

LAIPLA BULLETIN

Los Angeles Intellectual Property Law Association

June 2011
Issue 78
www.laipla.net

To contact the LAIPLA:
info@laipla.net
Linda Cain
MCE International
1430 S. Grand Avenue, # 256
Glendora, CA 91740-5400
Tel: 626-974-5429
Fax: 626-974-5439
LAIPLAoffice@aol.com
www.LAIPLA.net

In This Issue

President's Message 1

Article: Uniloc USA, Inc. v. Microsoft
Corp.: The Federal Circuit Rejects the
25% Rule 2

Event Summary: Spring Seminar
2011 3

Employment Opportunities 4

Intellectual Property Services 6

LAIPLA Sponsor Opportunities 8

Membership Applications 9

Upcoming Events

Trademark Bootcamp
October 18, 2011

President's Message

by Alexander R. Schlee

Welcome to the June issue of the LAIPLA Bulletin. For all of you who were there, we had a wonderful time at our joint LAIPLA/SDIPLA Spring Seminar from June 3-5 at the famous Hotel Del Coronado in San Diego. I let the facts speak for themselves:

- Thirty speakers, among these luminaries such as Former Chief Judge Paul Michel and USPTO Director David Kappos.
- Seventeen sponsors donating in total over \$30,000.
- Two cross-marketing sponsors: Los Angeles Women in Intellectual Property and the American Intellectual Property Law Association (AIPLA), the latter having announced our program per e-blast to their 17,000 members.
- Fourteen hours of MCLE-approved presentations to choose among dual tracks on Friday afternoon and Saturday morning.
- Eight all-inclusive social events, the six major ones include one guest per attendee. Our social events included breakfasts on Saturday and Sunday, cocktails on the beach and subsequent Texas Hold 'Em tournament on Friday, lunch, cocktail reception, the dinner event and subsequent bonfire beach party on Saturday.

More details can be gathered below in our meeting summary. This newsletter gives me one more chance to rave about our Spring Seminar Committee: All four of them have really bent over backwards to make this a great Spring Seminar. Again, these are Committee Chair Phil Graves, and Committee members Mark Treitel, Sanjesh Sharma and Nikki Ma. All of them have baffled the LAIPLA board with their motivation and their professionalism with how they organized the event. They did not only do a lot of the hard ground work, but also added to the organization a number of creative ideas, some of which will probably last and enrich LAIPLA for the long future ahead of us. While this is a true team effort involving a much longer list of great players in addition to our Spring Seminar Committee, also from SDIPLA, Mark Treitel has my vote to receive the team ball for pulling off this event. The next Spring Meeting is already on its way for June 8-10 in 2012. Our incoming President Brian Arnold has picked the Torrey Pines Lodge and I am looking forward to it.

The remainder of my message I would like to dedicate to a short recap of this season and an outlook. Including our law school outreach program, we organized in total sixteen events: six monthly meetings, five annual events (Washington in the West program, Judges Night, Litigation Roundtable, Trademark Bootcamp, and Spring Seminar), and five very well attended panel presentations in various law schools as part of our law school outreach program. Apart from that, we took some initiative to lobby for a USPTO satellite office in California, and we were working on some Amicus Brief activities. Notably, we cooperated with a number of other organizations, including the Inns of Court, the Orange County Federal Bar Association, the San Diego Intellectual Property Law Association, the State Bar of California IP Section and the American Intellectual Property Law Association, just to name a few, on various levels of organizing and marketing our high profile meetings. Last but not least, we published the monthly LAIPLA Bulletin, with our special thanks to Oral Caglar, our longtime Bulletin Editor. It is overdue in my messages to mention him. He has turned the Bulletin over the years into a very regularly published newsletter of a quality that deserves the name publication, and he does this work almost every month.

Continued on page 2

President's Message

Continued from page 1

With all that, LAIPLA can claim to be one of the most active local bar associations in the field of Intellectual Property and has been very successful in reaching out to a number of other friendly organizations and universities.

In addition to our eleven LAIPLA board members, LAIPLA is run by over twenty active committee members, plus our professional administrators. A particularly good trend is that we moved over the last few years toward a broader active involvement in the organization from our membership. Remember, we are producing a live performance, not a movie theater, and therefore depend as an organization on a broad base of active involvement from our members. After all, it is a fine ensemble that gives a fine performance. This is where the purpose of organizations like LAIPLA has shifted to some extent in recent years: we do not serve the primary purpose of simply conveying information, and we are well aware that most of it can be pulled from the web. Instead, we offer active roles to our membership and are able to support our members and teach them how to play in the ensemble. Whatever role members want to play in the organization, LAIPLA can offer it and pay back by making active members a part of the show, giving our active members some new contacts and strengthening old contacts, and simply by giving the members a deserved perception of accomplishment. Becoming active in LAIPLA is an investment of your time and effort that pays back. New committee positions are to be filled soon for the next season, so please consider becoming active and let us know – we certainly need you!

Article: *Uniloc USA, Inc. v. Microsoft Corp.*:

By: Sarah S. Brooks
Zuber & Taillieu LLP

The Federal Circuit Rejects the 25% Rule

The view and opinions expressed in this article are those solely of the author(s) and are not of the Los Angeles Intellectual Property Law Association or its members.

The Federal Circuit recently rejected the 25 percent rule in calculating damages and assessing a reasonable royalty. In *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292 (Fed. Cir. 2011), the Federal Circuit found that the 25 percent rule of thumb was an arbitrary rule and was not tied to the particular facts of the case. Therefore, the Federal Circuit reaffirmed its reliance on the *Georgia-Pacific* factors and held that these factors “properly tie the reasonable royalty calculation to the facts of the hypothetical negotiation at issue.”

At trial in the United States District Court for the District of Rhode Island the jury awarded \$388 million to Plaintiff Uniloc in damages based on the testimony of Uniloc’s expert.

Uniloc’s expert largely relied on the so-called 25 percent rule in calculating damages and a reasonable royalty. The 25 percent rule has been used to approximate the reasonable royalty rate that a licensee would offer to pay during a hypothetical negotiation and “suggests that the licensee pay a royalty rate equivalent to 25 percent of its expected profits for the product that incorporates the IP at issue.”

The Federal Circuit found that Microsoft is entitled to a new trial on damages. The Federal Circuit in *Uniloc*, held that as a matter of Federal Circuit law “the 25 percent rule of thumb is a fundamentally flawed tool for determining a baseline royalty rate in a hypothetical negotiation. The Federal Circuit came to this conclusion because such a “rule of thumb” failed to tie a reasonable royalty rate to the facts at issue in the case. In other words, such a rule of thumb did not take into account the unique facts of each case, the particular product industry at issue or other licenses in the same field of technology.

The Federal Circuit in *Uniloc* further emphasized that it is the patentee’s burden to prove damages, and as such, the patentee must rely on license agreements that are similar or comparable to the patented product at issue. The Federal Circuit also reaffirmed its adoption of the so-called *Georgia-Pacific* factors as a guide to determining the reasonable royalty rate, which includes considering licenses granted for the particular patent at issue as well as licenses obtained by the accused infringer. The Federal Circuit held that the *Georgia-Pacific* factors “properly tie the reasonable royalty calculation to the facts of the hypothetical negotiation at issue” and that its rejection of the 25 percent rule is not meant to limit these factors in any way.

The *Uniloc* decision will have a significant effect on calculating damages and a reasonable royalty in patent cases. No longer can Plaintiffs or their experts rely on the 25 percent rule of thumb as a fall-back position. Instead, each Plaintiff and its expert must go through each of the fifteen *Georgia-Pacific* factors in order to calculate a reasonable royalty. This will make calculating a reasonable royalty rate more difficult if there are no prior licenses or examples of licenses in the industry to rely on. In addition, this case will impact early settlements because the 25 percent rule can no longer be relied upon. Instead, the parties may need expert analysis and discovery before they can reach a settlement and agree upon a reasonable royalty rate.

Event Summary: Spring Seminar 2011

By: Mark Treitel

Quinn Emanuel Urquhart & Sullivan, LLP

This year's Spring Seminar, June 3-5, 2011, was a smashing success, on the sandy beaches of San Diego at the world class Hotel Del Coronado. LAIPLA had the honor of co-sponsoring the event with our colleagues to the south, San Diego Intellectual Property Law Association (SDIPLA), who were responsible for providing our keynote presentation and our opening session with leaders in the Biotechnology field. With well over one hundred attendees, in-house attorneys mixed all weekend with patent and trademark litigators, patent and trademark prosecutors, and copyright attorneys.

If there was one theme of the weekend, it was the utmost importance of the patent system to the American economy. Both USPTO Director David Kappos and Judge Paul Michel repeatedly emphasized how over the last few years, the rest of the country realized what patent attorneys have always been aware of: the need for a robust patent system to generate new ideas and create jobs. Director Kappos addressed the changes he's made within the USPTO and took direct questions from the audience. Judge Michel, during his keynote address sponsored by LegalMetric, delivered candid remarks on why all conference attendees should contact their Congressman to fix the flaws in the current America Invents Act.

There were many educational highlights throughout the weekend, as leaders in their respective fields informed attendees on current trends and breaking law. As the Supreme Court handed down high profile patent decisions, presentations such as Inequitable Conduct and Hal Wegner's yearly Patent Year In Review, were literally up-to-the minute, reflecting the latest Supreme Court decisions. Attendees had the opportunity to hear real war stories from A-class patent litigators, as well as learn about how to start their own practices. Besides the concentration of high-quality patent seminars, there were specific sessions on cutting edge Trademark and Copyright issues. Lively debates could always be heard in the hallways, continuing what was discussed in the lectures.

Of course, the Spring Seminar wouldn't be an LAIPLA event without a lively social calendar. We had the pleasure of drinking cocktails on the beach at sunset, a very lively Poker tournament where numerous attendees won an iPad 2 and other great Apple products, and a couldn't miss bonfire on the beach. All attendees are looking forward to the next year's Spring Seminar on June 8-10 at Torrey Pines in La Jolla, CA. See you next year!



Hotel del Coronado, Est. 1888



Alexander R. Schlee
LAIPLA President 2010-2011



Honorable Paul R. Michel
and Spring Seminar guests



Special Guest Speaker
David Kappos



Patent Prosecutor Panel
Harold McElhinny & Adrian Pruetz



Saturday Night Reception

Employment Opportunities

Morrison & Foerster PATENT AGENT

Marketing Statement

Morrison & Foerster LLP is a premier global law firm committed to delivering success for our clients around the world. We achieve that by hiring the best talent for every position in our firm. Our progressive workplace policies and our commitment to diversity and collegiality create an environment ideally suited to teamwork and collaboration. We are proud of our numerous workplace awards, including being named to FORTUNE's 2006 list of Best Companies to Work For, American Lawyer's 2006 "A" list, and for several years running, have been the Vault survey's #1 law firm for diversity.

Department

Agents in the patent group work on a variety of projects, including: drafting and prosecuting patents, preparing invalidity and non-infringement opinions, analyzing patents in support of litigation and adversarial licensing, and performing due diligence for corporate transactions and technology transfers.

Qualifications

Morrison & Foerster LLP is seeking to hire an exceptional patent agent. This is an extraordinary opportunity to join one of the finest law firms representing companies involved in developing and commercializing highly-innovative technologies in the marketplace. Morrison & Foerster works closely with clients from the earliest stages of their technical development, offering valuable advice about how to protect their inventions and ideas in view of business strategies. The successful candidate must have a strong scientific background in electrical engineering with at a minimum of 1-4 years of work experience as a patent agent. Strong writing skills and admission to the USPTO is required.

Availability

Available Immediately

How to Apply

Apply online or through mail.

Recruiting Contact

Attorney Recruiting
Morrison & Foerster LLP
555 West Fifth Street, Suite 3500
Los Angeles, CA 90013
Fax: (213) 892-5454
LAAAttyRecruit@mofo.com

EEO Statement

Morrison & Foerster is an equal opportunity/affirmative action employer.

ASSOCIATE POSITION FOR IP/PATENT ATTORNEY

Law Offices of David L. Hoffman is looking for a patent lawyer with 3 to 5 years experience to be an associate. (See us at www.DLHpatent.com) At least one year patent drafting and IP litigation experience. We handle a variety of technologies—sweet spot in electro-mechanical, business methods, computer, and mechanical. Portable work a plus but not necessary. Very pleasant work environment; no politics. Email resume and cover letter to David@dlhpatent.com.

Employment Opportunities

FITCH EVEN TABIN & FLANNERY, a national Intellectual Property law firm, is expanding its Woodland Hills office. This location is away from the traffic and congestion of downtown Los Angeles. FETF is seeking partners and associates who have established client relationships. We have offices in Chicago, San Diego, San Luis Obispo, Washington, D.C., and Boulder.

To learn more about the firm and our practice, please visit us at: <http://www.fitcheven.com>.

All submissions are held in confidence. For confidential discussion and consideration, please contact:

Barbara La Rocco
Recruitment Coordinator
FITCH EVEN TABIN & FLANNERY
120 S. LaSalle Street, Suite 1600
Chicago, IL 60603
Phone: 312-577-7000
Fax: 312-577-7007

Fulwider Patton LLP is the oldest IP boutique in Los Angeles. Our attorneys have expertise in all facets of intellectual property, including patent drafting, trademark prosecution, copyright registration, trade secret protection, rights of privacy and publicity, infringement and validity opinions, litigation, and the IP aspects of acquisitions and divestitures.

We are seeking partners and counsel who have established client relationships with portable business and are looking to grow their practices on a well known platform with reasonable billing rates.

Our office is centrally located on Los Angeles' Westside, just north of LAX.

All submissions will be held in confidence. If you are interested in joining a dynamic boutique dedicated to helping you grow your practice, please contact:

Kristin Corona
Fulwider Patton LLP
6060 Center Drive, 10th Floor
Los Angeles, CA 90045
Phone: 310-824-5555
Email: KCorona@fulpat.com

Intellectual Property Services



The Intellectual Property Law Section
of the State Bar of California
announces publication of a new
treatise and practice guide

Trade Secret Litigation and Protection in California

New Second Edition



Randall E. Kay
Co-Editor
Jones Day
San Diego, CA

Rebecca Edelson
Co-Editor
Steptoe & Johnson LLP
Los Angeles, CA

Now Available Online at www.ipsection.org

L. Kenneth Rosenthal

Strategic Innovation Services

Intellectual Property Investigations, Litigation Support

909-628-9890

www.Diamondipi.com

Former Head USC Patent and Copyright Office (7 years)

MBA - USC; BS - Physics, MIT; Patent Agent 29697

20 years experience in all phases of Intellectual Property

Intellectual Property Services Offered



J.A. Mortenson Patent Drafting
 since 1985
 Utility and Design Patent Drawings
 Trademark Drawings
 • *Free estimates, Fast and Friendly service* •
 1644 Crystal Rd. Palmdale, CA. 93550
 (661) 273-5177 phone (661) 273-4747 fax
 email - JAM@JAMPatentDrafting.com website - www.JAMPatentDrafting.com



VXL PATENT ILLUSTRATORS

A full service patent drafting company

Patent Drawings

Trademark Drawings

Providing High Quality Drawings:

At low cost; With Quick Turnaround; and Available 24/7

Contact us at :
 VXL Patent Illustrators
 5001 Birch Street, Suite # 20
 Newport Beach, CA 92660
 Tel: 949-260-0440
 949-370-4350
 Fax: 949-266-9479
 Email: singh@vxlpi.com
 Website: www.vxlpi.com

Intellectual Property Risk Management

Source Code Escrow, SEC 17a4, Litigation Discovery

InnovaSafe, Inc.
 800-239-3989 Ext.4-788
www.innovasafe.com - info@innovasafe.com
 "The Business Choice for Global IP Risk Management Solutions"

Bulletin
Published by the Los Angeles
Intellectual Property Law
Association

Editor & Newsletter Chairperson
Oral Caglar
oral.caglar@yahoo.com

LAIPLA

Los Angeles Intellectual Property Law Association

1430 S. Grand Avenue
Glendora, CA 91740
LAIPLAOffice@aol.com
<http://www.laipla.net>

Officers

President

ALEXANDER R. SCHLEE
3770 Highland Avenue, # 203
Manhattan Beach, CA 90266
Tel: 310-545-9851

Vice President & President Elect

BRIAN ARNOLD
18101 Von Karman Ave., Ste 230
Irvine, CA 92612
Tel: 949-679-6400

Secretary

MONICA SCHEETZ
13249 Fiji Way, Unit F
Marina del Rey, CA 90292
Tel: 213-819-5853

Treasurer

MARSHA E. MULLIN
333 S. Hope Street, 16th Floor
Los Angeles, CA 90071
Tel: 213-576-1000

Board of Directors

Darren Franklin
Scott R. Hansen
Brian Horne
Franklin D. Kang
Michelle C. Kim
Keith A. Newbury
Lauren E. Schneider

Administration

Linda Cain
MCE International
1430 S. Grand Avenue, # 256
Glendora, CA 91740
E-Mail: LAIPLAOffice@aol.com
Tel: 626-974-5429
Fax: 626-974-5439

LAIPLA Announces Sponsor Opportunities

Sponsorship: A Good Way To Support LAIPLA and Highlight Your Firm

We have several opportunities for firms or companies to publicize their organization by being a sponsor at one of our upcoming events. Sponsors are needed for our Monthly Meetings (one sponsor allowed each month), at the Washington in the West Program (4-5 sponsors needed), at our Annual Spring Seminar (7-8 sponsors needed), and at Judges Night. If you are interested in being a sponsor by contributing to the general budget, by contributing to a specific event, or by being a tabletop sponsor at the Washington in the West, Spring Seminar or Judges Night, please contact Scott Hansen at 310-824-5555 or shansen@fulpat.com. Show your support, and feature your firm or company at the same time.

Newsletter Submissions

Have a short article, news item, or announcement that you would like to share with the Association? Send your submissions to the Editor of the LAIPLA Bulletin: Oral Caglar, oral.caglar@yahoo.com. Please direct advertising inquiries to the Administrator, MCE International, at LAIPLAOffice@aol.com.

LAIPLA

LOS ANGELES INTELLECTUAL PROPERTY LAW ASSOCIATION

www.laipla.org

Est. 1934

DUES TRANSMITTAL

- FISCAL YEAR: JULY 1 - June 30
(Please update your contact information)

MEMBER DUES

Active	\$105.00
Support Services	\$210.00
Junior and Associate	\$105.00
Student	\$ 10.00

PLEASE MAKE CHECKS PAYABLE TO
LAIPLA

MAIL CHECK OR FAX FORM TO
LAIPLA

1430 S. Grand Avenue, #256
Glendora, CA 91740
Phone 626-974-5429
Fax 626-974-5439
or

YOU MAY PAY WITH A CREDIT CARD
American Express, MasterCard or Visa

I am interested in participating in one or more
of the following committees:

☐ Law School Outreach ☐ Court Watch
☐ Newsletter ☐ Judges' Night
☐ Washington in the West ☐ Spring Seminar
☐ Monthly Meetings ☐ Membership
☐ Litigation/Round Table ☐ Website
☐ Sponsor ☐ Trademark
☐ PTO/LAIPLA Relations ☐ Copyright
☐ Judiciary/LAIPLA Realions

Please feel free to let any potential new
member(s) know that additional blank
membership forms can be obtained at our
website: www.laipla.org

NAME _____

COMPANY _____

ADDRESS _____

CITY, STATE, ZIP _____

TEL _____

FAX _____

E-MAIL _____

ADMISSIONS

California State Bar: No. _____/_____(yr)

Other State Bar: No. _____/_____(yr)

PTO Registration No. _____

MEMBERSHIP TYPE

Active Member _____ Junior Member _____

Student Member _____ Associate Member _____

Support Services Member of the Association _____

AMOUNT PAID*: _____

Check _____ American Express _____

MasterCard _____ Visa _____

Credit Card # _____ Exp. ____/____

Name on Card _____

Signature _____ Date _____

Thank you for your support of the LAIPLA.

* Note: If you are employed by a Firm Member or your company is an Organizational
Member of LAIPLA, then you do not need to pay individual dues.

LAIPLA

LOS ANGELES INTELLECTUAL PROPERTY LAW ASSOCIATION

www.laipla.org

Est. 1934

DUES TRANSMITTAL

FISCAL YEAR: JULY 1 – June 30

FIRM/COMPANY MEMBERSHIP

MEMBER DUES

Firm Membership \$950.00

PLEASE MAKE CHECKS PAYABLE TO

LAIPLA

MAIL CHECK OR FAX FORM TO

LAIPLA
1430 S. Grand Avenue # 256
Glendora, CA 91740
Phone: 626-974-5429
Fax: 626-974-5439
or

YOU MAY PAY WITH CREDIT CARD

American Express, Master Card or Visa

Card Number _____

Exp. Date _____ Code on Card _____

Name on Card _____

Signature _____

Please provide us with your
suggestions or comments:

Please feel free to let any potential new
member(s) know that additional blank
membership forms can be obtained at
our website:

www.laipla.org

FIRM CONTACT NAME _____

FIRM COMPANY _____

ADDRESS _____

CITY, STATE, ZIP _____

TEL _____

FAX _____

E-MAIL _____

FIRM URL _____

California State Bar: No. _____/_____(yr)

* An LAIPLA liaison will contact you to update our records of your
firm's member attorneys

Thank you for your support of the LAIPLA.