

Strafford

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*Presenting a live 90-minute webinar with interactive Q&A*

# Patent Threats: Initial Response Strategies

Evaluating Patent Defenses When Faced With a Notice Letter or Complaint

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WEDNESDAY, MARCH 30, 2011

1pm Eastern | 12pm Central | 11am Mountain | 10am Pacific

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Today's faculty features:

Brent K. Yamashita, Partner, **DLA Piper US**, East Palo Alto, Calif.

Dr. Marc D. Peters, Partner, **Morrison & Foerster**, Palo Alto, Calif.

Lisa Launer, Director and Associate General Counsel, **Logitech, Inc.**, Fremont, Calif.

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## ***Patent Threats: Initial Response Strategies***

A Strafford Webinar Presented By  
Brent Yamashita, Marc Peters, and Lisa Launer

March 30, 2011



MORRISON | FOERSTER

## Meet Our Faculty

- **Brent Yamashita:**  
Partner at DLA Piper LLP (US)
- **Marc Peters:**  
Partner at Morrison & Foerster
- **Lisa Launer:**  
Director and Associate GC at Logitech

## Key Questions

- How can counsel quickly gather ammunition for use in a pre-litigation conversation with a patent holder who has sent a patent notice letter?
- Once a lawsuit has been filed, which defenses are “low-hanging fruit” that can be formulated and supported with evidence quickly and cheaply?
- What strategies can counsel employ to develop strong defenses and ascertain the potential risk in a short amount of time?



# Overview of Presentation

1. Ascertaining the Threat
2. Identifying Inherent Defects in the Patent
3. Finding Prior Art and Evidence of Inequitable Conduct
4. Identifying Other Defenses
5. Q&A

*Note: Any views or opinions expressed in this presentation are those of the speakers and not the companies for whom they work or any client they represent.*



## What We Will *Not* Cover

- Non-infringement
- Scorched earth prior art searching
- Claim construction (except for indefiniteness)
- *These defenses can take hundreds of hours to formulate and are expert witness-intensive. They are not the low-hanging fruit that we are discussing today.*

# Ascertaining the Threat: In-House Counsel as First Responder

- **Counsel's Role Guides Data Collection and Assessment**
- **In-house Counsel's Role as First Responder**
  - Consider time, procedure, and substance
  - Assess potential legal and business impact
  - Provide informed and reasoned report to senior management
  - Consider need for PR damage control
  - Initiate any immediate necessary actions

# Ascertaining the Threat: The Patent Holder

- **Who is the plaintiff?**
  - Competitor?
  - Operating company?
  - Non practicing entity?
- **What is plaintiff's history?**
  - Litigation and corporate history
  - Sources: search engines, PACER, legal press (e.g. IPLaw360), patent law blogs (e.g. Patently-O), Plaintiff's website, published corporate records, colleagues in-house at similarly situated companies, outside counsel

# Ascertaining the Threat: Plaintiff's Counsel and Forum

- **Plaintiff's counsel**
  - Reputation and experience
  - Contingency cases
  - Big verdicts or settlements
- **Forum**
  - Reputation
  - Speed to trial
    - LegalMetrics publishes data
  - Judge's history
    - MSJs? Overturned by Federal Circuit?

## Ascertaining the Threat: Risk of Preliminary Injunction

- ***eBay Inc v. MercExchange, L.L.C.*, 547 U.S. 388 (2006)**
  - Plaintiff not automatically entitled to an injunction.
  - Plaintiff must establish that:
    1. It has suffered an irreparable injury;
    2. Damages are inadequate to compensate for that injury;
    3. Considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and
    4. The public interest would not be disserved by a permanent injunction.

# Ascertaining the Threat: Risk of Preliminary Injunction

## ***Key Questions:***

- *Is the patent holder a competitor?*
- *Is the patent holder a practicing company?*
- *Has the patent holder suffered an injury in the marketplace?*
- *Has the patent holder been damaged in a way that can't be compensated monetarily?*

## Ascertaining the Threat: Business and Monetary Risk

- **Assess Business Risk and Monetary Value of Threat**
- **Products at issue?**
  - Complaint *usually* identifies exemplary products
  - Consider products with similar technology
  - Interpret broadest patent claim to estimate potential scope of at-issue products
- **Total revenue impacted?**
- **International implications?**
  - Complaint may mention foreign patents

## Ascertaining the Threat: Other Considerations

- **Other entities you can look to for assistance?**
  - Co-defendants
  - Defendants in related cases
  - Standards bodies
- **Source of accused technology?**
  - Third party indemnification
  - Vendor already licensed
- **Covered by patent pool such as RPX?**



# Identifying Inherent Defects in the Patent: Overview

- **Counsel can sometimes identify fatal defects in the patent within a matter of hours:**
  - Assignments / Ownership
  - Maintenance Fees
  - Small Entity Status
  - Written Description
  - Indefiniteness

## Identifying Inherent Defects in the Patent: Assignments / Ownership

- Patent holder needs clear chain of title from inventors.
- Assignments often are filed with the Patent Office, although this is not required.

# Identifying Inherent Defects in the Patent: Assignments / Ownership

- Go to: [assignments.uspto.gov/assignments/?db=pat](http://assignments.uspto.gov/assignments/?db=pat)
- Example:



United States Patent and Trademark Office  
Home | Site Index | Search | Guides | Contacts | eBusiness | eBiz alerts | News | Help

Assignments on the Web > [Patent Query](#)

**Patent Assignment Abstract of Title**

**NOTE: Results display only for issued patents and published applications. For pending or abandoned applications please consult USPTO staff.**

**Total Assignments: 3**

Patent #: [6181497](#)      Issue Dt: 01/30/2001      Application #: 08570878      Filing Dt: 12/12/1995  
Inventor: DANIEL J. MALONE SR.  
Title: SYSTEM AND METHOD FOR PROVIDING NONADJACENT REDUNDANCY SYNCHRONIZATION BYTES

**Assignment: 1**

Reel/Frame: [007799/0485](#)      Recorded: 12/12/1995      Pages: 2  
Conveyance: ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS).  
Assignor: [MALONE, DANIEL JAMES, SR.](#)      Exec Dt: 12/11/1995  
Assignee: [INTERNATIONAL BUSINESS MACHINES CORPORATION](#)  
OLD ORCHARD ROAD  
ARMONK, NEW YORK 10504

**Correspondent:** IBM CORPORATION  
INGRID M. FOERSTER  
INTELLECTUAL PROPERTY LAW  
5600 COTTLE ROAD (L2PA/025)  
SAN JOSE, CA 95193

- Actual assignments on file at Patent Office can be obtained.  
Hire a vendor.

## Identifying Inherent Defects in the Patent: Assignments / Ownership

- If patent holder does not own patent:
  - ***No standing to bring suit. Existing suit must be dismissed. Lans v. Digital Equipment Corp., 252 F.3d 1320 (Fed. Cir. 2001).***

## Identifying Inherent Defects in the Patent: Maintenance Fees

- Patent holder needs to pay maintenance fees for utility patents at 3 1/2, 7 1/2, and 11 1/2 years after issuance.
- No maintenance fees required for plant or design patents.
- If fail to pay on time (and during subsequent grace period), patent is expired.
- Can cure by petitioning to revive based on “unavoidable” or “unintentional” delay.

# Identifying Inherent Defects in the Patent: Maintenance Fees

- Go to: <https://ramps.uspto.gov/eram/patentMaintFees.do>
- Example:

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**United States  
Patent and  
Trademark Office**

Patent Maintenance Fees		03/08/2011 01:31 AM EST	
Patent Number:	<a href="#">6181497</a>	Application Number:	<a href="#">08570878</a>
Issue Date:	<a href="#">01/30/2001</a>	Filing Date:	<a href="#">12/12/1995</a>
Window Opens:	<a href="#">01/30/2012</a>	Surcharge Date:	<a href="#">07/31/2012</a>
Window Closes:	<a href="#">01/30/2013</a>	Payment Year:	
Entity Status:	<a href="#">LARGE</a>		
Customer Number:	<a href="#">146</a>		
Street Address:	<a href="#">OLCOTT INTERNATIONAL &amp; CO. 62 HACKENSACK PLANK ROAD</a>		
City:	<a href="#">WEEHAWKEN</a>		
State:	<a href="#">NJ</a>		
Zip Code:	<a href="#">07087</a>		
Phone Number:	<a href="#">(201) 863-4200</a>		
<b>Currently there are no fees due.</b>			

## Identifying Inherent Defects in the Patent: Maintenance Fees

- If maintenance fee window has ended and no payment was made, patent is expired.
- Patent holder needs to revive before it can bring suit. Must dismiss existing suit or amend to remove patent.

## Identifying Inherent Defects in the Patent: Small Entity Status

- Patent holder can pay lower examination fees and maintenance fees if it is a “small entity.”
  - 500 employees or less
  - Has not licensed to someone with more than 500 employees
- If incorrectly claimed small entity status, can cure but mistake might be potential basis for inequitable conduct defense (will need discovery).



# Identifying Inherent Defects in the Patent: Small Entity Status

- Check maintenance fees (see above).

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**United States  
Patent and  
Trademark Office**

Patent Maintenance Fees		03/08/2011 01:31 AM EST	
Patent Number:	6181497	Application Number:	08570878
Issue Date:	01/30/2001	Filing Date:	12/12/1995
Window Opens:	01/30/2012	Surcharge Date:	07/31/2012
Window Closes:	01/30/2013	Payment Year:	
Entity Status:	LARGE		
Customer Number:	146		
Street Address:	OLCOTT INTERNATIONAL & CO. 62 HACKENSACK PLANK ROAD		
City:	WEEHAWKEN		
State:	NJ		
Zip Code:	07087		
Phone Number:	(201) 863-4200		
<b>Currently there are no fees due.</b>			

# Identifying Inherent Defects in the Patent: Small Entity Status

- Obtain file history. Most recent patents have file histories available online through the “Public PAIR” portal of the [www.uspto.gov](http://www.uspto.gov) site.

Patent Application Information Retrieval

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08/570,878 SYSTEM AND METHOD FOR PROVIDING NONADJACENT REDUNDANCY SYNCHRONIZATION BYTES

Select New Case Application Data Transaction History Image File Wrapper Continuity Data Fees Published Documents Address & Attorney/Agent

This application is officially maintained in electronic form. To View: Click the desired Document Description. To Download and Print: Check the desired document(s) and click Start Download.

Available Documents

Mail Room Date	Document Code	Document Description	Document Category	Page Count	PDF
12-01-2000	XT/	<a href="#">Extension of Time</a>	PROSECUTION	2	<input type="checkbox"/>
12-01-2000	LET.	<a href="#">Miscellaneous Incoming Letter</a>	PROSECUTION	1	<input type="checkbox"/>
12-01-2000	DRW	<a href="#">Drawings-only black and white line drawings</a>	PROSECUTION	7	<input type="checkbox"/>
10-26-2000	IFEE	<a href="#">Issue Fee Payment (PTO-85B)</a>	PROSECUTION	1	<input type="checkbox"/>
08-01-2000	NOA	<a href="#">Notice of Allowance and Fees Due (PTOL-85)</a>	PROSECUTION	3	<input type="checkbox"/>

- For older patents, hire vendor to obtain from PTO.

# Identifying Inherent Defects in the Patent: Small Entity Status

- In file history, look at Issue Fee Transmittal:

TITLE OF INVENTION SYSTEM AND METHOD FOR PROVIDING NONADJACENT REDUNDANCY SYNCHRONIZATION BYTES							
ATTY'S DOCKET NO.	CLASS-SUBCLASS	BATCH NO.	APPLN. TYPE	SMALL ENTITY	FEE DUE	DATE DUE	
2	SA995070	360-048.000	011	UTILITY	NO	\$1210.00	11/01/00

- And look at Fee Calculation Sheet submitted with application:

.The filing fee has been calculated as shown below:

			OTHER THAN A SMALL ENTITY	
	(Col. 1)	(Col. 2)		
FOR:	NO. FILED	NO. EXTRA	RATE	FEE
BASIC FEE				\$ 750.00
TOTAL CLAIMS	92 - 20	= 72	x 22 =	\$1584.00
INDEP. CLAIMS	6 - 3	= 3	x 78 =	\$ 234.00
___ MULTIPLE DEPENDENT CLAIM PRESENTED			+250 =	\$
*If the difference in Col. 1 is less than "0", enter "0" in Col. 2			TOTAL	\$2568.00

# Identifying Inherent Defects in the Patent: Written Description

## Underlying Statute:

- 35 U.S.C. Section 112(1): “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.” (emphasis added)

# Identifying Inherent Defects in the Patent: Written Description

## Standard:

- The specification must reasonably convey to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date.  
*Ariad Pharmaceuticals, Inc. v. Eli Lilly and Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (*en banc*).

# Identifying Inherent Defects in the Patent: Written Description

## Examples of inadequate written description:

<u>Specification Disclosure</u>	<u>Claim Language</u>
<p>“spring located...adjacent to said rings”</p> <p><i>Turbocare v. GE</i>, 264 F.3d 1311 (Fed. Cir. 2001)</p>	<p>“said spring means include a flat spring interposed between said casing shoulders and an inner surface of said outer ring portion of said ring segment”</p>
<p>no mention of “data packets”</p> <p><i>Ziarno v. American Red Cross</i>, 2003 WL 57060 (Fed. Cir., Jan. 7, 2003)</p>	<p>“data packet transferring computer network”</p>

# Identifying Inherent Defects in the Patent: Written Description

## Key Issues:

- Do all claim terms appear in the specification?
- Were any claim terms added “out of the blue” during prosecution?
  - Prosecuting attorneys typically draft amendments 1-2 years after writing the initial specification.
- Does the patent discuss a desired result without explaining how to get there? (“a time travel machine, comprising...”)

# Identifying Inherent Defects in the Patent: Indefiniteness

## Underlying Statute:

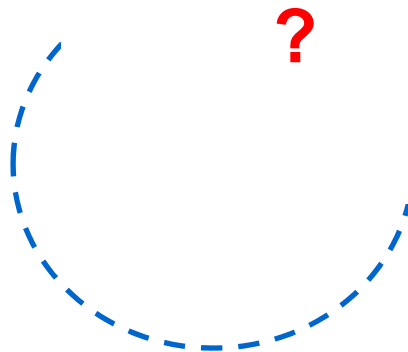
- 35 U.S.C. Section 112(2): “The specification shall conclude with one or more claims ***particularly pointing out and distinctly claiming*** the subject matter which the applicant regards as his invention.” (emphasis added)



# Identifying Inherent Defects in the Patent: Indefiniteness

## Standard:

- The scope of the claims must be sufficiently definite to inform the public of the bounds of the protected invention, *i.e.*, what subject matter is covered by the exclusive rights of the patent. *See Halliburton Energy Services, Inc. v. M-I LLC*, 514 F.3d 1244, 1249 (Fed Cir. 2008).
- A claim is indefinite if a person of ordinary skill in the art could not determine the bounds of the claims, *i.e.*, the claim is insolubly ambiguous. *See Id.*



**Claim Scope**

# Identifying Inherent Defects in the Patent: Indefiniteness

## Types of Terms Found to be Indefinite:

- Subjective Words
- Adjective and Adverbs
- Mistakes by Applicant and PTO
- Lack of Antecedent Basis
- Means-Plus-Function With No Disclosed Structure
- Combination of Apparatus and Method of Use of Apparatus in Single Claim

# Identifying Inherent Defects in the Patent: Indefiniteness

## Subjective Words:

- ***Datamize, LLC v. Plumtree Software, Inc.,***  
**417 F.3d 1342 (Fed. Cir. 2005)**
  - Term: “aesthetically pleasing”

1. In an electronic kiosk system having a plurality of interactive electronic kiosks for displaying information provided by a plurality of information providers, a method for defining custom interface screens customized for individual kiosks of said plurality and operable to make different assortments of said information available for display at different kiosks of said plurality, said method comprising the steps of:

providing a master database of information from said plurality of information providers, said master database referencing substantially all information content from said providers to be displayed on any of said plurality of kiosks;

providing a plurality of pre-defined interface screen element types, each element type defining a form of element available for presentation on said custom interface screens, wherein each said element type permits limited variation in its on-screen characteristics in conformity with a desired uniform and aesthetically pleasing look and feel for said interface screens on all kiosks of said kiosk system,

...

# Identifying Inherent Defects in the Patent: Indefiniteness

## Subjective Words (cont.):

- “In the absence of a workable objective standard, ‘aesthetically pleasing’ does not just include a subjective element, it is completely dependent on a person’s subjective opinion.” *Id.* at 1350.
- “While beauty is in the eye of the beholder, a claim term, to be definite, requires an objective anchor.” *Id.*

1. In an electronic kiosk system having a plurality of interactive electronic kiosks for displaying information provided by a plurality of information providers, a method for defining custom interface screens customized for individual kiosks of said plurality and operable to make different assortments of said information available for display at different kiosks of said plurality, said method comprising the steps of:

providing a master database of information from said plurality of information providers, said master database referencing substantially all information content from said providers to be displayed on any of said plurality of kiosks;

providing a plurality of pre-defined interface screen element types, each element type defining a form of element available for presentation on said custom interface screens, wherein each said element type permits limited variation in its on-screen characteristics in conformity with a desired uniform and aesthetically pleasing look and feel for said interface screens on all kiosks of said kiosk system,

...

# Identifying Inherent Defects in the Patent: Indefiniteness

## Adjectives and Adverbs:

- ***Halliburton Energy Services, Inc. v. M-I LLC, 514 F.3d 1244 (Fed. Cir. 2008)***

- Term: “fragile gel”
- (Note: Parties agreed preamble was limiting)

1. A method for conducting a drilling operation in a subterranean formation using a fragile gel drilling fluid comprising:

- (a) an invert emulsion base;
- (b) one or more thinners;
- (c) one or more emulsifiers; and
- (d) one or more weighting agents, wherein said operation includes running casing in a borehole.

# Identifying Inherent Defects in the Patent: Indefiniteness

## Adjectives and Adverbs (cont):

- Patentee failed “to identify the degree of the fragility of its invention.” *Id.* at 1253.
- “[A] person of ordinary skill in the art could not determine how quickly the gel must transition to a liquid when force is applied and how quickly it must return to a gel when the force is removed.” *Id.* at 1254.

1. A method for conducting a drilling operation in a subterranean formation using a fragile gel drilling fluid comprising:

- (a) an invert emulsion base;
- (b) one or more thinners;
- (c) one or more emulsifiers; and
- (d) one or more weighting agents, wherein said operation includes running casing in a borehole.

# Identifying Inherent Defects in the Patent: Indefiniteness

## Mistakes by Applicant or PTO:

- **Novo Indus., L.P. v. Micro Molds Corp., 350 F.3d 1348 (Fed. Cir. 2003)**

- Term: “a rotatable with”

13. A carrier assembly for movably supporting one of a plurality of vertical oriented slats in a vertical blind assembly, said carrier assembly comprising:

...

(g) stop means formed on a rotatable with said support finger and extending outwardly therefrom into engaging relation with one of two spaced apart stop members formed on said frame,

...

# Identifying Inherent Defects in the Patent: Indefiniteness

## Mistakes by Applicant or PTO (cont):

- District court can correct error in patent through claim construction if: (1) correction is not subject to reasonable debate based on the claim language and specification; and (2) the prosecution history does not suggest a different interpretation. *Id.* at 1354.
- Here, unclear what correction should be.
- Note: Patentee could have corrected through Certificate of Correction prior to suit.

13. A carrier assembly for movably supporting one of a plurality of vertical oriented slats in a vertical blind assembly, said carrier assembly comprising:

...

(g) stop means formed on a rotatable with said support finger and extending outwardly therefrom into engaging relation with one of two spaced apart stop members formed on said frame,

...



# Identifying Inherent Defects in the Patent: Indefiniteness

## Lack of Antecedent Basis:

- **Arises when claim refers to prior element that does not actually appear in claim.**
  - Example: “said lever” or “the lever,” where earlier part of claim does not recite a lever.
- **Arises when claim refers to prior element that appears more than once in different contexts in claim.**
  - Example: “said lever” or “the lever,” where earlier part of claim recites two different levers.
- **Lack of antecedent basis is not necessarily fatal**
  - Key is still whether one of skill in the art can ascertain claim scope
  - Antecedent basis can be inherent
    - Example: “the outer surface of said sphere” does not require a prior recitation of an outer surface if a sphere is recited, since it is inherent that a sphere has an outer surface.

**See MPEP 2173.05(e).**

# Identifying Inherent Defects in the Patent: Indefiniteness

## Means-Plus-Function Claims:

- In construing a means-plus-function claim element, the Court must: (1) identify the function of the limitation; and (2) identify the corresponding structure disclosed in the specification for that function.
- If there is no corresponding structure disclosed in the specification, then the claim is indefinite.

# Identifying Inherent Defects in the Patent: Indefiniteness

## Means Plus Function Claims (cont):

- ***Biomedino, LLC v. Waters Techs. Corp.*, 490 F.3d 946 (Fed. Cir. 2007)**
  - “control means”

13. A device comprising a passage; binding means in said device for binding a species substantially specifically, said binding means being in fluid communication with said passage; exposure means in said device for exposing said species to said binding means and for preventing said binding means from leaving said device; closed regeneration means for separating said species from said binding means for reuse of said binding means in said device; valving for selectively connecting said closed regeneration means in fluid communication with said binding means, and control means for automatically operating said valving.

# Identifying Inherent Defects in the Patent: Indefiniteness

## Means Plus Function Claims (cont):

- Held: No structure disclosed in specification
- It is not sufficient if specification only states that the function can be performed by known methods or using known equipment. *Id.* at 951-3.

13. A device comprising a passage; binding means in said device for binding a species substantially specifically, said binding means being in fluid communication with said passage; exposure means in said device for exposing said species to said binding means and for preventing said binding means from leaving said device; closed regeneration means for separating said species from said binding means for reuse of said binding means in said device; valving for selectively connecting said closed regeneration means in fluid communication with said binding means, and control means for automatically operating said valving.

# Identifying Inherent Defects in the Patent: Indefiniteness

## Combination of Apparatus and Method Elements:

- ***IPXL Holdings, LLC v. Amazon.com, Inc.*, 430 F.3d 1377 (Fed. Cir. 2005)**

- Issue: Can a claim cover an apparatus and method of use of that apparatus?
- Claim phrase: “The system of claim 2 wherein...the user uses the input means...”

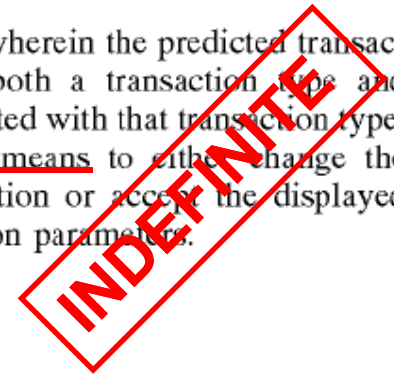
25. The system of claim 2 wherein the predicted transaction information comprises both a transaction type and transaction parameters associated with that transaction type, and the user uses the input means to either change the predicted transaction information or accept the displayed transaction type and transaction parameters.

# Identifying Inherent Defects in the Patent: Indefiniteness

## Combination of Apparatus and Method Elements (cont):

- Held: Claim that recites an apparatus and a method of use of that apparatus is indefinite.
- “[T]he statutory class of invention is important in determining patentability and infringement.” *Id.* at 1384.
- “[A] manufacturer or seller of the claimed apparatus would not know from the claim whether it might also be liable for contributory infringement because a buyer or user of the apparatus later performs the claimed method of using the apparatus.” *Id.*

25. The system of claim 2 wherein the predicted transaction information comprises both a transaction type and transaction parameters associated with that transaction type, and the user uses the input means to either change the predicted transaction information or accept the displayed transaction type and transaction parameters.



## Finding Prior Art and Evidence of IC: Art the Inventors and Prosecuting Attorneys Knew About

- **Identify patent family tree**
  - USPTO database
  - Derwent search (Westlaw)
- **Identify foreign counterparts**
  - EPO database
  - Derwent search (Westlaw)
- **Look at references from other patents in family and foreign counterparts**
  - PCT search report is particularly useful and easy to obtain

## Finding Prior Art and Evidence of IC: Art the Inventors and Prosecuting Attorneys Knew About

- **Other patents by inventors**
  - Any with similar subject matter?
  - Look at file histories – any notable rejections?
  - Was that prior art a potential basis for IC?
  - Same prosecuting attorney?
- **Articles by inventors**
  - Dialog search
  - Westlaw search
  - Disclosed during prosecution?



# Finding Prior Art and Evidence of IC: Other Sources of Easily-Found Prior Art

- **Your Own Products**
  - When did you first start selling the accused product?
  - Any predecessor products?
  - Interview “old timers” at company
- **Products by patent holder (if not an NPE)**
  - Patent probably corresponded to a product
  - Study the company on the Web
  - Identify names of early products
  - Search for press releases and articles
    - Google
    - Dialog database on Westlaw
    - Internet Archive ([www.archive.org](http://www.archive.org))

## Other Easily-Identified Defenses: Waiver

- ***Qualcomm Inc. v. Broadcom Corp.*, 548 F.3d 1004, 1026 (Fed. Cir. 2008):**
  - Express Waiver: Intentional or voluntary relinquishment, surrender, or abandonment of a known right.
  - Implied Waiver: Conduct that is inconsistent with an intent to enforce its rights as to induce a reasonable belief that such right has been relinquished. *Id.*
- **Key Inquiry**
  - Did we have any previous communications with the patent holder?
  - Any promises not to sue?
    - Made to us?
    - Made to the world?

## Other Easily-Identified Defenses: Laches

- ***A.C. Aukerman Co. v. R.L. Chaides Construction Co.*, 960 F.2d 1020, 1032 (Fed. Cir. 1992) (*en banc*):**
  - Plaintiff delayed filing suit for an unreasonable and inexcusable length of time from the time plaintiff knew or reasonably should have known of its claim against defendant, and
  - The delay operated to the prejudice of defendant (economic or evidentiary)
- **Key Inquiry**
  - Could plaintiff have known our products for years?
  - What investments have we made in our products? (e.g., capital equipment)
  - Rebuttable presumption of laches if delay for six years

## Other Easily-Identified Defenses: Equitable Estoppel

- ***A.C. Aukerman Co. v. R.L. Chaides Construction Co.*, 960 F.2d 1020, 1032 (Fed. Cir. 1992) (*en banc*):**
  - Plaintiff communicates by misleading words, conduct, or silence that it will not press claim against defendant
  - Reliance by defendant on misleading conduct
  - Material prejudice to defendant based on the reliance (economic or evidentiary)
- **Key Inquiry**
  - What relationship did/do we have with the patent holder?
  - Did we have any prior communications with the patent holder? Who was the last to communicate?
  - Did the patent holder know about our product?
  - How litigious is the patent holder?

## Other Easily-Identified Defenses: Implied License / Exhaustion

- **Implied License**
  - Implied right granted by seller to purchasers of a product to use and sell it
- **Exhaustion: *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617 (2008)**
  - Patent rights are “exhausted” on authorized sale of component when it embodies essential features of patent and the only reasonable and intended use is to practice the patent
- **Key Inquiry**
  - Was the key functionality in your product obtained from the patent holder, whether directly or indirectly (from licensee)?

## Other Easily-Identified Defenses: Standards Bodies

- **If patent holder had a duty to disclose the patent to a standards body and failed to do so:**
  - Can result in an implied license. *Wang Laboratories, Inc. v. Mitsubishi Electronics America, Inc.*, 103 F.3d 1571 (Fed. Cir. 1997)
  - Can result in waiver. *Qualcomm Inc. v. Broadcom Corp.*, 548 F.3d 1004, 1026 (Fed. Cir. 2008).
  - Can also result in equitable estoppel.
- **Key Questions**
  - Is the relevant technology related to any standards?
    - IEEE (communication)
    - T13 Committee (disk drives)
  - Was the patent holder a participant/member?
  - Did the patent holder disclose the patent?

## Q & A

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- ***Thank you for your time!***