
IP SAVVY

THE Newsletter for the Intellectual Property Community

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MEANS PROBLEMS

By now you know that in a patent the claims are key. Patent infringement means violation of at least one patent *claim*. Invalidity means the patent *claim* is invalid because what it describes is not new or is obvious. So, claims are important and yet very difficult to craft so that they will be infringed by would-be competitors but, at the same time, not held invalid by a court.

An easy claiming convention, especially when you cannot figure out what to call something in an invention and so whatever name you choose is not too restrictive, is to call it a “means.” You could write a whole claim with “means” language e.g., marking means, holding means about the marking means, and erasing means on one end of the holding means. That’s a pencil.

The problem is “means” claim language can end up being extremely restrictive providing competitors with easy design arounds rendering your patent worthless. Compound that with the use of “means” possibly rendering your patent invalid means “means” claim language is usually not favored.

How can means claim language render a patent invalid? Here’s how. In *Ergo Licensing LLC v. CareFusion 303 Inc.*, 102 USPQ 2d 1122 (Fed. Cir. 2012), Patent No. 5,507,514 covered an infusion device which simultaneously delivered fluids from multiple fluid sources into a patient’s body. The patent owner sued a competitor for infringing the patent. Claimed in the patent was “control means” for carrying out various functions. But, the patent

specification didn’t describe how these functions were carried out in software executed on a computer. That is fatal to the patent rendering it invalid. A similar case is *Noha Systems, Inc. v. Intuit Inc.*, 102 USPQ 2d 1410 (Fed. Cir. 2012).

PORN DOWNLOADS

By now you know not to download music or movies from questionable sources or else risk being sued by the music and movie industries which probably have more money than you do. Stop with the porn downloads as well – porn movie owners are suing Bit Torrent users in an attempt to embarrass them into settlement. Lawsuit information including your name traced to a computer download is publicly available.

YOUTUBE AGAIN

The TV, movie, and music industries continue to pursue YouTube for allegedly posting infringing content. At issue is the extent to which YouTube knows about infringing content on its site and the actions YouTube takes when it discovers copyright infringement.

Federal copyright law generally protects “service providers” like YouTube provided they act to minimize infringing material. In the summer of 2010, a Federal District Court judge found in favor of YouTube in *Viacom International Inc., v. YouTube, Inc.*, 102 USPQ 2d 1283 (2012). Now, the Court of Appeals for the Second Circuit

remanded the case back to the District Court in an opinion in which YouTube could ultimately be held liable.

DISCLOSURE

Information Disclosure Statements (IDS), prior art citation, duty of disclosure, inequitable conduct, fraud on the Patent Office – when you file a patent application, you have to tell the Patent Office everything about the closest prior art you know about. Or else? Or else your patent can be invalidated.

It's gotten harder to invalidate a patent – the prior art reference withheld from the Patent Office must be highly material and an intent to withhold it by the applicant must be proven by clear and convincing evidence. But, patents continue to be invalidated even under this strict standard. *See Aventis Pharma S.A. v. Hospira Inc.*, 102 USPQ 2d 1445 (Fed. Cir. 2012) where the inventor withheld his own reports and his “reason” for doing so was not believed. *See also Thereasense Inc. v. Becton, Dickinson and Co.*, 102 USPQ 2d 1510 (N.D. Cal. 2012) — the remand for the case which raised the bar for proving inequitable conduct.

FALSE ADVERTISING

Is Fresh Step® cat litter (with carbon) more efficient at absorbing odors than SUPER SCOOP® cat litter (with baking soda)? A good recent case involving false advertising including this question is *Church & Dwight Co. v. Clorox Co.*, 102 USPQ 2d 1453 (S.D. N.Y. 2012). Because its tests were poorly conducted, Clorox's commercial regarding the Fresh Step® product was enjoined.

Minute Maid® sells a “Pomegranate Blueberry Juice”. Think you know what's in it? Think again: its 99.4% apple and grape juices, 0.3% pomegranate juice, 0.2% blueberry juice, and 0.1% raspberry juice. *Pom Wonderful, LLC v. Coca-Cola Co.*, 102 USPQ 2d 1782 (9th Cir. 2012).

Anyway, a competitor whose pomegranate juice actually contained a meaningful amount of pomegranate juice sued for false advertising. Surprisingly since FDA regulations allowed Minute Maid to label its juice as it did, the competitor's false advertising claims were barred.

π MUSIC

Lars Erickson took the numbers in *pi* and assigned each one a musical note resulting in his copyrighted “*pi* symphony” musical piece. Later, Michael Blake did the same thing: he assigned each number of *pi* a musical note resulting in his song “What *pi* sounds like.”

Erickson sued Blake for copyright infringement. How do you rule? Not guilty held *Erickson v. Blake*, 102 USPQ 2d 1466 (D. Or. 2012): an idea like assigning a musical note to each number in *pi* is not copyrightable.

REVERSE PAYMENT

A drug manufacturer/patent owner pays a generic drug manufacturer to not sell the generic drug in settlement of a patent infringement lawsuit brought by the drug manufacturer/patent owner against the generic company. The reason? The settlement ends the uncertainty that a court might find the drug manufacturer's patent invalid and/or not infringed by the generic. It is called a “reverse payment” agreement and it's controversial.

Predictably, the Federal Trade Commission hates reverse payments and sued over a reverse payment settlement for anti-trust violations. *Federal Trade Commission v. Watson Pharmaceuticals Inc.*, 102 USPQ 2d 156 (11th Cir. 2012). The 11th Circuit's closing in the case is worth repeating verbatim:

In closing, it is worth emphasizing that what the FTC proposes is that we attempt to decide how some other court in some other case at some other time was likely to have resolved some other claim if it had been pursued to judgment. If we did that we would be deciding a patent case within an antitrust case about the settlement of the patent case, a turducken task. Even if we found that prospect palatable, we would be bound to follow the simpler recipe for deciding these cases that is laid out in our existing precedent. As we interpret that precedent, the FTC loses this appeal.

Id., 102 USPQ 2d at 1573.

GEOGRAPHICALLY DECEPTIVELY MISDESCRIPTIVE

Premiere Distillery located in Illinois tried to register the mark “Real Russian” for vodka. That’s geographically deceptively misdescriptive and therefore not registerable. *In re Premiere Distillery LLC*, 103 USPQ 2d 1483 (TTAB 2012).

What’s wrong with “Old Havana” rum that’s not made in Cuba? It’s also geographically misdescriptive and thus no trademark registration for “Old Havana.” *In re Compania de Licores Internacionales S.A.*, 102 USPQ 2d 1841 (TTAB 2012).

TRADE SECRETS AS CONFIDENTIAL INFORMATION

Ever read an agreement that referred to both “trade secrets” and “confidential information”? Me too. The question has always been if a piece of information doesn’t fit into the legal definition of a trade secret, can the information still be legally protected somehow as “confidential information”? Many courts have said no but in *Miller UK Ltd. v. Caterpillar Inc.*, 102 USPQ 2d 1786 (N.D. IL. 2012), a complaint alleging unjust enrichment and fraudulent inducement involving the unauthorized use of confidential information survived a motion to dismiss those two counts even in the presence of a preemptive state trade secret law.

BURDEN OF PROOF

Baxter International has a patent for a kidney dialysis machine and sued Fresenius for patent infringement. Fresenius, at trial and on appeal, unsuccessfully argued Baxter’s patent was invalid.

Undeterred, Fresenius sought re-examination of the Baxter patent back at the Patent Office. This time, Fresenius won. Baxter’s patent was held invalid. Next, Baxter appealed that decision and lost. So a court held the Baxter patent was not invalid and the Patent Office held the Baxter patent was invalid. The Federal Circuit said both decisions were correct.

How can that be? The burden of proof required to prove a patent invalid is tougher in court (clear and convincing evidence) than at the Patent Office

(preponderance of the evidence). Still, I (and the dissenting judge in the case) had always thought our courts trump the other two branches of government (the Executive Branch including the Patent Office as well as Congress). *In re Baxter International Inc.*, 102 USPQ 2d 1925 (Fed. Cir. 2012).

CLAIMING TOO MUCH

Your patent claim recites a change in resistance of at least 10%. Your engineers have only engineered a system with a measured change of resistance of 11.8%. The result? Your patent claim is invalid for lack of enablement. Do not claim more than you invented especially when it comes to hard and fast numbers. *Competitor MagSil Corp. v. Hitachi Global Storage Technologies Inc.*, 103 USPQ 2d 1769 (Fed. Cir. 2012).

CAN SUE BUT CANNOT BE SUED

Some guy registered the domain name libyaembassy.com and Libya (yes, the Libyan government) sued the guy for trademark infringement. Some judge let it go all the way through the trial before ruling that “Libya Embassy” is not a trademark. *Libya v. Miski*, 103 USPQ 2d 1927 (D.D.C. 2012). In *Bell Helicopter Textron Inc. v. Islamic Republic of Iran*, 104 USPQ 2d 1729 (D.D.C. 2012), Bell Helicopter sued Iran for trademark infringement. Iran has sovereign immunity, held the court, and cannot be sued in U.S. courts.

So, foreign countries can sue in our courts but cannot be sued in them.

RED SOLE FASHION

Have you heard about the red shoe sole case involving \$1,000 high heels? No? Here is the shortest description I could come up with: Christian Louboutin’s high heeled shoes have a red sole which was held to be protectable as a trademark but yet is not infringed by Yves Saint Laurent’s all red high heels (including the sole). *Christian Louboutin S.A. v. Yves Saint Laurent American Holding Inc.*, 103 USPQ 2d 1937 (2nd Cir. 2012). I have trouble getting past a pair of shoes costing \$1,000.00.

PATENT DUE DILIGENCE

If you sue someone for infringing your patent but you haven't conducted the requisite due diligence to prove that a court will likely find in your favor, you may have to pay the other side's attorneys fees and expenses. In *Highmark Inc. v. AllcareHhealth Management Systems Inc.*, 104 USPQ 2d 1046 (Fed. Cir. 2012), patent owner Allcare had to pay Highmark's attorneys fees to the tune of \$4,694,727.40!

Unique to the case was that *each* patent claim Allcare asserted against Highmark was reviewed by the court. Even though Allcare withdrew its infringement allegations with respect to one claim during the course of the litigation, Allcare had to pay Highmark's attorneys fee for Highmark's defense of that particular claim up until the point it was withdrawn.

PATENT DISPARAGEMENT

In one recent case, a patent claim reciting an electrochemical sensor was narrowly construed and limited to wireless electrochemical sensors. Why? Because the patent disparaged prior art non-wireless electrochemical sensors. *In re Abbott Diabetes Care, Inc.*, 104 USPQ 2d 1337 (Fed. Cir 2012).

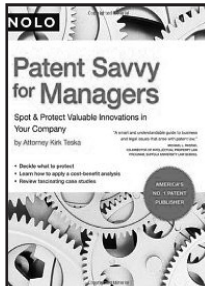


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