



BRIEFS

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WHAT DOES THE 2017 SOLAR ECLIPSE HAVE TO DO WITH INTELLECTUAL PROPERTY?

Author: [Jonathan L. Kennedy](#)

August 21, 2017 was the date of the “Great American Total Solar Eclipse” – a total solar eclipse spanning across the contiguous United States of America. It spanned from South Carolina to Oregon. The last time such a solar eclipse occurred was in 1918. This solar eclipse generated a lot of attention, particularly in the regions where the total eclipse was fully viewable. Many cities, schools, libraries, and science centers scheduled viewings at their venues. So, what did this eclipse have to do with IP? One answer: Trademarks. Multiple federal trademarks were applied for and even registered associated with the solar eclipse. Examples of some marks applied for or registered include, “SUN VALLEY SOLAR ECLIPSE AUGUST 21, 2017,” “SOLAR ECLIPSE TIMER,” “SOLISES SOLAR ECLIPSE SUNSPOT VIEWER,” and “SOLAR ECLIPSE HOPKINSVILLE, KY AUGUST 21, 2017.”

To safely view the eclipse, one needed special glasses, preferably ISO (International Organization of Standardization) certified solar filter glasses for direct viewing of the sun. These glasses were reported to filter more than 99% of the sun’s harmful rays. This raised another intellectual property issue: counterfeiting and the role of trademarks in consumer safety.

ISO certified solar filter glasses sold out fast across the United States. Many retailers, e.g., REI, Best Buy, and a variety of other major retailers, reportedly sold out of ISO certified solar filter glasses, company-wide. Part-and-parcel with the high demand were counterfeit versions of the glasses. There were reports of significant counterfeiting of ISO certified solar filter glasses. Online retailer Amazon, offered to refund customers who may have purchased counterfeit solar filter glasses and various consumer watch-dog groups issued warnings regarding counterfeit glasses.

The problem was that counterfeit products are at times difficult to distinguish from bona fide products. In this context, while some of the counterfeiters may have imitated

reputable brands, the real issue was that many were simply marketing solar eclipse glasses, or as ISO certified glasses. This demonstrated the benefit and power of trademarks in helping consumers make purchase decisions. For example, by purchasing a product from a reputable company, one relied on the reputation of that company as to the quality of goods. In this example, by purchasing solar eclipse glasses from a company recognized as having quality solar filter glasses, one could more likely ensure safe viewing of the solar eclipse.

The impact of counterfeiting on multiple parties was demonstrated by this. Amazon may lose money in its efforts to identify counterfeit products that were available on its website and from refunding customers. Consumers were at risk of injuring their eyes by using counterfeit glasses. And reputable companies that manufactured and sold ISO certified solar filter glasses were at risk of injured goodwill if counterfeiters used their brand names. This revealed the importance of monitoring and stopping counterfeit activity from a trademark-holder’s perspective. For example, if a company does not monitor and stop counterfeiters from using their mark, then the company bears the risk of the consequences of consumers associating the faulty products with the company. Even if consumers recognize that the product was likely a counterfeit, they may be less inclined to purchase products bearing that brand in the future due to the perceived risk of buying another counterfeit. Thus, identifying and stopping infringement has been of significant focus from companies, governments, and consumer protection groups.

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WE WERE JUST SUED FOR PATENT INFRINGEMENT, NOW WHAT?

Author: [R. Scott Johnson](#)

Patent infringement is a serious matter. Patents give their owners the right to prohibit others from making, using, selling, offering for sale, or importing their patented invention. What happens to your business if you are forced to stop making a top selling product, forced to stop using a cost saving process, or forced to find a new source for an imported component? When a lawsuit threatens your company's ability to make, use, sell, or import the products it relies on, the best thing you can do to protect your business is be prepared.

First things first, **do not contact the lawyer or company accusing you of infringement!** Anything you say can and will be used against you if you contact the other side. Hopefully you received a letter notifying you of the potential patent infringement before a lawsuit is filed. If so, take that letter to a patent attorney immediately. If you were actually sued, you most likely received a copy of the lawsuit. If so, take the copy to a patent attorney as soon as possible because you only have twenty days to respond. Whatever you do, do not ignore the lawsuit or letter and just hope it will go away.

When you speak with a patent attorney, **ask about the process.** Patent litigation is not simple. It is often lengthy (some of my cases have been resolved quickly – in a matter of months; some have gone to trial after a little over a year and a half; some took many years to reach resolution). Many courts have developed scheduling orders just for patent litigation and your patent attorney can help you prepare for the events to come.

Patent litigation is often expensive. For example, just taking a case through the end of discovery can cost several hundred thousand dollars and it often exceeds a million dollars in fees and costs through trial. **Contact your insurance carrier and see if you may be covered.** Ask the patent attorney if you can minimize these costs and the impact on your business by designing around the patent? Ask the patent attorney if you can minimize the costs by taking a license? Ask the patent attorney if you can minimize these costs by trying to invalidate the patent through a post grant process that may stay the litigation? The patent attorney should be able to walk you through the pros, cons and situations that may or may not arise by choosing to execute one of these strategies if you are able to do so.

If litigation proceeds, **be prepared.** Read the patent and know what it is about. Preserve any documents related to the patent or the accused product. Ask your attorney what the patent covers and any other questions you may have after reading the patent. It may not cover what you are doing. Know what you've already done and realize patent litigation is going to be invasive. Patent cases typically involve disclosing confidential information like product design and development documents, company financials, and customer data. This information can be protected and many courts have developed standardized orders to help you keep your information protected. Often this information is kept in emails on multiple servers at multiple locations stored by multiple employees. Gathering it all can take time, so start early. Doing so will help minimize the amount of disruption the case can have on your business.

It all boils down to this: if you get sued, call. I'm happy to help answer questions and protect your business during what can be a very stressful time for many.

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WHEN A PRINTER IS NOT LIKE A MOLECULE - SALES OF BIOLOGICALS AND A RECENT SUPREME COURT DECISION

Author: [Patricia A. Sweeney](#)

In June of 2016, we reported to you that a U.S. Supreme Court decision reversed prior law and said that once a patented item is sold, the patent holder can no longer sue the legitimate purchaser of the patented product. Up until that decision, the Federal Circuit had held a patent owner could sell some but not all rights of a patent. In *Impression Product Inv. v. Lexmark International Inc.*, the Supreme Court said that is no longer true. It is possible to restrict use of a patented item through contract – but not by a patent infringement lawsuit after sale to the purported infringer.

But what if the product is a biological capable of reproducing itself? The issue in *Impression Product* involved refillable printer cartridges. Once sold, the Court said, it was proper for the purchaser to refill the cartridges unless the buyer had signed a contract to the contrary. The idea of patent exhaustion prohibited a suit for patent infringement, since the patent owner had “received his reward” for the product. The result may be different if the printer could reproduce itself the way a seed or biological can.

Just five years ago the Supreme Court decided *Bowman v. Monsanto*, and distinguished a reproducible product from a non-reproducing product, saying patent exhaustion did not apply to copying the patented item. There, a farmer had entered into a contract with Monsanto to grow herbicide resistant seeds once, but to not save any of the seeds. Later, he purchased seeds from a grain elevator, planted the seed, and sprayed the herbicide, with only herbicide resistant seed surviving. An argument he raised was patent exhaustion, saying he purchased the seed and had the right to use or resell. The Court said no, explaining that patent exhaustion extended to the “particular article” sold and did not allow making *new copies* of the patent item. Otherwise, Justice Kagan said, the patent would provide scant benefit, adding, “if simple copying were a protected use, a patent would plummet in value after the first sale of the first item.” In another take on the seeds-are-special argument, Bowman also said that because seeds self-replicate, it was the soybean not Bowman that made replicas of the patent invention. The court said, “we think the blame-the-bean defense tough to credit,” saying human action was necessarily involved.

Without question, this will be a debated point. Unless the *Bowman* decision is overturned by the Court, the two decisions would be interpreted in light of each other. With that in mind, it’s possible reproducible biologic may be outside the patent exhaustion limits. The Court did not impact contract restrictions, which may be the more reliable ground for controlling use of seed or reproducing biologic until a court specifically addresses the issue.

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EXTRATERRITORIAL INFRINGEMENT LIABILITY

Author: [Heidi S. Nebel](#)

Everyone knows that patent rights are territorial in nature, i.e. the claims of my U.S. patent can only be infringed and enforced against conduct in the U.S., right?

Not necessarily so.

Our patent law provides protections against would-be infringers who try to “outsmart” the patent system by performing certain tasks outside of the U.S. and then selling items in the U.S.

“Indirect infringement”, or infringement liability for conduct that does not necessarily fall within any claim of a U.S. patent, is embodied within our statutory patent law. The provisions include 35 U.S.C. §271(b) which provides that those who actively induce infringement of a patent shall be liable as an infringer; 35 U.S.C. §271(c) which provides those who import into the U.S. a device specially made or adapted for practicing a patented process shall be liable as an infringer, and finally, 35 U.S.C. § 271(g) provides that those who import into the U.S., a product which is made by a process that is patented in the U.S. shall be liable as an infringer.

For example, if a foreign entity manufactures a pharmaceutical using a process that is covered by a claim of a U.S. patent, and then imports, sells, offers to sell, or uses the product within the U.S., the foreign entity could be sued by the patent owner for infringement of a U.S. patent under 35 U.S.C. § 271(g). In *Ajinomoto Co. v. Archer-Daniels-Midland Co.*, 228 F.3d 1338 (Fed. Cir. 2000), a defendant was found liable for producing genetically engineered bacteria in Sweden (by performing the steps of a U.S. patent claim) and importing it into the U.S.

The Federal Circuit has even gone so far as to find direct infringement when one piece or step of a method claim is performed entirely outside the United States. In *NTP Inc. v. Research in Motion Ltd.*, No. 03-1615, 2005 WL 1806123 *continued...*

(Fed. Cir. Aug 2, 2005), the court found infringement of a method claim, even though a component for practice of the method was physically located outside the United States. The panel concluded that, though one of the accused components in RIM's BlackBerry system may not be physically located in the U.S., the location of the beneficial use and function of the whole operable system assembly is the U.S. and thus found liability.

Our statutory law also provides that a patent owner can initiate an exclusion action at the International Trade Commission to have these goods seized at the border. 19 U.S.C. § 1337(a)(1)(B)(ii) prohibits the importation into the United States of articles that are made by a process covered by the claims of a valid US patent. The ITC can issue an exclusion order prohibiting importation of the manufactured article and/or can issue a cease and desist order prohibiting the sale of already imported articles that are inventoried.

As we are entering an ever more global marketplace, method claims and components thereof should always be part of any international intellectual property strategy.

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WE'RE THERE

June 27, 2017

The female attorneys at MVS were honored at the DSM Magazine June issue unveiling party in the [Women Who Mean Business specialty section](#).

July 10 - 12, 2017

Several MVS attorneys, [Heidi S. Nebel, Jill N. Link, Pharm.D., Jonathan L. Kennedy](#), and [Xiaohong Liu, Ph.D.](#) attended the [AUTM Central](#) regional meeting in Chicago, IL. MVS was a sponsor of the event.

July 17, 2017

[R. Scott Johnson](#) and [Jill N. Link, Pharm.D.](#) attended the Licensing Executive's Society (LES) Iowa Chapter event in Des Moines, Iowa. The event focused on IP Valuation. Scott and Jill sit on the Leadership Council for the LES Iowa Chapter.

July 20 - 24, 2017

[Jonathan L. Kennedy](#) and [Xiaohong Liu, Ph.D.](#) attended the [American Chemical Society \(ACS\) National Fall meeting](#) in Washington, D.C. Jonathan presented on "Considerations and Standards for U.S. Patent Specifications and Claims". Jonathan also organized a symposium entitled, "Patent Specification Requirements: What's in Common & What's Different in the U.S., Europe & Southeastern Asia?".

August 10, 2017

MVS was a proud sponsor of the Business Record [Women of Influence awards](#). [Heidi S. Nebel](#) spoke on behalf of the firm, congratulating all the Women of Influence honorees and emphasizing the importance of supporting fellow women in career growth and development.

August 21, 2017

[Jill N. Link, Pharm.D.](#) presented on Intellectual Property 101/Basics to a DreamBuilder class of current and aspiring business owners. The class was part of the Women's Business Center, a subdivision of the [Iowa Center for Economic Success](#).

August 29 - 30, 2017

[Heidi S. Nebel](#) and [Jill N. Link, Pharm.D.](#) attended the [AUTM Animal Health and Nutrition Partnering Forum](#) in Kansas City, MO. MVS was a sponsor of the event that focused on animal health, nutrition and diagnostic technology sectors.

September 6, 2017

MVS was the lead sponsor and supporter of the [Iowa Innovation Corporation SBIR Showcase](#) in Iowa City, Iowa. The Showcase aimed to bring startups in the technology sector together and had them pitch their ideas for potential funding.

September 6 - 7, 2017

[Jill N. Link, Pharm.D.](#) attended the Colorado State University [Ag Innovation Summit](#) on the CSU campus. The Summit focused on the innovation community in Colorado and the regional and global agricultural economy.

September 11 - 13, 2017

[Heidi S. Nebel](#) and [Jill N. Link, Pharm.D.](#) attended the [Ag Innovation Showcase](#) in St. Louis, MO.

September 20, 2017

[Luke T. Mohrhauser](#) and several Mechanical patent practice group attorneys are attending the [ABI Advanced Manufacturing Conference](#) in Altoona, Iowa. MVS is a member of ABI.

September 25, 2017

[R. Scott Johnson](#) and [Jill N. Link, Pharm.D.](#) are attending an LES Iowa Chapter Panel in Iowa City, Iowa to discuss communicating IP value to customers in support of establishing and negotiating business deals.

September 26 - 29, 2017

[Heidi S. Nebel](#) is attending the [Women in Agribusiness Summit](#) in Minneapolis, MN. The conference brings women in the agribusiness industry together to discuss industry trends, news and discoveries.

If you're interested to learn about what our MVS attorneys attend and learn, please contact them through www.ipmvs.com or by calling 515-288-3667.