

Preface

The past three years have brought numerous developments affecting the validity, scope, and interpretation of U.S. patents. For example, in the final days of its 2010 term, the U.S. Supreme Court rendered its long-awaited decision in *Bilski v. Kappos*, holding out the possibility that so-called “business method” inventions can be patented as long as they are not an abstract idea. The Court scuttled yet another bright-line rule created by the Federal Circuit—the so-called “machine or transformation” test—but made clear that such a test could be an important “investigative tool” in determining whether a method claim recites patent-eligible subject matter. Other decisions involving computer-related and medical diagnostic inventions have started to flesh out the boundaries of this changing area of patent law. The U.S. Patent and Trademark Office has struggled to keep up with these changes, causing consternation among patent applicants and patent attorneys alike.

As this supplement went to press, the U.S. Supreme Court also waded into the arcane area of invention agreements, holding in 2011 in *Board of Trustees of Leland Stanford Junior University v. Roche Molecular Systems* that an improperly drafted agreement between a university and one of its researchers divested the university of its patent rights. The Federal Circuit had earlier reached the same conclusion, as explained in this year’s supplement.

Other court decisions have continued to chip away at the viability of means-plus-function clauses in patent claims, leading to a further erosion of their usefulness. For example, in *Blackboard, Inc. v. Desire2Learn Inc.*, the Federal Circuit held that patent applicants may not support a means-plus-function clause with the mere disclosure of “a black box that performs a recited function.”

The Federal Circuit also recently restricted the reach of 35 U.S.C. § 271(f), concluding in *Cardiac Pacemakers, Inc. v. St. Jude Medical, Inc.* that its earlier precedent should be overruled. Consequently, exporting a component overseas that can be used in practicing a U.S.-patented method no longer gives rise to infringement liability under that section of the statute. The court also clarified its conflicting precedent regarding whether product-by-process claims are limited to products actually produced by the recited process. In *Abbott Laboratories v. Sandoz, Inc.*, it concluded that such

claims are indeed limited by the recited process, and that infringement cannot be found unless the product was produced by the recited process.

The Federal Circuit's decisions in *Muniauction Inc. v. Thomson Corp.*, *Golden Hour Data Systems v. emsCharts Inc.*, and *Akamai Technologies, Inc. v. Limelight Networks* have focused attention on drafting method claims in such a way that the method steps are performed solely by a single entity. Failure to do so may lead to a claim that is impossible to infringe and therefore useless. And that court's en banc decision in *Egyptian Goddess v. Swisa* completely overhauled the test for infringement of design patents. Additionally, the Supreme Court's ruling in *Quanta Computer v. LG Electronics*, which substantially expanded the patent exhaustion doctrine, has also raised questions about the rights of patent owners to control downstream uses of patented components.

Attempts by patent applicants to obtain overly broad claim scope may be met with resistance at the Federal Circuit, which in *ICU Medical, Inc. v. Alaris Medical Systems, Inc.*, concluded that claims that omitted a "spike" were invalid because the patent specification failed to describe such "spikeless" claims. And the Federal Circuit finally declared en banc in *Ariad Pharmaceutical v. Eli Lilly* that the written description and enablement requirements of the patent statute are distinct and separate, leading to the possibility that broad genus claims may be enabled but not supported by the written description of the patent.

In addition to chipping away at the rights of patent owners, the Federal Circuit has also recently opened the door to increased liability by patent owners for mismarking patent numbers on articles. Following its 2009 decision in *The Forest Group, Inc. v. Bon Tool Co.*, imposing mismarking liability for every article sold by the patent owner, and its 2010 decision in *Pequignot v. Solo Cup Co.*, holding that marking expired patents can give rise to liability, a flood of patent "mismarking" lawsuits has been filed against hundreds of companies.

Finally, following the U.S. Supreme Court's decision in *KSR v. Teleflex*, the Federal Circuit has continued to gradually make it easier to challenge the validity of patents on obviousness grounds, upholding "common sense" and "obvious-to-try" rationales for invalidating patent claims.

All of these decisions, and many others, have had an impact on the way patents are drafted and prosecuted at the PTO. This supplement explains the import of these and other developments on patent drafting strategies and provides guidance for maximizing the validity and scope of the resulting patents.

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Washington, D.C.
September 2011