

IP Bulletin, September 2013

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Legal Update

The Nutter IP Bulletin provides periodic IP news updates and practical tips

Introducing a New How-To Series in the Nutter IP Bulletin

Building a Brand

First in the Series

Branding is often an important part of commercial success for a company, product, or line of products. However, there is often confusion surrounding how to go about identifying potential brand names, selecting the best one, protecting that name, and enforcing protective rights to avoid losing the brand's unique association with the product. In a series of articles in the next several IP Bulletins, Nutter will address these various legal aspects of branding. Today, we start at the beginning with a discussion of what a brand is, and how it relates to the legal world of trade and service marks.

[Click here to read more about branding.](#)

Are Combination Drugs in Danger After the Federal Circuit's Novo Nordisk Decision?

The Federal Circuit rendered a decision in *Novo Nordisk A/S v. Caraco Pharmaceutical Laboratories, Ltd.* on June 18, 2013, finding that a Novo Nordisk diabetes treatment patent involving the combination of the drugs metformin and repaglinide was obvious and therefore invalid. Combination drugs, such as Novo Nordisk's metformin-repaglinide treatment for diabetes, have been increasingly found to be effective for treating a variety of ailments, but their development is typically incredibly expensive and time-consuming. This Federal Circuit decision could adversely affect investment in developing combination drugs, which in turn would affect the availability of these often very effective treatments. The decision also highlights the deference (or lack thereof) given to patent examiner findings during prosecution.

[Click here for more about this case and its potential effect on combination drug patents.](#)

Attorney-Client Privilege When Using a Patent Agent

In-house intellectual property departments have long hired patent agents as a cheaper alternative to hiring patent attorneys. This practice has spilled over to outside services, and even includes patent agent services, which are often viewed as a cheaper alternative to the traditional law firm model. However, companies should be aware of a potential pitfall associated with hiring non-attorneys—namely that the often important attorney-client privilege may not exist in dealings with patent agents. Courts are split as to attaching privilege to patent agents when they are performing patent prosecution in front of the United States Patent and Trademark Office (USPTO) while not under the direction of an attorney. Thus, careful consideration should be made when deciding to hire patent agents to perform patent preparation and prosecution work. Further, litigants—both those seeking to enforce patents and those defending against infringement claims—should consider whether the patents at issue were prosecuted by agents or attorneys.

[Click here to read more about attorney-client privilege and patent agents.](#)

Ultramercial Opinion Illuminates Judge Rader's Approach to Patent Eligible Subject Matter

In June, the Federal Circuit decided *Ultramercial, Inc. v. Hulu, LLC*, where a three judge panel held that a claim for an internet and computer-based method was patent eligible subject matter. Chief Judge Rader authored the majority opinion, which provides valuable insight into his approach to patent eligible subject matter and highlights key factors considered for computer-implemented inventions. Judge Rader's opinion makes clear that he views 35 U.S.C. § 101 as a "course filter" meant to provide only rare exceptions to patentable subject matter. Judge Rader's analysis focused on the question of whether a claim was directed to a particular application of an idea (patentable) or the idea itself (not patentable). Despite this decision's insight, questions remain regarding where the line is drawn between claiming an idea or an application thereof, and uncertainty still exists regarding the rest of the court, especially given the fractured nature of the recent *CLS Bank Int'l v. Alice Corp.* ruling.

[Click here to read more about the *Ultramercial* opinion and computer-based method patent claims.](#)

Patent Costs Savings for Regular, Small, and Micro-Entities Starting January 1, 2014

While most of the changes resulting from the Leahy-Smith America Invents Act (AIA) have been implemented, a few provisions that will save applicants money do not go into effect until January 1, 2014. These cost savings relate to post-issuance fees and electronically filed assignment fees for all patent applicants, and Patent Cooperation Treaty (PCT) patent applications for small entities and micro-entities. Patent applicants may want to consider delaying the payment of certain fees in order to take advantage of these cost savings. For example, patent applicants who can pay an issue fee for a utility patent on or after January 1, 2014 will save \$1120 because the issue fee will be reduced from \$1780 to \$960 and the \$300 publication fee will be eliminated. Small entities and micro-entities will also pay lower issue fees as of January 1, 2014, with the issue fee for small entities being \$480 (previously \$890) and the issue fee for micro-entities being \$240 (previously \$445). Further, any size applicant can electronically file an assignment on January 1, 2014 or later for free, rather than paying the current \$40 fee. Finally, beginning January 1, 2014, certain PCT application fees, including transmittal and search fees, will be reduced for small and micro-entities. For example, while any applicant used to have to pay a search fee of \$2080, small entities will only have to pay a search fee of \$1040 and micro-entities will only have to pay a search fee of \$520.

[Click here for a breakdown of the fee savings that go into effect on January 1, 2014.](#)

Is "Out of Print" Out of Date?

Like everything else related to copyright in The Digital Millennium, the publishing concept of "out of print" (OOP) has been turned inside out (or maybe upside down, it is hard to say, maybe both). There was a time when an author signed up with a publisher, she was usually required to assign the copyright in her book for the life of the copyright, subject to a reversion clause. The reversion clause typically provided that if, after a while, the book went "out of print," the author could ask for, and get back, the copyright, i.e., the right to print and sell copies of the book. But today books are not only physical objects, with attendant costs of production, storage, and distribution; they are also (or sometimes only) an electronic file. It costs next to nothing to maintain an e-book in a digital file ready for print-on-demand production. So publishers could plausibly take the position that there was no such thing as "out of print." In response, authors have had to be more creative in defining reversion clauses.

[Click here to read more about how authors and publishers deal with the "out of print" concept in a digital world.](#)

Japan Patent Office Relaxes Unity of Invention Requirements

In response to concerns about the stringency of unity of invention requirements in Japan, the Japanese Patent Office

("JPO") released new examination guidelines on July 1, 2013, which expand the scope of claims that meet the unity of invention requirement and are therefore eligible for examination. The new guidelines provide for a less formalistic approach to assessing unity of invention and focus instead on the relation of a claim to the novel features of the invention. To take full advantage of the new guidelines, applicants for a patent in Japan should include the most important features in low numbered claims and should make as many claims as possible dependent on the first claim.

[Click here to read more about the new unity of invention requirements in Japan.](#)

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Practice Areas

Intellectual Property

Patent Prosecution and Portfolio Management

Trademarks, Copyrights and Trade Secrets

Industries

Life Sciences: Biotechnology, Pharmaceuticals & Medical Devices

High Technology Industries

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