

THE ROCKET DOCKET NEWS

The Newsletter of the Northern Virginia Chapter of the Federal Bar Association

OCTOBER 2011

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The Immediate Past President's Report

by Charles F. B. McAleer, Jr., Esq.

A Year in Review

For the past year, I had a front row seat for some fantastic events sponsored by this Chapter. It was a busy, but very enjoyable, year that I hope met the needs and expectations of the Court and the members whom we serve. Here are some highlights:

In June of this year, we launched a new format for our Annual Meeting. Over 80 Chapter members and guests attended the lunch meeting, which included the inaugural "State of the Court" presentation by Judge Brinkema and a celebration of retiring U.S. Bankruptcy Judge Stephen Mitchell. I began my remarks at the Annual Meeting by reminding myself and other Chapter members of the mission of the FBA and its chapters: "to strengthen the federal legal system and administration of justice by serving the interests and the needs of the federal practitioner, both public and private, the federal judiciary and the public they serve."

How did we try to perform that mission during the past year? We held a number of CLE programs that reflected suggestions from our members and our Board, including programs on Mediation, Sanctions and the Fair Labor Standards Act. These programs were made possible by the judges who participated as panelists (including our fellow Board member, Judge Ivan Davis) and the Chapter members who organized the programs, wrote wonderful materials and shared their expertise. Best of all, discussion usually continued among the diehard at the Westin after the programs!

We also held the signature events that have so distinguished our Chapter over the years and provided an opportunity for large numbers of our members to gather and reconnect. In addition to the "new" Annual Meeting in June, we sponsored the Introduction to Courthouse Program for new admittees to the Court (and others looking for a refresher), the Bench-Bar Dialogue (with our very dedicated Magistrate Judges), the Annual Golf Tournament and the Torrey Armstrong Memorial Lecture and Law Clerk



United States Bankruptcy Judge Steven Mitchell (Ret.) remarks on his time in the U.S. Bankruptcy Court during the June 2011 Annual Meeting



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A Year In Review (cont'd)

Reception, which gave us the opportunity to reflect again on the life and example of Torrey Armstrong. Judge Barbara Milano Keenan of the Fourth Circuit gave this year's Lecture on the topic of judicial independence and our Chapter welcomed the new class of law clerks to the Court. We were blessed by the presence of Torrey's widow, Charlsie, and his former law partner, Beau Dudley, both of whom shared very moving and inspirational memories of Torrey. The Board also presented a Member Excellence Award to Bill Dolan for his exceptional service to our Chapter and for the example of professionalism he sets for all of us. And, of course, the Introduction to Courthouse Program and the Armstrong Lecture would not have been complete without some fantastic food and fellowship at the receptions that followed them.



The Honorable Barbara Milano Keenan gives the September 2011 Torrey Armstrong Memorial Lecture on the topic of judicial independence.

During the year, we tried to serve the needs of the judiciary in several ways, including by supporting the FBA's efforts to facilitate the judicial confirmation process and providing assistance to Judge Trenga as he recently hosted a delegation of Russian judges for a week-long series of events through the Open World program. We hope for additional opportunities in the future to "serve the interests and the needs" of the judiciary, in accordance with our mission.

Because of the Board's hard work over the past year, as well as the support of the Chapter's members and the judges of the Court, our Chapter received the FBA's Presidential Chapter Excellence Award at the 2011 FBA Annual Meeting in Chicago. It is the highest award presented by the FBA to a chapter, and it was well-earned this year by our Chapter.

Any account of the past year must acknowledge the loss of two members of the Court community: the Hon. Richard L. Williams and Steptoe's Mark J. Hulkower, who was a former Assistant U.S. Attorney for the Eastern District from 1989-95 and who lived just blocks from the courthouse. Our memories of Judge Williams will be forever enhanced by the very moving remarks that Board member Craig Reilly shared with those who attended the Sanctions CLE program and the Annual Meeting. And Mark will always serve as reminder of both excellence in the practice of law and the need to cherish every day. Our thoughts and prayers are with their families.

Finally, I must thank my fellow Board members for their incredible work, support and patience during my term as President. Seven business trips to the Middle East during the year caused me to reschedule too many Board meetings and to impose on others to serve as my proxy on occasion. Through it all, I was continuously reminded why the practice of law is still a profession, not a job, and working with those whom you admire is one of life's greatest rewards.

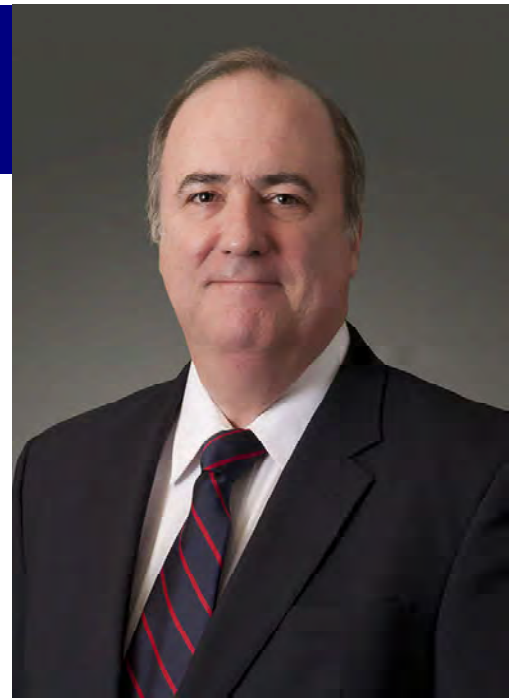


President's Report

by Sean F. Murphy, Esq.

October 1 is the start of the new fiscal year for the Federal Bar Association and its Chapters. For our Chapter, that meant the passing of the leadership "baton" from Chas McAleer to myself, giving me my first opportunity to speak with you as your Chapter President.

Let me begin by asking you to join me in giving a special thank you to Attison Barnes. Attison has just finished his year as the Chapter's Immediate Past President and his tenure of over 10 years as an officer, director and President of our Chapter. He not only provided us with extremely capable and strong leadership as our President, but he also devoted countless hours to our activities - whether it be our CLE programs, our judicial receptions, liaisoning with our federal court, or as an invaluable sounding board for Chas and myself. Many thanks Attison for all of your terrific contributions!



Let me also add a special note of thanks to Chas. As I said recently at the Law Clerk Reception, Chas has provided a year of superb leadership as our President, particularly in view of the fact that his practice demanded many days of overseas travel this past year. We had a very successful year thanks to his guidance and efforts; in fact, our Chapter won the FBA's highest award for Chapter Excellence. I look forward to his continuing support and participation as Immediate Past President this year.

During the next year, I will be working with a talented group of officers and directors who form our Board of Directors. Let me introduce them to you. That way you know who they are and how you can contact them as we welcome your feedback on what we are doing. I also welcome any ideas you might have for CLE programs, newsletter articles or other events that interest our members.

Scott Caulkins is our President-Elect and already at work on the planning for his upcoming tenure. Scott is a partner in Caulkins & Bruce and can be reached at either (703) 558-3664 or scaulkins@caulkinsbruce.com.

Damon Wright, a partner in the Tysons office of Venable, LLP, will serve as the Chapter Vice President for the next year. You can contact Damon at either (703) 760-1600 or dwdwright@venable.com.

Anne Devens will be doing double duty for the Chapter this year. She is serving as Editor of our newsletter and will also be our Secretary. Anne is a lawyer in the Commercial Litigation Unit of the FDIC. Her e-mail addresses are adevens@fdic.gov and anne.devens@gmail.com; her telephone number is (703) 562-2204. I am also delighted to report that Laurie Hand, a former Chapter director, has returned from overseas and will be assisting Anne with production of the newsletter.

Also performing double duty is *Caitlin Lhommedieu* who is serving as our Treasurer and is taking the lead once again in organizing and running our annual Introduction to the Courthouse seminar. Caitlin is a solo practitioner in Fairfax; her telephone number is (703) 851-3366 and her e-mail address is clhommedieu@cox.net.



The President's Report (cont'd)

George Kostel is both our National Delegate, acting as our liaison to the Federal Bar Association, and our Membership Chairman. George is a partner at Nelson Mullins Riley & Scarborough LLP and can be reached at (202) 545-2969 or george.kostel@nelsonmullins.com.

Returning to serve again as Directors are the *Honorable Ivan Davis and Craig Reilly*. Craig is a solo practitioner in Alexandria, while Judge Davis is a Magistrate Judge in the Alexandria Division. You can reach Craig at (703) 549-5354 or craig.reilly@ccreillylaw.com.

A new member of the Board is *Chip Molster*. Though the newest director for the Chapter, Chip has appeared many times in the Rocket Docket and clerked for Judge Cacheris. He is a partner in the D.C. office of Winston & Strawn where he can be reached at (202) 282-5988 or at cmolster@winston.com.

During this year, we will have a mixture of the programs we do every year and new CLEs to address hot topics in the federal courts. We began with a terrific Ethics CLE luncheon on Monday, October 17. Always entertaining, Tom Spahn returned once again with his excellent two hour CLE program on Ethics in Litigation. This Ethics CLE was a luncheon program at the Westin Hotel next to the Courthouse. Given the Westin's central location, and the success we had with the Chapter luncheon last June at the Westin, we will return to the luncheon format for some of our programs similar to those we have had in years past.

Looking ahead, Caitlin Lhommedieu and Chip Molster will be organizing and leading a Patent CLE that will include a review of the America Invents Act, and the implications of this patent reform legislation for patentees and potential defendants alike. Our Courthouse Seminar will return next April as will our annual Chapter luncheon for a State of the Court review next June. There will be other CLE programs as well including one on Internet Evidence. As soon as we schedule them, we will alert you to their dates and locations so you can attend. We are always looking for CLE program ideas so please e-mail me or call me with any suggestions or requests you might have.

This year, we are also increasing our focus on the benefits of FBA membership for government lawyers, whether in the U.S. Attorney's Office, a government agency or the Public Defender's Office. A number of our CLEs will have discount rates for our government lawyers to make it easier for you to sign up and attend. If there are other things we can do to make your Chapter membership useful and enjoyable, please contact me or come talk to me at one of our events. I would like to know what else we can do to make your membership a productive one.

I am honored to serve as your Chapter President. I look forward to a great year and meeting and talking with all of you.

The Federal Bar Association's Mission Statement:

"The mission of the Association is to advance the science of jurisprudence and to promote the welfare, interests, education, and professional growth and development of the members of the Federal legal profession."

For more information regarding the Federal Bar Association and its activities, please contact the Federal Bar Association at its national offices:

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Excellence in Service Award Presented to William D. Dolan, III

The Board of Directors of the Northern Virginia Chapter of the Federal Bar Association decided this year to institute an award to recognize a member of the Chapter who, through his or her integrity and professionalism, as well as his or her dedicated service to the Chapter, has set a standard to which all members of the Chapter should aspire. The decision to establish the award was the hard part. The selection of the first recipient of the award was the easy part for our Board. Bill Dolan is a recognized leader in the Bar of the Eastern District and a role model for every young attorney fortunate enough to practice in the Court. His example of zealous, but always professional and respectful, advocacy on behalf of his clients has demonstrated, in ways more powerful than words, how it is possible to be an effective, yet collegial, member of the Bar. Bill's service to our Chapter - through his participation in our Continuing Legal Education programs and other events - has been exceptional. His most notable service has been his inspirational presentations, over several years, to the new admittees to the Court at our Chapter's Annual Introduction to the Courthouse program.

It is a contribution of time and eloquence that the judges of the Court and our Chapter value so highly. It is such excellence in conduct and service that the Board wanted to honor in its choice of Bill for this award. Simply put, if the award serves as a guidepost to the young attorney in our Chapter who might become the next Bill Dolan, the award will have served its intended purpose.



William D. Dolan, III accepts the Excellence in Service Award from immediate past president Charles F. B. McAleer, Jr. at the September meeting.



William D. Dolan, III pauses from conversation during the reception for a photograph.

His example of zealous, but always professional and respectful, advocacy on behalf of his clients has demonstrated, in ways more powerful than words, how it is possible to be an effective, yet collegial, member of the Bar.



America Invents: What Patent Reform Means for the Non-Patent Lawyer

Caitlin K. Lhommedieu and Charles B. Molster, III

Both patentees and potential defendants have been calling for patent reform for more than ten years. Complaints range from the ever-escalating costs of patent litigation, to the increasing length of time to obtain a patent, to the quality of issued patents - most particularly software patents.

On September 16, 2011, President Obama signed the Leahy-Smith America Invents Act, P.L.No. 112-29, which seeks to speed the pace of patent application examination, decrease both the amount and the cost of patent litigation, and harmonize the US patent system with other systems around the globe. Many of the changes are considered favorable to individual inventors and small entities, but the great majority of these changes will likely benefit the system as a whole, and thus all patent applicants and all patent litigants, even potential defendants in litigation who do not apply for patents.

Following is a summary of the most noteworthy changes made by the America Invents Act. This article is primarily intended for the non-patent lawyer; for more detailed analysis, plus a review of recent relevant case law, watch for an announcement of the FBA Northern Virginia Chapter's upcoming Patent Litigation Seminar.

First to File

Historically, when two patent applications claim the same invention, the US system granted the patent to the first person to conceive of the invention, regardless of the date each application was filed; this rule was known as "first to invent." The strength of this approach is that it seems squarely fair - the first person to invent should be rewarded with the benefits of a patent. In some cases, though, this convention resulted in lengthy and expensive litigation, known as interference proceedings, to determine who actually was the first to invent.

In contrast, nearly every other country in the world applies the opposite rule, and grants the patent to the first person to file the application - "first to file." The strength of this approach is its simplicity, in that it eliminates the lengthy and expensive interference proceedings. The weakness of a first to file system, though, is that it may encourage inventors to file their applications as quickly as possible, without setting out as thorough a description of their invention as otherwise might be possible.

Under these two competing approaches, it was frequently possible for a US inventor to be granted a US patent, but not a corresponding patent in a foreign country, where he was not the first to file, and *vice versa*, which seems incongruent at the least.

It is undisputed that the purpose of any patent system is to promote the distribution of knowledge, such that a thorough description of each invention is essential. Nonetheless, in the interests of reducing the delays and costs imposed by interference proceedings, and with the goal of harmonizing our system with the remainder of the world, the America Invents Act changes the US system to a first to file system.

"On September 16, 2011, President Obama signed the Leahy-Smith America Invents Act P.L.No. 112-29, which seeks to speed the pace of patent application examination, decrease both the amount and the cost of patent litigation, and harmonize the US patent system with other systems around the globe."



America Invents: What Patent Reform Means for the Non-Patent Lawyer (cont'd)

Note, though, that the applicant must still be the actual inventor of the claimed invention. That is, where two applicants claim the same invention, the first to file will not be granted the patent if the second to file can prove that the first's work was derived from that of the second.

What this means for you and your clients: The likelihood of an expensive proceeding such as an interference has gone down, but the importance of the earliest possible filing date has gone up. Invention disclosures should be pushed through the pipeline as quickly as possible. Whether the inventor is an individual or an employee of a large corporation, the concept should be reviewed with counsel in very short order, such that a provisional application may be filed where appropriate. Provisional applications are not usually expensive or time consuming to prepare and file, and so should be considered whenever there is a reasonable possibility that the concept is novel and might be developed into a product or service.

These first-to-file provisions will become effective 18 months from enactment of the legislation (March 16, 2013), and will apply to all new US patent applications, unless such application claims priority to an application filed before that date.

Limits on Joinder of Multiple Defendants

Currently, as in any other type of federal litigation, joinder of defendants is permitted in a patent suit when the right to the asserted relief arises out of the same transaction and there is at least one question of law or fact common to all defendants. Clearly, this rule has the potential to increase efficiency, by getting all the interested parties in one room, and determining liability. The problem that arises in patent litigation, though, is that under this rule, one patentee may sue tens or even hundreds of defendants in the same case, basing the joinder on the alleged infringement and validity of the patent. The cases are so large that, for example, the simple act of stating appearances to the Court may take half an hour or more. More complicated tasks, such as agreeing on dates for hearings, or setting discovery dates, become mammoth undertakings that cost enormous sums of money. Under these circumstances, it is easily understood why many smaller defendants, who might not otherwise have any reason to settle, will gladly pay up just to get out from under the overwhelming expenses. Such mega cases have greatly increased in number recently.

Under America Invents, joinder is not appropriate based solely on allegations that each defendant has infringed the same patent or patents in suit. Other fact patterns though, might still justifiably support joinder of defendants, such as for example a distribution chain involving one product from manufacturer to retailer.

What this means for you and your clients: Litigation will be more efficient, and the decision to settle will more often have some rational connection to perceived liability.

This provision applies to any civil action commenced on or after September 16, 2011.

"... where two applicants claim the same invention, the first to file will not be granted the patent if the second to file can prove that the first's work was derived from that of the second."



America Invents: What Patent Reform Means for the Non-Patent Lawyer (cont'd)

Third-Party Challenges

When a potential defendant becomes aware of a patent or application of concern, particularly when he has information arguably showing the invalidity of the patent, he may challenge the patent in a re-examination proceeding at the Patent Office. Such proceedings at the PTO are normally much less expensive than litigation in federal court, and thus should be encouraged as a method of dispute resolution. Currently though, the long pendency of re-exams and certain procedural limitations have the result that fewer issues are resolved by re-examination than would be ideal.

America Invents makes substantial changes to the procedures by which a third party (not the patentee or the PTO, usually a potential defendant) may challenge an issued patent or a patent application. The gist of the changes is that it will now be easier to bring a challenge to a patent or a patent application at the PTO, rather than waiting to be sued in federal court.

Two of these new third-party challenges to validity are a post-grant review, and an *inter partes* review. A post-grant review may be filed within nine months of the issue date of the patent; an *inter partes* review may be filed thereafter. The Act imposes a one-year time limit for the PTO to complete these reviews. In comparison with a declaratory judgment action, the advantages of these third-party challenges are lower costs, probably a quicker decision, and lower burden of proof (preponderance rather than clear and convincing).

What this means for you and your clients: Potential defendants should consider establishing a "watch" system, in order to be timely aware of any relevant new applications or patents in their field. Any concerns should be addressed immediately, while they can still be decided at the less expensive PTO, and before the dispute turns into full-scale litigation.

The third-party challenge provisions will become effective in one year.

Taxes, Financial Planning, and Human Organisms Are Not Patentable

Vast amounts of ink have been spilled in recent years over the patentability of tax strategies, financial planning, and human organisms. Congress makes clear in America Invents that no strategy for reducing, avoiding or deferring tax liability shall be patentable. The Act specifically excludes from patentability any method, system, or computer software that is used solely for:

- preparing a tax return or tax filing; or
- financial management.

Likewise, the Act specifically excludes human organisms from patentability.

What this means for you and your clients: Relax about patent infringement, focus on creating novel ways of avoiding taxes.

This section of the Act is effective immediately, and applies to all pending and subsequent applications, but does not invalidate previously granted patents.



America Invents: What Patent Reform Means for the Non-Patent Lawyer (cont'd)

Purging Inequitable Conduct

Currently, if a patentee learns that his patent may be unenforceable due to conduct during examination, there is no way for the patentee to go back to the Patent Office and wash his hands. If the patent is asserted in litigation, and the defendant shows that the applicant had failed to produce relevant information, then the patent is unenforceable due to inequitable conduct—that is, even if infringed, no damages will be awarded.

The reasoning for this rule is that during the *ex parte* examination, the applicant should be highly motivated to disclose all potentially relevant information, leaving the examiner to determine whether the invention is patentable in light of the prior art. Therefore, the current system imposes a heavy penalty for failing to produce relevant information: unenforceability. The problem with this system, though, is the plague of inequitable conduct charges. That is, inequitable conduct is being asserted in far too many cases, dragging out the length of the average patent case, and drastically increasing the cost.

The Act addresses this concern by giving patentees a way to wash their hands. With only a few exceptions, if the patentee requests supplemental examination of the patent and presents the information that had not been considered, then the patent shall not later be held unenforceable on the basis of conduct relating to that information.

What this means for you and your clients: If there are fewer assertions of inequitable conduct, then patent litigation will become less expensive. This will benefit both patentees and accused infringers.

The supplemental examination provisions will become effective in one year, and shall apply to all patents, regardless of filing or issue date.

Further Details

The Act includes numerous other substantial changes, for example: false marking cases are severely curtailed, the best mode defense is eliminated, the on-sale bar and the definition of prior art are broadened, and an additional review of business method patents will be instituted. Notably, the Act directs that the consequences of litigation by non-practicing entities (a.k.a. trolls) shall be studied, and recommendations for changes shall be made within a year. These and other details of the Act will be discussed in greater detail at the upcoming Patent Litigation Seminar.

Conclusion

The America Invents Act may result in certain validity determinations being shifted from the federal courts to the Patent Office. Theoretically, the Patent Office will be a more efficient and more accurate forum for arguing and deciding these questions, and the federal courts will be relieved of some of this burden. It remains to be seen whether the Patent Office will be able to turn these decisions around as quickly as the courts have done, but the America Invents Act is certainly a step in the right direction toward reducing inefficient costs and liabilities, without limiting patentees' abilities to protect their intellectual property.



FBA's Annual Meeting Report

Caitlin K. Lhommedieu

The FBAs Annual Meeting was held this year in the windy city of Chicago. At the meeting, the Northern Virginia chapter was honored to receive the Chapter Activity Presidential Excellence Award in recognition of our superior chapter activities. In particular, the FBA noted that we offer numerous substantive and timely CLE programs every year, facilitate dialog between the bench and practitioners, and provide a forum for members of the bar to meet and get to know each other. The meeting included an architectural boat tour, a visit to the Art Institute, and a tour of the aquarium, all of which were not only delightful, but great opportunities to meet other FBA members from around the country.

Recent Decisions of the Court -- It's All About Summary Judgment

R. Scott Caulkins, Caulkins & Bruce, PC
Craig C. Reilly, Law Offices of Craig C. Reilly

Must Reads For Patent Litigators: Misjoinder, Flipping Motions and Suitors, Oh My!

The recent patent infringement action *TecSec, Inc. v. IBM Corp.*, No. 1:10cv511-LMB-TCB (E.D.Va. 2011), resulted in several important rulings and two must-read opinions for local patent litigators. In *TecSec*, plaintiff sued a dozen accused infringers, including lead defendant, IBM. Joint liability was not alleged as the basis for joinder. Instead, plaintiff's theory was that all infringers could be joined under the "same transaction or occurrence" test because all allegedly infringed the same patent. Judge Brinkema disagreed, severed the case, and stayed the action as to all defendants except IBM. Patent practitioners should note that Judge Brinkema is not alone in her ruling on misjoinder. In Norfolk, Judge Jackson made a similar ruling this summer, severing sixteen misjoined accused infringers. *Bear Creek Tech., Inc. v. RCN Communications, et al.*, No. 2:11cv103 RAJ-FBS (E.D.Va. Aug. 17, 2011) (# 348, *Mem. Op. and Order*). Furthermore, Congress has taken action, too. On September 16, 2011, Congress enacted legislation prohibiting patentees from joining accused infringers in a single lawsuit unless their liability is based on "the same accused product or process." See *Leahy-Smith America Invents Act*, P.L. No. 112-29, § 19(d)(1), 125 Stat. 332 (Sept. 16, 2011) (enacting 35 U.S.C. § 299). Thus, this sort of sue-the-entire-industry case may be a thing of the past.

Even with only one defendant, the adjudication of the merits appeared to be a Herculean task. Nearly 200 patent claims from several "patent familie" were asserted against dozens of configurations of IBM database hardware and software products. Undaunted, Judge Brinkema combined summary judgment and claim construction, and penetrated to the core of this very complicated case. Finding no infringement - either direct or indirect -- Judge Brinkema granted IBM's motion for summary judgment of non-infringement. *TecSec, Inc. v. IBM Corp.*, 769 F. Supp. 2d 997 (E.D.Va. 2011). For patentees suing in the Rocket Docket, the failure to read this case, is inviting failure in your own case.

The case, however, was not entirely one-sided. Earlier in the bifurcated summary judgment proceedings, Judge Brinkema had denied IBM's summary judgment motions for findings of (i) unenforceability based on inequitable conduct, (ii) invalidity based on obviousness, and (iii) invalidity based on anticipation. *TecSec, Inc. v. IBM Corp.*, 763 F. Supp. 2d 800 (E.D.Va. 2011). In fact, although IBM had moved for summary judgment on the issue of anticipation, that motion "flipped over" under new Fed. R. Civ. P. 56(f)(1),¹ and Judge Brinkema granted summary judgment on that issue in favor of plaintiff. Patent litigators, like all suitors, need to be careful what they wish for: If you move for summary judgment, it might be granted... against your client!
(Craig C. Reilly, Esq.)

¹ Under Fed. R. Civ. P. 56(f), the court, after giving notice and a reasonable time to respond, may (1) grant summary judgment for the nonmovant; (2) grant the motion on grounds not raised by a party; or (3) consider summary judgment on its own after identifying for the parties materials facts that may not be genuinely in dispute.



Recent Decisions of the Court -- It's All About Summary Judgment (cont'd)

Private Patent Settlement Agreement is Not Binding on the U.S. PTO

In *Callaway Golf Co. v. Kappos*, 2011 U.S. Dist. LEXIS 82381 (E.D. Va. July 27, 2011), the Court granted the defendant United States Patent and Trademark Office's ("PTO") motion for summary judgment, dismissing Callaway's claim that the PTO could not conduct an inter partes reexamination of four of Callaway's patents for a multi-layer golf ball. Callaway and Acushnet, one of Callaway's competitors, had previously settled civil actions in Delaware. The settlement agreement provided that any future disputes between the parties relating to the patents were to be resolved pursuant to dispute resolution procedures set out in the settlement agreement. When a dispute over the same patents subsequently arose, however, Acushnet requested the PTO to conduct inter partes reexaminations of the patents. Callaway filed an administrative petition to vacate the reexaminations, arguing that Acushnet violated the settlement agreement by requesting the reexaminations. The PTO denied Callaway's petition and Callaway filed suit contending that the PTO's failure to vacate the reexaminations was arbitrary and capricious and should be set aside under Section 706(2) of the Administrative Procedure Act, 5 U.S.C. § 706(2). The Court disagreed and granted the PTO's motion for summary judgment. The Court found that the settlement agreement was not binding on the PTO because the PTO was not a party to the agreement. The Court further found that the inter partes reexamination statute, 35 U.S.C. § 313, requires the PTO to conduct a reexamination once it receives a request and makes a finding that a substantial new question of patentability exists; the statute does not require the PTO to determine whether the party requesting reexamination is contractually prohibited from making the request. Also, the Court found that, although Acushnet may be liable for damages for breaching the settlement agreement, a private contractual agreement prohibiting reexamination would be contrary to public policy.

(R. Scott Caulkins, Esq.)

Employee's Belief as to Her Job Performance is Not Sufficient to Withstand Summary Judgment

In *Scott v. Health Net Fed. Servs., LLC*, 2011 U.S. Dist. LEXIS 88038 (E.D. Va. Aug. 9, 2011), the Court granted summary judgment for the defendant employer in an action under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000 et seq., in which the plaintiff, an African-American female, alleged that she was discriminated against and wrongfully terminated on the basis of her race and gender discrimination. The Court found that the plaintiff failed to establish a prima facie case for wrongful termination or disparate treatment because she did not produce evidence that, at the time of the termination, she was performing at the level that met her employer's legitimate expectations. Further, she failed to provide any evidence that her position remained open or was filled by a similarly qualified applicant outside the protected class. With respect to plaintiff's retaliation claim, the Court said that she failed to produce any evidence that would rebut defendant's evidence that her termination was for legitimate, non-discriminatory reasons. The Court found that plaintiff's belief that she performed her duties adequately did not raise a triable issue of fact; rather she was required to produce some evidence supporting that belief.

(R. Scott Caulkins, Esq.)



Recent Decisions of the Court -- It's All About Summary Judgment (cont'd)

"Successors and Assigns" Provision Demonstrates Assignability of Contract

In *Fransmart, LLC v. Freshii Dev., LLC*, 768 F.Supp. 2d 851 (E.D.Va. 2011), the Court granted plaintiff's motion for summary judgment on its breach of contract claim and on defendant's affirmative defenses. Defendant franchisor entered into a contract with a franchise consulting company in which the consulting company agreed to assist defendant with marketing and selling franchises. After the parties entered into the contract, the franchise consulting company transferred its assets, including the contract, to plaintiff, a new company formed by the President and Chief Executive Officer of the consulting company that was the original party to the contract. Plaintiff filed suit for breach of contract after defendant did not pay fees due under the contract. Defendant raised several affirmative defenses, including a defense that plaintiff did not have standing to sue because the contract was a non-assignable personal services contract and therefore the assignment was invalid. The Court acknowledged that courts in other jurisdictions have found exclusive sales and distributorship contracts to be non-assignable personal services contracts, but nevertheless found that the contract in this case was assignable. The Court said that the rationale for not allowing free assignability of personal services contracts is that performance by a particular person is material to the contract. The Court found that the contract in this case, which was between two corporate entities, did not identify a specific individual as being material to performance. The Court also ruled that it was not even necessary to reach the question of whether the contract was a personal services contract because of the "successors and assigns" provision in the contract stating that the agreement was binding upon the parties, and their successors and assigns. Noting that the Virginia Supreme Court has not addressed the effect of a "successors and assigns" provision on the assignability of a contract, the Court looked to case authority from other jurisdictions and found that the "successors and assigns" provision demonstrated that the parties contemplated a future assignment. Further, the Court ruled that, even if the contract was a non-assignable personal services contract, it is "well-settled" that a partnership or a corporation can assign contracts to a successor entity if the successor is substantially the same as the original entity. The Court found that a jury could not reasonably conclude that the new company was materially different from the old company. An appeal is pending.

(R. Scott Caulkins, Esq.)

Did You Know?

The Honorable Judge Albert V. Bryan was nominated to his seat on the United States District Court for the Eastern District of Virginia by President Harry S Truman on May 15, 1947, confirmed by the United States Senate on June 3, 1947. He went on to be nominated to the Fourth Circuit by President John F. Kennedy on August 2, 1961, and was confirmed a week later by the United States Senate.





Terrific Weather and Golfers for the Chapter's Annual Golf Tournament

On August 30, the chapter held its Annual Golf Tournament at the Army-Navy Country Club in Arlington, Virginia. More than two dozen FBA-NoVa Members and Friends came out to enjoy some beautiful, very un-August-like weather. The winning foursome included **Michael Nachmanoff, Chip Molster, Ed McMahon, and Tom Connally**, who each received a gift certificate to the ANCC pro shop and, more important, bragging rights. They shot a 61 (with 8 birdies and an eagle), which is 10 under par. Golfers **Rick Edmunds** and **George Kostel** stuck it Closest to the Pin (6 feet 1 inch) on the 154-yard 18th hole. Using her supergolfpowers, **Kate McKnight** won the Long Drive for women. **Tom Connally**, not content merely to win the team competition, took the Long Drive for men. Thank you to all the golfers who played and supported our Chapter, including the **Hon. Claude M. Hilton** and FBA-NoVa board members **Attison Barnes, Chas McAleer, Scott Caulkins** and **George Kostel**. We extend hearty thanks to our sponsors **Winston & Strawn LLP, Miller & Chevalier Chartered** and **Wiley Rein LLP**. And, a big thanks to **Attison Barnes**, who once again put on a terrific event! For those of you who weren't able to play, please join us next year!

From the Bench: What You Always Wanted to Know About: The Honorable John F. Anderson

U.S. Magistrate Judge Eastern District of Virginia

1. Best advice you received about how to be an effective judge?

Answer: I have been very fortunate that the other judges in this Court have been generous with their time in providing me with guidance and support, not only when I first started but over the past several years as well. During my first week one of the District Judges sent me a very kind note with a copy of an article "Ten Commandments for the New Judge." Given the date of the article, I assume it was given to him when he became a federal judge. The ten "commandments" are: be kind; be patient; be dignified; don't take yourself too seriously; a lazy judge is a poor judge; don't fear reversal; there are no unimportant cases; be prompt; use common sense; and, seek guidance. I have kept this article on my desk and continue to refer to it.

2. Advice you would give to a young lawyer starting a legal career?

Answer: For a young lawyer starting a career in litigation it is important to understand the responsibility one undertakes in representing another. It is not to be taken lightly and in many instances it can be difficult. It can also be a very rewarding experience. With that understanding, one should not be afraid to seek help and guidance from other lawyers and to acknowledge that you may not know all the answers.

The Clerk's Corner

The U. S. District Court for the Eastern District of Virginia would like to remind attorneys to view their electronically filed documents within 15 days of receiving the Notice of Electronic Filing (NEF). The NEF expires after 15 days which means the document will no longer be accessible through the NEF. Restricted documents such as a PSR cannot be viewed through PACER and can only be accessed through the NEF.



From the Bench (cont'd)

3. Mentor/friend who was biggest influence on you as a lawyer and why?

Answer: It is difficult to identify one mentor/friend as having the biggest influence on me as a lawyer so I will mention two major influences.

After I graduated from law school I had the opportunity to be a law clerk for the Honorable James H. Michael, Jr., a newly appointed District Judge in Charlottesville, Virginia. It was a wonderful opportunity to work for a remarkable person and public servant and to see how a wide variety of cases were handled by lawyers and the court. Given that Judge Michael was assigned all the cases in both the Charlottesville and Harrisonburg divisions, his law clerks would travel with him to Harrisonburg for at least one week every month. This meant we would have breakfast, lunch and dinner together and it provided us with an exceptional opportunity to hear his stories of practicing law, being a senator in the Virginia legislature and to discuss the legal profession, among many other things. After my clerkship I would visit with Judge Michael often in Charlottesville and I sought his advice and guidance on a wide range of subjects over the years. It was his encouragement shortly before he passed away that prompted me to consider becoming a judge.

After I finished my clerkship I began working in the seven lawyer office of Boothe, Prichard & Dudley in Alexandria. The lawyers in that office were the ones who showed me how one should practice law not only how to research, write and argue issues, but how to treat clients, counsel, the court and the people working with you. At the time I did not realize what an exceptional group of lawyers I was working for and how much they taught in those formative years.

4. Constructive comments to assist lawyers practicing before you?

Answer: There is nothing magical about this suggestion but lawyers should be prepared when they come into court and if you do not know the answer, admit that you do not know the answer. You should not be surprised if you have to respond to substantive questions even if a motion is uncontested or a default has been entered. A judge always has a duty and responsibility to make an informed decision whether the relief sought is appropriate.

5. Are civility and professionalism as strong today as they were 10 years ago?

Answer: I am pleased to say that for the most part I think the lawyers who appear before me, in both civil and criminal cases, act professionally. Obviously they are usually on their best behavior when they are in court. While I do see instances of unprofessional conduct and read about them in discovery motions, I do not think they are any more or less frequent than ten years ago. In some cases it is clear from the initial pretrial conference that the lawyers are not getting along. In those cases I try to be more active in monitoring the discovery phase and may require counsel to provide me and opposing counsel with a weekly letter with an update on the status of discovery in the case.



Save the Dates:

The 2012 Federal Bar Association Midyear Meeting will be held at the Westin Arlington Gateway in Arlington, VA from March 29-31, 2012. See : <http://www.fedbar.org/Education/Calendar-CLE-events/2012-Midyear-Meeting.aspx> for the most up-to-date information

The Federal Bar Association 2012 Moot Court Competition will be held from March 29-30, 2012. See: <http://www.fedbar.org/Divisions/Younger%20Lawyers%20Division/Moot-Court-Competition.aspx> for detailed information on the location and briefing schedule.

The 2012 Federal Bar Association Annual Meeting and Convention will be held in warm and sunny San Diego, CA from September 20-22, 2012 at the Manchester Grand Hyatt. See <http://www.fedbar.org/Education/Calendar-CLE-events/2012-Annual-Meeting-and-Convention.aspx> for further information.



From the Bench (cont'd)

6. Best part about being a judge?

Answer: There are many great things about being a judge. I knew that I would not miss keeping time sheets, client collection problems or hunting for a parking place at the courthouse, but I did not realize how interesting and challenging it is to be a judge. Since I had no criminal law experience as a lawyer (and the magistrate judges spend more than half of their time on criminal matters) there was a significant period of time when I had to go back to the basics and learn criminal procedure and criminal law. The wide range of cases and issues you deal with on a daily basis is a great part of being a judge although it can be a bit overwhelming at times.

7. Most unusual/humorous moment in your courtroom?

Answer: One of the first times I was in court on my own I finished the docket, announced that court was adjourned and walked down to the door leading into my chambers thinking things had gone fairly well. When I got to the door, I pushed down on the door knob and it was locked. I stood there with a "what do I do now" look on my face and thankfully the court security officer was nearby and had a key to unlock the door. It took a few months, but I finally learned what position the locks should be in so that you can get out and back into chambers.

"For a young lawyer starting a career in litigation it is important to understand the responsibility one undertakes in representing another...one should not be afraid to seek help and guidance from other lawyers and to acknowledge that you may not know all the answers."

What do You Think? Inadvertent Disclosure and Waiver of Privileged Matters

(Adapted from Materials Presented During the May 10, 2011 FBA NoVa CLE re "Current Issues in Federal Discovery Practice")

Damon W.D. Wright, Esq.

Consider this scenario. With the assistance of an experienced vendor, you collect all of your client's potentially relevant ESI. You then agree with opposing counsel on a list of ESI search terms to use to generate a set of documents responsive to the outstanding discovery requests. You run those search terms on the ESI and place all of the hits into a folder titled "Responsive Documents." Next, you compile a list of search terms based on the attorneys and law firms that your client has employed over the years. You run that list on the "Responsive Documents" and place all of the hits in a "Presumptively Privileged" folder. You then review every document in that folder. The ones you determine to be privileged, you move into a third "Privileged Documents" folder. The ones you determine to not be privileged, you move back into the "Responsive Documents" folder. You then instruct a paralegal to copy the entire "Responsive Documents" folder to a disk and produce it to opposing counsel. You do not review any documents in the "Responsive Documents" folder before production.

Unfortunately, the paralegal inadvertently drags both the "Responsive Documents" and the "Privileged Documents" folders onto the disk, and then mails the disk to opposing counsel. Three weeks later, you learn that the "Privileged Documents" folder was produced.



Inadvertent Disclosure and Waiver of Privileged Matters (cont'd)

You also learn that there were privileged documents in the "Responsive Documents" folder. Those documents did not hit on your list of counsel names, but they did hit on terms including: attorney, legal, law, litigation, court, sue, arbitrat!, infringing!, breach, violat!, privilege, and confidential. You promptly notify opposing counsel that privileged documents were inadvertently produced. In accordance with Fed. R. Civ. P. 26(b)(5)(B), opposing counsel sequesters the documents you identify, presents them to the court under seal, and moves the court to order that, even if the documents were protected by the attorney-client privilege in the first place, you waived the privilege by producing the documents.

How do you convince the court that you did not waive the privilege with regard to the inadvertently produced documents?

Is there anything you can do to avoid having to go to court on inadvertent waiver issues in future cases?

Rule 502(b) and Reasonable Steps

Fed. R. Evid. 502(b) addresses when production of privileged documents constitutes waiver of the privilege. It provides that there is no waiver where: "(1) the disclosure is inadvertent; (2) the holder of the privilege or protection took reasonable steps to prevent disclosure; and (3) the holder promptly took reasonable steps to rectify the error[.]"

Typically, the most important issue is whether the party asserting the privilege took "reasonable steps" to prevent the disclosure. The Advisory Committee Notes identify five factors to consider when making this inquiry:

- (1) the reasonableness of precautions taken to prevent inadvertent disclosure;
- (2) the number of inadvertent disclosures;
- (3) the extent of the disclosures;
- (4) any delay in measures taken to rectify the disclosure, and;
- (5) overriding interests in justice.

The Notes add: A who uses "advanced analytical software applications and linguistic tools in screening for privilege may be found to have taken 'reasonable steps' to prevent inadvertent disclosure. The implementation of an efficient system of records management before litigation may also be relevant." The Note also makes clear that Rule 502(b) does not require the producing party to review documents after submitting them to the opposing party. It does, however, require that the producing party "follow up on any obvious indications that a protected communication or information has been produced inadvertently."

Rule 502(d) and Non-Waiver Agreements

"Non-Waiver Agreements" entered by the courts are contemplated by Fed. R. Evid. 502(d). That Rule provides: "A Federal court may order that the privilege or protection is not waived by disclosure connected with the litigation pending before the court in which event the disclosure is also not a waiver in any other Federal or State proceeding." Non-waiver agreements avoid side-show litigation over whether a party "took reasonable steps to prevent disclosure" of privileged materials. They should be considered during the Fed. R. Civ. P. 26(f) conference. See Fed. R. Civ. P. 26(f)(3)(D) (a discovery plan must state the parties' views and proposals on "any issues about claims of privilege or of protection as trial-preparation materials, including - if the parties agree on a procedure to assert these claims after production - whether to ask the court to include their agreement in an order").



Member Spotlight: Steven Gordon



Steven Gordon is an Assistant United States Attorney in the Eastern District of Virginia. Steve was recently appointed as EDVA's Coordinator for Civil Rights for civil enforcement. EDVA's Civil Rights initiative, which Steve helped to design, and which seeks to increase the district's enforcement of the various civil rights statutes, including the Americans with Disabilities Act and Fair Lending and Housing laws. Steve has also been working on EDVA's nursing home quality of care cases. Steve's long public service career gave him an excellent background for his current practice in the United States Attorneys Office.

Steve grew up in Monmouth County, New Jersey. Steve had a passion for the law and advocacy early in life. Steve was the captain of his high school speech and debate team and was the student member of his local school board. These activities gave Steve the opportunity to learn oral advocacy techniques prior to becoming a lawyer. Steve earned his undergraduate degree, a B.A. in politics, from Brandeis University and his J.D. from Northeastern University in Boston. Steve participated in Northeastern University's co-op program, which gave him the opportunity to have internships with, among others, the United States Court of Appeals for the D.C. Circuit and with the D.C. law firm that used to be known as Miller, Cassidy, Loroocca & Lewin. After law school, Steve joined the Washington D.C. office of the firm that is now known as WilmerHale.

After his stint in private practice, Steve honed his litigation skills with the National Labor Relations Board's General Counsel, where he litigated contempt cases against parties that had violated a court-enforced Board order. From there, Steve joined the Commercial Litigation Branch of the Department of Justice, where he defended the Government in Contract Disputes Act litigation and later worked on DOJ's civil enforcement case against the tobacco industry. In 2001, Steve joined the Civil Division of the United States Attorneys Office. As a Federal Government attorney, Steve has had the opportunity to work on every facet of litigation, including more than 20 appellate arguments and several multi-week trials. In the United States Attorneys Office, Steve's current focus is on civil enforcement cases including under the False Claims Act and Civil Rights laws. Steve's role at the United States Attorneys Office is broad to include negotiating intra-governmental conflicts and developing and implementing new initiatives. Steve has also been an active member of the William Bryant Chapter of the American Inns of Courts since 1992.

Outside of work, Steve is an avid bicyclist, hiker and SCUBA diver. Steve also participates in a specialized drama activity that explores people's biography through theatrical enactment. Steve's participation in this program has strengthened his negotiation and listening skills and afforded him an opportunity to be involved in the community.

Save the Date!

The Federal Career Services Division of the Federal Bar Association invites you to attend the 10th Annual Washington D.C. / Baltimore Public Service Career Fair, to be held on Friday, January 27, 2012 from 9:00 a.m. - 4:30p.m. at George Mason University. Hosted by area law schools, the event brings together more than 50 employers and 200 students through interviews, table-talk sessions, and resume collections to meet and discuss public interest and government opportunities in the area.



Photo Corner - September 12, 2011 Torrey Armstrong Memorial Lecture

