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Prosecution Laches Beats \$308 Million Verdict for Apple

Following its recent victory against Apple for claims of patent infringement, PMC watched its \$308.5 million award vanish after the Court ruled its patent unenforceable based on prosecution laches. Personalized Media Commc'ns, LLC v. Apple, Inc., No. 2:15-CV-01366-JRG, 2021 WL 3471180 (E.D. Tex. Aug. 5, 2021). Writing for the Eastern District of Texas, Judge Gilstrap found PMC's conduct during prosecution was unreasonable when its voluminous applications made it "virtually impossible for the PTO to conduct double patenting, priority, or written description analyses." Judge Gilstrap described the manner in which PMC prosecuted its patents as "a conscious and egregious misuse of the statutory patent system" that "harmed the public interest to the detriment of science and the useful art" by depriving the public knowledge of what invention has been claimed.

While the laches defense in *PMC v. Apple* was raised for patent applications filed pre-GATT (i.e., prior to June 7, 1995), the case may have opened the door for expanding the defense's application, as the public policy framework underlying Judge Gilstrap's finding of unreasonable and inexcusable conduct arguably applies to applications filed post-GATT. Today, prosecution of patent applications with large and complex family trees may result in the same abuse of the patent system noted by Judge Gilstrap.

Prosecution laches has severe consequences. If the accused infringer prevails with the defense the patent will be unenforceable, rendering the patent effectively worthless. Fortunately, *PMC v. Apple* provides some guidance on how to serially prosecute patents to minimize the likelihood of a successful laches defense. Conduct such as filing lengthy, complex specifications and identical placeholder claims in multiple pending applications may support a laches defense. However, the court also noted that filing a divisional application in response to a restriction requirement and refiling an application to add subject matter to support broader claims may not support the defense.

Additional Information

It is important to carefully consider prosecution strategies for large patent families to avoid laying the foundation for a prosecution laches defense. If you would like more information regarding the recent decision in *PMC v. Apple*, please contact <u>Jason S. Jackson</u>, <u>Heather N. Tilley</u>, or another member of Kutak Rock's Intellectual Property Practice Group.

