



MEETING RECAP
THE PAULINE NEWMAN
IP AMERICAN INN OF COURT
TUESDAY, APRIL 23, 2013

The fourth meeting in 2013 of the Pauline Newman IP American Inn of Court took place in the Courthouse of the United States District Court for the Eastern District of Virginia, Alexandria Division, practically next door to the headquarters of the U.S. Patent & Trademark Office. Judge Liam O’Grady issued an order permitting audio recording of the meeting and the taking of photographs, waiving the court’s rules against these practices. On this occasion, there was no preliminary reception, but the program began at 6:30 p.m. on the ninth floor of the Courthouse.

Vice Chief Judge Jay Moore of the USPTO Patent Trial and Appeal Board gave a brief introductory update on the status of the implementation of the America Invents Act (“AIA”). The Board now has 169 judges. Outflow exceeds inflow of cases. USPTO now has four satellite offices around the country.

Walter D. Kelly, Judge *emeritus* of the U.S. District Court for the Eastern District of Virginia, acted as the moderator. The judges speaking represent various areas of the Federal Circuit’s jurisdiction.



Judge Liam O’Grady of the U.S. District Court for the Eastern District of Virginia, came to the court as a Magistrate Judge. Magistrates marshal the evidence in discovery in patent cases. The Eastern District has been one of the most popular courts in which to bring patent litigation suits. He would like to have interlocutory appeals to the Federal Circuit of claim construction rulings. Judges do claim construction at different times. The AIA is beginning to affect patent litigation.

PTAB judges who were present to stand. They have received 231

Judge James Donald Smith, Chief Judge of the USPTO Patent Trial and Appeal Board (“PTAB”), had a degree in electrical engineering. He asked



business method cases. All judges on the PTAB have science or engineering degrees, and often have multiple degrees. Two-thirds of appeals of patent rejections are unsuccessful. The PTAB does not have the authority to grant patents. If it thinks that the Examiner made a mistake, it returns the case to the Examiner for further examination. A three judge panel may enter a new ground of rejection only if all three judges agree.



Judge Susan G. Braden of the U.S. Court of Federal Claims had a long history as a litigator before being appointed to her present position. The Court of Federal Claims is an Article I court. One area of its jurisdiction is vaccine cases, where special masters are used. Patent owners can sue the government for infringement in the Court of Federal Claims, and may receive damages. These cases require the judges to do claim construction. Claims for copyright infringement against the government may also be brought in the Court of Federal Claims. Decisions of the Court of Federal Claims may be appealed to the Federal Circuit.

Judge Theodore R. Essex of the U.S. International Trade Commission (“ITC”), was a twenty-year veteran of the Air Force. The Commission decides both the facts and the law, as it has no juries. It is subject to the appellate jurisdiction of the Federal Circuit. About 96% of its cases are patent cases. They also have some trademark and trade secret cases. A domestic industry must exist for the Commission to have jurisdiction. The judges of the ITC are required to address all issues in their opinions. Their decisions can be appealed to the Commission. The Commission can raise issues on its own. The decisions of the ITC are subject to Presidential review, but are rarely overturned by the U.S. President.



Judge William A. Moorman of the U.S. Court of Appeals for Veteran’s Claims, was a thirty-year veteran, and worked in the Veteran’s Administration before being appointed to the Court. He asked veterans present to stand. He joked that his court is related to intellectual property, because intellectual property attorneys may file claims for veterans at his court. Before his court was created in 1988, there was no appeal for veterans beyond the Veteran’s Administration. All cases in his court are on appeal from the Board of Veteran’s Appeals in the Department of Veteran’s Affairs. The Federal Circuit has appellate

jurisdiction over his court. The Supreme Court held that a 120-day restriction for filing appeals

was not jurisdictional. Appeals from his court are 14% of the Federal Circuit's case load. Judges of a single judge can be appealed to a three-judge panel. Only panel and en banc decisions are preidential.

Magistrate Judge John F. Anderson of the U.S. District Court for the Eastern District of Virginia has a degree in mechanical engineering. Magistrates control the discovery process in patent cases. Discovery, including subpoenas, can be obtained in the Eastern District for cases in other districts. (These are called Miscellaneous Cases.)



Judge Pauline Newman of the U.S. Court of Appeals for the Federal Circuit, said that the Federal Circuit was created to establish stability in the patent area and some other areas. Economic gaps were impeding the development of technology. Appeals from different areas are subject to different standards of review before the Federal Circuit. The strongest impediment to investment in new technology is uncertainty. New structures are being developed because the old way of doing things no longer works well enough.

The moderator then asked questions to which the judges responded.

Judge Braden discussed pilot patent judges, who have volunteered to take patent cases, who hopefully can develop expertise in patent cases. She hires interns who are lawyers with specialized degrees (e.g. engineering). She also discussed a PTO initiative to develop patent small claims courts.

Judge Anderson said that biggest cost in litigation now is electronic discovery.

Judge Essex said that the Federal Circuit advisory council is looking into ways to control the cost of electronic discovery. Costs of discovery of are one-sided in patent troll cases.

Judge Braden said that there is an antitrust theory of non-price predation, which is imposing costs on your rivals to prevent them from competing. Intellectual property litigation discovery is being used for this purpose. The Federal Circuit is not kind to judges who impose sanctions for discovery abuse.

Judge Smith said that his sense of the practice community is that there is a reasonably high belief among lawyers that they have a "civil ministry".

Judge Newman that we are involved in "an extremely elegant practice". Wrong doing cannot be kept secret. The law must serve the national interest.

Inn President Albert Tramposch made concluding remarks.

The meeting adjourned shortly after 8:00 p.m.

Photographs by Michael Lew.

Respectfully submitted,

Stephen Christopher Swift
Secretary-Treasurer