

# MASSACHUSETTS LAWYERS WEEKLY

## Top 10 IP cases and happenings of 2015

By: Kirk Testa December 17, 2015



Without further ado, the top intellectual property cases of 2015 are:

### 1 A narrowing of de novo review in patent cases

A federal District Court judge decides what a given patent claim means during a "Markman hearing," which is a key part of patent litigation both for infringement and patent validity purposes.

Only after the District Court's claim construction ruling does the jury decide the infringement and validity issues. The Federal Circuit has long reviewed a District Court's claim construction ruling de novo.

In *Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc.*, decided in January, the U.S. Supreme Court applied Federal Rule of Civil Procedure 52(a)(6) to patent cases and held claim construction, insofar as it involves questions of fact, cannot be set aside by the Federal Circuit unless the District Court's claim construction was clearly erroneous.

Still, in cases in which claim construction involves questions of law, de novo is proper.

In light of the decision, patent litigators will want to choose carefully how they approach claim construction issues in order to reduce or enhance the chance for de novo review, as best suits the particulars of a given case.

### 2 Royalties on an expired patent

Long ago, the Supreme Court ruled in the *Brulotte* case that when a patent expires (typically after about 17 years), everyone is free to use the patented invention without paying royalties. Accordingly, even if someone agreed in a contract to pay the patent owner royalties after the patent expired, such a contract provision was null and void.

In *Kimball, et al. v. Marvel Entertainment, LLC*, the patent owner invented and patented a spider-man-like web shooting toy. Marvel ended up agreeing to pay a 3 percent royalty in a contract that did not expire.

After the patent expired (and when Marvel finally learned about the *Brulotte* case), Marvel stopped paying royalties and the patent owner sued seeking to overturn *Brulotte*.

The Supreme Court held that even bad-for-business precedent sometimes must remain precedent and ruled in favor of Marvel. The case does, however, set out various license provisions that may be upheld after a patent expires. So, IP owners may still find ways to validly receive royalties post-patent expiration.

### 3 BAA overreaches on Boston Marathon® trademark

The Boston Athletic Association owns the Boston Marathon® trademark and opposed an application for trademark registration of Marathon Monday™ by Velocity, LLC, for various clothing items.

The Trademark Office found that although Boston Marathon® is associated with the BAA, Marathon Monday™ is not. Thus, the BAA's opposition failed.

### 4 Software patent problems

After last year's Supreme Court *Alice* decision, patenting software algorithms got a little tougher.

Those who track post-*Alice* decisions report that numerous software patents have bitten the dust and numerous software patent applications have been rejected by the Patent Office in light of *Alice*. See, for example, the [Bilskyblog.com](http://Bilskyblog.com) for current statistics.

Still, in September, our own federal District Court denied a motion for summary judgment of patent invalidity based on an *Alice* attack in *DataTern, Inc. v. Microstrategy, Inc.*

So, for some software patents, there is at least some hope. Not so much for business method patents.

### **5 Software patents: more problems**

Software patents also are facing challenges on another front. In a couple of cases in 2015, the Federal Circuit held that software patent claims may be construed as means plus function claim language rendering the patent narrowly limited to the specific algorithms disclosed in the patent. And, if the algorithms are not sufficiently detailed, then the patent is invalid. See *Media Rights, Inc. v. Capital One Fin. Corp.*

### **6 Google Books© challenge**

The "Google Books" project resulted in tens of millions of digital copies of books that can be searched to view snippets of text containing the specific search term or terms used. Various authors sued Google for copyright infringement.

In *Author Guild v. Google, Inc.*, the 2nd U.S. Circuit Court of Appeals found such use of the plaintiff's books constituted fair use: Google makes information about the books available to the public for free as opposed to engaging in actual copyright infringement.

### **7 A twist on the on-sale bar**

Once you sell, or even offer to sell, a product, you have only one year to file a U.S. patent application for the product. This "on-sale bar" has existed for a long time. But what if the sale is *to* you as opposed to *by* you?

In *The Meds. Co. v. Hospira, Inc.*, Meds Co. secured patents on Angiomax®, an anticoagulant drug. But more than one year before the patent applications were filed, Meds Co. hired a laboratory to produce the drug, resulting in the laboratory selling the drug to Meds Co. As a result, the drug was on-sale and the resulting patents were held invalid.

### **8 Patent claim held sufficiently definite under new standard**

Last year, in *Biosig Instruments, Inc. v. Nautilus, Inc.*, the Supreme Court overturned longstanding law that a patent claim was invalid as indefinite only if the claim was "insolubly ambiguous." Under such a standard, it was very difficult to invalidate a patent claim based on indefiniteness grounds.

Under the Supreme Court's new relaxed standard, a patent claim is invalid as indefinite if it fails to inform those skilled in the art about the scope of the invention with reasonable certainty.

One would think, then, that it might now be easier to invalidate a patent. On remand to the Federal Circuit, however, the patent claims at issue were held sufficiently definite to meet even the new standard.

The case concerns a patent for a stair climber or exercise bicycle heart rate monitor. Claimed were spaced heart rate monitor electrodes without any specifics on the spacing. Since it was pretty clear the user's hand must contact the spaced electrodes, the patent claims were determined to be sufficiently definite.

### **9 Patent infringement by inducement**

There are a few different species of patent infringement: direct infringement, inducement and contributory infringement.

Direct infringement usually means selling a product that violates a patent. Inducement is kind of like aiding and abetting a direct infringer. Contributory infringement is selling a component knowing it will be incorporated into a product that infringes.

Sometimes, damages are higher under a theory of inducing patent infringement than direct infringement where, for example, a defendant sells products that infringe a patent only when used by purchasers of the product.

But proving inducement means the patent owner has to show the defendant knew about the patent and also knew that the induced acts were infringing. Such proof is not required in direct infringement cases since direct infringement is a strict liability offense.

So, in inducement cases, does it matter if the defendant believed the plaintiff's patent was invalid? After all, an invalid patent cannot be infringed.

Reasonable minds can disagree, but in *Commil USA LLC v. Cisco Systems, Inc.*, the Supreme Court held that patent infringement and patent validity are separate issues, and an invalidity belief is not a defense to inducement.

Accordingly, in any case in which there could be a charge of inducement, an opinion of counsel regarding non-infringement will be required in addition to any opinion concerning the validity of the patent.

#### 10 Inducement (again) leads to expanded scope of direct infringement

In 2014, the Supreme Court held that if there is no direct infringement of a patent (as when, for example, some steps of a patent method claim are performed by one company, but other steps are performed by another company or a user of a product), then there can be no infringement under an inducement theory.

The case involved an MIT patent and began in U.S. District Court in Massachusetts. On remand and en banc, the Federal Circuit effectively expanded what it means to be a direct infringer (under 35 USC §271(a)):

"We conclude, on the facts of this case, that liability under §271(a) can also be found when an alleged infringer conditions participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method and establishes the manner or timing of that performance." *Akamai Techs., Inc. v. Limelight Networks, Inc.*

So, if no direct infringement then no inducement, but now it's easier to find direct infringement. **MLW**

*Kirk Teska is managing partner of Iandiorio, Teska & Coleman in Waltham and an adjunct professor at Suffolk University Law School. He also is the author of two books: "Patent Savvy for Managers" and "Patent Project Management."*

Issue: DEC. 21 2015 ISSUE

Full-text opinions online

Copyright © 2015 Massachusetts Lawyers Weekly

10 Milk Street, Suite 1000,

Boston, MA 02108

(800) 451-9998

