

NYIPLA®

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The Report

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The Federal Circuit Considers the Patent Litigation Venue Standard

By Walter M. Egbert, III*

On March 11, 2016, a Federal Circuit panel ("Federal Circuit" or "Panel"), comprising Judges Moore, Linn and Wallach, heard oral argument requesting a review of the venue standard in patent litigation in a petition for a Writ of Mandamus filed by TC Heartland, LLC ("Heartland").¹ The Panel's upcoming decision may have a broad impact on popular patent venues such as the Eastern District of Texas, the District of Delaware, and the Central District of California. Companies such as eBay Inc., Google Inc., and Hewlett Packard Inc. have filed amici curiae briefing in support of petitioner Heartland, whereas briefings by inventor organizations have been filed in support of respondent Kraft. In ruling on the petition, the Federal Circuit will need to determine whether this decision is properly the function of the courts or Congress.

I. *VE Holding* Defines the Current Venue Standard

In civil litigation, venue and personal jurisdiction are considered separate and distinct requirements. While personal jurisdiction is concerned with the power of the court over the parties, venue is directed to

convenience of the parties to litigate the lawsuit.² In 1990, the Federal Circuit determined in *VE Holding Corp. v. Johnson Gas Appliance Co.*³ that a corporation resides, for purposes of venue in a patent infringement case, in any district where personal jurisdiction is proper at the time the action is commenced. As Judge Moore (then Associate Professor Moore) noted in her 2001 article on forum shopping in patent cases, "[t]his result rendered superfluous the patent venue statute for corporate defendants."⁴

Judge Moore's comments were based on an empirical study which assessed forum shopping in patent litigation from 1983 to 1999. She noted that, as a general principle, "[f]orum shopping conjures negative images of a manipulable legal system in which justice is not imparted fairly or predictably. The idea that some jurisdictions will be preferred because of bias towards one party is troubling."⁵ After reviewing the data, Judge Moore stated that the empirical results demonstrated that "choice of forum continues to play a critical role in the outcome of patent litigation," and lamented that "[t]he lack of uniformity in patent enforcement is problematic in and of itself."⁶ Such lack of uniformity is still evident twenty-five years

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May 2016

As we approach the Annual Meeting, my year as President of the NYIPLA is winding down. It has been a wonderful year. We have had many educational events, celebratory gatherings, and work sessions. As leader of this fine organization, I shared in a dedication to IP law in a way that is deeper than its day-to-day practice. The members of this organization are inquisitive and engaged, and want to interact to address the constant current of change occurring in the law.

The NYIPLA presents opportunities to interact with IP law in different settings. For those interested in participating in developing case law, our Amicus Brief Committee members have their collective finger on its pulse. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.* is a good example. This case began as a district court case, was appealed to the Federal Circuit, then appealed again to the Federal Circuit for en banc review, and is now on appeal to the U.S. Supreme Court. The case involves a test using fetal DNA to detect potential birth defects in an unborn child. The claims were held to be not patent eligible as directed to a law of nature. However, the NYIPLA (and many others) disagreed with the decision as too broadly applying the Supreme Court precedent in *Mayo v. Prometheus* and *Alice*. The NYIPLA Amicus Brief Committee closely monitored the progress of this case through the courts and contributed several times along the way. Our Amicus Brief Committee diligently prepared briefs, objecting to the decisions and urging the courts to reconsider their position. With a record number of amicus briefs having been filed in the Supreme Court, the NYIPLA and the entire patent community now eagerly anticipate the Supreme Court's decision regarding whether to grant certiorari.

Similarly, our Legislative Action Committee (the LAC), along with the relevant substantive committees, have been educating Congress by submitting white papers regarding Congressional bills. In particular, the LAC spent substantial effort developing positions regarding changes in intellectual property law needed to implement the Trans-Pacific Strategic Econom-

ic Partnership Agreement (TPP). For this project, the LAC worked with the Patent Litigation Committee, Copyright Law & Practice Committee, and a newly formed committee directed to the analysis of cybersecurity and trade secret misappropriation called the Privacy, Big Data and Cybersecurity Committee. The LAC also reviewed the pending trade secret legislation. Here, the LAC collaborated with the Trademark Law & Practice Committee. These committees are composed of a diverse group of IP practitioners from firms, academia, and—importantly—inside corporations, thereby bringing together a wide range of perspectives and some deep thinking to the positions we take.

The Judges Dinner this year was a success with 2,618 guests and Honored Guests in attendance. The receptions were full, the food was delicious, and our guest speakers, Peter Sagal and Nina Totenberg, were smart and entertaining. I'm always amazed how the Waldorf Astoria can serve over 2,000 dinners and they all come out so well. The dancing after dinner was fun, as was the interaction with the attendees. Walking around the stately lobby and in the grand ballroom during the event with all of the guests dressed in their glamorous evening wear in the company of so many highly respected judges made me feel like I was in a scene from the *Great Gatsby*. It was truly a special evening. I hope all of you in attendance also felt special that evening.

I wish to thank the very special people of the NYIPLA who made this year possible. In particular, I wish to thank the Board members who contribute their time and intellect to maintaining and furthering the NYIPLA's objectives, the Committee Chairs for their leadership, and each participating Committee member. And I wish to give an extra special thanks to Feikje van Rein and her team at RRR Associations, who execute and manage the events and projects of the NYIPLA with the accuracy and precision of a finely tuned Swiss watch. Thank you all. We had a wonderful and memorable year!



Dorothy R. Auth

after *VE Holding* was decided. For example, a study found that the reversal rates of district court decisions by the Federal Circuit varied substantially. Based on an average reversal rate of 40.8% in 2009, “the courts with the highest rate of reversal include the District of Massachusetts (61.5%), the Eastern District of Texas (55.1%), and the District of Delaware (51.2%). The court with the lowest rate of reversal was the Northern District of Illinois, at only 16%.”⁷ In another study, Docket Navigator assessed the manner in which district courts have addressed 35 U.S.C. § 101 challenges, so-called “*Alice* Motions,” typically brought by a defendant asserting that a plaintiff’s patent is invalid for failing to describe patentable subject matter. Docket Navigator determined that, nationwide in 2015, defendants succeeded at rate of 71% in having their motions granted or partially granted, but that the success rate varied by court.⁸ In the Northern District of California, the so-called *Alice* Motions were granted or partially granted 82% of the time, whereas in the Eastern District of Texas defendants only prevailed 27% of the time.⁹ This lack of uniformity has a strong impact on the plaintiff’s selection of venue and defendants’ requests for venue transfer.

II. *In re TC Heartland* Mandamus Petition

A. Background

Heartland was sued for patent infringement by Kraft Foods Group Brands LLC (“Kraft”) in Delaware, where Kraft is incorporated and where Heartland has two percent of its allegedly infringing sales of “liquid water enhancer” products. In its petition for a writ of mandamus, Heartland asked the Federal Circuit panel to reconsider the current venue standard under *VE Holding*, which provides venue wherever an entity is subject to personal jurisdiction.

In its oral argument, Heartland requested that the Federal Circuit panel return the patent venue standard to the narrower pre-*VE Holding* standard, which would provide plaintiffs with far fewer venue opportunities. Now a member of the bench, Judge Moore questioned whether the court was the proper entity to address the venue standard: “Boy, doesn’t this feel like something the legislature should do rather than something we should be asked to do.”¹⁰ Indeed, a pending Senate bill, S. 2733, entitled the “Venue Equity and Non-Uniformity Elimination Act,” was introduced on March 17, 2016. The Act would amend the patent venue statute in the United States Code and at least partially address the issues raised by Heartland.¹¹

B. 28 U.S.C. §§ 1391 and 1400

Title 28 U.S.C., Chapter 87, governs venue in the district courts. Section 1391 addresses venue generally, and Section 1400(b) addresses venue for patent infringement, i.e., “the judicial district where the defendant resides, or where the defendant has committed acts of infringement **and** has a regular and established place of business” (emphasis added). Section 1400(b) has remained unchanged since 1948, whereas Section 1391(c) has been amended twice. The first two iterations of the law have each had respective court decisions interpreting patent venue. With a third version of the law enacted in 2011, Heartland believes a new interpretation is proper.

The first iteration of Section 1391(c), enacted in 1952, broadly provided that “residency” included not only the state of incorporation but also any state in which the corporation does business. In *Fourco Glass Co. v. Transmirra Products Corp.*, the Supreme Court concluded that the more restrictive Section 1400(b) provision prevailed over the more general Section 1391(c) provision and, thus, Section 1400(b) was the “sole and exclusive provision controlling venue in patent infringement actions[.]”¹²

In its second iteration, Section 1391(c) was amended in 1988 to add “**for purposes of venue** under this chapter, a defendant that is a corporation shall be deemed to reside in any judicial district in which it is subject to personal jurisdiction at the time the action is commenced” (emphasis added). As discussed above, the Federal Circuit in *VE Holding* held that the plain meaning of the statute required that Section 1391(c) should be applied to Section 1400(b),¹³ thereby broadening venue to any state in which the corporation had sales. Heartland observed in its briefing that *VE Holding* has resulted in venue shopping opportunities “to the point where, in the most recent year, one district (E.D. Tex.) has 50% more patent filings than the next most popular district (D. Del.)”¹⁴

The third and current iteration of Section 1391 was enacted in 2011. It replaced “for purposes of venue” with “**except as otherwise provided by law** (1) this section shall govern the venue of all civil actions”¹⁵ (emphasis added).

The distinction was noted by Heartland, which opened its oral argument before the Federal Circuit with the statement: “This case turns on the meaning of six words: ‘except as otherwise provided by law.’”¹⁶ Heartland argued that the Federal Circuit’s holding in *VE Holding* no longer applies. In its view, the “law” referred to in Section 1391(c) should be the decisional law of the Supreme Court, i.e., *Fourco*.¹⁷ Respondent

Kraft countered that the language “except as otherwise provided by law” did not displace the venue rules.¹⁸

Of the Federal Circuit panel, Judge Moore took an active role in the argument, extensively engaging Heartland’s counsel, while directing fewer questions to Kraft’s counsel. Judge Moore’s comments at the close of Heartland’s rebuttal went directly to the Petitioner’s argument that the phrase “except as otherwise provided by law” in the 2011 amendment returned the patent venue standard to that which was articulated in *Fourco*:

I think your most difficult problem is that when [§ 1391] said ‘except as otherwise provided by law’—even if you are right about decisional law being incorporated—the decisional law didn’t favor you at the time that this was adopted. That the Supreme Court law [*Fourco*] was at best on a different statute—something you keep stressing to me about *VE Holding*—so that clearly can’t be the dispositive decisional law that Congress was meaning to leave in place because it wasn’t even in the words of these statutes as you keep telling me. And then *VE Holding* was a Federal Circuit case [in which the Supreme Court denied certiorari].

My problem with your argument isn’t the legal points that you are making necessarily, it’s more like the facts, because I don’t know what decisional law existed in 2011 that made it clear Congress meant to leave in place that state of the law that you are asking me for today.¹⁹

While Judge Moore appeared to evince skepticism of Heartland’s arguments, Judges Wallach and Linn provided few clues about their leanings.

III. Legislative Action on Patent Venue

During the oral argument in *In re Heartland*, Judge Moore made the point that Congress has taken up the question of venue in patent litigation cases no less than five times in the last few years. Judge Moore suggested that the Congressional venue bills proposed since *VE Holding* have provided some indication that Congress believed that the standard articulated in *VE Holding* was the prevailing interpretation of the law. Judge Moore further questioned whether curtailing venue shopping and the creation of specialized patent courts was a policy decision more appropriate for Congress.

Soon after the oral argument in *In re Heartland* took place, Senator Jeff Flake of Arizona introduced Senate bill S. 2733, entitled “Venue Equity and Non-Uniformity Act of 2016.” If enacted, this bill would strike Section 1400(b) in its entirety. First, the bill would

eliminate the current ambiguity between Section 1400(b) and Section 1391 by defining where any civil action for patent infringement or a declaratory judgment may be brought “[n]otwithstanding subsections (b) and (c) of section 1391.” Arguably, this language, if added to the current version of Section 1400(b), would appear to return the law to the *Fourco* standard, where “resides” would carry the meaning of “domiciled” or incorporated.

However, the Senate bill goes beyond the current version of Section 1400(b) by providing a number of pro-defendant provisions. For example, Section 1400(b) (1) provides that a patent infringement action or an action for declaratory judgment may be brought only in a judicial district “where the defendant has its principal place of business or is incorporated.” Section 1400(b)(2) provides for venue “where the defendant has committed an act of infringement of a patent in suit and has a regular and established *physical* facility that gives rise to the act of infringement” (emphasis added). Proposed Section 1400(c) specifically clarifies the meaning of “a regular and established physical facility” to exclude the “dwelling or residence of an employee or contractor of a defendant who works at such dwelling or residence.” This provision permits a company to hire employees that work from home remote from the company’s place of business—telecommuters or “teleworkers”—without creating venue where such employees happen to live.

Distinct from Section 1400(b)(2) above, the bill also provides venue where a company carries out research and development or manufacturing activities which do not necessarily rise to the level of patent infringement. For example, an action may only be brought “where a party has a regular and established *physical* facility that such party controls and operates, *not primarily for the purpose of creating venue*.” In addition, the physical facility must have:

(A) engaged in management of significant research and development of an invention claimed in a patent in suit prior to the effective filing date of the patent;

(B) manufactured a tangible product that is alleged to embody an invention claimed in a patent in suit; or

(C) implemented a manufacturing process for a tangible good in which the process is alleged to embody an invention claimed in a patent in suit.

However, rather than clarifying the current venue standard, proposed Section 1400(b)(2) seems likely to create additional confusion regarding the meaning of such phrases as “*significant* research and development of an invention” and a “*tangible product*” or “*process*” that is “*alleged to embody an invention*.” Given the ambiguity of the provision, coupled with the approaching Presidential election, it seems unlikely that this bill will progress quickly. A frank assessment

by the Federal Circuit would reasonably conclude that Congressional action is not imminent.

IV. Conclusion

The future of the expansive patent venue standard set forth in *VE Holding* remains in doubt. Given the potentially drastic impact on the patent bar, the Federal Circuit panel is expected to tread carefully when rendering its decision in *In re TC Heartland*. During oral argument, Judge Moore made it clear that the Federal Circuit's decision will depend upon whether Heartland convinced the panel that the dispositive "law" referred to in Section 1391(c) requires a return to the *Fourco* standard, and that it is the proper role of the court—rather than Congress—to make such a change.

Update

On April 29, 2016, the Federal Circuit panel denied Heartland's petition for a writ of mandamus, as presaged by Judge Moore's skepticism during oral argument. In its decision, the court rejected Heartland's argument about the effect of the 2011 amendments, characterizing it as "utterly without merit or logic," and noting that Heartland presented no evidence that Congress intended to narrow the patent venue statute with its 2011 amendments. The court reasoned that, to the contrary, "Congressional reports have repeatedly recognized that *VE Holding* is the prevailing law." The court concluded that Heartland failed to show a right to mandamus that is "clear and indisputable" in light of the court's "long standing precedent."²⁰

Heartland could file for a petition for rehearing en banc by the Federal Circuit or a petition for certiorari at the Supreme Court, although the court's characterization of the petitioner's case as "without merit or logic" suggests a challenging appeal would follow. Those concerned about the current scope of patent venue continue to look to Congress for venue reform.

(Endnotes)

^{*} Walter M. Egbert, III, is a partner at Foley Hoag LLP. His practice comprises all areas of intellectual property law, including patent post-grant proceedings, litigation, infringement and invalidity opinions, client counseling such as design-around advice and competitive monitoring and analysis, due diligence studies, licensing, and patent prosecution in various technologies including medical devices, semiconductor manufacturing, telecommunications, software, and life sciences.



¹ *In re TC Heartland LLC*, No. 2016-0105 (Fed. Cir., argued March 11, 2016).

² See 15 Charles Alan Wright et al., *FEDERAL PRACTICE AND PROCEDURE* § 3801 (2d ed. 1986).

³ 917 F.2d 1574, 1578 (Fed. Cir. 1990), *cert. denied*, 111 S. Ct. 1315 (1991).

⁴ Kimberly A. Moore, *Forum Shopping in Patent Cases: Does Geographic Choice Affect Innovation?*, 79 N.C.L. REV. 889, 897 (2001).

⁵ *Id.* at 892-93.

⁶ *Id.* at 892.

⁷ Theresa Lii., *Shopping for Reversals: How Accuracy Differs Across Patent Litigation Forums*, 12 CHI.-KENT J. INTEL. PROP. 31 (pp. 13-14 of unpaginated article) (2013).

⁸ *TXED Rejects 73% of 35 USC § 101 Pretrial Challenges in 2015*, DOCKET NAVIGATOR (Aug. 10, 2015), <http://docketreport.blogspot.com/2015/08/txed-rejects-73-of-35-usc-101-pretrial.html>.

⁹ *Id.*

¹⁰ Audio of Oral Argument, *In re TC Heartland LLC*, No. 2016-0105 (Mar. 11, 2016), <http://oralarguments.ca9.uscourts.gov/default.aspx?fl=2016-0105.mp3>.

¹¹ S. 2733 provides the following subsection replacement for current subsection (b) of 28 U.S.C. § 1400:

(b) Notwithstanding subsections (b) and (c) of section 1391, any civil action for patent infringement or any action for a declaratory judgment that a patent is invalid or not infringed may be brought only in a judicial district –

(1) where the defendant has its principal place of business or is incorporated;

(2) where the defendant has committed an act of infringement of a patent in suit and has a regular and established physical facility that gives rise to the act of infringement;

(3) where the defendant has agreed or consented to be sued in the instant action;

(4) where an inventor named on the patent in suit conducted research or development that led to the application for the patent in suit;

(5) where a party has a regular and established physical facility that such party controls and operates, not primarily for the purpose of creating venue, and has–

(A) engaged in management of significant research and development of an invention claimed in a patent in suit prior to the effective filing date of the patent;

(B) manufactured a tangible product that is alleged to embody an invention claimed in a patent in suit; or

(C) implemented a manufacturing process for a tangible good in which the process is alleged to embody an invention claimed in a patent in suit; or

(6) in the case of a foreign defendant that does not meet the requirements of paragraph (1) or (2), in accordance with section 1391(c)(3).

¹² 353 U.S. 222, 229 (1957)

¹³ 917 F.2d at 1580.

¹⁴ Petition for Writ of Mandamus, *In re TC Heartland LLC*, No. 2016-0105, at 9 (Fed. Cir. Oct. 23, 2015).

¹⁵ 28 U.S.C. § 1391(a)(1) (2011).

¹⁶ Audio of Oral Argument, *supra* note 10.

¹⁷ "Where, however, Supreme Court precedent establishes that a specific venue statute is not subject to a general default definition of corporate residence (as did *Fourco* for § 1400(b)), then § 1391(a)(1)'s plain text and legislative history require the inapplicability of any default rule established elsewhere within the whole of § 1391." Petition for Writ of Mandamus, *supra* note 14, at 8.

¹⁸ "The problem for Heartland is that § 1400(b) contains no such definition [of "resides"]; it simply does not 'otherwise provide.'... Therefore, to determine where a corporation 'resides' for purposes of venue under § 1400(b), one must still look to § 1391(c), the provision that defines corporate residence '[f]or all venue purposes.'" Respondent Kraft Foods Group Brands LLC's Response to Petition for Writ of Mandamus Filed by Petitioner TC Heartland, LLC, *In re TC Heartland LLC*, No. 2016-0105, at 11 (Fed. Cir. Nov. 9, 2015).

¹⁹ Audio of Oral Argument, *supra* note 10.

²⁰ *In re: TC Heartland LLC*, No. 2016-0105, slip op. at 6-7, 12 (Fed. Cir. Apr. 29, 2016).

94th Annual Dinner in Honor of the Federal Judiciary

The New York Intellectual Property Law Association held its 94th Annual Dinner in Honor of the Federal Judiciary on April 1, 2016 at The Waldorf Astoria New York Hotel. President Dorothy R. Auth welcomed the honored guests, members of the NYIPLA, and their guests. Joseph Bartning, Malena Dayen, and Candice Hoyes opened the evening's events with a magnificent rendition of the National Anthem. The Association's Fourteenth Annual Outstanding Public Service Award was presented to the Honorable Leonard Davis, former Chief Judge of the United States District Court for the Eastern District of Texas. The Keynote Address was given by Nina Totenberg and Peter Sagal, both from National Public Radio.



Standing: Walter Hanley, Hon. Leonard Stark, Hon. Carol Bagley Amon, Hon. Ron Clark, Hon. Loretta Preska, Robert Rando, Matthew McFarlane
Sitting: Hon. Sharon Prost, Hon. Leonard Davis, Dorothy Auth, Peter Sagal, Nina Totenberg, Annemarie Hassett



Remarks of Judge Leonard Davis, Former Chief Judge of the U.S. District Court for the Eastern District of Texas, Upon Receiving the NYIPLA's Outstanding Public Service Award at the 94th Annual Dinner in Honor of the Federal Judiciary

Thank you, Dorothy. You don't know how humbled and honored I am to receive this very special award.

I'm honored for several reasons. First, I am honored because of the quality and character of the prior recipients of this very special award, all outstanding jurists from such important places as New York, Delaware and Washington, D.C. It is truly an honor for me, as a judge from East Texas, to be included with such an esteemed group of jurists.

Secondly, to be chosen by all of you—the outstanding attorneys of the New York Intellectual Property Law Association—is very humbling. I have had the privilege of having many of you appear before me over the years in significant patent cases. The quality of the lawyers—your intelligence, your preparation, and your skill in handling these complex patent cases—has been one of the greatest experiences of my legal career.

Finally, I would like to thank my fantastic staff and all of my law clerks who over my career worked so hard behind the scenes to make me appear much smarter than I really am. Many of them are here tonight, and to all of them I say: “Thank you for being part of our team in trying to be a user-friendly court that correctly applied the law in a timely, efficient, and just manner.”

I would also like to thank all of my fellow Judges from the Eastern District. My Eastern District colleagues are some of the hardest working judges in the country who have made the Eastern District of Texas a true success story of what Congress intended when it created the Patent Pilot Program for specialization in handling complex patent cases. I am proud to have been a part of it.

Finally, I would be remiss if I did not thank some of the very special people in my life and friends who are here tonight—my wonderful wife Rhonda, who has been by my side every step of the way and so supportive

of my career. Our Texas friends and colleagues, Chief Judge Ron Clark and his wife, Joanna, Judge Robert Faulkner, and his wife, Sheila, and our special friends Dr. Suengho Ahn and Ken Korea, along with all my new law partners at Fish & Richardson who have made my transition from the bench back to the practice of law so easy and fun. I'm having a great time and have been so impressed to see how a really first-class IP law

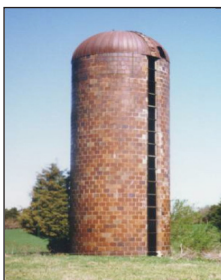
firm operates from the other side of the bench.

Let me again thank all of you very much for this very special award. It means a lot to me, and I am humbled and honored to accept it.



As Time Goes By — Golden Goose Slaying

Can you keep a secret? History is bound to show that America enjoyed a “golden age” for innovation attributable in large part to the U.S. patent system as it existed from the 1950s until a decade ago, particularly as it flourished from 1982 through 2005.



The golden age echoed a dream envisioned by one of our nation’s founders, Daniel Webster: “[T]he Constitution recognizes an original, pre-existing, inherent right of property in the invention and authorizes Congress to secure to inventors the enjoyment of that right, but the right exists before the Constitution and above the Constitution, and is, as a natural right, more than that which a man can assert in almost any other kind of property.”¹

NYIPLA Past President Giles S. Rich [1950-51] characterized the inventor’s exclusive right, as recited in Article I, Section 8, Clause 8 of the Constitution, as a “right to exclude,” which embodies the right to injunctive relief. As a co-author of the Patent Act of 1952, he made certain that the words “right to exclude” were recited in that statute.

The right that Judge Rich verbalized was respected until the Supreme Court qualified it in 2006, using the so-called four-factor test for equitable relief.² The Supreme Court’s action effectively converted the patentee’s right into the mere possibility of a right, a possibility that will never be realized by many, if not most, patentees whose patent is violated. The Supreme Court’s action likely caused both Giles Rich and Daniel Webster to roll over in their respective graves.

You might wonder where and when the downslide in respect for patentees’ rights began. Perhaps it began with an article featured on the front cover of a Sunday *The New York Times Magazine* section in 2000.³ The article discussed the issue of business method patents in light of the *State Street Bank* decision from the Federal Circuit,⁴ and questioned whether the court had gone too far. The author, James Gleick, hypothetically invented a procedure for simultaneously walking and chewing gum, and included drawings for a patent on this procedure, numbering the patent the two-trillion-and-something patent.



Dale Carlson, a retired partner at Wiggin and Dana, LLP is “distinguished practitioner-in-residence” at Quinnipiac University School of Law, NYIPLA historian, and a Past President. His email is dlcarlson007@gmail.com. The views expressed herein are those of the author and do not reflect the views of Quinnipiac University School of Law or the NYIPLA.

It may have been pejorative pieces in the popular press like that by Mr. Gleick that spurred the Supreme Court to ultimately wreak havoc on the certainty and predictability that had earlier been the hallmark of the American patent system, thanks largely to the unifying guidance provided theretofore by the Federal Circuit.

More recently, would-be anonymous drafters of the inaptly-titled, ineptly-drafted, and ill-fated America Invents Act of 2011 have contributed to the slaying of the golden goose that symbolizes the U.S. patent system as we once knew it. History will show that the Act’s emasculation of the best mode disclosure requirement negatively impacted the quality and quantity of disclosure provided by subsequently-issued U.S. patents. Corporations, including the major multinationals, that supported the legislation are now perversely motivated to hoard within their silos key aspects of their inventions, and seek patent protection based upon disclosure of lesser aspects. This “siloeing” will cause competitors to have to reinvent the wheel, so to speak, thus slowing the pace of innovation. In short, the America Invents Act will stymie inventors’ efforts to invent across the board.

The leaden nail in the pine coffin encasing the golden goose may be embodied in the Defend Trade Secrets Act of 2016.⁵ It amends the Economic Espionage Act of 1996 to create a federal civil remedy for trade secret misappropriation, taking such remedy out of the hands of the state courts.

Strengthening trade secret rights at a time when patent rights have been drastically diminished creates a stark vision of how the balance will shift and what the result will be in terms of slowing innovation by way of “functional silo syndrome.”⁶ In Mark Twain’s words: “. . . I knew that a country without . . . good patent laws was just a crab, and couldn’t travel any way but sideways or backwards.”⁷ Therein lies the secret.

With kind regards,
Dale Carlson

(Endnotes)

¹ George H. Knight, Address And Memorial In Opposition To The Bill (S. No. 300 and H.R. No. 1612) “To Amend The Statutes Relating To Patents And For Other Purposes” Read Before And Adopted By The Cincinnati Board of Trade, December 18th, 1878, Times Book & Job Printing Establishment, p. 94.

² *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006).

³ James Gleick, *Patently Absurd*, THE NEW YORK TIMES MAGAZINE (Mar. 12, 2000), available at <http://www.nytimes.com/2000/03/12/magazine/patently-absurd.html?pagewanted=all>.

⁴ *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998), cert. denied, 525 U.S. 1093 (1999).

⁵ S.1890, H.R. 3326.

⁶ A term coined by Phil S. Ensor in 1988. See Phil S. Ensor, *The Functional Silo Syndrome*, AME TARGET (Spring 1988), p. 16, available at <http://www.ame.org/sites/default/files/documents/88q1a3.pdf>.

⁷ Mark Twain, A CONNECTICUT YANKEE IN KING ARTHUR’S COURT, p. 64.

April/May 2016 IP Media Links

By Jayson L. Cohen*

IP News in Washington, D.C., on a Monday in April

On April 25, 2016, Adam Liptak reported for *The New York Times* about the Supreme Court arguments in *Supap Kirtsaeng v. John Wiley & Sons, Inc.* in an article entitled, “Copyright Case Victor Returns to Supreme Court for Legal Fees.” Mr. Kirtsaeng is seeking legal fees in the case leading to his 2013 copyright defense victory in the Supreme Court. In a 2013 decision reversing a Second Circuit panel, the Court held that a lawful sale of a copy of a publisher’s book outside the United States was a “first sale” of that copy under the U.S. Copyright Act, exhausting the publisher’s U.S. copyright over a subsequent sale of the same copy of the book in the United States. On remand, the Southern District of New York, and then the Second Circuit, denied Kirtsaeng’s plea for over \$2 million in legal fees. The Supreme Court granted certiorari to decide the appropriate standard that a court should apply in exercising its discretion to award a “reasonable attorney’s fee” under 17 U.S.C. § 505 to a prevailing party in a federal copyright action. The Court’s decision should resolve a four-way circuit split relating to this standard among the Second, Third/Fourth/Sixth, Fifth/Seventh, and Ninth/Eleventh Circuits. (<http://mobile.nytimes.com/2016/04/26/business/copyright-case-victor-returns-to-supreme-court-for-legal-fees.html>; *see also* <http://www.supremecourt.gov/qp/15-00375qp.pdf>; <http://www.nytimes.com/2013/03/20/business/supreme-court-eases-sale-of-certain-products-abroad.html>.)

On April 25, 2016, Jackie Wattles reported for CNN that the “Redskins ask Supreme Court to hear trademark case.” The news story concerns the Washington Redskins’ continuing efforts to have a portion of Section 2(a) of the Lanham Act (15 U.S.C. § 1052) declared facially unconstitutional under the First Amendment. The relevant portion of Section 2(a) is the provision that allows the U.S. Trademark Office to deny marks that “may disparage,” which the Office used to cancel the Redskins’ marks as disparaging to Native Americans. The Redskins lost their appeal to the district court from the U.S. Trademark Office’s decision and have appealed to the Fourth Circuit. On April 25, the Redskins—in an unusual procedural move that would bypass the Fourth Circuit—asked the Supreme Court to hear their case at the same time as the musical band The Slants’ widely reported trademark case against the U.S. government, which is also discussed in Mr. Wattles’ article and in a December 22, 2015 article by Richard Sandomir for *The New York Times*. In The Slants’ case, which relates to the same constitutional challenge as the Redskins’ case, the Federal Circuit struck down the “disparage” portion of Section 2(a) as a violation of the First Amendment, and

the U.S. government has petitioned for certiorari. Should the Supreme Court grant certiorari in The Slants’ case, the Redskins would like to appear before the Court at the same time as The Slants. (<http://money.cnn.com/2016/04/25/news/washington-redskins-nfl-supreme-court/>; *see also* http://www.nytimes.com/2015/12/23/sports/football/washington-redskins-trademark-nickname-offensive-court-ruling.html?_r=0.)

On April 25, 2016, it was widely reported in a Reuters news story by Lawrence Hurley that the “Chief [J]ustice calls U.S. patent challenge process bizarre.” The occasion was the Supreme Court’s oral argument in *In re Cuozzo Speed Technologies LLC*. The descriptor “bizarre,” cited in the article, apparently refers to the differing standards for claim construction in a USPTO inter partes review proceeding (using the “broadest reasonable interpretation” standard) and in a U.S. federal court (using the process set forth in the Federal Circuit’s 2005 *Phillips* case). The Supreme Court’s eagerly expected decision in the *Cuozzo* case is forthcoming. (<http://www.reuters.com/article/us-usa-court-speedometer-idUSKCN0XM28I>.)

On April 25, 2016, in his weekly schedule, the House of Representatives’ Majority Leader Kevin McCarthy teed up a House floor vote on April 27 for Senate Bill S. 1890, the Defend Trade Secrets Act. This Senate bill to enact a federal trade secrets law comes to a full vote in the House (under a suspension of the rules) just three-and-a-half weeks after the Senate passed the bill in an 87-0 vote, and less than a week after the same bill sailed through the House Judiciary Committee unchanged. The Senate bill and the unanimous Senate vote were the subject of a Bloomberg piece by Stephen T. Dennis on April 4, 2016, entitled, “Bipartisan Trade Secrets Protection Bill Passed by U.S. Senate.” (<http://www.majorityleader.gov/wp-content/uploads/2016/04/4.25-Weekly-PDF2.pdf>; <http://www.bloomberg.com/politics/articles/2016-04-04/senate-set-to-pass-bipartisan-measure-to-protect-trade-secrets>.)



(Endnote)

* Jayson L. Cohen is an associate at Morrison & Foerster LLP, where his practice focuses on patent litigation and counseling. He is a member of the Publications Committee of the NYIPLA.

¹ After submission of this article, the Senate passed the Bill and the President signed it into law.

Notable Trademark Trial and Appeal Board Decisions

(Unless otherwise noted, all decisions are precedential)

By Dyan Finguerra-DuCharme and Michael C. Cannata*

Use by a Parent Company Does Not Save Its Subsidiary's Mark from Abandonment

The Trademark Trial and Appeal Board granted a petition filed by Nobel House Home Furnishings, LLC (“Noble House”), to cancel registration for the mark NOBLE HOUSE, owned by Floorco Enterprises, LLC (“Floorco”), on the grounds of abandonment.

Section 45 of the Trademark Act deems a mark abandoned “[w]hen its use has been discontinued with intent not to resume such use . . . [which] may be inferred from circumstances.” It also defines “use” of a mark as “the bona fide use . . . made in the ordinary course of trade, and not made merely to reserve a right in the mark.” Advertising and marketing without sales or transportation of goods bearing the mark in commerce does not constitute use. However, nonuse due to lack of demand is not considered abandonment if the mark holder continues marketing efforts.

Floorco argued that it had not abandoned NOBLE HOUSE because it had been marketing and advertising furniture bearing the NOBLE HOUSE mark as “available for sale.” The Board, however, found that the marketing and advertising had been done by Floorco’s parent company, Furnco International Corporation (“Furnco International”), not Floorco. The Board acknowledged that it could be argued that, as Floorco’s parent entity, Furnco International owned the registration to NOBLE HOUSE. Nevertheless, because the application for registration and subsequent statement of use had been filed by Floorco, the Board found that it was a “legally distinct subsidiary” that counted “as a ‘person’ under the Trademark Act.” It further noted that Furnco International controlled the nature and quality of the goods sold under the NOBLE HOUSE mark and that it had no agreements with Floorco concerning its use of the mark. The Board concluded that the advertising and marketing materials that identify Furnco International as the source of NOBLE HOUSE furniture could not be considered use of the mark by Floorco, its subsidiary.

Accordingly, the Board cancelled the NOBLE HOUSE mark, finding that Floorco had abandoned the mark with no intent to resume use.

Noble House Home Furnishings, LLC v. Floorco Enterprises, LLC, Cancellation No. 92057394 (TTAB Apr. 4, 2016).

Fame of JAWS Movies Prohibits Registration of Confusingly Similar Mark

The Board affirmed the Examining Attorney’s refusal to register JAWS and JAWS DEVOUR YOUR HUNGER for “entertainment, namely, streaming of audiovisual material via an Internet channel providing programming related to cooking” under Section 2(d) of the Trademark Act based upon the registration of JAWS for “video recordings in all formats all featuring motion pictures.”

The applicant claimed that the JAWS movies had a “niche” level of fame that was insufficient to create a likelihood of confusion with its Internet-streamed cooking show. The Board disagreed, explaining that “niche fame” is “the renown of a mark in a specialized market” and that it is “relevant to counter a showing of fame in the dilution context, not in the context of likelihood of confusion.” The Board found that JAWS is a famous source identifier for a series of video recordings in all formats because its success had inspired sequels and reissued versions of the originals. Because the fame of a registrant’s mark alone is not enough to prove that there is a likelihood of confusion, the Board looked at other *du Pont* factors. The Board also concluded that one of the applicant’s marks was identical to the cited registration while the other was similar. The Board further found that the goods and services were related because they were “simply different conduits for presenting content, reflecting technological advances, i.e., from offering content through . . . DVDs or CDs to streaming content over the Internet, and, as such, are ‘generally recognized as having a common source of origin.’” The fact that applicant’s proposed marks were for cooking shows did not sway the Board because registrant’s motion pictures could feature cooking and the phrase DEVOUR YOUR HUNGER “calls to mind the shark from the JAWS movies.”

The Board ultimately concluded that applicant’s proposed marks were likely to cause confusion with the registered JAWS mark. Accordingly, it affirmed the Examining Attorney’s refusal to register both proposed marks.

In re Mr. Recipe, LLC, Serial Nos. 86/40,643 and 86/40,656 (TTAB Mar. 18, 2016).

cont. on page 12

Board Requires Disclosure of Unredacted Documents

In an opposition proceeding the Board granted a motion by Intex Recreation Corp. and Intex Marketing Ltd. (collectively “Intex”) to compel The Coleman Company, Inc. (“Coleman”) to produce unredacted versions of certain documents. Coleman claimed that the redacted information was either irrelevant or confidential. Intex argued in response that relevance is not an appropriate basis to redact a document and that the Board’s standard protective order moots any confidentiality concerns.

After considering the parties’ positions, the Board concluded that it “is not persuaded that [Coleman] is entitled to redact information in its document production that it believes is irrelevant or non-responsive to [Intex’s] document requests.” The Board began its analysis by underscoring that Federal Rule of Civil Procedure 34 discusses the production of “documents,” not sentences or paragraphs. The Board also cited decisional authority holding that “parties making such redactions unilaterally decide that information within a discoverable document need not be disclosed to their opponents, thereby depriving their opponents of the opportunity to see information in its full context and fueling mistrust about the redactions’ propriety.” The Board also stated that allowing the redaction of portions of documents on relevance grounds would burden the Board by requiring an *in camera* inspection of documents to rule on discovery disputes related to such documents.

The Board also concluded that Coleman’s confidentiality concerns were without merit. Specifically, the Board concluded that its standard protective order was in place and protected against the disclosure of confidential information. The Board also underscored the fact that if Coleman did not believe that the standard protective order was adequate, then Coleman could have requested modification of that order.

Intex Recreation Corp. and Intex Marketing Ltd. v. The Coleman Company, Inc., 117 USPQ2d 1799 (TTAB Feb. 24, 2016).

WebMD Successfully Opposes WearMD Application

The Board sustained a challenge by WebMD LLC (“WebMD”) to WearMD, Inc.’s (“WearMD”) attempt to register WEARMD for “[m]edical services and preventative healthcare services provided via telecommunication and global computer networks

to monitor and provide medical care to individuals through the use of wearable medical devices and other consumer health care monitoring products” in International Class 44. WebMD opposed the application under Section 2(d) of the Trademark Act based on three registrations for WEBMD in multiple classes and a registration for WEBMD HEALTH MANAGER in International Class 44.

After finding that WebMD demonstrated both standing and priority, the Board went on to consider WebMD’s claim that the WEBMD mark merits famous mark status. The Board analyzed several factors, including length of use, promotion, customer base, and awards. The Board concluded that “the record contains the requisite clear evidence . . . [that the] WebMD mark appears to have achieved fame in connection with the services identified in the Registrations.”

Within that framework, the Board found that the services at issue were “highly related.” Specifically, the Board concluded that “‘preventative health services’ such as those in the Application would involve providing medical information, a focal point of [WebMD’s] services [and that the] services share the added similarity of online delivery, making consumers more apt to view them as related.”

The Board next conducted an assessment of the trade channels used by WebMD and WearMD to market their services. As a result of that assessment the Board found that both parties provided services through the Internet and advertised online through Facebook, Twitter and Google+, among others. The Board concluded that the parties’ respective services “move[d] in the same channels of trade to the same general classes of customers.”

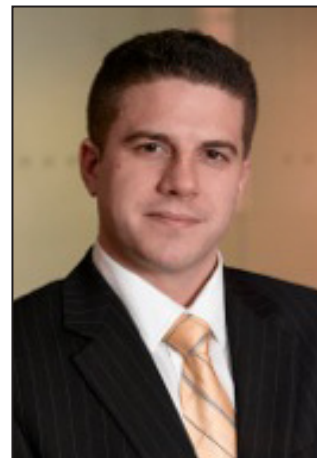
The Board also analyzed the similarity of the marks. With respect to the WEBMD marks, the Board found that WEBMD and WEARMD are phonetically and visually similar featuring the common “MD” element preceded by a word containing one syllable beginning with “W” and “E.” With respect to the WEBMD HEALTH MANAGER, the Board found that the “HEALTH MANAGER” portion of the mark comes later in the mark and was disclaimed and, thus, less significant.

The Board completed its analysis by rejecting WearMD’s argument that there were no instances of actual consumer confusion despite a two-year period of overlapping sales. In that connection, the Board determined that “[t]he limited amount of time Applicant’s mark has been used creates ‘little opportunity for confusion to have occurred.’”

WebMD LLC v. WearMD, Inc., Opposition No. 91216701 (TTAB Feb. 24, 2016) [not precedential].

(Endnote)

*Dyan Finguerra-DuCharme is a partner in Pryor Cashman LLP's Intellectual Property, Litigation and Media & Entertainment Groups. Ms. Finguerra-DuCharme's practice focuses on prosecuting and defending IP litigation involving trademarks, trade dress, false advertising and copyrights, as well as providing trademark and copyright counseling. She is a Co-Chair of the Trademark Law & Practice Committee. Michael C. Cannata is an associate in the intellectual property group at Rivkin Radler LLP and has experience litigating complex intellectual property, commercial, and other business disputes in state and federal courts across the country. He is a member of the Trademark Law & Practice Committee.



NYIPLA Calendar

www.nyipla.org

3RD ANNUAL SECOND CIRCUIT MOOT COURT ARGUMENT

► JULY 12, 2016 ◀

Thurgood Marshall US Courthouse, 40 Centre Street on Foley Square, Room 1703,
New York, NY 10007

HOT TOPICS IN INTELLECTUAL PROPERTY LAW

► JULY 20, 2016 ◀

The Princeton Club, 15 West 43rd Street, New York, NY 10036

UNDERSTANDING PATENTS AND CAREERS IN IP FOR ENGINEERS AND LAW STUDENTS

► SEPTEMBER 8, 2016 ◀

Rensselaer Polytechnic Institute, 110 8th Street, Troy, NY 12180

ONE-DAY PATENT CLE SEMINAR

► NOVEMBER 17, 2016 ◀

The Princeton Club, 15 West 43rd Street. New York, NY 10036

U.S. Bar/EPO Liaison Council 2015 Meeting Report

*By Samson Helfgott and Thomas E. Spath**

The 31st Annual Meeting of the U.S. Bar/EPO Liaison Council was held at the European Patent Office in Munich, Germany on November 19, 2015 and was attended by representatives of thirteen U.S. intellectual property organizations and a former Council president. As in past years, EPO President Battistelli attended, and he reported along with eight other top-level EPO officials who also made presentations during the course of the day. (An index and copies of the presentations provided by the EPO are available at the Association website.) Tom Spath attended on behalf of the NYIPLA.

A number of new initiatives and continuing programs of interest to U.S. applicants and practitioners were discussed. These included concerns with delays in processing oppositions and appeals that had been raised by U.S. Council representatives, which had been discussed during prior years' Council meetings.

Form of Amendments and Art. 123(2)

In response to long-standing U.S. Bar concerns with the continuing overly-strict interpretation and application of Article 123(2) by many EPO examiners that required essentially verbatim support in the specification for amendments to patent claims, new official guidelines were issued in 2013. In the interest of showing the EPO's good faith in advancing its revised examiner guidelines, the EPO convened a Symposium on practice under Article 123(2) in February 2014. Despite these efforts, it continues to be the experience of U.S. applicants and practitioners, through their European patent associates, that the EPO examiners maintain overly-strict standards with respect to claim amendments.

During the November 2015 Council meeting, we were advised that 38% of the appeals on Article 123(2) rejections found the applicant's proposed amendment to be in compliance with the requirement that the skilled person would directly and unambiguously derive from the claimed subject matter of the application as a whole. Of course, that left the examiner's refusal to enter the amendment upheld in 62% of the appeals. The standard applied is "very rigorous," namely, "beyond a reasonable doubt."

The EPO reported plans to issue a publication in summer 2016 with an updated section on Article 123(2) decisions. Perhaps with further training and precedent the balance of favorable decisions will shift to applicants.

Another presentation on the topic of claim amendments focused on Rule 137(4) EPC, which identifies the best practice for applicants to indicate the basis in the original application when the requested amendment is submitted during examination. It was stressed that this is an opportunity for the applicant to provide convincing arguments as to how the proposed amendment(s) is/are "directly and unambiguously derivable from the specification as filed."

Opposition Delays

Statistics indicate delays of up to six years from the grant date, which starts the opposition period, to a final decision. The Council was advised that work has begun on proposals to change the procedures to reduce the delay. On behalf of the U.S. Bar, a representative pointed out that paying national validation and maintenance fees during the opposition proceeding was burdensome and suggested holding payment of fees in abeyance until the final decision issued.

Practice Before the EPO Board of Appeals

The Council was advised that there is a substantial backlog of both ex parte appeals by applicants and also third-party oppositions. Since 2011, there has been an average excess of 700 new appeals filed relative to the number of final decisions issued. As of November 2015, about 3400 appeals had been pending for more than two years. Although the average time from filing to decision is about 34 months, the delay is attributable to the backlog, since the actual processing time is only about one year.

In 2014, about 1100 decisions were issued by the Board in ex parte appeals. About 20% of rejections by examiners are appealed. About 1200 decisions by the Board were issued in opposition proceedings, and about 55% of those decisions are appealed.

As in the case of the program for requesting expedited examination of European patent applications (PACE), it is also possible to request that the review by the Board be expedited, and apparently such requests are usually granted. However, as in the case of the PACE program, not many such requests are filed with the Board of Appeals.

Under a new rule which took effect on January 1, 2016, the PACE request can be filed online. All PACE requests are recorded in the "non-public" portion of the EPO file.

Developments in the Unitary Patent System and Unified Patent Court

The EPO serves as a non-voting observer and provides technical and financial data in support of the ongoing negotiations over the Unitary Patent System (UPS) and the Unified Patent Court (UPC). The Council was provided with a then-current update on the developments and some cautious predictions of where the on-going negotiations might be headed. In view of the progress and decisions made since the Council meeting in November 2015, the details of the EPO's presentation at that time are not included in this report. It appears that the system will not come into effect until sometime in 2017.

EPO Operations

President Battistelli reported that EPO filings continued to rise annually at a rate of about 3%, with over 274,000 applications filed in 2014. The U.S. continues to be the largest EPO filer. Extension states now include Morocco and Moldavia, and discussions are being held with Tunisia. The number of participating PPH countries has also been expanded.

President Battistelli pointed out that there has been no increase in fees in eight years and that even while maintaining a steady workforce of 7075 for seven years, the EPO has increased productivity. Since 2010, 500 new examiner positions have been added by shifting other staff positions, bringing the total number of examiners to 4361.

About 48% of applications filed are eventually granted, with 22% abandoned after the search and the remaining 30% after examination.

The opposition rate has been stable at about 4.5% annually. The trend in appeals has decreased slightly and a greater number of appeals are being settled.

The EPO has again increased the Asian patent documentation available for searching. Currently 21% of the patents cited in EPO search reports had an Asian priority, up 20% from 2012.

The EPO continues to add technical standards to its prior art collection via memoranda of understanding with standard-setting organizations. Sixty percent of searches cite at least one standard.

Under the Global Dossier (GD) program, file histories from all IP5 patent offices are available, and discussions with the WIPO for PCT applications are underway. The EPO is continuing the common citation document program started in 2011 with citations from 25 search authorities in addition to the IP5.

The current goal is to issue search reports within six months of the EPO filing date regardless of the route, i.e., direct or via PCT with EPO as ISR.

Next Council Meeting

Plans are currently underway for this year's Council meeting in Washington, D.C., which is being coordinated with the IPO meeting to permit wider attendance by Council members. The EPO informed U.S. Bar representatives of its willingness to attend and present programs sponsored by local bar associations.

NYIPLA members wishing to propose questions or issues for discussion relating to EPO practice should forward them to both Sam Helfgott (samson.helfgott@kattenlaw.com) and Tom Spath (tespath@lawabel.com).

(Endnote)

*Samson Helfgott is Of Counsel at Katten Muchin Rosenman LLP. His practice focuses on domestic and international patent, trademark, and copyright matters, international patent strategy and patent and trademark administration, before United States and foreign patent tribunals. Thomas E. Spath is Of Counsel at Abelman, Frayne & Schwab, and his practice focuses on United States and international patent, trademark, and licensing law, with a concentration in the chemical engineering patent arts.



Day of the Dinner CLE Luncheon Program

By Heather Schneider

CLE PROGRAMS

This year's "Day of the Dinner" CLE Luncheon Program was held on Friday, April 1, 2016 at The Waldorf Astoria New York Hotel, prior to the 94th Annual Dinner in Honor of the Federal Judiciary. This CLE luncheon was an outstanding success, with approximately 90 attendees, who have provided significant positive feedback on the event.

The title of this year's presentation was "Changing the Rules of the Road: Recent Amendments to the Fed. R. Civ. P., the Continued Push for Patent Law Reform, and the Impact on Intellectual Property." The first presenter was Michelle K. Lee, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office. Director Lee, who also spoke at last year's Day of the Dinner CLE Luncheon, once again showed her enthusiasm for interacting with patent law practitioners who do both prosecution and litigation. Director Lee's remarks on the topic were particularly timely this year, because on April 1 the Patent Office published amendments to the rules of practice for trials before the Patent Trial and Appeal Board (PTAB). Director Lee discussed some of the highlights of the new rules, which went into effect on May 2, 2016.¹ She also discussed some of the Patent Office's Patent Quality Initiatives and related programs.

After Director Lee's presentation, a lively panel discussion was chaired by the Association's immediate-past President Anthony Lo Cicero. This year's distinguished panelists were the Honorable Leonard P. Stark, Chief Judge of the United States District Court for the District of Delaware; the Honorable Shira A. Scheindlin, District Judge of the United States District Court for the Southern District of New York; the Honorable Joseph A. Dickson, Magistrate Judge of the United States District Court for the District of New Jersey; and Chris Israel, Partner, American Continental Group: Government Affairs, Strategic Consulting & Intellectual Property Public Policy Liaison.

The panel provided the audience with valuable insights into recent rule changes and their practical impact on district court litigation, as well as the

interplay of the rule changes with broader patent reform initiatives. Judge Scheindlin started the panel discussion by presenting a comprehensive look at the recent amendments to the Federal Rules of Civil Procedure, which represent important changes to litigation practice. Judge Scheindlin has been a very influential jurist on the topic of electronic discovery, and we were particularly honored to be privy to her remarks on this important topic on the cusp of her recently announced retirement.

Magistrate Judge Dickson then provided a practical view from the bench in New Jersey, a district which handles of a large amount of patent litigation, particularly in the pharmaceutical space. Magistrate Judge Dickson provided useful insight on the interplay between the amended Federal Rules and Local Patent Rules, with which many NYIPLA members are likely familiar.

The panel discussion was completed by an insightful dialogue between Chief Judge Stark and Chris Israel about recent Supreme Court and Federal Circuit case law developments and their relation to patent law reform efforts. They discussed cases such as the *Halo*, *Stryker*, and *Cuozzo* decisions on enhanced damages and claim construction that are being heard by the U.S. Supreme Court this term. They also discussed developments relating to venue, such as the *TC Heartland* decision that was written by Chief Judge Stark and was pending before the Federal Circuit.² Mr. Israel provided an update on patent reform efforts and topics to watch for the year ahead.

The program was organized by the Association's Programs Committee, co-chaired by Mark Bloomberg, Michael Johnson, and Heather Schneider, together with Board Liaison Robert Rando.

(Endnotes)

¹ For more information on the amendments, see 81 Fed. Reg. 18750, available at <https://www.federalregister.gov/articles/2016/04/01/2016-07381/amendments-to-the-rules-of-practice-for-trials-before-the-patent-trial-and-appeal-board>.

² For more information on these cases, see the following dockets: *Halo Electronics, Inc. v. Pulse Electronics, Inc.*, No. 14-1513 (U.S. 2015); *Stryker Corp. v. Zimmer, Inc.*, No. 14-1520 (U.S. 2015); *Cuozzo Speed Technologies, LLC v. Lee*, No. 15-446 (U.S. 2015); and *In re TC Heartland*, No. 16-105 (Fed. Cir. 2015).

Hot Topics in Cyber Security and Cyber Liability

By Pina Campagna and Dyan Finguerra-DuCharme

On April 13, 2016, the NYIPLA Trademark Law & Practice Committee held its first in-person meeting of the year followed by a CLE Presentation from Jura C. Zibas and Richard Reiter of Wilson Elser Moskowitz Edelman & Dicker LLP entitled, “Cyber Security and Cyber Liability: Your Clients May Be Protected But Are You and Your Firm?” The Committee meeting and the CLE were held at Wilson Elser’s New York Office. Gregory Brescia of Wilson Elser was the Program Chair on behalf of the Committee.

The NYIPLA Trademark Law & Practice Committee Co-Chair Dyan Finguerra-DuCharme of Pryor Cashman LLP provided the opening remarks with a summary of trending topics in trademark law, which included recent revisions to the Trademark Trial and Appeal Board (TTAB) and recent developments associated with the TTAB’s and the Federal Circuit’s view of “disparaging” marks under Section 2(a) of the Trademark Act.

Following the Committee meeting, Jura C. Zibas and Richard Reiter delivered their presentation on trending topics within the cyber security and cyber liability fields. More specifically, the presentation focused on cyber threats to law firms and how law firms can mitigate their

exposure to data breaches in the future. For example, according to the 2015 ABA Legal Technology Survey, 25% of firms with 100 or more attorneys have already experienced a data breach. Incident rates decrease with firm size, but not precipitously. Overall, 15% of law firms nationwide have experienced a data breach according to the survey conducted by the American Bar Associations’ Legal Technology Resource Center.

Trademark Law & Practice Committee Co-Chair Pina M. Campagna provided the closing remarks. A networking opportunity immediately followed the presentation.

The NYIPLA would like to again express its gratitude to the speakers for their efforts preparing and presenting their interesting and lively perspectives on some of today’s hot topics, and to the attendees of the program. The NYIPLA Trademark Law & Practice Committee continues to welcome any and all comments, requests, and recommendations regarding the content and timing of this presentation. In addition, the NYIPLA Trademark Law & Practice Committee will continue to accept members for those still interested in participating. Please contact Lisa Lu at admin@nyipla.org for committee membership details.

Diverse Careers in IP Law and Strategies for Achieving Success

By Heather Schneider

On April 19, 2016, the NYIPLA was proud to host a panel discussion on “Diverse Careers in IP Law and Strategies for Achieving Success” at the Benjamin N. Cardozo School of Law. Over 40 students attended the panel discussion, which was moderated by Professor Felix Wu, who co-directs Cardozo’s Intellectual Property and Information Law Program.

The panel participants were all Benjamin N. Cardozo School of Law alumni: (1) David Bomzer, Patent Counsel at Aetna; (2) Jenny Lee, Counsel at Fay Kaplun & Marcin, LLP; (3) Lee Pham, Director, Global Intellectual Property Strategy at American Express; and

(4) Colman Ragan, Counsel–Intellectual Property at Actavis, Inc.

Each of the panelists provided his/her own unique perspective on the practice of IP law, and shared insightful stories on how they got to the positions that they are in today. The panelists discussed patents, as well as other forms of IP law, and provided tips for achieving success for alumni and students at all stages of law school. The students asked a variety of practical questions, and stayed for an engaging networking reception afterwards.

Moving UP ▲ & Moving ON ►►►

- Bradford J. Badke, Sona De, and Ching-Lee Fukuda, formerly of Ropes & Gray LLP, have joined Sidley Austin LLP as partners in its Intellectual Property Litigation practice.
- Irina Vainberg, Ph.D., has been promoted to partner at Troutman Sanders LLP.
- Maria Luisa Palmese, formerly of Kenyon & Kenyon LLP, has joined Wuersch & Gering LLP as a partner in its Intellectual Property group.
- Alessandra Messing, formerly of Kenyon & Kenyon LLP, has joined Brown Rudnick LLP as an associate in its Intellectual Property Litigation group.
- Gerard Messina and Michelle Carniaux, formerly of Kenyon & Kenyon LLP, have joined Norton Rose Fulbright US LLP as partners in its Intellectual Property practice.
- Richard J. McCormick has been promoted to partner at Mayer Brown LLP.
- Neil DuChes, formerly of Mayer Brown LLP, has joined Jones Day as an associate in its Intellectual Property group.
- Jennifer Chheda, Ph.D., has been promoted to partner at Jones Day.
- Matthew Salzmann has been promoted to partner at Arnold & Porter LLP.
- Cameron Reuber and Joel Felber have been promoted to partner at Leason Ellis LLP.
- Brian Siff, formerly of Schiff Hardin LLP, has joined Duane Morris LLP as a partner in its Intellectual Property practice.
- Justin Wilcox, Andrew Heinz, and Tamir Packin have been promoted to partner at Desmarais LLP.
- Daniel Angel has been promoted to partner at Gibson Dunn & Crutcher LLP.
- Monica McCabe, formerly of Vandenberg & Feliu, LLP, has joined Phillips Nizer LLP as a member of its intellectual property, litigation, and entertainment practices.
- Rob Laurenzi has been promoted to partner at Kaye Scholer LLP.
- Grace Pan, formerly of Orrick, Herrington & Sutcliffe LLP, and Dawn Rudenko Albert, formerly of Dickstein Shapiro LLP, have joined Holland & Knight LLP as partners in its Intellectual Property practice.
- Joseph Ragusa has been promoted to member at Cozen O'Connor.
- Gregory Shatan, formerly of Abelman, Frayne & Schwab, has joined McCarter & English LLP as a partner in its intellectual property and technology transactions practice.
- David Dehoney has been promoted to principal at McKool Smith PC.
- Donna Tobin, formerly of BakerHostetler, has joined Frankfurt Kurnit Klein + Selz, PC, as partner and co-chair of the firm's Trademark & Brand Management Group.

The Report's [Moving Up and Moving On](#) feature is for publicizing news of intellectual property attorneys transitions and accolades. If you have changed your firm or company, made partner, received professional recognition, or have some other significant event to share with the Association, please send it to The Report editors: William Dippert (wdippert@patentusa.com) or Mary Richardson (mary.e.w.richardson@gmail.com).

MINUTES OF MARCH 9, 2016

MEETING OF THE BOARD OF DIRECTORS OF THE NEW YORK INTELLECTUAL PROPERTY LAW ASSOCIATION

BOARD MINUTES

The Board meeting was held at the Midtown offices of Cadwalader, Wickersham & Taft LLP. President Dorothy Auth called the meeting to order at 12:25 p.m. In attendance were:

Jessica Copeland	Kathleen McCarthy
Walter Hanley	Matthew McFarlane
Annmarie Hassett	Robert Rando
Robert Isackson	Peter Thurlow
Anthony Lo Cicero	Jenna Wacker
Denise Loring	

Garrett Brown and Colman Ragan participated by telephone. Frank DeLucia and Raymond Farrell were absent and excused from the meeting. Feikje van Rein was in attendance from the Association's executive office.

The Board approved the Minutes of the February 9, 2016 Board meeting.

Treasurer Rob Rando reported that the Association's finances continue to be sound.

Rob Rando reported that the Association added 13 new members, including 10 new student members. The Board approved admission of the new members to the Association.

Rob Isackson reported on the activities of the Amicus Brief Committee. The Committee is considering filing briefs in *Sequenom, Inc. v. Ariosa Diagnostics, Inc.*, relating to preemption under Section 101, *MCM Portfolio LLC v. Hewlett-Packard Co.*, relating to challenges to PTAB decisions, and *WesternGeco L.L.C. v. ION Geophysical Corp.*, relating to the presumption against extraterritoriality in awarding patent infringement damages, all before the U.S. Supreme Court.

President Auth reported that plans for the upcoming Judges Dinner were progressing well.

Matt McFarlane reported on the Strategic Planning Committee's ongoing discussions with faculty members at Cardozo Law School to conduct one or more programs for students in the IP arena. The Board discussed potential programs under consideration.

Anne Hassett and Denise Loring reported on activities of the Legislative Action Committee. The trade secret working group is considering whether to revise for publication its white paper regarding the pending trade secret legislation. The Trans-Pacific Partnership (TPP) working group is continuing its efforts to prepare white papers addressing the changes in U.S. IP law that would be required if the TPP were implemented. Other initiatives include consideration of newly-introduced patent infringement venue legislation and a Department of Commerce Shared Services Initiative.

Tony Lo Cicero reported on the activities of the Association's Nominating Committee.

Rob Rando reported on upcoming programs. The Board discussed the Day of the Dinner program on April 1. Rob Rando also reported on the progress of an educational program for local federal judges. Jessica Copeland reported on plans for women's programs.

Committee liaisons reported on activities of their committees.

President Auth adjourned the meeting at 2:00 p.m.

The next Board meeting will take place on May 17, 2016.



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General Call for Committee Volunteers May 2016 - April 2017

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Committees are open to members only. Membership dues must be current for May 2016 to April 2017 to be considered for a committee.

Login with your username and password at www.nyipla.org/volunteerforcommittee to indicate up to 3 committees in order of your preference. *If you were involved in a committee last year*, and would like to continue to stay on the committee, please submit your committee preferences again for this year.

More information about each Committee can be found at www.nyipla.org under the "About Us" menu.



NYIPLA

NEW MEMBERS

Last Name	First Name	Company/ Firm /School	State	Membership Type
Alexander	Samantha		New Jersey	Active 3-
Babrisky	Ashley	New York Law School	New Jersey	Student
Dayton	Christopher	Bunge Limited	New York	Corporate
Eng	Chi	Eng Law Firm	New Jersey	Active 3+
Evans	James	Paul Hastings LLP	New York	Active 3+
Helfand	Dylan	Fordham University School of Law	New York	Student
Kang	Jong Chan	Cowan, Leibowitz & Latman, P.C.	New York	Active 3-
Polka	Michael	Fordham University School of Law	New York	Student
Sharma	Preeti	Benjamin N. Cardozo School of Law	New York	Student
Siebman	Clyde	Siebman, Burg, Phillips & Smith, LLP	Texas	Associate
Weiss	Catherine	Benjamin N. Cardozo School of Law	New York	Student

THE NEW YORK INTELLECTUAL PROPERTY LAW ASSOCIATION, INC.

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Correspondence may be directed to The Report Editors,

William Dippert, wdippert@patentusa.com, and Mary Richardson, mary.e.w.richardson@gmail.com

Officers of the Association 2015-2016

President: Dorothy R. Auth

President-Elect: Walter E. Hanley Jr.

1st Vice President: Annemarie Hassett

2nd Vice President: Matthew B. McFarlane

Treasurer: Robert J. Rando

Secretary: Denise L. Loring

Publications Committee

Committee Leadership

Mary Richardson and William Dippert

Committee Members

Ronald Brown, Jayson Cohen, TaeRa Franklin,

Robert Greenfeld, Annie Huang, Dominique Hussey,

Keith McWha, Vadim Vapnyar, Joshua Whitehill

Board Liaison Jeanna Wacker

The Report Designer Johanna I. Sturm