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Is Your Invention Patentable? Perhaps No Longer

By Brian Cocca, Ph.D.

Over the past few years, the U.S. Supreme Court has decided a number of patent cases under Section 101 of the Patent Act. Section 101 cases relate to the eligibility of certain subject matter for patentability. By and large, these decisions have not been favorable to the patent owners, with the consequence being a narrower universe of patentable subject matter in the United States. The Court has drawn upon its long-standing precedent in constraining the patent eligibility of such technology as diagnostic methods, software and business methods as directed to an unpatentable “law of nature,” a “natural phenomenon” or an “abstract idea” — the so-called judicially recognized exceptions to patent eligible subject matter.

Reacting to these Supreme Court decisions and other similar decisions issued by the U.S. Court of Appeals for the Federal Circuit, the U.S. Patent and Trademark Office created guidelines for subject matter eligibility. The guidelines became effective in December 2014. These guidelines attempt to synthesize the subject matter eligibility test outlined by the Court in *Mayo Collaborative Services v. Prometheus Labs, Inc.*, 132 S. Ct. 1289 (2012), which asks whether a patent claim is directed to one of the

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Why Register Your Trademark?

By Kevin Casey

The U.S. trademark system is considered a “first-to-use” system. Thus, the first to adopt and use in the United States a distinctive and nonfunctional mark in connection with goods or services has the superior claim to rights in the mark. Rights gained through use of the mark alone are sometimes called “common law” rights, and are often reflected in the use of the symbols “TM” (for trademark) and “SM” (for a service mark). In contrast, most other major trademark systems in the world are first-to-register systems. These systems operate on the principle that the first to file an application for registration gains priority.

Although use creates trademark rights in the United States, a trademark owner can enhance those rights through a process of federal registration. The following chart highlights some of the advantages afforded a registered mark as compared to a mark that has merely been used.

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judicially recognized exceptions to patent eligible subject matter and, if the answer is yes, further asks whether the claim recites additional elements that transform the nature of the claim into the realm of patent eligibility.

The guidelines distill the Court's opinion into a two-part test: (1) Whether the claim is directed to a law of nature, natural phenomenon or abstract idea; (2) If the answer is yes, whether the claim recites additional elements that amount to significantly more than the judicial exception. The answer to the second question must also be yes in order for the claim to be considered patent eligible.

The primary battles for patentability are, and will continue to be, fought under the USPTO's "significantly more" branch of the test. Unfortunately, neither the Supreme Court nor the Federal Circuit have offered much universal guidance as to what suffices as significantly more than the judicial exception. Accordingly, this question remains a fact-dependent, case-by-case inquiry. The analysis under the significantly more test is not necessarily quantitative, nor is it necessarily qualitative.

The significantly more analysis seems to carry overtones of anticipation and obviousness, meaning that the USPTO (and the courts) view Section 101 as more than just a "gateway to the Patent Act" as the Federal Circuit had formerly viewed this statute. For example, the guidelines counsel that claim limitations may qualify as significantly more when they represent an improvement to a technology or technologic field, or when they are other than what is well-understood, routine and conventional in the field.

This means that examiners reviewing claims to diagnostic methods, software and business methods will likely consider the relationship of the claim limitations to the prior art in determining whether the claimed subject matter is eligible for patent protection. As a practical matter, the examiner may effectively ignore the portion of the claim reciting the law of nature, natural phenomenon or abstract idea, and then evaluate the remaining elements for their relationship to what is otherwise conventional in the art. In other words, adding a correlation step or computer implementation to what is essentially conventional or otherwise known or practiced in the art will not elevate the claimed subject matter into the realm of subject matter eligibility.



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Although other sections of the patent statute are designed to address the relationship of the claimed subject matter to the prior art (i.e., anticipation under Section 102 and obviousness under Section 103), the Supreme Court opinions underlying the USPTO's subject matter eligibility guidelines suggest that the Court is concerned that these sections have been ineffective for impeding patentability of attempts to "pour old wine into new bottles." In other words, the addition of a newly identified correlation or computer implementation to something that was already routinely practiced was obscuring the fact that the claim was ultimately directed to something that was already routinely practiced.

For the immediate and foreseeable future, it will be difficult to obtain patents reciting claims directed, in particular, to subject matter centered around diagnostic methods, software and business methods. This difficulty is enhanced where the claims being examined are part of a patent specification drafted under a different set of rules, namely the rules extant before the recent cases and guidelines, with potentially appropriate fallback provisions lacking in the supporting description.

Until and unless the Federal Circuit and USPTO Appeal Board issue decisions providing a general subject matter eligibility framework, patent applicants in the United States seeking protection around what is considered a judicially recognized exception to patent eligible subject matter should consider how the claim elements (other than the elements that constitute the exception itself) differ from the state of the art. During the drafting stage, or during the prosecution stage, such patent applicants may benefit from explaining and demonstrating how the elements are unique, or how the addition of a correlation or computer implementation actually alters what is otherwise conventional. Certainly, the more dramatic the alteration, the stronger the case for patentability will be. ■

Why Register Your Trademark? *continued from page 1*

COMPARISON OF BENEFITS OF FEDERAL REGISTRATION OVER USE ALONE		
BENEFIT	REGISTRATION	USE ALONE
Prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and the exclusive right to use the mark in commerce (15 U.S.C. § 1057(b))	✓	NO
Prima facie evidence of continued use since the application filing date	✓	NO
"Incontestability" after five years of continuous use, which precludes an attack against the registration on the basis of prior use or descriptiveness (15 U.S.C. § 1065)	✓	NO
Constructive notice of the registrant's claim of ownership of the mark (15 U.S.C. § 1072)	✓	NO
Nationwide rights (with certain qualifications) (15 U.S.C. § 1072)	✓	NO (unless used nationwide)
Statutory remedies such as mandatory treble damages and criminal penalties in counterfeit cases (15 U.S.C. § 1117; 18 U.S.C. § 2320)	✓	NO
The ability to bar importation of goods bearing infringing trademarks by depositing the registration with customs (15 U.S.C. § 1124)	✓	NO
The right to bring suit in federal court regardless of diversity (15 U.S.C. § 1121)	✓	NO
Rights under the Paris Convention, including Convention Priority Rights on foreign filings and the right to registration abroad based upon registration in the U.S.	✓	NO
Deterrent against use or registration by others (can use ®)	✓	NO



The registration of a mark is reflected by the use of the symbol ®. An applicant for registration must use the mark in the United States, in commerce, either before an application is filed (for a "use-based" application) or once the application is allowed (for an "intent-to-use" application). In either case, use is a prerequisite for federal registration. ■

If you would like more information, please contact Kevin R. Casey at 610.640.5813 or by e-mail at kcasey@stradley.com.

IP Client Spotlight



Stradley Ronon’s intellectual property team, headed by **Brian Cocca**, manages Prezacor Inc.’s worldwide patent and trademark portfolio. Prezacor Inc. manufactures and distributes a patent-pending, chemical- and drug-free skin patch (the Enegeze® patch) that harnesses the body’s own electromagnetic fields to

relieve pain. The Enegeze® patch is designed to adhere to the skin surface, and to provide days’ worth of pain relief, without odor, oily residue or side effects. The Enegeze® patch absorbs the body’s own energy, and reflects the energy back into the body to quiet the pain-causing nerves and create a soothing sensation. Recently, Stradley Ronon helped to secure patent protection for the Enegeze® patch in Canada and Australia, and expects to secure patent protection in the United States and Europe later this year. ■

SPEAKING OF . . .



Stradley Ronon IP Chair **Kevin Casey** was part of a panel discussion on “Mediating Patent Disputes –Taking a Strategic Approach” at the American Bar Association’s 30th Annual Intellectual Property Law Conference in Bethesda, Maryland. The panel discussed strategic considerations in the decision to mediate patent matters, the timing of mediation with respect to business objectives, considerations in pre-mediation planning and the opportunities for creative dispute resolution when resolving patent disputes through a mediated process.

Kevin also presented “Mediating IP Disputes” at the Pennsylvania Bar Institute’s Ninth Annual Intellectual Property Law Institute in Philadelphia. Kevin and co-presenter Harrie Samaras discussed the advantages of using mediation as a means to resolve intellectual property-related disputes. ■

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