

LITIGATORS CORNER:

The New Tactics of Patent Defendants: They All Attended the Same Seminar



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A defendant's most common tactic in discovery in patent litigation used to be to waterboard anyone, especially the inventor, who even sneezed in the vicinity of the application leading to the patent involved in the lawsuit. In one of our cases, we asserted three of our client's patents. The second and third patents were continuations of the first one, so the specifications were identical, and only a few pages long. Only a handful of claims were asserted. Nevertheless, the defendant deposed the lone inventor for two weeks. He was asked every question three times. This tactic was extended to anyone involved in the prosecution of the patents, too. One prosecuting attorney was deposed for eight days; another, for four days. Two of our client's in-house attorneys were deposed for four days and three days, respectively. I was surprised they didn't depose the guy who put the stamps on the envelopes. We argued to our court that this was idiotic: Reading the defendant's depositions to the jury would take several months. The court dithered, rather than decide. It was like A.J. Foyt

deciding he was scared to go faster than seventy miles per hour at the Indy 500.

Inventors were routinely grilled about the meaning of claim terms, the interpretation of the specification, and about the meaning and significance of prior art references, all in excruciating detail. This kind of nutty questioning went even further. One of our inventor-clients was asked to authenticate and then interpret an opinion of the Federal Circuit. In another of our cases, the inventor was deposed for a week. The defense attorneys each asked questions, and then stayed for the remainder of the deposition while another attorney asked more questions. Some of them dozed off. Some played with their Blackberries. These attorneys were, of course, being paid on an hourly basis. Contingent-fee representation removes the burden of expense (but not time) from the inventor-deponent, and eliminates the value of this strategy as a means of burdening the plaintiff with cost.

Tactics have changed, or at least there are a few new ones that are now prevalent. The new tactics are so consistent from case to case that I've come to believe all the attorneys defending patent cases must have attended the same seminar, or perhaps taken the same correspondence school course. One of these newer, popular defenses concerns claims of a patent that are in means-plus-function form — that is, something like means for opening a door. The function is opening the door. Instead of reciting, for example, a door knob or handle, the claim says “means,” and the specification shows at least one such structure — say, a handle — that is attached to the door by screws at each end of the handle. Infringement is proved if the accused device has the same kind of handle. Infringement is also proved if the accused device uses a structure that a person of skill in the art knows to be equivalent to the handle. For example, a round knob could be a structural equivalent. Even though the accused device had a knob — not shown or even hinted at in

the patent — it still infringed because persons of skill in the art know that a knob is equivalent to a handle.

Defendants often argue a defense relating to the structure for carrying out the function described in a means-plus-function claim limitation. Their defense is that there is no structure in the specification that is “linked” to the function in the claim, as if the inventor claimed a means for opening a door, but forgot to describe any handle or door knob in the specification. The patent's claims, the argument goes, fail to comply with 35 U.S.C. § 112. Most patents, of course, involve more complex structures than door knobs.

The new twist on this defense about lack of structure for a means-plus-function claim limitation is to use it in claim construction. Defendants claim that compliance with § 112 is a question of law, to be decided by the court. The goal is to circumvent the need for summary judgment, which would require that the party seeking it meet the evidentiary burden applicable to its claim. For claims of invalidity, the burden is clear and convincing evidence, the highest burden in a civil suit. A court ruling on a summary judgment must also draw inferences in favor of the party opposing it. Both of these requirements are evaded if the defendant can succeed in invalidating a claim in a claim construction hearing by arguing that there is no structure for a means limitation. This is an easily abused tactic, because judges are not persons of skill in the art. Questions about structures, equivalent structures, and the like, uniquely require the knowledge of one of skill in the art. Knowing what a specification hints at is not within the grasp of lawyers or judges. Only a few patents are as simple as my door knob example. It is rare when the knowledge of a person of skill in the art is the same as the everyday knowledge of the ordinary person. In one of our cases, the defendant is filling a gap in the court's knowledge by offering testimony from an expert in claim construction, blithely assuring the court that it is still a question of law. What nonsense. Charles Dickens loved to expose how lawyers can turn common sense and legal principles on their heads; facile reasoning takes away one's rights. To me, the argument that this is a question of law is a pretense that subverts a litigant's right to a jury trial.

A second recurrent defense strategy is an amplification of earlier strategies involv-

ing protective orders. These orders are appropriate to protect confidential information and trade secrets. See Rule 26(c) of the Federal Rules of Civil Procedure. But imaginative defense lawyers managed to turn them into offensive weapons. The first technique was to seek a two-tiered protective order. The higher tier would exclude the inventor and the plaintiff's employees, in order to inflict cost on the plaintiff, by forcing it to retain expensive experts. A secondary effect was that materials crept into the higher category when they did not belong there. Another tactic was to argue for a protective order that precludes any attorney having patent prosecution responsibility from being able to see the defendant's confidential documents. The rationale is that an attorney exposed to the confidential information in those documents would have his mind "infected," and would therefore not be able to isolate the confidential information from other information when engaged in his patent prosecution work. This argument has been around for awhile, but has acquired a new slant. Now, defendants try to exclude the attorneys in the litigation even from working on a reexamination of a patent in a lawsuit. Protective orders have become better defenses than the merits. Such defenses make a farce of Rule 1 of the Federal Rules of Civil Procedure.

A third strategy is to provoke a reexamination of the patent in the suit. While this strategy is not itself new, the frequency of its use is certainly new. Defendants were traditionally reluctant to request reexamination. Most reexaminations are one-sided or, if you prefer the Latin, *ex parte*; once a defendant has requested a reexamination based on some printed publication or patent, the requestor is out of the loop, and the remainder of the reexamination is conducted between the Patent Office and the patent owner. The requestor-defendant is thus relegated to the sidelines, and cannot communicate with the examiner after the initial request. A non-participant is not bound by the results of a reexamination. But, once the examiner has considered and rejected a publication or patent, and confirmed the claims, the steam has gone out of the defendant's argument. The defendant, even though not legally barred from arguing invalidity based upon the same reference, is facing an uphill battle because the examiner has already considered and rejected its prior art.

One can request an *inter partes* reexamination, too. If this occurs, the requestor is allowed to participate in the reexamination, and may respond to the comments by the patent owner. But participation has a consequence: The requestor is bound by the result of the reexamination. 35 U.S.C. § 315(c).

Now reexaminations are hot. We are seeing a number of cases where a litigant has sought a reexamination, even in the latter stages of a lawsuit. Defendants think they are "cool." (No wonder English drives foreigners crazy, when slang expressions for the same thing derive from words with opposite meanings). They no longer seem to be as concerned about the traditional worry: the possible adverse effects to their defense of a reexamination that concludes with confirmation of the patent's claims. One reason could be that reexaminations take a long time. For instance, one of our cases required seven years to complete the reexamination, and another reexamination was requested as soon as the first one was completed. Nine years, so far; I hope our inventor is immortal. In another of our cases, involving two simple patents, the reexaminations took five years.

The Patent Office publishes statistics about reexaminations. Their data is, in my opinion, incomplete at best, and misleading at worst. I am reminded of the remark attributed to both Mark Twain and Benjamin Disraeli that should make us cautious about statistics: There are three kinds of lies: lies, damned lies, and statistics. The PTO says that the average *ex parte* reexamination lasts, on average, about two years. The average *inter partes* reexamination supposedly lasts about three years. But the PTO's data do not include any information on the range of durations — that is, how long one reexamination can take. Nor are appeals counted, even though they may occur within the Patent Office itself. While the PTO has the data on the range, it does not include this data in its report, even though the PTO uses that data to calculate the averages and mean durations of a reexamination. The public, who pays for all this, has to mine it like Humphrey Bogart and Walter Huston scurrying for gold in a sun-baked Mexico mountainside in *Treasure of the Sierra Madre*. (By the way, it was *Sierra Madre*, not *Blazing Saddles*, that really originated the famous line, "Badges? We don't need no stinkin' badges!") The humorist Evan Esar once said that statistics is the science of producing unreliable facts from reliable figures. But the PTO doesn't even share

its figures. Like many organizations, the PTO wants us to believe it is doing its job. This is reminiscent of Winston Churchill, who once told a politician that, when he requested statistics about infant mortality, what he really wanted was proof that fewer babies died while he was prime minister.

The PTO's data does not take into account that reexaminations may be getting a lot longer, too. See "Cash-strapped Patent and Trademark Office Awaits New Leadership," by Andrew Noyes, in the April 14, 2009 "Congress Daily." Noyes reports that the PTO has instituted a hiring freeze, that its collections will be one hundred million dollars less than projected, and that patent filings are down. In addition, it has slowed its acquisition of new equipment.

There are other reasons for the new popularity of reexaminations. One is that the same party can request more than one *ex parte* reexamination. Another is the hope that the plaintiff/patent owner will have to make statements during the reexamination that can be used to limit the claims. We saw a third reason in one of our cases. One defendant sought *inter partes* reexamination; the other two defendants remained silent. That enables two attacks on the patent. If the reexamination is successful, all the defendants are off the hook. If not, however, the non-participating defendants can still defend the lawsuit using the same art considered by the PTO, because they are not bound. Even the defendant that requested the reexamination, and is therefore bound by it, benefits from this second bite. All the defendants still have the ability to defend based on defenses that cannot be considered by the Patent Office, such as sales and public uses, and inequitable conduct.

Yet another new strategy is to confine the plaintiff to a legal position that is based only on public knowledge. I discussed this in my February, 2009 column, "Baron Parke Rises From the Dead."

To a degree, new tactics are reasonable. Lawyers come up with new ways of defending their clients, and that is their duty. But when protective orders are used as offensive weapons, or when the PTO fails to publish adequate data, or when defenses are premised principally upon delay or upon exhaustion of the plaintiff's resources, then we are no longer serving the goals of Rule 1 of the Federal Rules: "to secure the just, speedy, and inexpensive determination of every action and proceeding." 