
WilmerHale Intellectual Property Litigation Experience Report 2012

DECEMBER 31, 2012

ORGANIC SEED GROWERS & TRADE ASS'N V. MONSANTO

Judge Naomi Buchwald of the US District Court for the Southern District of New York dismissed a lawsuit brought against WilmerHale clients Monsanto Company and Monsanto Technology LLC by a collection of organic and conventional farmers attempting to block potential litigation should Monsanto's patented seeds stray onto their land. *Organic Seed Growers and Trade Ass'n v. Monsanto Co.*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012). Plaintiffs seek a declaratory judgment of non-infringement and invalidity of 23 Monsanto patents covering transgenic seeds and seed traits. Judge Buchwald held there was no "case or controversy" because Monsanto had not taken (or even threatened) any action against plaintiffs, and plaintiffs presented no evidence suggesting when, if ever, they might infringe. Plaintiffs' appeal to the US Court of Appeals for the Federal Circuit has been briefed and argued, but not yet decided.

MITSUBISHI HEAVY INDUSTRIES LTD. V. GENERAL ELECTRIC CO.

In July 2012, the United States Court of Appeals for the Federal Circuit awarded a victory to our client, General Electric, in its longstanding patent infringement battle with Mitsubishi Heavy Industries over wind turbine technology. The Federal Circuit reversed the finding of the International Trade Commission that GE's wind turbines did not practice asserted US Patent No. 6,921,985. The Court of Appeals held that GE had established a domestic industry for the '985 patent and remanded for further proceedings consistent with that decision. The decision is available at *Gen. Elec. Co. v. Int'l Trade Comm'n*, 685 F.3d 1034 (Fed. Cir. 2012).

BRISTOL-MYERS SQUIBB - BARACLUDE PATENT

WilmerHale obtained a significant victory for our client Bristol-Myers Squibb Co. (BMS) in a patent invalidation proceeding against a Chinese generic company involving the drug product Baraclude (entecavir) before the Patent Reexamination Board of China's State Intellectual Property Office and the Beijing First Intermediate People's Court. The Reexamination Board first upheld the validity of BMS's main patent claims relating to low dose entecavir formulation and use in January 2012. The generic company subsequently filed an appeal to the Beijing First Intermediate People's Court. In May 2013, the Court affirmed the Board's decision and ruled that the claims possess inventive step over the prior art. Entecavir is an oral antiviral drug used for treatment of hepatitis B infection.

EASTMAN KODAK COMPANY V. ASIA OPTICAL COMPANY, INC.

In March 2012, Judge Cote of the United States District Court for the Southern District of New York granted our motion for summary judgment of liability in *Kodak v. Asia Optical*, 11-cv-6036. We filed suit on behalf of Kodak in October 2011 alleging that Asia Optical breached its patent license agreement with Kodak by underpaying royalties on its digital camera sales, including digital camera sales to Fuji. After denying Asia Optical's Rule 12 motion to dismiss and hearing initial arguments on the parties' interpretations of the license agreement, the Court invited us to file an early summary judgment motion. The Court granted our motion in its entirety, finding that our interpretation of the license agreement is the correct interpretation and that Asia Optical must pay additional royalties to Kodak, including royalties on all of its digital camera sales to Fuji.

In July 2012, the firm secured a \$33.7 million judgment on behalf of Eastman Kodak Company in a licensing dispute with Asia Optical Co. Inc. (AO), a Taiwan-based digital camera maker. With just days left before the case was scheduled for trial, Judge Cote entered a judgment for Kodak after AO stipulated that it owes \$33.7 million in unpaid royalties and interest—the full amount of damages that Kodak was seeking in the case.

PIECZENIK V. ASTELLAS PHARMA US, INC. ET AL.

In March 2012, the Court of Appeals for the Federal Circuit (J. Newman, J. Mayer, J. Plager) affirmed the United States District Court for the District of New Jersey's (J. Pisano) dismissal of patent infringement and RICO claims against our client, Medarex Inc., a subsidiary of Bristol-Myers Squibb Co., on grounds that the plaintiff failed to state a claim under Fed. R. Civ. P. 12(b)(6). See *Piecznik v. Bayer Corp. et al.*, Case No. 11-1385, 474 Fed.Appx. 766 (Fed. Cir. Mar. 22, 2012) (unpublished and non-precedential). The plaintiff, Dr. George Pieczenik, an associate professor in the department of biochemistry and microbiology at Rutgers University, proceeding *pro se*, sued nearly 100 drug companies in four separate lawsuits in the District of New Jersey, alleging that they all infringed claims of US Patent No. 5,866, 363, entitled "Method and Means for Sorting and Identifying Biological Information" and violated the federal RICO statute. The defendants all moved to dismiss these claims. Judge Pisano *sua sponte* dismissed the plaintiff's complaints while defendants' motions were pending but allowed Dr. Pieczenik leave to file an amended consolidated complaint against all defendants to cure the defects in his claims. Defendants then collectively moved to dismiss the consolidated amended complaint. That motion was granted by Judge Pisano, plaintiff appealed to the Federal Circuit, and the dismissal was affirmed on appeal. Dr. Pieczenik then filed a petition for writ of *certiorari* in the United States Supreme Court, which was denied in October 2012.

ST. CLAIR INTELLECTUAL PROPERTY CONSULTANTS, INC. V. RESEARCH IN MOTION, LTD.

In March 2012, WilmerHale obtained a significant victory on behalf of Research In Motion when the United States District Court for the District of Delaware granted a rare summary judgment of noninfringement in favor of RIM against St. Clair Intellectual Property Consultants. *St. Clair Intellectual Property Consultants, Inc. v. Matsushita Elec. Indus. Co., Ltd.*, C.A. Nos. 04-1436-LPS, 06-404-LPS, 08-371-LPS, 2012 WL 1015993 (D. Del. March 26, 2012). St. Clair, a non-practicing entity, had asserted four patents related to digital camera technology. The decision ended a decade-long litigation campaign by St. Clair on its digital camera patents against the electronics industry,

during which St. Clair had obtained three jury verdicts of infringement against Sony, Canon, and Fuji, and more than \$120 million in royalties.

GENETIC TECHNOLOGIES LIMITED V. BRISTOL-MYERS SQUIBB COMPANY

While GTG's motion for consolidation was pending before the MDL Panel, the PTO, in June 2012, granted an *ex parte* reexamination of the '179 Patent. In August 2012, the MDL Panel denied GTG's motion. BMS and GTG, along with the other two defendants that had been transferred to the District of Delaware, then filed a joint stipulation for a stay of the litigation pending resolution of the *ex parte* reexamination, which the court ordered in August 2012. In January 2013, the court entered a further order that the litigation is stayed and administratively closed until further order of the court. The case involves GTG's claimed infringement of US Patent No. 5,612,179 entitled "Intron Sequence Analysis Method for Detection of Adjacent and Remote Locus Alleles as Haplotypes."

BROADCOM V. EMULEX

After securing favorable verdicts on two patents in 2011, the Broadcom-Emulex team followed up with a string of additional victories in 2012. In April, Judge Selna of the Central District of California entered a permanent injunction against a variety of Emulex products. When Emulex appealed the infringement and injunction rulings, the team successfully opposed the motions to stay the injunction pending the outcome in the Federal Circuit. These results paved the way for a favorable partial settlement and licensing agreement in which Broadcom received \$58 million. Oral argument on the appeal occurred in December 2012, and a retrial on Broadcom's remaining patents was set for April 2013.

SIGNAL TECH, LLC V. ANALOG DEVICES

In May 2012, we succeeded in persuading Signal Tech LLC to dismiss its entire lawsuit against Analog Devices with prejudice for no money. The combination of a weak infringement claim, accused products that predated the patent, low potential damages, and a successful motion to transfer the case from Delaware to Massachusetts persuaded Signal Tech to give up early in the case.

MBO LABORATORIES V. BECTON, DICKINSON & CO.

WilmerHale successfully represented Becton, Dickinson and Company (BD) in a suit alleging infringement of a patent pertaining to a type of safety needle. BD was granted summary judgment of non-infringement at the trial court, but the Federal Circuit reversed certain claim constructions on appeal and remanded the case. WilmerHale took over the matter at that time. On remand, the trial court ruled that all asserted claims of the patent-in-suit were invalid. On appeal, the Federal Circuit affirmed the invalidity of certain claims and reversed and remanded on the remaining claims. On remand, the trial court granted BD's motion for summary judgment of non-infringement, and the Federal Circuit granted summary affirmance. *MBO Labs., Inc. v. Becton, Dickinson & Co.*, No. 2011-1446, 2012 WL 1608687 (Fed. Cir. May 9, 2012).

YAHOO! V. FACEBOOK

WilmerHale represented Facebook in its first major patent battle, after Yahoo! initiated a lawsuit claiming infringement of ten Yahoo! patents. We assisted Facebook in mounting a full-scale defense, including a counterclaim for infringement of ten patents hailed as a "masterful response to

Yahoo's patent trolling." 4/4/2012 *TechCrunch*. The parties reached a highly favorable settlement three months later, widely recognized in the press as "a win" for Facebook, with no money changing hands. 7/6/2012 *NY Times*. As reported by *Business Insider*: "Let's be clear: Facebook absolutely wiped the floor with Yahoo in the patent fight that just ended." 7/13/2012 *Business Insider*.

FREESCALE SEMICONDUCTOR, INC. V. MEDIATEK

WilmerHale secured a significant victory at the International Trade Commission for its client MediaTek Inc., a leading fabless semiconductor company for wireless communications and digital multimedia solutions. Texas-based Freescale Semiconductor, Inc. initiated the investigation, alleging that MediaTek's digital television integrated-circuit products infringed a Freescale patent for "dynamic bus termination." The case presented unique challenges for MediaTek in light of a finding by the ITC in a prior investigation brought against a third party competitor that Freescale's licensing activities satisfied the ITC's domestic industry requirement, that Freescale's "dynamic bus termination" patent was valid, and that, but for an evidentiary oversight, Freescale's patent was infringed. Notwithstanding these prior adverse findings, ITC Judge Rogers' Initial Determination found no section 337 violation by MediaTek on three alternative grounds: No domestic industry, invalidity and non-infringement. The Commission subsequently affirmed Judge Rogers' Initial Determination of no violation in October 2012.

(In the Matter of Certain Integrated Circuits, Chipsets, and Products Containing Same Including Televisions, Inv. No. 337-TA-786.)

MFORMATION TECHS, INC. V. RESEARCH IN MOTION, LTD.

Less than 40 days before trial, WilmerHale took the lead in defending Research in Motion (RIM) in a jury trial in the Northern District of California from patent infringement claims regarding phone management software, and that totaled nearly \$1 billion. Following a three-week trial, the jury found RIM liable for indirect infringement and awarded damages of only \$147.2 million. Seizing upon WilmerHale's cross-examination of Mformation's expert witness' use of a key term, the Court immediately and *sua sponte* ordered briefing that led to the Court to rule that no reasonable juror could find that Mformation had met its burden, and that led the Court to grant RIM's motion for judgment as a matter of law and new trial. Vacating the \$147.2 million verdict, the Court entered judgment in favor of RIM on all counts.

PSN ILLINOIS, LLC V. ABBOTT LABORATORIES AND ABBOTT BIORES CENTER, INC.

WilmerHale represented Abbott Laboratories and Abbott Bioresearch Center, Inc., now known as AbbVie Inc. (AbbVie) in a patent infringement lawsuit brought by PSN Illinois, LLC (PSN) in the US District Court for the Northern District of Illinois.

In 2009, PSN sued AbbVie for alleged infringement of three biotechnology patents relating to the sphingosine-1 phosphate-2 (S1P2) receptor. PSN alleged that AbbVie owed millions of dollars for the claimed technology in researching potential drug candidates. The court granted summary judgment for AbbVie in September 2011, eliminating the majority of AbbVie's accused activities from the case.

The court subsequently set a November 2012 trial date to address the remaining issues. In advance of trial, AbbVie moved to exclude PSN's damages evidence. In October 2012, Judge

Samuel Der-Yeghiayan granted AbbVie's motion and excluded all testimony of PSN's damages expert, finding his opinions "fundamentally flawed" and "prejudicial." The case was subsequently resolved before trial.