

IP Group Of The Year: Latham & Watkins

By Ryan Davis

Law360, New York (February 2, 2016, 8:46 PM ET) -- Latham & Watkins LLP's intellectual property group secured an important en banc Federal Circuit ruling that the U.S. International Trade Commission can hear induced infringement cases and got an Ultramercial LLC patent invalidated as abstract following a closely watched fight, landing the group among Law360's list of IP Groups of the Year.



Latham represented Cross Match Technologies Inc. in a suit alleging that South Korea-based Suprema Inc.'s fingerprint scanners infringed its patents. The firm won an exclusion order from the ITC barring imports of Suprema's products, protecting a \$140 million per year market for Cross Match, but the case then faced a lengthy appeal process that established important precedent.

In 2013, a Federal Circuit panel vacated part of the exclusion order, holding that despite established ITC practice, the commission does not have the authority to issue exclusion orders based on induced infringement if the underlying direct infringement occurs only after the devices are imported into the U.S.

The full court took the case en banc and ruled in favor of Cross Match in August, holding that the ITC does in fact have the authority to hear induced infringement cases.

Douglas Lumish, co-chair of Latham's IP litigation practice, said that if the ruling had gone the other way, the ITC's authority to hear patent cases would have been substantially narrowed.

"It goes to an important form of infringement that we see all the time in district court," he said. "This case answered the open question of how these cases will be handled at the ITC. The ramifications for people in the global economy are very, very significant."



Douglas Lumish

In another important case last year, Latham led video game company WildTangent Inc. to victory in a long-running dispute with Ultramercial over a patent on a method of viewing ads in order to access online content. In November 2014, the Federal Circuit ruled that the patent is invalid because it claims only an abstract idea. The U.S. Supreme Court declined to hear Ultramercial's appeal in June.

The case got considerable attention because it had bounced back and forth between the Federal Circuit and the U.S. Supreme Court for several years. As the high court developed the law on what is patent-eligible under Section 101 of the Patent Act in the high-profile Mayo and Alice cases, which have

resulted in more invalidity findings, it told the Federal Circuit to revisit the case after each ruling.

After finding the patent valid in two prior decisions, the appeals court finally invalidated Ultramercial's patent after the high court decided Alice.

"Part of the reason for the back and forth and the long history is that this was a pioneering case in using a motion to dismiss approach to challenging patents on 101 grounds," Lumish said. "That had not been established as an accepted, orthodox approach to a 101 defense."

He noted that the case was litigated for over six years, even though it never got to discovery, and involved the application of important new Supreme Court precedent.

"Mayo and Alice are the major pinnacles of modern 101 law [and] were at the heart of the way this case was fought and won," he said. "It's a testament to our client, who had the commitment to see it through, rather than the normal approach of trying to settle the case."

Latham also used the Alice decision to notch victories for Capital One Financial Corp. in hotly contested cases where it has been accused of infringing patents owned by patent licensing giant Intellectual Ventures Management LLC.

In July, the Federal Circuit upheld a lower court's ruling that two Intellectual Ventures' online banking patents claim only abstract ideas and that Capital One did not infringe a third. That decision came a month after judge in a district court case involving the companies found that other Intellectual Ventures patents similarly fail the Alice test.

Latham's IP group, which has a roster of 106 lawyers concentrated in Silicon Valley, Washington, Chicago and New York, bolstered its capabilities in the life sciences space last year by adding three former Finnegan Henderson Farabow Garrett & Dunner LLP attorneys Casey Dwyer, Michael Morin and David Frazier.

Lumish said that in the life sciences space, "clients are really seeing that patent matters are getting bigger and scarier by the day," making that area a "huge component" of the group's growth strategy.

The group is also aiming to build its presence in tech-heavy Boston market and added former Goodwin Procter LLP attorney Charles Sanders to spearhead that growth, Lumish said.

"We're very blessed to be in a position of being able to add the very best individual lawyers," he said.

--Editing by John Quinn.
