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## SUPREME COURT CASES

### **The Supreme Court Denies Cert Challenging the Use of Third-Party Registrations and Website Printouts as Evidence of Actual Use**

The U.S. Supreme Court denied New Millennium Sports, S.L.U.'s (New Millennium) writ to review the Federal Circuit's holding overturning a decision by the Trademark Trial and Appeal Board (TTAB). New Millennium is a Spanish company that owns a trademark with an animal paw print element and the word "KELME" in connection with sports clothing. In 2009, Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA (Jack Wolfskin) applied for a trademark with a paw print design in connection with clothing. New Millennium filed an opposition against Jack Wolfskin in 2010.

The TTAB sustained New Millennium's opposition, finding that consumers are likely to confuse the parties' marks. The TTAB also refused to cancel New Millennium's mark. Jack Wolfskin appealed. In 2015, the Federal Circuit affirmed the TTAB with respect to the refusal to cancel New Millennium's mark but reversed the TTAB with respect to New Millennium's opposition. Specifically, the Federal Circuit disagreed with the TTAB's finding that the "other marks in use" factor was neutral. Instead, the Federal Circuit concluded that this factor demonstrates that New Millennium's mark is relatively weak because numerous third-parties have registered and used paw print designs in connection with clothing. Thus, the Federal Circuit held that there is no likelihood of confusion.

New Millennium filed a petition challenging the Federal Circuit's holdings. First, it contended that third-party registrations do not constitute evidence of actual use under prior case law. Second, it stated that the Federal Circuit improperly relied on third-party website printouts. It claimed that without proper authentication, such printouts lacks probative value and cannot demonstrate actual use. The Supreme Court denied the cert petition without explanation, leaving the Federal Circuit's holdings intact.

*New Millennium Sports, S.L.U., v. Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA*, Case No. 15-660 (U.S. Supreme Court, Jan. 25, 2016).

- Author: [Yimeng Dou](#)

## FEDERAL CIRCUIT CASES

### **Claims for Pre-issuance Damages Require Actual Notice of and Substantially Identical Claims between the Published Application and the Issued Patent**

In a case of first impression involving actual notice under 35 U.S.C. §154(d), the Federal Circuit affirmed the district court's grant of summary judgment denying Plaintiff's claim for pre-issuance damages.

Section 154(d), a rarely invoked statute, provides for damages that take place before a patent issues if the infringer had actual notice of the published application. Although actual notice is required, Section 154(d) does not specify what constitutes actual notice.

Adobe argued that actual notice requires Rosebud to provide notice about the published patent application to Adobe, which it did not do. Rosebud argued that Adobe had constructive notice of the published patent application based on the parties' prior litigation involving the published application's parent and grandparent patents.

The court rejected Rosebud's argument because actual notice requires more than mere knowledge of the related patents. But the court stopped short of requiring an affirmative act by an applicant to give notice to an accused infringer (*c.f.* 35 U.S.C. § 287). The panel judges also read actual notice to require notice of the claims because

without it, the accused infringer cannot know the claimed invention. Under this reading, giving notice of only the specification (e.g., from related applications or patents) is insufficient to establish actual notice.

*Rosebud LMS Inc v. Adobe Sys., Inc.* (Fed. Cir. Feb. 9, 2016) (Moore, Hughes & Stoll, JJ.).

- Author: [Alex Chan](#)

## **PTAB Not Required to Review All Patent Claims Challenged in IPR Petition**

The Federal Circuit, in a 2-1 opinion, recently affirmed the Patent Trial and Appeal Board's (PTAB) regulation that the PTAB only has to provide a written opinion on the claims actually instituted for inter partes review, not on every claim raised in the original IPR petition. Petitioner Synopsys submitted an IPR petition to invalidate a number of claims in Mentor's patent—the same patent asserted against Synopsys in litigation. The PTAB instituted the IPR on roughly half of the submitted claims and ultimately invalidated only three claims. Synopsys appealed and argued that the AIA requires a written opinion by the PTAB on *all* claims submitted in the original petition, not just those claims instituted by the PTAB for review. The Federal Circuit rejected Petitioner's argument, noting the AIA "is quite clear that the PTO can choose whether to institute inter partes review on a claim by claim basis." After that initial decision by the PTAB, the court held the AIA only requires the PTAB to provide a written opinion on "challenged" claims—"claims for which inter partes review was instituted." The Federal Circuit recognized "the statute would make little sense if it required the Board to issue final decisions addressing patent claims for which inter partes review had not been initiated."

*Synopsys v. Mentor Graphics, Corp.*, C. A. No. 14-1516, 14-1530 (Fed. Cir. Feb. 10, 2016)

- Author: [James Duncan](#)

## **Federal Circuit Reluctantly Applies Mayo and Denies Petition for Rehearing en banc in Medical Diagnostic Case**

On December 2, 2015, the Federal Circuit denied a petition for rehearing en banc to consider whether a three-judge panel had correctly affirmed a judgment of invalidity under 35 U.S.C. § 101. The court determined that although the nature of the claimed invention is such that it should be patentable, the Federal Circuit's hands are tied by the Supreme Court's two-part test in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289 (2012). The court also expressed concern about the implications of decisions like this on medical diagnostics patents: Judge Lourie stated, "[i]t is said that the whole category of diagnostic claims is at risk. It is also said that a crisis of patent law and medical innovation may be upon us, and there seems to be some truth in that concern."

The claims-at-issue were "directed to methods for detecting paternally-inherited fetal DNA in maternal blood samples, and performing a prenatal diagnosis based on such DNA." Applying the Supreme Court's two-step framework to § 101, the court found that the claims were directed to a natural phenomenon and failed to include an "inventive concept sufficient to 'transform' the claimed naturally occurring phenomenon into a patent-eligible application." *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1376 (Fed. Cir. 2015) (quoting *Mayo*).

Judges Lourie and Dyk each wrote concurring opinions that agreed with the court application of the *Mayo* framework but proposed alternative approaches to preserve the patentability of such valuable work—including possible further refinement of the standard by the Supreme Court. For example, Judge Lourie wrote, "[t]he claim to this invention...might have been better drafted as a...Jepson claim, which recites what is in the prior art and what is the improvement." Judge Dyk expressed concern that "there is a problem with *Mayo* insofar as it concludes that inventive concept cannot come from discovering something new in nature." He proposed "allowing narrow claims that have been actually reduced to practice when those claims embody an inventive, newly discovered law of nature..." and asserted that a "future case is likely to present a patent claim where the inventive concept resides in a newly discovered law of nature or natural phenomenon, but the claim is narrowly drawn and actually reduced to practice." Such a claim, he suggested, may allow "the Supreme Court...an opportunity to revisit the *Mayo*/*Alice* framework in this one limited aspect."

*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 2015 U.S. App. LEXIS 20842 (Fed. Cir. Dec. 2, 2015) (en banc).

- Author: [Michael Kahn](#) and Law Clerk Matt Weiss (not admitted to practice) co-wrote this article.

## **PATENT TRIAL AND APPEAL BOARD**

### **PTAB Institutes IPR and Grants Joinder of Patent Asserted Against Apple**

On February 4, 2016, the Patent Trial and Appeal Board instituted inter partes review of a patent asserted by VirnetX Inc. against Apple Inc. The petitioner, Black Swamp IP LLC, requested an IPR of U.S. Patent No. 7,490,151 and also requested joinder with an IPR filed by Mangrove Partners Master Fund, Ltd. that was instituted against the same patent.

The PTAB stated that it would institute the IPR for the same reasons it had instituted the IPR filed by Mangrove Partners Fund. The patent owner, VirnetX, argued that Black Swamp's petition would prejudice VirnetX and

accused Black Swamp's petition of being "an attempt at extortion." VirnetX also argued that allowing joinder would "tip the scale of resources" in favor of the petitioner. The PTAB was not persuaded by VirnetX's arguments.

The day before the PTAB's decision, a jury in the Eastern District of Texas awarded VirnetX a \$625.6 million verdict against Apple in a case involving the '151 patent and three other patents. The claims of the '151 patent were asserted against Apple products with VPN on demand functionality.

*Black Swamp IP LLC v. VirnetX Inc.*, IPR2016-00167 (PTAB Feb. 4, 2016) [Siu (opinion), Tierney, Easthom].

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