Greetings from the Intellectual Property Law Section of the Federal Bar Association! Some of you may recall that we used to include communications law within our section as well. In a survey of our section membership in October 2010, nearly all of you reported that you were practicing intellectual property law. Consistent with this focus, our section board proposed that communications law be excluded from our section, and that change was approved by the national board in January 2011.

Our spotlight for this issue is patent law. In his article “Navigating False Patent Marking Suits,” Justin Cohen looks at nuisance lawsuits from “false-marking trolls.” These plaintiffs bring lawsuits against anyone who marks their products with expired patents, even though this marking is usually inadvertent. Cohen offers a great introduction to the strategic concerns presented by these lawsuits, as well as a pragmatic assessment of the costs to settle or litigate.

Rachel Hughey writes on an issue of perennial interest to patent litigators: reasonable royalty damages. “Assessing Reasonable Royalty Damages in a Changing Legal Landscape” reviews several recent decisions from the Federal Circuit. One key concern running throughout these cases is the relationship between actual licensing rates and the effective rates awarded as damages by the courts. This review is an essential guide for litigators, whether evaluating settlements or preparing for trial.

Supplying the prosecutors’ perspective, Mukund Sharma brings us “Problems and Solutions: Patent Prosecution Tools for Litigators.” He supplies some valuable insights regarding why patents are drafted the way that they are, and what litigators can infer from the background or the claims. Through these tools, Sharma proposes some different ways to examine the scope of prior art, as well as the reach of preferred or commercial embodiments.

I once again urge you to get involved with the Federal Bar Association! In addition to publication through our newsletter, we are also soliciting articles for “IP Insight,” the monthly intellectual property feature in The Federal Lawyer, our national magazine. If you are interested in contributing, please send me an e-mail at scott_moriarity@md.uscourts.gov. Keep in mind that our section offers other opportunities for leadership as well. Our section president, Jack Schecter, and the section board are exploring new ways to connect with members. Please take part!
Navigating False Patent Marking Suits

By Justin S. Cohen

Introduction

Not long ago, most IP attorneys hadn’t heard of false patent marking lawsuits or § 292 of the Patent Act. Today, many know that § 292 allows anyone to sue for violating the statute, and that the damages can be astronomical in theory, since the fine for violating the statute can be up to $500 per falsely marked article. Most are now aware of the false-marking trolls that are filing suits en masse over any product they come across.

Without question, the overwhelming majority of these lawsuits are without merit, as most false marking was done by mere negligence or mistake. Only a handful of scoundrels have falsely marked their products with the requisite intent to deceive the public. Nevertheless, most defendants choose to settle rather than face the enormous potential liability. Settling any case requires a thorough analysis, and a false marking case is no different. However, many defendants may obtain more value by litigating these cases, and possibly spend about the same as the cost of settlement.

This article provides a brief overview of the current legal landscape surrounding these false marking suits, and suggests that in many instances, it may be best to fight a false marking case. These cases are not overly complex, can be litigated inexpensively, and most defendants have done nothing to trigger liability under the statute. Further, some defendants may obtain additional value by counterclaiming with a declaratory judgment action, to clear all products that could have possibly been falsely marked. Obtaining a judgment not only ends the current case, but will quickly end any subsequent false marking lawsuit. Unless the law changes, any company that is a target once, is likely to be a target again down the road.

Several valuable lessons can be gleaned from the recent tsunami of false patent marking lawsuits. First, you are likely to be sued if you sell consumer goods marked with expired patents. Even small mom-and-pop shops have been sued over a patent that only expired around 2 years before the lawsuit, showing that false-marking trolls do not discriminate. Second, there is generally no easy exit from these lawsuits. Defendants have attacked the constitutionality of the statute, the plaintiff’s standing, and the sufficiency of the plaintiff’s complaint. Only a few of these arguments have had much success.

Challenging the Complaint

Many defendants have argued that these lawsuits should be subject to the more rigorous pleading standard of Rule 9(b) of the Federal Rules of Civil Procedure, which requires a party pleading fraud or mistake to state facts with particularity. The United States recently filed an amicus brief supporting this position. And several district courts have applied the same view. Some courts have actually dismissed a plaintiff’s complaint, but most have simply allowed plaintiffs to amend and move forward with highly speculative pleadings.

If a defendant is fortunate enough to escape from one plaintiff through a Rule 9(b) motion in one court, that same defendant may soon be sued by another plaintiff somewhere else. Each qui tam plaintiff is simply bringing suit on behalf on the U.S. government. Thus, if one fails through a procedural pitfall, another may try a different venue.

Evaluating the Potential Damages

While these new false-marking trolls are successfully obtaining settlements, none have won a substantial damage award. From the December 2009 Federal Circuit decision in Bon Tool to date, there have only been three lawsuits where a party has won an award under § 292—and all three have been between business competitors in the midst of a patent infringement suit. In those cases, when damages were assessed on a per article basis in accordance with Bon Tool, the total fines have been from $6,840 to $228,086.25—a far cry from the millions requested by plaintiffs.

The maximum penalty for false marking is $500 per falsely marked article, and arguably the same for every advertisement as well. After the Federal Circuit remanded Bon Tool, the district court leveled a fine of $180 per falsely marked pair of stilts. The sale price of the stilts were between $103 and $180, and the court decided to “deprive Forest of more than it received for the falsely-marked stilts, fulfilling the deterrent goal of § 292’s fine provision.” The total amount

Justin S. Cohen is an associate in Dallas, Texas, office of Thompson & Knight focusing on IP litigation. He graduated magna cum laude from Wayne State University Law School and received Bachelor of Science degrees in both Electrical and Computer Engineering from Kettering University (formerly GMI).
of the fine was $6,840 for 38 falsely marked stilts. Not exactly worth the cost of litigating that issue.

In Presidio v. American Technical Ceramics, the court fined the defendant $0.35 per capacitor, which meant “penalizing Presidio at a rate of about 32 percent of Presidio’s overall average sales price of $1.07 per BB capacitor.” The total fine was $228,086.25. Again, this was in the context of a patent infringement case with a count of false marking under § 292. While $228,000 is not pocket change, it is not millions. Nor did the court assess a fine anywhere near the statutory maximum of $500 per article or more than 100 percent of the sales price.

In Custom Designs v. Alsa Corp., another patent infringement case, a magistrate judge suggested a 10 percent fine per article, amounting to a total fine of $7,138 on sales of $71,379.5 Plaintiff wanted a full $500 fine per article, but the magistrate stated, “Ordering a defendant to pay in excess of $500,000 in penalties for $71,379.99 of revenue seems excessive. Therefore, the undersigned recommends that Alsa pay a fine of $6.33 for each instance of false marking.”

While the theoretical damage model may reach into the billions, the reality is much less glamorous. Based on these recent decisions, one may optimistically infer that courts are fully capable of accurately assessing appropriate damage awards in these types of cases. While plaintiffs routinely ask for astronomical damage awards, those types of penalties are not warranted or justifiable based on the facts of the particular case—and it appears that the courts understand this dynamic. Unfortunately, the worst case scenario remains at $500 per falsely marked article, plus further potential liability for advertising the article.

Preparing a Successful Patent-Marking Defense

To win a false marking case under § 292, a plaintiff must show (1) the marking of an unpatented article and (2) the manufacturer’s intent to deceive the public. False-marking trolls primarily sue companies who mark their products with expired patents, which are easy to spot while out literally shopping.

For the purposes of the statute, once the patent for a product expires, the marking on the product is false. But even when this occurs, courts unanimously require a plaintiff to prove that the false marking was done with an intent to deceive the public. As the Federal Circuit discussed at length in Pequignot v. Solo Cup Co., “a purpose of deceit” is required, rather than just knowledge that a statement is false.

This is a high standard, and a plaintiff is not likely to win on mere speculation or a showing of negligence. Solo Cup escaped liability by showing several emails with their outside counsel discussing when they would change their molds, since it was an expensive process. This evidence, coupled with unchallenged testimony, was enough to convince a court that Solo Cup did not have the requisite intent to deceive the public. If there is some modicum of exculpatory evidence, a defendant should win on summary judgment.

If you haven’t been sued yet, be sure to create or update your patent marking program and conduct periodic audits. Document your efforts so you have exculpatory evidence should you become a defendant. Create a paper trail showing the rationale behind marking. It is not essential that you remove markings as soon as a patent expires, but the longer products are in the stream of commerce with expired patents, the greater your chances of being sued. For those with inventory that may be in the marketplace well after the patent has expired, it is essential to document your marking program and your audits.

Once sued, quickly conduct your due diligence to determine what kind of documentary evidence you possess regarding your marking decisions. For most, there may not be much. But if there is some evidence that shows a lack of deceptive intent, this may be enough to escape liability.

The Risks of Negotiated Settlement

Many see settling these cases as the path of least resistance and a way of managing risk. However, without a judgment from the court, or concurrence from the government, you may still be at risk of facing future false marking suits—even for the same goods. A qui tam plaintiff, the relator, can settle his claim, but he cannot settle a claim on behalf of the government and trigger res judicata without the government’s approval.

Unfortunately, § 292 is silent about government participation. Further, unlike the Federal Claims Act, there are no prescribed procedures for government intervention or approval of settlements. The Federal Circuit noted the importance of the government’s involvement in § 292 cases in Stauffer v. Brooks Brothers Inc. While discussing whether the government has the right to intervene in 292 cases, the Federal Circuit stated that “the government would not be able to recover a fine from Brooks Brothers if Stauffer loses, as res judicata would attach to claims against Brooks Brothers for the particular markings at issue.”

Thus, the Stauffer court acknowledged the power of res judicata with respect to judgments, but made no mention of settlements. In fact, it held that the government has a right to intervene and protect its interest in the case. Applying similar logic, settling a § 292 case without government approval or involvement would arguably not trigger res judicata.

Some have suggested that those fearing future lawsuits under § 292 should seek a government settlement before being sued. However, many have commented that even after being sued, they have had trouble obtaining input or a sign-off from the Department of Justice. Thus, obtaining a pre-suit settlement may prove more difficult.

Some may also have reservations about tacitly admitting liability by seeking a settlement, as well as disclosing financials about the falsely marked goods to the government. The Department of Justice may ask for a percentage of sales as a settlement, which can cost more than settling with a qui tam plaintiff. Or the government may wish to see evidence showing that any false marking was done without deceptive intent. And if you decline to settle your claim, those docu-
ments provided to the government may be discoverable later through a FOIA request.

**The Benefits of Litigating to a Judgment**

In the alternative, obtaining a judgment will trigger res judicata for all future claims, but only for the products named in the suit. To fully extinguish all potential false marking claims in one action, a defendant may choose to counterclaim with a declaratory judgment action—seeking a declaration that they have not falsely marked any products with the intent to deceive the public. While this may sound daunting, the evidence surrounding a party’s marking decisions may be the same across all product lines or corporate divisions.

After conducting due diligence, a defendant should assess what kind of evidence can be presented to show a lack of deceptive intent. The defendant then can decide whether to settle or litigate to a verdict.

While some may be concerned about the costs of patent-marking litigation, there are certainly plenty of alternative billing arrangements that may help manage this type of case. For example, you may arrange for a fixed fee or not-to-exceed budget through summary judgment on liability. A defendant could perform a thorough evaluation of internal evidence related to all patent marking decisions, identify the relevant people, and request an estimated litigation budget through summary judgment.

**Conclusion**

Most false marking suits are meritless, and defendants deserve the peace of mind that comes from a court’s judgment. Extinguishing all § 292 claims for all products will buy that peace of mind, and provide strong evidence of a lack of deceptive intent for any future § 292 lawsuits over new products.

**Endnotes**


14Id.

15Pequignot v. Solo Cup Co., 608 F. 3d 1356, 1361 (Fed. Cir. 2010).


17Pequignot, 608 F.3d at 1365.

18Forest Group Inc., 590 F.3d at 1300.

19It was this lack of procedure that led one court to declare that § 292 was unconstitutional. See Unique Product Solutions Ltd., — F. Supp. 2d — 2011 WL 469998 at *5-6.

20Stauffer, 619 F.3d at 1329.
Historically, the Federal Circuit had been hesitant to alter damages awards. But after a string of runaway damages awards, and with patent damages reform on the horizon, the Federal Circuit has taken a renewed interest in damages. The last two years have seen several important damages decisions, starting with the 2009 decisions in Lucent Technologies Inc. v. Gateway Inc. and i4i Limited Partnership v. Microsoft Corp. The Federal Circuit has continued to scrutinize damages awards more than ever, as demonstrated by the the 2010 decisions in ResQNet.com Inc. v. Lansa Inc., and Wordtech Systems, Inc. v. Integrated Networks Solutions Inc., discussed below. As these decisions demonstrate, patentees must be careful about what evidence they rely upon before the district court to support a reasonable royalty award and should be prepared to defend any damages award on appeal.

I. In ResQNet, the Federal Circuit held that the district court’s damages award was based on speculative and unreliable evidence.

In ResQNet, the Federal Circuit vacated the district court’s damages award as based on speculative and unreliable evidence. At a bench trial, ResQNet relied on its damages expert, Dr. Jesse David, who focused on the first two Georgia-Pacific factors: royalties received by the patentee from existing licenses, and other comparable licenses. He relied on seven previous ResQNet licenses. Five of the licenses did not include the patents-in-suit or claimed technology, and they instead provided finished software products and services for royalty rates from 25 percent to 40 percent. The remaining two licenses—which arose out of litigation over the patents-in-suit—were for lump sum payments at a royalty rate “substantially less than” 12.5 percent. Dr. David proposed a reasonable royalty rate of 12.5 percent, explaining that it was “somewhere in the middle” of the re-bundling licenses and the straight rate-based licenses. Lansa did not offer a damages expert in response. After a bench trial, the court awarded $506,305 based on a hypothetical royalty rate of 12.5 percent. The court concluded that the district court’s award relied on speculative and unreliable evidence “divorced from proof of economic harm linked to the claimed invention” and was inconsistent with the Federal Circuit’s damages law. The court explained that the majority of the licenses were problematic because they had “no relationship to the claimed invention.”

The court specifically criticized two parts of Dr. David’s analysis: (1) the extremely high rates in the re-bundling licenses compared with the license on the claimed technology; and (2) the unconvincing reasons he gave for considering them. The court explained that Dr. David offered “little or no evidence of a link between the re-bundling licenses and the claimed invention” and that the district court “made no effort to link certain licenses to the infringed patent.” The court concluded that the downward shift from the re-bundling licenses was an admission that his calculations are speculative without any relation to actual market rates.

The court also noted that the district court appeared to be influenced by Lansa’s decision not to use a damages expert, but explained that it was ResQNet’s burden to provide legally sufficient evidence regarding damages. The court also explained that the most reliable evidence in the case was the straight-rate license on the patents-in-suit, although it recognized that “on other occasions, this court has acknowledged that the hypothetical reasonable royalty calculation occurs before litigation and that litigation itself can skew the results of the hypothetical negotiation.”

II. In Wordtech, the Federal Circuit held that the jury’s damages award was unsupported and based on the wrong royalty base.

In Wordtech, the Federal Circuit vacated a jury’s damages award because it was not supported by the evidence and was based on speculation and guesswork. Wordtech sued INSC for infringement of three patents—the ‘198, ‘298, and ‘932 patents. Wordtech relied on thirteen patent licenses that it granted to third parties for rights to some or all of the patents-in-suit.

Rachel Clark Hughey is an associate with Merchant & Gould in the firm’s Minneapolis office and formerly clerked for Hon. Alvin A. Shall of the U.S. Court of Appeals for the Federal Circuit. She writes extensively on patent law topics and can be reached at rhughey@merchantgould.com.
Royalty Damages continued from page 5

Of the thirteen licenses, two were lump-sum agreements. In one, the licensee paid $175,000 for nonexclusive rights to two of the patents-in-suit and any related or Wordtech-owned patents. The second licensee paid $350,000 for nonexclusive rights to the patents-in-suit. The remaining eleven licenses provided running royalties for some or all of the patents-in-suit. One of the licenses was for a per-unit fee of $100-195. The other ten licenses stated royalty rates in the range of 3 to 6 percent of the licensees’ sales, with rates of up to 12 percent in case of “accounting lapses.”

Several of the license agreements were executed after Wordtech initiated or threatened litigation against the licensees. Wordtech sought at least 12 percent of the $950,000 in accused revenues, or $114,000, in damages, relying on testimony from its president. The jury awarded a lump-sum royalty of $150,000 for infringement of the ’298 patent, $50,000 for infringement of the ’198 patent, and $50,000 for infringement of the ’932 patent, for a total of $250,000. This equated to a 26.3 percent royalty rate.

The Federal Circuit held that the award was not supported by the evidence. Wordtech argued that the jury’s award was reasonable because it was roughly the average of the lump-sum agreements. But the court rejected this argument: “This ‘averaging’ theory is flawed because the two lump-sum licenses provide no basis for comparison with INSC’s infringing sales. Neither license describes how the parties calculated each lump sum, the licensees’ intended products, or how many products each licensee expected to produce.” The court explained that without additional data, the lump-sum licenses offered the jury “little more than a recitation of royalty numbers.”

The court also concluded that the eleven running royalty licenses failed to support the lump-sum verdict. The court acknowledged that running royalty agreements can be relevant to lump sum damages, but explained that “some basis for comparison must exist in the evidence presented to the jury.” The court noted that the verdict reflected a per-unit fee that exceeded $4,400, significantly more than the per-unit fee of $100-195 in a previous license.

With respect to the ten licenses with 3 to 6 percent royalty rates, the court noted that these were far less than the 26.3 percent rate that the jury effectively awarded. The court rejected Wordtech’s argument that the rates actually ranged higher, noting that rates above 6 percent would only result from penalties for accounting lapses. Even a past royalty range of 3 to 12 percent, the court explained, failed to justify a 26.3 percent hypothetically negotiated rate. Further, the court noted that “Wordtech signed several of these licenses after initiating or threatening litigation against the licensees.”

The court further determined that there were problems with the royalty base. The court noted that at trial Wordtech asserted INSC sold $950,000 in infringing products, but on appeal asserted that it was at least $1,278,133, without explaining the change. In addition, the court stated that even $950,000 “is itself suspect” because its president calculated it by using “the second highest value” from INSC’s invoices “as a phantom value.” The court ultimately vacated the damages award and remanded.

III. ResQNet and Wordtech demonstrate that patentees should carefully consider which licenses to rely upon.

As ResQNet and Wordtech demonstrate, the Federal Circuit has not been shy recently about scrutinizing damages awards. The decisions demonstrate that patentees must be careful about which licenses they rely on. In ResQNet, the problematic licenses did not include the patents-in-suit or claimed technology and provided much more than bare patent licenses. In Wordtech, nothing tied the previous lump-sum licenses to a reasonable royalty, and the royalty amount was much higher than previous licenses. While a running royalty license may be relevant to damages sought as a lump sum—or vice versa—a simple recitation of a royalty or a lump sum, without more, is insufficient. There must be some basis for comparison.

Although the Federal Circuit acknowledged the use of litigation licenses before the district court, there was no suggestion that their admissibility or relevance was challenged below. Indeed, the court recognized that litigation can skew the results of the hypothetical negotiation. The cases also demonstrate that while there is no need for a damages expert, it may be prudent to use one, especially in cases where there is the potential for a large damages verdict. By comparison, the defendant in ResQNet did not use a damages expert and had an unnecessarily large verdict against it before the district court. And when the patentee in Wordtech did not use a damages expert, it was unable to defend its damages award on appeal. Of course, the use of a damages expert will not be enough if he or she fails to apply a proper damages methodology.

The lesson from both ResQNet and Wordtech is that patentees should be careful about which licenses they rely on in support of a hypothetical negotiation, and that they should be prepared to defend the damages decision on appeal.

Endnotes

1580 F.3d 1301 (Fed. Cir. 2009).
2589 F.3d 1246 (Fed. Cir. 2009).
3594 F.3d 860 (Fed. Cir. 2010) (per curiam).
4609 F.3d 1308 (Fed. Cir. 2010).
5ResQNet, 594 F.3d at 873.
6Id. at 869-70.
7Id. at 870.
8Id. at 868.
9Id. at 870.
10Id. at 871.
11Id.
12Id. at 872.
13Wordtech, 609 F.3d at 1322.
14Id. at 1320-21.
15Id. at 1319-20.
16Id. at 1320.
17Id. (quoting Lucent, 580 F.3d at 1329).
18Id. (quoting Lucent, 580 F.3d at 1330).
19Id.
20Id. at 1320-21.
21Id. at 1321 (quoting ResQNet, 594 F.3d at 872).
22Id.
23Id. at 1322.
Patents are constitutionally limited to “the progress of science and useful arts.” Consistent with this purpose, a patent is a way of recording ownership of a useful solution to a problem. When assessing the true scope of the inventive concepts in a patent, it is helpful to determine what the underlying problem was, and then identify what solution or solutions were needed to resolve that problem.

Despite the fact that most patents resemble a jumble of technical jargon, these legal instruments are often written with an internal logic that includes a series of problems and related solutions. A litigator can use tools commonly employed by patent prosecutors to interpret the scope of a patent. Analysis of the problems and solutions embedded in a patent may provide a critical perspective into claim limitations as well as issues not immediately apparent from the claims.

A. Identifying Problems and Solutions

This problem and solution analysis requires an understanding of the different functions served by the elements of a patent. A nonprovisional patent application must contain claims, a specification that includes a detailed description (which in turn typically includes a “background” portion) of the invention, and necessary drawings. The detailed description must be particular enough to enable one of ordinary skill in the art to make and use the invention without intensive experimentation. The claims, which set forth the metes and bounds of the invention, must particularly point out and distinctly recite the subject matter which the applicant regards as his or her own invention.

A reader can often ascertain problems that the inventor sought to solve from the background and introductory portions of the detailed description. For example, the background may tell the story of problems that the inventor thinks others have not previously solved. Introductory portions of the detailed description, particularly portions that describe related art, may also provide clues on how to reconstruct problems the inventor encountered.

The solutions of a patent may be found in sections of the detailed description or in novel parts of the claims, as well as in drawings that depart from prior art. Dependent claims may also provide clues to the scope of the problems and solutions underlying a patent. In one sense, the dependent claims may characterize “fallback features,” each addressing a subsidiary problem with a subsidiary solution. Dependent claims may also be intended to cover specific embodiments, either to provide more options for commercialization by the patentee, or to exclude potential competitors.

B. Discerning Limitations from Problems and Solutions

Once the problems and solutions are identified, a close reading of a patent may reveal implicit limitations upon its scope. For instance, the background and the introductory portions of the detailed description may provide a perspective on aspects of the problem that the inventor conceded to prior art.

An inventor may have explicitly or implicitly advanced his or her invention as an improvement over other references, thus conceding the other references as prior art. And if the inventor discusses features of the patented invention that pre-existed in prior art, these admissions can be used to subsequently narrow the scope of claims.

Similar inferences can sometimes be drawn from the preamble and other elements of the claims. As a general rule, if the preamble states an intended use or result, the preamble is not limiting. The preamble and the independent claims, however, may provide insight into whether the inventor unwittingly conceded aspects of his or her solution to prior art.

Further concessions to prior art may be found in the prosecution history, which usually includes publicly available information regarding the merits of the patent. In remarks or amendments during prosecution, the inventor may have made admissions about the claims that were contradicted by subsequent prosecution or litigation. By being aware of the problems and solutions that prompted these admissions, it is possible to evaluate the extent to which the inventor may be estopped from taking contrary positions in litigation.

C. Conclusions

Identifying specific problems and solutions that underlie a
The IP Legal Browser

The Federal Bar Association
1220 North Fillmore Street, Suite 444
Arlington, VA 22201

patent can provide insight into admissions of prior art within the patent and the prosecution history. A patent’s logical structure may also help decipher the frequently highly technical narrative of the detailed description in a patent application.

Problem and solution analysis may also help determine whether a prior patent’s teachings apply to the patent-in-suit. For example, it may clarify discovery issues and provide other investigative avenues for attorneys litigating enforcement or validity, informing allegations of inequitable conduct and other defenses to infringement. By using these and other tools of patent prosecution attorneys, litigators can gain a strategic understanding of what is concededly a very difficult legal instrument to create.

Endnotes

1 See U.S. Const. art. I, § 8.
3 See MPEP § 608.01(g) (citing 37 C.F.R. § 1.71).
4 See MPEP § 2173.05(a)(I).
5 See MPEP § 608.01(f).
6 See Ronald D. Slusky, Invention Analysis and Claiming: A Patent Lawyer’s Guide 194 (2007). This account of problems, solutions, and the structure of patent applications is similar to patent-drafting resources, which note that claims should capture broad parcels of intellectual property, cover wide ranges of embodiments, and prevent competitors from designing around the patentee’s research and development efforts. See, e.g., Faber on Mechanics of Claims Drafting §§ 10.1.1, 10.1.2[B], 10.1.2[c] (6th Ed. 2008).

7 Id. at 53.

8 During examination, for instance, so-called “improvement claims” having a structure like that in Ex parte Jepson may concede all pre-improvement features to prior art. See, e.g., Ex parte Scott, No. 04-0415, 2004 WL 4979178 at *2 (B.P.A.I. 2004) (citing Jepson, 243 Off. Gaz. Pat. Off. 525 (Comm’r Pats. 1917)).

9 See MPEP § 2129 (II) (citing In re Nomiya, 509 F.2d 566, 571 (C.C.P.A. 1975) for the proposition that, where applicant labeled of two figures in the drawings as “prior art,” this was an admission of prior art that existed before the application).
