

SCHWEGMAN ■ LUNDBERG ■ WOESSNER ■ KLUTH
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PATENT PROTECTION FOR HIGH TECHNOLOGY

Rule 131 and 132 Declarations

Eduardo E. Drake, Peter Maki, Thomas Obermark

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Hot Topics

Warren Woessner

Is the role of defensive opinions in litigation about to change?

The stage is set by Knorr-Bremse Systeme Fuer Nutzharzeuge Gmbh v. Dana Corp., 01-1357, -1376, 02-1221, -1256 (Fed. Cir. Sept. 26, 2003)(Order en banc) which ordered the parties to brief 4 questoins and invited amicus to brief the first two.

The Questions

1. When the attorney-client and/or work product privilege is invoked by a defendant in an infringement suit, is it appropriate for the trier of fact to draw an adverse inference with respect to willful infringement?

The Questions (cont.)

2. When the defendant has not obtained legal advice, is it appropriate to draw an adverse inference with respect to willful infringement?
3. If reversal of adverse inference, what will happen in this case?
 - Should existence of substantial defense to infringement be sufficient to defeat liability of willful infringement, even if no legal advice has been secured?

Let's back up for a minute...

- If a defendant is found to be infringing (that is, loses), a court will determine if the def's, acting in good faith and upon due inquiry, had sound reason to believe that it had the right to act in the manner that was found to be infringing. SRI Int'l v. Advanced Tech. Labs., 127 F.3d 1462 (Fed. Cir. 1997).

If the answer is “No” then willful infringement may be found

- The court may assess up to treble damages and attorney’s fees.
- See U.S.C. ss. 284-85
- Read v. Portec, Inc., 970 F.2d 816 (Fed. Cir. 1992).

What makes the answer “Yes”?

- Once the infringer learned of the patent, did he/she investigate the patent to form a good faith belief that the patent was not valid or not infringed or unenforceable?
- Obtain an “competent” exculpatory opinion of counsel. Johns Hopkins U. v. Cellpro, Inc., 152 F.3d 1342 (Fed. Cir. 1998)

What is a “Competent Opinion”

- The prudent defendant has obtained:
 1. A written opinion
 2. by outside patent counsel
 3. based on a complete set of facts
 4. related to the accused product
 5. applying the relevant law

So what's the problem?

- When defendant-loser relies on exculpatory opinion to defend against willful infringement, def. waives attorney client privilege and usually has to turn over the opinion and all the materials that went into preparing it, including communications with in-house counsel, tech people and litigation counsel. Steelcase v. Haworth Inc. 954 F Supp. 1195 (WD Mich 1997)

Litigation Counsel like to prepare these opinions, but...

- If the same firm performs both litigation and opinion work, waiver may extend to all communications from the firm concerning the subject matter of the opinion, including all defense strategies. Novartis v. Eon, 101 F3d 1386 (Fed. Cir. 1996)
- So buffer opinion counsel from litigation counsel (!)
- Have opinion counsel work with limited number of tech people; hire their own experts; don't interpret legal developments

Defendant has right to assert attorney-client privilege to shield defensive opinions at trial, But...

- Fed. Circuit has left trial courts free to infer either failure to obtain opinion or that opinion was adverse, when no opinion is presented. This leads to a rebuttal presumption that infringement was willful.
- Electro-Medical Systems v. Cooper Life Sciences, 34 F.3d at 1056-57.

“Other facts” can be presented to show no willfulness.

- Honest attempts to design around.
- No copycat copying
- Closeness of the case
- Attempts by def. to conceal infringement
- If defendant independently invented
- Remedial action by defendant

Back to the Questions...

- Amici like IPO have filed briefs urging a change in the prevailing law:
- 1. Invocation of attorney-client privilege should not create adverse inference with respect to willfulness.
- “The result [of waiver] is communications with counsel that are less frank than would occur if no adverse inference existed.”
- Waiving privilege and producing opinion does not prevent attacks on competency of opinion (of course not).

2. Adverse inference if no advice of counsel at all?

- “Except when an infringer is put on express notice of claim of infringement, it should not suffer an adverse inference regarding willfulness if it does not obtain advice of counsel.”
- Main argument is financial burden on companies to review all those patents
- But do companies often initiate product development without reviewing relevant patents and getting opinions?

Current law of “Actual Notice” is not as lenient as mere “knowledge of a patent”

- Infringement suit is filed
- A cease and desist letter
- A offer to license or actual negotiations
- Awareness in fact due to in-house monitoring program
- Warnings by technical staff
- Third party notice

4. Substantial Defense Should Prevent Finding of Willful Infringement

- Even if company knows of patent it likely infringes (a third party or even one of its own employees could find it), ignores it, enters the market, it can wait until it gets sued and hope it can find a flaw in the patent.
- Strong policy to eliminate invalid patent “whenever” (Lear v. Adkins)
- Closeness of case already a factor in determining willfulness

The problem is...

- The “Substantial Defense” did not eliminate a “bad patent” –the defendant was found to infringe, but is insulated from willfulness even though the infringement may have been willful in every other respect, including not getting an opinion until plaintiff asserts rights.

This may be too far for the Court to go in favoring defendants...

- But the Fed. Cir. has been leaning away from “strong patents” for some time.
- Judge Lourie’s comments in Enzo II about biotech patentees claiming more than they have invented is just one example.

In reality, the effects of waiver of privilege can be reduced

- Don't use litigation counsel to write exculpatory opinions.
- Don't let opinion counsel join the "litigation team" – shield litigation strategy. Give opinion counsel legal information without analysis.
- Focus opinion counsel on a few key technical people, (not attorneys) who will provide no more data than needed to understand the product.

Stay tuned...

- And thanks to “Preparing Patent Legal Opinions – 2003” –A PLI Course I participated in, Chaired by Rochelle Seide and Edward Poplawski, which thoroughly addressed the background law regarding opinions of counsel as a defense to willful infringement.

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Introduction

- Rule 131: Swearing Behind References
- Rule 132: General Evidence Submission
- Related International Considerations

37 CFR § 1.131

- The Rule: When any claim of an application or a patent under reexamination is rejected [a party as described in 1.131] may submit an appropriate oath or declaration to establish invention of the subject matter of the rejected claim prior to the effective date of the reference.
- Used to establish a date of invention before the effective date of a cited reference a/k/a swearing back or antedating a reference

Comparing and Contrasting Affidavits and Declarations

- **Legal Effect – Little difference between the two. Both affidavits and declarations assert factual information.**

Documentary Differences

- Affidavit - A statement based on personal first hand knowledge, signed and notarized.

Documentary Differences (cont.)

- Declaration – A statement based on personal first hand knowledge and signed, but not notarized. There is *no* presumption of authenticity regarding the declarant's signature. A declaration must include:
 - A warning that willful false statements and the like are punishable by fine or imprisonment, or both. 35 USC § 25(b), 37 CFR § 1.68.
 - A statement that all remarks made of the declarant's own knowledge are true and that all statements made on information and belief are believed to be true.

Practical Considerations When Using Declarations

- If the declarant later becomes hostile to the patentee/owner, ill, or dies it may be more difficult to prove the authenticity of the declarant's signature.
- Note: Declaration and Affidavit will be used interchangeably herein.

When to file 131/132 Declarations

- Prior to Final Rejection
 - Generally, all declarations and affidavits are considered if submitted prior to final rejection.
- Prior to the First Office Action with Petition to Make Special
 - Any declarations or affidavits must be submitted prior to the first office action and in any case, no later than one month after the petition to make special where the Applicant requests accelerated examination according to 37 CFR § 1.102, MPEP § 708.02.

When to file 131/132 Declarations (cont.)

- Declarations after Final Rejection
 - Only considered with showing of good and sufficient reasons why they are necessary and were not earlier presented. 37 CFR § 1.116(c).
- After Appeal
 - Affidavits are not considered without a showing of good and sufficient reason why they were not earlier presented. 37 CFR § 1.195.

When to file 131/132 Declarations (cont.)

- Continuation and Divisional Practice
 - Affidavits filed during prosecution of non-provisional applications under 37 CFR § 1.53(b) or former § 1.60 (non-provisional applications) do not automatically become of record with related continuation and divisional applications.

Who May File 1.131 Affidavits or Declarations

In other words, who can be an affiant or declarant?

- All of the inventors of the claimed subject matter.
- Less than all of the inventors where it is shown the invention of the claims under rejection was made by less than all of the inventors.
- The assignee or other party of interest (owner, coinventor, legal representative) where it is not possible to produce an affidavit from an inventor (e.g. hostile or deceased inventors). See CFR §§ 1.42, 1.43 and 1.47.

Restrictions On Proving Prior Invention

- United States – Generally any evidence of invention from within the U.S. may be asserted in a 131 affidavit.
- NAFTA Countries – Where conception, diligence and/or actual reduction to practice are done in a NAFTA country, such evidence can only be relied upon to show prior invention on or after December 8, 1993.

Restrictions On Proving Prior Invention

- WTO Countries – Evidence of conception, diligence and/or actual reduction to practice done in a WTO country can be relied upon on or after January 1, 1996.
- New WTO Countries – If a country became a WTO member after January 1, 1996, evidence of prior invention within that country may only be relied upon on or after the date of membership in the WTO.
- See www.WTO.org for a list of the 146 WTO countries and when they were admitted.

Restrictions On Proving Prior Invention

- Implications to Antedating in 131 Declarations and Affidavits
 - Evidence of Invention in a NAFTA or WTO country on or after the respective effective dates – Such evidence is used in the same manner as in the U.S. to antedate a reference.
 - Evidence of Invention in a NAFTA or WTO country prior to the respective effective date – Such evidence is only useful to establish completion of the invention (actual reduction to practice) on or after the effective date of NAFTA or WTO.

Where & When Does Evidence of Prior Invention Count

<p><u>US</u> Generally all evidence is useable.</p>	<p><u>NAFTA Countries</u> Evidence of prior invention is useable on or after December 8, 1993.</p>	<p><u>WTO Countries</u> Evidence of prior invention is useable on or after January 1, 1996.</p>
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Proving Prior Invention

- Prove actual reduction to practice before the reference date; or
- Prove conception before the reference date coupled with diligence to actual or constructive reduction to practice.

Proving Prior Invention Under Rule 131

- Terminology for the Date of Invention
 - Conception – The formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention as it is thereafter to be applied in practice. In re Jolley, 308 F.3d 1317, 1321 (Fed.Cir. 2002) In other words, conception is established when one skilled in the art is enabled to reduce the invention to practice without the exercise of inventive skill. Hiatt v. Ziegler, 179 USPQ 757, 763 (Bd. Pat. Inter. 1973).

Proving Prior Invention

- What do you need to show in the declaration to prove conception?
 - The evidence of conception must include every feature or limitation of the claimed invention. *Slip Track Systems, Inc. v. Metal-Lite*, 304 F.3d 1256 (Fed. Cir. 2002).
 - The idea must be sufficiently formed so that only ordinary skill would be required to reduce the invention to practice.

Considerations regarding proof of conception

- If the record of conception does not include each limitation claimed, then amend the claims if possible to remove the omitted subject matter. Alternatively, attempt to get documentation of when the missing feature or limitation was added and ascertain if that date will antedate the reference.
- At the same time, beware of limiting the claims by reference to the conceived embodiment or reduction to practice embodiment if those embodiments include more limitations than in your broadest claim.

Proving Prior Invention

- Actual Reduction to Practice
 - Constructing or performing the claimed invention
 - The invention must be reduced to tangible form --
The inventor must prove that he constructed an embodiment or performed a process that met all the limitations of the claim.
 - Practical Utility must be shown.
 - Testing of the invention is usually required to establish actual reduction

Practical Utility Must be Shown

- Testing sometimes necessary.
- Construction may be sufficient for simple invention. *In re Asahi/America Inc.*, 68 F.3d 1442 (Fed. Cir. 1995). Asahi used photos of a constructed "double pipe" containment system.
- Prototype doesn't need to be in commercially satisfactory form. E.g., *Rogers v. Baxter* 39 F.3d 1196 (Fed. Cir. 1994), Declaration based on a dialysis fluid connecting device prototype that leaked.

Proving Prior Invention

- Diligence – Working toward reducing the invention to practice (actual reduction or constructive reduction). Diligence does not require that “an inventor or his attorney . . . drop all other work and concentrate on the particular invention involved.” MPEP § 2138.06. However, pursuant to MPEP § 2138.06, an applicant must account for the *entire* period during which diligence is required.
 - A two day period has been fatal to a diligence determination. *In re Mulder*, 716 F.2d 1542, (Fed. Cir. 1983). See also, *Brunswick Corp. v. U.S.*, 34 Fed.Cl. 532, 591 (Fed.Cl. 1995).

Diligence

- Diligence is from a time just prior to date of reference until the actual or constructive reduction to practice.
- Patent Attorney diligence -- The attorney need only show reasonable diligence in taking up cases on his or her docket.

Diligence

- A gap in the timeline can be excused under some circumstances -- “A period of inactivity may be excused for good cause, e.g., the inventor’s illness, vacation, or daily job demands under “reasonable” circumstances.” *Patent Practice*, Kayton et al., 7th ed., release no. 2 (November 2001) quoting *Griffith v. Kanamaru*, 816 F.2d 624 (Fed. Cir. 1987). See also, *Allied-Signal, Inc. v. Allegheny Ludlum Corp.*, 29 U.S.P.Q.2d 1039 (D.Conn. 1993)
- Examples of insufficient excuses for not being reasonably diligent.
 - Waiting for funding.
 - Marketing and commercialization activities

Record Keeping

- A bound, numbered notebook is best as a permanent record. If possible, entries should be daily and witnessed at least weekly. Even if not signed, the inventor should make notes in the notebook to any actual witnesses to of either conception or reduction to practice.
- The information in the notebooks should as detailed as possible, since proof of conception requires that all elements of a claimed invention were conceived by the date of conception. *Singh v. Brake*, 317 F.3d 1334 (Fed. Cir. 2003).

More Record Keeping

- The reduction to practice of the invention should also be documented. This is best done with photographs (which can be stapled to the notebook) and documented test results, if needed to show the invention does what it was supposed to do. Any witnesses or observers of the reduction to practice should be noted so at least they can confirm later what they witnessed.
- Diligence can be documented by following through as quickly as possible after conception to reduction to practice.
- If notebooks are not used, then invention disclosure forms should be filled out with as much detail as possible to document conception and reduction to practice.

More Record Keeping

- At least one commentator has suggested using drafts of patent applications for proof of conception. The caveat is that use of the draft may waive the privilege between the attorney and inventor.
- For software inventions, it has been suggested that the client keep a source code repository or back-up system with the ability to document conception or reduction to practice.

Strategic Considerations

- Do you need to swear behind the reference?
 - Reference Date
 - Do not assume the Examiner is applying the correct date for the reference. Refer to the flow-charts in Section 706.02(f)(1) of the MPEP to ascertain the correct date for swearing behind. Section 706.02(f)(1) includes flowcharts and examples for determining the appropriate 102(e) date.
 - For a publication, the date is the date of receipt, not publication.
 - If the reference is not enabling a 1.132 declaration may be more appropriate.

More Strategic Considerations

- Beware of a possible interference. Rule 131 can only be used to swear behind a patent that does not claim the invention.
- If you do not want to be drawn into an interference, you can try to amend the claims to cover non-obvious improvements.
- If you do want an interference, the interfering claim must be made within 1 year of the patent.

More Strategic Considerations

- Beware that the resulting patent will be susceptible to challenges of invalidity if similar art arises.
 - Add dependent claims in anticipation of this. Each claim stands on its own to be invalidated. Some may still be valid and valuable.
 - The patent still has the presumption of validity, and the opposing party has the burden to show by clear and convincing evidence that the patent is anticipated or obviousness. See *Greenwood v. Seiko* 900 F.2d 238 (Fed. Cir. 1990). (The Federal Circuit reversed a trial court that had invalidated the patent with no further showing after the Rule 131 affidavit was found insufficient to antedate the references).

More Strategic Considerations

- Beware of challenges that the conception or reduction embodiments show a different mode than the patent application.
- Beware that an actual reduction to practice may give rise to suppression, abandonment, and/or concealment arguments

Rule 132: General Evidence Submission

37 CFR §1.132

- The Rule: “When any claim of an application or a patent under reexamination is rejected or objected to, any evidence submitted to traverse the rejection or objection on a basis not otherwise provided for must be by way of an oath or declaration under this section.
- Generally used as a catchall for asserting any facts not subject to submission under 1.131 or 1.130.

When to File

- May file anytime before final rejection, just like Rule 131 Declarations
- If not filed prior to final rejection, applicant must explain why (good & sufficient reasons)
- Generally, no geographic restrictions on source of evidence

Who May File

- 1.132 Affidavits or Declarations
 - Generally, can be made by anyone.
 - The MPEP provides no specific categories of affiants or declarants.
- Not subject to the declarant-restrictions of Rule 131

Uses for Rule 132 Declarations

- Disqualifying References
- Traversing §101 Rejections
- Traversing §102 Rejections
- Traversing §103 Rejections
- Traversing §112 Rejections

Disqualifying References

- Prior Invention
- Derivation (Attribution)
- Publication Status
- Co-ownership

Prior Invention

- Must Show either
 - Prior to Reduction to Practice
 - Prior Conception Plus Diligence
- Not applicable for 102(b) references

Derivation (Attribution)

- Removing Invented Co-Authored Pubs and Co-Invented Patents
- Two General Approaches
 - Inventor swears that he's sole inventor of the relevant portion. E.g.. students or employees working under inventor's direction. See *In re Katz*, 687 F2d (CCPA 1982)
 - Co-authors swear that they aren't inventors
- Cannot be used if Article or Patent is a 102(b) reference

Publication Status

- Establish Later Date of Publication
 - Magazines & Journal Articles: Public'n date is the earliest date a recipient actually received a copy, not the mailing date. See Carella v. Starlight Archery and Proline Co., 804 F.2d 135, 139 (Fed. Cir. 1986).
- Establish No Public Accessibility
 - Constant v. AMD, 848 F2d 1560, 1568-69 (Fed Cir 1988)
 - Actual Public Access is Not Required
- Internet Publications: PTO prohibits use of these materials unless they include a publication date or retrieval date (MPEP 2128.)

Co-Ownership

- 103(c) “[art] under [102] (e), (f) or (g) ... shall not preclude patentability... where the ...[art] and the claimed invention were, at the time the invention was made, [co-owned].
- Cf. Rule 130, which requires showing of prior invention, current ownership, non-patent-distinctiveness, plus terminal disclaimer

Traversing §101 Rejections

- Showing Utility
 - Used mostly for Chemical, Pharmaceutical, & Biotech inventions
 - Application disclosure should identify at least one specific utility. See, e.g., *Raytheon v. Roper*, 724 F.2d 951, 958, 220 USPQ 592, 598 (Fed. Cir. 1983)
 - Composition is "plastic-like" and can form "films" is not sufficient; *In re Ziegler*, 992 F.2d 1197, 1201, 26 USPQ2d 1600, 1604 (Fed. Cir. 1993);
 - Composition is "biologically active" is not sufficient *In re Kirk*, 376 F.2d 936, 153 USPQ 48 (CCPA 1967)
- Ornamentality for Design Applications
 - Demonstrate that the claimed design is not functional

Traversing §102 Rejections

- Sufficiency
- Inherency
- Equivalence
- Identity

Sufficiency or Operability

- Patent or Printed Publication cannot anticipate if it is not enabling. In re Donohue, 766 F2d 531, 533 (Fed Cir 1985).
- 102(b) Reference must sufficiently describe the claimed invention to have placed the public in possession of it...” Paperless Accounting, Inc. v. Bay Area Rapid Transit System, 804 F.2d 659, 231 USPQ 649, 653 (Fed. Cir. 1986)
- Declaration must cite specific deficiencies and explain how these deficiencies would disable ordinary skilled artisan. E.g., In re Piasecki, 745 F2d 1468, 1474 (FC 1984)
- Declaration should focus on skill and knowledge of ordinary artisan at the time of the invention.

More on Sufficiency/Operability

- Must rebut presumption of operability by a preponderance of the evidence. *In re Sasse*, 629 F.2d 675, 207 USPQ 107 (CCPA 1980).
- Must knock out relevant portion of reference.
 - Not sufficient to show that it's possible to operate within the reference without obtaining the alleged product. *In re Weber*, 405 F.2d 1403, 160 USPQ 549 (CCPA 1969). Skilled workers can make certain experiments and adaptations, within the realm of ordinary skill.
- Reference may include operable and inoperable portions. *In re Shepherd*, 172 F.2d 560, 80 USPQ 495 (CCPA 1949).
- MPEP 716.07

Inherency

- Rejection premised on alleged “inherency” of one or more undisclosed elements
- Test is whether one of skill in art would have recognized the missing element is “necessarily present.” In re Robertson, 169 F.3d 743, 745 (Fed. Cir. 1999)
- Examiner must provide basis in fact or technical reasoning to support; if no basis is provided, consider traversing on this ground first.

Equivalence Under 112 P6

- 112 P6 “shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof. “
- Technical Expert may be called upon to traverse Examiner’s assertion of equivalence of one structure to another

Identity

- One of skill would need regard reference as teaching feature X.
- Declaration may be used to rebut examiner's contention that reference teaches the feature.
- Could be useful to avoid appeal when you have a recalcitrant or uninformed Examiner and the issue is black and white

Traversing §103 Rejections

- Attack by Showing No Prima Facie Case
 - Motivation
 - Expectation of Success
 - Combinability
 - Special case for methods
- Rebut by Showing Evidence of Non-Obviousness

Rebutting v. Attacking

- Rebuttal creates estoppel risks since you're arguing merits of your invention and arguably acquiescing to the prima facie case
- Attack, if pure, addresses only technical form of the rejection leaves merits intact.

Attack Prima Facie Case

- Teaching, suggestion or motivation for making modification or combination
- Reasonable expectation of success
- Must teach all claim elements

Attacking Motivations

- Motivation Sources
 - Reference
 - Reasoned From Common Knowledge In The Art
 - Scientific Principles
 - Art-recognized Equivalents
 - Legal Precedent
- All Subject to Potential Attack based on Factual Analysis

Attacking Combinability

- Combination destroys intended function
 - In re Gordon, 733 F.2d 900, 221 USPQ 1125 (FC 1984)
- Combination changes principle of operation of a reference
- Art teaches away from the combination
 - Attack by showing that the art, in any material respect, teaches away from the claimed invention. *In re Geisler*, 116 F.3d 1465, 1471 (Fed. Cir. 1997)
- Non-analogous art
 - analogous means art within field of inventor's endeavor or reasonably pertinent to the particular problem. *In re Wood*, 599 F.2d 1032 (CCPA 1979)

Attacking Expectation of Success

- “Obviousness does not require absolute predictability, but a reasonable expectation of success is necessary.” *In re Clinton*, 527 F.2d 1226, 188 USPQ 365 (CCPA 1976)
 - Invention concerned commercial-scale polyester production in presence of a solvent at superatmospheric pressure. Declaration showed that individual references in combination could not be scaled for commercial production.
 - *In re O'Farrell*, 853 F.2d 894, 903, 7 USPQ2d 1673, 1681 (Fed. Cir. 1988) (Claimed method held obvious because one reference contained a detailed enabling methodology, a suggestion to modify the prior art to produce the claimed invention, and evidence suggesting the modification would be successful.).
- Predictability determined at the time of invention was made

Rebutting §103 Rejections

- Objective Indicia of Non-obviousness (Secondary Considerations)
 - Commercial Success
 - Unexpected Results
 - Long-Felt Need & Previous Failures
 - Industry Skepticism for Invention
 - Evidence of Copying
- Not an Exhaustive List

Unexpected Results

- Results must be surprisingly better or superior by a person of ordinary skill in the art
- Surprising means not predictable nor obvious
- Standard for comparison is closest prior art
- Merely superior or better is not enough – must be surprisingly or unexpectedly better
- Proof of synergy does not necessarily prove unexpected results
 - Synergy– a property which may be unexpected or not based on the particular facts

Commercial Success

- **COMMERCIAL SUCCESS MUST BE DERIVED FROM THE CLAIMED INVENTION**
 - Inventor's opinion is insufficient. See *In re Huang*, 100 F.3d 135, 140, 40 USPQ2d 1685, 1690 (Fed. Cir. 1996)
 - Commercial success may have stemmed from extensive advertising and position as market leader before the release of the patented product; *Pentec, Inc. v. Graphic Controls Corp.*, 776 F.2d 309, 227 USPQ 766 (Fed. Cir. 1985)
 - Gain in market share after introduction of patented product. *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 231 USPQ 81 (Fed. Cir. 1986) (Immunometric "sandwich" assay with monoclonal antibodies became a market leader with 25% of the market within a few years; invention not kind of merchandise that can be sold by advertising hyperbole.)
- **SALES FIGURES MUST BE ADEQUATELY DEFINED**
 - Gross sales figures do not show commercial success absent evidence as to market share, *Cable Electric Products, Inc. v. Genmark, Inc.*, 770 F.2d 1015, 226 USPQ 881 (Fed. Cir. 1985)
- **IN DESIGN CASES, ESTABLISHMENT OF NEXUS IS ESPECIALLY DIFFICULT**
 - Success must be clearly attributable to the design, and not to brand-name recognition, improved performance, or some other factor. *Litton System, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 221 USPQ 97 (Fed. Cir. 1984)

Long-Felt Need & Other Failures

- Need must be recognized, persistent, and not solved by others
 - **Others must recognize the problem** (*In re Gershon*, 372 F.2d 535, 539, 152 USPQ 602, 605 (CCPA 1967))
 - **Need evidence of prior failures** (*Orthopedic Equipment Co., Inc. v. All Orthopedic Appliances, Inc.*, 707 F.2d 1376, 217 USPQ 1281 (Fed. Cir. 1983))
- Need must not have been satisfied by another before applicant's invention
 - **E.g, need for a "do-it-yourself" window shade material met by prior art product that used a scored plastic material which could be torn..)** *Newell Companies v. Kenney Mfg. Co.*, 864 F.2d 757, 768, 9 USPQ2d 1417, 1426 (Fed. Cir. 1988)
- Claimed Invention must satisfy the need. *In re Cavanagh*, 436 F.2d 491, 168 USPQ 466 (CCPA 1971).
- Long-felt need is measured from the date a problem is identified and efforts are made to solve it
 - **Texas Instruments Inc. v. Int'l Trade Comm'n**, 988 F.2d 1165, 1179, 26 USPQ2d 1018, 1029 (Fed. Cir. 1993).
- Other factors contributing to the presence of a long-felt need must be considered
 - **Need may be due to lack of interest or lack of appreciation of potential or marketability rather than want of technical know-how.** *Scully Signal Co. v. Electronics Corp. of America*, 570 F.2d 355, 196 USPQ 657 (1st. Cir. 1977).
 - **Bonafide Licensee offering declaration in support of need adds weight to case** (*In re Tiffin*, 443 F.2d 344, 170 USPQ 88 (CCPA 1971))
- See MPEP 716.04

Skepticism of Experts

- "Expressions of disbelief by experts constitute strong evidence of nonobviousness." *Environmental Designs, Ltd. v. Union Oil Co. of Cal.*, 713 F.2d 693, 698, 218 USPQ 865, 869 (Fed. Cir. 1983)).
- "The skepticism of an expert, expressed before these inventors proved him wrong, is entitled to fair evidentiary weight" *In re Dow Chemical Co.*, 837 F.2d 469, 5 USPQ2d 1529 (Fed. Cir. 1988);
- Testimony that the invention met with initial incredulity and skepticism of experts was sufficient to rebut the *prima facie* case of obviousness. *Burlington Industries Inc. v. Quigg*, 822 F.2d 1581, 3 USPQ2d 1436 (Fed. Cir. 1987)
- MPEP 716.05

Copying

- More than copying is necessary
 - because of potential offsetting facts such as a disregard for patents or contempt for enforcement threat. *Cable Electric Products, Inc. v. Genmark, Inc.*, 770 F.2d 1015 (Fed. Cir. 1985).
- Copying persuasive when coupled with prior period of failed attempts to develop competing product. *Dow Chemical Co. v. American Cyanamid Co.*, 837 F.2d 469 (Fed. Cir. 1987).
- Copying not persuasive when the copy is not identical and the other manufacturer had not expended great effort to develop its own solution. *Pentec, Inc. v. Graphic Controls Corp.*, 776 F.2d 309 (Fed. Cir. 1985).
- MPEP 716.06

Traversing §112 Rejections

- Written Description
 - specification must convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the invention, i.e., whatever is now claimed. *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991).
- Enablement
 - specification must teach one of ordinary skill how to make and use the claimed invention

Strategic Considerations

- Risk of Inequitable Conduct
- Avoiding Inequitable Conduct
- Infringement-Validity Tradeoff
- Stack-the-Deck Strategy
- Choice of Declarant

Risk of Inequitable Conduct

- Declaration Presumed Material to the Patentability, even if cumulative
- Intent to Deceive more readily inferred because of materiality

Avoiding Inequitable Conduct

- Disclose all aspects of relationship of declarant to applicant and inventors
 - Refac International Ltd. v. Lotus Development Corp., 38 USPQ 2d 1665 (Fed. Cir. 1996)
- Disclose all known adverse information, such as test results.

Infringement-Validity Tradeoff

- Amend-Declare Dilemma
 - Amend and Risk Prosecution History Estoppel, or
 - Declare and Risk Unenforceability
 - Difference between shooting your self in the foot or blowing your leg off
- False Dilemma- Third Option is to Stack the Deck

Stacking the Deck

- Submit printed publications to the record to support attorney argument or refute examiner assertions
 - Use of Dictionaries is probably fairly common
- Risk finding more than you bargained for
- Virtually eliminates risk of inequitable conduct

Choice of Declarant

- Range of Choices: Inventor, Co-employees, Outside Consultant, Attorney
- Independence, impartiality
- If litigation likely, choose declarant based on good-witness criteria;
- Consider choosing several of the best experts to preclude use by opponents

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PATENT PROTECTION FOR HIGH TECHNOLOGY

International Considerations

Eduardo E. Drake

International Considerations

- **Other Countries Have Mechanisms for Introducing Evidence into Prosecution**
 - E.g., EPC Art. 115, 117
- **Record Keeping Outside U.S. May Require Closer Supervision**
 - First-to-File Paradigm
 - Lag after WTO membership
- **Evidentiary Issues:**
 - Change Declaration boilerplate to match country,
 - Self-Authentication of Foreign Documents for use in U.S. and U.S. Documents for Use Overseas
 - Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents

QUESTIONS

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