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## PATENT & TRADEMARK POLICY REPORT DECEMBER 1, 2023



### I. Congressional Developments:

- On Wednesday, November 30, Senate Majority Leader Chuck Schumer hosted the latest of his AI forums, focusing on concerns over AI systems training on copyrighted content and potential AI uses for creators and inventors as well as transparency and explainability around AI. The full list of attendees included musician Rick Beato, Ben Brooks of Stability AI, Mike Capps of Diveplane, Danielle Coffey of News Media Alliance, Duncan Crabtree-Ireland of SAG-AFTRA, Ali Farhadi of the Allen Institute for AI, Zach Graves of the Foundation for American Innovation, Vanessa Holtgrewe of IATSE, Mounir Ibrahim of Truepic, Dennis Kooker of Sony Music Entertainment, Curtis LeGeyt of the National Association of Broadcasters, Riley McCormack of DigiMarc, Cynthia Rudin of Duke University, Jon Schleuss of NewsGuild, Ben Sheffner of the Motion Picture Association, Navrina Singh of Credo AI, Ziad Sultan of Spotify, Andrew Trask of OpenMined, and Nicol Turner Lee of Brookings.

### II. USPTO Updates:

- On Friday, the USPTO announced that it is launching a pilot program to help promote semiconductor innovation by expediting examination for qualifying patents. The program is meant to support the objectives of President Biden's Creating Helpful Incentives to Produce

### Headlines and Highlights:

- Schumer Holds IP and Copyright AI Forum
- USPTO Launches Semiconductor Innovation Pilot Program
- PPAC Discusses Annual Report and USPTO Improvements
- USPTO Launches Cloud-Based Trademark Search System
- Elon Musk's X Corp Files Lawsuit Against Adeia Inc Over Digital Media Patents
- Meta and Amazon Succeed in Invalidating AlmondNet's Advertisement Placement Patent

Semiconductors (CHIPS) and Science Act, which was signed into law in August 2022. The CHIPS and Science Act provided \$280 billion in federal funding to encourage the domestic production of semiconductor products in the United States as well as to fund research and development projects in advanced technological fields like quantum computing and artificial intelligence. The law also provides for a \$10 billion investment into the development of regional innovation and technology hubs and establishes other programs supporting science, technology, engineering and math (STEM) educational programs. Read more [here](#).

- On Thursday, the Patent Public Advisory Committee (PPAC) held its final meeting of the year. The main topic covered was the 2023 PPAC Annual Report. Members gave brief overviews of the report, which included topics such as: Rulemaking, Finance, Artificial Intelligence, Collaboration with other Government Agencies, the PTAB, and the impact of IP on US GDP. This was the second public hearing of the year, but the first since May which focused on fee setting. PPAC Chair Suzanne Harrison gave a brief introduction and then turned it over to Director Vidal for her opening remarks. As it was the last meeting of 2023 Director Vidal honored the service of departing PPAC members and thanked them for their work over the last year. She spoke about the USPTO's focus on inclusive innovation, the recent milestone of issuing the millionth design patent, and the continued planned improvements for the USPTO as a whole going into 2024. She mentioned the retirement of Private Pair on November 15 in favor of Patent Center and announced that the USPTO will be introducing the Semiconductor Technology Pilot Program in support of CHIPS for America Program later this week.
- On Thursday, the U.S. Patent and Trademark Office (USPTO) released a revised edition of the [China Intellectual Property Rights \(IPR\) Toolkit](#), which describes recent changes made to China's IP-related laws and government structures. The toolkit provides an in-depth look and explanation of the basics of Chinese IP laws to help rights holders who do business in China.
- On Thursday, the USPTO launched a new cloud-based trademark search system. The USPTO indicates that this system will provide "a more stable search environment with a simplified search interface that also supports complex searching for advanced users." The USPTO will also update its search webpage, which includes recordings of training webinars for users. The new search system can be found [here](#).
- Last week, USPTO released long-awaited supplementary guidance designed for the use of USPTO personnel in determining the eligibility of design claims that involve computer-generated electronic images for statutory subject matter. The guidance reiterates the existing USPTO practice concerning commonplace graphical user interfaces (GUIs) and icons. Essentially, the updated guidelines emphasize that a design claim must still be connected to an identifiable article of manufacture, such as a "computer screen," "display panel," "display screen or portion thereof," "portion of a computer screen," "portion of a display panel," or "portion of a monitor" (with the list not being exhaustive). Furthermore, the specified article of manufacture must be claimed alongside a graphical user interface (GUI) or icon.

### III. Judiciary Update

- On Tuesday, Elon Musk's X Corp filed a lawsuit against former TiVo technology owner Adeia Inc in a California federal court, seeking a declaration that the social media company does not infringe Adeia's digital media patents. X initiated the legal action to preempt an anticipated patent infringement lawsuit from Adeia following the breakdown of a licensing agreement between the two companies. The complaint alleges that Adeia's predecessors, TiVo and Rovi, entered into a patent licensing agreement with X (then known as Twitter) in 2019. X claims that Adeia sued them in California state court in August for allegedly breaching the contract, and, in response, X terminated the agreement due to Adeia's disclosure of confidential terms. X asserts an imminent risk of being sued for patent infringement by Adeia, citing the latter's recent plan to "target social media companies" with licensing efforts. X requests the court to declare that it does not infringe four Adeia patents related to content recommendations, digital advertising, social-media integration, and other technologies.
- On Monday, U.S. District Judge Colm Connolly referred IP Edge, a patent monetization firm, and its attorneys to the U.S. Department of Justice, USPTO, and state bar regulators for investigation. The judge alleged that IP Edge-backed patent plaintiffs, Nimitz Technologies, Mellaconic, and Lamplight Licensing, failed to disclose IP Edge as the actual patent owner, with attorneys violating professional conduct rules. The judge also flagged potential undisclosed interests by France Brevets, a government-owned investment fund. IP Edge attorneys were further referred to the Texas Supreme Court for allegedly practicing law without authorization. The cases involve dismissed patent lawsuits related to computers and cellphones, accusing the plaintiffs of being shell entities shielding IP Edge from liability. The investigation will assess potential violations of federal law and USPTO rules. Defendants include CNET Media Inc., BuzzFeed Inc., Imagine Learning Inc., Bloomberg LP, TimeClock Plus LLC, Deputy Inc., ABB Inc., and Ingram Micro Inc.
- Last week, the Federal Circuit, in an opinion by Judge DYK, upheld a USPTO post-grant review decision that canceled Purdue's claims related to a patent describing a method for preparing an opioid to prevent abuse by adding an "aversive agent." Purdue contended that the USPTO lacked the authority to issue the final written decision, arguing that it had exceeded the statutory deadline. The Federal Circuit, citing Supreme Court precedent, held that in the absence of specified consequences for non-compliance with statutory timing provisions, federal courts would not impose their own sanctions. The court emphasized that denying the USPTO authority to issue a decision after the deadline would contradict Congressional intent to provide an expeditious and less costly alternative to litigation. Mandamus was deemed the appropriate remedy to compel the USPTO to issue its decision, and it was considered immediately available upon the deadline's expiration, with the failure to seek relief by mandamus not implying a loss of the USPTO's authority to act.

#### **IV. Industry Update**

- On Wednesday, Meta Platforms Inc. and Amazon.com Inc. successfully persuaded the US Patent and Trademark Office's administrative tribunal to invalidate portions of an advertisement placement patent owned by AlmondNet Inc. The Patent Trial and Appeal Board (PTAB) determined that the contested claims of US Patent No. 9,830,615 were obvious, as Meta and Amazon demonstrated that an experienced electrical engineer or computer scientist could have combined previous inventions to achieve the electronic ad direction innovations described in the patent. The '615 patent covers a computer system

related to "profile-based behavioral targeting" for ad placement based on expected profit. AlmondNet had separately sued Meta and Amazon in 2021, alleging infringement of six patents, including the '615 patent, with a trial against Amazon scheduled for February 2024. The PTAB's refusal to review four other challenged patents was noted, and AlmondNet's proposed constructions of key patent excerpts were rejected. The decision influenced the stay of AlmondNet's lawsuit against Meta in April, pending the board's decision. The legal representation includes Cooley LLP and Fenwick & West LLP for Meta and Amazon, and Russ August & Kabat for AlmondNet.