

Q&A With AIPLA President Denise DeFranco



Denise DeFranco, Finnegan partner

Finnegan, Henderson, Farabow, Garrett & Dunner partner Denise DeFranco has taken the reins of the American Intellectual Property Law Association, whose 15,000 members include IP lawyers of every stripe in private and corporate practice, government service and academia. As president for the next year, Boston-based DeFranco will serve as AIPLA's voice before Congress, the courts and the U.S. Patent and Trademark office. We caught up with DeFranco, a patent litigator, to get her take on some of the hot patent law issues of the day.

Q: On the patent reform legislation, there seemed to be a lot of momentum behind it in the spring. Now we seem to have a rethink going on. What's happening there?

A: I do think there's a rethink going on. Honestly, I think there are other things Congress is more focused on now. And I'm really pleased that the legislation's gotten put on hold because I think there are so many provisions in it that are problematic.

Q. Which provisions do you find the most troubling?

A. I do find the fee shifting provisions troubling, and I think the answer isn't in legislation. The answer should be in the courts taking more advantage of the exceptional case provision that's already in the patent statute. It's already hard enough for a competitor to make the decision to file suit because the cost of litigation is so high. The prospect of also having to pay your adversary's attorneys fees because you lose, I think would really do a disservice to the patent system.

The other [troubling] provision is the heightened pleading requirement. It's there to try to curb some of the litigation by non-practicing entities, when they file suit without really knowing much about what the defendants are doing. I do think there are legitimate competitors out there who file suit and do need to get some discovery on the accused product to wrestle down the full nature of the infringement.

Q. The PTO director, Michelle Lee, has introduced a new initiative on patent quality, seeking to improve the clarity and correctness of patents that are issued by the office. What do you think of the initiative?

A. I'm extremely enthusiastic about it. There are a couple of pieces I particularly like. One is the appointment of an executive level person in charge of patent and trademark quality. I really do think it is important to put it in somebody's hands. While the patent director could be accountable for it, the director of the patent office is accountable for a lot of things. So I think it would help to give some ownership of that to somebody.

The other piece I like is more training and requiring examiners to explain the reasons for a rejection or the reasons for an allowance. As a litigator I've learned over the years that the less that is said during prosecution, the harder it is to litigate the case, because it is less clear what the patent means. That back and forth with the patent office really does help lend clarity.

I'm a little less enthusiastic about some statements that suggest that the office is going to require examiners to set forth definitions of terms, or to state how terms are going to be construed. I'm not sure that's going to be that helpful. ... As it is now, patent

applicants can be their own lexicographers, they can put definitions in their specifications. And I just don't think those definitions are always that instructive. The definition itself gives rise to new issues.

Q. An issue on the minds of a lot of patent practitioners is Section 101. What do you think about the courts' increasing willingness to invalidate patents on these grounds following the *Alice* decision?

A. I think it's awful. It's scary. Our patent statute is written very broadly—inventions in all areas are patent eligible so long as they're new and useful and not obvious. The Supreme Court's clamping down on what is eligible for protection, and coming at it through the abstractness notion and through natural phenomenon, I think has disrupted our industry and has taken patent eligibility away from inventions that ought to get the benefit of our patent system.

I can tell you that one of the things AIPLA is doing, and it started under the leadership of [past president] Sharon Israel, is to consider various legislative proposals for revising Section 101. That is a very hard thing to do, to articulate what makes a business method patent, for example, eligible or not eligible, or what makes something abstract, or what makes something too close to a natural phenomenon. The legislative fix may run into the same problems the Supreme Court has run into in trying to articulate it. But AIPLA is working very hard on different proposals, and working very closely with the Intellectual Property Owners Association and the ABA's intellectual property law section.

Q. Are you saying that the Supreme Court maybe took a shortcut with patent eligibility, that there might have been other, more traditional avenues for weeding out the kinds of patents they thought should be weeded out?

A. Especially in the context of the *Mayo v. Prometheus* personalized medicine space, there is a rubric in the patent system for precluding patentability of something that exists in nature, and that's Section 102. It's not new if it exists in nature. And I do think the Supreme Court, by pulling the concept of inventiveness into 101, has really stirred the pot on what is eligible for protection in an inappropriate way.

Q. You've been involved with AIPLA's amicus committee for a number of years. What have been the most fun cases for you to participate on?

A. For me personally the most rewarding case to work on was the *Bilski* case, and not just because of my involvement with AIPLA. The patent board back then wrote an opinion that was more than 100 pages and articulated every single test they could think of for patent eligibility in determining whether a patent like Bilski's for hedging commodity costs was patent eligible. Under every single test, the patent office found it ineligible.

I had the privilege of writing AIPLA's amicus brief in the *Bilski* case before the Federal Circuit panel. Then when the *Bilski* case went to the en banc Federal Circuit, we, Finnegan, were engaged by a private client to represent them, so we wrote an amicus brief for Accenture. Then, when it went up to the Supreme Court, we were asked by [Bernard] Bilski himself to write the Supreme Court brief. So for me that case was a highlight of my career. I didn't get to argue the case, but I sat at counsel's table. We came away from that with a technical loss in the sense that Bilski's claims were not found to be patent eligible. We did get the Supreme Court to say that business method patents are eligible for patent protection, and we did feel that was a victory in and of itself.

Contact the reporter at sgraham@alm.com.