Finnegan's monthly update on developments affecting licensing and other IP transactions

April 2015

Infringers Need to Receive Actual Notice of a Published Patent Application to Recover Damages for Infringing Activity Occurring Before a Patent Issued

by John C. Paul and D. Brian Kacedon

A patent owner may have "provisional rights" to recover reasonable royalty damages accruing between the time its patent application published and the time the patent issued if the infringer received "actual notice" of the published patent application. A Delaware court recently held that evidence merely indicating that the accused infringer could or should have known of the published application fails to establish that the accused infringer had actual notice and did not entitle the patent owner to such provisional rights.

Granting a License on One Invention Does Not Necessarily Exhaust Rights in a Separate and Distinct Invention Useful in Practicing the Licensed Invention

by John C. Paul, D. Brian Kacedon, and Daniel F. Roland

The Federal Circuit recently refused to expand the doctrine of patent exhaustion in a case where the accused infringers' conduct was separate and distinct from the conduct authorized by earlier granted licenses. The court noted that the doctrine has never been applied to terminate patent rights unless the alleged infringement involved conduct by one authorized to possess or practice the patented product or process. Here, there was no allegation that those authorized under the licenses infringed the asserted patent claims. Likewise there was no allegation that the alleged infringers used the licensed products. Thus, despite that two inventions may be complimentary or enhance each other, exhaustion of one invention does not necessarily exhaust the patent holder's rights in the other, separate invention.

Difference in Economic Circumstances May Preclude Use of a Settlement Agreement to Support a Reasonable-Royalty Opinion

by John C. Paul, D. Brian Kacedon, and Justin E. Loffredo

A California court recently excluded from trial certain testimony of a patent owner's damages expert because his reasonable-royalty calculations relied on a different court's damages award in an earlier case and the value of a prior litigation-settlement agreement. The patent owner argued that its expert properly looked to those events in calculating reasonable royalties, because each of them involved the

Standard-Essential Patents and Pooling

January - March 2015

U.S. Litigation
Settlements of Litigation
International
Portfolio Acquisitions and Licensing Agreements

Events

U.S. and EU Licensing Law
April 25, 2015

Issues Affecting Semiconductor and IC Patents and Opportunities from Recent Developments
April 28, 2015

LES Spring Meeting
May 12-14, 2015

Guarding Your Revenue Streams: A Strategic Approach to IP
May 12, 2015

General Counsel Strategy Summit 2015
May 13-15, 2015

Patent App[eals]®
Click here to download

Patent App[eals]® includes PDFs of all patent-related Federal Circuit decisions dating back to 2001. A user can search on keywords, judges, dates of decisions, lower court from which the case was appealed, case name, case number, and whether or not a case was heard en banc. In addition, if the decision was summarized in *Last Month at the Federal Circuit*, the Finnegan case summary is included.

defendant as the accused infringer and technologies similar to the patents-in-suit. The court, however, held that the expert's reliance was improper because each of those events took place under circumstances distinct from the "hypothetical negotiation" at issue for determining reasonable-royalty damages. According to the court, the expert's failure to account for those differing circumstances rendered his reasonable-royalty calculations unreliable.

Attorneys' Fees Awarded After Patent Owner Lost for a Second Time on the Same Claim-Construction Argument on a Different but Related Patent

by John C. Paul, D. Brian Kacedon, and Benjamin T. Sirolly

A Texas court recently ordered a patent owner to pay over one hundred thousand dollars in attorneys' fees. The decision came after the court determined on summary judgment that the accused infringers did not infringe the asserted patent under the court's claim-construction ruling. Importantly, the court had entered the same claim-construction ruling in an earlier case, for a different, but related, set of patents. The court held that the patent owner's relitigation of the same claim-construction argument, along with what the court deemed to be a litigation strategy designed to inflate the accused infringer's costs, amounted to "exceptional" conduct and merited an award of attorneys' fees.

FINNEGAN

Follow us on

If you have any questions or need additional information, please contact:
John C. Paul, Editor
D. Brian Kacedon, Editor
Mindy L. Ehrenfried, Editor
Christopher L. McDavid, Editor

Finnegan Resources

Finnegan publishes newsletters, blogs, and *IP Updates* that provide news, statistics, and analysis of recent court decisions. Our newsletters and blogs focus on Federal Circuit practice, PTAB practice, trademark and copyright law, patent prosecution and counseling, and IP licensing. To sign-up to receive newsletters, blog posts, or *IP Updates*, please click here.