

IP File

The IP File's mission is to scour the universe for compelling stories in intellectual property law. In the United States, there are four main types of intellectual property protection available: patents, copyrights, trademarks and trade secrets.

March 28, 2017

Supreme Court Kills Laches Defense for Patent Infringement

On March 21, 2017 the Supreme Court issued an opinion that abrogated the equitable defense of laches, for unreasonable and prejudicial delay in filing suit, in patent cases. *SCA Hygiene Prod. Aktiebolag v. First Quality Baby Prod., LLC*, No. 15-927, 2017 WL 1050978 (U.S. Mar. 21, 2017). In that case, Appellant SCA Hygiene argued that the Supreme Court's 2014 *Petrella* decision, which conclusively eliminated laches as a defense in copyright cases, also mandated the elimination of laches as a defense to patent infringement. The Supreme Court agreed, reversing the Federal Circuit's holding of unenforceability due to laches, and remanding for trial on infringement and Appellee First Quality's equitable estoppel defense.

TAGS: intellectual property, laches, patent infringement, patent litigation, petrella, sca hygiene prod. aktiebolag v. first quality baby prod.

March 24, 2017

Supreme Court Cuts Through the Noise to Clarify Copyrightability of Designs in Useful Articles

By: Justin Thiele

On October 20, 2016, we published an article discussing the Supreme Court's decision to grant review of the Sixth Circuit's August 2011 ruling in *Varsity Brands, Inc. v. Star Athletica, LLC*. The Supreme Court heard oral arguments on October 31, 2016, and, on March 22, 2017, issued its highly anticipated decision. As discussed below, the Supreme Court has clarified the test to determine whether a design feature on a useful article is subject to protection under the Copyright Act of 1976.

TAGS: cheerleading uniforms, copyright & idea theft, copyright act, intellectual property, supreme court, varsity brands inc v. star atletica

February 24, 2017

Life Technologies v. Promega: Supreme Court Limits Infringement Liability under Section 271(f)(1)

By: Dan Liu

On February 22, 2017, the Supreme Court in *Life Technologies v. Promega* ruled that “a single component does not constitute a substantial portion of the components that can give rise to liability under §271(f)(1).”^[1] This ruling limits the reach of §271(f)(1) and will benefit U.S. manufacturers across the board.

TAGS: genetic testing, Intellectual Property, Intellectual Property, Life Technologies, Patent Litigation, Promega, Section 271(f)(1)

October 20, 2016

Supreme Court To Consider Copyrightability of Cheerleading Uniform Designs

By: Brittany Elias

On May 2, 2016, the U.S. Supreme Court granted review of the Sixth Circuit’s August 2015 ruling in *Varsity Brands Inc. v. Star Athletica LLC*^[i] The Supreme Court will determine the proper test to assess whether Varsity’s two-dimensional cheerleading uniform designs are entitled to copyright protection. Notably, this is the first time the Supreme Court will address copyright protection in the context of useful articles and apparel. Thus, its decision bears the potential for a far-reaching impact on the apparel and fashion industries.

TAGS: cheerleading uniforms, copyright & idea theft, copyright act, intellectual property, supreme court, varsity brands inc v. star atletica

October 14, 2016

Supreme Court October Term 2016 Preview – Patent Cases

By: Dan Liu

As the Supreme Court kicked off October Term 2016, it continues to show a strong interest in patent law, granting three petitions so far with more petitions to be considered.

TAGS: Apple Inc. v. Samsung Elecs. Co., First Quality, Intellectual Property, Life Technology, Patent Litigation, Promega, SCA Hygiene

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

June 22, 2016

High Court Clarifies: Objective Unreasonableness Factor Favored in Attorneys’ Fees Analysis Under the Copyright Act

By: Brittany Elias

Section 505 of the Copyright Act provides for recovery of attorneys’ fees by prevailing litigants. It states that a court, “in its discretion may allow the recovery of full costs.” However, no guidance has been provided on this language in more than 20 years. The last word from the High Court occurred in 1994,[1] where the Court held that fees should be equally available to prevailing plaintiffs and defendants, but stated that “no precise rule or formula” existed for when they should be awarded. Four non-exclusive factors were articulated for courts to consider when determining whether attorneys’ fees should be awarded, including: (1) the frivolousness of the case, (2) the motivation of the loser, (3) the objective unreasonableness of the case, and (4) considerations of compensation and deterrence.[2] Yet, the Court complicated matters, noting that the factors must be applied in a manner that is “faithful to the purposes of the Copyright Act.”[3] From this decision sparked a circuit split – while some courts weighed the factors evenly, others focused mainly on serving the “purposes of the Copyright Act.” To confuse matters more, the Second Circuit placed a strong emphasis on the “objective unreasonableness” factor, at the expense of the other factors.

TAGS: Copyright & Idea Theft, Copyright Act, Copyrights, Intellectual Property, Intellectual Property, objective unreasonableness factor, Second Circuit, Supreme Court, U.S. Supreme Court

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

June 14, 2016

The Supreme Court Relaxes The Standard For Increased Patent Damages

By: Rex Hwang

Through its recent decision in *Halo Elecs., Inc. v. Pulse Elecs., Inc.*^[1], the Supreme Court discarded the mechanical two-part test governing enhanced damages fashioned by the Federal Circuit in *Seagate*, and gave district courts broad discretion to decide when to award enhanced damages in cases involving willful patent infringement. The Supreme Court also held that enhanced damages do not need to be proven by clear and convincing evidence, but only by a preponderance of the evidence. While this will make it easier for plaintiffs to obtain enhanced patent damages involving willful patent infringement, the high court made it clear that enhanced damages should still be reserved for cases involving egregious infringement behavior.

TAGS: Intellectual Property, Intellectual Property, patent, patent act, patent case, patent claim, Patent damages, patent infringement, Patent Law, Patent Litigation, patent litigation, patent-eligible, patent-ineligible, PTAB, PTAB, Seagate, Supreme Court, U.S. Supreme Court, USPTO

May 18, 2016

Connecting the Dots with DTSA

By: Guy Rodgers

The Defend Trade Secrets Act of 2016 (“DTSA”) was signed into law by President Obama on Wednesday, May 11, 2016.[1] This new act is the final piece of the federal law puzzle regarding intellectual property protections. Until now, IP owners enjoyed federal law protections over their patents, trademarks, and copyrights, but were left to their state courts to protect their trade secrets under various state laws. The DTSA is being hailed as an important and valuable tool for business owners, by providing greater predictability to trade secrets law.[2]

TAGS: Cause of Action, Civil, Defend Trade Secrets Act, DTSA, E-Commerce, EEA, Electronic Espionage Act, federal court, Intellectual Property, Intellectual Property, Internet Commerce, Interstate Commerce, Misappropriation, Obama, President, Trade Secret & Unfair Competition, Trade Secrets, Uniform Trade Secrets Act, UTSA