



WINTER 2020 U.S. INTELLECTUAL PROPERTY NEWSLETTER

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1201 NEW YORK AVENUE, N.W.
WASHINGTON, D.C.

SUPREME COURT

Peter v. NantKwest, Inc.

Following up on our Fall 2019 U.S. Intellectual Property Newsletter, on December 3, 2019, the U.S. Supreme Court unanimously decided *Peter v. NantKwest, Inc.*, holding the term “expenses” in the phrase “[a]ll the expenses of the proceedings shall be paid by the applicant” in § 145 of the Patent Act (35 U.S.C.) did not allow the U.S. Patent and Trademark Office (“USPTO”) to recover attorney’s fees associated with defending the agency in § 145 litigation.

As a brief reminder, § 145 permits applicants to seek judicial review of an adverse Patent Trial and Appeal Board (“PTAB”) decision by filing a civil suit against the Director of the USPTO in the U.S. District Court for the Eastern District of Virginia. Applicants who invoke § 145 are required by statute to pay “[a]ll the expenses of the proceedings” incurred by the [USPTO] in defending the [PTAB’s] decision, regardless of the outcome.” The USPTO, after prevailing against NantKwest, Inc., (“NantKwest”) in a § 145 litigation, sought reimbursement for its attorney’s fees.

In its opinion, the Supreme Court first noted when considering the award of attorneys’ fees, the American Rule’s presumption against fee-shifting must be referenced. That is, under the American Rule, “[e]ach litigant pays his own attorney’s fees, win or lose, unless [the] statute...provides otherwise.” Despite the USPTO’s contention that § 145 is not subject to the American Rule, the Supreme Court explained the American Rule applies to all statutes—even those like § 145 that do not explicitly define attorney’s fees as an “expense.”

Moreover, the Supreme Court recognized the term “expenses,” without being further defined, had never been sufficient to overcome the American Rule’s presumption against fee-shifting. Therefore, the modifier “all” could not change the term “expenses” to include fees outside the scope of its plain and ordinary definition. Accordingly, the Supreme Court found the plain text of § 145 did not overcome the American Rule’s presumption against fee-shifting to permit the USPTO to collect attorney’s fee.

The Supreme Court next determined whether Congress intended § 145 to overcome the presumption of the American Rule. In doing so, it analyzed the language of § 145 to see if Congress provided a sufficiently specific and explicit indication that § 145 deviated from the American Rule. Critically, the Supreme Court cited several other provisions in the Patent Act which demonstrated that when Congress intended to provide attorney’s fees, it stated so explicitly. Further, the Supreme Court found that the legislative history of § 145, along with the USPTO’s longstanding history of foregoing the collection of attorney’s fees in §145 litigation, reaffirmed the position that the statute did not overcome the American Rule’s presumption against fee-shifting. Therefore, the Supreme Court determined Congress did not intend for § 145 to deviate from the American Rule.

In sum, the Supreme Court held the USPTO could not recover the salaries of its legal personnel under § 145. In doing so, the Supreme Court affirmed the U.S. Court of Appeals for the Federal Circuit and provided further clarification to the plain meaning of “expenses” in the Patent Act.

SUPREME COURT

United States Patent and Trademark Office v. Booking.com

On November 8, 2019, the U.S. Supreme Court (“Supreme Court”) granted certiorari in *United States Patent and Trademark Office v. Booking.com*. The question before the Supreme Court is whether an online business can create a protectable trademark by adding a generic top-level domain (e.g. “.com”) to an otherwise generic term.

Booking.com operates a website where customers can book travel and hotel accommodations. In 2012, Booking.com filed a U.S. trademark application for the use of BOOKING.COM as a word with the United States Patent and Trademark Office (“USPTO”). During prosecution of the trademark application, the examiner rejected the mark as being generic and therefore, not protectable. In the alternative, the examiner determined that even if the mark was found descriptive, Booking.com had failed to establish it had acquired secondary meaning as required for trademark protection. The Trademark Trial and Appeal Board (“TTAB”) upheld the examiner’s rejection and Booking.com appealed the decision by filing an action in the U.S. District Court for the Eastern District of Virginia (“District Court”) against the USPTO.

The District Court reversed the TTAB decision, finding that the term BOOKING.COM, as a whole, was a descriptive mark. Further, the district court found Booking.com had demonstrated the mark had achieved secondary meaning through a survey in which 74.8% of consumers indicated they recognized BOOKING.COM as a brand rather than a generic service. The USPTO appealed to the U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”), which affirmed the district court’s holding. The USPTO timely petitioned for a writ of certiorari with the Supreme Court.

In its petition for certiorari, the USPTO primarily contends the long standing precedent that the addition of entity designations like “Company,” to an otherwise generic term, is not protectable under trademark law, is similarly applicable to the top-level domain “.com.” Specifically, the USPTO argues “.com” only denotes an online business, like entity designations, such as “Company,” only indicates the type of business, association, or partnership. Additionally, with respect to the finding that BOOKING.COM achieved secondary meaning, the USPTO asserts that “it has long been established that, no matter how successful ‘the user of a generic term’ is ‘in securing public identification’ between the term and its commercial user, the term cannot be federally registered in the U.S.

In its response in opposition to the USPTO’s petition for certiorari, Booking.com asserts that whether a trademark is generic is a question of fact. Accordingly, as provided by the survey in the district court proceedings, Booking.com emphasized that it demonstrated that a trier of fact, the public, established BOOKING.COM was a descriptive mark rather than a generic term. Moreover, Booking.com cited several examples where the USPTO had previously registered marks which contained a generic top-level-domain such as: STAPLES.COM, WEATHER.COM, and ANCESTRY.COM.

In the event the Supreme Court finds in favor of Booking.com, there will likely be an increase in the number of trademark applications filed in the USPTO from applicants who believed their domain names were generic. However, if the Supreme Court finds in favor of the USPTO, then the USPTO’s standard practice in refusing to register domain names will likely remain in effect.

SUPREME COURT

Google LLC v. Oracle America, Inc.

On November 15, 2019, the U.S. Supreme Court (“Supreme Court”) granted certiorari in *Google LLC v. Oracle America, Inc.* The questions before the Supreme Court are whether: (1) copyright protection extends to a software interface, and (2) Google’s use of a software interface in the context of creating a new computer program constitutes fair use.

In 2008, Google LLC (“Google”) released Android, “an open-source platform designed to enable mobile devices such as smartphones and tablets. The Android platform was built using the Java programming language developed by Sun Microsystems, which was later acquired by Oracle American, Inc. (“Oracle”). Prior to Oracle’s acquisition of Sun Microsystems, Google replicated the syntax and structure of the Java application programming interface (“API”) within the Android platform to ensure third-party developers could utilize the prewritten methods and declarations known within Java’s API libraries. Google replicated “37 Java API libraries that were determined by Google to be ‘key to mobile devices,’” which attributed to only 3% of the Android environment. Google independently wrote the remainder of the code to “accommodate the unique challenges” of the mobile device environment. Upon its acquisition of Sun Microsystems, Oracle sued Google in the U.S. District Court for the Northern District of California (“District Court”), alleging copyright infringement for the replicated code.

At the end of trial, the District Court held the Java API was not copyrightable and rejected Google’s fair use defense, which permits the unlicensed use of copyright-protected works in certain circumstances. On appeal, the U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”) reversed and remanded the district court’s decision. Specifically, the Federal Circuit found the Java API was subject to copyright protection and remanded the case because there was a lack of sufficient factual findings to resolve the fair use issue raised by Google in the District Court. On remand, the jury concluded Google’s use of the Java API constituted fair use. Oracle timely appealed. Once again on appeal in the Federal Circuit, the court overturned the jury’s verdict, finding Google did not engage in fair use as a matter of law. Google subsequently petitioned for certiorari, which the Supreme Court granted.

As noted, the questions before the Supreme Court are whether copyright protection extends to a software interface, and whether Google’s use of a software interface in the context of creating a new computer program constitutes fair use. In its petition for certiorari, Google asserts that if the Federal Circuit’s approach is allowed to stand, “developers will be forced to abandon their traditional building-block approach to software interface development,” and in turn, “would have a devastating impact on the development of computer software.” Nevertheless, Oracle asserts that a finding in favor of Google would penalize software developers for simply creating a software interface popular enough since that would allow other companies to use it without consequence under the fair use doctrine.

While it remains unclear as to how the Supreme Court will rule, many agree that the laws and industry standards regarding the protection of software interfaces will change regardless of the Supreme Court’s decision. We look forward to keeping you apprised of any further developments regarding this case.

FEDERAL CIRCUIT

American Axle & Manufacturing, Inc. v. Neapco Holdings LLC

On October 3, 2019, the U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”) decided *American Axle & Manufacturing, Inc. v. Neapco Holdings LLC*. The Federal Circuit held U.S. Patent No. 7,774,911 (“the ‘911 patent”), a method of manufacturing patent, invalid under 35 U.S.C § 101 (“§ 101”), for patent ineligible subject matter.

American Axle & Manufacturing, Inc., (“American Axle”) sued Neapco Holdings LLC (“Neapco”) alleging infringement of the ‘911 patent. The ‘911 patent generally relates to a method for manufacturing driveline propeller shafts with liners that are designed to “attenuat[e] ... vibrations transmitted through a shaft assembly.” The U.S. District Court for the District of Delaware (“district court”) held the ‘911 patent’s claims ineligible under § 101. Specifically, the district court found the claims, as a whole, were directed to the laws of nature: Hooke’s law and friction dampening. American Axle timely appealed.

On appeal, the Federal Circuit utilized the *Alice/Mayo* two-step test for determining whether claims recite eligible subject matter. At step one, the Federal Circuit first noted that there is no legal principle or precedent that a claim to a method of manufacturing is inherently directed to eligible subject matter under § 101. Turning to the “focus of the claimed advance,” the Federal Circuit explained the claims merely state a liner should be tuned to dampen certain vibrations by controlling the stiffness or mass of the liner which is an application of a natural law, Hooke’s law. Further, despite American Axle’s arguments that the tuning process was more complex than simply applying Hooke’s law and that the liner dampens multiple frequencies, the Federal Circuit emphasized the ‘911 patent’s claims did not disclose or claim any such details. As such, the ‘911 patent’s claims were found to be directed to a law of nature.

The Federal Circuit next analyzed whether the claims provided an “inventive concept” under step two of the *Alice/Mayo* test. American Axle argued that “prior to the ‘911 patent, liners had never been tuned to dampen [propeller shaft] vibrations and, more specifically, liners had not been used to damp two different vibration modes simultaneously.” Critically, the Federal Circuit again noted the claimed advance was simply controlling various known characteristics of the liner in order to achieve attenuation of two vibration modes simultaneously. Further, American Axle admitted that it was well known “in the automotive industry [to] test for natural frequencies and damping of [propeller shafts] by performing experimental modal analysis.” In light of the facts, the Federal Circuit explained the process of engaging in a conventional, unbounded trial-and-error process does not render the claims patent eligible, even if the desired result to which that process is directed would be new and unconventional.

Accordingly, the Federal Circuit affirmed the district court’s ruling that the claims of the ‘911 patent were directed to ineligible subject matter under § 101. Thus, this case demonstrates the importance of including an advancement in process claims that are directed to laws of nature – irrespective of the complexity of such laws. Moreover, the Federal Circuit’s holding in this case emphasizes that technologies rooted in the mechanical/physical realm are not inherently eligible under § 101.

FEDERAL CIRCUIT

In Re General Electric Company

On October 18, 2019, the U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”) issued its decision in *In Re General Electric Company*. The Federal Circuit held that General Electric Company’s (“GE”) U.S. Reissue Patent Application Nos. 14/593,087 (“the ’087 application”), 15/070,427 (the ’427 application), and 15/080,483 (the ’483 application) (collectively, “the reissue applications”) impermissibly recaptured subject matter surrendered during prosecution of U.S. Patent No. 7,990,705 (the ’705 patent).

The ’705 patent is directed to “synthetic jet enhanced convention cooling of component enclosures, which encompass a heat-generating element.” During prosecution of the ’705 patent’s application, GE overcame rejections for anticipation and obviousness by adding a limitation where the synthetic jet be external, and attached, to the component enclosure (hereinafter, “the attachment limitation”). On August 1, 2013, GE filed a U.S. reissue application which was later divided into the reissue applications. The examiner rejected all proposed claims in the reissue applications due to defective reissue declarations. GE appealed the examiner’s rejection to the Patent Trial and Appeal Board (“PTAB”). Although the PTAB reversed the examiner’s defective reissue rejection, it alternatively rejected the reissue applications for impermissibly recapturing subject matter intentionally surrendered during prosecution of the ’705 patent. GE timely appealed to the Federal Circuit.

On appeal, the Federal Circuit first stated that in applying the recapture rule it must determine: (1) whether and in what aspect the reissue claims are broader than the patent claims, (2) whether the broader aspects of the reissue claims relate to surrendered subject matter, and (3) whether the surrendered subject matter has crept into the reissue claim. The Federal Circuit further explained that under the third element, there is no violation of the recapture rule if the reissue claims are materially narrower than the original claims such that full or substantial recapture of surrendered subject matter is avoided. Moreover, the Federal Circuit noted that the recapture rule does not apply to reissue claims directed to additional inventions, embodiments, and/or species which were never claimed in the original patent.

Turning to the ’087 application, the Federal Circuit concluded that GE impermissibly attempted to recapture surrendered subject matter. Specifically, the Federal Circuit found that GE eliminated the attachment limitation which broadened the scope of the reissue claims. Further noting the attachment limitation led to allowance of the ’705 patent, the Federal Circuit found the ’087 application’s claims covered subject matter previously surrendered. Lastly, despite GE’s contention that additional limitations materially narrowed the scope of the ’087 application’s claims, the Federal Circuit explained such limitations did not pertain to the subject matter surrendered, and therefore, could not sufficiently limit the claims to avoid recapture.

With respect to the ’427 and ’483 applications’ claims, GE conceded recapture of disclaimed subject matter but argued the claims covered subcombinations not originally claimed. In response, the Federal Circuit concluded the claimed subcombinations fell within the scope of the ’705 patents claims. Accordingly, the subcombinations were not sufficient to avoid recapture.

Therefore, the Federal Circuit held the reissue applications impermissibly recaptured subject matter surrendered during prosecution of ’705 patent. This decision is an important reminder to review the prosecution history of the original patent when drafting claims for its reissue application to avoid impermissible recapture of surrendered subject matter.

FEDERAL CIRCUIT

Koninklijke KPN N.V. v. Gemalto M2M GmbH

On November 15, 2019, the U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”) decided *Koninklijke KPN N.V. v. Gemalto M2M GmbH*, holding Koninklijke KPN N.V.’s (“KPN”) U.S. Patent No. 6,212,662 (“the ‘662 patent”) directed to a method for error checking data transmissions contained patent-eligible subject matter under 35 U.S.C. § 101.

This case came on appeal to the Federal Circuit from the U.S. District Court for the District of Delaware (“District Court”) in which the District Court granted Gemalto M2M GmbH’s (“Gemalto”) motion to dismiss asserting the ‘662 patent’s claims lacked patent subject matter eligibility. Specifically, the district court found the claims were directed to the abstract idea of reordering data and generating additional data. Further, the district court concluded there was no purported inventive concept captured in the ‘662 patent’s claims. The ‘662 patents claims are as follows:

1. A device for producing error checking based on original data provided in blocks with each block having plural bits in a particular ordered sequence, comprising:
 - a generating device configured to generate check data; and
 - a varying device configured to vary original data prior to supplying said original data to the generating device as varied data;wherein said varying device includes a per-mutating device configured to perform a permutation of bit position relative to said particular ordered sequence for at least some of the bits in each of said blocks making up said original data without reordering any blocks of original data.
2. The device according to claim 1, wherein the varying device is further configured to modify the permutation in time.
3. The device according to claim 2, wherein the varying is further configured to modify the per-mutation based on the original data.
4. The device according to claim 3, wherein the permutating device includes a table in which subsequent permutations are stored.

KPN timely appealed with respect to claims 2-4.

Under review, the Federal Circuit first stated that to determine patent subject matter eligibility it must apply the two-part *Alice* test: (1) determine whether the claim at hand involves a judicially-excluded law of nature, a natural phenomenon, or an abstract idea, and (2) if so, determine whether any element or combination of elements in the claim is sufficient to ensure that the claim amounts to significantly more than the recited judicial exclusion. The Federal Circuit further noted that “in cases involving software innovations, the step one inquiry often turns on whether the claims focus on the specific asserted improvement in computer capabilities or, instead, on a process that qualifies as an abstract idea for which computers are invoked merely as a tool.”



FEDERAL CIRCUIT

Koninklijke KPN N.V. v. Gemalto M2M GmbH (Continued)

With respect to the first part of the *Alice* test, the Federal Circuit found claims 2-4 patent eligible since the claims recite a specific implementation that improved the ability of prior art error detection systems. Critically, the Federal Circuit explained the limitation of claim 2 enabled the claimed invention to better detect systematic errors when compared to the prior art error detection systems. For instance, the Federal Circuit concluded the '662 patents method of varying the way check data is generated from time to time so that the same defective check data does not continue to be produced for the same type of persistent systematic error was a “new way of generating check data that enables the detection of persistent systematic errors in data transmissions that prior art systems were previously not equipped to detect.” Additionally, the Federal Circuit determined the claims recited a specific solution for accomplishing the purported improvement – varying the way check data is generated by modifying the permutation applied to different data blocks – rather than simply reciting the desired result.

Accordingly, the Federal Circuit found the '662 patent's claims were not abstract under step one of *Alice*, and therefore, did not need to analyze step two of *Alice*. This case demonstrates the importance of incorporating claim limitations in software innovations that recite specific ways to achieve a technological improvement.

FEDERAL CIRCUIT

Luxottica Group v. Airport Mini Mall, LLC

On August 7, 2019, the U.S. Court of Appeals for the Eleventh Circuit (“Eleventh Circuit”) decided *Luxottica Group v. Airport Mini Mall, LLC*, finding landlords may be contributorily liable for their tenants’ or subtenants’ direct trademark infringement.

Yes Assets, LLC (“Yes Assets”) owns a 79,000 square-foot shopping center, which accommodates approximately 130 booths for vendors. Since December 1, 2009, Yes Assets leased the shopping center, and the booths, to Airport Mini Mall, LLC (“AMM”). In turn, AMM subleased the booths to vendors (“subtenants”). Yes Assets provided AMM and its subtenants services which included: lighting, water, sewerage, maintenance and repairs, painting, cleaning, and a parking area for customers.

Over the course of AMM’s lease, there were three law enforcement raids where subtenants were arrested and alleged counterfeits of Luxottica eyewear and other brand products were seized. On two occasions, Luxottica – owner of U.S. registered trademarks for Ray-Ban and Oakley – notified Yes Assets and AMM (collectively, “Defendants”) that their subtenants were not authorized to sell Luxottica’s eyewear and any item resembling the Ray-Ban and Oakley marks were counterfeit. Luxottica also identified several specific vendors suspected of selling counterfeit eyewear. Further, there were three law enforcement raids, in which officers executed search warrants, arrested subtenants, and seized alleged counterfeits of Luxottica eyewear and other brand products. Nevertheless, Defendants continued to lease booths to the infringing subtenants. Luxottica sued Defendants for contributory trademark infringement under § 32 of the Lanham Act in the U.S. District Court for the Northern District of Georgia (“district court”). After the district court trial concluded, a jury found Defendants liable for contributory trademark infringement. Defendants timely appealed

On appeal, the Eleventh Circuit first explained that contributory trademark infringement requires: (1) a person or entity commits direct trademark infringement under the Lanham Act; and (2) the defendant (a) “intentionally induces” the direct infringer to commit infringement, (b) supplies a “product” to the direct infringer whom it “knows” is directly infringing (actual knowledge), or (c) supplies a “product” to the direct infringer whom it “has reason to know” is directly infringing (constructive knowledge). The Eleventh Circuit further noted that Defendants did not contest that the above mentioned provided services constituted supplying a “product,” but argued that they lacked actual knowledge of their respective tenants’ direct infringement.

With respect to actual knowledge, the Eleventh Circuit emphasized that Luxottica’s notice letters gave the Defendants at least constructive knowledge of specific subtenants that were infringing Luxottica’s products. Moreover, in at least one law enforcement raid, the Defendants’ property manager compiled a list of booths where law enforcement had seized goods, and later informed Defendants of conversations he had with subtenants. Taken as a whole, the Eleventh Circuit found sufficient evidence to support the jury’s finding that the Defendants had at least constructive knowledge of subtenants directly infringing Luxottica’s marks.

Therefore, the Eleventh Circuit upheld the jury’s finding that the Defendants were liable for contributory infringement. In sum, the Eleventh Circuit acknowledged providing utilities to (sub)tenants constitutes providing a “product,” and that constructive knowledge is sufficient to prove contributory trademark infringement.

USPTO PATENT AND TRADEMARK NEWS

USPTO October 2019 35 U.S.C. § 101 Update: Patent Subject Matter Eligibility Practical Tips

On October 17, 2019, the United States Patent and Trademark Office (“USPTO”) published an update to the USPTO 2019 Revised 35 U.S.C. § 101 (“§ 101”) Patent Subject Matter Eligibility Guidance published on January 7, 2019 (“2019 PEG”).

The 2019 PEG revised the procedures for determining whether a claim is directed to a judicial exception (Step 2A of the *Alice/Mayo* test as revised in the USPTO’s eligibility framework in the 2019 PEG). The October 2019 § 101 Patent Eligibility Update (“October 2019 Update”) to the 2019 PEG provided further explanation on the following topics:

I. Evaluating whether a claim recites a judicial exception

A claim recites a judicial exception when the judicial exception is “set forth” or “described” in the claim. The October 2019 Update provided the following examples to clarify what constitutes a claim reciting a judicial exception.

- “set forth” – in *Diamond v. Diehr* (Supreme Court 1981), the claims clearly stated a mathematical equation and thus, “set forth” an identifiable judicial exception.
- “described” – in *Alice Corp. v. CLS Bank* (Supreme Court 2014), the claims “described” the concept of intermediated settlement without using the words “intermediated” or “settlement.”

II. Groupings of abstract ideas in the 2019 PEG

Additionally, the October 2019 Update clarified conditions in which claims recite and do not recite abstract ideas:

- Mathematical concepts - a claim does not recite a mathematical concept, if it is only “based on” or “involves” a mathematical concept.
- Certain Methods of Organizing Human Activity - limited to the sub-groups of fundamental economic principles or practices; commercial or legal interactions; managing personal behavior; and relationships or interactions between people
- Mental Processes -
 - Claims recite a mental process when they contain limitations that can practically be performed in the human mind. However, if the human mind is not equipped to practically perform the claim limitations, the claims do not recite a mental process. For example, a claim directed to a specific data encryption method for computer communication that involves manipulating data several times is not directed to a mental process.
 - Claims do recite a mental process when the claims contain limitations that can practically be performed in the human mind and applicant is merely claiming that concept performed: 1) on a generic computer, 2) in a computer environment, or 3) is merely using a computer as a tool to perform the concept.



USPTO PATENT AND TRADEMARK NEWS

USPTO October 2019 35 U.S.C. § 101 Update: Patent Subject Matter Eligibility Practical Tips (Continued)

III. Evaluating whether judicial exception is integrated into a practical application

The October 2019 Update further clarified the conditions in which a claim reciting a judicial exception integrates the judicial exception into a practical application through:

- Improvement in functioning of computer or to other technology or technical fields. This can be accomplished by the following :
 - The application's disclosure should provide details of improvement that would be apparent to one of ordinary skill in the art - simply stating there is an improvement is not enough.
 - The claims themselves must reflect the disclosed improvement.
 - The claims may integrate the judicial exception into a practical application by demonstrating improvement in relevant existing technology, although it may not be an improvement over well-understood, routine, conventional activity.
- Extra-solution activity - well-understood, routine, conventional activity will only be considered if the analysis proceeds to Step 2B of the *Alice/Mayo* test.

IV. The prima facie case and the role of evidence with respect to § 101 eligibility rejections

The initial burden is on the examiner to clearly and specifically explain why claim(s) are ineligible for patenting under § 101.

- Examiners must provide applicant with sufficient notice and ability to effectively respond.
- Examiners must explain why a claim is considered to fall within one of the enumerated groups of abstract ideas set forth in the 2019 PEG.

Additionally, examiners must identify and explain why any additional elements recited in the claim, when taken individually or in combination, do not:

- Integrate the judicial exception into a practical application; and
- Render the claim, as a whole, as amounting to significantly more than the judicial exception.

USPTO PATENT AND TRADEMARK NEWS

USPTO Year in Review: 2019 Patent Trends

In January, 2020, the United States Patent and Trademark Office (“USPTO”) released its annual Performance and Accountability Report for Fiscal Year 2019.¹ Overall, the report showed a slight decrease in U.S. patent application filings and U.S. patent issuances across utility, design and plant applications. Further, comparing fiscal year 2019 to fiscal year 2018, the average time for a first office action to issue dropped from 15.8 months to 14.7 months; however, the total average pendency remained at 23.8 months.²

Patent		2018	2019	Δ%
Filings	Utility	599,174	616,852	2.95
	Design	46,360	46,142	-0.47
	Plant	1,049	1,168	11.34
	Reissue	989	1,069	8.09
Issued	Utility	306,912	305,008	-0.62
	Design	30,849	31,845	3.23
	Plant	1,251	1,193	-4.64
	Resissue	500	538	7.60

UPR Pendency Statistics by Technology Center (in months)	Average First Action Pendency	Total Average Pendency
Total UPR Pendency	14.7	23.8
Tech Center 1600—Biotechnology and Organic Chemistry	11.8	22.8
Tech Center 1700—Chemical and Materials Engineering	16.4	27.7
Tech Center 2100—Computer Architecture, Software, and Information Security	17.5	28.3
Tech Center 2400—Networks, Multiplexing, Cable, and Security	13.3	25.2
Tech Center 2600—Communications	10.4	20.0
Tech Center 2800—Semiconductor, Electrical, Optical Systems, and Components	12.5	22.1
Tech Center 3600—Transportation, Construction, Agriculture, and Electronic Commerce	16.5	26.8
Tech Center 3700—Mechanical Engineering, Manufacturing, and Products	19.1	28.8

¹ USPTO Fiscal Year: October 1 through September 30

² All data comes from USPTO’s 2018 and 2019 Performance and Accountability Report, available at <https://www.uspto.gov/about-us/performance-and-planning/uspto-annual-reports>

USPTO PATENT AND TRADEMARK NEWS

USPTO Year in Review: 2019 Patent Trends (Continued)

2019's Top 20 U.S. Patent Assignees:¹

Rank	Company	2018 Grants	2019 Grants	Δ%
1	<i>IBM</i>	9,100	9,262	1.78
2	<i>Samsung Electronics Co. Ltd.</i>	5,850	6,469	10.58
3	<i>Canon Inc.</i>	3,056	3,548	16.10
4	<i>Microsoft Technology Licensing LLC</i>	2,353	3,081	30.94
5	<i>Intel Corp</i>	2,735	3,020	10.42
6	<i>LG Electronics Inc.</i>	2,474	2,805	13.38
7	<i>Apple Inc.</i>	2,160	2,490	15.28
8	<i>Ford Global Technologies LLC</i>	2,123	2,468	16.25
9	<i>Amazon Technologies Inc.</i>	2,035	2,427	19.26
10	<i>Huawei Technologies Co. Ltd.</i>	1,680	2,418	43.93
11	<i>Qualcomm Inc.</i>	2,300	2,348	2.09
12	<i>Taiwan Semiconductor Manufacturing Co. Ltd.</i>	2,465	2,331	-5.44
13	<i>BOE Technology Group Co. Ltd.</i>	1,624	2,177	34.05
14	<i>Sony Corp.</i>	1,688	2,142	26.90
15	<i>Google LLC</i>	2,070	2,102	1.55
16	<i>Toyota Motor Corp.</i>	1,959	2,034	3.83
17	<i>Samsung Display Co. Ltd.</i>	1,948	1,946	-0.10
18	<i>General Electric Co.</i>	1,597	1,818	13.84
19	<i>Telefonaktiebolaget LM Ericsson AB</i>	1,353	1,607	18.77
20	<i>Hyundai Motor Co.</i>	1,369	1,504	9.86

¹ All data was compiled by ifi CLAIMS Patent Services, available at: <https://www.ificlaims.com/rankings-top-50-2019.htm>

USPTO PATENT AND TRADEMARK NEWS

USPTO Year in Review: 2019 Trademark Trends

U.S. Trademark Applications and Registrations for Fiscal Years 1999-2019:¹

Year	Applications Filed	Applications Renewed	Section 8 Affidavits	Registrations Issued	Registrations Renewed	Registrations (Including Classes)
1999	295,165	7,944	33,104	87,774	6,280	104,324
2000	375,428	24,435	28,920	106,383	8,821	127,794
2001	296,388	24,174	33,547	102,314	31,477	124,502
2002	258,873	34,325	39,484	133,225	29,957	164,457
2003	267,218	35,210	43,151	143,424	34,370	185,182
2004	298,489	32,352	41,157	120,056	34,735	155,991
2005	323,501	39,354	47,752	112,495	32,279	143,396
2006	354,775	36,939	48,444	147,118	37,305	188,899
2007	394,368	40,786	49,241	150,064	47,336	194,327
2008	401,392	42,388	68,470	209,904	42,159	274,250
2009	352,051	43,953	65,322	180,520	42,282	241,637
2010	368,939	48,214	61,499	164,330	46,734	221,090
2011	398,667	49,000	65,771	177,661	44,873	237,586
2012	415,026	63,636	76,646	182,761	59,871	243,459
2013	433,654	74,280	93,174	193,121	63,709	259,681
2014	455,017	67,865	107,823	206,555	56,166	279,282
2015	503,889	63,981	88,486	208,660	58,284	282,091
2016	530,270	72,744	87,447	227,407	62,604	309,188
2017	594,107	79,557	92,138	242,709	84,727	327,314
2018	638,847	85,563	96,091	273,808	90,192	367,382
2019	673,233	80,526	89,234	297,774	72,270	396,836

¹ All data comes from USPTO's 2018 and 2019 Performance and Accountability Report, available at <https://www.uspto.gov/about-us/performance-and-planning/uspto-annual-reports>

USPTO PATENT AND TRADEMARK NEWS

USPTO Year in Review: 2019 Trademark Trends (Continued)

2019's Top 10 U.S. Trademark Applicants:

Top 10 Trademark Applicants		
Rank	Company	2019
1	<i>Xiamen Youjing E-commerce Co., Ltd.</i>	703
2	<i>Aristocrat Technologies Australia Pty Ltd.</i>	619
3	<i>Aphria Inc.</i>	613
4	<i>Walmart Apollo, LLC</i>	458
5	<i>Everglades College, Inc.</i>	447
6	<i>Target Brands, Inc.</i>	380
7	<i>Novartis AG</i>	347
8	<i>Amazon Technologies, Inc.</i>	315
9	<i>BALLY GAMING, Inc.</i>	308
10	<i>JOHNSON & JOHNSON</i>	296

Trademark Applications Filed by Residents of Foreign Countries:

Top 10 Foreign Countries to File Trademark Applications			
Country	2018	2019	Δ%
China	57,879	76,334	24.2
Canada	15,470	17,764	12.9
United Kingdom	14,925	16,116	7.4
Germany	15,095	14,359	-5.1
Japan	7,883	8,779	10.2
France	7,642	8,660	11.8
Australia	7,275	7,303	0.4
Switzerland	6,433	6,922	7.1
Italy	5,705	5,715	0.2
Republic of Korea	5,011	5,649	11.3
Total	143,318	167,601	14.5

Residents of the top-filing foreign countries filed a total of 167,601 U.S. Trademark and Service Mark applications in Fiscal Year 2019 – an increase of 14.5% over Fiscal Year 2018. Comparatively, U.S. citizens filed a total of 445,941 U.S. Trademark and Service Mark applications in Fiscal Year 2018 – an increase of 2.3% over Fiscal Year 2018.



FIRM NEWS

Winter in Washington, D.C.

During the winter months, Washington D.C. sparkles with many neighborhoods showing light displays, holiday activities and many things to do and see. From going ice-skating at the Washington Harbor to taking a tour through the grounds of ZooLights at the Smithsonian's National Zoo. Stay warm and cozy on a tour bus while visiting some of the most popular attractions, such as the Washington Monument and the Lincoln Memorial at the National Mall. Shoppers can visit the Downtown Holiday Market while also trying some of the best restaurants around.

Visits to our firm's office here in Washington are most welcome during this season, as well as our soon-to-arrive spring season with the cherry blossoms on the National Mall.



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