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INTELLECTUAL PROPERTY LAW ASSOCIATION OF CHICAGO

Summer 2007

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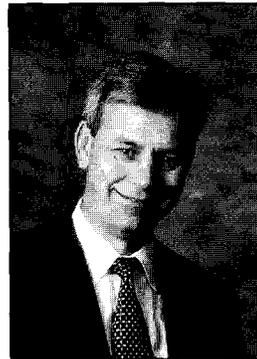
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James Sobieraj of Brinks Hofer Gilson & Lione, IPLAC President

No One Is An Island

I would like to share with you something written by John Donne, the British poet:

No man is an island entire of itself; every man is a piece of the Continent, a part of the main.... Any man's death diminishes me because I am involved in Mankind; and therefore never send to know for whom the bell tolls; it tolls for thee.

I think these words have special application to IPLAC, and why it is important for each of us to be active in an organization like IPLAC. As lawyers, we serve our clients and our judicial system. But we are also part of a larger legal community.

Networking with colleagues outside of your own firm serves a larger purpose. It helps you and your client when you personally know the lawyers you are dealing with in a negotiation or litigation. We work with our fellow lawyers to help the courts with amicus briefs, model jury instructions, and procedure rules in patent and trademark cases. We serve the community by pooling our financial donations to provide scholarships to deserving public high schools students.

The practice of law also is a lot more enjoyable when you have amicable relations with your competitors. It is the epitome of professionalism when, at the end of a hard-fought football game, with each player repeatedly trying to knock down their opponent, members of the winning and losing teams shake hands, share a laugh, and walk off the field as friends. There is no reason why we lawyers cannot display the same level of sportsmanship after a hard fought negotiation or lawsuit.

If you are reading this column, you are probably a member of IPLAC and appreciate the importance of participating in law associations like IPLAC. We need your help this year in spreading the message to inactive members and IP lawyers who are not members of IPLAC.

Two major initiatives this year are to increase the number of IPLAC members, and to increase activity among our IPLAC members. The Board of Managers recently adopted a strategic plan to increase membership. You will see several new initiatives rolled out over the next twelve months.

One of our first initiatives is to designate an "IPLAC Champion" for every firm and company in the Chicagoland area. We will provide the IPLAC Champions with a list of active and non-renewed members for their respective firms, and ask them to encourage their colleagues to renew their membership or to join IPLAC. If you are interested in being an IPLAC Champion for your firm or company, please contact me.

(President's Message continued on page 2)

President's Message (continued from page 1)

We plan to increase participation among IPLAC members with an active committee schedule this year. We have finished the process of selecting the committee chairs and vice-chairs for the current term. All chairs and vice chairs will be asked to submit a plan of activities this summer, and to provide periodic progress reports to the Board of Managers. A list of IPLAC committees, chairs and vice chairs is included in this newsletter. If you wish to join a committee, please indicate your preference in an e-mail sent to admin@iplac.org.

I am very excited about my term as the President of IPLAC. We had a terrific Field Day at a new location in May. We are planning a full-day seminar with Westlaw on October 12th, which will be followed by the Judge's Dinner. The nationally-acclaimed Capitol Steps will entertain us at the Judge's Dinner. Our committees will provide an array of convenient, affordable, CLE-approved seminars throughout the year.

Don't miss out on the many opportunities to participate in IPLAC. If you have any ideas on how to make IPLAC better, contact me at jrs@brinkshofer.com.

It is truly an honor to serve as the President of IPLAC.

Jim Sobieraj, *IPLAC President*

IPLAC Board Reorganization

by James Sobieraj of Brinks Hofer Gilson & Liono

For many years, IPLAC's management structure consisted of six officers (President, President-Elect, Vice President, Secretary, Treasurer and Immediate Past President) and an eight-person Board of Managers. The roles of the officers have been defined by the Association's Bylaws and the nature of the position. The managers' roles, however, have been more ad hoc. All officers and managers were appointed as a liaison for one or more committees, but, again, the assignments tended to be ad hoc.

In an effort to operate in a more strategic and efficient manner, the current Board of Managers has been organized along functional lines. Each Manager has been assigned to a specific field of interest, with the committees in that field reporting to the Manager. Other committees will report to a specific officer with whom they interface most closely.

A chart illustrating the Board organization can be found on page 12.

Request for Articles

If you have an article that may be of interest to IPLAC members and industry leaders, you can be included in the next issue of the newsletter. For information or submission of possible articles, please contact

Avani Macaluso, Rockey Depke & Lyons, LLC, at (312) 277-2006 or amacaluso@rdlklaw.com

William Pegg, Nixon Peabody LLP, at (312) 425-8657 or wpegg@nixonpeabody.com

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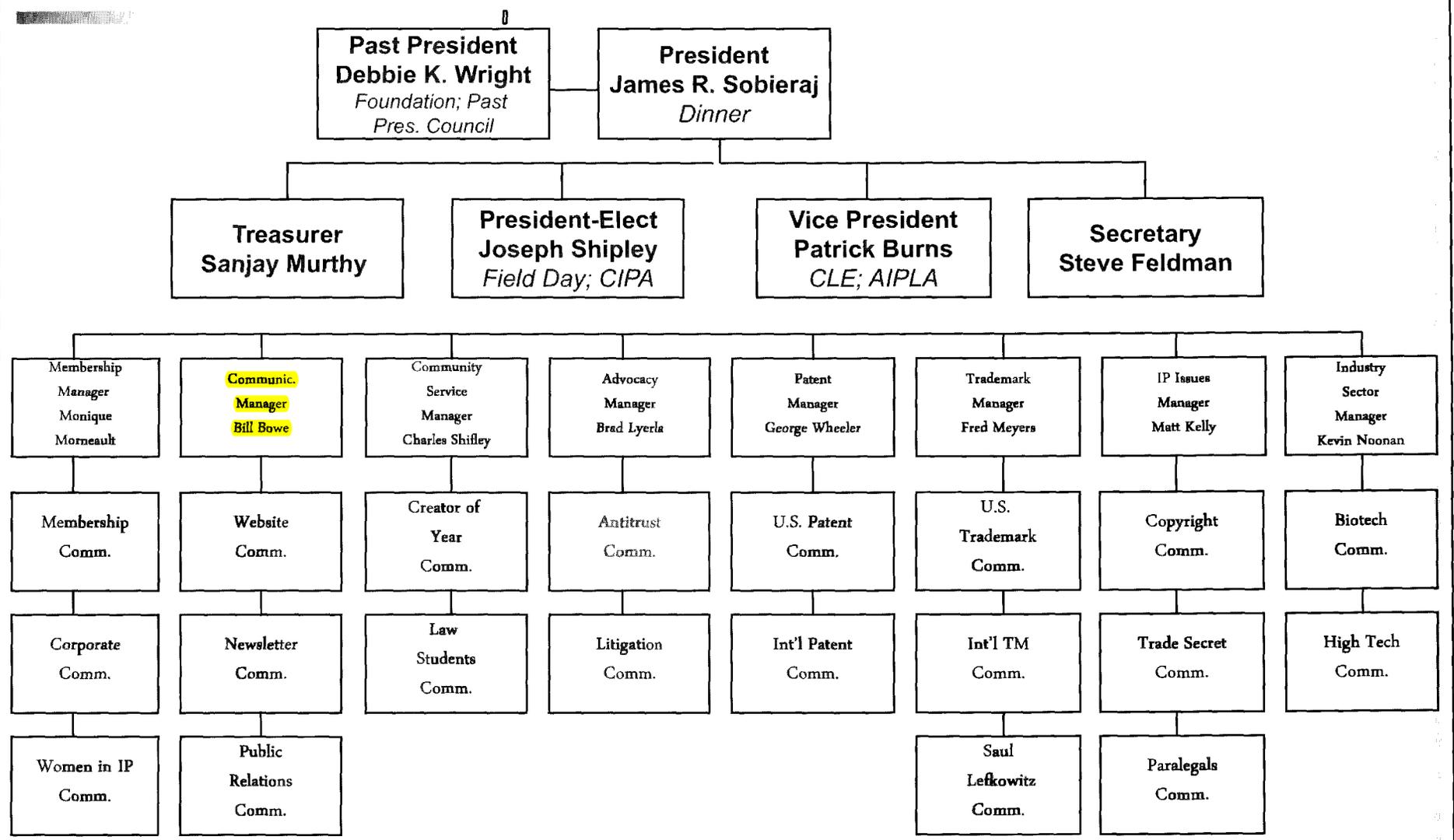
Liaison William J. Bowe



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2007-08 IPLAC Organizational Structure



Inducement of Patent Infringement *continued from page 7*

infringement if “he actively and knowingly aided and abetted someone else to make, use or sell” the patented product. Significantly, the jury instruction goes on to instruct jurors that “[y]ou may find that defendant induced infringement even if there is an express warning against the infringement, if the material containing the warning nonetheless invites the infringing activities under the circumstances.” Thus, it appears that all that is required under the District of Delaware’s instruction to show intent is that the defendant possessed the intent to cause the acts which constitute the infringement, irrespective of the defendant’s subjective belief as to whether its actions constitute direct infringement.

In contrast, the Northern District of California’s model jury instructions clearly incorporate the more demanding *Manville Sales* standard.⁹ The relevant jury instruction adopted by the Northern District of California states “[i]t is not enough that the [alleged infringer] knew only of the acts alleged to constitute infringement, [the alleged infringer] must have known that those acts actually constituted infringement.”

The Federal Circuit’s recent decision, *DSU Medical Corp. v. JMS Co.*, should end the confusion caused by the competing standards. In *DSU Medical*, the court set forth that inducement requires that the alleged inducer: (1) knowingly caused the acts that constituted direct infringement; and (2) possessed specific intent to encourage those acts of direct infringement. Judge Rader, writing the *en banc* portion of *DSU Medical*, made clear that the intent required for liability under § 271(b) was set forth in *Manville Sales*, which requires that the alleged inducer knew or should have known its actions would induce actual infringement.

In addition, while the Supreme Court’s decision in *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*¹⁰ was a copyright case, Judge Rader cited that decision approvingly for its guidance on inducing patent infringement. Judge Rader

wrote that *Grokster* “clarified that the intent requirement for inducement requires more than just intent to cause the acts that produce direct infringement.” Judge Rader also concluded that *Grokster* validated the state of mind requirement that the Federal Circuit previously set forth in *Manville Sales*. Finally, Judge Rader emphasized that the standard set forth in *Manville Sales* requires that the alleged inducer have knowledge of the patent.

Notably, in a concurring opinion, Judges Michel and Mayer wrote that while they agree with the *en banc* panel’s conclusion, they did not think that there was an actual conflict between the standards set forth in *Hewlett-Packard* and *Manville Sales* such that the court needed to address the issue *en banc*. Judges Michel’s and Mayer’s statement that there is no actual conflict between *Hewlett-Packard* and *Manville Sales* is somewhat surprising in view of the fact that both Judges Michel and Mayer were on the *Instituform* panel, which was the first panel to acknowledge the lack of clarity stemming from the *Manville Sales* and *Hewlett-Packard* decisions. Moreover, Judge Michel was on the *MercExchange* and *Golden Blount* panels that also acknowledged, but failed to resolve, the competing standards of intent set forth in *Hewlett-Packard* and *Manville Sales*.

While it took the Federal Circuit a couple of years to go from acknowledging the split in its case law regarding the requisite intent to establish inducement of patent infringement to actually clarifying the standard, after sixteen years of apparently competing standards, there is now one standard. In *DSU Medical Corp. v. JMS Co.*, the Federal Circuit clarified that inducement of patent infringement requires that the alleged inducer: (1) knowingly caused the acts that constituted direct infringement; and (2) possessed specific intent to encourage those acts of direct infringement. In the coming months, this one standard should end the confusion that has percolated for the last sixteen years, and lead to greater clarity in this area of patent law for the benefit of practitioners and district courts alike.

9 Northern District of California Model Patent Jury Instruction 3.10.

10 545 U.S. 913 (2005).

