

# United States Patent Law and Practice, with Practical Advice

Rick Neifeld and Robert Hahl

NEIFELD IP LAW, PC

ALEXANDRIA, VA USA

URL: <http://www.neifeld.com>

# OUTLINE

- ABOUT US
- MAJOR TRENDS, I - ISSUES, AND CASES
- ADVICE – COMPACT PROSECUTION AND WORKING WITH EXAMINERS
- MAJOR TRENDS, II – TECHNOLOGY, ELECTRONIC FILINGS AND RELATED
- CONCLUSIONS

# ABOUT US

Rick Neifeld, Ph.D., Physics  
(1985, Rutgers), Law degree  
(1994, G.W.)

Robert Hahl, Ph.D. Chemistry  
(1989, Harvard), Law degree  
(1993, G.W.)

# PUBLICATIONS

- RICK'S *CASE LAW* BOOK (>500 PAGES, SEARCHABLE)

<http://www.neifeld.com/cases.pdf>

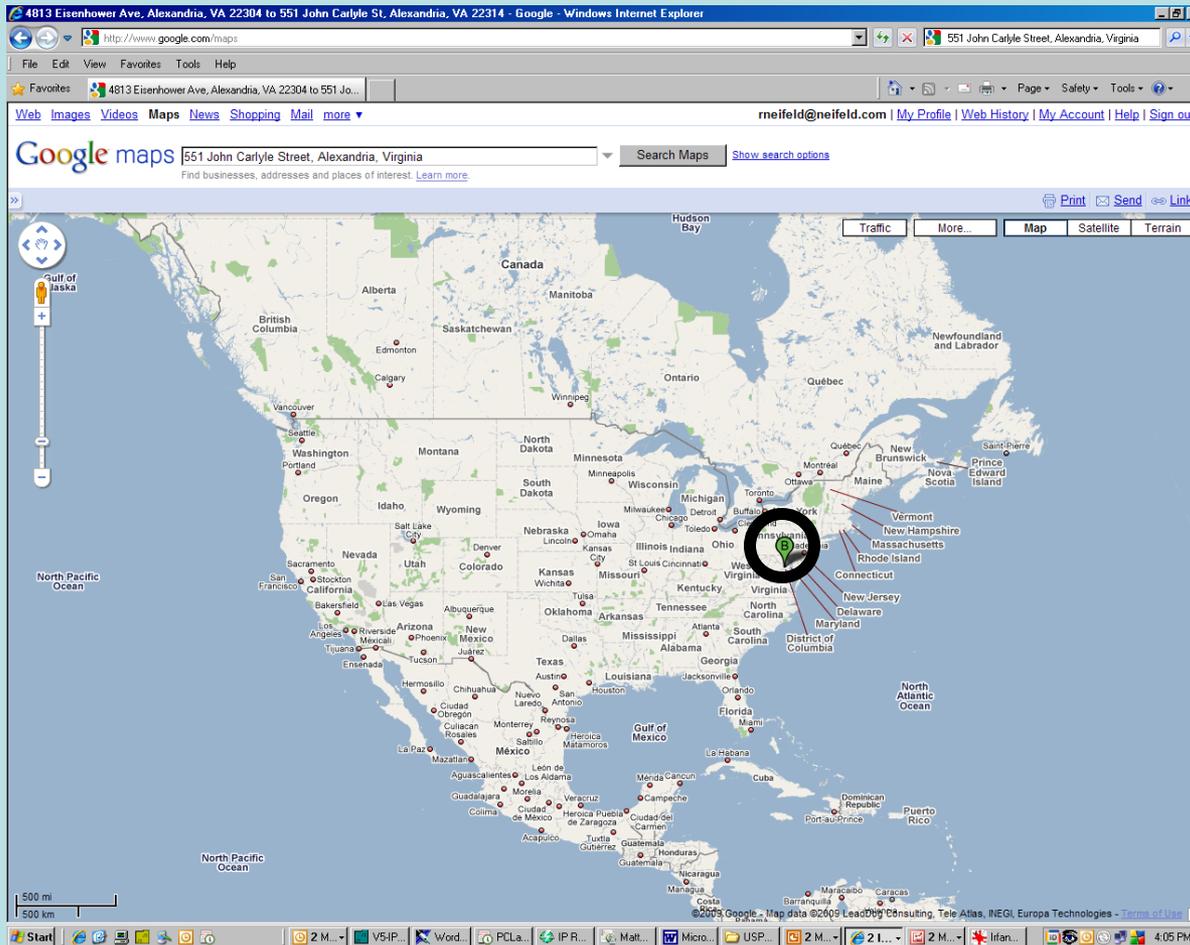
- LEGAL PUBLICATIONS ( >90)

<http://www.neifeld.com/advidx.html>

# WHAT WE DO

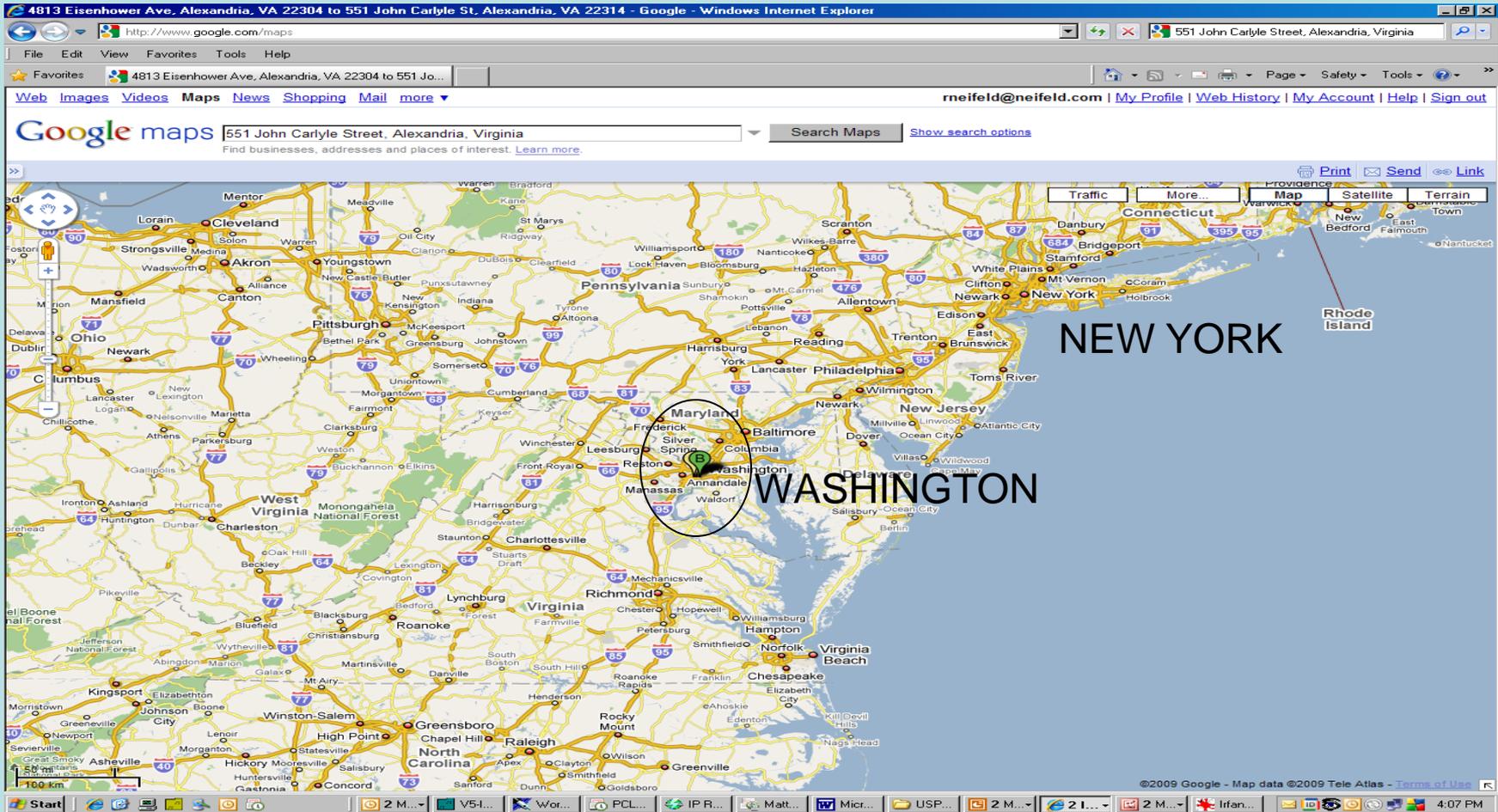
- **USPTO INTERACTIONS - INTER PARTES INTERFERENCE, REEXAMINATION, PROSECUTION, ADVICE, COUNSELING**
- **BRUCE MARGULIES – TRADEMARK OPPOSITIONS AND PROSECUTION**
- **DANIEL SACHS – COMMERCIAL, CORPORATE, LITIGATION**

# WHERE WE ARE



11/29/2011

# WHERE WE ARE



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# NEIFELD IP LAW IS NEAR THE USPTO

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# USPTO CAMPUS (ALEXANDRIA, VA)



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# MAJOR TRENDS, I - ISSUES, AND CASES

- 1952-1996 (STRONGER)
- 1997 – 2008 (WEAKER)
- 2008 – (NEW PRO PATENT TREND)

# 1952-1996 (STRONGER)

- 1952 – US PATENT ACT
- 1982 – COURT OF APPEALS FOR THE FEDERAL CIRCUIT (CAFC)
- UNIFORMITY OF LAW
- PREDICTABILITY
- FORUM SHOPPING

# ALL PATENT APPEALS GO TO THE CAFC

US Courts - Windows Internet Explorer

http://www.uscourts.gov/courtlinks/

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Probation Office  Pretrial Services Office

**2. Search by:**

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City & State  Area Code

Circuit  All Locations

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# 1997 – 2008 (WEAKER)

- THE CAFC MADE PATENTS **TOO STRONG!**
- INJUNCTIONS WERE AUTOMATIC
- DAMAGES WERE TOO HIGH
- LIMITATIONS ON PATENT CHALLENGES (DJ LIMITATIONS)
- LOW STANDARD FOR OBVIOUSNESS
- **ANTI-PATENT BACKLASH!**

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# 1997 – 2008 (REACTION)

- USPTO, SUPREME COURT, AND CONGRESS, ***REACT***
- USPTO IMPLEMENTS “SECOND PAIR OF EYES” POLICY
- SUPREME COURT REPEATEDLY REVERSES CAFC

# USPTO “SECOND PAIR OF EYES” POLICY

- IMPLEMENTED IN 2000 FOR **BUSINESS METHOD PATENTS**
- **BM ALLOWANCE RATES PLUMMET (DOWN TO 11 PERCENT) FROM HISTORICAL NORM OF 60 PERCENT**

# USPTO “SECOND PAIR OF EYES” POLICY

- USPTO EXPANDS POLICY TO **ALL TECHNOLOGIES**
- **GENERAL ALLOWANCE RATE FALLS FROM HISTORICAL NORM OF 60 PERCENT TO 40 PERCENT**

# IMPACT OF USPTO “SECOND PAIR OF EYES” POLICY

- RCE’S AND CONTINUATION FILINGS **INCREASE**
- APPEALS TO USPTO BOARD **SKYROCKET- LONG DELAYS**
- USPTO REVENUE (FUNDING) **PLUMMETS** (MAINTENANCE FEES);  
USPTO CEASES ALL OVERTIME

# USPTO “CLAIMS AND CONTINUATIONS” RULES

- 2007 – USPTO PROMULGATES HARSH RULES LIMITING CLAIMS AND CONTINUATIONS
- PATENT OWNERS SUE THE USPTO AND GET PRELIMINARY INJUNCTION AGAINST RULES

# 1997-2008 - CASES

- Warner-Jenkinson v. Hilton Davis, 520 U.S. 17 (1997) (held that the doctrine of equivalents, like literal infringement, must be tested element by element)
- **IMPACT - LIMITS SCOPE OF PATENT PROTECTION**

# 1997-2008 - CASES

- Pfaff v. Wells Electronics, Inc., 525 US 55 (1998)(held that an on sale bar applies if the invention was “ready for patenting”)
- PUSHES BACK THE DATE AN APPLICATION FOR PATENT MUST BE FILED TO AVOID A STATUTORY BAR

# 1997-2008 - CASES

- Festo v. Shoketsu Kinzoku Kogyokabushiki (2002) (Amendment of claim precludes doctrine of equivalents infringement, unless “the patentee could not reasonably be expected to have described the [allegedly infringing] insubstantial substitute in question”)

# 1997-2008 - CASES

- eBay Inc. v. MercExchange, L.L.C., 126 S.Ct. 1837 (2006)(held that the “traditional test applies to [grant of injunctions in] disputes arising under the Patent Act.”)
  - (1) **irreparable injury**;
  - (2) that remedies available at law, are inadequate;
  - (3) **balance of hardships** between the plaintiff and defendant; and
  - (4) impact on the **public interest**.
- **NEW PARADIGM – COMPULSORY LICENSES**

# 1997-2008 - CASES

- KSR Int'l Co. v. Teleflex Inc., 127 S.Ct. 1727(2007) (lowering the standard to show a claimed invention obvious)
- Obvious if: “there are a finite number of identified, predictable solutions, [and] a person of ordinary skill has **good reason to pursue** the known options within his or her technical grasp.”

# 1997-2008 - CASES

- MedImmune v. Genentech, 549 U.S. 18, (2007) (licensee “was not required ...to terminate ... license agreement before seeking a declaratory judgment in federal court that the underlying patent is invalid, unenforceable, or not infringed.”)
- PATENTS CAN NOW BE CHALLENGED WHENEVER THEY WOULD IMPEDE COMMERCIAL ACTIVITY

# MedImmune FALLOUT

- Sandisk v. Stmicroelectronics (CAFC)
- Person may request a declaratory judgment ... “where the patentee takes a position that puts the [person]... in the position of either pursuing arguably illegal behavior or abandoning that which he claims a right to do.”

# 1997-2008 CONGRESS ACTS

## **1995 LAW CHANGE TO COMPLY WITH TRIPS - WTO**

20 YEAR TERM FROM US FILING (NON PROVISIONAL FILING)

RIGHT TO PROVE DATE OF INVENTION EXTENDED TO WTO MEMBERS

## **1999 AMERICAN INVENTORS PROTECTION ACT**

PATENT APPLICATION PUBLICATION AT 18 MONTHS

INTER PARTES REEXAMINATION OF ISSUED PATENTS

PATENT TERM ADJUSTMENT FOR USPTO DELAY IN ISSUING PATENT

LIMITS ON REMEDIES FOR MEDICAL PROCEDURES

## **UNDER CONSIDERATION**

LIMITS ON DAMAGES, USPTO (BPAI) OPPOSITIONS, FIRST TO FILE, ETC.

# 2008 – NEW PRO PATENT TREND

- CONGRESS
- COURTS
- USPTO

# NEW PRO PATENT TREND - CONGRESS

- 2007 “BAD” PATENT LEGISLATION STALLED IN CONGRESS
- REVISIONS SHOULD TEMPER ANTI PATENT ASPECTS, BEFORE LEGISLATION PASSES

# NEW PRO PATENT TREND - COURTS

- Aristocrat Technologies Australia Pty Limited v. International Game Technology (CAFC, 2008)(limiting invalidity defenses to substantive patent law)
- The inequitable conduct cases (including In re Bose and Exergen v. Wal-Mart Stores, both 2009 CAFC)(heightened requirements for pleadings, and showings, on intent to prove inequitable conduct)
- In re Bilski, (CAFC 2008) (en banc)(machine-or-transformation test for patentable subject matter)(**cert granted**)
- Egyptian Goddess, Inc. v. Adi Torikiya, (CAFC 2008)(en banc)(ordinary observer test is the (only) test required to show **design patent** infringement).

# SIDE NOTE ON DESIGN PATENTS, AFTER EGYPTIAN GODDESS

NAME	COST	PEN - DENCY	ISSUE RATE	DURA - TION	TYPE OF PROT.
TM REG.	LOW	12 MONTHS	HIGH	RENEW ABLE	BRAND
DESIGN PATENT	LOW	16 MONTHS	<b>HIGH</b>	14 YEARS	<b>ORNAMENTAL DESIGN FOR AN ARTICLE OF MANUFACTURE</b>
UTILITY PATENT	HIGH	36 + MONTHS	42%	ABOUT 20 YEARS	TECHNOLOGY

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# NEW PRO PATENT TREND - USPTO

- 2008, OBAMA ELECTED
- APPOINTS NEW USPTO DIRECTOR (KAPPOS)
- KAPPOS DECLARES CLAIMS AND CONTINUATION RULES **DEAD**
- KAPPOS ENCOURAGE EXAMINERS TO **INTERVIEW CASES**

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# NEW PRO PATENT TREND - USPTO

- KAPPOS GIVES EXAMINERS CREDIT FOR ALL INTERVIEWS WITH APPLICANTS
- USPTO INTERPRETATION OF IN RE BILSKI FAVORABLE TO APPLICANTS – *MINIMAL IMPACT*
- ANECDOTAL – USPTO FUNDING SHORTFALL, KAPPOS PRO PATENT STATEMENTS, HAS AFFECTED MINDSET OF USPTO EMPLOYEES
- ANECDOTAL - CIRCA SUMMER 2009 WE STARTED TO SEE MORE ALLOWANCES

# ADVICE – COMPACT PROSECUTION, AND WORKING WITH EXAMINERS

DR. HAHL WILL COVER THIS!

(GO TO CompactProsecution.PPT)

# MAJOR TRENDS, II - TECHNOLOGY ELECTRONIC FILINGS AND RELATED

- FUNDAMENTAL CHANGES TO  
PROCESS FLOW AND BUSINESS  
MODEL DUE TO ALL ELECTRONIC  
LAW FIRM, ALL ELECTRONIC  
USPTO, INTERNET

# FUNDAMENTAL CHANGES

- OLD: SEPARATE FUNCTIONS FOR FILING, REPORTING, INVOICING, LOGGING, AND DOCKETING
- NEW: INTEGRATED AND “REAL TIME” PROCESSING
- **EXAMPLE** (Open IntegratedEfiling.ppt)

# FUNDAMENTAL CHANGES

- E-PROCESSING RAISES NEWS “ISSUES”
- FORM OF INSTRUCTIONS AND FILES

# US PATENT FILING INSTRUCTIONS

- **SEND TEXT EDITABLE INSTRUCTION LETTER**
- **SPECIFY ENTITY SIZE (SMALL, LARGE)**
- **ALWAYS INCLUDE TEXT EDITABLE FILE OF SPECIFICATION AND CLAIMS (WordPerfect, Word, rtf, txt, etc.)**
- **AVOID EMBEDDED OBJECTS, SPECIAL FONTS (FORMULAS, TABLES, SPECIAL SYMBOLS)**
- **INCLUDE BLACK AND WHITE PDF IMAGE COPY OF DRAWINGS, 1 INCH MARGINS, NO NON ENGLISH WRITING, AVOID COLOR AND IMAGES**

# PCT US NATIONAL STAGE FILING INSTRUCTIONS

PLEASE SEND US THE PCT FORM 308

- WHY? - USPTO ACCEPTS **WO** PUBLICATION AS SPECIFICATION IN US NATIONAL STAGE
- IF WE HAVE THE PCT FORM 308, WE **DO NOT** NEED TO E-FILE A COPY OF THE WO PUBLICATION.

# FINAL NOTE ON USPTO PROSECUTION

- NOTE: THE USPTO IS VERY VERY PICKY ON FORMAL MATTERS.
- CLIENTS SHOULD EXPECT FORMALITIES NOTICES

# CONCLUSIONS

- END OF ANTI PATENT DECADE
- IMPACT OF PERSONAL INTERVIEWS ON USPTO PROSECUTION
- MAJOR CHANGES DUE TO ALL ELECTRONIC PROCESSING

# THE END

## THANK YOU FOR YOUR ATTENTION!

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