
PROTECTING INTELLECTUAL PROPERTY IN THE U.S.A.

ИЛИ

« ГАЛОПОМ ПО АМЕРИКАНСКОМУ ПРАВУ »

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PRESENTATION OVERVIEW

CHAPTERS

Overview of the U.S. Patent System

The US Patent System: Different from the Rest of the World and in a Constant State of “Development”

US Patent Practice and Litigation

US Trademark Practice

OVERVIEW OF THE U.S. PATENT SYSTEM

OVERVIEW OF THE U.S. PATENT SYSTEM

Common law-based

- Role of precedent: binding court decisions
- As a result, US patent practice is "reactive"

Geared towards litigation

- Person of ordinary skill in the art (POSITA) vs. Judge vs. Jury

"Administered" by lawyers and not necessarily "technical" persons

- Not all lawyers/judges/jurors involved in patent disputes have a technical training

**THE U.S. PATENT
SYSTEM: DIFFERENT
FROM THE REST OF
THE WORLD AND IN
A CONSTANT STATE
OF “DEVELOPMENT”**

THE U.S. PATENT SYSTEM

BASED ON BOTH LEGISLATIVE CHANGES AND CASE LAW DEVELOPMENTS

- U.S. patent law is codified (U.S. Code: Title 35 – Patents)
- However, case law shapes and sometimes changes how the codified law is applied, especially in new contexts (e.g., software patents)
 - Recent broad statutory reform: *America Invents Act* (2011)
 - Recent case law developments: *Alice Corp. v. CLS Bank*, 134 S.Ct. 2347 (2014); *Int'l Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S.Ct. 2107 (2013); *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 32 S.Ct. 1289 (2012)



THE U.S. PATENT SYSTEM

TRANSITION FROM A “FIRST TO INVENT” SYSTEM TO A “FIRST TO FILE” SYSTEM (AIA)

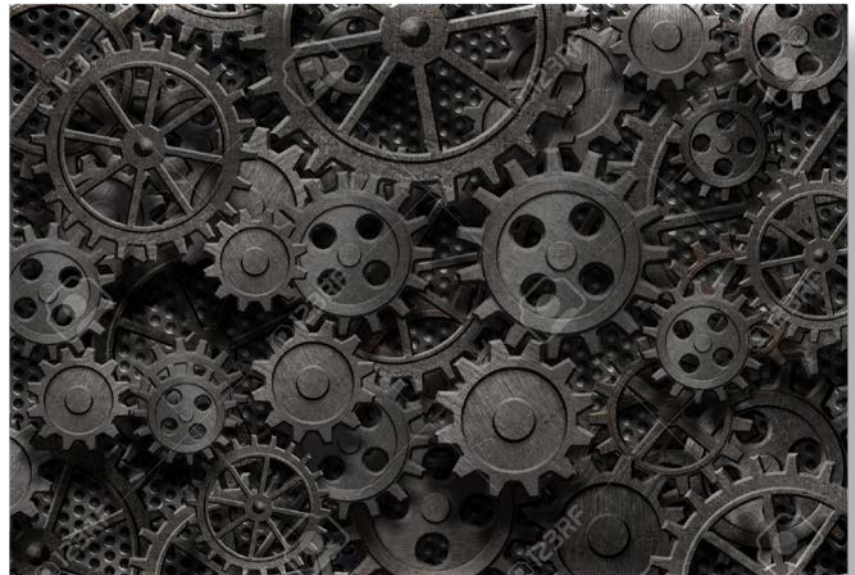
- The U.S. patent system was based on the first to invent system until March 13, 2013;
- The inventor who first conceived of the invention and then diligently reduced it to practice (by filing a patent application or actually practicing the invention, is considered the first inventor and is entitled to patent protection as of the date of conception;
- The U.S. switched to a first to file system with the implementation of the third phase of the American Invents Act (AIA) on March 16, 2013, joining the vast majority of countries in adopting this system;
- In a first-to-file system, the right to the grant of a patent for a given invention lies with the first person to file a patent application for protection of that invention, regardless of the date of actual invention.

THE U.S. PATENT SYSTEM

THE STATUTE (35 U.S.C. § 101)

The Statute (35 U.S.C. § 101) authorizes patents for:

- Machines
- Compositions of Matter
- Articles of Manufacture
- Processes



THE U.S. PATENT SYSTEM

RECENT U.S. SUPREME COURT DECISIONS: FOCUS ON SUBJECT MATTER & OBVIOUSNESS

BUSINESS METHODS/IT PATENTS after

- *Alice Corp. v. CLS Bank*, 134 S.Ct. 2347 (2014)

DNA after

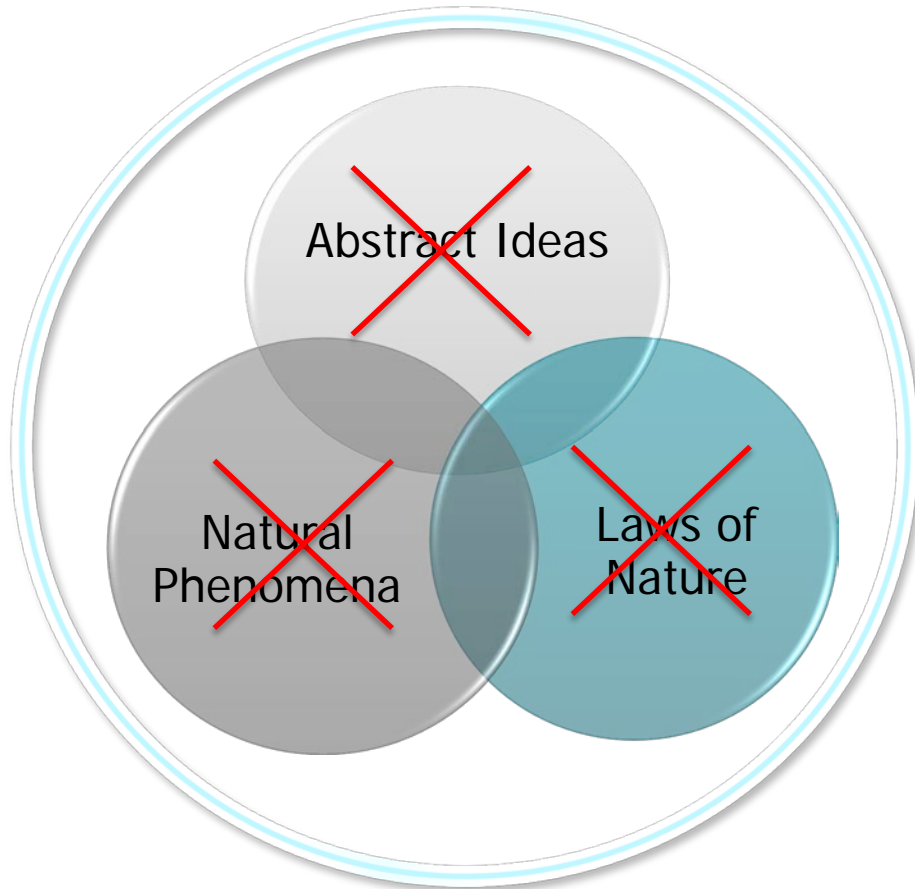
- *Int'l Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S.Ct. 2107 (2013)

DIAGNOSTIC METHODS after

- *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 32 S.Ct. 1289 (2012)

THE U.S. PATENT SYSTEM

EXCLUSIONS TO PATENTABILITY



"I know well the difficulty of drawing a line between the things which are worth to the public the embarrassment of an exclusive patent, and those which are not."

—
Thomas Jefferson, 1813

THE U.S. PATENT SYSTEM

HISTORICAL EVOLUTION OF THE APPLICATION OF THESE EXCLUSIONS TO SOFTWARE

	<u>NOT PATENTABLE:</u>	<u>PATENTABLE :</u>
<u>Supreme Court</u>	<ul style="list-style-type: none"> - <u>Benson</u>: “process to convert binary-coded decimal numerals into pure binary code” - <u>Flook</u>: “monitor conditions of catalytic conversion in petrochemical and oil-refining” - <u>Bilski</u>: “hedging risk” - <u>Alice</u>: “intermediated settlement” 	<ul style="list-style-type: none"> - <u>Dierh</u>: “process applying a mathematical algorithm to cure rubber”
<u>Federal Circuit Court</u>	<ul style="list-style-type: none"> - <u>buySAFE</u>: “creating a contractual relationship” - <u>Planet Bingo</u>: “managing a game of bingo” - <u>Ultramercial</u>: “using advertising as an exchange or currency” 	<ul style="list-style-type: none"> - <u>DDR Holding</u>: “generating webpages” - <u>Enfish</u>: “database software designed as a “self-referential table” - <u>McRo</u>: “automatically animating lip synchronization and facial expression of animated characters”

U.S. PATENT PRACTICE AND LITIGATION



THE U.S. PATENT SYSTEM

Grace period

Filing in the US – US first filed, convention priority filing, PCT national phase filing, PCT Continuation practice, PCT continuation in part

“Internal priority”

Provisional patent applications

U.S. PATENT PRACTICE

STRATEGIES FOR DRAFTING PROVISIONAL PATENT APPLICATIONS

- Provisional patent application needs to provide adequate support for the future non-provisional patent application in order to support a valid priority claim;
- If used, provisional application should be drafted as if it were non-provisional – full description, drawings and claims;
- Particularly useful where further developments within the first year are expected;
- Russian Law requires patent applications directed to inventions made in Russia to be filed first in Russia.

U.S. PATENT PRACTICE

DESCRIPTION

The U.S. has a particular approach to background, summary and description sections (to be considered when drafting the priority case)

- Drafting the background while minimizing characterization of the prior art and “building up” of a need for an improvement
- Providing multiple “non-limiting” embodiments of the invention / technology
 - Avoiding single-embodiment descriptions
- Avoiding patent profanities, such as “must have”, “preferable”, “most optimal” and the like
- If drafted in Russian, being mindful of differences in the language structure (such as use of passive voice, etc.)
- Be careful when talking about advantages

U.S. PATENT PRACTICE

DESCRIPTION

Description Requirements

- The patent specification must "contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same" (35 U.S.C. 112(1))

Description for computer implemented inventions:

- *Williamson v. Citrix Online, LLC*, 792 F.3d 1339 (Fed. Cir. June 16, 2015) (en banc), *superseding* 770 F.3d 1371 (Fed. Cir. 2014)

U.S. PATENT PRACTICE

CLAIMS

U.S. claims

- Point style claiming vs. fence style claiming
- Two part form claims vs. one part claims
- Multiple claims in a single category (apparatus, method, computer readable medium)
- Claim differentiation – “cascading” dependent claims

Single entity rule

- In *Muniauction, Inc. v. Thomson Corp.* (Fed Cir. 2008), the Federal Circuit held that direct infringement of a claimed method requires that a single entity performs every step of the claim
- Requirement is satisfied if steps are performed by multiple parties provided that a single party exercises “control or direction” over entire process

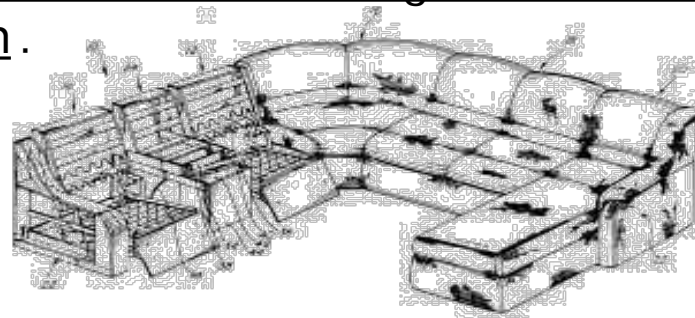
U.S. PATENT PRACTICE

THE GENTRY GALLERY, INC. V. THE BERKLINE CORP

(134 F.3d 1473 (Fed. Cir. 1998))

A sectional sofa comprising:

- a pair of reclining seats disposed in parallel relationship with one another in a double reclining seat sectional sofa section being without an arm at one end,
- each of said reclining seats having a backrest and seat cushions and movable between upright and reclined positions,
- a fixed console disposed in the double reclining seat sofa section between the pair of reclining seats and with the console and reclining seats together comprising a unitary structure,
- said console including an armrest portion for each of the reclining seats; said arm rests remaining fixed when the reclining seats move from one to another of their positions,
- and a pair of control means, one for each reclining seat; mounted on the double reclining seat sofa section.

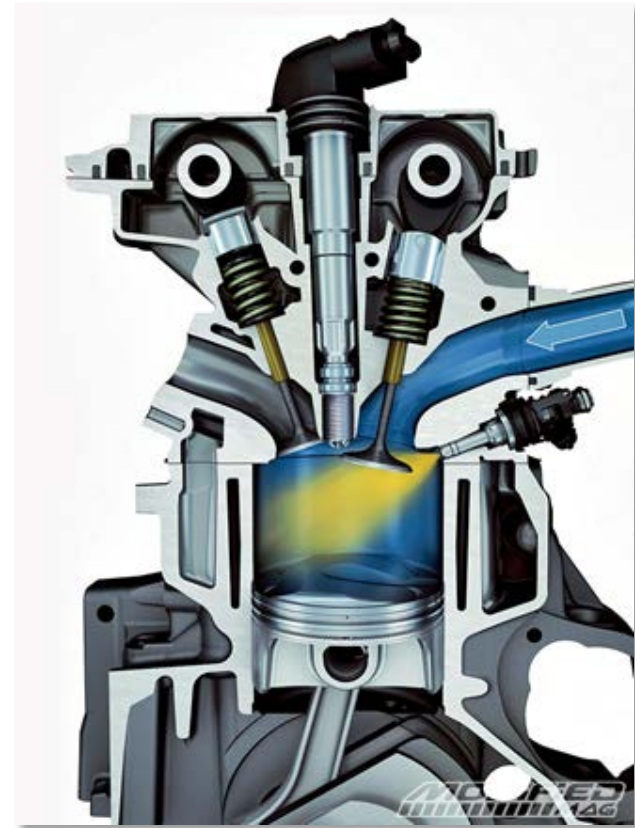


U.S. PATENT PRACTICE

HONEYWELL V. ITT INDUSTRIES

(452 F.3d 1312 (Fed. Cir. 2006))

- The court interpreted the “fuel injection system component” as being limited to a “fuel filter” based upon a written description that referred to the fuel filter as the “present invention” on at least four occasions.
- “The public is entitled to take the patentee at his word and the word was that the invention is a fuel filter”.

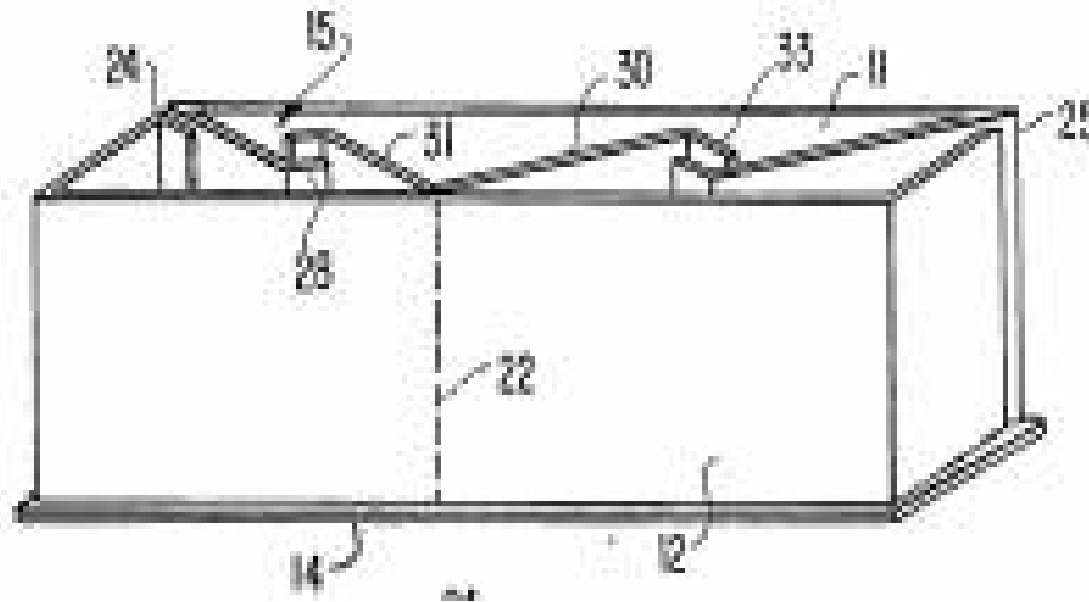


U.S. PATENT PRACTICE

PHILIPS V. AWH CORP.

(415 F.3d 1303 (Fed. Cir. 2005))

FIG. 2.



U.S. PATENT PRACTICE

DOCTRINE OF EQUIVALENTS (DOE)

- Legal rule recognized by U.S. courts
- A means by which a patentee may raise a claim of infringement even though each and every element of the patented invention is not identically present in the allegedly infringing product
- The purpose of the DOE is to prevent an infringer from stealing the benefit of a patented invention by changing only minor or insubstantial details of the claimed invention while retaining the same functionality
- The essential inquiry in determining equivalency is whether the accused product or process contains elements identical or *equivalent* to each claimed element of the patented invention
- In the U.S., the DOE is applied to individual claim limitations – not the invention as a whole
- **File Wrapper Estoppel, a.k.a. “Festo”**
 - Amendments and arguments made in prosecution

U.S. PATENT PRACTICE

INFORMATION DISCLOSURE STATEMENTS (IDS)

- Duty on all applicants to submit all relevant background art or information to the USPTO during patent prosecution
- Applies to any information that may be relevant to patentability of the applicant's invention
- If a patent applicant knowingly or intentionally fails to submit prior art to the USPTO, then any patent that later issues from the patent application may be declared unenforceable
- Duty applies to applicant, inventor and even any patent attorney or legal staff representing the applicant or inventor
- Translation of foreign prior art: consider "strategic" searching of the English language prior art

U.S. PATENT PRACTICE

DOCTRINE OF INEQUITABLE CONDUCT

- A patent applicant engages in inequitable conduct when he or she breaches the applicant's duty of candor and good faith to the USPTO when applying for a patent
- Examples of inequitable conduct include: (a) failure to submit material prior art known to the applicant; (b) failure to explain references in a foreign language or submit pre-existing full or partial translations of the references; (c) misstatements of fact; and (d) mis-description of inventorship



U.S. PATENT PRACTICE

DOCTRINE OF INEQUITABLE CONDUCT:

Therasense, Inc. v. Becton, Dickinson and Co (Fed. Cir. May 25, 2011)
(en banc)

- In *Therasense*, the Federal Circuit Court of Appeals, sitting *en banc*, restricted the doctrine of inequitable conduct by changing the standard for materiality and clarifying the requirements for finding intent to deceive
- The party alleging unenforceability must prove a specific intent to deceive the USPTO by clear and convincing evidence and the decision to deceive the USPTO must be knowing and deliberate

Post-Therasense decisions

- *Intellect Wireless, Inc. v. HTC Corp.*, No. 2012-1658, slip op.(Fed. Cir. Oct. 9, 2013)

U.S. PATENT LITIGATION



- **Court**: Cases are initiated in a U.S. District Court. Appeals are filed to the Court of Appeals of the Federal Circuit.
- **Juries**: Most US patent trials include juries. The jury may decide any factual issue of the case not reserved to the judge. The judge decides pure issues of law or equity.
- **Markman Hearing**: The court may at some point during the case schedule a court hearing, called a “Markman hearing,” to determine the meaning of the patent terms.
- **Patent “trolls”**: Patent trolls are notorious in U.S. patent litigation. These are entities that generally do not create or invent anything but are rather in the business of litigation (or threatening litigation) by buying up patents from companies and using the patents to sue other companies.

U.S. PATENT LITIGATION

PATENT LITIGATION IN THE U.S. IS...

LENGTHY

- 3-5 years from filing of the complaint to final judgment in a trial court
1-2 years for Appeals

COMPLEX

- After an initial pleadings stage, discovery begins, and lasts for months or even years. Discovery can involve massive exchanges of documents, interrogatories, expert reports and depositions. After discovery, a case typically moves into periods for requests for judgment without a trial, final pretrial, trial, and post-trial motions. Following this stage, the actual trial may begin

WILLFUL INFRINGEMENT

- Treble damages (up to)

U.S. TRADEMARK PRACTICE



U.S. TRADEMARK PRACTICE

CONCEPT OF USE

DESCRIPTION OF GOODS AND SERVICES

DO'S AND DON'Ts OF GLOBAL TRADEMARK PORTFOLIO
MANAGEMENT – CONSIDERATIONS FOR U.S.

U.S. TRADEMARK PRACTICE

CONCEPT OF USE

First to use country

Acquisition of rights through use → use of unregistered trademark provides rights

If the mark has not been used by anyone, rights acquired by first to file

Use required to obtain / maintain trademark registration

U.S. TRADEMARK PRACTICE

CONCEPT OF USE

Use issue is crucial to:

- Availability of trademark
 - For use and for registration
 - State of marketplace to be taken into account in addition to state of trademark register
 - Examination stage / opposition
- Filing of trademark application → filing basis/bases
 - Date of first use of the mark in the U.S. to be specified if use is claimed + declaration and specimens of use to be filed
 - Foreign registration basis: registration (or pending application) in foreign applicant's home country

U.S. TRADEMARK PRACTICE

CONCEPT OF USE

- Maintenance of trademark registration in the U.S.
 - 5th to 6th year from registration date → declaration and specimens of use to be filed
- Renewal of trademark registration in the U.S.
 - Declaration and specimens of use to be filed
- Infringement or passing-off proceedings
- Cancellation proceedings for non-use
- Cancellation / Expungement proceedings based on prior rights
 - Incontestability after 5 years of registration

U.S. TRADEMARK PRACTICE

CONCEPT OF USE

Definition of use of a trademark differs for **goods** and **services**

Use in association with **goods**:

- Mark to appear on the goods themselves (wrapping, packaging, labeling or any other manner associated with goods at time of sale)
- At the time of sale → goods must have been sold (generally speaking) → advertising alone does not suffice
- In the normal course of trade

Use in association with **services**:

- Mark to appear in the execution of the services
- Or in their advertising, if the services are available
- No sales required *per se*

U.S. TRADEMARK PRACTICE

CONCEPT OF USE

Acceptable specimens of use

- **Goods:** show the mark on actual goods or packaging
 - Acceptable: tag, label, catalogue, picture of goods, display of goods
 - Unacceptable: invoice, announcement, advertisement, order form, bill of lading, leaflet, brochure, letterhead, business card
- **Services:** show the mark used in the sale or advertising of the services
 - Acceptable: picture of sign, brochure, advertisement describing the services, business card or stationery showing the mark in association with the services
 - Reference must be made to the type of services rendered on the specimen; not just a display of the mark

U.S. TRADEMARK PRACTICE

DESCRIPTION OF GOODS AND SERVICES

- Class headings and broad description not accepted
- Goods and services to be specified in ordinary commercial terms → discretionary exercise conducted by Examiner resulting in Office Action being issued
 - Limit scope of protection
 - Assess likelihood of confusion

U.S. TRADEMARK PRACTICE

DO's AND DON'Ts OF GLOBAL TRADEMARK PORTFOLIO MANAGEMENT

Availability of trademark for use

DO conduct a full availability search including *common law* rights to try to uncover previously used unregistered trademark

DON'T rely solely on trademark search over trademark register

Description of goods and services

DO limit the goods and services for those in association with which the mark is actually used or will be actually used

DON'T use class headings or broad description

U.S. TRADEMARK PRACTICE

DO's AND DON'Ts OF GLOBAL TRADEMARK PORTFOLIO MANAGEMENT

Filing of application

DO file earlier than later (like anywhere else)

DON'T file in the U.S. if you don't have real intention to use the mark → subject to expungement → **intention needs to be documented**

Filing basis/bases of application for registration

DO carefully determine the appropriate filing basis/bases

DON'T use a date of first use which you won't be able to prove, if need be

U.S. TRADEMARK PRACTICE

DO's AND DON'Ts OF GLOBAL TRADEMARK PORTFOLIO MANAGEMENT

Use of trademarks

DO review actual use of registered trademarks on annual basis – for goods and services covered → in all countries – keep track

DO resume use of registered trademarks before

- specimens of use need to be filed in the U.S. (5-6 years from registration date)
- registration becomes subject to cancellation or summary expungement proceedings (3 or 5 years from registration date depending on country)

THANK YOU СПАСИБО

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