



ADLI LAW GROUP P.C.

JUNE 2011 NEWSLETTER



GLOBAL EXPERTISE



CUTTING EDGE APPROACH TO INTELLECTUAL PROPERTY AND BUSINESS MATTERS

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PRESS RELEASE:



The ITC Launches an Investigation of SKC Kolon PI, Inc. and SKC, Inc., Based on Kaneka Corporation's Complaint.

Raymond Chan



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Adli Law Group filed an ITC Complaint on April 1, 2011 on behalf of its client Kaneka Corporation, a leading corporation in the electronic materials field among others, against SKPI and SKC. The complaint alleges that SKPI and SKC have engaged in unfair trade practices by the importation and sale of polyimide film products that infringe at least four of Kaneka's patents (U.S. Patent Nos. 6,264,866, 6,746,639, 7,018,704 and 7,691,961). The Kaneka patents relate to novel polyimide films and methods for manufacturing such films. Kaneka requested that the ITC commence an investigation into SKPI and SKC's use of Kaneka's patents and, among other things, issue an Exclusion Order barring the importation of infringing products, prohibiting further sales of infringing products that have already been imported, and halting the marketing, advertising, demonstration and warehousing of inventory for distribution and use of such imported products in the United States.

After reviewing the complaint filed on April 1, 2011 that the complaint it had filed last month with the U.S. International Trade Commission (ITC) on behalf of Kaneka Corporation ("Kaneka") against SKC KOLON PI, Inc. ("SKPI"), a South Korean polyimide film manufacturer, and its U.S. importer SKC, Inc. ("SKC") has been formally accepted by the ITC.

The ITC is a quasi-judicial Federal agency that offers an alternative, fast-tracked, forum for foreign and domestic owners of U.S. intellectual property rights to seek to block infringing products from the U.S. market. Specifically, 19 USC § 1337 authorizes the ITC to address claims of patent infringement by imported goods and unfair competition related to imported products. The ITC operates with unique rules and procedures that typically result in considerably faster determinations and can provide immediate consequences for importers, manufacturers and sellers of infringing products.

The complaint by Kaneka alleges that SKPI and SKC have engaged in unfair trade practices by the importation and sale of polyimide film products that infringe several Kaneka patents relating to the novel polyimide films and methods for manufacturing such films invented by Kaneka. "We are certainly pleased that the ITC found Kaneka's complaint meritorious and decided to initiate an investigation," stated Dr. Dariush Adli, President of the Los Angeles based IP boutique Adli Law Group that represents Kaneka in this investigation. "Based on the strength and number of the asserted patents, we are confident that the ITC will find in favor of our client," Added Dr. Adli. The trial is expected to be concluded by March 2012.

ARTICLES:



Federal Circuit Raises the Bar for Showing Inequitable Conduct

Ali Shalchi



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On May 25, 2011, the Court of Appeals for the Federal Circuit issued a split decision in *Therasense, Inc. et al. v. Becton, Dickinson & Co. et al*, Case No. 08-1511, that may have a considerable impact on the law of inequitable conduct in patent litigation.

The Court raised the standard for showing inequitable conduct in two ways. First, the Court departed from the prevailing materiality-intent balancing test by requiring a showing of intent independent from the materiality of the alleged conduct. Under the old balancing test, courts assessed inequitable conduct using a "sliding scale" of intent and materiality, wherein a strong showing of materiality lowered the requisite showing of intent, and vice versa. The new standard adopted by the Court requires the accused infringer to show that the patentee/applicant "misrepresented or omitted material information with the specific intent to deceive the PTO." Under this standard, the intent of the applicant will not simply be inferred where the materiality of the misrepresentation or omission is high.

Second, the Court held that materiality must be shown using a "but for" test except in cases where "egregious misconduct" is present. This requires courts to determine "whether the PTO would have allowed the claim if it had been aware of the undisclosed reference."

In *Therasense*, Abbott Laboratories and its subsidiary Therasense accused Becton, Dickinson & Co. and other Defendants of infringing Abbott's patents relating to disposable blood glucose testing strips. Defendants alleged that the patent-in-suit was unenforceable due to inequitable conduct before the PTO, because Abbott had failed to disclose arguments it submitted in a proceeding with the European Patent Office (EPO) relating to a European counterpart patent that was prior art to the patent-in-suit. Defendants argued that Abbott took positions in the EPO proceeding that were inconsistent with those it took with the PTO during prosecution of the patent-in-suit. In disputing the alleged inconsistency, Abbott offered evidence that it reasonably believed that the representations made to EPO were not inconsistent and therefore not material to the PTO's examination.

This decision will be well received by patent plaintiffs, who are faced with the inequitable conduct defense in approximately 80% of patent suits. Also, it may reduce the current practice by patentees to over-disclose material to the PTO based on fear of inequitable conduct claims. In light of the increased evidentiary burden, a reduction in the success rate and/or popularity of the defense is likely.

The PTO immediately responded to the decision by announcing that it was "carefully studying the important en banc decision by the U.S. Court of Appeals for the Federal Circuit in the case of *Therasense v. Becton, Dickinson* to assess how it may impact agency practices and procedures."

EVENTS:



Dr. Dariush Adli, Ph.D., Esq., is the founder and Managing Partner of Adli Law Group P.C. His practice is primarily focused on patent litigation, representing high technology companies in the electrical and mechanical arts, including semiconductor, integrated circuit, computer hardware, architecture, software, digital processing, and communications industries.



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Dr. Dariush Adli recently spoke at the **UIA's Inventor Education Seminar for this year's National Hardware show in Las Vegas, May 9th.** Amongst the attendees were **David Kappos**, under the [Under Secretary of Commerce for Intellectual Property](#) and Director of the [United States Patent and Trademark Office](#) (USPTO). Dr. Adli's presentation "The Many Different Ways to Protect an Invention" was well received by some of the best known professionals in the industry.



UIA INVENTOR
Spotlight

The event also included topics from selling to retail buyers, the Patent Office and what it does for inventors, to understanding the world of ASOTV. <http://www.nationalhardwareshow.com/en/Special-Events/UIA-Inventors-Awards/>. Following the event, Dr. Adli hosted a dinner in honor of Mr. Kappos which also included a list of more than 20 guests.

Dr. Dariush Adli recently returned from Taiwan following his appointment as an Adjunct Professor of Intellectual Property Law and Technology at the **National Tsing Hua University (NTHU)**. Additionally, during his visit, Dr. Adli also gave a seminar at CNFI (**Chinese National Federation of Industries**) on **May 27th**. The topics of his presentation included negotiations and ITC litigation outlining how the ITC is different from District Court litigation in the United States as well as the requirements of instituting an ITC action.

Dr. Dariush Adli held a workshop at the **Center for Intellectual Property (CIP) FORUM 2011 in Sweden held from May 29th through June 1st**. The event gathered leading world experts representing a broad spectrum of disciplines, who shared their knowledge of the and experience toward advancing knowledge-based business and innovation. Dr. Adi's workshop entitled "Modern IP Portfolio Management Strategies" focused on cutting edge strategies for identification, protection and exploitation of IP assets and creating new wealth from these assets. The workshop provided practical strategies and mechanisms for small, medium and large businesses to take maximum advantage and create new wealth from their existing and potential IP assets. The program's approach and perspective were of interest to the workshop participants, who included representatives of the business community and entrepreneur. <http://www.cipforum.org/program/from-the-program/workshops/workshop-modern-ip-portfolio-management-strategies>.



UPCOMING EVENTS:

Dr. Dariush Adli is scheduled to speak at the **Society of Iranian American Engineers and Architects** on Tuesday, **June 7th** at **6:30 p.m.** Dr. Adli will speak on the topic "**Cutting Edge Approach to Intellectual Property and Business Matters**".

Dr. Dariush Adli is scheduled to attend **INPEX**, the world's pre-eminent Invention & New Product Exposition that is held in Pittsburgh, Pennsylvania, each year. INPEX provides a forum for inventors from around the world to exhibit their inventions and attempt to make contacts with companies interested in licensing, marketing or manufacturing new products. This year's show will be held **June 15-17, 2011** at the Monroeville Convention Center. Dr. Adli is scheduled to speak to the inventors/exhibitors at the Inventors University on **June 14th**. His presentation is entitled "*What You Need to Know about Licensing Your Invention*". Dr. Adli will also address the INPEX Open Innovation on June 15th. His presentation for this event is entitled "*The Tension Between the Open Innovation Model and Protection of IP rights.*" Dr. Adli has been requested to serve as a judge on the INPEX International Jury, which .



Payam Moradian Joins Adli Law Group, P.C.



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NEW EDITIONS:

Dr. Dariush Adli, founder and President of Adli Law Group P.C., announced this week that **Payam Moradian** has joined the Adli Law Group P.C. as a Senior Associate. Mr. Moradian's very extensive background entails detailed knowledge of intellectual property law, both in the U.S. and many foreign countries. His practice focuses on all aspects of patent prosecution, with emphasis on active pharmaceutical ingredients and dosage forms, antibodies, and petrochemicals. He has in depth experience with due diligence, clearance and opinion work in areas including antibody screening and antibody production, synthetic peptides, peptide purification, refrigerants, active pharmaceutical ingredients and dosage forms.

Prior to joining Adli Law Group, Mr. Moradian served as Patent Counsel for **Nephcor, Inc.**, a medical device company located in Orange County, California which specializes in dialysis and ultrafiltration. He began his career with the Intellectual Property firm of **Kenyon and Kenyon, LLP** in New York where he practiced for nearly nine (9) years.

Mr. Moradian obtained his law degree with honors from Boston University School of Law in 2001. He obtained his B.A. with a Major in Biology and a Minor Chemistry from New York University in 1997. His Biology GPA includes four graduate courses: Biochemistry (A), Cell Biology (A), Toxicology (A) and Environmental Resources (A). His Honors Courses included Chemistry and Organic Chemistry.



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PLEASE TAKE NOTICE

AS OF JULY 1, 2011, ADLI LAW GROUP P.C. WILL BE RELOCATING TO THE 69th FLOOR.
OUR MAIN ADDRESS AND PHONE NUMBERS WILL REMAIN THE SAME:

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If you would like to receive further information regarding the topics in this newsletter, or if you would like to let us know any issues or topics you would like to see addressed in future newsletters.

*Adli Law Group prides itself in offering their clients **premium services at competitive rates**. For more information about Adli Law Group, P.C. please visit www.adlilaw.com. For information on obtaining brochures or other firm materials, please contact Robin Le Grand, Marketing Director, at (213) 623-6546 or you may email her directly at info@adlilaw.com.*

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