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spend their money on science rather than legal expenses. This is understandable, but short-sighted. Decisions of this type may cause a start-up to forego formulating a cohesive patent strategy around a nascent product or technology platform. Consequently, their first patent filing is often too soon or too late, or it shoots the project and the patent strategy in the foot. A strategically-designed patent portfolio is equally as valuable to a company as a robust data package is for its product. Investors require both."

Chris Sloan, co-chair of Baker Donelson's Emerging Companies group: "This is not to say you should file patents and trademark applications on anything and everything; you can easily spend tens of thousands of dollars doing that. The key is to have a plan and know what you want to protect and when to do it. Put another way, if you don't make a decision, the decision might be made for you."

2. Entrepreneurs Seek Patent Protection(s) Too Early

...the key question is how much, and when. - Rick Frenkel, Latham & Watkins

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The many points above notwithstanding, Rick Frenkel, a partner in Latham & Watkins' Silicon Valley office, counters that startups can also place too much emphasis and worry on IP in the earliest stages of the company, thereby "seeking a wide variety of patent protection that later turns out to be unrelated to where the company actually ends up heading."

Frenkel suggests: "Rather than investing that money with the US Patent & Trademark Office and patent attorneys, it might be better spent on developing the company's product. Patents are typically used for three major purposes by operating companies (as opposed to patent trolls). First, patents can be used against competitors, to forge a better business position. But this can hardly be true as to startups, since patents take years to grant, and competitors by definition are going to be much better established and with deep pockets. Second, patents can be used for defensive reasons, in case sued by competitors, so the company can fight back. But this is also not too applicable to startups. Most patent-aggressive competitors will take action before the startup's patents have matured to a point where they are useful. And if that unfortunate event happens, startups can always resort to buying patents to use in litigation. Third, patents are useful to demonstrate that the company has value. This is the one reason startups should seek some patent protection—most VCs would like the company to have some IP protection on the company's innovations.

But the key question is how much, and when. Investors are not going to be looking to see if every aspect of the company is covered by a patent. Rather, the startup should focus in the first year on proving its concept and demonstrating that its business plan has value, as well as developing its product or service. There may be several dead ends in that process. Once it becomes clear where the company is going to head to become viable, at that point the company should target the two or three major reasons why its technology or business model is differentiated over what has been done before, and seek very strong patent protection from top-notch prosecution firms focused on the company's core strengths. While patents are important, they are expensive to obtain and it is worth waiting and targeting what turns out to be the valuable assets to protect, rather than rushing into numerous early patent applications that end up having little value."

3. Entrepreneurs Don't Focus on How Patents Can Protect Revenue

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> ...*not every neat idea is in fact a business.* - Jim Coffey, McCarter & English

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Michael Guiliana, partner at Knobbe Martens: "Startups often fall into a trap of investing in patents primarily to protect the "genius" of their inventions. For example, excitement over the cleverness or elegance of a technological solution can be a driving force behind investment in patent protection. Such excitement can distract a startup from understanding or focusing on how patents can protect revenue and market share. Sophisticated entrepreneurs should map the drivers of their current, anticipated and potential future revenue streams, and work closely with patent counsel to ensure future patent investments are rationally tied to protecting those revenue drivers."

Jim Coffey, partner in the Emerging Companies practice group at McCarter & English, offers an interesting perspective on this notion: "A big mistake I see many startups make is the failure to realize early on that not every neat idea is in fact a business. You can have a really interesting patent (or even a family of patents), a trade secret or some other unique know how, but still not be able to commercialize your technology in the U.S. or other foreign market. This may be due to obstacles such as unusually large development costs, unique manufacturing challenges or even governmental or regulatory hurdles. However, in each instance, without a practical solution for clearing the obstacle, the startup will more often than not fail. The entrepreneur who thinks ahead from the get-go and develops a strategic patent plan around finding a solution to a unique problem (that exists in a sizeable commercial market) will always win over the less circumspect founder with the "devil-may-care approach" to technology development."

4. Entrepreneurs Don't Focus Enough On IP Ownership

> *Defining and documenting appropriate ownership is generally easy to do when done at the right time, but can be difficult to subsequently fix...* - Tom Arno, Knobbe Martens

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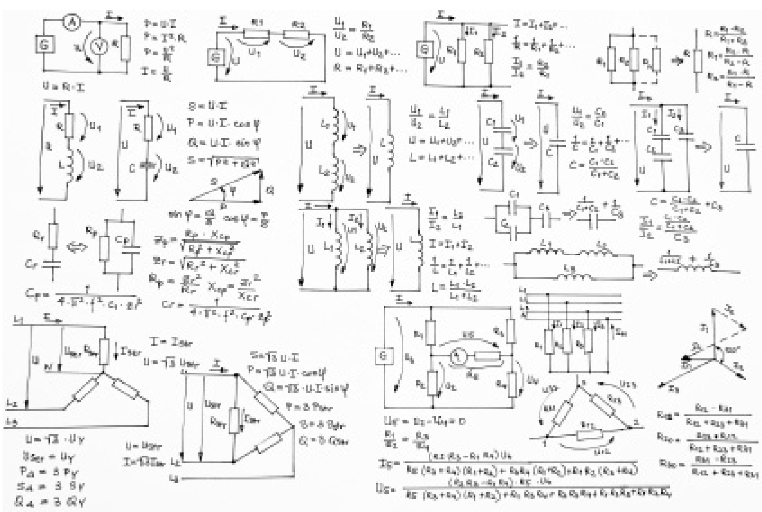
Concern over intellectual property ownsership is another of those insights we heard expressed in different ways, each with an important takeaway.

Gaps in IP Title Chains

Tom Arno, partner in the Knobbe Martens San Diego office: “A significant but generally avoidable mistake start-up companies make is failing to establish clear chain of title of intellectual property ownership. This problem has only increased as more startups bootstrap themselves as far as possible with outsourced product development services. Defining and documenting appropriate ownership is generally easy to do when done at the right time, but can be difficult to subsequently fix. Potential investors and acquirers will look for clearly documented ownership of all intellectual property by the target company, and it is surprising how often gaps in intellectual property title chains get discovered during due diligence for these transactions. Even if unresolved questions with regard to chain of title may not prevent investment or acquisition, company valuation can be reduced for reasons that in many cases could have been readily addressed if considered earlier.”

Assignment of Pre-Exisiting IP



Helen Christakos, chair of the IP practice group at Carr-McClellan: “Technology development and the formation of key business strategies often begin long before a company is incorporated. Once the company is formed, all of this ‘pre-existing’ technology and IP must be assigned to the new company. Absent such an assignment, it is likely the individual who creates the technology and IP will continue to own it. If the technology and IP is not assigned to the company, it can create significant problems if the company wants to obtain funding. Angels or VCs will perform legal due diligence on the company, and if it is not clear that the company owns such “pre-existing” technology and IP, this can adversely impact funding and valuation. It is best to assign this “pre-existing” technology and IP to the company at the time of incorporation so the company can issue stock in consideration of the IP and technology assignment, and it does not have to chase down third parties. However, this can be done retroactively as well."

Written Assigments When Working With Outside Developers

Chris Sloan of Baker Donelson again: "It's natural for people to believe that, when they pay for work product such as software, they will own it. Unfortunately, under copyright law, that just isn't the case, except for work that is done by an employee (in the strict sense) who is acting within the scope of their employment. Most of the time, unless you have an express, written assignment of copyrights, that outside developer you just paid tens of thousands of dollars to will own the software he just developed. And that's in spite of what both parties may have intended all along. So, get an assignment, and get it in writing."

Agreements with Former Employees

Steve Charkoudian, chair of Goodwin Procter's Technology Transactions practice: "Founders or founding teams often neglect to review their employee agreements with former employers. These agreements may give former employers a claim to intellectual property that the founder or founding team is planning to use as a centerpiece of their startup. They often include provisions that say anything you do within the scope of your employment is owned by the company or that anything you do on company time that's using company materials or machines in creating intellectual property or technology is owned by the company. The most egregious ones that I see include the basic provisions and then say that it's presumed that anything that is developed within 3 months, 6 months, 9 months, etc. after you leave the company was presumed to have been developed while you worked at the company. So, as a founder or founding team, you really want to look at those agreements to make sure that any former employer doesn't have a claim to the centerpiece of the technology that the startup was planning on owning."

The Fix

Ashley Dobbs, shareholder at Bean, Kinney & Korman suggests startups should:

1. make an inventory of all their mission critical IP – not just patents, but copyrights, trademarks and trade secrets;
2. make sure the IP is either created as a work for hire for the entity by an employee or under a written agreement, or that the rights are fully assigned to the entity in writing;
3. file the necessary registrations for copyright, trademarks and patents; or
4. take appropriate steps to protect and keep confidential those trade secrets (i.e., security systems, need-to-know access, employee and contractor non-disclosure agreements, etc.).

5. Entrepreneurs Don't Take Advantage of 'Track One' Priority Examinations (For Faster Application Process)

Startups, in particular, are in a special position to jump ahead of the FIFO queue at the USPTO... - Aseet Patel, Banner Witcoff

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Aseet Patel is a shareholder at law firm Banner & Witcoff: "Although they are trailblazers in their industries, too many startups acquiesce to the all-too-familiar patent application backlog at the U.S. Patent & Trademark Office. Especially in the software and Internet technology areas, the USPTO can take years before they pick up a newly-filed patent application for examination. Startups, in particular, are in a special position to jump ahead of the FIFO queue at the USPTO. Many startups qualify for the 50 percent discount afforded to small entities (or better yet, for the new 75 percent discount afforded to the newly created micro-entity status). With such steep discounts, for as little as about $1,000 to $2,000, a qualifying startup can request the

USPTO's Track One prioritized examination program. We've had great luck with Track One and have been able to obtain granted patents for clients within less than a year, and in one case, in only six months after filing. When time is of the essence and the next round of mezzanine financing is around the corner, don't forgot to ask your patent attorney about Track One. It might just be the thing you need to get that patent granted faster and attract the venture capital that your startup needs."

6. Entrepreneurs Don't Use Confidentiality Agreements to Protect IP

Lacy Kolo, Ph.D., an associate at Patton Boggs, says: "Startups harm their intangible asset values when they do not use a confidentiality agreement. Because they disclosed their intellectual property to others, they can be estopped from obtaining patent protection, or asserting their IP is a trade secret down the road. All parties should sign a mutual non-disclosure agreement before any discussion on the IP occurs. If IP has already been disclosed, then the startup should make a detailed list of what was disclosed, so an IP attorney can determine if there are any limits on patent or trade secret protection."

7. Entrepreneurs Don't Always Select a Distinct and Strong Trademark

And finally, a reminder from G. Henry Welles, partner and chair of the intellectual property group at Best Best & Krieger LLP: "The biggest mistake entrepreneurs make is not taking the time to select, clear and protect trademarks for their businesses and products from the outset. A strong trademark is a valuable asset, and if a business owner inadvertently or intentionally uses a trademark belonging to an existing company, they could end up paying that company all of their profits earned from using that trademark. Entrepreneurs should select a trademark that is distinct and strong; it should not be merely descriptive of the product."

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What's on your list of IP mistakes for startups? Send us a note at news@jdsupra.com.

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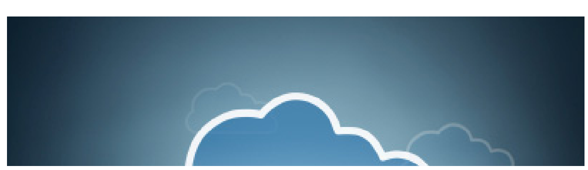
What the Supreme Court's Aereo Ruling Might Mean for Cloud Storage Platforms

6/26/2014 by Rajit Kapur | JD Supra Perspectives

> *...the Court seemed to recognize some of the ways in which a cloud storage platform might distinguish itself from Aereo and from the result reached in this case – beyond merely "not looking like" a cable company.*

Perhaps to the relief of those who saw this case as a potential setback for cloud computing technology, the majority opinion took great pains to emphasize what it was *not* deciding in addition to what it was. And it seems clear that at least one of the many things that was *not* decided was whether a cloud storage platform, such as Dropbox or iCloud, would run afoul of the copyright laws' protection of the "public performance" right in providing access to video recordings and other copyrighted content stored by its users.

Indeed, in noting what was not being decided, the Court seemed to recognize some of the ways in which a cloud storage platform might distinguish itself from Aereo and from the result



reached in this case – beyond merely "not looking like" a cable company. For example, the Court noted that it has "not considered whether the public performance right is infringed when the user of a service pays primarily for something other than the transmission of copyrighted works, such as the remote storage of content."

Additionally, in noting that the term "the public" "does not extend to those who act as owners or possessors of the relevant product," the Court seems to suggest that an instance in which a user of a cloud-based storage platform purchases copyrighted content – and then stores it in the cloud for personal playback on demand – would not implicate the "public performance" right at issue in this case, at least because the user lawfully owns and possesses that content.

Nevertheless, it will be interesting to see what new issues may arise in this case once it returns to the lower court, particularly in view of the concerns raised by Justice Scalia in his dissent, such as how, if at all, the Court's opinion will affect the legality of Aereo's "record" function. For now, however, the majority's limited ruling with respect to Aereo and its technology should not affect – and hopefully will not have a chilling effect on – future development of cloud computing technologies.

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[**Rajit Kapur** *is an intellectual property attorney at law firm Banner & Witcoff. He has handled a broad range of intellectual property issues in a number of different technical areas, including matters involving computer software, mobile devices, Internet applications, video games, graphical user interfaces, and financial products and services, among others.*]

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Law360

GCs Name Favorite IP Lawyers

By **Kurt Orzeck** 0 Comments Share us on:

Law360, New York (February 03, 2014, 9:34 PM ET) -- In-house counsel from large and Fortune 1000 companies have named 21 intellectual property lawyers as the most client-service savvy, a distinction they achieved by thoroughly understanding the business impacts of their clients' companies while becoming well-versed in the technical aspects of those businesses.

The 2014 BTI Client Services All-Stars **report** from The BTI Consulting Group Inc. (Wellesley, Mass.) features 330 lawyers who excel at serving their clients, with 21 of them specialize in trademark law, confidential information and other areas of intellectual property.

More than 300 corporate counsel — compared with 240 **last year** — nominated attorneys based primarily on their client focus, but also on their innovative thought leadership, legal skills, outsize value, outstanding results and exceptional understanding of client business.

BTI President Michael Rynowecer told Law360 that the latter quality was most prevalent among IP lawyers who made the list because IP often relates to mission-critical products and processes within a company.

“Understanding that the legal issues could directly affect revenue and new product, bringing that hard-core business-minded approach as well as the technical approach, was a top trend in the nominations," he said.

Bereskin & Parr LLP partner Donald H. MacOdrum — a two-year All-Star who practices in Canada — agreed, saying a technical background is especially helpful for IP lawyers who deal in complex patent-drafting areas such as biotechnology.

“It is important to bring a thorough knowledge of the applicable legal principles, a good understanding of the technical issues and their interplay in the client’s business, and a good sense of the business issues in advising clients,” he said.

For those IP lawyers who may be lacking technical expertise, they may better serve clients by bringing together different teams from project to project, said Duane Morris LLP partner Sandra A. Jeskie, who has appeared on the BTI survey for the past three years.

“Each lawyer brings unique attributes to any client relationship, and identifying lawyers with appropriate skill sets for each client matter is key to achieving the best result, as well as gaining client confidence and loyalty,” she said.

Like Jeskie, who was nominated for her deep knowledge of her clients' companies and solid communication skills, Quarles & Brady LLP partner Gregory P. Sitrick emphasized the importance of looking at his clients' problems from their perspective.

“Once you know what your client wants to do, and you know how your client operates, you can work backward to figure out what action to take,” he said. “Sometimes, especially in IP cases, that means acting as a business partner with your adversary rather than treating them as a litigant.”

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Fenwick & West LLP partner Rodger R. Cole, based in Mountain View, Calif., said that acting fast and with a sharp business mind is critical to being an IP lawyer, especially in fast-paced IP meccas like Silicon Valley.

"Technology companies make decisions quickly. To give good advice, a lawyer needs to understand the business goals and the risk tolerance of the client," he said. "I learn my client's business before problems arise to identify and respond to issues promptly."

Banner & Witcoff Ltd. attorney Christopher J. Renk said that a deep understanding of his clients' technology and business goals allows him to "bridge communication gaps between engineers and business people, and help extract maximum value out of [his] client's spend on intellectual property protection."

Another BTI All-Star, Edwards Wildman Palmer LLP partner Rory J. Radding, emphasized the importance of cost-effective client services.

"I bring a client-based business focus to my advice by developing an IP strategy that complements and fulfills the client's business strategy in a cost-effective and efficient manner," he said. "When appropriate, I use the tools of litigation, prosecution (design-around) and licensing to reach those goals."

Andrus Sceales Starke & Sawall LLP partner Peter Holsen added: "[I] invest significant time and resources staying up-to-date on current technologies, the worldwide economy and the state of the client's industry. I have found that this type of high-quality service marries well with large-scale businesses, including those of Fortune 50 and 500 companies."

Buchanan Ingersoll & Rooney PC executive shareholder Todd R. Walters noted that client-service costs can be cut by turning to post-issuance proceedings, which involve sophisticated decision-makers, a lower burden of proof and lower costs compared with district court litigation.

David J.F. Gross, a partner at Faegre Baker Daniels LLP, said that through his firm's use of alternative fee agreements, it has demonstrated to clients that the firm "is part of the business solution to an IP problem as opposed to a mere transaction cost."

Like other attorneys who serve budget-minded corporations, Foley & Lardner LLP partner Richard S. Florsheim noted the appreciation his clients have for his cost-effective approach to IP litigation.

"Different types of patent infringement cases require different levels of firepower," he said. "A strategic case between competitors seeking to exclude one another from offering product features that are critical to customers requires one level of intensity; a troll case in which my client's only exposure is payment of a modest royalty is an entirely different matter."

Indeed, the management of patent trolls was another oft-cited topic in this year's survey, according to Rynowecer. Winston & Strawn LLP partner Michael A. Tomasulo said he and his clients have prevailed over them by deploying a variety of legal strategies.

"We have been successful with aggressive counter-offensives in cases where the plaintiff's claims were plainly of little or no merit," he said. "This has led to several instances where we convinced the plaintiff to simply 'walk away' from the case."

The IP attorneys named as 2014 BTI Client Service All-Stars are Peter T. Holsen of Andrus Sceales Starke & Sawall LLP, Christopher J. Renk of Banner & Witcoff Ltd., Donald H. MacOdrum of Bereskin & Parr LLP, Todd R. Walters of Buchanan Ingersoll &

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--Editing by Edrienne Su.

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High Court Cases May Strike Blow Against 'Patent Trolls'

By **Ryan Davis**

Law360, New York (February 24, 2014, 7:15 PM ET) -- The U.S. Supreme Court will hear oral arguments Wednesday in two cases that could make it considerably easier for courts to impose sanctions on plaintiffs that bring "baseless" patent suits, a shift that attorneys say could cut down on suits by so-called patent trolls.

The petitioners in the separate cases are asking the justices to relax the standard for awarding attorneys' fees to the prevailing party as a sanction when the judge deems a case "exceptional" and to rule that such awards are entitled to deference on appeal, making them difficult to overturn.

If the Supreme Court accepts those arguments, bringing a weak patent case would become a financially risky proposition, and patent trolls would have to think twice before deciding whether they file a suit that could leave them on the hook for the defendants' fees, said Stephen Holmes of Kaye Scholer LLP.

"At the moment, the test is very strict and very rarely applied. It's very hard to get attorneys' fees as a prevailing defendant, especially against trolls," he said. If fees were easier to obtain, "trolls would have their money on the line. At the moment, they're not really at risk."

A greater threat of being hit with attorneys' fees would deter nonpracticing entities from filing patent suits against scores of defendants with minimal due diligence, a common tactic aimed at extracting settlements from accused infringers who want to avoid the cost of litigation, said Charles Shifley of Banner & Witcoff Ltd.

More accused infringers would defend against frivolous suits if they knew they knew there was a good chance their fees would be covered if they prevail, he said.

"The cases have the potential to curb abusive litigation by making it more possible for the accused infringer to recover something," he said.

The two cases deal with Section 285 of the Patent Act, which provides that courts can award attorneys' fees to the prevailing party in a patent case that the court deems "exceptional." Although the cases address different issues, the justices will hear arguments back-to-back on Wednesday.

In one case, the court **agreed to hear** an appeal by Octane Fitness LLC, which beat Icon Health & Fitness Inc.'s claims that it infringed elliptical machine patents but was not awarded attorneys' fees. Octane is asking the high court to review the Federal Circuit's standard that in order to be found exceptional, a suit must be "objectively baseless" and "brought in subjective bad faith."

That test "so severely limits" the ability of courts to award fees that such awards "are essentially nonexistent," Octane said in its merits brief, arguing that a lower standard would discourage patent trolls and others from filing frivolous suits.

Rudy Telscher of Harness Dickey & Pierce PLC, an attorney for Octane, said that meeting the current standard is "impossible" and a lower standard is needed to protect companies from baseless suits.

"The standard needs to be something that is attainable, so that when a plaintiff brings an unreasonable claim, the defendant is encouraged to defend against that weak case because they know they're going to get attorneys' fees," he said.

In the second case, the justices **agreed to hear** an appeal by Highmark Inc., which had an award of attorneys' fees it won following an unsuccessful suit by Allcare Health Management Systems Inc. vacated by the Federal Circuit. It is challenging the appeals court's standard that fee awards must be reviewed afresh on appeal.

Requiring the Federal Circuit to give deference to awards of attorneys' fees by district courts would make it more likely that they would be affirmed, thus dissuading frivolous suits, Highmark said in its merits brief.

The patentees in both cases said in their briefs that no change in the standards is needed and that changing it would not even address the perceived problems with patent trolls.

Icon told the Supreme Court that it is not a patent troll and is in fact a competitor of Octane, so the troll issue is not present in the case. In any case, it said, lowering the standard would effectively read out the requirement that a case must be "exceptional" in order for fees to be awarded.

Allcare said in its brief that the idea that giving deference to district court fee awards would deter frivolous suits is "entirely unfounded" and amounts to "nothing more than a complaint that fee awards are difficult to obtain — as Congress intended."

Erik Puknys of Finnegan Henderson Farabow Garrett & Dunner LLP, an attorney for Allcare, said the idea that district court decisions on fee awards should be entitled to deference on appeal is contrary to the purpose of the Federal Circuit.

Congress created the court to ensure uniformity in patent law, rather than having the law interpreted differently by 12 regional circuits, he said.

"Under Highmark's proposal, there would not be 12 different views, but hundreds of different views," Puknys said. "Each individual judge could reach his or her own conclusion as to the merits of a legal argument. That's totally against congressional intent."

Some attorneys have warned lowering the standard for attorneys' fees could have implications far beyond patent troll litigation and could make it harder for attorneys to represent their clients in patent cases.

The Federal Circuit should not have to defer to lower courts because it hears the most patent cases and is best suited to determine whether litigation tactics beyond the pale and should be subject to sanctions, said Erik Belt of McCarter & English LLP. Requiring deference would "chill zealous advocacy," he said.

"Whether you're representing a plaintiff or a defendant, as a lawyer, you want to have the flexibility to make aggressive, creative, groundbreaking arguments when called for without fear of drawing the wrath of the court and having to pay attorneys' fees," said Belt, who filed a brief supporting Allcare on behalf of the Boston Patent Law Association.

Other observers said that although Section 285 allows courts to order attorneys' fees as a sanction against either plaintiffs or defendants for making baseless arguments, the issue is most likely to arise in nonpracticing entity cases.

The federal government has filed briefs supporting the petitioners in both cases, arguing the current standard that makes it difficult to award attorneys' fees has "diminished Section 285's effectiveness as a tool to discourage abusive patent litigation and mitigate injustice suffered by prevailing parties in particular cases."

Holmes says he will be interested to see whether the justices delve into the issue of patent trolls at the oral arguments.

"While Section 285 applies to all patent cases, not just those brought by patent trolls, it will potentially have more impact on cases by patent trolls because those cases often involve weak patents being broadly asserted," he said.

Shifley said that even under a relaxed standard, some patent trolls would still file baseless suits, but empowering defendants who are wrongfully accused to recover attorneys fees would make a difference.

"It would not be a panacea that would end nonpracticing entity litigation, but everything helps," Shifley said.

Highmark is represented by Hogan Lovells and Reed Smith LLP. Allcare is represented by Finnegan Henderson Farabow Garrett & Dunner LLP.

Octane is represented by Harness Dickey & Pierce PLC and Hogan Lovells. Icon Health & Fitness Inc. is represented by Maschoff Brennan Laycock Gilmore Israelsen & Wright PLLC.

The cases are Highmark Inc. v. Allcare Health Management Systems Inc., case number 12-1163, and Octane Fitness LLC v. Icon Health & Fitness Inc., case number 12-1184, both in the U.S. Supreme Court.

--Editing by Jeremy Barker and Philip Shea.

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Mentor Graphics Patent Mostly Survives Inter Partes Review

By **Abigail Rubenstein**

Law360, New York (February 25, 2014, 7:44 PM ET) -- The U.S. Patent and Trademark Office has handed a rare victory in an inter partes review to Mentor Graphics Corp., finding that nine claims of a Mentor patent related to prototyping circuits challenged by Synopsys Inc. were patentable and three claims were not.

The dispute before the USPTO's Patent Trial and Appeal Board ends after years of legal wrangling between Mentor Graphics and EVE-USA Inc., which is now owned by Synopsys. Before the board, Synopsis **claimed** that the patent-in-suit, U.S. Patent Number 6,240,376, was anticipated by prior art known as the Gregory patent, U.S. Patent Number 6,132 109.

The PTAB concluded on Feb. 19 that while three of the patent's challenged claims were indeed unpatentable because of the Gregory patent, another nine could stand despite the Gregory patent.

The '376 patent generally relates to the fields of simulation and prototyping of integrated circuit and describes in particular "debugging synthesizable code at the register transfer level during gate-level simulation."

The decision upholding the bulk of Mentor's patent came down the same day as a **decision** that left a single claim of a Proxyconn Inc. software process patent that had been challenged by Microsoft Corp. intact after an America Invents Act review, which some observers said was the first time the USPTO didn't completely wipe out a patent in the inter partes review process.

While 11 claims of Proxyconn's patent — which Microsoft and several computer hardware makers had been accused of infringing — were declared invalid, one of the claims survived the scrutiny of the PTAB, which said the claim wasn't an obvious extension of earlier technological developments Microsoft had cited as grounds for canceling the patent.

In the decision concerning Mentor's patent, which came down on the same day — making it a potentially groundbreaking decision as well — left even more patent claims intact.

"We are pleased to have been able to accomplish another [inter partes review] first in favor of our client Mentor Graphics Corp.," Christopher L. McKee of Banner & Witcoff Ltd. told Law360. "This decision correctly upholds the validity of most of the claims in the trial, including claims that are asserted in parallel patent infringement litigation.

"It was about one year ago that we successfully had a Synopsys petition for inter partes review of another patent involved in the litigation denied in its entirety," he said. "We