

**THE NEW ERA:
FEDERAL COURT JURISDICTION
OVER PATENT MALPRACTICE
CASES**

**PAUL M. JANICKE
UNIVERSITY OF HOUSTON
LAW CENTER
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IN THE BEGINNING . . .

- **“ARISING UNDER” JURISDICTION WAS NOT ISSUE-DRIVEN, BUT CLAIM-DRIVEN**
 - **EVEN STATE COURTS DECIDED PATENT LAW ISSUES, APPLYING 35 U.S.C.**
- **A SMALL LOOPHOLE IN *CHRISTIANSON v. COLT* (S.CT. 1988):**
 - **“INTERPRETATION” OF A FEDERAL LAW BECOMES KEY**

THE FIRST NEW FEDERAL MALPRACTICE CASES

- ***AIR MEASUREMENT TECH. v. AKIN GUMP*** 504 F.3d 1262 (Fed. Cir. 2007) (Michel)
 - COMPLAINT: CLAIMS WERE TIME-BARRIED
 - COMPLAINT: NON-CITATION OF ART CAUSED A DEFENSE TO BE SET UP BY INFRINGERS
 - HAD TO SETTLE TOO LOW [ACTUALLY PRETTY GOOD: \$10M]

- **HELD: RESOLUTION OF THIS CASE REQUIRES RESOLUTION OF SUBSTANTIAL PATENT LAW POINTS, e.g., CLAIM SCOPE**
- **THEREFORE, CASE ARISES UNDER PATENT LAW**
- **CASE ULTIMATELY SETTLED**

- [Air Measurement Verdict.pdf](#)

- ***IMMUNOCEPT LLC v. F&J*** 504 F.3d 1281 (Fed. Cir. 2007) (Michel)
 - **COMPLAINT: CLAIMS TOO NARROW**
 - **INVESTORS LOST INTEREST**
- **D.C.T. DISMISSED ON SUMMARY JUDGMENT**
 - **STATUTE OF LIMITATIONS HAD RUN ON THIS STATE-CREATED CLAIM**

- **ON APPEAL: AFFIRMED.**
 - **SUBSTANTIAL QUESTION OF PATENT LAW WITHIN THE STATE-LAW CLAIM; HENCE “ARISES UNDER” PATENT LAW**
 - **§ 1338 CONFERS FED. CIR. APPELLATE JURISDICTION**
 - **BUT LIMITATIONS HAD RUN**
 - **SO, F&J WINS**

THE PAST FIVE YEARS

- SPATE OF PATENT AND TRADEMARK MALPRACTICE CASES
- MOST WERE GOING FEDERAL, UNDER THE NEW DOCTRINE
- LATELY, SOME PUSHBACK, SPURRED BY S. CT. IN *GRABLE* (A NON-IP CASE)

- **FACTS ARE HARD TO PIN DOWN**
 - **THOSE PRESENTED HERE ARE OFTEN BASED ON PLEADINGS OR COURT RULINGS THAT COULD BE WRONG**
 - **SMALL COMFORT TO THE FIRMS INVOLVED!**

GOOD NEWS

- **NO FIRM HAS HAD A JUDGMENT AGAINST IT ON THE MERITS IN ANY REPORTED CASE**
- **SOME HAVE SETTLED – PAYOUT AMOUNTS UNKNOWN**

REVIVING AN ABANDONED APPLICATION -- A GOOD FIX?

Nomir Med. Techs. v. McDermott Will & Emory, 10-cv-11251 (D. Mass.) (Young)

- **FIRST WORK: PAPERS LOST AT FIRM**
 - APPLICATION UNINTENTIONALLY ABANDONED
 - LATER REVIVED, ISSUED

- **LATER WORK: SOME PROVISIONALS RAN OUT**
 - NONPROVISIONALS FILED
 - NO KNOWN BARS
 - STILL PENDING; NO ACTIONS

- **CLIENT SAYS:**
 - **DELAY CAUSED INVESTORS TO DELAY PAY-INS**
 - **IN TURN, CLIENT HAD TO CANCEL OTHER PROJECTS TO CONSERVE CASH**
 - **DELAY ATE INTO PATENT TERM**
- **SUIT IN STATE COURT; LAW FIRM REMOVED TO FEDERAL COURT**
- **NO ONE IS CHALLENGING FED. JURISDICTION**
- **CASE SETTLED DECEMBER 2011**

- **HOW TO PROTECT AGAINST THIS TYPE:**
 - **SORRY, BUT NO MAGIC BULLET ON THIS ONE**
 - **A PROBLEM THAT SEEMS ALWAYS WITH US**

CLIENT IN THE DARK?

Landmark Screens LLC v. Morgan Lewis Bockius, 183 Cal. App. 4th 238 (6th Dist. Mar. 29, 2010), *cert. denied* Feb. 22, 2011

- **NORMAL PARENT APPLICATION**
- **DIVISIONAL SENT IN W/O SPEC, DRAWINGS, POSTCARD**
- **NOTICE OF MISSING PARTS**
- **PARTS FILED**
 - **BUT > 1 YR. AFTER PARENT WAS PUBLISHED**

- **PTO ACCEPTED PAPERS, BUT REFUSED ANY EARLIER DATE**
- **DIV. APPL. LATER ABANDONED**
 - REASONS UNCLEAR

- **SUIT: CAL. STATE COURT -- NEGLIGENCE**
- **DEMURRER SUSTAINED**
 - DAMAGES TOO VAGUE
 - *INVOLVES FED. LAW*
 - AFFIRMED, CAL. CT. APPS.; CERT. DENIED
2/22/11

- **SUIT: N.D. CAL. – VARIOUS ACCUSATIONS**
- **MOST CLAIMS DISMISSED DUE TO STATUTE OF LIMITATIONS**
 - 2/07/11: REMAINING CLAIM (“FRAUDULENT CONCEALMENT” OF MISSING PARTS SITUATION) NOW ALSO DISMISSED FOR LIMITATIONS

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- **BY APRIL 2005 CLIENT HAD NOTICE OF THE ALLEGED EARLIER 'FRAUD' OF ITS LAWYERS IN CONCEALING WHAT HAPPENED IN PTO**
- **FILED SUIT IN THIS COURT IN MAY 2008**
- **PAST THE 3-YR CALIFORNIA STAT. OF LIMS. FOR FRAUD CASES**

- **FRAUDULENT CONCEALMENT SEEMS A DOMINANT ALLEGATION IN PATENT LEGAL MALPRACTICE CASES TODAY**
- **PROTECTION:**
 - **ADVISE PROMPTLY, ESP. ABOUT BAD THINGS**
 - **LEARN A LESSON FROM THE MEDICAL PROFESSION: CONFESSION IS THE BEST PREVENTATIVE!**

FRAUD BY A 3RD PARTY REEXAM PETITIONER?

Lockwood v. Sheppard Mullin, 173 Cal. App. 4th 675 (2nd Dist. 2009)

- **ON THE PTO**
 - **BUT NOT BY APPLICANT OR PATENTEE**

- **ALLEGATION APPEARS IN A STATE COURT TORT FILING**
 - **MADE AGAINST OPPOSING LITIGATION COUNSEL WHO SOUGHT REEXAMINATION**

- **CLIENT SAYS: OPPOSING COUNSEL MISCHARACTERIZED REFERENCES**
- **PTO UPHELD ALL CLAIMS IN THE REEXAM**

- **IN STATE COURT:**
 - **P SAYS HIS LICENSING PROGRAM WAS RUINED**
 - **D FIRM SAYS: DEMURRER**
 - **HELD (CAL. APP.): ARISES UNDER PATENT LAW, PER THE RECENT CASES**
- **P THEN GOES TO FED. DIST. CT. >**

- **IN FED. DIST. COURT:**
 - **RICO CLAIM**
 - **DISMISSED, 4-YR STATUTE OF LIMITATIONS**
 - **ALSO, NO PATTERN OF RACKETEERING, ETC.**
 - **MALICIOUS PROSECUTION IN THE PTO**
 - **PREEMPTED BY FEDERAL REGULATION OF PTO PROCEEDINGS**
 - **ALSO BARRED BY LIMITATIONS**
 - **INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE**
 - **BARRED BY CAL. CIVIL CODE § 47(b) – STATEMENTS IN ADMIN./JUDICIAL PROCEEDINGS**

Lockwood v. Sheppard Mullin LLP, 09-cv-5157 (C.D. Cal. Nov. 24, 2009)

>>

- **ON APPEAL:**

- **CASE DREW SUBSTANTIAL INTEREST**

- **FOUR AMICUS BRIEFS FILED**

- **AFFIRMED w/o OPINION [RULE 36]**

Lockwood v. Sheppard Mullin LLP, 2010 WL 4721220 (Fed. Cir. Nov. 15, 2010)
(Newman, Plager, Prost), rehearing denied, Jan. 28, 2011

- **PROTECTION:**

- **LAWYER SHOULD BE CAREFUL IN SIGNING A REEXAM PETITION**

LATE PCT FILING? WHY?

Davis v. Brouse McDowell LPA, 596 F.3d 1355 (Fed. Cir. Mar. 10, 2010) (Moore),
cert. denied, 2010 U.S. LEXIS 6588 Oct. 4, 2010

- **CLIENT COMMISSIONED U.S. PATENT APPLICATION**
 - **PCT FILING WAS DISCUSSED; LAWYER RECOMMENDED AGAINST – NOT WORTH IT**
 - **U.S. PROVISIONAL FILED**
 - **A FEW DAYS BEFORE THE YEAR RAN OUT**
- >>

- **HURRIED FILING OF U.S. NONPROVISIONAL (CLIENT SUGGESTED 14 pp OF CLAIMS, 275 pp OF TECHNICAL INFO)**
- **PCT, INSISTED UPON BY CLIENT, FILED 3 DAYS AFTER THE PROVISIONAL RAN OUT**
- **RELATIONSHIP (AND BUSINESS) APPARENTLY LATER DETERIORATED**
- **CLIENT ENDED UP ABANDONING ALL APPLS.**

- **STATE COURT SUIT FOLLOWED:**
 - **COMPLAINT: WAS NOT ADVISED OF ABSOLUTE NOVELTY REQUIREMENTS IN OTHER COUNTRIES**
 - **CLAIMS DRAFTED TOO NARROWLY – ANOTHER COMMON THEME TODAY**

- **REMOVED TO FED. COURT (ARISING UNDER PATENT LAWS)**
- **D.CT. (N.D. Ohio) HELD: FOR THE LAWYERS**
 - **JURISDICTION: CASE-WITHIN-A-CASE RE. DAMAGES**
 - **MERITS: P'S EVIDENCE MERELY CONCLUSORY – EXPERT SAYS VALID CLAIMS WOULD HAVE ISSUED**

- **ON APPEAL:**
 - **AFFIRMED**
 - **CASE-WITHIN-A-CASE ANALYSIS FOR ARISING-UNDER JURISDICTION IS CORRECT APPROACH**
 - **THEREFORE, FED. CIR. HAS APPELLATE JURISDICTION**
 - **ON THE MERITS, P'S EVIDENCE TOO WEAK**

- **POSSIBLE PROTECTION:**
 - **GET INSTRUCTIONS ON NONPROVISIONAL AND FOREIGN FILING BEFORE THE 12TH MONTH OF THE PROVISIONAL'S LIFE**

PERIL IN NAMING CO-INVENTORS

Carter v. ALK Holdings Inc., 605 F.3d 1319 (Fed. Cir. May 24, 2010) (Dyk)

- **PAT. ATTYS. ENGAGED TO WRITE APPL. FOR EMPLOYER AND EMPLOYEE AS CO-INVENTORS**
- **THE INVENTORS LATER FELL OUT**
- **EX-EMPLOYEE NOW SUES LAWYERS IN FED. COURT**

- **COMPLAINT:**
 - **SHOULD NOT HAVE TAKEN ON FORESEEABLY ADVERSE CLIENTS**
 - **SHOULD NOT HAVE FAVORED ONE OVER THE OTHER**

- **D.CT. HELD:**
 - **FOR LAWYERS**
 - **DISMISSED FOR FAILURE TO STATE**
 - **ALSO, 3 CLAIMS WERE FRIVOLOUS**
 - **SANCTIONS AWARDED AGAINST CLIENT**

- **ON APPEAL:**

- **PARTIALLY REVERSED**

- **ONE COUNT - - CONFLICT OF INTEREST - - WAS NOT FRIVOLOUS**

- **REMANDED FOR RE-DETERMINATION OF SANCTIONS AGAINST THE CLIENT FOR FRIVOLOUS FILINGS**

ON REMAND:

- **NO SANCTIONS** (N.D. Ga. 2011)

NOTE:

**A PARALLEL STATE COURT CASE WAS
FILED AND MAY STILL BE PENDING**

- **WHAT TO DO:**
 - **ENGAGEMENT LETTER DETAILS**

TRADEMARK LAWYERS IN THE SOUP TOO?

Mindys Cosmetics Inc. v. Dakar et al., 2010 U.S. App. LEXIS 13734 (9TH Cir. July 6, 2010) (Fletcher)

- **FAMILY BUSINESS, FOUNDED AND OWNED BY FATHER AND ONE SON**
 - USED WIFE’S NAME ON LABELS A LOT –
“SONYA DAKAR”
- **WIFE AND 3 OTHER CHILDREN WORKED THERE, IN SENIOR POSITIONS**

- **CO. HAD TRADEMARKS FOR COSMETIC PRODUCTS**
 - **“SONYA DAKAR” [WIFE’S NAME]**
 - **“THE PROBLEM SKIN SPECIALISTS” [LABEL ALSO SAID “SONYA DAKAR”]**
- **REGISTRATIONS HAD EXPIRED**

- **FALLING OUT:**

- **FATHER-SON FOUNDERS vs. WIFE-DAUGHTER**

- **WIFE SONYA DIRECTED LAWYER TO RENEW EXPIRED REGISTRATIONS, BUT IN HER NAME**

- **LAWYER COMPLIED**

- [Sonya Dakar regis.pdf](#)
- [Skin Specialists regis.pdf](#)
- [Dakar \(Skin Specialists\) specimen.bmp](#)

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- **FATHER-SON SUED WIFE-DAUGHTER AND THE LAWYER, IN C.D. CAL. FEDERAL COURT**
- **COMPLAINTS:**
 - **MALPRACTICE**
 - **BREACH OF FIDUCIARY DUTY**
 - **FRAUDULENT CONCEALMENT**

- **LAWYER MOVED TO DISMISS UNDER CAL. ANTI-SLAPP [STRATEGIC LITIGATIONS AGAINST PUBLIC PARTICIPATION] STATUTE**
- **HELD: THE STATUTE APPLIES; BUT**
 - **P WILL LIKELY SUCCEED**
 - **THEREFORE, NO EARLY DISMISSAL**

- **CASE IS STAYED (as of Mar. 2012)
PENDING OUTCOME OF A DIVORCE
CASE**
- **THE DIVORCE JUDGMENT WILL
DISPOSE OF COMMUNITY PROPERTY
AND MAYBE TRADEMARKS**

YOU THOUGHT THE *PHILLIPS* CASE WAS OVER?

- THE PATENT BAR EAGERLY AWAITED THE EN BANC DECISION IN *PHILLIPS v. AWH*
- HOPED IT WOULD GIVE CLEAR GUIDANCE ON RESOLVING CLAIM-SCOPE DISPUTES
- (SUCCESS ON THAT SCORE REMAINS DOUBTFUL)

THE MALPRACTICE SEQUEL

LaRiviere, Grubman & Payne, LLP v. Phillips, 2011 U.S. Dist. LEXIS 13584 (D.Colo. 2011)

- **LGP AND PHILLIPS ENTERED CONTINGENT FEE AGREEMENT FOR LITIGATION AGAINST AWH**
- **JURY FOUND FOR P., AWARDED \$1.8M**
- **JUDGE OVERTURNED ON JMOL**
- **NEW COUNSEL (DUANE MORRIS) NEGOTIATED A SETTLEMENT: \$2.55M**

- **THE SETTLEMENT \$\$ WAS DIVIDED AMONG CLIENT, DUANE MORRIS, AND LOCAL COUNSEL – NOT LGP**
- **LGP SUES FORMER CLIENT PHILLIPS FOR BREACH OF CONTRACT (TO PAY FEES), IN FED. CT. BASED ON DIVERSITY**
- **PHILLIPS COUNTERCLAIMS FOR LGP's MALPRACTICE:**

- **ERRORS ARE ASSERTED IN HANDLING THE UNDERLYING CASE**
- **DEFENSE TO COUNTERCLAIM: STATUTE OF LIMITATIONS**
- **HELD: COLORADO'S 1-YR REVIVAL WHERE OTHER SIDE SUES APPLIES HERE**

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- **DEFENSE TO COUNTERCLAIM: P HAS NO EXPERT TESTIMONY ON STANDARD OF CARE**
- **HELD: EXPERT TESTIMONY IS NEEDED, BUT TIME NOT YET EXPIRED FOR FINDING ONE**

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- **DEFENSE TO COUNTERCLAIM: LGP NOT LIABLE FOR PRE-RETENTION ERRORS OF PRIOR LITIGATION COUNSEL**
- **HELD: S.J. DENIED; FACTUAL ISSUE RE. WHETHER LGP WAS “INVOLVED”**

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- **CLIENT: FAILURE TO TAKE MORE DISCOVERY, AFTER CUTOFF DATE**
- **CLIENT: FAILURE TO GET MORE EXPERT REPORTS AND OPINIONS, AFTER CUTOFF DATE**
- **CLIENT: ATTYS. SHOULD HAVE MOVED TO REOPEN**
- **FIRM: NO EV. WHAT THE COURT WOULD HAVE DONE**
- **HELD: S.J. DENIED; WILL HAVE TO BE SORTED OUT AT TRIAL**

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- **CLIENT: FRAUD -- MISREPRESENTED EXPERIENCE AND CAPABILITY OF COUNSEL:**
 - **MANY PATENT TRIALS**
 - **A NATIONAL EXPERT**

- **HELD: S.J. DENIED. FACT ISSUES ABOUT LAWYER BACKGROUND**
 - **STMTS. WERE MORE THAN PUFFERY**
 - **STMT. WERE NOT VAGUE**

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- **MANY OTHER ISSUES.**
- **SETTLED AUG. 2011 – CLIENT WILL
PAY \$1M TO LGP**

TREBLE DAMAGES AND AN INJUNCTION: NOT GOOD ENOUGH!

- **LAWFIRM BROUGHT INFRINGEMENT SUIT AGAINST CORP. A**
- **DEFAULT JUDGMENT OBTAINED**
 - **TREBLE THE PLAINTIFF'S ASSERTED LOST PROFITS**
 - **PREJUDGMENT INTEREST**
 - **SUM: \$89K**
 - **PERMANENT INJUNCTION**

- **JUDGMENT TURNED OUT TO BE UNCOLLECTIBLE (BANKRUPTCY)**
- **CLIENT: SHOULD HAVE JOINED INDIVIDUAL OFFICER AS INDUCER**
- **LAWYERS: YOU CAN DO IT NOW**
- **CLIENT: MALPRACTICE SUIT INSTEAD**

- **HELD: FOR LAWYERS**
 - **VENUE AND PERSONAL JURISD. OVER THE INDIVIDUAL WERE PROBLEMATIC**
 - **NO EVIDENCE OF THE MENTAL STATE NEEDED FOR INDUCEMENT**
 - **CLIENT COULD HAVE MITIGATED ANY HARM BY BRINGING SEPARATE ACTION FOR INDUCEMENT (IN AN APPROPRIATE VENUE)**

Wotring v. Price Heneveld, 2011 WL 1150584 (W.D. Mich. Mar. 28, 2011)

THOU SHALT ACCUSE THY BROTHER!

- **MALPRACTICE ALLEGATIONS:**
 - I.P. FIRM NEGLIGENT IN FAILING TO ADVISE CLIENT TO SUE AN EARLIER I.P. FIRM FOR MALPRACTICE
 - 1ST FIRM HAD PROCURED PLANT PATENTS
 - NAMES OF VARIETALS INCLUDED THE TRADEMARK OF THE CLIENT CO.
 - LED TO ASSERTION OF FUNCTIONALITY IN A LATER TM LITIGATION

- **ALSO ALLEGED: 2ND FIRM NEGLIGENT IN FAILING TO ADVISE CLIENT TO SEEK INDEPENDENT COUNSEL RE. MISDEEDS OF 2ND FIRM**
- **NOTHING WAS ADJUDICATED AGAINST THE CLIENT**
 - **CLIENT'S COMPLAINT WAS ABOUT ADDED EXPENSE DUE TO COMBATING THE DEFENSE**

- **SUIT WAS FILED IN STATE COURT**
- **REMOVED BY ONE OF THE LAW FIRMS**
- **HELD: REMAND DENIED; FEDERAL JURISDICTION IS PROPER**
 - **PROOF OF CAUSATION AND DAMAGES WILL IMPLICATE FED. PATENT AND TRADEMARK LAW [??]**
 - **PROPRIETY OF USING THE MARK IN THE PLANT PATENTS' TITLES IS FEDERAL QUESTION**

Gerawan Farming, Inc. v. Worrel & Worrel, 2011 U.S. Dist. LEXIS 8447
(E.D. Cal. 2011) (Beck)

GREAT COMEBACK?

CLEARVALUE v. PEARL RIVER

- **SEEMINGLY NORMAL PATENT INFRINGEMENT SUIT IN TYLER**
- **APPARENT FACTS (from court record):**
 - **P'S CLAIM-CONSTRUCTION TECHNICAL EXPERT (STOLL) HAD SOME TESTS RUN ON A SAMPLE OF D'S PRODUCT**
 - **RESULT NOT GOOD FOR INFRINGEMENT**
 - **DID NOT DISCLOSE FACT OF TEST, OR RESULT**

- **CT'S DISCOVERY ORDER REQUIRED EACH PARTY TO DISCLOSE ALL THINGS CONSIDERED BY ITS EXPERTS IN COMING TO THEIR VIEWS**
- **NOT MENTIONED AT STOLL'S DEPO [STOLL WAS NOT AN INFRINGEMENT WITNESS; CLAIM-CONSTRUCTION ONLY]**
- **DURING TRIAL, WORK-PRODUCT OBJECTION WAS AT FIRST SUSTAINED**
 - **IT CAME OUT ON CROSS-EXAM THAT STOLL HAD HAD TESTS RUN AND SEEN TEST REPORT**

- **JUDGE DAVIS STOPPED THE TRIAL; HELD SANCTIONS HEARING FOR VIOL. THE DISCOVERY ORDER**
 - **RULING: WORK-PRODUCT HAD BEEN WAIVED**
- **STRUCK P'S PLEADING, DISMISSED CASE**
- **\$\$ SANCTIONS AG. PRINCIPAL AND LITIG. PAT. ATTY.**

ClearValue, Inc. v. Pearl River Polymers, Inc., 242 F.R.D. 362 (E.D. Tex. 2007)

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- **ON APPEAL OF THE SANCTION ORDER: AFFIRMED-IN-PART**
 - **BUT NOT THE DISMISSAL ORDER**
 - **AND NOT THE \$\$ SANCTION AGAINST THE PAT. ATTY. [REVERSED ON GROUND HE LACKED FUNDS TO PAY]**
- **REMANDED FOR TRIAL**

ClearValue, Inc. v. Pear River Polymers, Inc., 560 F.3d 1291 (Fed. Cir. 2009) (Schall)

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- **AT TRIAL:**
 - **JURY VERDICT: VALID AND INFRINGED; \$2.2M IN PATENT DAMAGES, \$3M IN TRADE SECRET DAMAGES**
 - **[SAMPLE TESTED WAS APPARENTLY OFF-SPEC??]**
 - **COURT: APPROVED THE \$\$ VERDICT ON THE PATENT SIDE, PLUS INTEREST; SET ASIDE VERDICT ON TRADE SECRET SIDE**
 - **PERMANENT INJUNCTION ENTERED AGAINST FUTURE PATENT INFRINGEMENTS**

ClearValue, Inc. v. Pear River Polymers, Inc., 2010 U.S. Dist. LEXIS 82076 (E.D. Tex. Aug. 12, 2010) >>

- **APPEALED (MORE LATER)**
- **BUT MEANWHILE:**
 - **P'S PRINCIPAL SUES PEARL RIVER, ITS COUNSEL, AND HIS OWN INITIAL COUNSEL (WHO WITHDREW) IN FORT BEND COUNTY DIST. CT. >>**

- COMPLAINT: HIS LAWYERS MISADVISED AND SLANDERED HIM IN THE WITHDRAWAL**
- COMPLAINT: OPPOSING COUNSEL AND D**
- ABUSED PROCESS**
 - FRAUDULENTLY PROVIDED OUT-OF-SPEC SAMPLE FOR LAB TESTING THAT LED TO SANCTIONS**

- **Ds IN FORT BEND REMOVE CASE TO S.D. TEX.:**
 - **THEY SAY IT ARISES UNDER PATENT LAWS (CITING *AIR MEASUREMENT AND IMMUNOCEPT*)**
- **JUDGE HOYT TRANSFERS TO E.D. TEX.**
 - **JUDGE DAVIS IS MOST KNOWLEDGEABLE ON THE FACTS** >

- **JUDGE DAVIS REMANDS TO STATE COURT -- LACK OF FEDERAL JURISDICTION**

- **ISSUES OF SLANDER, ABUSE, ETC., DO NOT IMPLICATE THE PATENT STATUTE**

- **REALLY STATE-LAW CLAIMS**

Haase v. Abraham Watkins Nichols Sorrels Agosto & Friend et al., 2010 U.S. Dist. LEXIS 11132 (E.D. Tex. Feb. 9, 2010) >>

THE APPEALS

- **FED. CIR. APPEAL BY ACCUSED INFRINGER, ON PATENT-CASE MERITS:**
- **REVERSED; PATENT INVALID FOR ANTICIPATION [FEB. 2012]**

- **FORT BEND CASE: SJ GRANTED FOR DS.**
 - **LAWYERS ARE IMMUNE FROM PRIVATE ACTION BY ADVERSARY FOR WHAT THEY CONTEND IN LITIGATION**
- **IS ON APPEAL**
- **PENDING IN 14TH COURT OF APPEALS**

- **IT'S NOT OVER UNTIL IT'S OVER**
- **PROTECTION?**
 - **PRODUCE EVERYTHING**
 - **DON'T RELY ON WORK PRODUCT**

OHIO STATE COURT FOLLOWS FEDERAL CIRCUIT

- **2 I.P. FIRMS HIRED TO HANDLE
PATENT MATTERS**
 - **P SAYS NEITHER FIRM ADVISED A
MAINTENANCE FEE HAD NOT BEEN
PAID**

– LICENSE WITH 3RD PARTY WAS BREACHED BY FAILURE TO MAINTAIN

– 3RD PARTY TERMINATED; “MULTI-MILLION” \$\$ LOST

– CLIENT SUED BOTH FIRMS IN STATE COURT

- **HELD: TRIAL COURT PROPERLY DISMISSED FOR LACK OF JURISDICTION**
- **QUESTION OF PATENT LAW HERE IS SUBSTANTIAL:**
 - **DAMAGES CANNOT BE CALCULATED WITHOUT KNOWING PATENT'S SCOPE**
- **JURISDICTION IS EXCLUSIVELY FEDERAL**

TattleTale Portable Alarm Systems v. Calfee Halter & Griswold, 2009 Ohio 1379
(Ohio Ct. Apps. 2009)

BUT TEXAS DOES NOT

- PATENT MALPRACTICE ALLEGED IN STATE COURT ACTION
- TEXAS SUPREME COURT FOLLOWS *AIR MEASUREMENT* – JURISDICTION IS EXCLUSIVELY FEDERAL

Minton v. Gunn, 355 S.W.3d 634 (Tex. S.Ct. Dec. 16, 2011)

NEBRASKA STATE COURTS HOLD ONTO JURISDICTION

- **PATENT LAPSED (AND A BROADENING REISSUE APPL. WITH IT) DUE TO NONPAYMENT OF MAINTENANCE FEE; ATTY. NEGLIGENCE ALLEGED**
 - **REVIVED THE ORIGINAL, BUT COULD NOT REVIVE THE REISSUE**
 - **REISSUE WOULD HAVE BEEN INFRINGED BY 3RD PARTY, AND SUIT WOULD HAVE BEEN WON, PER CLIENT'S PLEADING**

- **TRIAL CT. HELD FOR ATTY.**
 - **DOCTRINE OF RECAPTURE WOULD HAVE BLOCKED SUCCESSFUL SUIT ON THE REISSUE PATENT**
- **SUPREME COURT OF NEBRASKA:**
 - **THIS CASE ARISES ENTIRELY UNDER STATE LAW; STATE COURTS HAVE JURISDICTION**
 - **[NOTE: ISSUES DECIDED HERE: §§ 112, 251, DOE, PROS. HISTORY ESTOPPEL, RECAPTURE !!]**

New Tek Mfg., Inc. v. Beehner, 751 N.W.2d 135 (Neb. 2008)

THE PUSHBACK CASES

A CHALLENGE IN FEDERAL COURT FORT WORTH (NO APPEAL TAKEN)

- **ALLEGATIONS:**
 - **FILED DEFECTIVE PAT. APPL.**
 - **DID NOT CORRECT IT**
 - **APPL. WAS ABANDONED**
 - **ATTY. FAILED TO ADVISE CLIENT OF ANY OF THIS**
 - **TIME FOR REVIVAL PASSED**

- **MALPRACTICE SUIT FILED IN FEDERAL COURT (N.D. TEX.)**

- **HELD: DISMISSED; NO JURISDICTION**
 - **CITES TO S.CT.'s 2005 DECISION IN *GRABLE***
 - **EVEN WHEN A FEDERAL LAW QUESTION IS EMBEDDED IN A STATE-LAW CAUSE OF ACTION, FED. CT. MAY DECLINE IF NOT ACTUALLY DISPUTED AND SUBSTANTIAL**
 - **PRINCIPLES OF FEDERALISM AND DIVISION OF JUDICIAL LABOR**

Roof Tech. Serv. v. Hill, 679 F.Supp.2d 749 (N.D. Tex. 2010) (McBryde)

- **JUDGE McBRYDE ALSO QUESTIONED WHETHER FED. CIR. DECISIONS ON JURISDICTIONAL MATTERS WERE BINDING ON THIS COURT** Id. at 753 n.2

AREAS OF DISAGREEMENT REMAIN

- SUPREME COURT ISSUES *GRABLE* DECISION, CUTTING BACK ON *CHRISTIANSON'S* BROAD TEST
- MERE PRESENCE OF AN EMBEDDED FEDERAL LAW QUESTION IS NOT ENOUGH
- MUST BE “SUBSTANTIAL” AND “CONTESTED”

Grable & Sons Metal Prods., Inc. v. Darue Eng'g & Mfg., 545 U.S. 308 (2005) – A NON-IP CASE

FIFTH CIRCUIT *SEEMED* TO REJECT FEDERAL CIRCUIT DOCTRINE

- FIFTH CIRCUIT IN 2008 TRADEMARK MALPRACTICE CASE FOLLOWS *GRABLE*, DISAGREES WITH FED. CIR. APPROACH:
 - *SINGH* CASE, AROSE OUT OF EARLIER TRADEMARK LITIGATION
 - CLIENT LOST AT APPELLATE LEVEL, ON ACQUIRED DISTINCTIVENESS >>

- CLIENT SUED ATTORNEY IN TEXAS STATE COURT FOR MALPRACTICE**
- ATTORNEY REMOVED TO FED. CT.: SUBSTANTIAL FED. TM QUESTIONS TO BE RESOLVED** >>

- **HELD: BELONGS IN STATE COURT**
- **BALANCE NEEDED BETWEEN STATE AND FEDERAL JURISDICTION**
- **FEDERAL ISSUE HERE – WHETHER SINGH COULD HAVE ESTABLISHED SECONDARY MEANING – IS NOT SUBSTANTIAL**
- **REFUSES TO FOLLOW *AIR MEASUREMENT*; CRITIQUES FED. CIR. FOR IGNORING FEDERALISM**

Singh v. Duane Morris LLP, 538 F.3d 334 (5th Cir. 2008)

PUSHBACK ON THE PUSHBACK: JUDGE ROSEN'S CHALLENGE

- **PATENTS ON LACROSSE STICKS**
- **SAME ATTYS. FOR PROSECUTION AND LITIGATION**
- **CLIENT SAYS:**
 - **IF LAWYERS HAD DONE BETTER CLAIMING, CLIENT WOULD HAVE WON MULTI-MILLION \$\$ JUDGMENT AGAINST STX**
 - **INSTEAD, HAD TO SETTLE FOR \$259K**

- **D.C.T.: JUDGE ROSEN, E.D.MICH., REFUSES TO FOLLOW THE NEW LINE OF FED. CIR. CASES**
 - **SAYS THEY ARE A USURPATION OF STATE AUTHORITY OVER MALPRACTICE**
 - **SAYS THE CASE-WITHIN-A-CASE SCENARIO IS FLAWED**
 - **SAYS APPEAL SHOULD BE TO THE 6TH CIR.**

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Warrior Sports, Inc. v. Dickenson Wright PLLC, 666 F.Supp.2d 749 (E.D. Mich. 2009)

- **ON APPEAL TO FEDERAL CIRCUIT:**
 - REVERSED
 - THERE WERE THREE CLIENT COMPLAINTS HERE:
 1. INEQUITABLE CONDUCT IN PTO, MISCHARACTERIZING A REFERENCE
 2. ALLOWING LAPSE BY NONPAYMENT OF MAINTENANCE FEE (LATER CORRECTED, BUT NOT PROMPTLY, AND WITH LOSS)
 3. DID NOT INFORM CLIENT OF THE LAPSE OR REINSTATEMENT

- **MALPRACTICE ACTION STARTED IN MICHIGAN STATE COURT**
- **PARTIES AGREED TO DISMISS IT AND REFILE IN FED. CT.**
- **D.CT. RULING WAS CONTRA TO VIEWS OF BOTH PARTIES**

- **HELD: ALLEGED NEGLIGENT CONDUCT TRIGGERING INEQUITABLE CONDUCT ALLEGATION BRINGS THIS CASE UNDER FEDERAL LAW**
 - **TO PREVAIL, CLIENT WILL NEED TO SHOW THAT BUT FOR THE CONDUCT, HE WOULD HAVE WON THE CASE AGAINST STX AND GOT LARGE DAMAGES**
 - **INFRINGEMENT IS A PATENT LAW DETERMINATION**
 - **CASE THEREFORE ARISES UNDER THE PATENT LAW**

- **THIS IS TRUE EVEN THOUGH MICHIGAN STATE LAW CREATES THE CAUSE OF ACTION**
- **OTHER ALLEGED MISCONDUCT ISSUES NEED NOT BE CONSIDERED HERE; D.CT. HAS AT LEAST SUPPLEMENTAL JURISDICTION OVER THOSE CLAIMS**

Warrior Sports, Inc. v. Dickenson Wright PLLC, 2011 US. App. LEXIS 521
(Fed. Cir. 1-11-11) Bryson

FIFTH CIRCUIT MODIFIES ITS VIEW?

- ***SINGH* (2008) WAS A TRADEMARK MALPRACTICE CASE, DISCUSSED SUPRA**
- **NOW A PATENT MALPRACTICE CASE IS DISTINGUISHED, AND THE APPEAL IS TRANSFERRED TO THE FEDERAL CIRCUIT**

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USPPS v. AVERY DENNISON ET AL.

647 F. 3d 274 (5th Cir. 2011) (Prado)

- **CLIENT MADE LICENSE AGREEMENT WITH AVERY**
- **CLIENT SWITCHED PROSECUTION COUNSEL TO AVERY'S (RENNER OTTO)**
- **CLIENT APPARENTLY HAD SOME ALLOWED CLAIMS, BUT A CONTIN. WAS FILED**

- **PROSECUTION WAS ULTIMATELY UNSUCCESSFUL**
- **CLIENT COMPLAINS: CONFLICT OF INTEREST – LAW FIRM FAVORED AVERY**
- **AND BUT FOR THAT FAVORITISM, GOOD CLAIM SCOPE COULD HAVE BEEN ALLOWED**

- **D.C.T.: DISMISSED**

- **TIME-BARRED; and**

- **SUMMARY JUDGMENT – NO EVIDENCE CLIENT WOULD HAVE GOT DIFFERENT OR BETTER COUNSEL ABSENT THE ALLEGED “COLLUSION”**

- **APPEAL TO 5th CIRCUIT**

>>

- **HELD: TRANSFERRED TO FED. CIR.**
 - **NO APPELLATE JURISDICTION IN 5th CIR**
 - **CASE HAS, IN PART, SUBSTANTIAL ISSUES OF PATENT LAW: WHAT CLAIM SCOPE COULD HAVE BEEN OBTAINED “BUT FOR” THE WRONG**

[COMMENT: DOES NOT SEEM TO ME TO BE EMBEDDED IN THE D.CT.’s JUDGMENT AT ALL]

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- **PANEL DISTINGUISHES *SINGH*:**
 - **THAT WAS TRADEMARK**
 - **IN PATENT LAW THERE IS BIG NEED FOR UNIFORMITY**
 - **TRANSFER TO FED. CIR. IS NEEDED**

U.S. PATENT LAW ISSUE CAN BE INSUBSTANTIAL

- **COMPLAINT: PAT. ATTY. FAILED TO FOLLOW UP ON PCT APPLICATION: CANADIAN NATIONAL STAGE DEADLINE**
- **CLIENT FILED MALPRACTICE SUIT IN U.S. DIST. CT. (DISTRICT OF COLUMBIA)**

- **MOTION TO DISMISS: GRANTED**
 - **CLAIM IS CREATED BY D.C. MALPRACTICE LAW, NOT THE PATENT LAW**
 - **NO SUBSTANTIAL QUESTION OF U.S. LAW HERE**

- **S.C.T. *GRABLE* CASE (2005)
CITED: FOR CAUSES CREATED
BY STATE LAW, EMBEDDED U.S.
FEDERAL LAW QUESTION MUST
BE REAL AND ASSERTED FOR
FED. JURISD. TO ATTACH**

- **NO SUCH ISSUE HERE**

Antiballistic Security and Protection, Inc. v. Baker, Donelson, 2011 WL 2214762 (D.D.C. June 7, 2011)

GROWING PATTERN: TRADEMARK MALPRACTICE MAY BE DIFFERENT

- **LAW FIRM ADVISED CLIENT HE WAS FREE TO COPY A MECHANICAL STRUCTURE SHOWN IN AN EXPIRED PATENT**
- **CLIENT WAS THEN SUED FOR TRADE DRESS AND TRADEMARK INFRINGEMENT; STILL PENDING**
- **SUES LAWYERS FOR MISADVISING HIM**

- **HELD: NO FEDERAL SUBJECT MATTER JURISDICTION**
- ***AIR MEASUREMENT* SHOULD NOT BE EXTENDED BEYOND PATENT LAW**
 - **SPECIAL EXPERTISE OF FED. COURTS IN PATENT AREA – TRADEMARK IS EASY**
 - **SPECIAL NEED FOR UNIFORMITY IN APPLYING THE PATENT LAW**

Mr. Bar-B-Q, Inc. v. Natter & Natter, 2011 WL 2015574 (SDNY May 18, 2011)

SPECIAL TWIST RE. APPELLATE JURISDICTION

- **CLIENT COMPLAINT: NEGLIGENT HANDLING OF A PATENT APPLICATION, LEADING TO LOSS OF A PATENT**
- **SUIT WAS FILED IN STATE COURT**
- **D LAWYER REMOVED TO FED. COURT**

- **FEDERAL DISTRICT COURT:**
 - **REMANDED**
 - **INSUFFICIENT SHOWING OF AN IMPORTANT PATENT LAW ISSUE**
- **LAWYER APPEALS THE REMAND**

- **HELD: APPEAL DISMISSED**
- **WHERE A FEDERAL COURT REMANDS A REMOVED CASE TO STATE COURT FOR LACK OF FEDERAL QUESTION JURISDICTION, THERE IS NO FEDERAL APPELLATE JURISDICTION TO REVIEW THE ORDER**
- **REASON: S.CT. SO HELD IN *Things Remembered, Inc. v. Petrarca*, 516 U.S. 124, 127 (1995); 28 U.S.C. § 1447(d).**

ARC Products LLC v. Kelly, 2011 WL 2063128 (Fed. Cir. May 25, 2011) [Rader, Lourie, O'Malley]

Same: *Genelink Biosciences, Inc. v. Colby*, 2011 U.S. App. LEXIS 10872 (Fed. Cir. May 25, 2011 [Rader, Lourie, O'Malley]

WHAT ARE WE SEEING?

- **STILL SOME OF THE AGE-OLD PROBLEMS: SLIPPED DEADLINES**
- **MANY NEWER ALLEGATIONS –**
 - **FRAUDULENT CONCEALMENT**
 - **LOSS OF FULL PTO RIGHTS**
 - **ETC.**

- **ALSO BEING ASSERTED:**
 - **FRAUDULENT CONCEALMENT; FAILING PROMPTLY TO TELL CLIENT WHAT IS GOING ON**
 - **CLAIMING TOO NARROWLY**
 - **TRIGGERING LITIGATION DEFENSES, EVEN IF UNSOUND!**

BEWARE OF JUDGE O'MALLEY AND THREE OF HER COLLEAGUES!

- **SEEMINGLY ROUTINE FEDERAL PATENT MALPRACTICE CASE**
- **FEDERAL JURISDICTION IS CHALLENGED ON APPEAL**
- **JUDGE O'MALLEY WRITES PANEL OPINION, FOLLOWING *AIR MEASUREMENT* LINE BUT QUESTIONING ITS CORRECTNESS**

Byrne v. Wood Herron, 2011 U.S. App. LEXIS 23127 (Fed. Cir. Nov. 18, 2011) O'Malley, Lourie, Gajarsa

- **ON MOTION FOR REHEARING IN BANC:**
 - **DENIED**
 - **DISSENTS BY O'MALLEY, WALLACH, MOORE, RADER!**

Byrne v. Wood Herron, 2012 U.S. App. LEXIS 6021 (Fed. Cir. Mar. 22, 2012)

- **WHERE ARE WE HEADED?**

THE TREND:

- **IS SLOWLY AND PARTIALLY RETURNING TO STATE COURT JURISDICTION**
- **BUT IT DEPENDS ON THE FACT PATTERN**
- **[JUSTICE HOLMES WAS RIGHT!]**