

**IM 450-01**  
**Intellectual Property Law and New Media**  
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**Patents, pt 2**

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# Top 300 Patent Owners (getters) in 2021

- <https://ipo.org/wp-content/uploads/2022/01/2021-Patent-300%C2%AE-IPO-Top-Patent-Owners-List-FINAL.pdf>

# Patent Trolls

- [What is a patent troll?](#)
- [Rise of the patent trolls](#)
- **Fighting back, trying to slow the trolls:**
  - [PatentFreedom](#)
  - [Linux Defenders](#)

Trolls are a symptom of deeper problems . . .

- **not the cause of the patent system's problems. If we had a well-designed patent system in which only high-quality patents were issued, it would be much harder for patent trolls to engage . . . abusive behaviors . . . The reason patent trolling is so profitable is that over the last quarter century the courts have expanded patenting into new areas like software and business methods, and dramatically lowered the bar for receiving a patent. As a result, patents that would have been rejected 30 years ago (like this ridiculous patent on removing white space from database entries, which IBM received earlier this month) are now routinely approved by the Patent Office. As a result, patent trolls are able to buy up low-quality patents by the truckload.**

- [Timothy Lee, Cato Institute, 2009](#)

# Plus: what's really a troll?

- **Patent Trolls & Investment Portfolios . . .**
  - **When is a troll not a troll at all?**
    - **There are many non-practicing entities (like universities) that are not trolls at all**
    - **And most corporations have lots of non-practicing patents in their portfolios**
- When is “investing in technologies” being a troll, and when is it just sound investment strategy? [it's like a duck, I know one when I see one]

# WiLANtm--a Quarterhill Company

- History: <http://www.wilan.com/company/wilanhhistory/default.aspx>

# "Apple v WiLan"

- **The U.S. District Court for the Southern District of California entered a final judgment (1) that Apple in- fringed claims 9, 26, and 27 of U.S. Patent No. 8,457,145 and claim 1 of U.S. Patent No. 8,537,757; (2) that those claims had not been proven invalid; and (3) that awarded Wi-LAN \$85.23 million in damages. Apple appeals, and Wi-LAN cross-appeals. For the following reasons, we affirm-in-part, reverse-in-part, vacate-in-part, and remand**
- **we uphold the district court's claim construction of the subscriber unit term, affirm its denial of judgment as a matter of law of noninfringement, reverse its partial summary judgment of no infringement with respect to iPhones with Intel chips, affirm its grant of a new damages trial after the first trial, vacate its denial of a new damages trial after the second trial, and remand for a new trial on damages consistent with this opinion**

# Google Infringed on Sonos Speaker Technology, Trade Court Rules

- The company will not be allowed to import products that infringe on Sonos patents, including smart speakers, video streaming devices, and some computers and phones.
- <https://www.nytimes.com/2022/01/06/technology/google-sonos-patents.html>



# **Important features from Traditional Cases**

## ***Markman v. Westview Instruments Inc.*, 517 U.S. 370 (1996)**

- **Supreme Court affirmed the Federal Circuit: what the claims of a patent mean is a task for the courts to decide as a question of law, not a question for juries to decide as a question of fact.**
- **Now District Courts to hold "Markman hearings," where the words of the disputed claims are construed by the Court.**
- **Determining whether an accused product infringes a claim of a patent is thus a two-step process.**
  - **Court construes the claims**
  - **a jury determines whether the claim fits the accused device.**

***State Street Bank & Trust Co. v. Signature Financial Group, 149 F.3d 1368 (Fed. Cir. 1998).***

- Establishes that “business methods” can be patented.
  - ◆ Must be new, non-obvious
  - ◆ Must produce a usable, concrete, tangible result.

**BILSKI ET AL. v. KAPPOS, 130 S. Ct. 3218 (2010).**

- **<http://www.supremecourt.gov/opinions/09pdf/08-964.pdf>**
- **Business method patent on a method of hedging risk in commodities trading**
- **By only 5-4, the SCOTUS upholds the validity of business methods patents and denies one to Bilski**
- **Majority Opinion: A claimed process is patent eligible if:**
  - (1) it is tied to a particular machine or apparatus, or
  - (2) it transforms a particular article into a different state or thing.
- **The patent at issue failed the test and therefore was not patent eligible**

# **Important features from New Media Cases**

***Alice Corp. Pty. Ltd. v. CLS Bank Int'l, 134 S. Ct. 2347 (2014).***

- **What if the invention is implemented by a computer?**
- **Apply computerized operations to financial analysis**
- **SCOTUS found the claims NOT patent-eligible, but did not throw out the principle of computerized business process patents.**

# Ramifications of *Alice*

- If a patent covers an implementation of an idea, the Patent Office wants proof of an inventive concept beyond that idea.
- Must add new steps or new hardware, not just conventional hardware or conventional steps.
- Can't rely on computer technology that is generic or functionally described.
- Many patent claims on software written from 1998 to 2008 may be vulnerable.

**Amazon.com v. Barnesandnoble.com, 239 F.3d 1343 (Fed. Cir. 2001).**

- **Trial court: likely that the Express Lane feature infringed Amazon's patent; granted the preliminary injunction**
- **"Federal Circuit, however, reversed. It found that while Amazon was likely to prevail on its claim of infringement, BN presented prior art evidence sufficient to cast doubt on the validity of Amazon's patent"**



# Amazon's 1-Click Patent No. 5960411

## ABSTRACT

**A method and system for placing an order to purchase an item via the Internet. The order is placed by a purchaser at a client system and received by a server system. The server system receives purchaser information including identification of the purchaser, payment information, and shipment information from the client system. The server system then assigns a client identifier to the client system and associates the assigned client identifier with the received purchaser information. The server system sends to the client system the assigned client identifier and an HTML document identifying the item and including an order button. The client system receives and stores the assigned client identifier and receives and displays the HTML document. In response to the selection of the order button, the client system sends to the server system a request to purchase the identified item. The server system receives the request and combines the purchaser information associated with the client identifier of the client system to generate an order to purchase the item in accordance with the billing and shipment information whereby the purchaser effects the ordering of the product by selection of the order button.**

# To be (one click) or not to be

- *“The 2007 USPTO ruling appeared to “downsize” the Amazon patent from 1-click® shopping to “shopping cart shopping” such that 1-click shopping that didn’t use an Internet “shopping cart” would not be a violation of Amazon’s patent.”*
- *“However, the revised patent, approved by the USPTO in 2010, does not appear to differ, substantially, from the original filing, thereby apparently “re-instating” the validity of Amazon’s claim over 1-click® shopping.”*

***Rambus Inc. v. Infineon Techs. AG*, 318 F.3d 1081 (Fed. Cir. 2003).**

- **Helps establish that participation in standards setting cooperatives can be taken into consideration in patent cases.**

# **Tivo v. Echostar (Fed. Cir. 2008)**

- **Tivo sues Echostar for infringing the '389 patent.**
  - **Hardware and software claims relating to DVR's**
- **Jury verdict in favor of Tivo**
  - **\$74 million!!!**
    - **Lost profits and reasonable royalties**
  - **Permanent injunction**
- **Take care--read on.**

# **Tivo v. Echostar (Fed. Cir. 2008)**

- **Echostar appeals to Federal Circuit:**
  - **Reverses and remands on hardware claims**
  - **Affirms software claims**
  - **Affirms damages award**
  - **Affirms permanent injunction – which had been stayed pending appeal**

# **Tivo v. Echostar**

- **2008: USSC refused the case.**
- **2009: trial judge fined Echostar an additional 103 million, plus interest.**

# **Tivo-more**

- **2009: Tivo wins another 200M. against Dish Network—roughly, same claims**
- **2009: Tivo sues AT&T . . . .BUT**
  - **Microsoft sues Tivo (on two patents)**
  - **In March 2012, they agreed to drop their claims against each other.**
- **2009: Tivo sues Verizon..... BUT**
  - **Motorola, who supplied the sets to Verizon, sues TIVO for infringement. Motorola might be seen as a patent troll in this instance.**

# Motorola Patent Litigation Since 2010

Lawsuits and patent related complaints by and against

<b>Microsoft vs. Motorola,</b> Files ITC complaint Oct 1, 2010	<b>Gemalto vs. Motorola</b> Along with HTC, Google, Samsung Oct 22, 2010	<b>Apple vs. Motorola,</b> For violating six patents Oct 30, 2010	<b>Microsoft vs. Motorola,</b> For patent license royalties Nov 9, 2010
<b>Microunity Systems Engineering vs. Motorola</b> Along with Apple, microprocessor patents Jan 27, 2011	<b>Lodsys vs. Motorola,</b> Along with Motorola Mobility, IP infringement Feb 11, 2011		<b>Ogma vs. Motorola,</b> Along with Apple, patent infringement Mar 14, 2011
<b>Imperium Holdings vs. Motorola,</b> Along with 7 others, patent infringement Mar 21, 2011	<b>Ogma vs. Motorola,</b> Along with others files ITC complaint, Apr 1, 2011	<b>Gellyfish Technology vs. Motorola,</b> Along with Motorola Mobility and 30 others, IP infringement Apr 13, 2011	
<b>Hybrid Audio vs. Motorola,</b> Along with Apple, HTC, Dell, patent infringement Apr 19, 2011	<b>Apple vs. Motorola,</b> Design patent infringement in Germany over Xoom May 27, 2011		<b>Qaxaz LLC vs. Motorola ,</b> and others, patent infringement Jun 2, 2011
<b>Arnhouse Digital Devices vs. Motorola Mobility,</b> Patent infringement Jun 16, 2011		<b>Cascades Computer Innovation vs. Motorola,</b> Along with Motorola Mobility and Samsung, patent infringement July 6, 2011	
<b>Multi-Format vs. Motorola Mobility,</b> and others, patent infringement Jul 28, 2011	<b>Advanced Digital Technologies vs. Motorola,</b> Along with Motorola Mobility and Dell, patent infringement Aug 1, 2011		

## Companies Litigating Against Motorola



## Companies Motorola's Litigating Against

<b>Motorola vs. Apple,</b> Files ITC complaint Jan 22, 2010	<b>Motorola vs. Microsoft,</b> Patent infringements found in Xbox Nov 11, 2010	<b>Motorola vs. Microsoft,</b> Files ITC complaint Nov 22, 2010
<b>Motorola vs. TiVo</b> Patent infringement Feb 11, 2011	<b>Motorola vs. Apple,</b> Patent infringement in Germany April 2011	





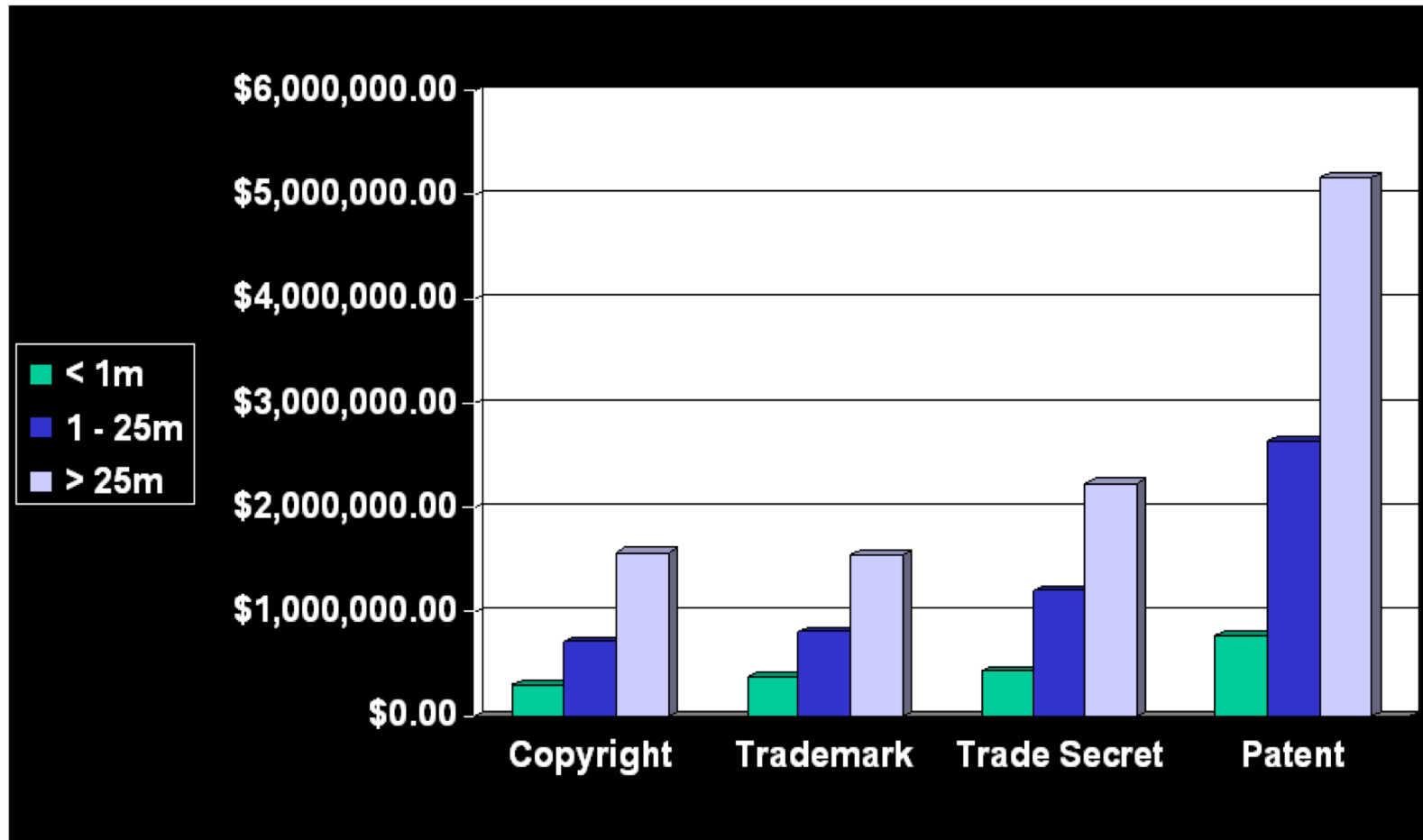
# **Top Trends In Patents**

- **Patent Reform – America Invents Act**
- **The rise of the patent troll**
- **No insurance or indemnity for patent infringement claims**
- **Patentability of isolated human genes**

# No Insurance or Indemnity for Patent Infringement Claims

- Insurance carriers reluctant to underwrite cost of indemnity and defense in patent claims.
- Why?
  - \$\$\$\$\$: patent awards can be large and are increasing; litigation costs are rising.
  - Underwriting (estimates) are difficult to make, so it's tough to set premiums (and everyone knows that insurance companies hate to lose \$).

# No Insurance or Indemnity for Patent Infringement Claims: Litigation expenses



# **No Insurance or Indemnity for Patent Infringement Claims**

- **Parties refuse to assume the responsibility to indemnify and defend other parties for third party claims arising out of patent infringement**

# The gene patent issue got complicated when the US sponsored the Human Genome Project AND a private firm jumped in

- <https://www.genome.gov/about-genomics/educational-resources/fact-sheets/human-genome-project>
- [Craig Venter](#), and his firm Celera Genomics. “Celera initially announced that it would seek patent protection on “only 200–300” genes, but later amended this to seeking “intellectual property protection” on “fully-characterized important structures” amounting to 100–300 targets. The firm eventually filed preliminary (“place-holder”) patent applications on 6,500 whole or partial genes.”

# Patentability of Isolated Human Genes

- Association for *Molecular Pathology v. Myriad Genetics*, Fed. Cir. 8-16-2012
  - Patent composition claims over “isolated” human genes – BRCA1 and BRCA2 – are patent eligible
    - Non-naturally occurring compositions of matter
  - Method claims directed to “comparing” or “analyzing” DNA sequences are patent eligible

# **Human Genes May Not Be Patented, US Supreme Court Ruled Today**

**13 Jun 2013**

**The US Supreme Court ruled today that naturally-occurring human genes may not be patented**

**Writing for a unanimous court, Justice Clarence Thomas explained that a naturally-occurring DNA segment is a product of nature, it is not a human invention, and is thus not eligible for patent just because scientists isolated it.**

**but a gene that is manipulated to create something that does not exist in nature may be patented, because it is an invention.**

**if a gene is manipulated in a way that it becomes something unnatural, something we cannot find in nature, then it is an invention and is eligible for patent protection.**

Though it looked like the company “lost,” they did not. The question has to be settled for every aspect of every gene-related patent.

The main question for the Supreme Court justices in this case ["Association for Molecular Pathology v. Myriad Genetics No. 12-398"](#) was whether the genes the company isolated are human-made inventions or products of nature. A product of nature is not eligible for patent protection, while a human-made invention is.

In a communiqué today, Myriad Genetics Inc. wrote that the ruling has given it 500 valid and enforceable claims in 24 different patents conferring strong patent protection for its BRAC Analysis test.

Several of the company's unchallenged claims are method claims applying knowledge regarding the BRCA 1 and BRCA 2 genes, which were not at issue in this case. However, the Court highlighted Judge Bryson's opinion that "[a]s the first party with knowledge of the [BRCA1 and BRCA2] sequences, Myriad was in an excellent position to claim applications to that knowledge."

It's difficult to tell, in this (and many cases) which is the “battle” and which is the “war.”



# Australian court says genes can be patented

Feb 15 2013

An Australian federal judge has [ruled](#) that because the BRCA1 cancer gene has been "isolated" from the human body, it's appropriate to grant a patent on it. "The disputed claims extend only to naturally occurring DNA and RNA which have been extracted from cells obtained from the human body and purged of other biological materials with which they were associated," wrote the judge.

That's the exact opposite of the finding by the judge who heard the US case, who agreed with various doctors' groups and the ACLU that the whole idea of "isolating" genes really doesn't change the calculus. The patent holder was effectively demanding a monopoly on any doctors who viewed the gene, and that was unacceptable. The genetics company [lost](#) at district court, [won](#) at the patent-friendly US Court of Appeals for the Federal Circuit, and now has its [case headed](#) to the US Supreme Court.

The patent-holder in the case is the same one that claims to own the BRCA1 gene in the US, Utah-based Myriad Genetics. (Hat tip to [Techdirt](#).) The case was brought by an Australian advocacy group, [Cancer Voices Australia](#). Today's Australian ruling could be appealed to a three-judge panel, which would have the final say unless the case went to the [High Court of Australia](#), the equivalent of the US Supreme Court.

The BRCA1 and BRCA2 genes are important because they can predict a woman's likelihood of contracting breast or ovarian cancer. In the US, the Myriad test can cost upwards of \$3,000 and isn't always covered by insurance. In Canada, where Myriad has [threatened](#) but failed to enforce its patent, doctors have been able to offer test results for one-third of the US cost, and get results far quicker.

The politics of these gene patents in Australia differ from the US. One reason the ACLU targeted Myriad in the US was because of Myriad's vigorous [enforcement](#) efforts. The company sent cease-and-desist letters to researchers and threatened lawsuits. In Australia, Myriad [outsourced](#) its patent to a Melbourne company, which "gifted" the patent rights to many health care institutions and promised not to demand royalties for testing.