KRATZ, QUINTOS & HANSON, LLP

IP NEWSLETTER

SIGNIFICANT COURT CASES: 2007 YEAR IN REVIEW

Volume II, Issue No. 2

by William G. Kratz, Jr. & Darren R. Crew

余寒お見舞い申し上げます

This issue of our Newsletter continues with an overview that focuses on certain significant court cases in the past year that address significant U.S. patent law issues.

We direct our attention this time to *Microsoft Corp. v. AT&T Corp.*, and *Voda v. Cordis Corp.* In *Microsoft Corp. v. AT&T Corp.*, the U.S. Supreme Court reversed a decision of the U.S. Court of Appeals for the Federal Circuit (CAFC) and determined that the export of a master version of Windows to foreign manufacturers by Microsoft (in either a disc or via encrypted electronic transmission) is not an infringement under 35 U.S.C. §271(f)(1). The master version of Windows exported by Microsoft was used by foreign manufacturers to generate copies, which when installed, enabled a computer to process speech in a manner claimed by an AT&T patent issued in the United States. The Court found that because Microsoft does not export copies of Windows installed on foreign-produced computers, Microsoft does not "supply" such from the United States, as would be covered under §271(f).

AT&T argued that software in the abstract, not just a copy of the software, should qualify as a "component" under §271(f). The Court found that: "[u]ntil it is expressed as a computer-readable 'copy', e.g., on a CD-ROM, Windows software - indeed any software detached from an activating medium - remains uncombinable." The Court compared Windows abstracted from a tangible copy to a detailed set of instructions, similar to a blueprint. A blueprint, while containing precise instructions for construction of a device, is not itself a combinable component of the device. The same would hold true for schematics, templates and prototypes, all of which contain information. Software, uncoupled from a medium, is not a combinable component and §271(f) requires "components" amenable to "combination." Copying and supplying are separate acts with different consequences, especially when supplying is in the United States and copying is in a foreign country. The Court also held that any doubt that Microsoft's conduct falls outside the scope of §271(f) would be resolved by the presumption against extraterritoriality.

In another 2007 case that dealt with the extraterritorial effect of U.S. patents is *Voda v. Cordis Corp.* Here, Dr. Voda sued Cordis Corp. for infringement of three of his U.S. patents relating to guiding catheters for use in cardiology. In his suit, Dr. Voda filed a motion to amend his complaint to add claims of infringement of his foreign patents. Although the district court granted Dr. Voda's motion with regard to his foreign patents, the CAFC concluded that the district court erred in granting Dr. Voda's motion to amend his complaint to include his foreign patents.

NEWS ABOUT OUR FIRM by Mel R. Quintos

- Mr. Jason Thomas Somma has joined our firm as an associate patent attorney in our Washington, D.C. office. Mr. Somma brings to our firm his technical expertise in digital circuits, semiconductors, optical devices, materials science, and nanotechnology. He has B.S. in Engineering (with honors) and J.D. degrees both from the University of Pittsburgh. Mr. Somma has also served as a legal extern to Judge D. Michael Fisher of the U.S. Court of Appeals for the 3rd Circuit, and to Chief Justice Ralph Cappy of the Supreme Court of Pennsylvania.

- Settlement process on all issues between our firm and the heirs of the late Mr. James E. Armstrong, III is progressing significantly and harmoniously. We are very confident that all issues will be settled shortly.

- Ms. Hidemi Tominaga, fluent in both Japanese and English, has joined our administrative staff in our Washington, D.C. office. Ms. Tominaga has extensive experience in working in the U.S. and Japanese legal fields.