Nutter McClennen & Fish LLP
Attorneys at Law
www.nutter.com

IP Bulletin, July 2012

Nutter's periodic IP news update and practical tips
July 16, 2012
Legal Update

New Tools for Arguing Against the Use of Hindsight and Common Sense in Obviousness Rejections

In a victory for patent applicants and owners, a recent decision by the Federal Circuit re-emphasized the importance of the *Graham* factors to avoid the ever-present risk of using hindsight when making an obviousness determination, and questioned the all-too-familiar reliance on "common sense" to make obviousness arguments. In *Mintz v. Dietz & Watson, Inc.*, the court vacated a previous summary judgment ruling of obviousness against the patentee of a patent directed to a casing structure for encasing meat products. In the decision, the court repeatedly warned against "the forbidden use of hindsight" and the "prohibited reliance on hindsight," as well as the need for "a court to walk a tightrope blindfolded (to avoid hindsight)." Patent applicants and plaintiffs will likely find the court's warnings useful in support of arguments against obviousness.

For a further discussion of *Mintz*, and practical tips about addressing obviousness rejections in view of the same, click here.

PTO Launches New IDS Program for Citing References After Issue Fee Has Been Paid

The United States Patent and Trademark Office (PTO) recently launched a new Information Disclosure Statement (IDS) pilot program aimed to assist applicants in citing references after prosecution has essentially been completed. This "Quick Path IDS" pilot program will, in many cases, allow applicants to have an IDS considered *after* payment of the issue fee *without* the expense and delay associated with filing a Request for Continued Examination (RCE).

To read more about how applicants can utilized the Quick Path IDS pilot program to their advantage, **click here**.

PTO Issues New Guidelines for Evaluating Certain Types of Process Claims in view of *Mayo v. Prometheus*

On July 5, 2012, the PTO issued much-anticipated guidance for examining the patent eligibility of process claims that encompass laws of nature in light of the Supreme Court decision *Mayo v. Prometheus*. While these guidelines will undoubtedly impact biotechnology claims, they will also be applicable to any process claim that refers to a natural principle. In order to be patent-eligible, any such claim should include elements that integrate the natural principle into the claimed invention such that the principle is practically applied and the claim amounts to significantly more than the principle itself. These guidelines are considered to be a "stop-gap" measure while the PTO awaits the Federal Circuit's resolution of relevant pending cases that will further interpret *Mayo*, which will in turn lead to refined guidance. For now, patent applicants and patent owners with affected inventions and/or applications should carefully consider the recent guidelines, monitor ongoing developments in the courts, and consult their patent counsel to determine whether corrective action is necessary.

To read more about the PTO's guidance on process claims that encompass natural principles as detailed in a Nutter client alert distributed on July 6, 2012, **click here**.

Federal Circuit Responds to *Prometheus* by Finding It Must Be "Manifestly Evident" that Claim Is Directed to an Abstract Idea to Be Invalid for that Reason Under 35 U.S.C. § 101

In the wake of the Supreme Court's recent decision in *Prometheus v. Mayo*, the Federal Circuit held in *CLS Bank v. Alice Corp.* in a 2-1 decision that it must be "manifestly evident" that a claim is directed to an abstract idea for the claim to be invalid for that reason under 35 U.S.C. § 101. The court held that the single most reasonable conclusion must be that the "claim is directed to nothing more than a fundamental truth or disembodied concept, with no limitations in the claim attaching that idea to a specific application" for the claim to be invalid for claiming an abstract idea. The majority also noted that sections 102, 103, and 112 of 35 U.S.C. are equally as important as § 101, and that a district court is free to address invalidity issues in whatever order it chooses. It is anticipated that *CLS Bank* will cause courts to more zealously toss § 101 issues aside to find patents invalid under §§ 102 and 103 instead. However, in instances in which § 101 issues are addressed, it appears the bar has been raised if a defendant wants to argue a claim is invalid for being directed to an abstract idea. With that said, given the very divergent opinions between the majority and dissent, there is a reasonable prospect that *CLS Bank* will eventually be heard en banc or by the Supreme Court.

For a further discussion of *CLS Bank*, and possible implications of the decision, **click here**.

Objective Recklessness Prong of Willful Patent Infringement Test Is a Question of Law

About five years ago, the Federal Circuit in *In re Seagate Technology* set-out a two-prong test for proving a patent was willfully infringed: (1) patentee must show by clear-and-convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent; and (2) patentee must also demonstrate that this objectively-defined risk was either known or so obvious that it should have been known to the accused infringer. In a recent decision *Bard Peripheral v. W.L. Gore*, the Federal Circuit provided further insight to this test by holding that the first prong, *i.e.*, whether a defendant's actions were objectively reckless, is a question of law to be determined by the judge. While the second prong and the ultimate determination of willful infringement remains a question for the jury to decide, it is anticipated that when a judge finds a defendant acted in an objectively reckless manner, a jury will find in favor of the second prong, and thus in favor of willful infringement. However, by putting the first question in the hands of the judge, it is also anticipated that there will be fewer findings of objective recklessness because many consider it more difficult to convince a judge than a jury that a defendant's actions were objectively reckless. Of note to litigators is that the objective reckless determination is now subject to *de novo* review, *i.e.*, without deference to the lower court's decision, because the determination is a question of law.

To read the Federal Circuit's decision in *Bard Peripheral v. W.L. Gore,* **click here**.

New Trademark Search Tool from WIPO Allows for Easy International Trademark Searching

The World Intellectual Property Organization (WIPO) recently introduced the Global Brand Database, a new search tool for internationally protected trademarks, appellations of origin and armorial bearings, flags and other state emblems, and the names, abbreviations and emblems of intergovernmental organizations. The tool allows free of charge, simultaneous brand-related searches across multiple collections.

For more information about the Global Brand Database and ways it can help trademark applicants and owners, **click here**.

Federal Circuit "Reverses" Itself, Illustrating Benefits of Pairing Reexamination with Patent Infringement Law Suits

The Federal Circuit's recent decision in *In re Baxter International* confirmed that reexamination proceedings at the PTO may properly result in a different patentability determination than declaratory judgment proceedings in Federal Court for the same patent and the same evidence. In *Baxter*, the Court affirmed a reexamination decision by the PTO declaring certain claims of a patent to be invalid for obviousness, even though the Court had previously upheld

the same claims' validity on appeal from an action for declaratory judgment in the District Court. Thus, the Court demonstrated that it is willing to rely on a patentability determination by the PTO that conflicts with its own determination, providing even greater incentives to file for reexamination instead of or in addition to challenging a patent in court.

For a further discussion of the *In re Baxter* decision, and some incentives associated with filing a reexamination request in lieu of or in addition to filing an infringement law suit, **click here**.

PTO Satellite Offices Coming to Denver, Dallas, and San Jose

On July 2, 2012, the PTO announced plans to open regional PTO offices in Denver, Colorado, Dallas, Texas, and San Jose, California. These three offices, along with the regional office that just opened this past week in Detroit, Michigan, will be used to work with entrepreneurs to process patent applications, reduce the backlog of unexamined patents and appeals of examiner rejections, and speed up the overall patent application process. The PTO plans to establish a timeline for opening the newly announced offices in the coming months. The PTO is also currently working on establishing a model for how the regional offices will be set-up and operate in conjunction with the main office in Alexandria, Virginia. This model will likely evolve based on lessons learned from the new Detroit office. We note that the Boston Patent Law Association (BPLA) spearheaded an effort to bring one of the regional offices to the New England region. While we are disappointed that the exceptional bid prepared by the BPLA was unsuccessful, the new offices will certainly help our clients even if they do not have offices in Detroit, Denver, Dallas, or San Jose as these regional offices continue to support the PTO's efforts to expedite patent prosecution. Stay tuned to future updates from Nutter about the set-up and operation of the regional offices.

For more information about the plans for the PTO satellite offices, **click here**.

Nutter's IP Bulletin is a bi-monthly publication of the Intellectual Property Practice at Nutter McClennen & Fish LLP in Boston. This edition of the bulletin was edited by Rory P. Pheiffer. Assistance in the preparation of this issue was provided by Padma Choudry, Megan E. Jeans, Kevin C. McGrath, Kelly J. Morgan, Christopher J. Stow, and Michael P. Visconti. For further information, please contact your Nutter attorney at 617-439-2000.

Recognized as a "Go-To" patent firm by *IP Law & Business and Corporate Counsel*, Nutter is dedicated to making its clients' strategic goals a reality and to maximizing the protection and value of their intellectual property. The firm has a long track record as the trusted IP advisor to innovative public and private companies, medical institutions and research universities, investors, entrepreneurs and inventors.

Practice Areas

Intellectual Property

Industries

Life Sciences: Biotechnology, Pharmaceuticals & Medical Devices

High Technology Industries

Related Professionals

Lisa Adams

Ronald E. Cahill
Thomas J. Engellenner
William C. Geary III
Konstantin M. Linnik, Ph.D.
Reza Mollaaghababa, Ph.D.
John J. Penny, V
David J. Powsner
Padma Choudry
Megan E. Jeans
Kevin C. McGrath
Kelly J. Morgan, Ph.D.
Rory P. Pheiffer
Christopher J. Stow
Michael P. Visconti, III