Intellectual Property Section
Alabama State Bar Association

MAY 2007 VOLUME 4, ISSUE 1

Supreme Court Ruling Facilitates Patent Challenges By Licensees

The Effect of the Recent Case of *MedImmune V. Genetech* before the United States Supreme Court

R. Gache

C. Browning

Russell C. Gache
Sirote & Permutt, P.C.
rgache@sirote.com

C. Brandon Browning
Sirote & Permutt, P.C.
bbrowning@sirote.com

The Supreme Court's recent ruling in MedImmune v. Genentech may reflect the Justices' recent unsettling experience with patents, notably the possible loss of their Blackberry Wireless Handheld devices that was narrowly averted by the last-minute settlement of the patent dispute between Research In Motion, Ltd., and NTP, Inc. In light of that case, the Court may now be signaling its concern that too many invalid or unworthy patents are being issued by the United States Patent & Trademark Office and that the public would benefit by facilitating Court challenges to patents by those with an economic interest in doing so, namely, patent licensees.

Prior to the Court's decision in MedImmune, patent licensees were presented with a Hobson's choice: continue to pay royalties on an invalid patent or one they did not infringe, or refuse to pay and run the risk of being liable for treble damages, attorney's fees, and an injunction. In MedImmune, however, the court held that a patent licensee could sue under the Declaratory Judgment Act for a determination of patent invalidity or non-infringement while continuing to pay patent royalties under the license, and that such a suit fulfilled the "cases or controversies" requirement of Article III of the Constitution. The decision appears to bring some common sense to the question, since it is unlikely that the Declaratory Judgment Act required the type of Catch 22 created by the Court of Appeals for the Federal Circuit's jurisprudence in GenProbe v. Vysis line of cases on this issue.

In the MedImmune case, the parties were fighting over a Genentech patent on one of MedImmune's top sellers - Synagis, a children's respiratory drug developed by MedImmune with more than $1 billion in sales annually. MedImmune had sought a declaratory court judgment of patent invalidity while paying royalties under protest, prompting Genentech to argue MedImmune's complaint should be dismissed. But Justice Antonin Scalia, writing for the majority, said that MedImmune had satisfied the legal requirement that there is a controversy, even though MedImmune did not refuse to make royalty payments under the licensing agreement. MedImmune "assuredly did contend that it had no obligation under the license to pay royalties on an invalid patent," Scalia wrote. "Promising to pay royalties on patents that have not been held invalid does not amount to a promise" not to contest the matter.

Corporations that are major patent holders backed Genentech in the dispute, saying that creating a unilateral right for a licensee like MedImmune to challenge a licensed patent will destabilize thousands of existing patent settlements and license agreements. Those who supported MedImmune in the case, including the U.S. Solicitor General, the General Counsel of the U.S. Patent & Trademark Office and the Generic Pharmaceuticals Association communicated to the Supreme Court that invalid patents can hurt efficient licensing, hinder competition and undermine incentives for innovation. Whatever your opinion, there is little dispute that the result of MedImmune is a boon for those who believe there are is a surplus of invalid patents holding hostage unwilling licensees and that the decision shifts strength within a license agreement from the licensor to the licensee. Now, a licensee can have its cake and eat it too — it can avoid the jeopardy of patent infringement damages by continuing to pay royalties, limiting its liability to only past royalties paid.

The case has significant implications to patent license negotiations. Normally, licensor and licensee negotiate at arm's length depending upon the value of the license to provide a competitive advantage to the licensee in the marketplace. However, now the licensor must consider in its negotiations limitations on legal actions that a licensee can take against it as well as whether it should distribute royalties

(Continued on page 2)

Inside This Issue:

An Analysis of the Recent Decision of the United States Supreme Court in *KSR International Co. v. Teleflex, Inc.* .... Page 2

IP Cease and Desist Letters: Avoiding Unintended Consequences... Page 4

(Continued from page 1)

unevenly during the term of license. Specifically, a distinct advantage arises to licensors that weight payments more heavily toward the front-end of the license term in case the licensee brings a challenge against a patent's validity under the Declaratory Judgment Act. The motivation for bringing an invalidity challenge against a patent obviously diminishes if no economic benefit results from filing such an action by the licensee. Other license terms such as payment of attorneys fees, indemnification clauses for challenge damages, etc. also now take on heightened importance.

RUSSELL CARTER GACHE and C. BRANDON BROWNING are shareholders at the law firm of Sirote & Permutt, P.C. Both are registered patent attorneys with the United States Patent & Trademark Office in Washington, D.C. and frequently negotiate license agreements and prosecute patent applications on behalf of software and information technology companies. Each of their bio's may be found at www.sirote.com.

OBVIOUSNESS REDEFINED?

An Analysis of the Recent Decision of the United States Supreme Court in *KSR International Co. v. Teleflex, Inc.*

Larry W. Brantley
Waddey & Patterson, P.C.
lb@iplawgroup.com

On April 30, 2007, the Supreme Court of the United States issued a decision that, at least at first glance, appears to have redefined when an invention is considered to be obvious under United States patent law. The case is *KSR International Co. v. Teleflex Inc. et al.*, 550 U.S. _____ (2007) and can be found on the Court's website at www.supremecourtus.gov/opinions/06pdf/04-1350.pdf. A close examination of the Court's decision, however, indicates that this is not the case. In *KSR*, the Court was asked to consider whether the teaching, suggestion, or motivation test ("the TSM test"), a test which has been used by courts and patent examiners alike for years to determine if an invention is obvious, was inconsistent with 35 U.S.C. §103 and earlier decisions of the Court interpreting this code section. The Court's decision clearly indicates it is not. What the Court's decision does indicate is that, when this test is applied rigidly and to the point where it prevents a factfinder from using common sense and performing a proper obviousness analysis using the guidance provided by prior Court precedent, it is inconsistent with §103 and the Court's prior decisions relating to this issue.

INTRODUCTION

Teleflex Incorporated ("Teleflex") is the assignee of United States Patent No. 6,237,565 ("the '565 patent"), which is entitled "Adjustable Pedal Assembly with Electronic Throttle Control" and issued on May 29, 2001. Claim 4 of the '565 patent is directly to the combination of an adjustable automobile pedal and an electronic sensor designed to generate a signal containing information regarding the pedal's position as it is moved from a resting position to various applied positions.

KSR International Co. ("KSR") is in the business of manufacturing and selling adjustable automobile pedals. When KSR decided to begin manufacturing and selling an adjustable automobile pedal combined with an electronic sensor, Teleflex sued KSR in the United States District Court for the Eastern District of Michigan for infringing Claim 4 of the '565 patent. KSR responded by arguing that the claim was invalid as being obvious under §103.

THE DISTRICT COURT'S DECISION

The district court agreed with KSR and granted summary judgment that Claim 4 of the '565 patent was invalid because it was obvious. As required by 35 U.S.C. §282, the district court acknowledged that the claim was presumed to be valid but then concluded, after performing a detailed obviousness analysis using the factors set forth in *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966), that the presumption had been overcome by KSR. In *Graham*, the Court addressed the issue of obviousness in the context of §103 and set forth a series of factors to be considered when making an obviousness determination under this code section. Specifically, the Court indicated that, in order to determine if an invention is obvious, one must first determine the scope and content of the prior art, the differences between the prior art and the claimed invention, and the level of ordinary skill in the pertinent art. The Court also suggested that secondary considerations, such as evidence of commercial success of an invention, that the invention solved a long-felt but unsolved problem, or that others had failed to develop the invention, could be considered when making an obviousness determination.

The district court analyzed the question of whether the invention set forth in Claim 4 of the '565 patent was obvious using each of

(Continued on page 3)

(Continued from page 2)

these factors. For example, the district court determined the level of ordinary skill in the design of automobile pedals, identified the relevant prior art, and identified the differences between this prior art and the invention covered in Claim 4. The district court also addressed the obviousness question by using the TSM test and concluded that KSR had satisfied this test as well. Finally, the district court considered the commercial success of Teleflex's pedals, a secondary consideration identified by the Court in *Graham* as an appropriate factor to consider when making an obviousness determination, but concluded that this success did not overcome the other evidence of obviousness. Teleflex then appealed to the United States Court of Appeals for the Federal Circuit

The Federal Circuit's Decision

The United States Court of Appeals for the Federal Circuit reversed, indicating that the district court had failed to properly apply the TSM test. More specifically, the Federal Circuit held that the district court failed to make any findings that one of ordinary skill in the relevant art would have been motivated to combine an electronic sensor with an adjustable automobile pedal as required by Claim 4 of the '565 patent. The Federal Circuit held that the nature of the problem being solved by the prior art did not provide this motivation because the prior art did not address the same problem that the patentee was trying to solve. In addition, the Federal Circuit held that the fact that it might have been obvious to try to combine two prior art references to obtain the claimed invention did not render the invention obvious and criticized the district court for considering the fact that the United States Patent and Trademark Office had rejected a broader version of Claim 4 in its obviousness analysis. Finally, the Federal Circuit held that there were genuine issues of material fact that precluded summary judgment because Teleflex had provided statements from two experts indicating that the combination covered by Claim 4 was novel and nonobvious.

The Supreme Court's Decision

The Supreme Court of the United States reversed the Federal Circuit and held that Claim 4 was, in fact, obvious, indicating that the Federal Circuit had addressed the obviousness question in a manner that was contrary to §103 and prior Court precedent by applying the TSM test too rigidly. The Court criticized the Federal Circuit for its reasoning that courts and patent examiners should only look to the problem being solved by a patentee when looking for motivation to combine prior art elements to obtain a claimed invention. According to the Court, "any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed." The Court also criticized the Federal Circuit for assuming that a person of ordinary skill attempting to solve a problem would only be led to elements included in prior art designed to solve the same problem. In the opinion of the Court, "[C]common sense teaches, however, that familiar items may have obvious uses beyond their primary purposes, and in many cases a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle." The Court further rejected the Federal Circuit's conclusion that you cannot show that a claimed invention is obvious by simply showing that the combination of elements in the invention would have been obvious to try, indicating that under certain circumstances this type of showing might indeed show that a claimed invention was obvious. Finally, the Court rejected the Federal Circuit's conclusion that summary judgment was precluded when an expert provides a conclusory affidavit regarding the question of obviousness. In this regard the Court opined: "Where, as here, the content of the prior art, the scope of the patent claim, and the level of ordinary skill in the art are not in material dispute, and the obviousness of the claim is apparent in light of these factors, summary judgment is appropriate."

After identifying the flaws in the Federal Circuit's reasoning discussed above, the Court then proceeded to adopt the obviousness analysis performed by the district court and concluded that Claim 4 of the '565 patent was obvious. As indicated above, the district court analyzed the obviousness issue using the factors set forth in *Graham* and discussed previously. By adopting the district court's reasoning, the Court made it clear that a proper obviousness determination still requires consideration of the factors identified by the Court in *Graham* years ago.

Conclusion

On its face, the *KSR* decision suggests that the Supreme Court has redefined when an invention will be considered to be obvious under U.S. patent law. As explained in detail above, that is simply not the case. The determination of whether or not an invention is obvious is still determined by using the factors set forth by the Court in the *Graham* decision. The Court's decision in this case, however, does make it clear that the TSM test, which has been applied by courts and patent examiners for years and is still considered by the Court to provide helpful insight into an obviousness determination, is not to be applied so rigidly that it precludes a proper analysis under the *Graham* factors or the application of common sense to such a determination. When that occurs, the TSM test is inconsistent with §103 and prior Court precedent.

Larry W. Brantley is the managing shareholder of the Huntsville, Alabama office of Waddey & Patterson, P.C. His practice is limited to intellectual property law and he regularly advises clients on legal issues relating to patents, trademarks, and copyrights.

IP Cease and Desist Letters:

Avoiding Unintended Consequences

W. Tankersley, Jr.

J. Smith, III

Will Hill Tanksersley, Jr.
Balch & Bingham, LLP
wtankers@balch.com

J. Houston Smith, III
Balch & Bingham, LLP
hsmith@balch.com

Around 545 B.C., King Croesus of Lydia was the great ruler of the powerful kingdom of Lydia. Under his reign, the kingdom had grown strong and prosperous. Foes had attacked, but with his defense, they were unable to bring down the great kingdom. King Croesus looked to expand his kingdom by attacking the nearby land of King Cyrus of Persia, who after all, had a smaller army. In order to make a wise decision, King Croesus asked the Delphic oracle what would happen if he attacked. The oracle replied: "If you fight, a great kingdom will fall." Energized and encouraged, King Croesus attacked. The oracle was right; a great kingdom did fall, but it was that of King Croesus.

Perspective. King Croesus did not have it, but successful litigators cannot succeed without it.

As attorneys, our decision to draft and fire off a demand letter is commonly motivated by either: (1) reaction to the act of a third party, or (2) our client's emotional request. Either of these motivations can get us into trouble if they induce action without careful consideration of all the consequences that will stem from that action. This article acknowledges the unlimited factual scenarios prompting a demand letter, and it leaves analysis of each of those situations to you. Instead, this article offers practical advice, highlighting potential but unexpected ways that a demand letter can backfire, in hopes that the quantity of dangers will force you to take pause the next time you start to fire off a demand letter.

It would be nice if the problems caused by demand letters could be avoided by drafting them properly. Unfortunately, even a perfectly drafted demand letter can place the client in an unwanted position, and while the problem often appears immediately, other times it surfaces down the road to haunt you at a later stage of the case.

A typical demand letter may be sent to establish the sender's rights, to effect change in the recipient's behavior or to preserve evidence, but they also help to avoid some of the costs of litigation. Regardless of the rationale, all prelitigation demand letters have the potential to wreak havoc on the sender's position in future litigation. This article highlights five ways that a demand letter can backfire: (1) the pre-emptive strike; (2) inadvertently conferring personal jurisdiction; (3) inadvertently complicating injunction actions; (4) missing an anti-spoliation opportunity; and (5) reverse spoliation.

The Pre-emptive Strike

> You represent Company A located in Alabama. Company A's president calls you to complain about a patent infringement that is occurring in California, and although Company A currently does not do any business in California, this infringement is a threat and must be stopped. Rather than initiate litigation, you attempt amicable resolution of the dispute by offering a license while also providing notice of infringement via a demand letter. BAM! The response comes in the form of a summons and complaint. A declaratory judgment action has been filed against your client in California to determine whether an infringement exists, and your client must appear.

Your client has just been hit with a pre-emptive strike with the potential to force you to litigate in your opponent's backyard. Fortunately for the unsuspecting sender of the demand letter, these pre-emptive strikes do not always stick, but they require legal maneuvering (a.k.a. time and money) to avoid.

In order for this pre-emptive strike to stand, the underlying declaratory judgment must attempt to resolve an "actual controversy" sufficient to give the court jurisdiction. In federal court, the Declaratory Judgment Act, 28 U.S.C. § 2201, " 'requires an actual controversy between the parties before a federal court may exercise jurisdiction ….' " *EMC Corp. v. Norand Corp.*, 89 F.3d 807, 810 (Fed. Cir. 1996). At the heart of the "actual controversy" analysis in an infringement suit, is the requirement that the plaintiff have "a reasonable apprehension that it will be sued." *Shell Oil Co. v. Amoco Corp.*, 970 F.2d 885, n.2 (Fed Cir. 1992). The Federal Circuit, in *Shell*, states that it will look to (1) express charges of infringement or (2) the totality of the circumstances to determine if a reasonable apprehension of suit exists. *Id.*

You cannot control the totality of the circumstances, but you must control what goes into your demand letter. To prevent the successful pre-emptive strike, the tone of the letter should be inviting – opening a line of communication – rather than accusatory. It will also help to avoid allegations of infringement or threats of litigation. However, keep in mind that not every situation has a goal of avoiding the pre-emptive strike, and in those cases, it may be beneficial to your client to allege infringement violations more directly.

Conferring Jurisdiction

In addition to the "actual controversy" requirement, a pre-emptive strike will only be successful if the foreign court has personal jurisdiction over your client. A court obtains jurisdiction only when a party has "purposely availed" itself of the privileges of that state.[1] It is frightening to imagine that your client could have purposely availed itself of the privileges of a state, merely by sending a demand letter to a party located in that state, but this fear is a reality.

Intellectual property litigation is naturally multi-jurisdictional. As a result, demand letters are commonly sent into a foreign jurisdiction to enforce or protect patent, trademark or other rights. The sender of the letter often performs no business – other than the demand letter – in the foreign jurisdiction. While the letter may be intended to stop infringement, it may have the unintended and unexpected consequence of conferring personal jurisdiction to the foreign courts.

A minority of jurisdictions have held that the mere sending of a cease and desist letter is sufficient to confer personal jurisdiction in that state.[2] For example, in *Dolco Packaging Corp. v. Creative Industries*, 1986 U.S. Dist. LEXIS 19226 (C.D. Ca. Oct. 10, 1986), Creative, principally located in Illinois, sent a cease-and-desist letter to Dolco, principally located in California, demanding that Dolco cease infringement of Creative's patent. In turn, Dolco immediately filed a declaratory judgment action in California requesting a declaration that it was not infringing on the patent. The only undisputed connection to the forum was a single cease-and-desist letter sent to Dolco, threatening litigation. Apparently, this was sufficient to confer personal jurisdiction on the sender.

In a more complicated decision, *Bancroft & Masters, Inc. v. Augusta Nat'l Inc.*, 233 F.3d 1082 (9th Cir. 2000), the Ninth Circuit addressed a situation in which Augusta Nat'l, a Georgia Corporation, sent a cease-and-desist letter to Bancroft, a California corporation, demanding that Bancroft stop using the website "masters.com." Concurrently, Augusta Nat'l sent a single letter to third party Network Solutions, Inc. – who at the time was the *sole* registrar for domain names – challenging Bancroft's use of the masters.com domain name. The letter to Network Solutions triggered that company's dispute resolution policy and left Bancroft with three options: (1) give up the domain name, (2) allow the name to be used by both parties, or (3) obtain a declaratory judgment as to the owner of the name. Bancroft chose option (3) and initiated suit in California. In holding that the act of sending this single letter to Network Solutions was sufficient to confer jurisdiction to the court in California, the Ninth Circuit noted that "the effects of the letter were primarily felt, as [Augusta Nat'l] knew they would be, in California." *Id.* at 1088. For our purposes, it is important to realize that it was a combination of only two letters that gave the California court personal jurisdiction over this Georgia Corporation. While *Bancroft* involves a unique factual situation, the jurisdictional damage that Augusta Nat'l did to itself by sending a mere two letters should not be ignored.

The majority of courts have held that sending a demand letter is not sufficient to confer personal jurisdiction. The Eastern District of Pennsylvania recently stated the prevailing rationale that "[i]f the price of sending a cease and desist letter is that the sender thereby subjects itself to jurisdiction in the forum of the alleged rights infringer, the rights holder will be strongly encouraged to file suit in its home forum without attempting first to resolve the dispute informally by means of a letter." *Staywell Co. v. Wang*, 2006 U.S. Dist. LEXIS 60363, *8 (E.D. Pa. Aug. 2006) (quoting *Yahoo! Inc. v. La Ligue Contre Le Racisme et L'Antisemitisme*, 433 F.3d 1199, 1208 (9th Cir. 2006)). However, the possibility of conferring jurisdiction with one demand letter is a reality, and the wary litigant would be wise to review the law of any foreign jurisdiction into which he plans to send a demand letter.

Complicating an Action for an Injunction

As stated in the discussion of pre-emptive strikes, a plaintiff must have a "reasonable apprehension" of impending litigation to file a sustainable declaratory judgment action. In addition to the calculated use of language that falls short of threatening litigation or alleging infringement, another tactic recognized by the federal courts as a evidence that a case or controversy does not exist, is the offer of a license. In an often cited decision, the Federal Circuit stated that "the offer of a [] license does not create an actual controversy." *Phillips Plastic Corp. v. Kato Hatsujou Kabushiki Kaisha*, 57 F.3d 1051, 1053 (Fed. Cir. 1995)(patent infringement case).

At first glance, this acknowledgment appears to be a powerful tool for the drafter of a demand letter to employ as a means of avoiding the pre-emptive strike. However, lurking in the distance is another danger for the unsuspecting litigant; the Federal Circuit has stated that an offer of a license – while evidence that an actual controversy does not exist – is also evidence that a party who is requesting an injunction does not, in fact, have irreparable harm. In *High Tech Med. Instrumentation, Inc. v. New Image Indust., Inc.*, the Federal Circuit Court stated:

> There also is no indication in the record that HTMI needs an injunction to protect its right to refuse to exploit its invention commercially or to prevent others from doing so. **To the contrary, the evidence shows that HTMI offered a license to New Image, so it is clear that HTMI is willing to forgo its patent rights for compensation.** That evidence suggests that any

(Continued on page 6)

(Continued from page 5)

> injury suffered by HTMI would be compensable in damages assessed as part of the final judgment in the case. See *T.J. Smith & Nephew Ltd. v. Consolidated Medical Equip., Inc.*, 821 F.2d 646, 648, 3 U.S.P.Q.2D (BNA) 1316, 1318 (Fed. Cir. 1987) (licensing is "incompatible with the emphasis on the right to exclude that is the basis for the presumption [of irreparable harm] in a proper case").

49 F.3d 1551, 1557 (Fed. Cir. 1995)(emphasis added).

You may ultimately decide that offering a license may be the best move for your client, but before you do, at least consider how that offer may affect positions you would like to assert in future litigation.

Missing an Anti-Spoliation Opportunity

Before electronically stored information was the central focus of discovery, spoliation occurred, but not automatically. Paper is cumbersome, so intentional spoliation required effort, and it only occurred after documents were identified, located, gathered and finally, destroyed. Crafting an anti-spoliation demand letter was not always necessary to preserve all discoverable paper documents, because the documents were not changing and were not automatically deleted. Now, with the widespread use of electronically stored information, an anti-spoliation letter that is not comprehensive will allow crucial information to be lost or destroyed.

Electronically stored information under the new[3] Federal Rules of Civil Procedure includes "writings, drawings, graphs, charts, photographs, sound recordings, images, and other data or data compilations stored in any medium from which information can be obtained." Fed. R. Civ. P. 34(a). Electronically stored information creates unique problems for preventing spoliation such as automatic deletion programs, larger amounts of information and unfamiliar types of information. Since the amount of data is so massive and storage space is limited, companies have innocently created automatic deletion schedules. As a result, the most critical challenge to overcome in order to preserve relevant evidence is the limited time you have to preserve necessary data. The new Federal Rules order parties to confer and discuss issues relating to "discovery of electronically stored information" at some time "at least 21 days before a scheduling conference," but that can still be months after the Complaint is filed. Fed. R. Civ. P. 26(f). Waiting for the conference ordered by the Federal Rules will pose a risk that large amounts of relevant electronic data will be lost. Unlike paper documents that were often limited to the final version, electronically stored information has multiple versions, all which are retrievable, as well as extensive metadata[4] that reveals the most recent changes and when they were made. To retain this available, relevant information, you must act quickly.

Although this list is not exhaustive, below are a few tips to help you avoid the potential disaster that awaits an improperly drafted litigation hold letter.

1. Act quickly
2. Consult with a document retention expert who has a full understanding of electronically stored information, including knowledge of how it is created, stored and destroyed.
3. Identify key players
4. Identify key departments
5. Request a litigation hold on all automatic deletion processes for data related to the key players or through key departments
6. Request backup tapes and metadata
7. Request all "electronically stored information" and potentially break down by specifics (e.g. email, video, autoCAD, etc.)

Reverse Spoliation

Remember, as you draft the perfect demand letter, always think about *your* client's situation. Is it advantageous to your client to start retaining documents? If not, then you may want to resist the temptation to send the demand letter. A demand letter may open the door to a "reverse spoliation" argument. Under this theory, the *recipient* of the demand letter alleges that the *sender* is guilty of spoliation of evidence for failing to ensure appropriate document retention when it sent the demand letter.

In *Consolidated Aluminum Corp. v. Alcoa, Inc.*, 2006 U.S. Dist. LEXIS 66642 (M.D. La. 2006), Alcoa sent a demand letter to Consolidated in November of 2002. Three years later, Consolidated turned and accused Alcoa of spoliation of evidence for, among other things, failing to stop overwriting of relevant electronic information and failing to notify relevant personnel of the need to preserve emails. The court cited the *Zubulake IV*[5] decision for the proposition that spoliation is "the failure to preserve … evidence in pending or *reasonably foreseeable litigation*." *Id*. at *7 (emphasis added). The court acknowledged that the point at which Alcoa should have "reasonably anticipated" litigation, was when it propounded the demand letter to Consolidated in November of 2002. The Court held that Alcoa had in fact negligently failed to preserve evidence, and ordered sanctions consisting of additional discovery for Consolidated, additional depositions, and costs, but stopped short of taking an adverse inference against Alcoa.

ENDNOTES

[1]*Bancroft & Masters, Inc. v. Augusta Nat'l, Inc.*, 233 F.3d 1082 (9th Cir. 2000). This article will not discuss the intricacies of federal personal jurisdiction. A full analysis of federal jurisdiction should be undertaken on a case-by-case basis.

[2]See e.g. *Dolco Packaging Corp. v. Creative Industries*, 1986 U.S. Dist. LEXIS 19226 (C.D. Ca. Oct. 10, 1986).

[3]The amended rules became effective on December 1, 2006.

[4]"Data about other data, commonly divided into descriptive metadata such as bibliographic information, structural metadata about formats and structures, and administrative metadata, which is used to manage information." Arms, Williams, *Digital Libraries* (M.I.T. Press 2000) *available at* http://www.cs.cornell.edu/wya/DigLib/MS1999/glossary.html.

[5]*Zubulake v. UBS Warburg, LLC*, 220 F.R.D. 212, 216 (S.D.N.Y. 2003). These decisions have set the benchmark for evidence preservation standards.

WILL HILL TANKERSLEY is a Partner at the law office of Balch & Bingham, LLP. He has a background in a broad-ranging business litigation practice. Additionally, his practice focuses on business litigation and other disputes involving Intellectual Property and Information Technology.

J. HOUSTON SMITH, III is an Associate at the law office of Balch & Bingham, LLP. and a member of the Litigation section. Mr. Smith's practice consists of general litigation matters.

INTELLECTUAL PROPERTY SECION OFFICERS

Chairman .... Frank M. Caprio
Lanier Ford Shaver & Payne P.C.
FMC@LFSP.com

Chairman-Elect......... Kimberly T. Powell
Balch & Bingham LLP
ktpowell@balch.com

Secretary................... Paul M. Sykes
Bradley Arant Rose & White LLP
psykes@bradleyarant.com

Treasurer................... Russell Carter Gache
Sirote & Permutt, P.C.
rgache@sirote.com