MEETING RECAPITULATION

THE PAULINE NEWMAN IP AMERICAN INN OF COURT

MONDAY, SEPTEMBER 19, 2016

The first Inn meeting of the 2016-2017 year was held in the auditorium below the atrium in the Madison Building at the headquarters of the United States Patent & Trademark Office on Monday, September 19, 2016. There was a new member orientation from 5:45 p.m. to 6:00 p.m. New members have blue nametags, while old member have white nametags. Pauline Newman is one of the longest serving judges on the Federal Circuit. Besides giving her name to this Inn, she was the first President of the Giles Rich Inn. She has made a book available at the meeting entitled "In Celebration: Judge Giles Sutherland Rich and the Giles S. Rich American Inn of Court" which Jennifer A. Tegfeldt compiled. The pupilage groups are a key feature of the Inn. Experienced attorneys mentor law students and new attorneys. There are now a number of intellectual property Inns around the United States (and even one in Japan) that are part of the Linn Inn Alliance. Part of our dues go to support the national organization of the American Inns of Court. You may visit other American Inns or the Inns of Court in England.

A reception with hors d'oeuvres and drinks began at 6:00 p.m., followed by the program at about 7:00 p.m. Inn President Judge Essex made introductory remarks. The mentoring program was announced. October 1 is the deadline for paying dues this year. Judge Newman remarked that the Giles Rich Inn was the first American Inn of Court devoted to intellectual property. Chief Justice Warren Burger helped to establish the American Inns of Courts to improve professionalism in this country. Jennifer Tegfeldt spoke about her role as the historian of the Giles Rich Inn.

The topic of the program was "The Supreme Court on Patent Law", presented by Michael L. Kiklis

of the Oblon firm, the author of a book with that title. Richard Sterba introduced him. The U.S. Supreme Court has heard 680 patent cases.

The number of patent cases heard by the U.S. Supreme Court peaked in the late nineteenth century. In 81.54% of patent cases decided by the Supreme Court, there has been no dissent. In its entire history, the Supreme Court has decided only 25 cases on patentable subject matter, in 60.00% of which there was no dissent, the lowest percentage in any area of patent law. The Supreme Court has “moved around” on patentable subject matter, while in other areas they have been pretty consistent. Preemption has always been the Court’s primary concern in patentable subject matter. Patentable subject matter is a process, machine, manufacture, or composition of matter, under 35 U.S.C. §101. Judicially created exceptions that cannot be patented are laws of nature, natural phenomena, and abstract ideas. Principles are not patentable, but a practical application of a principal may be patented. A process includes a transformation or a machine. There is a trend to construe §101 narrowly. A mathematical formula in the abstract may not be patented, but if it is used to transform an article, the process using the formula may be patentable. The machine or transformation test is not the sole test for determining patent eligibility of processes, but it is a useful and important clue, and investigative tool. Patents should not be upheld where the claim too broadly preempts the use of the natural law. Simply appending conventional steps to laws of nature, natural phenomena, and abstract ideas does not make them patentable. Building blocks of human ingenuity must be integrated into something more to be patent eligible. An inventive concept is required. Under *Alice v. CLS*, step one is determine if the claims are drawn to an abstract idea. Step two is to determine if they include additional features. Requiring a generic computer to perform generic computer functions is not sufficient. System claims that are purely functional

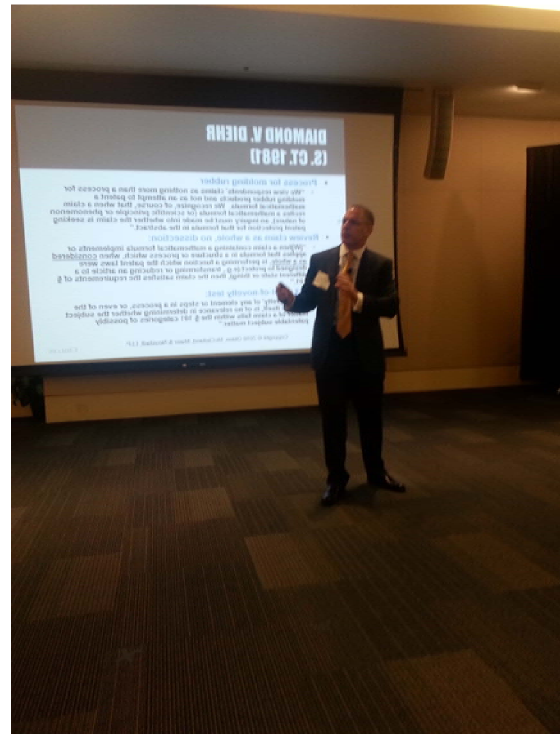
and generic are not sufficient.

The Supreme Court has rarely considered statutory requirements, such as utility, enablement and definiteness. *Nautilus v. Biosig* was the first such case in about 50 years. A patent is invalid for indefiniteness if its claims, read in light of the patent's specification and prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.

Attorney fees may be awarded in infringement cases if they are exceptional. In *Octane Fitness v. Icon Health and Fitness*, the Supreme Court held that District Courts may determine whether a case is exceptional in the case-by-case exercise of their discretion, considering the totality of the circumstances using a preponderance of the evidence standard.

In 75.38% of infringement cases decided by the Supreme Court, there was no dissent. A defendant is not liable for inducing infringement when no one has directly infringed. A defendant's belief that a patent is invalid is not a defense to a claim of induced infringement. Enhanced damages are appropriate only in egregious cases.

In 80.73% of claim construction cases decided by the Supreme Court, there was no dissent. Judge should interpret claims as a matter of law. Judicial recognition of pioneer patents (which receive a broader construction) suggests that the abandonment of central claiming may be overstated. A court of appeals should not set aside a district court's resolution of subsidiary factual matters made in the course of patent claim construction unless it is clearly erroneous. The PTO may construe claims more broadly than the courts.



In 86.52% of prior art defenses cases decided by the Supreme Court, there was no dissent. The largest number of patent cases heard by the Supreme Court have involved prior art defenses. It has shown a fairly broad view of the anticipation defense. Only within the last fifty years have its rulings on obviousness had a significant impact on

patent law.

The Supreme Court has shown recent interest in patent exhaustion, but has not shown any recent interest in other equitable defenses, such as patent misuse. In 89.36% of damages cases heard by the Supreme Court, there has been no dissent. It has shown little interest in patent damages cases. Post-patent royalty provisions continue to be unlawful per se.

The Roberts Court has decided 21 patent-related cases. It has taken a narrow view of patents, but that may be changing. It gives discretion to the district courts, is willing to restrict subject matter eligibility, has both raised and lowered the bar for proving infringement, made it easier to invalidate patents, and has broadened certain defenses. It believes that patent law should not receive special treatment, and shows little deference to the Federal Circuit, the U.S. government's position, or the PTO's long-held practices.

Judge Newman made closing remarks. We are in the middle of a vital, active era of the law, in which the Supreme Court recognizes the importance of patent law.

The meeting ended at about 8:00 p.m.

Respectfully submitted,

Stephen Christopher Swift
Secretary