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.ASIA DOMAIN NAMES SOON AVAILABLE

The final sunrise period for early registration in the new .asia top-level domain will commence in February 2008. An application for a domain name may be made independent of any trademark rights. If more than one application is received for the same domain name during the sunrise period, then a closed auction between the applicants will determine ownership of the domain. Once this period closes in March, .asia domain names will be available for registration to anyone on a first come, first served registration process.

NEW FEES AT THE USPTO

The United States Patent and Trademark Office published a final rule on August 22, 2007, adjusting patent fees for fiscal year 2007 to reflect fluctuations in the Consumer Price Index (CPI). The USPTO's updated fee schedule for fiscal year 2007 can be found at: http://www.uspto.gov/go/fees/fee2007september30.htm

ANDRUS SCEALES STARKE & SAWALL

IP Newsletter

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In 2007, the United States Supreme Court and the Court of Appeals for the Federal Circuit (CAFC) rendered several important decisions on such topics as the legal standards for obviousness, and the doctrine of equivalents, as well as the legal standards for willful infringement and inequitable conduct. This first edition of our firm's newsletter provides a brief summary of some of the most important case law decisions last year.

Recent Changes to U.S. Patent Laws

By George H. Solveson, Partner

OBVIOUSNESS

On April 30, 2007, the U.S. Supreme Court entered its decision in KSR v. Teleflex, 127 S.Ct. 1727 (2007) which made it easier for Patent Examiners and accused infringers to prove obviousness to defeat patent rights. Prior art references may be "combined" to render claimed subject matter "obvious" (35 U.S.C. § 103). Prior to the KSR case, the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit") had established a strict rule that in order to combine prior art references to obtain a conclusion of "obviousness," a teaching, suggestion or motivation to combine the references (the "TSM" test) had to be proven by clear and convincing evidence. The Supreme Court in KSR rejected the rigid approach of the TSM test and substituted therefor a "reason to combine" test. The Supreme Court stated that so long as there is a reason to combine prior art references, the references can be combined to show obviousness. The KSR decision does not affect, however, the requirement that each and every claim element must be present in the combination of prior art references. Once this requirement is met, the "reason to combine" test will be applied.

DECLARATORY JUDGMENT

On January 9, 2007, the U.S. Supreme Court made it much easier for infringers to commence a suit for declaratory judgment seeking an adjudication of non-infringement, invalidity and/or unenforceability of one or more patents, MedImmune v. Genentech, 127 S.Ct. 764 (2007). Prior to MedImmune, it was generally required that there be an explicit threat or other action by the patentee which created a reasonable apprehension of an infringement suit. MedImmune abolished the "reasonable apprehension of imminent suit" standard. Now, a patent licensee need not terminate or breach a license in order to bring a suit for declaratory judgment. MedImmune has made it much more difficult for a patent owner to send out letters to competitors suggesting that they consider taking a patent license, while avoiding statements that provide support for filing a declaratory judgment action.

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WILLFUL INFRINGEMENT

On August 20, 2007, the Federal Circuit overruled its longstanding requirement that an accused infringer had "an affirmative duty of due care" with respect to other's patent rights, and compliance with that duty avoided a holding of willful infringement, In re Seagate, 497 F.3d 1360 (Fed. Cir. 2007). Seagate replaced the affirmative duty of due care standard with a lesser "objective recklessness" standard. A good faith opinion relating to non-infringement, invalidity and/or unenforceability from patent counsel continues to afford a defense to allegations of willful infringement. If an infringer willfully infringes a patent, the Court in its discretion may increase damages by threefold and award the patent owner its attorneys' fees.

DOCTRINE OF EQUIVALENTS

On July 5, 2007, the Federal Circuit issued another decision in the long running case of Festo v. Shoketsu, 493 F.3d 1368 (Fed. Cir. 2007). Under the doctrine of equivalents theory, infringement of a patent may still exist, even though the accused process or product does not meet the explicit limitations of the patent claims. The doctrine of equivalents is based in equity, and covers "insubstantial changes" to the accused product, such as when an accused element provides substantially the same function in substantially the same way to provide substantially the same result. A countervailing defense to the doctrine of equivalents is "prosecution history estoppel." For example, if a patent owner amended a claim limitation or submitted an argument to overcome prior art, such amendment or argument may, in certain circumstances, constitute a bar preventing a patent owner from evoking the doctrine of equivalents. The Festo decision makes it more difficult to assert the doctrine of equivalents because now any equivalent must have not been foreseeable, that is, one skilled in the art would not have known that the equivalent existed in the field, even if the suitability for the equivalent was unknown for the particular claimed purposes.

INEQUITABLE CONDUCT

Several decisions by the Federal Circuit have made it easier, in some cases, to prove inequitable conduct resulting in unenforceability of an issued patent, McKesson v. Bridge, 47 F.3d 897 (Fed. Cir. 2007); Cargill v. Canbra, 476 F.3d 1359 (Fed. Cir. 2007). In order to prove inequitable conduct, an accused infringer must prove by clear and convincing evidence that the applicant (1) made an affirmative misrepresentation of material fact, failed to disclose material information or submitted false material information; and (2) intended to deceive the U.S. Patent and Trademark Office. Now, based upon the recent Federal Circuit decisions, the circumstances that may give rise to inequitable conduct have been expanded.

Firm News

Dan Fetterley, *of counsel* to the firm, recently attended a meeting of the Executive Committee of the International Association for the Protection of Intellectual Property in Singapore as a delegate from the United States. Among other matters, the Committee considered divisional and continuation patent practices and the rights of co-owners of intellectual property under the laws of various countries in the world. He also conferred with many of our foreign associates that were attending the meeting. In his return from the Far East, Dan called on clients in Shenzhen, Peoples Republic of China, outside of Hong Kong.

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