

# IP MARKETPLACE

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

## August 2016

### **Court May Separately Consider and Award Attorney Fees in Each Phase of a Litigation**

*by John C. Paul, D. Brian Kacedon, and Robert C. MacKichan, III*

A Central District of California court ruled that a party can be considered a prevailing party for purposes of the Patent Act's fee shifting statute as to a final judgment in multi-phase litigation even where that final judgment does not dispose of the entirety of the case. Based primarily on the plaintiff's inadequate pre-suit investigation, the court declared Phase I of the litigation to be exceptional warranting an award of attorney's fees to the defendants.

### **Organization May Challenge Patent Validity at the Patent Office Without Identifying or Binding Its Members if It Controls the Challenge Independent from Its Members**

*by John C. Paul, D. Brian Kacedon, and Anita Bhushan*

Recently, the U.S. Patent Trial and Appeal Board allowed a member-based organization that challenges the validity of patents through IPR proceedings to challenge the validity of patents without identifying or binding its members as real-parties-in-interest because the member-based organization made all the decisions and paid all the costs in the IPR proceedings without member input.

### **Inventor's Employment Agreement Did Not Affect His Freedom to Assign and Assert Patents Broadly Related to His Employment**

*by John C. Paul, D. Brian Kacedon, and Jon T. Self, Ph.D.*

Although an inventor's employment agreement obligated him to assign to his employer all inventions and patents resulting from his work during his employment relating to his employer's current, anticipated, or prospective business activities, a court found that the agreement narrowly covered only particular business activities of the employer. As a result, the inventor could freely assign patents on his other inventions to third parties, who had standing to assert them in patent infringement litigation, even though the inventions and patents

## Events

LES Annual Meeting  
October 23-26, 2016



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were generally related to the business activities of the employer.

### **Agreement to Arbitrate Does Not Cover Infringement Occurring After the Agreement Is Terminated**

*by John C. Paul, D. Brian Kacedon, and Nicole Sharer*

A Virginia court found that the arbitration clause in an expired contract did not cover a patent infringement claim because the conduct giving rise to the claim—unauthorized copying and selling of a patented design—occurred after the contract between the parties expired and the dispute did not fall within the scope of the arbitration clause.

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