

IP Strategies

Trends in patent, copyright, trademark and technology development and protection

February 2008

IP PRACTICE CONTINUES TO GROW; VEDDER PRICE EXPANDS INTELLECTUAL PROPERTY PRACTICE

As we begin the new year, Vedder Price is pleased to announce that it has significantly expanded its intellectual property practice to provide full service in all areas of intellectual property law. With its most recent expansion, Vedder Price provides support in connection with the procurement and enforcement of all types of intellectual property in virtually all technological areas.

When Angelo Bufalino, the head of the intellectual property practice group, arrived at Vedder Price in 1999, the intellectual property practice showed enormous potential for growth. Since that time, the group has grown to include sixteen (16) registered patent practitioners and an additional sixteen (16) commercial litigators with significant intellectual property litigation experience. The growth and size of the intellectual property practice allows us to provide a full range of intellectual property services to a large variety of clients with respect to patents, trademarks, copyrights, trade dress and trade secret issues, in connection with prosecution, transactions and litigation.

Specifically, seven of the patent practitioners have electrical engineering degrees, including shareholders Angelo Bufalino, Christopher Reckamp, Mark Dalla Valle and Christopher Moreno and associates William Voller, Jim Tolliver and Joseph Cygan. Associate Renick Gaines has a computer science degree. Shareholder John Gresens brings significant experience in semiconductor fabrication. The strength and depth of these electrical engineering practitioners permits Vedder Price to

handle virtually all types of electrical patent prosecution work. Specifically, this group focuses its efforts in the following technological areas with special emphasis on the technologies listed below:

Telecommunications:

- Short-range ultrahigh bandwidth wireless communication circuits
- Wireless cell phone communication circuits/devices
- Wireless digital video broadcast circuits
- Wireless data compression circuits
- Voice coders
- Push email systems
- Voice/video compression algorithms
- Encrypted wireless communication systems
- Wired/wireless network communication protocols

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Digital Display Technology:

- Graphics rendering circuits/systems
- Video compression/decompression circuits/systems
- High data rate dynamic RAM control circuits
- Video display circuits/systems
- High definition television signal processing circuits/systems

Semiconductors:

- Audio circuits/systems
- Video circuits/systems
- Analog/digital interface circuits
- Analog/digital conversion circuits/systems
- RF/microwave wireless transceiver circuits/systems
- RF/microwave modulation/demodulation circuits/systems
- Battery charging/control circuits
- Programmable logic/arrays circuits/systems
- Optical signal processing circuits/systems
- Analog/digital filters
- Sigma-delta modulators/converters
- Electrostatic discharge protection structures/circuits
- Neural networks
- Materials processing and device design

Computer Software Patents:

- Digital video encryption/playback software
- Web-based multimodal content delivery systems
- Handheld global positioning algorithms
- Web-based voice recognition systems
- Graphics/video driver code
- Online commodities trading systems

- Enterprise-wide collaboration tools
- Voice-controlled Internet access/browsing

In addition to our significant electrical capability, Vedder Price has strong capabilities in the mechanical arts, with four shareholders, Robert Beiser, Robert Rigg, Michael Turgeon and Richard Zachar, and one associate, Alain Villeneuve, practicing in this area. This group practices in a large variety of mechanical disciplines and provides high-quality services in connection with a multitude of mechanical and electro-mechanical applications. Finally, Vedder Price's chemical-biotech practice includes shareholders John Gresens, Dennis Drehkoff and James FitzGibbon, all of whom have backgrounds in chemistry and biotechnology and chemistry or chemical engineering degrees. These practitioners have capability in various chemical and biotech applications.

Vedder Price represents a very broad base of clients and assists them in connection with identifying patentable subject matter, preparing, filing, prosecuting and maintaining patents in a variety of industries. Specifically, Vedder Price has significant patent prosecution experience working in the industries referenced on page 3.

Patent Prosecution Experience

Accelerated Weathering Equipment	Medical Services
Adhesives	Medical X-Ray Imaging Systems
Adult Stem Cells	Memory Devices
Agricultural Implements	Metallurgy
Amplifiers	Microcontrollers
Analog Circuits	Microprocessors
Animal and Insect Repellant Devices	Molded Fiber Packaging
Arts and Craft Products	Molded Plastic Organizers
Automotive Applications	Molded Plastic Shelves
Battery Circuits	Molecular Biology
Bio-Based “Green” Building Products	Oil Seals and Other Automotive Products
Can Handling Equipment	Packaging
Cellular Antennas	Parts Cleaning Machines
Chemical Dispensing Equipment	Pharmaceuticals
Cooking Equipment	Plant Varieties
Computer Software Applications	Plastic Closures
Consumer Products	Plastics
Craft Organizers, Containers and Totes	Point of Purchase Display Equipment
Digital Display Technology	Polymer Chemistry
Electrical Connectors	Portable Lift Apparatus
Electrical Circuits	Power Electrical Circuits
Ethernet Circuits and Architecture	Radio Frequency Systems
Fiber Optics	Roller and Conveyor Chain Products
Financial Services	Rubber-Coated Wire Racks
Food Packaging	Semiconductors
Food Technology	Storage and Transport Cases
Fuel Cell Technology	Telecommunications Equipment
Gears and Motors	Telephone Circuits
Giftware	Transmissions
Hard- and Soft-Sided Hardware Systems	Vacuum-Formed Food Containers
Hard- and Soft-Sided Tackle Systems	Vehicle Panel Customization Methods
Industrial Filters	Water Filtration Technology
Inorganic Chemistry	Weathering Equipment
Integrated Circuit Devices	Website Architecture
Lawn and Garden Equipment	Website Technology
Materials Science	Welding Safety Devices
Medical Devices	Wireless Parking Meter Technology

In addition to its significant experience in the patent procurement process, Vedder Price represents a variety of clients in connection with various trademark and trade dress issues, advising clients in connection with the selection, adoption, registration and enforcement of trademark and trade dress rights. The firm also provides advice in connection with the acquisition, registration and enforcement of copyrights.

Recently, Vedder Price added shareholder John Gresens, who has an international practice and represents clients throughout the world in a variety of intellectual property matters. As part of the international scope of Vedder Price's practice, one of Vedder Price's senior associates, Alain Villeneuve, is a solicitor registered to practice law in the United Kingdom. Shareholder Dennis Drehkoff stays current with intellectual property issues in Asia, as part of his responsibilities of being an instructor at the bi-annual Southeast Asian Drafting Course in Thailand.

Vedder Price regularly represents clients in many jurisdictions around the world in connection with the preparation and filing of patent application and trademark applications. The firm has filed patent applications in over forty (40) different foreign countries and trademark applications in over fifty (50) countries. This international experience allows Vedder Price to provide global intellectual property representation for its clients in the intellectual property areas.

Augmenting our patent prosecution and transaction practice, Vedder Price also has built a significant intellectual property litigation practice. New shareholder, Robert Rigg, brings a significant patent litigation practice that allows Vedder Price to provide full-service capability in both prosecuting and defending patent, trademark, copyright and trade dress infringement actions on behalf of clients, in various technical areas. In addition, sixteen members of the Vedder Price commercial litigation group (13 shareholders and 3 associates) have extensive intellectual property litigation experience in patent, trademark, copyright, trade secret and unfair competition matters that provides a team with depth that can handle virtually any intellectual property litigation matter.

Vedder Price continues to grow and expand its intellectual property practice in an effort to provide the preeminent, most comprehensive service to its clients in the intellectual property area.

STATUS OF U.S. PATENT & TRADEMARK OFFICE RULE CHANGES

In 2007, several changes to the Code of Federal Regulations were finalized following a period of public comment. On August 27, 2007, a fundamental reform to the Patent Office Prosecution Rules was also finalized after a very tumultuous period of public comment. This earlier reform was also to take effect on November 1, 2007, with retroactive effect on pending filings. This broad reform was widely criticized by patent professionals from around the country and, as explained below, the new rules have not taken effect. On November 1, 2007, a modest change to the rules of the Trademark Trial and Appeals Board (TTAB) met favorably with trademark attorneys.

Changes to Patent Office Rules

Faced with a growing number of continuation applications and an increasing number of claims in each application, the Patent Office argued that it was crippled under the weight of this work and could not examine newly filed applications promptly. Under the current patent rules, applicants can file an unlimited number of continuation applications, requests for continued examination and claims, as long as statutory restrictions are met and the appropriate fees are paid. Burdens on the Patent Office are currently managed by increasingly large filing fees. The Patent Office has all but abdicated its responsibility to maintain adequate staffing to meet the increasing demand in patents in the United States. The gist of the reform can be boiled down to two issues: (a) limiting prosecution of initial applications, and (b) restricting the number of claims that can be included in patent applications.

Under the proposed Patent Office rules, each initial application can give rise to only two continuation applications or continuation-in-part applications, and only a single request for continued examination is allowed as a matter of right. Further prosecution can proceed only if a “petition and showing” is granted that presents evidence as to why the new prosecution could not have been previously presented. Second, and very importantly, the number of claims in each initial application was limited to five independent claims and a total of twenty-five claims. Claims in excess of the 5-25 rule were allowed only if an onerous examination support document (ESD) was filed alongside the claims guiding the Examiner to the patentability of each additional claim. What is unclear is how strictly the Patent Office would enforce these limitations. The object of the change was to restrict excessive prosecution, and many experts believed that this rule would be strictly enforced.

The Patent Office has authority to enact rules that regulate the procedural aspects of patent protection, but not the authority to modify the substantive rights granted under the Patent Act to patent applicants. By limiting the number of claims and the ability to file continuation applications, the Patent Office effectively overruled parts of the Patent Act that define the scope of patent protection available to applicants. For example, situations can arise where an applicant desires to file a new claim in a pending application, but would be barred simply because the applicant had already included a full set of 25 claims.

Patent applicants fought back, and on October 31, 2007, Judge James C. Cacheris of the District Court for the Eastern District of Virginia granted a Motion for Preliminary Injunction, preventing the new rules from coming into effect on November 1, 2007, as planned. In this Order, the Judge agreed that it was likely that a court would find this reform was more than procedural and would affect the “substantive rights” of applicants. The injunction expires upon entry of a final judgment in the court case. Since that ruling, 44 parties have been allowed to join and file Amicus Briefs, and these parties are actively participating in the litigation, in which the

parties have filed cross-motions for Summary Judgment. A hearing is scheduled in February 2008. While we do not believe a final judgment is likely to issue in the first half of 2008, the Patent Office is actively litigating this case and has not proposed newly amended rules in an effort to settle this case out of court.

Changes to TTAB Rules

The TTAB has initial jurisdiction over appeals from final rejections of trademark applications, as well as Oppositions and Petitions for Cancellation of registered marks. Because the TTAB is located in the state of Virginia and the proceedings are conducted online, special rules apply for the commencement of proceedings, protective orders, discovery and the entry of evidence.

Opposition and Cancellation proceedings were initiated by the filing of a Petition for Cancellation or Notice of Opposition, along with the payment of a fee. The TTAB had the sole responsibility of service upon the Registrant or Applicant of record. Persons seeking to oppose or petition to cancel a mark must now serve a copy of the Notice of Opposition/Petition for Cancellation on the owners of record on the TARR report, according to 37 C.F.R. § 2.119.

There is no duty placed on petitioners to investigate the current address. If the service copy is returned as undeliverable, the petitioner has 10 days to notify the Board, thus returning the notice obligation to the Board. This change allows the Board, at its own discretion, to concentrate its efforts on the missing participants for marks with a market presence. Petitioners should sua sponte serve adverse parties, when known, to avoid unnecessary delays.

The TTAB previously waived the mandatory initial disclosure Rule 26(a)(1)(A)–(B) of the Federal Rules of Civil Procedure. Mandatory disclosure is now required 30 days after the discovery period commences. Disclosures include the identities of witnesses and the scope of their knowledge. Litigants must also disclose the nature and location of applicable and relevant documents. Trademark Opposition and Cancellation

Proceedings have now become more like other district court litigation.

Mandatory disclosures are often irrelevant because an analysis can be conducted from the perspective of the marketplace, not the adverse party's perspective. For example, most Petitions for Cancellation are grounded on abandonment, descriptiveness or generic marks. Disclosures for these marks is often a waste of time and resources. Under the amended rules, parties can no longer file for Summary Judgment until this initial disclosure has taken place.

Finally, the Board's standard protective order will be automatically applicable in all cases unless parties stipulate otherwise. Thirty days before the close of discovery, expert testimony disclosure is required, as contemplated by Rule 26(a)(2) of the Federal Rules of Civil Procedure.

CASE LAW REVIEW

MENTAL PROCESSES STANDING ALONE AND UNTIED TO ANOTHER CATEGORY OF STATUTORY SUBJECT MATTER ARE UNPATENTABLE

In re Comiskey
(Fed. Cir. 2007)

Business methods that solely employ mental processes without machines, manufactures or compositions of matter are not patentable subject matter under 35 U.S.C. § 101, according to the Federal Circuit.

Comiskey filed a patent application claiming a method and system for mandatory arbitration involving legal documents, such as wills or contracts. Independent claim 1 was directed to a method for mandatory arbitration resolution regarding one or more unilateral documents. Independent claim 32 was virtually identical to claim 1, except that it referred to bilateral contractual documents rather than unilateral documents. Although the written description references "an automated system and method for requiring binding arbitration" and "a mandatory arbitration system through a computer

network," claims 1 and 32 do not reference the use of a mechanical device such as a computer.

Independent claim 17 was directed to a system for mandatory arbitration resolution regarding one or more unilateral documents. Claim 17 included, among other things, two modules, a database, and means for selecting an arbitrator. Claim 46 was practically identical to claim 17, except that it referred to contractual documents rather than unilateral documents.

Comiskey argued that the claimed subject matter was statutory subject matter under 35 U.S.C. § 101 because it did not fall within an exception to patentability, such as an abstract idea, natural phenomenon or law of nature. However, the Patent Office argued that the claims were directed to an unpatentable abstract idea, and not a patentable process, because they were neither tied to a particular machine nor operated to change materials to a different state or thing.

The Court characterized Comiskey's application as a business method patent. The Court stated that business method patents are subject to the same legal requirements for patentability as applied to any other process or method. The Court stated that although the scope of patentable subject matter is extremely broad, there are limits. One such limit, according to the Court, is an abstract idea, which the Supreme Court has consistently held is beyond the broad reaches of patentable subject matter under 35 U.S.C. § 101.

The Court stated that when an abstract idea has no claimed practical application, it is not patentable subject matter. The Court also stated that an abstract idea can be statutory subject matter only if it is embodied in, operates on, transforms or otherwise involves another class of statutory subject matter, i.e., a machine, manufacture or composition of matter. According to the Court, for such a method to qualify as statutory subject matter under 35 U.S.C. § 101, (1) the process must be tied to a particular apparatus or (2) the process must operate to change materials to a different state or thing. Therefore, the Court stated that a claim involving both a mental process and one of the other categories of statutory subject matter (i.e., a machine, manufacture

or composition) may be patentable under 35 U.S.C. § 101. According to the Court, mental processes standing alone are not patentable even if they have practical application.

The Court found that independent claims 1 and 32 seek to patent the use of human intelligence in and of itself and are therefore unpatentable. In addition, the Court found that independent claims 17 and 46 might be patentable because the broadest reasonable interpretation of the claims could require a computer as part of the system. The Court stated that, when an unpatentable mental process is combined with a machine, the combination may produce patentable subject matter. However, the Court warned that the routine addition of modern electronics to an otherwise unpatentable invention can create a prima facie case of obviousness.

Practice Tip: When filing a patent application that involves a business method, it may be beneficial to include apparatus claims in order to connect to the process with another category of statutory subject matter such as a machine, manufacture or composition of matter.

CLAIMS TO SIGNALS ARE NOT STATUTORY SUBJECT MATTER

In re Nuijten
(Fed. Cir. 2007)

A claim directed to a signal by itself is unpatentable subject matter under 35 U.S.C. § 101 because it does not fall within one of the four statutory categories (i.e., a process, machine, manufacture or composition of matter), according to the Federal Circuit.

Nuijten filed a patent application directed to reducing distortion induced by the introduction of watermarks into signals. Claims in the application that were directed to a process of adding a watermark to a signal, an arrangement for embedding supplemental data in a signal, and a storage medium storing the signal were allowed. However, the Patent Office rejected claims

directed to a signal embedded with the watermark as unpatentable subject matter.

Claim Construction

The Patent Office contended that claims directed to a signal are merely numerical information (e.g., data) without any physical embodiment. However, Nuijten argued that a signal must have a sufficient physical substance to be discerned and recognized by a recipient. The Court stated that a signal implies signaling, i.e., the conveyance of information. Therefore, to convey information to a recipient, a physical carrier such as an electromagnetic wave is needed. However, even though the signal claims require some physical carrier of information, they do not in any way specify what carrier element is to be used. Therefore, according to the Court, the nature of the signal's physical carrier is irrelevant to the signal claims at issue.

The Claims Are Not in Any Statutory Category

Nuijten, relying on *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368, 1375 (Fed. Cir. 1998), argued that a claim does not need to fit precisely into one of the four categories of statutory subject matter (i.e., process, machine, manufacture or composition of matter). Rather, Nuijten argued, the essential characteristics of the subject matter, in particular, and its practical utility should be considered. However, the Court stated that *State Street* does not hold the four statutory categories to be irrelevant, non-limiting or subsumed under some more overreaching question about patent utility. The Court stated that the claimed subject matter must fall into at least one category of statutory subject matter, but that it is irrelevant as to which category it falls into so long as some category has been satisfied. The Court stated that the four categories together describe the exclusive reach of patentable subject matter, and, if a claim covers material not found in any one of the categories, the claim falls outside the scope of patentable subject matter.

The Court found that the claimed signal did not fall within any of the four categories and is therefore

unpatentable subject matter. More specifically, the Court found that the claimed signal was not a process because a process must cover an act or series of acts. The Court also found that the claimed signal was not a machine because it was not a concrete thing consisting of parts, or of certain devices or a combination of devices. Furthermore, the Court found that the claimed signal was not a manufacture because it was transitory and does not fit within the dictionary definitions of “manufacture” provided by the Supreme Court as being some tangible article or commodity. Finally, the Court found that the claimed signal was not a composition of matter because the signal was not a combination of substances.

Concurring and Dissenting Opinion

Judge Linn agreed with the majority that a signal, as used in the claims at issue, refers to something with a physical form. However, Judge Linn disagreed with the majority that the signal claims are not directed to statutory subject matter under 35 U.S.C. § 101.

Although Judge Linn agreed with the majority that the signal claims were not a machine, process or composition of matter as used in 35 U.S.C. § 101, he argued that the signal claim does satisfy the manufacture category. He stated that the Supreme Court’s definition of “manufacture” is not limited to tangible or non-transitory inventions. He argued that tangibility is not necessary to the meaning of “material” or “article,” and that many transitory inventions in the chemical arts have been held patentable. He also stated that the Supreme Court cases relied on by the majority did not address the tangibility of the subject matter, but rather whether it was made by man. Judge Linn concluded that the claimed signal is a manufacture because it is an article produced for use from raw materials by giving the materials new form.

Practice Tip: When filing a patent application that involves signals, it is recommended to include claims directed to a process of creating the signal and/or an apparatus that interacts with the signal.

PUBLICATION POSTED ON A NON-INDEXED FTP SERVER NOT PRIOR ART

***SRI International, Inc. v. Symantec Corp.* (Fed. Cir. 2008)**

Although posted on a public file transfer protocol (FTP) site, a prior printed publication that is not indexed or cataloged in any meaningful way is not prior art under 35 U.S.C. § 102(b), according to the Federal Circuit.

SRI International owns four patents that each originate from a patent application filed on November 9, 1998. On August 1, 1997, a paper that disclosed each of the claimed inventions was e-mailed to a conference chair. In addition, the paper was posted on a publicly accessible FTP site as a backup for the conference chair. The paper remained on the FTP site for several days.

35 U.S.C § 102(b) provides that: “[a] person shall be entitled to a patent unless . . . the invention was patented or *described in a printed publication* in this or a foreign country . . . more than one year prior to the date of the application for the patent in the United States.” (Emphasis added.) This statutory bar is grounded on the principle that, once an invention is in the public domain, it is no longer patentable by anyone.

The Court stated that because there are many ways in which a reference may be disseminated to the interested public, “public accessibility” has been called the touchstone in determining whether a reference constitutes a “printed publication” under 35 U.S.C. § 102(b). The Court stated that a reference is “publicly accessible” upon a satisfactory showing that the reference has been disseminated or otherwise made available to the extent that persons interested and ordinarily skilled in the subject matter can locate it using reasonable diligence.

The Court found that although the FTP site was publicly accessible and the inventor provided the location of the FTP site to others skilled in the art, there was insufficient evidence to show that the paper was publicly accessible and thus a printed publication under 35 U.S.C. § 102(b). The Court stated that because the paper was not indexed or cataloged, it would have been

difficult for the public to find and therefore is not a printed publication under 35 U.S.C. § 102(b).

Practice Tip: Although the Federal Circuit found that a paper not indexed on a publicly accessible FTP site is not a printed publication under 35 U.S.C. § 102(b), it is recommended to file an application with the Patent Office prior to disclosing information regarding an invention.

METHOD CLAIMS NOT INFRINGED WHEN NO SINGLE ENTITY PERFORMS EACH AND EVERY STEP OF THE CLAIM

BMC Resources, Inc. v. Paymentech (Fed. Cir. 2007)

When a claim includes multiple steps and no single party performs all of the steps claimed, a party that performs some steps must direct or control the actions of the other entity or entities that perform the other steps of the claim for joint infringement to exist.

BMC owns two patents that claim a method for processing debit transactions without a personal identification number (PIN). The patents relate to a method for a PIN-less debit bill payment (PDBP) that requires the combined action of several participants, including the customer, the payee's agent (e.g., BMC), a remote payment network (e.g., an ATM network) and the card-issuing financial institution. Each entity participates in approving and carrying out the transaction. Defendant Paymentech offers PDBP services that require the participation of all these entities.

The district court determined that Paymentech did not infringe the two patents because it did not perform all of the steps of the asserted method claims. The District Judge stated, "Because the record contains no basis to hold Paymentech vicariously responsible for the actions of the unrelated parties who carried out the other steps, this court affirms the finding of non-infringement."

In appealing this decision, BMC agreed that Paymentech did not perform every step of the method claims at issue. The Federal Circuit was asked to determine if Paymentech could nonetheless be liable for direct infringement under 35 U.S.C. § 271(a), which states:

Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

The Federal Circuit stated that direct infringement requires a party to perform or use each and every step or element of a claimed method or product. For method patent claims, infringement occurs when a party performs each of the steps of the process. When a defendant does not directly infringe but encourages others to perform the remaining steps, courts evaluate a theory of indirect infringement. Indirect infringement requires a finding that some party amongst the accused actors has committed the entire act of direct infringement.

To ensure that a party does not simply sidestep liability by having a third party carry out one or more of the claimed steps, the law imposes vicarious liability on a party for the acts of another in circumstances showing that the liable party controlled the conduct of the acting party.

The Federal Circuit recognized the potential concern of parties entering into arms-length agreements to avoid infringement. However, it was more concerned that expanding the rules governing direct infringement to reach independent conduct of multiple actors would subvert the statutory scheme for indirect infringement. The Federal Circuit noted that concerns over a party avoiding infringement by arms-length cooperation can usually be offset by proper claim drafting, e.g., by structuring the claim to capture infringement by a single party.

The court found that although BMC proffered evidence to establish some relationship between Paymentech and the debit networks, the magistrate and the District Court Judge both concluded that this evidence was insufficient to create a genuine issue of material fact as to whether Paymentech controlled or directed the activity of the debit networks. Without the direction and control of both the debit networks and the financial institutions, Paymentech did not perform or cause to be performed each and every element of the claims. Thus, none of the involved parties bears responsibility for the actions of the other, and the Federal Circuit therefore affirmed the ruling of the district court.

Practice Tip: When drafting claims for a new patent application, and especially for method or process claims, extra time should be taken to carefully consider whether different limitations may be or are likely to be performed by more than one party without at least one party being in control of the other parties. By ensuring that the claims do not require the combined actions of multiple parties, parties are less likely to avoid infringement.

**PATENT SPECIFICATION MUST ENABLE THE
FULL SCOPE OF THE CLAIMS TO FULFILL THE
ENABLEMENT REQUIREMENT**

***Automotive Technologies Int'l, Inc. v. BMW of
North America, Inc.*
(Fed. Cir. 2007)**

The Federal Circuit re-emphasized that to fulfill the enablement requirement, the specification of a patent application must enable all embodiments deemed to fall within the scope of the claims.

Automotive Technologies International, Inc. (“ATI”) is the assignee of a patent relating to crash-sensing devices for deployment in an occupant protection apparatus, such as an airbag, during an impact or crash involving the side of a vehicle. According to the patent, prior art solutions used crash sensors that would trigger when crushed or deformed. According to ATI, velocity-type sensors, which had been successfully used for

sensing impacts to the front of a vehicle, would activate too slowly to deploy an airbag during a side impact crash. The inventors of the patent in suit, however, discovered that velocity-type sensors, when properly designed, could successfully and timely operate to deploy an airbag in a side collision.

In a claim directed toward a side-impact crash sensor for a vehicle having front and rear wheels, the claim language at issue involved a “means responsive to the motion of said mass upon acceleration of said housing in excess of a predetermined threshold value, for initiating an occupant protection apparatus.” The specification described two types of sensors that may be used: mechanical sensors and electronic sensors. The description of the mechanical sensor was detailed, while, in comparison, the description of the electronic sensor did not include much detail for the “conceptual view of an electronic sensor assembly.”

The District Court granted the defendants’ motion for summary judgment of invalidity for lack of enablement because the corresponding structure for the “means responsive” included both mechanical means and electronic means, but the court determined that the specification failed to enable electronic sensors for sensing side impacts. Thus, since the full scope of the claims (i.e., both mechanical and electronic sensors) was not enabled by the specification, the patent is invalid.

ATI argued that because one embodiment of the invention is enabled (a mechanical side-impact sensor), the enablement requirement is satisfied. The defendants countered that it is well-established that the specification must enable the full scope of the claims as construed by the court. In this case, the full scope of the claims as construed by the court included both mechanical side-impact sensors and electronic side-impact sensors.

The Federal Circuit rejected ATI’s argument and stated that, “in order to fulfill the enablement requirement, the specification must enable the full scope of the claims that includes both electronic and mechanical side impact sensors, which the specification fails to do.” Interestingly, however, the court noted that it was ATI that argued for the scope of the claims to include both mechanical and electronic sensors, thereby

suggesting that if ATI had not argued for the “means responsive” to include both sensors and/or if the district court determined “means for” included only mechanical sensors, the court may have found the patent valid, since the full scope of the claims, as interpreted by the court, would have been enabled by the specification.

Practice Tip: When drafting a patent application, extra care should be taken to ensure that all embodiments that may fall within the full scope of the claims are enabled. Additionally, patent holders should also think carefully about claim construction during litigation. By arguing for a broader claim interpretation, a patent holder could be widening the area of potential attack if the full scope of the claims, as interpreted by the court, is not enabled by the specification.

VEDDER PRICE ADDS NEW ATTORNEYS TO INTELLECTUAL PROPERTY GROUP

John J. Gresens recently joined Vedder Price as a Shareholder in the firm’s Intellectual Property Group. Mr. Gresens concentrates his practice in the counseling of clients on all areas of intellectual property including patent, trademark and trade secret law. He is admitted to practice before the United States Patent and Trademark Office, as well as various State and Federal Courts of the United States. Mr. Gresens has significant experience in representing clients throughout the country and throughout the world in complex intellectual property matters. His expertise includes designing intellectual property strategies and managing intellectual property portfolios that enable clients to penetrate commercial markets in the United States and throughout the world. Mr. Gresens has successfully managed litigation matters against some of the largest corporations in the world and as a Registered Patent Attorney has argued numerous appeals before the United States Patent and Trademark Office with overwhelming success in the arts of chemistry, materials science and mechanical engineering. Mr. Gresens received his law degree from Hamline University School of Law (Dean’s List) in

1986 and his B.S. in Chemistry (ACS) in 1981 from St. John’s University.

Joseph T. Cygan joined Vedder Price in January as an Associate in the Intellectual Property Group. Since becoming a patent agent in 2002, Mr. Cygan has prepared and prosecuted patent applications related to numerous wireless technologies and related technology standards. Mr. Cygan designed and presented several GSM network expansions for network operators serving the Middle East market, and prepared traffic analysis, Radio Frequency (RF) propagation simulations, frequency plans and network infrastructure expansion plans, seeing the designs through to installation and operation. Mr. Cygan is licensed to practice in Illinois and is admitted to the general bar of the Federal District Court for the Northern District of Illinois. He is a Registered Patent Attorney and was licensed to practice before the United States Patent and Trademark Office as a patent agent in February 2002. Mr. Cygan became registered as a patent attorney by the USPTO in 2005 after being admitted to practice law in Illinois. Mr. Cygan received his law degree from John Marshall Law School in 2005, his B.S.E.E. in Electrical Engineering in 1991 from the University of Illinois and his A.A.S. in Electronics from Wilbur Wright College in 1986.

VEDDERPRICE P.C.

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We welcome your suggestions for future articles. Please call Angelo J. Bufalino, the Intellectual Property and Technology Practice Chair, at 312-609-7850 with suggested topics, as well as other suggestions or comments concerning materials in this newsletter.

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Technology and Intellectual Property Group

Vedder Price P.C. offers its clients the benefits of a full-service patent, trademark and copyright law practice that is active in both domestic and foreign markets. Vedder Price's practice is directed not only at obtaining protection of intellectual property rights for its clients, but also at successfully enforcing such rights and defending its clients in the courts and before federal agencies, such as the Patent and Trademark Office and the International Trade Commission, when necessary.

We also have been principal counsel for both vendors and users of information technology products and services. Computer software development agreements, computer software licensing agreements, outsourcing (mainly of data management via specialized computer software tools, as well as help desk-type operations and networking operations), multimedia content acquisition agreements, security interests in intellectual property, distribution agreements and consulting agreements, creative business ventures and strategic alliances are all matters we handle regularly for our firm's client base.

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