

Hot Topics - Computer Law January 20, 2015

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A. Copyrights

Waiting Too Long to Bring Copyright Infringement Suit - Laches Is No Bar Claim If Any Infringement Within Three Years

The Supreme Court, in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1662 (2014), (available [here](#)), held that the defense of laches was not available to preclude adjudication of copyright infringement action brought within 17 U.S.C.S. § 507(b)'s 3-year limitations period for civil action under Copyright Act (17 U.S.C.S. § 101 et seq.).

The allegedly infringing work is the motion picture *Raging Bull*. In 1976, the original authors assigned the screenplay, which was later acquired by United Artists, a subsidiary of Metro-Goldwyn-Mayer, Inc. ("MGM"). In 1980, MGM released, and registered a copyright in, *Raging Bull*. Petrella acquired the renewal rights to the screenplay as an heir to the author. The renewal rights reverted to the heirs, who could renew the copyrights unburdened by any assignment previously made by the author. In 1991, Petrella renewed the copyright. Seven after the renewal, Petrella in 1998 advised MGM that *Raging Bull* violated her copyright. Some nine years later, on January 6, 2009, Petrella filed an infringement suit limited to acts occurring on or after January 6, 2006. MGM moved for summary judgment that Petrella's 18 year delay in filing suit was unreasonable and prejudicial to MGM. The District Court granted MGM's motion holding that laches barred Petrella's suit. The Ninth Circuit affirmed. The Supreme Court reversed.

The Supreme Court found that in the face of a statute of limitations enacted by Congress, laches cannot be invoked to bar legal relief. Petrella sought no relief for conduct occurring outside § 507(b)'s three-year limitations period. The Court also found that there is nothing untoward about a copyright owner delaying suit and waiting to see whether an infringer's exploitation undercuts the value of the copyrighted work, has no effect on the original work or even complements it. In addressing MGM's arguments, and in distinguishing between laches and estoppel, the Court stated that when a copyright owner engages in intentionally misleading representations concerning his abstention from suit, and the alleged infringer detrimentally relies on the copyright owner's deception, the doctrine of estoppel may bar the copyright owner's claims completely, eliminating all potential remedies. However, the courts below did not address the estoppel plea.

This present case was not extraordinary where the consequences of a delay in commencing suit maybe of sufficient magnitude to warrant, at the very outset of the litigation, curtailment of the relief equitably awardable. The Court found that Petrella notified MGM of her copyright claim before MGM invested millions of dollars in creating a new edition of Raging Bull. And the relief sought, disgorgement of unjust gains and an injunction against future infringement, would not result in "total destruction" of the film or anything close to it.

B. Patents

USPTO 2014 Interim Guidance on Patent Subject Matter Eligibility - released Dec. 16, 2014 at

<https://www.federalregister.gov/articles/2014/12/16/2014-29414/2014-interim-guidance-on-patent-subject-matter-eligibility>

The Interim Eligibility Guidance offers a comprehensive view of subject matter eligibility in line with *Alice Corp*, *Myriad*, *Mayo*, and the related body of case law. The Guidelines indicate:

Determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to significantly more than the judicial exception. A claim directed to a judicial exception must be analyzed to determine whether the elements of the claim, considered both individually and as an ordered combination, are sufficient to ensure that the claim as a whole amounts to significantly more than the exception itself—this has been termed a search for an “inventive concept.” To be patent-eligible, a claim that is directed to a judicial exception must include additional features to ensure that the claim describes a process or product that applies the exception in a meaningful way, such that it is more than a drafting effort designed to monopolize the exception. It is important to consider the claim as whole. Individual elements viewed on their own may not appear to add significantly more to the claim, but when combined may amount to significantly more than the exception. Every claim must be examined individually, based on the particular elements recited therein, and should not be judged to automatically stand or fall with similar claims in an application.

1. “Significantly More” Requirement Under *Alice Corp*.

The Supreme Court has identified a number of considerations for determining whether a claim with additional elements amounts to significantly more than the judicial exception itself. The following are examples of these considerations, which are not intended to be exclusive or limiting. Limitations that may be enough to qualify as “significantly more” when recited in a claim with a judicial exception include:

- a. Improvements to another technology or technical field;
- b. Improvements to the functioning of the computer itself;

- c. Applying the judicial exception with, or by use of, a particular machine;
- d. Effecting a transformation or reduction of a particular article to a different state or thing;
- e. Adding a specific limitation other than what is well-understood, routine and conventional in the field, or adding unconventional steps that confine the claim to a particular useful application;
- or
- f. Other meaningful limitations beyond generally linking the use of the judicial exception to a particular technological environment.

2. NOT Significantly More

Limitations that were found not to be enough to qualify as “significantly more” when recited in a claim with a judicial exception include:

- a. Adding the words “apply it” (or an equivalent) with the judicial exception, or mere instructions to implement an abstract idea on a computer;
- b. Simply appending well-understood, routine and conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception, e.g., a claim to an abstract idea requiring no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry;
- c. Adding insignificant extrasolution activity to the judicial exception, e.g., mere data gathering in conjunction with a law of nature or abstract idea; or
- d. Generally linking the use of the judicial exception to a particular technological environment or field of use.