

## INTELLECTUAL PROPERTY LAW IN 2012

With another successful year in 2012, we are stepping back to consider some of the highlights in intellectual property law and our IP practice. The continued implementation of the America Invents Act has led to new thinking about patent strategy and the use of various post-grant proceedings. The courts and practitioners have continued to wrestle with the scope of patentable subject matter, direct and indirect infringement, inequitable conduct, damages, and other issues. At the same time, the intersection of IP and other areas of law continues to expand, such as with the scrutiny concerning the adequacy of disclosures of patent rights during standards-setting. Our IP practice has been active in these and other areas.

### IP DEPARTMENT OFFERS STRATEGIC GUIDANCE ON AMERICA INVENTS ACT

The passage last year of the America Invents Act (AIA) ushered in the most significant changes in US patent laws since the Patent Act of 1952, and WilmerHale's IP Department is working to ensure that all of our clients are aware of the strategic implications of these changes.



The AIA altered the procedures and standards for obtaining a patent in the United States and created new procedures and standards for challenging the validity of a US patent after its issuance. By shifting from a “first-to-invent” to a “first-inventor-

to-file” system, US patent laws will be brought more into conformity with the laws of other nations, and determining which of two parties is entitled to patent a contested invention will be simplified. However, the changes will also affect the scope of the “prior art” against which patent applications are judged, as well as exclusions from the prior art. This may affect the timing of patent filings and create issues among licensors, licensees, collaborators and joint venturers who may have competing or interwoven interests in developing IP.

The creation of *Inter Partes* Review (IPR) and Post-Grant Review (PGR) proceedings before the newly constituted Patent Trial and Appeal Board (PTAB) may offer an attractive new option for parties seeking to challenge the validity of issued US patents. In particular, the IPR proceedings that began in September 2012 offer patent challengers new but limited rights to depose witnesses and conduct document discovery relative to the previous *Inter Partes* Reexamination proceedings, and aim to provide a final decision within 12 months of filing. In addition, the PGR proceedings that can be initiated against patents issuing from original applications filed after March 16, 2013 will offer patent challengers additional discovery rights and the ability to challenge recently issued patents on more grounds of invalidity, including lack of enablement and inadequate written description, which were not permitted under either *Inter Partes* or *Ex Parte* Reexaminations.

Thus, both IPR and PGR will afford challengers some substantive and procedural rights previously limited to patent litigation in the courts. However, the new proceedings both entail new risks for patent challengers. Both create significant estoppels that will prevent challengers from raising invalidity arguments in the courts or before the ITC that were raised or could have been raised

# Intellectual Property Department: 2012 Recap

before the PTAB. This makes the decision of whether to file IPR or PGR proceedings far more complicated if they are intended as an adjunct or alternative to patent litigation.

WilmerHale's IP Department has worked to provide strategic guidance to clients on the implications of these changes, and we are currently working on more than a dozen IPR matters. We offer educational materials and presentations for those affected, and will continue to offer these resources in 2013.

## IP LITIGATION TRENDS



WilmerHale's IP Litigation Practice boasts a leading patent, copyright, and trademark litigation team with substantial experience trying intellectual property cases, in both jury and non-jury settings, and across a broad range of technologies,

including technologies relating to wireless communications standards, pharmaceuticals, and semiconductor manufacturing. In the past five years, we have represented clients in dozens of cases in some of the most prominent US District Courts for patent litigation, including the Northern District of California, the Southern District of California, the District of Delaware and the Eastern District of Texas, as well as before the ITC. Further, WilmerHale has considerable experience working with foreign counsel to coordinate strategy between US litigations and related foreign litigations in Europe and Asia. WilmerHale also has extensive experience at the Federal Circuit and the US Supreme Court, arguing over 50 cases at the Federal Circuit in the past five years and securing decisive victories in two of the leading Supreme Court patent cases in 2011. Given this depth of experience, WilmerHale has been called upon with increasing frequency by clients to help them protect their most important intellectual property, and to defend them against claims of infringement, in high-stakes patent cases.

In patent litigation, several recent trends have garnered widespread discussion: (1) the number of patent infringement cases being filed is increasing, (2) the proportion of those cases filed by non-practicing entities (NPEs) is also increasing, and (3) notwithstanding recent trends in damages law, the median damages award increased

from 2010 to 2011. These trends are consistent with our experience. Another important trend, though not as widely discussed, is the growing intersection of antitrust and intellectual property law as it relates to standards bodies participation (*e.g.*, ETSI, 3GPP standards). Drawing on the experience of former senior competition regulators from both sides of the Atlantic, WilmerHale's lawyers are skilled in evaluating and minimizing risk as it relates to intellectual property protection and standards bodies participation. Further, our litigation experience covers virtually every major case addressing the contractual and antitrust-based claims arising out of the alleged failure to disclose IP rights to a standard-setting organization and the failure to offer FRAND or RAND licensing terms to those implementing the standard. Not only does WilmerHale have experience litigating these antitrust-based claims in the US, we also have experience working with foreign counsel to litigate these same issues in European and Asian courts.

## PATENT PROSECUTION PRACTICE CONTINUES TO GROW, PARTNER WITH OTHER PRACTICES

2012 brought about some interesting and challenging developments in patent prosecution. In addition to the move to "first-to-file" and the new proceedings to challenge patents, discussed above, implementation of the America Invents Act (AIA) brought changes to patent applicant eligibility, inventor declarations, and the procedures for filing reissue patent applications, correcting inventor errors, and submitting prior art during the patent application process. WilmerHale's IP Department is already well versed and experienced with these changes and new procedures, and has been at the forefront of advising and representing clients facing and involved in these changes and new procedures.

In 2012, WilmerHale continued to increase the size and depth of its patent prosecution practice, filing 14% more patent applications and being issued 20% more patents than in 2011. Many patents proved to have significant commercial value for our clients.

Over the past year, WilmerHale's patent prosecution practice partnered with practices across the firm's offices to bring together lawyers with specialized expertise able to provide advice closely tailored to the needs of clients in various industries and stages of growth. Our patent lawyers worked with attorneys in our Emerging Company

Group to customize services to meet the specific needs of entrepreneurs and emerging companies, offering patent and business advice to teams participating in the MIT Clean Energy Prize, the Harvard Business School Business Plan Competition and the MassChallenge. The WilmerHale QuickStart Program continued to be offered to qualifying clients, giving start-ups the critical guidance and legal advice they need to get off the ground and gain a competitive advantage. In addition, a cross-functional team of industry-leading practitioners was developed to focus on technology issues facing our financial services industry clients. The group offers our clients comprehensive and coordinated legal services in the areas of intellectual property, corporate, labor and employment, financial institutions, securities, and tax law.

## TRADEMARK PRACTICE COLLABORATES IN US AND EUROPE

Both our US and EU trademark practices had a busy year in 2012, both individually and in collaboration with each other—working together on more than 100 trademark matters such as opposition proceedings, applications, and strategic portfolio advice.

Our US practice continues to handle the trademark portfolios of more than 400 clients in a wide variety of industries, including software, financial services, pharmaceuticals, medical devices, apparel, food, sporting goods, cosmetics and personal care, home accessories, automotive, industrial products, and toys. We have handled a wide range of work for these clients, including oppositions and cancellations, infringement litigation, domain name dispute proceedings, and trademark acquisitions and licenses.

Our European practice is currently representing the largest German bank in two pending actions before the General Court of the European Union. With the actions, the firm is challenging two decisions rendered by the Office for Harmonization in the Internal Market, which held that two trademark applications for slogans lack distinctive character. The court is now dealing with the question of whether the contested decisions violate Article 7(1)(b) of the Community Trade Mark Act.

In addition, our European litigation team is representing a Swiss chocolate manufacturer in a notable trademark infringement case that involves the question of whether likelihood of confusion between a word mark and a product shape can occur. So far, neither the German High Court nor the European courts have rendered a decision regarding this question.

## WHAT WE DO

WilmerHale's Intellectual Property Department provides comprehensive solutions to the intellectual property business challenges that face companies at all stages of growth and in every aspect of their business that involves the acquisition, exploitation or protection of intellectual property.

## WHO WE ARE

WilmerHale's Intellectual Property Department is led by partners across the firm's offices. For more information, please contact us.

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