Intellectual Property

Note from the Editors

Welcome to the Summer issue of our *Intellectual Property Quarterly Newsletter*. We are pleased to announce that earlier this month we were recognized as a nominee for *The Chambers USA* Award for Excellence in the area of IP. This award is based on research for the 2011 edition of *Chambers USA: America's Leading Lawyers for Business* and reflects a law firm's preeminence in key practice areas. We thank you, our readers and clients, for trusting us with your intellectual property matters that resulted in this recognition.

In this issue of our *IP Quarterly Newsletter*, we examine current topics involving patent and trademark law, including a behind-the-scenes look at the examination structure and process at the United States Patent and Trademark Office; how the dilution standard has been scaled back by the Ninth Circuit in *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*; and two Federal Circuit cases that triggered a pending en banc review of the standard for joint infringement of patent method claims.

Additionally, it appears that Congress may pass some form of patent reform legislation this term, and we've been tracking its status through a number of client alerts. Be on the lookout for future alerts, seminars, and webinars as we continue to monitor developments in this legislation.

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Behind the Scenes at the USPTO: Accounting for the Supervisory Patent Examiner

By David S. Kim and Glenn M. Kubota

"I think the claims are allowable." To a patent practitioner, those are the sweetest words you can hear. You've worked hard to establish a good relationship, and have finally convinced the examiner that your claims are patentable. Then, without warning, you get another rejection. What happened?

When a patent application is examined at the United States Patent and Trademark Office (USPTO), amendments and/or arguments may persuade the examiner that the application is allowable. However, in discussions never seen by the practitioner, the examiner must seek the approval of a Primary Examiner (PE) or a Supervisory Patent Examiner (SPE), who may overrule the examiner (sometimes without substantive basis, often on intuition alone) and instruct the examiner to issue another rejection. This article, through a survey of former examiners and the authors' own experience on both sides as examiner and practitioner, describes the examination structure and process at the USPTO, and how practitioners can help an examiner convince the SPE/PE of the patentability of a case.

The General Context at the USPTO

There are over 6,000 USPTO patent examiners, organized into art units. An art unit is a group of examiners who specialize in a specific technology or "art." Each art unit typically has 13-20 examiners, managed by a SPE. An art unit includes PEs with "signatory authority" and assistant examiners without signatory authority.[1]

Assistant Examiners. Assistant examiners (AEs) examine patent applications. As there are more AEs than PEs, it is more common to receive Office Actions from an AE. All newly hired examiners begin as AEs. Although AEs are sometimes called "junior" examiners, there can be a wide range of skill levels among AEs. Some may be new hires, and others may be veteran examiners. Nevertheless, all Office Actions from AEs require approval from a PE or a SPE before issuing from the USPTO. You can tell if an AE is handling your application if the Office Action has both the name of the AE and the reviewing PE or SPE.

Primary Examiners. PEs also examine applications. In order to become a PE, an AE must pass a rigorous internal review process. In addition to their relatively high level of procedural competence, other notable characteristics of PEs include their autonomy and knowledge of the art. PEs have the authority to issue Office Actions without SPE approval, including their own Office Actions and the Office Actions of AEs. Within an art unit, PEs generally know the art the best, even more so than SPEs. You can tell if a PE is handling your application if the Office Action only has the PE's name signed on it, along with the title of the Primary Examiner.

Supervisory Patent Examiners. SPEs are internally promoted from within the ranks of PEs. In contrast to PEs and AEs, SPEs are part of USPTO management and no longer examine applications. A new SPE can sometimes be assigned to an unfamiliar art unit, and therefore in some cases may be the person who is the least knowledgeable about the art. Instead of directly examining applications, a SPE's main functions are supervising the art unit, training AEs, and implementing current USPTO policy directives.

The SPE Approval Process

Not surprisingly, the SPE has the final word on the patentability decision of an AE.[2] During the approval process, if a SPE disagrees with the AE's allowance recommendation, the SPE may provide new art, a new interpretation of the claims, new search suggestions, or an instruction to consult with a PE for further technical or search advice. After further searching or considering the new information, the AE may reverse course and issue another rejection. Alternatively, the AE may be unpersuaded and return to the SPE. If the SPE still feels that the application is not allowable, the SPE may simply instruct the AE to write his or her best rejection argument and issue a rejection.

If the reverse occurs, and a SPE disagrees with the AE's rejection recommendation because it is unreasonable or unsupported by the art, the SPE may simply instruct an allowance. More frequently, the SPE will permit another rejection as the more conservative approach.

Background Factors Affecting a SPE's General Attitude Toward Applications

Due to the SPE's role in approving Office Actions, a SPE can have a notable affect on the allowance rate of an art unit. From the authors' own experience and discussions with former examiners, a SPE's general attitude toward allowing applications is affected by background factors such as experience level, personal management approach, and current USPTO policy.

New SPEs are more likely to issue rejections out of caution or inexperience with the art. New SPEs are also subject to an initial probation period and therefore are more inclined to manage their art units "by the book." However, as they

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1. Signatory authority means that an examiner can issue Office Actions with just his or her signature alone.

2. Alternatively, when a PE reviews an AE's Office Actions, the PE will have the same practical role as a SPE.

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build working relationships with their AEs, SPEs learn each AE's examination style and qualities and may become more deferential towards an AE's allowance recommendation.

Veteran SPEs, on the other hand, because of their knowledge of the art, their examiners, and managerial independence, are more confident in their ability to quickly identify allowable subject matter. This latitude allows the SPEs to create their own "fiefdoms" with individual SPE management styles that can have a direct bearing on the allowance rate of the art unit. For example, one former examiner recalled that when he was a new AE, his SPE instructed him to issue at least one rejection per case for about six months so that he would learn how to write rejections.

Prevailing USPTO policy can also affect allowance rates. Multiple former examiners recalled times when rejections were more easily approved, and other times when AEs were encouraged to identify allowable subject matter more quickly. One former examiner recalled that allowances were being encouraged at the same time that USPTO fee revenues were reported as being low.[3]

Practical Tips and Suggestions

Know your examiner. Understanding the AE is key. Experience level and personal examination style can be significant factors. An uncooperative AE can effectively foreclose any attempts by a practitioner to facilitate a positive AE/SPE interaction. On the other hand, a cooperative AE can provide opportunities for the practitioner to promote productive AE/SPE interaction.

The telephone can be an effective tool in determining the cooperativeness of your AE. One of the quickest ways to become familiar with an AE's personal examination style is direct contact. Some may be proactive in identifying allowable subject matter while others may be reticent to admit anything, on or off the record. Therefore, if you have a short question to ask, give the AE a call. If you get voicemail, do not leave a message, but rather try calling several times throughout the AE's work day. If the AE never answers, you may have an AE that prefers to deal with practitioners only on the papers, and avoids personal interaction. Such AEs may limit your ability to facilitate the AE/SPE interaction. However, if the AE answers the phone and is willing to engage you in meaningful conversation, you may have an AE who would be willing to collaborate with you.

The AE's experience level may also affect a practitioner's ability to positively influence the AE/SPE interaction. Newer AEs tend to be more intimidated by practitioners, and thus less likely to engage in dialogue. One simple way to predict the experience level of an AE is to check the AE's phone number. Newer AEs generally have phone numbers beginning with 270. More senior AEs (who are likely to have more experience and independence) generally have phone numbers beginning with 272.

The best place to get to know your AE is through a personal interview. When the AE sees you in full context, including your smile, exchange of pleasantries and other chit-chat, you become a person in the AE's eyes, not a potentially intimidating opponent. The authors have found success in stating up front that the personal interview is intended to help both the practitioner and the AE, and then proceeding with the interview in a collaborative, cooperative manner. By acknowledging certain correct findings or interpretations by the AE and conceding a few secondary points, the practitioner can be seen as someone with whom the AE can work. Establishing such a relationship can provide a foundation for later collaboration to positively influence the AE/SPE interaction.

When the AE becomes comfortable with the practitioner, personal information is more forthcoming. For example, the authors have had AEs share their frustrations about not being able to convince their SPE to allow the case, how their SPE told them the claim was too short to allow, and how their SPE told them not to waste time trying to address the applicant's arguments and to simply write up an Advisory Action. When an AE confides in you in this manner, it may be an indication that the AE is open to work with you on a solution that will appease the SPE.

YOU'VE WORKED HARD TO ESTABLISH A GOOD RELATIONSHIP, AND HAVE FINALLY CONVINCED THE EXAMINER THAT YOUR CLAIMS ARE PATENTABLE. THEN, WITHOUT WARNING, YOU GET ANOTHER REJECTION. WHAT HAPPENED?

Collaborate with the AE. If the AE wants to allow your application and has been open to discussion, don't assume that your job is done. Consider volunteering additional information that can help the AE close an information gap for the SPE. One former examiner remembered a SPE who consistently asked the AE two questions when the AE wanted to allow a claim. One, *what is the conventional practice in the art and why*? Two, how is the claim different and *why does the applicant do it that way*? An AE who can provide clear and succinct answers to these questions may increase their chances of persuading their SPE. However, such information is not usually conveyed by the practitioner in written responses to Office Actions, with good reason—practitioners try to avoid

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3. Not coincidentally, the USPTO generates more fees from patents than from abandonments.

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putting unnecessary characterizations on the record that might later turn out to be harmful. Therefore, consider providing the AE with this contextual information verbally, for his/her possible later use with the SPE.

Another former examiner viewed his meetings with the SPE as a "sales pitch." This former examiner believed that part of a successful allowance sales pitch is to get the SPE to agree to the AE's interpretation of the claims. As the SPE is likely to test the AE's application of the "broadest reasonable interpretation" rule to challenge the allowance, consider discussing the interpretation of key claim limitations with the AE, and how the specification does not allow for a broader interpretation. The AE may be able to use this information in his/her "sales pitch."

Practitioners should also keep an open mind as to language proposed by the AE. The AE may have a better understanding of the art, may already have discussed the application with the SPE, and has probably chosen that language because he/she feels that a good argument for patentability can be made. It may be that the SPE has previously suggested that very language to the AE. Given that AE proposals may carry unspoken assurances of allowability from the SPE, consider whether you can live with the AE's suggestion, or whether your client's interests would be better served by holding out for different language.

SPEs instinctively disfavor short claims. Several AEs, pleading with the authors for additional claim limitations, have confided in the authors that their SPEs will apply the "pencil test" or "hand test" to reject claims on that basis alone. That is, if the claim is shorter than the length of a pencil or a hand, the claim will likely be rejected, even if the rejection must be "manufactured." To avoid such a bias, consider adding nonlimiting filler language, limitations that would have to be performed by any potential infringer, or limitations directed to the intended context.

Regardless of the length of a claim, the SPE will usually have an intuitive response to the patentability of a claim upon initial review, based on his or her knowledge of the state of the art and understanding of general engineering principles. However, this intuition is often abstracted from the specific real-life context surrounding the invention. Therefore, it can be helpful for a practitioner to provide the AE with information above and beyond the formulaic traversal of a rejection and beyond that captured in the specification, such as descriptions of the current state of the art, advantages, actual products containing the invention, hands-on product demonstrations, and market implications. This information may then be used by the AE in a "sales pitch" to the SPE.

Meet the SPE. To reach the SPE directly, a practitioner can request that the SPE attend an in-person or telephone interview.[4] However, don't expect that you'll be able to negotiate a final resolution to your case just because the SPE is present. In the authors' experience, even examiners with signatory authority will end interviews with a noncommittal statement such as "further searching will be required." The ultimate decision will still be made in private, during the AE/SPE meeting. Having the SPE attend the interview can be either a benefit or a detriment. The authors have interviewed cases in which SPEs helped advance prosecution by focusing the AE on the pertinent issues and moving the AE away from unreasonable positions. In those particular cases, practitioners can get a clear picture of how the SPE is thinking, and adjust accordingly. In other instances, the SPE dragged down the interview by trying to understand technology already familiar to the practitioner and AE, or by suggesting claim interpretations that were impermissibly broad. Also, keep in mind that having a SPE present at an interview will cut off any opportunity for frank and candid conversation with the AE.

Conclusion

Understanding that an AE is somewhat of a middleman between the practitioner and the SPE can help practitioners maximize their interactions with AEs to not only reach agreement on the patentability of an application, but also to equip the AEs with information and arguments they will need when meeting with their SPE to discuss the allowability of a case.

About the Authors

David S. Kim is a patent agent and former patent examiner with six years of experience at the USPTO.

Glenn M. Kubota is a patent partner who has conducted numerous in-person interviews with examiners over the years.

4. Some SPEs have a policy within their art unit that a PE or SPE must join an AE in any interview with a practitioner, so you may not have any choice in the matter.

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Ninth Circuit Scales Back Dilution Standard

By Rosemary S. Tarlton and Nathan B. Sabri

Owners of famous trademarks have a powerful weapon to wield against alleged infringers: dilution claims. Unlike traditional trademark infringement, dilution does not require that the trademark owner prove likelihood of confusion. Dilution provides broader protection against parties attempting to unfairly benefit from the goodwill and reputation of a famous mark.

For nearly a decade in the Ninth Circuit, dilution claims have been strictly limited by requiring a dilution-claim plaintiff to show not only that its mark is famous, but that the allegedly infringing mark is "identical or nearly identical" to the famous mark—a much higher bar than is required to prove trademark infringement. Even after the passage of the Trademark Dilution Revision Act of 2006 ("TDRA"), which neither reiterated nor expressly rejected the "identical or nearly identical" standard, many parties and district courts have continued operating under the assumption that this strict standard survived. In February, the Ninth Circuit rejected this assumption and held unequivocally that the TDRA changed the analysis to allow a lower and more flexible "similarity" standard. *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011).

Levi Strauss and Company ("Levi Strauss") brought an action in 2007 against Abercrombie & Fitch Trading Company ("Abercrombie") for several trademark claims, including trademark dilution under federal law. This dilution claim was tried before the court while several other claims were tried before a jury. The court asked the jury to provide an advisory opinion on the following question: "Is Abercrombie's [design] identical or nearly identical to [Levi Strauss's trademark]?" *Levi Strauss & Co.*, 633 F.3d at 1160. The jury responded: no. The court agreed and stated in its findings of fact and conclusions of law that for dilution purposes, the parties' marks must be essentially the same mark. Accordingly, the court entered judgment on the dilution claim in favor of Abercrombie.

Levi Strauss appealed to the Ninth Circuit, arguing that the words "identical or nearly identical" do not appear in the TDRA and thus are not the appropriate standard. Abercrombie responded that case law suggests the strict standard should still apply despite the passage of the TDRA, citing several post-TDRA cases that discussed or cited the "identical or nearly identical" standard. No circuit courts had yet addressed whether the TDRA functioned to lower the dilution standard.

The Ninth Circuit began its opinion by tracking the development of the "identically or nearly identical" standard. It noted that the strict standard had its origins in state dilution law, specifically that of the State of New York, and its adoption was rooted in the language of the Federal Trademark Dilution Act of 1995 ("FTDA"). However, the FTDA was replaced in 2006 by the TDRA, a new, comprehensive federal dilution act that does not use language requiring actual or near identity.

The Ninth Circuit noted that in the TDRA, Congress defined "dilution by blurring" as the "association arising from the similarity between a mark . . . and a famous mark that impairs the distinctiveness of the famous mark" with no requirement of substantial similarity, identity, or near identity. *Levi Strauss & Co.*, 633 F.3d at 1171. Congress's wording, the Ninth Circuit held, set forth a less demanding standard than had been applied under the FTDA. The court continued that the TDRA sets out a nonexhaustive list of relevant factors for the dilution analysis, including degree of similarity, which would be illogical if identity or near identity were a threshold requirement. Finally, the Ninth Circuit found it persuasive that Congress had not simply altered discrete wording from the FTDA, but rather rewritten the dilution section entirely, suggesting it did not want to be tied to the language or interpretation of the prior law.

As a result, the Ninth Circuit held that the "identical or nearly identical" standard no longer applies. It reversed the judgment of the district court with respect to Levi Strauss's federal dilution claim and remanded the case to the district court.

The Ninth Circuit's decision in *Levi Strauss & Co.* makes the powerful weapon of dilution a much more readily accessible part of a famous trademark owner's arsenal. Trademark infringement claims already require a showing of some degree of similarity, varying on the strength of the mark. As a result, whenever an owner of a famous trademark sees enough similarity in a third party's mark to justify a trademark claim, it will likely state a dilution claim as well. Litigants on both sides should thus expect to see dilution claims brought far more frequently.

This loosened standard may also make cases involving dilution claims more expensive. The highly subjective nature of the "similarity" standard will render dilution claims more difficult to dispose of via early dispositive motions.

Trademark owners and potential litigants in other circuits should be on the lookout for similar cases in their circuits. Now that the Ninth Circuit has broken the ice, other circuits will likely be pressed to weigh in by trademark owners attempting to prosecute dilution claims against non-identical infringing marks.

Joint Actors Granted Immunity From Infringing Poorly Drafted Claims, For Now; En Banc Review Granted

By Eric Acker M. and Brian M. Kramer

To infringe a patented method claim, all steps of the method must be performed. When one entity performs all of the steps, that entity infringes the claim. When two or more entities collectively perform all of the steps, there are three possibilities: (1) one of the parties alone is liable for direct infringement; (2) two or more parties are liable as joint infringers; or (3) no one infringes. Whether the performance of all claimed steps amounts to direct, joint, or no infringement, turns on the relationship among the entities performing the claimed steps.

Two recent Court of Appeals for the Federal Circuit cases – *Akamai Technologies, Inc. v. Limelight Networks, Inc.* and *McKesson Technologies Inc. v. Epic Systems Corp.* – have interpreted the law in a way that makes it easier for accused infringers to argue that their activities fall in the "no infringement" category. Both cases involved method claims in which an accused infringer performed all but one step of a claim, with its customer or patient performing the other step. The Federal Circuit found no infringement because there was no agency relationship or contractual obligation between the accused infringers and their customers or patients.

Akamai Technologies, Inc. v. Limelight Networks, Inc.

In *Akamai*, the patents disclosed a service for allowing a website owner to outsource the storage and delivery of discrete portions of its website content to maximize the efficient delivery of information over the Internet. The patent claims include steps in which the content delivery provider (*e.g.*, accused infringer Limelight) performs the steps of storing, replicating, and delivering embedded webpage objects for its website owner customers. Limelight's customers, however, perform the claim step of tagging the webpage objects to be outsourced to Limelight.

Because no one entity performed all the claim steps, Akamai argued at trial that Limelight and its customers were joint infringers. But under prior Federal Circuit case law, joint infringement requires that one of the joint infringers "control" or "direct" the activities of the other party. While Limelight provided its customers with step-by-step instructions to perform the tagging step, offered technical assistance to those customers, and contractually required the customers to do the tagging to take advantage of the Limelight service, the Federal Circuit held that Limelight did not "control" or "direct" its customers in a way that made Limelight responsible for performing the only step in the claim (the "tagging" step) not performed by Limelight.

THE FEDERAL CIRCUIT FOUND NO INFRINGEMENT BECAUSE THERE WAS NO AGENCY RELATIONSHIP OR CONTRACTUAL OBLIGATION BETWEEN THE ACCUSED INFRINGERS AND THEIR CUSTOMERS OR PATIENTS.

Because it was not responsible for the performance of all steps, Limelight did not infringe the Akamai patent.

For Limelight to be liable, the Federal Circuit held that the relationship between Limelight and its customers had to be one of principal and agent, applying generally accepted principles of agency law, or that Limelight's customers had to be contractually obligated to perform the tagging step. Traditionally, the principal-agent relationship involves a fiduciary relationship in which the principal authorizes an agent to act on the principal's behalf, and the agent agrees to do so. Here, Limelight's customers were not agents of Limelight, and while there was a contract between Limelight and its customers, the customers were not obligated to perform the tagging step. Rather, they merely could choose to perform the step if they wanted to take advantage of Limelight's service.

McKesson Technologies Inc. v. Epic Systems Corp.

In *McKesson*, the patent disclosed an electronic communication method between health care providers and their patients. Several steps of the patent claims involved providing personalized patient webpages. Those steps were performed by the health care providers. However, the claims also included the step of "initiating a communication," which was performed by the patients. The accused infringer, Epic Systems, licensed a software program to health care providers that allowed its customers to set up personalized websites for their patients. Epic's software performed all of the claimed steps, except for the "initiating" step performed by the patients. Applying the earlier *Akamai*

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decision, it was shown that there was no agency or contractual relationship between the doctors and patients. McKesson, the patent owner, argued that because of the special nature of the doctor-patient relationship, the court could treat actions of the patients as actions of their doctors, meaning that the health care providers were performing all of the claimed steps. The Federal Circuit disagreed, holding that without an agency or contractual relationship establishing control or direction by the doctors over their patients, there could be no direct infringement by the doctors or inducement of infringement by Epic's licensing of the software that performed the steps.

Should All Patent Claim Steps Have to be Performed by a Single Entity?

The purpose of the requirement that all steps of a patented method must be performed by a single entity is to ensure that innocent, noninfringing activity is not blocked by the patent owner. Anyone should be free to perform unpatented, individual steps that make up a patented method. At the same time, under Federal Circuit precedent, *BMC Resources Inc. v. Paymentech, LP*, 498 F.3d 1373 (Fed. Cir. 2007), one cannot avoid infringement by merely contracting out a step of a patented process to a third party while practicing the remaining steps. For example, if the final step of a patented manufacturing method requires applying a coat of paint, the manufacturer performing all of the other steps cannot escape infringement by hiring a commercial painter to apply the coat of paint. In addition, the painter, who is just engaging in an innocent activity that is not separately patented, will not be liable for infringement. In that example, the manufacturer would be deemed to have performed all of the steps itself because of the agency or contractual relationship between it and the painter.

In *Akamai* and *McKesson*, the Federal Circuit was asked to extend the "control" or "direct" requirement beyond traditional agency or contractual relationships. It refused to do so at the panel level, noting that its binding precedent established the "control" or "direct" principle it was applying in these cases. The line must be drawn somewhere to protect innocent activity from amounting to joint infringement, and the Federal Circuit stuck with its "control" or "direct" principle stemming from the common law agency definitions. The resistance to expanding the "control" or "direct" principle stemmed, in part, from the belief that this entire debate could have been avoided had the patent owners drafted their claims so that only one entity had to perform the claimed steps to infringe. In *Akamai*, instead of including a step of "tagging the embedded objects" of a webpage, which is generally performed by the website owner, the claim could have been written to require "receiving a request to serve a tagged embedded object," which would be performed by the accused content delivery provider performing the rest of the patented steps. In *McKesson*, instead of including a claim step of "initiating a communication," which is performed by the patient, the claim could have been written to require "receiving a communication from a patient," which would be performed by the health care provider performing the rest of the patented steps.

THE LINE MUST BE DRAWN SOMEWHERE TO PROTECT INNOCENT ACTIVITY FROM AMOUNTING TO JOINT INFRINGEMENT, AND THE FEDERAL CIRCUIT STUCK WITH ITS "CONTROL" OR "DIRECT" PRINCIPLE STEMMING FROM THE COMMON LAW AGENCY DEFINITIONS.

The Federal Circuit Has Agreed to Revisit Its Reasoning

Not everyone agreed with the panel decisions in these cases, both of which were authored by Judge Linn. Judge Newman wrote a dissenting opinion in *McKesson*, stating that the "single entity rule" is not required by precedent and that the majority's decision precludes infringement of "interactive" patent methods. She concluded:

> A patent that cannot be enforced on any theory of infringement is not a statutory patent right. It is a cynical, and expensive, delusion to encourage innovators to develop new interactive procedures, only to find that the courts will not recognize the patent because the participants are independent entities. From the error, confusion, and unfairness of this ruling, I respectfully dissent.

Judge Bryson, the third panel member in *McKesson*, concurred with Judge Linn's opinion, noting that the result was required under the Federal Circuit's precedent. However, Judge Bryson noted that "[w]hether those decisions are correct is another question, one that is close enough and important enough that it may warrant review by the en banc court in an appropriate case."

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As expected, the patent owners in both *Akamai* and *McKesson* filed petitions for rehearing *en banc*. The Federal Circuit agreed to hear the cases *en banc* and posed the following questions:

Akamai	*McKesson*
1. If separate entities each perform separate steps of a method claim, under what circumstances would that claim be directly infringed and to what extent would each of the parties be liable?	1. If separate entities each perform separate steps of a method claim, under what circumstances, if any, would either entity or any third party be liable for inducing infringement or for contributory infringement? 2. Does the nature of the relationship between the relevant actors—e.g., service provider/user or; doctor/patient—affect the question of direct or indirect infringement liability?

The first question is essentially the same for each case. The slight variation stems from the fact that the accused infringer in *McKesson* was accused of inducing infringement because it licensed the software used by the accused directly infringing healthcare providers who performed all but one of the claimed steps. The second question in *McKesson* shows that the Federal Circuit is seeking guidance beyond Internet-related cases. Other areas of innovation will be affected. For example, many medical device companies have patents with method claims in which doctors, and sometimes also patients, perform claimed steps. In the diagnostics field, some patent claims are performed by a combination of laboratories assaying for a particular property and doctors making a correlation between the assayed property and another condition.

One of the focuses at the en banc court may be whether patent owners could have drafted better claims that could be infringed by a single entity. Patent law is a unique area in which property owners get to draft the scope of their own property rights. To the extent that poor claim drafting creates some ambiguity as to whether practicing only some steps of a patented method will amount to an infringing act, some will argue that it is only fair to construe that ambiguity against the claim drafter. Others will argue that inventors should be awarded for coming up with new and useful patents directed to interactive technologies and that the "control" or "direct" requirement for joint infringement should be relaxed to capture relationships of groups clearly working together, even if each relationship does not amount to an agency or contractual relationship.

Briefing for the Federal Circuit's en banc consideration of the two cases is now on a parallel track, and the en banc oral argument should take place in late summer or fall 2011. Given the strong opinions on the Federal Circuit on both sides of the issues, and the Federal Circuit's willingness to hear the case en banc, the decisions in these cases may very well provide a new framework for determining whether joint actors infringe method claims. ■

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