

**NYIPLA<sup>®</sup>**

August/September 2010

# Bulletin

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## Does *Bilski* Signal That the Pendulum Has Begun to Swing Back?

Although the Limits on Patentable Subject Matter  
Remain Undefined, the Federal Circuit  
Has Been Empowered to Continue Its Search  
for an Exclusionary Rule That Will  
*Promote Continued Progress in Science  
and the Useful Arts\**

David F. Ryan<sup>1</sup>

As most Supreme Court observers with even a casual interest in patent law are now fully aware, on June 28, 2010 the Court finally issued its long-awaited *Bilski* decision on patentable subject matter.<sup>2</sup> The fact that the Court affirmed the Federal Circuit's judgment rejecting the "business method" claims at issue in *Bilski* was hardly surprising. Likewise, most commentators expected that the Court would reject the exclusive "machine or transformation" test that the nine-member majority of the *en banc* Federal Circuit had promulgated in the teeth of two prior Supreme Court pronouncements.

What most Court watchers could not have predicted was that in his (partial) majority opinion, Justice Kennedy – once a card-carrying member of the vocal anti-patent minority on the Roberts Court but now seemingly a centrist on patent matters – would emerge as the champion of careful preservation

of patent eligibility for developments in both new technologies and in such older areas of endeavor as economics and finance which most believe are becoming increasingly technological.<sup>3</sup> No prognosticator could have predicted, moreover, that the three separate opinions in *Bilski* – the seventh patent decision of the Roberts Court – would each be authored by one of the Justices who had joined in the concurring opinion authored by Justice Kennedy in *eBay*,<sup>4</sup> the very first patent decision of the Roberts Court.<sup>5</sup>

Finally, few could have anticipated that in its seventh patent law visitation, the Roberts Court would be so conciliatory towards the Federal Circuit – the custodial parent of this area of the law pursuant to Congressional mandate.<sup>6</sup> There was nothing in any of the first six patent decisions to suggest that the Roberts Court in general, or the vocal anti-patent segment of that Court in

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September 2010

# PRESIDENT'S CORNER

Dear Fellow Members,

As summer draws to a close, I've prepared a short "to-do" list of objectives for my term in office. The focus is to: (a) increase the diversity of our membership, including racial, ethnic, geographic, and in-house representation among our ranks, (b) streamline our committees structure to enhance the effectiveness, accountability and productivity of core committees, (c) insure that our Association remains on a sound financial footing to weather what pundits are calling "The Great Recession", and (d) enhance our Association's involvement in proposed IP legislation.

Apropos of item (d), H.R. 5980 was introduced in Congress on July 29, 2010 with the stated purpose of promoting job repatriation. In this election year, few politicians would wish to be branded as not in favor of job creation legislation - perhaps only those not caring about being re-elected.

One provision of H.R. 5980 would replace the "automatic" publication of patent applications, at eighteen months after filing, with publication of merely an abstract of the invention instead. The remainder of the patent application, including the claims, would be publicly unavailable until the patent issues.

It's hard to imagine who would benefit from the change that this provision embodies. Possibly no one. Any patent owner choosing to foreign file would see their patent application publish anyway, albeit abroad, at the eighteen-month mark. Under current law, any patent owner choosing not to foreign file can request nonpublication of their application, thus keeping it under wraps until the time the patent issues.

It's less hard to imagine who would be disadvantaged by the change that this provision would make. Possibly everyone. The reason is that the easy flow of information to the public concerning the contents of patent applica-

tions would likely be impeded. It might be more difficult for the average member of the public to gain access to such information if, for example, it is only available in a Japanese counterpart application published in Japanese.

It is also hard to imagine who gains from the standpoint of purported job repatriation. What might the authors of the provision have been thinking: job repatriation for translations into the English language?

Irrespective of what the authors may have been thinking, the likely impact of the provision, if enacted, would be to diminish, rather than increase, the incentive force associated with our patent system by re-imposing a veil of secrecy on the contents of patent applications that had been lifted via the American Inventors Protection Act of 1999. The likely consequence would be to slow the wheels of innovation - which could hardly bode well for job creation.

It goes without saying that our Association needs to speak out on pending IP legislation, such as H.R. 5980, and perhaps get involved in drafting legislation that we believe will be for the betterment our IP system. Hopefully, we can bring a perspective to legislators that those having greater vested interests might not be in a position to bring.

On a different note, next month my wife, Ginger,

and I will be pleased to represent the Association at the Intellectual Property Law Association of Chicago's ("IPLAC's") annual dinner in honor of the federal judiciary. IPLAC was established in 1884 - almost four decades before our Association was founded. At the dinner, we hope to gain a sense of perspective from the IPLAC's members based upon their association's long history of service to our profession.

With kind regards,  
 Dale Carlson



particular, was at all appreciative of either the efforts of the Federal Circuit judges or the dimensions of the task that Congress had assigned to it in 1982.

Optimists might well conclude that *Bilski* signals that the pendulum is again swinging toward favoring the incentives to innovation and the resulting improvements in productivity which the framers concluded would best “promote the Progress of Science and useful Arts”.<sup>7</sup> The author suggests, however, that Justice Kennedy’s continued invocation of the *eBay* mantra of “potential vagueness and suspect validity” may well mean that any celebration by the Patent Bar would be premature.

### Summary & Introduction

When the author last addressed *Bilski* in the pages of this journal almost two years ago,<sup>8</sup> the case already had been argued to the *en banc* Federal Circuit but the decision had not yet come down. By way of catching up, therefore, this article will first briefly address the opinions of the Federal Circuit before turning to the briefing, argument and opinions in the Supreme Court.

The article will then address with appropriate brevity the potential effect of *Bilski* upon Section 101 jurisprudence generally, upon claims directed to developments in the life sciences as exemplified by *Prometheus* and *Classen*,<sup>9</sup> and upon claims directed to developments in the fields of computer programming and electronics.

Finally, the article will comment on the renewed potential for detente and mutual appreciation as between the Supreme Court and the Federal Circuit and upon the prospects for restoring the balance between “overprotection” and “the diminished incentive to invent that underprotection can threaten” as that balance existed prior to *eBay*.<sup>10</sup>

Before addressing the foregoing issues, however, this article will present a historical prologue in the nature of an abbreviated discussion of the framers’ plans for the patent system as interpreted by the Supreme Court for almost 200 years and the first six patent decisions of the Roberts Court.

#### A. The Critical Balance –

##### The Patent Clause and the Patentee’s Bargain with the Public

The “Patent Clause” portion of Article I, § 8, cl. 8 of the Constitution authorizes Congress “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to .... Inventors the exclusive Right to their respective .... Discoveries” (emphasis supplied).

Under the Patent Clause, the framers of the Constitution left to Congress the determination of how best to guarantee the “exclusive Right” of the patentee “for limited Times” in order to “promote the Progress of Sci-

ence and useful Arts”. From the very beginning, with the enactment of the Patent Act of 1790,<sup>11</sup> the Supreme Court consistently has recognized that the right to enjoin infringement represents the central element – and usually the *only* element – of the exclusive right that an inventor receives *quid pro quo* in return for the disclosure which advances “the Progress of Science and useful Arts”.

In a long line of Supreme Court cases beginning with *Evans v. Jordan* in 1815,<sup>12</sup> and ending with the dissent of Justice Stevens in *Eldred v. Ashcroft* three years before *eBay*,<sup>13</sup> the elements of the public’s *quid pro quo* bargain with the patentee have been defined in an unbroken line of decisions extending for almost 200 years. As Justice Stevens phrased it in *Eldred v. Ashcroft*:

The issuance of a patent is appropriately regarded as a *quid pro quo* – the grant of a limited right for the inventor’s disclosure and subsequent contribution to the public domain.... It would be manifestly unfair if, after issuing a patent, the Government as a representative of the public sought to modify the bargain by shortening the term of the patent in order to accelerate public access to the invention.<sup>14</sup>

#### The First Six Roberts Court Patent Cases

Of the six Roberts Court patent decisions beginning with *eBay* and ending with *Quanta*,<sup>15</sup> the dismissal of certiorari as improvidently granted in *LabCorp* represented the only instance in which the judgment of the Court of Appeals for the Federal Circuit was not reversed. The other cases in this sequence are *Medimmune Inc. v. Genentech, Inc.*, No. 05-608, 549 U.S. \_\_\_\_ (Slip Op. 2007) (“*Medimmune*”); *Microsoft Corp. v. AT&T Corp.*, No. 05-1056, 550 U.S. \_\_\_\_ (Slip Op. 2007) (“*Microsoft v. AT&T*”); and *KSR Int’l Co. v. Teleflex Inc.*, No. 04-1350, 550 U.S. \_\_\_\_ (Slip Op. 2007) (“*KSR*”).

Each of the five reversals, moreover, operated to reduce both the incentive to innovate and the incentive to disclose innovations in patent applications rather than attempt to retain such improvements as trade secrets:

– In *eBay*, by reducing the availability of the permanent injunction, the threat of which is often necessary to ensure the payment of an economically appropriate royalty;

– In *Medimmune*, by further eroding the doctrine of mutuality of estoppel to the point where settlements of patent litigations now provide only minimal protection for the patentee against renewed declaratory judgment actions brought by the settling infringer;

– In *Microsoft v. AT&T*, by ignoring Congressional intent and adopting an overly narrow reading of a remedial statute designed to enable domestic innovators to protect their home market against imports manufactured offshore using infringing technology;



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– In *KSR*, by foreclosing development by the Federal Circuit of safeguards against unwarranted inferences of obviousness predicated upon hindsight combinations of unrelated prior art references; and

– In *Quanta*, by invoking the common law doctrine of exhaustion articulated in pre-1952 cases to subvert the statutory framework for contributory infringement which explicitly authorizes the recovery of royalties or damages from both direct and contributory infringers.

Against this background, and in view of the scathing dissent from the Court’s *per curiam* determination to “DIG” *LabCorp*,<sup>16</sup> many Court watchers feared that the next patentable subject matter case to reach the Supreme Court might result in further erosion of the incentives available to the innovator by foreclosing without warrant patent eligibility for an entire class of subject matter.

In any event, that potential disaster seems to have been avoided only because Justice Stevens apparently lost one of the five votes he seemed to have received in the first conference, probably that of Justice Kennedy. There is, of course, no direct evidence supporting that inference. Virtually all of the experienced Court watchers with whom the author has discussed *Bilski*, however, seem to share the belief that, based upon the length and scope of the concurring opinion of Justice Stevens, that opinion must have started life as the prospective majority opinion of the Court.

## B. Catching Up – The Federal Circuit Opinions

The Federal Circuit’s decision in *Bilski* issued on October 30, 2008 in the form of five separate opinions totaling some 128 pages.<sup>17</sup> The majority opinion of then-

Chief Judge Michel, which was supported by a total of nine of the twelve available votes of the *en banc* Court, held that the claimed hedging method was not eligible for patent protection under Section 101 because it was not “tied to a specific machine” and did not “transform a particular article to a different state or thing”.<sup>18</sup> The Court also explicitly ruled that the “useful, concrete and tangible” (“UCT”) test of *State Street* was “inadequate” and “insufficient”.<sup>19</sup>

Finally, the majority declined to accept the “technological arts test” urged by some *amici curiae* that would have limited patentable processes to those that involve “the application of science or mathematics”.<sup>20</sup> This test is conceptually quite different from the test proposed in the *Bilski I* Article which contemplates a *prima facie* showing that the implementing steps of the claimed method are “technological” in the sense that the process as a whole can be characterized as “stable, predictable and reproducible” (sometimes “SPR”).<sup>21</sup>

A separate concurring opinion by Judge Dyk, joined in by Judge Linn, concludes from a detailed and scholarly historical analysis that only “those processes for using or creating manufactures, machines and compositions of matter” were patent eligible under the early statutes. Accordingly, he rejects the concept that “processes for organizing human activity were or ever had been patentable”.<sup>22</sup>

Of the three dissents, Judge Mayer dissented because he felt the majority did not go far enough in removing business methods from the ambit of patent eligibility. In his view, the “patent system is intended to protect and promote advances in science and technology, not ideas about how to structure commercial transactions”.<sup>23</sup>

# NYIPLA Calendar

## 2010 CLE Fall One-Day PATENT PROGRAM

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In contrast, both Judge Rader and Judge Newman dissented because they felt the majority had gone too far. Judge Rader advocated a one line rejection of the claims: “Because *Bilski* claims merely an abstract idea, this court affirms the Board’s rejection”.<sup>24</sup> Judge Rader’s dissent also faults the majority for invoking “Supreme Court opinions dealing with the technology of the past” and complained that the machine or transformation test risks “precluding patent protection for tomorrow’s technologies”.<sup>25</sup>

Judge Newman dissented because application of the machine or transformation test, in her view, “excludes many of the kinds of inventions that apply today’s electronic and photonic technologies, as well as other processes that handle data and information in novel ways”.<sup>26</sup> Judge Newman also argued that the decision’s “impact on the future, as well as on the thousands of patents already granted is unknown”.<sup>27</sup>

## The Briefing and Argument In The Supreme Court

The *Bilski* I Article noted that some 37 amicus briefs had been filed with the Federal Circuit. The ABA reports that some 68 amicus briefs had been filed in the Supreme Court. Justice Kennedy cited five of those briefs in a section of his opinion in which Justice Scalia did not join.

The Supreme Court argument on November 9, 2009 was widely reported both in the popular press and in the professional journals and blogs. The highlights for most were Justice Sotomayor’s questions about speed dating and those of Justice Scalia regarding such moribund arts as horse whispering.

The transcript of the Supreme Court argument in *Bilski* is available online for those who may have an interest.<sup>28</sup> Reviewing an argument transcript after a decision has been rendered often can be instructive for those who wish to improve their skills in appellate advocacy. However, the author hereby issues an open challenge to anyone who believes she can provide a rational correlation between the nature of the questions asked at oral argument and the final vote tally. As usual, Justice Thomas asked no questions.

## The Supreme Court Opinions

**Justice Kennedy.** Justice Kennedy delivered the opinion of the Court in which Chief Justice Roberts, Justice Thomas and Justice Alito joined in full and Justice Scalia joined in all but Parts II-B-2 and II-C-2. In the sections of his opinion commanding majority support, Justice Kennedy acknowledged the three well-known and long-accepted exclusions from patent eligibility for laws of nature, physical phenomena and abstract ideas.<sup>29</sup>

Justice Kennedy next rejected the adoption by the

Federal Circuit of the machine or transformation test as the sole test for patent eligibility of process claims under Section 101.<sup>30</sup> In that connection, he explicitly rejected the statutory argument made by Judge Dyk and ruled that the term “process” in Section 101 is not to be limited by the other statutory categories.<sup>31</sup> Section I-B-1 concludes with the observation that although “the machine or transformation test is a useful and important clue, an investigative tool”, it is not “the sole test” for deciding whether an inventive process is patent eligible.<sup>32</sup>

In the next section commanding majority support, Justice Kennedy rejected the argument made by Justice Stevens (and by Judge Mayer below) to the effect that methods of doing business are or should be categorically ineligible for patent protection (Section III-B-1).<sup>33</sup>

Finally, having established that *Bilski* did not necessarily lose because of a failure to satisfy the machine or transformation test (Point I-B-1), and that he did not lose because he had attempted to patent a method of doing business (Point II-C-1), Justice Kennedy ruled that *Bilski* must lose because his claims represented attempts to patent abstract ideas (Point III).<sup>34</sup>

**Justice Stevens.** The lengthy concurring opinion of Justice Stevens, joined in by Justices Ginsburg, Breyer and Sotomayor, agreed with Justice Kennedy that the claims in issue were not patent eligible because they were directed to no more than an abstract idea,<sup>35</sup> and agreed that the machine or transformation test was not the sole test for patent eligibility under Section 101.<sup>36</sup>

However, Justice Stevens criticized Justice Kennedy’s opinion for what he perceived as an artificial limitation of *Bilski*’s claims to hedging,<sup>37</sup> and challenged Justice Kennedy’s textual arguments both directly,<sup>38</sup> and on historical grounds (as Judge Dyk had done below).<sup>39</sup>

**Justice Breyer.** In Part II of his separate concurring opinion in which Justice Scalia joined, Justice Breyer concluded that in “addition to the Court’s unanimous agreement that the claims at issue here are unpatentable abstract ideas” four additional points are consistent with the reasoning of both the Kennedy opinion of the Court and the Stevens concurring opinion:

1. That, although the text of Section 101 “is broad, it is not without limit”;
2. That transformation “and reduction of an article to a different state or thing is the clue to the patentability of a process claim that does not include particular machines”;
3. That the Federal Circuit erred by treating the machine or transformation test as the “exclusive test”; and

## C. The Implications of *Bilski* for Section 101 Jurisprudence

As noted in the *Bilski* I Article, the *Bilski* claims were by far the most abstract or “untethered” of the four

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contemporaneous cases which might have been selected for *en banc* review.<sup>41</sup> While the traditional exclusion from patent eligibility for abstract ideas might have been easy to apply in *Bilski* itself, it may be much harder to apply in the next case to come before the Federal Circuit.

Nevertheless, the likelihood that the rationale of *Bilski* might be unavailable in that next case should mean that the machine or transformation criterion will be sufficient to establish patent eligibility. In almost all cases, properly drafted claims will either be held to satisfy the machine or transformation test on the one hand or be deemed unpatentable as directed to abstract ideas on the other. It is only in the rarest of cases that supplementation by the proposed SPR standard of the Bilski I Article or some other formulation would be required to determine patent eligibility.

It is also important to note Justice Kennedy's confirmation that the patent eligibility inquiry under Section 101 "represents only a threshold test".<sup>42</sup> After the threshold is crossed, the claims still must pass muster under Sections 102, 103 and 112. Indeed, the Bilski I Article suggested that one of the functions of Section 101 is to compel the draftsmen to formulate claims which are sufficiently detailed to facilitate full examination under the other three sections of the Patent Code.

### The GVRs in *Prometheus* and *Classen*

The Bilski I Article anticipated that the Court's decision in *Bilski* might well have important implications for patent eligibility in a host of different scientific and technical fields.<sup>43</sup> While that observation remains accurate, the degree to which the specific rationale of *Bilski* can be applied to more technical subject matter appears somewhat problematical.

The patent at issue in *Prometheus* contains claims directed to "determine-and-infer methods" similar to those before the Supreme Court in *LabCorp*.<sup>44</sup> The claims of *Classen*<sup>45</sup> likewise involve diagnosis and treatment claims which are alleged to involve mental evaluations and conclusions by health professionals as necessary steps of the claimed processes – again, essentially the same putative deficiencies as those perceived by the dissent of Justice Breyer in *LabCorp*.

The claimed immunization processes include mental steps in which health practitioners reach conclusions regarding how use of certain immunization schedules allegedly developed by the patentee could affect a patient's risk of developing chronic diseases such as diabetes. It does not appear that the status of either *Prometheus* or *Classen* necessarily will be controlled by *Bilski*.

### The Tea Leaves on Software

Some commentators have suggested that Justice Kennedy's opinion seems to imply that the patentability of computer software is well settled.<sup>46</sup> They may well be correct, but those comments are set forth in a section of the opinion which does not command a majority of the Court.

### D. What *Bilski* May Mean for SCOTUS/Federal Circuit Relations

Justice Kennedy's opinion praises the scholarship of each of the five Federal Circuit opinions, and those of Judge Dyk and Judge Rader are complimented separately.<sup>47</sup> The opinion concludes with the following invitation:

In disapproving an exclusive machine-or-transformation test, we by no means foreclose the Federal Circuit's development of other limiting criteria that further the purposes of the Patent Act and are not inconsistent with its text.<sup>48</sup>

The tone is cooperative, respectful, and collegial. Arguably, it represents a significant and welcome departure from the air of studied indifference which characterized the first patent decisions of the Roberts Court.

### E. What *Bilski* May Mean for True "Patent Reform"

The plan of the framers to incentivize the filing of patent applications in order to make their disclosures available to all has, since at least the 1820s, provided a primary impetus for the joint progress of science and the economy which results from the application of scientific developments which provide economic efficiencies in the marketplace. In lean times, it is particularly important that the pipeline for those improvements in productivity which result from the application of new scientific developments should not run dry.

Over approximately the last ten years, however, we have witnessed a concerted campaign on the part of some major corporations, through organizations like the BSA and the Coalition for Patent Fairness, to de-incentivize the patent application process. During this period, those organizations and their constituent corporations have spent many millions to sponsor economic research to support the theory that the patent system does not in fact contribute to economic progress. Despite those efforts, there is not a shred of credible empirical economic evidence to support this challenge to the Constitutional scheme.

Through a concentrated stream of amicus brief filings, moreover, these organizations clearly influenced the Supreme Court to reverse the Court of Appeals for the Federal Circuit in each of the five patent cases decided beginning with *eBay* in 2006 and ending with *Quanta* in 2008. Each of those five decisions has had the effect of diminishing to varying extents the incentive of an innovator to file a patent application on his novel development.



There also are some glaring inconsistencies in the theories upon which the cases were decided. A comparison of *Medimmune* and *eBay* provides one striking example. If the patentee's generalized equitable rights must give way in the face of the unique patent right within the *Medimmune* context of mutuality of estoppel, then it is ironic that the same Court also could rule that the patentee's constitutionally sanctioned exclusivity right must give way to generalized equitable rights within the *eBay* context of the availability of injunctive relief.

By any measure, the Supreme Court's six patent rulings between 2006 and 2008 accomplished sweeping changes – unfortunately they did not provide the kind of “patent reform” that is needed to enhance innovation and the incentives to filing contemplated by the framers. In this time of economic uncertainty, we can only hope that *Bilski* marks the beginning of a new attitude by the High Court towards the value of a strong patent system.

## F. Conclusions

It would be premature at this point to attempt to assess the prospective substantive impact of *Bilski*. The good news is that the Supreme Court has left the Federal Circuit free to exercise its expertise in fashioning rules that further the purpose of the Patent Act.

The role of *Bilski* in fostering collegiality and mutual respect between the Supreme Court and the Federal Circuit could be quite significant.

The *Bilski* decision is the first from the Roberts Court to affirm a judgment of the Federal Circuit and the first to move the balance point ever so slightly in favor of increased incentives for the innovator. We should all hope that it will not be the last.

\* This article will also appear in a forthcoming issue of *The Computer & Internet Lawyer*, and is published herein with permission.



<sup>1</sup> David F. Ryan retired from the private practice of law in New York City at the end of 2006. His practice had focused on patent litigation and competition law, and he is a recognized expert on the patent-antitrust interface who remains active in writing, consulting, lecturing and bar association work. The Law Offices of David F. Ryan are now located in Croton-on-Hudson, NY and he recently completed a three-year term on the Board of the New York Intellectual Property Law Association (“NYIPLA”). He now serves as the Co-Chair of the NYIPLA's Amicus Briefs Committee and he also is the immediate past chair of its Antitrust, Inequitable Conduct and Misuse Committee. Over the past eleven years he has served as counsel of record or a principal author of briefs *amicus curiae* in ten important interface litigations, six in the Supreme Court and four in the Court of Appeals for the Federal Circuit. The views expressed in this article are solely those of the author, and should not be imputed to the NYIPLA or to any other bar association, law firm or client with whom the author has worked. Correspondence should be directed to the author at [dfhrhawley@optonline.net](mailto:dfhrhawley@optonline.net).

<sup>2</sup> *Bilski v. Kappos*, No. 08-964, 561 U.S. \_\_\_, Slip Opinion (2010). Since PDF versions of slip opinions for all Supreme Court and Federal Circuit cases are available online without charge, pin cites for all such cases herein will employ the slip opinion pagination.

<sup>3</sup> See Edward O. Wilson, *Consilience: The Unity Of Knowledge*, pp. 195-208, Alfred A. Knopf, New York (1998).

<sup>4</sup> *eBay, Inc. v. MercExchange, L.L.C.*, No. 05-130, 547 U.S. \_\_\_, 126 S. Ct. 1837 (Slip Op. 2006) (“*eBay*”).

<sup>5</sup> Of the three Justices who joined Justice Kennedy in *eBay*, Justice Souter already had left the Court and the concurring opinion of Justice Stevens in *Bilski* represented the final chapter in his long and distinguished tenure on the Court.

<sup>6</sup> See Rebecca S. Eisenberg, Commentary, *The Supreme Court and the Federal Circuit: Visitation and Custody of Patent Law*, 106 MICH. L. REV. FIRST IMPRESSIONS 28 (2007).

<sup>7</sup> U.S. Constitution, Art. I, § 8, cl. 8.

<sup>8</sup> David F. Ryan, “*In re Bilski*: Limitations on Patentable Subject Matter Under § 101 and the Need to Define a Rational Epistemology for the Metaphysics of Progress in Science and Useful Arts”, *The Computer & Internet Lawyer*, Vol. 25, No. 9 [at 10] (September 2008) and NYIPLA Bulletin November-December 2008 (the “*Bilski I* Article”).

<sup>9</sup> In its Order List of June 29, 2010, the Supreme Court issued identical “GVR” orders in *Mayo Collaborative Svcs. v. Prometheus Labs.*, No. 09-490 (“*Prometheus*”), and *Classen Immunotherapies, Inc. v. Biogen IDEC*, No. 08-1509 (“*Classen*”). In the sometimes arcane vocabulary of acronyms employed by Supreme Court personnel, litigants and watchers, GVR refers to a procedure whereby certiorari is Grant<sup>ed</sup>, the judgment below is Vacated and the case is Remanded – in these instances “for further consideration in light of” *Bilski*.

<sup>10</sup> *Laboratory Corp. of Am. Holdings v. Metabolite Labs., Inc.*, No. 04-607, 548 U.S. \_\_\_, Slip Opinion (*Per Curiam*) (Dissent at 3) (2006) (“*LabCorp*”).

<sup>11</sup> Although Congress did not enact the first injunction statute under the federal patent law until 1819, injunctive relief against infringement had been available in the state courts and often in the federal courts as well:

The acts of Congress, prior to 1819, made no provision for any suit in equity by the owner of a patent, nor for his enjoyment of any form of equitable relief. Nevertheless, the Federal courts, following the decisions of the lords chancellors, held that equity had jurisdiction over patents for inventions, and could exercise its ordinary power in behalf of the patentee, whenever these were needed to give complete effect to the statute under which the patent had been granted.

3 William C. Robinson, *The Law of Patents and Useful Inventions*, § 1082.

<sup>12</sup> *Evans v. Jordan* 8 F. Cas. 872 (C.C.D. Va. 1813), *aff'd*, 13 U.S. 199 (1815), cited by Justice Ginsburg in *Eldred v. Ashcroft*, 537 U.S. 186, 202 (2003).

<sup>13</sup> *Eldred v. Ashcroft*, 537 U.S. at 225-26 (Dissent).

<sup>14</sup> *Id.* Later in his dissent, Justice Stevens emphasized his view that “Congress cannot change the bargain between the public and the patentee in a way that disadvantages the patentee ....” (*id.* at 239).

<sup>15</sup> *Quanta Computer, Inc. v. LG Electronics, Inc.*, No. 06-937, 553 U.S. \_\_\_, (Slip Op. 2008) (“*Quanta*”).

<sup>16</sup> In the argot of the Supreme Court, DIG denotes that a previous grant of certiorari has been Dismissed as Improvidently Granted.

<sup>17</sup> *In re Bilski*, No. 2007-1130, 545 F.3d 943 (Fed. Cir. 2008) (*en banc*).

<sup>18</sup> Michel Slip Op. at 10.

<sup>19</sup> *Id.* at 20.

<sup>20</sup> *Id.* at 21.

<sup>21</sup> As will be discussed below, the author believes that the notion of SPR for defining “technological” processes represents a concept which could usefully be employed to generate a more complete exclusionary test.

<sup>22</sup> Dyk Slip Op. at 12.

<sup>23</sup> Mayer Slip Op. at 1.

<sup>24</sup> Rader Slip Op. at 1 (Dissent).

<sup>25</sup> *Id.* at 1, 10.

<sup>26</sup> Newman Slip Op. at 1 (Dissent).

<sup>27</sup> *Id.*

<sup>28</sup> [www.supremecourt.gov](http://www.supremecourt.gov).

<sup>29</sup> Kennedy Slip Op. at 5.

<sup>30</sup> *Id.* at 6-8.

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* at 8.

<sup>33</sup> *Id.* at 11.

<sup>34</sup> *Id.* at 13.

<sup>35</sup> Stevens Slip Op. at 8.

<sup>36</sup> *Id.* at 1.

<sup>37</sup> *Id.* at 8-9.

<sup>38</sup> *Id.* at 5, 12-14, and 34-38.

<sup>39</sup> *Id.* at 15-34 (Section IV).

<sup>40</sup> Breyer Slip Op. at 2-4.

<sup>41</sup> *Bilski I* Article at 11, 12.

<sup>42</sup> Kennedy Slip Op. at 5.

<sup>43</sup> *Bilski I* Article at 10: [T]he determination of whether the *Bilski* claim can be sustained under Section 101 will have important implications for the scope of available patent protection not only for business and financial methods, but also for biotech processes and medical testing, genetic medicine, electronics, information science, artificial intelligence and robotics, computer software and computer implemented processes.

<sup>44</sup> See Kevin Emerson Collins, *An Initial Comment on Prometheus: The Irrelevance Of Intangibility*, PATENTLY-O (September 17, 2009).

<sup>45</sup> *Classen Immunotherapies, Inc. v. Biogen IDEC*, No. 2006-1634 (Fed. Cir.), *opinion below*, (Unreported) (D. Md. 2006), *earlier opinion*, 381 F. Supp.2d 452 (D. Md. 2005).

<sup>46</sup> Kennedy Slip Op. at 8.

<sup>47</sup> *Id.* at 5, 7, 8.

<sup>48</sup> *Id.* at 16.

## "As Time Goes By - 'It Took a Bridge to Brooklyn to Span the Pond'"

by John B. Pegram

1970 marks the beginning of the modern IP era. There was a multiplicity of different national patent and trademark laws and procedures. Most U.S. patent and trademark attorneys relied upon specialized U.S. firms to assist in foreign filing and prosecution. Those intermediary firms not only had experienced staff, but also language skills, knowledge of foreign law and practice, contacts, and communications equipment that exceeded those of most U.S. practitioners. The rest of us relied on a collection of bulletins from those firms and a few treatises to answer basic questions.

If we wanted to quickly and directly contact a patent attorney or client in another country, we'd send a cable. To do that, a concise message was typed and given to the receptionist in our office at 30 Broad Street. She would reach under her desk and turn the knob of what looked like a kitchen timer. In fact, it was a mechanical Morse code sender connected to one of the cable companies: ITT, RCA or Western Union International. A few minutes later, a messenger would appear to pick up the message. Later in the '70s, my firm's foreign work became large enough to justify renting a Telex® machine, which permitted us to more efficiently and directly contact foreign associates, many of whom we discovered

could communicate quite well in English.

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In 1970, the Convention Establishing the World Intellectual Property Organization came into force, and the organization known by its French acronym "BIRPI" became "WIPO," with a modern structure suitable for administering major IP treaties. The Patent Cooperation Treaty was signed in 1970, although it was not fully ratified until 1978.

The main patent law harmonization effort in the 1970s was in Europe. The European Patent Convention was signed in 1973, establishing an independent European Patent Office and providing for a single application that would lead to a bundle of national patents. The EPO began receiving applications on June 1, 1978, the same day as the first PCT international application filings. This new system, however, was met with some suspicion. Many companies continued to file national patent applications in parallel with European applications. Within a few years, however, the EPO was recognized as a leading office with a high quality of examination.

Throughout the '70s, NYIPLA committee and Board members were among the leaders in promoting patent law harmonization. However, as a "local" association, we were not invited as observers at some of the important WIPO meetings. The Board addressed this problem in a unique way. A fine oil painting of the Brooklyn Bridge was purchased and presented to the WIPO Director-General by our President-Elect, Douglas Wyatt, during the celebration of the 100<sup>th</sup> Anniversary of the Paris Convention in 1983. The gift apparently drew attention to the contributions New Yorkers made to the harmonization dialog. Thereafter, WIPO found a way for our representatives to attend a wider range of meetings.



# A Procedural Remedy for the “Plague”? Pleading Inequitable Conduct After *Exergen Corp. v. Wal-Mart Stores, Inc.*

By Bruce D. DeRenzi and Sean E. Jackson

A finding of inequitable conduct can have drastic consequences for a patent holder. Unlike invalidity, which affects only asserted patent claims, inequitable conduct renders an entire patent (and potentially an entire family of patents) unenforceable.

Given this severe result, it is no surprise that this defense has been characterized as an “atomic bomb.” See *Aventis Pharma S.A. v. Amphastar Pharms., Inc.*, 525 F.3d 1334, 1349 (Fed. Cir. 2008) (Rader, J., dissenting). Even less surprising is the frequency with which defendants have raised inequitable conduct in response to a charge of patent infringement. Indeed, inequitable conduct has long been viewed as a “plague,” reflexively asserted by defendants and invariably opening the door to liberal discovery based on nebulous allegations of fact and questionable inferences. See *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 876 n.15 (Fed. Cir. 1988) (*en banc*) (quoting *Burlington Indus., Inc. v. Dayco Corp.*, 849 F.2d 1418, 1422 (Fed. Cir. 1988) (“the habit of charging inequitable conduct in almost every major patent case has become an absolute plague.”)).

## I. Addressing the “Plague” of Inequitable Conduct

The Federal Circuit has opted twice in the past year to examine the doctrine of inequitable conduct. Most recently, the Court granted a petition for rehearing *en banc* and vacated its previous decision affirming a district court’s finding of inequitable conduct. *Therasense, Inc. v. Becton, Dickinson & Co.*, 2010 WL 1655391, at \*1 (Fed. Cir. Apr. 26, 2010) (vacating 593 F.3d 1289 (Fed. Cir. 2010)). In doing so, the Federal Circuit appears open to redefining (if not restoring) the substantive standard by which conduct is measured in determining whether it is sufficiently egregious to render a patent unenforceable.<sup>1</sup>

Before *Therasense*, the Federal Circuit addressed inequitable conduct in the procedural context. In *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312 (Fed. Cir. 2009), the Court heightened the standard for pleading inequitable conduct to comport with the particularity required by Federal Rule of Civil Procedure 9(b),<sup>2</sup> and provided explicit guidance on how to meet the heightened pleading standard.

## II. *Exergen Corp. v. Wal-Mart Stores, Inc.*

### A. The Federal Circuit Heightens the Standard for Pleading Inequitable Conduct Under Rule 9(b)

Exergen Corporation (“Exergen”) sued Defendants S.A.A.T. Systems Application of Advanced Technology, Ltd. and Daiwa Products, Inc. (collectively “SAAT”) for infringement of several patents relating to infrared thermometers used to measure human body temperature. *Exergen*, 575 F.3d at 1316. SAAT sought leave to amend its answer to plead inequitable conduct as an affirmative defense and counterclaim. *Id.* at 1317. The district court found SAAT’s proposed pleading to lack the particularity required by Rule 9(b) and denied leave to amend. *Id.* The Federal Circuit affirmed. *Id.* at 1331.

The Federal Circuit rejected SAAT’s argument that their proposed pleading passed muster under the First Circuit’s “time, place, and content” test for pleading under Rule 9(b). *Id.* at 1326 (citing *McGinty v. Beranger Volkswagen, Inc.*, 633 F.2d 226, 228 (1st Cir. 1980)). Noting its freedom from regional circuit precedent on issues that pertain to or are unique to patent law, the Court applied its own law to determine the appropriate standard for pleading inequitable conduct. *Id.* at 1326 (citing *Cent. Admixture Pharmacy Servs., Inc. v. Advanced Cardiac Solutions, P.C.*, 482 F.3d 1347, 1356 (Fed. Cir. 2007)). The Federal Circuit adopted the pleading standard for fraud articulated by the Seventh Circuit. *Id.* at 1327. Specifically, the Federal Circuit held that “in pleading inequitable conduct in patent cases, Rule 9(b) requires identification of the specific *who, what, when, where, and how* of the material misrepresentation or omission committed before the PTO.” *Id.* (citing *DiLeo v. Ernst & Young*, 901 F.2d 624, 627 (7th Cir. 1990) (emphasis added)). While Rule 9(b) permits general averment of the conditions of a person’s mind, the pleadings must allege “sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind.” *Exergen*, 575 F.3d at 1327. Thus, the pleaded allegations must reasonably permit the inference of knowledge and an intent to deceive. *Id.*

### B. The Federal Circuit Finds Allegations of Inequitable Conduct Deficient Under the Heightened Pleading Standard

The Federal Circuit found SAAT’s proposed plead-

cont. on page 10

ing to be deficient with respect to both the particularity of the facts alleged and the reasonableness of the inference of knowledge and an intent to deceive. *Id.* at 1329. The necessary particularity was lacking in three ways. First, the pleading did not sufficiently allege “who” committed a material omission or misrepresentation. *Id.* Instead of identifying the *specific* individual who “knew of the material information and deliberately withheld or misrepresented it,” SAAT merely referred to “Exergen, its agents and/or attorneys.” *Id.* Second, because SAAT did not “identify which claims, and which limitations in those claims, the withheld references are relevant to, and where in those references the material information is found,” their proposed pleading did not identify the “what” and “where” of the inequitable conduct. *Id.* Third, SAAT provided only conclusory allegations that the withheld references were material and not cumulative to the information already before the examiner. *Id.* By failing to identify “the particular claim limitations, or combination of claim limitations, that are supposedly absent” from the prosecution record, SAAT’s allegations neither explained “why” the withheld information was material and not cumulative, nor “how” the information would have been used by the examiner to assess the patentability of the claims. *Id.* at 1329-30.

The Federal Circuit also found that SAAT’s allegations did not permit a reasonable inference of either knowledge or an intent to deceive. *Id.* at 1330. SAAT generally alleged that “Exergen was aware” of certain references as a result of the prosecution of Exergen’s own prior patent applications. *Id.* However, the pleading failed to provide any factual basis from which to reasonably infer that a specific individual who owed a duty of disclosure knew of the particular information in the references alleged to be material to the claims of Exergen’s patent. *Id.* The Federal Circuit explained that general knowledge of a reference, by itself, is insufficient because “[a] reference may be many pages long, and its various teachings may be relevant to different applications for different reasons.” *Id.* SAAT’s allegations also did not permit a reasonable inference that an alleged false statement was made with knowledge of contradictory information on Exergen’s website. *Id.*

### III. Pleading Inequitable Conduct After *Exergen*

Several district courts have now applied the “who, what, where, when, and how” standard of *Exergen* when evaluating allegations of inequitable conduct. The analyses by these courts of a range of inequitable conduct pleadings provide litigants with valuable insight into whether allegations made in support of the defense may survive a challenge under Rule 9(b).

#### A. Pleading the “Who” of Inequitable Conduct

The “who” requirement is straightforward. A pleading must identify the specific individual(s) alleged to have engaged in inequitable conduct. *See, e.g., Leader Techs., Inc. v. Facebook, Inc.*, No. 08-862-LPS, 2010 WL 2545959, at \*5 (D. Del. Jun. 24, 2010) (naming inventors); *Kinetic Concepts, Inc. v. Convatec Inc.*, No. 1:08CV00918, 2010 WL 1427592, at \*5 (M.D.N.C. Apr. 8, 2010); (naming inventors and prosecuting attorney); *Synventive Molding Solutions, Inc. v. Husky Injection Molding Sys., Inc.*, No. 2:08-cv-136, 2009 WL 3172740, at \*2 (D. Vt. Oct. 1, 2009) (naming inventors). General reference to categories of persons (*e.g.*, “inventor(s)” or “attorney(s)”) or corporate entities will not suffice. *See, e.g., Sepracor*, 2010 WL 2326262, at \*6 (general reference to “patent applicants” and “Sepracor” did not satisfy the “who” requirement); *Correct Craft IP Holdings, LLC v. Malibu Boats, LLC*, No. 6:09-cv-813-Orl-28KRS, 2010 WL 598693, at \*3 (M.D. Fla. Feb. 17, 2010) (identification of “Correct Craft Prosecutors” deemed insufficient).

#### B. Pleading the “What” of Inequitable Conduct

The “what” requirement appears to be multifaceted, involving both the nature of the inequitable conduct and the relevance of the conduct to specific patent claims. A pleading should therefore specify the nature of the conduct alleged to be inequitable, such as whether material information was withheld from the examiner or a false material statement or misrepresentation was made to the examiner during prosecution. *See, e.g., Nycomed U.S. Inc. v. Glenmark Generics Ltd.*, No. 08-CV-5023, 2010 WL 1257803, at \*14 (E.D.N.Y. Mar. 26, 2010) (inequitable conduct consisted of “Nycomed’s allegedly false representation to the PTO that [its] fluticasone propionate lotion was unexpectedly found to exhibit greater vasoconstriction than the prior art fluticasone propionate cream,” and its “withholding of the contrary test results furnished to the FDA in connection with the NDA filing for the same lotion”); *Civix-DDI, LLC v. Hotels.com, L.P.*, No. 05 C 6869, 2010 WL 431467, at \*5 (N.D. Ill. Feb. 1, 2010) (inequitable conduct based on failure to disclose litigation and a contemplated interference proceeding involving a parent patent, and a subsequent settlement agreement). A pleading should also identify specific claims (and even claim limitations) of the asserted patent to which the material omission or misrepresentation is relevant. *See Exergen*, 575 F.3d at 1329 (“the pleading fails to identify which claims, and which limitations in those claims, the withheld references are relevant to”). *See also The Braun Corp. v. Vantage Mobility Int’l, LLC*, No. 2:06-CV-50-JVB-PRC, 2010 WL 403749, at \*5 (N.D. Ind. Jan. 27,

2010) (“the pleading adequately states ‘what’ claims and/or limitations in the [patent-in-suit] are relevant to the withheld references.”); *Power Integrations, Inc. v. Fairchild Semiconductor Int’l, Inc.*, No. 08-309-JJF-LPS, 2009 WL 4928024, at \*9 (D. Del. Dec. 18, 2009) (failure to allege “what” by not identifying any specific limitations in prior art patent that were material to asserted patent).

### C. Pleading the “Where” of Inequitable Conduct

Compliance with the “where” requirement depends on the nature of the inequitable conduct alleged. If the conduct involves a failure to disclose prior art, then the location of the material information within the reference should be specifically identified, ideally with a detailed claim chart. *See, e.g., id.* at \*8 (appended claim charts “clearly identify ‘where’ in the alleged prior art the material references can be found, and further identify the limitations in the [asserted patent] to which they correspond.”); *Konami Digital Entm’t Co., Ltd. v. Harmonix Music Sys., Inc.*, No. 6:08cv286-JDL, 2009 WL 5061812, at \*2 (E.D. Tex. Dec. 14, 2009) (charts identifying potentially invalidating prior art on a claim-by-claim and limitation-by-limitation basis satisfied the “where” requirement). Short of a claim chart, a pleading must in some way explicitly identify the material portions of a relevant reference. *See, e.g., Samsung*, 2010 WL 963920, at \*11 (citations to page numbers and subsections determined to satisfy the “where” element).

When the alleged inequitable conduct is based on a failure to disclose relevant activities, such as sales, offers for sale, or litigation, specific identification of the location of the activity is necessary. *See, e.g., Civix-DDI*, 2010 WL 431467, at \*6-7 (allegation of withholding prior litigation information satisfied the “where” requirement by identifying the District Court of Colorado and the PTO). General identification of the whereabouts of the relevant conduct is likely to be insufficient. *See, e.g., Halo Elecs., Inc. v. Bel Fuse Inc.*, No. C-07-06222 RMW, 2010 WL 2464811, at \*2 (N.D. Cal. Jun. 14, 2010) (allegations of product sales “in the United States” insufficient to meet the “where” requirement).

### D. Pleading the “When” of Inequitable Conduct

Adequately pleading the “when” of inequitable conduct also depends on the nature of the alleged conduct. In some instances, simply alleging that inequitable conduct occurred during prosecution will suffice. *See, e.g., Research Found. of the State Univ. of New York v. Mylan Pharms. Inc.*, No. 09-184-GMS-LPS, 2010 WL 2572715, at \*3 (D. Del. Jun. 28, 2010) (allegation that a Food and Drug Administration memo was withheld “during prosecution” deemed sufficient); *Civix-DDI*, 2010 WL 431467, at \*7 (allegation that conduct oc-

curred during ongoing prosecution deemed sufficient). However, such allegations do not always pass muster. *See, e.g., Halo Elecs.*, 2010 WL 2464811, at \*2 (omissions and misrepresentations alleged to have occurred “during prosecution” failed to adequately specify the “when” of the inequitable conduct).

In other circumstances, it may be necessary to plead when an individual became aware of material information. *See, e.g., Aerocrine AB v. Apieron Inc.*, No. 08-787-LPS, 2010 WL 1225090, at \*9 (D. Del. Mar. 30, 2010) (“when” requirement satisfied by description of when the inventors became aware of material prior art). Moreover, identifying an execution date of an agreement, issue date of a press release, publication date of an article or other reference, and approximate dates of offers for sale and public use, will sometimes be necessary to sufficiently plead the “when” of inequitable conduct. *See, e.g., Somanetics Corp. v. CAS Med. Sys., Inc.*, No. 09-13110, 2010 WL 729021, at \*6-7 (E.D. Mich. Feb. 25, 2010); *Facebook*, 2010 WL 2545959, at \*5.

### E. Pleading the “How” (and “Why”) of Inequitable Conduct

*Exergen* expressly holds that the “how” of inequitable conduct must be identified in a pleading, yet the Federal Circuit further mentions the necessity of explaining “why” information is material and not cumulative. *Exergen*, 575 F.3d at 1329. Whether or not Rule 9(b) mandates a distinct identification of the “why” of inequitable conduct seems to remain an open question. Some district court decisions are silent regarding a “why” requirement. *See, e.g., Civix-DDI*, 2010 WL 431467, at \*4-13; *Braun Corp.*, 2010 WL 403749, at \*4-7; *Lincoln Nat’l Life*, 2009 WL 4547131, at \*2-3. One court even rejected the notion that the *Exergen* standard encompasses a separate “why” requirement. *Lincoln Nat’l Life v. Jackson Nat’l Life Ins. Co.*, No. 1:07-cv-265, 2010 WL 1781013, at \*6 (N.D. Ind. May 3, 2010) (“a plain reading of the *Exergen* opinion strongly suggests there is no independent ‘why’ requirement.”).

This uncertainty aside, both “how” and “why” help explain the manner in which information is material and not cumulative. Ultimately, the controlling inquiry is whether the allegations “put [p]laintiffs on notice as to what information [d]efendants contend should have been before the examiner but wasn’t and how that information would have changed the examiner’s decision.” *Id.* at \*8. *See also Bone Care Int’l, LLC v. Pentech Pharms., Inc.*, No. 08-CV-1083, 2010 WL 1655455, at \*6 (N.D. Ill. Apr. 23, 2010). Therefore, when evaluating proposed pleadings of inequitable conduct, sound allegations of “how” should inherently explain the “why” as well. *See Lincoln Nat’l Life*, 2010 WL 1781013 at

cont. on page 12



\*7 (a party “must show *how* the patent examiner would have used the withheld reference in evaluating the patent application; that is to say, *why* the withheld information is material and not cumulative . . . .”) (emphasis in original).

One approach to pleading the “how” (and “why”) of inequitable conduct is to provide a claim chart(s) that maps the withheld information or misrepresentation to the relevant claims. See *id.* (“Jackson’s Amended Answer devotes *eleven pages* to demonstrating materiality by producing charts that meticulously compare the claims of the [asserted patents] against the Lincoln Reference.”) (emphasis in original). Short of that approach, allegations must nevertheless be specific enough to suggest how and why an examiner would have used the material information. See, e.g., *Leader Techs.*, 2010 WL 2545959, at \*5 (sufficient allegations identified four specific items of prior art and detailed the important features of each item).

#### F. Permitting a Reasonable Inference of Knowledge and Intent to Deceive

The obligation to plead inequitable conduct with particularity does not end when the facts alleged are in technical compliance with the heightened “who, what, when, where, and how” standard of *Exergen*. The facts must also permit a reasonable inference of knowledge and an intent to deceive. *Exergen*, 575 F.3d at 1328-29. An inference is reasonable if it is “plausible and . . . flows logically from the facts alleged, including any objective indications of candor and good faith.” *Id.* at 1329 n.5 (citing *Greenstone v. Cambex Corp.*, 975 F.2d 22, 26 (1st Cir. 1992) (Breyer, C.J.)). Determining whether the particular facts alleged permit a reasonable inference is not a clear-cut exercise, but district court decisions after *Exergen* provide litigants with some examples of allegations that are likely to withstand a challenge under Rule 9(b).

For instance, an allegation that inventors “submitted a drawing to the PTO that omitted the features that allegedly rendered the pending claims unpatentable could give rise to an inference that they did so knowingly and with deceptive intent.” *Synventive*, 2009 WL 3172740, at \*3. Also, an allegation that inventors were present at a conference where information material to their patent application was presented, in concert with the alleged fact that a publication referred to both an article by the inventors and the very same material information presented at the conference, permitted an inference of actual awareness of the material information and deceptive intent. *Aerocrine*, 2010 WL 1225090, at \*10. Similarly, an allegation made on information and belief that inventors had knowledge of the material “GSM 04.60

standards” was upheld because it explained the basis for the asserted belief: the standards were referenced at a meeting in which at least one inventor was listed as a participant. *HTC Corp. v. IPCom GmbH & Co., KG*, 671 F. Supp.2d 146, 151 (D.D.C. 2009). Moreover, allegations that false statements concerning withheld test results were made in response to an examiner’s obviousness rejection, and that the withheld test results were consistent with the rejection, “could give rise to an inference of culpable knowledge and intent.” *Nycomed*, 2010 WL 1257803, at \*15-16.

## IV. Conclusions

The heightened standard of *Exergen* for pleading an inequitable conduct defense demands much of an asserting party. These demands may serve to discourage reflexive assertion of the defense in response to a charge of patent infringement. All of the necessary specific facts – the who, what, when, where, and how – are often not available at the outset of a lawsuit, which should counsel against a wasteful, if not frivolous, attempt at tenuous pleading. Apart from that check on early compliance with Rule 9(b), the facts when known must still permit a reasonable inference of knowledge and intent to deceive the examiner. These two significant procedural hurdles may remedy to some degree the “plague” of indiscriminate assertion of the inequitable conduct defense. The heightened pleading standard may also leave courts more willing to find good cause to permit amended pleadings to assert inequitable conduct after discovery has been taken, allowing well-founded allegations of inequitable conduct to then proceed on their merits.

It remains to be seen whether and how the Federal Circuit in *Therasense* will choose to address the substantive law of inequitable conduct. Whatever the result, the pleading standards of *Exergen* will likely endure. If the Court decides to restore inequitable conduct to its roots in common law fraud, then the *Exergen* standard, based on the same principles, will be compatible. Either way, the past year has shown the Federal Circuit to be serious about addressing the “plague” of inequitable conduct.

<sup>1</sup> The Federal Circuit’s Order in *Therasense* granting rehearing *en banc* requested briefing on the following issues: (1) “Should the materiality-intent-balancing framework for inequitable conduct be modified or replaced?”; (2) “If so, how? In particular, should the standard be tied directly to fraud or unclean hands?”; (3) “What is the proper standard for materiality? What role should the United States Patent and Trademark Office’s rules play in defining materiality? Should a finding of materiality require that but for the alleged misconduct, one or more claims would not have issued?”; (4) “Under what circumstances is it proper to infer intent from

materiality?"; (5) "Should the balancing inquiry (balancing materiality and intent) be abandoned?"; and (6) "Whether the standards for materiality and intent in other federal agency contexts or at common law shed light on the appropriate standards to be applied in the patent context." *Therasense*, 2010 WL 1655391, at \*1.

<sup>2</sup> Although not decided *en banc*, *Exergen* has been largely regarded as the vehicle by which the Federal Circuit heightened the standard for pleading inequitable conduct. *See, e.g., Sepracor Inc. v. Teva Pharms. USA, Inc.*, No. 09-cv-01302, 2010 WL 2326262, at \*5 (D.N.J. Jun. 7, 2010) ("... Defendants failed to meet the stringent pleading standard set forth [in *Exergen*]"); *Advanced Micro Devices v. Samsung Elecs. Co.*, No. C 08-00986 SI, 2010 WL 963920, at \*10 (N.D. Cal. Mar. 16, 2010) ("In *Exergen*, the Federal Circuit recently articulated the heightened standard for pleading inequitable conduct"); *Lincoln Nat'l Life v. Transamerica Financial Life Ins. Co.*, No. 1:08-CV-135, 2009 WL 4547131, at \*2 (N.D. Ind. Nov. 25, 2009) ("The Defendants' proposed inequitable conduct allegation meets the heightened pleading standard established by the *Exergen* court").



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## Additional NYIPLA 2009-2010 Committee Reports

### LICENSE TO PRACTICE COMMITTEE

*Jay H. Anderson, Chair*

After previously reporting to the Association regarding new USPTO rules providing for an annual practitioner maintenance fee, the Committee noted that the PTO did not collect the fee in FY09, and has not given any indication that it will collect the fee in FY10. The rule (37 CFR § 11.8(d)) remains in place, however, and may be implemented in the future.

The Committee also took note of a challenge to Section 470 of the New York State Judiciary Law, which requires that non-resident New York licensed attorneys maintain an office in the state. In *Schoenefeld v. State of New York*, the U.S. District Court for the Northern District of New York ruled that the Comity Clause of the U.S. Constitution could provide the basis for a suit challenging this provision. At this preliminary stage of the case, the state offered no substantial reasons for the provision's different treatment of residents and non-residents. This case may be of interest to Association members admitted to practice in New York but who reside outside the state.

### USPTO OVERSIGHT COMMITTEE

*Peter G. Thurlow, Chair*

The Committee worked directly with the United States Patent and Trademark Office on a number of proposed rule changes, represented the NYIPLA at

several patent roundtables coordinated by the USPTO, and represented the NYIPLA on committees established by the U.S. Chamber of Commerce to enhance patent quality and improve the *ex parte* and *inter partes* re-examination process.

The Committee also represented the NYIPLA on the Deferred Examination roundtable held at the USPTO, and participated in meetings at the USPTO to discuss the general framework of adding deferred examination to the patent rules. The Committee represented the NYIPLA at the Board of Patent Appeals and Interferences (BPAI) roundtable and the joint USPTO-Patent Public Advisory Committee roundtable concerning recommendations to enhance patent quality. The Committee continues to work with the USPTO on patent quality matters. The Committee also wrote an article in the February/March 2010 NYIPLA Bulletin related to the USPTO's Strategic Objectives, which highlighted a number of programs that Director Kappos discussed during his NYIPLA CLE presentation in February 2010.

For the U.S. Chamber of Commerce, the Committee met and worked with USPTO officials from BPAI, the Commissioner's Office, the Office of Patent Legal Administration (OPLA), and the Central Reexamination Unit (CRU) to discuss ways to improve both the patent quality and the reexamination process.

## Hot Topics in Trademark Law - CLE Program

On July 15, 2010, the NYIPLA hosted *Hot Topics in Trademark Law*, a half-day trademark CLE Program and luncheon at The Princeton Club. Speakers included Lynne Beresford of the United States Patent and Trademark Office (“USPTO”); Joel Karni Schmidt of Cowan, Liebowitz & Latman; David Bernstein of Debevoise & Plimpton; Dale Cendali of Kirkland & Ellis; Theodore C. Max of Sheppard, Mullin, Richter & Hampton; and Barbara Kolsun of Stuart Weitzman, LLC. The program was moderated by Erin M. Hickey of Fish & Richardson and member of the NYIPLA’s Trademark Law and Practice Committee.

### Trademark Updates from the USPTO

Lynne Beresford, the USPTO’s Commissioner for Trademarks, delivered the keynote address covering several initiatives to improve the services of the trademark examining attorneys and the examination process.

One such initiative is improving performance measures within the USPTO. In particular, Ms. Beresford explained how the USPTO is trying to improve the quality of trademark examination as well as to increase the use of electronic filing and processing. With regard to improving the examination quality, the USPTO has adopted an “Excellent Office Action Initiative,” which is designed to encourage excellence in the format, writing, search strategy, and evidence used by examining attorneys in issuing Office Actions. The USPTO has requested and received input from the International Trademark Association (“INTA”) and the American Intellectual Property Law Association (“AIPLA”), and is seeking input from the Intellectual Property Owners Association (“IPO”), the Bar of the District of Columbia, and the NYIPLA. After reviewing approximately 188 Office Actions, INTA and AIPLA determined that 94.5% of all issues raised in the Office Actions were decided correctly.

With regard to increased use of electronic filing, Ms. Beresford explained that the USPTO is interested in having trademark applicants use more web-

based services. The USPTO has solicited and received over 200 comments from external and internal users of the system, and is currently sorting through them to determine what can be done immediately and how to structure other suggestions so that they may be implemented in a cost-effective manner.

Ms. Beresford also explained the effect of the *Bose* case (*In re Bose Corp.*, 580 F.3d 1240 (Fed. Cir. 2009)) within the USPTO. In *Bose*, the Federal Circuit rejected the “should-have-known” standard for proving fraud and replaced it with an “intent-to-deceive” standard. Ms. Beresford explained that the *Bose* decision will have an effect on the number of applications using very large descriptions of goods and services. The USPTO held a seminar on this topic in April, and there was general agreement that ensuring accurate claims of goods and services in all applications was important for the future of the use-based register. The USPTO is also considering giving heightened scrutiny to specimens filed with use-based applications, and adopting a post-registration expungement proceeding, in which registrants will be randomly selected and asked to provide proof of use for each good or service listed in the registration. Ms. Beresford explained that the USPTO conducted research on the effect, if any, of the *Bose* ruling on registrations, and concluded that more goods and services are now being deleted from registration certificates.

Finally, Ms. Beresford commented on a number of recent, key cases decided by the Federal Circuit and the TTAB. In one case, the Federal Circuit held that a website specimen does not need to include a picture of the goods to qualify as a display associated with the goods under the

*Lands’ End* test. *In re Sones*, 93 U.S.P.Q.2d 1118 (Fed. Cir. 2009). The test must focus on whether the mark is, in fact, “associated” with the goods, and that a picture is not the only way to show that. In another case, the TTAB held that if a mark consists of two or





more initials, coupled with a surname, then the mark generally will not be held to be primarily merely a surname because it likely conveys a commercial impression of a personal name. *In re P.J. Fitzpatrick, Inc.*, 95 U.S.P.Q.2d 1412 (TTAB 2010). And in a case of first impression, the TTAB held that a foreign trademark owner that has filed an ITU application may rely on the fame of its mark in the United States to support a dilution claim in an opposition. *Fiat Group Automobiles S.p.A. v. ISM, Inc.*, 94 U.S.P.Q.2d 1111 (TTAB 2010). According to Ms. Beresford, while the TTAB does not recognize the “well-known mark” doctrine as a basis for preventing the registration by another, the fame of the foreign mark in this country may support a dilution claim, provided that the owner has filed an ITU application for it.

### **Social-Networking and Virtual-World Websites: Trademark Issues and Opportunities**

Joel Karni Schmidt explained some of the opportunities, legal issues and potential liabilities raised by the use of trademarks on social-networking websites such as Facebook and Twitter, as well as on the Second Life virtual-world website.

In particular, Mr. Schmidt encouraged brand owners to use Facebook and Twitter as a way to expand their brands, and noted many well-known companies that use them, including Starbucks, Coca-Cola, The New York Times, and The Gap. Likewise, brand owners, including IBM, Intel, and Unilever, use their marks on the Second Life website as a way to build their brands.

However, Mr. Schmidt also warned of the infringement and counterfeit issues that these websites have caused and will continue to cause for brand owners. For example, Facebook, Twitter, and other social networking websites are often used to sell or provide links to other websites selling counterfeit goods. Similarly, virtual knock-offs are often found for sale on the Second Life website.

Another problem is namesquatting. Some social-networking websites allow users to register “vanity” username addresses for their company-specific pages. However, proof of trademark ownership is not required to register these username addresses which has resulted in “namesquatters” registering trademarks as usernames. In addition, these social-networking websites sometime incorporate online games and other applications without determining whether the developer of the game or application owns the trademarks used in them.

The most effective approach for combating infringements on social-networking websites is to work within the sites. Many of them have Terms of Use incorporating representations that users will not infringe the trademark rights of third parties, and have procedures for submitting complaints with respect to violations.

If this does not resolve the problem, then brand

owners can sue the infringer in real-world courts, although this could prove difficult when the identity of the infringer is unknown. Alternatively, they can sue the social-networking or virtual-world website directly for contributory infringement.

Mr. Schmidt also suggested that if a brand owner is active in a virtual-world website, it should consider registering its mark for virtual goods with the USPTO.

### **New Developments in Dilution**

David Bernstein discussed recent holdings in dilution cases.

In *Visa Int’l Serv. Assoc. v. JSL Corp.*, 610 F.3d 1088 (9th Cir. 2010), Visa claimed that the defendant’s use of the mark eVISA in connection with an electronic multilingual education and information business was likely to dilute the distinctiveness of the VISA service mark in connection with credit cards. The district court found that the marks were nearly identical, and that VISA was a strong mark. (The defendant had conceded that the VISA service mark was famous and distinctive.)

The defendant argued against likely dilution because the word “visa” means a travel document authorizing the bearer of it to enter a country, and plaintiff’s mark deserves less protection for this reason. However, in this instance, Visa was enforcing its mark not against users of the word “visa” for its dictionary definition, but against defendant’s use of it to refer to a service that was not related to a travel visa. Mr. Bernstein pointed out that many other uses of VISA exist in the marketplace and on the trademark register, and emphasized the importance of enforcing a mark to protect its distinctiveness.

Mr. Bernstein also spoke about the return of *V Secret Catalogue, Inc. et al. v. Moseley, et al.*, 605 F.3d 382 (6th Cir. 2010), and the new definitions and standards for dilution by tarnishment established by the Trademark Dilution Revision Act.

### **The Davidoff Case and Trademark and Copyright First-Sale Doctrines**

Dale Cendali explained that the resale of a genuine product does not violate the Lanham Act even if that resale is without the brand owner’s consent. The policies underlying the first-sale defense in Lanham Act cases are that 1) the mere reselling of a brand owner’s genuine product does not affect the brand owner’s right to control against damage to the product, and 2) the reselling of the product does not create any likelihood of confusion – consumers receive what they have paid for, and what they expected to receive.

However, an exception to the first-sale defense arises when the resold product is “materially different” from the product sold by the brand owner, since such differences between products bearing the same mark could

*cont. on page 16*

cause consumer confusion and erode the brand owner's goodwill. The threshold for proving that a resold product is "materially different" is low, and subtle differences between the products have satisfied this standard.

Ms. Cendali discussed the facts and holding in a case addressing the first-sale doctrine, *Davidoff & Cie, S.A. v. PLD Int'l Corp.*, 263 F.3d 1297 (11th Cir. 2001). In this case, the defendant had acquired genuine DAVIDOFF COOL WATER fragrances from authorized vendors that were intended for overseas and duty-free sales, but subsequently sold them to discount retailers in the United States. The defendant had removed "batch codes" placed by plaintiff on the fragrance bottles which resulted in markings on the bottom of the bottles. The district court held that the removal of the batch codes on the resold products made them "materially different" from the products sold by plaintiff, and that the removal of these codes could lead consumers to believe that the product had been tampered with which could result in a likelihood of consumer confusion. The Eleventh Circuit affirmed.

Ms. Cendali also explained that the resale of a copyrighted work without the authorization of the copyright owner does not violate the Copyright Act, provided that the work was "lawfully made" under the Copyright Act.

Some courts understand "lawfully made" to mean that the work was either made in the United States, or was made overseas, but first sold in the United States with the copyright owner's authorization. A recent case about the copyright first-sale doctrine is *Omega S.A., v. Costco Wholesale Corp.*, 541 F.3d 982 (9th Cir. 2008). In that case, Omega sued Costco for copyright infringement based on Costco's sale in the United States of authentic watches made in Switzerland that had first been sold to overseas authorized distributors. The Circuit Court held that the first sale doctrine was unavailable to Costco as a defense because the watches were made in Switzerland and imported into the U.S. as gray market goods.

The Supreme Court granted *certiorari* in this case in April 2010 (No. 08-1423). Pending the decision, Ms. Cendali provided some insight into what copyright owners' position will be – allowing a first-sale defense to apply to goods manufactured and first sold overseas would severely hinder their ability to control their imports; and what discount retailers and consumer groups' position will be – not expanding the first-sale defense would limit a consumer's right to resell, donate, or gift authentic personal property manufactured outside the United States. The Supreme Court is scheduled to hear arguments in this case in October 2010.

## ARTICLES

The Association welcomes  
articles of interest to the IP bar.

Please direct all submissions by e-mail to:

Stephen J. Quigley, Bulletin Editor, at  
[squigley@ostrolenk.com](mailto:squigley@ostrolenk.com)

## The Tiffany Case and the Impact on Enforcement Against Online Counterfeiters and Self-Policing Obligations of Service Providers

Theodore C. Max discussed the holding in *Tiffany v. eBay*, 600 F.3d 93 (2d Cir. 2010), and provided take-away points from the case. In particular, he explained that use of a protected mark on a website and in sponsored links is lawful as long as the use correctly describes genuine goods for sale on the website and does not suggest affiliation or endorsement by the brand owner. In addition, generalized knowledge of infringement is not enough for contributory infringement – specific knowledge and failure to act are required. In addition, Mr. Max discussed the holding in *Louis Vuitton v. Akanoc Solutions*, 591 F. Supp.2d 1098 (N.D. Cal. 2008), a recent vicarious liability trademark infringement case involving willful blindness. In this case, Louis Vuitton sued defendant for hosting third-party websites that sold counterfeit goods. The district court held defendant contributorily liable because, unlike eBay, it had ignored plaintiff's takedown notices, failed to implement its takedown policy, and had moved some infringing websites to other servers, also hosted by defendant, instead of taking them down.

### "One Person's Trademark Is Another's Entertainment": An In-House Perspective on Parody

Barbara Kolsun advanced the advantages, from an in-house perspective, of keeping one's sense of humor when confronted with parody, with the understanding that to make a joke is not necessarily to infringe. This is a practical insight not always shared by all brand owners.

In particular, she analyzed the decisions in *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, et al.*, 507 F.3d 252 (4th Cir. 2007) (defendant's CHEWY VUITTON dog toys is a successful parody of plaintiff's LOUIS VUITTON trademarks); *The North Face Apparel Corp. v. Williams Pharmacy, Inc., et al.*, 2010 U.S. Dist. LEXIS 11157 (E.D. Mo. 2010) (following the court's denial of defendant's motion to dismiss the complaint alleging that SOUTH BUTT diluted the NORTH FACE trademark, the parties settled); *Jordache Enterprises, Inc. v. Hogg Wyld, Ltd. et al.*, 828 F.2d 1482 (10th Cir. 1987) (no likelihood of confusion or dilution arising from defendant's use of LARDASHE for jeans); and used them as examples of why brand owners should keep a sense of humor.

In addition, Ms. Kolsun also provided insight on the way courts in other countries decide these types of cases. In a German case, the defendant had used the German word for "murder" in place of MARLBORO in an anti-smoking campaign. The court held that the MARLBORO mark was not infringed because the defendant's use of it was protected by the constitutional right to freedom of expression.

This summary was prepared by Erin M. Hickey of Fish & Richardson, a member of the Continuing Legal Education Committee, which is chaired by Anna Erenburg of Cadwalader, Wickersham & Taft and Richard Parke of Frommer Lawrence & Haug LLP.

## NYIPLA Files *Amicus* Brief for *En Banc* Rehearing of *TiVo v. EchoStar*

by Ankur Parekh

On August 2, 2010, the NYIPLA filed an *amicus* brief in favor of neither party for the Federal Circuit's *en banc* rehearing of *TiVo Inc. v. EchoStar Corp.* A copy of the brief is available at [www.nyipla.org](http://www.nyipla.org) under "Association Amicus Briefs".

At the heart of this case is the issue of whether a contempt proceeding is a proper forum for determining whether a redesigned device marketed by an enjoined former patent infringer continues to infringe the asserted patent(s). After EchoStar's home receivers for its popular DISH Network satellite TV service were found to infringe TiVo patents relating to the DVR functionality, EchoStar came up with a design-around. According to EchoStar, development of the design-around took 15 engineers 8000 hours over the course of a year and was twice blessed by a respected law firm. TiVo moved the district court to find EchoStar in contempt for violating the court's permanent injunction.

Following several months of discovery, the district court held a three-day evidentiary hearing on TiVo's contempt motion, during which fact and expert witnesses testified. Because of the changes EchoStar made to the redesign, TiVo's infringement expert had to map certain claim limitations against different structures than the structures the expert had identified at trial. The district court found EchoStar to be in contempt, and the Federal Circuit affirmed. Judge Rader, in a vigorous dissenting opinion, cited EchoStar's evidence of good faith and the modifications to the infringement theory of TiVo's expert, and reasoned that infringement by the redesigned device should be decided in a new lawsuit rather than a contempt proceeding.

In its *en banc* review order, the Federal Circuit asked the parties and *amici curiae* to brief broad questions which signaled that the Court in-

tended to thoroughly examine whether and how contempt proceedings should be used to police design-arounds.

In its *amicus* brief, the NYIPLA stressed that a district court's determination as to whether the infringement issues for the redesign can be decided in a contempt proceeding or require a new lawsuit and trial must be accorded discretion. This is because in most cases the district court will have a good understanding of the open infringement issues that the redesign presents through the court's oversight of the litigation and trial concerning the original product. With this experience, the district court is in a good position to determine whether the issues to be decided in the infringement inquiry are proper for a contempt proceeding, which can be summary in nature, or whether they are too substantial and require a new trial. The NYIPLA, however, also stressed the importance of the well established requirement that in a contempt proceeding a patentee must prove infringement by clear and convincing evidence, rather than mere preponderance. This heightened burden of proof provides a measure of protection for the former infringer who is forced to defend an infringement charge against its redesign in a proceeding that, while not always summary, will definitely have less process than a new lawsuit and trial. Additionally, the NYIPLA argued that evidence of good faith is not relevant to the determination of whether the former infringer should be held in contempt, but can be relevant to the contempt sanction.

Oral argument is scheduled for November 9, 2010.

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Ankur Parekh is an associate in Goodwin Procter's patent litigation practice. He can be contacted at [aparekh@goodwinprocter.com](mailto:aparekh@goodwinprocter.com)



## Board of Directors Meetings Reports

### Summary of the June 15, 2010 Meeting

The meeting of the Board of Directors was called to order at the offices of Wiggin & Dana LLP at 450 Lexington Ave, New York by President Dale Carlson. Theresa Gillis, Alice Brennan, Charles Hoffmann, Dorothy Auth, Sue Progoff, Alan Fanucci, John Delehanty, John Moehringer, Leora Ben-Ami, Walter Hanley and Doreen Costa were present. Also present were Robin Rolfe and Feikje van Rein of the NYIPLA's Executive Office.

The Board meeting was held in conjunction with a day-long retreat to discuss the operating plan for 2010-2011. The minutes of the May 18, 2010 Board Meeting were approved.

It was reported that the Annual Meeting on May 18, 2010 at the Union League Club was well received. At the dinner, Michael Isaacs of Star Consulting was presented with a plaque on behalf of the Officers and Board for his many years of dedicated Executive Office service to NYIPLA.

Charles Hoffmann reported that he was still in the process of collecting the committee reports to be published in the June/July issue of the NYIPLA Bulletin.

Alice Brennan presented the Treasurer's Report. NYIPLA ended its 2009-2010 fiscal year on sound financial footing. Nonetheless, options for enhancing Association revenue were discussed. A final report re-

garding the financial outcome of the 2010 Judges' Dinner is still in progress and has not yet been completed.

Dale Carlson led a discussion regarding the 2010-2011 membership dues. The Board passed a motion to set the annual membership dues for 2010-2011 at \$255 for members practicing law for 3 years or more, and at \$200 for members practicing for fewer than 3 years.

Terri Gillis reported on the Judges' Dinner. She briefly discussed the establishment of a Dinner Planning Committee. Tom Meloro will chair the committee.

Dale Carlson raised the possibility of the NYIPLA's filing an amicus brief in the *TiVo v. Echostar* case in the context of the Federal Circuit's *en banc* review. Goodwin Procter will prepare a two-page summary for the Amicus Committee's review before consideration and decision by the Board regarding possible filing.

Dorothy Auth reported that the "Hot Topics in Trademark Law" half-day CLE program scheduled for July 15, 2010 at the Princeton Club was being marketed and registrations were being processed.

Dale Carlson provided a schedule of Board Meetings for the period from July 2010 through May 2011.

After a brief executive session, the meeting was adjourned. The next meeting of the Board is scheduled for Tuesday, July 13 at the offices of Willkie Farr & Gallagher LLP.

### PLEASE NOTE

**The NYIPLA's Executive Office has changed.**

The new contact is

NYIPLA Executive Office

2125 Center Avenue, Suite 406

Fort Lee, NJ 07024-5874

Phone: 1.201.461.6603 • Fax: 1.201.461.6635

## Summary of the July 13, 2010 Meeting

The meeting of the Board of Directors was called to order at the offices of Willkie Farr & Gallagher LLP at 787 Seventh Avenue, New York by President Dale Carlson. Theresa Gillis, Tom Meloro, Charles Hoffmann, Dorothy Auth, Sue Progoff, Alan Fanucci, John Delehanty, Leora Ben-Ami, Walter Hanley, Jeffrey Butler and Mark Abate were present. Alice Brennan and Doreen Costa participated by teleconference. Also present were Robin Rolfe and Feikje van Rein of the NYIPLA's Executive Office.

The minutes of the June 15, 2010 Board Meeting were approved.

Charles Hoffmann presented a request by the Amicus Committee to file a brief in support of the ABA Amicus Brief in the *Therasense* case concerning inequitable prosecution conduct. After a lively discussion, the Board decided to schedule a conference call with the Amicus Committee for the following week for further discussion.

Mark Abate presented a two-page summary of the *TiVo v. Echostar* case in the context of the Federal Circuit's *en banc* review. The Board approved preparation by Goodwin Procter of an amicus brief supporting neither party.

In accordance with the Bylaws, Dorothy Auth read a list of new members at which point the Board passed a motion to accept.

Alice Brennan presented the Treasurer's Report. The Association is on a sound financial footing. Overall, the expenses have started to decrease due to the administrative and communications changes that have been implemented.

Dorothy Auth reported that the "Hot Topics in Trademark Law" half-day CLE program scheduled for July 15, 2010 at the Princeton Club was on track to have good attendance.

Tom Meloro reported that planning for the 2011 Judges' Dinner is moving forward on schedule. Dale Carlson opened the discussion regarding candidates for the Outstanding Public Service award and for the Key-note Speaker. A number of suggestions were made by members of the Board.

A discussion regarding committee restructuring followed. The Board discussed how to enhance committee participation and keep current members actively involved in the Association's spectrum of activities.

Jeffrey Butler reported on a proposal for a CLE program on multi-country IP litigation. He will report further during the next Board meeting.

After a brief executive session, the meeting was adjourned. The next meeting of the Board is scheduled for Tuesday, September 14 at the offices of Wiggin & Dana LLP.

*The NYIPLA joins Kenyon & Kenyon in mourning the passing of their partner and our Association's member, Richard Gresalfi who died unexpectedly on September 1, 2010 at age 51.*

*Rich was managing partner of Kenyon, one of the firms that founded our Association in 1922.*



*The NYIPLA joins Lathrop & Gage in mourning the passing of its Counsel and our Association's Past President, Bert Collison.*

*At the time of his passing on September 9, 2010, Bert was one week shy of 90.*

*Bert was a legendary figure in the field of trademark law, and a true champion of our Association throughout his long and productive career.*



## NEW MEMBERS

Last Name	First Name	Firm	Telephone	E-Mail
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The *Bulletin* is published periodically for the members of The New York Intellectual Property Law Association.

Annual Non-Member Subscription is \$25.00. Single copies are \$10.00 each.

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### Officers of the Association 2010-2011

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 President-Elect: Theresa M. Gillis  
 1st Vice President: Thomas J. Meloro  
 2nd Vice President: Charles R. Hoffmann  
 Treasurer: Alice C. Brennan  
 Secretary: Dorothy R. Auth

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