

WIGGIN AND DANA

AGENDA

2:00 - 2:30 PM **Use Of A Global Patent Portfolio On Licensing And Litigation Strategy**

Joseph M. Casino and Michael Kasdan, Wiggin and Dana LLP

2:30 - 2:55 PM **China Business And The IP Landscape**

Brandy Baker, KangXin Partners

2:55 - 3:10 PM **Break**

3:10 - 3:40 PM **Enforcement Of Patent Rights In China**

Gary Wu, KangXin Partners

3:40 - 4:10 PM **Trademark Protection And Enforcement In China**

Celia Li, KangXin Partners

4:10 - 5:00 PM **Q & A**

FIRM OVERVIEW

Founded in 1934, Wiggin and Dana is a regional law firm with a global reach with over 135 attorneys in New York, Washington, DC, Connecticut and Philadelphia. Consistently recognized by Chambers USA and Benchmark Litigation among others, Wiggin and Dana's attorneys offer a full range of legal services to a diverse client base, including foreign sovereigns, Fortune 50 & 100 finance, insurance, defense, aerospace, and pharmaceutical companies, hospitals, universities, startups, charitable organizations and high-net worth individuals.

Our primary mission is to provide our clients with the highest-quality legal services in an efficient, cost-effective and responsive manner to help them achieve their goals. We believe Wiggin and Dana exemplifies the best of the old and new—a proudly independent firm devoted to excellence and dedicated to crafting innovative solutions for our clients.

Wiggin and Dana remains committed to providing every client, large and small, with the personal attention and skill of the firm's partners. We take the time to understand each client's needs and goals and assign to each matter a sensible number of lawyers with appropriate experience and skills. This focused approach enables us to provide intelligent, practical and economical counsel.

The firm has an enviable record handling the most demanding legal matters, including sophisticated corporate transactions for international clients and complex administrative proceedings, arbitrations, litigation and enforcement actions across the United States. Clients also turn to Wiggin and Dana for help with specific transactions and complex proceedings in areas where the firm has particular knowledge and experience. For example, in the areas of:

- mergers and acquisitions,
- venture capital and private equity,
- a full range of legal services sought by the technology community, including the protection of intellectual property as well as domestic and international licensing and distribution,
- complex commercial litigation, including class actions,
- government investigations, white collar defense and antitrust,
- sophisticated labor and employment matters,
- the development and financing of health care facilities, and
- all aspects of franchise, distributor and dealer litigation.

We act as general or special counsel for

- new technology companies and start-ups,
- publicly traded corporations,
- banks and financial institutions,
- accounting, architectural engineering and securities firms,
- public utility companies,
- insurance companies,
- family-owned businesses and family offices,
- hospitals, nursing homes and other health care providers,
- universities, colleges and other educational institutions, and
- individuals.

We also serve as U.S. counsel for several large Asian and European companies and investors.

INTELLECTUAL PROPERTY PRACTICE GROUP

GROUP CONTACT

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Staffed with more than twenty corporate, litigation, patent and trademark attorneys—many with scientific research backgrounds—our Intellectual Property team provides our diverse clients with comprehensive, high-quality counsel and integrated solutions in all aspects of complex patent, copyright, trademark, trade secret and proprietary technology protection, both domestically and globally.

From start-ups, nonprofits and trade associations to regional firms, large national businesses and multinational corporations, our clients depend on our extensive IP legal know-how and business experience coupled with our in-depth technical knowledge in key industries—including manufacturing, software, telecommunications, utilities, publishing, financial services, franchising, health care, biotechnology, nonprofit research and the arts. That technical knowledge extends to:

- aerospace engineering
- chemical engineering
- composites and materials science
- computer software and technology
- electrical engineering
- industrial machinery and packaging
- mechanical engineering
- metallurgy
- microprocessor design and application
- pharmaceuticals
- polymer chemistry

In addition to negotiating a wide range of transactions for our clients—including M&A, licensing, technology transfers and more—we help develop long-term IP management schemes and work to enforce your rights worldwide. Our litigators work to protect your assets before federal and state courts, administrative agencies and international tribunals.

Further, our Patent Group works closely with clients to develop strategies to identify, secure, and enforce patent rights on their innovations and discoveries, preparing and prosecuting U.S. and foreign patent applications across a broad spectrum of scientific technologies. Our Trademark and Copyright Group helps clients with trademark selection, availability, and copyright and trademark registration, protection, enforcement and defense, licensing and transfers, in the U.S. and throughout the world.

INTELLECTUAL PROPERTY LITIGATION PRACTICE GROUP

GROUP CONTACT

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Wiggin and Dana's Intellectual Property Litigation Practice Group is skilled in finding creative and cost-efficient approaches to resolving disputes, both in and out of the courtroom. We are able to achieve successful results for our clients by bringing to bear sophisticated scientific, technical and business knowledge along with extensive litigation and courtroom trial experience. We have litigated intellectual property disputes in courts throughout the United States and before the International Trade Commission, and the United States Patent and Trademark Office, as well as in mediations and arbitrations. We also litigate trademark and copyright actions and advise companies on trade secret protection.

Working on the cutting edge of life sciences, high technology, financial services, consumer products and other rapidly evolving industries, our intellectual property clients trust us to devise innovative legal and business solutions to help achieve their goals and avoid disputes and costly litigation. However, if litigation is unavoidable, they entrust their most important matters to us for creative and effective resolutions.

We staff cases so as to control the costs relative to the stakes of each case and employ technology from the onset of a case to manage the burdens and expense of litigation.

Wiggin and Dana intellectual property litigators have worked on patent and trademark matters involving:

- Pharmaceuticals
- Biotechnology
- Chemicals
- Computer Hardware and Software
- Electronics
- Dental Products
- Electrical Devices
- Financial Services
- Internet and E-Commerce

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- Motors, Machinery, and Mechanical Devices
- Medical Devices
- Materials and Metallurgy
- Semiconductors
- Wireless and Mobile Devices
- Green Technology

TRADEMARK AND COPYRIGHT PRACTICE GROUP

GROUP CONTACT

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Knowledgeable business lawyers and experienced litigators, our Trademark and Copyright attorneys provide a broad range of services to our diverse clients—from enforcing and defending the trademarks of established companies, to helping start-ups select and clear their names and product designations, to negotiating distribution and licensing agreements.

Our trademark lawyers will help you make the most of your trademarks. We are skilled at helping search for an available trademark, analyzing and investigating potentially conflicting marks, and preparing and filing applications for state and federal trademark registration.

Further, we will work with you to develop and maintain the right portfolio of trademarks for your products and services and aid in your marketing, distribution and licensing strategies—both domestically and worldwide, regularly accessing a global network of law firms, many of whom rely upon Wiggin and Dana to provide local counsel to their worldwide clients.

We also represent clients in disputes involving claims of trademark infringement and dilution in the courts and before the U.S. Patent and Trademark Office Trademark Trial and Appeal Board in registration opposition and cancellation proceedings, and in litigation involving our clients' trademarks.

Our copyright lawyers represent rights holders and licensees in many industries and endeavors, advising them on the protection, enforcement, and commercial exploitation of their art, literary, photo, video, digital, web, and artifact properties. We provide clients with a wide range of copyright services, including filing copyright registration applications and counseling clients on works made for hire, the fair use of copyrighted works, and the protection and licensing of all types of copyrighted works, such as software, databases, art, literary and visual works, websites, and new media products.

Our Trademark and Copyright team counsels clients in wide-ranging industries on a full spectrum of trademark and copyright matters, including:

- Advising clients on trademark selection and availability
- Searching for available trademarks
- Analyzing and investigating potentially conflicting marks

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- Preparing and filing applications for state and federal trademark registration
- Counseling on trademark and copyright use, registration and protection
- Aiding in enforcement and defense
- Negotiating worldwide licensing and transfers
- Working with our clients to develop and maintain the right portfolio of trademarks for the clients' products and services
- Helping develop marketing, distribution and licensing strategies
- Representing clients before the U.S. Patent and Trademark Office Trademark Trial and Appeal Board in registration opposition and cancellation proceedings
- Defending and prosecuting litigation involving our clients' trademarks and copyrights
- Advising clients about works made for hire and fair use of copyrighted works
- Drafting and negotiating agreements involving product development, distribution, licensing and merchandising, as well as the transfer of trademarks and copyrights in connection with the sale of businesses
- Structuring and negotiating complex agreements for development and licensing of information technology systems
- Drafting and negotiating publishing agreements for all media, movie and television options and program development agreements
- Advising our clients on ways to police their trademarks to assure they maintain exclusive rights
- Conducting periodic database or Internet searches for unauthorized uses of the client's trademarks
- Recommending application watch services as appropriate
- Preparing cease and desist letters (or responses to such) in potential trademark conflicts
- Taking appropriate action, through the PTO Trademark Trial and Appeal Board or through court proceedings, to address issues of infringement and trademark dilution
- Effectively assisting clients against infringers and helping clients make legitimate use of available trademarks that third parties nevertheless seek to stop them from using

PATENT PROSECUTION PRACTICE GROUP

GROUP CONTACT

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Our Patent Prosecution team—composed of experienced intellectual property lawyers and skilled litigators—works hand-in-hand with our clients to develop strategies to identify, secure and license domestic and worldwide patent rights for their innovations and discoveries. We also provide competitive patent assessments to meet our clients' needs.

We prepare and prosecute U.S. and foreign patent applications across a broad spectrum of technologies, including chemicals and pharmaceuticals, biotechnology, e-commerce and business methods, computer hardware and software, electrical and electronic components, mechanical devices, and components of any complexity.

Working closely with our firm's litigators, we stand ready to help you enforce your patent rights against infringers and defend them against assertions of infringement, using our extensive experience to develop a comprehensive pre-litigation strategy and assist with any necessary litigation. Teaming with our litigation staff, we defend our clients rights before the Federal Courts and administrative agencies, including the U.S. Patent and Trademark Office and U.S. International Trade Commission.

Teaming with our corporate lawyers, we help our clients develop innovative licensing agreements, strategic alliances, collaborations and mergers to help exploit their patents and maximize the value of their IP assets.

We have found that the business and legal issues involving patent matters frequently require the input of legal professionals with litigation, finance, M&A, business, franchising, tax, regulatory, and/or other specialized skills. At Wiggin and Dana, our patent attorneys are free to call upon over 150 attorneys at the firm with experience in these diverse areas.

For all of its new clients, Wiggin and Dana freely and gladly invests its own time to become familiar with the client's patent portfolio, as well as its other intellectual property assets and competitive concerns, in order to enable the client to engage our firm with as little disruption and cost as possible. In addition, our patent attorneys stay current on cutting-edge issues and trends by active involvement in many industry and legal organizations, such as the Institute of Electrical and Electronics Engineers (IEEE), the American Chemical Society (ACS), the Licensing Executives Society (LES), The New York Intellectual Property Law Association (NYIPLA), the American Intellectual Property Law

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Association (AIPLA), the International Federation of Intellectual Property Attorneys (FICPI), as well as relevant sections of the International, American, Federal Circuit, and Connecticut Bar Associations. In fact, one of our attorneys served as NYIPLA's President.

Our Patent Prosecution team focuses on in-depth patent preparation, prosecution, licensing and opinion work, as well as pre-litigation assessments in areas that are vital to our clients' continued viability and future success, including:

Patent Infringement and Validity Studies – We conduct patent infringement/non-infringement and patent validity/invalidity studies and provide reasoned opinions in a wide variety of technologies at all levels of complexity. Our access to the latest patent, business and technical databases, as well as local law and technical libraries, allows us to efficiently and cost effectively perform comprehensive patent infringement and validity studies. We also conduct due diligence investigations to identify competitive patents or other intellectual property rights which may affect our clients' intellectual property interests in regard to acquisitions and divestitures.

Patent Licensing – We understand the practical world of high technology and its relationship to commercial exploitation and have extensive experience in the negotiation and preparation of:

- intellectual property and technological agreements, such as patent and know-how license agreements
- software license and development agreements
- agreements for the license or transfer of trademarks and copyrights
- employee patent, copyright and trade secret agreements, consulting agreements, research and development agreements

- joint R&D agreements and joint venture agreements
- confidential disclosure agreements

Patent Litigation – We represent both patentees and accused infringers across many areas of electrical, chemical, mechanical, biological and pharmaceutical fields, including green technologies.

To place our clients in the strongest strategic position, we carefully analyze their patent portfolios, as well as those of their competitors as a basis for providing competent counsel concerning legal issues the clients face. We advise our clients' of their legal options, including settlement and alternative dispute resolution options. We also advise the clients regarding the impact that electing one of those options may have on their business operations. Working together with the clients, we help them decide the most appropriate course of action for their businesses.

We counsel and represent our clients through all stages of a litigation proceeding. Our experienced litigators have a command of the trial process and an intimate knowledge of the conventions of each court and the rules governing civil procedure. As a result, we have consistently proven ourselves to be an effective force in trials nationwide. In addition, our scientific and engineering resources allow us to easily understand the technical complexities of each case. This combination of experience enables us to successfully communicate our clients' positions to non-technical judges and/or juries.

Patent Prosecution – We serve clients in diverse technology-based businesses including

- biotechnology
- chemistry
- pharmaceuticals
- medical devices
- polymers

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- computer technology (both software and hardware)
- e-commerce
- business methods
- information technology
- data processing
- electro-mechanical engineering
- electrical/electronic engineering
- aerospace
- robotics
- food and beverages
- materials
- mechanical engineering
- metallurgy
- communications technology

All of our patent attorneys have scientific degrees (some with masters and doctoral degrees) that encompass the range of technologies of our clients, and are registered to practice before the U.S. Patent and Trademark Office.

Our attorneys utilize their technical backgrounds in the efficient preparation, filing and prosecution of patent applications in the U.S. Patent & Trademark Office. In addition, the advanced level of technical education of our patent attorneys ensures that we can quickly and efficiently understand our clients' technology needs. This experience, when combined with our knowledge of the law, enables us to develop and implement legal strategies to protect our clients' innovations, and defend against or engineer around those of their competitors. In addition, our relationships with patent practitioners in virtually every industrial country, help us assist our clients to obtain international protection for their inventions to the extent desired by the clients.

Prior Art Searching – The Wiggin and Dana Patent Group routinely conducts prior art studies of national and international scope as a basis for evaluating patentability prior to preparing patent applications. We have access to the latest patent and technical

databases, as well as the law and technical libraries at Yale University, Quinnipiac University, and the University of Connecticut.

Intellectual Property - Wiggin and Dana's Intellectual Property Group represents clients in all aspects of patent, copyright, trademark, trade secret and proprietary technology protection domestically and throughout the world. More than twenty corporate, litigation, patent, and trademark attorneys make up this thriving intellectual property practice. The group represents major foreign and domestic companies from a diverse set of industries, including manufacturing, entertainment, software, telecommunications, utilities, publishing, financial services, franchising, health care, biotechnology, nonprofit research and the arts.

Trademark - Wiggin and Dana's Trademark Practice includes advising clients on trademark selection and availability, use, registration, protection, enforcement and defense, licensing and transfers, in the U.S. and throughout the world. As part of the broader intellectual property services unit, Wiggin and Dana's trademark attorneys assist a broad range of companies, including large ones and start-ups to select and clear their names and product designations.

Corporate Mergers and Acquisitions - Wiggin and Dana also has extensive experience providing counsel to corporate clients and to general counsel on behalf of corporate clients regarding acquisitions and mergers, and the acquisition of technology in general. As part of the acquisition of a business or the acquisition of technology, we can identify and assess the strengths and weaknesses of the associated intellectual property rights, including patents, trademarks, copyrights, software and trade secrets, and handle the appropriate documents transferring those rights.

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Internet and e-Commerce - Wiggin and Dana has extensive experience in all aspects of internet and e-commerce law. The firm serves the internet-related legal needs of a diverse set of corporate clients, both domestic and foreign-based. These clients include:

- software developers
- application service providers
- infomediaries
- web designers
- computer consultants
- technology firms
- web-based financial service companies
- computer vendors and suppliers
- on-line retailers
- information technology consultants
- on-line content providers
- manufacturing firms
- traditional brick-and-mortar companies implementing new Internet-based business strategies

New Business and Ventures - Wiggin and Dana has extensive experience in assisting in the establishment of new businesses and new ventures. We assist clients in creating intellectual property policies and procedures, in investigating the availability of proposed corporate names and trademarks, and in investigating the protectability of the clients' technology. We also provide guidance on and prepare intellectual property agreements with employees, consultants and other outside parties, as well as patents relating to new business methods.

Representative Experience - Wiggin and Dana represents many national and international clients with large and small patent portfolios that encompass a broad array of technologies. Clients most readily reveal the value of any firm. Wiggin and Dana is pleased to provide references for our patent services upon request.

Trade Secrets - Wiggin and Dana also provides advice on trade secrecy as an alternative route to protection of intangible assets, and assists clients in establishing the procedures for identifying and maintaining secrecy of all manners of intellectual property. We regularly prepare agreements governing the protection and transfer of secret or confidential information of our clients, and agreements relating to information of third parties.

Patent Litigation: Mapping a Global Strategy

JOSEPH M. CASINO AND MICHAEL J. KASDAN, WIGGIN AND DANA LLP,
WITH PRACTICAL LAW INTELLECTUAL PROPERTY & TECHNOLOGY

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A Practice Note discussing a global approach to patent litigation. It outlines key strategic considerations for patentees seeking to file patent infringement suits against an alleged infringer in more than one jurisdiction, in particular, the differences between key jurisdictions in timing, procedure, and substantive patent law.

In the past decade, US and non-US based companies have adopted comprehensive global patent litigation strategies in “bet-the-company” competitor patent clashes. Patent infringement suits and countersuits are no longer being initiated solely in US district courts or the US International Trade Commission (ITC). Instead, they are also simultaneously being brought in forums across Europe and Asia. This is typified by the so-called “smartphone patent wars,” including, most recently, Apple’s worldwide battle with Samsung over the parties’ competing smartphones and tablets.

Filing patent infringement suits against an alleged infringer in more than one jurisdiction may provide the patentee with major strategic advantages. However, a successful global patent litigation campaign requires the careful selection of intellectual property (IP) to use, as well as complex strategic planning that takes into account the differences between key jurisdictions in timing, procedure, and substantive patent law.

This Note examines the key considerations for parties pursuing a global approach to patent litigation, in particular:

- Underlying reasons for the trend toward global patent litigation.
- General strategic issues when considering and coordinating global patent litigation.
- The strategic impact of procedural differences in key jurisdictions.
- The strategic impact of substantive law differences in key jurisdictions.

This Note also uses recent global patent litigation disputes to show the array of strategies and permutations that arise when conducting litigation simultaneously in courts around the world. While the Apple/Samsung dispute is fairly unique in terms of its scale and stakes, it is far from the first of its kind. Other notable global patent battles over the past decade discussed in this Note include:

- The Apple/HTC dispute, initiated in 2010 concerning smartphones and mobile devices.
- The Sony/LG dispute, initiated in 2010 concerning mobile phones and game consoles.
- The Nokia/Apple dispute, initiated in 2009 concerning mobile phones.
- The Sharp/Samsung dispute, initiated in 2007 concerning LCD televisions.

TREND TOWARD GLOBAL PATENT LITIGATION

Patent litigation, even for large multinational non-US based companies, has historically focused on the US federal courts. Reasons for this include the following:

- The US market is large, so a US victory has a significant impact on the litigants.
- The US courts and patent law provide patentees with:
 - potentially significant damages awards;
 - the possibility of treble damages for willful infringement; and
 - injunctions.
- The US procedural rules, which provide:
 - easy access to US federal courts;
 - the ability to develop claims through broad discovery; and
 - the general rule that each party pays its own attorneys’ fees and costs.
- Patent claims and defenses in the US may be decided by a jury (see Judge or Jury as Fact Finder).
- The US Court of Appeals for the Federal Circuit (Federal Circuit or CAFC), the appellate court for all patent cases, has well-developed procedural rules and patent law precedent.

However, if a patentee has the financial resources and strong patent rights in multiple jurisdictions, filing suits in more than one jurisdiction has become a favored approach. This trend is driven by:

- A desire to diversify the risk of relying solely on the US as a forum.
- Restrictions to forum shopping in the US as recently confirmed by the US Supreme Court in *TC Heartland, LLC v. Kraft Foods Group Brands, LLC*, which may make selecting favorable courts in the US more difficult.
- An increased familiarity with non-US forums.
- The opportunity for the patentee to present its case multiple times and target the opposing party's business on multiple fronts, which:
 - expands the exposure base for damages and the geographic reach of remedies; and
 - provides multiple opportunities to obtain injunctions in key markets.
- The strategic advantages of:
 - using an early decision obtained in one forum to pressure the opposing party into a favorable settlement; and
 - increasing the pressure on the opposing party by increasing the number of disputes between the parties and the overall risk.

STRATEGIC CONSIDERATIONS

A patentee's decision to sue in one or multiple jurisdictions, and the selection of the specific jurisdictions and forum or forums, is shaped by various strategic considerations, including:

- The expected time to resolution in each forum (see Time to Resolution).
- The goals of the litigation, factoring in the extent of the alleged infringement (see Litigation Goals).
- The patentee's exposure to a countersuit (see Countersuit Exposure).
- The anticipated costs (see Budgetary Concerns).
- The strength and nature of the patents at issue (see Patent Portfolio Selection).
- The benefits of the patentee's own forum or the forum of the alleged infringer (see Home-Court Advantage).
- The need to coordinate a litigation strategy on multiple fronts (see Coordinating Strategy).

TIME TO RESOLUTION

A forum's speed to resolution is a key consideration, in particular because generally there is a correlation between speed to trial and settlement, as well as the patentee success rate (see Box, Typical Trial Timelines and Patentee Win Rates).

A quick infringement victory in one forum can:

- Provide a patentee with leverage in an overall global battle. For example, in the Nokia/Apple dispute, Nokia filed patent infringement actions in Germany, seeking to take advantage of Germany's rapid timeline for deciding infringement claims. Nokia's German patent claims could then be decided before its opponent's counterclaims in US district court and the ITC (see Box, Nokia/Apple Dispute).
- Enable a patentee to use that decision persuasively in another forum. For example, in the HTC/Apple dispute, after Apple

sued HTC for infringement in Germany, HTC not only launched an invalidity action in Germany but simultaneously initiated a revocation action against Apple's British counterpart patent in the United Kingdom (UK) (see Box, Apple/HTC Dispute). Because of the pending German proceedings, HTC was also able to convince the UK court to expedite the proceedings.

For more on the relationship between a jurisdiction's procedural frameworks and related timing, see Interplay of Procedures and Timing.

LITIGATION GOALS

The patentee's litigation goals inevitably influence the forum or forums it selects.

Where the patentee seeks to maximize licensing fees, quickly obtaining injunctive relief in key markets may encourage a global settlement. Where the goal is to force a competitor to exit the market or design around key patents, the patentee must seek injunctions in multiple jurisdictions, since patent rights extend on a country-by-country basis. The expense and risk profile of global litigation alone can force a competitor to decide to redesign its product or exit the market.

The alleged infringer's jurisdictional and global activities concerning the allegedly infringing products also shape the patentee's litigation goals. A patentee should choose a jurisdiction where:

- There is a likelihood of obtaining an injunction that will adversely impact the alleged infringer.
- The alleged infringer has significant sales of allegedly infringing products, or key permanent manufacturing or distribution sites for these products.

COUNTERSUIT EXPOSURE

A common defense strategy for an alleged infringer is to place the patentee's own products at risk. The patentee should therefore anticipate the alleged infringer's countersuit. If a patentee does not have the resources, ability, or risk tolerance to defend against potential countersuits, it should reevaluate its global strategy.

Recent cases have demonstrated the importance in a multi-front dispute of applying leverage to the original aggressor by filing countersuits (see Box, Global Patent Wars: Case Studies). For example, in the Sony/LG dispute, although Sony initiated a series of patent suits against LG in the mobile area, LG countersued against Sony's flagship PS3 gaming console (see Box, Sony/LG Dispute). The successes in this countersuit created serious leverage that factored into the fairly quick settlement of that litigation.

Some companies may also purchase patents to defend themselves. In the HTC/Apple dispute, Google, HTC's Android operating system supplier, purchased patents from Motorola and assigned them to HTC for use against Apple in a countersuit.

BUDGETARY CONCERNS

When mapping its strategy, a patentee should consider the costs in different jurisdictions.

Because an alleged infringer in US and non-US litigation bears its own expenses, the burden on the alleged infringer of paying legal fees in multiple jurisdictions may foster settlement. At a minimum,

these expenses should cause the alleged infringer's management to view the case as a significant issue that needs to be carefully evaluated and resolved before trial.

For more on the relationship between a jurisdiction's procedural frameworks and related costs, see *Interplay of Procedures and Costs*.

PATENT PORTFOLIO SELECTION

Patentees evaluating whether to fight a global patent war must assess the strength of their patent rights in each jurisdiction, based on:

- Potential non-infringement arguments.
- Patent validity.
- Other possible defenses.
- Potential remedies.

The substantive law of each jurisdiction also impacts the types of patents rights in those countries and the scope of their claims (see *Types of Patents Across Global Jurisdictions*).

Patents for Highly Visible Features

Patentees often assert patents that relate to common, highly visible, and important product features. These patents are likely to have the greatest impact on the alleged infringer. It may also be easier for the patentee to prove infringement for a highly visible feature than a feature buried in hard-to-identify software code or technology. Apple employed this strategy in its dispute with Samsung by focusing its US litigation on its design and user interface patents (see *Box, Apple/Samsung Dispute*).

Standard-Essential Patents

Another strategy is to identify and assert patents that are essential to complying with widely adopted industry standards, such as MPEG movies, JPEG images, DDR memory, and Wi-Fi wireless Ethernet and 3G/4G mobile phone communication standards (that is, a standard-essential patent (SEP)). This may allow the patentee to:

- More easily prove infringement by mapping the patent claims against the industry standard, rather than the actual product, which may require costly reverse engineering or study of the internal operation of the accused products' hardware or software. For example, the Federal Circuit noted in *Fujitsu Ltd. v. Netgear Inc.*, "if an accused product operates in accordance with a standard, then comparing the claims to that standard is the same as comparing the claims to the accused product" (620 F.3d 1321, 1327-28 (Fed. Cir. 2010)). However, the court also noted limits to this approach, where "an industry standard does not provide the level of specificity required to establish that practicing that standard would always result in infringement ... the patent owner must compare the claims to the accused products or, if appropriate, prove that the accused products implement any relevant optional sections of the standard."
- Create significant exposure for any alleged infringers, since industry standards are typically widely adopted across industries. However, this may implicate antitrust and competition law issues (see *Antitrust and Competition Law Defenses*).

Before asserting a SEP, counsel should determine whether the client or the patent's previous owner promised to license the patent on

fair, reasonable, and non-discriminatory (F/RAND) terms. In the few decisions concerning appropriate F/RAND rates, courts have set low royalty rates and considered:

- The asserted patent's importance to the technical standard, including:
 - the value of the underlying technology, as opposed to the value of having a standard in general;
 - the ease of incorporating the patented technology into the standard;
 - the total royalties a party would have to pay to practice the entire standard and whether that cost would prohibit its adoption;
 - the incentive that the F/RAND rate provides to inventors to invest in new technologies and disclose those technologies to standard-setting organizations (SSO); and
 - the utility and advantages of the patented technology over alternative technologies.
- The need to base royalties calculations based on the smallest saleable unit that practices the patent, rather than the full cost of the device.
- The differences between standard damages calculations and calculations based on SEP assertions.
- The importance of the patent portfolio to the accused products.
- Patent licenses that are technologically and economically comparable to the asserted patent.

(*Commonwealth Sci. & Indus. Research Organisation v. Cisco Sys., Inc.*, 809 F.3d 1295, 1304 (Fed. Cir. 2015); *In re Innovatio IP Ventures, LLC*, 2013 WL 5593609 (N.D. Ill. Oct. 3, 2013); see also *Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201, 1230-33 (Fed. Cir. 2014).)

HOME-COURT ADVANTAGE

Plaintiffs often favor suing in their home court, which may give them an emotional advantage with the trier of fact. This strategy was employed by Fujitsu in its disputes with Samsung, where Fujitsu successfully obtained a preliminary injunction that blocked importation of Samsung plasma displays into Japan.

In addition, suing an opponent in its home court, which may seem counterintuitive, can provide strong leverage where the alleged infringer's exposure is high in its home court. External factors, such as media coverage, can get the attention of the opponent's management. This strategy was employed by Samsung in its dispute with Sharp, in which it countersued Sharp in Sharp's home country of Japan (see *Box, Sharp/Samsung Dispute*).

COORDINATING STRATEGY

Embarking on a global patent litigation campaign requires careful planning and coordination among multiple law firms in various jurisdictions. Although consistency is ideal, it is unlikely that a loss in one case will cause a loss in another case in a different jurisdiction as a matter of *res judicata*.

A patentee can lose on infringement or validity in one jurisdiction, but not in another, due to differences in the patents themselves, as well as differences in patent laws, legal standards, and available defenses (see *Substantive Differences in Laws*). For example, the definition

of “prior art” is different in the US and Europe, which can lead to different validity determinations for a US patent and its European counterpart.

IMPACT OF PROCEDURAL DIFFERENCES

Procedural differences between forums can have a significant impact on strategy and substantive results, in particular:

- The interplay between procedures and timing (see Interplay of Procedures and Timing).
- Interplay between procedures and costs (see Interplay of Procedures and Costs).
- The relevant fact finder (see Judge or Jury as Fact Finder).
- The availability of preliminary relief (see Availability of Preliminary Relief).
- Whether infringement and validity trials are handled together or separately (see Separate or Consolidated Infringement and Validity Trials).
- Which remedies are available (see Available Remedies).

All European Union (EU) member states except Poland, Spain, and Croatia have signed the Unified Patent Court (UPC) Agreement. While the UPC Agreement still requires full ratification by individual states, once implemented, it may improve European patent litigation by:

- Allowing applicants to obtain a single patent that is effective in all participating EU states.
- Providing a pan-European process for infringement and validity determinations.

Various committees are currently working to implement the UPC so that it is fully operational after the last-required member ratification. While the UPC is anticipated to make patent litigation in Europe more efficient and cost-effective, various rules and procedures must be established to resolve current uncertainties about the system, including the standards for:

- Separate infringement and validity determinations.
- Preliminary injunctions.
- Appeals from procedural decisions.
- Opting out existing European patents from the UPC's exclusive jurisdiction.

For more information on the UPC, see The Unified Patent Court and the Unitary Patent: latest developments.

INTERPLAY OF PROCEDURES AND TIMING

Proceeding in a mixture of fast and slow jurisdictions gives a patentee the advantage of a potential quick knockout punch and the possibility for other victories, regardless of how the first case is resolved.

Timing in the US

Certain US forums move quickly to disposition after the initial filing. For example:

- An administrative trial before the ITC can lead to a decision in a patent case in as little as 12 months or, in complex cases, 18 months (19 U.S.C. § 1337(b)(1)). The administrative judges

at the ITC keep very short deadlines, rarely grant extensions of time, and strictly require parties to meet their discovery and disclosure obligations. For more information on the substantive and procedural aspects of ITC investigations, see Practice Note, ITC Section 337 Investigations: Patent Infringement Claims ([2-505-6571](#)).

- Similarly, an alleged infringer may challenge a patent's validity at the US Patent and Trademark Office (PTO) and receive a decision within 12-18 months. The Leahy-Smith America Invents Act (AIA) created the Patent Trial and Appeal Board (PTAB), which conducts, among other challenges, *inter partes* reviews (IPR), covered business method patent reviews (CBM), and post-grant reviews (PGR) of patent claims. The AIA requires that the PTAB issue a final written decision on the patentability of any challenged claim within one year of instituting a trial, though it may, for good cause, extend this period by up to six months. For more information on the typical timing and procedures of IPR, CBM, and PGR patentability challenges before the PTAB, see Understanding PTAB Trials: Key Milestones in IPR, PGR, and CBM Proceedings ([3-578-8846](#)).
- Certain fast-moving forums, such as the US District Court for the Eastern District of Virginia, have rules that typically require a trial decision in well under one year. However, defendants are often successful in transferring cases out of that court. Other so-called “rocket dockets” in the US recently have become more clogged by a recent influx of cases, which has generally reduced the speed of these forums and increased the number of cases transferred out by the overburdened judges. Also, *TC Heartland* recently restricted the forum for bringing a case to where a defendant is incorporated or has a regular and established place of business. The standard for “regular and established place of business” is being developed and can impede forum selection.

There are also certain slower US courts. For example, the US District Court for the District of Massachusetts, while having a very strong reputation for good judges, has an average time to trial around three and a half years in patent cases, which is approximately one year longer than the overall average time to trial in the US (see PricewaterhouseCoopers LLP, 2016 Patent Litigation Study, at 15 (2016 Patent Litigation Study)).

Timing in Non-US Forums

In Germany, infringement and invalidity claims are bifurcated (see Separate or Consolidated Infringement and Validity Trials). Any of 12 regional courts, including Mannheim and Dusseldorf, hear German patent infringement cases, but only the Federal Patent Court in Munich hears German patent validity actions.

The Dusseldorf infringement court historically was the fastest German court, although recently it has slowed down. The Mannheim infringement court has been reaching decisions in less than one year.

Because the German infringement courts move quickly and are reluctant to stay proceedings based on the filing of an invalidity action, a patentee may be able to inflict significant commercial damage on an alleged infringer before patent validity is determined.

UK courts are also potentially speedy and may resolve both infringement and invalidity issues in less than one year in expedited matters.

INTERPLAY OF PROCEDURES AND COSTS

US patent litigation typically costs millions of dollars, while non-US litigation is often orders of magnitude less expensive.

Costs in the US

A recent American Intellectual Property Association survey estimates that the average attorneys' fees and costs for a US patent case are \$3 million to trial for a case valued at over \$25 million (American Intellectual Property Association, 2017 Report of the Economic Survey).

Much of this expense is due to electronic discovery and the comprehensive nature of discovery that may encompass:

- Detailed product design documents and manufacturing records.
- Marketing and sales activities.
- How product designs were made, including whether there was copying.
- The accused infringer's state of mind concerning the asserted patent or patents.
- Exposure, damages, and licensing activities.

Costs in Non-US Forums

Litigation outside the US is often significantly less expensive because:

- Non-US jurisdictions allow less or no discovery and have minimal motion practice. However, under these circumstances, the patentee may need to develop its case by other means, such as by reverse engineering the infringing product.
- From the prevailing party's perspective, the loser pays the prevailing party's attorneys' fees and costs. In the US, the default rule is that each side bears their own attorneys' fees and costs barring exceptional circumstances.

In Germany, there is virtually no discovery and court and attorneys' fees are generally set by a standard table. These fees can be quite reasonable. For example, if the value of the dispute is EUR5 million, the court costs may be approximately EUR50,000 and legal fees about EUR85,000. Similarly, fees in Japan are set by a standard table.

In contrast, the UK courts allow discovery and questioning of witnesses, which may increase costs.

JUDGE OR JURY AS FACT FINDER

Whether the case will be heard by a judge or jury will also shape the course of a case. This also depends on the jurisdiction.

Triers of Fact in the US

In US district courts, both parties are entitled to a jury trial. While the right may be waived by either party, plaintiffs usually do not waive the right (see 2016 Patent Litigation Study, at 2). Instead, they prefer a jury because a jury:

- Is less sophisticated and more unpredictable.
- May be persuaded by emotions.

In jury trials, patentees can often tell a compelling story of innovation and stolen ideas. For example, in the Apple/Samsung jury trial in the US District Court for the Northern District of California (NDCA),

an American jury may have found it easier to side with Apple instead of Samsung because Apple is an American company with a strong reputation for producing innovative products (see Box, Apple/Samsung Dispute).

A US plaintiff may choose to try its case before a judge if it believes that:

- Its case is very strong.
- The judge may hear the case more quickly without a jury.
- The judge may be better able to understand the issues.

In addition, cases before the ITC and PTO are heard by specialized judges and there is no jury right in those forums.

Trier of Fact in Non-US Forums

Patent infringement cases outside the US generally are heard by judges and not juries. Most other countries either have no jury system or limit that system to criminal cases.

When considering forums outside the US in which the case may be heard by a judge or jury, a plaintiff that is not in its home court may believe that a judge is more likely to be neutral than a jury. However, plaintiff's counsel should consult with local counsel in making this determination.

In some jurisdictions, foreign companies may believe that they may not get a fair trial (although this perception may be slowly changing). For example, in China, most IP litigation is based on claims by Chinese companies against other Chinese companies for fairly low stakes (see Shengping Yang, Patent Enforcement in China, 4 *Landslide*, no. 2, Nov.-Dec. 2011, at 48).

AVAILABILITY OF PRELIMINARY RELIEF

Obtaining preliminary relief, including an injunction barring sale or import of the accused products, might be critical for a patentee to keep costs down, preserve market share, and obtain a settlement or victory. Preliminary relief is available throughout the world in cases between competitors where the IP rights are strong and the issue of infringement is clear.

Preliminary Relief in the US

An attractive feature of US litigation is the judge's ability to grant a preliminary injunction on an expedited basis, typically in months, not years, if the plaintiff has a strong case. But injunctive relief may be limited because a patentee will be required to show both that:

- It will suffer irreparable harm absent the injunction.
- A causal relationship exists between the alleged harm and the infringement.

(*Apple Inc. v. Samsung Elecs. Co., Ltd.*, 695 F.3d 1370, 1374 (Fed. Cir. 2012).)

Preliminary Relief in Non-US Forums

Major forums, including Germany, Japan, and the UK, also allow for preliminary injunctions in appropriate situations. Many other significant forums for patent litigation, including China, Taiwan (with bond), Korea, France, and Italy, have rarely granted preliminary injunctions historically, despite their availability. Recent

developments in China in particular suggest preliminary injunctions may become a more viable option over time.

SEPARATE OR CONSOLIDATED INFRINGEMENT AND VALIDITY TRIALS

Whether the patentee's infringement claims and challenges to its patent's validity will be considered together or separate from its infringement proceedings in the relevant forums can impact a patentee's strategic approach.

Infringement and Validity Trials in US Forums

Infringement and validity are considered together in US courts and the ITC. An alleged infringer may also challenge patents in the PTO. These PTO proceedings, including IPR, PGR, and *ex parte* reexamination, typically proceed in parallel with the court case unless the case is stayed pending the proceedings. For example, in the Apple/Samsung dispute, in a ruling in its co-pending *inter partes* reexamination, which came after the NDCA trial but before post-trial decisions or appeal, Samsung received an initial non-final invalidity decision from the PTO for one of Apple's patents asserted in district court.

District courts have broad discretion to stay litigation pending the outcome of related PTO proceedings. Some district court judges are willing to stay cases prior to institution, and others have postponed deciding whether to stay cases until the PTAB institutes the case. Through a stay, discovery and other litigation costs can be delayed and eventually eliminated, or at least limited, by a positive resolution at the PTAB.

For more information on the interplay between district court litigation and validity challenges in the PTO, see Practice Notes, PTAB Trial Practice Rules ([7-518-0120](#)), Coordinating PTAB and District Court Litigation: Motions to Stay District Court Litigation ([1-588-7507](#)), and USPTO Post-Prosecution Patentability Proceedings ([9-553-6247](#)).

Infringement and Validity Trials in Non-US Forums

Several patent offices around the world can also hear patent validity challenges in various proceedings, such as oppositions in the European Patent Office.

In jurisdictions such as Germany and Japan, validity is considered in a nullity action separate from the infringement action. This could be advantageous for patentees because:

- The infringement action is not intertwined with patent validity.
- The patentee may be entitled to an injunction if the infringement action favorably concludes before the nullity action resolves patent validity.
- The patentee may be able to assert different claim interpretations in the separate infringement and validity proceedings.

AVAILABLE REMEDIES

While the scope and availability of damages varies between the US and non-US forums, all of the countries discussed herein provide injunctions as a potential remedy for patent infringement. If a company is or will be enjoined from selling commercially significant products in a key market, it may feel compelled to settle.

Customs agencies and trade commissions, including the ITC, also have broad injunctive remedial powers.

Remedies in the US

US courts historically have granted high damage awards, including awards over \$1 billion, as in the recent NDCA Apple/Samsung case or the US Court for the District of Massachusetts Kodak/Polaroid case 20 years ago. Further, the US is one of the few countries that allow treble damages if the infringement is found to be willful (35 U.S.C. § 284).

The ITC is perceived as a pro-patentee forum because it can grant broad exclusion orders and provides decisions relatively quickly. Because of these features, it is used by patentees in the US to ratchet up the pressure on accused infringers, even though monetary damages are unavailable.

Remedies in Non-US Forums

Foreign patent infringement awards tend to be much smaller than in the US. Enhanced damages are not common outside of the US and are not available in some key jurisdictions, such as Germany and Japan.

Injunctive relief that can ban imports or sales in a given country is also available as a remedy across jurisdictions. Moreover, although this practice is controversial and may be curtailed in the future, the Dutch courts have historically issued cross-border injunctions in IP cases. This greatly broadens the potential impact of an infringement decision in the Netherlands.

In addition, as the Apple/Samsung dispute highlights, decisions in one European country may affect injunctions granted in another. In July 2012, the German Court of Appeals granted Apple's motion for a pan-European preliminary injunction against Samsung's Galaxy 7.7 product. Almost immediately thereafter, the UK High Court of Justice issued a substantive decision in the parallel British lawsuit finding that Samsung's Galaxy 7.7 products do not infringe Apple's Community design (*Samsung Elecs. (UK) Ltd v Apple Inc.*, [2012] EWCA Civ 1339). Under EC litigation rules, the substantive UK decision took precedence over the German decision, which was not on the merits, and lifted the injunction.

European customs proceedings can also be a powerful and cost-efficient tool for patentees to block infringing goods from the European Union. In 1999, the European regulations were broadened to include patents as a class of IP that the patentee can use to block importation of infringing products. However, the utility of customs proceedings is limited, because the detained goods' owner can obtain their release by paying a security sufficient to protect the patent owner's interests.

SUBSTANTIVE DIFFERENCES IN LAWS

Important differences between US patent law and other countries' patent laws will also have an impact on strategy.

PRIOR ART RULES

The US has attempted to harmonize its substantive patent laws with those of its major trading partners. For example, for patent applications filed after March 16, 2013, generally the inventor who first filed the patent application for the invention is entitled to the patent. For more on the first-inventor-to-file patent system, see Practice Note, Leahy-Smith America Invents Act: Overview ([6-508-1601](#)). This is similar to the first to file rule of most other countries.

However, differences between US patent law and other countries' patent laws still exist. For example, for patent applications filed before March 16, 2013, the first inventor of the invention is entitled to the patent. In addition, while similar in concept, the legal standards for granting a patent in the US (anticipation and non-obviousness) and in Europe (novelty and inventive step) are also different. This affects the scope of the prior art for, and the validity of, the relevant US and a corresponding non-US patent.

TYPES OF PATENTS ACROSS GLOBAL JURISDICTIONS

A company's patent portfolio can vary substantially in different jurisdictions. Different types of patents may be available in each jurisdiction, and the scope of patent claims may differ substantially by jurisdiction, for example:

- US patents may include broad functional claims directed to features, while in Europe and Japan, patent claims have traditionally tended to be limited to more narrow technical improvements.
- Design patent protection can be obtained relatively quickly and inexpensively in the US and abroad for a product's non-functional ornamental appearance.
- Utility model protection is available in Europe and Asia. Utility models can be used for infringement litigation but, since they are not examined, a utility model's validity may be more easily challenged. In addition, judges may decide to stay infringement litigation based on a utility model if good prior art exists. Notably, in Germany, where infringement and validity proceedings are bifurcated and the infringement courts usually proceed more quickly than the validity courts, utility models can be a powerful weapon.
- The US, Europe, and Asia have different rules concerning whether, and to what extent, software or methods of doing business are patentable.

For more information on US patent law, see Practice Note, Patent: Overview ([8-509-4160](#)) and Patent-Eligible Subject Matter: Overview ([1-525-8503](#)).

ANTITRUST AND COMPETITION LAW DEFENSES

Finally, it also is essential to develop a good understanding of the potential competition law or antitrust defenses that may be raised in various jurisdictions.

Patentees often assert SEPs in large patent wars with competitors. However, the accused infringers may raise significant competition law-based defenses in response, such as equitable estoppel, as well as antitrust defenses (see, for example, *Qualcomm v. Broadcom*, 501 F.3d 297 (Fed. Cir. 2008)).

In the US, the Federal Trade Commission (FTC) or Department of Justice (DOJ) can also choose to investigate patent enforcement and licensing practices affecting industry standards (see, for example, *In re Negotiated Data Solutions, LLC*, 2008 WL 258308 (F.T.C. Sept. 22, 2008) (accepting consent agreement and ordering the patent owner to follow a nondiscriminatory licensing commitment by the patents' prior owner); *In re Dell Computer Corp.*, 121 F.T.R. 616 (1996)). More recently, at Apple's urging, the DOJ launched an investigation into whether Samsung misused its wireless SEPs. This investigation was closed after the US Trade Representative overturned an exclusion

order against Apple resulting from a Samsung ITC complaint (see Feb. 7, 2014 Statement of the Department of Justice Antitrust Division on Its Decision to Close Its Investigation of Samsung's Use of Its Standards-Essential Patents). In some cases, the relevant patents have been rendered unenforceable (see *In re Dell Computer Corp.*).

However, in many cases, SEP owners remain free to seek royalties because courts find that the owner's conduct was not exclusionary or otherwise culpable (see, for example, *Rambus, Inc. v. FTC*, 522 F.3d 456, 459 (D.C. Cir. 2008) (finding no violation on appeal); *Rambus Inc. v. Infineon Techs. AG*, 318 F.3d 1081 (Fed. Cir. 2003) (finding no fraud by SEP owner based on nondisclosure of patents to SSO)).

In the US, authority has been mixed about whether a company that makes a F/RAND licensing commitment to a SSO may seek an injunction against an alleged infringer. However, recent decisions support allowing the infringer to resist an injunction based on the patent owner's alleged failure to comply with a F/RAND licensing commitment (*Ericsson*, 773 F.3d at 1230-33; *Microsoft Corp. v. Motorola Inc.*, 696 F.3d 872, 885 (9th Cir. Sept. 28, 2012); *Apple, Inc. v. Motorola Mobility, Inc.*, 869 F. Supp. 2d 901, 915 (N.D. Ill. June 22, 2012), *aff'd in part by, Apple Inc. v. Motorola, Inc.*, 757 F.3d 1286, 1294 (Fed. Cir. 2014)). Some courts and administration officials have even enjoined a party from seeking, or refused to enforce, injunctive relief based on alleged infringement of SEPs (*Microsoft*, 696 F.3d at 889; *Realtek Semiconductor Corp. v. LSI Corp.*, 946 F. Supp. 2d 998, 1009 (N.D. Cal. 2013); Letter from Ambassador Michael Froman to Hon. Irving Williamson (Aug. 3, 2013)).

Some companies have had more success pursuing competition law issues outside the US. For example, the European Trade Commission has discussed that companies that undertake F/RAND obligations to a SSO may seek injunctions, but only if there have been good faith negotiations by both parties that failed (see European Commission Ruling, Case No. COMP/M.6381 - Google/Motorola Mobility (February 13, 2012), at ¶132). Additionally, the Court of Justice for the European Union has subsequently held in Case C-170/13, *Huawei Technologies Co. Ltd v ZTE Corp., ZTE Deutschland GmbH*, ECLI:EU:C:2015:477 (July 16, 2015), that a party asserting an SEP must take several steps in order to seek an injunction, including:

- Giving prior notice to the alleged infringer.
- Expressing willingness to engage in licensing discussions on F/RAND terms.
- Providing a specific written offer of a license on F/RAND terms.

The *Huawei* decision also gives specific guidelines for alleged infringers for conducting negotiations with the SEP holder. The guidelines in the *Huawei* decision will now be implemented by EU member states' national courts, including those of Germany and the Netherlands, where prior decisions cast doubt on the ability of an accused infringer to avoid an injunction by engaging in F/RAND negotiations with an SEP holder.

Finally, the Japanese Fair Trade Commission has also found certain non-assertion provisions that Microsoft Corporation required its licensees to accept to be unenforceable (Japanese Fair Trade Commission, Hearing Decision Against Microsoft (Sept. 18, 2008)).

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TYPICAL TRIAL TIMELINES AND PATENTEE WIN RATES

The table below highlights the general correlation between the time to trial and the patentee win rate.

Jurisdiction	Infringement Trial	Invalidity Trial	Patentee Win Rate
US District Courts	US District Court for the Eastern District of Virginia: 1.0 years US District Court for the Western District of Wisconsin: 1.1 years US District Court for the Middle District of Florida: 1.9 years US District Court for the District of Delaware: 2.0 years US District Court for the Central District of California: 2.3 years US District Court for the Eastern District of Texas: 2.3 years US District Court for the Southern District Court of New York: 2.5 years US District Court for the District of Massachusetts: 3.6 years (Source: 2016 Patent Litigation Study, at 15.)	Same as infringement trial	US District Court for the Eastern District of Virginia: 28% US District Court for the Western District of Wisconsin: 37% US District Court for the Middle District of Florida: 52% US District Court for the District of Delaware: 40% US District Court for the Eastern District of Texas: 54% US District Court for the Central District of California: 27% US District Court for the Southern District Court of New York: 31% US District Court for the District of Massachusetts: 30% (Source: 2016 Patent Litigation Study, at 15.) These are overall win rates. If case goes to trial, win rates are higher.
US International Trade Commission	12 to 18 months by law	Same as infringement trial	47% (Source: Xiaoguang Cui, Michael Elmer & James Haynes, The New Order of Forum Shopping: How China's Patent Litigation Win Rate Data Is Influencing Global Strategies (Jan. 2009) (presentation to Am. Chamber of Commerce, Beijing & Shanghai) at 9) (New Order of Forum Shopping).)
UK	12 months (may be expedited)	Same as infringement trial	22% (Source: New Order of Forum Shopping, at 9.)
Germany	6 to 18 months	2 years	26% overall (43.5% x 60%) 43.5% patentee win rate on validity challenges. 60% patentee win rate on infringement. (Source: New Order of Forum Shopping, at 9.)
Japan	13.5 months (Source: David W. Hill & Shinichi Murata, Patent Litigation in Japan, 1 Akron Intell. Prop. J. 141, 147 (2007) (Patent Litigation in Japan).)	Same as infringement trial (Source: Patent Litigation in Japan, at 147.)	20% (Source: New Order of Forum Shopping, at 9.)

GLOBAL PATENT WARS: CASE STUDIES

The following case studies highlight a number of high-profile global patent litigations, demonstrating the large array of possible strategies arising in a multi-forum dispute.

APPLE/SAMSUNG DISPUTE

Apple's ongoing dispute with Samsung over the companies' competing smartphones and tablets is a recent example of how patent litigations can be simultaneously conducted in courts around the world.

While the parties' NDCA trial resulting in an over \$1 billion jury verdict received the most attention, Samsung eventually reduced the number on retrial. The Supreme Court then overturned the award, and the Federal Circuit has ordered a retrial. The battle between Apple and Samsung also extends to:

- Other US district courts.
- The ITC.
- Foreign courts in:
 - Australia;
 - France;
 - Germany;
 - Japan;
 - South Korea;
 - Spain;
 - the Netherlands; and
 - the UK.

When Apple first sued Samsung in US district court but before Samsung filed its own counterclaims in that case, Samsung first counter-sued Apple on Samsung patents in South Korea, Japan, and Germany. Samsung later added suits in additional countries.

Though the NDCA jury verdict was by far the biggest blow to Samsung, Apple has had additional victories, though over time those victories have been substantially reduced:

- Courts in Germany and Australia banned imports of certain Samsung Galaxy tablets, though those courts did not implement subsequent bans on newer tablets and smartphones, limiting the impact of those rulings.
- A Dutch court granted a preliminary injunction banning certain Samsung smartphones from importation into the Netherlands. The highest Dutch court subsequently overturned the verdict, however, allowing Samsung to import its newer products.
- The ITC issued an initial determination that Samsung infringed four of Apple's utility and design patents. The products that were banned, however, were no longer on sale by the time an injunction was issued.
- The US Trade Representative vetoed an ITC ruling that would have banned the importation of certain Apple products that infringed a Samsung SEP.

While Samsung has, to date, been largely unsuccessful in its countersuits, it has achieved defensive victories along the way:

- Apple has not succeeded in barring any of Samsung's currently on-sale or key products from the U.S. market via injunction for any length of time.
- A second U.S. trial initially resulted in a verdict of \$120 million against Samsung, instead of the \$2 billion in damages Apple sought. The Federal Circuit then overturned the \$120 million judgment on appeal and held that the asserted Apple's patents were either not valid or not infringed, a decision that was overturned in part after rehearing *en banc*. Samsung also succeeded in convincing the jury Apple infringed one of the patents it asserted.
- The PTO has issued numerous final and non-final reexamination rulings that the claims of various Apple patents asserted against Samsung are invalid, including patents underpinning Apple's damages verdict in the first Samsung trial. Apple patents in other jurisdictions, such as the UK, have similarly been invalidated in patent office proceedings.
- UK and Dutch judges ruled that the Samsung Galaxy Tab tablet did not infringe, and subsequently ordered Apple to publish a disclaimer that Samsung did not copy the iPad.
- A Dutch judge ruled that Samsung's redesigned Galaxy Tab 10.1 did not infringe Apple's European design patents.
- A Japanese court found that Samsung Galaxy smartphones and tablets did not infringe an Apple patent concerning multi-media synchronization.
- A US district court found that Samsung's infringement was not willful in both cases.

In addition, a court in Samsung's home turf of South Korea held that earlier Apple and Samsung products each infringed the other's patents, and it awarded each side an injunction and damages of \$20,000, much less than Apple's billion-dollar US verdict.

In August 2014, Apple and Samsung agreed to drop all of their non-US litigation. The parties' agreement did not include any licensing or affect the parties' US-litigation, including appeals.

APPLE/HTC DISPUTE

In March 2010, Apple initiated this patent dispute over smartphones and mobile devices, suing HTC in the US District Court for the District of Delaware and the ITC.

Apple won an initial victory in the ITC banning the importation of certain devices. It followed this up by initiating patent infringement lawsuits against HTC in Germany.

Despite Apple's early victory, HTC mounted a successful defensive strategy by filing:

- Countersuits against Apple in the ITC and the District of Delaware, using patents it acquired from its supplier, Google.
- An invalidity action in Germany.

- A revocation action in the UK, successfully invalidating three Apple patents relating to the slide-to-unlock feature, multilingual keyboards and certain touch-screen user interface features.

In November 2012, the parties announced a settlement, accompanied by a ten-year cross-license agreement covering each party's current and future patents.

SONY/LG DISPUTE

In December 2010, Sony filed actions against its South Korean competitor LG in a California district court and the ITC, seeking to prevent LG from importing cellphones into the US.

In February 2011, LG hit back with its own ITC action, claiming that Sony's PS3 violated certain of its patents concerning technology that allows video game consoles to render Blu-ray data.

LG also attacked Sony's PlayStation in Europe, seeking and ultimately winning an injunction from the Court of the Hague in the Netherlands that prevented the consoles from being sold in Europe. The dispute led to 24 lawsuits worldwide before the parties settled in August 2011 by cross-licensing each other's patents.

NOKIA/APPLE DISPUTE

In October 2009, Nokia filed suit against Apple in the Delaware district court, alleging that the Apple iPhone infringed its GSM and wireless LAN patents. Later that year, Nokia ratcheted up the pressure by adding an ITC action alleging infringement of the same patents, and a separate Wisconsin district court action concerning different patents.

Apple counterclaimed in the US but also took the fight overseas by filing suits in the UK and the German court in Dusseldorf on the foreign counterparts of its asserted patents. In response, after counterclaiming in those venues, Nokia sued Apple in Mannheim, Germany, and later in the Hague. Nokia also brought nullity actions seeking to invalidate the Apple patents asserted in Dusseldorf.

Back in the US, Nokia kept up the pressure. After the ITC ruled in Apple's favor in February 2011, Nokia brought a new ITC action, this time alleging that Apple's iPhone, iPad and iPod devices infringe other patents relating to the "wiping" gesture on the user interface and real-time app store access.

The parties settled shortly thereafter in a licensing deal that was speculated to cost Apple over 800 million Euros.

SHARP/SAMSUNG DISPUTE

In August 2007, Sharp sued Samsung in the US District Court for the Eastern District of Texas, alleging infringement of its LCD display patents. Sharp expanded the battle to South Korea in December 2007. Samsung retaliated by filing suits against Sharp in the Delaware district court and in Japan. The parties further escalated their dispute in 2008 by bringing suits in the ITC and in Europe.

In November 2008, the ITC ruled in Sharp's favor, and one year later in late 2009, a court in the Hague ruled that Samsung infringed certain Sharp patents and ordered that certain Samsung products be banned from importation into the EU. A few months later, the parties settled with a cross-license of LCD technology that reportedly favored Sharp.

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INTELLECTUAL PROPERTY 2016 YEAR IN REVIEW

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The Year in Intellectual Property: A Look Back at 2016 & A Look Ahead to 2017

Last year was an active year in intellectual property law. There were many notable developments in 2016 by a busy United States Supreme Court and the Federal Circuit. The Supreme Court and Federal Circuit issued key rulings involving patent damages, patent eligibility, venue, laches, claim construction, extraterritoriality, attorneys' fees, the nominative fair use doctrine, and patent office procedures. As we look ahead in 2017, the jurisprudence in these areas will develop as the lower courts react to these key rulings and the Supreme Court issues decisions on important matters such as patent venue and laches. As discussed in greater detail below, whether you are a plaintiff or defendant in intellectual property matters, you will need to be cognizant of the impact of these decisions.

2016 YEAR IN REVIEW

Enhanced Damages for Patent Infringement and Use of Opinions of Counsel

In June 2016, the U.S. Supreme Court handed down a decision in *Halo Electronics v. Pulse Electronics* (14-1513), in which it addressed the Federal Circuit's test for determining whether enhanced damages should be awarded for patent infringement under 25 U.S.C. § 284. The Court held that judges have broad discretion to award enhanced damages for patent infringement, concluding that the prior Federal Circuit test was "unduly rigid, and impermissibly encumbers the statutory grant of discretion to the district courts." Specifically, the Court rejected the prior *Seagate* test, which required clear and convincing evidence of both objective recklessness on the part of the infringer as well as subjective knowledge of the risk of infringement.

While acknowledging that the *Seagate* test reflects, in many respects, a sound recognition that enhanced damages are generally appropriate under section 284 only in "egregious cases," the Court faulted the test allowing a showing of "objective recklessness" at the time of litigation to absolve the accused infringer regardless of what they thought when they realized the patent was relevant to their products. The Supreme Court also relaxed the evidentiary burden for proving willful infringement from clear and convincing evidence to a preponderance of the evidence.

The prior *Seagate* test made the ability of the alleged infringer to put forth a reasonable (even though unsuccessful) defense at the time of trial, an effective shield to enhanced damages. *Halo*, by contrast, emphasizes that the legal inquiry for culpability must be measured at the time the alleged infringer became aware of

the assertion of infringement. This places renewed importance on the practice of getting an opinion of counsel, which can be used to show that the alleged infringer acted reasonably.

It remains to be seen how the lower courts and Federal Circuit will apply the more flexible standards set forth by the Supreme Court for finding willfulness and how they will decide whether to enhance the fee awards. Since the Supreme Court puts more emphasis on what defenses existed when an alleged infringer was confronted with a patent, companies may want to consider their policies concerning replying to infringement letters and whether an opinion from outside patent counsel may be necessary. In particular, under *Halo*, companies will need to consider that where there was a pre-suit assertion of infringement, an opinion of counsel can be used as good evidence to show that a defendant's behavior was not willful or careless.

Damages for Design Patent Infringement

In December 2016, in a unanimous decision in *Samsung Electronics Co. Ltd. et al. v. Apple Inc.*, slip op. No. 15-777, the U.S. Supreme Court overturned a \$400 million jury award to Apple for Samsung's infringement of certain Apple design patents relating to smartphones. This Supreme Court decision is significant because it addresses the proper measure of damages for infringement of a design patent.

In 2015, the Federal Circuit (*Apple Inc. v. Samsung Electronics Co., Ltd.*, 786 F.3d 983 (Fed. Cir. 2015)) had affirmed this jury award based on its interpretation of the relevant statute which states, in pertinent part, that

whoever "sells any article of manufacture" to which an infringing design has been applied "shall be liable to the owner to the extent of his total profit...." (see, 35 U.S.C. § 289, emphasis added).

Samsung had unsuccessfully argued that under this statute, damages should have been limited to only the profit attributed to the infringement, or alternatively to the profit on the infringing "article of manufacture," i.e., the component that is the subject of the design patent, such as the screen or case of a smartphone, rather than the entire smartphone.

The Supreme Court agreed with Samsung, holding that in the case of a multi-component end product, the relevant "article of manufacture" could only be a component of that end product, whether or not that component is sold separately from the end product. Significantly, however, the Court declined to give further guidance on what that component would be in the context of the disputed design patents, leaving it to the Federal Circuit to resolve such issues on remand.

While this decision opens the door to reducing damages awarded for design patent infringement, litigants, damages experts and the lower courts are sure to raise many further questions as to how to apply the Supreme Court's guidance to disputes involving design patents. This decision also shows that both patentees and accused infringers need to carefully consider damage valuation as part of their litigation or licensing strategy, including in the context of design patents.

All eyes will be on the Federal Circuit this year when it revisits this high profile case and rules on what kind of damages you can get in a design patent case.

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Attorneys' Fees

The Court also took up the issue of judicial discretion over monetary awards in *Kirtsaeng v. John Wiley & Sons, Inc.* (No. 15-375), clarifying the standard for attorney's fee awards in copyright cases. Section 505 of the Copyright Act provides that a court "may ... award a reasonable attorney's fee to the prevailing party." Specifically, the Court held that while the objective reasonableness of the losing party's position is the most important factor a district court judge should consider in determining whether to award fees under section 505, it is not "the controlling one."

As a number of circuit courts have held, "[a]lthough objective reasonableness carries significant weight, courts must view all the circumstances of a case on their own terms, in light of the Copyright Act's essential goals. In certain jurisdictions this may constitute attorney advertising goals." For example, a party pressing a reasonable legal position may have engaged in unreasonable litigation conduct. Thus, as in *Halo, Kirtsaeng* held that a more flexible test for fee awards should be applied.

Claim Construction Standard in IPRs

In June 2016, in *Cuozzo Speed Technologies v. Lee*, the Court addressed whether the "broadest reasonable construction" standard used during *inter partes* review (IPR) and post-grant review (PGR) proceedings to challenge patent validity before the Patent Trial Appeal Board (PTAB) was the correct claim construction standard, or whether the PTAB must instead use the same (potentially narrower) claim construction standard used by district courts.

The difference in claim construction standards used by the PTAB and district courts had been a source of much debate. Applying the "broadest reasonable interpretation" standard, the PTAB has been invalidating a large percentage of the patents that it has evaluated, leading patent-holders to criticize the standard and the fact that there were different standards in two different forums that evaluate the validity of patents.

The Supreme Court resolved this debate by unanimously affirming the Federal Circuit, holding that the Patent and Trademark Office (PTO), which promulgated the "broadest reasonable interpretation" standard for Intellectual Property Rights (IPRs), had the authority to issue such a regulation. The Court deferred to the PTO's choice of the standard because Congress gave the PTO discretion to design the IPR process. This standard is one reason that militates in favor of challenging patent validity in an IPR proceeding, where possible.

Timing for Filing Continuation Applications

In *Immersion Corp. v. HTC Corp.*, 2015-1574, the Federal Circuit confirmed the United States Patent and Trademark Office's position, beginning in 1961 (MPEP §211.01(b)), of permitting continuations to be filed on the same day as the parent issues. This became an issue because the continuation statute (35 U.S.C. §120) only says that a continuation must be "filed before the patenting or abandonment of or termination of proceedings" of the parent. Thus, there is no way to clearly prove compliance with the statute for continuations filed the day the parent issues are filed.

The Federal Circuit took the position that, for the "before the patenting" condition to be met, the continuing application may be "filed before the patenting" of the earlier application when "both legal acts, filing and patenting, occur on the same day." Thus, it held that the requirement is met if they are filed the same day. In doing so, the Federal Circuit reversed a lower court ruling that a filing on the same day is not before the patent issues. By maintaining the status quo and not disturbing long standing PTO practice, the Federal Circuit sought to avoid disruption and provide stability for patentees.

Nominative Fair Use Doctrine

In May 2016, the Second Circuit issued an opinion on trademark law's nominative fair use doctrine disagreeing with other circuit courts, including the Ninth Circuit, which had developed the doctrine, and adopted a different approach to the doctrine which was in place for decades.

In 1992, the U.S. Court of Appeals for the Ninth Circuit had identified "nominative use" as a distinct concept in trademark law in *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992). Under this ruling, the term "nominative use" described instances when another company's trademark could be used as a non-infringing fair use and limited that use to situations when the trademark was used only to describe the thing, rather than identify the source or suggest sponsorship or endorsement.

In *International Information Systems Security Certification Consortium Inc. v. Security University LLC*, the Second Circuit first considered the nominative fair use test adopted by the Ninth Circuit in *New Kids on*

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CASES & TRENDS TO WATCH IN 2017

the Block. According to the Second Circuit, the nominative fair use defense in the Ninth Circuit is not an affirmative defense because it does not protect a defendant from liability if there is a likelihood of confusion. As a result, the Second Circuit held that the nominative fair use defense was not available if the use is likely to cause consumer confusion. It emphasized that the district courts are required to consider each of the likelihood of confusion factors, known as the *Polaroid* factors under *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961), when considering whether a use, nominative or not, is confusing. Thus, although the Second Circuit agreed with the Ninth Circuit that nominative fair use is not available as an affirmative defense when confusion is likely, it disagreed with the Ninth Circuit adopting a separate nominative fair use test to replace the likelihood of confusion analysis.

The appellee in *International Information Systems* has requested the U.S. Supreme Court to review the Second Circuit decision and address the Circuit split. If the Supreme Court grants *certiorari*, it could bring uniformity to the application of the doctrine.

Patent Venue

In December 2016, in *TC Heartland LLC v. Kraft Food Brands Group LLC*, the Supreme Court granted *certiorari* to address patent venue laws and to decide whether new and more stringent limitations should be imposed on where patent lawsuits can be filed.

By way of background, venue in patent cases is governed by 28 U.S.C. § 1400(b), which provides that venue is appropriate either: (1) “in the judicial district where the defendant resides,” or (2) “where the defendant has committed acts of infringement and has a regular and established place of business.” Section 1400 does not define the term “resides” or explain how it should be applied to corporate defendants, thereby leaving it to the courts to deduce Congress’s intent. The Federal Circuit has held that patent suits can be filed in any district where the defendant makes sales.

While *TC Heartland*’s arguments are couched in statutory interpretation and analysis of legal precedent, policy concerns are also at the forefront in this debate. *TC Heartland* argues that the Federal Circuit’s position has led to extensive forum shopping by patentees which needs to be addressed. The Supreme Court’s ruling will determine whether a defendant’s residence or where it has committed an act of infringement and has an established place of business should be the choice of venue. It could also affect whether popular jurisdictions for patentees, such as the Eastern District of Texas, will still be viable when a defendant does not actually reside there. On the other hand, Delaware, where a substantial number of businesses are incorporated, could see an increase in patent cases.

Continued Guidance on Patent Eligibility

After the Supreme Court’s decision in *Alice Corp. v. CLS Bank* (2014) that abstract ideas implemented using a computer are not patent-eligible under Section 101 of the Patent Act, many courts invalidated computer-related patents.

In 2016, the Federal Circuit attempted to provide more clarity on the parameters of Section 101 and patent eligibility for computer-related patents. Beginning with the May 2016 decision in *Enfish v. Microsoft*, the Federal Circuit issued its first decision finding software patent claims directed to an innovative logical model for a computer database to be patent eligible. *Enfish* was followed by several other Federal Circuit decisions finding software and internet patent claims to be patent eligible. See e.g., *McRO, Inc. dba Planet Blue v. Bandai Namco Games America, Inc.* 120 USPQ2d 1091 (Fed. Cir. 2016) and *BASCOM Global Internet Services v. AT & T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016). However, at the same time the Court also affirmed many patent ineligibility decisions. Moreover, while several decisions have attempted to clarify *Alice*, none of them have significantly reinterpreted the *Alice* ruling.

In the life sciences space, following *Alice*, the Federal Circuit held in *Sequenom v. Ariosa*, 788 F.3d 1371 (Fed. Cir. 2015) that the discovery of a test for detecting fetal genetic conditions in early pregnancy that avoided dangerous, invasive techniques that are potentially harmful to both the mother and the fetus was “a significant contribution to the medical field,” but that did not matter insofar as patent eligibility is concerned. In June 2016, the Supreme Court denied *Sequenom*’s *certiorari* petition

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which presented the sole question: Whether a novel method is patent-eligible where: (1) a researcher is the first to discover a natural phenomenon; (2) that unique knowledge motivates him to apply a new combination of known techniques to that discovery; and (3) he thereby achieves a previously impossible result without preempting other uses of the discovery?

In July 2016, the Federal Circuit found in *Rapid Litigation Management v. CellzDirect* that the claimed methods for cryopreserving liver cells for use in “testing, diagnostic, and treating purposes” to be patent eligible and not directed to a judicial exception. The Federal Circuit focused on the fact that the claims in *CellzDirect* were directed to a process for achieving an outcome (cryopreservation of the cells) as opposed to an observation or detection.

Thus, defendants will still seek to invalidate patents under *Alice*, but now patentees have the benefit of some more jurisprudence, such as *Enfish* and *Cellzdirect*, to give credence to their arguments. 2017 will likely lead to more jurisprudence on these issues and perhaps a clearer path forward.

Extraterritoriality of Patent Laws

On June 27, 2016, the Supreme Court granted *certiorari* in *Life Technologies Corp. v. Promega Corporation* and heard arguments in December 2016 on the scope of 35 U.S.C. § 271(f)(1). Section 271(f)(1) makes it an act of infringement to supply from the U.S. “all or a substantial portion of the components” of a patented invention so as to actively induce the combination of the components outside of the U.S. The *Life Technologies* case continues the Court’s

trend of examining the extraterritorial scope of U.S. patent laws.

Life Technologies supplied an enzyme from the U.S. to its UK subsidiary, which then incorporated the enzyme into a diagnostic kit abroad, and was sold worldwide. At trial, the jury found infringement and awarded \$52 million in damages to *Promega*. However, in his ruling on post-trial motions, the Judge reversed, holding that the “substantial portion” language of section 271(f)(1) required that multiple components were shipped abroad. The Federal Circuit reversed, holding that the “substantial portion” language referred to importance rather than quantity and could be met by a single component, here the enzyme.

The question that the Supreme Court will address is “whether the Federal Circuit erred in holding that supplying a single commodity component of a multi-component invention from the United States is an infringing act under 35 U.S.C. § 271(f)(1), exposing the manufacturer to liability for all worldwide sales.” Whether the Supreme Court will provide clear guidance on this issue or remand to the Federal Circuit to design a test remains to be seen.

Patent Exhaustion

In December 2016, the Supreme Court granted *certiorari* in *Impression Products, Inc. v. Lexmark International, Inc.* This case address two significant issues pertaining to the patent exhaustion doctrine: (1) whether a “conditional sale” that transfers title to the patented item while specifying post-sale restrictions on the article’s use or resale avoids application of the patent exhaustion doctrine and therefore permits the enforcement of such post-sale restrictions

through the patent law’s infringement remedy; and (2) whether, in light of the Supreme Court’s holding in *Kirtsaeng*, the exhaustion doctrine applies to authorized sales of a patented article that take place outside of the United States.

The Supreme Court’s ruling will impact a wide range of industries. If the Court reverses the Federal Circuit’s holding that patent exhaustion does not apply to a conditional sale or to sales abroad, it is likely to impact on many contractual relationships and lead to complications in enforcing patents.

Availability of Laches as a Defense

In the *SCA Hygiene v. First Quality* case, the Supreme Court will address the availability of laches as a defense to the award of past damages for patent infringement. *Certiorari* was granted in May 2016 and arguments heard in September 2016. Currently, the equitable doctrine of laches is available as a defense to limit damages for past infringement that would otherwise be available under the Patent Act’s six-year statutory limitations period for past damages, 35 U.S.C §286. As such, laches encourages a patent owner to exercise its patent rights promptly upon learning of infringement, rather than waiting to sue until the defendant is prejudiced, for example, by having expended substantial resources in developing a potentially infringing product. If laches is no longer available as a defense, patent owners will be able to hold off bringing suit until there are significant past damages available within the six-year statutory period, without concern that delay in bringing suit will potentially reduce their ability to collect past damages.

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Biosimilars and Interpretation of the BPCIA

In January 2017, the U.S. Supreme Court agreed to review some of the patent dispute resolution provisions of the Biologics Price Competition and Innovation Act (BPCIA) that could determine how soon firms can sell biosimilars. The BPCIA creates an abbreviated approval pathway for biosimilar medicines and prescribes defined procedures for a biosimilar applicant to challenge innovator patents, a process often referred to as the “patent dance.” The Court granted *certiorari* in the dispute between Amgen Inc. and Novartis’s subsidiary Sandoz involving Sandoz’s biosimilar Zarxio, the first biosimilar approved under the BPCIA. The Federal Circuit decided that the biosimilar patent dance provisions are optional, but pre-marketing notice always is required.

There are two issues before the Supreme Court. First, Sandoz’s February 2016 petition for *certiorari* asked the Court to decide whether biosimilar applicants have to wait for approval to give pre-marketing notice. In particular, the question before the Court is: Whether notice of commercial marketing given before FDA approval can be effective and whether, in any event, treating 42 U.S.C. § 262(l)(8)(A) as a standalone requirement and creating an injunctive remedy that delays all biosimilars by 180 days after approval is improper.

Second, Amgen’s March 2016 conditional-cross petition for *certiorari* asked the Court to decide whether

biosimilar applicants have to join in the patent dance. In particular, the question before the Court is: Is an Applicant required by 42 U.S.C. § 262(l)(2)(A) to provide the Sponsor with a copy of its biologics license application and related manufacturing information, which the statute says the Applicant “shall provide,” and, where an Applicant fails to provide that required information, is the Sponsor’s sole recourse to commence a declaratory-judgment action under 42 U.S.C. § 262(l)(9)(C) and/or a patent-infringement action under 35 U.S.C. § 271(e)(2)(C)(ii)?

The Solicitor General of the United States filed an amicus brief that sided with Sandoz on both issues. In particular, the Solicitor General thinks the Federal Circuit correctly held that the information exchange provisions of 42 USC § 262(l)(2)(A) are optional, but does not agree that the pre-marketing notice required by 21 USC § 262(l)(8)(A) cannot be given until the biosimilar product has been approved by the FDA.

The Supreme Court is likely to hear oral arguments in April, with a decision expected before July. The outcome is important because it will affect how quickly lower-cost biosimilars get to market. Only four biosimilars have the U.S. Food and Drug Administration’s approval, but only two, Zarxio and Pfizer Inc.’s Inflectra, have entered the U.S. market so far.

We will keep you updated as the law on these various topics develops in 2017.

What Courts Are Saying About Software Patents Post-Enfish

Law360, New York (August 9, 2016, 11:23 AM ET) --

The U.S. Supreme Court cast a shadow over software patents with its landmark decision in *Alice Corp. Pty Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2355 (2014). As Justice Clarence Thomas bluntly put it, “[s]tating an abstract idea while adding the words ‘apply it with a computer’” is not enough to invoke patent protection. Since *Alice*, courts have routinely invalidated software patents at the motion to dismiss stage, leaving many to wonder whether *Alice* had sounded “the death-knell for patent protection of computer implemented inventions.” *Improved Search LLC v. AOL Inc.*, Civ. No. 15-262-SLR (D. Del. Mar. 22, 2016). A recent decision from the Federal Circuit provides some hope for software patents facing invalidation. However, subsequent court decisions have applied this new decision with mixed results.



Joseph Casino

Under 35 U.S.C. § 101, an inventor cannot patent certain subject matter — laws of nature, natural phenomena and abstract ideas have been determined ineligible for a patent. To determine whether a patent falls into one of these categories, the Supreme Court established a two-step framework. *Alice*, 134 S. Ct. at 2354. Courts must first determine whether the patent covers an ineligible concept such as an “abstract idea.” If the answer is yes, courts then look to the elements of the patent’s claims both individually and as an ordered combination to see if there is an “inventive concept” that transforms the “abstract idea” into an eligible concept. *Id.* Following *Alice*, lower courts have often found software patents are “abstract” under the first step of the *Alice* inquiry by characterizing the claims in terms of the overall concept they implement. Once a claim is found “abstract” in the first step, it is difficult to show a transformative “inventive concept” for the second step of the analysis. At this stage, courts often find it fatal when the patent uses conventional computer equipment and software instructions. Of course, this sweeps in most software patents because most software is written and implemented using conventional equipment.



Benjamin Daniels

But what does it mean to be “abstract”? Ironically, *Alice* does not provide a concrete definition, test, or analytical framework for abstractness. *Id.* at 2357. Instead, it takes an “I know it when I see it” approach, stating that “[i]t is enough to recognize that there is no meaningful distinction between the” business practices covered in the *Alice* patent and risk hedging found “abstract” in a prior decision. *Id.* (citing *Bilski v. Kappos*, 561 U.S. 593 (2010)). This is not a new approach; the Federal Circuit often compares claims to prior cases to judge abstractness. See, e.g., *OIP Techs. Inc. v. Amazon.com Inc.*, 788 F.3d 1359, 1362 (Fed. Cir. 2015). And it is true that economic and conventional business practices often are deemed abstract. *Id.* However, it seems that the Supreme Court’s failure to provide a workable test for “abstract ideas” has caused lower courts to reflexively strike down software patents.

This past May, however, the Federal Circuit gave software patent owners a ray of hope with *Enfish LLC v. Microsoft Corporation*, 822 F.3d 1327 (Fed. Cir. 2016). The claims in *Enfish* were directed to a database structure — a logical rather than physical construct. The claimed software used a single table structure to hold data that might otherwise be stored in multiple tables with some common keys to relate the data in the table (e.g., one table with employee name, company code etc.; second table where the company code can be used to look up company address, tax ID number etc.).

The Federal Circuit upheld the validity of the *Enfish* patent. Focusing on Alice's first step, the court held that there is "no reason to conclude that all claims directed to improvements in computer-related technology, including those directed to software, are abstract and necessarily analyzed at the second step of Alice." *Id.* at 1335. Instead, the Federal Circuit recognized that courts should "ask whether the claims are directed to an improvement to computer functionality versus being directed to an abstract idea, even at the first step of the Alice analysis." *Id.* The Federal Circuit relied heavily on explanations in the patent's specification about how a single table was an improvement to the functioning of computers to find the claim not abstract. *Id.* at 1337. Thus, the apparent analytical framework to judge abstractness was to look for an improvement of functionality with a strong weight given to the patent's disclosure.

Enfish is encouraging for software patent holders. The Federal Circuit's renewed interest in the contours of "abstract ideas" may mean that patent holders can defeat eligibility challenges at the first step without triggering the second step of the Alice analysis (involving the complex issue of whether any claimed improvement amounts to an "inventive concept"). *Enfish* also places more emphasis on whether the claimed concepts per se are directed to an improvement of computer functionality rather than whether the implementation uses unique or new equipment, methods or physical structures.

There has not been an immediate sea change. As of Aug. 5, 2016, 27 district court and Federal Circuit decisions^[1] already cited *Enfish*, but all but seven decisions found ineligibility under both steps of the Alice inquiry. We reviewed these cases and found several themes.

Enfish's Examination of Improved Functionality in Step One May Overlap with Step Two

As noted above, *Enfish* gave teeth to the first step of Alice. However, courts have since struggled to differentiate between the two Alice steps. As the Federal Circuit recognized, "the two stages [of the Alice inquiry] are plainly related" because they involve "overlapping scrutiny of the content of the claims." *Elec. Power Grp., LLC v. Alstom S.A.*, 2016 WL 4073318, at *3 (Fed. Cir. Aug. 1, 2016). This overlap leads to "close calls about how to characterize what the claims are directed to" and whether they target "abstract ideas." *Enfish*, 822 F.3d at 1339. The Federal Circuit encouraged courts facing such "close calls" to punt this issue: "In such cases, an analysis of whether there are arguably concrete improvements in the recited computer technology could take place under step two." *Id.*

The Federal Circuit took this very approach in *Bascom Global Internet Services Inc. v. AT&T Mobility LLC*, No. 2015-1763, slip. op. at 19 (Fed. Cir. June 27, 2016), finding the system configuration claimed, that was designed to block internet content, was potentially novel in step two. In doing so, the Federal Circuit also walked back from a blanket rule that conventional computer equipment and instructions can never demonstrate an "inventive concept." The line between what it means to show a claim directed to an advance in computer operation in step one compared to what it means to show an "inventive concept" in the second step is unclear other than the later may imply a deeper look at prior art.

Lower courts have similarly moved on to the second step when confronted with close calls. For example,

in *Yodlee Inc. v. Plaid Techs. Inc.*, 2016 WL 2982503 (D. Del. May 23, 2016), the patented invention sought to improve Internet navigation by gathering summary information from users and presenting the information as an HTML. Citing *Enfish*, the court struggled to determine whether the patent was directed to the abstract idea, concluding that “[t]he answer is not clear cut.” The court therefore moved onto step two of *Alice*, finding there was an “inventive concept” of a software-gathering agent. The court did the same thing in *Idexx Labs. Inc. v. Charles River Labs. Inc.*, 2016 WL 3647971, at *1 (D. Del. July 7, 2016).

In doing so, these courts may have undercut *Enfish* to some degree. Thus far, courts have skipped step one in cases where there is no “clear-cut” answer on “abstractness.” This is already an expansion of *Enfish*; the Federal Circuit only suggested skipping step one if there is a “close call.” It is so far unclear whether this is a distinction without a difference, or if district courts will increasingly use the “close call” loophole to avoid the step one inquiry altogether.

Perhaps sensing this problem, the Federal Circuit provided further guidance on the difference between step one and step two. In *Electric Power Group*, 2016 WL 4073318, at *3, the Federal Circuit acknowledge the overlap inherent in the *Alice* inquiry, and recognized *Enfish*’s suggestion that courts skip step one in close cases. But the court made clear that *Alice*’s two stages involved different inquiries. The first stage of the *Alice* inquiry looks “at the ‘focus’ of the claims, their ‘character.’” *Id.* The second stage “look[s] more precisely at what the claim elements add — specifically, whether ... they identify an ‘inventive concept’ in the application of the ineligible matter.” *Id.* The court in *Electric Power Group* applied this test to invalidate the patent-in-suit, which claimed a computer program that aggregated, organized, and analyzed data using a generic computer. The court reasoned that courts have long found the collection and analysis of data is an abstract idea at *Alice* step one. At *Alice* step two, the court found no “inventive concept” because the patent did not involve anything other than “off-the-shelf, conventional computer, network, and display technology.” *Id.* at *5.

Few Cases Follow *Enfish* to Find a Claim Nonabstract at Step One

Thus far, only a handful of cases have relied on *Enfish* to support patent eligibility during the first step of the *Alice* inquiry. Generally, these cases have focused on whether the claims are directed to a technical improvement of a computer or the design of a system.

A Michigan district court provided the first such example in *JDS Techs. Inc. v. Exacq Techs.*, 2016 WL 3165724 (E.D. Mich. June 7, 2016). The patent claims in *JDS* were directed to software for a user interface program that obtained the MAC addresses of peripheral devices and used those addresses to determine whether to enable or disable the display of video. The aim of the invention was to allow the software to be licensed effectively but be sharable without traditional anti-piracy protections. In addition to highlighting that the claims recited specific nongeneric structure, including video servers and cameras, the court found that the invention “provided a solution to a computer-related technological challenge ... within [a] particular computer network environment[]” and was thus patent-eligible.

In *Audio MPEG Inc. v. HP Inc.*, No. 2:15-cv-00073 (E.D. Va. June 29, 2016) (slip copy), another district court considered claims directed to equipment that encoded and decoded audio data in a manner important to the ubiquitous MPEG audio standard. Citing *Enfish*, the court found that the claims were not directed to an abstract idea as they solved a computer-specific problem: they enabled more efficient data storage than would be possible without compression. It therefore appears *Enfish* succeeded in making inventions directed to improvements in electronic processing and storage a small but potent oasis in the desert of unpatentable subject matter.

The court in *Orbcomm Inc. v. CalAmp Corp.*, 2016 WL 3965205 (E.D. Va. July 22, 2016), examined claims directed to a system for monitoring the location and status of fleets of construction equipment vehicles using GPS. The defendant asserted that the claims merely computerized an abstract idea: the tracking of construction equipment. Defendants also noted that the claims pointed to “unspecified processing equipment” such as transponders, satellites and ground stations. The court ultimately found that the claims taught an innovative construct beyond a simple generic computer. However, the court noted it was a “close issue” and indeed one can imagine how another court on slightly different facts may have found the claims simply covered the computerization of long-standing business practices or generic computer components. It will be interesting to see how this case fares on these issues in any eventual appeal.

Finally, the court in *Iron Gate Security Inc. v. Lowe’s Companies Inc.*, No 15-cv-8814 (S.D.N.Y. Aug. 3, 2016)(slip copy) reviewed claims directed to “methods and apparatus for instantly indexing multimedia data associated with real time events for analysis and retrieval.” On a motion to dismiss, the court found these claims eligible under both steps of the Alice test. The court summarized its understanding of step one as to whether the claims address a specific solution to a specific problem:

Having considered *Enfish*, the other cases that have applied Alice, and the policy reasons for excluding claims directed to abstract ideas from eligibility, it is clear that the main thrust behind step one is to determine whether the claim moves beyond a long-understood concept or simply seeks to monopolize one by masking it through the medium of technology. To resolve this question, a court must define the idea, and then ask whether that idea, in all of its generic permutations, essentially constitutes the invention, or whether the invention is to accomplish the abstract idea in a particular way. A court must, in other words, ask whether the claims are directed to a specific implementation to a solution to a problem. The point is not to deem ineligible any task or concept that can possibly be envisioned or performed by the human mind.

Id. at 18. Interestingly, the court found that “[e]ven if the ‘inventive’ aspect of the ‘693 Patent is just that it combines and re-organizes a collection of processes and concepts existing in the prior art, that does not mean the claims are directed to an abstract idea ineligible for patent protection.” *Id.* at 26. Instead, the court relied on the patent’s specification to find that it presents concrete, technical solutions to the perceived problems in the prior art. *Id.* at 27.

Each of these decisions was rendered on a motion to dismiss under Fed. R. Civ. P. 12(b)(6), though it is yet to be clear whether the limited record available in such instances has impacted jurists’ conclusions under the first prong of the Alice inquiry.

Software Claims Directed to Business/Economic Concepts Continue to Fare Poorly

Nonetheless, the majority of patents facing eligibility challenges following *Enfish* continue to fare poorly. In particular, software claims directed to business and economic concepts continue to fail at both the first and the second steps of the Alice inquiry.

In *GoDaddy.com LLC v. RPost Communications Ltd.* 2016 WL 3165536 (D. Ariz. June 7, 2016), the court applied *Enfish* to two patents. In the first, the claims were directed to a system for communicating and receiving electronic messages using a third-party intermediary. At bottom, the court found that the claims were a computerization of a third-party courier, “an abstract idea that has an extensive history dating back decades, if not centuries.” The claims merely organized data using “mathematical associations” that

could be performed manually — something akin to an unpatentable mental process. This was nothing more than “a method of collecting and providing information about a dispatch and its contents using a third-party intermediary,” and as a result, the invention “falls squarely within the ‘collection and organization of data’ characterization deemed by the Federal Circuit to be abstract.” The court distinguished *Enfish*, noting that the claims did not seek to improve computer functionality, but instead “simply recite conventional and generic technology to perform ‘generalized steps’ in a well-known computer environment.” The court also looked to the specification, noting that the fact it painted in broad strokes — claiming “any” relevant technology — further illustrated a “lack of specificity [that] underscores the abstract nature of the claims.” Under the second step of the Alice test, the court found the claims failed to add “significantly more,” as they did not cause an improvement in technology.

The court also struck down the second patent at issue in *GoDaddy.com*, which was directed to verifying whether an email is opened without the recipient’s cooperation. The court invalidated the patent because it is directed to the abstract idea of “collecting and providing information about the opening of a message.” In offering some guidance on the distinction between the two steps of the Alice test, the court stated that whether or not the recipient “cooperates” (i.e., the “novelty” of verification without cooperation of the recipient) is not relevant to the determination of an abstract concept in step one, but is only relevant whether the claims add an inventive concept under step two. Implementing the guidance from *Enfish*, the court argued that, at its core, the first step of Alice is to “ask whether the claims are directed to an improvement in computer functionality versus being directed to an abstract idea.”

In *Open Parking LLC v. ParkMe Inc.*, 2016 WL 3547957 (W.D. Pa. June 30, 2016), another district court considered claims directed to a system for monitoring and reporting open parking spaces to users’ mobile devices. The court, in evaluating patent eligibility under the first step, used the “pen and paper” framework to determine abstractness, arguing that substantially real-time data regarding available parking spaces could be performed manually, such as by a parking attendant and a sign. Therefore, the claims were directed to moving data from one place to another, which boils down to the abstract idea of organizing human activity. Tellingly, the court cited *Enfish* and its predecessors to acknowledge the uphill battle faced by such inventions: “fundamental economic and conventional business practices are often found to be abstract ideas, even if performed on a computer.”

Finally, in *Lendingtree LLC v. Zillow Inc.*, 2016 WL 3974203 (Fed. Cir. July 25, 2016), the Federal Circuit, citing *Enfish*, reiterated that though a definitive standard for what is an “abstract idea” does not exist, it is “sufficient to compare claims at issue to those claims already found to be directed to an abstract idea” and, as a result, business and economic practices are often found to be abstract. The claims, directed to a loan-application clearinghouse for coordinating loans, fell squarely within the realm of a fundamental economic practice, making them abstract.[2]

Conclusion

To be sure, *Enfish* and its progeny have not removed abstractness as a daunting issue for software patents. However, the decision and its progeny start to cut a path to avoid the difficult second prong of the Alice inquiry by showing that the patent covers a technical solution, rather than an “abstract idea” that is ineligible for patent protection.

—By Joseph Casino, Benjamin Daniels, Jonathan Hall and Andrew Bochner, Wiggin and Dana LLP

Joseph Casino is a partner and Benjamin Daniels, Jonathan Hall and Andrew Bochner are associates in Wiggin and Dana's New York office.

The authors would like to thank Abraham Kasdan, Michael Kasdan and Greg Rosenblatt of Wiggin and Dana for their input and assistance.

The opinions expressed are those of the author(s) and do not necessarily reflect the views of the firm, its clients, or Portfolio Media Inc., or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.

[1] Westlaw lists 25, but some decisions found in this article such as Audio MPEG Inc. v. HP Inc. and Iron Gate Security Inc. v. Lowe's Companies Inc., *infra*, are yet to be picked up in Westlaw.

[2] Interestingly, two of the above decisions used statements from the specification to support a lack of patent eligibility. In *GoDaddy.com*, the court relied on the specification's disclosure regarding the history of third party couriers to support its "abstract" determination, as well as the disclosure that the invention includes "all types" of information. Additionally, in finding the second patent abstract, the *GoDaddy.com* court relied on the specification's admission that the patent did not require any special email software. In *Lendingtree*, the court concluded there was an absence of "significantly more" under step two of *Alice*, since the specification indicated that "the aim of the invention is speeding up the loan-application process by enabling borrowers to avoid 'physically going to or calling each lender and filling out an application,'" thereby signaling that no technological problem was being addressed.

Global Patent Licensing and Litigation

Joseph M. Casino, Esq.
Michael J. Kasdan, Esq.

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Deciding Where To Obtain Patents

- A Global Patent-Filing Program can be extremely expensive, if not well-managed
 - Costs of Obtaining Rights
 - Costs of Maintaining a Global Portfolio
 - Enforcement
- But...the downside of not pursuing protection may be to allow unfettered competition in a substantial market, thus drastically impacting future revenues



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Deciding Where To Obtain Patents

- Align IP Strategy with Business Roadmap
 - Examine current and future anticipated product lines and associated revenues to identify key strategic patents
 - **Examine geographic scope of business**
 - Is there world-wide commercial potential? What are largest markets?
 - Identify markets where you manufacture and sell key products-lines for your own business
 - Do the same for your competitors' business as well
 - Streamline and balance

In general, popular places to get protection besides the United States include United Kingdom, Germany, Japan. And more recently countries like China and Brazil.

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The Rise of Global Litigation Strategies In Competitor Patent Cases

- Traditionally, Patent Actions have been filed in U.S. District Courts and the International Trade Commission (Section 337 Investigations)
- Why?
 - Often can obtain broad U.S. patents
 - Large market/high exposure
 - Easy access to courts, notice pleading, jury system, broad discovery, no loser pays as a general rule
 - Patentee advantages: large damage awards, possibility of treble damages, injunctions

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The Rise of Global Litigation Strategies In Competitor Patent Cases

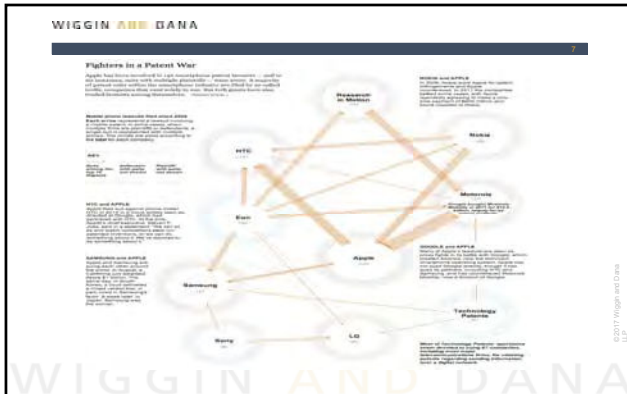
- Lately, in high stakes patent cases, filing suits in multiple jurisdictions has become more popular
- Why?
 - Diversify risks
 - Restrictions to forum shopping in the US
 - Good results in non-US forums.
 - Expands the exposure base for damages and the geographic reach of remedies; and
 - Provides multiple opportunities to obtain injunctions in key markets.

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The Rise of Global Litigation Strategies In Competitor Patent Cases

- Why?
 - The strategic advantages of:
 - using an early decision obtained in one forum to pressure the opposing party into a favorable settlement; and
 - increasing the pressure on the opposing party by increasing the number of disputes between the parties and the overall risk.

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Case Study: Apple's legal crusade against Android

"I'm ready to go thermonuclear war on this"
- Steve Jobs

WOULD YOU LIKE TO PLAY A GAME?

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Case Study: Apple's legal crusade against Android (cont.)

- Apple's N.D. Cal. lawsuit has resulted in \$1B jury verdict, but the Court denied an injunction.
- Meanwhile, Samsung has challenged the validity of the Apple Patents before the USPTO
- Apple has had additional victories in Germany and Australia, the Netherlands, and in the U.S. ITC
- Samsung's offensive countersuits have been largely unsuccessful to date

Apple's ongoing dispute with Samsung over Smartphones is a cutting-edge example of how patent litigations can be simultaneously conducted world-wide.

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Strategic Considerations

- Decision to sue in multiple jurisdictions and selection of where to sue is based upon:
 - Time to resolution
 - Litigation goals
 - Exposure to countersuit
 - Anticipated costs
 - Strength and nature of patents at issue
 - Procedural benefits of forum
 - Coordination of strategy

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Time to Resolution

- Speed of a forum is a key consideration
 - Speed to trial and patentee win rate are correlated
 - A quick infringement victory in one forum can provide leverage in the overall dispute.

Case Study:

Nokia/Apple Dispute

In October 2010, Nokia filed suit against Apple in the Delaware district court, alleging that the Apple iPhone infringed its GSM and wireless LAN patents. Later that year, Nokia introduced up the pressure by setting an ITU action pending infringement in the same patents, and a separate interference patent action, concerning different patents.

Apple counterattacked in the US but also took the fight overseas to Hong Kong in the UK and the German Düsseldorf court in the Hague Convention on its own patents. In response, after considering its own interests, Nokia sued Apple in Mannheim, Germany, and also in the Hague. Nokia also brought suit without warning to invalidate the Apple patents in the US.

Back in the US, Nokia kept up the pressure, after the ITU ruled in Apple's favor in February 2011, Nokia brought a new ITU action, this time alleging that Apple's iPhone, iPad and iPod devices infringed other patents, leading to the "locking" feature of the user interface and the free app store access.

The parties without delay transferred it to a hearing that has been scheduled to end Apple over \$500 million later.

Nokia's German patent claims decided before opponents claims in the US.

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Time to Resolution

- Speed of a forum is a key consideration
- An early decision in one forum can be used persuasively in another forum.

Case Study:

Apple/HTC Dispute
In March 2010, Apple initiated this patent dispute over smartphones and tablet devices, suing HTC in the US District Court for the District of Delaware and the HTC.

Apple won an initial victory in the HTC, securing the suspension of certain patents. It followed this up by seeking patent infringement lawsuits against HTC in Germany.

Despite Apple's early victory, HTC has so far mounted a successful defensive strategy by filing:

- Counterclaims against Apple in the HTC, just the District of Delaware, using patents it acquired from its rival, Google.
- An invalidity action in Germany.
- A revocation action in the UK, successfully persuading three Apple patents relating to the slide-out keyboard, multi-touch keyboards and certain touch screen user interface features.

In November 2012, the parties announced a settlement, accompanied by a five-year cross-licence agreement covering each party's current and future patents.

HTC filed a German invalidity action as well as a UK revocation action. It was able to expedite the UK proceeding based on the German Action.

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Litigation Goals

- Injunction/Force Competitor to Redesign or Exit Market
 - Since patent rights extend on a country-by-country basis, must seek injunctions in multiple forums.
 - However, the expense/risk profile of a large scale litigation or victories in significant markets can force a competitor's hand.
- Leverage in License Discussions (\$\$)
- Target jurisdictions where alleged infringer has significant sales of allegedly infringing products or key manufacturing/distribution sites.

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Countersuit Exposure

- A common defense strategy for accused infringer is to go on the offensive against the patentee using accused infringers own patents or purchased patents
- This can be an effective strategy to apply leverage
- A good offensive strategy will take into account potential counter-suits

Case Study:

Sony/LG Dispute
In December 2010, Sony filed actions against its South Korean competitor LG in a California district court and the HTC, seeking to prevent LG from importing smartphones into the US.

In February 2011, LG hit back with its own HTC action, claiming that Sony's PS3 violated certain of its patents concerning technology that allows videogame consoles to render 3D ray data.

LG also attacked Sony's PlayStation 4 Europe, seeking and ultimately winning an injunction from the Court of the first appeal in the Netherlands that prevented the consoles from being sold in Europe. The dispute led to 24 lawsuits worldwide before the parties settled in August 2011 by cross-licensing each other's patents.

Although Sony initiated the lawsuits, LG's countersuit against the Sony PS3 created leverage and led to settlement.

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Countersuit Exposure

▪ A corollary:

- The need to acquire and amassment of defensive patent portfolios to use in cross-license negotiations or as countersuit patents against aggressive competitors in the smartphone space drove some of the largest patent acquisitions in history

TOP 10 of 2012 PATENT SALES

#4 Apple Buys 695 Nortel Patents from Rockstar Consortium

The deal has slipped under the wire and gone on all year. The Rockstar Consortium won the Nortel auction of 6000 patents for \$4.5 billion in July of 2011. By November of 2012, the US Patent and Trademark Office reported that 695 of 1024 patents had already been registered to Apple as part of a deal. Apple has purchased the patents from the Rockstar Consortium which includes Rockstar, Sony, Microsoft, Research In Motion, Ericsson and EMC.

Total Sale Price: \$2.5 Billion

#1 Google Pays \$12.5 Billion for Motorola Patent Portfolio

May 2012: In a deal that began in August of 2011, Google Inc. acquired a sizeable portfolio of patents owned by Motorola. The process involved final approval in February from the US Dept. of Justice, and the European Union. Then in May the company received the final stamp of approval from the People's Republic of China. The bidding commissions are required to approve deals of such magnitude to prevent monopolies on sensitive technology.

Total Sale Price: \$12.5 Billion

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Budgetary Concerns

- Costs in U.S. are generally much higher due to broad discovery rules and motion practice.
- Litigation outside U.S. is generally much less expensive due to:
 - Entitled to far less or no discovery
 - Loser pays rules

Example: In Germany, there is virtually no discovery and court and attorney's fees are set by standard table. Lack of discovery drives the types of patent assertions that may be made.

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Patent Portfolio Selection

- Patents on Highly Visible Features:
 - High impact
 - Easy to show infringement

Example:

- The Apple patents found infringed by Samsung were:
 - U.S. Utility Patent Numbers 7,469,381 (relating to the screen-bounce-back feature); 7,844,915 (relating to pinch-to-zoom); and 7,864,163 (relating to tap-to-zoom); and
 - Design Patent Numbers D593,087 (design of iPhone back); D604,305 (iPhone home screen design, at right); and D618,677 (design of iPhone front).



Forum's Procedural Benefits and Differences

- Timing
- Costs
- **Fact Finder - Judge or Jury?**
- Availability of Preliminary Relief
- **Separate Forums for Addressing Infringement and Validity**
- **Available Remedies**
- Substantive Differences in Laws
- **Types of Available Patents**

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Types of Patents

- In comparison to Europe and Japan, U.S. Utility Patents may have broad functional claims.
- E.g., a blood glucose meter with a sample chamber of less than 1 microliter and a read time of less than 10 seconds.
- Unexamined *Utility Model Patents* are available and may be enforced in certain jurisdictions, such as Germany.
 - Can be a powerful weapon

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Separate Forums for Addressing Infringement and Validity

- Whether patentee's infringement claims and challenges to patent validity will be considered together is an important strategic consideration.
- In U.S. courts and ITC, validity and infringement are considered together. (Separate validity challenges may be made at USPTO)
- In foreign jurisdictions like Germany and Japan, validity is considered in separate nullity actions.
 - Patentee may obtain injunction if wins infringement action before nullity action addresses validity issues

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Example: Germany

- A number of reasons make Germany a very attractive venue for patentees in cases where accused infringers have large exposure there:
 1. Utility Model Patents (unexamined) are available
 2. No discovery
 3. Fast forum
 4. Infringement and Validity are tried in separate courts

Fact Finder - Judge or Jury

- In the U.S., both parties are entitled to a jury trial, if requested.
- In non-U.S. forums, patent infringement cases are generally heard by judges. Most do not have jury systems for civil cases.

Available Remedies

- Courts, as well as customs agencies like the U.S. ITC, in all major countries have power to order injunctive relief.
- Damage awards by U.S. juries are historically quite high. There is also potential for treble damages for willful infringement.
 - E.g., *Apple/Samsung*, *Kodak/Polaroid*
- By contrast, in foreign jurisdictions damages awards are lower and enhanced damages are uncommon and in many forums simply unavailable.

Questions/Discussion

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This presentation is a summary of legal principles.
Nothing in this presentation constitutes legal advice, which can only be
obtained as a result of a personal consultation with an attorney.
The information published here is believed accurate at the time of
publication, but is subject to change and does not purport to be a
complete statement of all relevant issues.

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China: Business and IP Landscape

Brandy E. Baker, Of Foreign Counsel
Kangxin Partners, P.C.



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Business Practices and Market Overview

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Competing on Global Level

- Outbound Investment
 - Purchase of Foreign Companies and Technology
 - Recently stricter controls on outbound transactions
- Asian Infrastructure Investment Bank
 - Proposed by China to support infrastructure projects in Asia-Pacific
 - 56 member countries
- International Community
 - Global involvement and hosting more events: Industry specific conferences, Olympics, WIPO office, international IP association events






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Changes in Business Practices

- Local companies experimenting with western management styles and techniques
 - Decentralized Management
 - CEOs relinquishing some of their control
 - Managers making some decisions, giving input
- M&A with foreign companies resulting in trial and error to integrate Chinese management-style with new company
 - Chinese and Western sides making more conscious efforts to understand each other

Asian vs. Western - Management Style

Asian	Western
Relationship	Rational
Flexible	Structured
Adaptive	Directive
Understanding	Doing

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Industries of Interest

- Growth of Services
- Environmental/Green Initiatives
- Auto industry, Transportation
- Mobile and Internet Technology
- Entertainment, Sports
- F&B
- Infrastructure projects

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What does this mean for foreign entities doing business in China?

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Preparing for China

Preparing for China Market – Legal Needs



- ✓ Enlist support
- ✓ Register IP ASAP
- ✓ Familiarize yourself with general legal framework
- ✓ China-fy your contracts
- ✓ Be prepared to take varied approach to protection/enforcement
- ✓ Know competition, infringement analysis
- ✓ Due diligence on potential partners
- ✓ Consider various options for entering
- ✓ Careful about sending cease & desist letters

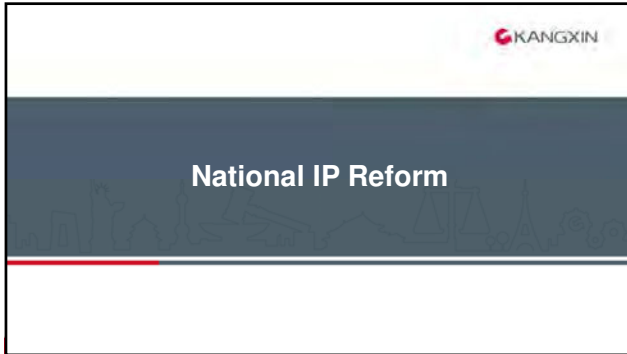
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Preparing for China Market – Other Considerations

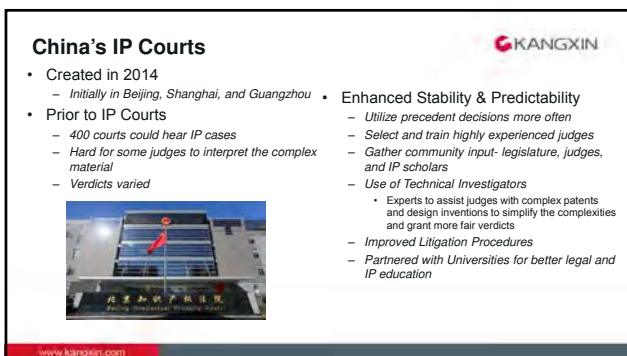


- ✓ Understand cultural differences
- ✓ Educate your team about IP – specifically in China
- ✓ Protect your trade secrets
- ✓ Get to know various markets within Mainland China, differences with Greater China
- ✓ Review budget
- ✓ Decide if truly ready to enter China

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Snapshot: Beijing IP Court

- 2016 stats
 - Accepted 10,638
 - Closed 8,111
 - Cited 279 case precedents in 168 cases
- Landmark Cases
 - Moncler vs. Beijing Nuoyakate Garment Co., Ltd
 - IWMComm vs. Sony
 - Facebook vs. Zhongshan Pearl River Beverages'
- Damage Award Averages
 - Patent infringement -RMB 1.41m
 - Trademark infringement -RMB 1.65m
 - Copyright infringement -RMB 458k

Milestones

- Opened 42 Sub-Centers and Workstations
- Created a hotline and email for the public to report infringing and counterfeit activity
- Established Case Completion Deadlines
- Regularly exchanging ideas with the international IP community

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IP Development

- Exponential growth in past 30 years
- Updated Laws, Regulations, Guidelines
- Large number of IP firms, becoming more international
- Busy IP offices
- Chinese applicants filing more internationally
- Intense domestic competition
- Active IP litigation scene
- Large China in-house IP departments

Source: WIPO, Administrative Data, last updated: 10/2017

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How does this IP Reform affect foreign entities in China?

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China's Future

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China's Global Growth

- Aiming for increased global presence
- Champion for globalization
- Become a global leader by 2050
- Amplify soft power
- Implement Silk Road Economic Belt
- International Media
- Host 2022 Winter Olympics
- Work with foreign parties to create common business practices
- Progressive economic growth
- Encourage High Value Service Exports
- Chinese traveling abroad, studying abroad



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Changes at Home

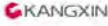
- Become a High-Income Nation
- Deregulate & Reform
 - State owned enterprises reform
 - Financial sector reform
 - "Hukou" changes
 - Welfare/Tax reform
 - Permit free competition
 - Redefine the government's role
- Increase Urban-Rural Integration
- Develop and Increase Agriculture Investments
- Service Sector
 - Create new elder care institutions
 - Permit private schools to set own fees
 - Promote more private investment into services
 - Increase Service Sector GDP Contribution Percentage from 50% to 70-80%



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IP/Technology Specific Goals

- China to be technology powerhouse by 2020
- Become Innovation Center of the World through "Indigenous Innovation"
- SIPO aims to become a Patent Leader and Educator
- Continue to create and reform a comprehensive National IP strategy and legal framework
- Patent quality over quantity
- Promote science and technology
- Further invest in Mobile and Internet Technology
- Build National IP Financing Platform
- Green Infrastructure, invest in renewable energy
- Patent Law amendments







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Considerations as China steps into its future?



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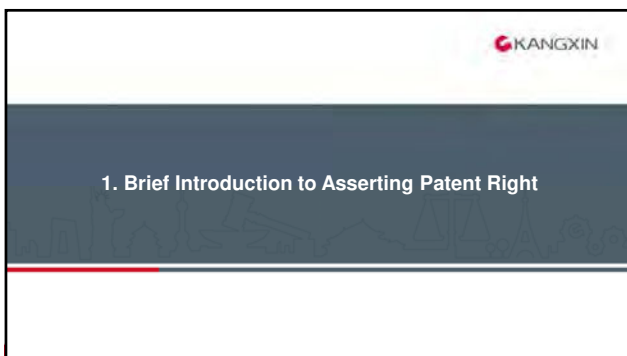
Thank you!

Brandy E. Baker, Of Foreign Counsel
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Legal basis : Article 11 of Chinese Patent Law

After the grant of a patent right for an invention or utility model, unless otherwise stated in this law, no entity or individual may, without the authorization of the patentee, exploit the patent, that is, make, use, offer to sell, sell or import the patented product, or use the patented process, and use, offer to sell, sell or import the product directly obtained by the patented process, for production or business purposes.

After the grant of a design patent, no entity or individual may, without the authorization of the patentee, can exploit the patent, make, offer to sell, sell or import the product incorporating its or his patented design, for production or business purposes.

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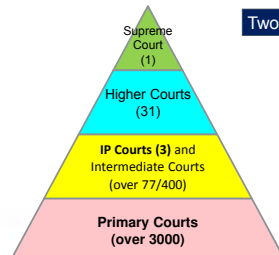
The Chinese Court System

Supreme People's Court	➔	The country's highest judicial body
Higher People's Court	➔	Provinces, autonomous regions and municipalities
Intermediate People's Court	➔	Districts and autonomous districts of Provinces and municipalities
Primary People's Court	➔	Township, autonomous town and Town of Rural of municipalities

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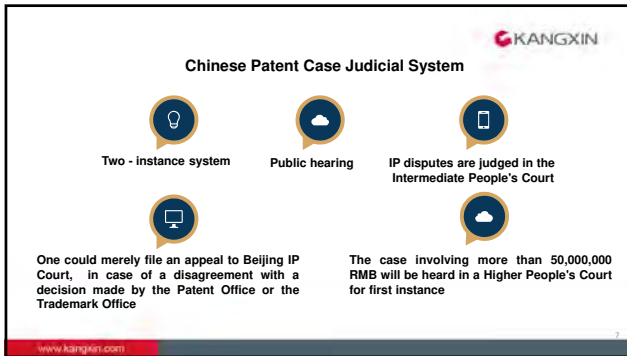
IP Courts in China



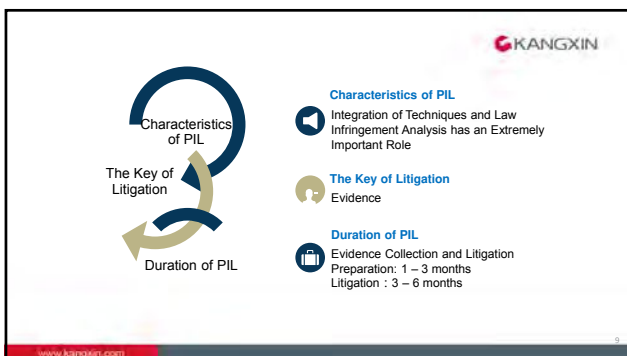
Two-Instance Litigation system



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2. Patent Infringement Litigation (PIL)



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Stage 1: Investigation and Evidence Collection

Investigation

Infringing Activities

Collection of Infringing Products and Relevant Evidence

Scale of Infringement

Infringing Entities

Analyzing Information Obtained from the above Investigations

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Evidence Collection

Requirements for Acceptable Evidence

Authenticity, Relevance, Legality

Certainty of Evidence

Methods of Evidence Collection

Purchase Infringing Products: Invoices, Physical Products

Notarized Purchase

Legitimacy of Notarization Procedures
Accuracy of Notarization Documents

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Stage 1: Investigation and Evidence Collection

For Processing Patent

Evidence + Injunction

Evidence: Photos, Product Instruction Manuals, Witness' Testimony, Expert Opinions etc.

For Invention Patents concerning manufacturing methods of new products, the burden of proof is on the Defendant

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Stage 2: Litigation Preparation

Litigation Feasibility Analysis

Potential Defenses Analysis

Litigation Strategy Preparation

Prior Judgment Analysis

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Stage 2: Litigation Preparation

Litigation Feasibility Analysis

Stability of Registered Patents:
 For Utility Model and Design Patent:
 Evaluation Report by SIPO
 For Invention Patent:
 File Wrapper during Patent Prosecution

Infringement Analysis

Possibility of Attainment of Pursued Purpose

Other Factors: Selection of Forum, Potential Defendant, etc.

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Qualification of Plaintiff

Patent Right Owner

Interested Party

Licensee of a license agreement

- Exclusive license
- Permission given from licensor

 Lawful heir of an issued patent

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Stage 2: Litigation Preparation

Venue selection

For Patent Infringement Cases, the Court which has subject matter jurisdiction is
the place of infringement;
Including, but not limited to: the place where infringing product is manufactured, used, offered for sale, sold, imported, etc; and where the consequence of aforesaid acts occur.
At the place of the Defendant's domicile.

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Venue selection

E.G.:
In a case only against the manufacturer of an infringing product and the places of manufacture and sales are different, the Court at the place of manufacture has jurisdiction;
In a case that manufacturer and seller are co-defendants, the Court at the place where the product is sold has jurisdiction.

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Stage 2: Litigation Preparation

Analysis of Potential Defenses

Products/Processes which are not Protected
Patent invalidation or suspension
"Prior Art" principle
"Patent Exhausting" principle
Other potential defenses

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Stage 2: Litigation Preparation

Claims for Patent Invalidation

In the process of PIL, it is a common strategy for a Defendant to file an application for Patent Invalidation with Patent Reexamination Board (PRB).

Courts MAY suspend PIL until the invalidation decision is finalized.

An important difference between PIL and Patent Invalidation Reexamination:
 PIL Judgments do not affect the validity of Patents.

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Claims for Patent Invalidation

Suspension of Litigation in different cases:

For Utility Model and Design - it will be suspended in principle. However, it may not be suspended if

Search Report/Evaluation Report provided by the plaintiff has novelty or inventive step;

Prior Art defense has been accepted by the Court; or Evidence for the invalidation application is obviously insufficient.

For Invention Patent – it will not be suspended in principle.

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Stage 2: Litigation Preparation

Preparation of Litigation Strategy

Litigation Purposes: Compensatory Damages, Stop Infringing Acts, Strike on Competitors (vengeance), Acquisition of more market share, etc.

Complementary Measures:

Preliminary Injunction, Evidence Preservation, Property Preservation, etc.

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Stage 2: Litigation Preparation

Preliminary Injunction

Acts, that unless stopped in a timely manner, result in irreparable harm to lawful rights and interests, the patentee or interested party may file an application with the Court to order to have such acts ceased prior to litigation.

Possibility of Infringement: comparing the technical features of patented technology with those of the alleged infringing product.

If the patentee or interested party files no civil action within 15 days from the date the Court takes the measure, the Court shall relieve the measure.

If the application is erroneous, the applicant shall compensate the losses suffered by the opposing party for ceasing the relevant act.

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Stage 2: Litigation Preparation

Preliminary Injunction

In PIL, if respondent's activities do not constitute literal infringement, Courts may consider it is not proper to grant preliminary injunctions, as decision can only be made after a further complex technical comparison.

Courts may be cautious when granting preliminary injunctions when respondents have initiated separate actions for confirmation of non-infringement or filed applications for patent invalidation with the PRB.

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Stage 2: Litigation Preparation

Evidence Preservation

evidence might be lost or might not be acquirable later.

patentee or interested party may file an application with the Court for evidence preservation prior to or during the course of trial.

Preservation Objects: accused infringing products/processes

Financial Books: Auditing

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Stage 2: Litigation Preparation

Preparation of claims and evidence

Pleading
Evidence Direct Evidence/Circumstantial Evidence Original Evidence/Hearsay
Description of Infringement Analysis
Application files of Evidence Preservation, Property Preservation, Preliminary Injunction, etc.

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Stage 2: Litigation Preparation

Evidence

Certificates of Right: Patent Certificate, Notice of Authorization/Patent Gazette, Receipt for Payment of Annual Patent Fee, License Agreement (Exclusive, Sole, General + Authorization) , Search Report (or Patent Evaluation Report)
Infringement Evidence: Accused Products (notarization of purchase), Description, Photo, Promotion Materials, etc.
Evidence of Damage: Basis for Compensation, Method of Calculation, Product Profit, Quantity of Sale, license fee, etc.
Requested Form of Extraterritorial Evidence: Notarization and Authentication of POA and Extraterritorial Evidence

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Stage 3: Litigation

File Pleading and Evidence

Formality examination by the Court within 7 days from the date of filing
Defendant's response must be filed within 15 days from the date of receipt of the complaint
Deliver Case Acceptance Notice to Defendant
Plead Defense by Defendant
File Statement of Defense Apply for Patent Invalidation Invoke Objection of Jurisdiction Prepare and Analyze Evidence
Time Limit for Production of Evidence , Evidence Exchange, Pre-hearing for cross-examination

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Stage 3: Litigation

Issuing the summons at the hearing

Within 2 to 4 months, counting from the date of the complaint's acceptance

The hearing

Cross examination of evidence
 Authenticity, relevance, legality
 Certainty of object and content of evidence

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Stage 3: Litigation

Determination of infringement

Literal infringement

The infringing product covers all technical features of the claim

Equivalent infringement

Means + function + effect, basically identical
 No inventive step for a person skilled in the art

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Stage 3: Litigation

Determination of infringement

Court Session

Check Parties Attendance and Procedures of Trial

Court Investigation: Reading of Pleading, Statement of Defense, Production of Evidence and Cross-Examination

Court Debate

Mediation and Closing Statement

After Hearing

Submit Representation

Submit legal Opinions etc.

Settlement

Court Makes Judgment, Ruling or Mediation Agreement

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Stage 3: Litigation

Key Issues in PIL Court Session

- Probative Force of Evidence
- Infringement Analysis – whether accused products/processes fall within the scope of patent **protection** – **Principles of Patent Infringement Judgment**
- Validity of Defendant's Defense
- Grounds for Amount of Compensation

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Stage 3: Litigation

Issues on Expert Evaluation

- Timing of Evaluation Application
- Courts will authorize or designate Evaluation Institutions, both parties can present opinions
- Technical Issues: **able to be evaluated**
- Legal Issues: **unable to be evaluated** by Evaluation Institution
- Cross-examine Conclusion of Evaluation

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Litigation

Length of Trial

- First instance**
6 months for domestic parties
6-12 months if a foreign party is involved
- Second instance**
3 months for domestic parties
3-6 months if a foreign party is involved

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Litigation

Statute of limitations for initial a litigation action is 2 years from the date on which the patentee or any interested party obtains or should have obtained knowledge of the infringing act.

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Countermeasures of Defendant

Filing of Litigation for confirmation of non-infringement

The patentee sending warning letters;
The infringer or interested party sending written demands, urging the patentee to bring litigation;
Within 1 month from receipt or 2 months from sending the written demand, the patentee neither withdraw the warning letter nor bring litigation.

Application for Objection on Jurisdiction

Infringement litigation will be suspended;
Duration of first instance and second instance: about 2-3 months.

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Countermeasures of Defendant

Defense of Non-infringement

Defense of Prior Art

- ✓ If the accused infringer has evidence to prove that the technology or design they utilized falls under an existing technology or design, their act of exploitation shall not constitute a patent right infringement.
- ✓ Only one piece of prior art/prior design + common knowledge.

Grounds for Exemption

- ✓ Where an organization or individual, for the purposes of production and business operation, utilizes, offers to sell or sells a patent infringing product without knowing that such a product is produced and sold without licensing from the patentee, they shall not be liable for compensation provided that the legitimate source of the product can be proved.

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Countermeasures of Defendant

Defense of Prior Use

- ✓ before the date of filing of the patent application.
- ✓ any person who has already made the identical product, used the identical process, or made necessary preparations for its making or using, continues to make or use it within the original scope only.

Claims for Patent Invalidation

Within 15 days of defendant's response

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Civil Liability

Ceasing all infringing acts(permanent injunction)

Payment of damages/compensation, four step calculation

The loss suffered by the plaintiff from the infringement

The profits earned by the accused infringer from the infringement

Up to 3x the reasonable value(market value) of a license fee

Statutory damages/compensation (10 thousand RMB to 1 million RMB)

Reasonable disbursement for stopping the infringement, including attorney fees, fee for investigating and collecting evidence etc.

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3. Patent Infringement Administrative Action

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Procedures
Patentee discovers infringement and then files complaint with local IPO; If complying with certain conditions, IPO will decide to accept the case; IPO will conduct mediation, and if it fails, IPO will make a decision.
Advantages
Cases can be processed in a short time and rapidly concluded(2-3 months); Low Cost; Judicial review by a court is possible.
Disadvantages
Certain local IPOs do not have authority to deal with every sort of case (Yiwu); No Compensation can be granted.

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Illustration Case: Patent Administrative Action
 Siemens AG. v An anonymous Wenzhou Company

Facts:

After a thorough investigation, Siemens found a Wenzhou company sold and offered to sell suspected infringing products.

In 2011, Siemens filed a complaint at Wenzhou IPO. The IPO delivered the application and notice of defense to the suspected infringer. Whereafter, IPO officers conducted an on-site investigation.

The Wenzhou company requested for a settlement. The IPO conducted a mediation between two parties.

Outcome:

Two parties settled.

Wenzhou company agrees to stop sales of infringing product and compensate Siemens with a reasonable amount.

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Q&A

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Overview China IP System



- Civil Law Legal System
- First to file Doctrine
- Two Track Enforcement System
- Comprehensive trademark protection legal frame
 - Trademark Law
 - Copyright Law
 - Anti-unfair Competition Law
 - Trade Dress Protection
 - Trade Secret Protection
 - False Advertisement

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Formulating Strategy of IP Enforcement



Formulating Strategy



- Goals of Enforcement
 - Permanent Injunction
 - Civil Compensation
 - Licensing
 - Market Share
- Identifying the real legal Issues
 - Investigating the infringement and infringer
- Company Resources
 - Budgets
 - Timing
- Type and Scope of the Infringements/Counterfeits
- Alternative Methods

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Considering Factors

- Use people who know how to operate the system
 - Not knowing or acting in time is not an acceptable excuse in Chinese courts
- Understand who can do what in China
 - Investigators
 - local IP agents/attorneys/courts
 - local government
- Avoid Local Protectionism

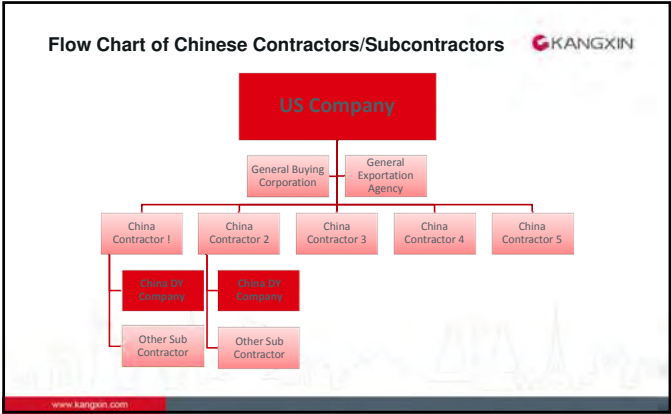
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Enforcement Case Study

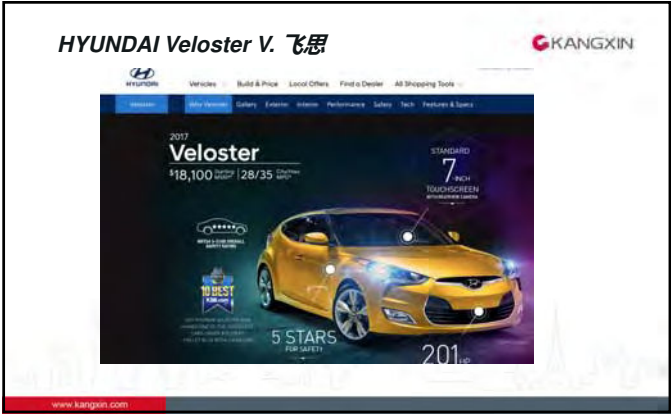
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Trademark Squatting Case Bad Faith Registration

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MONCLER Case

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- RMB 3 million against the infringements was fully rewarded based on the specific and serious circumstances of infringing acts, which is the first case upholding the maximum statutory compensation of RMB 3 million by Beijing IP Court.



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Evidence Rule for High Compensation

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- Evidence proving the high reputation of the right holder's trademark
- Evidence to prove the seriousness of the infringements, including the High similarity between the infringing trademark and the claimed trademark of the plaintiff, and the long duration of the infringement; the high price of the infringing products which means both the infringing profits and the losses of the right holder should be high
- The subjective bad faith of the infringer is obvious and the consequences of the infringement are serious

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EtonHouse wins trademark infringement lawsuit against Chinese company Etonkids

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EtonHouse wins trademark infringement lawsuit against Chinese company Etonkids



- SINGAPORE - EtonHouse International Education Group has won a trademark infringement suit against the Chinese Etonkids Educational Group, marking an end to a legal tussle that has stretched for more than two years.
- The preschool and international school operator, headquartered in Singapore, was granted 800,000 yuan (S\$163,680) in statutory damages by Beijing's Intellectual Property Rights Court, who ruled in favour of EtonHouse's claims on Friday (Sept 29).
- Founder of EtonHouse Mrs Ng Gim Choo said: "We are greatly encouraged by the judgement. Our victorious trademark infringement case is also a win for other foreign companies and a testimony that intellectual property is protected in China."
- "EtonHouse remains committed to protecting our brand's reputation in China and across the world."

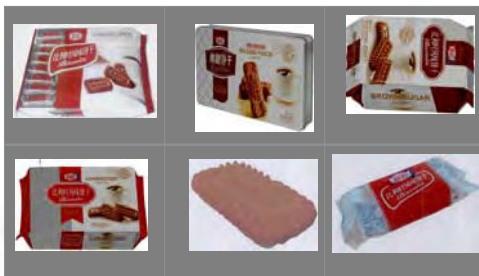
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Anti-Unfair Competition Litigation Case



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Design Patent owned by the Defendant



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Issues to be considered

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- On site investigation;
- Notarized Purchase with Notary Publics
- Collecting evidence to prove the well-known status of the right owner
- Filing anti-unfair competition litigation
 - Whether the Package is distinctive
 - Whether the products of the plaintiff is well-known in China
 - Whether the mark  should be considered to be used in Commerce from Judicial Point of view

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General Litigation Process

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- In-depth investigation, from which the defendant's factory and its business site as well as sales shop could be found
- Notarized purchase on infringing products was successfully made, to get favorable jurisdiction, the business site of the defendant and its sales shop were chosen as purchase targets rather than its manufacturing factory
- Written application for evidence preservation was filed to the court when bringing lawsuit before the court, During action of evidence preservation, large amount of accused infringing products might be successfully seized
- To support the compensation claims, the plaintiffs sales price list for the infringing product and evidences relating to all disbursements including notarization and attorney fee, should be submitted to the court
- Mediation/Judgement of the court

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New IP Courts in China

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New IP Courts

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- Beijing IP Court
- Shanghai IP Court,
- Guangzhou IP Court
 - Intermediate Level
 - Courts of appeal

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General Jurisdiction of IP Courts

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- Civil and Administrative Cases referring to Patent, New Plant Variety, Layout Designs of Integrated Circuit, Technology Know-how, Computer Software
- Administrative cases brought against the administrative acts involving copyrights, trademarks, unfair competition, etc. that are committed by the departments of the State Council or local people's governments at and above the county level
- Civil cases involving the recognition of well-known trademarks.

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Special Jurisdiction

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- The following administrative cases of first instance shall be governed by the Beijing Intellectual Property Court
 - Objections against the rulings or decisions made by the departments of the State Council on granting or affirming patents, trademarks, new plant varieties, layout designs of integrated circuits and other IPRs
 - Objections against the compulsory licensing decisions, or the rulings/decisions on compulsory licensing fees or remunerations, made by the departments of the State Council on patents, new plant varieties and layout designs of integrated circuits
 - Objections against other administrative acts committed by the departments of the State Council that are related to the granting or affirmation of IPRs
- The IP Intellectual Property Court shall exercise cross-regional jurisdiction within its own provincial area

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Tips for Brand Protection in China



- Timely registration of your trademark, trade name and its Chinese transliteration
- Comprehensive trademark and trade name searches to screen out any potential conflicts
- Keeping abreast of your competitors by various IP monitoring
- In case of infringement, formulating well-thought-out tactics with local counsel
 - Having your case heard in “safer city” to avoid local protectionism
 - Utilizing in-house private investigator to get solid infringement evidence
 - Administrative action is quick and inexpensive to stop small localized infringement
 - Litigation is wonderful tool to combat highly complicated cases
 - In case of controversial cases, requesting experts opinions to influence the authorities.

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Thanks for your attention



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COURTS

State of New York
*US Court of Appeals for the
Federal Circuit*
*US District Court
(District of Connecticut)*
*US District Court
(Eastern District of New York)*
*US District Court
(Southern District of New York)*
US Supreme Court

Joe is a partner in the firm's Intellectual Property Practice. He has 20 years of experience as a lead counsel in patent litigation in more than 100 cases. He has also advised clients on complex licensing matters, patent monetization issues, patent portfolio development and worldwide intellectual property strategic counseling.

He has appeared in patent cases in federal courts throughout the country, including the District of Delaware, District of Connecticut, Northern District of Georgia, Eastern District of Virginia, District of Massachusetts, Eastern District of Texas, Northern District of California, Southern District of California, Central District of California, District of Colorado, District of Minnesota, District of New Jersey, Southern District of Florida, Northern District of Illinois, Northern District of Ohio, Western District of Wisconsin and the Eastern District of Michigan. The Eastern District of Texas is a particular focus of Joe's recent work, where he has represented clients in more than 25 cases there.

Joe has a great deal of experience with high stakes patent cases, including technologies relating to consumer electronics, aerospace, computers, hybrid electric vehicles, semiconductors, cellular phones and systems, medical devices, and batteries. Representative cases are described in the experience tab.

Joe has been the lead negotiator in a number of large out-of-court cross-license negotiations for major companies. Joe has also represented clients before the International Trade Commission, which were all favorably resolved for his clients.

Joe graduated with a B.S. *cum laude*, in Computer Science, from Brooklyn College, Brooklyn, New York. He received his J.D. *cum laude*, from Brooklyn Law School, where he was the Executive Notes and Comments Editor for the *Brooklyn Journal of International Law*. Joe was a teacher and computer consultant prior to his career in law.

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COURTS

*US Court of Appeals for the
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*US District Court
(Eastern District of New York)*

*US District Court
(Southern District of New York)*

US Supreme Court

Michael is a partner in the firm's Intellectual Property Practice and is a member of the Diversity Committee. He has negotiated, defended and asserted IP rights in the numerous federal courts, the US Patent and Trademark Office, the International Trade Commission and in private arbitrations and mediations. As an advisor, he has worked with both established companies and start-ups to obtain, evaluate value, license and develop patent portfolios and trademarks.

Trained in electrical engineering and with a business background as a technology consultant, Michael works with a broad range of technologies, including consumer electronics, wireless devices, medical products and devices, computer architecture, software and networks, open source issues, semiconductor chips and Internet and e-commerce platforms.

His clients rely on him to resolve both large and small patent, trademark, and copyright cases efficiently and cost-effectively. For example:

- In a fast-moving ITC case, he spearheaded the two key claim construction issues for the joint defense group. The Administrative Law Judge took the unusual step of agreeing to stage the claim construction phase on potentially dispositive terms early in the case. The success in getting the Court to agree to an early claim construction phase drove favorable early settlements for numerous defendants.
- In a competitor semiconductor case brought as part of a global patent war involving the major electronics companies, he was instrumental in the defense of patent infringement claims and helped to obtain a jury verdict of non-infringement for his client.
- Michael was involved in the defense of a series of patent claims asserting infringement of mechanical processes, inspection processes and the materials structure of diaper and training pants products, among two competitors in the field.

Michael also counsels clients on strategic patent prosecution and portfolio development, and provides opinions and analyses on various patent issues, including patent infringement, validity and enforceability.

During 2008-2009, he was seconded to Panasonic Corporation in Japan. As in-house patent counsel in Panasonic's licensing center, he acted as lead counsel representing the company in numerous third-party patent assertions and license negotiations, where he was responsible for

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developing substantive defensive positions. Michael also provided legal opinions across a broad set of technology areas and in many facets of patent law, and negotiated complex agreements, including portfolio cross-license agreements. In addition, he worked with the company's managers and engineers to identify high value patents and to strengthen their protection and mitigate exposure to infringement claims.

He frequently writes and speaks on a range of topics including IP litigation, standard essential patents, patent monetization, valuation and licensing practices, how to address IP issues for start-up and early stage companies, patent eligibility, patent exhaustion, willful infringement, patent misuse, patent valuation and inequitable conduct. Michael was interviewed on CNBC's public television *Nightly Business Report* regarding the Maps features of Snapchat and its privacy implications. His articles have been published in leading publications, including LEXIS, Practical Law Company, IP LAW 360, Bloomberg/BNA, and Managing IP Magazine. He is the sole author of Practical Law Company's *Practice Note on Patent Law* and the Lexis *Practice Advisor on Patent Licensing*. Michael was selected to author the chapter on Patent Licensing and Monetization of the *Oxford Handbook of Intellectual Property Law* (Oxford Press, 2017). Michael has also been the keynote speaker at conferences addressing topics such as diversity and mentorship.

Michael also teaches as an adjunct professor at his alma mater, NYU, as well as at New York Law School, addressing topics such as IP licensing, global patent litigation, patent exhaustion, and inequitable conduct. He has also guest lectured at the NYU Business and Law Clinic, the NYU School of Medicine, and at New York Law School and Seton Hall Law School. He clerked for the Honorable Judge Roderick R. McKelvie in the United States District Court for the District of Delaware.

Michael received his J.D. *magna cum laude*, from New York University School of Law. He was a member the NYU Law Review, the Order of The Coif, and was Fish & Neave Fellow for the Engelberg Center on Innovation Law and Policy, and served as President of the Intellectual Property and Entertainment Law Society. He is the Co-Chair of the Media Committee for the NYIPLA (NY IP Lawyers Bar Association) and also serves as a member of the Legislative Action Committee.

Michael also received a B.S.E. in Electrical Engineering, *magna cum laude*, from the University of Pennsylvania. He was a member of Eta Kappa Nu and Tau Beta Pi, Engineering Honor Societies, and a member of Penn Parliamentary Debate Team.

Outside of work, Michael serves as the Director of Communications and Development of the non-profit MyChild'sCancer. He also serves on the Board of the SouthNextFestival. He was formerly the Chairman of the Board of the non-profit CityScience, which focuses on improving STEM Education in our cities. He is also a contributor for *The Good Men Project*. He has spoken on a variety of issues on major media networks, including CNN Headline News, Al Jazeera America, NPR, and CBC Radio,

Michael J. Kasdan PARTNER and his writings have appeared in well-known publications such as *The Huffington Post*, *Salon*, *The BBC*, *The Daily Dot*, *Money* and *Redbook*.

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Frank Duffin is a partner in the firm's Corporate Practice Department and is chair of the Trademark Group. Mr. Duffin's practice focuses on assisting clients in the development, protection and exploitation of their trademarks, copyrights and other proprietary works.

Formerly a Trademark Examining Attorney with the U.S. Patent and Trademark Office, Mr. Duffin practices all aspects of domestic and international trademark law, trade name and domain name matters. Mr. Duffin counsels clients on clearance, procurement, and maintenance of their trademarks, providing strategic planning and management of domestic and international trademark portfolios. As part of the global management of client's portfolios, Mr. Duffin coordinates and oversees all phases of international litigations, oppositions and cancellation proceedings, including proceedings before the U.S. Patent and Trademark Office Trademark Trial and Appeal Board. Mr. Duffin also advises clients on enforcement and policing of their proprietary rights, including domain name disputes, coordination of investigations of potential infringers, risk/benefit analysis concerning actions against potential infringers, implementation of effective enforcement strategies, negotiating settlement and coexistence agreements, licenses and other creative methods of resolving conflicts.

Mr. Duffin is a member of the Intellectual Property Law Section of the Connecticut Bar Association, the New York International Property Law Section of the New York State Bar Association, and the International Trademark Association ("INTA"). He has served on various INTA committees, currently serving on the Government Officials Training Committee. Mr. Duffin formerly served as Chair of the INTA Information Resources Committee (2006-2007). Mr. Duffin co-authored "Best Practices in Protecting and Enforcing Trademarks, Copyrights, and other Intellectual Property Rights" published in the Winter 2009 issue of the *Franchise Law Journal*; and co-authored "Post-Termination Internet Violations: Who Fixes and How?" appearing in *Franchising World* August 2007. Mr. Duffin is included in *The Best Lawyers in America* (2007-present) (for more about the standards for inclusion in *The Best Lawyers in America*, please see www.bestlawyers.com/about/methodologybasic.aspx).

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Currently Mr. Duffin is an Adjunct Professor of Trademark and Copyright Law at Quinnipiac University School of Law and is the Chair of the Wiggin and Dana Alumni Relations Committee.

Mr. Duffin graduated with a B.A. from Central Connecticut State University. He received his J.D. from the University of Bridgeport School of Law, currently known as Quinnipiac University School of Law, and is a member of the Phi Delta Phi legal honors fraternity.

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*US District Court
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*US District Court
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*US District Court
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Abe is a partner in the Intellectual Property Practice, with many years of experience handling intellectual property matters. His practice covers all areas of patent law, including patent litigation, patent licensing, strategic counseling of clients in regard to their IP needs, and patent procurement.

Abe's technical credentials include a Ph.D. in Physics and more than fifteen years of research and development experience at a number of prominent research laboratories. As a former scientist, he has in-depth knowledge that covers a wide range of technologies including electronics, optics, semiconductor processing, and materials science. This knowledge and experience makes him particularly well equipped to handle all aspects of high tech patent disputes.

He puts his deep background and unique perspective to use in the day-to-day handling of complex patent litigations, counseling clients in all aspects of patent-related problems and technology licensing, and providing opinions as to whether patents are valid or infringed. In addition, he oversees patent prosecution activities aimed at providing his clients with strong patent protection.

Abe graduated with a B.S. *magna cum laude*, in Physics from The City College of New York. He received his Ph.D. in Physics from New York University and received his J.D. *cum laude* from New York Law School. He is also an adjunct professor at New York Law School.



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Sapna is a partner in the firm's Intellectual Property Practice covering patent, copyright and trademark matters. In the patent area, her practice focuses on an array of technologies, including pharmaceuticals, biotechnology, drug delivery systems and medical devices, with an emphasis on Hatch-Waxman patent infringement cases. She has over 15 years of experience in patent litigation and experience in various jurisdictions including the Federal Circuit and federal courts in Delaware, District of New Jersey, Eastern District of Virginia, Eastern District of Texas, Southern District of New York, Southern District of Florida, Northern District of California and the District of Maryland.

Sapna counsels a variety of US and international clients regarding US intellectual property law by providing them with infringement, validity, enforceability and clearance opinions, and by advising them in licensing and antitrust matters, conducting intellectual property due diligence investigations in connection with acquisitions and licensing deals and preparing responses and amendments to office actions, appeal briefs, and reexamination briefs for submission to the United States Patent Office. Sapna also counsels clients about Indian patent law.

Outside the patent area, Sapna is also experienced in trademark and copyright litigation as well as in counseling clients on trademark and copyright registration, strategy and licensing.

Sapna frequently writes and speaks on a range of topics including developments in pharmaceutical, biotechnology and medical devices patent law, patent reform, biosimilars regulations, intellectual property law in Asia, and developments in e-discovery. Her programs have been presented by Practising Law Institute and WestLegal Ed and she has been published and quoted in Leading publications, including *Forbes*, *Pharmaceutical Patent Analyst* and *Bloomberg/BNA*.

Sapna teaches as an adjunct professor at Pace University School of Law addressing antitrust and patent topics. She clerked for the Honorable Judge Robert J. Hurley of the United States District Court for the Eastern District of New York.

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Sapna is on the Board of Directors of the Asian American Bar Association of New York. Previously she was a Co-Chair of its Women's Committee. Sapna is also a member of the New York Intellectual Property Association and a member of its Legislative Action Committee.

Sapna received her J.D. *summa cum laude* from Pace University School of Law. She was a member of the *Pace Environmental Law Review* (Notes and Comments Editor). She received her B.B.A. *magna cum laude*, in International Management with Pre-Medical Concentration from Pace University. She authored research papers entitled *Carbohydrate Inactivation of Bacteriophages T1 and T7* (May 1993) and *Hydrogen Peroxide and Ultraviolet Inactivation of T1 and T7* (May 1994) published by the American Society of Microbiology. She received the Medal for Distinction in University Honors Program and a Medal for Outstanding Scholarship in International Management.

Sapna has lived and studied in both India and Tanzania. She is fluent in Hindi and Marathi and conversant in French.



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(District of Connecticut)*

Gregory S. Rosenblatt, is a partner in the Intellectual Property Practice Group, whose practice has primary emphasis on patent law. He graduated from Cornell University with a degree in Materials Science and Engineering and received his law degree from New York Law School. Mr. Rosenblatt is a member of the New York and Connecticut Bars and is registered to practice before the United States Patent and Trademark Office. Greg has patent law experience with a diverse range of technologies including metallurgy, materials processing, inorganic chemistry, electronic packaging, aerospace, ammunition and defense. In addition to patent application drafting and prosecution, he has conducted a number of patent reexamination and reissue proceedings, and has experience with the International Trade Commission (ITC) proceedings and export regulations and foreign patent practice, including oppositions. Mr. Rosenblatt is also a lecturer and author.

Before associating with the firm, Mr. Rosenblatt was in-house counsel to Olin Corporation with responsibilities for the Brass, Winchester, Aerospace and Defense Groups. Before employment with Olin, he was a research and development engineer for Semi-Alloys Inc. of Mt. Vernon, New York specializing in metallurgy and electronic packaging.