

Top Trends in Intellectual Property Law for 2008

by *James J. Foster and Patrick R.H. Waller*

Last year was probably the most momentous in intellectual property law in decades. Will the rest of 2008 be as dramatic?

Here's what to look for:

Patent reform legislation – finally?

Patent reform legislation stalled in Congress again last year. However, the House passed a version of the Patent Reform Act of 2007 last September. A similar bill being considered by the Senate is likely to be voted on in early 2008.

Even though the final details are not known, the expected legislation will introduce the biggest changes in patent law since 1952. Major changes are likely to include provisions related to first-inventor-to-file, post-grant opposition, and apportionment of damages. Controversial changes related to patent practice, including limiting remedies for inequitable conduct, are also being considered.

Rules or no rules?

The U.S. Patent Office handed down sweeping new rules on patent continuations and claim limitations in August 2007, but Glaxo-SmithKline and others obtained an injunction temporarily preventing the rules from going into effect.

What now?

A final decision in that case may come down by the summer, but an expected appeal could delay a final resolution for another two or more years. Which of the rules are likely to survive this court challenge? What should companies do in the meantime to prepare for these potential changes?

Trademark rip-offs in Second Life.

Infringement is growing in the virtual world, but licensing opportunities are too. Look for more litigation here, along with more

actions regarding Google and use of online keywords.

KSR and Seagate decisions filter down.

The Supreme Court's KSR decision ruling out patents for "obvious inventions" and the Federal Circuit's Seagate decision on willful patent infringement will have a huge impact in 2008 as the lower courts apply them.

More Supreme Court shockers?

Let's see which cases the Supreme Court accepts. Granting review in KSR was a big surprise. Maybe 2008 will have another shocker.

LG v Quanta, argued earlier this year, is likely to be the Supreme Court's first IP decision this year. This patent licensing case stands to define the freedom a patent owner has to try to collect royalties from multiple links in a supply chain.

Can a patent owner limit a license so that customers who buy from the licensee must also take licenses and make a second payment to the patent owner, or is the patent owner limited to collecting only one royalty out of the licensee chain? Based on the questioning and comments at the Supreme Court hearing, the decision may signal the court's bias toward the patent system.

Retrenchment on patents for business methods?

In decisions in the last couple of months, the Federal Circuit has established limits on patent claims to business methods. For example, the court has now indicated that business methods will not be eligible for patenting unless computer-implemented or otherwise dependent on some apparatus. So-called "pure" business methods are not going to be protected. This has implications for areas such as financial services, limiting



James Foster is a Shareholder at Wolf Greenfield. He chaired for 8 years, and is now a senior member of the firm's Litigation

Practice Group, as well as a member of the executive committee. James has over 35 years of trial practice, specializing in patent, trademark, copyright and trade secret litigation. Jim's jury experience is extensive, as he has been lead counsel in patent jury trials not only in Massachusetts, but in seven other states as well.

Telephone: 617.646.8225.

Email: jfoster@wolfgreenfield.com



Patrick Waller is a Shareholder and member of the firm's Biotechnology Group. He handles patent prosecution in

the biomedical field with experience in biochemistry, molecular and cellular biology, drug design and discovery, structural biology, bioinformatics, and diagnostics. His practice also involves strategic analysis, including patent portfolio development and intellectual property licensing.

Telephone: 617.646.8223

Email: pwaller@wolfgreenfield.com

protection to computer-supported aspects of those services.

Copycatting the Eastern District of Texas?

The federal trial court covering the Eastern District of Texas has attracted a huge number of patent cases because its procedures are efficient and predictable, enabling plaintiffs to sue multiple defendants. Other federal courts looking to attract more patent cases may copy its procedures – especially since the growing backlog in the Eastern

District has added a year to waiting times for trial there. Formerly considered plaintiff-friendly, the Eastern District isn't anymore. Plaintiffs had only an 11 percent win rate in the first part of 2007 – a figure that's amazingly low.

Egyptian Goddess augurs changes in design patents?

The test for design-patent infringement has been based on two court decisions, one from the Supreme Court in 1871 and the other from the Federal Circuit in 1984. To infringe

a design patent, two tests must be met. In the first, called the “ordinary observer” test, the accused article must, to an ordinary observer, resemble the patented design. In second, called the “point of novelty” test, the novel features of the patented design must be found in the accused product.

A Federal Circuit case decided by a three-judge panel last August (the Egyptian Goddess case) is being reviewed by the full court to determine whether the “point of novelty” test should be applied at all, and, if so, what criteria should be considered.