

PATENT USA NEWS

NOT WITH A BANG, BUT A WHIMPER

The Supreme Court Issues its Long-Awaited Landmark Patent Law Decision

By Werner H. Stemer

The United States Supreme Court does not hear many patent cases. But when it does, the impact on the business world is substantial.



Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., was heralded in the intellectual property (IP) community as surely the most important in decades. Festo, after all, pitted the interests of the owners of more than one million U.S. patents against their close competitors. At stake was the Doctrine of Equivalents, the patent owners' ability to enforce their claims against those who infringe their rights. The Doctrine of Equivalents is a carefully crafted

doctrine that prevents copiers from taking the essence of an invention, while avoiding punishment by making only slight changes.

Here's a brief history of the case. Festo Corp.'s patents describe and claim a linear motor that is used for a variety of purposes. Inside the motor, a pair of sealing rings prevents the fluid from leaking out and dirt from entering into the cylinder chamber. Shoketsu Kinzoku copied the patented invention exactly, except a single two-way seal replaced the pair of sealing rings. The district court jury found that the single seal was equivalent to the pair of sealing rings and thus held the Festo patents infringed.

However, the Court of Appeals for the Federal Circuit (CAFC), the only court to hear patent appeals in the United States, weighed in and all but

dealt a lethal blow to the doctrine. The CAFC concluded that unless the claim element was literally infringed, and the element was copied exactly, the claim was not infringed at all. In Festo, the CAFC held that the Doctrine of Equivalents was not available at all, if a given feature of a claim was narrowed by amendment during examination for whatever statutory reason. Just about any formal change to the claims, therefore, would limit the area staked out by the patent and hold the patentee to the exact literal meaning of the claim. No ifs, ands, or buts. The new Festo rule promulgated by the CAFC was an absolute bar.

In May, the Supreme Court dismissed the CAFC's extreme stance. In their unanimous decision, the Supreme Court held that, while any

INSIDE

Patent for Unique Picture Hanging Device	Pg 2
Markus Nolf publishes Patent Book	Pg 3
2002 Technology Award Finalist	Pg. 3
Top 40 Ranking Among U.S. Patent Firms	Pg. 4

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amendment during the patent application phase may give rise to an estoppel, the patentee is still allowed to explain and give reasons for the amendment. As the Court stated, "the patentee should bear the burden of showing that the amendment does not surrender the particular equivalent in question."

Justice Kennedy, writing for a unanimous Court, argued that the Doctrine of Equivalents was born out of the difficulties with language describing an invention. Words and phrases could not always capture an invention perfectly and the drafter of the claim could not include certain equivalents that were not foreseen at the time of the application. But, the Court went on, one couldn't assert that if a claim was narrowed in an amendment, the patentee lacked the words to include the equivalent. After all, the patentee knew the broader term, yet chose the narrower term to gain allowance of the patent. One cannot in later litigation ask for the broader interpretation, when the broader interpretation was obviously given up during prosecution.

As the Court recognized, the problem with an absolute bar does not so much lie with future patent prosecution. The problem is that the rule would be retroactive, as it concerns a vast majority of the more than a million active patents – individual patents as well as large patent portfolios. Many companies center their business plans and business projections of future earnings on their patent position. Had the CAFC rule been upheld by the Supreme Court, many companies would have to downgrade their portfolio value and many licensees would have reassessed their royalty payments that are based, wholly or in part, on one or more U.S. patents.

As it stands, not much has changed in patent law. The CAFC will once more have to accept that the Doctrine of Equivalents is here to stay. The rule to be applied after *Festo* is a flexible bar, which invites the patentee to show "that the amendment does not surrender the particular equivalent in question." The result will be more litigation, for sure. Tougher and longer patent infringement suits. All in the name of fairness, of protecting the inventor against unscrupulous copycats who make a few unimportant and insubstantial changes, yet contribute nothing to the progress of science.

Lerner & Greenberg Helps Inventors Obtain Patent for Unique Picture Hanging Device

Lerner & Greenberg, P.A. recently assisted a small South Florida-based manufacturer, in obtaining a patent for a new product designed to help consumers hang straighter pictures. The Picture Hanger Helper (U.S. Patent #6,471,175) is specifically engineered and designed to place hooks on the same level plane with minimal effort and time claims its inventors.

"There is nothing like this currently on the market," said Lawrence Kratish, Lawrence Sales Company President. "The idea came to me a couple of years ago when I was helping my cousin hang a large frame. I noticed the nails were crooked, so I quickly devised an instrument that would hold the hooks in place while a level would determine if the object being hung would be aligned properly."

The Picture Hanger Helper works both horizontally and vertically and can be placed over existing hooks to replicate additional desired locations. A user can easily operate the Picture Hanger Helper by following the brief instructions:

- First, one of the custom shaped plastic inserts included with the device is selected to fit the exact hook to be used.
- The selected inserts are snapped in place in the device at predefined locations on the tool at a distance apart from one another selected by the user.
- Leveling devices are placed in other openings of the tool to ensure that the hooks are level when installed.
- With the Picture Hanger Helper lying on a flat surface, the previously selected hooks are pressed into the corresponding inserts in a snug fit.
- The Picture Hanger Helper is lifted against the wall, carrying with it the hooks, to the desired location for hanging a picture. The levels in the tool ensure that the two or more hooks are level with respect to the ground. Finally, nails are inserted through the hooks and nailed into the wall.
- When the Picture Hanger Helper is removed from the wall, the nailed hooks are left in a leveled manner at the desired and appropriate location.



Lawrence Kratish, inventor the PictureHangerHelper, demonstrates how the device takes all the guesswork out of hanging wall objects level.

"After we developed the device, our top priority was making sure no one would steal our idea," said Kratish. "Our first steps involved seeking legal advice and applying for a patent."

"As with all inventors, we advised the company to keep their idea secret," said Gregory L. Mayback, partner with Lerner & Greenberg, P.A. "We strongly recommend that inventors first invest in appropriate research to find out if similar inventions already exist."



GREGORY L. MAYBACK

Mayback added that individuals should be aware of unscrupulous marketing companies that charge exorbitant fees to market and produce your idea, but without first obtaining adequate protection for the inventor.

"Although obtaining a patent is like an insurance policy," said Mayback, "companies should make sure the product packaging is clearly marked with the patent number or pending patent information, which among other things, acts as a visual deterrent."

The current retail price for the Picture Hanger Helper is \$24.95. Kratish said he is in talks with a major retailer about carrying the product in its chain of stores. More information about the Picture Hanger Helper is available at www.picturehangerhelper.com.

The hiring of a lawyer is an important decision that should not be based solely upon advertisements. Before you decide, ask us to send you free written information about qualifications and experience.



RALPH E. LOCHER, SHAREHOLDER

As one of Lerner & Greenberg, P.A.'s management team, Ralph E. Locher specializes in intellectual property law, patents, trademarks, patent interference, patent appeals, and international patent prosecution for the firm.

Educated as both an engineer and attorney, Locher earned bachelor degrees in business management from Northern Illinois University, DeKalb; and in electrical engineering from Southern Illinois University, Carbondale; and a doctorate in law, cum laude, from St. Louis University.

He is a member of The Florida Bar, The Illinois Bar, The Missouri Bar, The American Bar Association, Section of Intellectual Property Law Association of Florida and is registered to practice before the U.S. Patent and Trademark Office.

Prior to practicing law, Locher was an aerospace engineer at Boeing/McDonnell Douglas Corporation for nine years where he worked on electronic systems for F-15 and F-18 fighter aircraft.

Locher's engineering background encompasses discrete components, circuits, integrated circuits and semi-conductor device management; thermodynamic processes, including fluid flow, power plant processes, heat exchange, and energy conversion; exhaust gas purification (filtering, catalytic conversion); nuclear technology, coatings; electromagnetic devices (sensors, actuators, motors); digital and analog signal processing, communications (telecommunications apparatus and signal processing; computer engineering, including software, hardware, and process modeling; digital logic circuitry, digital/analog interfaces; high temperature superconductivity, optics systems; and automotive technology, including exhaust systems and exhaust gas purification, control systems, transmission and engine control, safety systems, and automotive electronics.

He has lived in Florida since 1996 and makes his home in Cooper City together with his wife Shelly and their children.

LERNER & GREENBERG NAMED 2002 SOUTH FLORIDA TECHNOLOGY AWARD FINALIST



LARRY GREENBERG

Lerner & Greenberg, P.A. was recently selected as a finalist in the 2002 South Florida Technology Awards. Along with Citrix Systems and Nabi Biopharmaceuticals, the firm was chosen for the Award's Pinnacle category that recognized companies from all parts of the technology industry and supporting industries whose products and services have stood the test of time.

"We have tremendous respect for inventors, technology companies and design and engineering firms for whom we seek patents," said Larry Greenberg, Managing Shareholder and President. "The technology and design field is very exciting and we are proud of the contribution we make in helping our clients introduce extraordinary leading edge products into the marketplace."

Sponsored by the South Florida Business Journal, the 2002 Technology Awards recognize companies in the competitive, fast growing technology industry and draw its nominees from four categories including: Internet based (ASP's, ISP's hosting, B2B, B2C); Software/technology; Pinnacle - established companies, either public or private who have been in business for more than three years; and Shooting Star - Newly established organizations with strong venture capital ties. The criteria for the award includes innovations that distinguish your company, revenue growth, business plan/growth models, company culture and recognition/awards received for achievement.

LERNER & GREENBERG ATTORNEY MARKUS NOLFF WRITES BOOK ON INTERNATIONAL PATENT LAW

BOOK FOCUSES ON THE TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS) AGREEMENT AND THE PATENT COOPERATION TREATY (PCT)

Lerner & Greenberg patent attorney Markus Nolff has authored a comprehensive book on international patent laws and agreements titled, "TRIPS, PCT and Global Patent Procurement," published by Kluwer Law International. The book is a guide to help intellectual property attorneys analyze the impact of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and the Patent Cooperation Treaty (PCT).

"When the World Trade Organization was established in 1995, it introduced the TRIPS agreement that established a global patent system requiring a high standard of patent protection," said Nolff. "However, the consequential increase in patent applications has strained the resources of patent offices worldwide."

"The solution, a single 'World Patent Office' granting 'World Patents,' will most likely remain a utopian idea," continued Nolff. "The PCT needs to be further developed to eventually become a patent grant procedure. This idea has been acknowledged and, in late 2000, the Assembly of the PCT Union decided to set up a special body to consider a formal request by the United States for a 'Reform of the Patent Cooperation Treaty.'"

In the book, Nolff details the impact of TRIPS on the PCT as well as potential ways of changing the PCT.

"Nolff's thorough analysis will make it a valuable resource for patent attorneys, scholars, and those working in the field of international patent procurement and patent

law," said Laurence A. Greenberg, Managing Partner and President of Lerner & Greenberg. "The book has been well received by the intellectual property community because the first printed edition has sold out."

Nolff was a research fellow at the Max Planck Institute and the European Patent Office, and has worked as a patent attorney in Germany and the United States. He earned a Bachelor of Science degree in Physics with honors from the University of Leeds in London in 1985. Nolff earned a master of Intellectual Property Law degree from John Marshall Law School in Chicago in 1992 after earning a law degree from the Florida State University College of Law in 1989.

LERNER & GREENBERG RANKED AMONG TOP 40 PATENT FIRMS IN U.S.

Intellectual Property Today magazine has ranked Lerner & Greenberg, P.A. number 31 on the publication's "2002 Top Patent Firms" list, making Lerner & Greenberg the most successful patent firm in Florida with respect to obtaining patents. The annual ranking, which compiles the total number of patent and trademark applications issued by the United States Patent and Trademark Office, shows Lerner & Greenberg obtained 713 patents in 2001, 633 in 2000 and 426 in 1999.

"We are thrilled that Lerner & Greenberg moved up on this year's list," said Laurence A. Greenberg, Managing Partner and President. "The firm has made every effort to be at the cutting edge of every new development that affects businesses and individuals applying for U.S. patents."

Examples of the subject matter covered under the patents filed by Lerner & Greenberg include: semiconductors,

computer software, printing presses, lasers, catalytic converters, tires and control



The professionals at Lerner & Greenberg P.A.

systems for automobiles, sound systems, medical equipment, trains, postage meters, textile equipment, household appliances, food processing equipment, as well as nuclear, fossil fuel and fuel cell systems for power generation. Some of the firm's major corporate clients include Siemens Corporation, Heidelberg Printing Press, Faber-Castell,

Bosch-Siemens, Infineon Technologies, Doppelmayr, Francotyp-Postalia, ABB, SGL Carbon, Becker Radio and Metzeler Tire and Rubber.

To handle and direct its tremendous growth last year, Lerner & Greenberg vested three new equity shareholders: Werner H. Stemer, Ralph E. Locher and Gregory L. Mayback. In addition to patent and trademark law and applications, the firm is also well versed in the preparation, filing and prosecution of copyright applications and intellectual property litigation.

While pursuing patents for clients in a wide variety of industries, Lerner & Greenberg is tracking significant trends and issues in intellectual property law.

Other Notable Patents Obtained by Lerner & Greenberg

Tennis Ball Retrieval and Storage Device

Patent attorneys Laurence A. Greenberg and Werner H. Stemer have successfully obtained a U.S. patent for a tennis ball retrieval and storage system featuring a cylindrical rolling hopper which can be removed and replaced, facilitating continued ball collection.

"This product was developed by a successful, 35-year veteran of the tennis merchandising and service industry," said Greenberg, Managing Shareholder and President, "and has, in a very short time, shown promising sales figures."

Steven Tandlich of Miami began designing the EZ-Roller™ in 1998 and launched it three months ago. Fabricated of telescoping metal tubing and weighing 10.5 pounds, EZ - Roller is a three-in-one rolling hopper that picks up, dispenses and stores tennis balls. It retails for \$129 and can be purchased through Set USA, www.tennis101.com and www.BSNSports.com. Additional cylinders can be purchased separately for \$55. Tandlich also invented the popular Tennis Ball Charger^a, which maintains ball pressure as well as restores it.

New Shock Wave Device

Patent attorneys Laurence A. Greenberg and Werner H. Stemer obtained a patent for an apparatus that produces intense pressure waves as shock waves for technical and preferably medical applications (US Patent 6,383,152).

"This innovative device could be used for procedures such as lithotripsy and/or pain therapy," said Greenberg, Managing Shareholder and President. "Lithotripsy is a procedure in which kidney stones or gallstones are shattered by waterborne shockwaves."

"The waves crush or disintegrate the stones inside the body without surgery. The patient later passes sand-like particles with minimal discomfort," added Stemer, Shareholder.

Developed by Werner Hartmann and Joerg Kieser of Siemens Aktiengesellschaft in Munich, Germany, the device, which produces acoustic waves of high energy density through the use of pressure pulsations, has many technical applications according to Greenberg. For example in the mining industry, it could be used to break up rocks without the use of chemical explosives. Geologists and oceanographers could modify the instrument for sonar applications as well.

New Method to Decontaminate Wastewater from Nuclear Power Plants

Patent attorney Laurence A. Greenberg and Patent Agent Otto Kauder obtained a patent for a process that claims to effectively decontaminate wastewater from nuclear power plants (U.S. Patent 6,387,279).

"The invention is a method for removing nitrate ions from a solution that is commonly used to reduce radioactivity," said Greenberg, Managing Shareholder and President. "For example, workers at a nuclear power plant use a solution containing nitrate ions to remove radioactive metals from the surface of the reactor. The cleaning solution itself is toxic and not easily disposable because you never want to release wastewater charged with nitrate ions."

Developed by chemists Horst-Otto Bertholdt and Rainer Gassen for Siemens Aktiengesellschaft in Munich, Germany, the process calls for using ultraviolet light (UV) to detoxify the cleaning solution. First, a short-chain organic compound like formic acid is added to the solution. Next, a UV light source is used to irradiate the mixture. The nitrate ions are chemically reduced to give off harmless gases and liquids such as nitrogen (N₂), nitrous oxide (N₂O), carbon dioxide (CO₂) and water (H₂O).