



Ten New Supreme Court Opinions Reshaping the Intellectual-Property Landscape

Thirty years ago, the U.S. Supreme Court heard between 150 and 175 cases each year, but rarely accepted an intellectual-property case for review. Much has been written about the Court's shrinking docket in recent years—in its October Term 2013, which just came to an end, the Court heard argument in only 67 cases. Yet among those 67 were no fewer than 10 cases dealing with intellectual property—six patent cases, two copyright cases, and two Lanham Act cases. Each of these decisions is already reshaping the landscape of intellectual-property law.

In the patent area, the Supreme Court continued to narrow the scope of intellectual-property protection from that afforded by the Federal Circuit's decisions. In *Alice Corp. v. CLS Bank Intl.*, the Court curtailed patent eligibility on certain computer-implemented methods.¹ In *Limelight Networks v. Akamai*, the Court clarified that direct patent infringement by some individual or entity was a prerequisite to a finding of induced infringement. In *Octane Fitness v. Icon Health & Fitness* and *Highmark v. Allcare*, the Court made it easier for prevailing parties in patent litigation to obtain their attorneys' fees. In *Nautilus v. Biosig Instruments*, the Court relaxed the Federal Circuit's traditional standard for finding a patent claim to be indefinite (and thus invalid). And in *Medtronic v. Mirowski Family*

Ventures LLC, the Court clarified that a patent owner bears the burden of proving infringement, even when the patent owner is made a defendant to a declaratory-judgment lawsuit.

The Supreme Court was also unusually active in the area of copyrights this past Term. In the widely publicized *American Broadcasting Companies v. Aereo* case, the Court held that Aereo's unusual antenna-based television subscription service violated the Copyright Act's Transmit Clause. And in *Petrella v. MGM*, a case alleging that the 1980 movie *Raging Bull* copied the plaintiff's 1969 screenplay, the Court concluded that the equitable doctrine of laches cannot be used to bar a claim for copyright infringement damages that is brought within the three-year limitations period of Section 507(b) of the Copyright Act.

Finally, the Court also decided two important Lanham Act cases in its recent Term. In *Lexmark International v. Static Control Components*, the Court held that Static Control had adequately pleaded the requirements of a Lanham Act false-advertising claim by alleging an injury to a commercial interest in sales or business reputation proximately caused by the defendant's misrepresentation. And in *POM Wonderful v. Coca-Cola*, the Court ruled that a competitor was entitled to

sue under the Lanham Act for unfair competition by alleging false or misleading descriptions on product labeling, even where the labeling is regulated by the FDA.²

This set of 10 IP-related decisions demonstrates a few important principles. First, the fact that the patent decisions all narrowed the rights of intellectual property owners, while the copyright and Lanham Act cases each ruled in favor of the rights holders, suggests that the Court sees itself as needing especially to readjust the nation's patent-law precedents, which since 1982 have been under the exclusive purview of a special appellate court located in Washington, DC, the U.S. Court of Appeals for the Federal Circuit. In particular, the Court continues to relax the bright-line tests the Federal Circuit has crafted over the years as failing to properly apply the bounds of the patent statutes they were meant to fit. Second, and relatedly, the Court has opted to construe patent law narrowly by holding the Federal Circuit to the precise words used by Congress, but—as the Court's decision in *Aereo* reflects—the Court is willing to take a more policy-based approach to the interpretation of copyright law. And third, these cases demonstrate that intellectual-property law is only gaining importance to the American economic and legal landscapes

An understanding of these decisions—and the trends they represent—is crucial to doing business in any technology or intellectual-property-related sector. Here, we take a closer look at five of these important new decisions.

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

Under well-established principles of patent law, there can be no indirect infringement without direct infringement.³ The Federal Circuit stretched the bounds of this rule when it held that a party could be liable for inducing infringement of a method claim under 35 U.S.C. § 271(b) despite undisputed evidence that no single party was liable for direct infringement under 35 U.S.C. § 271(a).⁴ The Supreme Court reversed in a unanimous opinion that has important consequences for parties seeking to enforce patent claims that cover specific methods for doing something (as opposed to claims covering products).

Background. The patent at issue in *Limelight* claimed a method of delivering electronic data over a content delivery network

(“CDN”). Massachusetts Institute of Technology, the assignee, and Akamai Technologies, Inc., the exclusive licensee (collectively “Akamai”), brought suit against Limelight Networks, Inc. claiming its CDN infringed. Limelight did not perform all of the steps claimed in the patent. Rather, its customers performed the step of designating content for storage.

After a jury verdict for Akamai, the Federal Circuit issued its decision in *Muniauction, Inc. v. Thomson Corp.*⁵ In *Muniauction*, the accused defendant performed some, but not all, of the steps claimed while customers performed the remainder. The Federal Circuit held that there was no liability because the customers were not under the defendant's control, and a single party—or entities under its control or direction—must perform every step of a claimed method to establish direct infringement. Applying the *Muniauction* principle to *Limelight's* current facts, a three-judge panel of the Federal Circuit held that Limelight did not directly infringe.

The Federal Circuit granted *en banc* review and reversed—not on the issue of direct infringement, but on induced infringement. The Court found Limelight liable for inducement even though no single party would have been liable for direct infringement under the same circumstances. The Court claimed this did not run afoul of established Supreme Court precedent because all that precedent requires for indirect infringement liability is proof that there has been direct infringement (i.e., that all of the steps claimed had been performed somewhere along the way, even if by diverse and unrelated actors), not that anyone is *liable* for that infringement.

The High Court's Reversal. The Supreme Court granted certiorari to review the narrow question of whether a defendant may be liable for inducing infringement of a patent under 271(b) when no one has directly infringed the patent under 271(a) or any other statutory provision. In a unanimous decision that took the Federal Circuit to task for its misinterpretation of precedent, the Court held that the answer is *no*.⁶

The Court's rationale was simple. Under the Federal Circuit's interpretation of 271(a) in *Muniauction*, it was undisputed that there had been no direct infringement of the claimed method. Coupled with established Supreme Court precedent holding that liability for indirect infringement arises *if and only if* there

is direct infringement,⁷ the Court held that the required result is that Limelight could not be liable for indirect infringement.

Calling it a “fundamental misunderstanding” of what it means to infringe a method patent, the Court explicitly rejected the Federal Circuit’s view that direct infringement can exist independently of a statutory violation if a single party could have performed all of the steps claimed. The Court found support for its position in Section 271(f)(1), which imposes liability for active inducement of the combination of components outside the United States in a manner that would infringe the patent *if such combination occurred within the United States*. According to the Court, this section demonstrates that Congress knew how to impose liability for inducement of an activity that itself does not constitute direct infringement. Congress had not done so in the context of divided infringement of method patents.

The Fate of *Muniauction* and Divided Infringement. The *Akamai* decision constricts the doctrine of inducement as applied to method claims and opens the door for entities to avoid liability by simply encouraging—but not requiring—their customers to perform one or more claimed steps. The Supreme Court acknowledged that its decision allowed a would-be infringer to evade liability by dividing performance of a method patent’s steps among independent parties, but blamed the Federal Circuit’s *Muniauction* decision for that result, inviting the Federal Circuit to revisit its interpretation of Section 271(a) on remand. The Federal Circuit may have an opportunity to do so when it hears argument on remand on September 11, 2014.

It remains to be seen whether the Federal Circuit will accept the Supreme Court’s invitation and perhaps lower the threshold of control required to constitute direct infringement of a method patent, or whether Congress will step in and propose amendments to the Patent Act to close the loophole of divided infringement. In the meantime, both patentees and potential infringement targets should be cognizant of the limited scope of liability for infringement of a method patent when multiple actors are involved. Additionally, because liability can be circumvented by performance of a single step by an independent actor, patent drafters should avoid drafting claims that can be performed piecemeal by multiple independent parties.

Nautilus v. Biosig Instruments

In *Nautilus*, the Supreme Court analyzed the definiteness requirement for patent specifications. Finding the Federal Circuit’s rule invalidating only claims that were “not amenable to construction” or “insolubly ambiguous” incompatible with the patent law’s public-notice requirements, the Court issued a new requirement that claims must inform those skilled in the art about the scope of the invention with *reasonable certainty* when viewed in light of the specification and prosecution history.

Background. The definiteness requirement set forth in 35 U.S.C. § 112 serves a primary purpose of ensuring that the public is informed of the boundaries of the patentee’s monopoly rights, and also instructs the public as to what is and is not infringement. The patentee must provide a written description that particularly distinguishes his or her invention or discovery from other things already known or in use and must particularly point out and distinctly claim the subject matter of that invention. Under the prevailing “amenable to construction” or “insolubly ambiguous” test, if a court could find some interpretation of the claim that fit the inventor’s written description, the claim could not be found invalid for being indefinite.

In *Nautilus*, the patent disclosed a heart rate monitor for use on exercise equipment. Exploiting the discovery that conventional heart rate monitors could not isolate the electric signals emitted by the heart (which they intended to measure) from the electric signals produced by other muscles, the patent disclosed an improved monitor that could isolate the heart signals. The invention required that each of the exerciser’s hands come into contact with two electrodes “mounted ... in a spaced relationship with each other” on a cylindrical bar. The inventor, in explaining how the claim term was sufficiently definite, explained that a skilled artisan would use trial and error to figure out the correct spacing required to isolate heart signals from other muscle signals.

The patent’s owner, Biosig, asserted the patent against rival exercise equipment maker Nautilus. Nautilus responded that “mounted ... in a spaced relationship” did not meet the definiteness requirement and argued successfully to the District Court that the term did not tell the public “what precisely the

space should be” or supply any parameters for determining the appropriate spacing.

The Federal Circuit disagreed, finding the patent valid under its “amenable to construction” or “not insolubly ambiguous” test. A panel majority, finding an interpretation that fit, held the patent claims valid.⁸

The Supreme Court’s Yardstick for Indefiniteness. The Supreme Court reversed the Federal Circuit. As in *Limelight*, the Court turned to the language of the statute for support. In its view, the Federal Circuit’s “not amenable to construction” or “insolubly ambiguous” test lacks the precision required by Section 112 ¶ 2.⁹ The unanimous opinion explained that in order to “particularly point[] out and distinctly claim[]” subject matter, as Section 112 ¶ 2 requires, “a patent must be precise enough to afford clear notice of what is claimed, thereby apprising the public of what is still open to them.”

The Supreme Court explained that patent claims, “viewed in light of the specification and prosecution history, [must] inform those skilled in the art about the scope of the invention with reasonable certainty.” It is important to note that the Court, while changing the verbal construction of the indefiniteness test—from “not amenable to construction” or “insolubly ambiguous” to “reasonable certainty”—did not purport to apply the test to the patent in the case. Instead, the Court vacated the judgment and remanded to the Federal Circuit for further application of the newly announced formulation of the test. In briefing that has taken place in the *Nautilus* case on remand, the parties have disagreed as to whether the change in the verbal formulation of the indefiniteness test actually merits a change in outcome, with *Nautilus* taking the position that the changed test should also change the result, and *Biosig* urging that, notwithstanding the “not amenable to construction” or “insolubly ambiguous” formulations of the indefiniteness test that have now been discarded, the Federal Circuit’s earlier panel decision took “precisely the approach that the Supreme Court has now mandated” by its “reasonable certainty” test. Accordingly, how much—if any—the “reasonable certainty” test changes existing law will be a question for future cases, including, most immediately, the proceedings on remand in *Nautilus* itself.

Implications for Patent Prosecution and Litigation Plaintiffs.

Nautilus signals what may be a significant change. The long-standing rule required a court to invalidate claims only when no single construction could be found for a term, which acted to preserve the validity of a patent. A little ambiguity was acceptable as long as the claim was amenable to some construction and was not insolubly ambiguous. As a result, patent drafters had leeway to draft ambiguous claims that competitors could not readily ascertain whether their devices or practices remained clear of infringement. Once granted, litigation plaintiffs could stretch an ambiguous claim to cover their intended target.

The new rule, on the other hand, does not attempt to save a patent in the presence of ambiguity. Taking note that the “insolubly ambiguous” standard incentivized introducing some (but not too much) ambiguity in their claims, the Court took aim at patent drafters as being in the best position to resolve the ambiguity. The Court expressed a goal to eliminate the patent drafter’s temptation to be vague and ambiguous. Under the new formulation, a patent will be found invalid if the public cannot determine with reasonable certainty the boundaries of the patented invention. Being open to multiple interpretations (and choosing the one your competitor practices at trial time) was once a viable litigation strategy, but now makes the patent vulnerable to significant indefiniteness challenges.

Taking heed of the Supreme Court’s admonition that the patent drafter is in the best position to resolve any ambiguity, it is incumbent on patent prosecutors to draft clear, definite claims that are less open to interpretation. In particular, a patent drafter must be mindful of how much trial and error a specification must require for practitioners to successfully practice the invention.

Octane Fitness v. Icon and Highmark v. Allcare

In *Octane Fitness, LLC v. ICON Health & Fitness, Inc.* and *Highmark, Inc. v. Allcare Health Mgmt. Sys., Inc.*, which were argued and decided together, the Supreme Court analyzed the “exceptional case” fee-shifting provision of 35 U.S.C. § 285. Finding that the Federal Circuit’s rule to determine exceptionality was unduly rigid, the Supreme Court significantly relaxed the definition of an exceptional case to be

“simply one that stands out from others with respect to the substantive strength of a party’s litigating position ... or the unreasonable manner in which the case was litigated.”

Background. Section 285 of the Patent Act allows a court to grant a prevailing party an award of its attorneys’ fees in “exceptional cases.” However, the Federal Circuit’s 2005 *Brooks Furniture* opinion held that recovery of fees under Section 285 was limited to only two conditions: “when there has been some material inappropriate conduct” or when the litigation was both “brought in subjective bad faith” and “objectively baseless.”¹⁰ Additionally, the Federal Circuit, finding the exceptionality of the case to be a mixed question of fact and law, had determined that an exceptionality determination would be reviewed *de novo* on appeal.

ICON Health & Fitness Inc., an exercise equipment manufacturer, sued rival Octane Fitness, LLC as it prepared to launch a new product. ICON had never commercially exploited its patent, and discovery produced documentation that ICON had asserted the patent “as a matter of commercial strategy.” Octane Fitness successfully argued at the district court that its machines did not infringe ICON’s patent, and subsequently moved for attorneys’ fees pursuant to Section 285. The District Court applied the prevailing *Brooks Furniture* standard and found that Octane’s fee application fell short under that standard. The Federal Circuit affirmed.

The Supreme Court Relaxes the Definition of an Exceptional Case. The Supreme Court reversed. First, as in *Limelight* and *Nautilus*, the Court considered the text of the statute and its history. Taking note that an identical provision appears in the Lanham Act governing trademark law, the Supreme Court determined that the Federal Circuit’s *Brooks Furniture* standard “superimpose[d] an inflexible framework onto statutory text that is inherently flexible.” The Court thus crafted a more permissive rule: “an ‘exceptional’ case is simply one that stands out from others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated.”¹¹

The Court expressly rejected the Federal Circuit’s reasoning in *Brooks Furniture* that led to its rule. *Brooks Furniture* had adopted the standard from a somewhat arcane doctrine in

antitrust law that the Court found was not analogous to Section 285. Furthermore, the Court rejected the Federal Circuit’s application of Section 285 for litigation misconduct as simply mirroring sanctionable conduct pursuant to Rule 11. Under the new rule, the Supreme Court granted district courts the authority to award attorneys’ fees in the “rare” case that a party’s conduct is unreasonable, but not necessarily independently sanctionable pursuant to Rule 11. Finally, the Court vested the district courts with the power to determine that a case is exceptional based on the totality of the circumstances.

A New Standard of Review on the Exceptionality of a Case. Having reintroduced flexibility to the Section 285 analysis, the Court then turned to determining the standard of review appellate courts must adhere to on Section 285 appeals. In *Highmark*, the Federal Circuit reviewed the trial court’s finding of exceptionality *de novo*, and finding that the case was not objectively baseless under *Brooks Furniture*, partially reversed.

The Supreme Court unanimously held that under its new flexible guidance, a district court’s determination of exceptionality is a matter of discretion for the district court based on the totality of the circumstances. In its view, the district courts are better positioned to decide whether a case is exceptional because it lives with the case over a prolonged period of time. Therefore, being a matter of discretion, the Court held that a determination of exceptionality may only be reviewed for abuse of such discretion.

Section 285 is Not Just for Defendants. Many commentators before and after the Court issued its opinion suggested that *Octane Fitness* and *Highmark* would be a weapon for litigants to use against nonpracticing entities. Indeed, the patentee in *Octane Fitness* itself never practiced the asserted patent in any commercial embodiment. Therefore, it can be reasonably said that placing a nonpracticing entity on the hook for a defendant’s claim may serve as a deterrent in bringing a case.

However, the opposite is also possible. Before *Octane Fitness* and *Highmark*, litigation against a nonpracticing entity plaintiff was in large part an exercise in economics: a defendant’s cost to litigate is a central feature of the nonpracticing plaintiff’s settlement position. A relaxed definition of an exceptional case may change the economic calculus.

A patent plaintiff is largely in control over how much it will expose itself to a fee award under Section 285. By selecting the patents it asserts more carefully and comparing such patents to well-researched targets, a nonpracticing entity could neutralize the effects of *Octane Fitness* and *Highmark*. Having done so, Section 285 becomes a weapon.

As had been the case even before *Octane Fitness* and *Highmark*, plaintiffs may assert Section 285 to receive fees from their opponents just as defendants can.¹² With a relaxed definition of exceptionality, nonpracticing entities may see improved chances of success against a defendant that attempts to exert pressure pursuing counterassertions that prove unfounded. By placing the defendant on the hook for its attorneys' fees, while itself being more selective of the patents it asserts, a nonpracticing entity could erode a defendant's negotiation and drive the cost to settle upwards.

Likewise, *Octane Fitness* and *Highmark* raise questions about the treble-damages provision located in 35 U.S.C. § 284. Under that provision of the Patent Act, entitled "Damages," "the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty . . .," but the statute goes on to say that "the court may increase the damages up to three times the amount found or assessed." Under prevailing Federal Circuit law, "an award of enhanced damages requires a showing of willful infringement."¹³ However, the reasoning of *Octane Fitness* and *Highmark* may call this rule into doubt: If the "exceptional case" attorneys' fees provision of the Patent Act (§ 285) is a flexible, discretionary rule, the treble-damages provision of § 284—which provides no textual guidance other than "the court may increase the damages"—may in a future case similarly be held to be a flexible and discretionary standard, not limited to cases of "willful" patent infringement.

American Broadcasting Companies v. Aereo

Occasionally, a technology company may find that it is copyright law, not patent law, that provides the biggest obstacle to commercial success. These recent patent decisions demonstrate the Court's willingness to adhere strictly to the statutory language in order to determine the bounds of patent law. However, in its recent *Aereo* decision, the Court was willing to rely on congressional intent—rather than the plain textual

language of the Copyright Act in isolation—to strike down *Aereo's* business model as a violation of the public performance right conferred by copyright. In reaching this conclusion, the Court focused on the similarities between *Aereo* and cable television providers, whose conduct Congress had explicitly brought within the purview of the Copyright Act by amendment. The *Aereo* decision is a significant victory for broadcasting companies, but its scope and application to other emerging technologies is up for debate.

Background. *Aereo, Inc.* provided a monthly subscription service that allowed customers to view broadcast television programs nearly live. The *Aereo* system used thousands of small antennas located in a centralized warehouse to transmit programs to individual subscribers based on their selections. Once a subscriber selected a program from the *Aereo* website, a single antenna was tuned to that program and the resulting signal translated to allow transmission over the internet with the data stored in a subscriber-specific folder on *Aereo's* hard drive. The resulting personal copy was streamlined to the subscriber on any internet connected device with a delay of a few seconds from the live broadcast.¹⁴ Each antenna could only be used by one subscriber at a time, and a separate personal copy was created for each subscriber, regardless of how many subscribers selected a particular program for viewing.

The peculiar architecture of *Aereo's* system was admittedly designed to exploit perceived loopholes in the Copyright Act, and in particular to conform to a previous Second Circuit decision holding that a similar system did not qualify as an infringing public performance.¹⁵ Bound by precedent, the Second Circuit upheld the legality of *Aereo's* system.¹⁶

"Overwhelming Likeness" to Cable. However, the Supreme Court reversed the Second Circuit in a 6-3 opinion. The Court addressed both prongs of the public performance right—whether *Aereo* was a "performer," and whether its performance was "public." Focusing on *Aereo's* similarity to a cable system and congressional intent in amending the Copyright Act's definition of "perform" to capture the conduct of cable providers, the Court concluded that *Aereo* was itself a performer, not merely a supplier of equipment that allowed its subscribers to perform. The Court rejected *Aereo's* argument that its individualized antennas and personal copies

constituted a bunch of private performances, rather than a public performance. The Court was not persuaded by the “behind the scenes technological differences” carefully orchestrated by Aereo, concluding that Aereo’s commercial objective of picking up broadcast signals and retransmitting them to subscribers is effectively the same as a cable provider. As such, the Court concluded, Congress would have intended to protect a copyright holder from Aereo’s unlicensed activities.

Justice Scalia (joined by Justices Thomas and Alito) wrote a vigorous dissent emphasizing the text of the Copyright Act and criticizing the majority’s “ad hoc rule for cable-system lookalikes.” He agreed with the sentiment that what Aereo did “ought not to be allowed,” but disagreed with what he considered a “distort[ion]” of the plain text of the Copyright Act to prevent it.

What Happens to Aereo? The Supreme Court’s decision may have sounded the death knell for Aereo, as the company made it clear that it had “no Plan B.” In a last-ditch effort to continue its current operations, Aereo tried to use the Supreme Court’s comparison of it to a cable provider to claim entitlement to a compulsory license. The U.S. Copyright Office blocked that move, refusing to process Aereo’s payments on the grounds that it was not a cable system covered by § 111 of the Copyright Act. At this point, it seems Aereo is stuck, deemed too close to a cable provider to avoid liability for copyright infringement, but not close enough to qualify for the compulsory license afforded to cable providers under the Copyright Act. Thus, it appears that Aereo will have to alter its system, negotiate with the broadcasters, or seek legislative change in order to continue operations in its present form.

Implications for Emerging Technologies. The Court was careful to emphasize that its decision was limited to the facts at issue in the Aereo case, and that it was not addressing the legality of other systems such as cloud computing or remote storage. Although the Court went to great lengths to keep its holding narrow, entities on both sides of the issue will undoubtedly attempt to capitalize on perceived ambiguities

of the Aereo decision. Broadcasting companies will argue the similarities of emerging technologies to cable providers, and the owners of such emerging technologies will distinguish their systems from Aereo. One fact that will likely be important in subsequent cases is whether a user has rights to the content streamed on the system.

The Aereo decision was also limited to direct liability for violation of the public performance right. As Justice Scalia noted in his dissent, Aereo’s secondary liability for performance infringement, as well as its primary and secondary liability for reproduction infringement remain open issues. Parties on both sides should also consider the application of those issues to subsequent cases involving emerging technologies. The Supreme Court’s policy-driven decision should also serve as a caution against transparent attempts to exploit perceived loopholes in statutory language through “behind the scenes technological differences.”

Conclusions

Whatever else might be said about the Supreme Court’s recent intellectual-property decisions, there is little doubt that the current Supreme Court is highly attuned to the importance of IP rights in the 21st Century economy, as its recent decisions reflect a growing interest in reviewing—and in many cases adjusting—the scope of these property rights. Certainly, the Court has been quite busy in reviewing—and correcting—the patent-law decisions of the Federal Circuit; the most recent Term’s six patent cases are hardly an anomaly, as the Court has accepted and reviewed 24 patent cases from the Federal Circuit since 2005 (and ruling in almost all of those cases that the Federal Circuit had too generously interpreted the scope of IP rights). The six patent cases decided by the Court in its October Term 2013 fit this pattern perfectly.

At the same time, however, the Court has been more likely to enforce other types of intellectual-property rights, such as copyrights. And it has done so in ways that are arguably in tension with its approach to patent law—the Court’s rigid adherence to statutory text in the patent cases discussed

above stand in sharp relief against the backdrop of its more fluid, “congressional intent” approach in *Aereo*.

The bottom line, though, however simple it may be, is that intellectual-property rights are important, and their importance has now commanded a significant amount of the attention of the U.S. Supreme Court. And that means that many of the established rules have been changed, and more of them may well be up for grabs in the foreseeable future.

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Endnotes

- 1 For more information about the *Alice* case, see Jones Day Commentary “*Alice Corp. v. CLS Bank*: Did the Supreme Court Sign the Warrant for the ‘Death of Hundreds of Thousands of Patents’?”, June 2014, available at <http://www.jonesday.com/alice-corp-v-cls-bank-did-the-supreme-court-sign-the-warrant-for-the-death-of-hundreds-of-thousands-of-patents-06-20-2014/>
- 2 For more information about the *POM Wonderful* case, see Jones Day Commentary “High Court Says Federal Food, Drug, and Cosmetic Act No Bar to POM’s Lanham Act Claim Against Coca-Cola,” June 2014, available at <http://www.jonesday.com/high-court-says-federal-food-drug-and-cosmetic-act-no-bar-to-poms-lanham-act-claim-against-coca-cola-06-16-2014/>
- 3 *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 341 (1961).
- 4 *Akamai Techs., Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301 (Fed. Cir. 2012).
- 5 *Muniauction, Inc. v. Thomson Corp.*, 532 F. 3d 1318 (Fed. Cir. 2008).
- 6 In reaching that decision, the Court declined to review the *Muniauction* decision and accepted it as correct for purposes of its opinion.
- 7 The Court cited *Aro Mfg.* for this well-established rule, noting that that case addressed contributory infringement, not inducement, but finding no basis to distinguish between the two for purposes of its analysis.
- 8 A third panel judge concurred, writing that he would have held the claim valid, but under a different interpretation of the claim.
- 9 Now Section 112(b).
- 10 *Brooks Furniture Mfg. v. Dutailier Intl., Inc.*, 393 F. 3d 1378 (Fed. Cir. 2005).
- 11 In fact, while *Octane Fitness* was a patent case, courts have begun to apply the Court’s new definition of exceptionality to attorneys’ fee requests in trademark cases under the Lanham Act as well based on the shared statutory language noted in *Octane Fitness*. See, e.g., *Reynolds Consumer Prods., Inc. v. Handi-Foil Corp.*, No. 1:13-cv-214, at 14-15 (E.D. Va. July 18, 2014).
- 12 See, e.g., *Cognex Corp. v. Microscan Sys., Inc.*, No. 13-cv-2027, at 5 (S.D.N.Y. June 30, 2014) (granting plaintiff’s motion to find the case exceptional in the wake of *Octane Fitness* and *Highmark*).
- 13 *In re Seagate Technology, LLC*, 497 F.3d 1360, 1368 (Fed. Cir. 2007) (en banc).
- 14 There was also an option for *Aereo* subscribers to record programs and view them at a later time, but that aspect was not at issue in the Supreme Court’s decision.
- 15 *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008).
- 16 *WNET v. Aereo, Inc.*, 712 F.3d 676 (2d Cir. 2013).

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