PATENT OUTLINE

Q: P. (1) 114
(2) De novo (q of law reviewed de novo)
Interference? Decl judgt? Certiorary?

CHAP 1-ORIGIN AND POLICIES

A patent gives a right to exclude. It is a negative right. Art 1 S 8 Cl 8 Const. Modern patent system enacted by Congress in 1836. Fed Cir created in 1982, with a special expertise in patent law.
The Board of Patent Appeals and Interferences is an admi adjudicative board of the Patent and Trademark Office (PTO). When this board refuses a patent <Dcourt or directly to Fed Cir.

Locke: nat right philosophy. Every persons owns their own labor, as long as leave in the common enough for the others. When labor produces something of value to others: should be rewarded for it. When new idea in com, lead to extension of the accessible common. Everyday and extraordinary ideas can’t be patented, cause would involve tremendous reallocation of wealth.

Utilitarian theory: IP restricts liberty cause can’t use invention without inventor’s consent.

Non-crowdable: are IP products, that is, one’s use of it doesn’t make it unavailable for others. But a privilege to copy would undermine profitability of authorship. But would it restrict the author’s freedom?

Economics: IP can be used to promote innovation and nat eco devel. Patents do not nec create monopolies. A patentee can’t prevent others from selling one sol to a pble, not all sol. Inventor’s paradox. Free rider pble (police protection).

(1) Incentive to invent: reward for invention. Obj: duplicative efforts of firms. But earlier discovery + alternative inventive sol + duplicative efforts better for consumers (Ex: drugs with # side effects). Other obj: reward should be for timing, not for invention itself. But not nec true that invention would have been made anyway. (2) Incentive to disclose: without patent, inventors will seek trade secret protection. (3) Incentive to commercialize. (4) Incentive to design around: <cheaper; better.

CHAP 2-OBTAINING THE PATENT GRANT

Patent rights do not exist unless granted by the fed gvt. (1) File applie with PTO, (2) Exam by the director of PTO.

Requirements: chap 3 till 7.

Process of obtaining patent: patent prosecution.

Patent applie: written description+claims=specification.

Claim: metes and bounds of patentee ^ to exclude. The name of the game is the claim (Judge Rich).

A. Patent application and issued patent

Reduction to practice: deel process. Record concept of invention and deel toward embodiment.

Application: (1) specification (written description+at least one claim), (2) Drawings if nec , (3) Declaration, (4) Filing fees.

Filing date: = “non-provisional application”= when specif+drawings received at PTO or date deposited in US post office or express mail.

PTO prefers application filed as follows: (1) Title, (2) Cross-ref to related invention, (3) statement regarding fed sponseford research, (4) background of invention, (5) summary of invention, (6) brief description of drawings, (7) detailed description of invention, (8) Claims, (9) Abstract of the disclosure, (10) Drawings, (11) Oath or declar.
1. Written description

a. Background of the invention
Def: (1) Introduces reader to surroundings into which invention was introduced (=describes state of prior art (PA)), (2) Describes pbles that patent intended to solve, (3) set forth objects of invention which are tailored to fix pble in PA.
As simple language as the invention permits.

b. Summary of the invention
States invention broadly but in sufficient detail to # from PA. Set out exact nature, operation and purpose of invention.

c. Detailed description of the invention
Def: (1) Written description, enables any person skilled in the art to make and use it (See 112), (2) Disclose best mode of carrying out invention, as well as alternate modes, concentrating on details and pointing out respective embodiments in the drawings.

d. The drawings
S.113. In gen, if you can understand the patent without them, they’re not required. Usually useful for mechanical devices, but not for process or method. No photo, except in limited situations.

2. The Claims

Fed Cir: it is the claim that measure the invention, and claims are infringed, not specifications.
3 parts in claims: (1)preamble, identifies invention or tech field of it, (2) transition phrase, “comprising”, “including”, and if you need to exclude other elts, “consisting of”, (3) body, includes a recitation of the elements: steps of the invention+structural?physical?fcal relationship between them.
Words not used in their ordinary meaning must be defined. Claims are often arranged in order of decreasing scope (broad to narrow). Claims can be indep;dep; multiple dep.

a. Composition claims
For chemical compounds. Name compounds or ingredients+% if nec. Alternative expressions only if presents no uncertainty with respect to clarity and scope of claims. Markush claim: recites members as being selected form group consisting of A,B and C. The Markush claim creates an artificial group of the things claimed, when there is no generic claim to encompass things included in applicant’s invention. Permits claiming of a genus expressed as a group consisting of certain members. Application in metallurgy, ceramics, pharmacy, biology, but less for purely mechanical features or process steps.

b. Process claims
Processes/method of making. Nec when sequence of steps (you don’t have to state non-essential steps). Method of using claim.

c. Apparatus claims

d. Product-by-process claims
When structure of product insufficiently known. “A product prepared by a process comprising the steps of”.

e. Means plus fc claim elts An elt in a claim for a combination can be expressed as a mean or step fro performing a specified fc. Define fc of elt, rather than structure.
B. Procedures before the Patent and Trademark Office

1. Initial processing of the application

2. Exam and prosecution

a. Formalities and search by the examiner
If claim more than one invention: restriction requir. Inventor can’t obtain a valid US patent of invention patented/described in printed pub in this or a foreign country either before invention was made or 1 year prior to filing of applic in US. Was largely theoretical, until automated worldwide search systems.

b. Office action
Comqo from attorney to inventor. Has two parts: a form cover letter+an explanation of the action. Contains substantive actions (allow, reject, obj) + restriction requirand election.

c. Applicant’s response
Applicant has max stat period of 6 months upon payment of fee to respond. Can amend claims. Can amend WD to make it adequate to claims or in response to obj of examiner as long as no intro of new matter.

d. Reconsideration and allowance
Examiner then reconsiders applic<notice of allowance or 2d office action.

e. Responses to a final office action
Sev choice: abandon; appeal BPAI; take allowed claim and cancel others; file a continuing applic. See P. 114.

f. Publication


g. Post-allowance activity

h. Foreign priority
Applicant can claim benefit of filing date (=”priority”) of applic filed abroad (member countries of Paris Conv), as long as US applic filed within 1 year of foreign applic. Priority can be claimed at any time during pendency of applic. Whether benefit is claimed from a domestic or foreign applic, mat published betzeen priority date and applic filing date are not prior art to applic. However, the one-year grace period of 102(b) is counted from earliest effective US filing date, not from a foreign priority date.

i. Other inter partes proceedings

j. Quality review

k. Disclaimers, dedications, and certificates of correction

l. Maintenance fees

m. Interferences

3. Appeals to the courts
Rejection by examiner<appeal to Board of Patent Appeals and Interferences<civil action against Director of Patent and Trademarks in US Dcourt (Columbia) where Q of right is tried de novo. Or: appeal directly to Fed Cir, where decisions are subject to the certiorary jurisdiction of the Supr Court (like dec of regional Cappeals). Fed Cir reviews Q of fact under APA’s “subst evidence” standard of review, and Q of law de novo
CHAP 3-DISCLOSURE REQUIREMENTS

S.112 par1/2. Requires notice of metes and bounds of claims+ dissem of info to puq.
112 par 1: (1)Written description requirt, (2)Enablty, (3)Best mode.
112 par2: Definiteness (distinctly point out invention).
<All this written info is the specification.

A. Enablement (enable person skilled in the art to make and use inv without undue experim)

Means that specification must describe manner of making and using invention so that PHOSITA can make and use it. Enablty is Q of law, review de novo.

1. Historical and policy underpinnings

O’Reilly v Morse,1854:
X.Inv claimed: 1st recording or printing telegraph by means of electro-magnetism. Claim not only for specific machinery but for use of motive power of electric current for making intelligible characters at any distances<claims right to every improv where motive power is electric current+result is marking intelligible characters.
If claim 8 maintained, a futur inventor who might accomplish same result with # process, could not use it without Morse’s permission+Mores would be able to avail himself of new discoveries. +when patent expires, puq must apply to him to learn what it is.
<claims exclusive ^ for process not yet invented, not described<claim to broad.
X.Stupid he was to reissue patent for new improv, cause if claim 8 sustained, improv embraced by 1st patent<wrong cause would extend monopoly beyond period limited by law,
X.Neilson case. (1)Specif in gen terms, (2) patent for a pple. Answer: (1) but PHOSITA could construct machinery, (2) Yes, but embodied in a machine: consider as pple being well-known, plaintiff has 1st invented a mode of applying it by mechanical apparatus to furnaces. Neilson admitted that might be done in # ways. Pple not patentable, but his invention is: infringt if use process/method he invented, even if use of # form or receptacle.
Morse case #. Can have patent for his method, but haven’t discovered that he can have same effect with any other method.
X.Q of infringt: non essential improv will not justify use without patentee’s consent. Here: same purpose+same mean.<infringt.
X.Note on improv: new patent ok on improv on a known machine; but patentee of improv will not have a ^ to use the orig.
X.NOTES: (1) purpose of disclosure requirt not only to tell puq, but also to describe scope of patent ^.(2) Graham Bell case: broad claim to “methof of, and apparatus for, transmitting vocal sounds as herein described, by causing electrical undulations, similar in for to sonar vibrations, as set forth”<ok cause limited to method and apparatus.

2. State of the art at time of filing, undue experimentation, and claim scope

In Re Glass,CCPA,74:
X.Affirm rejection of all claims for defective disclosure. Invention of whiskers (cristals). Claims for both apparatus and method. Failed also “best mode” requirt, perhaps cause no specific ex + terms unclear in their meaning.
Board refused to consider 4 patents as PA, cause even though filing date earlier than appellant’s, issue subsequent to appellant’s filing date.

Sufficiency must be judged as of filing date; can’t be made sufficient while applic pending. But: ref made be made to such applic to construe claim language and in part. prove definiteness of claim terminology.

< Holding: PA extent on filing date may be relied upon to show enablt.

X NOTES: (1) ref to pending foreign applic ok , relying on Argoudelis case./
(2) PA: pas besoin mettre ‘what is well-known in the art, omission of minor details ok. What’s imp is that person acquainted with field, PHOSITA, would know meaning of terms and character of improv described./
(3) Enablt and obviousness: PA can be used to show that invention obvious, and invention could still be not enabled. Vice versa.

In Re Hogan, CCPA, 77:

X. Invention of polymers. Appeal from PTO dec, affirmed in part, reverse in part, and remand. S.120: benefit of earlier filing date: applic for patent disclosed in applic previously filed in US by same inventor shall have same effect as though filed on date of prior applic,… Appellants say claim 13 and 15 entitled to benefit of filing date of 1953 applic, and claim 14 of 1956 applic. Solicitor says that enabling disclosure in specif not commensurate in scope with the claims (claims broader cause of ref included).

Issue: permit consider of enablt Q as of proper filing date.
Rappel Re Glass: applicant can’t rely on art after filing date. Applic sufficiently judged as of filing date under 112 par 1 + applies to continuing applic entitled under 120 to benefit of earlier filing date.

Here, ref used no as PA but as evidence to prove nonenablt.
< reversed and remanded cause board didn’t consider enablt as of proper filing date (53 and 56).

X. Employment of later state of the art in testing for compliance with 112 par 1: use of later puq ok as evidence of state of art existing on filing date of puq. But impermissible applic of later knowledge about later art-related facts which did not exist on filing date.
Here, pioneer status=appellants broke new ground in broad sense< deserve broad claims to the broad concept.

X. Business of PTO is patentability, not infringt.
X. Rejections of claim 15: Because gap in continuity of disclosure (appears in 53 and 67 applic, but not 56), no benefit of 120 for claim 15.

X. NOTES: (1) scope of claims: less or = to scope of enablt. Scope of enablt: which is disclosed in specif+ what PHOSITA knows without undue experiment/
(2) “Prophetic” or “constructive” ex ok in some tech, if written in past tense.

B. Best mode (112 par 1 last phrase)

1. Subjective inventor preference of filing date

Glaxo Inc v Novopharm Ltd, FedCir, 95:

You can’t imput knowledge to inventor in best mode analysis. 112 par 1: best mode “contemplated by inventor”.
X Enablt/BM: enablt is obj knowledge of PHOSITA; BM is subj, factual, look at mind of inventor.
Here, others at Glaxo knew BM, but not inventor. Fear that G intentionally isolated inventor from knowledge doesn’t equate with best mode violation (dissent disagrees).

X. Agency relationship: attorney maybe knew BM. Doesn’t matter, agency relationship may exist during proselec bef PTO, but not with respect to what an inventor must disclose in order to obtain a patent on his invention.

X. NOTES: (1) time for complying with BM requir is filing date of applic<best to file promptly after preparation. /
(2) Language in many judicial opinions suggests that a BM violation occurs only where “intent” to conceal. Rule is not so limited. Can occur is disclosure so inadequate that equivalent to concealment (doesn’t matter if concealment intentional or not)./ 
(3) Foreign applicant who who wants US patent must, bef filing a priority appli in his country, predict what must be disclosed to comply with US best mode requir. /
(4)Continuing applic: no update of BM disclosure, date for evaluating BM is date of earlier applic.

2. Adequate disclosure

Great Northern Corp v Henry Molded Products, Inc, FedCir,96:
X. Discloses elongated bar members. Affirm ‘314 patent invalidity for failure disclose BM. Test of whether BM requir satisfied: (1)Whether inventor subjectively contemplated a BM at time of applic, (2) if yes, whether, objectively, specif adequately disclose that BM, so that PHOSITA can practice it, or if he concealed it.
Best mode doesn’t relate to production details, like com considerations, or routine details, that PHOSITA would know.
Here, diamonds critical to practicing the invention. Inventors have contemplated this BM as of applic filing date. And specif doesn’t adequately disclose BM.

X. NOTES: (1) A step/mat/source/tech might be considered BM in reason of circumstances, like mat available, that is selected for a non-BM reason, and that’s ok.
(2) Enabling exact duplic? No, what is required is adequate disclos of BM, not guarantee that every aspect of specif be precisely reproductible.

C. Written description (112 par 1. helps understands patentee’s proprietary boundaries)

Purpose: allows inventor to provide a long and detailed lexicon for interpreting every word in that single sentence (the claim). Compliance with WD is Q of fact reviewed for clear error.

Vas-Cath Inc v Mahurkar, FedCir,91:
X. Catheter design. Fed Cir reverse and find ‘329 and ‘141 (benefit of filing date of ‘81 applic) of Mahurkar valid cause comply with written description requir.
Vas says Mah patent invalid: not entitled filing date of ‘81 design applic drawings without adequate written description.
Issue: if Mah could not antedate its patent, & Canadian ’89 would antedate (102(b)), pble? & cause canadian applic issued of 82, while applic for ‘81 was before.
D court said ‘81 design applic didn’t meet WD requir. Appeal.
Pble of new matter: WD requir most often plays where claims not presented in applic when filed are presented thereafter. Alternatively, patent applicants often seek benefit of earlier-filed date of an earlier-filed or foreign or US applic under 119 or 120, respectively, for claims of a later-filed applic<does the applic provides “adequate support” for the claims at issue?
X. In Re Dileone: enablt without adequate WD poss. Ex: enable to make and use compounds B and C, but class consisting of B anc C not described.
X. Disclosure must reasonably convey that inventor had possession at that time of later claimed subject matter.
X. Compliance with 112 is a question of fact, to be reviewed under clearly erroneous standard.
X. WD and enablement may be viewed separately but are intertwined.
X. Drawings may suffice for WD. Must show what invention is. But 1 drawing or ex., is not to describe what is novel or imp.
Dc court wrong when says that drawings must show what is novel and imp. There is no legally recognizable essential elt of invention in a combination patent. Invention defined by claims on appeal. Combination invention here is what drawings show.
Mah says that PHOSITA looking at drawings would be able to derive the claimed range.
Dc court wrong in (1) taking Mah’s other (later) patents into account. 112 par 1 must be judged as of filing date. (2) in requiring that drawings exclude all diameters other than those within claimed range of patent<imposs.
What’s imp is what drawings conveyed to PHOSITA<whether she could derive claimed range from disclosure<. Dc court should have considered that drawings may provide adequate WD of at least some of the claims< (reversed and) remanded.
X. NOTES: (1) claimed invention doesn’t have to be described ipsi verbis to satisfy WD requir./
(2) Claims dominating “unsupported” subject matter: claim not supported by specif not allowable # broad claim, which is. Ex: Gentry Gallery v Berkline Corp., the sofa case. Invention of sofa where recliners control located on consol. Then in later claim (you can add claim to pending applic directed to adequately described subject matter), doesn’t say so, and inventor says controls may be located elsewhere. He is wrong. Clear that considered location of controls to be an essential elt of his invention<his orig disclosure serves to limit the permissible breadth of his later-drafted claims.<claims in an applic which are broader than applicant’s disclosure are not allowable.
Rappel: claim may be broader than the specific embodiment disclosed in a specification, However, applicant entitled to claims as broad as PA and his disclosure will allow./
(3) Role of PA: Mah decision doesn’t mean that later claimed invention supported whenever PHOSITA would find claim as obvious from orig specif disclosure. It’s disclosure of applic that counts. & & The specif must contain an equivalent description of the claimed subject matter. A description which renders obvious the invention for which an earlier filing date is sought is not sufficient. & &
& & Description of single embodiment of broadly claimed subject matter constitutes description of invention for anticip purposes, whereas same info in a specif might not alone be enough to provide a description of that invention for purposes of adequate disclosure& &
X. Examiner has initial burden of proving that PHOSITA would not recognize description of invention defined by claims.

Fujikawa v Wattanasin, FedCir, 96:
Affirmed priority of invention to Watta+Fuji can’t add an additional subgenus count to the interferences. Whether a disclosure contains a sufficient WD to support a proposed count is a Q of fact which we review for clear error.
Board says subgenus not disclosed ipsi verbis by Watta.
Rappel ppe 112: ipsi verbis disclosure not nec. What’s imp is if provides adequate direction to lead PHOSITA to the sub-genus. Here, only describes large genus of compounds<not sufficient to satisfy WD requir as to part species or sub-genuses.
D. Definiteness: Particularly pointing out and distinctly claiming (112 par2)

2 purposes: provide warnings as to what constitutes infringing; provides clear measure of invention to facilitate determination of patentability<avoid unreasonable advantages to patentees arising from uncertainty as to their rights.

**Athletic Alternatives, Inc v Prince Mfg, Inc, FedCir, 96:**
Raquette. Affirm non-infringing.
2 steps in infringing analysis: (1) threshold construction of the meaning and scope of the asserted claim, followed by (2) determ of whether accused product infringes properly construed claim.
Here, which one of the 2 poss meaning of claim 1 is the proper one?

**Method of claim construction:** sources of meaning in patent record (claims, specification, prosecution history); canons, like doctrine of claim differentiation for ex.
(1) Claim language: 2 # meaning for“ varies between”<scope of claim 1 undefined. (2) Prosecution history. (3) Claim differentiation.(4) S,112: par 2: to distinctly claim invention: when broad and narrow meaning, choose narrow one.

E. Complex technologies

**Amgen, Inc v Chugai Pharmaceutical Co, Ltd:**
X. Amgen violate best mode because failure to deposit best mode cells? Claim 7 invalid for lack of enablt. (but patent itself found to be valid: claimed a stating mat for making a therapeutic product). See 2 parts test for checking if compliance with BM requirt. There must ne no concealment of mode known by inventor which is better than that which is disclosed.
X. In Re Argoudelis, deposit adequate to satisfy enablt requirt of 112, when WD alone is not enough to place invention in hands of puq.
X. Dcourt found that : claims at issue require use of biol mat already known and available and capable of being prepared in lab; didn’t require undue experimentation; isolation process well-known in the art. PTO guidelines: deposit required when access to biol sample nec to practice invention. That some experimentation is needed is ok, as long as not too extensive.
Q: whether scope of enablt of claim 7 is as broad as scope of claim?
X. Not nec that applicant test all embodiments of his invention. What’s nec is to provide disclosure sufficient to enable PHOSITA to carry out invention commensurate with scope of claims. Amgen has not enabled prepar of DNA sequences sufficient to support its all-encompassing claims. No need to describes all species that claim encompasses, just sufficient amount.<affirm. Generic DNA sequence claim invalid under 112.

**Fiers v Revel, Fed, 93:**
Affirm priority of invention to Sugano.
Board: Sug wins, cause March 19, 80 filing date (applic in Oct).Revel israeli filing date (79) not ok, cause inadequate WD.
Revel: board reject argt that only nec to show some correspondence between language in the count and language in Israeli applic to satisfy WD requirt. Just similar language not ok.

**Sufficiency of description:** is when specif reasonably conveys to the artisan that the inventor was in possession of invention at time of claimed subject matter.
Here, what is required is description of DNA itself. Claiming all DNA’s that achieve a result without defining what means will do so is not in compliance with description requirt. It’s attempt to preempt future.
The Regents of the Univ of Calif v Eli Lily and Cie, Fed, 97:
X. Affirm that ‘525 invalid for inadequate WD of the cDNA required by the asserted claims.
Patent describes a method of obtaining DNA by means of a constructive ex. But this ex only provides a gen method for obtaining the human DNA. Whether or not it provides enabling disclosure, it does not provide a WD of the subject matter of claim 5.<no description of the cDNA itself.
X. Rappel: description which renders obvious claimed invention not sufficient to satisfy WD requirement of that invention (Lockwood). Thus a fortiori, a description that does not render a claimed invention obvious does not sufficiently describe it for purposes of 112 par 1.
X. Description of a species of a genus is not nec a description of the genus (but not all species need to be described).
In claims involving chemical mat, generic formulae usually indicates with specificity what that claim encompasses. However, with genetic mat, a def by fc insufficient to def genus cause it is only an indication of what the gene does, rather than what it is. (def of result rather than mean.

CHAP 4-NOVELTY AND LOSS OF RIGHT

VOIR TABLEAU P. 326.
Novelt requir: 102(a)(e)(g). If invt not new, said to be anticipated by PA. Loss of right: 102(b)(c)(d).
Under S.102(a): PA must be publicly accessible.
Under S.102(e), PA may assume 2 forms: (1) 102(e)(1) Applic published (after 18 months from earliest filing date) can serve as PA, (2) 102(e)(2) Victim of secret-PA: can serve as PA if discloses subject matter and is eventually issued as a patent.
S.102(g) has 2 purposes: (1) 102(g)(1) Basis for priority disputes (=interference), permits applicant to use foreign-based inventive act to obtain patent rights (if invt not abandoned/supr/concealed), but not to defeat them (2) Provides stat grounds for secret PA that may have a patent-defeating effect , but patent-defeating inventive act must not be subject to an interference, and the inventive act must be in US.
Stat bat of S.102(b): if inventor or third party sells/offers for sale/uses/patents (in the US) or publish invention (pub anywhere) more than 1 year before filing date of applic. This is the one-year grace period.
Generalities: Stat bars focus on when applicant filed invention, while novelty focus on when applicant invented invt. 102(a)(e)(g) only pertain to third-party act prior to date of invention, while under (b) or (d), both act of third-party and inventor are relevant.
Under 102(f): derivation provision, no patent if inventor is actually not the inventor cause derived claimed subject matter from someone else. Applies to puq knowledge and private comqo between inventor and another.
Effective/critical date: effective date is date attributed to a piece of PA for purposes of patentability determination. Critical date is earliest date of which th inventor may claim benefit under the statute. Under 102(a), crit date is date of invention; under 102 (b) crit date is not invention, but one year prior to filing of applic.
Concl: S.102 serves 2 purposes: (1) Sets standards for det which items are PA, (2) Whether item identified as PA discloses enough info to render invt anticipated or stat barred (if not, can still render invt obvious under 103).
A. Timely applic-loss of right

1. Historical and policy underpinnings

*Pennock v Dialogue, 1829:* 102(b)
Improvt in art of making tubes. Made puq and sold<no right to patent anymore. Argt: need try its utility and bring it to perfection; no abandont of the right, cause only sold by 1 indiv authorized by inventor. But you can’t take away something given to the puq+ inventot has benefited<can turn around to reach a # kind of advantage.
Meaning of “not known or used bef applic”: must mean, by others. But what if need of assistance; pirating?<must mean, not known or used by puq, bef applic.

2. Puq use

*Egbert v Lippmann, 1882:*
Corsets. Use puq<no patent. Inventor has shown his invt to a few people+made them use them+explained how they were made. No obli of secrecy, not presented for purposes of experiment, invt complete.
Puq use: (1) For puq use, not nec than more than 1 art should be publicly used, (2) Doesn’t depend upon N0 of persons to whom use is known, (3) Some invt are by nature only capable of being used where can’t be seen by puq eye. Dissent: private use with consent is not puq.

*Metallizing Engineering Co v Kenyon Bearing & Auto Parts Co, 2dCir, 46:*
Med patent valid and infringed. Q: puq use (sold in com, not for experiment)) more than 1 year bef applic filed? Dcourt: secret use<patent valid. Used prior case that 2dCir decides here to overrule: *Peerless*, which says invt sold on M ok cause can’t acquire knowledge from the machine that way. But *Gillman* right: prior use that did not disclose invt to the art not within the stat.<To escape puq use bar, utilization must be private, under inventor’s control, and not for com purposes.

3. Experimental use

*City of Elizabeth v American Nicholson Pavement Cie, 78:*
New and improved wooden pavement. Puq use for 6 years bef applic<abandonmt? No, experiment. No intention of abandonmt: was there daily to examine.<Use puq yes, but invt not in puq use. Proprietors of the road alone used invt. Durability of experiment nec. Inventor kept control.

4. On sale bar

*Pfaff v Wells Electronics, 98:*
Ready for patenting test.
X. Calculator. Q: whether com marketing of new product mark beginning of 1 year period even though invt not yet RTP: Yes.
! Test for ready for patenting: so long as invt substantially complete based on all circumstances at time of offer of sale, 1 year period began to run, even though no yet RTP.
Patent void (on-sales bars) when: (1) Product subject of com offer for sale. Here, sale, not experiment. (2) Invt ready for patenting (means either RTP or proof of enablt by drawings or description).!But one may escape the on-sale bar if sale was merely incidental to primary purpose of experimentation. Critq: test very vague and subj.
X. Some courts disagree: said that invt not “on sale” unless reduced to practice+102(b) doesn’t refer to “subst completion of invt”<patent invalid?

X. Answer: Def of “reduction to practice” not in stat; only ref in 102(g).

Right of patent to 1st to conceive, not 1st to RTP.

Invt doesn’t need to be reduced to practice bef being patented (otherwise you can prepare all parts of invt and not combine the parts until inventor ready to com invt). Ex: Graham Bell.<Inventor could have obtained a patent when he sold device.

X. NOTES: (1) Dissent from another case: where is line drawed between raw idea and patented invt? Inventors don’t try normally to patent invt that haven’t yet found workable.

(2) Perception of case by business: requires earlier filing.

(3) Conception: Is a bare “enabling” description of the contours of the invt enough? Yes suggests Pfaff; but in that case, inventor had gone beyond what patent law def of “conception” requires. So it’s poss future dec will read Pfaff in light of facts and not nec trigger a bar when inventor has attempted to com a “bare concept”.

(4) Experimental use as applied to on-sale bar: inventor can sell his patent rights (assign the invt) to raise money to devel and perfect the invt.

(5) Design patents: experimental use exception does not apply since design invt RTP as soon as embodiment is constructed.

(6) What’s an offer?: Fed Cir<must meet level of offer for sale in Ct sense.

5. Third party activity

_Baxter International, Inc v COBE Laboratories, Inc,Fed,96:_

X. Q: Is lack of control/direction by inventor enough to negate experimental use defense? Yes.

Puq use by single person not under control of inventor+in puq invalidates patent.

Facts: People used invt bef crit date, that is more than 1 year bef filing date (102(b)), and they have no connection with inventor. Invit was publicly accessible+no duty of confidentiality+people would have reasonably believed publicly available (puq building with people coming in and out).

Use was not experimental, person was modifying invt.

X. Dissent: says bad applic of 102, creates new and mischievous cat of secret PA, by saying that private and unpublished lab use after reduction to practice is puq use. 102(e) the only source of “secret PA”: its retroactive effect doesn’t reach back to the underlying research or to the date of reduction to practice of the ref patented invt.

X. NOTES: Stat on-sale bar not subject to exceptions for sales made by third parties either innocently or fraudulently. Remedies to inventor poss with state law cause of action for misappropri of trade secret.

6. Foreign activity as a statutory bar 102(d)

102(d): bars a foreign applicant (can be Amer Cie) from obtaining US patent if (1) Foreign applic filed more than 1 year bef US applic filed, AND (2) Foreign patent issues bef US patent issues.

Thus, even if a foreign applicant file in the US more than 1 year after the foreign filing he may still obtain a US patent if the foreign patent issue after the US patent.

Rationale: require persons who obtain prot abroad to apply promptly for patent prot in US.
B. Novelty

No grace period: invention either new or not new. If not, said to be anticipated.

1. Proving date of invention

_Mahurkar v C.R. Bard, Inc, Fed, 96:_ 102(a)

Patent invalid under 102(a) cause _publication_ anticipated claim 1? No.

_S.102(a): doc is PA only when:_ published before _invt_ date (doc who count are only those published within 1 year bef filing date of appl).

_S.102(g): Priority of invt:_

(1) goes to 1st party who _reduces invt to practice_, OR (2) other party can show it was 1st to _conceive_ and that exercised reasonable diligence in later reducing it to practice.

[To show reduction to practice: (1) Actual RTP, or (2) Constructive RTP: inventor must demonstrate that invt suitable for its intended purpose.

_Conception_: (1) Inventor must have had in mind a “definite and permanent idea of complete and operative invt, as it is to be applied in practice”+ (2) “idea must be so clearly defined that only ord skill would be nec for reduction to practice, without extensive research or experiment”. (C)orroboration: of others not nec when conception proved by phys exhibit.]

Mah proves he conceived and reduced to practice bef puq of catalog.<catalog not PA.

2. Identity of invention and anticipatory enablement

_Minnesota Mining & Mfg Co Johnson & Johnson, Fed, 92:_

Issue: Patent _anticipated_ by PA under 102? Q of facts: should show each elt of claim found in _single PA ref_, OR that invt known or embodied in _single PA device_. Not here.

_In Re Paulsen, Fed, 94:_

X.Rejection of patent cause sev claims anticipated by Jap applc. Jap ref is enabling.

_Anticipation:_ is Q of fact: “clearly erroneous standard”.(1) Requires that each limit of invt be disclosed in 1 PA ref, AND (2) ref must be enabling and describe invt enough to have placed it in possession of PHOSITA.

X.NOTEs: (1) Use of _extrinsic_ evidence to “explain, but not expand” what a ref means is ok. (2) That which would literally infringe if later in time anticipates if earlier than date of invt. (3) Genus and species claimed: one may not claim a genus id PA discloses a species of the claimed genus. Can overcome rejection by showing prior possession of species disclosed in the ref. What about when a ref discloses the genus and a species of that genus os later claimed? Does not always anticipate a later claimed species, but may render those claimed species obvious.

3.”Known or used” (of course by someone other than inventor)

_Gayler v Wilder, 1850:_

Connor made a safe. Court says safe became _puq_< Fitz can’t patent his own (could have if 1st safe had not been puq but abandoned).

_Meaning of “orig and 1st inventor”: if lit interp, Fitz is not. If non lit, patent not void._

Dcourt found that Connor didn’t test his invt+ abandoned it. Fitz made discovery by his own efforts. Not imp, says court here: what’s imp is if safe and its construction was still in Connor’s memory bef they were recalled by Fitz patent. Here, forgotten<Fitz patent valid.
**Rosaire v Baroid Sales Division, 5th, 55:**
X. Patent invalid cause invalidated by PA. Unsuccessful experiment later abandoned doesn’t negative novelty in a new and useful device. But here it was successful and not abandoned: W wasn’t carried forward for practical reasons (geog area bad; examine data produced by use of method involved). 
! No need for this PA to be published to be PA, cause W done openly and in ord course of act of employer.
X. NOTES: (1) Invt known or used by others doesn’t anticipate claim of prior knowledge or use if not publicly accessible. Rationale: favor person 1st to disclose to puq.
(2) “Accessible to puq”: just means use in ord course of trae without effort of concealment.

4. Patented or described in a printed publication

**In Re Hall, Fed, 86:** 102(b)
Rejections of claims based on printed puq bar under 102(b). Dissert submitted to uni Chemistry library< available to faculty and students. Appellants argt: no evidence that puq accessible prior to crit date + even if it was, 1 uni catalog insufficient accessibility to those interested in the art.
Printed puq: “public accessiby” + sufficient access, at least to those interested in the art. Q of law. Here, uni cat: (1)Y,(2)Y + accessible prior crit date (approximately).

**In Re Cronyn, Fed, 89:**
X. Those thesis in college library are not printed publication. Not indexed in dept library. Board said reasonable diligence by researchers in field would have uncovered the thesis.
X. PP in Bayer: Not a PP, cause if PP so long as accessiby sufficient to “raise a presumption that puq concerned with the art would know the invention”, not the case here.
Here, like in Bayer (uncatalogued and unshelved), not catalogued in meaningful way.
X. NOTES: (1) Date of puq: date relevant puq (PHOSITA) can actually gain access to puq is date of puq for PA purposes.
(2) Does storage on com satisfy “printed” requirt? Appears that term interpreted to mean that which is available to puq in tangible form.

**In Re Carlson, Fed, 92:**
Q: whether invt patented in foreign country under 102(a)?<PA.
Bars: 102(a): patent unless same invt patented by another person in foreign country prior to invt by US applicant<PA ref.
102(d): bar if US applicant granted patent in foreign country more than 1 year bef date applic filed in US. Only 6 months for design patent.
Here, case fall under 102(d): and patented in a foreign country certainly has the same meaning in 102(a) as in 102(d). German ref only in a city courthouse. But 102(a) only says: “has to be available to the puq”. It is the case here.
! PHOSITA has burden to know relevant PA,<actual knowledge not required for disclosure to be considered PA<ref qualifies as foreign patent for purpose of 102(a).

5. Secret prior art-102(e)

**Alexander Milburn Co v Davis-Bourbonville Co, 26:**
X.C. 1st inventor cause even though there was no claim, applic had a good WD. Q here was not whether he was the 1st but whether he was an inventor at all in the sense of the statute. DCourt saying no cause no claim is wrong, cause rests on fiction that invt is by claim RTP. But a reduction that would bar a patent if published is equally effective in an applic so far as RTP goes.
X.NOTES: (1) 102(e)(1) and publication: once a US patent applic is published in US, its PA effect is triggered, and its effective date reverts to its date of filing.
(2)102(e)(2) and confidentiality:<US pending applic can serve as PA if eventually issue as patent.
(3) ! That which is disclosed, not claimed: Imp to remember that patents and published patent applic under 102(e) are PA only for what they disclose, not what they claim. If a previously filed patent applic claims same subject matter as a latter filed applic, 102(g) would be applicable cause now we’re talkng about who invented 1st.Remember, it’s the claims that define the property interest.

6.Secret prior art-102(g)

Thomson,SA v Quixote Corp,Fed,99:
X.NOTES: (1) S.102(g) most commonly applies to priority disputes in US Patent Office interference proceedings. However, it may also be an appropriate defense to patent validity in infringt litigation where a patent applic was never filed by the prior invt.
(2) Corroboration required of any witness whose testimony alone is asserted to invalidate a patent, regardless of his level of intent.

7.Using foreign priority for prior art purposes under 102(e) and (g)  

In Re Hilmer (1),CCPA,66: 102(e)
Issue: whether foreign priority date of US patent can be used as effective filing date when used as a ref? Board thinks applic filed abroad has same effect as though filed here for all purposes. But S.102 and 119 don’t have to be read together. 119 deal with trying to obtain a patent abroad. Gives “affirmative rights” to applicants<to save applic from patent defeating prov such as 102(e). Board wrong.Effect of 102(e) is to make US patent available as ref as of US filing date. Rejections not based on ref, but on stat provisions. Ref only supply evidence of lack of novelty/obviousness/loss of right or whatever may be the ground for rejection.

In Re Hilmer (2),CCPA,70: 102(g)
X.Pble # than Hilmer 1.Board thinks that by combining 102(g) with 119, at least the claimed subj matter of US patent is PA as of the convention filing date. Board’s reasoning is that 102(g) refers to prior invt of another to refuse a patent. If date of invention unknown, take date of filing applic, since invt must have been made bef. Board want to choose Swiss applic date. But not in compliance with 102(g) that invt be “made in this country”, and 119 doesn’t remove this limitato.
X.NOTES: Priority date of US patent can’t serve as the effective PA date. But a PCT applic published in English can serve as PA as of its intern filing date, which is no more than 12 months from the priority date. Lastly, foreign-inventive act can’t be used for patent-defeating purposes. Rather, such act is limited to obtaining patent ^ in the context of an interference. 102(g) and 104.

8.Derivation-102(f)

Gambro Lundia AB v Baxter Healthcare Corp,Fed,97:
Dcourt said G had derived invention from W proposal left in files. Reversed.

Proof of derivation: B must show (1) prior conception by another+ (2) comqo of conception to patente. Clear and convincng evidence needed. .
<1(1) Testimony corroborated by files. Not enough evidence here.
Comqo of conception: “must be enough to enable PHOS to construct and successly operate the invt”. Here, comqo only with files, doesn’t disclose enough to PHOSITA.

9.Priority-102(g)

a.Conception and the inventive entity

Fiers v Revel, Fed, 93:
Why Fiers loses his case on priority: his disclosure testimony did not establish conception. Fiers say his method could have easily been carried out by PHOSITA+conception of DNA can occur if defined by method or preparation. Not true: conception of DNA, if def only by fcal utility, then reduction to practice required(=isolation of gene). Fiers, by trying to show his method was enabling, dealt with the wrong issue. Since he wanted to establish priority, the controlling issue here was whether there was conception of DNA of the count, not enablt.

Burroughs Wellcome Co v Barr laboratories, Inc, Fed, 94:
Burr’s patent valid. Conception: voir def above. Because it is a mental act, courts require corroborating evidence of a contemporaneous discl that would enable PHOSITA to make the invt. X! An inventor need not know that his invt will W to be complete. He only needs to show he had the idea. The discovery that it actually W is part of reduction to practice, even though W in unpredicable field.
X.No conception where result at each step don’t follow as anticipated, but achieved empirically. X. Here, conception incomplete<need reduction to practice. For ex in Amgen, no conception until reduction to practice where others tried and failed to clone gene using suggested strategy. X. Conception of chemical sustance includes knowledge of specific chemical structure of compound+ operative method of making it. In Fiers and Amgen, no chem structure<experimentation needed. But here, Burr uses compound of known structure+method of making components also well-known<Burr wins.

b.Reduction to practice

DSL Dynamic Sciences Limited v Union Switch & Signal, Inc, Fed, 91:
X. Affirm priority of invt to Union in interference proceedings. Tests performed by Union ok. RTP: Q of law. Inventor must show either that (1) “Embodiment relied upon as evidence of priority actually worked for its intended purpose”, or that (2) Tests performed outside intended environment can be sufficient to show RTP if testing conditions are sufficiently similar to intended environment. Here, (2) works.
X. # testimony, no requirt that invt, when tested be in a comy satisfactory stage of devel in order to reduce invt to practice. Failure of com device long after RTP insufficient to convince that device was not adequately tested to establish RTP.

c.Abandonment, suppression, and concealment (As long as not those, probably counts under 102(g)

Fujikawa v Wattanasin, Fed, 96:
X.Priority of invt to W. Inventive act of F abroad<can only rely on filing date to establish priority 102(g). Issues: (1) Whether W has shown conception+diligence from just prior Fuji filing date until RTP, (2) Whether W suppressed…between RTP and filing.
X. Interference divided in 2: (1) Compound count: sufficient practical utility to constitute RTP. Since Fuji didn’t challenge W’s diligence, W de facto 1st inventor of comp count. Finally, 17
months between W RTP and filing insufficient to raise inference of suppression/concealment given complexity of invt<priority of compound count to W. (2)Method count: RTP on date in vivo testing concluded< W de facto 1st inventor.

**X. Only remaining Q is of suppress/concealment:** Q of law. 2 types: (1) Deliberate (to prolong period during which invt secret); (2) Too long a delay in filing applic (depend on nat/complex of invt).

Here, ok. Delay of 4 years for comp count, and stop of act for moment ok cause otherwise might discourage inventor from working on proj that had been too long set aside. Here, W returned to abandoned proj well bef F effective filing date worked diligently toward RTP a 2d time.

**X. 3 factors for det suppress/concealment:** (1) Length of delay from RTP to applic, (2) Existence and nature of act during delay-period, (3) Cause of resumption of act.

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**CHAP 5-NONOBVIOUSNESS** (S.103)

Limitation may be scattered throughout more than 1 prior art ref, and it would be *obvious* to those skilled in the art to assemble these elts in form of claimed invt—even if invt novel, may nonetheless be obvious. Obviousness: Q of law in light of factual enquiries; review for clear error.

**A. The Graham Framework**

*Graham v John Deere Co,66; Calmar, Inc v Cook Chemical,66:*

X. Graham patents invalid, solves pb. **Factual enquiry nec under 103:** (1) Det scope and content of PA, (2) # between PA and claims at issue, (3) Level of ord skill in pertinent art, (4) Secondary consider (com success, failure of others,..).

Here, only # (flexibility) found to be “matters of design well within expected skill of art and devoid of invt”.

X. Cook patent invalid cause obvious. Fulfilled long-felt need inability of others to produce+com success< meet standard required for combination of old elts to rise to level of patentability< by fulfilling long-felt need with economical, efficient, utilitarian apparatus which achieved novel results and immediate com success. But too similar to previous patent of L. Patentee obtained patent only by accepting limit imposed by examiner. Long-felt need and…focus more on eco than on tech issues.

*US v Adams,66:*

A patent valid. Significant change from PA: fact that battery water-activated. Reliance of this feature wasn’t after sought of trial lawyer. *Sinclair case #:* inventor merely selected last piece of puzzle. Solvent chosed had no fcal rel to printing ink invented. But here, battery embrace elts having interdep rel. Battery unexpected and surpassed then existing-wet batteries. This is not to say that one who merely finds new uses for old invt by shutting eyes to prior disadvantages thereby discovers patentable innovation. But known disadvantages in old devices which would naturally discourage search for new invt may be taken in consider in det obviousness.
B. The Scope of the PA

1. Analogous v Non-analogous Art

*In Re Clay, Fed, 92:*

2 criterias for analogous PA:
1. Whether art from same field of endeavor, regardless of pble adressed="product-fc” approach, or if it is not, 
2. Whether ref still reasonably pertinent to part pble with which inventor involved= ref which would have logically commended itself to inventor’s attention in considering his pble="pble-solving approach”. 

Here, PHOSITA wouldn’t have solved pble solved by considering Syd ref.

*In Re Pausen, Fed, 94:*
Patent invalid, cause (2) of test for analogous PA works, even though ref bout cabinet/washing machines, and invention is a comp, cause ref concerned how to connect and secure.

2. SS 102/103 PA

102 PA: (c)(d)(f) have no rel to 103 and no relevancy to what is PA under 103. (a)(e)(g) deal with events prior to applicant’s invt, and (b) with events more than 1 year prior to US applic date.

*In Re Clemens*, reaffirm pple from *Bass* that 102(g) can be used as prior art under 103. But *Clemens* distinguished *Bass* on 102(g)/103 issue by suggesting that applicant must have actual knowledge of prior invt bef 102(g)/103 can be invoked; but later cases say this is mere dictum: no knowledge requirt.

c. 102(f)/103(PA)

*OddzOn Products, Inc v Just Toys, Inc, Fed, 97:*
X. Oddz patent invalid. Dcourt says invalid cause PA. Q: Whether 102(f) is PA prov for purposes of 103? Yes, O says no, cause disclosure not known to puq<patent-defeating subj matter under 102(f) but can’t be combined with “real” PA to defeat patenty under 103.

*In Re Bass*, Cappeals held that 102(g) could be combined with other PA to reject claim for obviousness under 103. Patent law have not recognized as PA that which is not already accessible to puq+ between a prior inventor who doesn’t disclose and a later inventor who promptly files a patent appli<the law favors the latter. But change after *Bass*. Bef change, 103 read: even though novelty ok, no patent if # are such that invt obvious to PHOSITA…Then new par: but patent ok if PA under 102(f) or (g) was owned by inventor/fellow employees<made to ameliorate pbles of patenting results of team research.

But we have to read it as enacted<language that says that 102(f) not PA under limited circumstances clearly implies that it’s PA otherwise.

X. NOTES: (1) 102(f)/103 PA?: X obtain info from Y, but incomplete<102(f) by itself doesn’t apply. But, can incomplete info be coupled with relevant PA so as to make invt obvious under 103? Yes. To invalidate a patent for derivation of invt, a party must demonstrate that named inventor acquired knowledge of claimed invt from another, or at least so much of the claimed invt so as would have made it obvious to PHOSITA.

(2) 102(b)/103 PA: 102(b) can be used for purp of 103. If ref contains enough disc to make invt obvious, pple of statute would seem to require denial of patent. Same where combination of 2 puqo or patents make invt obvious and they both have dates more than a year bef filing date.
C. The Content of the PA

In Re Dow Chemical Co, Fed, 88:
X. Patent valid, invt nonobvious. Combin of ref. Dow says no ref suggests that ref could be combined successfully + unsuccessful prior attempts to reproduce invt.
X. Previous attempts don’t render obvious later successful one. Recognition of needs and pbles are classical indicia of unobviousness.
X. Board: Dow should have proved previous tech would fail. Wrong! Patent shall not be negatived by manner it was made.
X. Right criterion for PA rendering invt obvious: (1) Whether PA would have suggested to PHOS that this process should be carried out AND (2) would have a reasonable likelihood of success, viewed in light of PA (not in light of applicant’s disclosure) = must be a reason to believe proc is gonna work, other than knowledge learned from applicant’s disclosure. None here.

Pro-Mold & Tool Cie v Great Lakes Plastics, Inc, Fed, 96:
X. Card-holder. Remand judgt for invalidy cause issues of mat facts regarding nonobviousness.
Reasoning for exam: (1) PA describes invt < lack of novelty < obviousness, OR (2) Invnt # from 1 ref, but combin would lead to what is claimed < depend on whether reason or not to make combin. Here, (2): combin of 2 card-holders.
Such a reason/suggestion/motiv may come from: (1) Ref themselves, or (2) Nature of a pble to be solved, leading inventors to look for ref relating to poss sol to that pble, or (3) From knowledge that certain ref are of special I in a part field.
X. FedCir remand: Dcourt didn’t take in account 2dy consider, esp com success of invt.
X. NOTES: (1) Ex of “obvious to try”: can be to try each poss choice until successful result; can be to explore a new promising tech,…
(2) Prior art as a whole: in obviousness det, can’t “pick and choose” from PA ref only that which will lend support to your position. Have to look for “some teaching/suggestion in ref to support their use in part claimed combination”.
(3) Hindsight prohibited: what is obvious today was not nee obvious yesterday.
(4) Teaching away/inconsistent: significant factor for unobviousness, but case-b-c.

D. Just Who is PHOSITA?
No need since 52 Patent Act to presume that inventor knows anything about the PA. But PHOSITA yes & & & & & & / Factors for “ord” include: educational level; type of pble; PA sol to pble,…/ Breadth of PHOSITA’s knowledge: all in immediate field+ fields nearly akin to that field.

E. Secondary Considerations

1. Commercial Success

Pentec, Inc v Graphics Control Corp, Fed, 85:
X. Com success: given subst weight only when nexus established between succes and merits of claimed invt. Here, success only when plastic hinge combined with disposable pens < need for disposable pens + great sums in advertising Invalid for obviousness.
X. NOTES: (1) Critic: poor indicator od patenty, too subj.
(2) For evidence of com success to be persuasiv, FedCir also asks for patentee to show comparative success with other products on M.
2. Long-Felt Need and Failure of Others
   
   **Failure:** May imply nonobviousness. But look for reasons of failure: sometimes, just cause Cie lazy/lack of resources.
   
   **Long-felt need:** Pble cause almost any step forward can be said to address a long-felt need.

3. Copying
   
   Copying by others may constitutes evidence of nonobviousness; stronger when competitors tried to design around.

4. Licensing/Acquiescence
   
   Patentee may assert that acceptance of license by defendant/competitor implicit recognition that patent nonobvious. But sometimes cheaper to take license than to defend infringt suit.

F. Complex Technologies

*Amgen, Inc v Chugai Pharmaceutical Co, Ltd, Fed, 91:*

X. Patent valid. Obviousness test: whether PA would have suggested to PHOSITA that (1) unique probing method should be carried out+ (2) with reasonable expecto of success in light of PA? (1) Y, (2) N. In fact, failure for long at probing show that not (2).

X. **NOTES:** &??& *Durden:* a claim to a method of making a compound with a starting mat may or may not be obvious even though the starting mat and compound itself are nonobvious. A new process may still be obvious, even when considered as a whole, notwithstanding the specific starting mat or resulting product, or both, is not to be found in the PA.

*In Re Ochiai:* # view. Even though O applic used a novel/nonobvious starting mat, which resulted in a novel/nonobvious final product, Board rejected process claim cause was directed to a “method of making”. & & ? ? & &

CHAP 6-UTILITY

**Def:** Invts must fc for its intended purpose or a purpose discernible by a person of ord skill in the art. Usually not a pble for mechanical/electrical applic. But pble for chemical/biological ones, cause: (1) Hard to convey utility through drawings and diagrams,(2) Evolving utility<spectrum of utility. At one end, invts have gen usefulness in basic research. At the other end, some may provide immediate and specific utility.

B. A Modern Approach to Utility

*In Re Brana, Fed, 95:*

X. No failure to disclose practical utility. What is “useful” for pharmaceutical invts? If no utility<no enablt, cause specif can’t enable one to use it. When specif disclosure+corresp to subj matter<enablt, unless doubt as to truth of statement. And even if doubt on utility, declar of Mr K after filing date enough (prove that disclosure was enabling when filed), to convince PHOSITA of utility.

X. Test on animal ok to establish utility, sufficient contrib to the art, even though may turn out without value with human.

X. **NOTES:** This case articulate a **2-step test to det if utility requirt is met:** (1) PTO has initial burden of challenging a presumptively correct assertion of utility in the disclosure, (2) Only after PTO provides evidence showing that PHOSITA would reasonably doubt the asserted utility does the burden shift to the applicant to prove utility.
CHAP 7-STATUTORY SUBJECT MATTER

101: processes, machines, manufactures, compos of matter. Not ideas or laws of nature. Apparatus: for machines or devices. Manufacture often static; machines moves. Elts of apparatus claim typically structural in nature; elts of compos claim typically chemical. Compos of matter: may be a new compound per se or a combination of existing and/or new compounds.

A. The Shifting Views of the Supreme Court

Gottschalk v Benson,72: History
X. Novel and useful math formula may not be patented. Here, abstract process claim: # end uses; uses poss without comp.
X. Process patentable irrespective of part form of instrumentalities uses (hammer, ...) But if patent not confined to part tool or machine—use of others would be infrngt cause gen process the same.
X. Def process: mode of treatment of certain mat to produce given result. Transf and reduction to a # state of thing is clue to patenty of process claim that doesn’t include part machine. ~Pat for process/machinery is for the means of producing a certain result, not the result produced
X. Hard to know if would be patented today: maybe to abstract anyway?

Parker v Flook,78: History
X. Process must be new and useful, not merely algorithm itself. Algorythm treated like PA., Invt of mode embodying pple (like Neilson case).
X. NOTES: What about pple that new and nonobvious combin of known elts is patentable?

Diamond v Chakrabarty,80: Living organisms patentable.
X. Def manufacture: prod of arr for use from raw or prepared mat by giving to these mat new forms, qualities, properties, or combin, whether by hand-labor or machinery.
Def compos of matter: all compos of 2 or more substances and all composite art, whether they be the results of chem union, of mechan mixture, or whether they be gases/fluids/powders/solids.
X. Here, claim to a non-naty occurring manuf or compos of M< has distinct name, char and use.
X. Congress employed broad language in 101 cause lots invt unforeseeable; dissent disagrees: says Congress legislated with belief 101 doesn’t encompass living organisms. Maj here is dissent in Flook, and vice-versa.

Diamond v Diehr,81: Comp programs patentable
Process which includes use of math formula+programmed digital comp patentable? Yes.
X. Rejected at 1st cause steps carried out by comp under control of stored program not pat stat subj matter+remaining steps conventional and nec to the process and not pat.
X. But claim not directed to algorithm or improved method of calcul, but improved process of solving pble. Here, phys and chem process for molding rubber is pat subj matter. Concl not altered by fact that in sev steps of process math equation and programmed dig comp are used.
<# Flook, respondents don’t seek to patent math formula, but a process of molding rubber. Want only to foreclose others the use of that equation in conjunction with all the other steps in the claimes process.
B. The Federal Circuit Response

*State Street Bank and Trust Co. v Signature Financial Group, Fed, 98,* Fin services pat. Patent for a data processing system. Claim subj fell into judy created exception? No. Math algorithm exception: to be patented, alg must be applied in a useful way. (Ex: *Alappat*), come to a new and useful end, by performing a fc which pat law was designed to protect (transforming or reducing art to # state or thing). Here, machine produces useful, concrete and tangible result<stat subj matter, even if result expressed in Nos./ Business method exception: not really used.

CHAP 8-INFRINGEMENT See rights of exclusion in S.154 and 271(a)

A. Claim Interpretation

Word interpr: dico meaning; def given by patentee; context, meaning given by PHOS. Diff interpr for tech words,”on”, “a”, approxim like “about”, “subst”, etc.

1. Procedure: Judge, Jury and Appellate Review

*Markman v Westview Instruments, Inc (Markman 2), 96:*
X. Q: Whether interp of patent claim is matter of law for court or jury? Court exclusivy (judges). Infringt cases today must be tried by jury. But a part issue iccurring during trial not necy a jury issue<depend on whether jury must shoulder this respy as necy to preserve subst of the common law right of trial by jury.
X. Construing patent: q of law. Infringt: q of facts.
X. Construction of written instruments better by judges than jurors who don’t have training<“inventory” word meaning issue for judges.

2. Procedure: Interpretative Approaches and Evidentiary Sources

*Markman 1:* claims, WD, drawings, prosec history<intrinsic evidence. Evrthng external to pat including expert/inventor testimony, dicos, treatises<extrinsic evidence.
But tech treatises and dicos can be consulted by judges at any time to better understand underlying tech+dico def, as long as doesn’t # def found in pat doc.

*Vitronics Sources v Conceptronics, Inc, Fed, 96:*
Remand cause pat may be infringed: cause specif of the pat dictates a claim interp in accordance with plaintiff’s proposed construction.
X. Intrinsic evidence: Review specif to det whether inventor had used any terms in manner inconsistent with ord meaning.
Prosec history of pat, if in evidence. Limits interp of claims terms so as to exclude any interpo that was disclaimed during prosec.
PA sometimes cited in files gives clue as to what claims don’t cover.
<When all this resolve ambiguity, improper to rely on extrinsic evidence.
X. Extrinsic evidence: The court improperly did so: expert test inconsistent with specif and file history<should have been accorded no weight, cause can’t # claim language or the import of other parts of specif. Rationale: would be unfair to competitors who may be able to rely on patent doc, without consider of test that don’t exist.
In addition, court may rely on PA proffered by 1 of the parties, whether or not cited in prosec hist (kind of 3d cat of evidence). But improper when no ambiguity. PA more obj and reliable than test+sources accessible in advance of litig.

X.NOTES: (1)Claims must be read in view of specif.
(2)This case retreats from Markman 1 approach: doesn’t prohibit court from relying on extrinsic evidence even when pat doc clear; just can’t #. Meaning of claims.
(3)Decision of trial court to admit or exclude expert test is reviewed on abuse of discretion standard.
(4)Disclaimers: WD that appears to disclaim interpr of words used in claims.<because patentee may be his own lexicogapher, any such statements may actually operate to limit claims.
(5)Doctrine of claim differentiation: presume there is a # in scope among the claims, and that limit of 1 should not be read into another claim.

B. The Doctrine of Equivalents and Prosecution History Estoppel

1. The Doctrine of Equivalents

Common law doct. Courts have not always confined patentee as to lit meaning of their claims. DOE tempered by PHE = record of proceedings <patent. Dual fc in infringt analysis: (1) Interpr tool for construing pat claims; (2) May help limit scope of equiv that may sucessly be asserted in later litig (ex: claims narrowed by amendt)<used to stop patentee from expanding scope of his claims.

Graver Tank v Linde Air Prods Co, 50:
X.NOTES: (1) Test for equivalency (= triple identity test): whether accused product/process perform the same fc, way and result as claimed invt. Others disagree with test: not exclusive test but supplemented by other equitable factors, like if accused infringer knew of and copied invt. + inadequate esp when directed to chem compounds, cause focuses on fc even though claimed invt is a structure: very # structures can perform same fc in same way to achieve same result.

Warner Jenkinson Cie, Inc v Hilton Davis Chemical, Inc, 97:
X. Equivy det against context of patent, PA, circums. Sometimes equal things not equal in context, and vice versa<consider purpose for which ingredients used, quality it has when combined with others, fc intended to perform
X. Plaintiff had 3 choices: (1) Concede noninfringt, (2) Argue that 5.0 was “approximy” 6.0, (3) Assert, instead of or as alternative to (2), infringt under DOE. Chose 3.
X. Triple identity test not the sole test: “subjst” standard Case-b-c. What’s imp is that Q: Does product/process contain elts identical or equiv to each claimed elt of patented invt? Here, infringt cause PHOSITA would know that 5.0 perform same fc, equivalent way, same result. Change insubstantial.
X. Interchangaby: must be known or proved by plaintiff that PHOSITA would have considered the change insubstantial at time of infringt.
X. Proper time for evaluating equivalence is time of infringt.
X. Infringt under DOE doesn’t require intent and akin to det lit infringt.
X. S. 112, 6: applicant can describe elt of invt by result or fc, rather than describing item.<allows “means” claims, with the proviso that applic of broad lit language of such claims must be limited to only those means that are “equiv” to the actual means shown in pat specif<applic of DOE in restrictive role (because “fcal” “identity” is required under 112, 6, and not only “equiv”; the content of the test for insubst # thus reduces to “way” and “result”), narrowing applic of broad lit claims elts. However, the added prov is silent on DOE where no lit infringt.
X. PHE: try to say defendants. Lower limit of 6.0. added by amendment during prosec. Burden on patentee to establish that not related to patenty.
X. DOE must be applied to indiv elts of claims, not invt as a whole. But must be an equiv of each elt of patent claim (all-elts approach).
X. Through DOE, you can’t capture PA = DOE can’t be used to encompass product/process identical to/obvious variation of PA. Perinent Q then becomes whether that hypothetical claim could have been allowed by PTO over PA. If not< would be improper to permit patentee to obtain that coverage in an infrngt suit under DOE. If yes, then PA is not bar to infrngt under DOE.
X. Equivalence decided by jury.
X. “Designing around” may be evidence of subst #.
X. NOTES: (1)Ex: claim could be “box with a 1st side, a 2d side,…a 6th side”, or “six-sided box”. Under all elts rule, does a “five-sided box” infringe? Not under 1st claim cause 1 elt missing, but may under 2d claim cause of DOE.

See complt P.1<12: Festo v Shoketsu Kinzoku Co,2002:
X. When patentee in applic responds to reject by narrowing claims, PHE estops him from later arguing that subj matter covered by orig, broader claim was nothing more than an equiv.

Court held that estoppel arises from any amendt that narrows a claim to comply with Pat Act, not only from amendmts made to avoid PA. The Cappeals further said: when estoppel applies, stands as a complete bar against any claim of equiv for the elt that was amended.
X. Estoppel arises when an amendt is made to secure pat and amendmt narrows pat scope. A patentee who narrows a claim as a cond for obtaining a pat disavows his claims to broader subj matter, whether amendmt made to avoid PA or to comply with 112.
X. Only way to rebut presumption that estoppel bars a claim of equiv is for patentee to show that at time of amendt, PHOSITA could not be reasonably expected to have drafted a claim that would have lit encompassed alleged equiv.
X. Dissent: dec here # Warner. Language of claim may not capture every nuance of invt. In W, we struck appropr balance by placing burden on pat to show amendt was not for purposes of patenty.

2. Prosecution History Estoppel

= Record of proceedings in PTO on applic upon which pat issued. Doct of PHE precludes patentee in infrngt proceeding from obtaining construction of claim that would resurrect subj matter surrendered during course of proceedings in PTO. To extent that it applies, PHE supersedes DOE<limit on DOE. But court rejected argt that estoppel should apply to any claim amendt regardless of the “reason” or “purpose” of the amendt.

Cybor case involved asserted “estoppel by argt” rather than by amendt to claims, and it may have some continuing relevance after Festo(See N 2 after Festo). In Sextant case, presumpt of estoppel arose when, on analysis of prose record, no apparent reason why specific limit had been added to claims after examiner had rejected claims for lack of clarity and on ref to cited prior ref.

C. Infringement of Means Plus Function Claims-112,6

Al-Site Corporation v VSI International, Inc, Fed, 99:
X. 112,6 expressly governs only claim elts that do not recite sufficient structural limit<presumpt that 112,6 applies is overcome if claim itself recites sufficient structure or mat for performing the claimed fc. + When an elt of + claim doesn’t use the term “means”, treatment as a mean-plus-fc claim elt is geny not appropriate.
X. Here, language “means for securing frame. .”<means for securing claim elt is in conval means+fc format without specific recital of structure and thus invokes 112,6.
Q: Whether jury’s finding that accused structure was equiv to the “means for securing” elt under DOE, also indicates that it is equivalent structure under 112,6?

X.# between term “equiv” found in 112,6 and DOE: Equiv struct or act under 112 for lit infrngt must have been available at time of patent issuance while equiv under DOE may arise after patent issuance and bef time of infrngt. Under 112,6, accused device must performe identical fc as recited in claim elt, while DOE may be satisfied when fc performed by device is only substy same. Although 112,6 and DOE # in purpose and admi, a finding of a lack of lit infrngt for lack of equiv structure under mean+fc limit may preclude finding of equiv under DOE. Both equiv analyses, after all, apply “sim analysis of insubsty of the #”. Confluence occurs cause infrngt requires, either lit or under DOE, that accused prod/process incorporate each limit of claimed invt. Here, Det erred by interpr sev claims as means+fc els subj to 112,6<unecsy limited their scope. But jury found right result anyway: infrngt under DOE, so<affirm.

X. To find infrngt under 112,6, fcal identity and either structural identity/equiv are both nec.

D. Indirect Infringement  S.271

1. Contributory Infringement  271(c)

_C.R. Bard, Inc v Advanced Cardiovascular Systems, Inc, Fed, 90:_
Q:Does catheter has no use except through practice of patented method?<Infrngt if the component is a non-staple item not suitable for subst non-infrngng use. Knowledge required: that infringer knew that combin for which his component was designed was patented+infringed.

2. Active Inducement  271(b)

_Hewlett-Packard Cie v Bausch & Lomb, Inc, Fed, 90:_
Knowledge required, even though not mentioned in 271(b); but not specific intent per se. Indemnificato cl: suggests intent(I’ll indemnify my licensee for any liaby), but not conclusive here.

E. Geographic Scope of the Patent Grant and Foreign Activity

154(a)(1): can’t sell in or import in US; act abroad ok. But import/export<pbles.

1. Foreign Activity and Export Control-271(f)

(f) was added to avoid sit where infringer makes incomplete version of patented product for export, or only makes parts of patented prod and export them for assembly abroad. In 2000 case, defendant not liable for infrngt under 271(a) unless made/sold complete invt. In 2001 case, intent to assemble is enough.

2. Foreign Activity and Import Control-271(g)

Infrngt when (1) import, in and of itself, into US of product covered by US patent, (2) import into US, of unpatented product “made by” a process patented in US (since the Process Patent Amendmt Act of 88). Made by<no infrngt if product maty changed, or becomes trivial and nonessential component of another product.
Eli Lilly and Cie v American Cyanamid Cie, Fed, 96:
X. In chem context, “mat change” in a compound is signif change in comp’s structure+ properties.
X. NOTES: (1) Not mat changed: 2 part test: (a) If it would be poss/comy viable to make product but for the use of the patented process, (b) If additional processing steps don’t change phys or chem properties of product in manner which changes basic utility of product by patented process.
(2) “Trivial and nonessential”: analysis should require analysing their advantages in that product relative to comy available substitutes.

CHAP 9-DEFENSES AND LIMITATIONS

S.282: (1) Noninfringt, absence of liaby for infring/unenforceaby
(2) Invalidy of patent or any claim under 101<103
(3) Invalidy of pat or any claim in suit for failrure to comply with any requirt of S.112 or 252.
(4) Any other fact or act made a defense under this title (ineq conduct; misuse; antitrust;…).

A. Inequitable Conduct Materiality/intent must be proven by clear+convincing evidence

1. Intent

Kingsdown Med Consultants, Ltd v Hollister, Inc, Fed, 88:
X. Court committed abuse of discretion cause no inequitable conduct<subsid factual q reviewed for clear error<reversed. Here, incorrect inclusion in a continuation applic of a claim that contained allowable subj matter, but had been rejected as indefinite in parent applic.
X. No convincing deceitful intent, or even just gross negligence<just lawyer’s error, carelessness.
X. Ok to file patent applic to exclude competitor from M, or to amend claims to cover’s competitor’s product. X. No jury trial on issue of ineq conduct.
X. When ineq conduct occurs in rel to 1 claim, entire pat unenforceable. You can look outside involved claim in det ineq conduct, cause claims are related. (but 1 claim invalid doesn’t invalidate patent).

2. Materiality

Critikon Inc v Becton Dickinson Vascular Access Inc, Fed, 97:
Mc Donald patent was mat to patenty and should have been disclosed to PTO by Dickinson+failure to disclose ongoing litig in reissue proceedings.
Duty to disclose info of which they are aware which is mat to exam of applic. Breach of disclosure alone insufficient<intent to deceive or mislead nec<balancing test.
Test for mat to patenty: when not cumulative to info already or record or being made of record in applic, and refuts/is inconsistent with pos applic takes in asserting an argt of patenty.

B. Misuse and 271(d)


Like ineq conduct, renders patent unenforceable, not invalid. But unlike ineq conduct, only lasts until misuse is purged. Moreover, # to antitrust violation, doesn’t result in award of damages to accused infringer. Misuse<not necy antitrust; but if antitrust<misuse.
Dawson Chemical v Rohm and Haas,80:
X.The 2 concepts, contrib infringt and misuse often juxtaposed cause both concern relationship btewen patented invt and unpatented art or elts needed for invt to be practiced.
X.Q of stat interp. Issue: Exploit of pat only in conjunction with sale of unpatented art that constitutes a mat part of the invt and is not suited for com use outside scope of the patent claims is patent misuse? No. not barred from seeking relief against contrib infringt of its patent rights.
X.In Motion Picture Patent: Court said owner of a pat on projection attempted to prevent competitors from selling film for use in the patented equipment by attaching to the projectors it sold a notice purporting to condition use of the machine on exclusive use of its film. Film had been patented but pat expired. Issue: Patentee had right to condition sale of patented machine on the purchase of art which are no part of patented machine, and which are not patented? No.
X.Mercoid I and II,44: not yet addressed status of contrib infringt or patent misuse with respect to nonstaple goods, and some courts thought that control of nonstaple items capable only of infringing use might not bar patent protection against contrib infringt view received serious blow from Mercoid: held that any attempt to control M for unpatented goods would constitute pat misuse, even if those goods had no use outside a patented invention. In Mercoid 1, Court barred patentee from obtaining relief cause deemed licensing arrangt with H to be unlawful attempt to extend pat monop. Mercoid 2: no exception for elts essal to inventive char of patented combin. Then Congress added 271(d) to undue Mercoid.
X.Rich identified the Leitch and Carbice cases as ex of situations where deriving revenue from acts that would be contrib infringt was held to be evidence of misuse; said that Mercoid exemplified misuse from licensing others; and referred to Stroco as ex where bringing of action against contrib infringers was found to exemplify misuse. It signify changed existing law, and change moved in direction of expanding stat prot enjoyed by patentees.

Mallinckrodt v Medipart, Fed,92:
X.Patented device sold to hospital with “single use only” notice, but hosp send them for repair to Medi< Medi induced infringt by hospitals and itself infringed pat? No. Dct said that since hosp purchased from patentee, not from manufacturing licensee, no restraint on use of device could be imposed. Practice of granting licenses for restricted use is an old one. But in Gen Talking Pictures court didn’t hold that must be intervening manufacturer licensee bef pat can be enforced against purchaser with notice of restriction.
X.Appropriate criterion: is (1) Whether restriction is reasony within patent grant, or (2) Whether patentee has ventured beyond pat grant and into behavior having anticomp effect not justifiable under ”rule of reason”. If (2) don’t automaticy impeach restriction: anticomp effect not per se viol of law are reviewed in accordance with rule of reason—unreasonable restraint on comp. Here, in granting injunction, Dct found that Medi faced irreparable harm in loss of customers, and that Medi had a reasonable probty of succeeding on the merits.
X.Injunction: patentee can notify infringers they are infringng even if wrong, as long as good faith. X.Price fixing and tying restrictions per se misuse says this case, llike in Bauer and Motion Picture Patents: how would it go today, after the 88 amendts to 271? 271(d) provides that in absence of M power, even tying arrangt is not misuse.

C.Antitrust Can include treble damages (# ineq conduct<unenforceaby+poss attorney fees)

Nobelpharma AB v Implant Innovations, Inc, Fed,98: Fed Cir has exclusive jurisdiction here X.Critera for antitrust liaby: prove that (1) Asserted pat obtained through knowing and willfull fraud within meaning of Walker Process, OR (2) That infringt suit was mere sham to cover what is actually nothing more than attempt to interfere directly with business relationship of competitor. (1) Misrepresenting facts to the PTO. (Ineq conduct is a lesser offense, that fails to satisfy all elts of tech offense). Elts of fraud: false represent of mat fact; with intent to deceive/very reckless mind; justifiable reliance by part deceived; injury. Omission can be fraud.
Def sham: Must prove that suit was both objy baseless and subjy motivated by desire to impose anticomp injury rather than to obtain legal remedy.

X.NOTES: Can refuse to license even if anticomp effect, as long as that effect not extended beyond stat patent grant (3d antitrust law violation; (1) and (2) are in criteria for antit liaby).

D. The Doctrines of 1st Sales, Implied License, and Repair/Reconstruction

Acts infringe only if carried out without authority (S.271(a)). But grant of authority need to be express. Can be: 1st sale; implied; repair/reconstruction. 1st sale doct# implied license.

*Kendall Co v Progressive Medical Tech, Inc, Fed, 96:

X. No direct infringt by users<no contrib infringt. Q: Whether users directly infringed patent when replaced product after single use with ones purchased from someone else? No.

Implied license to use device for its useful life<include right to repair<acted with authory. X. Direct infringt only when complete reconstr of device. Replact of indiv unpat components ok. X. Court has never said that elt is spent only when impossible to reuse. Here, reuse sleeves<risk of contamin. D’ailleurs, notice of single use<plaintiff clearly intended to permits customers to replace sleeves after each use<users followed notice. X. Mallinckrodt: even repair of unlicensed device is infringt.

E. Limitations on Restrictive Contractual Provisions

In Lear, court held that a party to a pat license/assignt is not precluded by estoppel or express agreement from contesting validy of pat as a def to a charge for pat infring or breach of license/assignt Ct. But now: (1) Licensee/assignee must, to avoid continuing duty to pay royalties, do more than simply stop paying=challenge rule, (2) A promise not to challenge validy of pat will be enforced if is in a Ct of certain type, like settlement agreement/consent decrees.

*Brulotte v Thys Co, 64:

X. Misuse where patentee extends term of his patent by requiring post-expiration royalties. In the agreement, royalty payments due for post-expir period are by their terms for use during that period, and are not deferred payments for use during the pre-expiration period. Rationale: impeach monop<prot for pat is limited one, after which rights enter puq domain. X. # Automatic Radio: While some of the patents under that license had expired, royalties claimed were not for a period when all of them had expired. That license covered sev patents and royalty based on licensee’s sales, even when no pat used<reasonable device.

*Aronson v Quick Pencil Co, 79:

X. Agreement for key holder, and then she got no pat. Quick stopped paying. Caps increased as if unenforceable cause free use of ideas in puq domain. But royalty ok even if no pat: indep of fed law. Rule for preemption is if law obstacle to obj of Congress. But here, design for keyholder wasn’t in puq domain bef Quick obtained license to manufacture it. X. Enf of Quick’s agreement, however, doesn’t prevent anyone from copying keyholder.
F. Preemption as Limitation on Patentees

1. The Basics of Preemption

Cover v Sea Gull Lighting, Fed, 96:
3 grounds for preemption: (1) Explicit preemp, (2) Field preemp, where reasonable to think that Cong left no room for States to supplement it, (3) Conflict preemp, where obst to obj of Cong.

2. Unfair Competition Law

Bonito Boats v Thunder Craft Boats, 89:
X. When no pat-like prot, extra-elt test to see if state law can survive.

3. Trade Secret Law

Kewanee Oil Co v Bicron, 74:
State law forbidding misappr of trade secrets no preempted. Extension of trade secret prot to patentable invt doesn’t conflict with pat policy of disclosure. This case # Sears.

G. First Inventor Defense-S.273

X. Elts of defense: 273(b)(1): (1) Limited to “method claims” (=method of doing or conducting a business). (2) Requisite acts: def applies only if person act in good faith, RTP and comy used subj matter at least 1 year bef effective filing date of such pat. X. Exhaustion of rights: 273(b)(2). X. Limit and qualif: 273(b)(3): has to be a method; no derivation, abandt of use,…

H. The Experimental Use Doctrine-S.271(163)(e)

1. Roche v Bolar and Congress’s Response, Fed, 84:
Exp use for business reason (not amusement) ok. Prof: limited defense. Probably ok only when you take patentee at his word and exp to see if invt work the way he says it does. New 271(e) abrogated Roche: reasonably related uses ok.

2. The S.271(e)(1) Exemption and “Reasonably Related” Uses

X. Intermedics v Venitrex: any com uses that exceeded 271(e)(1) were de minimis, and pat owner may not eradicate 271(e)(1) exemption by demonstrating that accused infringer intends to com device bef expir of pat, AND (2) the exemp not lost simply as result of showing that accused infringer engaged in non-infringing acts whose “uses” fall outside those permitted by the statute. X. Telectronics Pacing: approved Intermedics’ reasoning in holding that 271(e)(1) exemp not lost when accused infringer, who has used invt solely for FDA data collecting, disseminates the data for business and fund-raising purposes.

3. Infringt under S.271(e)(2)
On the one hand, it’s not infringt to make/use/sale patented drug “to the extend it’s nec for prepar and submission of an “abbreviated new drug applc” (ANDA) (271(e)(1). On the other hand, if the party seeking approval “wants to market the drug prior to expir of pat, pat owner can seek to prevent approval” by instituting an infringt suit.

I. Governmental Immunity

1. Federal Government-S.1498

When gvt make/use patented invt, owner’s exclusive remedy is in US Court of Fed Claims, not Fed Dcourt. S.1498(a). Use/manufacture of invt by an entity “with author and consent of Gvt shall be construed as use/manuf for the US”. Depends on whether infringt relates to (1) a product manuf for delivery to US, or (2) a prod/machine/process used by contractor doing work for US.

2. State Government-11th Amendment and S.271(h) 271(h) abrogated state immunity

CHAP 10-REMEDIES

A. Damages

“Damages adequate to compensate for the infringt”. Method: analysis of lost profits and/or det of reasonable royalties. As a min, stat specifies that dam may not be less than a reasonable royalty.

1. Lost Profits

*Panduit Corp v Stahlin Bros Fibre Works, 6th, 78:*

X. Proof of lost profits due to lost sales: (1) Demand for patented product, (2) Absence of acceptable non-infringing substitutes, (3) His manuf and marketing capab to exploit demand, (4) Amount of profits would have made.

X. Reasonable royalty: “Hypothetical negociation” method. When actual damages (=lost profits) can’t be proved. Def: Amount which a person, desiring to manuf and sell a patented art, would be willing to pay as a royalty and yet be able to make and sell patented art at reasonable profit.

Method: (1) Lack of acceptable non-infringing subst, (2) policy of plaintiff not to license, (3) loss of business by licensing, (4) that infringed pat gave all marketable value to infringed product.

X. NOTES: (1) On elt (2) of test of proof: pat owner must show either that (1) purchasers geny were willing to buy patented product for its advantages, or (2) specific purchasers purchased on that basis./ Once pat owner licensed pat to 3d party, 3d party’s product could then be considered a non-infringing substitute. Thus, pat owner not entitled to lost profits for period after license; but for bef, entitled only to reasonable royalty which substy matched royalty received from license to 3d party./ Replact of this elt of the test could be: lost profits based on market share.

(2) On elt (4): Def lost profits=lost revenues-incremental costs. Lost revenue=additional units x historical prices. Incremental costs=managt salaries/taxes..<focus on cost of additional prod, rather than cost of total prod.

(3) Due to specul nature of lost profits, often tough to find exact damages without taking infringer’s profit into account.
2. Reasonable Royalty

*Georgia Pacific Corp v United States Plywood Corp, 70:
X. **Lots of criterias:** P.1244 = the analytical method. Based on rate of profits that plaintiff was making *at time infringt began*, and that it reasonably anticipated it would continue to make <under stat reason royalty is altern way of recovering gen compensatory damages and it is not equitable or commensurable with actual damages computed in terms of proved lost profits.

*TWM Mfg Co Dura Corp, Fed, 86:
X. Here, the infringer’s projection of a subst gross profit was used as a baseline and was reduced by certain expenses to obtain a net projected profit figure. The assumption was then made that infringer would have been content with a standard industry profit margin. Thus reasonable royalty was set a # between anticipated net profit and standard profit.
X. Contrib infringer only paid nominal damages since the rest paid by direct infringer.

3. New Frontiers

X. **NOTES:** (1) Assessing lost profits on a product not covered by the litigated patent; *Rite-Hite, Fed, 95*, was significant in that it expanded the patentee’s ability to secure lost profits on products not covered by the patent-in-suit if the injury suffered by the patentee was or should have been reasonably foreseeable by an infringing competitor in the relevant M, broadly defined.
(2) Issue of non-infringing substitute not obstacle to recovery cause it was Rite-Hite that sold it.
(3) **Spare parts:** After Rite, lost profits on accessories, spare parts, supplies can only be recovered if factual relationship between unpatented component and patented invt.
(4) **Entire M rule:** recovery of damages based on entire M value limited to where patented feature is the basis for customer demand for the entire machine.
(5) **Mixed awards:** lost profits + reason roy poss. Gen lost profits for infringing sales patent owner proved could have made, and reason royalties for the remainder. Ex: where patent owner would have been able to sell only to some but not all of infringer’s customers.


a. Prejudgment Interest Is the rule, not the exception

**Calculation: 3 factors:** (1) I rate, (2) Method used to accrue I, (3) Pal amount to which I is applied. This I can be higher than geny established com rates, such as T-bill rate. (“risk-free” rate of return). Simple I poss or compounding I. That I applied from time infringt began.


5. Attorney Fees, Enhanced Damages, Willfulness and Notice

X. **Stat standard:** (1) Case must be exceptional, (2) Discretion of Dcourt, (3) Fees must be reasonable, (4) Awarded only to prevailing party.

**Exceptional** = require willfulness, like when infringer had actual notice. Marking of the product is a way to give notice. Willfulness depends a lot on whether losing party had opinion of counsel. Willful infringt may lead to triple damages.

X. Winning alleged infringer can have attorney fees if pat owner had (1) Ineq conduct in PTO in obtaining pat, or (2) Misconduct in litig. (like false interrogatory answer).
B. Equitable Relief

1. Preliminary Injunctions

*Smith Int'l, Inc v Hughes tool Co, Fed, 83:*

X. **Granted when:** Where validy and continuing infringt have been clearly established, immediate irreparable harm is presumed < prelim injunction.

X. Appeal of denial of injunction: must show either (1) abuse of discretion, (2) error of law, (3) seriously misjudged the evidence.

X. **NOTES:** 4 factors: to consider are whether: (1) reasonable likelihood of success, (2) irreparable harm if not granted, (3) balance of hardship tips in movant’s favor, (4) what impact will injunction have, if any, on puq I.

(1): *Likelihood of success if:* (a) he will likely prove infringt, and (2) his claim will likely withstand challenge to validy and enforceby of pat. Test is whether there’s a subst Q concerning validy + invaly def that patentee can’t prove is not subst < no prelim injunction.

(2): *Irrep harm:* presumpt when clear showing of validy and infringt. But can be rebutted by patentee delay in bringing suit; whether he practices the pat; his large M share in comparison with the alleged infringer.

(3): *Balance of hardship:* balance harm that will occur to patentee from no injunction (on M share, reput, goodwill) with the harm to alleged infringer (overall sales).

(4): *Puq I: Milwaukee:* if injunction, would close sewage plant, leaving entire community without.

2. Permanent Injunctions  S.283

X. Gen rule is that injunction will issue when infringt has been adjuged, absent good reason not to.

X. In *Schneider,* No puq I, even though without product patients forced to undergo costlier and more traumatic surgery, cause “mere preference” alone doesn’t justify denying injunction - Court convinced that cathethers are geny interchangeable.

X. Injunction here contain a 1 year transition period.

3. Stays of Injunctions

*Polaroid Corp v Eastman Kodak Co, Dct, 85:*

Same 4 factors than for prelim injunction.

**HANDOUT:** *Judin v US, Fed, 97:*