

Judicial:

Issue	Case	Prior Law	Holding	Effect
Permanent Injunctions	<i>eBay v. MercExchange</i> , 547 U.S. 388 (2006)	Irreparable damage is presumed in cases of patent infringement, and a permanent injunction is warranted absent exceptional circumstances.	The general four-factor test for determining whether a permanent injunction should issue outside the patent infringement context is applicable to patent infringement cases. The factors courts consider are: (1) irreparable injury, (2) insufficient remedies in law, (3) balance of hardships, and (4) public interest.	It is more difficult to obtain a permanent injunction following a finding of patent infringement. Lower courts have interpreted the case as eliminating the presumption of irreparable damage, and some courts have refused to issue permanent injunctions unless the patent owner manufactures a product and the infringer is a competitor.
Declaratory Judgment Suits by Licensees	<i>MedImmune v. Genentech</i> , 549 U.S. 118 (2007)	In order to bring a declaratory judgment action concerning the validity or enforceability of a patent, a licensee must first terminate or breach the license agreement.	A licensee is not required to terminate or breach a license agreement prior to bringing a declaratory judgment action.	Allows licensees to “pay and sue” and may encourage litigation. Because of the low bar, patentees should be aware that a claim of infringement is likely sufficient to afford the alleged accused declaratory judgment jurisdiction.
Obviousness	<i>KSR v. Teleflex</i> , 550 U.S. 398 (2007)	Obviousness is determined by application of the Teaching, Suggestion, and Motivation (TSM) Test.	Although the TSM Test is relevant, obviousness is to be considered in light of the more flexible <i>Graham</i> factors, and requires: (1) a determination of the scope and content of prior art, (2) ascertainment of the differences between the prior art and the claims, (3) a determination of the level of ordinary skill in the pertinent art, and (4) consideration of secondary factors such as commercial success, long felt but unresolved needs, and failure of others.	<i>KSR</i> lowers the burden that a PTO Examiner must meet to establish obviousness, which makes it more difficult to both obtain a patent in the first instance and defend against invalidity challenges after issuance.
Extraterritorial Enforcement of U.S. Patents	<i>Microsoft v. AT&T</i> , 550 U.S. 437 (2007)	§ 271(f) of the Patent Act provides that, in derogation of the general rule, infringement occurs when one supplies a patented invention’s <i>components</i> from the U.S. for combination abroad.	Software, in the abstract, is not a <i>component</i> under § 271(f), although copies of software are. Therefore, because Microsoft only supplied a master disk from which copies were made for installation, it did not infringe on AT&T’s patent.	By narrowing the scope of §271(f), the Court has made it more difficult for holders of U.S. patents to allege infringement for uses in foreign jurisdictions in which the U.S. patent holders do not hold patent rights. This decision may increase the need for U.S. patent holders to apply for patent rights abroad.

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Scope of Patent Exhaustion Defense	<i>Quanta Computer v. LG Electronics</i> , 553 U.S. 617 (2008)	The doctrine of patent exhaustion, which provides that a patented item's initial authorized sale terminates all patent rights to that item, does not apply to method patents.	The patent exhaustion doctrine applies to method patents when either of the following occurs: (1) an authorized license is agreed upon or (2) a sale of items that substantially embody the patent occurs.	By eliminating the exception of method patents from the patent exhaustion doctrine defense, the ability of method patent holders to enforce their rights against downstream infringers is reduced. Method patent holders must rely on robust protections through contracts for the sale or license of products embodying their patents.
Willfulness Standard	<i>In re Seagate</i> , 497 F.3d 1360 (Fed. Cir. 2007)	Willful infringement requires a showing of failure to exercise "due care." When a potential infringer has notice of another's patent rights, he has an affirmative duty of due care to determine whether he is infringing (e.g. by obtaining competent legal advice).	Willful infringement requires a showing of "objective recklessness" by clear and convincing evidence, i.e. the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent.	By raising the standard for willful infringement and reducing the need to obtain an exculpatory opinion of counsel, the court made it more difficult for patent holders to prove willful infringement.
Patentable Subject Matter	<i>Bilski v. Kappos</i> , 561 U.S. ___ (June 28, 2010))	A method or process is patentable under § 101 of the Patent Act if it is tied to a particular machine or apparatus, or it transforms an article from into a different state or thing. This is the machine-or-transformation test.	The "machine or transformation" test is not the sole test for patent eligible subject matter.	A method or process can be patentable even if it does not pass the machine or transformation test. A method or process is not patentable if it is an abstract idea.
Ownership of Inventions Made With Federal Grant	<i>Stanford v. Roche</i> , 563 U.S. ___ (June 6, 2011)	The Bayh-Dole Act allowed federal contractors, i.e. research institutions and universities, to "elect to retain title" to inventions generated through federal funding.	Patent rights initially vests in the inventor and the Bayh-Dole Act has not changed this.	For federal contractors such as research institutions and universities to have title to an invention of an employee, there must be an actual assignment of the invention rights. A contractual duty to assign is not enough.
Patent Invalidity; Standard of Proof	<i>Microsoft v. i4i Limited Partnership</i> , 564 U.S. ___ (June 9, 2011)	A patent is presumed valid, and the presumption of validity can only be overcome by showing that the patent is invalid by clear and convincing evidence.	An invalidity defense must be proven by clear and convincing evidence even where the defense is based on prior art not considered by the Patent Office during examination of the patent application.	The Court affirmed that when claiming patent invalidity as a defense the defendant must prove invalidity by clear and convincing evidence.
Patentable Subject Matter	<i>Mayo Collaborative Services v. Prometheus Laboratories</i> , 566 U.S. ___ (March 20, 2012)	A method or process can be patentable under § 101 of the Patent Act if it is tied to a particular machine or apparatus, or it transforms an article into a different state or thing.	A claim that recites a law of nature or natural correlation, in combination with additional steps that are well understood, routine, conventional activity previously engaged in by researchers in the field, is not patentable.	A method or process claim that recites a law of nature or natural correlation should have additional features or steps that are more than well understood, routine, conventional activity previously engaged in by researchers in the field.

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Patentable Subject Matter	<i>Association for Molecular Pathology v. Myriad Generics</i> , 569 U.S. __ (June 13, 2013)	Nonnaturally occurring manufactures and compositions of matter are patent-eligible under § 101 of the Patent Act, but naturally occurring phenomena are not.	An isolated DNA segment is a naturally occurring phenomenon and is not patent-eligible, but a synthetically created complementary DNA molecule is patent eligible.	Patent claims in the field of molecular biology should not claim isolated DNA segments, but may claim synthetic DNA molecules, innovative methods of manipulating DNA molecules, etc.
Fee Shifting	<i>Octane Fitness, LLC v. Icon Health and Fitness, Inc.</i> , 572 U.S. __ (April 29, 2014)	In “exceptional” patent cases, courts may award attorney fees to the prevailing party; standards for finding cases to be “exceptional” are high and rigorous.	Standards for finding patent cases to be “exceptional” are now lowered; “exceptional” cases are those that stand out with respect to strength of a party’s litigating position, or unreasonable manner of litigation.	Courts now have greater discretion to shift attorney fees in patent cases on a case-by-case basis.
Invalidity for Indefinite Patent Claiming	<i>Nautilus, Inc. v. Biosig Instruments, Inc.</i> , 572 U.S. __ (June 2, 2014)	A patent claim cannot be invalidated for indefiniteness as long as a court can reasonably construe the meaning of the claim.	Current standard overturned; to meet the definiteness requirement, a patent claim must inform those skilled in the art about the scope of the invention with reasonable certainty.	The degree of clarity required in patent claims has been heightened, and also depends on the specification and prosecution history of the patent.
Patentable Subject Matter	<i>Alice Corp. Pty. Ltd. v. CLS Bank Intern.</i> , 573 U.S. __ (June 19, 2014)	Rulings on the patent eligibility of computer-implemented methods are conflicted and inconsistent, particularly on appeal at the Federal Circuit.	An abstract idea that is not patent-eligible by itself does not become patent-eligible solely by implementation on a “generic computer.” Reiteration of <i>Mayo</i> test for patent-eligibility.	A patent for a computer implementation of an abstract idea must claim not just applying the idea to a “generic computer” but also include some additional feature, like improving the computer’s function or solving a technological problem.
Claim Construction in Patent Litigation	<i>Teva Pharmaceuticals USA, Inc. v. Sandoz Inc.</i> , 574 U.S. __ (January 20, 2015)	When a trial court makes rulings on the meaning and scope of patent claims, no deference is given to those rulings on appeal.	Claim construction is a question of law and remains subject to no deference on appellate review; however, when the claim constructions are supported by subsidiary factual findings based on extrinsic evidence, those findings are entitled to greater deference, and can only be overturned if made in clear error.	It may now be more difficult for patent claim constructions by a trial court to be overturned on appeal under some circumstances, but only if the trial court relied upon extrinsic evidence to arrive at those claim constructions.
Liability for Inducing Third-Party Infringement	<i>Commil USA, LLC v. Cisco Sys., Inc.</i> , 575 U.S. __ (May 26, 2015)	A defendant cannot be held liable for inducing patent infringement if the defendant believed in good faith that the patent is invalid, even if that belief was incorrect.	If a defendant’s belief that a patent was invalid was incorrect, this belief does not serve as a defense to induced patent infringement.	A business that sells products that may infringe a patent when used by a customer cannot insulate itself from infringement liability by preparing an invalidity opinion.
Patent Infringement	<i>Akamai Technologies Inc. v. Limelight Networks, Inc.</i> , No. 2009-1372 (Fed. Cir., August 13, 2015)	Even if a defendant does not perform all of the steps of a patent method claim, it can be liable for direct infringement if the remaining steps were performed through an agent, a contractual relationship, or a joint enterprise.	A defendant can also be liable for direct infringement if it instructed another party to perform the remaining steps as a condition of receiving some service or benefit.	A business can now be liable for patent infringement as a result of the actions of customers under the business’s instructions or directions.

America Invents Act, September 16, 2011:

The Patent Reform Act of 2011, also known as the Leahy-Smith America Invents Act (H.R. 1249), became law on September 16, 2011. The Act introduced many important changes to U.S. patent laws, some of which became effective upon enactment, while others did not take effect until at least one year after enactment. Below is a brief overview of some of the important provisions of the Act.

- **First to File** – The first inventor to file an application for patent on an invention is entitled to a patent. This is a change from the old law, which allowed a subsequent applicant to show that she is the first inventor and therefore entitled to a patent on the invention. The Act also establishes a Derivation Proceeding to allow an applicant who is not the first filer to challenge the claims of the first filer on the basis that the first filer derived the invention from the challenger. This provision applies to any application having an effective filing date on or after March 16, 2013.

This change in the law brings the U.S. patent system more in line with the majority of industrialized nations. It provides an incentive for an inventor to file earlier rather than later and to file before any disclosure of the subject matter of the invention is made to others. A first-to-file system can work to the disadvantage of a small business or independent inventor who may not have the financial resources to compete with larger companies, which may have the resources to file earlier and more prolifically. On the other hand, the change to a first-to-file system provides clarity and will perhaps reduce the need for costly inventorship disputes.

- **Prior Art Exception** – The Act provides inventors with a narrower one-year grace period to file a patent application where the subject matter of the application has already been disclosed to the public. This Prior Art Exception is narrow and only applies where the subject matter was disclosed by the inventor or someone who obtained the subject matter from the inventor. In contrast, the previous law provided a one-year grace period not only for disclosures originating from the inventor, but also for *any* disclosure (any patent or publication, any public use or sale in the United States), as long as it is made within one year of the date of filing. The narrower Prior Art Exception results in a broadening of the universe of prior art that can be applied against a patent application, thereby providing further incentive for an early filing.

Under the previous law, a sale or an offer for sale also provided for the one-year grace period. Under the current law, it is generally understood that sales or offers for sale (by the inventor or someone who obtained the subject matter from the inventor) still provide the one-year grace period, although some believe that this distinction may require clarification by courts.

- **Post-Grant Review** – Any person who is not the inventor can request that the patent office review the validity of an issued patent, within nine months of patent issuance, on any grounds of patentability. This is effective one year from the date of enactment and applies to all patent applications.
- **Inter Partes Review** – Any person who is not the inventor can request that the patent office review the validity of an issued patent, after nine months from patent issuance, for novelty and non-obviousness based on prior art patents and printed publications only. This is effective one year from the date of enactment and applies to all patent applications.
- **Third Party Pre-Issuance Submission & Comment** – Any third party can submit to the Patent Office a publication thought to be relevant to a pending patent application. Only patents, published applications or other printed publications can be submitted. Submissions must be made within a certain time period. This is effective one year from the date of enactment and applies to all pending patent applications.

This provision enables the public to have an effect on the examination of a patent application, with the intended result being improved patent quality and reduced patent litigation expenses.

- **Supplemental Examination** – This allows a patentee to request that the Patent Office consider, reconsider or correct information in a patent if the patentee has information that raises a substantial new question of patentability. This is effective one year from the date of enactment and applies to all patents.
- **Micro-entity** – A new class of applicants are eligible for further reduced fees. A micro-entity must: (1) qualify as a small entity, (2) the inventor must have no more than four previously filed patent applications, (3) have a gross income below a designated level and not have transferred ownership to an entity with income exceeding this limit. This provision is effective on the date of enactment.
- **Best Mode** – The failure to disclose the best mode is no longer a basis to establish that a claim is invalid or unenforceable. This provision is effective on the date of enactment and applies to proceedings that commence on or after the date of enactment.
- **Prior User Rights** – Any party using an invention before another files a patent application will have a patent infringement defense based on prior use.
- **Markings** – Virtual marking, i.e. a marking that directs the public to a freely accessible website showing a patented article and its patent number, can now be used to give the public notice that an article is patented. This provision is effective on the date of enactment and applies to all cases pending on the date of enactment or commenced on or after the date of enactment.
- **False marking** – Only the U.S. government can bring a lawsuit seeking a penalty for false marking, and only a person who has suffered a competitive injury from false marking can file a civil action to recover damages.