

Our Latest Industry Insights

IP File

January 5, 2017

Strategies Against Nuisance Patent Suits – Utilizing California Civil Procedure Code 1030

By: Andrew Choung

Much is lamented about the burden and costs that nuisance patent litigation imposes. Recently, with the Supreme Court agreeing to hear a case on restricting patent litigation venue, the problems of forum shopping by NPEs have come back into the spotlight. Limiting venue is one way that might reduce or discourage nuisance litigation by NPEs. But as some defendants quickly realize, even after successfully transferring venue out of so-called patent friendly jurisdictions, the fundamental problem of the lawsuit remains. You may now be in a court you think is favorable to you, but you still have to litigate what you may believe is a frivolous case.

TAGS: California code of civil procedure section 1030, Patent Litigation, patent litigation, patent litigation venue

IP File

July 5, 2016

Litigation Financing Is Not Champerty: Delaware Confirms That Litigation Financing Is Here To Stay

By: Andrew Choung

On March 9, 2016, in *Charge Injection Technologies, Inc. v. E.I. Dupont De Nemours & Company*, C.A. No. 07C-12-134-JRL, the Superior Court of the State of Delaware issued a decision on a motion to dismiss for violating state champerty and maintenance laws. In 2008, plaintiff Charge Injection Technologies, Inc. (“CIT”) sued E.I. Dupont De Nemours & Company (“Dupont”) for various patent and trade secrets related infractions. During the course of the litigation, CIT entered into a litigation financing arrangement with Burford Capital LLC (“Burford”). Dupont sought to have the case dismissed, arguing in part that CIT was not the true owner of the claims and Burford was wielding de facto control over the lawsuit. The Court denied Dupont’s motion, finding that CIT had not assigned its claim to Burford, and Burford had no right to maintain, direct, control or settle the litigation. In denying the motion, the Court affirmed the propriety of litigation financing, and strongly dispelled many of the criticisms raised by those opposed to such arrangements.

TAGS: champerty, champerty and maintenance, CIT v. Dupont, ethical conflicts, frivolous litigation, Intellectual Property, Intellectual Property, legal ethics, Litigation, litigation financing, patent, patent case, patent claim, Patent Litigation, patent litigation

IP File
June 21, 2016

The Cuozzo Conundrum: Prosecution History Estoppel Remains An Open Issue

By: Andrew Choung

On June 20, 2016, the Supreme Court issued its decision in *Cuozzo Speed Technologies, LLC v. Lee*. One of the questions presented to the Court was the appropriate claim construction standard for inter partes review (IPR). The fundamental dispute, as framed by the Court, was the apparent intent of the Leahy-Smith America Invents Act (AIA) and the express rule-making authority it granted. Pursuant to the rule-making authority granted by the AIA, the Patent Office set forth the broadest reasonable interpretation (BRI) as the standard for construing claims under an IPR. This is the standard used during original examination of an application for a patent. The patent-owner argued that, since IPRs were intended to be an alternative to litigating validity in the courts, it should be subject to the same standard of claim construction used there, which is generally understood to be narrower. Ultimately, the Court held that the rule-making authority trumped any arguments about intent and consequences and affirmed the Patent Office's application of the BRI standard.

TAGS: broadest reasonable interpretation, claim construction, Intellectual Property, inter partes review, IPR, patent, patent act, patent case, Patent damages, patent infringement, Patent Law, Patent Litigation, patent litigation, prosecution disclaimers, prosecution history estoppel, PTAB, PTAB, Supreme Court, U.S. Supreme Court, US Supreme Court

IP File
April 6, 2015

Will 101 lead to mutually assured destruction?

By: Andrew Choung

Although the Supreme Court's decision in *Alice Corp. v. CLS Bank International* has been hailed by some as an important development in the efforts to curb abusive patent litigation by non-practicing entities, others have raised concerns about unintended effects. For example, software companies have been particularly concerned about the long-term impact of *Alice* on the viability of patent protection for software. More generally, it is important to note that *Alice* is not limited to NPEs, but affects even competitor (B2B) disputes.

TAGS: *Alice Corp v CLS Bank International*, B2B, Hewlett-Packard Company, Hewlett-Packard Company v ServiceNow, Inc., ITSM, motions to dismiss, NPE, Patent Litigation, PTAB, ServiceNow, summary judgment based on patent

IP File

November 3, 2014

Half a year since Octane

By: Andrew Choung

It's been nearly half a year since the Supreme Court, in *Octane Fitness*, ostensibly lowered the standard for finding a patent case to be exceptional for purposes of fee-shifting. At the time, *Octane* generated much commentary and speculation, with some predicting a flood of fee awards and others predicting even more confusion at the district court level.

TAGS: attorneys' fees, fee-shifting, *Octane Fitness*, patent, Patent Law, Patent Litigation, Supreme Court

IP File

July 28, 2014

Estoppel effects of post-grant patent proceedings under the AIA

By: Andrew Choung

By now, most patent practitioners are quite familiar with the post-grant patent proceedings (e.g., IPR, PGR, CBM) newly established by the AIA, and their key features, such as the stay and estoppel provisions. Numerous courts have addressed the issue of a stay of civil litigation during the pendency of a post-grant proceeding. The growing defense strategy, upon being sued for patent infringement, is to file a post-grant patent proceeding and seek a stay of the civil litigation, which allows the defendant to move the patent validity issue into a more favorable and usually less expensive forum. Most statistics show that courts in the various jurisdictions with active patent case dockets are quite willing to stay cases.

TAGS: cbm, civil litigation, estoppel, et al, evolutionary intelligence, evolutionary intelligence llc v. millennial media inc., intellectual property, ipr, itc, locata lbs, locata lbs llc v. yellowpages.com llc, motions to stay, patent case, patent litigation, pgr, post-grant patent proceedings, ptab

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May 14, 2014

Will Heightened Pleading Standards Curb Patent Litigation Abuse?

By: Andrew Choung

One of the solutions proposed to curb perceived patent litigation abuse is to heighten the pleading standards. The idea being that higher pleading standards would enable defendants to seek early dismissal of complaints at the pleading stage. The assumption being that these types of patent plaintiffs cannot meet heightened pleading standards. But how effective would this really be?

TAGS: Innovation Act, Patent Litigation
