

Considering IP venue selection through eyes of historical assertion data

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Choosing the right venue in which to bring your IP dispute can be just as important as choosing the right IP to assert. Different venues have different advantages (and disadvantages). There are many factors to consider in determining where to bring an enforcement action. Comparing the assertion rates of different types of IP across different venues can provide insight into the venues that have historically been popular for different types of IP.

This article will review assertion rate data of three different types of IP — utility patents, trademarks, and design patents — across two popular venues — federal district courts and the International Trade Commission (ITC). We will combine this data with our own insights to propose reasons for the differences in IP assertion rates and factors that should be considered when choosing where to enforce your IP.

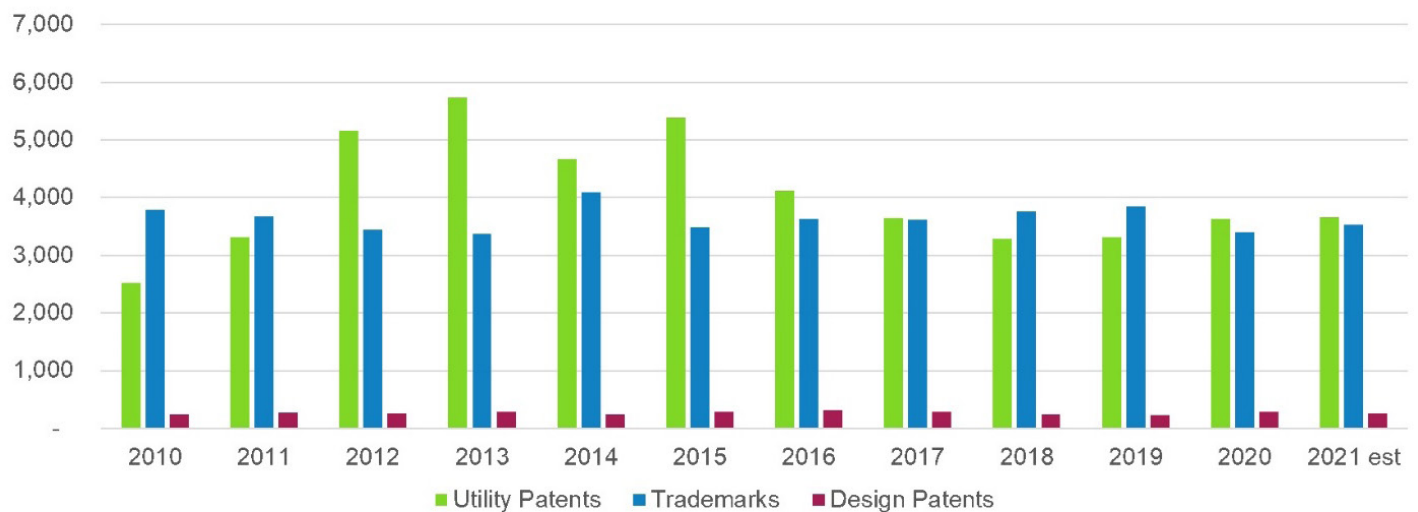
As a general matter, IP rights are asserted much more frequently in federal district courts than at the ITC. While each year over the past decade saw thousands of IP cases filed across federal district courts, not a single year saw over 80 ITC filings asserting IP rights.

There are likely many reasons for this. For one, there is only one ITC and there are many federal district courts. But, perhaps more to the heart of it, the relatively higher cost and speed associated with bringing an investigation at the ITC can discourage IP holders from choosing the ITC. The ITC is not a venue for the faint of heart (or checkbook).

What is perhaps less well-known is that there are large differences in the relative rates of assertion of different types of IP between district courts and the ITC. The bar chart below shows district court filings for utility patents (in green), trademarks (in blue), and design patents (in purple).

As is clear from the data, for every year over the past decade, the number of utility patent and trademark filings across U.S. district courts have each far exceeded the number of design patent filings. Since 2016, the number of district court cases asserting utility patents has roughly matched the number of district court cases asserting trademarks, some years with slightly more utility patent filings and some years with slightly more trademark filings.

District Court Filings by Type of IP Right Asserted



Source: Docket Navigator

Cases are counted more than once if more than one type of IP right was asserted

Excludes cases in which only reissue patents were asserted

In stark contrast, for every year over the past decade, the assertion rate of trademarks at the ITC was significantly below that of utility patents. The ITC data, shown in the bar chart below using the same color key as the district-court bar chart, shows that trademark filings at the ITC never exceeded five in any year over the past decade, whereas there were usually between 40 and 65 ITC investigations asserting utility patents.

For patent holders, one of the big draws for the ITC is the available remedy: an exclusion order preventing infringers from importing into the U.S. infringing products (or components thereof).

There were two years where fewer than 40 investigations involved utility patents (37 in 2014 and 38 in 2015) and one year where more than 65 investigations involved utility patents (71 in 2011), but these were unusual years. The data also shows that in most years (2010, 2011, 2013, 2015, 2016, 2018, 2020) there were more ITC investigations filed asserting design patents than those filed asserting trademarks — a feat that was not seen for any year across the U.S. district courts.

There may be a variety of reasons why the ITC is less attractive to trademark holders than patent holders. One of the main ones — and perhaps *the* main one — is likely the remedy available at the ITC. For patent holders, one of the big draws for the ITC is the available remedy: an exclusion order preventing infringers from

importing into the U.S. infringing products (or components thereof). The appeal of an exclusion order — and the accompanying ability to keep an infringer off of the U.S. marketplace — attracts patent holders to the ITC.

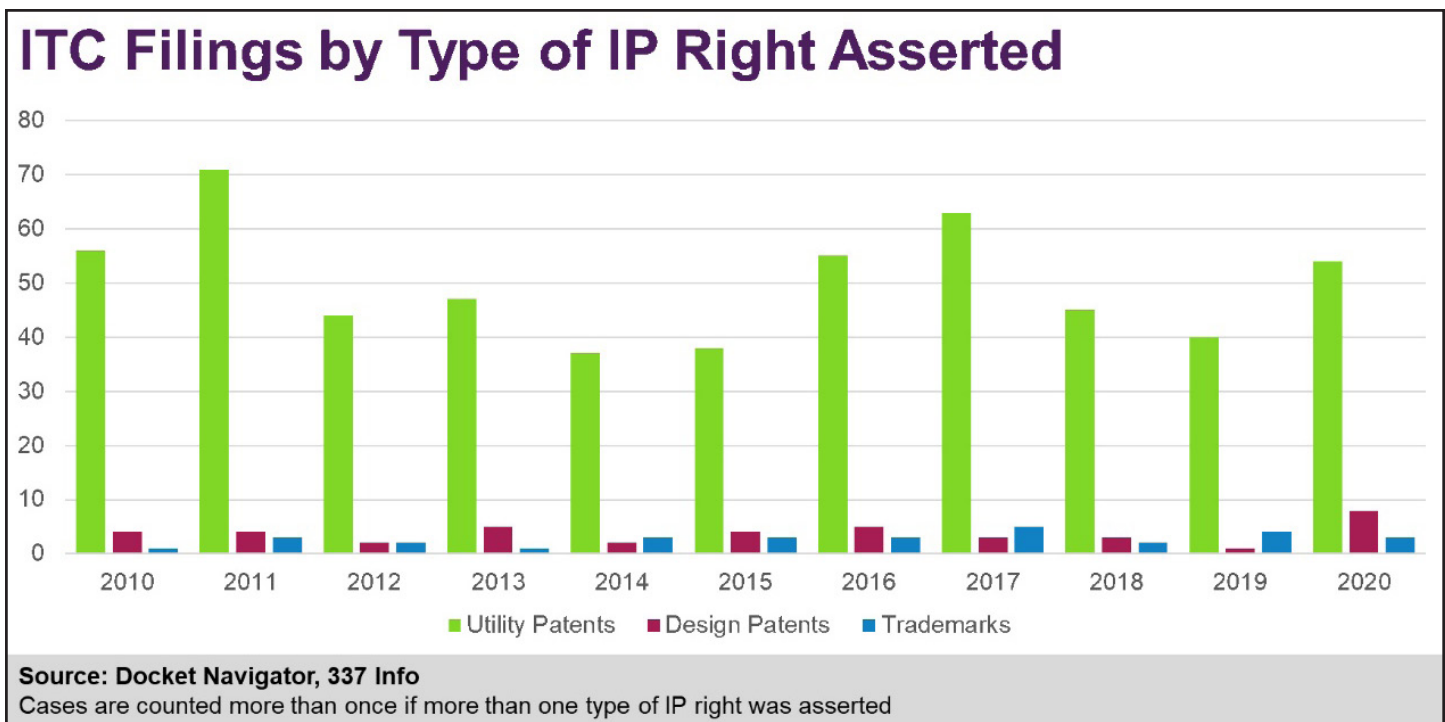
Permanent injunctions (the sole remedy available in district court to keep patent infringers off of the U.S. marketplace for the life of your patent) require the patent holder to meet the four-factor test identified by the Supreme Court in *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006).

The *eBay* test requires the patent holder to show that:

- (1) it has suffered an irreparable injury;
- (2) remedies available at law are inadequate to compensate for that injury;
- (3) considering the balance of hardships between the patent holder and infringer, a remedy in equity is warranted; and
- (4) the public interest would not be disserved by a permanent injunction.

This can be a difficult test to prove, meaning many patent holders are unable to keep infringers off of the U.S. marketplace even after proving infringement in district court. In contrast, a successful complainant at the ITC is virtually certain to obtain an exclusion order.

However, exclusion orders are likely far less appealing to trademark holders. Trademark holders can accomplish a similar goal — keeping imported goods infringing on their IP out of the U.S. and off of the U.S. marketplace — in a much more cost-effective way. Trademark holders can register U.S. trademarks that have been registered on the Principal Register with the U.S. Customs and



Border Protection (CBP). CBP has the authority to detain, seize, forfeit, and ultimately destroy merchandise seeking entry into the United States if it bears an infringing trademark that has been registered with both the United States Patent and Trademark Office and CBP.

While there is a counterpart provision allowing copyright holders to register copyrights with CBP, there is currently not a counterpart

provision for registration with CBP of patents. There has been legislation proposed to extend CBP registration to U.S. design patents. If that legislation is enacted into law, it will be interesting to see if design patent filings fall at the ITC. There is no available (or currently pending) legislation that extends CBP registration to U.S. utility patents. Thus, at least for now, it is likely the ITC will remain an appealing venue of choice for patent holders seeking to exclude imported infringing products.

About the authors



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