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Recent Changes To Trademark Trial
And Appeal Board Rules

By Kenneth M. Bernstein, Holly Pekowsky and Mark Berkowitz¹

Traditionally, opposing an application or petitioning to cancel a registration in the Trademark Trial and Appeal Board ("TTAB") has been an attractive alternative to litigation in the courts, in part because such opposition and cancellation proceedings have not required some of the hallmarks of a civil action, such as scheduling conferences, initial disclosures and expert disclosures. However, recent amendments to the TTAB will now place many of these same burdens upon parties participating in Board proceedings.

On August 1, 2007, the U.S. Patent and Trademark Office published its final amendments to the TTAB Trademark Rules of Practice. 72 Fed. Reg. 42242. The majority of the new Rules were effective as of November 1, 2007, although several were effective as of August 31, 2007.

The purpose of the new Rules, as stated by the Board, is to improve the efficiency of discovery, promote early settlement and increase procedural fairness by preventing unfair surprise. In general, the changes bring the TTAB Rules more in line with the Federal Rules of Civil Procedure.

I. Service of Pleadings

Under the previous Rules, the party in position of plaintiff (e.g., the opposer in an opposition, or the pe-

titioner in a petition to cancel) filed a copy of the commencement pleading with the TTAB, which then forwarded a copy to each party in the position of defendant (e.g., applicant in an opposition or registrant in a cancellation). Under the new Rules, the party in position of plaintiff must serve the commencement pleading directly on the party in position of defendant² (or domestic representative, depending on the correspondence address provided in the Office Records).³ 37 C.F.R. § 2.101; 37 C.F.R. § 2.111. Service must be effected by one of the methods provided in 37 C.F.R. § 2.119, specifically, personal service, first class mail, express mail or overnight courier. The opposer or petitioner must include proof of service when filing its notice of opposition or petition to cancel with the Board. 37 C.F.R. § 2.101; 37 C.F.R. § 2.111. Service may be made by e-mail only if the defendant has agreed to accept such service.⁴ 37 C.F.R. § 2.119(b)(6). These changes apply to all cases commenced on or after November 1, 2007.

In addition, the TTAB may now serve notice by e-mail when a party has provided the Office with an e-mail address. 37 C.F.R. § 2.105(a); 37 C.F.R. § 2.113(a). This change applies to all cases pending or commenced on or after August 31, 2007.

January 2008

Dear Fellow Members,

In my first President's Letter to you, I previewed the then-upcoming visit by the Federal Circuit Court of Appeals to New York City.

I had no idea, however, just how interesting and impressive the week's events would be, and, more particularly, how profoundly appreciative the Court would be of your Associations' participation and efforts.

The visit began with a welcoming reception sponsored by the Federal Circuit Bar Association on Monday, October 1. Then, over the course of the next three days, the Court held six full, live oral argument sessions at five different locations - - the Southern District of New York, the Court of International Trade, New York University School of Law, Fordham University School of Law, and Columbia University School of Law. In a very generous offer of time and effort, several of the judges remained at the law schools to meet with faculty and students to discuss the Court's jurisdiction, activities, case dockets, etc. (for which the schools were extremely impressed and appreciative). And, the visit ended with an informative CLE program cosponsored by the Association of the Bar of the City of New York in which two of the judges participated.

Your Association was honored throughout the Court's visit to serve as the host organization for most of the week's activities. Perhaps the signature hospitality event for the Court's visit was the Association's reception held in the Starlight Roof of the Waldorf-Astoria on Wednesday, October 3. The event was attended by almost 500 people from the IP community, comprised of judges, law school deans and professors, Court Clerks and Administrative Staff, Association Officers, members and guests. In all, it was a memorable occasion which commemorated the Court's 25th anniversary. Our thanks go to the Host Committee, the Association administrative staff and many others who volunteered their precious time and effort to make it a successful visit for the Court.

There was no time to pause or "rest on our laurels", as we moved immediately from the Federal Circuit visit to prepare for the Fall One-Day CLE Program which was held at the Princeton-Columbia-NYU Club on Friday, November 16. As it has in the past, this year's program was well-received by more than 100 attendees who were treated to some unique presentation formatting and participation by Judge Claire C. Cecchi of the U.S. District Court, District of New Jersey. The substantive content of the program was particularly impressive as



it highlighted some extremely significant recent developments in the law. By all accounts, the Program was a resounding success.

Looking ahead, your Association is moving forward with more informative programs. The Committees are actively working on many interesting and topical projects and agendas for the year. I urge you once again to consider joining and participating in one of our committees. There are many opportunities to become involved and exchange ideas with colleagues on the many important topics of intellectual property.

With the Holiday Season behind us already (we extend our best wishes to all our members for a happy and healthy 2008), I look forward to a very active schedule of Winter and Spring activities."

Sincerely,

Christopher A. Hughes,

President, New York Intellectual Property Law Association

ARTICLES

The Association welcomes
articles of interest to the IP bar.

Please direct all submissions

by e-mail to:

Ashe P. Puri, Bulletin Editor, at
apuri@sidley.com

NYIPLA Calendar

Friday, February 15, 2008

Friday, March 28, 2008

Friday, March 28, 2008

Wednesday, April 30, 2008

Wednesday, May 21, 2008

Friday, November 14, 2008

CLE Program and Luncheon, Harvard Club, NYC

The 86th Annual Dinner in Honor of the Federal Judiciary
Waldorf-Astoria Hotel, New York, NY

CLE Day of Dinner Program and Luncheon Presented in Conjunction
with the 86th Annual Dinner in Honor of the Federal Judiciary

24th Annual Joint Patent Practice Seminar, Hilton, New York

Annual Meeting and Awards Dinner, Princeton-Columbia-NYU Club
15 West 43rd Street, New York, NY

CLE Fall One-Day Program, Princeton-Columbia-NYU Club
15 West 43rd Street, New York, NY

II. Discovery/Settlement Conferences

In order to promote early resolution of issues, parties are now obligated to participate in an early discovery and settlement conference within thirty (30) days after the due date of the answer. 37 C.F.R. § 2.120(a)(2). An interlocutory attorney or an administrative trademark judge will participate if requested ten (10) days before the deadline to have the conference. *Id.* If neither party requests participation by the Board, the parties must meet on their own, in person or by telephone. *Id.* The new Rules do not require a disclosure/discovery plan to be filed with the Board unless a party is seeking to change the deadlines set forth in the new Rules. See 72 Fed. Reg. at 42245 for a complete list of these deadlines. These changes apply to all cases commenced on or after November 1, 2007.

III. Initial Disclosures

Parties must now make initial disclosures in Board proceedings as required by Federal Rule 26(a)(1). The initial disclosures must be made within thirty (30) days from the opening of the discovery period. 37 C.F.R. § 2.120(a)(2). In a typical case, this will provide a longer disclosure period than under Federal Rule 26(a)(1), which measures from the actual date the conference is held, providing additional time for settlement. The initial disclosures include the identities of potential witnesses and basic information about evidence that the disclosing party may use to support a claim or defense. Fed. R. Civ. P. 26(a)(1). A party may not seek discovery or move for summary judgment, except on grounds of claim or issue preclusion or lack of jurisdiction by the Board, until it has made its initial disclosures. 37 C.F.R. § 2.127(e)(1). Parties may agree, subject to Board approval, to forego initial disclosures. 37 C.F.R. § 2.120(a)(2). These changes apply to all cases commenced on or after November 1, 2007.

IV. Expert Disclosures

Expert witnesses are not typically used in Board proceedings due to their expense. However, they are used in some instances, most commonly where a party seeks to conduct and introduce a survey into evidence, for example, that a registrant's mark is generic, or that an applicant's mark is likely to dilute an opposer's mark.

The new Rules pertaining to expert witnesses "provide[] the Board with flexibility to make any orders necessary to accommodate disclosure of experts . . . in the rare cases when expert testimony may be used." 72 Fed. Reg. at 42254. A plaintiff or defendant planning to use an expert at trial must disclose the expert's identity thirty (30) days before the close of discovery. 37 C.F.R. § 2.120(a)(2). Federal Rule 26(a)(2), incorporated by reference in the new Rules, details the information a party must provide to satisfy its expert disclosure obligations. *Id.* Once the required disclosure is made, the TTAB may suspend ongoing proceedings to allow discovery limited to experts. 72 Fed. Reg. at 42246. If a party decides to retain an expert after the deadline, a motion for leave to present expert testimony must be filed. 37 C.F.R. § 2.120(a)(2). These changes apply to all cases commenced on or after November 1, 2007.

V. Pretrial Disclosures

Parties must now serve pretrial disclosures fifteen (15) days before the opening of their testimony periods. Disclosure must include witness lists, testimony topics and witness exhibit categories. 37 C.F.R. § 2.121(e). The disclosures are governed by Federal Rule 26(a)(3), except that a party need not disclose each document or exhibit that it plans to introduce at trial as required by Rule 26(a)(3)(C). 72 Fed. Reg. at 42246. A party may object to improper or inadequate pretrial disclosures and may move to strike the testimony of a witness for lack of proper pretrial disclosure. *Id.* These changes apply to all cases commenced on or after November 1, 2007.

Friday, February 15, 2008 • CLE Program and Luncheon

Harvard Club, NYC

Speaker: Thomas G. Hungar • Deputy Solicitor General, U.S. Department of Justice

Check www.nyipla.org as details become available

VI. Protective Orders

The Board took note that the discovery process was often hindered by the lack of a protective order. For example, an opposer who asserts that there is a likelihood of confusion between an applicant's mark and the opposer's well known mark may well be asked to produce sales figures to evidence or refute the allegation that its mark is well known. To streamline discovery in future proceedings, the TTAB's standard Protective Order⁵ is now applicable in all pending cases, except those that already have a protective order in place. 37 C.F.R. § 2.116(g). A party may still move for a different protective order, under TTAB or federal rules, when the standard order is insufficient to provide the protection needed. 72 Fed. Reg. at 42244. Under the standard Protective Order, any individual not falling within the definition of a party or attorney must sign an acknowledgement form as a condition for gaining access to protected information through a party or attorney. *Id.* These changes apply to all cases pending or commenced on or after August 31, 2007.

VII. Motions and Page Limits

The TTAB has clarified the rule on page limits for the briefing of motions. A table of contents, index of cases, description of record, statement of the issues, recitation of facts, argument and summary all count against the limit of twenty-five (25) pages for a brief in support of a motion or in response to a motion, and the limit of ten (10) pages for a reply brief. 37 C.F.R. § 2.127(a).

Furthermore, submissions to the TTAB may no longer be made in CD-ROM format. These rule changes are applicable to all cases pending or commenced on or after August 31, 2007.

VIII. Conclusions

While the new Rules certainly place additional burdens on the parties involved, they also offer several benefits and are still less burdensome than civil actions. By encouraging early settlement, substantial time and

expense may be saved. For those cases that do not settle, the revised disclosure requirements, as well as the availability of a protective order from the outset, should help streamline the discovery process.

Notwithstanding the new Rules, TTAB proceedings still differ from traditional litigation in several important respects. For example, the TTAB's decision in a Board proceeding only affects the applicant or registrant's right to register, not use a mark.⁶ Although a court in a civil action relating to the allegedly infringing use of a mark may give weight to the TTAB's decision regarding registrability of the mark, the court is not bound by the Board's decision.⁷ In addition, unlike a trial in a civil litigation, proceedings before the Board are conducted entirely in writing, eliminating the need for parties to appear before the Board, unless an oral hearing is requested by a party. TBMP § 102.03. These, along with certain other procedural differences, make it likely that even with the new Rules, TTAB proceedings will still offer a less costly alternative to a court action.



¹ Kenneth M. Bernstein is a partner, and Holly Pekowsky and Mark Berkowitz are associates, at Amster, Rothstein & Ebenstein LLP. Their practices specialize in intellectual property matters, including litigating patent, trademark and other intellectual property disputes, registering trademarks and service marks with the U.S. Patent and Trademark Office and other trademark offices throughout the world, and drafting and negotiating intellectual property agreements. They may be reached at kbernstein@arelaw.com, hpekowsky@arelaw.com and mberkowitz@arelaw.com. This article is not intended to express the views of the firm or its clients.

² An opposer must also serve the applicant's or registrant's attorney, if one is listed in the application. 37 C.F.R. § 2.101.

³ If an applicant or party to a proceeding is not domiciled in the United States, it may designate a domestic representative who may be served with notice of proceedings by filing a document with the Trademark Office. 37 C.F.R. § 2.24; 37 C.F.R. § 2.119(d).

⁴ A concurrent-use applicant will not have to serve copies of its application on any defending applicant, registrant, or common law mark owner until receipt of a Board notice that the concurrent-use application has commenced. 37 C.F.R. § 2.99(d)(1).

⁵ The standard Protective Order can be found in the Appendix of Forms to the TTAB Manual of Procedure which is available at <http://www.uspto.gov/web/offices/dcom/ttab/tbmp/index.html>.

⁶ The Board does not have authority to determine a right to use, or to decide broader questions of infringement or unfair competition. TBMP § 102.01.

⁷ See *In re Dr. Pepper Co.*, 836 F.2d 508, 510 (Fed. Cir. 1987) ("While the interpretations of the statute by the board are not binding on this court, under general principles of administrative law, deference should be given by a court to the interpretation by the agency charged with its administration.").

Friday, March 28, 2008

*The 86th Annual Dinner
in Honor of the Federal Judiciary
Waldorf=Astoria Hotel, New York, NY*

*The NYIPLA is pleased to host this special evening and hope
you will join us and be part of this wonderful tradition.*

Keynote Speakers: James Carville and Mary Matalin
*Strategists from both sides of the political stage and
"Washington's best-loved couple."*

For details check our website: www.NYIPLA.org

KSR International Co. v. Teleflex, Inc. - Its Unintended Consequences

By Milton Wolson¹

In its much anticipated decision in *KSR Int'l. Co. v. Teleflex, Inc.*, 127 S. Ct. 1727 (2007), the Supreme Court set forth factors for evaluating whether a combination of old elements is obvious and therefore unpatentable. Certain of these factors are capable of being evaluated by both the courts and the U.S. Patent and Trademark Office ("PTO"). For example, both the courts and the PTO have the capability to review the interrelated teachings of multiple patents and the teachings of scientific literature to determine such factors as to whether the prior art teaches away from combining certain known elements; whether the elements act according to known methods to yield no more than predictable results; or conversely, whether the elements work together in an unexpected and fruitful manner. However, the PTO whose function it is to determine patentability in the first instance, with its limited resources does not have the capability to evaluate other of the KSR factors.

The inability of the PTO and, in particular, the inability of a U.S. Patent Examiner who has the responsibility for determining patentability, to consider all of the KSR unpatentability factors, has potentially serious consequences. When a patent issues without these unpatentability factors being considered, it will have questionable actual validity. Nevertheless, the patent will be afforded a statutory presumption of validity in subsequent litigation. In addition, in litigation, clear and convincing evidence is required to establish the invalidity of such a patent. Still further, even though issued without all the KSR unpatentability factors being considered, the patent may have a chilling competitive effect.

The issue before the Supreme Court in *KSR* was whether the U.S. Court of Appeals for the Federal Circuit ("CAFC") applied the proper test for determining the obviousness of an invention involving a combina-

tion of old elements. Under the CAFC's long-applied so called "TSM" test, a patent claim is obvious only if "some motivation or suggestion to combine the prior art teachings can be found in the prior art, the nature of the problem, or the knowledge of a person having ordinary skill in the art." *Id.* at 1734.

The Supreme Court rejected the TSM test in favor of a more expansive and flexible approach.

Throughout this Court's engagement with the question of obviousness, our cases have set forth an expansive and flexible approach inconsistent with the way the Court of Appeal applied its TSM test here. *Id.* at 1739

In amplifying this approach, the Court observed that:

Helpful insights, however, need not become rigid and mandatory formulas; and when it is so applied, the TSM test is incompatible with our precedents. The obviousness analysis cannot be confined by a formalistic conception of the words teaching, suggestion, and motivation, or by overemphasis on the importance of published articles and the explicit content of issued patents. The diversity of inventive pursuits and of modern technology counsels against limiting the analysis in this way. In many fields it may be that there is little discussion of obvious techniques or combinations, and that it often may be the case that market demand, rather than scientific literature, will drive design trends. *Id.* at 1741.

But, the Supreme Court appears to have overlooked an important point - a U.S. Patent Examiner has no means for evaluating whether "market demand, rather than scientific literature will drive design trend."

In providing examples of its more expansive and flexible approach to determine obviousness, the Supreme

Friday, March 28, 2008

12 P.M. - 2:00 P.M.

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♦ ♦ ♦ ♦ ♦ ♦ ♦ ♦

The Starlight Roof of the Waldorf-Astoria Hotel

The CLE program is presented in conjunction with the

86th Annual Dinner in Honor of the Federal Judiciary.

For details check our website: www.NYIPLA.org

cont. on page 6

Court set forth certain sub-tests of obviousness, which while being capable of being performed by a court, are not capable of being performed by a Patent Examiner.

Thus, for example, the Court held that often in determining the obviousness issue, it will be necessary to consider the "effects or demands known to the design community", *Id.* at 1740, for the subject matter sought to be patented. The design community presumably consisting of designers involved in developing the type of subject matter sought to be patented.

In applying this sub-test to any given patent application, it may be that the subject matter sought to be patented was developed solely or primarily as a result of "demands known to the design community." However, a Patent Examiner will not have any information about the design community involved in the subject matter sought to be patented, let alone the demands known to that design community. As a result, the Patent Examiner may

permit a patent to issue which would not otherwise have issued if the Patent Examiner had possessed and could have evaluated the information regarding the demands of the design community with respect to the subject matter sought to be patented.

A further sub-test for obviousness set forth by the Supreme Court in *KSR* is that consideration be given to "the effects or demands... present in the market place" for the subject matter sought to be patented. *Id.* at 1740. But it may be that the subject matter sought to be patented was developed solely or primarily as a result of "demands present in the market place." Here again, a Patent Examiner does not have any information about the market place for the subject matter sought to be patented, let alone the demands of that marketplace. As a result, the Patent Examiner may permit a patent to issue which would not otherwise have issued if the Patent Examiner possessed and could have evaluated information regarding the demands of the market place with respect to the subject matter sought to be patented.

The lack of information available to Patent Examiners concerning the design and market place contexts of the subject matter being evaluated for patentability can and undoubtedly in certain instances will cause patents of questionable validity to issue.

In *KSR*, the Supreme Court noted that

"[n]either the enactment of § 103 [invalidity for obviousness] nor the analysis in *Graham* disturbed the Court's earlier instructions concerning the need for caution in granting a patent based on the combination of elements found in the prior art. *Id.* at 1739

Ironically, instead of following its own recognized need for caution, the Supreme Court, by its expansive and flexible approach to determining non-obviousness in *KSR* has unintentionally promoted the issuance of patents of questionable validity.

The undesirable litigation and commercial consequences of the Supreme Court's approach are significant. That is so because in litigation, patents, even of questionable validity, are afforded a presumption of validity and clear and convincing evidence is required to establish their invalidity. And in the commercial context, patents of such questionable validity may have an unwarranted chilling effect on competition.



¹ Milton Wolson is Of Counsel to Notaro & Michalos P.C., an IP firm with offices in New York City and Orangeburg, New York

Outstanding Public Service Award

To be Presented on
Friday, March 28, 2008



**We are pleased to announce that
the Sixth Annual
NYIPLA Outstanding Public Service Award
will be bestowed posthumously to the
Honorable Howard T. Markey, who served as the
first Chief Judge for the United States Court of
Appeals for the Federal Circuit.**

**Judge Markey's son, Christopher Markey,
will accept the award at the
Association's 86th Annual Dinner in
Honor of the Federal Judiciary on
Friday, March 28, 2008
at the Waldorf-Astoria Hotel**

For details check our website: www.NYIPLA.org

"As Time Goes By - The Offensive Side of the Patent Bar"

by Dale Carlson

The patent bar is awaking from what seems like a Rip Van Winklean slumber to finally take the offensive with respect to patent reform initiatives that threaten to undermine the patent system for patent users and the general public alike.

A key public policy underpinning of the patent system is its incentive force in facilitating making information available to the public that otherwise would likely be kept as a trade secret. The effect of this policy is to allow readers of the patent to innovate more rapidly than otherwise might be possible. In exchange for the exclusive right associated with the patent, the inventor is required to meet the mandated disclosure requirements, including best mode.

A bill (H.R. 1908) that passed the House on September 7, 2007 would obviate an important reason for complying with the best mode requirement by rendering it not usable as a basis to invalidate a patent lacking best mode disclosure. If that provision of the bill were enacted into law, it would have the real-world impact of diminishing the disclosure value of patents to the public by taking away motivation for inventors to disclose their best mode in the first instance.

On October 31, 2007, patent counsel for GlaxoSmithKline were able to, almost single-handedly, stop the PTO in its tracks from implementing retroactive final rules that would have set limits on numbers of claims in patent applications, as well as numbers of continuations that could be filed. Thankfully, the AIPLA stepped in with an amicus brief submission, albeit at the eleventh hour. The AIPLA's amicus was supported by a declaration from one of our Association's past Board members, Sam Helfgott.

During oral argument in the Eastern District of Virginia, the PTO was repre-

sented by a non-patent lawyer. How could a non-patent lawyer have been expected to understand the onerous effect the new rules would have had on patent applicants and the patent bar alike? The non-patent lawyer didn't appear to appreciate that the final rules would have had a substantive, not just a procedural, impact on the rights of patent applicants.

H.R. 1908 contains a provision that would retroactively legitimize the PTO's actions in making the final rules. If this provision were enacted, it would be tantamount to Congress' relinquishing its authority to the PTO in an area encompassing substantive rulemaking. This would be a very bad thing for the future of patent law inasmuch as it would truncate Congressional oversight of PTO actions.

If the PTO's final rules were intended to ease the overburdening that the Office is currently experiencing, due to a large backlog of unexamined applications, it was by no means a direct approach to accomplishing that goal. A direct approach would, of course, have been to hire more patent examiners. Instead, the Office set out to implement a complex set of rules that were largely opposed by the patent bar and patent applicants alike.

We patent prosecutors should be individually and collectively thankful to GSK for doing what it did to prevent implementation of the final rules. However, we can't stop there. Our Association's voice needs to be heard now—both in regard to the GSK case, and in regard to the legislation pending before Congress.

Looking forward to the future, our Association's voice needs to be heard more clearly when it comes time for new appointments to the Federal Circuit, and new appointments to the position of Director of the PTO. The time is right for experienced patent lawyers to once again be placed in those positions, as they were in times not long past.

What is at stake is the future of our profession, and the strength of our patent system. A strong patent system is good for our economy, and, more importantly, it is good for our clients, even clients who don't yet know that, or have been misled into believing that it just ain't so.

Now is the time for our Association to take the offensive!



Dale Carlson, a partner at Wiggin & Dana, serves as the NYIPLA Historian, and as a member of the Board of Directors.

Federal Circuit Case Review

by Scott B. Familant¹

Federal Circuit Takes Expansive View Of "Foreseeability" For Purposes Of Rebutting A Presumption Of Surrender

Schwarz Pharma Inc. v. Paddock Labs, Inc.
(Fed. Cir., October 12, 2007)

In a ruling on October 12, 2007, the Federal Circuit precluded reliance on the doctrine of equivalents ("DOE") for patent claims narrowed during prosecution. Seemingly very little motivation or predictability was necessary for the accused equivalent to be deemed a foreseeable option and, hence, beyond the reach of the DOE. To the extent this decision were viewed to have applicability beyond its particular facts, it places a further premium on securing patent claims that will literally cover competitors' activities.

In *Schwarz Pharma Inc. v. Warner-Lambert Co. Ltd.*, CV 2007-1074, the appellate court held that claims directed to stabilizing a pharmaceutical composition containing an ACE inhibitor could not embrace the use of magnesium oxide (MgO) as a stabilizer; such subject matter was surrendered during prosecution and foreseeable. As originally presented, the pharmaceutical composition and process claims at issue literally covered the use of any "metal-containing stabilizer" to prevent an ACE inhibitor from cyclizing and discoloring:

A pharmaceutical composition which contains:

- (a) a drug component which comprises a suitable amount of an ACE inhibitor ...
- (b) a suitable amount of a metal-containing stabilizer to inhibit cyclization and discolorization

A process for stabilizing an ACE inhibitor drug against cyclization which comprises the step of contacting the drug with:

- (a) a suitable amount of a metal-containing stabilizer

Based on rejections made during prosecution, the claims were amended to cover a narrower class of stabilizers, namely alkali and alkaline earth metal carbonates. MgO fell within the literal scope of the original claims, but not the narrower claims that issued. Under the Supreme Court's ruling in *Festo Corp. v. Shoketsu Kogyo Kabushiki Co., Ltd.*, 535 US 722 (2002), a narrowing amendment made for purposes of establishing patentability creates a presump-

tion that an accused equivalent is surrendered and, hence, beyond the reach of the DOE. That presumption, however, can be rebutted if the accused equivalent was not foreseeable at the time the narrowing amendment was made.

Schwarz argued that the presumption could be rebutted because it was not known that MgO could "[stabilize] against the specific degradation pathway of cyclization or [stabilize] the specific drug category of ACE inhibitors." The court, however, rejected that argument. With respect to the pharmaceutical composition claimed, it noted that the preamble was directed generically to any pharmaceutical composition. As a result, that language made any known pharmaceutical stabilizer "foreseeable" for purposes of the analysis and not just those that "inhibit cyclization of ACE inhibitors." Interestingly, the court did not attach controlling significance to language in the body of the claim, which limited the stabilizers to ones that prevent cyclization and discolorization.

This part of the opinion might have suggested that had such a limitation appeared in the preamble, the outcome might have been different. However, the court's treatment of the process claims reflects otherwise. Even though the preamble for that claim contained such a limitation, the court concluded that it was foreseeable that any known pharmaceutical stabilizer (including MgO) "might be helpful in stabilizing ACE inhibitors."

Fairly Generic "Governing Law" Contract Provisions Can Subject State Actors To Federal Jurisdiction

Baum Res. & Dev. Co., Inc. v. Univ. of Mass. at Lowell

(Fed. Cir., October 10, 2007)

In a decision handed down on October 10, 2007, *Baum Res. & Dev. Co., Inc. v. Univ. of Mass. at Lowell*, CV 2006-1330, the Court of Appeals for the Federal Circuit upheld a lower court's finding that a University had waived its sovereign immunity under the Eleventh Amendment with respect to a contract/patent infringement dispute brought in federal court. This case underscores that rather generic "governing law" language can suffice for sovereign immunity to be waived.

In 1998, the University of Massachusetts at Lowell entered into a patent license with Charles Baum. In defining the law that should govern the contract and any dispute thereunder, the license contained the following provision:

Governing Law: This Agreement will be construed, interpreted and applied according to the laws of the State of Michigan and all parties agree to proper venue and hereby submit to jurisdiction in the appropriate State or Federal Courts of Record sitting in the State of Michigan.

When Baum sued the University for breach of contract and patent infringement in federal court, the University asserted sovereign immunity under the Eleventh Amendment. The Eleventh Amendment prohibits federal courts from having jurisdiction over states and state actors without their consent.

Before the district and appellate courts, the University argued that the foregoing contract provision was "vague" and did not reflect an "unequivocal" intent to waive immunity, as required by case precedent. The University focused on three considerations to support its position. For example, the provision did not indicate which court is "appropriate" for a given suit. Nor did the provision contain any explicit language that indicated that this particular suit could or should be heard before a federal court. Finally, the provision was sufficiently broad

that it embraced "all laws," including the Constitution and its amendments. In the University's eyes, to allow this suit to be heard in federal court would improperly override the provision's embracement of the Eleventh Amendment. Notwithstanding, both courts concluded otherwise: the provision was sufficiently "unequivocal" to trigger a waiver.

Of course, the inclusion of such a provision may not always be sufficient for a suit to be proper in a federal court. The University separately argued that the provision could not be interpreted as a waiver because the University lacked the authority to provide one. According to the University, only the state legislature has such authority. Although Baum was fortunate that the University did not substantiate its position, those entering into contracts with an agent/representative of a state would be well advised to investigate whether the latter has the authority to waive sovereign immunity. Otherwise, such provisions may not be enforceable in federal court.

¹ Scott B. Familant is a partner at the law firm of Sidley Austin LLP, New York Office, and a member of the firm's Intellectual Property Group. The view expressed herein is the personal view of the author and does not necessarily reflect that of the firm or the firm's clients. Comments about or in response to the case review can be directed to Scott at sfamilant@sidley.com.



Wednesday, April 30, 2008 24th Annual Joint Patent Practice Seminar

Hilton New York • 1335 Avenue of the Americas, NYC

This full-day program will have five panels of experts presenting current developments in:
Litigation • Biotechnology/Pharmaceuticals • Supreme Court – Big IP Cases
Foreign Patent Practice • USPTO Practice

This program is brought to you by the Joint Patent Practice Continuing Legal Education, Inc. and co-sponsored by:
New York Intellectual Property Law Association, Connecticut Intellectual Property Law Association,
New Jersey Intellectual Property Law Association and Philadelphia Intellectual Property Law Association

Details will be posted on the website as they become available: www.JPPCLE.org

Wednesday, May 21, 2008

~ SAVE THE DATE ~

Nineteen Hundred and Twenty-two

NYIPLA

Annual Meeting and Awards Dinner

Princeton-Columbia-NYU Club
New York, NY

Join us as we recognize the winners of the
Connor Writing Competition
and the
Inventor of the Year

When you need local counsel in Delaware

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Reception and Dinner in Honor of the United States Court of Appeals for the Federal Circuit Sitting in New York City


 On Wednesday, October 3, 2007, the New York Intellectual Property Law Association hosted a reception and dinner on behalf the Federal Circuit Court of Appeals' visit to New York City which also commemorated the Court's 25th Anniversary. The event took place at the Starlight Roof of the Waldorf=Astoria. There were nearly 500 attendees, including judges, law school deans and professors, Court Clerks and Administrative Staff, NYIPLA Officers, members and guests.

The evening began with a reception at the Waldorf=Astoria where the attendees had an opportunity to meet the judges of the Federal Circuit and other distinguished guests. Following the reception, the dinner commenced where the attendees had an opportunity to hear Chief Judge Michel speak.

The Federal Circuit's visit was eventful for members of the New York IP community. Over the course of its three day visit, the Federal Circuit held six live oral argument sessions at the Southern District of New York, the Court of International Trade, New York University School of Law, Fordham University School of Law and Columbia University School of Law. The judges also attended programs hosted by various other organizations during their visit to New York City.



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Section of Intellectual Property Law

August 8-13, 2008
Waldorf=Astoria Hotel

A comprehensive and exciting mix of continuing legal education programs, speakers, committee activities and networking and social events makes this a must-attend meeting for IP practitioners.

Online registration for the ABA Annual Meeting will be available in February.

Watch our ABA IPL website at www.abanet.org/intelprop for Section event details at the ABA Annual Meeting, and a link to online registration as it becomes available.

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