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Editor's Corner

In a precedential decision, *Ex parte Rodriguez et al.*, the Board of Patent Appeals and Interferences (BPAI) reviewed final rejections by an Examiner for a patent application including claims directed to a computer readable medium. In this issue we discuss the BPAI rationale behind finding these claims indefinite and strategies to keep in mind when drafting patent applications including computer claims.

We also examine the level of detail required to assert a claim for patent infringement. The highest court in the United States has announced in two recent cases a new pleading standard required to evaluate the facts presented. We discuss how district courts are struggling to reconcile this new pleading standard with the simplicity and brevity of a sample complaint set forth by the Federal Rules of Civil Procedure (FRCP).

Addressing a client's continuous global needs for patent protection, two lawyers, one from the Squire Sanders Palo Alto office and one from Estudio Bunge in Argentina, a member of the Squire Sanders Legal Counsel Worldwide Network, join efforts to compare patent procurement and enforcement systems in the United States and Argentina. A high-level overview of the similarities and differences in the patent process between both countries is discussed.

We also provide an overview of the first case in China to adjudicate the issue of whether an intellectual property (IP) enforcement action violates China's Anti-Monopoly Law (AML). We discuss a Chinese court's analysis of some of the criteria that are to be considered when determining whether an IP enforcement action violates the AML.

When doing business with the US government it is necessary to be aware of certain issues that may arise related to the protection of a company's IP rights. We include an article discussing IP rights and conditions that a business must keep in mind when negotiating the use or sale of patents, copyrights and software with the government.

Lastly, we discuss a Federal Circuit's recent decision to impose substantially greater penalties for false marking of a product not covered by a patent or a pending patent application.

Alicia M. Choi, editor

Structure for Computer Related Inventions in View of *Ex Parte Rodriguez*



In a precedential decision, *Ex parte Rodriguez*¹, the BPAI of the United States Patent and Trademark Office (USPTO), applying a recent Federal Circuit decision, *Aristocrat Techs. Austl. Pty Ltd. v. Inter. Game Tech.*², held that if a claim

directed to a computer is determined to invoke 35 USC §112, sixth paragraph³, the specification must not only disclose a general-purpose computer, but must also disclose a corresponding algorithm, in order to provide the requisite disclosure of structure. This article explores the reasoning of *Rodriguez*, and identifies strategies for drafting patent applications related to computer-implemented inventions in light of *Rodriguez*.

In *Rodriguez*, the BPAI entered new grounds of rejection against the appellant's pending claims, including a new rejection of the apparatus claims⁴ under 35 USC §112, second paragraph⁵ as being indefinite. The BPAI provided two separate analyses of the apparatus claims: an analysis of independent claim 10, which recited an apparatus comprising four means plus function elements, and an analysis of independent claim 1, which recited an apparatus comprising a system configuration generator, a system builder and a simulation verification environment. Although providing two separate analyses, the BPAI made clear that the basis for each rejection under 35 USC §112, second paragraph was the same: the *Aristocrat* holding.

In *Aristocrat*, the Federal Circuit held Aristocrat's claim⁶ invalid for indefiniteness for failing to describe sufficient structure as required by 35 USC §112, sixth paragraph. The court found Aristocrat's claim, including a "game control means," to be a means-plus-function claim directed to a computer-implemented invention, which performed three functions: (1) to control images displayed on the display means; (2) to pay a prize when a predetermined combination of symbols matches the symbol positions

selected by the player; and (3) to define the pay lines for the game according to each possible combination of the selected symbol positions. The court further found that the only portion of Aristocrat's specification that described the structure corresponding to the three functions performed by the "game control means" was a statement that it was within the capability of a worker in the art to introduce the methodology on any standard microprocessor-based gaming machine by means of appropriate programming.

In characterizing computer-implemented inventions, the court in *Aristocrat* stated that a general purpose computer must be programmed by a specific algorithm because it becomes a special purpose computer capable of carrying out a specific function. Because a general purpose computer requires a specific algorithm before being capable of carrying out a specific function, the court determined that in a means-plus-function claim in which the disclosed structure is a computer or microprocessor programmed to carry out a specific algorithm, the disclosed structure is not the general purpose computer, but rather the special purpose computer programmed to perform the disclosed algorithm. Thus, the court held, in cases involving a computer-implemented invention in which an inventor has invoked means-plus-function claiming, the structure disclosed in the specification must be more than simply a general purpose computer or microprocessor. Because Aristocrat's specification did not disclose a specific algorithm that could transform a standard microprocessor into a special purpose computer capable of carrying out the three functions performed by the "control means," the court held that the specification failed to describe sufficient structure as required by 35 USC §112, sixth paragraph.

Applying *Aristocrat*, the BPAI in *Rodriguez* found that claim 10 was a means-plus-function apparatus claim invoking 35 USC §112, sixth paragraph, due to its use of "means" in the claim and the lack of recitation of structure to perform the functions of building a system level netlist, generating system parameters, verifying the system and providing automatic random verification. The BPAI further found that

the appellant's specification generally described a system which provided automated random verification of complex and structurally variable systems, but did not disclose an algorithm by which the system was able to perform the functions recited in claim 10. Thus, the BPAI held that claim 10 was indefinite because the specification failed to adequately describe sufficient structure for performing the functions recited in the "means" elements so as to render the claim definite.

Rodriguez expands the reach of *Aristocrat* to apparatus claims directed to computer-implemented inventions that do not use the term "means."

The BPAI then turned to apparatus claim 1. Despite the lack of "means" in the claim, the BPAI still found it was a means-plus-function apparatus claim invoking 35 USC §112, sixth paragraph. The BPAI indicated the absence of the term "means" in a claim does not necessary negate invocation of 35 USC §112, sixth paragraph, but merely triggers a rebuttable presumption that 35 USC §112, sixth paragraph does not apply. However, the presumption can be rebutted by showing that the claim element recites a function without reciting sufficient structure for performing the function.⁷ The BPAI found that the structural elements of this claim included a "system configuration generator," a "system builder" and a "simulation verification environment," which are not art-recognized structures for performing the claimed functions. Based on these findings, the BPAI determined that these claim elements were verbal constructs that were not recognized as the name of a structure, that the claim elements were merely substitutes for the term "means for" and that claim 1 invoked 35 USC §112, sixth paragraph.⁸ It then applied *Aristocrat* to hold that claim 1 was indefinite because it failed to adequately describe sufficient structure for performing the functions recited in the elements of the claim so as to render it definite.

Rodriguez expands the reach of *Aristocrat* to apparatus claims directed to computer-implemented inventions that do not use the term "means." Because the BPAI's decision

uses rather arbitrary reasoning in determining that a claim invokes 35 USC §112, sixth paragraph, despite the absence of "means," a patent drafter cannot be sure that an apparatus claim will not be construed as a means-plus-function claim. Thus, there are two strategies a patent drafter can implement to avoid an indefinite rejection based on *Aristocrat*. The first is to clearly disclose the structure of the general purpose computer or microprocessor that the software is performed on in the specification, and to make sure that the disclosed structure is clearly recited in the claim. The second is to disclose at least one algorithm in the specification that performs the function recited in the claim. Such an algorithm may take the form of process steps illustrated in a flow chart, a sequence diagram or pseudo code. In conclusion, *Rodriguez* will require patent drafters to carefully scrutinize their disclosure and claims directed to computer-implemented inventions.

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1. Appeal No. 2008-000693 (BPAI 2009) (precedential).
 2. 521 F.3d 1328 (Fed. Cir. 2008).
 3. 35 USC §112, sixth paragraph states that, "[a]n element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim should be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."
 4. Independent claim 1 recited:
 1. An apparatus comprising:
 - a system configuration generator configured to generate a random system configuration file of a structurally variable and complex system;
 - a system builder configured to (i) build a system level netlist and (ii) generate system parameters in response to said random system configuration file; and
 - a simulation verification environment configured to verify said structurally variable and complex system in response to said system level netlist, wherein said simulation verification environment is configured to provide automatic random verification of said structurally variable and complex system in response to said random system configuration file.
- Independent claim 10 recited:
10. An apparatus comprising:
 - means for generating a random system configuration file of a structurally variable and complex system;
 - means for (i) building a system level netlist and (ii) generating system parameters in response to said random system configuration file;
 - means for verifying said structurally variable and complex system in response to said system level netlist; and

means for providing automatic random verification of said structurally variable and complex system in response to said system configuration file.

5. 35 USC §112, second paragraph states that “[t]he specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.”
6. Claim 1 recited:
 1. A gaming machine having display means arranged to display a plurality of symbols in a display format having an array of n rows and m columns of symbol positions, game control means arranged to control images displayed on the display means, the game control means being arranged to pay a prize when a predetermined combination of symbols is displayed in a predetermined arrangement of symbol positions selected by a player, playing a game, including one and only one symbol position in each column of the array, the gaming machine being characterized in that selection means are provided to enable the player to control a definition of one or more predetermined arrangements by selecting one or more of the symbol positions and the control means defining a set of predetermined arrangements for a current game comprising each possible combination of the symbol positions selected by the player which have one and only one symbol position in each column of the display means, wherein the number of said predetermined arrangements for any one game is a value which is the product $k_1 \times \dots \times k_i \times \dots \times k_m$ where k_i is a number of symbol positions which have been selected by the player in an i^{th} column of the n rows by m columns of symbol positions on the display ($0 < i \leq m$ and $k_i \leq n$).
7. *LG Electronics, Inc. v. Bizcom Electronics, Inc.*, 453 F.3d 1364, 1372 (Fed. Cir. 2006).
8. However, in a blatant attempt to hedge its bet, the BPAI further held that if it was later determined that claim 1 failed to invoke 35 USC §112, sixth paragraph, then the BPAI alternatively rejected claim 1 (and dependent claims 2-4, 6-9, 19, and 20) for lack of enablement under 35 USC §112, first paragraph, because the claim elements were purely functional.

Pleading Patent Infringement One Year After *Iqbal*: Still No Consensus on What Is Required



Introduction

In a series of recent cases purporting to clarify the pleading standards required under FRCP 8(a), the US Supreme Court renounced the liberal pleading standards that had guided the courts below for more than 50 years.¹ In its place, the Court, in *Bell Atlantic Corp. v. Twombly*² and again in *Ashcroft v. Iqbal*, announced that district courts considering whether a claim had been stated were required to evaluate whether particular claims were

plausible, not simply possible, based on the facts alleged. In the wake of the Supreme Court's clarifications, the courts have struggled to come to grips with the level of detail required in pleadings and whether particular claims rise to the level of plausibility articulated by the Court.

Lawsuits alleging patent infringement have not been spared from the uncertainty. Both courts and litigants have struggled to come to grips with what is required to state a claim for patent infringement. A review of district court rulings issued in patent cases in the wake of *Twombly/Iqbal* suggest application of the “plausibility” standard has been irregular and tends to vary from court to court. This article looks at how the district courts have applied the *Twombly/Iqbal* standard so that litigants (and potential litigants) can evaluate both the obligations as a pleader and the challenges they might face in challenging the pleadings.

Background

Until recently, district courts interpreted the Supreme Court's precedent to prohibit them from dismissing a claim unless it was clear that there was “no set of facts” that the plaintiff could prove to establish the claim.³ In *Twombly*, however, the Supreme Court retired the “no set of facts” standard and held that a pleading must allege enough facts, which if taken as true, give a district court “plausible grounds” to reasonably infer that the law will permit plaintiff a recovery. Although the plaintiff need not plead facts so detailed as to show *probable* success, it is not enough simply to show a *possibility* of the plaintiff's entitlement to relief.⁴

This holding was echoed in *Iqbal*, where the Court explained that “unadorned, the-defendant-unlawfully-harmed-me accusation[s]” and “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements” will not satisfy the “plausibility” standard that the Court had articulated for compliance with Rule 8.⁵ Given what seemed to many to be a sea change in federal pleading standards, the Court's pronouncements in *Iqbal* and *Twombly* created something of an uproar in

the legal community and have resulted in the introduction of bills in both the House and Senate to nullify them.⁶

Effect on Patent Litigation

While *Twombly* requires the plaintiff to plead facts and not “legal conclusions,” the conclusory allegations found in the FRCP-approved Form 18 may be an exception.⁷ In *McZeal v. Nextel Communications, Inc.*,⁸ the Federal Circuit suggested that *Twombly* had clarified but not changed the requirements of Rule 8(a) and, therefore, the type of short, plain statements approved in the Federal Rules’ Appendix of Forms were consistent with *Twombly*. Form 18 provides a sample complaint for direct patent infringement requiring only (1) an allegation of jurisdiction; (2) a statement that the plaintiff owns the patent; (3) a statement that defendant has been infringing the patent “by making, selling, and using [the device] embodying the patent”; (4) a statement that the plaintiff has given the defendant notice of its infringement; and (5) a demand for an injunction and damages.

Because FRCP 84 states that approved forms (like Form 18) “illustrate the simplicity and brevity that [Rule 8] requires,” the courts have reasoned they are not free to reject pleadings that comply with this standard.

Since *McZeal*, most district courts have since concluded that they are bound to accept allegations of direct infringement that fit within the framework of Form 18.⁹ Because FRCP 84 states that approved forms (like Form 18) “illustrate the simplicity and brevity that [Rule 8] requires,” the courts have reasoned they are not free to reject pleadings that comply with this standard.¹⁰ As one court put it, “[a]bsent an explicit abrogation of these forms by the Supreme Court, this court presumes that they are ‘sufficient to withstand attack under the rules under which they are drawn.’”¹¹

Though *Twombly* was not supposed to have changed the pleading standard under Rule 8(a), a few district courts have expressed some bewilderment. In *Elan*

Microelectronics, for example, the court stated that “[i]t is not easy to reconcile Form 18 with the guidance of the Supreme Court in *Twombly* and *Iqbal*; while the form undoubtedly provides a ‘short and plain statement,’ it offers little to ‘show’ that the pleader is entitled to relief.”¹² Unfortunately, the only opinion from the Federal Circuit addressing these issues (*Colida v. Nokia, Inc.*¹³) is neither precedential nor helpful. In *Colida*, the court concluded that plaintiffs’ design patent infringement allegations were “facially implausible,” but at the same time noted that plaintiff had not argued that his complaint was sufficient under Form 18.¹⁴

Applying *Twombly/Iqbal* to Indirect Infringement, Divided Infringement and Affirmative Defenses

As the district court pointed out in *Elan Microelectronics*, Form 18 appears to apply only to allegations of direct infringement.¹⁵ Thus, in that case, the Court felt compelled by the competing dictates of *Twombly/Iqbal* on one hand and Rule 84 on the other to adopt different pleading standards for claims of direct and indirect infringement – even when both theories are asserted in the same case. The court held that a “bare assertion, made on ‘information and belief’ that the defendant ‘has been and is currently, directly and/or indirectly infringing’ the specified patents ‘through its design, marketing, manufacture and/or sales of touch sensitive input devices or touchpads’ was sufficient to state a claim for direct infringement, but insufficient to state a claim for indirect infringement.”¹⁶ This, the court held, fell “plainly within the prohibition ‘threadbare recitals of the elements of a cause of action supported by mere conclusory statements.’”¹⁷

The precise level of detail required to assert a claim for indirect infringement remains unclear. To prevail on a claim of induced infringement, the Federal Circuit has held that the plaintiff must prove specific instances of direct infringement, and has the burden of showing that “the alleged infringer’s actions induced infringing acts and that he knew or should have known his actions would induce actual infringements.”¹⁸ Thus, in *Mallinckrodt Inc. v. E-Z-EM Inc.*,¹⁹ the court held that an inducement claim failed to

meet the *Twombly/Iqbal* standard because the complaint “does not specifically allege that Defendants had knowledge of the [patent in suit] at the time they were committing the allegedly infringing activities” nor any intent to induce infringement. Although apparently not disputed in *Mallinckrodt*, one would expect that courts will require some level of detail as to the specific acts that allegedly induced infringement and how the defendants’ acts led to the underlying direct infringement.

In contributory infringement cases, it seems likely that the courts will require the plaintiff at least to identify which of defendant’s products is a component of the patented invention along with the defendant’s knowledge of the patented invention.

Similarly, in contributory infringement cases, it seems likely that the courts will require the plaintiff at least to identify which of defendant’s products is a component of the patented invention along with the defendant’s knowledge of the patented invention.²⁰ Whether it will be sufficient for a plaintiff simply to allege that there is no substantial noninfringing use for the component or whether it will have to allege facts to permit the district court to evaluate the plausibility of plaintiff’s position remains uncertain. In both inducement and contributory infringement cases, whether courts will require additional detail regarding the underlying direct infringement (above and beyond the basic allegations described in Form 18) remains to be seen.

In divided infringement cases (where a claimed method is or can be carried out by one or more actors), courts have held that plaintiffs do not meet the *Twombly/Iqbal* standard if they fail to allege facts sufficient to show “that any single defendant performed all of the steps of the method or that any defendant was the ‘mastermind’ behind the operation.”²¹ The kinds of facts necessary to make out a “plausible” showing that one party is the “mastermind behind the operations” are unclear. Presumably, to evaluate the plausibility of whether one party does, in fact, control all of the steps in a patented method, the courts will

require an explanation of the specific circumstances through which the alleged control is exercised.

Conclusion

Given the difficulties the courts are having articulating an objective application of *Twombly/Iqbal*, it may be years before counsel have true certainty as to what will be required to plead patent infringement claims. For example, the courts are split as to whether affirmative defenses must meet the *Twombly/Iqbal* pleading standard.²² And although a few courts have concluded that direct *willful* infringement can be pleaded generally, none of them has explained why a court need not consider the facts underlying a willfulness allegation to determine whether it is plausible.²³ As things now stand, litigants must do their best to illustrate each element of their claims or defenses with facts to show they are entitled to relief or they will almost certainly face a motion to dismiss.

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1. *Ashcroft v. Iqbal*, 129 S. Ct. 1937 (2009); *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007).
2. 550 U.S. 544, 555 (2007).
3. *See Conley v. Gibson*, 355 U.S. 41, 45-46 (1957); *see also e.g., U.S. v. Stein*, 452 F. Supp. 2d 230, 261 (S.D.N.Y. 2006).
4. *Twombly* at 557.
5. *Iqbal* at 1949.
6. The proposed “Open Access to Courts Act of 2009” (HR 4115) would prohibit a federal court from dismissing a complaint unless “it appears beyond doubt that the plaintiff can prove no set of facts in support of the claim which would entitle the plaintiff to relief” and would preclude a judge relying on the plausibility of the plaintiff’s claims. The proposed “Notice Pleading Restoration Act” (S-1504) would prohibit a federal court from dismissing a case “except under the standards set forth by the Supreme Court of the United States in *Conley v. Gibson*, 355 U.S. 41 (1957). Given that *Twombly/Iqbal* purport only to clarify *Conley*, it is unclear how the Senate bill would achieve its stated objective of “restoring” notice pleading.
7. Form 18 is found in the FRCP Appendix of Forms, which is referenced by Rule 84.
8. 501 F3d 1354, 1356-57 (Fed. Cir. 2007).
9. *E.g., Iguana, LLC v. Lanham*, 2009 U.S. Dist. LEXIS 48199, 5; *Mark IV Indus. Corp. v. TransCore, LP*, 2009 U.S. Dist. LEXIS 112069, 6-10 (D. Del. Dec. 2, 2009); *Elan Microelects. Corp. v. Apple, Inc.*, 2009 U.S. Dist. LEXIS 83715, 6-7 (N.D. Cal. Sept. 14, 2009); *Adv. Analogic Techs., Inc. v. Kinetic Techs., Inc.*, 2009 U.S. Dist. LEXIS 57953, at 4 n.2 (N.D. Cal. July 8, 2009); *S.O.I. TEC Silicon On Insulator Techs., S.A. v. MEMC Elec. Materials, Inc.*, 2009 U.S. Dist. LEXIS 13155 at 2 (D. Del. Feb. 20, 2009).
10. *Elan Microelectronics Corp.*, 2009 U.S. Dist. LEXIS 83715 at 6-7.

11. *Mark IV Indus. Corp.*, 2009 U.S. Dist. LEXIS 112069 at 9-10. At least one district court has not accepted this simplistic approach for alleging direct infringement. *In re Pabst Licensing GmbH & Co. KG Litigation*, No. 07-mc-493-RMC, Dkt. No. 273, 5-7(D.D.C. March 5, 2009), the court held that allegations "that defendants have each made, used, sold or offered to sell digital cameras that infringed and are still infringing the patents" did not comply with *Twombly* because they failed to "include any facts to support this bald allegation" of infringement and that, to amend, the plaintiff would need to identify the specific "circumstances, occurrences or events" giving rise to the claim."
12. 2009 U.S. Dist. LEXIS 83715 at 6-7; see also *Sharafabadi v. University of Idaho*, 2009 U.S. Dist. LEXIS 110904 8 n.5 (D. Id. Nov. 27, 2009) (the court agreed that it was "difficult to reconcile Form 18 with the Supreme Court's guidance" in *Twombly/Iqbal*).
13. 2009 U.S. App. LEXIS 21909, 4 (Fed. Cir. October 6, 2009).
14. *Id.* at 6 n.2. The Federal Circuit also interestingly pointed out that Form 18 was not "tailored to design patents and was last updated before the Supreme Court's *Iqbal* decision." *Id.* at 6 n.2. Although unclear, one can infer from the reference to the timing of the updates that the Federal Circuit may ultimately be in agreement that the approved Appendix of Forms is not necessarily consistent with the Supreme Court's guidance in *Twombly/Iqbal*, which seems contrary to the court's ruling in *McZeal*. *Compare McZeal*, 501 F.3d at 1356-57.
15. *Compare FotoMedia Techs., LLC v. AOL, LLC*, 2008 U.S. Dist. LEXIS 109403, 8 (E.D. Tex. Aug. 29, 2008) where the Eastern District of Texas held that general allegations similar to those used in the approved forms can also be used to support a claim for inducing infringement. See also *PA Advisors, LLC v. Google, Inc.*, 2008 U.S. Dist. LEXIS 71285, at 18-19 (E.D. Tex. August 7, 2008) (same).
16. 2009 U.S. Dist. LEXIS 83715, at 5.
17. *Id.*
18. *ACCO Brands, Inc. v. ABA Locks Manufacturer Co.*, 501 F.3d 1307, 1312 (Fed. Cir. 2007).
19. 2009 U.S. Dist. LEXIS 108696 11 (D. Del. Nov. 20, 2009).
20. See *Ricoh Co., Ltd. v. Quanta Computer Inc.*, 550 F.3d 1325, 1337 (Fed. Cir. 2008) (detailing the elements of a claim for contributory infringement).
21. See e.g., *Friday Group v. Ticketmaster*, 2008 U.S. Dist. LEXIS 100529 (E.D. Mo. Dec. 12, 2008); *Desenberg v. Google, Inc.*, 2009 U.S. Dist. LEXIS 66122 (S.D.N.Y. July 30, 2009).
22. *Compare Aspex Eyewear, Inc. v. Contour Optik, Inc.*, 531 F. Supp. 2d 620, 621-23 (S.D.N.Y. 2008) (affirmative defenses are subject to the same pleading requirements as claims in a complaint) with *Bartronics, Inc. v. Power-One, Inc.*, 245 F.R.D. 532, 537 n. 5 (S.D. Ala. 2007) (affirmative defenses not subject to *Twombly/Iqbal*).
23. See e.g., *S.O.I.T.E.C.*, 2009 U.S. Dist. LEXIS 13155 at 7; *FotoMedia Techs.*, 2008 U.S. Dist. LEXIS 109403 at 8.

Comparing Patent Procurement and Enforcement Systems in Argentina and the United States



Increasingly, companies are recognizing the growing value of intangible assets including patents. More than one third of the patents granted in the United States – approximately 2.5 million – have been issued in the

last 20 years alone.¹ The following example is telling. The USPTO granted around 84,000 patents in 1988.² By 2008, that number was more than 185,000 patents – a 220 percent increase in just 20 years.³

In a 2005 survey addressing global patent and technology trends, *The Economist* noted that "ideas and innovations have become the most important resource, replacing land, energy and raw materials."⁴ The same survey estimated that "[a]s much as three-quarters of the value of publicly traded companies in America comes from intangible assets [.]"⁵ More recent studies are in accord.⁶

Companies' focus on intangible assets – especially patents – is a global trend that is gaining traction in Latin America, and in particular Argentina. While Argentina has been slow to embrace patent rights, it will soon receive a fair deal of political pressure to get in line with the rest of the world's focus on such rights, particularly in view of the economic growth of neighboring countries like Brazil and Chile. To compete on a global scale, businesses in Argentina need to capitalize on intangible assets including patents.

While there are several forms of intangible assets, this article focuses primarily on patents. This article provides a basic overview of the patent systems in Argentina and the United States to enable a company to evaluate its next steps in developing, or enhancing, its global patent strategy in these countries.

Patent Procurement Procedures

Argentina

As established in Section 17 of the Federal Constitution, patents are considered property rights under Argentine law. Patents are granted by the federal agency *Instituto Nacional de la Propiedad Industrial* (INPI).

Provided that maintenance fees are paid, an Argentine patent remains valid for 20 years from the date of issuance.

In Argentina, as in the rest of the world, patent rights grant exclusionary rights that allow the owner to determine who can practice the claimed invention. Any person or company that seeks to patent a product or procedure must meet the following legal criteria: that the invention is a) novel,⁷ b) innovative⁸ and c) useful for industrial purposes.⁹

INPI reviews every patent application submitted. Within the initial 180-day period, INPI runs a preliminary check to ascertain whether the application was properly filed and to determine if sufficient information was disclosed that would allow INPI to assess the legal criteria for issuance.¹⁰ If the preliminary check is acceptable, it performs a preliminary technical analysis of the claims and features of the invention to determine whether they are described clearly enough for publication. As part of such analysis, INPI will also determine if the invention has been previously published, invented or patented. At this stage INPI can request that the applicant clarify terms or rectify any errors in the application. If the applicant fails to reply or meet INPI's standards then the application is rejected.

Once the application has been published, third parties can challenge the application and provide evidence to support such challenges. The publication period generally lasts 60 days.¹¹ If the challenges are rejected then the patent will be issued. Provided that maintenance fees are paid, an Argentine patent remains valid for 20 years from the date of issuance.¹² If maintenance fees are not paid, the patent will be cancelled.

As Argentina is a member state of the Paris Convention, any person who has registered a patent in another member state country can file a separate patent application in Argentina within 12 months from the filing date of that patent application, giving the applicant the benefit of the filing date of the first application.¹³ Unfortunately, Argentina is not yet a member state of the Patent Cooperation Treaty (PCT), but with most of Argentina's business partners in Latin America becoming members, it is likely that Argentina will soon follow suit. In fact, a recent article in Argentina acknowledged that foreign companies are hoping that certain aspects of the Argentine patent system will be updated to be more like the patent systems in the United States and Brazil.¹⁴

In a recent report by the United States Trade Representative, the United States noted that Argentina continues to make progress in decreasing its backlog of patent applications and commends their implementation of a patent recordation and alert system.¹⁵ However, Argentina still has lots of work to do in order to be able to provide adequate patent protection.

United States

In the United States, as in Argentina, a patent is a property right granted by the federal government to an inventor. Any person who "invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent."¹⁶ The USPTO explains that "practically everything that is made by man and the processes for making the products" may be patentable.¹⁷ In addition to falling within this subject matter, the invention must be:

- **New:** If the invention was known or used by others in the United States, or patented or described in a printed publication in this or any other country, before the invention thereof by the applicant for patent, a patent cannot be obtained.¹⁸
- **Not Previously Sold:** If the invention was patented or described in a printed publication in this or any

other country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, a patent cannot be obtained.¹⁹

- *Non-Obvious*: The subject matter sought to be patented must be sufficiently different from what has been used or described before such that the subject matter as a whole would not have been obvious to a person having ordinary skill in the area of technology of the invention. In other words, the invention must not be an obvious extension of what is already known in the field.²⁰
- *Useful*: The invention as a whole must be useful and accomplish a practical application. That is, it must produce a "useful, concrete and tangible result."²¹

The USPTO receives patent applications at a rate of more than 350,000 per year and currently faces a backlog of about 740,000 applications.

After the application is filed, the USPTO examiner determines whether the proposed invention meets the legal requirements for issuance. The examiner may identify certain deficiencies in the application; for example, that the invention is not new or is obvious in view of existing prior art. The inventor then has an opportunity to respond by amending the scope of the invention or providing evidence supporting its patentability. This process generally takes several years. The USPTO receives patent applications at a rate of more than 350,000 per year and currently faces a backlog of about 740,000 applications.²² Because of this, the USPTO reported in 2008 that it takes an average of 32.2 months for a patent to be issued.²³

Once the patent issues, it affords the inventor the right to exclude others from making, using, offering to sell or selling the invention in the United States or importing the invention into the United States.²⁴ Generally, the term of a

new patent is 20 years from the date on which the application was filed.

Enforcement Procedures

Argentina

Patent owners and applicants have a variety of ways to enforce patent rights in Argentina. As mentioned above, Argentina is a member state of the Paris Convention and TRIPS. The provisions set forth by these treaties are applicable in Argentina as Argentine law. Additionally, Section 17 of the Constitution protects patent rights,²⁵ which is a way to grant a higher degree of protection and foster patenting activity. Unlike many countries, in Argentina both patent infringement and contributory infringement are subject to Argentine Patent Law (APL), TRIPS, and civil and criminal laws.

APL, TRIPS and Civil Law Protection

Argentina case law reveals that federal courts are more inclined to issue injunctions designed to force patent infringers to cease unlawful activity.²⁶ However, APL does not provide for punitive damages, so compensation for patent infringement will be limited to the actual economic losses the patent owner has suffered. Such damage awards could be higher if the patent owner shows the infringer knew about the patent and willfully infringed it. However, damages awards for patent infringement are generally not high. On the other hand, this makes patent litigation in Argentina less expensive than in other countries because plaintiffs can retain counsel using contingency fees.

Recently, APL has been amended to add another judicial procedure to enforce patent rights and preempt potential patent infringement. This amendment now requires the patent owner and the alleged infringer to appear before a federal court and submit their dispute to an impartial expert, who will provide the judge with an opinion and sufficient additional information to decide the infringement dispute. While the contours of this procedure continue to develop, two landmark decisions²⁷ show that this preemptive procedure, in practice, undermines preventive

patent enforcement actions, because it ties the court's decision to an expert opinion while the alleged infringing activity is carried out without any restrictions and without issuing any temporary injunctive relief.²⁸

In the United States, litigation involving so called non-practicing entities has steadily increased over the past few years.

Criminal Law Protection

A person who infringes a patent or contributes to the infringement can also be sentenced to up to three years in jail and related fines. However, criminal juries tend to be lenient with patent infringement crimes and are not interested in convicting patent violators. Criminal prosecutors tend to allocate their limited resources to more actively prosecuting other types of crimes, such as murder. As a matter of fact, there have thus far been no convictions for patent infringement.

United States

While Argentina has been developing enforcement procedures, the United States has well-established procedures that accord a patent owner broad rights to protect patented inventions. Once a patent issues, the owners have a variety of options for deriving value. If the patent covers a product or process that is marketed and sold, the patent owner can enjoy the competitive safeguards a patent affords. The owner can also license the invention, which can be lucrative. Patent licensing alone has generated billions of dollars worldwide.²⁹ In the United States, litigation involving so called non-practicing entities (NPEs) has steadily increased over the past few years. In fact, some studies estimate that 26 percent of overall patent infringement suits in 2006-2007 involved NPEs as plaintiffs.³⁰

One reason patent owners in the United States rely on litigation to derive value is because of the relief that can be secured once infringement has been proven. Apart from injunctive relief, a patent owner may be entitled to

damages for past harm, which generally includes lost profits and/or a reasonable royalty.³¹ The court in its discretion can also enhance damages up to three times for willful infringement.³² Also, if a case is deemed to be "exceptional," the court has discretion to award attorneys' fees.³³

The damages that result from patent litigation can be significant. The median patent damages award from 2001 to 2007 was US\$3.8 million dollars.³⁴ This past summer alone, however, a jury issued the largest patent verdict in US history (US\$1.67 billion)³⁵ against Abbott Laboratories, as well as a US\$240 million dollar judgment against Microsoft.³⁶ In fact, in the last five years alone, there have been at least 10 patent infringement actions where the damages awards have exceeded US\$100 million.³⁷

These damages awards, coupled with the threat of injunctive relief, force infringers to take the threat of patent litigation seriously.

Similarities and Differences

The Argentine and US patent systems are similar in regards to patent procurement. There are certain novelty requirements that must be met and there is significant interaction between the issuing organization and the inventor. The two systems, however, vary significantly in the enforcement of patent rights. The US patent system has developed statutes and case law that afford patent owners significant damages if infringement is established. As noted above, recent jury awards show that damages can reach hundreds of millions of dollars. When infringement is established, US courts are willing to grant injunctive relief, when appropriate.

While the laws in Argentina afford patent owners significant protection and relief against infringement, patent case law and doctrine are still evolving. Argentine intellectual property doctrine recognizes the policy that intellectual property rights must be protected – even to the extent of imposing criminal liability for infringement. However, Argentine courts have yet to issue landmark rulings awarding patent owners significant damages to remedy

infringement. Moreover, in patent enforcement, there are concerns over using independent experts to advise the court on resolving patent disputes. This may ultimately detract patent owners from seeking to enforce their patent rights.

In this day and age of fading boundaries, patent rights protection must be sought around the globe in a coordinated and consistent manner following a worldwide strategy. While the patent enforcement systems of the United States and Argentina may differ, it is clear that companies need to be aware of patents and their corresponding patent systems, because the key to success lies not only in knowing how to appropriate technology but also in being able to complement and continue such initiative with the necessary legal resources to realistically exclude others from misappropriating it.

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1. Mark A. Lemley, *Ignoring Patents*, 2008 Mich. St. L. Rev. 19, 19.
2. USPTO Patent Technology Monitoring Team, U.S. Patent Statistics Chart Calendar Years 1963-2008, August 11, 2009.
3. *Id.*
4. *The Economist*, "A Market for Ideas," October 22, 2005 at 1.
5. *Id.*
6. See *The Evolving IP Marketplace: FTC Hearings On Developing Business Models and a National IP Economic Infrastructure* (Statement by James E. Malackowski on April 17, 2009 at the FTC's The Evolving Marketplace hearing).
7. A product or procedure is deemed novel if it improves or exceeds the state of the art. State of the art means if it was known or used by others in any part of the world prior to the patent application. To determine novelty, INPI will review the claims of all existing patents and patent application. Additionally, in the patent application, the applicant must describe the current state of the art and in which way his/her invention is novel. However, if a product or procedure has been made public, its inventor can still patent it within a one year grace period.
8. INPI will have to determine whether the product or procedure constitutes a "flash of inventive genius," i.e., if the product or procedure constitutes an improvement to the state of the art of a certain technology.
9. The purpose of the invention must be to create an industrial product. In other words, you cannot patent a theory or abstract idea that has no practical use or purpose.
10. During this period the INPI will ask the applicant to submit any missing information and/or rectify any formal deficiencies. If the applicant does not submit the information requested by the INPI within that period the patent application will be rejected.

11. Law 24.481, amended by Law 24.572, 22, 1996, amended by Law 25.859, Section 28.
12. Law 24.481, amended by Law 24.572, March 22, 1996, amended by Law 25.859, Section 35.
13. *Protecting Your Inventions Abroad: Frequently Asked Questions About Patent Cooperation Treaty (PCT)*. 3, WIPO Publication No. 433(E), April 2006.
14. See, e.g., Jorge Elias, *La Nacion, Política*, 2-13-09, "Patentes: esperan que la Argentina imite a Brasil."
15. Office of the United States Trade Representative, *2009 Special Report 301*, at 17, April 30, 2009.
16. 35 USC §101.
17. www.uspto.gov/go/pac/doc/general/
18. *Id.*; see also 35 USC §102(a).
19. *Id.*; see also 35 USC §102(b).
20. *Id.*; see also 35 USC §103(a).
21. *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1368, 1373-74, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998).
22. www.uspto.gov/go/pac/doc/general/; Schatz, *Backlog Budget Woes Await Patent Chief*, *The Wall Street Journal* (July 21, 2009).
23. USPTO, Performance and Accountability Report Fiscal Year 2008, Financial and Performance Highlights.
24. 35 USC §271.
25. *Spitz, Walter v. Cia. Standard Electric Argentina S.A.*, Sup. Court, JA 1954-287.
26. Injunctive relief can also be sought on the grounds of the generic injunction in Section 50 of the TRIPS.
27. *Eli Lilly and Co. s/ Medidas Cautelares*, 4432/2005 and *Bristol Myer Squibb s/ Medidas Cautelares*, 1412/2007.
28. Pedro Chaloupka, *Alivio Para la Infracción de Inventos Patentados (Un Insostenible Reducto de Negativa Singularidad)*, 210.
29. Raymond Millien of PCT Capital LLC, *The IP Marketplace Players: FTC Hearing On The Evolving IP Marketplace*, Dec. 5, 2008 at 5.
30. Pryor Garnett, *Patents In An Environment of Global Collaboration*, March 8, 2008, at 7 (citing Troll Tracker, December 2007).
31. 35 USC §284.
32. *Id.*; *Jurgens v. CBK Ltd.*, 80 F.3d 1566, 1570 (Fed. Cir. 1996).
33. 35 USC §285.
34. PriceWaterhouseCoopers, *2008 Patent Litigation Study: Damages Awards, Success Rates and Time-To-Trial* (2008).
35. McQuillen, *Abbott Told To Pay Record \$1.67 Billion Award To J&J*, *Bloomberg.com* (June 29, 2009).
36. See Verdict Form, *i4i Limited Partnership, et al. v. Microsoft Corporation*, Case No. 6:07CV113 U.S.D.C. for the E.D. Texas (May 20, 2009).
37. PriceWaterhouseCoopers, *2008 Patent Litigation Study: Damages Awards, Success Rates and Time-To-Trial* (2008).

Shanghai Court: Copyright Owner's Enforcement Action Does Not Violate Anti-Monopoly Law



In what appears to be a case of first impression under China's Anti-Monopoly Law (AML), the Shanghai First Intermediate People's Court rejected a plaintiff's contention

that a defendant's action to enforce its copyright was in violation of the AML.

Though not yet published by the court, the decision has been widely reported in the news media. At the core of the dispute is the defendant's effort to enforce its copyright. An author started a serialized novel on a Chinese literature Web portal of the defendant, Shanghai's Shanda Interactive Entertainment Ltd. Shanda owned the copyright under a contract between the author and Shanda. The author stopped writing soon after the novel became popular. Two other authors, without Shanda's authorization, then started a sequel on the website of Beijing Scholar's Electronic Technology Company – a company specializing in online books. There were significant similarities between the original story and the sequel including pen names, titles and the use of the same characters. Shanda threatened the sequel's authors with legal action and requested search engines to rebuff search requests to locate the sequel. Under this threat, the two authors stopped the sequel and posted an apology on Shanda's website.

Beijing Scholar responded by bringing an action against Shanda in Shanghai, alleging that Shanda's assertion of copyright infringement was an abuse of its dominant position in the online book market in violation of the AML.

Beijing Scholar did not seem to dispute that the sequel infringed Shanda's copyright. Under China's Copyright Law, a person who has produced derivative work by recomposing, translating, commenting on or compiling the work of another is afforded his or her own copyright to the

new work. However, the original author is protected under the Copyright Law's broad definition of the moral and property rights, and the person who plans to produce derivative work is required to obtain the original author's permission and pay compensation.

Because copyright infringement was not directly at issue, the Shanghai court focused only on Beijing Scholar's AML claim. The court first found that Beijing Scholar had not established that Shanda had a dominant position in the online book market. The court observed:

1. Beijing Scholar had the burden of proving that Shanda had a dominant position in the online book market. It was insufficient for Beijing Scholar to meet its burden by relying only on Shanda's claim on its website that it had an 80-percent market share, which the court considered as merely "puffery."
2. Beijing Scholar itself had claimed to be the world's largest e-book portal – how did this earlier assertion jibe with the company's claim that Shanda had a dominant market position?

The court further ruled that even if Shanda had a dominant position in the online book market, its action would still not constitute an abuse under the AML. The court found that Shanda's action was reasonable in view of the sequel's use of similar title and pen name, and its adoption of the original story's characters and plot.

Interestingly, the Shanghai court did not appear to have applied Article 55 of the AML, the provision that applies the AML to the elimination or restriction of market competition by abusing IP rights. Article 55 has created a significant amount of anxiety among foreign companies in China. For many foreign companies, IP forms a core part of their business strategy in China. Questions have been raised about whether Article 55 merely clarifies that abuse of IP rights is within the purview of the AML or whether it creates a separate, wider prohibition. The fear is that the provision might be manipulated to hinder or deter foreign companies' legitimate efforts to enforce their IP rights against Chinese

competitors. It also reinforces broader concerns about the enforcement of IP rights in China.

The court's decision does not directly address foreign companies' concerns about Article 55. Nevertheless, the decision is significant because it is the first case in China to adjudicate the issue of whether an IP enforcement action violates the AML. It is reassuring that the court chose to apply the AML's general principles in analyzing whether the IP enforcement action violated the AML, suggesting that Article 55 should not be construed as providing a separate category for abuse of IP rights. The court's analysis of "dominant market position" seems to imply that for an IP enforcement action to run afoul of the AML the IP owner must have a dominant position in the relevant market. The decision also suggests that an IP owner's effort to enforce its IP rights does not constitute "abuse" under Article 55 as long as the effort is "reasonable" in view of the infringing activities.

China's Supreme Court is presently drafting a judicial interpretation on the procedures for AML civil litigation. And, agency authorities entrusted with the interpretation and enforcement of the AML are preparing guidance for its application to IP enforcement. Therefore, the Shanghai court's decision notwithstanding, it still remains to be seen whether Article 55's prohibition against abuse of IP rights extends to the enforcement activities of non-dominant IP owners, and what enforcement activities constitute abuse of IP rights under Article 55. The answers to these questions will go a long way toward determining how much impact the AML will have on IP enforcement in China.

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Doing Business With Uncle Sam: An Overview of Intellectual Property Rights Under a US Government Contract



With the current state of the US economy, many commercial businesses are looking for new buyers of technology or products. The US government (hereinafter referred to as the "government") happens to be one of the largest buyers of technology and products. Therefore, it is a very attractive market to pursue, especially to those businesses that have seen a significant drop in commercial sales.

Businesses looking to sell their technology or products to the government, however, need to be aware of the unique issues related to the protection of intellectual property rights. This article provides a summary of those issues related to patents, copyrights, and technical data and computer software.

Patents

A policy and objective of the government is to use the patent system to promote the use of patented inventions arising from federally supported research or development, encourage maximum participation of industry in federally supported research and development efforts, and promote the commercialization and public availability of the patented inventions made in the United States. Generally, a contractor may elect to retain ownership of any invention the contractor invents during the performance of work under a government contract ("subject invention"), provided that the contractor makes the required disclosure to the government.

Notwithstanding this right to retain ownership of the patented invention, the government would retain certain rights including a license and march-in rights. In particular, the government would receive, at a minimum, a nonexclusive, nontransferable, irrevocable, paid-up license to practice, or have practiced for or on behalf of the United States, the patented invention throughout the world. The

government would also retain certain march-in rights that require the contractor, as an assignee or exclusive licensee of the subject invention, to grant a nonexclusive, partially exclusive or exclusive license in any field of use to responsible applicants, upon terms that are reasonable under the circumstance. If the contractor refuses to grant such a license, the government can grant the license itself.

If a contractor will be developing technical data or computer software paid for by the government under a contract, then the contractor is required to grant the government certain rights typically (but not always) in the form of an unlimited license to such data or software.

Nevertheless, allowing the contractor to retain the patent rights of the subject invention comes with certain strings attached. In particular, unless the government grants a waiver, the contractor receiving ownership to any subject invention may not grant to any person the exclusive right to use or sell any patented invention in the United States, unless that person agrees that any products embodying the patented invention will be manufactured substantially in the United States. The contractor needs to be mindful of such a condition when licensing the subject invention. Otherwise, the contractor may lose its rights to retain the subject invention.

Accordingly, if a contractor does not elect to retain patent rights or fails to elect to retain rights to the invention to the government agency within the time specified in the particular clause in the government contract, then the government has the right to receive ownership of the patented invention. Therefore, it is very important to read the contract carefully and ensure that procedures are in place to comply with the election and timeframes in the contract.

Copyrights

Under the terms of a government contract, a contractor may establish a claim to a copyright of data first produced under a contract to be published in professional journals

and other academic works. With respect to other uses to claim a copyright, the contractor must obtain permission from the government to copyright the data first produced under a contract. Even if the contractor is granted the copyright, the contractor must still grant to the government a paid-up, nonexclusive, irrevocable, worldwide license to, among things, use, modify, reproduce and release the copyrighted data. As it relates specifically to computer software, the copyright license to the US government does not grant the government the right to publicly distribute the computer software rights.

If the contractor claims a copyright, then it must affix a legend with the applicable notices to the data when it is delivered to the government or otherwise published in order to protect the copyright.

Technical Data and Computer Software

If a contractor is planning to deliver pre-existing privately developed technical data or computer software under a US government contract, then the contractor needs to take steps to ensure that its rights are protected. The contractor needs to set forth in its proposal to the government that certain identified privately developed technical data or software is being sold under the contract and, per the requirements of Federal Acquisition Regulation (or US federal agency supplement), appropriately mark such privately developed technical data or software prior to delivery to the government.

If, for example, the government acquisition is for a contractor's commercial computer software, then the contractor only needs to license to the government such software pursuant to its standard commercial software license provided to the public. The contractor is not required to relinquish to, or otherwise provide, the government rights to use, modify, reproduce, release, display or disclose such commercial software unless mutually agreed to by the parties. In order to protect such commercial software, the contractor needs to identify its commercial software to the government and affix the appropriate legend indicating that such software is

privately developed software and provide its commercial software license agreement.

If a contractor will be developing technical data or computer software paid for by the government under a contract, then the contractor is required to grant the government certain rights typically (but not always) in the form of an unlimited license to such data or software. As such, the contractor could not, for example, license the software for a fee to another agency within the government because the government already paid for the software under the previous government contract.

Closing Thoughts

There are abundant opportunities to sell technology and products to the government. Provided contractors keep in mind the issues discussed above before executing or delivering technology or products under a government contract, they will be able to retain certain rights and even gain new rights.

Karen R. Harbaugh, principal, Tysons Corner

Federal Circuit Clarifies Penalties For Patent False Marking



The US Patent Act precludes persons and entities from knowingly marking an article as patented or as covered by a pending patent application when the article is not covered by a patent or pending patent application.¹ Section 292 provides a private right of action to redress instances of false marking.

Anyone – whether directly affected or not – may bring an action for false marking against anyone who marks an article as patented or having a patent pending, without a reasonable belief that the marked article is actually covered by a patent or pending application.²

Because a successful false marking plaintiff shares the proceeds of an action with the US government,³ an action for false marking is essentially a *qui tam* proceeding.

Under the Patent Act, a party who falsely marks shall be penalized “not more than \$500 for every such offense.”⁴ For the past century, courts typically understood section 292 to require either a single fine regardless of how many articles were falsely marked,⁵ or a time-based fine for continuous false marking.⁶ Given the modest amount of the maximum penalty – and the requirement that any recovery be shared with the government – competitors and third parties had little incentive to bring actions under section 292.

The Federal Circuit’s recent decision in *The Forest Group, Inc. v. Bon Tool Co.*,⁷ however, interprets the penalty provision of section 292 more broadly. Criticizing prior decisions as rendering section 292 “completely ineffective,” the Federal Circuit held that section 292’s penalty applies to *each* falsely marked article. In other words, if a widget is falsely marked, each widget made or sold constitutes a separate offense for which a penalty must be assessed. The court reasoned that “these injuries occur each time an article is falsely marked. The more articles that are falsely marked, the greater the chance that competitors will see the falsely marked article and be deterred from competing.”⁸ And, recognizing the paucity of past enforcement proceedings, the court explained that a per article penalty provides financial motivation for private parties to bring claims against false markers.⁹

The issue of false marking now demands greater attention from both patent owners or licensees that make or sell patented products and from those seeking defenses or counterclaims in response to claims of infringement. Indeed, the greater financial penalty – and consequent reward for plaintiffs bringing false marking claims – will no doubt lead to an increase in those claims and, perhaps, to the creation of a new “cottage industry” of “false marking trolls” on the lookout for potential false marking claims as a source of revenue. Best practices suggest that manufacturers of patented products consult their patent

counsel to help establish programs for ensuring that product marking and/or packaging does not run afoul of section 292.

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Christopher D. Mays, associate, Palo Alto

1. 35 USC §292.
2. *See Clontech Labs. Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1352-53 (Fed. Cir. 2005).
3. 35 USC §292.
4. *Id.*
5. *See London v. Everett H. Dumbor Corp.*, 179 F. 506 (1st Cir. 1910); *A.G. Design & Assocs., LLC v. Trainman Lantern Co.*, No. C07-5158RBL, 2009 U.S. Dist. LEXIS 8320, at 9-10 (W.D. Wash. Jan. 23, 2009) (finding the marking of up to 15,000 lanterns over two years as constituting a single "offense"); and *Undersea Breathing Sys., Inc. v. Nitrox Techs., Inc.*, 985 F. Supp. 752, 782 (N.D. Ill. 1997).
6. *See, e.g., Icon Health & Fitness, Inc. v. Nautilus Group, Inc.*, No. 1:02 CV 109 TC, 2006 U.S. Dist. LEXIS 24153, 2006 WL 753002, at 16 (D. Utah Mar. 23, 2006) (imposing a penalty for each week that false marking occurred); *see also Brose v. Sears, Roebuck & Co.*, 455 F.2d 763, 766 n.4 (5th Cir. 1972) (noting that a court could limit the fine to each day, week or month the articles were produced).
7. No. 2009-1044, 2009 U.S. App. LEXIS 28380; 93 U.S.P.Q.2d (BNA) 1097 (Fed. Cir. Dec. 28, 2009).
8. *Id.* at 15-16.
9. *Id.* at 17.

Contributor Profiles

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Alicia M. Choi focuses her practice on the area of patent law. Her work includes preparing and prosecuting utility patent applications in the areas of electrical and computer engineering including information technology, software systems, wireless communication, medical diagnostic devices, semiconductors, analog and digital circuitry, and consumer electronics such as optical storage media and audio devices for US and international clients. Her experience also includes conducting novelty, patentability, invalidity and infringement analyses for various electrical devices and systems. Before entering the practice of law, Ms. Choi was a lead engineer for Rockwell Automation where she was involved in the integration of various programmable controllers and electronic operators.



David S. Elkins practices patent, trademark, copyright and trade secret litigation and complex technology litigation, principally in the areas of semiconductors, information technology and telecommunications. He represents clients in jurisdictions across the United States including California, Illinois, New Jersey, New York, Oregon and Texas, and in federal and state courts of appeals. Mr. Elkins leads the firm's Intellectual Property Litigation Practice. Mr. Elkins also has substantial international dispute resolution experience, having represented clients in proceedings before the ICC International Court of Arbitration (San Francisco and Geneva), the American Arbitration Association (US) and the Japan Commercial Arbitration Association (Tokyo).



Karen R. Harbaugh focuses her practice on international trade and government contracts. She counsels clients on technology transfer and export controls matters before the Bureau of Industry and Security, Directorate of Defense Trade Controls (DDTC) and Office of Foreign Assets Control. Ms. Harbaugh has developed, implemented, audited and evaluated corporate export controls programs and procedures to ensure compliance with regulatory requirements and assisted in preparing license applications, DDTC agreements, classification and commodity jurisdiction requests and required reports. She has handled several voluntary disclosures of violations of export controls laws and regulations. Ms. Harbaugh also has experience representing and counseling high-tech, health care and defense industry clients at the federal, state and local levels concerning General Services Administration multiple-award schedule contracting matters, security clearances, foreign military sales, teaming agreements and subcontracts, debriefings and bid protests, contract claims, litigation, and audits and investigations.



José Luis Martín represents companies in intellectual property and complex business litigation, with particular emphasis in patent and trade secret matters. Mr. Martín has extensive experience representing US and international clients in disputes concerning patent and trademark infringement, trade secret misappropriation, unfair business practices, antitrust and a variety of business torts in courts throughout the United States and before the International Trade Commission. His representative industries include silicon wafer inspection, integrated circuit simulation tools,

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Christopher D. Mays is a registered patent attorney focusing his practice on intellectual property and complex commercial litigation. Mr. Mays has experience in high-technology disputes concerning patent infringement. He is a member of the American Bar Association, the American Intellectual Property Law Association and the San Francisco Intellectual Property Law Association.



Joseph A. Meckes has extensive experience in international commercial dispute resolution, class action defense and patent, copyright and trademark litigation. Mr. Meckes has represented clients in state and federal courts and administrative bodies throughout the United States in all aspects of civil litigation and has represented clients in international and domestic arbitrations administered by the International Chamber of Commerce and the AAA involving novel and complex legal, technological and business issues. He has helped companies resolve disputes arising out of a wide variety of commercial activities and industries including semiconductor packaging and fabrication, fiber optics, software, real estate, financial services, heavy industries, mining and agriculture. He frequently speaks and writes about international dispute resolution, arbitration and civil procedure.



Keith Mullervy focuses his practice on intellectual property matters with a focus on patent prosecution. His experience includes patent preparation and prosecution in several technologies including wireless communication systems, computer software, automotive

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Amy L. Sommers' strong skills in corporate structuring, governance and operations issues in China make her a valued resource to the clients she counsels. Her expertise includes advising on a variety of strategic business and commercial transactions such as real estate development and other investment projects in regulated sectors of the Chinese economy, mergers and acquisitions, and commercial financings. Clients seek her advice on various ongoing business matters such as distribution, manufacturing and intellectual property licensing arrangements, Foreign Corrupt Practices Act (FCPA) and antibribery compliance, customs and other government investigations.



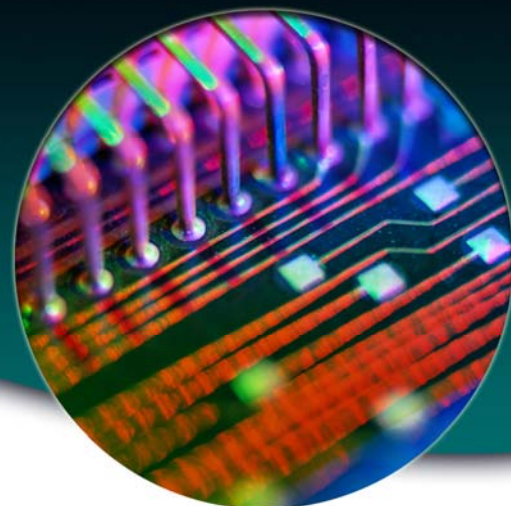
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Yi (Peter) Wang's practice covers a wide range of corporate transactional matters with a particular emphasis on mergers and acquisitions, corporate finance and foreign direct investments into China. He frequently advises international companies and clients on their dealings in China. Mr. Wang has written on securities matters, banking and the regulatory issues of capital markets. He is a member of the Financial Law Institute of Peking University.



Song Zhu represents clients in intellectual property litigation, procurement, opinion and due diligence in the United States and worldwide. Dr. Zhu's clients include US-, Asia- and Europe-based multinational companies and technology startups. He has represented clients from China, Europe, Japan and the United States in numerous intellectual property litigation matters in the United States, China and Europe. Dr. Zhu has prepared and prosecuted hundreds of patent applications in the United States and in more than 40 other countries. The patent applications involve a variety of technologies including semiconductor manufacturing, electronic devices, telecommunications, computer systems and software, renewable energy, automotive systems and medical devices. Dr. Zhu has filed and prosecuted dozens of appeals before the Board of Patent Appeals and Interferences of the USPTO.



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