

San Diego Intellectual Property Law Association

Current Patent Topics from Inside the Beltway

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Overview

Patent Reform in Congress – Leahy S. 1145

Patent Reform at the PTO

Patent Reform at the Federal Circuit

Five Cases Now in the Courts

Overview (con'd) – Five Cases Now in the Courts

Supreme Court *Quanta* "patent exhaustion"

Kubin Post-KSR Issues

Classen Medical Method Claims

The *Plavix* Case

Egyptian Goddess Design Patent Infringement

Patent Reform in Congress – Leahy S. 1145

Senate “Cloture” Rule to Unblock Procedural Hold:

60 (out of 100) votes needed to gain “cloture”

Patent Reform – Leahy S. 1145 (con'd)

Many Changes are Needed before a Successful Cloture Vote

Cloture Vote *without* Prior Agreement unlikely to gain 60 votes

No compromise has been reached at this time

Patent Reform – Leahy S. 1145 (con'd)

Serious Disagreements Blocking Cloture:

- damages apportionment
- “second window” for post-grant review

Patent Reform – Leahy S. 1145 (con'd)

If Cloture Fails – It is always possible that Key elements *without* major controversy will be extracted for possible Amendment to *other* Legislation late in the 110th Congress:

Venue?

Post-Grant Review?

Patent Reform at the PTO

*Will a new President Appoint a
Patent-Savvy Under Secretary
to Lead the PTO?*

Patent Reform at the PTO (con'd)

Senator Obama? Support in the High Tech Community

Senator Clinton? Disinterested during 1990's

Senator McCain? ? ? ?

Mr. Romney? Position statement to D.C. patent attorney

Patent Reform at the PTO (con'd)

The Continuation Rules

Difficult Fight in the Eastern District

Unparalleled Clamor by the Patent Bar

Patent Reform at the Federal Circuit

Critical Need for Experienced Trial Judges
And Litigation Attorneys to Fill Vacancies

Nine Current or Soon to be Senior-Eligible
Judges (out of 12) in next four years

Federal Circuit Judgeships
as a Fungible Political Plum

Patent Reform at the Federal Circuit (con'd)

S. 1145 Repeal of the
“Baldwin Rule”

Judges Currently Must Reside
“Within the Beltway” (or a 50
Mile Radius from D.C.)

***Quanta* "patent exhaustion"**

The General Rule on Patent Exhaustion:

Patentee's sale of a product "exhausts" patent-based rights: Purchaser is free to use or resell without patent infringement.

***Quanta* (con'd)**

***Adams v. Burke* (1863) – Patented Coffin Lids**

1. Territorial Licensee to Sell Coffin Lids *outside* Boston
2. Coffin lids Sold to Purchaser *outside* Boston
3. Purchaser resold coffin lids *within* Boston
4. Purchaser sued for patent infringement for Boston sales
5. Purchaser not guilty of patent infringement because authorized first sale “exhausted” patent right

Quanta (con'd)

Quanta v. LG Electronics, argued January 16, 2008:

Question Presented:

Whether the Federal Circuit [was wrong in] holding ... that [LG]'s patent rights were not exhausted by its license agreement with Intel ..., and Intel's subsequent Sale of product under the license to petitioners.

***Quanta* (con'd)**

At the Federal Circuit.

Mallinckrodt v. Medipart (Fed. Cir. 1992): Contractual restrictions on licensee permits post-sale restrictions to trump patent exhaustion

In *Quanta*, post-sale contractual restrictions trump patent exhaustion under *Mallinckrodt* to permit post-sale restrictions

***Quanta* (con'd)**

Will Mallinckrodt Survive Quanta?

JUSTICE STEVENS: “[Y]ou do not defend the *Mallinckrodt* decision?”

MR. PHILLIPS [for patentee]: “I do not defend the *Mallinckrodt* decision, Justice Stevens...”

***Quanta* (con'd)**

At the Supreme Court, Patentee argued that separate Patents beyond the Agreement are enforceable because they are valid and can be used to block subsequent purchasers....

Quanta (con'd)

Argument about Separately Valid Patents:

CHIEF JUSTICE ROBERTS: That argument didn't prevail last year in the *KSR* case, right? ... [W]e've had experience with the Patent Office where it tends to grant patents a lot more liberally than we would enforce under the patent law."

***Quanta* – International Exhaustion**

A Post-*Quanta* Question:
Is there **International** Patent Exhaustion?

Does Sale of a Product in e.g. Canada “exhaust” the U.S. patent right to permit patent-free parallel importation from Canada free from the parallel U.S. patent?

***Quanta* – International Exhaustion (con'd)**

Japanese International Exhaustion – General Rule

“When a patentee ... sells ... in a foreign country, the patentee is not allowed to claim his [patent] rights ... against importing the patented product in Japan ...
(1) against the [purchaser] unless the patentee and the [purchaser] have agreed that the patented product shall [not be result] in Japan, and
(2) against [subsequent purchasers]....”

– *Canon* (Supreme Court 2007)(citing *BBS*)

***Quanta* – International Exhaustion (con'd)**

Japanese Rule, Supreme Court *BBS* Exception

“International exhaustion does *not* apply if “the patentee and the [purchaser] have [expressly agreed] and the agreement was clearly shown on the patented product.”

– *Canon* (citing *BBS*)

Quanta (con'd)

Post-*Quanta* International Exhaustion in the U.S.A.?

Boesch v. Graff (1890) – No Int'l Patent Exhaustion

German-made Imported patented burners sold under parallel German patent did not immunize resale within the United States because patent right was not exhausted.

Kubin Post-KSR Issues

The *Kubin* Case at the Federal Circuit
proceedings below, Ex parte Kubin,
2007 WL 2070495 (PTO 2007)

Hon. Nancy J. Linck, most recognized
Administrative Patent Judge
(now resigned from PTO)

Kubin – Part (I) – Is Deuel Dead?

“[T]he Supreme Court recently cast doubt on the viability of [*In re Deuel*, 51 F.3d 1552 (Fed. Cir. 1995),] to the extent the Federal Circuit rejected an ‘obvious to try’ test. See *KSR Int’l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, ____ (2007) (citing *Deuel*, 51 F.3d at 1559). Under *KSR*, it’s now apparent ‘obvious to try’ may be an appropriate test in more situations than we previously contemplated.”

– Hon. Nancy J. Linck

***Kubin* – Part (II)**

“Written description” Proof of Enablement

Challenge to the *Enzo* Line of Case Law

***Classen* Medical Method Claims**

Invalidity Challenge, § 112

LabCorp v. Metabolite (2006), déjà vu

***Classen* (con'd)**

Classen v. Biogen IDEC, Fed. Cir. 2006-1634
Argued August 8, 2007

(Newman, Moore, Farnan, Jr., JJ.)

The *Plavix* Case

Plavix Oral Argument
March 3, 2008

*Sanofi-Synthelabo v. Apotex, Inc.,
opinion below, 492 F.Supp.2d 353
(S.D.N.Y. 2007)*

The *Plavix* Case (con'd)

Previous panel (*sustaining preliminary injunction*)(2006)

(Lourie, Bryson, Clevenger, JJ.).

***Egyptian Goddess* Design Patent Infringement**

Panel *sua sponte* created new infringement test –
a “non-trivial advance” test

498 F.3d 1354 (2007)(Moore, J.)

***Egyptian Goddess* (con'd)**

Seven (7) Questions Asked by the Court!

En Banc Order to Review Three Issues
in *Egyptian Goddess*, Question Two Split
into five parts

***Egyptian Goddess* (con'd)**

Egyptian Goddess Question No. 1

“Should ‘point of novelty’ be a test for infringement of design patent?”

Egyptian Goddess (con'd)

Egyptian Goddess Question No. 2 in Five Parts:
(dealing with *Lawman Armor Corp. v.*
Winner Int'l, LLC, 449 F.3d 1190 (Fed. Cir. 2006)):

“If [an affirmative answer to Question (1)],
(a) should the court adopt the non-trivial advance test
adopted by the panel majority in this case....”

Egyptian Goddess (con'd)

Egyptian Goddess Question No. 2 in Five Parts:

“(b) should the point of novelty test be part of the patentee's burden on infringement or should it be an available defense[.]”

Egyptian Goddess (con'd)

Egyptian Goddess Question No. 2 in Five Parts:

“(c) should a design patentee, in defining a point of novelty, be permitted to divide closely related or ornamentally integrated features of the patented design to match features contained in an accused design[.]”

Egyptian Goddess (con'd)

Egyptian Goddess Question No. 2 in Five Parts:

“(d) should it be permissible to find more than one ‘point of novelty’ in a patented design[?]”

Egyptian Goddess (con'd)

Egyptian Goddess Question No. 2 in Five Parts

“(e) should the overall appearance of a design be permitted to be a point of novelty?”

***Egyptian Goddess* (con'd)**

Egyptian Goddess Question No. 3:

“Should claim construction apply to design patents, and, if so, what role should that construction play in the infringement analysis? See *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed.Cir.1995).”

Further Updates –

I can't find the “Wegner blog”

(It doesn't exist.)

Updates available for –
“*The List*”

from

hwegner@foley.com

Thank you for your attention.