

Patent Law

Prof. Roger Ford
Monday, December 4, 2017
Class 26 – Defenses to
patent infringement

Recap

Recap

- Damages economics
- Attorney fees
- Increased damages for willfulness

Today's agenda

Today's agenda

- Introduction
- Patent exhaustion
- Inequitable conduct
- Inventorship

Introduction

Introduction

- We've already talked about most of the defenses to patent infringement
 - § 101: invalidity for failure to claim patentable subject matter
 - § 102: invalidity for lack of novelty
 - § 103: invalidity for obviousness

Introduction

- We've already talked about most of the defenses to patent infringement
 - § 112: invalidity for failure to comply with the written-description, enablement, or definiteness requirement
 - § 271: noninfringement

(post-AIA) 35 U.S.C. § 282 — Presumption of validity; defenses

(a) In General. — A patent shall be presumed valid. Each claim of a patent (whether in independent, dependent, or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.

(b) Defenses. — The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

- (1) Noninfringement, absence of liability for infringement or unenforceability.
- (2) Invalidity of the patent or any claim in suit on any ground specified in [Title 35,] part II as a condition for patentability.
- (3) Invalidity of the patent or any claim in suit for failure to comply with—
 - (A) any requirement of section 112, except that the failure to disclose the best mode shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable; or
 - (B) any requirement of section 251.
- (4) Any other fact or act made a defense by this title. * * *

Introduction

- Today, three miscellaneous defenses to infringement:
- Patent exhaustion
 - Inequitable conduct
 - Inventorship

Patent exhaustion

Patent exhaustion

- Basic theory: Once you have sold a patented product, you can't control what happens downstream
 - Similar to the first-sale doctrine in copyright law

Patent exhaustion

→ Why not?

Patent exhaustion

→ Why not?

- Because we assume this is what the parties intend in most transactions
- This is why, when you buy a car, you don't have to get licenses for all the patents that cover the parts

Patent exhaustion

- This is a default rule – you can write a patent license that is less permissive
 - (As long as it doesn't extend to an antitrust violation or patent misuse)

Patent exhaustion

- Examples of limitations patent holders might try to impose:
 - Resale restrictions
 - Reuse restrictions
 - Repair restrictions

Keurig v. Sturm Foods

→ Tech: Keurig coffee makers



U.S. Patent No. 7,165,488

→ "Brew chamber for a single serve beverage brewer"



US007165488B2

(12) **United States Patent** (10) **Patent No.:** **US 7,165,488 B2**
Bragg et al. (45) **Date of Patent:** **Jan. 23, 2007**

(54) **BREW CHAMBER FOR A SINGLE SERVE BEVERAGE BREWER** 6,725,762 B2 4/30/04 Kollep et al.
 6,748,850 B1 6/20/04 Kraan
 6,763,759 B2 7/20/04 Deniaart
 6,799,503 B2 10/20/04 Kollep et al.
 6,857,352 B2 2/20/05 Fischer
 6,857,353 B2* 2/20/05 Kollep et al. 99/289 R
 6,904,840 B1 6/20/05 Pfeifer et al.
 2002/0002913 A1 1/20/02 Maillet et al.
 2002/0124736 A1 9/20/02 Kollep et al.
 2004/0031394 A1 2/20/04 Youkam et al.
 2004/0182248 A1 9/20/04 Fischer

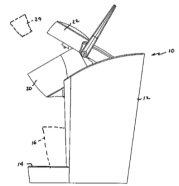
(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 273 days.
 (21) Appl. No.: 10/734,649 (Continued)
 (22) Filed: Dec. 12, 2003 FOREIGN PATENT DOCUMENTS
 (65) **Prior Publication Data** EP 0151252 8/1985

(51) **Int. Cl.** 2006/01 (Continued)
A47J 31/00 (2006.01) *Primary Examiner*—Reginald L. Alexander
 (52) **U.S. Cl.** 99/295; 99/289 R; 99/302 R; 426/433 (74) *Attorney, Agent, or Firm*—Wolf, Greenfield & Sacks, P.C.

(58) **Field of Classification Search** 99/295; 99/295; 99/289 R; 302 R (57) **ABSTRACT**
 See application file for complete search history.

(56) **References Cited**
U.S. PATENT DOCUMENTS
 3,007,392 A * 11/1961 Pecoraro et al. 99/307
 4,581,239 A 4/1986 Woolman et al.
 4,644,855 A 2/1987 Woolman et al.
 4,738,278 A 4/1988 Oakley et al.
 5,272,960 A 12/1993 Kinna
 5,649,472 A 7/1997 Fand et al.
 5,794,519 A * 8/1998 Fischer 99/295
 6,009,792 A 1/2000 Kraan
 6,047,530 A 4/2000 Brown et al.
 6,050,175 A 4/2000 Mirand et al.
 6,490,966 B2 12/2002 Maillet et al.
 6,584,888 B2 7/2003 Corneil
 6,655,260 B2* 12/2003 Lazzaris et al. 99/295
 6,698,332 B2 3/2004 Kollep et al.

33 Claims, 8 Drawing Sheets



(12) **United States Patent**
Bragg et al.

(54) **BREW CHAMBER FOR A SINGLE BEVERAGE BREWER**

(75) Inventors: **Tim A. Bragg**, Malden, MA
Anthony Lat, Burlington, MA

(73) Assignee: **Keurig, Incorporated**, Wakefield, MA

(*) Notice: Subject to any disclaimer, the patent is extended or adjusted under 35 U.S.C. 154(b) by 273 days.

(21) Appl. No.: **10/734,649**

(22) Filed: **Dec. 12, 2003**

(65) **Prior Publication Data**
US 2005/0126399 A1 Jun. 16, 2005

(51) **Int. Cl.**
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99/295, 99/289 R

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See application file for complete search

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6,047,630 A 4/2000 Brown et al.
6,050,175 A 4/2000 Mirand et al.
6,490,966 B2 12/2002 Mueller et al.
6,584,888 B2 7/2003 Coroneo
6,655,200 B2 * 12/2003 Lazzaris et al.
6,698,332 B2 3/2004 Kollep et al.

22. A method for forming a beverage, comprising:
providing a beverage forming device having a housing with a receptacle accessible to a user, the receptacle having an opening to receive a beverage cartridge, and the receptacle opening having a center axis extending from a center of the opening;
moving the receptacle from a vertical position, in which the center axis extends vertically and intersects a lid in a closed position, to a forwardly inclined position in which the opening of the receptacle to receive a cartridge faces away from the lid, and the center axis does not intersect the lid in an open position;
moving the lid to the open position;
providing a beverage cartridge in the receptacle while the receptacle is in the forwardly inclined position;
moving the receptacle to the vertical position;
moving the lid to the closed position in which the lid cooperates with the receptacle to at least partially enclose the beverage cartridge; and
providing a liquid into the beverage cartridge to produce a beverage.

29. The method of claim 22, further comprising piercing the beverage cartridge with an inlet probe when the lid is moved to the closed position.

U.S. Patent No.

88

chamber
angle
beverage
"

Keurig v. Sturm Foods

→ So when is claim 29 infringed?

Keurig v. Sturm Foods

→ So when is claim 29 infringed?

- When customers make coffee, under § 271(a)
- Maybe, when Sturm Foods sells pods – induced infringement under § 271(b) and/or contributory infringement under § 271(c)

Keurig v. Sturm Foods

→ So when is claim 29 infringed?

- When customers make coffee, under § 271(a)
- Maybe, when Sturm Foods sells pods – induced infringement under § 271(b) and/or contributory infringement under § 271(c)
- But only if consumers infringe when they use knock-off pods

Keurig v. Sturm Foods

→ So do the consumers infringe when they use knock-off pods?

Keurig v. Sturm Foods

→ So do the consumers infringe when they use knock-off pods?

- Court: Nope.
- When they buy a genuine Keurig coffee maker, they buy an implicit license to use the patented method
- Likewise, so do downstream purchasers – you can resell goods

Keurig v. Sturm Foods

→ So do the consumers infringe when they use knock-off pods?

- “[W]here a person ha[s] purchased a patented machine of the patentee or his assignee, this purchase carrie[s] with it the right to the use of the machine so long as it [is] capable of use.” –*Keurig*, quoting *Quanta* (Sup. Ct. 2008)

Keurig v. Sturm Foods

→ So is this the right outcome?

Keurig v. Sturm Foods

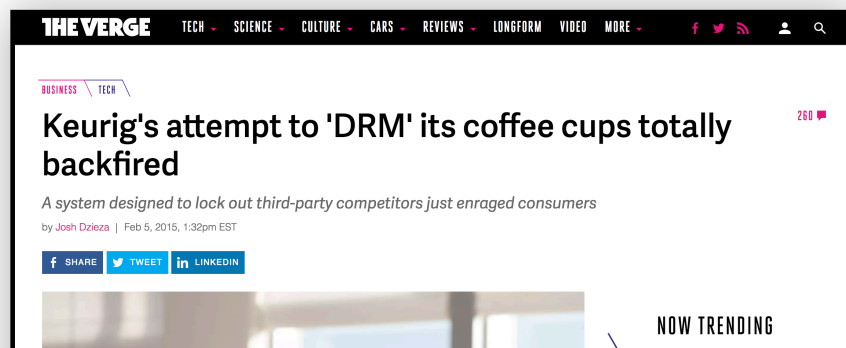
→ So is this the right outcome?

- It seems to respect consumer expectations
- Problem: Different license terms can be economically efficient, due to price discrimination or another reason
- But! If patent holders want to limit the license terms, they just have to be explicit

Keurig v. Sturm Foods

→ Keurig's response: digital Keurig 2.0 had digital rights management

- It didn't go so well



Jazz Photo v. ITC

→ So what are the limits of a consumer's rights once they've purchased a patented product?

- Tech: One-time-use film cameras



Jazz Photo v. ITC

→ Repair/reconstruction doctrine:

- Consumers have the right to "repair" patented goods, but not to "reconstruct" them
- Why?

Jazz Photo v. ITC

- Repair/reconstruction doctrine:
 - Consumers have the right to “repair” patented goods, but not to “reconstruct” them
 - **Why?**
 - Because we assume this is what the parties intend in most transactions

Jazz Photo v. ITC

- *Wilson v. Simpson* (Sup. Ct. 1850):
 - Buyer of a planing machine can replace the cutting-knife when dull or broken
- *Aro* (Sup. Ct. 1961):
 - Buyer of a convertible can replace the fabric convertible top when worn out or torn

Jazz Photo v. ITC

- *Wilbur-Ellis* (Sup. Ct. 1964):
 - Buyer of a fish-canning machine can “refurbish” it, including replacing and resizing six pieces, since it extends useful life of the article
- *GE v. US* (Sup. Ct. 1978):
 - Buyer of gun mounts can “overhaul” them, including disassembly and reassembly on an assembly line

Jazz Photo v. ITC

- *Dana Corp.* (CAFC 1987):
 - Buyer of truck clutches can “rebuild” them, even in a large-scale commercial operation with complete disassembly
- *Sandvik Aktiebolag* (CAFC 1997):
 - Buyer of patented drill bit could not “recreate” entirely new cutting tip after patented tip couldn’t be resharpened and reused

Jazz Photo v. ITC

- So is refurbishment of the disposable cameras repair or reconstruction?

Jazz Photo v. ITC

- So is refurbishment of the disposable cameras repair or reconstruction?
 - It doesn't seem to "recreate" the article; it refurbishes and overhauls and extends its useful life
 - That sounds like just a repair

Jazz Photo v. ITC

→ Is this consistent with consumer expectations?

Patent exhaustion

- A note on international exhaustion:
- *Jazz Photo* says patent exhaustion applies only to cameras initially sold in the United States
 - This is no longer true
 - *Impression Products v. Lexmark Int'l* (Sup. Ct. 2017): authorized sales outside the United States exhaust patent rights just like domestic sales

Inequitable conduct

(post-AIA) 35 U.S.C. § 282 — Presumption of validity; defenses

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Inequitable conduct

- Patent examination is an *ex parte* proceeding
 - Can't rely on adversarial process to present complete information to the examiner
 - So the system relies on an applicant duty of candor and truthfulness to the PTO

Inequitable conduct

- Duty of candor and truthfulness comes from two sources:
 - PTO Rule 56 (37 C.F.R. § 1.56)
 - Common law of inequitable conduct
- The two are not necessarily consistent

Inequitable conduct

- Remedies under Rule 56:
 - Dismissal of the patent application (common)
 - Discipline of the patent prosecutor (rare)
- Remedy under inequitable-conduct doctrine:
 - Unenforceability

Therasense

- Patent-in-suit: '551 patent
 - Test strip with sensor “configured to be exposed to said whole blood sample without an intervening membrane or other whole blood filtering member”
- Prior-art patent: '382 patent
 - “Optionally, but preferably when being used on live blood, a protective membrane surrounds both the enzyme and the mediator layers....”

Therasense

- In prosecution of the '551 patent:
- “[O]ne skilled in the art would not read [the '382 patent] to teach that the use of a protective membrane with a whole blood sample is optionally or merely preferred. ... He [would have read it as] mere patent phraseology....”

Therasense

- In prosecution of the European counterpart to the '382 patent:
- “It is submitted that this disclosure is unequivocally clear. The protective membrane is optional.... This teaches the skilled artisan that ... the sensor electrode as claimed does not have (and must not have) a semipermeable membrane in the sense of D1.”

Therasense

- What should the applicant have disclosed, and why would it have mattered?

Therasense

- What should the applicant have disclosed, and why would it have mattered?
 - M&D 1065: “the EPO briefs”
 - It might have changed the examiner’s view of the prior-art reference

Therasense

→ Do we think the examiner really would have considered the briefs?

Therasense

→ Do we think the examiner really would have considered the briefs?

- Maybe!
- The examiner was already rejecting the claims on precisely this basis

Therasense

- New standard:
 - Patentee acted with specific intent to deceive the PTO
 - The withheld material must be material to patentability

Therasense

- Specific intent to deceive PTO:
 - Gross negligence is insufficient
 - Intent must be proved by clear and convincing evidence
 - Can be inferred from indirect and circumstantial evidence, but only if it's "the single most reasonable inference" from the evidence

Therasense

→ Material to patentability:

- But-for materiality: only if PTO would not have allowed a claim had it been aware of the prior art
- Concern: the incentive pre-*Therasense* was to flood the examiner with marginally relevant prior art

Therasense

→ No more sliding scale

- Before: a highly material reference could have minimal evidence of intent, and vice-versa

1st Media v. Electronic Arts (2012)

- '946 Patent: "System and Apparatus for Interactive Multimedia Entertainment"
 - Covers an "entertainment system for use in purchasing and storing songs, videos, and multimedia karaoke information"
 - Parallel applications in several foreign countries
 - Parallel applications were rejected based on three prior-art references never disclosed to USPTO

1st Media v. Electronic Arts (2012)

- District court: Failure to disclose the three prior-art references was inequitable conduct
 - References were highly material
 - Attorney knew they were material
 - Attorney never disclosed them
 - Attorney's explanation was not credible

1st Media v. Electronic Arts (2012)

→ Federal circuit reversed

- “A court can no longer infer intent to deceive from non-disclosure of a reference solely because that reference was known and material. Moreover, a patentee need not offer any good faith explanation for his conduct unless and until an accused infringer has met his burden to prove an intent to deceive by clear and convincing evidence.”

1st Media v. Electronic Arts (2012)

→ Federal circuit reversed

- “[I]t is not enough to argue carelessness, lack of attention, poor docketing or cross-referencing, or anything else that might be considered negligent or even grossly negligent. To sustain a charge of inequitable conduct, clear and convincing evidence must show that the applicant made a deliberate decision to withhold a known material reference.”

Inequitable conduct

- Knowing failure to disclose material prior art
- Deceitful statements in affidavits
- Dishonest inventor's oaths
- Misleading test results

Inequitable conduct

- Heightened pleading burden!
 - FRCP 9(b): "In alleging fraud or mistake, a party must **state with particularity the circumstances constituting fraud or mistake**. Malice, intent, knowledge, and other conditions of a person's mind may be alleged generally."

Supplemental examination under the AIA

- Allows “patent inoculation”
 - PTO can “consider, reconsider, or correct information believed to be relevant to the patent”
 - That information then can’t be used to show unenforceability

Inventorship

(post-AIA) 35 U.S.C. § 116 — Inventors

(a) Joint Inventions.— When an invention is **made by two or more persons jointly**, they shall **apply for patent jointly** and each make the required oath, except as otherwise provided in this title. Inventors may apply for a patent jointly even though

- (1) they **did not physically work together** or at the same time,
- (2) each **did not make the same type or amount** of contribution, or
- (3) each did not make a contribution to the subject matter of **every claim** of the patent.

(b) Omitted Inventor.— If a joint inventor refuses to join in an application for patent or cannot be found or reached after diligent effort, the application may be **made by the other inventor on behalf of himself and the omitted inventor**. The Director, on proof of the pertinent facts and after such notice to the omitted inventor as he prescribes, may grant a patent to the inventor making the application, subject to the same rights which the omitted inventor would have had if he had been joined. **The omitted inventor may subsequently join in the application.**

(c) Correction of Errors in Application.— Whenever through error a person is named in an application for patent as the inventor, or through error **an inventor is not named** in an application, the Director may permit the application to be **amended accordingly**, under such terms as he prescribes.

(post-AIA) 35 U.S.C. § 256 — Correction of named inventor

(a) Correction.— Whenever **through error a person is named in an issued patent as the inventor**, or through error an inventor is **not named in an issued patent**, the Director may, on application of **all the parties and assignees**, with **proof of the facts** and such other requirements as may be imposed, **issue a certificate correcting such error.**

(b) Patent Valid if Error Corrected.— The error of omitting inventors or naming persons who are not inventors shall not invalidate the patent in which such error occurred if it can be corrected as provided in this section. The court before which such matter is called in question **may order correction of the patent on notice and hearing of all parties concerned** and the Director shall issue a certificate accordingly.

Inventorship

- Priority of invention: invention has two steps, conception and reduction to practice
- To count as an inventor, someone has to contribute to the conception of the invention

Hess v. Advanced Cardiovascular Systems

- Two groups of potential inventors
 - Drs. Simpson and Robert: physicians working to develop a new balloon catheter
 - Mr. Hess: engineer at Raychem who suggested potential materials and manufacturing techniques

Hess v. Advanced Cardiovascular Systems

→ So why wasn't Hess a coinventor?

Hess v. Advanced Cardiovascular Systems

→ So why wasn't Hess a coinventor?

- Court: an inventor must play a role in the conception of at least one important or necessary element of a claim
- That role can't just be explaining the state of the art or something persons of ordinary skill in the art would know
- Here, Hess just explained conventional technology

Hess v. Advanced Cardiovascular Systems

→ But wait a minute, wouldn't Drs. Simpson and Robert have failed without Mr. Hess?

Hess v. Advanced Cardiovascular Systems

→ But wait a minute, wouldn't Drs. Simpson and Robert have failed without Mr. Hess?

- Maybe, or maybe they would have learned about conventional plastic technology in some other way
- Hess basically acted like a reference book

Hess v. Advanced Cardiovascular Systems

→ Why do we think Hess helped the inventors out in the first place?

Hess v. Advanced Cardiovascular Systems

→ Why do we think Hess helped the inventors out in the first place?

- He wanted to sell them plastic!
- That suggests he doesn't need a patent as an incentive

Acromed v. Sofamor

- This is a class about defenses
- How can a co-inventor serve as a defense to infringement liability?

Acromed v. Sofamor

- This is a class about defenses
- How can a co-inventor serve as a defense to infringement liability?
 - Absent a contract, each co-inventor has full rights to use the patent
 - So if you find someone who should have been an inventor, they can license you the patent (in return for money)
 - Like Mr. Janson, who got \$150,000!

Acromed v. Sofamor

→ Did any of Janson's contributions go to the invention's conception?

Acromed v. Sofamor

→ Did any of Janson's contributions go to the invention's conception?

- Maybe!
- Janson testified that he conceived of the arcuate recesses and the entire plate-and-screw combination, but didn't have corroboration

Acromed v. Sofamor

→ Did any of Janson's contributions go to the invention's conception?

- Maybe!
- Janson did have corroboration that he conceived of the nests in the slots, but that wasn't enough
- Why not?

Next time

Next time

→ Design patents

