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ScoreIP, Inc.
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Chris is an intellectual property attorney and co-founder of ScoreIP, a data-driven innovation consultancy focused on invention coaching. Through ScoreIP and its sister database company, JudicialStats, Chris helps entrepreneurs develop new intellectual property, identifying the most valuable “white space” for their business. ScoreIP clients range from small, fast-growing entrepreneurs to the world’s largest companies.

A prolific inventor himself, Chris has licensed several of his own patents to industry. Chris received a JD, with honors, from UCONN, and holds state bar and patent licenses. Among other recognition, Chris is listed in “IAM 300, the World’s Leading Intellectual Property Strategists.”



Joy Goudie

Greater New York

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Joy Goudie is currently an independent board member at Daxor Corporation, following twelve-years as Senior Patent Counsel for Revlon leading cross-functional teams in the US and Spain. In addition, she served as Vice President managing Revlon's global R&D portfolio and driving new technologies.

Joy Goudie is currently seeking an additional corporate board position while continuing in her current role. Her contribution will draw on her skills in business development through defensive IP and transactional negotiations as well as experience in bringing to market new technologies in the pharmaceutical, medical device, consumer products, beauty/cosmetic and healthcare industries.

Leading with her combination of technical expertise and business acumen Joy has provided valuation of intellectual property portfolios for M&A and joint ventures at Revlon. Her business experience focused on developing strategies using IP to drive business growth consistent with company culture at both Revlon and Wyeth Pharmaceuticals. Key focus included leadership roles within industry leadership groups, R&D, manufacturing groups, process-formulation and marketing teams with regard to intellectual property law, licensing, social media, and other transactional matters.

Corporate responsibilities required regular travel to Spain to work with direct reports, R&D, and marketing groups. Management of a pharmaceutical patent portfolio required travel to Dubai and Egypt to meet with the minister of health and outside local counsel. International patent portfolio management required appearance in courts in The Hague.

A published scientist, Joy has worked with patients and R&D teams in the development of new antibiotics and small molecules for treatment of solid tumor cancers. Her research also included work in the areas of stroke and Parkinson's disease. Research data analysis included collecting and analyzing big data using automated intelligence (AI) and computer programming.

Currently residing in the tri-state area of New York City, Joy is married to a British citizen and has lived with her family in London while studying EU and English law. She spends time in the UK with family and friends on a regular basis.

BOARD SERVICE

Daxor Corporation (DAX) (July 2020 – present) – HealthCare/Life Sciences

American Friends of the Georgian Group (2016 – present) – architecture/preservation

CAREER CHRONOLOGY

Wissing Miller, LLP (2019-2020) Partner, Intellectual Property

Revlon (2007 – 2019) Vice President, Senior Patent Counsel, Assistant Secretary

Wyeth (2002 – 2007) Patent Counsel

Bryan Cave (2000 – 2002) Associate, Intellectual Property

Cooper & Dunham (1998 – 2000) Associate, Intellectual Property

Chambers of Christopher Malcolm at Gray's Inn London (1997-1998) Intern, Intellectual Property

RESEARCH POSITIONS (1980 – 1997)

Research Scientist, Bayer Corporation: Reagent Development for Medical Instrumentation

Research Chemist, American Cyanamid: Infectious & Solid Tumor Cancer Research Scientist

Research Scientist, Burke Rehabilitation Center: Parkinson's Disease & Stroke

State University New York at Buffalo: Basement membrane damage in kidneys

Medical Technologist: Buffalo General Hospital, Saint Joseph's Hospital and Peekskill Hospital

Industry Experience

Beauty and Cosmetics

Consumer Products

Pharmaceuticals

Medical Device

Healthcare

Research & Development

Expertise

Intellectual Property Law

Transactional Negotiations

Regulation

Compliance

Social Media

Technology

Automated Intelligence (AI)

International Experience

Domiciled in UK and US

Work in Barcelona, The Hague,

Dubai, Egypt

Education

Pace University (JD) 1998

Long Island University (MS,

Chemistry) 1995

Mercy College (BS, Medical

Technology, Behavioral Science,

Health Service Management) 1990

Professional Affiliation

Private Directors Association

National Assoc of Corporate

Directors (NACD)

New York Intellectual Property

Association – Co-chair Patent

Practice Group

(As of Sept. 2020)



Carl B. Wischhusen

New York

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Carl B. Wischhusen has over 20 years of experience in intellectual property law, including patent prosecution, litigation, licensing, and due diligence, in a wide range of electrical and mechanical technology areas, including:

- Software and software systems, including: database architecture and systems; mobile and web-based apps; and industrial machine-related data communications and data storage.
- Electronics, including photocontrollers and light-emitting diode (LED) driver circuitry.
- Telecommunications and data communication networks, including mobile internet protocol (IP)-based networks and data encryption and authentication.
- Semiconductor devices, including light-emitting diodes (LEDs).
- Financial (Fintech) systems, including securities trading platforms and systems and bank card-related data communication systems.
- Mechanical devices and processes, including design and fabrication of tires and plastic and paperboard containers.

His practice includes:

Drafting patent applications and handling all aspects of patent prosecution before the U.S. Patent and Trademark Office (USPTO). Preparation and handling of *ex parte* appeals to the Patent Trial and Appeal Board. Post-grant proceedings, including *inter partes* review (IPR), reissue, and re-examination. Managing the filing and prosecution of counterpart patent applications in foreign patent offices around the world.

Preparation of invalidity, patentability, and freedom-to-operate opinions. Counseling clients on patent prosecution strategy, design-around solutions, and patent licensing. Analysis of existing and proposed products for freedom-to-operate clearance and patentability.

Intellectual property due diligence in support of business and investment deals, including analysis of patent portfolios and evaluation of IP-related representations and warranties and other IP-related portions of asset purchase and licensing contracts. Drafting of intellectual property licensing and technology transfer agreements.

Performing pre-litigation research and analysis, including analyzing portfolios of pending patent applications to evaluate strength and propose prosecution strategies in view of potential future litigation. Performing infringement analysis on competitors' products and invalidity analysis on competitors' patents. Supporting patent litigation, including preparing claim construction filings, and technology tutorial materials.

His technical background as a practicing electrical engineer included: microwave and radio-frequency (RF) communications and devices; antennas, including electronically-steerable phased-arrays; radar systems; and satellite communication systems.

Practice Areas

- Intellectual Property
- Intellectual Property Litigation
- Patents
- Trademark & Copyright

Education

- Georgetown University Law Center, J.D., 2000
- Virginia Polytechnic Institute and State University, B.S.E.E.
- Johns Hopkins University, M.S.E.E.

Bar Admissions

- New York
- United States Patent and Trademark Office

Affiliations

New York Intellectual Property Law Association (NYIPLA) – Co-chair, Patent Law & Practice Committee



SANDCASTLES DON'T LAST

How Patent Attorneys Can Help Inventors
Build Their Patent Portfolio on a Strong Business Foundation

With Carl Wischhusen, Joy Goudie & Chris Beckman

November 19, 2020

Introductions

- Moderator: **Carl Wischhusen**

- Registered U.S. patent attorney
- Co-chair, NYIPLA Patent Law & Practice Committee
- 20 years of law firm experience in intellectual property law, including patent prosecution, litigation support, and due diligence, in a wide range of technologies, including electronics, computer software, and mechanical devices

Introductions

■ Panelist: Joy Goudie

- Registered U.S. patent attorney and independent board member
- Co-chair, NYIPLA Patent Law & Practice Committee
- Previously VP, Senior Patent Counsel leading the patent group at Revlon
- Previously Senior Patent Counsel at Wyeth Pharmaceuticals

■ Panelist: Christopher Beckman

- Registered U.S. patent attorney
- Start-Up Attorney and IP Consultant
- Co-founder of IP consultancy ScoreIP and database project JudicialStats.com.
- Chris was recently honored in the IAM300: The World's Leading Intellectual Property Strategists (2020).

The Patent Attorney as Specialist

■ “I’m Just a Patent Lawyer”

- As patent attorneys focused on “prep & pros,” we may develop a client base consisting primarily of larger companies which are sophisticated in business law and which typically have in-house legal departments.
- In that context, it’s easy to forget that some of our clients need, and do not know they need, advice from a business attorney who is well-versed in transactional work.
- This is especially true when we find ourselves, perhaps for the first time in mid-career, counseling new entrepreneurs, e.g., in start-ups and new ventures.

Ethical Considerations Relating to Attorney Specialization

- There has been a trend toward specialization of legal services in the United States.
- Historically, attorneys in the state of New York were all considered “generalists.”
 - Advertising and other statements that they are “specialists” were prohibited by NYRAP.
 - A.B.A. Model Rule 7.2 and revisions to the NYRAP changed this.

Ethical Considerations Relating to Attorney Specialization

RULE 7.4: IDENTIFICATION OF PRACTICE AND SPECIALTY

(a) A lawyer or law firm may publicly identify one or more areas of law in which the lawyer or the law firm practices, or may state that the practice of the lawyer or law firm is limited to one or more areas of law, provided that the lawyer or law firm shall not state that the lawyer or law firm is a specialist or specializes in a particular field of law, except as provided in Rule 7.4(c).

(b) A lawyer admitted to engage in patent practice before the United States Patent and Trademark Office may use the designation “Patent Attorney” or a substantially similar designation.

Disconnect Between Our Specialized Role and Client Expectations

- Against the backdrop of increased specialization, it is easy to forget that our clients may not fully appreciate the boundaries of our area of specialization. In their mind, often, “a lawyer is a lawyer.”
- We still find ourselves fielding general business law questions and concerns, especially in the case of new entrepreneurs, start ups, and new ventures.
- Even large, established clients may have “start-up” concerns when they start new initiatives, joint ventures, etc., as they may need to form new special purpose vehicles (SPVs), IP holding companies, and other types of legal entities.

No One Is “Just a Patent Attorney”

- Although we may not encounter business-related issues every day, we need to be able to spot business and transactional issues to refer them, if necessary, to experienced business counsel, while providing the benefit of our IP knowledge.
- The “sandcastles” metaphor in the title of this program is meant to remind us that our ability to build a solid IP portfolio for our client depends on the foundational documents of our client’s business, i.e., its corporate and transactional documents.

Hypothetical: A client approaches you regarding protecting the IP of a new business venture.

- Your client wants to protect their intellectual property (IP) before speaking to potential investors (e.g., venture capitalists, angel investors, etc.)
 - A. What questions do you need to ask?
 - B. In addition to the filing of a patent application, what agreements do you need to have in place before they go out to pitch their invention?

Who is the client?

- Is the client seeking legal representation as an individual inventor or as a representative of the new venture?
- The ethical, and practical, implications of this question are enormous. If the client is an individual inventor, then you may not be able to later represent the company. Also, you may have to withdraw from representing the individual and/or the company if a conflict of interest arises.
- Advise the client on these issues and obtain waivers, if necessary.
- Clearly identify the client in your engagement letter.

What Does the Client Need?

- Start ups almost always begin in high spirits. Co-founders are excited by their new idea and the prospect of a “10X+” return on investment.
- In that context, there can be a natural aversion to “lawyering up” and drawing lines in the sand over their mutual rights and responsibilities.
- They believe this starts things off “on the wrong foot” by sending a message of distrust to their co-founders.
- Nothing could be further from the truth.

Business Agreements Provide Foundation for Protection of the IP Portfolio

- By working through contingencies and carefully crafting founding documents, our clients will clarify and strengthen their business relationships.
- Such agreements make in-fighting less likely and strengthen their personal relationships by confronting business issues head-on and coming together on fundamental, foundational deal points.
- It is essential to build on a foundation of strong business agreements which clarify all IP rights and responsibilities. These agreements can start with Term Sheets, to simplify and clarify key deal points.

Essential Business Agreements

- Founder's Agreement (including capitalization, equity, etc.)
- IP Assignments
- Non-disclosure Agreements (NDAs)
- Employment / Work-for-hire Agreements

Protecting the IP With Patent Applications

- Explain that the patent application(s) need to be filed before any “necessary” disclosures, e.g., presentations to potential investors, etc.
- Explain the different types of patent protection available and why, for example, a provisional patent application may be a good idea for a start up
- Discuss one-year “grace period” for the inventor’s own disclosures and note that it is inapplicable in most foreign jurisdictions.
- Discuss possible copyright and/or trademark applications and trade secret protection, if applicable.

Founders' Agreement

- The Founder's Agreement (FA) is the initial "blueprint" for the start up – defining roles, responsibilities, equity at the outset.
- The FA can be created prior to formation of the business entity and prior to any patent and/or trademark filings.
- The FA should be followed by formation, with an updated operating agreement/bylaws, depending on the entity selected. Because formation takes time, especially if errors occur (e.g., name rejected), don't delay action while waiting for formation to be completed.
- The FA should include a present IP assignment, an obligation to make future IP assignments, an NDA, non-compete and non-solicitation provisions, etc.

Non-Disclosure Agreements (NDA)

- A well-crafted NDA prevents publication and generally protects and maintains control of your client's IP and confidential information.
- An NDA must be in place before your client discloses any non-public, proprietary, and/or potentially valuable information.
- The client needs to have an NDA with everyone they are going to speak with, not just founders, potential vendors, investors, etc.

Surprise! You learn that the client has explained their idea in detail to a friend.

- Did the friend contribute to the conception of the invention?
- Is the friend a co-founder or potential co-founder? Ideally, this would be addressed in a Founders' Agreement.
- Consider retroactive NDA with the friend (i.e., earlier "effective date" to cover the date of disclosure).
- Counsel client to prevent similar disclosures, except under NDA.
- Counsel client that, even under NDA, disclosures should be on a "need to know" basis.

Non-Disclosure Agreement (NDA)

- NDAs with vendors – mutual vs. unilateral agreements
 - Mutual is often blindly sought by misguided vendors – not always appropriate.
 - Client may need a clear, unconfused role for the vendor, where the vendor is not contributing IP and other proprietary information to the Client's project. In those cases, a mutual NDA would indicate, and invite, the disclosure of that IP and proprietary information. This increases the risk of a competing IP claim.
- NDAs with investors – venture capitalists, and some “angel” investors, may refuse to sign an NDA (too many “horses in the game”) which may create conflicts
 - Limit disclosures to what is on file (i.e., patent applications) and by “need to know”
 - Entice – don't provide all details.
- Avoids having to rely on the one-year “grace period.”

Liqwd Inc. and Olaplex LLC v. L'Oreal USA, Inc.

- Highlights the importance of NDA
- \$19M awarded to Plaintiffs for Trade Secret Misappropriation

Liqwd Inc. and Olaplex LLC v. L'Oreal USA, Inc.

- Plaintiffs were an acquisition target and business partner under an NDA with L'Oreal.
- Plaintiffs shared unpublished patent application, active ingredient, and formula details (under NDA).
- L'Oreal broke off negotiations and introduced a competing product using formula claimed in the patent application.
- Because plaintiffs did not have an issued patent their only protection against L'Oreal was the NDA – it was enough.

Liqwd Inc. and Olaplex LLC v. L'Oreal USA, Inc.

■ Take-aways:

- Be very careful what you share, and with whom, of your keystone technology.
- Always start with a solid NDA crafted for your circumstances by an experienced IP attorney.
- Educate & counsel, in plain English – do more than just having them sign prepared NDAs, trade secret policies, and other IP agreements.

Liqwd Inc. and Olaplex LLC v. L'Oreal USA, Inc.

■ Take-aways – on the other side:

- Be careful what information sharing you solicit and expressly limit sharing in your own R&D space.
- Website terms and conditions should delineate carefully-crafted invention/idea submission policies.
- Does the client want unsolicited sharing and the complications which may ensue?

Surprise! Your client reveals that they worked on similar technology in their previous position at a competitor

- In this scenario, you already have a Founders' Agreement, NDAs, Work-for-Hire agreements, etc., and you have filed a provisional patent application for your client, and they are heading into a meeting with VC...
 - What questions do you need to ask?
 - What can be done at this stage?

Employment and Assignment Agreements

- What role does the previous employer's technology have in the invention(s)?
- Is there an Employment Agreement, Assignment, and/or NDA with the previous employer? How does it impact IP rights of the new venture? Is previous employer/IP owner amenable to a license?
- A typical IP assignment applies to work done:
 - during employment
 - using employer's resources
 - within scope of employment/defined subject matter
 - moonlighting exception?
- Related: what open source or other IP is the client using?

Surprise! During the patent preparation process you learn that a key ingredient in your client's invention is patented by a third party.

- What agreements does your client need to get in place?
- What are the alternatives, if any?
- Another example: your client is using code that is not theirs and is covered by a patent.

IP License Agreements

- Exclusive vs. non-exclusive licenses: negotiate a right to use the material, which could take the form of an exclusive or non-exclusive license.
- Term of license: negotiate a term that covers the life of the patent.
- Worldwide vs. geographically limited: negotiate for the license to cover everywhere you will be making, using, and/or selling (if there is a patent for that area).
- Sublicensing rights for your subsidiaries, employees, independent contractors, end users, etc.
- Patent marking, marketing, and patent maintenance duties – these details need to be part of your license
- Cross-license your new technology – this is a negotiating point and could cover part of the cost of the license.

Supply Chain Agreements

- Make sure you have an NDA protecting client's business information and any technological improvements (“derivative IP”).
- If services and development are included, add work-for-hire agreement or terms (e.g., within master service agreement).
- Your Purchase Order Agreement should specify that if the supplier can't deliver, you are granted a limited license to get the material from another source until the supplier can fulfill. This license should include freedom to operate under any supplier patents.

Real Life Examples:

- A supplier files for bankruptcy and their gates are locked.
- A supplier experiences a disaster (e.g., Fukushima) and can't supply a key raw material.

Conclusion

- You're not “just a patent attorney.” Clients may assume you are handling the "peripheral" issues, so you must be able to identify such issues.
- IP agreements are the solid foundation of your client’s business and our prep & pros work. Without them, our client’s entire “sandcastle” will wash away.

Example Non-Disclosure Agreement (Bilateral)

Dear [Responsible Officer of Counterparty]:

1. [Counterparty Full Name] (together with its affiliates “Company”) has expressed an interest in exploring a potential transaction (the “Potential Transaction”) with [Client Full Name] (together with its Affiliates, “[Client Name]”). The term “Affiliates” as used in this Agreement shall be broadly interpreted to include, without limitation, any corporation, company, partnership, individual or other entity controlled by the party to this Agreement. In connection with the parties' discussions concerning the Potential Transaction each party (as a “Disclosing Party”) may furnish “Evaluation Material” to the other party (as a “Receiving Party”). “Evaluation Material” means all information which the Disclosing Party, or any of its employees, representatives or other agents (together, “Representatives”), furnishes to the Receiving Party with respect to the Disclosing Party’s business, its products or the Potential Transaction, including, without limitation, trade secrets, product development plans, advertising, marketing and promotional calendars, marketing and business plans, product launch schedules, pricing schedules, research and development projects, the physical and chemical characteristics of compounds, product specifications, manufacturing processes and operations, manufacturing equipment, compositions, formulations, formulation techniques, analytical methodology, safety and efficacy data, testing data, know-how, ideas, financial results and objectives, proposed trademarks, patent applications and other collateral materials. “Evaluation Material” also includes all analyses, compilations, studies or other documents prepared by the Receiving Party or any of its Representatives containing or based upon, in whole or in part, any information furnished by the Disclosing Party or its Representatives or otherwise reflecting the Receiving Party's review of, or interest in, the Potential Transaction. “Evaluation Material” does not include information which (i) was in the public domain at the time of the disclosure, (ii) was already known to the Receiving Party prior to the time of disclosure by the Disclosing Party, as shown by documentary or other reasonable forms of evidence, (iii) was, is or becomes generally available to the public except as a result of the Receiving Party’s violation of the terms hereof, (iv) is acquired or received rightfully and without confidential limitation by the Receiving Party from a third party, as shown by documentary or other reasonable forms of evidence, or (v) is independently developed by the Receiving Party’s employees or other Representatives who have no knowledge of or access to the Disclosing Party’s Confidential Information, as shown by documentary or other reasonable forms of evidence.
2. The Receiving Party shall, and shall cause its Representatives to, keep the Disclosing Party’s Evaluation Material confidential using the equivalent of the degree of care which it utilizes in protecting its own similar confidential information, but no less than reasonable care, and the Receiving Party shall not, without the Disclosing Party’s prior written consent, use the Disclosing Party’s Evaluation Material except for the sole and exclusive purpose of evaluating the Potential Transaction. The Receiving Party shall not under any circumstances use the Disclosing Party’s Evaluation Material or any

derivatives thereof in any manner whatsoever for the benefit of the Receiving Party or the Receiving Party's current or future clients or customers, including, without limitation in any products, formulas, components, raw materials, advertising, marketing or promotional campaigns or other materials.

3. Company and [**Client Name**] agree that each will not publicly use the other party's name in any written form, in any publication, advertisement, or document which may be circulated outside of their respective company, including in its annual report, without the prior written consent of the other party.
4. Company acknowledges that any and all inventions, discoveries, works of authorship, and other information discovered, generated, or developed and related to [**Client Name's**] Evaluation Material, whether solely by the employees or agents of Company or jointly by employees or agents of both Company and [**Client Name**] will be considered the intellectual property of [**Client Name**] that employees and agents of Company shall execute any documents required to give effect to the foregoing ownership provisions. Company employees and agents will cooperate with [**Client Name**] in completing any patent applications relating to Inventions. Company's Evaluation Material will be considered Company's intellectual property.
5. Without the Disclosing Party's prior written consent, the Receiving Party will not, and will direct its Representatives who are given access to the Evaluation Material not to, disclose to any person the fact that the Disclosing Party's Evaluation Material has been made available to it, that this Agreement exists or as to the terms hereof, that discussions or negotiations between the parties are taking place or any of the terms, conditions or other facts with respect to the possible Potential Transaction, including the status thereof. The term "person" as used in this Agreement shall be broadly interpreted to include, without limitation, any corporation, company, partnership, individual or other entity. The Receiving Party shall provide the Disclosing Party's Evaluation Material only to its Representatives who must know such information for the purpose of assisting the Receiving Party in evaluating the Potential Transaction, each of whom the Receiving Party must inform of the restrictions imposed by this Agreement. The Receiving Party shall be responsible for any breach of this Agreement by its Representatives.
6. In the event that the Receiving Party, its Representatives or anyone to whom the Disclosing Party's Evaluation Material has been supplied are requested or required (by any court, governmental agency or similar authority) to disclose any of the Disclosing Party's Evaluation Material, such party shall, prior to such disclosure (i) notify the Disclosing Party promptly in writing of the pertinent circumstances surrounding such request, (ii) consult with the Disclosing Party concerning allowing the Disclosing Party to take legally available steps to resist or narrow such request, (iii) if disclosure of such information is required, furnish only that portion of the Disclosing Party's Evaluation Material which it is legally compelled to disclose and (iv) cooperate with the Disclosing Party, at the Disclosing Party's expense, to obtain an order that confidential treatment will be accorded the Evaluation Material.

7. Promptly upon request from the Disclosing Party, the Receiving Party shall either redeliver to the Disclosing Party or destroy all tangible (including that maintained in any computer memory, storage media or similar form) Evaluation Material and any other tangible material containing, prepared on the basis of, or reflecting any information in the Disclosing Party's Evaluation Material (whether prepared by the Receiving Party or its Representatives or otherwise), provided, however, that one copy may be retained by the Receiving Party in a secure and restricted location for evidentiary purposes and as a means of determining any continuing obligations under this Agreement and/or resolving any dispute hereunder. Any such destruction shall be certified in writing by the Receiving Party to the Disclosing Party.
8. This Agreement will be effective as of the date of full execution of this Agreement indicated below and the obligations of the parties under this Agreement shall expire three (3) years from such effective date. The Receiving Party agrees that, except as may otherwise be agreed in writing, (i) the Disclosing Party makes no representation or warranty as to the accuracy or completeness of its Evaluation Material, (ii) the Disclosing Party and its Representatives shall not have any liability to the Receiving Party or any of its Representatives resulting from the use of the Disclosing Party's Evaluation Material or any inaccuracy or incompleteness of the Disclosing Party's Evaluation Material, (iii) the Disclosing Party shall not be responsible for any fees or expenses of any broker or finder retained by the Receiving Party, all of which shall be the Receiving Party's responsibility, and (iv) that until a definitive written agreement between the parties with respect to the Potential Transaction has been executed and delivered, neither party shall be under any legal obligation of any kind whatsoever with respect to the Potential Transaction (other than the confidentiality and other obligations under this Agreement).
9. The Receiving Party acknowledges and agrees that in the event of any breach of this Agreement by it or its respective Representatives, the Disclosing Party would be irreparably and immediately harmed and could not be made whole by monetary damages. The Receiving Party accordingly agrees that the Disclosing Party, in addition to any other remedy to which it may be entitled in law or equity, shall be entitled to an injunction or injunctions to prevent breaches of this Agreement, and to compel specific performance of this Agreement without the need for proof of actual damages. The Receiving Party agrees to waive, and to cause its Representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy. The Receiving Party agrees to reimburse the Disclosing Party for all costs and expenses, including reasonable attorneys' fees, incurred by the Disclosing Party in successfully enforcing the Receiving Party's and its Representatives' obligations under this Agreement.
10. Company and [**Client Name**] represent full rights of ownership in respect to the Evaluation Material and all authority to share such Evaluation Material. Further, each of the undersigned hereby represents and warrants that he or she has full authority to sign this Agreement on behalf of the party below indicated.

11. Company and **[Client Name]** acknowledge that this Agreement is not considered a written contract, grant, or cooperative agreement for the performance of experimental, developmental, or research work in the field of the Potential Transaction.

12. This Agreement (i) shall be governed by and construed under the laws of the State of New York and the parties agree to submit to the exclusive jurisdiction of the federal and state courts located in New York, New York in connection with any dispute under or related to this Agreement, (ii) expresses the parties' entire understanding with respect to the subject matter hereof and supersedes and terminates any prior oral or written agreement with respect to the subject matter hereof, (iii) may be executed in several counterparts, all of which together shall constitute one and the same agreement, and (iv) may be amended or waived, in whole or in part, only in a writing signed by each of the parties.

13. The following terms shall only become effective after the parties' discussions concerning the Potential Transaction have resulted in the parties' mutual exchange of a non-binding term sheet, letter of intent, preliminary indication of interest or similar expression of offer regarding the Proposed Transaction (if any, the "Offer"):

Each party acknowledges that the operation of the other party's business involves the utilization of highly confidential and proprietary information which may not be protected by patent or other legal rights, including unpatented processing and manufacturing technology, trade secrets, and know-how and information regarding customers, the disclosure or misappropriation of which by the Receiving Party would irreparably damage the Disclosing Party. Accordingly, without limitation of any other provision of this Agreement, to protect the Disclosing Party's interests in such information, each party agrees that except as expressly approved by the other party in advance in writing, for one year after the Offer, each party shall not (i) communicate regarding the other party's business or its operations, prospects or finances with any person identified by such party in the course of its evaluation of the Potential Transaction as being a customer, supplier, customer's or supplier's representative, or other person or entity involved in the other party's conduct of business or (ii) hire or solicit for employment any employee of the other party of whom such party comes in contact with in connection with these discussions or the evaluation of the Potential Transaction or induce any such employee to terminate such employee's employment with the other party. The following shall not be deemed a violation of the no hire/non-solicit restriction in the previous sentence: general solicitations, including job postings in newspapers and online, and recruiter efforts in each case not specifically directed at such employees, or discussions with or the hiring of any such employee who has not been employed by the other party for six months or more prior to such hiring (or the hiring of any such persons covered by this sentence).

(Signature Page to Follow)

Example Non-Disclosure Agreement (Unilateral)

Dear [Responsible Officer of Receiving Party]:

1. [Receiving Party's Full Name] ("Company") has expressed an interest in exploring a proposal pursuant to which it would perform, collaborate, or use certain products or services (the "Services" or the "Proposed Transaction"), directly or indirectly, for [Disclosing Party's Full Name] (together with its affiliates, "[Disclosing Party]"). In connection with the parties' discussions concerning the "Services", [Disclosing Party] may furnish "Evaluation Material" to the Company. "Evaluation Material" means all information which [Disclosing Party], or any of its employees, representatives or other agents (together, "Representatives"), furnishes to the Company with respect to [Disclosing Party's] business, its products or the Services, including, without limitation, product development plans, advertising, marketing and promotional calendars, marketing and business plans, product launch schedules, pricing schedules, research and development projects, the physical and chemical characteristics of compounds, product specifications, manufacturing processes and operations, manufacturing equipment, compositions, formulations, formulation techniques, analytical methodology, safety and efficacy data, testing data, know-how, ideas, financial results and objectives, proposed trademarks, patent applications and other collateral materials. "Evaluation Material" also includes all analyses, compilations, studies or other documents prepared by the Company or any of their respective Representatives containing or based upon, in whole or in part, any information furnished by [Disclosing Party] or its Representatives or otherwise reflecting the Company's review of, or interest in, the Services. "Evaluation Material" does not include information which (i) was in the public domain at the time of the disclosure, (ii) was already known to the Company prior to the time of disclosure by [Disclosing Party], as shown by documentary or other reasonable forms of evidence, (iii) was, is or becomes generally available to the public except as a result of the Company's violation of the terms hereof, (iv) is acquired or received rightfully and without confidential limitation by the Company from a third party, as shown by documentary or other reasonable forms of evidence, or (v) is independently developed by the Company's employees or other Representatives who have no knowledge of or access to [Disclosing Party's] Confidential Information, as shown by documentary or other reasonable forms of evidence.
2. The Company shall, and shall cause its Representatives to, keep the Evaluation Material confidential using the equivalent of the degree of care which it utilizes in protecting its own similar confidential information, but no less than reasonable care, and shall not, without [Disclosing Party's] prior written consent, use the Evaluation Material except for the sole and exclusive purpose of evaluating its provision of the Services. The Company shall not under any circumstances use the Evaluation Material or any derivatives thereof for the benefit of the Company's other current or future clients or prospective clients, including, without limitation in any presentations to such clients or in any products, formulas, components, raw materials, advertising, marketing or promotional campaigns or other materials for such clients.

3. The Company and **[Disclosing Party]** agree that each will not publicly use the other party's name in any written form, in any publication, advertisement, or document which may be circulated outside of the Company, including its annual report, without the prior written consent of the other party.
4. Without **[Disclosing Party's]** prior written consent, the Company will not, and will direct its Representatives who are given access to the Evaluation Material not to, disclose to any person the fact that the Evaluation Material has been made available to it, that this Agreement exists or the terms hereof, that discussions or negotiations between the parties hereto are taking place or any of the terms, conditions or other facts with respect to the possible Services, including the status thereof. The term "person" as used in this Agreement shall be broadly interpreted to include, without limitation, any corporation, company, partnership, individual or other entity. The Company shall provide the Evaluation Material only to its Representatives who must know such information for the purpose of assisting the Company in evaluating the Services, each of whom the Company must inform of the restrictions imposed by this Agreement. The Company shall be responsible for any breach of this Agreement by its Representatives.
5. In the event that the Company, its Representatives or anyone to whom the Evaluation Material has been supplied are requested or required (by any court, governmental agency or similar authority) to disclose any Evaluation Material or any information relating to the Services or such person's opinion, judgment, view or recommendation concerning the Services as developed from the Evaluation Material, such party shall (i) notify **[Disclosing Party]** immediately in writing of the pertinent circumstances surrounding such request, (ii) consult with **[Disclosing Party]** concerning taking legally available steps to resist or narrow such request, (iii) if disclosure of such information is required, furnish only that portion of the Evaluation Material which it is legally compelled to disclose and (iv) cooperate with **[Disclosing Party]** to obtain an order that confidential treatment will be accorded the Evaluation Material.
6. Promptly upon request from **[Disclosing Party]** the Company shall either redeliver to **[Disclosing Party]** or destroy all tangible (including that maintained in any computer memory, storage media or similar form) Evaluation Material and any other tangible material containing, prepared on the basis of, or reflecting any information in the Evaluation Material (whether prepared by the Company or its Representatives or otherwise) and will not retain any copies, extracts or other reproductions in whole or in part of such tangible material. Any such destruction shall be certified in writing to **[Disclosing Party]** by the Company or an authorized Representative of the Company supervising the same.
7. This Agreement will be effective as of the date of full execution of this Agreement indicated below and shall expire three (3) years from the execution of this Agreement. The Company agrees that, except as may otherwise be agreed in writing, (i) **[Disclosing Party]** makes no representation or warranty as to the accuracy or completeness of the Evaluation Material, (ii) **[Disclosing Party]** and its Representatives shall not have any liability to the Company or any of its Representatives resulting from the use of the Evaluation Material or any inaccuracy

or incompleteness of the Evaluation Material, (iii) **[Disclosing Party]** shall not be responsible for any fees or expenses of any broker or finder retained by the Company, all of which shall be the Company's responsibility, and (iv) that until a definitive written agreement between **[Disclosing Party]** and the Company with respect to the Services has been executed and delivered, neither **[Disclosing Party]** nor the Company will be under any legal obligation of any kind whatsoever with respect to the services (other than the Company's confidentiality and other obligations under this Agreement).

8. The Company acknowledges and agrees that in the event of any breach of this Agreement by it, **[Disclosing Party]** would be irreparably and immediately harmed and could not be made whole by monetary damages. The Company accordingly agrees that **[Disclosing Party]**, in addition to any other remedy to which it may be entitled in law or equity, shall be entitled to an injunction or injunctions to prevent breaches of this Agreement, and to compel specific performance of this Agreement, without the need for proof of actual damages. The Company agrees to waive, and to cause its Representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy. The Company agrees to reimburse **[Disclosing Party]** for all costs and expenses, including attorneys' fees, incurred by successfully enforcing the Company's and its Representatives' obligations under this Agreement.
9. **[Disclosing Party]** represents that it has full rights of ownership in respect to the Evaluation Material and all authority to share any such Evaluation Material with the Company. Further, each of the undersigned hereby represents and warrants that he or she has full authority to sign this Agreement on behalf of the party below indicated.
10. The Company acknowledges that this Agreement is not considered a written contract, grant, or cooperative agreement for the performance of experimental, developmental, or research work in the field of the Services provided by the Company.
11. This Agreement (i) shall be governed by and construed under the laws of the State of New York and the parties agree to submit to the exclusive jurisdiction of the federal and state courts located in New York, New York in connection with any dispute under or related to this Agreement, (ii) expresses the parties' entire understanding with respect to the subject matter hereof and supersedes and terminates any prior oral or written agreement with respect to the subject matter hereof, (iii) may be executed in several counterparts, all of which together shall constitute one and the same agreement, and (v) may be amended or waived, in whole or in part, only in a writing signed by each of the parties.
12. The following terms shall only become effective after the parties' discussions concerning the Services and/or the Potential Transaction have resulted in the parties' mutual exchange of a term sheet, letter of intent, preliminary indication of interest or similar expression of offer regarding the Services and/or Proposed Transaction:

The Company acknowledges that the operation of **[Disclosing Party's]** business involves the utilization of highly confidential and proprietary information which may not be protected by patent or other legal rights of **[Disclosing Party]**, including unpatented processing and manufacturing

technology and know-how and information regarding customers, disclosure or misappropriation of which by the Company would irreparably damage **[Disclosing Party]**. Accordingly, without limitation of any other provision of this Agreement, to protect **[Disclosing Party's]** interests in such information, the Company agrees that except as expressly approved by **[Disclosing Party]** in advance, for one year after the execution of this Agreement, the Company shall not (i) communicate regarding **[Disclosing Party's]** business or its operations, prospects or finances with any **[Disclosing Party]** employee or with any person identified by the Company in the course of the Company's evaluation as being a customer, supplier, customer's or supplier's representative, or other person or entity involved in the conduct of **[Disclosing Party's]** business, (ii) file for patent, trademark, or copyright on any of **[Disclosing Party's]** disclosed processing and manufacturing technology and know-how or (iii) hire or solicit for employment any employee of **[Disclosing Party]** whom the Company comes in contact with in connection with the performance of services or induce any such employee to terminate such employee's employment with **[Disclosing Party]**. The following shall not be deemed a violation of the no hire/non-solicit restriction in the previous sentence: general solutions, including job postings in newspapers and online, and recruiter efforts in each case not specifically directed at such employees, or discussions with or hiring any such employee who has not been employed by the applicable party for six months prior to such hiring by the other party or its Associates as the case may be (or the hiring of any such persons).

(Signature Page to Follow)

**United States Court of Appeals
for the Federal Circuit**

LIQWD, INC.,
Appellant

v.

L'OREAL USA, INC.,
Appellee

2018-2152

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in No. PGR2017-00012.

SEALED OPINION ISSUED: OCTOBER 17, 2019

PUBLIC OPINION ISSUED: OCTOBER 30, 2019*

SANFORD IAN WEISBURST, Quinn Emanuel Urquhart & Sullivan, LLP, New York, NY, argued for appellant. Also represented by JOSEPH M. PAUNOVICH, Los Angeles, CA; MATTHEW KEMP BLACKBURN, Diamond McCarthy LLP, San Francisco, CA; RIVKA D. MONHEIT, Pabst Patent Group, LLP, Atlanta, GA.

* This opinion was originally filed under seal and has been unsealed in full.

MICHELLE E. O'BRIEN, The Marbury Law Group, PLLC, Reston, VA, argued for appellee. Also represented by TIMOTHY JAMES MURPHY.

Before REYNA, HUGHES, and STOLL, *Circuit Judges*.

REYNA, *Circuit Judge*.

Liqwd, Inc., appeals from a decision by the Patent Trial and Appeal Board that certain claims in its patent on formulations and methods of keratin treatment are unpatentable as obvious. In its obviousness analysis, based on evidence presented by Liqwd, the Board found that L'Oreal USA, Inc., used Liqwd's confidential information and copied Liqwd's patented method. But the Board disregarded its factual finding when concluding that the copying involved was legally irrelevant. Because that conclusion was error, we vacate the Board's obviousness determination and remand. We agree with the other appealed aspects of the Board's final written decision.

BACKGROUND

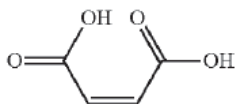
I.

Liqwd, Inc. owns U.S. Patent No. 9,498,419 (“the '419 patent”), titled “Keratin Treatment Formulations and Methods.” The '419 patent relates to formulations and methods of treating hair, skin, or nails by mixing compounds with a coloring or bleaching formulation to achieve a repairing or strengthening effect. The described formulations contain polyfunctional compounds referred to as “active agents” that may be maleic acid, salts thereof, or other compounds. *See* '419 patent col. 7 l. 15–col. 11 l. 18, col. 21 l. 12–col. 25 l. 40.

Claim 1 is the only independent claim subject to dispute in this case:

1. A method for bleaching hair comprising:

- (a) mixing a formulation comprising an active agent with a bleaching formulation, wherein the active agent has the formula:



or salts thereof;

and

- (b) applying the mixture to the hair;

wherein the active agent in the mixture is at a concentration ranging from about 0.1% by weight to about 50% by weight; and

wherein the mixture does not contain a hair coloring agent.

'419 patent col. 25 l. 42–col. 26 l. 5.

Relevant to this appeal, the application that led to the '419 patent was a continuation of U.S. Patent Application No. 14/713,885 (“the '885 application”). The '885 application was filed on May 15, 2015.

II.

On January 31, 2017, L'Oreal USA, Inc., filed a petition with the Patent Trial and Appeal Board (“Board”) for post-grant review. L'Oreal asserted that claims 1–6, 8, and 10 of the '419 patent were anticipated under 35 U.S.C. § 102 by U.S. Patent No. 7,044,986 (“Ogawa”). L'Oreal also asserted that claims 1–8 and 10 were obvious under 35 U.S.C. § 103 in light of Ogawa or U.S. Patent Publication No. 2002/0189034 (“Kitabata”) in combination with German Patent Publication DE 1,220,969 (“Berkemer”) and Korean

Patent Publication KR2006-0059564 (“KR ’564”). J.A. 18–19. The Board instituted review on July 19, 2017.

In its final written decision, the Board found that Ogawa did not anticipate the challenged claims of the ’419 patent. According to the Board, Ogawa disclosed all the limitations of the challenged claims of the ’419 patent but not as arranged in the claims as required for anticipation. J.A. 25–26. The Board’s finding of no anticipation is not at issue on appeal.

As to obviousness, the Board found claims 1–8 and 10 invalid as obvious in view of the prior art. The Board determined that Ogawa, Berkemer, and KR ’564 provided a person of ordinary skill a reason to choose maleic acid as the “chelating agent” over Ogawa’s other options in its bleaching treatment. J.A. 33–39. The Board also found that the combination of Kitabata, Berkemer, and KR ’564 taught or suggested all of the limitations of claims 1–8 and 10 and that a person of ordinary skill would have had a reason to combine the teachings of the references by choosing maleic acid over other compounds disclosed in Kitabata. J.A. 47–55.

The Board also considered arguments and evidence related to objective indicia of non-obviousness—in particular, long-felt need and copying. The Board found “insufficient evidence that the ’419 patent satisfied a long-felt and unmet need for a way to protect hair from damage during bleaching treatments.” J.A. 43. As to copying, the Board weighed the evidence presented and found that L’Oreal would not have developed products using maleic acid without having access to Liqwd’s confidential information. Despite that factual finding, the Board determined the evidence of copying was irrelevant as a matter of law because Liqwd had not shown that L’Oreal copied a specific product. J.A. 45–46 (citing *Iron Grip Barbell Co. v. USA Sports, Inc.*, 392 F.3d 1317, 1325 (Fed. Cir. 2004)).

The Board concluded that L'Oreal had shown by a preponderance of the evidence that claims 1–8 and 10 are unpatentable as obvious in view of the combination of either Ogawa, Berkemer, and KR '564 or in view of the combination of Kitabata, Berkemer, and KR '564. J.A. 63–64.

Liqwd appeals. We have jurisdiction under 28 U.S.C. § 1295(a)(4)(A).

DISCUSSION

We review the Board's factual determinations for substantial evidence and its legal determinations de novo. *No-vartis AG v. Noven Pharms. Inc.*, 853 F.3d 1289, 1291 (Fed. Cir. 2017). Obviousness is a question of law that we review de novo, but the Board's underlying findings of fact are reviewed for substantial evidence. *Merck & Cie v. Gnosis S.P.A.*, 808 F.3d 829, 833 (Fed. Cir. 2015). Substantial evidence “means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.” *Consol. Edison Co. v. NLRB*, 305 U.S. 197, 229 (1938).

I.

Liqwd argues that the Board erred by ruling that L'Oreal's copying of Liqwd's unpublished '885 patent application “did not qualify as an objective indicium of nonobviousness” despite the Board's factual finding that “[L'Oreal] used maleic acid because of [L'Oreal's] access to [Liqwd's] non-public information, rather than because of [L'Oreal's] . . . independent development.” Appellant Br. 27 (quoting J.A. 45). L'Oreal responds and relies on *Iron Grip Barbell* in arguing that Liqwd did not show replication of any specific product embodying the claimed invention, so there is no evidence of copying by L'Oreal. Appellee Br. 37–40. We therefore review whether the Board erred in determining that L'Oreal's “development of its products due to access to non-public information about [Liqwd's] patent application” was not “copying of the type that is relevant to the question of obviousness of the

challenged claims of the '419 patent” on the basis that the evidence did not show L'Oreal copied a specific product. J.A. 45–46. We conclude this was error.

This court has consistently held that objective indicia “may often be the most probative and cogent evidence’ of nonobviousness.” *Advanced Display Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1285 (Fed. Cir. 2000) (quoting *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538 (Fed. Cir. 1983)). Objective indicia are essential safeguards that protect against hindsight bias. *In re Cyclobenzaprine Hydrochloride Extended-Release Capsule Patent Litig.*, 676 F.3d 1063, 1079 (Fed. Cir. 2012). The objective indicia analysis is, therefore, a fundamental part of the overall § 103 obviousness inquiry. *See W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1555 (Fed. Cir. 1983). As a result, the Board must consider all such evidence of objective indicia and determine the weight to give it “en route to a determination of obviousness.” *Stratoflex, Inc.* 713 F.2d at 1538.

It is well established that copying by a competitor is a relevant consideration in the objective indicia analysis. *Iron Grip Barbell*, 392 F.3d at 1325. Such copying may be evidence that the patented invention is nonobvious. *Vandenberg v. Dairy Equip. Co.*, 740 F.2d 1560, 1567 (Fed. Cir. 1984). “Copying requires duplication of features of the patentee’s work based on access to that work, lest all infringement be mistakenly treated as copying.” *Institut Pasteur & Universite Pierre Et Marie Curie v. Focarino*, 738 F.3d 1337, 1347–48 (Fed. Cir. 2013). Evidence of copying may include internal documents, direct evidence such as photos of patented features or disassembly of products, or access and similarity to a patented product. *Iron Grip Barbell*, 392 F.3d at 1325.

In *Iron Grip Barbell*, we stated that “copying requires the replication of a *specific product*.” *Id.* (emphasis added). In that case, however, we emphasized that a “competing

product that arguably falls within the scope of a patent” is not necessarily evidence of copying. *Id.* This is to avoid collapsing the separate infringement and copying inquiries into a single analysis. *See id.* (“Otherwise every infringement suit would automatically confirm the nonobviousness of the patent.”). As such, we held that if the only evidence of copying was a competitor’s abandonment of one product design and subsequent adoption of a design similar to that of a patented product after issuance of the patent, that did “not establish that [the competitor] engaged in copying.” *Id.* In other words, more is needed than merely showing that similarity exists between the patent and the competitor’s accused product.

Other cases following *Iron Grip Barbell* have also emphasized that similarities between an issued patent and an accused product do not, on their own, establish copying. In *Wyers v. Master Lock Co.*, we held that the patent owner failed to establish copying despite its argument that “competitors’ copying and marketing of convertible shank hitch pin locks shortly after the invention’s existence became known supports a finding of nonobviousness.” 616 F.3d 1231, 1245–46 (Fed. Cir. 2010) (citing *Iron Grip Barbell*, 392 F.3d at 1325). We again distinguished between infringement and copying, reasoning that “[n]ot every competing product that arguably falls within the scope of a patent is evidence of copying; otherwise, ‘every infringement suit would automatically confirm the nonobviousness of the patent.’” *Id.* at 1246 (quoting *Iron Grip Barbell*, 392 F.3d at 1325). In *Tokai Corp. v. Easton Enterprises, Inc.*, although we restated that “[c]opying requires evidence of efforts to replicate a specific product,” we emphasized the vital difference between infringement and copying. 632 F.3d 1358, 1370 (Fed. Cir. 2011) (quoting *Wyers*, 616 F.3d at 1246). The *Tokai* court firmly rejected the patent owner’s argument that a stipulation of infringement was

by itself probative of copying.¹ *Id.* In each case, the question of legal relevancy was determined by whether there was actual evidence of copying efforts as opposed to mere allegations regarding similarities between the accused product and a patent; the focus was not whether the copying efforts involved a “specific product.”

Indeed, we have held that even in cases involving claims directed to a product, access to an *issued patent* coupled with circumstantial evidence regarding changes to a competitor’s design is sufficient to support copying. *See DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1328–29 (Fed. Cir. 2009). In *DePuy Spine*, the defendant’s engineering design team had settled on one design and “suddenly changed direction” to adopt a feature disclosed in the patent as soon as it issued. *Id.* at 1328. We held that the defendant’s initial attempts at one design together with the “prompt adoption of the claimed feature soon after the patent issued, are relevant indicia of nonobviousness.” *Id.* at 1329 (citing *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17–18 (1966) (recognizing that objective indicia may “give light to the circumstances surrounding the origin of the subject matter sought to be patented”)).

We have also recognized that access to *published articles* about a patented method are relevant to the analysis of objective indicia and copying. *See Institut Pasteur*, 738 F.3d at 1347–48. In *Institut Pasteur*, the patent owner published an article describing the patented method and,

¹ *But see id.* at 1379 (Newman, J., dissenting) (“Despite the district court’s recognition that Tokai had demonstrated copying, my colleagues find Tokai’s evidence of copying ‘unpersuasive,’ stating that copying ‘requires evidence of efforts to replicate a specific product.’ Defendants’ internal documentation of its unsuccessful attempts to design around the Saito invention is such evidence.”).

during reexamination, presented to the Board more than twenty later-published articles demonstrating that other scientists had adopted the patented method. *Id.* There was no dispute that the publications' authors did not copy a "specific product." *See id.* We nevertheless faulted the Board for stopping its analysis of copying "prematurely." *Id.* The Board discounted the patent owner's copying evidence without analyzing whether the patent owner's showing of similarities between its method and the later-published articles indicated that the publications' authors accessed and borrowed from the patent owner's sources. *Id.* We recognized that "copying requires duplication of features of the patentee's work based on access to that work, lest all infringement be mistakenly treated as copying" and that the relevant inquiry was whether there was evidence of copying efforts. *Id.* (citing *Iron Grip Barbell*, 392 F.3d at 1325).

Our primary concern in each of these cases has been to avoid treating mere infringement as copying simply because the claims of a patent arguably read on a competitor product. *E.g. Wyers*, 616 F.3d at 1246; *Institut Pasteur*, 738 F.3d at 1347–48. Of course, the proponent of objective evidence offered to show nonobviousness, such as copying, must show that a nexus exists between the evidence and the claimed features of the invention. *See Apple Inc. v. Samsung Elecs. Co.*, 839 F.3d 1034, 1082 (Fed. Cir. 2016). But where there is evidence of actual copying efforts, that evidence is always relevant.

II.

Here, Liqwd presented evidence of L'Oreal's copying efforts. The Board weighed the evidence and made a factual finding that "the preponderance of the evidence suggests that [L'Oreal] used maleic acid because of [L'Oreal's] access to [Liqwd's] non-public information, rather than because of [L'Oreal's] independent development," i.e., that L'Oreal copied the method disclosed in the confidential

'885 application. J.A. 44–45. We agree based on our determination that substantial evidence supports the Board's finding that L'Oreal copied Liqwd's patented method of using maleic acid.

The evidence presented by Liqwd and cited by the Board included a L'Oreal email referring to a non-disclosure agreement and a planned May 2015 meeting with Liqwd's founder Dean Christal and others involved with the project, including the '419 patent's co-inventor, Dr. Eric Pressley. *Id.* (citing J.A. 2895). The Board also cited to declarations from Dr. Pressley and Mr. Cristal that discussed details of the May 2015 meeting, providing L'Oreal with a copy of the then-confidential '885 application that disclosed the patented method of using maleic acid in keratin treatment, L'Oreal's receipt and review of the '885 application, and L'Oreal's subsequent loss of interest in purchasing Liqwd's technology. *Id.* (citing J.A. 3001–13). The Board also considered a lab notebook, which L'Oreal contended showed that L'Oreal independently developed its own products. *Id.* (citing J.A. 2397–573). The Board rejected L'Oreal's contention. *Id.* Accordingly, we affirm the Board's factual finding that L'Oreal used maleic acid because of L'Oreal's access to Liqwd's confidential information.

The Board, however, disregarded its finding that L'Oreal copied Liqwd's patented method, determining that the evidence of L'Oreal's copying efforts was irrelevant because Liqwd had not shown that L'Oreal “copied a patented product.” *Id.* The evidence presented by Liqwd shows more than merely a “competing product that arguably falls within the scope of a patent.” *Wyers*, 616 F.3d at 1245–46. Determining that this evidence is relevant does not implicate our concern with avoiding every infringement suit turning into a confirmation of the nonobviousness of a patent. *See Iron Grip Barbell*, 392 F.3d at 1325. Because this evidence of actual copying efforts is relevant, the Board erred by disregarding its finding.

We therefore vacate the Board's obviousness determination and remand the case for the Board to consider this evidence in its obviousness analysis. *See Knoll Pharm. Co. v. Teva Pharms. USA, Inc.*, 367 F.3d 1381, 1385 (Fed. Cir. 2004) ("The so-called 'objective' criteria must always be considered and given whatever weight is warranted by the evidence presented." (internal citation omitted)); *Stratoflex, Inc.* 713 F.2d 1530, 1539 (Fed. Cir. 1983) (the obviousness analysis requires that "all pieces of evidence on that issue have been fully considered and each has been given its appropriate weight").

CONCLUSION

We have considered Liqwd's other arguments and find them unpersuasive. Although we agree with the other appealed aspects of the Board's final written decision, because the Board erred by disregarding its finding that L'Oreal copied Liqwd's patented method, the Board's obviousness determination is vacated, and this matter is remanded to the Board for further analysis. We instruct that, on remand, the Board should consider this finding and weigh it appropriately in its obviousness analysis.

VACATED AND REMANDED

COSTS

Each party shall bear its own costs.