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MORE FROM THE PATENT OFFICE ON WHAT "SOFTWARE" CAN BE PATENTED

Whether "software" can still be patented remains an often asked question.

The patent office published at the end of July a new set of guidelines to help answer that question.

The July guidelines can be found at:

http://www.uspto.gov/patent/laws-and-regulations/examination-policy/2014-interim-guidance-subject-matter-eligibility-0

COMMENT:

Perhaps the value of the guidelines comes in the form of a summary of case decisions that provide one with a better "feel" for what might be patentable or not.

IS IT HARDER OR EASIER NOW TO OBTAIN ATTORNEY FEES FOR PATENT INFRINGEMENT?

In patent infringement suits, the one thing that is almost now certain is that the "winning" party will seek an award of its attorney fees.

The patent statute allows a court to award reasonable attorney fees in "exceptional cases." The US Supreme Court has explained that an exceptional case is one that "stands out from others" with respect to: 1) the "substantive strength" of the party's position and 2) the "unreasonable manner" in which the party litigated.

In *SFA Systems v. Newegg,* all defendants settled except Newegg. SFA was successful in two Markman hearings to construe patent claim terms. SFA was also successful in opposing summary judgment. SFA then moved to dismiss and filed a covenant not to sue.

The Federal Circuit first explained that in determining the "strength" of a party's position, the Federal Circuit does not need to determine if the district court correctly decided issues of law.

Pointing out the Newegg's claim construction was twice rejected, as well as its motion for summary judgment, the Federal Circuit concluded that SFA's litigation position on substantive strength did not "stand out" from others.

Next, the Federal Circuit stated that "a pattern of litigation abuses characterized by the repeated filing of patent infringement actions for the sole purpose of forcing settlements, with no intention of testing the merits of one's claims" is relevant to whether a case is "exceptional".

This case was not "exceptional" according to the Federal Circuit, where the evidence of a "vexatious litigation strategy" was limited to: 1) SFA dismissed once it was faced with the prospect of trial, 2) SFA sued several defendants, and 3) SFA settled with other defendants for small amounts.

The Federal Circuit further noted that: 1) SFA said it dismissed because it chose to focus on a higher value case against Amazon scheduled for trial on the same day as Newegg and 2) SFA settled with other defendants on other patents for more than nuisance value.

COMMENT:

This decision seems to provide support for a party to argue that multiple lawsuits and multiple settlements does not necessarily equate to litigation abuse. However, it might also be read as suggesting that a party needs a "significant" settlement or two - which may be difficult if the scope of infringement does not warrant "significant" damages.

IS "REDSKINS" FOR A FOOTBALL TEAM NAME DISPARAGING?

A judge in Virginia believes so.

The NFL football team - the Washington Redskins - has used its name since the 1930's. For decades, the team has been criticized for the name being a slur on Native Americans.

The trademark office cancelled the registrations of the name because it found that the name was disparaging.

A Virginia district court reviewed the trademark office decision. The court found that the cancellation was not a violation of the team's First Amendment rights and upheld the cancellation.

The team has vowed to continue the fight.

COMMENT:

While the cancellation of the trademark registrations stand, the court's ruling does not prevent the team from still using the name.

CAN FOREIGN PARTIES IN FOREIGN LAWSUITS OBTAIN YOUR CONFIDENTIAL INFORMATION DISCLOSED IN US LAWSUITS?

A common occurrence is for parties involved in US litigation to also be involved in foreign litigation, especially when one of the parties is a foreign entity. Therefore, information in one lawsuit could be useful in another lawsuit.

In re Posco involved Nippon Steel suing Posco in New Jersey for patent infringement, as well as in Japan for trade secret theft. Posco filed suit in Korea against Posco.

In the New Jersey lawsuit, a protective order limited the use of confidential information "solely for the purposes of the prosecution or defense of this action". The New Jersey district court modified the protective order to allow certain confidential information to be used in the foreign proceedings if the information was kept confidential.

The Federal Circuit found that certain factors needed to be considered before the confidential information could be used in the foreign courts:

1) whether the person from whom discovery is sought in the US is a participant in the foreign lawsuit

2) the "nature" of the foreign tribunal

3) whether providing the US discovery "conceals an attempt to circumvent foreign proof-gathering restrictions.

COMMENT:

The case points out that even if the foreign court maintains the confidentiality of US discovery, it is not necessarily sufficient to allow the US discovery to be used abroad.