INTERNATIONAL JUDICIAL SYMPOSIUM ON INTELLECTUAL PROPERTY 2024

The Honorable Jennifer Choe-Groves

U.S. Court of International Trade

OVERVIEW

- Introduction
- Litigation at the Court of International Trade
- Invalidity Under U.S. Patent Law
- Recent Patent Issues

BIOGRAPHY

- Nominated by the President of the United States and confirmed unanimously by the United States Senate in 2016.
- **Education:** Princeton University; Rutgers School of Law-Newark, 1994, J.D.; Columbia Law School, LL.M.
- **Career Record:** Judge Choe-Groves began her professional career serving as a criminal prosecutor in the Manhattan District Attorney's Office. She served in the Executive Office of the President of the United States under President George W. Bush and President Barack Obama as Senior Director for Intellectual Property and Innovation and as Chair of the Special 301 Committee for the Office of the United States Trade Representative (USTR). Prior to her appointment to the United States Court of International Trade, Judge Choe-Groves was in private practice. Her 30-year legal career has focused on international trade, intellectual property, and litigation.

U.S. COURT OF INTERNATIONAL TRADE NEW YORK, NEW YORK

U.S. COURT OF INTERNATIONAL TRADE

- **9 Judges**
- **5 Senior Judges**

UNITED STATES CONSTITUTION

ARTICLE III, SECTION ONE:

The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behaviour, and shall, at stated Times, receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office.

JURISDICTION OF FEDERAL COURTS

Requirements:

Cases or Controversies

No Advisory Opinions

Subjects:

- U.S. Constitution
- Federal Law
- Treaties
- Bankruptcy, customs, *patent*, admiralty, international trade

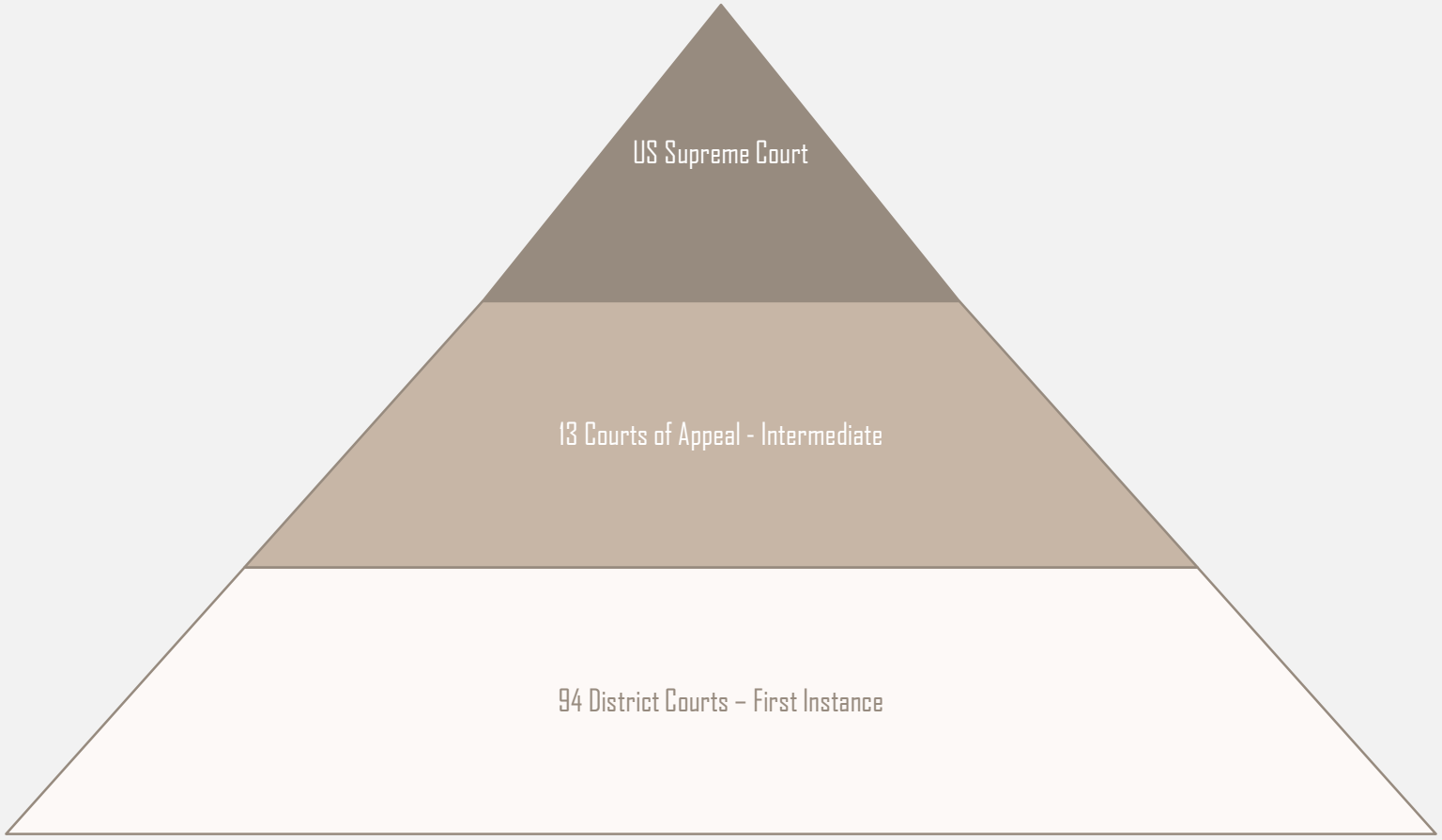
Party

- Federal or state government, ambassadors, public officials, foreign states

Diversity

- Citizens of different states, if amount is > $75,000

STRUCTURE OF FEDERAL COURTS



CUSTOMS AND INTERNATIONAL TRADE LITIGATION

Customs Litigation

Classification

Valuation

Country of Origin

Brokers/Testing Laboratory

Trade Litigation

Antidumping Duties

Countervailing Duties

CUSTOMS AND INTERNATIONAL TRADE LITIGATION

Civil Penalties
- Fraud
- Gross Negligence
- Negligence

Liquidated Damages
- Suits on a bond

Collection Action
- Suits for unpaid duties

LITIGATION PROCESS

- Action filed
- Assigned to a single judge - 28 U.S.C. § 254
- In limited circumstances, action assigned to a 3-judge panel for Constitutional issues or significant cases - 28 U.S.C. § 255
- Slip Opinion issued stating reasons and facts upon which the decision is based - 28 U.S.C. § 2645
- Slip Opinion posted on the USCIT website
- Appeal to U.S. Court of Appeals for the Federal Circuit, then to U.S. Supreme Court

INTERNATIONAL INTELLECTUAL PROPERTY: CASE STUDIES

Milecrest Corp v. United States and Duracell, 2017, batteries trademarked by Duracell, authorized for sale outside U.S., unauthorized import into U.S. as "grey market goods" without an IP license. Held: trademark owner could bar import of unauthorized grey market goods into the U.S. by an unlicensed third party.

U.S. Auto Parts Network v. United States, 2018, Customs stopped approximately 100 containers of imported vehicle car parts bearing trademarks. Issue before the court: amount of bond. Previous annual bond $200,000 for all shipments; in this case Customs imposed a bond of US millions for IP infringing goods (based on 3 times value of shipments).

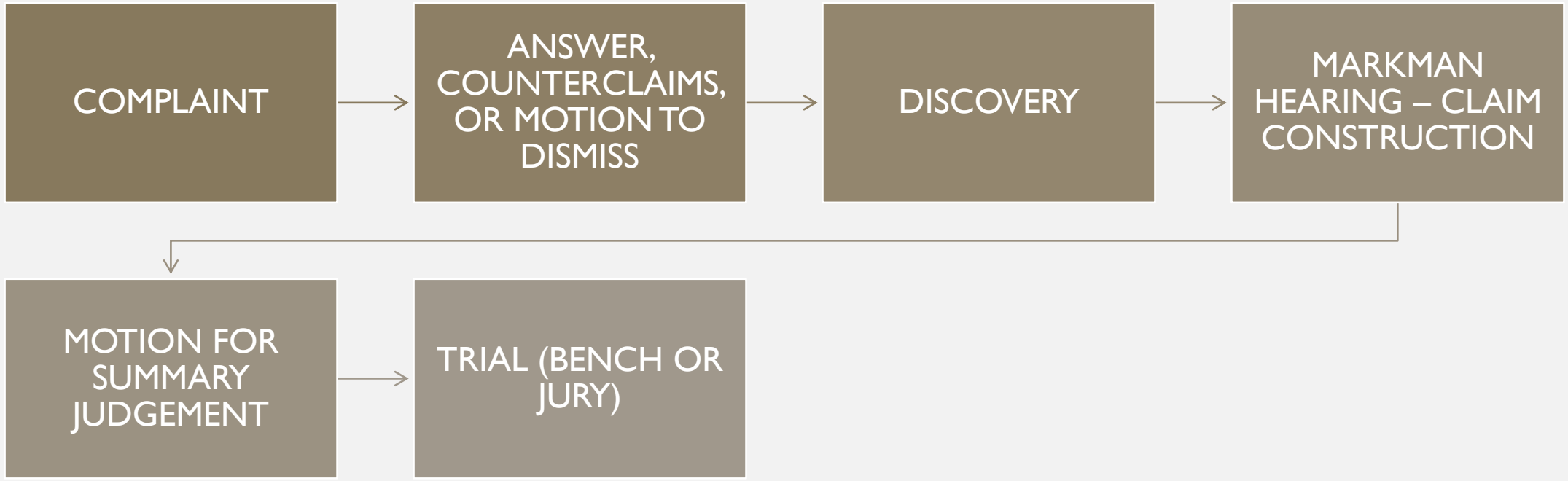
One World v. United States, 2018, International Trade Commission granted exclusion order to exclude import of patent-infringing garage door openers ("337 Order"). Company designed new product to avoid patent infringement, imported new products that were stopped at the U.S. border by Customs

SITTING BY DESIGNATION AS A VISITING JUDGE

Appointed by the Chief Justice of the U.S. Supreme Court

- U.S. Court of Appeals for the Ninth Circuit
- U.S. Court of Appeals for the Second Circuit
- U.S. District Court for the District of Delaware
- U.S. District Court for the Southern District of New York
- U.S. District Court for the District of Idaho
- U.S. District Court for the District of Arizona
- U.S. District Court for the Northern District of Oklahoma

BRINGING A CLAIM FOR INVALIDITY UNDER U.S. PATENT LAW



INVALIDITY UNDER U.S. PATENT LAW

- To receive a patent, the inventor must show that their invention is (1) useful; (2) novel; and (3) non-obvious.
- Useful: An invention is considered useful when it has a specific, substantial, and credible utility, and when it can actually perform what it is intended to do.
- Novel: An invention is considered novel when it is not found in prior art, or when the combination of features claimed is not found in a single prior art reference.
- Obviousness: An invention is considered obvious if a skilled practitioner in the relevant field could have easily created it based on prior art.

- 35 U.S.C. §§ 102, 103.

INVALIDITY BASED ON OBVIOUSNESS

A patent may not be obtained "if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art." 35 U.S.C. § 103(a).

The Court looks at:

- The *Graham* factors
- Whether a skilled artisan (or a person of ordinary skill in the art (POSA)) would have been motivated to modify or combine disclosures in the prior art

INVALIDITY BASED ON OBVIOUSNESS

Obviousness is a question of law based on underlying facts. See KSR Int'l Co. v. Teleflex Inc., 550 U.S. 398, 427 (2007).

The underlying facts to be found include: (1) the scope and content of the prior art; (2) differences between the prior art and the claims at issue; (3) the level of ordinary skill in the pertinent art; and (4) secondary considerations such as commercial success, long felt but unsolved needs, and failure of others. See Graham v. John Deere Co., 383 U.S. 1, 17–18 (1966).

A determination of obviousness "requires consideration of all four *Graham* factors, and it is error to reach a conclusion of obviousness until all those factors are considered." Apple Inc. v. Samsung Elecs. Co., 839 F.3d 1034, 1048 (Fed. Cir. 2016) (en banc). "Objective indicia of nonobviousness must be considered in every case where present." Id.

INVALIDITY BASED ON OBVIOUSNESS

Proving obviousness also requires a showing by **clear and convincing evidence** that the person of ordinary skill in the art ("POSA") would have had a reasonable expectation of success in achieving the claimed invention. InTouch Techs., Inc. v. VGO Commc'ns, Inc., 751 F.3d 1327, 1347 (Fed. Cir. 2014).

Whether a skilled artisan would have been motivated to modify or combine disclosures in the prior art is a question of fact. See Univ. of Strathclyde v. Clear-Vu Lighting LLC, 17 F.4th 155, 160 (Fed. Cir. 2021).

RECENT PATENT ISSUES

- **Whether Knowledge of the Patents–in–Suit First Obtained from a Complaint May Support a Claim for Post–Filing Indirect Infringement and Willful Infringement**
- The District of Delaware has an intra-circuit split over the issue of whether a defendant's knowledge of a patent and its infringement may be demonstrated through the filing of a complaint alone or amended complaint for post-suit claims for indirect infringement and willful infringement. The United States Supreme Court and the U.S. Court of Appeals for the Federal Circuit have not conclusively settled this question.
- Majority view: Under this view, the filing of a complaint is sufficient notice to meet post-suit knowledge for indirect and/or willful infringement claims. The service of a mooted original complaint acts like "a pre-complaint notice letter" and provides the requisite pre-filing knowledge for willful and induced infringement for a later-filed amended complaint.
- Minority view: Under this view, the filing of a complaint is not sufficient to meet the post-suit knowledge for indirect and/or willful infringement claims.

THIRD PARTY LITIGATION FUNDING (TPLF)

- TPLF is a rapidly growing business practice, especially in patent cases, in which non-parties invest in litigation by paying money to a plaintiff or his/her counsel in exchange for a contingent interest in any proceeds/damages from the lawsuit.
- Mostly occurs in secret, except when a judge requires the disclosure of third party litigation interests to be identified by the parties.
- Estimated that litigation funders had U.S. $15.2 billion in assets allocated in U.S. litigation in 2023.
- Non-practicing entities ("NPEs"), persons who hold patents only for litigation and do not make or sell any products, filed almost 50% patent cases in the U.S. in the past 20 years.

THANK YOU