

AMERICA INVENTS ACT and other topics

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SPIVAK

Philippe Signore



October 2012

Proposed Patent Fees

- To be implemented in 2013-14
 - ❖ Fees intended to provide incentive for efficient examination
- Total fees for patent application filing, search, and examination **increased** from \$1,250 to \$1,600
- The **\$300** publication fee of to be **eliminated**
- The issue fee **lowered** to \$960 from \$1740 (50% decrease, effective 1/1/2014).
- First RCE **increased** to \$1,200 from \$920
- **Second** and subsequent RCEs up to \$1,700 from \$920

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OVERVIEW

- **Proposed Fees**
- Declarations, Assignments and Power-of-Attorneys
- Pros/Con of First Inventor to File

- *Apple v. Samsung*

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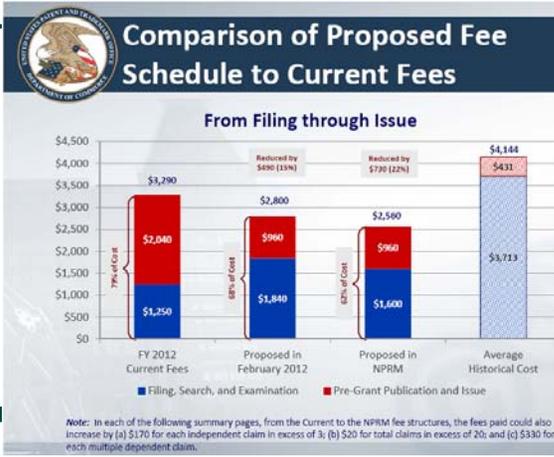
Proposed Patent Fees

- Appeal (notice of appeal + appeal brief) cost lowered from its current level of \$1,240 to \$1,000
- However, the appeal filer would incur a new **additional \$2,000** fee if the examiner does not withdraw the rejection and the applicant files an appeal brief
- Total fees for the three maintenance stages—at 3.5, 7.5, and 11.5 years—would be \$11,600, an **increase of 45 %** above the current total payment

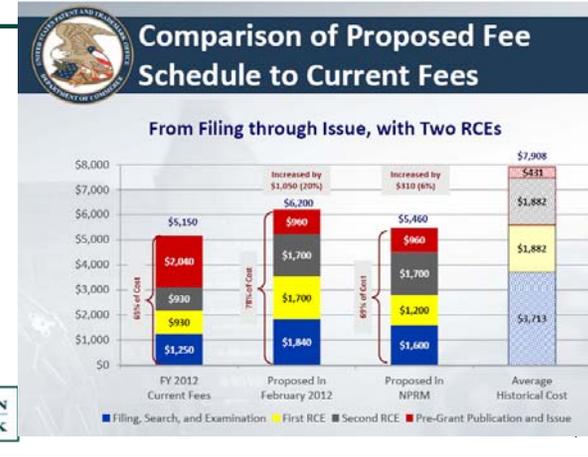
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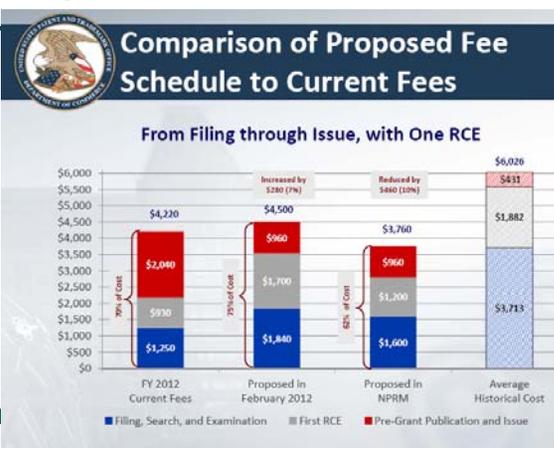
Proposed Patent Fees



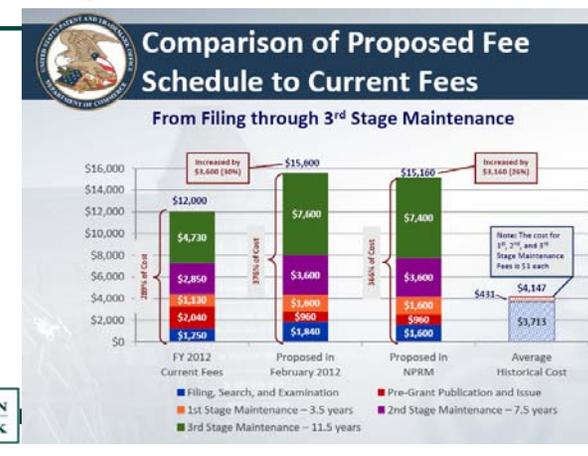
Proposed Patent Fees



Proposed Patent Fees



Proposed Patent Fees



Proposed Patent Fees Recommendations

- Avoid 2nd, 3rd ... RCE's and appeals
 - ❖ Revise claims before examination starts to comply with US format
 - ❖ Interview examiner early
 - ❖ Clarify intended claim interpretation early
 - ❖ Identify acceptable limitations early
 - ❖ Include non-obvious dependent claims
- Manage portfolio of patents to avoid unnecessary expensive maintenance fees



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Declarations, Assignments and Power-of-Attorneys

- A **new** inventor's declaration is required for applications filed on or after September 16, 2012
 - ❖ Even if application claims the benefit of an application (U.S. or non-U.S) filed before September 16, 2012
 - In the future, only required to submit in **div/cont** application a **copy** of the inventor's declaration from the parent application, when the parent was filed **on or after** September 16, 2012.



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New Declarations PCT National Stage Applications

- The U.S. filing date of an **international** application designating the United States is its international filing date under article 11 of the PCT.
 - ❖ A U.S. national stage application with an international filing date **before** September 16, 2012, must continue to use the **old** inventor's declaration form.
 - ❖ A U.S. national stage applications with an international filing date **on or after** September 16, 2012, must use a **new** inventor's declaration form



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The “Applicant”

- Under the AIA, an assignee may make an application as the “applicant”
- “Applicant” is no longer required to be the inventors

The “Applicant”

- Revised PCT request form no longer distinguishes U.S. applicants.

Box No. II APPLICANT <input type="checkbox"/> This person is also inventor	
Name and address: (Family name followed by given name, for a legal entity, full official designation. The address must include postal code and name of country. The country of the address indicated in this Box is the applicant's State (that is, country) of residence if no State of residence is indicated below.)	
Telephone No.	Facsimile No.
Applicant's registration No. with the Office	
E-mail authorization: Marking one of the check-boxes below authorizes the receiving Office, the International Searching Authority, the International Bureau and the International Preliminary Examining Authority to use the e-mail address indicated in this Box to send notifications issued in respect of this international application to that e-mail address if those offices are willing to do so.	
<input type="checkbox"/> as advance copies followed by paper notifications; or <input type="checkbox"/> exclusively in electronic form (no paper notifications will be sent).	
E-mail address:	
State (that is, country) of nationality:	State (that is, country) of residence:
This person is applicant for the purposes of: <input type="checkbox"/> all designated States <input type="checkbox"/> the States indicated in the Supplemental Box	

The “Applicant”

- Sample PCT Request form (pre-AIA):

Box No. II APPLICANT <input type="checkbox"/> This person is also inventor	
Name and address: (Family name followed by given name, for a legal entity, full official designation. The address must include postal code and name of country. The country of the address indicated in this Box is the applicant's State (that is, country) of residence if no State of residence is indicated below.)	
Telephone No.	Facsimile No.
Applicant's registration No. with the Office	
E-mail authorization: Marking one of the check-boxes below authorizes the receiving Office, the International Searching Authority, the International Bureau and the International Preliminary Examining Authority to use the e-mail address indicated in this Box to send notifications issued in respect of this international application to that e-mail address if those offices are willing to do so.	
<input type="checkbox"/> as advance copies followed by paper notifications; or <input type="checkbox"/> exclusively in electronic form (no paper notifications will be sent).	
E-mail address:	
State (that is, country) of nationality:	State (that is, country) of residence:
This person is applicant for the purposes of: <input type="checkbox"/> all designated States <input type="checkbox"/> all designated States except the United States of America <input type="checkbox"/> the United States of America only <input type="checkbox"/> the States indicated in the Supplemental Box	

Inventor's Declaration: Requirement

- 35 U.S.C. § 115 requires for each inventor:
 - I. an oath or **declaration** by the inventor;
 - II. an **assignment** containing the new statutorily mandated statements for a declaration by the inventor (assignment-statements); **or**
 - III. a **substitute statement**

I. Inventor's Declaration: Content

- A declaration must state that:
 - ❖ The inventor believes himself or herself to be the **original** inventor or an original joint inventor of a claimed invention in the application.
 - Pre-AIA: applicant believes himself to be the original **and first** inventor

I. Inventor's Declaration: Content

- An inventor declaration is **no longer** required to include:
 - ❖ the names of **every** inventor;
 - ❖ each inventor's **citizenship, and mailing/residence addresses**
 - ❖ foreign **priority claims**
- Included instead on an **application data sheet (ADS)**

I. Inventor's Declaration: Content

- The inventor's declaration must also:
 - ❖ identify the application to which it is directed; and
 - ❖ contain an acknowledgment that any willful false statement made in the declaration or statement is punishable by fine or imprisonment **of not more than 5 years, or both.**

I. Inventor's Declaration: Content

DECLARATION (37 CFR 1.63) FOR UTILITY OR DESIGN APPLICATION USING AN APPLICATION DATA SHEET (37 CFR 1.76)

Title of Invention	
As the below named inventor, I hereby declare that:	
This declaration is directed to:	<input type="checkbox"/> The attached application, or
	<input type="checkbox"/> United States application or PCT international application number _____ filed on _____
The above-identified application was made or authorized to be made by me.	
I believe that I am the original inventor or an original joint inventor of a claimed invention in the application.	
I hereby acknowledge that any willful false statement made in this declaration is punishable under 18 U.S.C. 1001 by fine or imprisonment of not more than five (5) years, or both.	

II. Assignment-Statements: Content

- An assignment may also serve as a declaration if:
 - ❖ the executed assignment contains the information required for an inventor's declaration; and
 - ❖ a copy of the executed assignment is recorded in the PTO's assignment database
- Inventor can sign a combined declaration/assignment (recommended)
 - ❖ Single form to be signed by each inventor



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Inventor's Declaration: Timing

- An applicant may postpone filing an inventor's declaration (or substitute statement) until the Office issues a Notice of Allowability (NoA)
- After NoA, the applicant has **three months** to file the declaration to avoid abandonment.
 - ❖ This time period is not extendable



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III. Substitute Statement

- A substitute statement is permitted in lieu of an inventor's declaration where the inventor is:
 - i. deceased;
 - ii. legally incapacitated;
 - iii. unable to be found or reached after diligent effort; or
 - iv. under an obligation to assign the invention but refuses to execute an oath or declaration.



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Power of Attorney

- Can file a Power of Attorney by Applicant Assignee (recommended)
 - ❖ Will be used as a **general** POA for all future applications filed by same assignee
 - No need of any other POA (cont., div, unrelated)
 - ❖ Easy to add new inventor without new POA
 - ❖ PTO will **not** accept POA from inventors, thus Assignee controls POA



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First-Inventor-To-File Provisions

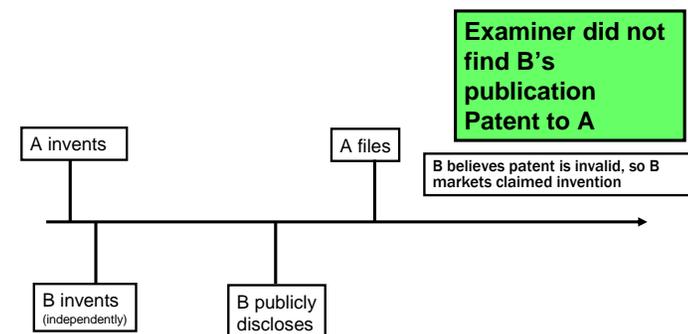
- | | |
|---|---|
| <ul style="list-style-type: none"> ➤ <u>Pros</u> ➤ No more Hilmer doctrine: <ul style="list-style-type: none"> ❖ US patent documents become prior art as of priority date ❖ No need to file provisional applications ➤ Can file PCT applications in language other than English and create prior art as of earliest priority date ➤ International grace period: one year prior from non-U.S. priority date | <ul style="list-style-type: none"> ➤ <u>Cons</u> ➤ No more Hilmer doctrine <ul style="list-style-type: none"> ❖ More prior art considered against your claims <ul style="list-style-type: none"> ➤ Even for obviousness ➤ First to disclose provision may create uncertainty regarding the validity of issued patent <ul style="list-style-type: none"> ❖ May enable patent owner to remove prior art |
|---|---|

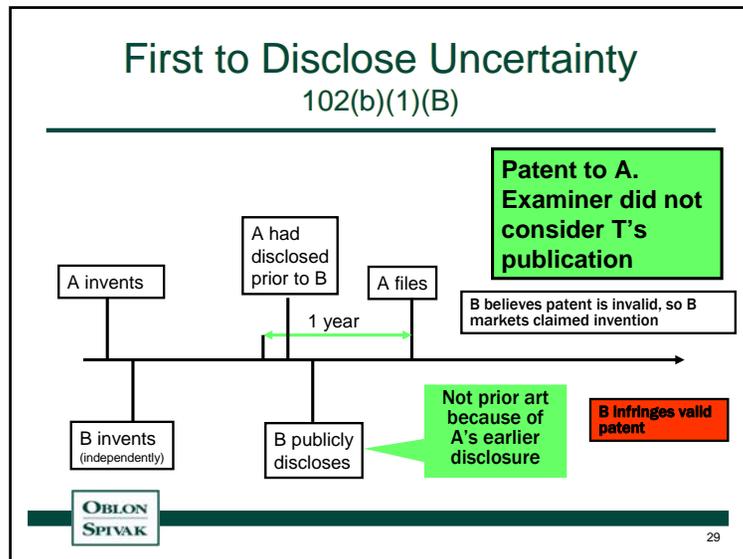
First-Inventor-To-File Provisions

- | | |
|--|--|
| <ul style="list-style-type: none"> ➤ <u>Pros</u> ➤ Generally: simplified definition of prior art, closer to European system <ul style="list-style-type: none"> ❖ No more complexity of proving a date of invention (conception, diligence, reduction to practice, etc..) ❖ No more interferences ❖ No more geographical conditions | <ul style="list-style-type: none"> ➤ <u>Cons</u> ➤ Generally: new law, no case law = uncertainty and instability <ul style="list-style-type: none"> ❖ Does “on sale” require public accessibility of the invention? ❖ What is “a disclosure” under grace period exception provisions? ➤ Grace period provisions maintain some complexity <ul style="list-style-type: none"> ❖ Lack of harmonization |
|--|--|

First to Disclose Uncertainty

102(b)(1)(B)





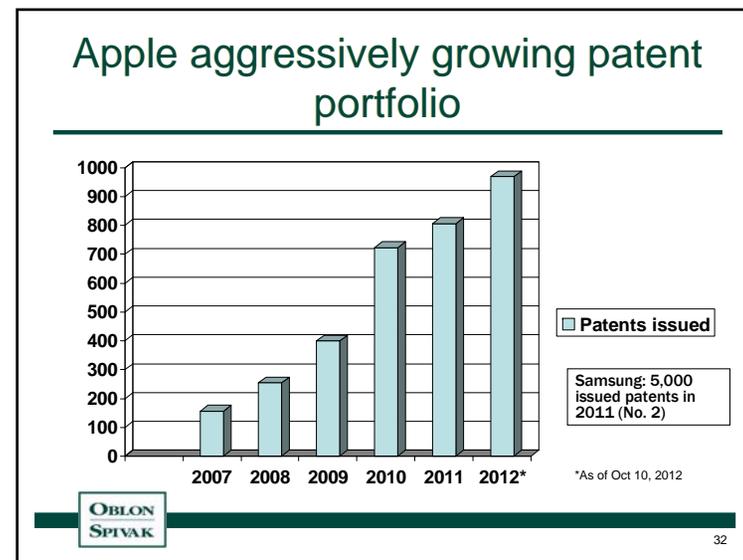
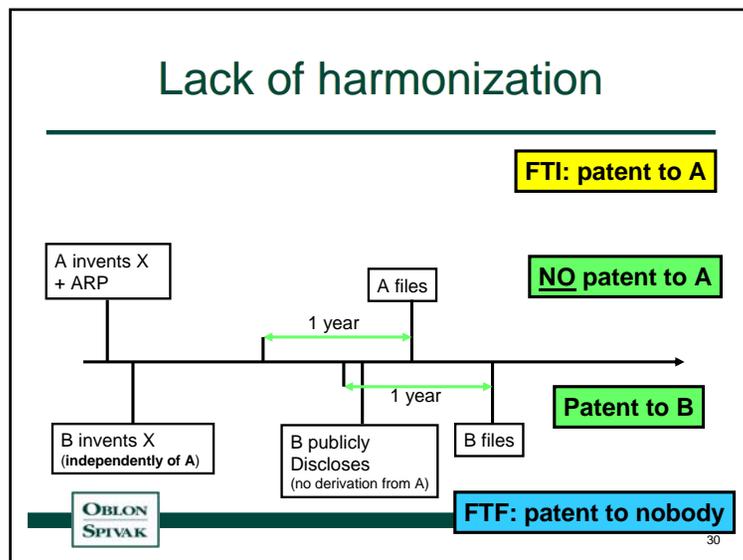
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Apple aggressively growing design patent portfolio

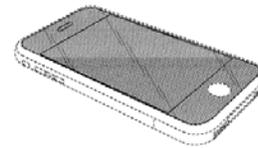
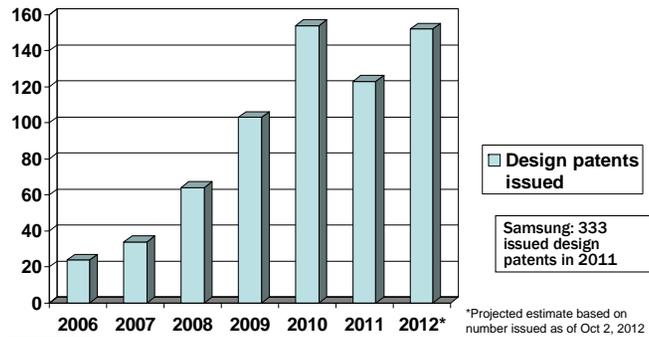


FIG. 1



FIG. 19

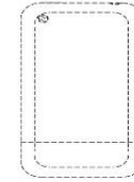


FIG. 20



FIG. 23



FIG. 24



FIG. 21



FIG. 22

Examples of Apple's Design Patents

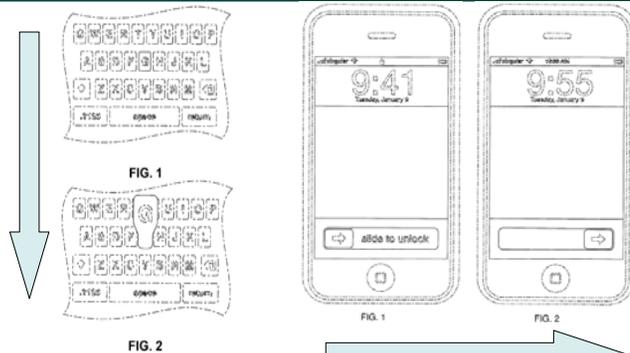


FIG. 1

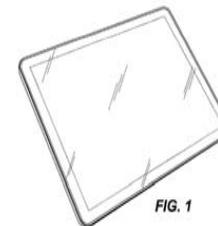


FIG. 1



FIG. 2

Apple v. Samsung Litigation

15 UNITED STATES DISTRICT COURT
 16 NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION
 17
 18 APPLE INC., a California corporation,
 Plaintiff,
 19 vs.
 20 SAMSUNG ELECTRONICS CO., LTD., a
 21 Korean business entity; SAMSUNG
 22 ELECTRONICS AMERICA, INC., a
 New York corporation; SAMSUNG
 23 TELECOMMUNICATIONS
 AMERICA, LLC, a Delaware limited liability
 company,
 24 Defendants.
 25

CASE NO. 11-cv-01846-LHK

SAMSUNG ENTITIES' ANSWER,
 AFFIRMATIVE DEFENSES, AND
 COUNTERCLAIMS TO APPLE INC.'S
 AMENDED COMPLAINT; AND
 DEMAND FOR JURY TRIAL

April 15, 2011



July 2011: Apple Requests a Preliminary Injunction

- Request is based on **4 design patents** and 1 utility patent
- Request filed against
 - ❖ Galaxy S 4G
 - ❖ Infuse 4G
 - ❖ Droid Charge
 - ❖ Galaxy Tab 10.1



Apple Asserts Multiple IP Rights

- Apple alleges infringement by Samsung of:
 - ❖ Utility patents
 - Covering multi-touch surfaces and scrolling operations and relate to the design of the user interface
 - ❖ Design patents
 - Covering graphical user interfaces and electronic devices
 - ❖ Trade dress and trademarks
 - For the iPhone and iPad



Apple Requested a Preliminary Injunction Based on the 'D087 Patent

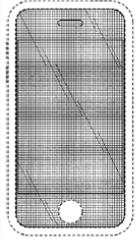
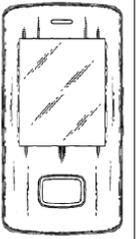
'D087	Galaxy S 4G	Infuse 4G	D563,929 (LG)	D498,754 (Alloy)

Apple's claimed design

Accused Devices: Would an ordinary purchaser be confused?

Prior Art Used to provide context when determining infringement of a design patent

Apple Requested a Preliminary Injunction Based on the 'D677 Patent

'D677	Galaxy S 4G	Infuse 4G	D563,929 (LG)	D498,754 (Alloy)
				
Apple's claimed design	Accused Devices: Would an ordinary purchaser be confused?		Prior Art Used to provide context when determining infringement of a design patent	

Dec 2011: District Court Denies Preliminary Injunction

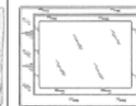
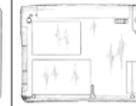
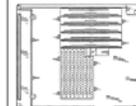
➤ Judge Lucy Koh applies the four factors from *Wintor v. Natural* (Sup. Ct. 2008):

- ❖ Likelihood of success on the merits (infringement & validity)
- ❖ Likely to suffer irreparable harm
- ❖ Balance of equities
- ❖ Public interest



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Apple Requested a Preliminary Injunction Based on the 'D889 Patent

'D889	Galaxy Tab 10.1	D451,505 (Hitachi)	D345,346 (IBM)
			
			
			



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Dec 2011: District Court Denies Preliminary Injunction

Factor	U'381 (bounce back)	D'087	D'677	D'899 (tablet)
Merits	YES	<u>NO</u>	YES	<u>NO</u>
Irr. Harm	<u>NO</u>	Not addressed	<u>NO</u>	YES
Equity	Apple	Not addressed	Samsung	Not addressed
Public	Apple	Not addressed	Neutral	Not addressed



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May 2012: CAFC Reviews District Court Decision

Factor	U'381 (bounce back)	D'087	D'677	D'899 (tablet)
Merits	YES	<u>D. Ct: NO</u> <u>CAFC: YES</u>	YES	<u>D. Ct: NO</u> <u>CAFC: YES</u>
Irr. Harm	<u>D. Ct: No</u> <u>CAFC: No</u>	D. Ct.: Not addressed CAFC: <u>NO</u>	<u>D. Ct: No</u> <u>CAFC: No</u>	<u>YES</u>
Equity	Apple	Not addressed	Samsung	CAFC remands
Public	Apple	Not addressed	Neutral	CAFC remands

May 2012: CAFC Reviews Irreparable Harm

- Apple could only present evidence that the design of **smartphones** had “some affect” on an “insignificant amount” of sales
- But Apple presented evidence that the design of **tablets** “mattered more to customers” in making purchases
- Evidence that Samsung employees believed that Samsung products needed the claimed feature to compete was “relevant” but “not dispositive”

May 2012: CAFC Reviews Irreparable Harm

- Irreparable harm requires a connection (“causal nexus”) between the infringement and the economic (“market based”) harm
- The claimed feature must drive consumer demand for the accused product
 - ❖ Otherwise, “sales would be lost even if the offending feature were absent from the accused product.”

May 2012: CAFC Reviews Irreparable Harm

- Harm to reputation, distinctiveness (“design erosion”), goodwill (“brand dilution”) can be caused by infringement, but must be supported by evidence
 - ❖ Apple failed to provide such evidence
- Delays in seeking preliminary injunction is a factor against irreparable harm
 - ❖ Date of patent vs. start date of infringement
 - ❖ Apple waited over a year to request preliminary injunction with respect to earlier Samsung models

August 2012: Jury calculates damages to compensate for infringement

- 35 USC 284 – For **utility and design** patents:
 - ❖ Established royalty
 - ❖ **Patentee's** lost profits
 - ❖ No less than "reasonable royalty"
 - 35 USC 289 – For **design** patents:
 - ❖ Patentee can get **infringer's** "total profit" for sales of infringing product
 - ❖ **Instead** of damages under 35 USC 284
- Jury awarded \$1.05 billion



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Sept. 2012: Apple requested a permanent injunction

- Apple will have to show:
 - ❖ Irreparable harm
 - ❖ Damages are not adequate
 - ❖ Balance of equity
 - ❖ Public Interest



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Sept. 2012: Apple requested enhanced damages

- For willful infringement of **utility** patents and trade dress: \$535M
- Supplemental damages for infringements occurring since Jury considered evidence: \$121M
- Interests to offset delay until Apple is paid: \$50M



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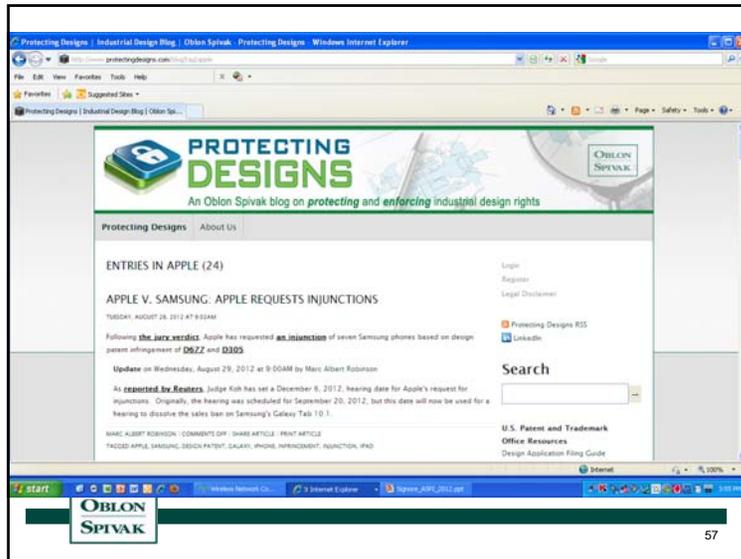
What's Next?

- Nov-Dec 2012 – District Court decision on enhanced damages
- Dec 2012 – District Court decision on Injunction
- 2013 – Appeal at the CAFC

- Oct 2013 – Update for ASPI?



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AMERICA INVENTS ACT



Philippe Signore

THANK YOU FOR YOUR ATTENTION

October 2012

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A graphic slide with a white background. At the top, a green horizontal bar contains the text 'AMERICA INVENTS ACT' in white, bold, sans-serif font. Below this, the 'OBLON SPIVAK' logo is centered, consisting of the firm name in a serif font inside a rectangular border. To the right of the logo, a green, tilted rectangular box contains the text 'THANK YOU FOR YOUR ATTENTION' in white, bold, sans-serif font. Below the logo, the name 'Philippe Signore' is written in a black, sans-serif font. At the bottom right, the date 'October 2012' is displayed. A green horizontal bar at the very bottom contains the page number '58'.