

Merchant & Gould

An Intellectual Property Law Firm



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Dan has won trials, secured expedited relief, and succeeded in securing multi-million dollar awards for his clients. He has represented clients ranging from individual inventors to the British Post Office, in cases involving a broad spectrum of technologies, from software, digital imaging, telecommunications and electronics to apparel, aerospace, printing, and materials handling. He has obtained an “exceptional” case finding after trying a patent case to verdict, obtaining attorneys’ fees and punitive damages affirmed on appeal. Dan’s practice areas include: Patent litigation, copyright litigation, trademark/trade dress litigation and trade secret litigation with an emphasis on electronics, software, and Internet issues. Dan serves as the Chair of Merchant & Gould’s Litigation Practice Group.

Dan has been recognized by *Chambers USA* as one of the Leading Individuals in IP Litigation in Minnesota and is a *Minnesota Law & Politics* Super Lawyer.

Education

University of Minnesota
B.S.E.E., high distinction, 1982

University of Minnesota
J.D., magna cum laude, 1985

Bar Admissions

Minnesota State and Federal Bars, 1985
U.S. Patent and Trademark Office, 1986
U.S. Supreme Court
U.S. Court of Appeals for the Seventh Circuit
U.S. Court of Appeals for the Eighth Circuit
U.S. Court of Appeals for the Tenth Circuit
U.S. Court of Appeals for the Federal Circuit

Atlanta

Denver

Knoxville

Madison

Minneapolis

New York

Seattle

Washington DC

Daniel W. McDonald (Continued)

Professional Affiliations

Minnesota State Bar Association
Past Council Member and President, Computer Law Section

Minnesota Intellectual Property Law Association
Past Chair, Litigation/CAFC/ADR Committee (1997-1999)

University of Minnesota Institute of Technology Alumni Society
Past President

Minnesota Alumni Chapter of Tau Beta Pi
Founder and Past President

University of Minnesota Alumni Association
Marketing Committee

Recent (2004-2011) Cases

ePlus v. Lawson (E.D.Va. 2011) Represented defendant in case involving allegation of infringement of three electronic procurement system patents. Successfully moved to exclude plaintiff's damages expert, who sought over \$25 million in reasonable royalty damages. Also successfully moved to bar plaintiff from seeking any damages at trial as a discovery sanction under Federal Rule 37. Case went to jury trial in January 2011 with a split verdict finding defendant's core procurement suite not infringing. Case remains pending regarding post-trial relief and appeal.

Atlanta

Boylan v. Automatic Data Processing Inc. (D. Minn 2010): Copyright infringement and breach of contract case. Represented plaintiff, who alleged that defendant improperly copied and used materials from plaintiff's sales seminars and sought millions in damages. Case confidentially settled shortly after filing.

Denver

Rudolph Technology and August Technologies Inc. v. Camtek Inc. (jury trial 2009 in D. Minn., Judge Davis presiding). Represented plaintiff owner of U.S. Patent No. 6,826,298, related to automated inspection of wafers used to fabricate microchips. Defeated summary judgment of invalidity. August Tech. Corp. v. Camtek, Ltd., 534 F.Supp.2d 969, 971 (D. Minn. 2008). After a month-long trial, the jury found in favor of the plaintiff on infringement, validity, and prior art issues, and awarded lost profits of \$6.8 million. The court granted prejudgment interest, raising the award to \$8.0 million, and entered an injunction against Camtek.

Knoxville

Madison

For Your Ease Only, Inc v. Calgon Carbon Corp. et al (No. 07-4034, 7th Cir. March 31, 2009) For Your Ease Only created anti-tarnish jewelry boxes sold primarily on QVC. It sued competitors Calgon Carbon Corp., Product Concepts Company (PCC), and Mark Schneider for tortious interference with business relations arising from the defendants' false assertions of patent infringement. The Federal Circuit Court of Appeals recently rebuffed a related appeal by Calgon and affirmed the rejection of claims from the patent in suit that were amended during reexamination. See, e.g., For Your Ease Only, Inc. v. Calgon Carbon Corp., 560 F.3d 717, 721 (7th Cir. 2009).

Minneapolis

New York

Although For Your Ease Only obtained a \$2.19 million judgment against the defendants in the suit, finalized in 2007, it is still attempting to collect the judgment. The Seventh Circuit appeal relates to that enforcement effort. As described in the Seventh Circuit opinion, the case "immerses us in the world of off-shore finance, shadowy relations among companies, and allegedly fraudulent transfers."

Seattle

One defendant, Mark Schneider, moved to Costa Rica before the final judgment was entered against him and his company, PCC. The District Court found that PCC fraudulently transferred its main asset—the right to payments from the Home Shopping Network for sales of competing jewelry boxes—to an entity called Sevenquest, LLC, also owned by Schneider. That fraudulent transfer finding was not disturbed on appeal. Sevenquest subsequently transferred the right to the payments to Anewco Corp., a cleverly named new company owned by Schneider's brother-in-law, Doug Fournier. The District Court found this second

Washington DC

Daniel W. McDonald (Continued)

transfer was a good faith transfer and denied For Your Ease Only 's effort to collect the \$382,000 in payments HSN owed to Anewco at the time For Your Ease Only served HSN with a citation to aid enforcement of the judgment.

The Seventh Circuit, Wood, J., found in favor of For Your Ease Only, and vacated the district court's denial of relief. According to the Appeals Court decision, because Anewco knew about the judgment against Schneider and PCC and that For Your Ease Only was pursuing the payments to satisfy the judgment, Anewco did not accept the asset in good faith. The transfer of the asset was therefore voidable under the Illinois

Uniform Fraudulent Transfer Act. The Seventh Circuit remanded the case to the district court for further proceedings, paving the way for FYEO to recover the \$382,000 sought.

Calgon dismissed its patent infringement claim in view of the Federal Circuit's affirmance of the PTO's rejections of all of the original claims issued in its patent. With FYEO's claims still pending, the case settled with a payment by Calgon to FYEO of \$4.3 million, with Calgon agreeing to exit the anti-tarnish jewelry organizer business. FYEO still has the right to recover the uncollected portion of its \$2.1 million judgment against Schneider and PCC.

For Your Ease Only, Inc v. CVS Pharmacy and Atico Inc. (N.D. Ill 2008) Represented owner of patent on organizer against accused infringers. Case settled confidentially. Product at issue no longer sold by defendants.

Snap Saver LLC v. Newell Rubbermaid Inc and Target Corp. (W.D. Wis. 2007) Represented plaintiff owner of patent on system of connecting food storage containers and lids. The Court denied the defendant's motion for summary judgment for non-infringement, with the court finding infringement as a matter of law. The case settled with a confidential business deal including a consent judgment acknowledging patent validity and the accuracy of the findings in the summary judgment decision. The patented system now used on Rubbermaid Premier and E-Z Find Lid product lines, among others.

Atlanta

Denver

SoundBite Communications Inc v. Universal Recovery Systems, Inc. (D. Mass. 2007 (Judge Young) & D. Minn. 2008, (Judge Kyle)) Represented patent owner sued for tortious interference for sending letter regarding infringement received by plaintiff about to launch IPO seeking trebled damages of \$60 million. Following countersuit for infringement and seeking to rescind statement of non-liability, case settled with confidentiality.

Knoxville

Mostly Memories Inc. v. For Your Ease Only Inc. and QVC Inc. (N.D. Ill 2005, Judge Castillo) Representing defendant inventor who sells a variety of products featured on QVC. Client was sued for 47 counts of copyright infringement and several related claims. During my deposition of plaintiffs' president, the president recanted several allegations of the complaint which she had verified under oath. Plaintiffs' counsel stopped deposition and moved to voluntarily dismiss all of the plaintiff's claims with prejudice in view of the admissions. The motion was granted. When the district court denied our request for fees and dismissed our counterclaims without prejudice to refilling in Missouri, we appealed to the Seventh Circuit and won a reversal with instructions to award fees under the Copyright Act and reinstate our counterclaim. *Mostly Memories, Inc. v. For Your. Ease Only, Inc.*, 526 F.3d 1093 (7th Cir. May 27, 2008). The Seventh Circuit found that For Your Ease Only was entitled to attorney's fees as the prevailing party even though the plaintiff voluntarily dismissed its claims. The case continued regarding For Your Ease Only's counterclaims.

Madison

Minneapolis

New York

Advantus Capital Management et al. v. Aetna, Inc., (0:06-cv-02855, D. Minn., Judge Rosenbaum). Represented plaintiff owner of ADVANTUS trademark for investment-related services. Moved for preliminary injunction to stop Aetna from using ADVANTUS for health plan-related services. Secured immediate and complete preliminary injunction in August 2006.

Seattle

Mostly Memories, Inc. v. For Your Ease Only, Inc., QVC, Inc. et al. (1:05-cv-07058, N.D. Ill., Judge Castillo). Represented several defendants as lead counsel in case involving 47 claims of copyright infringement and other claims including breach of contract, unfair competition, trade secret misappropriation, breach of fiduciary duty, etc. After deposing president of plaintiff, plaintiff acknowledged

Washington DC

Daniel W. McDonald (Continued)

its claims had no merit and, in May 2006, voluntarily dismissed, with prejudice, all its claims against all parties, leaving defendants to pursue their counterclaims. A fee petition is pending.

Primevest Financial Services, Inc. (division of ING) v. Partnervest Financial Group, Inc. (0:05-cv-189, D. Minn., Judge Tunheim). Represented plaintiff asserting infringement of PRIMEVEST trademark. Following depositions of the executives of defendants, defendants agreed to stop using the PARTNERVEST mark and the case settled.

National Graphics, Inc. v. Travel Tags, (04-cv-0023, E. D. Wis., Judge Adelman)
Represented defendant in case involving five patents for digital imaging technology. Case settled after Markman hearing involving special master.

Represented client regarding 50+ patent portfolio of **Ronald A. Katz Licensing, LLP**, related to automated telephone answering systems.

For Your Ease Only, Inc. v. Calgon Carbon Corp., et al. (02-c-7545, N.D. Ill., Judge Andersen). Represented declaratory judgment plaintiff against patentee and related entities, seeking to have patent declared invalid and not infringed, and seeking damages for interference with business and other claims. Secured \$2 million-plus default judgment against 2 of 3 defendants. Brought reexamination of patent-in-suit, eliminating all past damages and assisting inequitable conduct defense. Case stayed pending patentee's appeal of final rejection at U.S. Patent and Trademark Office (PTO). Also won motion before court in Chicago piercing attorney-client privilege for prima facie fraud at the PTO.

Lead counsel in software license dispute in **ICC arbitration** for Canadian software company and Japanese distributor.

Atlanta

Brandtjen & Kluge, Inc. v. Weidhaas Group Corp., (04-3421, D. Minn., Judge Tunheim). Represented plaintiff in trade dress case involving printing presses. Case settled favorably.

Denver

Protel, Inc. v. Gateway Cos., Inc. and Gavel & Gown Software (No. C 301-443, S.D. Ohio, Judge Rose). Represented defendants in patent infringement case involving software. Case resolved favorably following settlement and denial of plaintiff's motion to reopen dismissed action.

Knoxville

Reg Oklahoma (later Advanced Card Technologies div. of General Patent Corp.) v. Taylor Corp., (No. Civ-02-981-T, W. D. Okla., Judge Thompson). Represented defendant in patent infringement and trade secret case involving two patents on phone cards. Case stayed pending reexamination in which all reexamined claims of the original patents were rejected, eliminating past damages. After stay lifted, case settled following deposition of inventor regarding declarations filed at PTO.

Madison

Jeff Anderson and www.mnschools.com v. Advanced Access, Inc., et al., (03-2908, D. Minn., Judge Rosenbaum). Represented defendant in copyright infringement case involving website framing. Case settled during summary judgment motion hearing.

Minneapolis

Digital Replay, Inc. v. Travel Tags, Inc. (D. Minn. Judge Davis). Represented declaratory judgment plaintiff in patent case involving lenticular printing. Claims included claim for equitable ownership of defendant's patent. Settled while summary judgment motions pending.

New York

Other Cases of Note

Seattle

B.F. Goodrich and Rosemount Aerospace v. Auxitrol SA. and Esterline Technologies (00-cv-43, D. Minn., Judge Davis). Represented plaintiffs in trade dress case involving total air temperature sensors for jets. Defeated motion to dismiss for lack of jurisdiction despite no sales of infringing product in forum state. Case settled favorably.

Washington DC

Compression Labs v. Jasc Software et al. (2:04-cv-158, E.D. Tex., Judge Folsom). Represented one of several defendants in patent case involving image compression technology. Case settled favorably.

Daniel W. McDonald (Continued)

Susan Maxwell v. J. Baker Meijer Inc., Pamida, Angel-Ettes of California, Dollar General, Family Dollar, et al. Represented individual inventor of patented shoe connection system used on billions of dollars worth of shoes sold at discount stores. Secured several seven-figure licenses and settlements following litigation efforts over several years including two jury trials which returned willful infringement verdicts and exceptional case findings leading to enhanced damages and attorney fees recovery. See, e.g., *Maxwell v. J. Baker, Inc.*, 86 F.3d. 1098, 39 USPQ2d 1001 (Fed. Cir. 1996).

Malt-O-Meal v. Quaker and Rubbermaid (3-96-cv-104, D. Minn., Judge Magnuson). Represented plaintiff in tortious interference/unfair competition case. Following jury verdict (in excess of actual damages requested) of \$9.2 million, and second trial resulting in \$22.5 million verdict for punitive damages, case settled favorably.

M.I.T. v. Jasc Software et al. (5:01-cv-344) E.D. Tex., Judge Folsom). Represented one of several defendants in case involving color printing patent. One of three counsel presenting argument on behalf of dozens of defendants at Markman hearing. Case settled favorably after Markman hearing.

Have represented Calvin Klein Cosmetics Corp.'s OBSESSION® perfume and Major League Baseball/Minnesota Twins in matters involving preliminary injunctions and Temporary Restraining Orders (TROs) including John Doe TRO during World Series.

The (British) Post Office vs. Portec Inc., (D.Col. Judge Finesilver, trial conducted by Judge Seay of Oklahoma, sitting by designation). Represented plaintiff in trade secret misappropriation jury trial against Colorado-based defendant in Colorado. Judgment entered on jury award of \$1.5 million+ in compensatory and punitive damages. Court also awarded attorney's fees as "exceptional case." Appeal remitted part of punitive damages award as excessive, and affirmed all other aspects of award.

Atlanta

Represented clients in litigation, evaluations of patent infringement, evaluations of licensing potential, and advising on enforcement strategies regarding patents, trademarks, and copyrights involving: expert systems software, computer operating systems, Internet-related software systems, apparel, color merchandising systems and aids, database generating and searching systems, ethanol production, heaters, snowblowers, financial newsletters.

Denver

Selected Articles, Treatises, and Presentations Authored

Knoxville

LexisNexis® Intellectual Property Law Center Podcast featuring Dan McDonald of Merchant & Gould on In re: Bilski, Published on Apr 28, 2009 in Politics

Madison

Does Phillips v. AWH Corp Take the Life Out of the "Life and Meaning" Test for Whether Claim Preambles All Limitations? AIPLA Quarterly Journal, June 2007, with H. Kliebenstein

Fighting the Modern Patent Wars, IP Today, January 2007, page 7

Minneapolis

Supreme Court Decision Gives Licensees Leverage, IP360, March 2007

Why Aren't Experts Fees Recoverable in Patent Cases? Journal of Patent Office Society, Vol 84, No. 4, April 2002

New York

Beyond Rule 11: The Case For Full Early Assessment
Co-authored with Joseph E. Lee, IP Law 360 - December 4, 2007

Seattle

Copyright Infringement: Risks Are Increasing Online
Forbes - Apr 18, 2005

The power of patent reexams: An underused weapon in the accused infringer's arsenal
The Patent Lawyer - May 2004
APLF Roundtable - 2004

Washington DC

Practical and Legal Issues in Utilization of Non-attorney Technologists: A Litigation Perspective
2004 AIPLA Spring Meeting Presentation

Daniel W. McDonald (Continued)

Smart Pills: Setting Rules After Rambus
IP Law & Business - October 2003

Presentation on Trade Dress Protection in the Wake of the Supreme Court's Traffix Decision
APLF Roundtable - July 2003

Protect the Better Mousetrap
Minneapolis Star Tribune - January 2003

Trade Dress Law
Aspen Law & Business (chapter regarding litigation from plaintiff's perspective)

Various Seminars Including

Panel on Willful Infringement Post –Seagate, MIPLA Stampede, May 2008

Co-Chair, AIPLA Advanced Patent Litigation Road Show, June 2008, speaker on patent reexams from accused infringer perspective

Panel on Patent Litigation Tough Issues, Midwest IP Institute, September 2008

Speaker, Patent reexams and litigation from accused infringer prospective, various forums.
Patent Litigation, Chair of Program for MIPLA

Hosted ABA - IP Section Roundtables on doctrine of equivalents, trademark damages, fair use, and other topics

Atlanta

Presentation on Internet IP issues including domain name protection (various groups)

Copyright authorship/ownership (MSBA)

Denver

Software patents (Minnesota CLE)

Increased royalty damages for patent infringement (AIPLA)

Knoxville

Madison

Minneapolis

New York

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