

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

### January 2016

## Seller May Be Sued Outside Its Home State for Infringing Online Sales Through Amazon.com

by John C. Paul, D. Brian Kacedon, and Benjamin A. Saidman
A Massachusetts court found that it had jurisdiction to hear a
patent and trademark infringement suit filed against a seller
located in Washington because the seller purposefully
directed activities at residents of Massachusetts through the
national online retailer Amazon.com.

## No Attorney Fees Awarded Despite Weak and Changing Positions and No Direct Evidence of Infringement

by John C. Paul, D. Brian Kacedon, and Chen Zang, Ph.D.

A Delaware court recently found that continuing to prosecute a patent infringement case without direct evidence of infringement and that had become weaker after several unfavorable evidentiary rulings did not render the case exceptional and worthy of requiring the losing party to pay the attorney fees of the prevailing party. The court found that parties should not be discouraged from presenting imperfect theories or dropping discredited positions out of a fear of being penalized for attorney fees, and that sanctions for attorney misconduct should be balanced against the ethical obligation of attorneys to zealously represent their clients.

# Accused Infringer Must Disclose Foreign Sales Data in U.S. Patent Infringement Case

by John C. Paul, D. Brian Kacedon, and Daniel F. Klodowski
A New York district court recently held that a defendant's
foreign sales figures for a product accused of patent
infringement were discoverable, explaining that such data are
potentially relevant to determining patent-infringement
damages because, at a minimum, the data have implications
for valuing the invention. In reaching its conclusion, the court
rejected the defendant's argument that the discovery of
foreign sales information is precluded by the presumption
against extraterritoriality.



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 for Federal Circuit IP blog, the Finnegan case summary is included.

## **Retroactive License from Sole Patent Owner Can Be Sub-Licensed**

by John C. Paul, D. Brian Kacedon, and Kevin D. Rodkey
A New York district court recently held that a retroactive
license agreement allowed a licensee to grant a retroactive
sublicense to corporate subsidiaries. The court also found that
product sales from a supplier to a sublicensed affiliate
exhausted the patent owner's right to prevent the products
from being resold through an unlicensed affiliate.

## District Courts Increasingly Award Attorneys' Fees Based on Patentees' Unreasonable Positions and Vexatious Litigation Strategies

by John C. Paul, D. Brian Kacedon, and Benjamin A. Saidman
Following a Supreme Court ruling in 2014, district courts have
awarded attorneys' fees to defendants in an increasing
number of patent litigations. As one example, a district court in
Texas recently awarded attorneys' fees to prevailing
defendants finding the case "exceptional" because of the
plaintiff's unreasonable positions and vexatious litigation
strategy.



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If you have any questions or need additional information, please contact:

John C. Paul, Editor D. Brian Kacedon, Editor Robert D. Wells, Editor Christopher L. McDavid, Editor

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