Trends in Intellectual Property Law:

Top 3 Things In-House Counsel Need to Know in 2020

ACC
Western PA
Chapter

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Ference & Associates

February 6, 2020



Top 3 Things In-House Counsel Need to Know in 2020:

- 1. Online Protection
- 2. Use of Data in IP
- 3. USPTO Update



2020 E-Commerce Problems

In all, federal agencies intercepted nearly 28,000 shipments containing counterfeit goods in 2019.

For all practical purposes, these e-commerce hubs are basically laundries for counterfeits," Peter Navarro, a top trade adviser to the White House, said during a Friday-afternoon news conference. "The thrust of the recommendation is to get e-commerce hubs to accept their fair share of the responsibility."

https://www.washingtonpost.com/business/2020/01/24/trump-administration-says-it-will-take-aim-online-counterfeits-seeking-tougher-enforcement/



Amazon and Counterfeiting?

- Amazon Has a 'Notorious' Counterfeit Problem
- •Despite efforts to combat the sale of fakes on its online-selling platforms, the matter could still evolve into a significant fiscal liability.
- •A 2017 estimate suggests the global market for counterfeit goods had reached \$1.2 trillion, and it takes more than \$300 billion worth of revenue away from brands that have to compete with fakes. The U.S. Government of Accountability Office found in 2018 that two out of every five products purchased online was counterfeit.
- •https://www.fool.com/investing/2019/10/12/amazon-has-a-notorious-counterfeit-problem.aspx



The New York Times

By David Streitfeld

June 23, 2019



Antimicrobial Therapy, which publishes "The Sanford Guide to Antimicrobial Therapy," bought 34 of its handbooks from Amazon and Amazon's third-party sellers. At least 30 were counterfeits. Isabelle Baldwin for The New York Times



The New York Times

By David Streitfeld

June 23, 2019

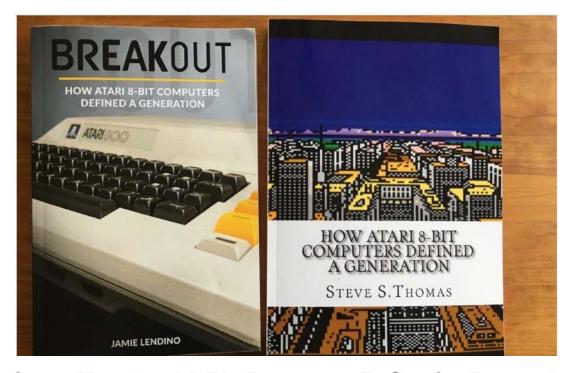
In Amazon's bookstore, the unruly behavior has been widespread, aided by print-on-demand technology. Booksellers that seem to have no verifiable existence outside Amazon offer \$10 books for \$100 or even \$1,000 on the site, raising suspicions of algorithms run wild or even money-laundering. The problem of fake reviews is so bad that the F.T.C. has already gotten involved.



The New York Times

By David Streitfeld

June 23, 2019



The original "Breakout: How Atari 8-Bit Computers Defined a Generation," by Jamie Lendino, and a counterfeit version credited to an author who probably does not exist. Kevin Savetz



The New York Times

By David Streitfeld

June 23, 2019

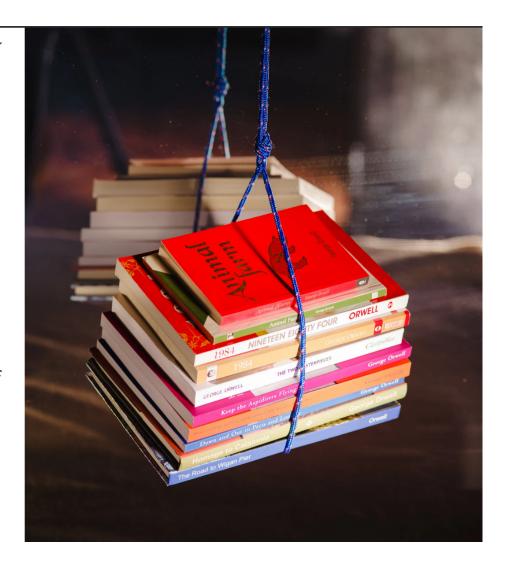
But Amazon takes a hands-off approach to what goes on in its bookstore, never checking the authenticity, much less the quality, of what it sells. It does not oversee the sellers who have flocked to its site in any organized way.





Paging Big Brother: In Amazon's Bookstore, Orwell Gets a Rewrite

As fake and illegitimate texts proliferate online, books are becoming a form of misinformation. The author of "1984" would not be surprised.





Paging Big Brother: In Amazon's Bookstore, Orwell Gets a Rewrite

The New York Times



Aug. 19, 2019

What unites all these books is that none of them paid the author anything, which means they could compete with legal Orwell titles as a lower-cost alternative. After all, if you need a copy of "Animal Farm" or "1984" for school, you're not going to think too much about who published it. Because all editions of "1984" are the same, right?

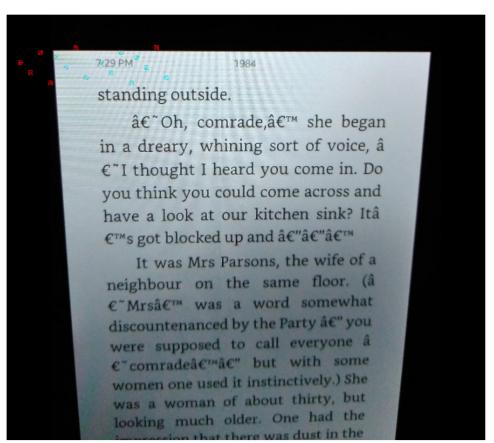


Paging Big Brother: In Amazon's Bookstore, Orwell Gets a Rewrite

The New York Times



Aug. 19, 2019



1984

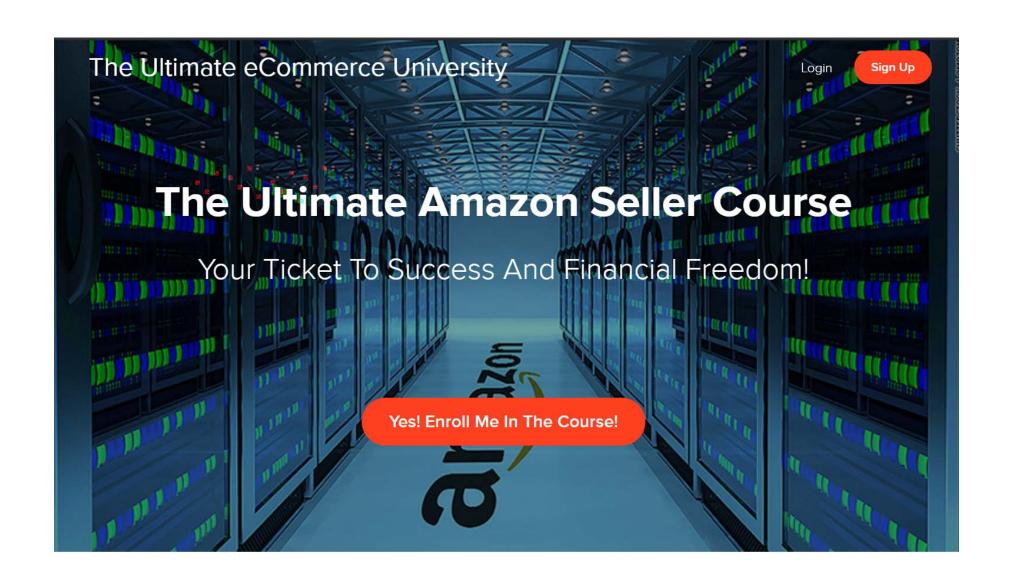
★☆☆☆☆ Do Not Buy This Book - The File is Corrupted!

By Debi on Sep 26, 2017

This book is impossible to read. The file is corrupted and all kinds of strange characters obscure words. It is infuriating to try to contact Amazon's customer service. Amazon keeps you going in circles and there is no phone number for getting help.

Images in this review





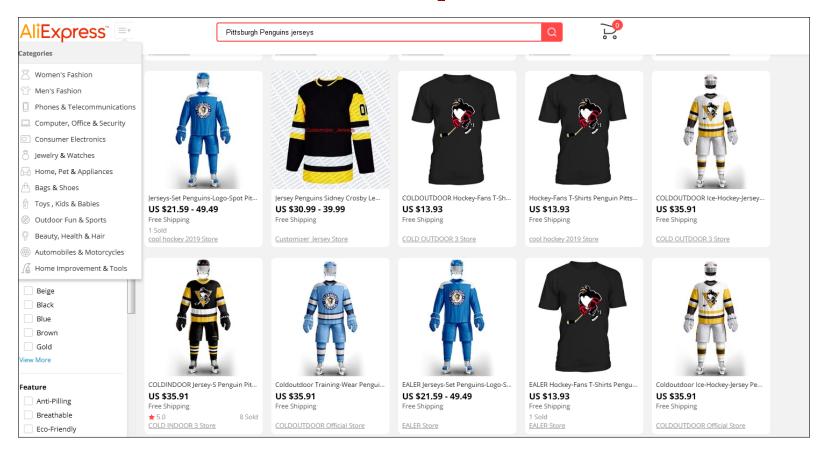


The Ultimate eCommerce University

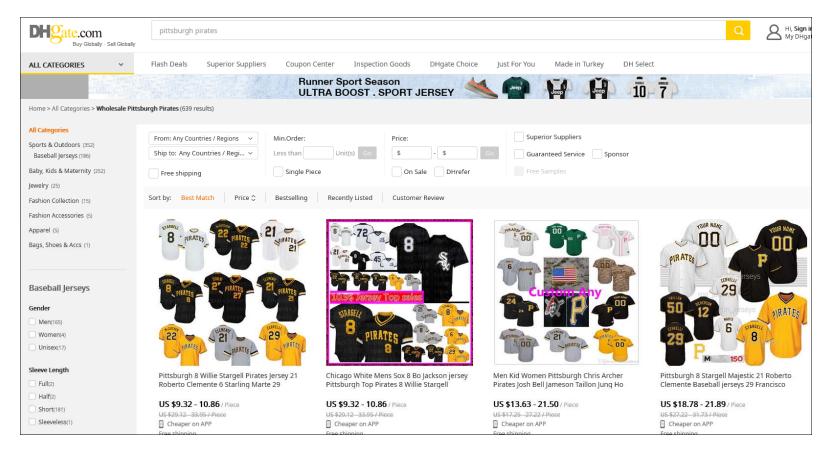
Does this course apply If I live in Canada (Mexico) (UK) (Germany) (Belgium) (France) (Spain) (Italy) (Austria) (Australia) (Hungary) (Romania) (Japan), etc...?

Yes! The course covers everything an international seller needs to know to sell on Amazon in any marketplace including the US marketplace. I have students enrolled from many different countries, including Canada, Mexico, UK, Germany, Belgium, Switzerland, France, Spain, Italy, Austria, Australia, Hungary, Romania, Japan, Greece, Serbia, South Africa, New Zealand, Indonesia, India, Saudi Arabia, UAE, Bulgaria, Denmark, Norway, Sweden, Belgium, Netherlands, Portugal, Brazil, Chile, Ukraine, Belarus, and the list is growing every day!

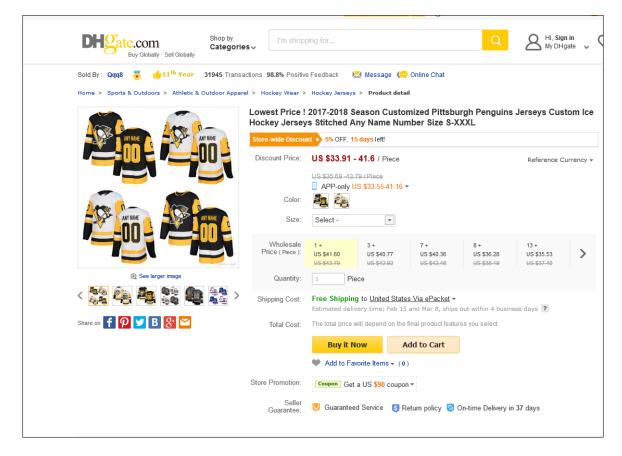




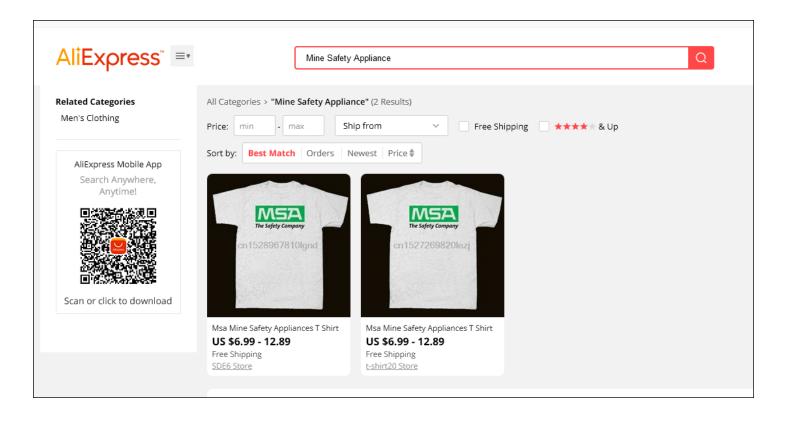




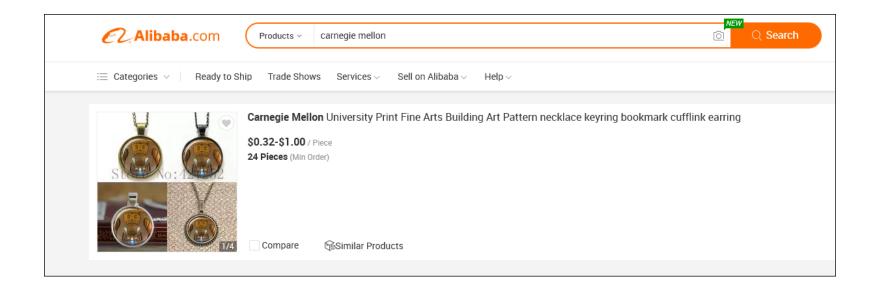














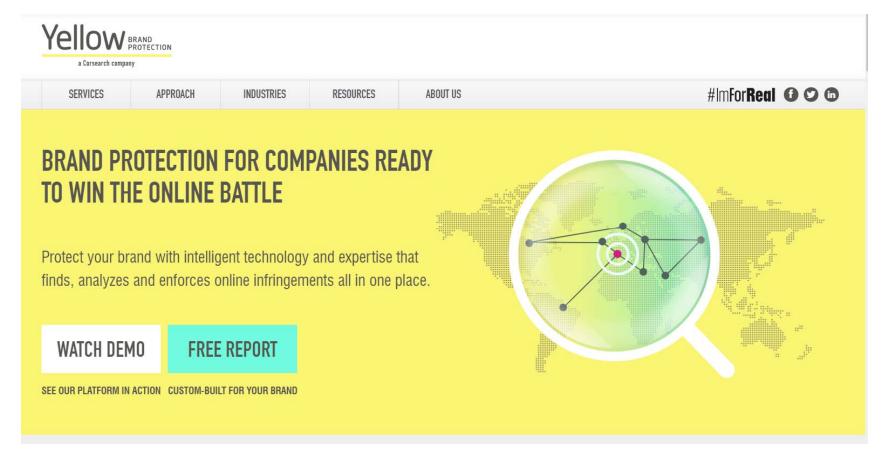
What's your strategy?

- Self reporting
- Third party reporting
- Litigation



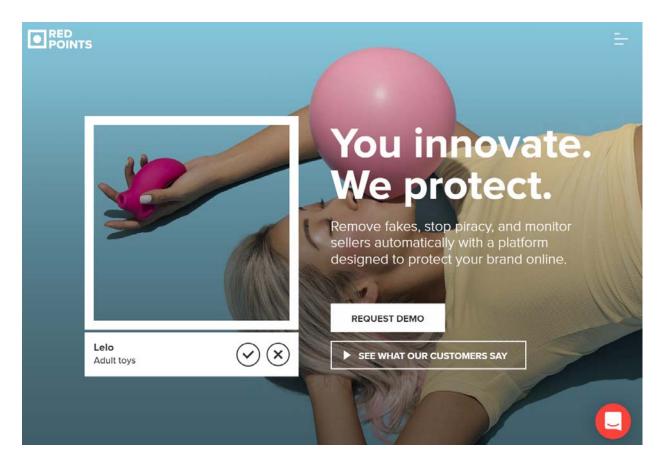


Third Party Reporting





Third Party Reporting





Basis for Litigation

- Trademark Counterfeiting
- Copyright Infringement
- Unfair Competition (Section 43(a))
 - Photos whose copyright is unregistered
- Patent Infringement
 - Utility Patent
 - Design Patent



Benefits of Litigation

- Slows whack-a-mole counterfeiters
- •Ference & Associates has obtained default judgments against the counterfeiters and infringers exceeding \$225 Million Dollars to date.



Judges in the Western District of Pennsylvania as of January 1, 2020

Judge Assigned F&A Counterfeiting Case?

Judge Cathy Bissoon NO

Judge Nora Barry Fischer YES

Judge Marilyn Horan YES

Chief Judge Mark Hornak YES

Judge William Stickman YES

Judge Nicholas Ranjan NO

Robert J. Colville NO

Senior Judges have discretion to turn down assignments for emergency relief like restraining orders; Magistrate Judges do not have jurisdiction to hear such cases.



Example Court Order Language

IV. Follow-Up Requests

IT IS FURTHER ORDERED, as sufficient cause has been shown, that, upon Plaintiff's request, within no later than five(5) calendar days of Plaintiff's request:

- (1) Amazon is ordered to remove any seller identified by Plaintiff from the following Amazon Standard Identification Numbers (ASINs): B01N7SXX0W (black NEGG[®]), B01MT9U0HK (red NEGG[®]), B01NATZUY2 (white NEGG[®]), B01N235WK4 (yellow NEGG[®]), B079P5N8Q6 (pink NEGG[®]), B079P6QVNR (fuschia NEGG[®]), and B079P4HPVM (green NEGG[®]);
- (2) Amazon is ordered to suspend any ASIN listing product that Plaintiff asserts unfairly competes with Plaintiff's NEGG® egg peeler and is identified as "shipping from China" or as originating from China (i.e. any seller is prevented from listing for sale under the identified ASIN); and



Example Court Order Language

(3) Amazon is ordered to suspend any ASIN that was associated with a product already identified by prior Order of this Court in the present lawsuit to be Counterfeit or

Infringing as designated in the Amended Schedule A third column under "Amazon ASIN Number(s)" (i.e. any seller is prevented from listing for sale under the identified ASIN),

(4) however, the Seller controlling such listings shall not be subject to financial account restraint.



2. Use of Data in IP

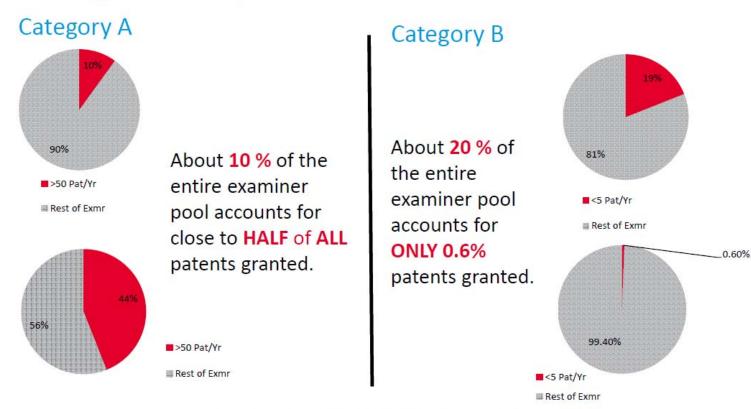


Use of Data in IP

- -Data for USPTO Prosecution
 - Examiner
 - Art Units
 - Prosecution Actions
- -Data for Patentees
- -Data for Counsel



FACT: There exists two extremely different categories of patent examiners¹.



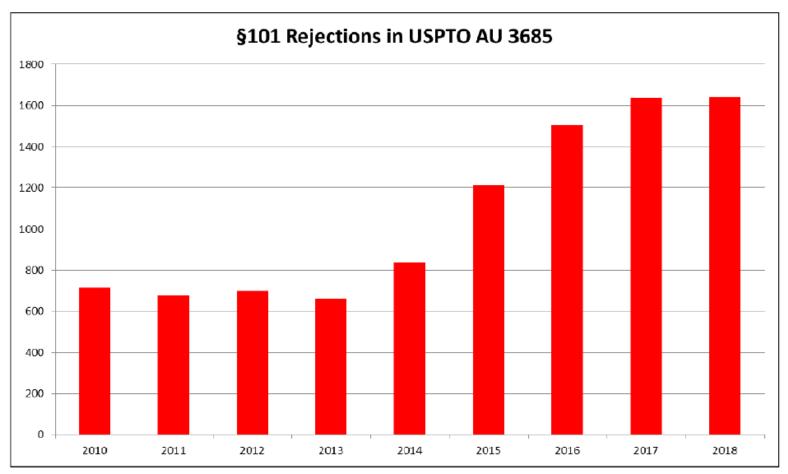


¹Office Actions per Grant Ratio (OGR): A New Metric for Patent Examiner Activity by Professor Shine Tu (https://ssrn.com/abstract=3100326)

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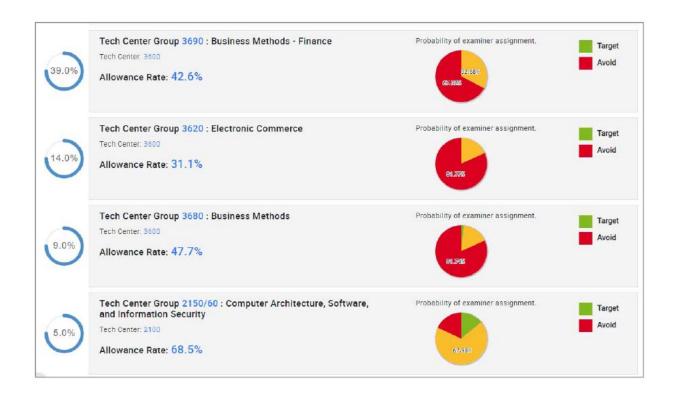
LexisNexis PatentAdvisor®



Shown are the number of §101 rejections issued in USPTO Art Unit 3685 by calendar year. The Supreme Court decided Alice v. CLS Bank in June 2014



Classifiers





<u> </u>	KRAFT HEINZ COMPANY	134	105	84%	22.4	1.6	-0.2	-1.8
		•						
+	FITCH EVEN TABIN AND FLAN	101	80	83%	22.8	1.4	-0.3	-1.9
+	FOLEY AND LARDNER LLP	13	13	100%	17.5	1.3	0	0
+	DINSMORE AND SHOHL LLP	6	2	100%	10.5	1	0	-1
+	HONIGMAN LLP	3	2	100%	11.3	1.5	-	-
+	MORGAN LEWIS AND BOCKIUS	3	3	100%	38.2	6.7	0	-1.5



•	PNC FINANCIAL SERVICES GR	25	22	23%	50.3	4.2	-1	-5
		•						
+	K&L GATES LLP	5	5	40%	74.5	6	-	-
+	ARMSTRONG TEASDALE	3	3	0%	81.1	-	-	-
+	HOLTZ, HOLTZ & VOLEK PC	2	2	0%	35	-	-	-
+	WOLF GREENFIELD AND SACKS	2	2	0%	46.5	-	-	-
+	NEAL GERBER AND EISENBERG	2	0	-	-	-	-	-



•	ALCOA INC.	99	74	57%	27.1	2	-0.4	1.7
		•						
+	GREENBERG TRAURIG LLP	90	69	59%	27.5	2	-0.4	2
+	THE WEBB LAW FIRM, P.C.	1	1	100%	24.4	3	0	-7
+	CANTOR COLBURN	1	1	0%	21.4	-	-	-



<u> </u>	PPG INDUSTRIES INC.	428	252	83%	25.6	2	-0.3	-2.4
		•						
+	THE WEBB LAW FIRM, P.C.	47	33	88%	26.4	2.1	-0.2	-3.8
+	KILPATRICK TOWNSEND	23	16	88%	24.3	2.2	-0.1	-4.7
+	LEWIS ROCA ROTHGERBER CHR	15	11	100%	30.2	3.2	0	-0.9
+	SCHACHT LAW OFFICE INC	10	10	70%	14.1	0.6	0.2	-0.3
+	WORKMAN NYDEGGER	2	2	100%	35	2.5	-0.5	-0.5



•	CARNEGIE MELLON UNIVERSIT	317	195	92%	26.3	1.6	-0.3	-2
		•						
+	FISH AND RICHARDSON	65	44	98%	27.2	1.6	-0.1	-1.2
+	KACVINSKY DAISAK BLUNI PL	35	17	82%	25.3	1.5	-1	-0.9
+	THE WEBB LAW FIRM, P.C.	25	12	100%	26.7	2.1	-0.3	-0.3
+	MEYER UNKOVIC AND SCOTT L	22	8	50%	36.2	1.8	-	-
+	DOWNS RACHLIN MARTIN PLLC	20	16	88%	26.9	1.4	0.3	-0.9



Data on Counsel

<u> </u>	FERENCE AND ASSOCIATES LL	711	427	91%	28.5	2.2	-0.2	-2.2
		•						
+	LENOVO GROUP LTD	349	192	93%	31.7	2.8	-0.1	-1.8
+	IBM	154	96	99%	27.7	1.7	-0.1	-1.5
+	DANAHER CORP.	49	36	94%	26.6	1.8	-0.8	-6.8
+	TELETRACKING TECHNOLOGIES	22	11	100%	13.2	1.2	0	-0.2
+	THE WALT DISNEY COMPANY	15	14	93%	25.5	2.5	0	-1.7



Data on Counsel

<u> </u>	THE WEBB LAW FIRM, P.C.	5,065	3,513	85%	23.7	1.6	-0.1	-1.8
		•						
+	BECTON, DICKINSON & CO.	250	232	98%	26.6	2.2	-0.2	-2.1
+	KUBOTA CORP.	218	169	100%	17.8	1.1	0.1	-2
+	SK INNOVATION CO., LTD.	180	129	80%	25.7	1.7	0	-2.1
+	JEOL, LTD.	175	118	91%	20.6	1	0	-1.2
+	VISA INC.	157	61	87%	31.7	1.9	-0.1	-2.1



Data on Counsel

<u> </u>	REED SMITH LLP	601	405	70%	23.1	1.4	-0.3	-2.5
		•						
+	BRAIN CORPORATION	60	23	96%	24.3	1.5	-0.1	-0.7
+	COLUMBIA UNIVERSITY	50	24	46%	34.5	2.5	-1.5	-4.1
+	VECTURA GROUP PLC	28	20	75%	25	2.1	-0.6	-2.1
+	RICE UNIVERSITY	18	13	62%	28	2.1	-1.2	-6.5
+	EVONIK DEGUSSA GMBH	17	17	35%	25.2	1.8	-1.5	-4



3. USPTO Update



USPTO Update

- Patent statistics FY19
- After Final Consideration Pilot 2.0 (AFCP 2.0)
- Subject Matter Eligibility (Section 101)



USPTO at a glance

- 12,619 USPTO employees (as of July 10)
- 8,031 patent examiners (as of July 2)
- 24.2 mos. avg. total pendency (as of June 11)
 - Down 1.2% versus the same time last year
- New serialized filings are up 4.3% versus the same time last year (as of June 4)



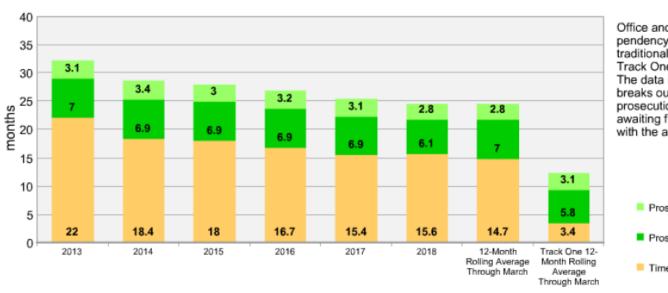
USPTO pendency and inventory





First action pendency over time

Office Time and Applicant Time - Traditional Total Pendency



Office and applicant time - traditional total pendency represents a detailed look at the traditional total pendency measure, and the Track One Prioritized Examination Process. The data is cumulative for the year and breaks out time into three categories: prosecution time with the office, time awaiting first action, and prosecution time with the applicant.

- Prosecution Time With Office
- Prosecution Time With Applicant
- Time Awaiting First Action



PTAB results

- Overall affirmance rate of 58% at FY19 midyear
 - Compared with 61% at FY18 midyear
 - Additional 10% affirmed-in-part
 - Compared to 11% at FY18 midyear
 - Tech center rates range from 42% (3700) to 72% (3600)



After Final Consideration Pilot 2.0 (AFCP 2.0)

- Designed for applications where a response to a final rejection is being filed under 37 CFR 1.116 and will likely lead to an allowance with only limited further searching and/or consideration by the examiner
- Fiscal Year 2019 Statistics*:
 - 55,765 AFCP 2.0 requests were filed
 - 20,628 hours were claimed by examiners to perform the associated interview and/or additional search.
 - Of the FY19 requests filed, 60% were given additional consideration.
 - 38% of requests given additional consideration received Allowability Notices in the next action.

*All data as of July 6th, 2019

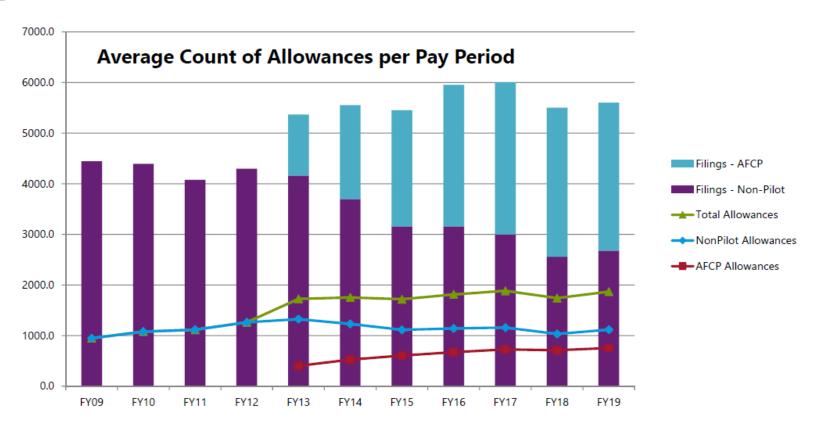


AFCP 2.0 requests vs. non-pilot after final requests under 37 CFR 1.116

- In FY19, after final submissions were split evenly between AFCP 2.0 requests and non-pilot After Final requests
 - The percentage of after final submissions that were AFCP 2.0 requests has increased from 33% in FY14 to 52% in FY19
- In FY19, applications with considered AFCP 2.0 requests received an allowance in the subsequent action 38% of the time
 - Compared to 42% in non-pilot After Finals in FY19
- Appeal briefs are subsequently submitted in only 4.1% of AFCP 2.0 applications.
 - This is compared to 7.2% for cases with non-pilot after final submissions



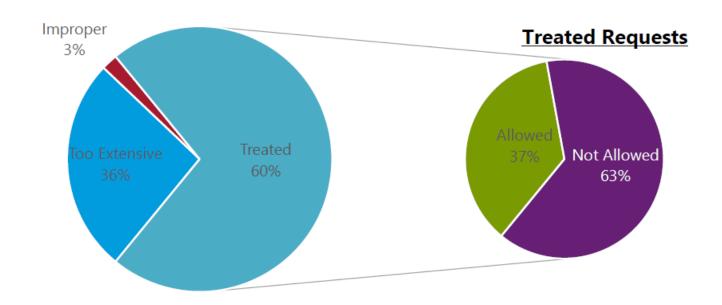
AFCP 2.0 requests vs. non-pilot after final requests under 37 CFR 1.116





AFCP 2.0 requests - results 12/2014 - 7/2019

All Requests





Section 101

James Ritty, Saloon Keeper Dayton, Ohio

In 1878, while on a steamboat trip in Europe, James Ritty became intrigued by a mechanism that counted the revolutions of the ship's propeller. He wondered if something like this could be made to record cash transactions at the saloon he owned. By using a machine to record each sale, he determined it would be possible for both the employer and the customer to check and audit each transaction.





Andrei Iancu



Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office



Section 101

We recently published the following new materials as part of our subject matter eligibility guidance:

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- October 2019 Patent Eligibility Guidance Update (issued October 17, 2019)
- Appendix 1: October 2019 examples 43-46 (issued October 17, 2019)
- Appendix 2: Index of Examples (issued October 17, 2019)
- Appendix 3: Chart of Subject Matter Eligibility Court Decisions (issued October 17, 2019)

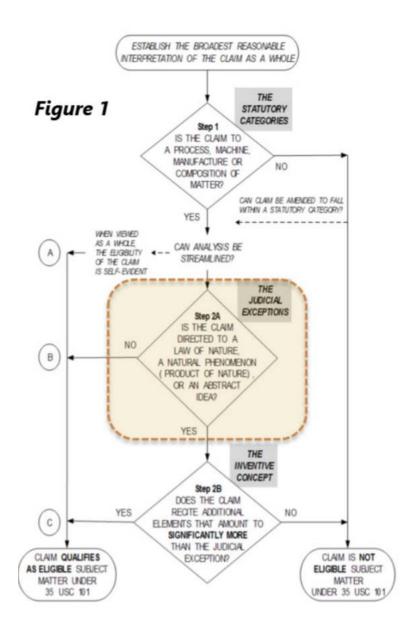
Please follow the links below for these materials.

Subject matter eligibility

Our subject matter eligibility guidance explains how Office personnel including patent examiners should evaluate claims for patent subject matter eligibility under 35 U.S.C. 101.

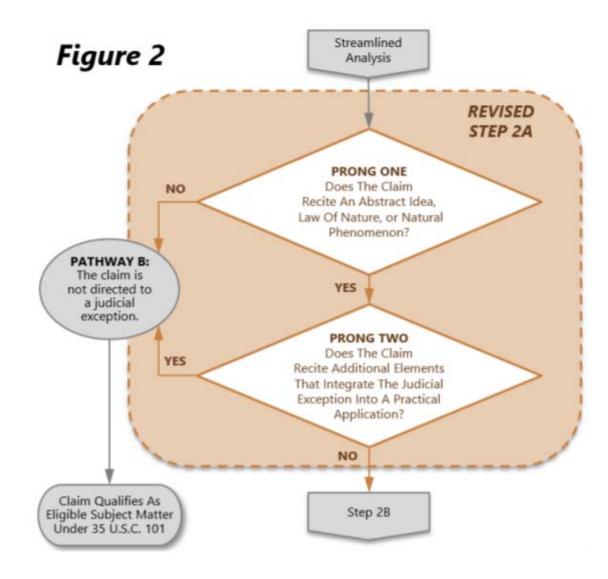


Section 101





Section Figure 2





Examiner Application

Changes the game

Makes no difference



Questions



Trends in Intellectual Property Law:

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