March 2015

PIPLA NEWS

The official newsletter of the Pittsburgh Intellectual Property Law Association

MARCH DINNER MEETING & CLE

Wednesday, March 18, 2015

Engineers' Society of Western Pennsylvania
337 Fourth Avenue
Pittsburgh, PA 15222
Phone: 412-261-0710

Time: 5:15 PM–Cocktails (1st Flr. Lounge)
6:00 PM–Dinner (Buffet) & Program (2nd Flr.)

Payment Required - $40-Dinner / $20-CLE. Check payable to PIPLA. Mail to:

PIPLA
c/o The Webb Law Firm
One Gateway Center, Ste. 1200
420 Ft. Duquesne Blvd.
Pittsburgh, PA 15222

OR Paypal via website: www.piplaonline.org. Please RSVP by March 13; late RSVPs contingent upon seating/meal availability with an additional $20 fee.

Speaker: Honorable Kathleen M. O'Malley, U.S. Court of Appeals for the Federal Circuit

Kathleen M. O'Malley was appointed to the United States Court of Appeals for the Federal Circuit by President Barack Obama in 2010. Prior to her elevation to the Federal Circuit, Judge O'Malley was appointed to the United States District Court for the Northern District of Ohio by President William J. Clinton on October 12, 1994.

Judge O'Malley served as First Assistant Attorney General and Chief of Staff for Ohio Attorney General Lee Fisher from 1992-1994, and Chief Counsel to Attorney General Fisher from 1991-1992. From 1985-1991, she worked for Porter, Wright, Morris & Arthur, where she became a partner. From 1983-1984, she was an associate at Jones, Day, Reavis and Pogue.

During her sixteen years on the district court bench, Judge O'Malley presided over in excess of 100 patent and trademark cases and sat by designation on the United States Circuit Court for the Federal Circuit. As an educator, Judge O'Malley has regularly taught a course on Patent Litigation at Case Western Reserve University Law School; she is a member of the faculty of the Berkeley Center for Law & Technology's program designed to educate Federal Judges regarding the handling of intellectual property cases. Judge O'Malley serves as a board member of the Sedona Conference; as the judicial liaison to the Local Patent Rules Committee for the Northern District of Ohio; and as an advisor to national organizations publishing treatises on patent litigation (Anatomy of a Patent Case, Complex Litigation Committee of the American College of Trial Lawyers; Patent Case Management Judicial Guide, Berkeley Center for Law & Technology).

Judge O'Malley began her legal career as a law clerk to the Honorable Nathaniel R. Jones, Sixth Circuit Court of Appeals in 1982-1983. She received her J.D. degree from Case Western Reserve University School of Law, Order of the Coif, in 1982, where she served on Law Review and was a member of the National Mock Trial Team. Judge O'Malley attended Kenyon College in Gambier, Ohio where she graduated magna cum laude and Phi Beta Kappa in 1979.

IN THIS ISSUE

2015 INTELLECTUAL PROPERTY LAW STUDENT LEADERSHIP AWARD

The Pittsburgh Intellectual Property Law Association (PIPLA) is pleased to announce its annual Intellectual Property Law Student Leadership Award competition.

The Awards: Two $1,000 awards will be given, one to a law student at the University of Pittsburgh and the other to a law student at Duquesne University.

Eligibility Criterion: To be eligible, an applicant must:

(1) Be a currently enrolled law student at either the University of Pittsburgh or Duquesne University; and

(2) Have completed or be currently enrolled in at least three Intellectual Property courses.

Selection Criterion: The award will be based upon the applicant's demonstration of leadership as reflected by:

(1) Applicant's grades in the courses taken in the law school's Intellectual Property elective course concentration and the Intellectual Property courses in which the law student is currently enrolled;

(2) Participation in student or professional organizations that are related to the development, education, or advancement of Intellectual Property;

(3) Participation in moot court competitions involving issues of Intellectual Property;

(4) Articles written on Intellectual Property issues submitted for publication in any medium; and

(5) Clinical work the applicant participated in that involved issues of Intellectual Property.

Although selection criterion (1) will apply to all applicants, the extent to which criteria (2) through (5) apply will vary from applicant to applicant. In other words, an applicant's having engaged in an activity identified in any of selection criteria (2) through (5) is a plus in the evaluation of the applicant for an award, but is not necessary for eligibility.

Submission Date: Any eligible law student who wishes to apply must complete and submit the attached Application form to the address indicated thereon no later than March 18, 2015.

Award Date: The awards will be presented to the winning applicants at the April 15, 2015 Annual Meeting/Awards Luncheon of PIPLA which will be held at Eddie Merlot's.

Application Forms: Copies of the Application Form can be obtained at www.piplaonline.org. All applicants must use the Application Form.

COMPOSING A WINNING PTAB TRIAL TEAM

Ying Cao, Jones Day

The America Invents Act (AIA) created new administrative trials, such as inter partes review (IPR), post-grant review (PGR), and the transitional program for covered business method patents (CBM), for determining patentability of issued patents before the newly formed Patent Trial and Appeal Board (PTAB) of the United States Patent and Trademark Office (USPTO). These proceedings are now widely viewed as more efficient and effective ways of challenging patents than in district court litigation. Properly composing a PTAB trial team is critically important in successfully defending or asserting a patent challenge in these new PTAB trials.

I. Composition of a PTAB trial team

PTAB trials are hybrid proceedings that involve inner workings and rules of the USPTO as well as litigation tools, such as discovery, motion practice, and oral argument. The PTAB trial team will need to understand the underlying technology of the patent, analyze prior art to develop unpatentability positions for filing a petition for a PTAB trial, or draft claim amendments to be approved by the PTAB. Also, the PTAB trial team will likely need to depose expert witnesses, defend expert witnesses in depositions, argue at hearings before the PTAB, file various motions during the proceeding, handle appeals to the U.S. Court of

Appeals for the Federal Circuit, and negotiate settlements. Given the unique nature of these post-issue proceedings, the PTAB trial team should include attorneys well versed in the relevant USPTO rules and practices as well as experienced litigators.

PTAB post-issue proceedings often advance in parallel with district court litigation over the same patent. In many circumstances, retaining the same counsel for both the PTAB post-issue proceeding and the parallel litigation may be preferable. Particularly when the PTAB proceeding begins after litigation, the litigation counsel may have already gained significant knowledge of the patent-in-suit, including the claim language, the underlying technology, and the relevant prior art. Including litigation counsel in the PTAB proceeding would thus be cost-effective. In addition, taking inconsistent positions in the different proceedings can be more easily avoided when litigation counsel is also part of the PTAB trial team.

While PTAB trials are quasi-litigation proceedings, the PTAB trial procedures operate differently from district court litigation. For example, the PTAB trial requires that the petitioner provide complete technical arguments and factual evidence in the original petition, while district court litigation allows parties to sue as long as they have a good faith basis and then rely on discovery to later develop the details of the case. In addition, the PTAB adopts a "broadest reasonable interpretation" standard for claim construction,[1] while district courts apply the ordinary and customary meaning of disputed terms.[2] A patent attorney who has in-depth knowledge and familiarity of the relevant USPTO rules and standards[3] is thus critical to the PTAB trial team.

Moreover, the team must include a registered patent attorney. Under the PTAB rules, a party in a PTAB trial procedure can be represented by an attorney who is designated as lead counsel and by at least one other attorney who is designated as back-up counsel.[4] The lead counsel must be a registered patent attorney, and the back-up counsel must be able to conduct business at the PTAB on behalf of the lead counsel. If the back-up counsel is not a registered patent attorney, then back-up counsel may be admitted through a motion to appear pro hac vice upon a showing of good cause.[5] Thus, litigators who are not registered patent attorneys may be admitted to participate in the PTAB trial through pro hac vice to serve as back-up counsel. Pro hac vice admission before the PTAB is discussed below in Section II.

Back-up counsel in the PTAB trial should be carefully chosen since the back-up counsel should be able to act on behalf of lead counsel when the lead counsel is unavailable. The PTAB may expect the back-up counsel to make a decision if the lead counsel is unavailable to do so. Thus, the back-up counsel should have sufficient experience with the PTAB trial procedures and be familiar with the subject matter of concern so that the back-up counsel can step in to the shoes of lead counsel.

II. Pro hac vice admission

Section 42.10(c) of 37 C.F.R. provides:

> The Board may recognize counsel pro hac vice during a proceeding upon a showing of good cause, subject to the condition that lead counsel be a registered practitioner and to any other conditions as the Board may impose. For example, where the lead counsel is a registered practitioner, a motion to appear pro hac vice by counsel who is not a registered practitioner may be granted upon showing that counsel is an experienced litigating attorney and has an established familiarity with the subject matter at issue in the proceeding.

The grant of a motion to appear pro hac vice before the PTAB "is a discretionary action taking into account the specifics of the proceedings."[6]

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[1] 37 C.F.R. § 42.100(b). *SAP American, Inc. v. Versata Dev. Group, Inc.*, 2012-0001 at 7 (PTAB, June 11, 2013).

[2] *Phillips v. AWH Corp*., 415 F.3d 1303, 1313 (Fed. Cir. 2005).

[3] Including attorneys who have substantial Board of Patent Appeals and Interferences experience.

[4] 37 C.F.R. § 42.10(a).

[5] 37 C.F.R. § 42.10(c).

[6] 77 Fed. Reg. 48618 (Aug. 14, 2012).

The rules do not provide specific requirements for grant of pro hac vice admission, and thus the PTAB has exercised significant discretion in deciding whether to grant or deny such admission. To guide parties, the PTAB has set forth in several decisions the relevant considerations in evaluating a pro hac vice motion:[7]

1. *Time for Filing*

The time for filing pro hac vice motions is no sooner than twenty one (21) days after service of the petition, which is the time for filing patent owner mandatory notices. Parties seeking to oppose a motion for pro hac vice admission must file their opposition no later than one week after the filing of the underlying motion. No reply to any opposition shall be filed unless authorized by the Board.

2. *Content of Motion*

A motion for pro hac vice admission must:

a. Contain a statement of facts showing there is good cause for the Board to recognize counsel pro hac vice during the proceeding.

b. Be accompanied by an affidavit or declaration of the individual seeking to appear attesting to the following: (i) Membership in good standing of the Bar of at least one State or the District of Columbia; (ii) No suspensions or disbarments from practice before any court or administrative body; (iii) No application for admission to practice before any court or administrative body ever denied; (iv) No sanctions or contempt citations imposed by any court or administrative body; (v) The individual seeking to appear has read and will comply with the Office Patent Trial Practice Guide and the Board's Rules of Practice for Trials set forth in part 42 of 37 C.F.R.; (vi) The individual will be subject to the USPTO Rules of Professional conduct set forth in 37 C.F.R. §§ 11.101 et. seq. and disciplinary jurisdiction under 37 C.F.R. § 11.19(a); (vii) Identification of all other proceedings before the Office for which the individual has applied to appear pro hac vice in the last three (3) years; and (viii) Familiarity with the subject matter at issue in the proceeding.

c. Where the affiant or declarant is unable to provide any of the information requested above in part 2(b) or make any of the required statements or representations under oath, the individual should provide a full explanation of the circumstances as part of the affidavit or declaration.

Thus far, the PTAB has generally looked favorably upon motions for pro hac vice admission.[8] But, the grant of pro hac vice admission is far from automatic. For example, in showing good standing, the declaration should include any findings of misconduct in related litigations; otherwise, the PTAB may deny pro hac vice admission.[9]

In *SAP America, Inc. et al. v. Versata Development Group, Inc.*, CBM2012-00001, patent owner Versata moved for pro hac vice admission of its counsel who was also lead counsel in a parallel infringement action.[10] Versata made the standard assertions, such as familiarity with the instant case, bar admissions, and the lack of a criminal record.[11] The petitioner SAP opposed the motion, arguing that the participation of the patent owner's litigation counsel in the PTAB trial procedure could effectively circumvent the restrictions of a district court's protective order in the parallel infringement action.[12] SAP also pointed out that the district court judge had found that there had already been violations of the protective order.[13] The PTAB held that Versata, "as the party moving for pro hac vice admission, bears the burden of showing there is good cause for the Board to recognize counsel pro

[7] *See Motorola Mobility, LLC v. Michael Arnouse*, IPR2013-00010, paper 6 (PTAB, October 15, 2012). *Unified Patents, Inc. v. Parallel Iron, LLC*, IPR2013-00639 Order Authorizing Motion for *Pro hac vice* Admission, paper 7 (PTAB, Oct. 15, 2013).

[8] *See Unified Patents, Inc. v. Parallel Iron, LLC*, IPR2013-00639 Order Authorizing Motion for *Pro hac vice* Admission, Paper 7 (PTAB, Oct. 15, 2013). *Bloomberg Inc. v. Markets-Alert Pty Ltd*., CBM2013-00005, Decision Granting Motion for *Pro hac vice* Admission, Paper 13 (PTAB, Nov. 26, 2012).

[9] *See e.g., SAP America, Inc. et al. v. Versata Development Group, Inc.*, CBM2012-00001, Paper 21 (PTAB 11/06/2012).

[10] *SAP America*, *supra* n. 9.

[11] *Id.* at 2.

[12] *Id.* at 3.

[13] *Id.*

hac vice ..." and found that Versata failed to satisfy its burden because the motion and accompanying declaration did not address the protective order violations in the related litigation.[14] Accordingly, the application for pro hac vice admission was denied.[15]

III. Prosecution bar in related litigation

A party in patent litigation may seek a protective order that contains provisions to prohibit attorneys who receive a disclosing party's confidential information from prosecuting patent applications on behalf of other parties.[16] Such provisions are commonly referred to as a "prosecution bar." In a PTAB trial, a party may seek to oppose the admission of litigation counsel of the other party or at least limit the participation of the litigation counsel based on prosecution bar provisions in a related litigation. Resolution of the protective order issues depends on the language of the prosecution bar and the specific facts of a given situation.

In *ScentAir Technologies, Inc. v. Prolitec, Inc.*, IPR2013-00179, ScentAir requested permission from the PTAB to file a motion to disqualify Prolitec's litigation counsel from representing Prolitec in an IPR proceeding on the basis of a protective order in related district court litigation.[17] Specifically, the prosecution bar in the protective order included the following language:[18]

> Persons for a receiving party (including without limitation outside counsel and EXPERTS) who access "CONFIDENTIAL-ATTORNEYS EYES ONLY" materials of any producing party shall not, for the period of this action and extending two (2) years following final resolution of this action, draft, supervise, assist, or advise in drafting or amending patent claims or patent specifications, in the U.S. or abroad, related to scent diffusion products or other subject matter of the "CONFIDENTIAL-ATTORNEYS EYES ONLY" materials.

The PTAB found that the protective order merely bars litigation counsel from prosecution activities without mentioning litigation or trials before the PTAB and held that an IPR "is not original examination, continued examination, or reexamination of the involved patent. Rather, it is a trial, adjudicatory in nature and constituting litigation."[19] In addition, the PTAB noted that Prolitec's litigation counsel would be subject to sanctions by the district court if they violated the protective order.[20] Thus, the PTAB denied ScentAir's request to file a motion to disqualify Prolitec's litigation counsel.[21] Here, the PTAB appeared to find that generic prosecution bar provisions do not apply to PTAB trial procedures and shifted the focus of enforcing the protective order back to the district court.[22]

Following the PTAB decision in *ScentAir Technologies, Inc. v. Prolitec, Inc.*, IPR2013-00179, Prolitec filed a motion with the district court to clarify the scope of the prosecution bar and explicitly permit its litigation counsel to participate in the IPR proceeding.[23] The district court found that limitations of the prosecution bar were defined by the types of action that are prohibited, which include "drafting, supervising, assisting, or advising

[14] *Id.* at 4-5.

[15] *Id.* at 5.

[16] In re Deutsche Bank Trust Co. Americas, 605 F.3d 1373 (Fed. Cir. 2010).

[17] *ScentAir Technologies, Inc. v. Prolitec, Inc.*, IPR2013-00179 (JL), Paper 9 (April 16, 2013).

[18] *Prolitec Inc., v. Scentair Technologies, Inc.*, Case No. 12-C-483, Paper 62, at 3 (E.D. Wis., May 17, 2013).

[19] *ScentAir Technologies, Inc. v. Prolitec, Inc.*, IPR2013-00179 (JL), Paper 9, at 4 (April 16, 2013).

[20] *Id.*

[21] *Id.* at 5.

[22] In *Google Inc. v. Jongerious Panoramic Techs., LLC* (Case IPR2013-00191), the PTAB granted a petitioner's motion for *pro hac vice* admission of Petitioner's litigation counsel despite a prosecution bar in a protective order in related litigation which precluded attorneys receiving access to confidential information from engaging in "prosecution activities." The PTAB noted that if the patent owner believed that the litigation counsel was violating the protective order, it could seek relief at the district court.

[23] *Prolitec Inc., v. Scentair Technologies, Inc.*, Case No. 12-C-483, Paper 62 (E.D. Wis., May 17, 2013).

in drafting or amending patent claims or patent specifications."[24] The district court concluded that because the IPR proceeding may include amendment of patent claims, the IPR proceeding falls within the scope of the prosecution bar in part, even though the IPR proceeding was not explicitly mentioned in the prosecution bar.[25] Thus, Prolitec's litigation counsel was allowed to participate in the IPR proceeding but could not participate in amending, substituting, or adding claims.[26]

Some district courts have followed suit. In *Endo Pharms. Inc. v. Amneal Pharms. Inc., et al.*, No. 1:12-cv-08115-TPG-GWG (S.D.N.Y. Aug. 13, 2014), despite an existing prosecution bar, the district court allowed litigation counsel to participate in the IPR proceeding subject to certain restrictions including that the litigation counsel may not participate in drafting or amending patent claims.[27]

In some cases, a district court may issue a protective order that contains explicit language barring litigation counsel from participating in the PTAB trial procedures. In *Versata Software Inc., et. al. v. Callidus Software Inc.*, 1-12-cv-00931, the district court barred those attorneys who viewed a defendant's highly confidential source code from participating in any reexamination, inter partes review or any other post-grant review before the USPTO.[28] The PTAB would likely acknowledge such a specific prosecution bar order in related litigation and deny pro hac vice admission of litigation counsel in response to a motion.

Given the impact of the prosecution bar on the overall strategy of PTAB trial procedures and related litigation, protective orders in related litigation should be carefully drafted and the particular language of prosecution bars should be closely scrutinized when composing the PTAB trial team.

IV. Conclusion

With PTAB post-issue trials becoming an integral component of most patent litigations, successful negotiation of PTAB proceedings is now key to the overall litigation strategy. Attention to team composition at the start of the proceeding can be vital to attaining a successful PTAB trial result. The mix of both patent prosecution and litigation skills in these fast paced administrative trials requires attorneys with a broad range of proficiencies that span both arenas. Careful consideration should be given to the different skills that will be needed throughout the stages of the trial, keeping in mind who on the team is eligible based on pro hac vice admission eligibility, protective orders in co-pending district court litigations, as well as prosecution bars in those co-pending proceedings.

FROM THE NEWSLETTER COMMITTEE

We hope you've enjoyed this issue of the 2014/2015 PIPLA News, an informative and hopefully entertaining look at the goings on in IP law. We invite our entire readership to contribute to this endeavor with articles, announcements, and job postings of your own. If you have something you would like included in PIPLA News or have questions about how you can contribute, please contact Ying Cao at 412-394-9575 or at ycao@jonesday.com.

[24] *Id.* at 6.

[25] *Id.*

[26] *Id.*, at 10.

[27] *Endo Pharmaceuticals Inc. v. Amneal Pharms Inc., et al.*, No. 1:12-cv-08115-TPG-GWG, D.I. 65 (S.D.N.Y. Aug. 13, 2014).

[28] *Versata Software Inc., et. al. v. Callidus Software Inc.*, 1-12-cv-00931, D.I. 106 (D. Del. June 19, 2014) (tracking the order granted in *Affinity Labs of Texas, LLC v. Samsung Electronics Co., Ltd., et al.*, D.I. 129, Civ. No. 12-557).