製造方法的專利，所以他提起上訴。

聯邦巡迴上訴法院維持美國專利商標局因其欠缺可實施性而拒絕給予專利之決定。法院認為即使在 Wright 優先權日後的 5 年，尚不足以預測 RNA 病毒的生理活動，更何況在其有效的申請日時。因此，在本領域普通技術人員將無法合理的相信如 Wright 之請求內所載的方法及過程，能使活體組織免疫而對抗任何 RNA 病毒之傳染。更直接的法院可以說：「你尚未治癒任何愛滋病或血癌，你還不配取得治療所有 RNA 病毒的專利！」 Wright 的公開至多僅引起發展對特殊 RNA 病毒型式的疫苗的實驗。事實上，Wright 不過發明了雞的病毒疫苗而已。

顯然由於太過薄弱的公開，造成其請求過於廣泛，Wright 於是縮減其請求為對所有禽類 RNA 病毒之疫苗仍顯得過廣。他也並未治療除了雞以外的禽類，更別說對所有禽類的潛在性病毒。更謹慎的法律用語來說就該領域一般職業者服務的熟識程度，均不會允許將特別的雞 RNA 病毒的運用擴展到所有禽類的 RNA 病

毒。因此法院維持專利局對其過於廣泛權利要求的駁回。假設 Wright 能夠提出一項適用於所有禽類病毒的科學理論，而且顯示對抗一種病毒的力量也可對抗其他病毒，那麼他提出的實例也許足以支持其較廣的權利要求與及於所有禽類的 RNA 病毒，或是假設來看如果 Wright 博士能夠提出一種科學理論，說明雞的基因可以連結至火雞，故可對兩者產生一樣的效果，那麼他也許可以在雞疫苗之外，對火雞的疫苗亦為可實施。

小結:

在病毒治療方面，對這類理論的理解及技術的成就還繫於遙遠的未來。可實施性的另一項測試會涉及可實施的範圍與權利要求範圍的比較，加以在申請時該領域所屬技術人員具有通常知識者在合理認知與期待下，包括特殊實例及一般陳述的描述，不能窄於其權利要求的請求範圍。換言之，對於超出專利權人實際發明及教導他人複製的範圍外的客體，其不得主張排他權。

## 第四章 心得及建議

在最後倒數第三天的下午，Adelman、Takenaka 及 Krauss 三位教授課程結束後，課堂中 Seed IP 事務所負責人大衛卡爾森先生不請自來的到教室說了一段簡短而具啟發性的小故事，我們跟大家一樣很認真的聽了下去，不用麥克風，從他宏亮的嗓子發出的每個字，到現在仍舊是令人難以忘記。

卡爾森說：許多年前在義大利北部有一個城鎮，住在這個城市的人，生活是繁榮和幸福的，每年種植的作物收成和所飼養的動物都是足夠而順利的。不幸的是，有時候歹徒會襲擊鎮上，土匪會偷糧食殺死所飼養牛和山羊，他們燒了人們的房屋和殺害婦女和兒童，這讓這個村莊引起很大的悲傷和苦惱。有一天，市長召集議會商議提出一個想法：他建議在城鎮建立一個城堡或瞭望塔，且建立一個高牆圍繞城市某些關鍵位置，此舉馬上獲得人民批准並被付諸於行動。就在這個小鎮不遠處一座山有個很大的石頭，可以設置採石場將該岩石削成塊狀以便工人就可把他們構築成城堡和高牆。

約一年後市長決定他應該來看看這些山腰的岩石被拆除切割的作業，當市長來到了山邊，他探詢了其中一個在切割岩石的男人便問該名男子：“請告訴我你在做什麼，你工作的情形如何？”那人回答說：我在切削岩石；該市長轉向了旁邊另一個人也問他同樣的問題，第二個男人說：在過去數個月，我把許多的岩石切割成方塊狀；接著看到第三個男子在附近進行切割工作，市長也問他同樣的問題，第三個人回答說：我在建立一座城堡（I am building a castle），並說：我住在一個離這裡不遠的小鎮，我們正在建設一座城堡以保護我們的城市。這石頭是我建造城堡的部分，當完成後守衛就可以看出是否有敵人正在接近我們的城市，岩石那邊將是未來城堡大門的部分，又說：下個月我將石頭從山中切割以計劃用在牆上，我們正在建設我們的城市周圍；在鎮上我有一個家，我有一個妻子和三個孩子：兩個女兒和一個兒子，我生活在這個農場，未來對於可能出現的麻煩，我想提供更好的保護，這將維持我們的糧食和財產安全。

卡爾森問，這三個男人中，如果你是市長你會想將哪一位升遷呢？是前兩個切削岩塊的人，或是第三個努力建設一個城堡的人呢？我們再回來談談專利工程師這個工作。每一天，你坐在辦公桌從事專利申請工作，有時候撰寫新申請案，有時負責補充修正，有時研究現有技術或做其他活動，在某些日子裡，從發明人或客戶裡得到滿足；有時候可能因為長期枯燥在辦公桌昏昏入睡。讓我問你：在日常工作中你是打破岩石或建築城堡的人？作為一個專利工程師，你正在努力創造和保護公司所擁有的有價值的財產，在其他公司它作為一個強大的防禦牆以保護企業活動，它可以作為一個瞭望塔以提供更好的和更光明的未來。與發明人一起工作，如果考慮大局，你將努力確保這個特定的專利申請正在處理並在適當的地方提供公司的保護。你會要思考形成的細節和這個特定的專利申請可以提供公司最大的受益，以及是否可以結合其他專利申請的工作以提供整體的思考。當你提出一個新發明準備一份專利申請，您將有思考它適合到整個的企業戰略，你該永遠問自己，該專利申請如何影響到你最近一個月的工作，最重要的是它是如何涉及到你下週、下個月或明年的工作，會不會是屬於一個系列的一部分，而構成獨立的一個高大結構？你的手中所從事的，可能變成了公司最重要擁有的資產，如果你仔細了解原石工藝與成品的傑作不同的地方，您就是一位掌握未來的實踐家。

卡爾森的小故事其實也適合用在我們這個審案的團隊，要如何啟發自己，不在於別人或你的長官，而在於你自己，更精確的說應該是這樣：在一個大的目標下，你如何計畫你自己，認真充實的過著每一天。

接著我們想說另外一件事。Chaebol Model 是經濟學人 100 年 10 月 1 日封面報導的一個名詞，Chaebol 是韓文，相對的英文是 conglomerates，中文是大企業，但是光是大企業三個字還不足以形容 Chaebol。除了我國的宏達電常被蘋果控告一外，另外一家就是 Samsung，當期經濟學人就是以 Samsung 為專題報導(Asia's new model company)。我們在 CASRIP 上課的閒暇時間也到市區或校園走動，甚

至是在機場，可以發現幾乎人手一支智慧型手機，而且令人意外的是，只要是大學生或靠資訊工作者，不是拿著 iPhone 就是 Samsung 的 Galaxy 手機。

Samsung 一直以來就是國家扶植的大企業，西方人眼中的 Chaebol 就是指這種企業，近期 Samsung 準備花 200 億美金投資未來十年的五大領域：太陽能面板、節能 LED、醫療裝置、生技藥品以及電動車電池。職等剛好參加本次專利高速公路 PPH 小組，資料蒐集的過程中注意到 KIPO 作為第一局時與 USPTO 之間每年提供約 300 件在 KIPO 已完成審查的案件，其中該 300 件集中在燃料電池、半導體與電池領域，這與 Samsung 要發展的未來方向有些不謀而合。產業有千百種，為何選擇這幾種特別領域其實是值得我們去探究，不過現階段資料太少，難以得知。但從過去的歷史上看，韓國政府向來為 Chaebol 企業開路，在 KIPO 作為第一申請局時，個人以為它仍帶有一些戰略的思考，藉由第一申請局幫 Samsung 在美國多獲得一些專利。

現在我們許多產業面臨挑戰，除了景氣不振以外，還有國際大廠的專利戰，職等剛去上課時看到我國的 HTC 在美國國際貿易委員會（ITC）初步判定蘋果提出的十項專利中，HTC 侵害了其中兩項，不過 HTC 強調蘋果同樣被 ITC 初步判定侵害剛被買下的子公司 S3 Graphics 的專利。本來以為 HTC 與蘋果打成平手，但經濟學人的報導中卻不這樣看，S3 Graphics 是一家連連虧損的公司，而且報導者及其讀者回饋留言都顯示，對於亞洲人的製造能力他們都是高度肯定，但是會不會賺錢是西方人比我們更懂的另一回事。過去我們的策略就是 cost-down，他們往往朝向高附加價值發展，現在 HTC 欲創新出頭時，APPLE 就是要保護它的領先地位，高科技的專利戰爭這只是開始。幾乎是台灣的最高科技的指標公司 HTC 日子是這樣的過，其他公司的日子應該也不好過吧？

在回國寫報告的同時發生 Google 以 125 億美元收購摩托羅拉行動，其中有一大部分是為了後者高達 17000 項的專利資產及 7500 項待准專利，根據專家估計摩托羅拉的專利大概佔了總收購金額的一半以上，相當於每個專利要價 40 萬

美元。今年 6 月，蘋果與微軟聯合其他 4 大廠商以 45 億美元買下破產的加拿大電信商北電網路 Nortel 約 6000 個專利，相當於每個專利價值 75 萬美元。此時透露出一個訊息，在通訊領域，以往一個專利的價值很難估計，現在出現了行情，40-75 萬美金之間，平時我們審查時覺得像垃圾的某個請求項其實是有價值的，而且高得嚇人。西方人給它的價值其實是一回事，重點是當大家都在有市場的地區累積專利項數時，我方的思維是什麼？照著人家設定的遊戲規則走，按步就班？個人認為，詹姆斯柯麥隆 - 連美國墨西哥灣漏油污染問題大到一發不可收拾的時候，歐巴馬總統希望他能提供解決方案，之所以能成大導演，在於他對人生的看法：人生最大的風險就是跟隨別人的腳步。

美國與美國人是兩種不同的感覺，美國是一個絕對現實的國家，美國人卻是親切到不行的人。猶記得今年 9 月 PPH 的對外說明會提到以我國作為第一申請局時，有一位代理人就在 Q&A 提到第一申請局有可能提高台灣到美國專利申請的核准率，不過他的經驗是，美國近年來因為外界批評所以加強的專利申請案的核駁，要在美國准一件專利困難度提高很多，所以如果我們先審先檢索而獲得專利，可以增加該案在美國審查時審查員核准的信心，尤其是對於特殊領域申請案，碰觸到很技術性的發明時，美國審查員核駁率很高，TIPO 作為第一申請局，或許可以化解此一困難。這位代理人點出了一個問題，美國畢竟是美國而不是電視看到的老好先生，他們真的會站在同一水平跟大家競爭，還是專於製造優勢？就我知道棒球場上他們擅長投出 **breaking ball** 來干擾打者，他們更懂運用賽程規則來限制對方，即使不成功也干擾到對方節奏，他們很清楚會運動打球跟贏球是兩回事，贏球要的不只是執行，背後還有戰略、策略、技巧、甚至是小動作。先前說到這些很技術性的發明應該就是我方將來生存的依靠，美國審查員雖易於攔阻，如果有人先幫他們審好，而且是參考大量美國專利文獻，在已經近乎水到渠成下，確實有機會幫助我們的打者順利上壘，這仍需透過一些包裝以減少阻力。美國雖然不要求我方作為第一申請局，但對於我國科技廠亟欲提升的同時，扶他們一把

似乎是個選項。最後，以一位執教 33 年的球隊教練 Tony LaRussa 的名言作為本報告的結尾：棒球是殘酷的，成績最好的球隊未必會贏球。

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<http://www.saint-island.com.tw/news/shownewsb.asp?seq=469&stat=y>

## 致謝

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# 附 錄

## 7/14 Legal English for Foreign IP Attorneys , BY Kris C. Lee

### 1. Introduction

“Words after all are symbols, and the significance of the symbols varies with the knowledge and experience of the mind receiving them.” Benjamin Cardozo, *Cooper v. Dasher*, 290 U.S. 106, 109 (1933).

Words have meaning based on education, experience, and knowledge.

Knowledge = Power

Ignorance = Liability

Kris Lee asks everyone what one tree plus two tree make ? She does not tell the answer until the end of this class.

### 2. Overview

Sources of Law / Studying Cases

Civil Procedure/ Trial Terminology

### 3. Sources of Law

**Common Law countries** – legal systems that rely primarily on laws developed through judicial decisions

**Civil Law countries** (outside U.S.) – legal systems that rely primarily on laws enacted by legislation

**Civil law** (inside U.S.) – the body of law concerned with private rights and remedies (v. criminal law)

**Criminal law** (inside U.S.) – laws relating to offenses committed against the state

**Federal Law** – laws applicable nationally (v. **State Law**)

**U.S. Constitution**

**Federal** (by Congress) **statutes**

**Federal court decisions**

**President’s executive orders**

**Administrative rules and regulations** (e.g. FDA, EPA)

**Primary** – binding

**Constitution** (“the people”)

**Statutes/Code** (legislative branch)

**Case Law** (judicial branch) – reported judicial opinions that may serve as

authority for other courts  
**Administrative rules and regulations**  
**Treaties** (ratified)

**Secondary** – not binding

**Law Review Articles**

**Treatises** – a scholarly ‘encyclopedia’ explaining the law

**Hornbooks** – commercial outlines of textbooks

**Restatements** – a scholarly publication by ALI describing what the law is or should be (e.g. Restatements of Torts)

#### **4. Studying Cases: People**

**Case** – (judicial opinion **adjudicating**) a dispute before the court

**Party** – a side in the lawsuit (case)

**Plaintiff** – a person/entity who brings (initiates) a civil lawsuit/**action** in court

**Defendant** – a person/entity against whom a civil or criminal action is brought

**Appellant** – the party who appeals decision from a lower court to a higher court; also  
**Petitioner**

**Appellee** – a party who contends against an appeal; also **Respondent**

**Amicus Curiae** – “Friend of the Court” who offers information on a point of law or another aspect of the case to assist the court in deciding a matter

#### **5. Studying Cases: Outcome**

**Review** – Judicial re-examination primarily by an appellate court examining the decision of a lower court

**Judicial Review** – power of the courts to review acts of other branches of government

**Affirm** – to approve/uphold on appeal the lower court decision

**Reverse** – to overturn the decision of the lower court

**Vacate** – to render void/cancel the decision of the lower court

**Remand** – the appellate court sending the case back to the trial court to conduct new hearing/trial

**Grant/deny** (Writ of) **Certiorari** – a discretionary action by the U.S. Supreme Court to review a decision of a lower court

## 6. Studying Cases: Impact

**Precedent** – a legal decision that serves as authority/justification for later court decisions

**Binding** (precedent) – mandatory, obligate

**Stare decisis** – judicial policy to adhere to precedent and not re –open a settled point of law

**Distinguish** – to point out an essential difference, making the case cited as precedent inapplicable to the new dispute

**Overrule** – to cancel the binding authority of a judicial opinion by a later contradictory decision of the same/higher court

**Issue** – the legal question/s at the core of the case that the court must resolve

**Reasoning** – the rationale explaining the court’s decision

**Rule** – the general legal principle on which the court decides the case, and which can be applied to future cases

**Holding** – the statement of the court as to (primarily) the conclusion of law reached by the court as applied to the facts in the case. Answers the questions asked by the issue

**Judgment** – the final decision of the court resolving the dispute and determining rights and obligations of the parties; also **Decree**

**(Obiter) Dicta** – parts of the opinions, which are not part of the reasoning for the decision, and so not binding as precedent

**En banc** – a case decided by the entire court

**Majority opinion** – judicial opinion of an appellate court in which the majority of judges hearing the case join

**Concurring opinion** – to agree with the result reached by another, but not necessarily the reasoning

**Dissenting opinion** – disagreement of one or more judges of a court with the decision of the majority in the case before them

**Plurality opinion** – most judges join in the result (but no majority on reasoning)

## 7. Civil Procedure

**Jurisdiction** – the power and authority of the court to adjudicate the case

**Personal jurisdiction** – the power of a court to hear and determine a lawsuit against a specific defendant with some contact to that court

**Subject matter jurisdiction** – the power of a court to hear and determine a case of that nature

**Federal question jurisdiction** – the power of federal courts to hear disputes concerning federal law

**Diversity jurisdiction** – subject matter jurisdiction of federal court when parties are from different state and disputed amount over \$75,000

**Venue** – the court where the trial will be located

**Standing** – the ability to bring a lawsuit because of a party's actual injury that the court can remedy

**Moot** – the concept that a court should dismiss a case where there is no true controversy

**Ripe** – the concept that the dispute is ready for judicial decision

**Civil Action** – lawsuit brought to protect private rights (v. **criminal action** – to punish for violation of criminal laws)

**Class Action** – a lawsuit brought by or on behalf of a group

**Cause of Action** – facts giving a person a right to judicial relief against another; also **Claim**

**Remedy** – to enforce a right or redress an injury; the relief sought

**Prima Facie Case** – what a plaintiff must prove to establish liability for a case of action

**Complaint** – initial **pleading**/document filed with the court detailing the elements of the cause of action the plaintiff alleges against the defendant; commences the action/lawsuit

**Summons** – paper informing a defendant of the lawsuit and requiring him to appear in court

**Answer** – Defendant’s responsive pleading to plaintiff’s complaint (denying allegation in whole/part)

**Briefs** – documents submitted to courts to discuss factual and legal arguments

**Motion** – a written/oral application to the court for ruling/order in favor of the applicant before/during/after the trial

**(Motion to) Dismiss** – to dispose of a claim because no cause of action or no jurisdiction

**(Motion for) Summary Judgment** – judicial disposition of a lawsuit without proceeding to trial because no disputed facts

**(Motion for) Preliminary Injunction** – a temporary court order at the request of one party that prevents the other party from pursuing a particular course of conduct until the conclusion of the trial

**Discovery** – pre-trial devices to obtain information about a civil case

**Work Product** – a legal concept that protects the private thought processes of attorneys who are preparing notes for their clients’ cases. Exempt from discovery and cannot be admitted as evidence

**Attorney-client privilege** – a legal concept that protects communications between a client and attorney and keeps those communications confidential. Exempt from discovery and cannot be admitted as evidence

**Interrogatories** – written questions used during discovery

**Deposition Hearing** – a tool of discovery, involving testimony that is given before trial (usually transcribed by a court reporter)

**MARKMAN HEARING** – a court proceeding in patent litigation designed to determine the proper interpretation and scope of the claim language of the patent in question – determined by judges as a matter of law, not by juries. Claim construction is a central issue in patent infringement litigation and thus may determine which party will prevail.

The answer is 10. Lee does not tell why. I guess it goes down to the very beginning. Knowledge is power.

## **7/14 Common Law for Foreign IP Attorneys – Introduction to the United States Legal System BY Signe H. Naeve (逐字筆記 + 重新整理)**

Focus will be on 1) what constitutes primary sources of law and 2) what makes it binding precedent.

In the Declaration of Independence, the U.S. was declaring its independence from Great Britain: When in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That so secure these rights, Governments are instituted among Men deriving their just powers from the consent of the governed,...

July 4, 1776 – Declaration of Independence

1777 – Articles of Confederation

1783 – Britain relinquished sovereignty

1787 – Constitution was drafted (the result of a meeting intended to revise the Articles of Confederation)

1789 – Constitution became effective

### United States Constitution

Preamble: “We the people of the United States,…” (paragraph on lecture slide)

The constitution is 8 pages long (in print), and this is what we look to today as the highest source of law in the United States. It established our law and the structure of our government.

Structure of the Constitution:

- Article I – Legislative Branch
- Article II – Executive Branch
- Article III – Judicial Branch
- Article IV – Relations Between States
- Article V – Amendment Process
- Article VI – Supremacy
- Article VII – Ratification Requirement

This structure is missing the amendments – personal rights. These came 2 years later in the Bill of Rights. The fact that there was going to be some statement of personal rights was part of the drafting / negotiation process. Some framers of the Constitution thought an explicit statement of personal rights was not necessary, but others deemed it essential. Many states only ratified the Constitution with the

understanding that the Bill of Rights would soon exist.

Why is the legislative branch the first thing laid out in the Constitution?

- We weren't happy with a king, and were very wary of putting too much power in one place
  - One of the problems with the Articles of Confederation was too little power; couldn't get things done, couldn't move forward
- Article I (legislative branch) establishes a representation of the people, by the people, for the people

Despite not needing a king, did want some power in one place, a leader of some sort

- So, the executive branch places some power in the president
  - Decided not to make George Washington king
  - Although he was well liked, there was concern that a future heir would not be as good of a choice.

Also need someone to decide disputes:

- Article III = judicial branch.
  - As we came from the English common law system, we adopted that system
  - Also, we have juries because we're concerned about having too much power in one place (many people in the jury making the decision, rather than one judge)

Amendments:

The first ten Amendments (I through X) constitute the Bill of Rights:

- These establish personal rights
- Designed to protect individuals from abuse of federal government power

The fourteenth Amendment (XIV) limits state government abuse of individual rights.

Result of Constitution = 3 branches of government:

- Legislative (Art. I)
- Executive (Art. II)
- Judicial (Art. III)

The Constitution is a primary source of law (and is the most important primary source of law). We get the other primary sources of law from the branches created by the Constitution:

- Legislature – two branches (houses) of Congress
  - Senate (each state gets two senators)
  - House of Representatives (representation based on population of each state)
  - Need approval of both houses in order to pass a federal law.
- Executive
  - President and Administrative Agencies
- Judicial
  - Federal Courts

How do administrative agencies fit in?

- The Constitution created legislative branch and gave the legislature a mandate for certain laws it could enact
  - Within that authority, legislature can create administrative agencies to fulfill those laws
  - However, the administrative agencies (created by the legislature w/ the authority of the Constitution) are governed by the executive branch.
- Example:
  - USPTO = administrative agency under the Department of Commerce, which is part of the executive branch
  - Art. I, § 8, Cl. 8 of the Constitution gives Congress the power to “promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries”
    - This is the portion of the Constitution that gives Congress the authority to create patent and copyright laws.
    - This is the source of patent law and copyright law (1787)
    - Didn’t have the first statutes regarding patents or copyrights until a few years later

Sometimes you’ll hear reference to Article II judges. An Article II judge is an administrative judge (as opposed to an Article III judge, who comes under the judicial branch, such as C.J. Rader)

- Example: Judges of the Trademark Trial and Appeal Board

Checks and Balances on Powers:

- These are means of cooperation and correction among the 3 branches of government
- Examples:
  - President has veto power over legislation
  - Federal courts decide whether statutes are constitutional
  - Congress decides the structure, jurisdiction, & funding of federal courts
  - President appoints judges with the Senate’s “advice and consent”
  - Executive agency action is reviewable by courts; agencies may only act within the scope of the power given to them by Congress

Sources of Primary Authority:

- Constitution
- Legislature
  - Statutes
- Executive Branch
  - Executive Orders (don’t come up much in patent law / for IP attorneys)
  - Administrative Agency Regulations



- In addition to statutes, agency regulations from the PTO govern IP administration
    - Adjudications (Article II judges)
      - E.g., Trademark Trial and Appeal Board
  - Judiciary
    - Opinions
    - Court Rules (Federal Rules of Civil Procedure)
  - Treaties
    - Treaties in the U.S. are placed at the same level as our statutes
    - Many other countries place treaties at the same level of the Constitution; we do not.
    - Here, treaties are not automatically effective. We need to look at our laws, amend our laws, perhaps add some statutes to make it effective. In many other countries, treaties are automatically binding.

Federal patent law is Title 35 of the United States Code (35 USC). So if you go down to the library, you'll find the patent law statute in volume 35 of the United States Code. It's also in the blue statute book on p. 361.

Federal copyright law is Title 17 (volume 17 of the United States Code in the library).

Trademark law is Title 15 of the USC. The Lanham Act governs trademark.

Non-statutory law governing intellectual property in the U.S.:

- CFRs (Code of Federal Regulations) = federal administrative regulations
  - Title 37 contains federal regulations for copyright, trademark and patent
- Trade secret is state law, so isn't in the federal statutes
- Case law!
  - Statutes aren't enough
  - Need to look at the cases, and find how they've interpreted each section of the statutes.
  - Need also to look at traditional common law = law developed just from cases.
    - This is what is considered the body of common law.
  - Example:
    - You won't find anything about 3<sup>rd</sup> party contributory liability for copyright in the statutes. Must go to case law. Case law (common law) has developed the body of law for contributory liability for copyright.
    - For patent, there is a section of statute that is directed towards contributory liability, but need to look to the cases to see how to interpret that.

Primary sources of law = laws that are potentially binding.

How do you know when treaties are binding?

- Look at statute that makes them law

- Look at what we've done to change our laws to adopt the treaty
  - You can also look at treaty itself, but won't always know from that.
- Example WIPO copyright treaty - WCT
  - We added provisions to our law: the Digital Millennium Copyright Act. This was a result of us signing the WCT. However, there can be questions down the road about whether our laws are actually compliant with the treaties.
- Bern Convention – copyright
- Paris Convention – industrial (in the US this is patent and trademark)
- TRIPS agreement – governs all areas of IP
  - These are the three most important treaties governing IP in the US
  - In addition to these, we have laws that we have enacted in order to be compliant with the treaties. (e.g., had to change copyright statute to be compliant after signing Bern Convention)

### Article III – The Court System.

Precedent = binding law.

Whether a particular court's decision is binding on another court depends on which court and which system you are in.

U.S. Constitution, Art. III, § 1:

The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behavior, and shall, at stated Times, receive for their Services a Compensation which shall not be diminished during their Continuance in Office.

This means that in the federal system, there will be one Supreme Court, and there will be courts beneath that court.

Structure of federal courts:

- Lowest level = District Courts
  - These are the courts that first hear the cases; trial courts
  - Decide facts, have witnesses, introduce evidence, have juries
  - This is the only level with juries, and the only level where fact-based decisions are made (as opposed to questions of law)
  - There's one judge in a trial court.
- Intermediate level = Courts of Appeals
  - There are 12 regional appellate courts (11 numbered plus DC) and one specialized
  - Generally a panel of 3 judges hear each case
- Highest level = Supreme Court

In WA, we have 2 federal trial courts = United States District Court for the Western

District of Washington, and the United States District Court for the Eastern District of Washington.

Important district courts in IP:

- Eastern District of Texas
- Central District of California – silicon valley
- Southern District of New York – copyright publishers
- Western District of Washington – a lot of tech up here

Federal appellate courts are generically called federal circuit courts of appeals. However, the Federal Circuit Court of Appeals (specific) refers to one court.

Which circuits get a lot of IP cases?

- 5<sup>th</sup> Circuit (Texas)
- 9<sup>th</sup> Circuit (entertainment – California)
- 2<sup>nd</sup> Circuit (publishing – New York)

The Federal Circuit is special. It is the only specialized federal appellate court, and is where all patent cases are appealed. If you have a patent case that starts in WA, and appeal that case, you go to the Federal Circuit. Patent cases, along with any other matters that arise in that case, are appealed to the Federal Circuit. If you have a copyright case that starts in WA, and appeal that case, you appeal that case in the 9<sup>th</sup> Circuit.

Article III § 2 of the Constitution gives subject matter jurisdiction to federal courts (gives courts authority to hear cases dealing with):

- treaties
- federal law
- administrative disputes

As there are federal statutes for patent, copyright, and trademark, federal courts have the subject matter jurisdiction to hear claims that arise from copyright, patent, and trademark.

Remember: need personal jurisdiction over a party as well as subject matter jurisdiction. Federal question and diversity jurisdiction are both types of subject matter jurisdiction.

Federal court is perceived as being a more neutral forum for parties.

While you're in federal court, the court will still apply state law for diversity jurisdiction cases.

Example:

- A trade secret dispute involves parties from CA and OR, and the amount in controversy is more than \$75,000. The parties can go to federal court in either CA or OR through diversity jurisdiction. However, the federal court will apply state law.

Courts of Appeals are intended to catch mistakes, not to retry a case. They look to

see if there were errors made that justify changing the district court's decision or sending it back for retrial.

After a Court of Appeals decision, a party can appeal to the Supreme Court.

- The Supreme Court has limited original jurisdiction: it can hear cases for the first time between states, between the U.S. and another state, or cases affecting an ambassador.
- Other than that, the Supreme Court has **discretionary review** of federal appellate decisions and state high court decisions regarding constitutionality of laws.

When does the Supreme Court choose to hear cases?

- Circuit splits (conflict between circuits on an important federal question)
- Conflict between states on an important federal question
- Policy questions
- Resolve international issues

Courts of Appeals don't have discretion; they have **mandatory review**, and must hear any final district court decision appealed to it. Courts of Appeals have the option to write a published opinion, but it's not possible for them to do that for every case (as people can go there as a matter of right). Many cases get dismissed without anything written about them.

A losing party may request review from Supreme Court by filing petition for *writ of certiorari*.

- Cert granted = court will hear case; cert denied = won't hear case.

### Federalism

- Shared powers between state and federal (national) governments.
- Article 6 Cl. 2 is the Supremacy Clause
  - "This Constitution, and the Laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every state shall be bound thereby, anything in the constitution or laws of any state to the contrary notwithstanding."
  - This means that in a dispute between federal and state law, federal law wins. Federal law is the supreme law of the land.
- 10<sup>th</sup> Amendment:
  - The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.
  - This means that anything not specifically given to federal courts, federal laws, are reserved to the states or the people.

- As a result of the Supremacy Clause and the 10<sup>th</sup> Amendment, we have both state laws and federal laws. States have the authority for anything that is not federal law.
- We have both state and federal trademark laws. They exist side-by-side. State and federal laws can coexist (but if there's a conflict, federal law wins).
- There aren't state laws governing patent and (for the most part) copyright, as the Constitution speaks to them explicitly. However, trademark is governed under the Commerce Clause through the Lanham Act, and there are also state trademark laws.

Benefits of allowing states to have own legal systems:

- There are cultural differences in each state. There's a benefit to allowing states to have laws that reflect their own traditions and cultures.

Government at the state level:

- State legislatures, state executive branch, state judicial branch (state courts)
- States can't enter into treaties, but other than that types of state law reflect the types of federal law.

Dual Court System

- State courts have general jurisdiction (as opposed to the limited jurisdiction of federal courts resulting from limited powers of the federal government).
- Most state court systems reflect the 3-tier federal court system:
  - Trial courts
  - Courts of appeals
  - Supreme court

There are limited situations where you might jump from one system to the other.

- Federal courts of appeals can certify a question to a state supreme court when applying state law in a diversity jurisdiction case. If the federal appellate court is not quite sure what the state would do on a particular issue (perhaps because state appellate courts have issued conflicting decisions), they can ask the state supreme court to give guidance on what the law is. The state court doesn't decide the case, but answers questions about what the law is so that the federal appellate court can apply the law.
- If you go through the state court system, your last stop is at the state supreme court. Although the U.S. Supreme Court is the highest court of the land, you generally don't have the right to go to the U.S. Supreme Court. In very limited constitutional issues (such as whether the state constitutionally has a right to detain that person), the Supreme Court might hear a State Supreme Court case.
- Most questions of law are decided by appellate courts. Most cases in the federal system end at the appellate level, as the Supreme Court has discretionary review.

Precedence

- U.S. Supreme Court decisions are always binding
- Within a system (federal or state), anything directly above you in the system is binding on you. For example, 9<sup>th</sup> Circuit opinions are binding on Federal District Courts in the 9<sup>th</sup> Circuit, but are merely persuasive on District Courts outside of the 9<sup>th</sup> Circuit.
  - Decision is still primary law, but is persuasive rather than binding precedent on courts that don't feed cases into it.
  - 9<sup>th</sup> Circuit decision is binding on Western District of Washington court, is persuasive on Eastern District of Texas court, and is persuasive on 2<sup>nd</sup> Circuit.
  - Generally, appellate decisions are more persuasive on a district court than are other district court decisions.

## 7/14 Overview of US Litigation BY Doug F. Stewart (逐字筆記 + 重新整理)

Two system of courts – state and federal. Today it's going to be the federal system that is discussed, but the issues are the same for the state rules. The only difference is the rules.

1)

- Federal Rules of Civil Procedure (“Fed R. Civ. P.” , “FRCP”)

- State courts have very similar rules.

- Local Rules

- patent local rules – different district courts have different rules even when talking about patents. Have to pay attention to local rules; in recent years many courts adopted patent local rules – attempts to alleviate some of the strain of dealing with patent cases (patent litigation is very costly for the court – court is not familiar with the issues; not a lot of judges who have a technical background. ) Local rules govern claim construction.

- Federal Rules of Evidence - controls what type of evidence parties can use to prove their case.

- Federal Rules of Appellate Procedure – rules for appealing; appellate courts have special rules relating to pretty much everything – every aspect of the litigation.

2) The Parties

Sometimes parties switch roles when they file counterclaims against each other (plaintiff becomes counterdefendant, defendant becomes counterplaintiff)

- Plaintiff – has some grievance.

- Counterdefendant

- Defendant

- Counterplaintiff –

3) Types of Litigation

- Affirmative action – parties ask for a remedy from the court.

- Declaratory judgment – asks the court to rule that a party is not infringing a patent even though no damages or injunctions are at stake.

- Counterclaims – creates a second lawsuit within the primary lawsuit – defendant countersues the plaintiff. At this point, Plaintiff can no longer withdraw the case. In patent cases, it happens when a party accused of infringement accuses the plaintiff of infringing its own patent. Could be filed as a separate lawsuit.

4) Getting started with litigation

- Background

- Investigations necessary to invoke the court's power.

- Prefiling – need the facts to support your cause of action.

- Jurisdiction

- Subject matter
- Personal
- Venue

#### 5) Pre-filing investigation

- Is there an issue for the court to decide
  - Legal Issue – is there a question of law?
  - Equitable issue – did one party do something unfair (i.e. inequitable conduct).
  - Factual issue – did one party do a certain act?

Factual issues are decided by the jury; legal and equitable issues are decided by the court.

- Role of the attorney as officer of the court - you can cause somebody else to spend a lot of money and time with the court system. As an attorney you have to have a good basis for filing a complaint.

- FRCP 11 – Attorney’s obligation – a lawyer has to investigate the facts before bringing the case to the court. In patent infringement litigation, you have to investigate the details of the infringement.

- Notice pleading – plaintiff only has to tell the defendant only the minimum amount of information that defendant understands the case against them – low standard.

#### 6) Subject matter jurisdiction

- Does the court have the power to adjudicate the matter/
  - Federal District Court – parties want to be in federal court – more organized than state courts;
  - 28 USC 1331 – federal question jurisdiction
  - 28 USC 1338 - original jurisdiction for patent matters
  - 28 USC 2201
    - Declaratory judgment jurisdiction.
  - 28 USC 1332 – Diversity jurisdiction.

Patent cases always go to federal court; trademark cases depend on whether you have a national registration.

7) Personal Jurisdiction – easier to get with a national corporation with offices everywhere. If you file in the wrong court, the court will reject your complaint. It is a big issue because everyone wants to file in their own court – home-field advantage; more sympathetic jury.

- Where is defendant located?
- Where did acts occur?

#### 8) Venue

- Is action brought in the right place? If it’s not, the opposing party may move the case to a different court – plaintiff does not want it to happen. In Eastern District of Texas, there is a very sympathetic jury for plaintiffs and judges tend to not to transfer cases from there. A defendant will try to move it from there – but it won’t work in Texas since judges simply don’t do it. But it might work in other situations –



defendant may be able to transfer it to the home state. Plaintiff needs to be able to figure out if it is subject to a motion to change venue – you might lose and you may have to spend money; plus, if the motion is successful, defendant is encouraged psychologically.

- 28 USC 1391 – General .
- 28 USC 1400 – Patent Specific
- 28 USC 1404- Change of venue.

#### 9) Documents

- Summons – issued by the court to notify the defendant that it is being sued. Notifies the defendant that it has to respond to the claim. If summons is not issued, defendant does not have to respond.
- Complaint – plaintiff is putting defendant on notice. Tend to be very short.
- Answer – defendant’s response.
  - Defendant denies or admits statements in the complaints.
  - Affirmative defenses – even if defendant is infringement, it is not liable for these reasons. Don’t have to go into details – unless the party raises equitable issues of fraud or inequitable conduct (FRCP 9(b)).
  - Counterclaims – have to do all the investigations that the plaintiff did (described above). Gives defendant some leverage.

#### 10) Procedures

- Filing – have to file the complaint at the court.
- Service – formal delivery of complaint to defendant. Party has 120 days to serve after filing the complaint with the court – gives the party four months to negotiate – pressure the defendant into settling and taking a license.

#### 11) Litigation: Discovery

- biggest component of the litigation.
- Most expensive part of the litigation.

#### 12) Discovery – Litigation Hold:

- The implementation of a policy to:
  - Ensure the preservation of all documents relevant to the litigation.
  - Prevent the destruction of any document relevant to the litigation. Harder to do in the era of e electronic discovery.
    - No consistent standard yet – “as soon as you believe that there is going to litigation.”
- Critical to satisfying discovery for electronically stored information (ESI)
  - documents multiply very quickly.

#### 13) Discovery – Protective order -

- Allows designation of information at different levels of protection.
  - Confidential
  - Attorney’s eyes only.

- Provides for limited review of protected documents by parties and others.
  - Confidentiality undertaking – declaration that you review to protect the information.

- In patent cases, usually agreed to by the parties (by stipulation)

#### 14) Discovery – Types

- Required by rules - you have to do it.
  - FRCP 26(f) Conference of Attorneys
    - starts discovery period
  - Joint status report – tells the court what parties think about the case.
  - You want to be the first party to serve the discovery – puts pressure on the other parties.

Initial Disclosures – what witnesses are you going to bring; do you have relevant documents;; do you have insurance.

- Patent Local rules – court tries to streamline the process. One problem with them is that you have to provide documents to the other side – have to give the defendant everything it is relying on when it filed the complaint. During invalidity contention, defendant has to serve all documents related to the contention.

- Plaintiff and defendant have to do specific things at a specific time – plaintiff has to say exactly what their case is at a specific time.

- Preliminary invalidity contentions - defendant has to raise them at a certain time.

-

- Adversarial – optional – very contested.

- Interrogatories – written questions about a particular defense or a particular factual issue. “Contention interrogatories” if it is related to the other side’s causes of action. Sometimes it is asking about simple facts – not trying to dig into the case. Served in written forms – usually have 30 days to respond; can get an extension. Usually limited in numbers - must be used strategically. If you get served with an interrogatory at the beginning of your case, and your case strategy is not fully developed yet, you have to do a lot of work to figure out the case strategy. Usually a party gives a short response and promises to supplement with facts learned from discovery – can’t do it indefinitely. Usually a party has 25 interrogatories – have to choose carefully. A party wants to spread them out – use some at the beginning of the case, then use some in the middle, and save a couple for the end. It is contentious whether a paragraph with multiple questions is one question or more than one. Answers tie the opposing party down to the answers they gave in the interrogatories. FRCP 33 governs interrogatories. Interrogatories don’t cost that much.

- Document requests – people spend a lot of money on them. There is an unlimited number of them (within reason – if the requests are very similar, you can go to the court and ask for the court to interfere – but the rules put no limitation on the number). Can say that you don’t have the documents, or will give them to the opponent later, or object to them. Collecting documents is the single largest time and

money consuming process in the litigation – documents have to be reviewed by attorneys, AND the parties have to spend money gathering the documents. Tremendous burden – used to gain leverage. Plaintiffs try to make discovery as bad as possible for defendant. Governed by FRCP 34. In the US, there has been a trend for patent trolls (non-practicing entities) to sue infringers – patent trolls don't actually have any documents, so the opponent loses the opportunity to gain leverage.

- Requests for admission – another tool that attorneys can use to get the other side to admit things – the other side has to admit or deny. Can get very complicated. Those statements can be very tricky – can be used against you in court. Governed by FRCP 36. No limitation to the number of requests. Can get burdensome.

- Depositions – opportunity to obtain testimony from opponent and third parties. It is a questioning under oath of both individuals and corporations (FRCP 30(b)(6) – party must supply witnesses knowledgeable as to enumerated topics – an individual can say that he or she has no idea, but a company representative cannot; puts a lot of pressure on individual testifying for the company.) Powerful tool to get a company to take a position. Attorneys usually decide on how much deposition time total (for all witnesses) they have. One of the rare instances when opposing counsel are in the same room – tends to have a lot of fights – parties try to involve the court (court tries not to get involved). Lots of questions of where a deposition is going to be. Governed by FRCP 30. It is draining for the witness. Governed by FRCP 30.

- Subpoenas – governed by FRCP 45. Used to obtain discovery from third parties. It is a court order to a third party to give a particular information. Only allows for depositions and documents. Allows to make the third party attend the trial - attendance at trial is limited by geography (100 mile radius (~160 km)).

#### 15) Discovery – Electronically Stored information (ESI).

- The newest area for discovery issues.

- Format of information – do you have to provide actual documents, multiple copies of the same documents, different versions of the same documents? No clear answer

- Reasonably accessible – usual standard – if it is reasonably necessary for you to produce something, you need to produce it. Companies have evolved control over documents. Sometimes companies don't have the ability to look at the earlier versions since they can't read the format anymore.

- Retention issues – companies need to have a document retention plan. Need to have a system. There are problems for companies who have no plan – judges don't understand the burden coming up with electronic documents is.

- Safe harbor for lost/destroyed documents – courts give sanctions for destroying documents. But safe harbor protects you if

- Good faith requirement.

#### 16) Discovery – Other key terms

- Privilege log – attorney-client privilege – don't have to produce the documents between attorney and client. Need to produce a log with description of the documents that you are protecting – the other side may challenge the particular designation. Can file a motion asking to get the designated document.

- Compel – a motion to make the other party to give you the information. Happens in every single case.
- Quash – not ever used - if you are representing a third party and you receive the subpoena, you can move to crush the subpoena (make it go away). Need a good reason to quash the subpoena.
- Sanctions – means you are in big trouble. Court can decide to sanction a party or the attorney or can be given under the suggestion of the other party.

#### 17) Litigation: Motions

- you want something from the court – to resolve a dispute or decide an issue. Court will respond with an Order (written or oral (from the bench). Order is very important because it lays out the judge's rationale – you can appeal the decision based on the judge's rationale.

#### 18) Different types of motions

- Preliminary – motion to dismiss (i.e. lack of personal jurisdiction ) or venue change. FRCP 12(b).
- | Some of them have to be filed before the answer; others can be filed at any time.
- Discovery motions – Motion for protective order from discovery (FRCP 26) (ask the judge from having to protect you from having to produce certain documents) or Motion to compel discovery (FRCP 37). Tend to get filed hand in hand.
- Summary Judgment Motion - very powerful motion; judges don't like them – can make a mistake. Asks the judge to make the decision because there are no genuine issues of material fact in dispute. Governed by FRCP 56. Appellate courts tend to overrule these decisions a lot.
- Cross –motion – tactics for motion practice – balance the equities before the court without filing a separate motion – explains that the other party is wrong for a reason. Motions for protective order and to compel documents are usually balanced for cross-motions.

#### 19) Litigation: Hearings

- Parties appear in court to supplement written submissions, talk about scheduling issues, motions, claim construction hearings (very important – may decide the outcome of the case; determines the scope of the claim).
- Can have oral arguments.
- Evidentiary hearing – court is trying to evaluate certain evidence – may involve witnesses (either fact or expert).

#### 20) Trial – most civil cases don't get to trial.

- Opening statements
- Plaintiff's case
- Defendant's case
- Objections
- Closing arguments.

#### 21) Key Terms

- Jury trials – factual decisions. There is a right to jury trial. Advantages of a jury trial

- you ask for it in most patent cases (sometimes you can have a bench trial) .
- Voir dire – choosing the jury.
- Case-in-chief – what your case is (your theory + evidence).
- Burden of proof – how much evidence do you need to win. To prove infringement – 51% (preponderance of the evidence). To prove invalid it – more like 90%.

## 22) Trial written submissions

- Motions in limine – just before trial ; i.e. we don't want the other party to testify on a particular issue.
- Trial brief – parties' positions on every issue – educate the judge and the clerk about the case.
- Exhibit case – what they are going to be.
- Jury instructions
- Verdict form.
- Motions for judgment as a matter of law - i.e. you lose at a jury trial, but think you should win (ask the court to rule for you).
- Proposed findings of fact – happens during a bench trial.
- Proposed conclusions of law

## 23) Trial strategy

- Cohesive theme – opening/closing statements.
- Order of witnesses – bad witnesses in the middle.
- Use of discovery responses – used to box in the other side – show that it is changing positions.
- The importance of cross-examination.

## 24) Litigation Post-Trial

- You might choose to appeal – strict procedures; notice of appeal; appeal briefs – based on the record – need to get all evidence into record during trial; oral argument = 20-30 minutes. Most judgments are done on the briefs.

## 7/15 US Trademark Law Introduction by Mike Atkins From Graham & Dunn (逐字筆記 + 重新整理)

### Introduction

- The US is different from other countries in that rights to a mark are gained just by using it.

### What is a Trademark?

- Any combination of name, words, slogan, trade dress, symbols, devices, sound mark (e.g. Intel Inside) etc. that is used in commerce to distinguish a good or service.
- The definition is from the Lanham Act - and is Article 15 (15 U.S.C. §1127)

Federal Law of Trademark Law → the Lanham Act

### Type of Trademark

- Trademarks: Connection with goods
- Service marks: Connected with services. E.g. yellow-red color for McDonalds' restaurant service, shape of CoCa-Cola's bottle shows that it served as a trademark.
- Trade Dress: The general look and feel of something.
- Certification Mark: Certifying that a good that others make certifies certain standards.

Example of McDonald's - think of all the information conveyed just by the name. Tend to express experiential information. Sets a standard of constancy.

### Trademark Rights

- Exclusive Use: This is tied to a geographic area, and to specific goods or services.
- Right to enjoin others (Keep others from using: This is limited to a certain type of good and area.

### Economic purpose TMs serve

- Help consumer to distinguish the product
- Check and balance for the manufacture to maintain quality
- Experience of consumers

### Trademark symbolize goodwill

- E.g. Coca-Cola brand → make feel good, like quality and consumers come back to buy it in the future
- Trademark → associates with the goodwill e.g. licensing agreement

### What are trademark rights?

- Common law protections start with use. Registration can expand those rights. It is automatic right (without registration) as long as the owner uses the trademark (fixed on the package, put on website). For example, USA., Canada, Australia recognized

## Common Law.

- Exclusive use:  
"Use" means putting that mark on a product and marketing it to customers.  
Has to be to consumers, not inter-company.
- Right:  
Injunction → Stop the infringer to use the trademark

## How do you acquire TM rights?

- By using the mark
  - Common Law protection inheres with use
  - By register → get close-to-close protection, e.g. can enforce in every states
  - Priority → Likelihood of confusion → who use the mark first?
- Federal and State Statutes Protect Against:
  - Trademark infringement : Register and Non-register
  - Trademark dilution
  - False advertising
  - Cybersquatting (registering a URL that falls under another trademark)  
e.g. CrossFit → Licensing how to run the gym. Someone registered domain name in the name of CrossFit. CrossFit filed the lawsuit against the owner of that domain name under the Lanham Act.).  
WTO → Uniform of Domain Name
  - Counterfeiting
  - Other forms of unfair competition.  
e.g. False Advertising → States Untrue statement of the other's product  
Trademark Dilution → Famous Trademark (Mexico, Uganda, Saudi Arabia)  
(Cannot say something factually false against a competing good, however subjective comparisons are OK. Making fun of the competition, and using their name is OK.)

## Basic Trademark Principles

- "Likelihood of Confusion" is key.
- If there is a conflict, the first company or person to use the mark usually wins.

## Systems of Trademark Protection

- Federal protection → registration  
Lanham Act, 15 U.S.C. §§ 1051, *et seq.*
- State protection → registration  
State registration gives you protection in that region, but national registration protects you across the country. State registration is much easier. However, states generally do not examine applications.  
  
e.g. WA registration → If selling hamburger in Seattle and Tacoma, but not in Spoken, he still gets protection.

- Common law rights  
Still give you protections, and is limited to the geographic area where sales are made.

Section 2 of Lanham Act → Likelihood of Confusion → Most of the applications have been denied on this basis.

e.g. Crispy Cracker (Fresh and Crunchy)

### Duration of Rights

- Rights last forever.
- Must maintain federal registrations.  
Need to file declaration of use every 10 years, and pay a filing fee.
- Abandonment is presumed after 3 years of non-use.  
Means that the owner stopped using the mark for 3 consecutive years.  
When it is abandoned, it comes into public domain → anyone can use  
e.g. PANAM, ENRON.

### Types of IP Protection

- Trademark = Source identifier  
Brand of television
- Copyright = original literary/artistic expression  
as long as the expression has fixed in the tangible.
- Patent = new and useful inventions

### Criteria for IP Protection

#### Trademark v. Copyright

- Trademark prevents use of a similar mark on such goods/services as would likely cause confusion.
- Copyright prevents the copying of the work in any medium. Reverse engineer is okay for Copyright, but not copying.
- Potential overlap:
  - USPTO grants patent and registers trademarks.
  - Product shapes (if source identifier)  
e.g. iPod, Coca-Cola bottle

#### Spectrum of Trademark Distinctiveness

- Generic: No protection at all (for example marking a TV as a TV). Marks can be lost if they become generic. Anybody can use it to tell customer what the products are.  
2 types: Generic *ab initio*, generic through genericide  
e.g. Yo-Yo, but not X-Rox
- Descriptive: Fairly Weak - for example "Crispy Cracker". These are not inherently distinctive. Must be able to show a secondary meaning to get a registration. E.g. Seattle's Best Coffee" → Now customers understood that this



coffee is from Seattle's Best Coffee Co. → It proved secondary meaning → Protectable Trademark.

- Suggestive: Does not immediately convey any information about a good or service. (e.g. Chicken of the Sea). Requires the consumer to use at least some imagination.
- Arbitrary Marks: Take a familiar word and put it in an unfamiliar context. No secondary meaning required.
- Fanciful Words: Made up words. Exxon, Kodak, Polaroid, Google.

Question about smell → Oil smell like bubble gum → Protectable

### **Secondary Meaning**

- Required to protect
- Can be shown by money on advertising, customer testimony, length of use, consumer surveys → best way to convince the TM officer and the court, however the downside is the cost of conducting the survey.  
E.g. Seattle's Best Coffee

### **Trade Dress**

- This is the total image of a product. For example, CoCo-Cola bottle, shape is not for other brandy, indicates sources and can get protection. With McDonald's - it is the colors used, the menu, uniform of employees, etc.  
E.g. Taco-Cabana → Suggestive, no need to show secondary meaning.  
Tiffany's box (product configuration) → Color of blue
- Secondary meaning is NOT required for product packaging (stress is put on the above spectrum). Secondary meaning IS required for product design (e.g. shape of computer, iPhone, iPod).

### **Trade dress – Functionality**

- Trade dress cannot be functional. Functionality is a bar to get protection. Trade dress is a sub-set of trademark.

### **Trademark Infringement - Elements**

- Valid and Protectable Trademark (Not Generic and Secondary Meaning if Descriptive)
- Priority (That they came first)
- Likelihood of confusion

### **How to Show Priority**

- First to use win. It is important to show evidence of first use (e.g. first sell, invoice, advertising materials)
- Use in commerce → fixed in product and actual sell in the public.
- Multi-factor tests (based on jurisdiction)  
(9th) Sleekcraft; (2nd) Polaroid test, (Federal Circuit) DuPont Factor, other circuits have other multi-factor tests etc..

### How to Analyze Confusion

- Strength of the mark\* → Technical strength; fame
- Proximity of the goods\* (do the products compete? are they close in function?)
- Similarity of the marks\* (how close are they)
- Evidence of actual confusion (can be best evidence)  
E.g. Evidence of bad will
- Marketing channels used (are they sold side by side?)  
E.g. advertising same media
- Degree of care likely to be exercised.  
E.g. More expensive goods → Customer is more careful than the non-expensive one.
- Defendant's intent (bad faith or not)  
E.g. EXXON v. XXXON → Trade on the owner's good will.
- Likelihood of expansion. (How likely the mark holder is to move into the market)  
E.g. Sell shoes, but not socks. However, in future the owner might expand its product line from shoes to socks.

### Trademark Dilution

- Based on statute (federal or state)
- Watering down the strength of a particular trademark
- This is used after the trademark has become famous.

### 2 types of Trademark Dilution

- Blurring
- Tarnishment  
E.g. Victoria's Secret

#### ELEMENTS:

- Fame ( a superbrand - has to be nationwide)
- Dilution by blurring: Degree of similarity between marks. Distinctiveness of plaintiffs' mark, whether plaintiff has substantially exclusive marks, degree of recognition of the mark, whether the defendant intended to create association with the plaintiff's mark, and any association with the plaintiff's mark.

### Remedies

- Injunction (an order to stop of wrongful use)
- Damages (Money to compensate for loss, including profit or sell at the owner's loss)

### Attorney's Fees

## **7/15 Trade Secrets, by Linda Norman, VP Microsoft Co.**

### **Introduction**

There is no entity sanctioning their existence, but they are a very powerful tool for protecting intellectual property that is not covered by other intellectual property rights. And in the US, the experience it has been pretty stable.

For a small company a trade secret ("TS") can be very important as there is no filing involved. The classic example of trade secret is the customers' list, especially if annotated with special information relating to them. This is probably one of the most critical assets in a company relying on sales.

### **Main feature of TS:**

- they last forever (Coke's formula);

When user interfaces came to light, people were wondering what kind of protection is the best fit for them. So, copyright has been considered not sufficient. After software has been deemed patentable by the PTO, companies started filing tons of applications.

At Microsoft it is very common to protect the source code as a TS. The source code is "text written in a computer programming language. Such a language is specially designed to facilitate the work of computer programmers, who specify the actions to be performed by a computer mostly by writing source code, which can then be automatically translated to binary machine code that the computer can directly read and execute. An interpreter translates to machine code and executes it on the fly, while a compiler only translates to machine code that it stores as executable files; these can then be executed as a separate step." (Wikipedia). The binary code is "a way of representing text or computer processor instructions by the use of the binary number system's two-binary digits 0 and 1. This is accomplished by assigning a bit string to each particular symbol or instruction. For example, A binary string of eight digits (bits) can represent any of 256 possible values and can therefore correspond to a variety of different symbols, letters or instructions" (Wikipedia).

You can get attorney's fees and damages for TS violation, which makes TS protection a very valuable tool.

### **The four elements of TS are:**

1. information;
2. economic value attached to the information because it is secret;
3. the information cannot be generally known;
4. the owner must take reasonable precautions to keep information secret.

Examples of information which can be a TS:

- \* **Business methods**
- \* **Business plans**
- \* **Business forecasts**

- \* **Market analyses**
- \* **Marketing plans**
- \* **R & D information**
- \* **Business relationships**
- \* **Product information**
- \* **Pricing information**
- \* **Financial information**
- \* **Profit margin information**
- \* **Overhead information**
- \* **Cost information**
- \* **Purchasing information**
- \* **Personnel information**
- \* **Office techniques**
- \* **Manuals**
- \* **Notebooks**
- \* **Computer programs**
- \* **Computer data bases**
- \* **Calculations & processes in computer programs**
- \* **Data compilations**
- \* **Inventions**
- \* **Designs**
- \* **Patterns**
- \* **Drawings**
- \* **Blue prints**
- \* **Maps**
- \* **Negative information (failures in carrying out experiments)**
- \* **Formulas**
- \* **Ingredients**
- \* **Devices**
- \* **Methods**
- \* **Machine processes**
- \* **Manufacturing techniques**
- \* **Manufacturing methods**
- \* **Repair techniques**
- \* **Repair methods**
- \* **Processes**
- \* **Systems**

The violation of TS can have also some criminal consequences. Corporate espionage can actually imply incarceration. There are many statutory protections in place.

#### **Elements of the claim when a trade secret is allegedly stolen**

1. existence and ownership of the trade secret;
2. wrongful acquisition or disclosure by the defendant;
3. there must be damages resulting from the use/disclosure.

#### **Defenses**

In general terms, matters of general knowledge in the industry cannot be treated as a trade secret. The factors to be considered when ascertaining whether a certain

information is generally available are the following:

1. extent to which information is known;
2. amount of money/effort expended to develop the information;
3. ease or difficulty with which the information could be lawfully recreated.

Some examples on how to keep an information secret:

- At Swarovski, for example, apart from very senior executives, people do not know the full process to assemble and put together the crystals.

### **Typical scenarios in which TS is involved**

1. employee joining a company coming from a competitor;
2. employee leaving a company for a competitor;
3. inherited problems after acquisitions, product purchases, mergers, etc.;
4. failed negotiations (typical case).

### **Employee mobility and restrictions**

- unfortunately mobility is very common and therefore this can be a serious issue;
- Restrictions may include:
  1. Defined term employment (this happens in Europe too, you can be paid for that, but it may be included in your salary);
  2. Common law duty of loyalty
  3. Non-compete agreement (you agree for some defined period of time not to enter into a competitive position) California is an exception (just in very limited circumstances you can have non-compete clauses)
  4. Confidential obligations
    - ① Trade secret misappropriation
    - ② Inevitable disclosure doctrine;
  5. Antitrust/unfair competition laws can help too;
  6. Tortious interference (it's a claim against the hiring company from the former company);

### **Suggested practices for new employees:**

1. sometimes it can be useful to employ people with unique skills and allow them to work on something that can be outside of the scope of a potential claim for trade secret violation;
2. review previous agreements of the new employee;
3. review compensation terms to ensure they are in line with corporate guidelines;
4. advise people on potential issues might arise;
5. negotiate with the former employer, if possible.

### **Suggested practices for leaving employees:**

1. remind them about their obligations;
2. make sure they have returned their material/equipment;
3. disable access to corporate networks and facilities;
4. interview co-workers;
5. notify competitor of employee obligations;
6. negotiate terms with new employer;
7. if you want to initiate a litigation, do it before the employee leaves for another state (e.g. California). For a case involving two different states (like California where non-compete is not enforceable) it really depends where you are able to

initiate the litigation.

In the US it is possible to check the e-mail of the employees (in Europe can be a crime and/or privacy violation).

**Suggested practices for termination of negotiations or business relationship:**

1. have residuals clause as part of any NDA;
2. preserve the right to create independently developed products;
3. limit the number of people having access to information (train people with case studies!);
4. limit the ways people can disseminate information (FB, blogging, etc.);
5. Inventory and control the use of 3<sup>rd</sup> party info within the company;
6. Be very careful to return/destroy any confidential info;
7. Consider independent development (you can control all the process, e.g. clean room);
8. Carefully select the people who develop related technology.

**And Remember: if a TS is no longer secret, there is no more a TS!**

**Suggested practices when acquiring companies/technologies:**

1. be careful that the stuff you acquire must be clean!
2. Indemnity provisions with escrow;
3. Be cautious about including the purchased technology with other successful products.

**The speaker sums up with three cases.**

**Case Bryant v. Mattel**

**Starwood Hotels & Resorts Worldwide v. Hilton Hotels**

**Paypal V. Google**

## 7/15 U.S. Copyright Law Introduction, by Signe H. Naeve

### Copyright History

- Trademark started when people were marking their pottery with their initials. Copyright started when printing press began. The copyright was under the control of crown for censorship purposes. Crown gave limited monopolies (publishers) given rights to copy, and the monopolies later consolidated to a guild. However, Statute of Anne in 1710 gave the right to the authors, not publishers. Many of the rights concerning copyrights in the US based on Statute of Anne. See US Constitution, Art. I, Sec. 8, Clause 8. Progress of science historically came through the dispersion of writing, that is through copying, although currently, progress of science and use of arts may sound more relevant to patent.
- Copyright Act of 1790 came within a year of the US Constitution. Subsequent acts, first in 1909, extended duration of copyright, and the scope of copyright. The 1909 Act required certain formalities to obtain protection under the Act. The reason for formalities was to put other people on notice.
- The problem of “orphan works” (i.e. no idea who owns the idea) developed from the lack of formalities that we used to have.
- 1980 Amendment incorporated computer programs into copyright.
- The US ratification of Bern Convention in 1988 meant that formalities need to be abandoned.
- 1998, Sonny bono Copyright term extension Act (or known as Mickey Mouse Act); the Act was challenged in the courts as a violation of Copyright Act.
- 1998 Digital Millennium Copyright Act protects network providers from copyright infringement.

### *Eldridge v. Ashcroft*

Issues 1: Whether life + 70 is limited time.

- Limited because defined?
- Life + 70 years is a long time, and does not promote the progress of science.
- Supreme Court agreed that limited meant “defined” term.

Issues 2: Whether the 1998 Act violated the First Amendment.

- No.

### Scope of Copyright

What is covered under copyright?

- Any kind of expression are included; novels, software, architecture (added in 1990). See page 122.
- Software is viewed as literary work, and is protected.
- Clause 8 defines the scope of copyright, i.e. under original work of authorship, fixed in a tangible medium.
- Original work is a low standard in copyright, whereas in patent, originality is a high standard. It is possible for two people to have copyright for the same thing. Not so for patent or trademark (if there is possibility for

confusion). Some discussion on whether originality means that you work really hard? No, sweat of brow is insufficient for a copyright. Can you get a copyright for a database? Yes, for instance a telephone book.

- Fixed in tangible medium originally meant that it was solid, but currently it can be temporary. Some argument as to how long the work needs to be fixed. See Cartoon Networks case. How about making a sculpture on a sand, washed away by waves. To protect such temporary works, you can take a picture or plan of it, e.g. making a simultaneous recording of musical performance.

What is not covered?

- See Page 123. Not covered because most of them fall under patent, and patent last for 20 years only.
- Also not covered: statutory exceptions from copyright, e.g. reproduction by libraries and archives.
- Idea-Expression Dichotomy. Idea is at a higher level, e.g. idea of drawing a rose. Actual drawings of rose would differ between people, although the idea of drawing of rose is the same. Expression is putting into practice.
- First sale doctrine: differs from country to country. But where there are not one copy sold, such as mp3 files or digital media, it is more challenge. There is some effort to create digital for sale, i.e. obligation to delete a copy every time the owner sells a copy.
- Useful articles: underlining functional element cannot be copyrighted.

**Exclusive right, Sec. 101.**

- Right to make copies, distribute copies, derivative works (i.e. creating a movie based upon the first work), to perform and display the work.

**Work for Hire Doctrine.**

- See page 121 for the definition. Either (1) an individual who created the work owns the copyright, or (2) the corporation does.
- Whether you are an employee creating the work within the work of your employment, i.e. what you have been hired to do.
- Whether you are an employee. Community for Creative Non-violence v. Reid (1989). A list of factors to determine whether a person is an independent contractor or an employee. Key point is who has the control. See slide for full list of factors.

Copyright.gov

- Copyright office website > publications > circulars and brochures
- Good source of info to obtain quick copyright fundamentals. E.g. circular 9 for explanation of 'work for hire'.

**Infringement**

- Direct infringement.
  - Substantial similarity.
  - Access, including implied access, i.e. subconsciously copying from former association.



- Indirect infringement.

#### **Fair Use**, sec. 107.

- Not infringement to use a copyright work for scholarship, etc.
- 4 factors:
  1. the purpose and character of the use. Whether the use was for *commercial*. Use is for nonprofit educational purposes. Whether the use was *transformative*; changed the purpose of the work, or changed the work physically.
  2. The nature of the copyrighted work. How creative is the work. Idea-Expression spectrum of the copyright work. The closer it is to idea, the more likely the use is fair.
  3. The amount of substantiality. Quality and quantity of copying. Even if you use one page, but if the page was very important, then not likely to be fair use. E.g. the section on Monika Lewinski of Bill Clinton's book was short, but what people wanted to read the most.
  4. The effect of the use upon the potential market, i.e. damage. This is viewed as the most significant.
- The court balances these factors, and will analyze the case for all four factors.
- Some statutory exceptions in section 110, e.g. for educational works.

A parody of '**Pretty Woman**' is a fair use? See Benedict.com, a site for famous copyright cases.

- Analysis of the four factors:
  - Commercial, but transformative.
  - Quality? Rhythm was the same.
  - With a parody, factor 2 and 3 become less important, because a parody has to take enough of the work to make the reference. Subsequent artists can take enough of it to become a parody, but not too much.
- Derivative work is protected for the additional portion of the work. For a derivative work, you need permission from original authors. But for fair use, not necessary to obtain permission.
- District court determined that it was parody and fair use, but 6th Circuit disagreed. Supreme Court held that it was a parody, and commercial nature was not dispositive. Dilution was not the same as market harm. Market harm because of criticism was permissible.

#### **Demi Moore picture case**, *Leibovitz v. Paramount Pictures* (2nd Circuit)

- Parody of the Demi Moore picture.
- Using just the idea? But this argument diminishes the argument for parody.
- Market harm?
- Court determined that this was fair use.

#### **Satire and Parody.**

- Parody is fair use, but satire is not.
- Making fun of the original work is parody, i.e. Barby in blender.
- Cat in the Hat case. The author wrote poem about OJ Simpson in the style of Cat in the Hat. This was a satire, because it was drawing from the original work, rather than commenting back on the original work, i.e. making fun of it.

### **Remedies**

- Statute of Limitations is three years.
- Injunction
- Damages
- Impounding and destruction of the infringing goods, and criminal sanctions.

### **Summary**

- You have copyright once you create a work in tangible medium.  
But to enforce your right, you need to register your work.

## 7/18 Patent Eligibility and Novelty , by Toshiko Takenaka

With American Style teaching the sessions should be interactive. In American law school, asking questions complements the professor and indicates that students enjoy the lecture and want to participate. I want to learn about the European system and welcome comments from our European students. My session is usually taught as a semester long class to cover all of the subject matter. Therefore, I do not expect you to learn every point. We will cover a comparative law perspective, a US patent prosecution perspective, and a patent enforcement perspective.

### 1. US Patent Overview- Requirements for US Patents

#### Requirements for Patent

- Substantive Requirement
  - Patent Eligible Subject Matter
  - Utility
  - Novelty and Statutory Bar
    - First-To-Invent
  - Nonobviousness

#### 35 U.S.C. Section 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 therefore, subject to the conditions and requirements of this title.” See Blue Book, p. 385.

Section 101 does not provide a clear notion of what is patent eligible subject matter. There is some more explanation of patent eligible subject matter in Section 100, which we will discuss later with respect to Bilski.

#### 35 U.S.C. Section 102.

Section 102 is equivalent to Article 54 of European Patent Convention. However, there are some differences since we have the First-To-Invent system. The First-To-Invent system will continue until all current and pending patents expire (in about 20 years).

#### 35 U.S.C. Section 103.

Section 103 describes the inventive step required for non-obviousness. This topic will be covered by other lectures. See Blue Book, p. 387.

#### Requirements for Patents

- Disclosure Requirements
  - Written Description
  - Enablement

- Best Mode
- Claim Definiteness
- Miscellaneous requirements
  - Double Patenting
  - Inequitable conduct

### 35 U.S.C. Section 112

“The 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 which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.”

Section 112 provides grounds of rejection and grounds of invalidity.

Section 112 paragraph two provides the requirement for claim drafting.

Claim definiteness is especially important for chemical compounds and DNA inventions.

Double patenting is covered in Section 101. If you invent a useful, new invention you get only one patent. Non-obvious type double patenting is from a statute, rather from case law.

Inequitable conduct originates in courts since courts have the power to create their own case law. Inequitable conduct has since been incorporated into the USPTO guidelines.

## 2. Patent Eligibility– Software related inventions and business method inventions

### 35 U.S.C.

- §101: Patent Eligible Subject Matter
  - Process
  - Machine
  - Manufacture
  - Composition of Matter
  - Improvement
- §100(a): Further Definition
  - Invention means invention or discovery

### Patent Eligible Subject

- Is a discovery patent-eligible under the US patent law?
  - Distinction between “invention” and “discovery”

When used in this title unless the context otherwise indicates–

(a) The term “invention” means invention or discovery.

(b) The term “process” means process, art or method, and includes a new use of known process, machine, manufacture, composition of matter, or material.

When we look at Section 100(a), we can see that not only inventions but also discoveries are protected. In European system, discoveries are expressly excluded from statutory invention. However, since we have the common law system, unless you read the cases, you don't understand the meaning of the statute.

Question:

Is a discovery patent-eligible under US patent law?

Answer:

Yes. However, after you read the cases you might change your mind.

U.S. common law system is unique even for common law systems, because the case law is often very different from the statute.

Supreme Court Cases

Definitions of Eligible Subject Matter

- Positive Definition

–The application of the law of nature to a new and useful end

- Negative Definition

–Phenomena of nature, mental process and abstract intellectual concepts are not patentable

Our system does not protect discoveries. Discoveries are excluded by the precedents of the Supreme Court. Some sort of human intervention is required for invention.

Positive Definition is very similar to Japanese definition. Section 101 is very different from the systems of other nations. However, the interpretation of the statute by the courts is very similar to the European patent convention and patent statutes from many Asian countries.

Conclusion:

Inventions do not include discoveries. This illustrates how you have to read the cases in order to understand the meaning of the statutes.

Software/Business Methods

*Diamond v. Diehr*

–Laws of nature, natural phenomena and abstract idea are not patent eligible

–However, their applications are patent eligible

–Difficulty in distinguishing the excluded items as such from their application

### Pre-Bilski Eligibility Test

1. Practical Utility Test  
*Alapat; State Street Bank; AT&T*
  - Useful, concrete, and tangible results
2. Technological Art Test  
USPTO Examiner & EPO
3. Physical Test  
USPTO Board of Appeals
4. Application of Law of Nature  
Japanese Patent Law

Practical Utility Test approved by *en banc* court of Federal Circuit. However, criticized by Supreme Court. Now, the Practical Utility Test has been replaced by the Machine or Transformation test.

Technological Art Test rejected by Federal Circuit.

Application of Law of Nature Test has never been approved by the federal circuit.

### *Bilski v. Kappos*

- Issue: Whether a patent can be issued for a claimed invention for the business world?
- Claims directing to a method of hedging risk in the field of commodities (weather-related price risk energy markets such as gasoline)
  - A business method calculating the risk by using a mathematical formula
  - Information: Mathematical Formula representing risk hedging
  - Not tied to any machine
- Claim 4 (Independent Claim)
  - ...
  - Fixed Bill Price =  $F_i + [(C_i + T_i + LD_i) \times (? + ?E(W_i))]$
  - ...
- Federal Circuit *en banc*  
Exclusive Test: Machine-or-Transformation Test
  1. Applied to process claims only
  2. Whether the process
    - Is tied to a particular apparatus or
    - Transforms a particular article into a different state of thing

- Broad interpretation of § 101
  - Promotion of innovations in information age
  - No limitation imported into broad definition
- Machine-or-Transformation Test is not exclusive test
  - “The Court’s precedents establish that although that test may be a useful and important clue or investigative tool, it is not the sole test for deciding whether an invention is a patent-eligible “process” under §101.”
- No categorical test
  - Case-by-case analysis depending on subject matter

Here, the mathematical formula is the source of the novelty. However, all decision makers (USPTO, Federal Circuit, Supreme Court) believe that a mathematical formula is a claim related to an abstract idea.

Is this correct? (Note that it is difficult to distinguish an abstract idea and its application)

Message by Supreme Court does not make it clear whether justices like the Machine-or-Transformation test. Supreme Court said test might be useful for examining patent examination of tangible inventions of industrial age. However, they doubted whether the test would be useful for technological age (information, DNA, software).

Supreme Court compared precedents with *Bilski* case and found that *Bilski* case was most similar to *Benson*, where patentability was rejected because claims were directed to abstract idea (as opposed to claims in *Diamond v. Diehr*).

USPTO has guidelines directed to Machine or Transformation Test.

Supreme Court has recently granted cert for a medical method case (method of administering drugs). *Bilski* case had a divided court (5:4), with one of the five judges from the majority dissenting in part. Maybe one of the justices will be swayed in this case to extend patentability to the medical method.

\*\*\*Please read *Bilski* Case before Friday, and at least by Monday when we discuss the case. Please note page 60 of *Bilski*, where Supreme Court referenced Judge Radar’s dissenting opinion.

### 3. Review of Section 102– Novelty and Statutory Bar Provisions

America Invents Act

- Patent Reform Bill which moves US patent system from the first-to-invent to the first-to-file has passed both Senate and House.
- Congress needs to reconcile differences in Senate and House bills before finally passing the reform bill.
- However, the reform provision will apply only to applications filed on and after the enactment of America Invents Act.

#### First Inventor to File

- One Year Grace Period
  - Exceptions
    - Disclosure by the inventor
    - Subject derived from the disclosure by the inventor
- Derivation Proceedings
  - Elimination of interference proceedings

The chance to get involved in an interference proceeding is less than one percent. Therefore, the overwhelming majority of patent applications at USPTO follow the first-to-file system.

*Global Issues in Patent Law* book describes the U.S. system as a first-to-file system with a narrow exception for interference procedures where first-to-invent becomes important.

#### Structure of §102

Distinction between §102(a) and §102(b)

- §102(a) Publication by other than the inventor (Prior Art)
  - Timing: Invention date
- §102(b) Publication by anyone including the inventor (Statutory Bar)
  - Timing: Critical date (1 year from filing date)
  - Note: Public use and on sale bars under §102(b) Distinction between documentary (world-wide) and non-documentary prior art (in the United States)

European patent convention establishes a critical date of 6 months from the filing date (compared to 1 year in U.S.)

#### Distinction by Actor

*Pennock*: First and True Inventor

-First Inventor: Not known or used by others  
 -Excluded those who commercially exploited their inventions prior to patent filing

- Reason: To urge inventors to file earlier

Compare with non-US countries

- Focusing on the nature of invention not inventor
- No distinction by actors of publication



*Pennock v. Dialogue*. Black Book, p. 182. Justice Story said Section 102 should be interpreted to exclude inventors who openly use their inventions. Section 102(b) is now formally codified. Statute puts pressure on inventors to file an application.

Different Features

Non-Documentary Prior Art

-Limited to Activities in the United States

Include Secret Activities

-Public Use/On Sale (in the United States)

-Prior Invention (WTO Countries)

Geographical discrimination will be removed if First-to-File bill passes.

#### 4. Documentary Prior Art

Documentary Prior Art

- Publications (+ Patents) - §102(a)(b)

-Key: Public Access

- Foreign Patents - §102(d)

i. Patent issued prior to the U.S. application

ii. Foreign application resulting in the patent filed more than one year prior to the U.S. application

We want foreign applicants to file with USPTO within one year of foreign filing date.

Documentary Prior Art

- Prior Rights- §102(e)- Disclosure of an Unpublished Application

i. Whole content approach

ii. Filed with USPTO before the invention and then granted =>

pending bill

iii. Applicable to novelty and nonobviousness

-Compare with EPC/JPL- Novelty only

-*Hilmer* Doctrine

Patent defeating effect of inventions disclosed in U.S. applications claiming priority based on a foreign application under Paris Convention Article 4 becomes available as of the actual U.S. filing date, instead of foreign priority date

#### 5. Non Documentary Prior Art- Statutory Bars

Inventor's Use

Public Use by the Inventor- §102(b)

*Pennock v. Dialogue* (1829)

*Egbert v. Lippmann* (1881)

Distinction Between “Public Use” under §102(a) and (b)

- 102(a) Public Access
- 102(b) confidential Commercial use

Distinction between Inventors and others under §102(b)

*W.L. Gore & Ass. v. Garlock* (Fed. Cir. 1983)

For inventors, the U.S. system encourages the first inventor to file as soon as possible. Therefore, Section 102(b) public use includes commercial secret use. *Metallizing Engineering co. v. Kenyon Bearing & Auto Parts*. Black Book, p. 188. Justice Hand punished inventors who, by delaying their patent applications, deliberately attempt to extend their patent monopoly. Statutory bar under Section 102(b) limits public use of the invention by the inventor and also secret, commercial use of the invention by the inventor. If another party invents the same invention independently, then you may be subject to abandonment of the invention.

Abandonment or statutory bar applies to the commercial, secret use of the invention (ex. machine or method of manufacture). Even if the product does not indicate any sign of the invented machine or method, you will be barred.

Conclusion: “public use” does not necessarily mean public use in ordinary meaning.

Experimental Use Exception

*City of Elizabeth v. Am. Nich. Pavement* (U.S. 1877)

-Important Factors

1. Nature of the invention necessitates public experimentation
2. The inventor must control the invention
3. Experimentation must have non-commercial nature

Note: Would the totality of circumstances test be good law after *Plaff*?

*City of Elizabeth v. American Nicholson Pavement Co.* Black Book, p. 193.

Inventor laid pavement out for seven years before filing a patent application.

The meaning of “public use” under Section 102, with respect to the inventors has been changed to exclude their activities if their activities are for experimental use. However, if the act is for commercial use (making money, profits) then, regardless of the secret status or non-public use of the invention, the use is public use. If an inventor waits too long, then it may be more difficult to prove that the public use was experimental.

On Sale

*Plaff v. Wells Elec. Inc.*

- Commercial Offer
- Ready for Patenting

-The inventor did not reduce the invention to practice before the critical date but accepted an order from TI for the invention which was described in drawings.

TI has very sophisticated patent prosecution team. That is why PI is very successful in licensing.

*Pfaff v. Wells Electronics, Inc.* Black Book, p. 200.

When the inventor sold the invention, he only had a drawing. TI accepted the offer, and took more than one year to come up with a prototype. Therefore, TI did not file an application within one year of purchasing the invention. The Supreme Court asked whether having a drawing of an invention is enough to constitute a sale. The Supreme Court said yes, since the description in the drawing was sufficient to describe the making and use of the invention. Therefore, when TI accepted the offer, there was a sale and the statutory bar prevented TI from obtaining the patent.

A commercial offer must occur within the United States. The invention must be on sale or in public use within the boundary of the United States- either making an offer for sale from the United States or making offer for sale to the United States. The offer for sale that is made must be sufficient for filing the application.

## 6. §102(g): Prior Invention- Rule of Priority under US First-To-Invent Principle

### Priority Rule

*Townsend v. Smith*

Policy behind the rule: Disclosure to the public

Basic Rule:

-A person who is the first to achieve a reduction to practice will win the priority race

Interference occurs when you get a piece of prior art, which is published, and you can overcome the rejection by showing that the invention in the application has been invented prior to the date of the publication.

### Exceptions to Basic Rule

- A second-to-reduce may win the priority by showing
  - i. Diligence
    - her first conception of the invention

- her continuous diligence toward reduction to practice from a date just before the first person's conception of the invention to her own date of reduction to practice (critical period); or
- ii. Abandonment
  - the first person's abandonment, suppression or concealment of his invention after reduction to practice
  - Note: distinguish from abandonment under §102(c)
- iii. Derivation §102(f)

Reduction to practice occurs when the inventor created a prototype and tested the prototype in circumstances similar to how the invention will be used.

Conception occurs when all of the elements form in the inventor's mind. This represents the subjective state of the mind of the inventor and must be established by objective evidence (e.g. notebook, witness testimony).

## **7/18 Advanced Patentability Issues , by William LaMarca, Associate Solicitor, Office of the Solicitor, USPTO**

There are two different presentation materials:

1. **White slides** – “Advanced Patentability Issues” as a main presentation
2. **Black (Blue) slides** – “Statutory Framework and Appellate Review” as a supplemental presentation to the main presentation.

Blue slides will give you a framework of U.S. legal system, what USPTO’s obligations and responsibilities, and primary examiners’ scope of responsibilities and duties owed to their applicants.

### OK Let’s start with Blue Slides ‘Statutory Framework and Appellate Review’

Slide 1-4:

U.S. Constitution authorizes establish three branches of government: Legislature; Executive; and Judicial under the check-and-balance system so that no branch has all power.

Legislature Branch: Create law. For example, if the congress pass the bills (both Senator and House), the U.S. President sign the bill became law.

Executive Branch: The USPTO situates under the Executive Branch and U.S. President is the Chief Executive of Officer of the Executive Branch. The President appoints his officials called “Cabinet Level of the Officials.” One of the Cabinet Level of the Officials” is the Secretary of Commerce. Under the “Secretary of Commerce”, a head of the U.S. Department of Commerce, there is the “the USPTO Director,” a head of the United State of Patents and Trademarks.

Judicial Branch: The main role of Judicial Branch is interpreted meaning of law such as statute enacted by legislature. When issues arise among parties, then the issues are litigated. The courts interpret law (e.g. statutes) and figure out what that statute means.

Slide 5-6: Hierarchy of Authority and Where the USPTO’s Rules are coming from? Constitution - authorizes the Congress to create patent system and the Congress established first U.S. Patent System in 1790. Current statutes govern U.S. patent law is codified in USC Title 35. We refer the Title 35 as “1952 Patent Act.” Patent Act has been amended several times but major amendments were occurred in 1995 and 1999 (American Inventor Protection Act). We may have a steep modification in 2011.

Regulations - CFR 37 governs the USPTO. Regulations is law of agencies and it is interpretation of statute in order to perform their duties.

Case law – If the USPTO does not follow rules (CFR 37) then, case law will be applied before the court.

MPEP it is not formal law, regulations, or statute but detailed explanations of how the USPTO examiners applies and what they do when they exam patent applications.

In past, the USPTO was sued by an inventor. The USPTO Examiner allowed an inventor's patent application but the inventor did not pay for issue fee. In a litigation, the inventor argued that he has a "constitution right" to receive a patent (without paying issue fees). His case was appealed to the 9<sup>th</sup> Circuit Court of Appeal and appealed to the CAFC. The judges agreed with the USPTO that the inventor must pay the issue fees. The USPTO is authorized to create own rules in order to promulgate statutes created by the legislature in term of procedural rules. As long as its rules do not conflict, the agencies are authorize to create own rule under 35 USC Sec. 1 and 35 USC Sec. 2.

#### Slide 9 – 12: PTO Established-Duties and the Primary Examiners

- Under statue of 35 USC Sec. 134, an inventor can appeal from the decision of the primary examiners.
- Unlike other agencies, the USPTO's Primary Examiners are delegated with much more power to exercise his duties and responsibilities.
- The Primary Examiners are conserved as "Quasi-judicial official." They are not quite judicious officials but are authorized to perform their duties in similar manner as judges in court system. For example, the Primary Examiners review claims (patent application), review arguments by applicants and decide whether to issue patents or reject patent applications.

#### **WHITE SLIDES:**

Mr. LaMarca gave an outline of the white slides presentation (page 3 and 4) in next few days (e.g. Reexamination, Re-issued etc.)

#### Slides 5-6: Subject Matter Eligibility

35 USC Sec. 101: Once Examiner receives a patent application, the Examiner will figure out whether the application is eligible for patent by applying these thresholds. Each examiner has own dockets and the Primary Examiner will sign off whether allowance or rejections.

1. Section 101 – subject matter
  - a. Einstein's formula " $E = MC^2$ " is not eligible because use of the preempt the basic principle of the nature.
  - b. Man-made or intervention of humans = maybe eligible but a mere discovery of nature is not patentable - Laws of Nature, Natural phenomena, abstract idea (e.g. mathematical algorithm).
2. Section 102, 103, 112 – novelty, obviousness, and description in specification

#### Slides 7-12: Subject Matter Eligibility

The USPTO gave guideline "Machine-or-Transformation Test " so that Primary Examiner can exam certain subject matters. Later, in the case of *Bilski v. Kappos*, the US Supreme Court rejected Machine-or-Transformation Test as the sole test but it is a useful tool to determine patent eligibility.

Does the USPTO use Machine-or-Transformation Test ? – Yes, the Examiner uses the Machine-or-Transformation Test and can reject an application. But an applicant still argue the rejection issued by the examiner based on Machine-or-Transformation Test. The applicant may argue that back to the Examiner that even if his application may be subject to Machine-or-Transformation Test but his application is patentable with other reason.

Slides 9 – 18: Bilski Case:

- Bilski Case (CAFC) – the CAFC decision address difficulties of application of the Machine-or-Transformation Test in current information ages.
  - “Useful, concrete, and tangible result” test used in State Street and AT & T are not adequately address subject matter eligibility in this information age.
  - Judge Mayer dissented in the CAFC decision alluded that technology based test may be needed.
- Bilski (US Supreme Court) –Machine-or-Transformation Test is not sole test to determine subject matter eligibility.
  - Key issues presented before the US Supreme Court are listed on Slide No. 14.
  - The Court agreed with the CAFC and USPTO that the Bilski application is not patentable but it is not just because of it fails Machine-or-Transformation Test but it is abstract idea. Machine-or-Transformation Test is an indicator to determine eligibilities.

Slide 16 – 20: Post-Bilski Cases & Pending Cases Before the US Supreme Court: There are two pending cases after the Bilski cases. It seems like the Bilski case decision of the U.S. Supreme Court so that the Court is trying to clarify its position in these pending cases.

1. Prometheus Labs v. Mayo, 628 F. 3d 1347 (Fed. Cir. 2010):
  - Claims involving administrating a drug to patient and/or determining the level of a particular substance in patient’s blood.
  - The application appealed to US Supreme Court. – Stay Tune ☺ Maybe US supreme court wants to have an additional chance to explain Machine-or-Transformation Test.
2. Assoc. for Molecular Pathology v. PTO and Myriad, 2010 WL 3275990 (CAFC, No. 10-1406).
  - Claims in DNA and cDNA. – Maybe CAFC is waiting for the decision of the US Supreme Court.

Slide 21:

In re Nuijten, 500 F. 3.d 1346 (Fed. Cir. 2007) – signal transmission & wireless technology

Slide 22:

*State Street* case, 149 F. 3d 1368 (Fed. Cir. 1998( and AT&T, 172 F.3D 1352 (Fed. Cir. 1999). – overturned by Bilski case. The test of “a useful concrete and tangible

result” is no longer valid after the Bilski decision.

Slide 24-25: Post-Bilski guideline:

USPTO issued interim guideline after Bilski case for the Examiners and practitioners.

Slides 27-28: Utility Requirement

Slides 29 – 32:

- 35 USC Sec. 102 - Sec. 102 contains a statutory bar date. Sect.
- How much information to be disclosed to be derivation proceeding? - We will have a separate session by litigation.
- Substantial utility requires creditability. For example, the USPTO allowed co-fusion invention but it was pulled back as a granted patent by reexaminations. There are many check points for quality of the patent prosecution (via rejections by examiners, appeal board, courts) but not much quality check point in allowed patent.

Slides 33 - 34: USPTO generally deals Sec. 102(a) and (b) → Others vs. Applicant  
Modern age of information technology changes how people access to information via internet. Section 104 addresses a little about geographic limitation.

Slide 37: Sec. 102(a), (b), (g)(1) addresses geographical location restrictions.

Slide 38: Sec. 102(c) and 102(d)

Sec. 102(e)—LaMmarka will explain later in other lectures.

Slide 39: *Hilmer* doctrine-- *In re Hilmer* – foreign references’ priority dates cannot be used as the section 102(e) prior art dates (if the patent is granted, the earliest priority date in foreign references will not apply as 102(e) for defeating purpose).

Slide 40: Reference cited against to your application – you can “swear behind” that you invented your invention before the cited reference by submitting evidence. → Under new law (first-to-file system), we will no longer be able to do 1.32 affidavit (swear behind).

Slides 40 – 43: What you can do or cannot do by swear behind?

Slides 44 - 49: “Anticipation” rejection under Sec. 102(a), (b), (e) – all elements are found in a single art. Anticipation = lack of novelty. Reference must address EVERY limitation.

### **BLACK SLIDES:**

Primary Examiner = Quasi-Judicial Official = Obligations during examination under 35 USC sec. 131

- Explained in 37 CFR Sec. 1.104 (nature of examination). Focus is Claimed invention = Merit of Sec. 102, 103, 101 and Procedures (Sec. 112).
- The Examiners are obligated to issue office action under



- 35 USC Sec 132.
- *In re Jung* (673 F. 3d 1356, Fed. Cir). – The Examiners have to provide sufficiently articulate and informative manner as to meet the notice requirement of section 132.

Substantive Patentability standards applied: 101 -103, 112, 104 (priority), 111-122 (application content); 132 (no new matter).

## 7/18 Patent Enforcement 1: Litigation by Paul Meiklejohn, Ramsey Al-Salam

A chronological study of patent infringement litigation from pre-filing to appeal.

**Rules** include Fed. Rules of Civil Procedure (FRCP), Rules of Evidence, Rules of Appellate Procedure, and local rules. The whole rules reproduced by West publication. Statute concerning patent, 35 USC sec 100 onward.

Kimberly Moore book, Patent Litigation and Strategy, is a good starting point.

Litigation has seven stages. Today, we'll talk about the first two, i.e. pre-filing and pleadings.

**Court systems:** state courts and federal courts. In the federal system, the District Court is where the trial takes place.

Patent infringement cases must be filed in a federal District Court, and the appeals are filed in the Federal Circuit in Washington, D.C. Seattle is in the Western District of Washington. Districts are divided by population, so the areas covered are not the same, e.g. Eastern District of California is enormous, because there are only cattle and not many people. District Court means that it is the lowest court, where the trial takes place. Western District of Washington has two court houses, one in Seattle and another in Tacoma. Twelve of the districts are broken by geography (regional circuit), but the thirteenth, Federal Circuit, is not and is based in D.C.. The Federal Circuit handles patent and employment discrimination cases. All patent infringement are appealed to the Federal Circuit, but Trademark infringement are appealed to local circuit court, e.g. the 9th Circuit. If a case includes both patent and TM infringement, then appeal is at the Federal Circuit.

**Two kinds of patent infringement actions:** (1) affirmative patent infringement, and (2) declaratory judgment action (DJ). The difference between the two is who the plaintiff is. In (1), plaintiff is the patentee, whereas in (2), it is the alleged infringer. The declaratory judgment action allows the alleged infringer to request that the court stop the patentee from threatening them.

Most people in other countries want to settle. But in the US, contacting the alleged infringer could be a basis of a declaratory judgment (DJ) action, on the basis that patentee threatened them with a law suit. To avoid DJ, a patentee must file a lawsuit. After a filing, the priority stands and DJ action filed after the filing would be dismissed, and gives the patentee 120 days to serve the complaint, when they can negotiate. See FRCP Rule 4. Filing first has some convenience, because whoever files can pick the venue: (1) convenience of venue; (2) hometown jury more likely to be favorable; (3) the procedural advantages of primacy and recency, i.e. jury remembers best whatever the jury hears the first and the last. In a lawsuit, jury hears the plaintiff side of the case, and all the favorable evidence for the plaintiff. After the defendant's arguments, the jury hears the rebuttal evidence of the plaintiff. So the plaintiff has significant advantages in terms of primacy and recency.

A majority of DJ actions are IP cases, and mostly in patent cases. The only other DJ actions are in insurance. Many companies in the US know that Japanese companies do not like US litigations, and that they are not likely to file DJ action, so the US company more likely to send a Japanese company a letter offering to settle.

**Potential defendants** are: manufacturer, distributor, customer. Typically, plaintiffs likely to sue the manufacturer, because that cuts off the supply. There may be multiple manufacturers. It is a strategic decision whether you sue all manufacturers, and whether you sue the strongest or the weakest ones first. Trolls would sue multiple large and well known companies.

### **Expenses**

- The more expensive, the more patents the lawsuit case involves, but 97% of the cases settles and the expense estimates can be misleading.
- An appeal is not a second trial, and its cost is typically 10% of the trial.
- Employees' time for gathering documentation and taking depositions is significant expense.
- Supreme court used to think that patent was an illegal monopoly, and gave little consideration to damages award in a patent infringement cases. Today, we think of patent as legal monopoly. The *Polaroid v. Kodak* court awarded the highest damages in the US, and people started to realize the importance of patent.

### **Preliminary injunction**

- the plaintiff must show likelihood of success. Since a plaintiff can file many documents to show prior art, and the court is likely to dismiss the case at preliminary injunction.
- Courts may decline preliminary injunction where there is public interest, e.g. when the defendant is the only company making AIDS test kit.
- Court need provide detailed findings why preliminary injunction is proper.
- The movant for the preliminary injunction need to put up a bond.
- Preliminary injunction is very expensive.
- Losing a preliminary injunction is a psychological blow. Winning one means that the case almost always settles.
- Non-competitive entities (Trolls) cannot get preliminary injunctions, because they have no damages to claim.

### **Where to sue?**

- In a federal court, because it has the subject matter jurisdiction; only federal court has the jurisdiction over patent cases; DJ action requires some prior contact between patentee and alleged infringer, in addition.
- Personal jurisdiction. The plaintiff has consented to personal jurisdiction of the court, but the defendant has not and may not like the venue, for instance. However, the defendant cannot object to the venue, if the court has person jurisdiction over the defendant, i.e. if the defendant is incorporated or has its headquarters in that state. E.g. Delaware has a lot of lawsuits filed, because a lot of companies are incorporated in that state.

Also, the court has specific jurisdiction, if the defendant has sold a product in the jurisdiction. For a large company which sells products all over the US, the personal jurisdiction is not an issue. Offer to sell also triggers personal jurisdiction, but the offer must be focused to the forum. But if the offer to sell is on the internet or in a general circulation magazine, the offer is not directed to specific forum, and does not expand the scope of personal jurisdiction. Need to show 'purposeful availment' of the offer.

- **Venue** determines what district you could be sued in. E.g. Washington State has two districts. If a defendant sells products in the eastern district, but does not sell anything in the western district, and the case is filed in Seattle, i.e. the Western District. The filing in the Western District is improper, and the defendant can request that the case be dismissed.

The most popular forum( fura), where to sue.

- Eastern District of Virginia is popular for patentees, because it has a fast docket, and does not allow the defendant to prepare for the lawsuit.
- Eastern District of Texas is known for not transferring cases. The defendant can transfer the case, if it is inconvenient to all the party, and the forum state has no interest in the lawsuit. Note that only the defendant has the right to request a transfer. Most judges grant patent cases, because they takes a lot of resources to resolve a patent case, and judges do not have the technological background. But judges in Texas love patent cases, and like to keep them there. Eastern District of Texas is perceived to be parochial, and prejudicial to foreign litigants.

### **Stage 2: Pleadings**

Pleading only require notice pleading, i.e. no need to provide details, a couple of pages usually. No necessary to identify what product is infringed usually. See Exhibit 4, on page 27. One exception to the notice pleading is inequitable conduct, where you need to plead with particularity, i.e. specify the particular conduct. See FRCP rule 9.

Patentee almost always ask for a jury. Jury is good for a patentee, because the jury instruction includes how great a patent is, and there is a presumption that the patent examiner was right in awarding the patent.

**Answer.** See page 33.

- First part is answers every allegation made, admit, deny or declare that the defendant has insufficient info to answer.
- Second part is affirmative defenses, as listed in 35 USC. See paragraph 31, 32.
- Third part is counterclaims. Typically, you will have mirror image counterclaims, i.e. if complaint allege that a patent is infringed, then the counterclaim would be to declare that a patent is not infringed. If the plaintiff wants to stop the case without prejudice, the court cannot dismiss the claim when there are counterclaims.

**Response.**

Reply to counterclaims, i.e. admit, deny or insufficient info to answer.

## 7/19 Patent Basics II Toshiko Takenaka

### 1. Infringement Acts

271(a) Refers to direct infringement, and it looks very similar to the definition of the European Patent Convention.

“(a) Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States, or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.”

271(g) Refers to the results coming from the patented process. The product is protected as the process it comes from. This section has been added after some amendments.

“(g) Whoever without authority imports into the United States or offers to sell, sells, or uses within the United States a product which is made by a process patented in the United States shall be liable as an infringer, if the importation, offer to sell, sale, or use of the product occurs during the term of such process patent. In an action for infringement of a process patent, no remedy may be granted for infringement on account of the noncommercial use or retail sale of a product unless there is no adequate remedy under this title for infringement on account of the importation or other use, offer to sell, or sale of that product. A product which is made by a patented process will, for purposes of this title, not be considered to be so made after -

(1) it is materially changed by subsequent processes; or

(2) it becomes a trivial and nonessential component of another product.”

271 (b) and 271(c) are referring to indirect infringement. A missing component of the patented invention in the alleged infringing technology does not constitute a direct infringement.

“(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

(c) Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination, or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.”

In European countries indirect infringements are pretty streamlined in European countries.

271 (b) Inducement: it is kind of unique to the U.S. Check pag. 742 of the Black Book. In this case the Court. The inducer must possess two kinds of state of mind. He/she (i) must know about the patent and (ii) he/she must have a specific intent to induce a direct infringement. The Supreme Court introduced the concept of wilfull blindness, but it is not clear what kind of evidence you need in these cases.

271 (c) Contributory infringement: it is more known and used abroad too. If the

component is combined with something else, this constitutes an infringement. It must be shown that there is no substantial use that differs from the infringing use. There are also provisions which protect the extraterritorial component of a patented invention in Section 271(f).

271 (e) refers to the experimental use of a patented invention. Everything else which is outside of the experiments during the clinical trials and for the FDA is excluded.

271 (f) Microsoft v. AT&T is another example of extra-territorial enforcement of U.S. patents. Is software in a piece of hardware a substantial component? Judge Rader stated that software *in abstract* is not a component. This is a very important provision.

“(1) Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

(2) Whoever without authority supplies or causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial non-infringing use, where such component is uncombined in whole or in part, knowing that such component is so made or adapted and intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.”

271(g) The difference with the rest of the world regards the extent of process patents. This provision also integrates extra-territorial coverage of the patented invention.

“Whoever without authority imports into the United States or offers to sell, sells, or uses within the United States a product which is made by a process patented in the United States shall be liable as an infringer, if the importation, offer to sell, sale, or use of the product occurs during the term of such process patent. In an action for infringement of a process patent, no remedy may be granted for infringement on account of the noncommercial use or retail sale of a product unless there is no adequate remedy under this title for infringement on account of the importation or other use, offer to sell, or sale of that product. A product which is made by a patented process will, for purposes of this title, not be considered to be so made after -

(1) it is materially changed by subsequent processes; or

(2) it becomes a trivial and nonessential component of another product”

Patent exhaustion (no statutory provision, just case law): Under the exhaustion doctrine, the first unrestricted sale of a patented item exhausts the patentee's control over that particular item. It generally is asserted as an affirmative defense to charges of patent infringement, but less commonly is asserted affirmatively in a declaratory judgment action. In other words, it is a concept in intellectual property law whereby an intellectual property owner will lose or "exhaust" certain rights after

the first use of the subject matter which is the subject of intellectual property rights. For example, the ability of a trademark owner to control further sales of a product bearing its mark are generally "exhausted" following the sale of that product. The doctrine also may be referred to as the doctrine of "patent exhaustion." It is closely related to (and sometimes conflated with) the doctrine of implied license, and is often asserted in conjunction with claims of equitable estoppel or legal estoppel.

The exhaustion applies just to the products sold by the patentee. Reconstruction is something new, therefore can be an infringement, unless it's a repairing act. The "right of making" is not exhausted with a sale (EU and U.S. are on the same page on this point). In the U.S., to establish patent exhaustion, the sale must be unconditional. Exhaustion can be national, regional or international.

Conditional sale: Arrangement where a buyer takes possession of an item, but its title and right of repossession remains with the seller until the buyer pays the full purchase price (usually in installments stretched over months or years). Also called conditional sale contract. There might be other conditions attached to the item too.

Note: At this moment it is not clear what is the main interpretation in the case law. Implied license: An implied license is an unwritten license which permits a party (the licensee) to do something that would normally require the express permission of another party (the licensor). Implied licenses may arise by operation of law from actions by the licensor which lead the licensee to believe that it has the necessary permission. Implied licenses often arise where the licensee has purchased a physical embodiment of some intellectual property belonging to the licensor, or has paid for its creation, but has not obtained permission to use the intellectual property (Wikipedia). In the EU they are two different concepts. In the U.S. exhaustion and implied license are synonyms.

## 2. Infringement analysis

In the U.S. there is no provision about claim interpretation. In the EPC there is an ad hoc rule, which is also implemented in Asian countries and contained in their legal systems

In the U.S. there is a separation between judges and juries. As far as we know, the U.S. is the only country with a jury in patent infringement cases.

To determine the protection scope, it is necessary to:

- interpret the claim language;
- apply the claim to the accused device to see whether there is a literal infringement or an infringement according to the doctrine of the equivalents.

In the U.S., claim interpretation is a question of law, (674 of the black book, Philips case, and 649). In Philips there is no discussion as to the accused device. Claim interpretation must be done in light of documentary evidence and not considering the accused device. Federal Circuit reviews claim interpretation de novo (which means not considering the findings of the district court).

In *Markman v. Westview*, the following principle has been established: courts must



rely on intrinsic evidence but can rely on extrinsic evidence if reference to the intrinsic evidence cannot clarify the meaning of the claims and extrinsic evidence is permitted as background information. The file wrapper cannot be used as intrinsic evidence in Germany and U.K., in the U.S it can.

In *Texas Digital v. Telegenix*, there is an increased significance of extrinsic evidence. In *Edward H. Philips v. AWH Corp.* (page. 686 of the black book) the issue concerned whether the term baffle should be limited to a structure being oriented at angles other than 90 degrees. There are very few cases in which the doctrine of equivalents is applied (in Germany it is very common, and the EPC has been recently amended in this regard).

The interpretation must be performed considering the time in which the patent application has been filed. This decision also reemphasized the importance of the intrinsic evidence and the lower reliability of extrinsic evidence. In Germany they do not longer use expert testimony because judges are also technically well trained. Interpreting the claim in terms of the specification is encouraged, but establishing a limitation of the claims is not permissible. It is really a big challenge to see how the specification can be used to interpret the claims.

In Europe, Member States are working on the creation a single patent court in EU (as well as on the Community Patent).

Claim interpretation: in the U.S. there is a difference between claim interpretation during prosecution as opposed to claim interpretation for enforcement purposes.

**7/19 Nonobviousness & Disclosure, by William LaMarca, Associate Solicitor, Office of the Solicitor, USPTO (TA + 韓國郭仁求審査官整理)**

Overview/Outline

- a. subject matter eligibility 101
- b. utility requirement 101
- c. novelty and loss of rights 102
- d. obviousness 103
- e. claim construction
  - during prosecution
  - during litigation
- f. means-plus-function claims
- g. written description and enablement
- h. court review of PTO decisions
  - standard of review
  - administrative and judicial review
  - jurisdiction-division of subject matter
- i. pre-grant publication
- j. reexamination
- k. reissue

Think of patent law and the patent system in two broad categories: patentability (when you attempt to acquire a patent) and enforcement (after you have a patent).

Both categories have elements of claim construction. The standards of claim construction for the two categories are different.

**D. Obviousness** (white slides)

35 U.S.C. § 103

- patent may not be obtained through invention is not identically disclosed or described as set forth in section 102 of this title, if differences between subject matter sought to be patented and prior art are such that subject matter as a whole would have been obvious at time invention was made to person having ordinary skill in art to which subject matter pertains.

Example

claim: cylindrical instrument, filled with ink, with felt tip and cap.

challenge: same as claim, but without cap.

would cap be obvious?

what is the standard of obviousness? 35 U.S.C. § 103

- *Graham v. John Deere*, 383 U.S. 1 (1966):
  - Determine the scope and content of the prior art; (analogous art)
  - Find differences between prior art and claims; (missing cap)
  - Resolve level of ordinary skill in pertinent art; (ordinary marking pen designer)

–Evaluate any evidence of “secondary considerations” (prima facie case of claim rejection may be challenged by secondary conditions such as long felt need and commercial success)

- Pre-KSR test: (challenge teaching, suggestion, or motivation test)
  - To establish prima facie case of obviousness:
    - suggestion or motivation in the reference or in the knowledge available to one skilled in the art to modify/combine prior art to modify/combine prior art references;
    - reasonable expectation of success, and;
    - prior art must teach or suggest all claim limitations
    - Burden on PTO to establish prima facie case.
  - Burden shifts to applicant to rebut.

- Secondary Considerations
  - Evidence to rebut prima facie case of obviousness
    - unexpected results
    - commercial success (market share)
    - long-felt need
    - failure of others
    - copying by others

NOTE: Nexus to claims required!

- See, e.g., *In re Huang*...
- *KSR Int’l v. Teleflex*:
  - Issue: whether a claim can be obvious only if a teaching suggestion...

Similar to *Bilski*, the Supreme Court took a test that the federal circuit was applying and said that the test was too narrow. Federal Circuit developed the teaching, suggestion, motivation test and Supreme Court said the test was too narrow for the obviousness test.

- KSR
  - “To facilitate review, this analysis should be made explicit...”

KSR test includes broader concepts than the teaching, suggestion, motivation test.

Although KSR rejected the teaching, suggestion, motivation test, the PTO must explain. For example, PTO will say that adding a cap to the claim is obvious to preserve the ink from drying out. If not explicit in reference may not satisfy the teaching, suggestion, motivation test but will satisfy KSR. Rationale must be documented by PTO in the rejection of the claim. PTO must put you on notice why your claim was rejected. Why do we want a complete file wrapper? Because it provides a record. PTO builds the intrinsic record and strengthens the patent downstream for an infringement suit. Notice is important! Do you understand why your claim is rejected? Does the public understand why the claim was

accepted?

- *KSR*  
–“Such a combination of familiar elements...”
- *KSR*  
–“When a patent ‘simply arranges old elements...”
- *KSR*  
–“When there is a design need...”
- *KSR*  
–Court’s key language: “when there are a finite number of identified, predictable solutions...”

Prior to *KSR*, saying that it was obvious to try is not sufficient for obviousness. *Kubin* court held that obvious to try may be sufficient for obviousness if there are limited options to try.

- *KSR*  
–*In re Kubin*..
- *KSR*  
–“We need not reach the question whether the failure to disclose Asano during the prosecution of *Engelgau* voids the presumption of validity given to issued patents...”

The issue was raised that there was a piece of prior art never considered by the PTO, but raised before the courts in infringement litigation. Does that potentially weaken the presumption of validity?

Claim construed by courts first by *Markman* analysis. During prosecution, the examiner construes the claims. Accused device present in infringement litigation. Fact findings necessary to determine whether or not the accused device reads on the claim. During prosecution, the examiner determines whether prior art reads on the claim.

35 U.S.C. 282- once the patent issues it is presumed valid. Before issue, merely an application. After issue- lean toward validity. Clear and convincing standard.

- Post *KSR*  
–*Leapfrog Enterprises v. Fisher-Price*...

Something could be claimed obvious even though there was no express teaching in the reference.

- Post *KSR*

Leapfrog...

- Leapfrog  
CAFC found the combination obvious:  
“Accommodating...”
- Secondary Considerations  
–See, e.g., In re Huang...

Must have a nexus. Show commercial success to show that it must not have been obvious. However, if product sells for other reason such as price, then cannot show nexus between claim and commercial success.

- Secondary Considerations  
–See also In re Glatt...
- Secondary Considerations  
–Although an applicant...

Board rejected claim and party came back with commercial success evidence. Every time you come forward with secondary considerations you need to show a nexus with the claim.

#### E. Claim Construction (white slides)

- During examination, claims are given their “broadest reasonable construction”  
In re Morris...

To alleviate problems downstream, make sure claim is clear during patent prosecution. patentee wants a strong, valid claim and confidence about patent coverage. PTO evaluates eligibility, obviousness, claim construction. Need to construe claim in order to determine whether there is prior art. Claim construction at PTO is subject to the broadest reasonable construction. Before patent issues, 35 USC 282 does not exist.

| PTO Examination                  | Infringement Litigation |
|----------------------------------|-------------------------|
| broadest reasonable construction | presumption of validity |
| (1) (2) (3)*                     | (1)* (2) (3)            |
| narrow->broad                    | narrow->broad           |

Say you are fighting over the meaning of words in a claim with the PTO. Applicant has narrow reading of claim (1). All three readings are reasonable. PTO will pick broadest reading of claim (3).

During suit in District Court defendant will say that defendant is not an infringer and say that claim is invalid. Defendant will say that defendant reads the claim in the broad manner (3) and it is invalid. Patentee will say that claim reads in the narrow

manner (1). because of the presumption of validity, the court will read the claim in favor of the patentee- in the narrow manner (1). When there is an ambiguity in a claim term, the courts will read it in the manner that results in validity. How do you get a strong presumption of validity? Build a strong file wrapper at the PTO.

- Reasons for “Broadest Reasonable Construction”
  - Claims may have varying reasonable interpretations.
- ...

Strong file wrapper results in a strong case for the district judge court to scrutinize. At district court, you cannot amend your claims. PTO allowed to check claim on a tougher standard, so claim will hold up on tougher scrutiny at court.

The reason the presumption of validity has power is because we assume that the agency that reviewed the application did its job.

At court- claim construction is a question of law for judge  
At PTO- examiner answers question of law and question of fact

3 different evidentiary burdens: what level will the evidence be judged at?

1. Beyond a reasonable doubt- OJ Simpson not convicted under beyond a reasonable doubt burden. Highest standard. Criminal conviction.
2. Clear and convincing evidence- when a patent is presumed valid, then defendant must meet this standard to show that patent is invalid. Intermediate standard. Inequitable conduct, commit someone to mental institution.
3. Preponderance of the evidence- scales of justice tipped slightly in favor of one side over the other side. PTO must meet this standard to reject claim. Lowest standard. Tort litigation.

\*Reexamination- treated like an application, with no presumption of validity. District Court judge will often stay an infringement suit during the period of reexamination by PTO. If PTO does not reject the claim, then the district court will continue forward with the infringement suit.

Preponderance of the evidence is a lower hurdle for examiner to reject the claim.

Clear and convincing evidence is a higher hurdle for defendant to show that patent is invalid.

Juries do fact finding. Judges do matters of law. Claim construction is a matter of law for judges.

- Note:
  - Maxim of reading claims as valid if possible during infringement proceeding

applies only when there are multiple claim constructions that can be applied.  
If so, district court will select the construction that yields a valid claim.

Phillips Maxim

- Broadest Reasonable Construction also applies during Reexamination Proceedings.  
See, e.g., In re American Academy of Science

Same concepts during examination proceedings apply to reexamination proceedings.

- In re Trans Texas Holdings Corp.

C. Claims are the Key Focus During Examination (blue slides)

- Claim Analysis (Merits Issues)  
CLAIMS ARE THE KEY...

### **THE NAME OF THE GAME IS THE CLAIM < KEY**

Why is the claim so critical? The claim is the definition of the property right. In the United States when you purchase a house you receive a deed, which defines the borders of the property right. Claims define property rights to the patent as a deed defines the property rights of the house. Say you have a lot of land and your neighbor builds a storage shed on your property and the two of you dispute over the borders of your property. If you go to court then the judge will want to see the legal document that defines the borders of your property right. Likewise, the words of your claim define the scope of your property right. In the United States, we treat patents like property and the scope of the claim defines the scope of the property right. The borders of the property right get recorded in the file wrapper. Clear claims with clear definition of the property right with a complete file wrapper, allow you to prevail over an infringer.

101 eligibility

102 novelty

103 obviousness

112 written description, enablement, definiteness

- We know that today as a §112 requirement:  
35 U.S.C. § 112...

- During examination first the claims are construed...

Do we read the disclosure into the claim? The disclosure helps us to understand what the claim terms are. We do not read the limitations in the disclosure into the claim interpretation.

First the examiner construes the claims. Similarly, first the court holds a Markman hearing to construe the claims.

- Similar process during litigation. Courts first construe claims (legal step) and then ask the jury (fact finder) to compare the accused device the claims...

Questions of law: claim construction

Questions of fact: reading the reference to see if the prior art renders the claim unpatentable.

- Different Standards of Claim Construction...
- Remember, a patent is a piece of property and the paramount concern is defining its legal borders...

The whole system boils down to defining the legal borders of the property. Define the invention with words clearly, so everyone else knows what it is.

- If you have trespassers on real property, you must have clearly defined the property lines in order for a court to enforce your legal property right.

Similarly, if there are infringers on patent property, you must clearly define the property line in order to enforce legal property rights.

Crystal clear claims can help you avoid litigation. However, unclear claims may benefit patentee with respect to licensing the invention. Job of PTO examiner is to make applicant crystal clear with respect to the claims (in addition to providing adequate notice). What is applicant using the patent system for?

- Thus, key focus at the United States PTO must be on the claims to clearly define borders of the property right.

Keeping in mind the paramount obligation to give the public notice of the borders of the property right.

#### **F. Means-Plus Function Claims (white slides)**

- 35 U.S.C. § 112, 6th Paragraph  
“An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.”

Literal infringement. Also doctrine of equivalents says that an insubstantial change in an invention may still infringe although there is no literal infringement.



A writing device comprising a cylindrical body filled with in with a felt tip and a cap.

A writing device comprising a means for holding ink where the ink is used for spreading ink on a surface. Specification with drawing of invention. Can also add equivalents thereof to broaden the disclosure.

People would assert that the claim was a means plus function claim without adding the necessary language (means for). If you write the structure as well, then the structure trumps the means plus function language.

1. Examiner gets claim.
2. Examiner looks for means for language.
3. Examiner looks at specification
  - Supplemental Examination Guidelines Published in Federal Register on June 21, 1000 at 65 FR 38510; see also MPEP § 2181.
  - For claim limitation to be subject to 35 U.S.C...
  
  - See e.g., *TriMed v. Stryker Corp.*, 514 F.3d 1256 (Fed. Cir. 2008)  
–Claim language recited “said holes...
  
  - Examining Procedures (MPEP §2182)  
–Scope of search and identification of prior art
    - give claim language broadest reasonable interpretation
    - look for identity of function
    - determine if prior art structure or act is same as or equivalent to structure...

If you put the structure in the claim then the limitation is not a means-plus-function limitation. You do not want to think you have a means-plus-function claim and then find out later that you do not. Easiest way is to put “means for” language in the claim.

- Examining Procedure  
–Factors that will support conclusion of equivalency:  
Performs identical function in substantially same way and produces substantially same result...
  
- Exam Guidelines  
–Intended to:  
Promote uniformity...

By encouraging applicants to follow guidelines, this streamlines the examination process.

## **G. Written Description and Enablement (white slides)**

- Section 112 also includes written description and enablement requirement:  
–“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 which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention...” 35 U.S.C. 112, 1st Paragraph.

–There is a recent case addressing the separate nature of these two requirements.

Best mode rarely addressed by PTO. Best mode reflects the state of mind of the inventor and comes into play during litigation.

Written description- is it adequate? Does it show that you had possession of the invention at the time of application?

Whether or not enablement is a separate requirement from written description:  
Ariad v. Eli Lilly

- Ariad v. Eli Lilly  
–Holding: Section 112 contains separate written description requirement from enablement. Majority...

Enablement- can the ordinary artisan make and use the experiment without undue experimentation.

- Ariad v. Eli Lilly  
–Judge Newman filed “additional views” addressing practical need for written description in the commercial world...

When a decision goes up to the Supreme Court, then the dissent from the Federal Circuit can become important.

Ariad case will be reviewed on Friday

Tomorrow: Court review of PTO Decisions

## 7/19 Patent Enforcement 2: Litigation by Paul Meiklejohn, Ramsey Al-Salam

### 1) Pre-filing Considerations

- a) Cost of litigation vs. rewards
- b) Who to sue?
- c) Where to sue?
  - i) Subject matter jurisdiction -Patents are litigated in federal court
  - ii) Personal jurisdiction
    - (1) Wherever the suit is filed must have some contact with the defendant
  - iii) General jurisdiction
    - (1) Plaintiff can sue in any state where Defendant is incorporated or has its headquarters or where D has made, sold, or offered to sell the infringing product
  - iv) Venue
    - (1) The particular district where the plaintiff has to sue
    - (2) If the state has 2 or more districts, must have to sue in district where offense occurred
- d) NOTE: If start talking about patent to another company before suing then the other side can countersue to get declaratory judgment and patentee loses some advantages SO in US plaintiffs sue first then talk about settlement

### 2) When Filing

- a) There is always a Complaint and answer and maybe a counterclaim and response counterclaim and/or the defendant might bring in another party
  - i) **Ex:** Panasonic is sued by patentee because Panasonic's TV infringes on patentee's patent. Infringing part might be a chip Panasonic uses so could bring in supplier to indemnify them. Maybe supplier is contracted to indemnify Panasonic. Maybe Panasonic doesn't know how the chip works and needs supplier to provide info
  - ii) **Ex:** What if supplier just ignores Panasonic? P can file a cross-claim to bring in supplier
    - (1) BUT the supplier may not be subject to jurisdiction in US because maybe it is a Taiwanese business supplying to Japan and then the TV is sold in the US
  - iii) **Ex:** If Panasonic's relation to supplier in Taiwan is bad, the supplier may not indemnify even if said it would and can't sue because the supplier has no connection to Washington -SO Panasonic can't do anything about it in the US, BUT can sue in Taiwan (maybe Japan?)
- b) Personal jurisdiction and venue can be waived but NOT subject matter jurisdiction
  - i) **Ex:** Even if accidentally try a patent case in state court it may proceed but the holding will not be recognized because patent cases must be tried in federal court
  - ii) If the complaint is answered without challenging the jurisdiction, then can't ask to change later

### 3) Motions

- a) Motions are a request to have the court do something and are usually written
- b) Replies are usually important and most courts want a reply from the opposing side

- c) Oral argument is where a party must come before court and the court asks questions, BUT typically the court has no questions and will resolve a motion without oral argument
- d) An answer is due in 20 days from the service of complaint
- e) Motions should be made before answer filed or have waived the right to further motions
- f) Types of Motions:
  - i) Motion to dismiss (federal rules of civil procedure 12b) \*there are 7 ways in which a case can be incomplete:
    - (1) lack of subject jurisdiction
    - (2) lack of person jurisdiction
    - (3) lack of venue
    - (4) failure to state a claim
    - (5) file claiming patent infringement but never state whether the claimer owns patent
      - (a) The court won't usually dismiss on a technicality so will likely give 10 days to cure
    - (6) Sometimes failure state claim because the product is not identified
    - (7) The service was improper
      - (a) Once again, the judge will just have the party served again)
  - ii) Motion To transfer
    - (1) Defendant can try to transfer case
    - (2) Motion to transfer can be filed anytime
    - (3) Defendant must prove that the original forum is too inconvenient
    - (4) Frequently both sides file suit against each other to be first to file and then get to try In their home jurisdiction for the advantages with court, convenience and jury
  - iii) Motions For Discovery
    - (1) Motion to compel
      - (a) Can ask the court to force the other side to provide documents or witnesses
    - (2) Motion for protective order
      - (a) Can ask the court to stop the other side from asking for documents/witnesses
  - iv) Motion for Summary Judgment
    - (1) Under the facts it is certain that one side will win so OTHER side tries to argue that there is a genuine issue material fact
    - (2) General rule is that unless a party can get the first case to be dismissed then the first party to file suit gets to proceed with its case
  - v) Motion to bifurcate
    - (1) Can ask the court to split trial into parts for different claims etc.
  - vi) Motion in limine
    - (1) Can ask the court to exclude witnesses or evidence
    - (2) **Ex:** Wood preservative composition case where the expert witness did some tests to show there was more penetration than prior art so there would have been infringement but the guy was just using a ruler as found in deposition and moved to strike that testimony because it was not very accurate
    - (3) Can preclude factual testimony, like when someone is going to testify about something they didn't really have a good opportunity to witness

#### 4) Confidentiality: Who gets to see what

- a) This is one area of litigation where both counsel agree
- b) General protective order allows competitors (like two parties) to share information securely usually sets 3 levels for protection
  - i) Public = client doesn't care who sees the documents
  - ii) Confidential = Usually pick 3-4 people on each side who will be able to see these documents
  - iii) Attorney's Eyes Only = Some really sensitive documents go straight to the opposing party's counsel who then can't show the documents to its client
- c) Can have protect order to preclude having to give specific documents to someone
- d) Question from the break:
  - i) What if a document is marked attorney's eyes only, but the client needs to see it in order to prepare an answer/counter? **NO WAY.** **Ex:** Well maybe the party will ask the other for the info they need to settle and maybe if the other side really wants to settle then that party may make an exception and give the info to one additional person

#### 5) Discovery

- Discovery is the most expensive part of patent litigation
  - The discovery period is typically 8 months
- a) Written discovery
    - i) Interrogatory = a written request for a document
    - ii) Request to admit = a tool used to narrow down the case by getting the other side to admit that certain claims aren't infringed so the case can focus on a few claims
    - iii) It is best to limit these to specific questions of fact like "who was on the board at the time?"
  - b) Oral discovery
    - i) Oral discovery is done through deposition.
      - (1) Rarely dispose own witness unless maybe if the witness is elderly and about to die etc. Usually just do deposition of the other side and/or 3<sup>rd</sup> parties
    - ii) Deposition is the most expensive part of discovery
      - (1) One's own attorney fees for preparation and taking of deposition
      - (2) Transportation for attorney and staff to deposition
      - (3) Party taking deposition has to pay for expert witnesses time with huge hourly fees
    - iii) Federal rules allow each side to take 10 depositions of max 7 hours each BUT can ask the court for more witnesses or more time which will likely be granted unless the court feels that this is harassing the other side.
    - iv) Notify opposing counsel of desire to hold deposition at a certain time and place and then opposing counsel has to show up with the witness
    - v) Sometimes according to rule 30(b)(6) the party doesn't have to name the witness but identify a subject matter and other side has to produce someone who knows that material to give a deposition.
      - (1) That person binds the company to whatever he/she says as the company's position.
    - vi) 3<sup>rd</sup> parties can give the same kind of depositions.
      - (1) Maybe the 3<sup>rd</sup> party is knowledgeable of the prior art
      - (2) Can request documents from 3<sup>rd</sup> parties

- (3) The court doesn't have jurisdiction over 3<sup>rd</sup> parties so a subpoena may be necessary to compel a 3<sup>rd</sup> party to testify and if they ignore then in breach and can have court sanction that person
    - (4) Can also use 30b6 with 3<sup>rd</sup> parties
  - c) Expert discovery
    - i) Can't withhold communications between testifying experts but can if expert won't testify
    - ii) Have to be careful about what the client tells testifying experts because the expert can be asked by the other side during deposition
  - d) Other notes
    - i) Plaintiff must prove evidence by a preponderance of the evidence
    - ii) The defendant has the burden to prove the patent is invalid by clear and convincing evidence
    - iii) The first expert report that has to be filed is for the side with the burden of proof
    - iv) Patentee has the burden of proof for damages
- 6) Privilege**
  - a) Certain relationships are determined by congress to be special and are protected
    - i) Spouses, priest-believer, doctor-patient, attorney-client
    - ii) Have to always tell the other side what documents not giving them and why
    - iii) Can get up to 3x damages if the infringement is willful
      - (1) Can have the person who made the decision to go ahead with product to testify that got an opinion from an expert or something to show that the infringement was not willful
    - iv) Have to keep this stuff confidential. Can't give it to a third party or it will no longer be privileged
  - b) Work product privilege
    - i) The work that an attorney does to develop the case; the other side can't just wait and then ask for everything other side's lawyer has done
- 7) Pre-trial**
  - a) Period from the end of discovery to the beginning of the trial
  - b) Probably the most important part of a patent case
  - c) Claim interpretation is a matter of law to be decided by judges (during Marksman hearing)
  - d) Almost always some dispute about terms in the claim
    - i) Defendant wants a narrow interpretation of the claim and the plaintiff wants a broad interpretation
    - ii) what if judge uses plaintiff's interpretation? Then all the defendant can do is argue invalidity of plaintiff's patent (but this rarely wins)
    - iii) What if court construes the claim in narrow way so to exclude the device?
      - (1) There is the "doctrine of equivalence" but this has a high standard of proof to meet. Must show that the device is of a substantially similar construction that works in a substantially similar way to produce a substantially similar result.
      - (2) Usually the plaintiff can't get this so the marksman hearing (where do claim construction is debated) is usually where the case is decided (before going to jury trial) and most cases settle here or just before

- iv) Sometimes when infringement is blatant plaintiff wants a narrow interpretation and defendant wants a broad interpretation so to include prior art
- e) Voir dire = process of picking jury where each side wants to question potential jurors to find who will be most favorable to them
- f) Verdict Forms
  - i) District courts like general verdict forms because it is harder to reverse
  - ii) Appellate courts like specific verdict forms so they can tell exactly what happened and why

Jury instructions- both sides ask for instructions that make it seem like that side should win

## 7/20 US Patent Prosecution 1 BY David Carlson and Nathan Durrance Seed IP

- Patent Application
  - Need to ask who your target audience is for a patent application as well as any other document. Who is it for a patent application?
    - the public
    - person of ordinary skill in the art
    - the examiner
    - the competitor (needs to see how you create your product).
    - the inventor
    - the client (who pays your bill)
    - a licensee – wants to have a strong patent.
    - the Fact Finder – judge/jury
    - the reviewing partner (your boss).
    - Investor (major audience – needed to keep the company alive for small companies).
    - Lawyer for the infringer – wants to destroy your patent. Will find all possible flaws there. Will look at it once the patent owner sends the warning letter to stop infringing the patent.
    - Litigator - for court battle.
    - Potential manufacturers – need to be able to make and use the invention.

**Carlson** : What is the order of importance of these audiences?

Nominations for # 1: Inventor, examiner, public, judge, investor, client. Competitor.  
Voting for nominations: Judge – 2 votes, investors – 0 votes, public – 9 votes,  
examiner – 8 votes, competitor – 15 votes, inventor -8 votes, client – 12 votes.

But in Carlson's view, the real number 1 audience is the inventor – the inventor has to sign the application under oath that this is the correct description of the invention and that he has truly invented the invention (Takenaka adds : though this situation may be unique to US – inventor may not have to sign in other countries).

Once an infringer gets a warning letter, the infringer tries to get as much information about the inventor as possible – the inventor will have to testify in court. The number 2 audience is the client – needs to satisfy the clients needs (will satisfy the needs of other groups, like the investor, as well) . Examiner is #3. Judge and jury are going to see 1 out of a 100 patents – not very important.

The task is to write the patent application that the inventor will like. It is a hard job – it is somebody else's ideas – you have to understand the thinking of the inventor. How do you do that?

How are you going to learn the inventors ideas? Seed IP has a special technique for it.  
- The attorney writing the patent must personally speak to the inventors.

How do you talk to the inventor?

- need to get the main inventive concept from the inventor.
- learn the invention. It is very important to understand the technology – but you



cannot understand it beforehand because otherwise it would be obvious. You are starting from zero.

Steps for talking to the inventor.

- read the invention disclosure. – understand its background and disclosure.
- schedule a 1 hour interview with the inventor.
- Sit down with the inventor and ask the inventor to describe in his or her own words to describe the invention. Say: “Tell me about the invention.” Listen and learn. Most technical people don’t write well-it is your job to write. Listen for as long as the inventor talks. Compare the invention disclosure to what the inventor is describing. Don’t interrupt. About half the time at this point, Dave Carlson does not understand what the invention is – the invention is brand new. You are also not likely to get the invention completely at this point.

- Ask questions:

- 1) Who is going to use the invention?
- 2) Why would a customer buy the invention instead of the prior art? What are the advantages of the invention? It is important to get the patent on the technical advantage that the invention brings.
- 3) How do you get the advantages?
- 4) What are the bar dates for the invention (35 USC 102) - how do you ask that question (bar date is legal slang)? “ Have you sold the invention to anyone yet? Have you shown it to anyone other than the company employees? Have you published the details of the invention? If you did publish, when did you do it? Can I have a copy of the publication (it is very powerful to have the inventor’s own description)? Do you plan to publish? When? Do you have any drafts of the publication? Have you made the invention yet? If you made it, can I have it? ” At the end of a publication there are citations – these are your prior art references – it is very important to have that and send it to the US Patent and Trademark Office (USPTO). A publication in any printed language becomes prior art. Need to ask about prior art: “What do your competitors do in this area? What have other people done in this area? By the way, you have the obligation to give me anything related that your competitors have written in this area so that I can send it to the USPTO.” Next question – “Who are the inventors? Are the inventors on the disclosure the true inventors? Need to know it during the prosecution, not in court.” If one person who is listed is not a true inventor, it might cause problem at the trial – need to solve it now, during prosecution. The last question – expectations: the attorney speaks and tells the inventor what he or she can expect. Tell how long it will take to write the application, tell him or her that you will send the inventor the draft, ask the inventor to correct the mistakes in the draft (both something that is not correct or something that is missing but that should be there). Say that in 1.5-2, we will have an office action from the USPTO – will the inventor help you to respond. Give the inventor your card and tell him to keep in touch. A patent is good for 20 years, need to have friendship with the inventor for 20 years – stay in touch with the inventor even if he or she leaves the company.

Question: Reasons for asking if the inventor made the invention?

- 1) Need to know what the best mode of the invention is – the primary way of

carrying out the invention. Need to ask about alternatives – find out about alternative embodiments. Description of the best mode is a statutory requirement in 35 USC 112.

2) Will give you reduction to practice information .

In US, an error in the names of the inventor is grounds for invalidity or rejection during prosecution (not in many other countries). 35 USC 102(f) says that incorrect listing of inventors kills the patent – it is dead. But you can revive the patent by fixing the names of the inventors (but until you do, the patent is dead) if you can show that the error was done without deceptive intent. Until the correct inventors are listed, the patent is dead. If an inventor is not listed on the patent, you can correct it with the patent office, the missing person may transfer the rights to the invention to a third party. In US, all inventors have equal rights to the invention – the third party would be able to practice the invention if the missing inventor transfers the rights to it. It is necessary to make sure that all the inventors are listed on the patent to begin with.

Non-disclosure agreements – if a person signs the non-disclosure agreement (NDA), disclosing the invention to that person does not trigger the bar dates unless you sell the invention – on-sale bar dates get triggered even if there is an NDA. Secret sale or offer to sell triggers the bar dates.

In summary, there are lots of reasons to go through the steps described above.

**Nathan Durance(Berkeley 電機系畢業) steps in for part of the lecture.**

How do you draft a patent?

- History of patents – when colonies first formed, there were no patents – every invention was owned by the King of England, who would then give it to someone. The Founding Fathers did not like it – decided to make a central office handling patents. First patent was signed by George Washington, and examined by Thomas Jefferson. Now patents play a huge role in our society. May have drastic economic power to stop a competitor and make money for the company. Ex: a patent for a drug called Lipitor was worth a billion dollar a month on its peak.

Lipitor patent. Parts of the patent.

- 1) Name of the patent.
- 2) The assignee.
- 3) The inventors.
- 4) File and issue date – in the Lipitor case, it is very quick.
- 5) Different codes that the patent office uses for its search of the records of the prior art for novelty and obviousness analysis. The results of the search of relevant publications are listed on the face of the patent.
- 6) Name of the examiner.
- 7) Name of the attorney, agent, or firm.
- 8) Abstract – 250 word summary of the description of the patent. Least useful part of

the patent – rarely used for anything – just gives a very short description of the invention in the patent. But it does get looked at by the examiner when he or she conducts the search.

9) Extension of the patent term – for certain types of patents, you can apply for the extension of the patent term. Received 1200 extension – for certain types of chemicals and medical devices, you have to approve the drug or device by the Food and Drug Administration (FDA); this can take too long – you cannot use the patent before then. You can ask for the extension of the patent for time spent getting approval.

Patents are in public record forever – good way to look at technology that came before you. In US, you can claim priority to earlier applications if you file continuations of the application (change your claims from the original). Back in the day, people would file an application, try to keep it in the USPTO and issued it once competitor made the product – that was back in the day when patent term was 17 years from issuance – no longer true.

Patent for the first videogame – 5 years prosecution history. The videogame market was small back then – sometimes the invention is much earlier than commercial application – may not make money. But other patents may make money. Not every patent makes money – very few do. But you have to be diligent in writing a patent since it can become very valuable at some point.

Patent for a Frisbee – it was an instant commercial hit. A patent does not have to be complex or long to be successful.

There are different types of patents in US: utility patents and design patent. Design patent covers the ornamental aspect of something – not functional. Just covers how it looks. Ex: George Lucas's design patent for Yoda.

There are also plant patents, and they have different requirements. Ex: patent for a rose. Has very specific requirements.

Michael Jackson has a patent on his special shoes that allow him to defy gravity.

When drafting an application:

- 1) Gather all your notes: disclosure, notes from LABPIE, prior patent applications on behalf of the same client or the inventor (search the company's network).
- 2) Study the material from step 1 – sketch out some simple drawings of what you think the patent is.
- 3) Come up with the claims for the invention – claims are the most part of the patent. They describe what the patent owner owns. If the claim is defective, you cannot protect the invention. Claim needs to show the novelty and what the client is trying to protect. Have to be very particular when writing the claim. Claims terms have to be consistent and clear.
- 4) Draft the rest of the patent application that supports the claims – it is important to have consistent terms between claims and disclosure. The rest of the application

include:

- a) Background of the invention - sets up the problem solved by the patent application. It is your pitch to the examiner or a licensee – grabs the attention of the audience. Can be brief – needs to be a succinct clear statement of the application.
- b) Brief Summary of the invention – include some details of the invention that help sell it to the patent examiner. Don't describe something as the most important or essential feature – some claims are not going to have the particular feature – avoid being limited to one embodiment.
- c) Description of the figures – brief description of the figures you have in the patent.
- d) Detailed disclosure – has to include enough detail for a person of ordinary skill in the art to make and use the invention. That level of skill differs based on the field – have to think about who the person of ordinary skill would be.
- e) Take the figures and identify the part of the invention that you are going to identify in the figure. Name each part that you have numbered there. Describe what the numbers stand for in the detailed description. Use the same terminology in describing the invention that you have in your claims. Go from element to element and describe the entire invention as it is shown for each figure – do it for every figure. Everything shown in a figure needs to be described in some way. How detailed do you have to be? Depends on the skill level of the person of ordinary skill in the art.

As you are drafting the applications, have in mind different possible ways of doing things. Think outside the box – have broader language than the main embodiments. Have the broadest interpretation possible for the claims.

In the United States, it is not necessary to identify a technical problem, solution, or advantage (unlike the situation in some other countries) – but sometimes the patent nevertheless describes one possible advantage (but not too much – it narrows the scope of the patent).

## 7/20 Patentability at USPTO 3: Court Review and Pre-Grant Publication

William LaMarca, Associate Solicitor, Office of the Solicitor, USPTO

The claims are the most important part of a patent; they define the property right.

Previously:

- We talked about claim construction standards and how they differ at the PTO and in court litigation.
- We talked a bit about means + function claiming and the written description requirement.

Today, we're going to cover court review of PTO decisions.

When the examiner issues a final rejection of claims, you can appeal within the PTO to the Board of Patent Appeals and Interferences. (35 U.S.C. § 134)

- You write an appeal brief and make oral arguments; the examiner will answer
- Board will decide who's right. If they decide you're right, it gets sent back to examiner, and it's likely your claims will be allowed and patent will be issued. If they decide the examiner's right, it's the final decision in the agency. Now, you only have recourse to judicial review of that decision (i.e. the U.S. Court system)

Letter (H) in the slides – Court Review of PTO Decisions

Argue to Fed. Cir. why you think Board of Appeals was wrong

What's the standard of review?

- Different from standard of proof, which is used for evidence at trial court. Standard of review is asking how much deference an appellate court gives to the lower court's or agency's decision
- Some things the lower tribunal did get deference, and some get none
- De novo review for questions of law: no deference
  - Example: Statutory construction, or claim construction by district court. It's a legal conclusion by judge or agency. This will be looked at fresh by the appellate court
- Clear error: some deference
  - This means the appellate court asks if the lower court's decision was clearly erroneous. Typically, this is what's used for court-court review
- Substantial evidence: more deference
  - This is typically used when a court is reviewing an agency's decision
- Abuse of discretion
  - This is an extremely deferential standard of review
  - It's used when agencies have discretion to do something (i.e., statute says agency *may* do something)
- Remember, PTO claim construction is de novo, but the court will ask if it was reasonable.

Prior to 1999, Fed. Cir. applied a clear error standard of review to the PTO, even though the PTO is an administrative agency rather than a court. In *Dickinson v. Zurko*, the Supreme Court decided that the standard of review applied to decisions by the PTO should be the same as that applied to other administrative agencies: substantial evidence.

The theory is that an administrative agency has special expertise to make that finding of fact. A trial court's fact finders, on the other hand, do not have special expertise. Because of this special expertise, appellate courts should give higher deference to an agency's determination of fact than to a trial court's finding of fact.

Principal of sovereign immunity: the sovereign is immune from lawsuits.

- You cannot sue the government unless it waives its sovereign immunity.
- Our legislature has passed laws waiving sovereign immunity, saying that you may sue the government in a way the statutes dictate – the Administrative Procedure Act (APA) allows you to seek review of administrative agencies' decisions only if the agency has issued a final action
  - This means for patents, you have to go through Board of Patent Appeals and Interferences before seeking judicial review.

Examples of fact findings:

- What a reference teaches
- Whether a reference teaches away
- Whether a reference is analogous art
  - Analogous art comes from the same field, or solves the same problem.
- Whether a reference anticipates
- Whether the disclosure is adequate
- Whether the written description requirement is satisfied

Obviousness is a mixed question of law and fact

Substantial evidence standard.

- On appeal, you need to tell the court what standard of review applies. Cite *In re Jolley*.
- Substantial evidence standard means that there must be rationale, evidence in the record to support the agency's decision.
- Defer to examiner if he based decision on evidence in the record. The examiner needs to have substantial evidence.
- See baseball analogy on blue slide. Umpire behind home plate has evidence to call balls and strikes – he gets deference in his decision (despite fans yelling at him). However, if he turns his back and calls pitches without looking at them, he has no substantial evidence for those calls. His decisions won't get deference (in fact, he'll be pulled from the game and replaced with another umpire).

Examiner needs evidence in the record to get deference. When the examiner is

able to point to evidence in the record, he gets deference, and his decision is more difficult to overcome.

All of this comes from the APA. Each administrative agency has a separate area of expertise, and that expertise gets deference.

At appeal, it's no longer an evidentiary-building level; no new evidence may be presented, even at the appeal to the Board. New evidence is only added during examination, where the record is built.

#### Civil Action – 35 U.S.C. § 145

- Examiner rejects claim. You get a first office action and get to respond (amendments and argument). He responds w/ final rejection. Now go to Board (§134). Board may reopen it for examination (winning here is usually equivalent to winning the patent). No new evidence added at any appeal. If Board rejects your arguments, you can appeal to the US Ct. of Appeals for the Fed. Cir.
- If you don't want to go to the Fed. Cir., you can go instead to the US District Court for the District of Columbia = blend of appellate tribunal and district court. This proceeding is unique because you're allowed to bring in new evidence.
  - What new evidence can you bring in? That's in debate. *Hyatt v. Kappos* – Supreme Court granted certiorari.
- All the costs of a 35 U.S.C. § 145 trial are paid by plaintiff, including costs incurred by government in depositions, paying for their expert witnesses, etc.
- Whichever party loses this proceeding may appeal to the Federal Circuit
- 

#### Overview of Reexamination (Letter J)

- If you lose in litigation, your entire issued patent is invalidated.
- Reexamination allows the PTO to reexamine an issued patent in view of newly discovered anticipation and obviousness issues that hadn't been before the examiner during initial examination.
  - If PTO agrees with you that the newly found references raise questions of patentability about your claim, the Director of the PTO may order reexamination of your patent in light of these newly raised references.
- This allows you to modify or amend your claims that are anticipated or obvious based on the newly found references. If these modified/amended claims are accepted, they will be stamped "approved" (it's already an issued patent, so "issued" isn't appropriate)
- If examiner rejects your claim on reexamination, you have the option of going to the appellate board and then court as discussed above.
  - Congress intended reexamined patents during processing be treated as regular first-time applications with no presumption of validity for burdens of proof and claim construction.

Why would you do this?

- Strengthen your patent as a preventative measure
- A defendant in an infringement suit alleging invalidity of plaintiff's patent can simultaneously bring a reference to the PTO and ask that the plaintiff's patent be reexamined in light of that new reference.
  - This means 2 proceedings are going on simultaneously
  - If the PTO grants reexamination, defendant will go to the judge and request a stay of proceedings (i.e., wait) for outcome of the PTO reexamination.
    - If it's early in the proceedings, the judge will usually grant a stay.
    - If it's late in the proceedings, the judge may not grant a stay

Case: *Translogic Technology*

- District court found claim valid and infringed
- PTO granted reexamination, rejected the claim at issue
- Patentee appealed rejection, Board of Patent Appeals and Interferences upheld the PTO's rejection
- District court and Board of Patent Appeals decisions were both appealed to the Federal Circuit – the two appeals were heard on the same day.
- Because of the standard of review for each and the deference given to the PTO's decisions, the district court's decision was overturned and the PTO's decision was upheld (claim was not valid; there was no infringement)

Reexaminations are conducted with special dispatch as instructed in the statute (i.e., keep moving forward, do them as quickly as possible) – so it's the parallel district court proceedings that will get held up, not the patent reexamination.

If PTO upholds the claim during reexamination, the reexam adds to the file wrapper. It increases the intrinsic record that the judge relies on in claim construction at the district court.

If there's parallel reexamination and court proceedings, and the patent expires during reexamination, reexamination still continues. The district court will use the reexamination results to determine infringement and if back damages should be paid. However, once patent expires, you can no longer amend the claims.

If reference was already before the examiner, but is looked at in a new light / raises a new issue, it's still looked at in reexamination.

Presumption of validity doesn't apply – it's a preponderance of the evidence standard on reexamination.

*Microsoft v. i4i* 589 F.3d 1246 (Fed. Cir. 2009)

Procedural Background:

- i4i sued Microsoft for patent infringement



- Alleged custom XML editor in certain versions of Microsoft Word infringed i4i's patent (US patent 5,787,449)
- After 7 day trial, jury found willful infringement (i.e., Microsoft lost)
- Jury rejected Microsoft's invalidity argument
  - Microsoft alleged the on-sale bar (35 U.S.C. § 102(b)) invalidated i4i's patent because >1 year before i4i's application was filed, i4i had sold software, known as "S4," which had not been before the examiner who granted the '449 patent
  - The jury was given instructions about what standard to apply
- On appeal at Fed. Cir., Microsoft challenged jury verdict on multiple grounds, including alleging that the jury instructions regarding the burden of proof for invalidity (clear and convincing: anticipation) were improper
- Microsoft argued that burden of proof should have been less (preponderance of evidence) for art that wasn't before the PTO
  - How can there be deference and presumption of validity if office never looked at it?
- Fed. Cir. disagreed, concluding jury instructions were correct – requiring challenger to prove invalidity by clear and convincing evidence
- Fed. Cir. noted its recent decisions made clear that the Supreme Court's decision in *KSR* didn't change burden of proving invalidity by clear and convincing evidence
- Supreme Ct. granted cert
- Microsoft's position: a lower **preponderance of evidence** standard should apply where the fact-finder is presented with evidence (prior art) bearing on invalidity that was not considered by PTO
- Government's (PTO's) position: Maintain a strong patent system through via application of the heightened standard of proof (**clear and convincing evidence**) to issued patents
  - The granting of a patent induces a reliance interest (patent bargain)
  - Changing the longstanding standard would marginalize the PTO the expert agency Congress created for issuing and reexamining patents.
  - It would be too easy to invalidate patents if the lower preponderance of the evidence standard were used even when examiner didn't have the new evidence before them. The jury would be being asked to second-guess the PTO.
- On June 9 2011, a unanimous Supreme Court held that patent invalidity must be proven by a **clear and convincing evidence** standard.

Tomorrow, we will talk about *Therasense* decision, and how it's inconsistent with the inequitable conduct portion of *American Hoist & Derrick Co. V. Sowa & Sons, Inc.* However, Supreme Court used reasoning from a different part of *American Hoist* in coming to the *Microsoft v. i4i* decision

There are 2 types of Reexamination: *Ex Parte* and *Inter Partes* reexaminations

- *Ex Parte* = 35 U.S.C. § 302

- The requester submits patents or publications along with an explanation of why these raise a substantial new question of validity.
- Person requesting reexamination may be 1) a 3<sup>rd</sup> party competitor or defendant in infringement lawsuit, 2) the patent owner seeking to “cure” a validity problem, or 3) the PTO director ordering a reexamination
- If the requester is a 3<sup>rd</sup> party, they have no further participation in the examination proceedings, and no right to appeal the reexamination decision
  - An owner will participate in the examination proceedings and has the right to appeal, even if somebody else brought the request.
- *Inter Partes* = 35 U.S.C. § 311
  - Both patent owner *and* requester receive copies of examination documents and have a right to respond
  - Both (since 2002) also have the right to appeal the examiner’s decision
  - However, if the claims are allowed on reexamination, the requester may not raise an invalidity argument at court (estoppel) that he could have brought to the examiner during the *inter partes* reexamination process
    - See 35 U.S.C. § 317(b) for estoppel provisions
- May stay an *inter partes* reexam (as opposed to the special dispatch for *ex parte* reexam)

New (pending) legislation says *inter partes* reexamination concept would be converted to review by board rather than reexamination by examiner.

## 7/20 Patent Litigation- Pretrial by Paul Meiklejohn, Ramsey Al-Salam

Single embodiment → limited to the claim

Set of Rules is called “Canon of claim construction”

- Once construed, literal infringement (or not) follows
- Once construed, anticipation (or not) follows
- Not much left in the case for either patentee or alleged infringer once claim construction is completed

If patentee’s proposed construction (broad) is adopted, there is literal infringement.  
If alleged infringer’s proposed construction (narrow) is adopted, there is no literal infringement.

E.g. Claims specified, “...made of Metal & Rock, for example Rock made of tin...”

Read element of claim → Metal = tin

Specification = tin

\*A Claim Should Be Read In Light of The Specification (normally used by alleged infringer to support a narrow claim construction).

\*Limitations from the Specification Should Not Be Read Into The Claim (normally used by patentee to support a broad claim construction)

EXHIBIT 131 : Eyewear

TORIC mean?

Court adopted Vertical and Horizontal positions

See P.131

See P.135 Claim construction → How does the court construe the claim?

There are 3 sources:

1. Claim
2. Specification
3. Prosecution history

Pretrial (Cont.)

- **Markman Hearing:**  
Court decides the scope of the claim. This happens before trial, but after discovery because you need to know the facts.
  - (1) the desired scope for patent holder
  - (2) the desired scope for the alleged infringer
  - (3) where the infringing product is.
- **Pretrial Statement:**  
Statement where parties list witnesses, exhibits, and issues.
- **Pretrial Conference:**  
Conference with the judge. Judge gives order that lists witnesses and exhibits for the trial.

- Voir Dire:  
Picking the jury. Both sides ask several questions to invalidate some jurors.
- Verdict Form:  
A form that the jury members fill out.
- Jury Instruction
  - (1) What is the law?
  - (2) What is the infringement?
  - (3) What is the presumption?
  - (4) Court read approx 25-50 pages of the law and rules to the Jury

Three important questions:

1. What is court used to construe claim?
2. How does it work?
  - a. Mixture the attorney arguments
  - b. Witnesses
3. When does the Markman Hearing take place?
  - a. Patentee → broad to cover infringe product and exclude prior art
  - b. Infringer → narrow and cover some prior art

## Stage 5 – Trial

Types of Evidence

Intrinsic: What is result or communication during prosecution procedure? Patent and the prosecution history. Prosecution events are very important.

Extrinsic: Everything else (Experts, the inventor, treatise etc.) This is weak evidence - testimony is the weakest.

Two Types of Evidence

Literal Infringement: Doing what is in the patent.

Doctrine of Equivalence: Using a material that is replaceable with that specified.

Once the judge sets the scope of the law, the jury decides whether the accused product is within the scope of the patent. However, this part of the dispute is not very useful, because the conflict is at the scope of the law stage.

- Pick a jury  
Jury is from the voting citizen in the U.S. Mostly, 40 people have been selected for each trial.
- Opening Statement
- Plaintiff's Case in Chief
- Defendant's Case in Chief
- Plaintiff's Rebuttal
- Defendant's Rebuttal
- Instruct Jury
- Closing Argument

### **Equitable Issues**

Decided by the judge. This is left entirely to the judge's discretion, and can decide however they wish. These are things like laches, bad conduct, estoppel, unclean hands etc. Sometimes there is a separate trial for these issues. If it is during a normal trial, the jury gives an advisory opinion.

### **Equitable Issues can be resolved when:**

- Before (no judge) or after jury trial (Plaintiff's preference)
- Court may order a trial to the court separate from jury trial.
- During jury trial (Plaintiff doesn't want because he will look bad in front of the jury, while the defendant wants to do so.)

### **Plaintiff's Case-In-Chief**

- Infringement
  - Literal  
If court adopted patentee's claim construction, only defenses remaining are invalidity and unenforceability
  - Doctrine of Equivalent  
If court adopted infringer's construction, only Doctrine of Equivalent remains.
- Damages  
Lost Profits: Patentee must prove that:
  - Patentee is selling a product, which is competitive with the infringing product
  - Panduit Requirements  
If the above cannot be proven, the patentee can get reasonable royalties (% is range from 1-10%, sometime may higher or lower)

### **Willful Infringement**

Penalties can be increased if there is evidence of willful infringement. Standard of objective recklessness from the Seagate case.

Willful Infringement can make the damages up to 30 times depending upon jury's discretion.

Objective of reckless can be any of 3 ways after the Patentee submit the claim chart:

- Alleged infringer continues to sell
- Alleged infringer copies patentee's product
- Alleged infringer is selling a product which is insignificantly different from a product which the court said is infringing xs

### **Trial Theme**

- Patentee: Spent time developing patent, it was stolen
- Alleged Infringer: Patentee received patent by deceiving patent office. Say that they hid prior art.

## **Demonstrative Evidence** (Computer animations, charts, graphs etc.)

- Advantage
  - Keeps jury's interest
  - Helps the jury remember

## **Trial Demonstrations**

Practice and be sure that demonstrations work. Make sure that you can control it.

If not practice → can fail → end of case

E.g. case of O.J. Simpson → Try to put on glove (used for murder) on trial to show to the jury that it fit him or not.

## **Trial Witnesses**

- Do you want a professional or a first time witness?
- Professionals look like a dishwashing guy, but are very good under cross-examination. Less experienced seem like an average person, but they are less predictable.
- Emphasize regency/primacy - put your best people first and last.

## **Stage 6 – Post-Trial Motions**

- Prerequisites
  - Motion is a requirement. If not request to the court, no way to follow any request.
- Kinds
  - New Trial (Rarely work, but prerequisite for appeal) → Court made a mistake either
    - Improper Jury Instructions (for invalidity)
    - Evidence Improperly Admitted or Excluded
      - e.g. Excluded an expert → Let him in and conduct a new trial.
  - Judgment as a Matter of Law
    - Invalidity (e.g. No reasonable jury can define)
  - Injunction: *eBay, Inc. v. MercExchange, L.L.C.*
    - No injunction for trolls
    - Not automatic, need to ask the court
  - Enhanced Damages
    - Willful Infringement → 3 times of damages
  - Fees
    - In principal, everybody pays his or her own attorney fee.  
Exception 35 U.S.C. §284. Patentee → Willful Infringement  
Defendant → Inequitable Conduct
  - Prejudgment Interest

## **Stage 7 – Appeals**

Appeals

- Appeal to the federal court of appeals.

- File a notice of appeal - a simple statement
- Have to file within 30 days of judgment. Have to wait until the last post-trial motion is decided.
- Court of Appeals for the Federal Circuit → Created to unify patent law across the whole country - beforehand each circuit decided its own law.
- In Banc decisions are heard by the whole court.

#### Standards of Review

Very important – See chart on handout page 36

De Novo is starting over fresh in hearing the case. (30-40% chance of reversal)

Clearly Erroneous - "Is the court's determination clearly erroneous?"

Substantial Evidence - "Is there substantial evidence to support verdict?"

Abuse of Discretion (2% chance of reversal)

#### Supreme Court Review

- Writ of Certiorari: Ask the court to take the case
- Rarely Granted
  - Important
  - Overall effect on Patent law

See *i4i & Microsoft* case (Invalidity)

## 7/21 U.S. Patent Prosecution 2: Office Action and Examiner Interviews

David Carlson and Nathan Durrance  
Seed IP

The claim is the name of the game

- The claims are the most important part of the document. Without out good claims, you've got an expensive document that doesn't do anything for you. The claim needs to cover your invention, the product that you sell, and the products that your competitors sell for the patent to be valuable.

What kind of things do you want to protect?

- What the inventor has described to you as their invention
  - Need to cover both breadth and narrow aspects
  - Broad coverage plus precision
- You want to claim things that use your invention as well
  - E.g., if you invent a new memory cell, you might want to include claims that cover a storage device containing your memory cell, and claims that cover entire systems (such as cell phones, computer systems) that use your memory cell.
  - The damages that you can get are much higher if you do this – computers are hundreds of dollars, memory cells probably aren't very expensive. You can request higher damages.
- You need to have claims that describe and claim your company's product, so other's can't produce the same product.
- You also want to cover products that compete with your company's product that may want to use your invention

Types of Claims:

- Apparatus claims (actual structure of product)
  - Means plus function claims
  - Combination claims
- Method claims (making, using the product)
  - Method of use claims
  - Method of making claims
- Product claims
- Composition claims
- 

Different people will infringe different types of claims

- Buying your memory cell and putting it in a computer aren't infringing the method of making and using the memory cell – those would be the manufacturers (making) and the consumers (using)
- Need to keep in mind who would infringe the different types of claims when drafting a patent – want patent to be as valuable as possible to the client/company, so want to be sure you're covering the revenue stream most important to them.



- Want to cover product that's sold at the retail level, and the product as used by end users

Example: If you've invented a simple memory cell, you'll want to claim:

- Individual memory cell
- Array of memory cells
- Memory array connected to data processor and data input device (i.e., entire system)

Basic structure claims:

1. A circuit comprising: an access transistor; and a capacitor connected to the access transistor.
  - a. Preamble (intro to claim) = "a circuit comprising"
    - i. Most people say the shorter the preamble, the better
    - ii. Actual elements should be w/in the body of the claim, and the preamble can sometimes limit the claim if you've got a lot of information in there
  - b. "comprising" = open-ended transition term
    - i. You can add anything you want to this, and it would still infringe the claim
    - ii. So any system that has that circuit would infringe your claim (but with just this claim, your damages would be limited to the cost of the circuit)
  - c. Useful to obtain benefits of "doctrine of claim differentiation"
    - i. Have dependent claims that add matter to your independent claim
    - ii. You can differentiate your independent from your dependent claims, and argue that the scope of your independent claim is broader than your dependent claims
2. The circuit according to claim 1 further including: a word line connected to an enable terminal of the access transistor; and a bit line connected to a transfer terminal of the access transistor.
  - a. This is a dependent claim, and is narrower than the independent (claim 1)
  - b. If somebody has the circuit with something other than a word line and a bit line connected, claim 2 wouldn't cover it, while claim 1 would
3. The circuit according to claim 1 wherein said access transistor is an MOS device.
  - a. Why would you narrow your claim this much?
  - b. You want claims that specifically cite the elements of your product or your competitor's product – you can show it to the judge and show direct infringement. This is a stronger position than claiming infringement of the broader claims.
  - c. Specific claims have a better chance of validity
    - i. Specific elements that are not in the prior art helps differentiate your invention from what might have been previously disclosed

- ii. It's important to have these specific dependent claims in the application from the beginning – in the US, amending the claim is not retroactive, so if you don't have this and your broad claim is found invalid, you lose your cause of action for an infringement suit

**“consisting of”** limits your invention to what follows = **closed**

**“comprising”** does not limit your invention to exactly what follows and nothing additional = **open**

Preamble should be very short

- Do not include elements of the invention
- Do not specify intended use
- Do not use Jepson-type claims (which recite prior art in preamble, then say what your improvement is)
  - Don't mention anything in the prior art in your preamble
- Good preamble:
  - An apparatus comprising
  - Method comprising
- Poor preamble:
  - An apparatus for storing digital data as a high state or low state, and providing the stored data as an output upon request comprising:
- Worse preamble:
  - A memory cell integrated onto a semiconductor substrate for use in storing data present on a bit line when the word line is high and outputting the data onto the same bit line, comprising:

Ask yourself if there's a way to state something more broadly. Every word is going to be examined.

Basic structure claim

“an access transistor”

- The word “access” is limiting, and not necessary. “a transistor” would suffice, and would cover more

“transistor”

- What is the transistor doing? Is there a broader term for it?
- It's a switch providing access to the capacitor. Can't we call it a switch? It could be something other than a transistor that functions as a switch.

“capacitor”

- More broadly put, this is a type of storage element.

The claim could be rewritten to have a broader scope:

- A circuit comprising: a switch; and a storage element connectable to the switch.

Now have dependent claims saying ... where the switch is a transistor; ...where the storage element is a capacitor.

Save functional language of how it works for method claims. Functional language in an apparatus claim will not help you get a patent, but could limit you during litigation.

- I.e., don't put words like "for receiving the data" in the apparatus claim – don't tell what it is for, just what it is.

### Means plus function claims

A means plus function claim takes the form as follows:

- The word "means" followed by the word "for" followed by an active verb, usually an "ing ending verb
- It should not include structure; the "means" is the structure, and it is followed by the function which is to be accomplished
- You automatically get statutory equivalence if you use this type of claim (the statute says so)
  - But, it's limited to the embodiments in your disclosure plus equivalents
- Also, there's a better chance of withstanding a validity challenge
- Example:
  - "A device for storing data comprising means for storing data; and means for transferring data to and from the storing mean."
  - The court will look back at your specification and see what you have described for storing data, for transferring data, and those will be incorporated into your claim, plus everything equivalent
  - You can then go into dependent apparatus claims, adding more specifics.

People who infringe method of operation claims: end user, consumer

People who infringe method of making claims: manufacturer

When you're writing method claims, separate out use from method of making, as they're infringed by two different sets of people. Don't include "providing means for storing data" and "transferring data" together.

- To infringe, you need to infringe all elements of the claim – the same person doesn't infringe both of those elements.

### Office Actions

- Have 3 months to respond, which can be extended out to 6 months if you pay fees.
- If your response to the initial office action is not convincing, the examiner will respond with a final office action.
  - You have a limited time to respond to a final rejection

Structure of an Office Action:

- Tells you important dates – when it was filed, how long you have to respond

- Tells you whether it's a final OA
- Which claims are pending in the application, which were withdrawn from consideration
- Which claims were allowed, which were rejected, which were objected to, and which were subject to restriction and/or election requirement
  - The examiner might think some claims pertain to a separate invention, and so you need to file a separate continuation application to claim the separate invention
  - You get the same priority date for the continuation application if the parent application is still pending – there will be a separate lecture on continuation applications next week
- Substance of the OA
  - Claim objections
    - Ex: need to use the preposition “a” the first time you recite a claim term, and can then refer to it as “the”. This type of simple mistake is easy to fix.
    - May get obviousness or anticipation objections
  - Examiner will go through claim-by-claim and recite the reasons why claim was rejected, and why they found the claim obvious or anticipated
  - Within the OA, there may be clues as to what you need to do in order to get the claim allowed

#### How do you respond to an Office Action?

- Look closely at the first page; see what the status is of each claim.
- Form paragraphs: look to the statutory basis for each rejection
- Examiner's comments: look to clues of patentability
  - The examiner will say what they think the prior art teaches. You need to go look at that document and see if the reference actually does teach that, and how you can distinguish what you're claiming from that prior art reference
- Need to respond precisely and to the point.
  - Show specifically what's in your claim that's not in the prior art that the examiner's citing
  - Use language like “the prior art fails to show...” and “the claims specify ...; the prior art does not show this feature”
    - This eliminates a §102 anticipation rejection
    - You can quote from the prior art to show that it doesn't have or even teaches against something in your claim
  - The key is what the prior art **doesn't** show
    - Don't talk about what *is* in the prior art – you may get it wrong
  - However, if the prior art teaches *against* what you're inventing, it's good to cite that, as it shows why your invention is not anticipated
- Obtain input from the inventor(s)
  - They know the invention the best, and will be able to tell you why they think their invention is different from the prior art

- You don't need to send the inventor the entire office action or all the references, but you should send him the references the examiner cites that seem to be causing the most problems for the claims
- Respond to *every* point the examiner raised
  - Make a copy of the OA, and check off each element as you address it when drafting your response
- If you feel the Examiner is correct, agree and make the suggested changes in a new claim
- If you feel the Examiner is not correct, but it's a very minor issue or of no importance, do not make the change; accept what the examiner allows
- If you feel the Examiner is not correct and the issue is important (such as claim would be narrowed too much), disagree in the response
  - Say why references don't combine to make the invention obvious, for example
  - When you amend claims to allow for prior art teaching, your response can be as simple as "I now require this element; the prior art does not teach it; my claims are now allowable"

For response to §103 (combination of references) objection:

- You want to show that the references do not have a key feature even when combined (strongest response)
- 2<sup>nd</sup> strongest response: the references teach against your invention.
  - Teaching away = specifically say "don't do" whatever it is that you're doing as it won't work, but you are doing, you found a way to do it and it does work
  - Another way to show teaching away would be to submit a declaration from a technical expert that the combination doesn't teach, or that he would never consider combining them
- Saying that there is no suggestion to combine the references, or that they shouldn't be combined as they are in different fields, are not very strong responses.
  - These arguments will not usually succeed; you should amend your claims

### Strategy for moving from Office Actions to granting applications

Patent examiners like having face-to-face interviews. Their days generally do not include a lot of human interaction, and your effort in scheduling an interview and going out to DC gets you several benefits:

1. Examiner will study application in much more detail than they have before
2. Examiner will be prepared to engage with you
3. They will look for some kind of allowable subject matter

After rejection, attorney gets defensive and writes back, examiner writes back saying attorney is still wrong – this can get the attorney and examiner to become almost enemies. This is not serving your client well.

At this point, bringing in a third-party mediator will help. Call up and bring in the inventor – ask if he'll travel to Washington DC and present the details of his invention to the examiner. Now, the examiner's got no problem with the inventor (just the attorney).

So, a main advantage to an examiner with the interview is you can bring in a third party – the inventor, the client, or even the inventor of the prior art as an expert witness.

About 80% of examiner interviews are done by telephone, and these work just as well as in-person interviews.

### Examiner Interview

David Carlson has written a paper about Examiner interviews (it's in our materials) – feel free to use it, show it to clients.

You need to go through several steps to ensure an examiner interview goes well:

1. Prepare for the interview
  - a. Examiner
    - i. Schedule the interview a minimum of a week in advance, to give examiner plenty of time to prepare
  - b. Inventor/Client
    - i. Must be prepared to step out of the picture, and not be the main speaker
    - ii. Interviews are never tape-recorded, so you can say anything you want.
    - iii. The interviewer will write a three-line summary of the interview after it's over, such as "Discussed the prior art. Agreed specific language was defined in prior art."
2. Understand the invention
  - a. One reason for getting a rejection is the examiner fails to understand the invention
  - b. In the interview, it's key to make sure you and the examiner have a common understanding of the invention
3. Understand the prior art
  - a. The examiner may think the prior art means A, B, and C, while the inventor reads the prior art to mean A and B, but not C.
  - b. At an interview, make sure you, the inventor, and the examiner come to a common understanding of the prior art. Writing back and forth generally won't do this, but bringing the inventor in to talk with the examiner will allow this to happen during conversation.
4. Attorney must be prepared to make introductions, then steps aside and lets the inventor and examiner dialogue back and forth. Attorney asks leading questions (tell us about your invention. How did you come up with...?) and plays the curious bystander.
5. Example live show(實際表演): Durrance invented a "roto-rooter" for blood vessels; a catheter that cuts (and sucks out) calcified hard tissue, but not

living soft tissue (you don't want to cut through a blood vessel, particularly near the heart)

- a. Examiner kept rejected the claims, and exchanging writings wasn't solving anything.
- b. Mr. Carlson took the inventor out to the USPTO to demonstrate the invention to the examiner. Mr. Durrance demonstrated that it cut hard tissue (took chunks out of his thumbnail), but not soft tissue (it didn't harm his tongue). The examiner was amazed, and allowed all claims.

Traditional rule: cannot do an examiner interview until after the first office action. However, there's a pilot program that allows interviews after a prior art search but before an office action.

## **7/21 Post-issuance procedure**

**William LaMarca, Associate Solicitor, Office of the Solicitor, USPTO**

37 CFR - § 1.56 Duty to disclose information material to patentability. - Appendix R  
Patent Rules

A patent by its very nature is affected with a public interest. The public interest is best served, and the most effective patent examination occurs when, at the time an application is being examined, the Office is aware of and evaluates the teachings of all information material to patentability. Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability as defined in this section. The duty to disclose information exists with respect to each pending claim until the claim is cancelled or withdrawn from consideration, or the application becomes abandoned. Information material to the patentability of a claim that is cancelled or withdrawn from consideration need not be submitted if the information is not material to the patentability of any claim remaining under consideration in the application. There is no duty to submit information, which is not material to the patentability of any existing claim. The duty to disclose all information known to be material to patentability is deemed to be satisfied if all information known to be material to patentability of any claim issued in a patent was cited by the Office or submitted to the Office in the manner prescribed by §§ 1.97(b)-(d) and 1.98. However, no patent will be granted on an application in connection with which fraud on the Office was practiced or attempted or the duty of disclosure was violated through bad faith or intentional misconduct. The Office encourages applicants to carefully examine:

- (1) Prior art cited in search reports of a foreign patent office in a counterpart application, and
- (2) The closest information over which individuals associated with the filing or prosecution of a patent application believe any pending claim patentably defines, to make sure that any material information contained therein is disclosed to the Office.

(b) Under this section, information is material to patentability when it is not cumulative to information already of record or being made of record in the application, and

- (1) It establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or
- (2) It refutes, or is inconsistent with, a position the applicant takes in:
  - (i) Opposing an argument of unpatentability relied on by the Office, or
  - (ii) Asserting an argument of patentability.

A prima facie case of unpatentability is established when the information compels a conclusion that a claim is unpatentable under the preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.

(c) Individuals associated with the filing or prosecution of a patent application within the meaning of this section are:



- (1) Each inventor named in the application;
- (2) Each attorney or agent who prepares or prosecutes the application; and
- (3) Every other person who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assignee or with anyone to whom there is an obligation to assign the application.

(d) Individuals other than the attorney, agent or inventor may comply with this section by disclosing information to the attorney, agent, or inventor.

(e) In any continuation-in-part application, the duty under this section includes the duty to disclose to the Office all information known to the person to be material to patentability, as defined in paragraph (b) of this section, which became available between the filing date of the prior application and the national or PCT international filing date of the continuation-in-part application.

How the Office is going to know that you are keeping the reference for you? If there is an infringement case, the documents that could be considered references could come out. Sometimes the applicant give tons of references because they are scared of not being in compliance.

Remember: A prima facie case of unpatentability is established when the information compels a conclusion that a claim is unpatentable under the preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.

Inequitable conduct – Therasense Case and Rule 56

The applicant held back information and the District Court held the patent unenforceable.

The applicant had an opposite position before the EPO after years and the PTO happened to know that. The District Court held that the information was material. The Fed. Circuit said that the CAFC was right.

The inequitable conduct doctrine (Case law doctrine): is an equitable defense. The IC doctrine's remedy is the unenforceability of the patent, more potent than the mere dismissal.

With Therasense, the IC has reached novel standards which are much higher now. Intent and materiality must be proven at the same time.

“In a 6–1–4 decision, an *en banc* Federal Circuit has attempted to cure the “plague” of inequitable conduct pleadings by raising the standards for proving that the alleged bad act was material to patentability and that the patentee undertook the alleged bad act with intent to deceive the USPTO. The court has also rejected the sliding scale approach that previously allowed strong evidence of materiality to compensate for weak evidence of intent to deceive (and *vice-versa*). Finally, the court held that a finding of inequitable conduct should not immediately render a patent unenforceable. Rather, the court must also “weigh the equities” to determine whether the inequitable conduct warrants the unenforceability remedy.

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. The accused infringer must prove both elements—intent and materiality—by clear and convincing evidence. If the accused infringer meets its burden, then the district court must weigh the equities to determine whether the applicant’s conduct before the PTO warrants rendering the entire patent unenforceable.

**Intent:** For the element of intent to deceive the USPTO, the Federal Circuit now demands evidence of a “deliberate decision” to deceive (specific intent). Focusing on the failure to submit material prior art, the court held that the intent element requires “clear and convincing evidence that the applicant knew of the reference, knew that it was material, and made a deliberate decision to withhold it. . . . Proving that the applicant knew of a reference, should have known of its materiality, and decided not to submit it to the PTO does not prove specific intent to deceive.” When circumstantial evidence is used, intent to deceive must be the “most reasonable inference.”

**Materiality:** For the element of materiality, the Federal Circuit now demands evidence of “but-for materiality.” In other words, the court must find that, but for the deception, the PTO would not [should not] have allowed the claim. “In making this patentability determination, the court should apply the preponderance of the evidence standard and give claims their broadest reasonable construction.”

**Exceptions:** As a major exception, the court here held that in cases involving affirmative egregious misconduct, but-for material need not be proven.

**Unenforceable:** Even when material and intent are proven, the court held that a patent should only be rendered unenforceable due to inequitable conduct “where the patentee’s misconduct resulted in the unfair benefit of receiving an unwarranted claim.”

The definition of materiality in Rule 56 seems broader than the one used by the CAFC. It is a provision that has been changed several times, but CAFC still decided to have stricter standards. It’s interesting to take a look at the dissenting opinion though (see the slides).

What the PTO said? They are studying the issue and let the public know if Rule 56 will be changed.

## **7/21 PCT Application Strategies to Obtain US Patents**

**By Matthew Bryan**

**Director PCT Legal Division WIPO**

Patent Cooperation Treaty (PCT) – established to help an applicant to provide an alternative option and tool to enter foreign jurisdictions from your home country.

History of PCT – The PCT was concluded in 1970, amended in 1979, and modified in 1984. Member states of the PCT can enjoy benefits proscribed in Article 19 of the Paris Convention.

[http://www.wipo.int/treaties/en/ip/paris/trtdocs\\_wo020.html#P361\\_57002](http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html#P361_57002)

PCT member states: current member states 144 PCT member states (Qatar and Rwanda recently joined). Taiwan is not a member of PCT due to One-China policy decision made by the United Nation.

Benefits:

PCT allows applicant to seek patent protection for an invention simultaneously in each of a large number of countries by filing an "international" patent application. Currently 144 member states are member of the PCT. Such an application may be filed by anyone who is a national or resident of a Contracting State. It may generally be filed with the national patent office of the Contracting State of which the applicant is a national or resident or, at the applicant's option, with the International Bureau of WIPO in Geneva. PCT was established to reduce redundancy of filing patent application in multiple jurisdictions, which can be very expensive and which could be burdensome to applicants.

PCT allows to have an applicant to receive two different international searches. If the applicant wish to obtain the second international search where the applicant may be interested in specific jurisdiction, PCT allows the applicant to request a supplemental international search report from the International Search Authority (ISA). Even after PCT application has been published, you can request search report on amended application (under Article 19 or 34). International search reports will help applicants to determine their inventions' patentability and to decide which countries they want to pursue.

PCT Statistics (slide on Page 2 and 3): the WIPO received largest PCT applications received in 2019. 30% of the applications were from US followed by Japan. China has a fast growing use rate of the PCT, and it was over 55% growth rate. PCT uses 70% of budget of the WIPO.

PCT Int'l Searching Authorities – US is the single largest RO and search office.

PCT Advantages:

1. Allows applicants to defer costs of internationalizing a patent application. Instead of paying filing fees and translation costs for multiple direct foreign

- filing, PCT allow an applicant to file an application and allow the applicant to enter interested member states (e.g. 30 months from a priority date).
2. Helps applicants to review patentability based on an Int'l Search Report
  3. Harmonizes formal requirements under PCT Article 27(1). Single format, drawings, and certain formalities.
  4. Protects applicants from certain inadvertent errors – PCT helps applicants to correct defects or errors such as giving notices of Invited Corrections of defects & Fee Payments; Non-competent Receiving Office; Double Formality Review; Restoring priority right (similar to PLE); missing parts (e.g. if a missing a page is indeed included in priority case, WIPO will automatically incorporate by reference); Rectification of obvious mistakes; excuse of national phase entry;
  5. PCT system continues to improve international filing system in order to meet stakeholders' needs.
  6. Used by the large organizations as a research tool

PCT Meetings – meeting int'l authorities – annually

PCT Working Group – annually

PCT Assembly – Sept/Oct –highest authorities

Conferences/WIPO/OEPM Seminars

Recent PCT Developments:

“PCT Roadmap” – Qualities of search reports

The 3<sup>rd</sup> party observation system – Allow 3<sup>rd</sup> parties to submit reference to those published application at free of charge.

Cooperate with IP5 on collaborative search – produce a single search results among PTOs office.

PCT User experience

- Encourages PTOs to withdraw incompatibilities. Each countries has different standard.
- ePCT – Secure file inspection system (similar to PrivatePAIR system. Can review unpublished applications).
- Priority Document access service
- Indication of willingness to license

Improvements to PCT-related infrastructure (Patentscope)

PCT-PPH System – allow examiners in different jurisdiction to share their search results and to give consistent views on patentabilities.

Patentscope – built-in Google translation, national phase entry information.

CLIR - Cross-lingual information Retrieval (automatic translation). Allowed to search in spec and claims.

FIPTR service/WIPD/WOIP fraudulent invoice – Several fraudulent organizations posed themselves as the WIPO (even using WIPO's trademark to make their fraudulent invoice to applicant. The WIPO have been encouraging applicants not to be victimized.

## 7/21 Patent Infringement Remedies

### Ramsey Al-Salam

- 1) Injunctive Relief = court order to prevent defendant from continuing to infringe patent
  - a) Preliminary injunction = while the case is still pending
  - b) Permanent injunction = not really permanent but takes effect after case is over
- 2) Damages (monetary reward)
  - a) Lost profits = what probably would have made but for infringement or at minimum a decent royalty
  - b) Can also recover attorney's fee and up to 3 times damages both for which typically have proved willful infringement
  - c) Can also recover pre-judgment interest on lost profits up until the verdict
  - d) What if the plaintiff was also at fault?
    - i) Laches – If the plaintiff has willfully delayed prosecution, the plaintiff won't be able to get damages but may be able to get an injunction
    - ii) Estoppel = Ex: if the infringer asked the patentee first and, relying on the patentee's word that there was no infringement, built a factory, then can't be sued later by patentee)
  - e) Limits on recovery
    - i) Can only collect damages from infringement up to 6 years in the past
    - ii) Can't collect if did not mark patent on product unless if patentee had notified infringer and infringer continued
    - iii) Just get damages and don't recover defendant's profits from infringement (unlike trademark and copyright law)
    - iv) If patentee waits more than 6 years to fight the infringement then there is a presumption that the patentee is unreasonably delaying (a lache) but patentee can counter this
  - f) NOTE: For the defendant to recover attorney fees the patentee must have brought a baseless case for harassment or patentee must have done something inequitable during the original patent process
- 3) Types of Injunctions
  - a) Temp Restraining Order (rarely comes up in patent cases)
  - b) Preliminary Injunction (also rare in patent cases)
    - i) If granted, the patentee must post a bond to cover defendant's damages should the patentee lose the case and (hence the injunction shouldn't have been granted)
  - c) Permanent Injunction
    - i) Before 2006 in the US, patent owners were automatically entitled to permanent injunctions upon winning the case, but this idea was overruled in eBay v MercExchange case where the court said the decision should be based on equity
    - ii) If the parties are competitors then the patentee is likely to get an injunction BUT if the patentee sell a product then not so likely
    - iii) In order to get a permanent injunction the patentee must show:
      - (1) That it has suffered an irreparable injury
      - (2) That monetary damages are inadequate to compensate for the injury
      - (3) That such a remedy is not inequitable
      - (4) That permanent injunction would not be against the public interest
- 4) Royalties

- a) If the court doesn't grant an injunction, then it may impose a license agreement on the parties
  - b) In *Paice v. Toyota* Judge Rader wanted parties to have the opportunity to negotiate, BUT in *Telecordia v. Cisco*, the court forced the parties to negotiate and if they couldn't agree then each side would propose a plan to the court and the court would decide
  - c) Courts struggle with the issue of royalties for past vs future infringement.
    - i) The courts now say future royalties can be higher than past royalties because maybe the defendant didn't know of the infringement until the suit
  - d) Should there be any ongoing royalties if the jury awards a lump sum for the infringement through the end of the life of the patent?
- 5) Injunctions Revisited
- a) How specific must an injunction be?
    - i) Must be reasonably specific so to put the infringer on notice
    - ii) Ex: "Forever" language is no good because the patent will expire
    - iii) Ex: "barred from infringing" is also no good because it is too vague
      - (1) BUT "barred from further infringement" could be okay if the record is sufficient to show what the defender had done and hence must not continue to do.
      - (2) The courts have since added that the infringer can't just take the same product and change color then resell
  - b) Who is Covered by an Injunction?
    - i) Retailers, distributors are they covered? Court said absent other evidence an injunction doesn't apply to retailers, unless a named party or a successor-in-interest was actively working with the retailer
  - c) If an injunction is violated the party is found to be in contempt of the court's order
    - i) Civil contempt = attorney fees, costs, & penalties
    - ii) Criminal contempt = continued violation may result in jail-time
- 6) Damages Revisited
- a) Have to prove own damages – must be adequate to compensate for infringement
  - b) Lost profits are hard to prove
  - c) The Jury awards damages (if it is a jury case) and patent cases usually are.
  - d) Usually an expert witness is needed to testify about damages.
  - e) The jury also decides whether the infringement was willful.
  - f) The judge can increase the jury award up to 3x, can set the amount of interest for past damages, and decides whether the victor can recover its attorney's fees
  - g) A lot of times the trial will be divided between liability and damages. The defendant may want to consult with counsel but then that information is no longer privileged
  - h) When trying to show non-obviousness in defending a patent, using sales figures is a good way so patentee may say that the defendant's sales figures are relevant
  - i) Patentee must show that it would have made however many sales but for infringement to a reasonable probability
    - i) Panduit Factors
      - (1) Have to show that there is demand for the product
      - (2) Absence of non-infringing alternatives

- (3) Whether patentee could have supplied the product in the same quantity as the infringer
  - (4) Patentee's profit margin for expected sales
- j) Courts waiver on what is a non-infringing alternative
  - i) Must analyze whether an alternative would really have been acceptable to consumers
  - ii) Defendant could pose a hypothetical alternative design
- k) Price erosion may also be factored into lost profits
  - i) Ex: Patentee had to lower the product price because the infringer sold the infringing product at a far lower price BUT then patentee would have to show how many products it would have sold at the higher price
- l) What if but for the infringement patentee wouldn't have gotten a heart attack or would have been able to sell another product?
  - i) The court said that there must be an interconnection between the items where they work together then can get dock-leveler case,
  - ii) The court later said in the Rite-Hite case that even though a different device was being infringed, the patentee could recover lost profits because it was foreseeable that the infringement would decrease sales of the patented device
- 7) Royalties
  - a) The patentee can recover any royalty that is established in the market
    - i) Ex: The patentee might argue that a low royalty of say 5% is so low that it won't deter infringement BUT the defendant might argue that the royalty involved more than just what it used so 5% is too high
  - b) The court tries to determine what the parties might have agreed upon had they negotiated
    - i) One of most relevant pieces of evidence is the anticipated profitability of the defendant's product
    - ii) Some courts think patentee should get a reasonable royalty period because the patentee wouldn't have entered into a bad deal in the first place
    - iii) Reasonably Royalty Factors:
      - (1) Structure and content of existing licenses
      - (2) Whether the patentee has a policy of licensing its inventions or not
      - (3) The utility or advantages of the patent over existing devices
      - (4) The extent to which the patentee has made use of the invention
      - (5) The portion of the realizable profits that should be credited to the invention
      - (6) The commercial relationship between the patentee and the alleged infringer
      - (7) The effect of selling the patented product on promoting other sales or generating other profits
      - (8) The established profitability of the patented products or services
      - (9) The portion of the profit or the selling price that may be customary in the particular business or in comparable business to allow for the use of the invention
    - iv) If the patentee was not using the invention it seems more likely the patentee would license
  - c) Reasonably royalty is based on what parties would have negotiated so if that would have probably been a lump sum then that is ok
  - d) Royalty base

- i) In the taco fryer case, the court said no because nobody in the industry licensed by how often the fryer was used
  - ii) In the Uniloc case, the issue was whether patentee could introduce Microsoft sales to decide royalties but the court said that this kind of evidence can only be introduced when the infringing part was the cause or was linked to sales
  - iii) Date picker in outlook –what’s the basis for royalty for such a small thing as that?
    - (1) The court here said it’s ok to introduce Microsoft sales figures as long as the royalty is really small (proportionate to the importance of the feature)
  - iv) Ricoh case where patentee got a lump sum royalty for more than Ricoh’s sales of the infringing product
- 8) Patent misuse
  - a) What if the product can be used in infringing and non-infringing ways and not clear how many of the products used in that way?
    - i) Microsoft asked how many people actually used the date picker? The court said the jury is entitled to infer that parties would have entered into an agreement based on all sales
- 9) Royalty rate
  - a) Courts used to start by assuming that the defendant would have given 25% of its profits to the patentee and then adjust up or down based on facts of the case (relations between parties etc) but in Uniloc v Microsoft the court said the this no longer applies
  - b) Defendants sometimes license at a low rate as part of settlement BUT if that gets later admitted as evidence in another case, the patentee might not be able to prove that it would have gotten a good royalty
  - c) Lucent v. Microsoft case: Lucent put an expert on the stand and the guy just recited royalty numbers of many cases but didn’t explain what the licenses where for or give any other background for the examples which the court said was no good
- 10) Damages related to foreign activities
  - a) ATT sought damages for all the copies of windows installed on PCs in japan and Europe but court said that while it was infringement patentee couldn’t get damages for the copies made abroad
- 11) Attorney’s fees and Triple Damages
- 12) Used to be that a company had to get opinion from legal counsel on whether invention/product would infringe beforehand and if got sued later then would have to show that had sought counsel or be presumed a willful violator
  - a) BUT patentee’s lawyer could ask for that and if the defendant said “it’s privileged” patentee’s lawyer could get the judge to instruct the jury to infer willful infringement.
  - b) In Seagate case, the court rejected this so now the patentee must show that the defendant acted with objectively high risk of infringement which was so obvious that it should have been known to the defendant
- 13) NOTE: Any member of public can bring an action against a falsely marked “patented” product producer and share damages with the government  
If licensing make sure to have indemnity clause in the contract to protect against this



## 7/25 Current issues in comparative law

### **Prof. Adelman, Prof. Takenaka, Dr. Krauss**

Today, the class will address patent eligibility (especially *Bilski*). We will also address some Indian cases outlining patent eligibility.

Supreme court stated that inventions in the information age may require an expansion of the scope of patentability. The Supreme Court emphasized the need to extend protection to business methods, isolated DNA and diagnostic methods. Note, however, that DNA is a natural phenomenon.

It is easy to confuse patentability and patent enforcement. Patentability requirement has fundamental eligibility. The extent of patent claim may be broader than the language itself, because of the doctrine of reasonable interpretation, and because of exceptions (non-commercial use/experimental use).

We need to understand the role of patent office and the courts. Courts use their own claim interpretation to balance the interest of patentees, competitors and the public, and to enhance the usefulness of the patent system, i.e. to promote the progress of the arts. Their policy objectives include maintaining access to fundamental tools for R&D. Some business methods are not technical at all, e.g. how to play golf, the new way of doing business; these are not necessarily building blocks for doing research, but nonetheless excluded from patent. If business is successful, its methods may bring revenue for other businesses. In the current age, the third reason becomes more important, i.e. to reduce administrative burden at patent office. If patent claims are easy to examine, it is easy to reject or accept claims. By rejecting claims on technical grounds (e.g. machine test), then the patent office does not have to perform a prior art research.

Three items are excluded: laws of nature, scientific principle, mathematical formulae. But a distinction need to be made between an abstract idea and its application.

*Bilski* en banc decision by CAFC:

At issue is a method of hedging risk is business method, and not tied to any machine. USPTO and CAFC agreed that the formula is an abstract idea, but some argue that it is not abstract. The idea about *Bilski*'s formula was to determine a fixed energy price. A university's energy need changes due to weather, but the university would like to have one price for the energy, so that it can plan its finances. The energy company can use the *Bilski* formula to hedge the risk of unpredictability in the weather pattern. It is a practical problem, with a solution for calculating a fixed price. Judge Rader found that the formula was abstract, because he knew that the Supreme Court would find it abstract. CAFC's majority opinion rejected all claims from patent eligible, and adopted a new test, Machine-or-Transformation Test. Machine test is similar to one used in Europe, and Transformation test is very similar to the European technical effect test. Europe has adopted this test for a long time. The CAFC's majority based its opinion from old Supreme Court cases, whereas Judge Rader adopted the abstract or not analysis.

In *Bilski*, the Supreme Court said that the Machine-or-Transformation Test is useful for invention in the industrial age, but did not explicitly say that it is not useful in the

information age. The Court said that other test may be appropriate in the information age, but left the Federal Circuit to develop an appropriate test. This was a 5-4 decision, i.e. only 5 in the majority, and makes it difficult to read for non-American lawyers, because the majority's analyses vary. The majority opinion is short and not very well written, and is a product of compromise to capture the moving vote. The minority opinion is coherent, because they have lost and can write anything they like.

(The court is supposed to look at the old cases, and not think on their own, which Professor Adelman finds rather troubling. They should be paid to think, not to follow, he argues.)

Having a test gives some certainty as to patent eligibility. The legal community is confused, concerning whether the Supreme Court is talking about descriptive requirement, rather than patent eligibility.

1. Practical utility test, adopted in State Street Farm case.
2. Technical art test, similar to technical character test.
3. USPTO is heavily relying on the Machine-or-Transformation Test, because it is easy to determine eligibility.
4. The Application of Law of Nature test is the new test adopted by USPTO, and is similarly by Japanese Patent Office.

There are other grounds for rejecting claims, and if a claim is too broad, and so the court would not have to examine a claim on the basis of section 101. Professor Adelman thinks that most of the abstract notion is obvious, e.g. internet application, because they do not appear to involve anything thinking. The courts require showing of a lot of work to overcome the obviousness restriction. But for the patent office, the burden to reject a claim based on the obviousness is burdensome, because it needs to state the reason why it is obvious. In contrast, a formal requirements are easier to handle and works as a short cuts, which is desirable for patent office overwhelmed with a large number of patent applications. Judge Rader tried to reduce the work of USPTO by stating that they do not have to bother with section 101.

In Research Corp v. Microsoft case, Judge Rader did not mention the Machine-or-Transformation test at all. Myriad case and Prometheus case are hugely important cases unlike Bilski, because they concern a whole class of inventions that may become un-patentable, and they represent a threat to the patent system.

Software and business method cases in Japan and Europe.

Duns Licensing (p.53) is the European equivalent of Bilski. The Duns Licensing case referenced a British case, and the court rejected the British decision. Here, we should not confuse the notion of innovation and the novelty. The British court confused the novelty and the patent eligibility, a position rejected by the EPO. However, the result of the both approaches are the same.

The Machine-or-Transformation test, especially the Machine Test, is similar to the technical effect test used by EPO. Japan Patent Office also uses the Machine test. See

p.67, about a case about bilingual dictionary, regarding a claim related to the use of matrix. The IP High Court of Japan said that the matrix use is patentable. The data is transformed to identification of an English word, and is a transformation. So under the US law, it may be patentable. The application or utilization of the Law of Nature is now patentable in the US. Professor Adelman would agree, because it is an important invention. The EPO would say that the exclusion can be interpreted broadly, because inventive step test would exclude obvious inventions. In EPO, if the invention is not technical (i.e. technical effect), it is not patentable even if it is brilliant invention.

EPO only gives patent, but the enforcement is done by local court. So a German court may refuse to recognize the patent on the ground that it lacks technical effect. Under EPO and Japan Patent Office, the claims involving machine readable medium are patentable. But under the Nuijen case in the US, such claim is not patent eligible. In China, formula or software is not patentable, but application of software is. Therefore, in Asia, the patent offices adopted tests similar to the Machine-or-Transformation test.

Prometheus case involves a medical method, but clearly directed towards a traditionally used method. Prometheus sued Mayo Clinic, one of the most famous clinics, over how to treat a patient. A Justice on the Supreme Court, Justice Breyer, thinks that the use of scientific method is also a part of science. He does not recognize IP protection, according to Professor Adelman. See p.69, Labcourt. CAFC held that all claims are patentable under the Machine-or-Transformation test. The Supreme Court sent the case back to CAFC to reconsider it in light of Bilski. CAFC ruled that their opinion is the same, and the Supreme Court has granted certiorari. Now, the composition of the Supreme Court has changed since Bilski, so the current court may overturn Bilski. Prometheus concerns medical methods, while Myriad concerns medical diagnostics. In Europe, it is not possible to patent medical methods, while in the US it is, except for simple medical methods which does not use tools. Prometheus' patent claims are very broad.

A more important case is Ass'n for Molecular Pathology v. US, involving breast cancer gene diagnostic. The key was to discover a mutation in a gene. The mutation increases the chance of breast and ovarian cancer tenfold. Myriad charged \$3000 per test, and people were angered by the expensive testing fee charged. The District Court denied the patentability, and Myriad appealed the case to CAFC. The office of Solicitor General, at the Department of Justice, filed an amicus brief before the CAFC, and argued that an isolated gene is not patentable. They cited the 1972 Supreme Court case, to support their argument. There is a chance that the current Supreme Court will adhere to the precedent.

Under the EU's Biotechnology Directive, an isolated biological material is patentable.

**7/27 US Current issues in comparative law**  
**Prof. Adelman, Prof. Takenaka, Dr. Krauss**

Black Book (P. 386)

Doctrine of Enablement

1. Determine whether the inventor teach to the person skilled in the art that they can make this invention (not speculative idea)
2. Enable the public to do something

**Gould v Hellwarth (P. 386) by Adelman**

- Invention of Laser
- Gould spent 1,000 hrs in the library to come up with this invention
- He had the idea of how to make the laser
- He had disclosed in patent application that how it could be built, but he had not built it yet.
- The interference is from the decision of the Board of Patent awarding Hellwarth.
- Hellwarth made Q-switched, but didn't claim the laser.
- Gould filed a patent application in 1959. His disclosure did not teach how to build the laser.
- Hellwarth (by Dr. Bloom and Dr. Grant) worked in the laser filed in 1961.
- Dr. Maiman built the First Laser (Ruby Laser) in 1960.
- Court → 1960 people knew how to build a laser.
- 1961 → Hellwarth showed how to make a switch
- Gould application did not provide an enabling disclosure of how to make the laser.
- The inventor has to show the invention has complete enablement.
- In fact Gould got 30 millions dollars from this invention.
- Does "Enablement" Fair? Why?
- The law wants to encourage that the invention can be made when they thought, and it is not a speculative invention.

**In Re Wright (P. 402)**

- Chief Justice Rader in Vaccine Case.
- Wright was working the vaccine to kill the virus disease.
- Virus which can act as androgen.
- This invention has won a Nobel prize.
- Wright wanted to find the protein that creates anti-body reaction.
- He developed vaccine, which confers immunity in chickens against the RNA tumor virus, and when it injected into Chicken, it created anti-body that against the virus.
- When inject into human, it can create the anti-body → reaction to against the virus.
- 1984-1985 → AIDS virus → RNA virus
- He discovered the use method RNA against viruses
- Judge Rader → What r u entitle to when you discover a vaccine?

- He got claim what he did, he can't get a very broad claim.
- The evidence showed that the RNA viruses were a diverse and complicated genus, convinced the Federal Circuit that the invention was not enabled for either all retroviruses or even for avian retroviruses.
- Description → First to invent or first to file.  
When it is filed, we don't want inventor to add a new technology to it.
- Claim can add technology, if only it is found in the patent specification.  
→ Can let somebody add in new claim that have new tech or in the description?
- The US. → Description → Can't add new teaching in the patent either by adding thru claim or amending the specification in some way.

#### Written Description (P.431)

- 1970" → Fed. Cert. → Technology that simply enough that you can understand clearly
- 1970" Think about scientist how to build a protein. USC claimed that it is a pioneer of bio tech.
- Flow of technology  
1944 → Every and associate → Scientist paper → Proved not protein → carried the genetics
- The duplicate DNA, not only put gene into bacteria.

#### Insulin Gene

- Rat gene → Insulin can be made
- Human insulin to kill diagnosis
- Denmark + Lilly → Human Gene → File Human Gene
- USC shows how they found its rat gene
- Using the word in patent application:
  - o If use Present Tense → Not did it
  - o Pragmatic Example → Past Tense (Prof. recommended)
- Fed. Cert.
  - o Create a description requirement → apply to tech that actual the original application
  - o No description of the gene because the gene was not sequenced.
  - o This is about the sequencing of the gene
  - o Descent Judge Rader → Doctrine does make sense
  - o Another Case → Involving some real science → Protein in cells → Was there proper description? Lilly was corrected "Description".
  - o Is this Speculate?
  - o Approach and Doctrine for Lilly → Enablement, except if you guess correctly.
  - o There is a case in Supreme Court of Canada too.

#### Enablement (by Dr. Krauss)

#### Art 83 EPC

How to make this invention?

- Working v. Manual Function
- This is confused → Problem of litigation with the patent because somebody said that the reinvention is not enablement.
- In EU, this Article does not work because the applicant try squeeze everything in the from.
- EU → Not care about grammar → Focus on tech specification
- EU → First to file → in specification → What kind of info is required to understand the specification?
- What actually disclose in the specification?  
Important: Enablement, Patentability and Claim scope
- Chemical compound → Will cover all users even it does not indicated.  
German Law → Chemical substance → include → e.g. Med compound for headache
- Dependent Patent → File compound → later file that it can used for medical uses

## Enablement

### Generics Ltd. v. Lundbeck

- Enabling disclosing
- Disclosure requirement
- Novelty
- Mix of 3 chemicals
- Different effects, one hand and be used.
- Separate one hand from the other
- Making hand compound
- Patent Specification → Brief disclosure
- The other company → file their on specification + different way of making how to make crystal
- File application and then published after 18 months
- Crystal
- Result : Although not disclose the why the it made, since the disclosure was not good enough.
- Bad mistake/description (disregard the teaching) → should it be in the speculation?
- Opinion → Quality requirement that must come out of the description that support enablement
- Enablement
  - Teaching the ordinary skilled person
  - Disclosure that should be enough that can be used for prior art extraction
- Discussion in class:
  - Should put away from Article 84?
  - This Article is overlapped with other Article?
  - Limitation → Claim that could use → New claims show survived
- Prof. Adelman adds :
  - Judge will not allow the broad claim
  - Claim too broad → EU is too broad

- Lack of inventive step
- Article 83 → Claims and not support by specification → Lack of inventive step
- EU does not have BEST MODE requirement

#### Development of Doctrine of Equivalent

- Devices that is not covered by the claims
- Claims → Somebody read the claim and knows how to use this invention and practice invention without getting inside the words
- German → system cares inventor
- US → Full protection of inventor
- Case in 1950 → Anti-patent movement

Opinion Mr. Justice Jackson, was the chief of prosecutor → Board claim invalidated, narrow were not literal infringement.