

An IPWatchdog Webinar
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Preparing and Prosecuting a Patent that holds up to Challenge

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12pm ET to 1pm ET

Speakers:

Gene Quinn
IPWatchdog.com

Russell Slifer
Schwegman, Lundberg

Bernard Tomsa
Brooks Kushman



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Upcoming IPWatchdog Webinars



Gene Quinn

President & CEO of IPWatchdog, Inc.
Webinar Moderator



IPWatchdog.com Webinar Series

FEBRUARY

15

A Practical Guide to Startup Funding

You have done everything right. You've invented a new, exciting and potentially revolutionary technology. Now you are at the edge of success – if only you can acquire the funding your startup needs. This is where venture capital comes into play, at least in theory. But technology VCs can be fickle. What is hot one minute is not the next.

FEBRUARY

22

Drafting Quality Patents: Avoiding 112 Rejections at the USPTO

The value of a patent, for better or worse, is related to the likelihood that it could be successfully defended against challenges. In the past it was believed that there was safety in numbers. Today, higher quality patents are strategically preferable to collecting as many patents as possible.

MARCH

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Know Your Examiner – Practical Tips for Increasing Patent Allowance Rates

The first commandment of patent prosecution should be to know your patent examiner. To do this patent practitioners need to take into account examiner time constraints and production goals, what examiners need to see to allow an application, and must have an appreciation for what examiners are being instructed to do by supervisors.

Panelists:

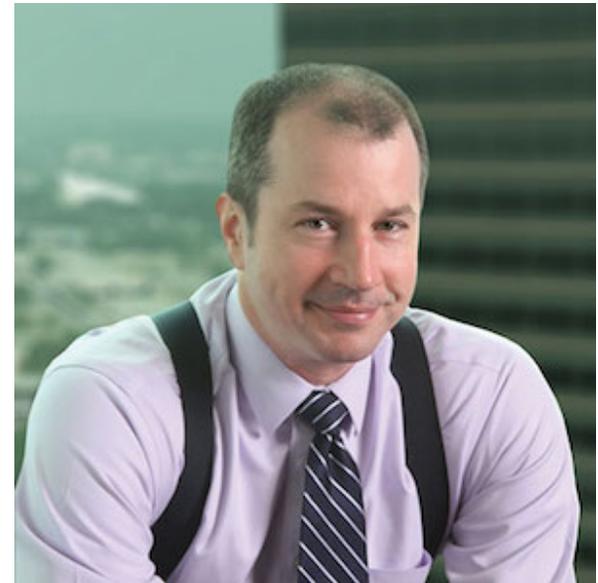
Russell Slifer

Schwegman, Lundberg
Former Deputy Director of the USPTO



Bernard Tomsa

Partner, Brooks Kushman



Outline:

Mistakes made during preparation and prosecution of the patent are among the main reasons an otherwise commercially successful technology can produce a portfolio of low value, or even worthless patents.

Obtaining a patent that will hold up to challenge when the patent owner seeks to use that patent, whether through litigation enforcement or a licensing program, requires thoughtful consideration from the earliest stages. Of course, today many clients are demanding more for less compensation, which only makes the job of the patent practitioner all the more difficult, and mistakes all the more likely.

In this webinar, we will discuss:

1. Pros and cons of having a Background (101 vs. 103).
2. Prosecution history disclaimer vs. Prosecution history estoppel.
3. Carefully considering claim terms and infringers.
4. Fixing problems before and after allowance.
5. When should you be willing to take a case to appeal?
6. Portfolio building techniques: Identifying valuable claims to add.

Pros and cons of having a Background (101 vs. 103)

Since *KSR* practitioners have steered away from making background statements that identify an existing problem or shortcoming with prior art.

By identifying *how* the invention improved the state of the art, Applicants essentially did the legwork for an Examiner. The “fact” that there was a known, existing problem was enough for Examiners to justify virtually any combination of references.

Then along came *Alice*. A very popular statement that Examiners currently include in *Alice* rejections is along the lines of “Applicant has failed to show or describe an improvement to the functioning of a computer or another technology.” This is the EXACT sort of statement an old-school style background would have addressed, insomuch as the background identified the problem and noted that there was a need to fix the problem.

Should you leave the background in the post-*KSR* format since it risks little in the way of inadvertent disclosure and avoids self-defeating language?

“Through use of the illustrative embodiments disclosed, it is possible to improve the data transfer rate of existing cellular connections and to achieve faster download and implementation of software upgrade packages.” Statements like this in the *Summary or Detailed Description* essentially “solve” the problem implied in the *Background*. This is language that can be referred to as indicative of a “technological improvement” (for *Alice* purposes).

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Prosecution history disclaimer vs. Prosecution history estoppel

Prosecution disclaimer precludes patentees from recapturing through claim interpretation specific meanings disclaimed during prosecution. For prosecution disclaimer to attach, Federal Circuit precedent requires that the alleged disavowing actions or statements made during prosecution be both clear and unmistakable. When the patentee unequivocally and unambiguously disavows a certain meaning to obtain a patent, the doctrine of prosecution history disclaimer narrows the meaning of the claim consistent with the scope of the claim surrendered. Such disclaimer can occur through amendment or argument. *See Aylus Networks, Inc. v. Apple, Inc.*, 856 F.3d 1353 (Fed. Cir. 2017).

A patentee may establish infringement under the doctrine of equivalents if an element of the accused product performs substantially the same function in substantially the same way to obtain the same result as the claim limitation. When an applicant during prosecution either makes an argument evincing a clear and unmistakable surrender of subject matter or narrows a claim to avoid the prior art, or otherwise to address a specific concern that arguably would have rendered the claimed subject matter unpatentable. The applicant is then estopped from later invoking the doctrine of equivalents to recapture the surrendered subject matter. The patentee bears the burden of rebutting the application of prosecution history estoppel. *See Spectrum Pharmaceuticals, Inc. v. Sandoz Inc.*, 802 F.3d 1326 (Fed. Cir. 2015).

Prosecution history disclaimer vs. Prosecution history estoppel:

EXAMPLE

Party A has filed 10 cases directed at cellular and/or wireless technology. During the prosecution of case 2, prior art P including the term “wireless communication link” was cited against case 2. In response, the prosecuting attorney argued that P did not teach cellular communication when it referred to “wireless communication link,” because P is clearly directed at Wi-Fi transmission. Party A is then sued, and Party A wants to invalidate the patent-in-suit, which relates to cellular technology purportedly implemented by Party A. This suit has NOTHING to do with case 2, and the patent-in-suit predates case 2 in any event.

During invalidity searching, Party A comes across reference P. There is approximately a 99.9% chance that whoever is doing the invalidity search will have absolutely no idea that prior art P was ever cited against case 2, OR that outside counsel argued that, in reference P, the term “wireless communication link” “in no way can refer to cellular technology, given the language and other teachings of reference P.” Accordingly, since P appears to be an excellent reference, the litigators use reference P in an invalidity contention as the reference teaching “cellular technology” through recitation of “a wireless communication link.”

Now, however, using analytics tools such as Acclaim, this statement on the record, made on behalf of A (and therefore likely imparted to A), is discoverable in approximately 5 minutes or less using **Acclaim**.

Carefully considering claim terms.

Chef America v. Lamb-Weston, Inc., 358 F.3d 1371 (Fed. Cir. 2004). The CAFC interpreted the meaning of the patent claim phrase “heating the resulting batter-coated dough to a temperature in the range of about 400° F. to 850° F.” What should have been said was “heat the oven to a temperature in the range of about 400° F. to 850° F.” Unfortunately, because what was said literally said required the internal temperature of the dough to reach a temperature of between 400° F. to 850° F., the patent owner had a useless patent.

In *Novo Industries, L.P. v. Micro Molds Corp.*, 350 F.3d 1348 (2003), the Federal Circuit addressed whether a district court can act to correct an error in a patent by interpretation of the patent where no certificate of correction has been issued? The Court held that a district court can do so only if (1) the correction is not subject to reasonable debate based on consideration of the claim language and the specification and (2) the prosecution history does not suggest a different interpretation of the claims. The parties agreed that the claim in question contained an error, but no certificate of correction was obtained. Subparagraph (g) of claim 13 in the issued patent caused the confusion, reading: “stop means formed on a rotatable with said support finger and extending outwardly therefrom into engaging relation with one of two spaced apart stop members formed on said frame...” Either “a rotatable with” or “with said” needed to be deleted to have the claim make sense. To make sense out of the patent, the district court was required to guess as to what was intended, which is beyond the authority of the court.

Carefully considering infringers: Divided Infringement

See *Akamai V*, 797 F.3d 1020(Fed. Cir. 2015)

See also *Eli Lilly & Co. v. Teva Parenteral Medicines*, 845 F.3d 1357 (Fed. Cir. 2017)

Where no single actor performs all steps of a method claim, direct infringement only occurs if the acts of one are attributable to the other such that a single entity is responsible for the infringement. The performance of method steps is attributable to a single entity in two types of circumstances: (1) when that entity "directs or controls" others' performance, or (2) when the actors form a joint enterprise.

The Federal Circuit has held that directing or controlling others' performance includes circumstances in which an actor: (1) *conditions* participation in an activity or receipt of a benefit upon others' performance of one or more steps of a patented method, and (2) *establishes the manner or timing* of that performance. Principles of attribution are, however, considered in the context of the particular facts presented.

A joint enterprise requires proof of : (1) an agreement, express or implied; (2) a common purpose to be carried out by the group; (3) a community of pecuniary interest in that purpose, among the members; and (4) an equal right to a voice in the direction of the enterprise, which gives an equal right of control.

Suggestions: Divided infringement is most problematic for method claims, so be sure to include various claim techniques (and system claims). More focused and narrow protection for subsets of systems that focus on defining only what a single entity would make/use/sell/import.

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Fixing problems before and after allowance.

37 CFR 1.114 allows an applicant to obtain continued filing a submission and paying the fee. An applicant cannot request continued examination of an application until after prosecution in the application is closed. Prosecution in an application is closed if the application is under appeal, or the last Office action is a final action, a notice of allowance, or an action that otherwise closes prosecution in the application (e.g., an *Ex parte Quayle* action).

37 C.F.R. 1.313 – Withdrawal from issue. Applications may be withdrawn from issue for further action. To request withdraw the applicant must file a showing good and sufficient reasons why withdrawal of the application from issue is necessary. A petition is not required if a RCE is filed prior to payment of the issue fee.

Once the issue fee has been paid, the application will not be withdrawn from issue upon petition by the applicant unless: (1) The applicant asserts that one of more claims are unpatentable; (2) The application files a request for continued examination in compliance with Rule 114; or (3) The application is expressly abandoned, although an express abandonment may be made in favor of a continuing application.

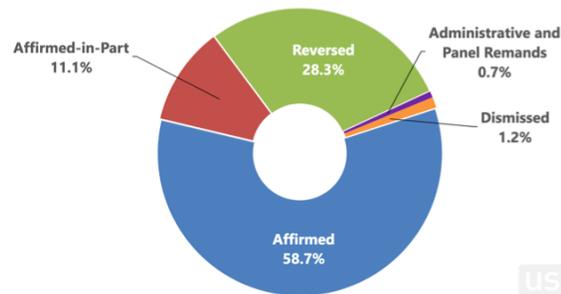
A petition to withdraw prior to issue will not be effective unless it is actually received and granted by the appropriate officials before the date of issue.

Ex parte Appeal Realities

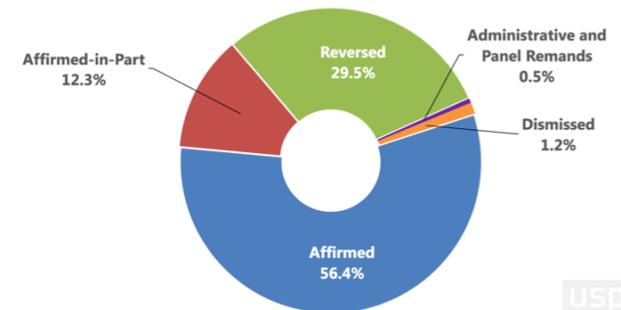
The PTAB has gotten a LOT faster. While it used to take 2-4 years to obtain an appeal decision, those decisions now frequently come in less than a year.

Always file a Reply Brief. While it is not supposed to count as a concession, the Board does use the fact that an applicant did not file a Reply brief as indicative of conceding some point made by the Examiner. This has happened even when the original argument in the Brief still stood on its own in direct contrast to the Examiner's position in the Answer. Therefore, it is always worth at least filing a brief Reply, even if it is only to reiterate your disagreement with the Examiner on grounds you have already set forth.

Appeal Outcomes in FY18
(FY18: 10/1/17 to 12/31/17)



Appeal Outcomes in FY17
(FY17: 10/1/16 to 9/30/17)



Portfolio building techniques: Identifying valuable claims to add.

Check **forward rejection data** any time a case is going to issue or any time a case is going to be abandoned. By checking the forward rejections issued using those cases, you can identify opportunities to redirect your case towards a competitor's claims.

Example – A client recently lost an appeal, and we decided that the claims were probably not worth pursuing further along the lines that they were previously filed. Before abandoning the matter, a search revealed that this particular matter had been cited as a 102 against a direct competitor reference, which was now an issued patent. In order to overcome the 102, the competitor had been forced to narrow the claims, but a review of the rejection using the client's case revealed that there was full support for the original, broader claim in the client's filing. If the client elects to file a continuation, and copy the competitor's original claims, the client can obtain a broader patent directed at claims that were of direct interest to a competitor. Since the competitor filing was post-AIA, no interference should be triggered. Also, since the client's patent was the prior art in the previous rejection, the Office will have to find new, older art in order to reject the client's claims. At the same time, the competitor has already levied a successful argument for the patentability of the concept generally, and has built an entire record of why they believe the case is patent worthy. This means the competitor is going to have an uphill battle convincing a judge that the case is suddenly invalid, in light of all the work the competitor did to prove that the case was valid.



Thank you!

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