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As you know, Jerome Lemelson is one of the country's most prolific inventors and he is also now known as one of the most litigious inventors with his heirs, his Foundation, and his attorneys having initiated many patent infringement claims on various inventions that he claims to own. Most notable of recent litigation are the lawsuits involving "machine vision" or "auto-ID" patents. Many of your customers and some of you have received notices of allegations that your technology is infringing on Lemelson's patents. In addition to many lawsuits, an incredible number of licensing agreements have been entered into with hundreds of millions of dollars being paid to the Lemelson Foundation and its attorneys, who continue to prosecute and to fight. In fact, it is reported (July, 2000) that the Foundation recently signed its six hundredth licensee.

Previously we have provided Dick Ward with various articles on the status of these patents and their attending patent infringement lawsuits which have appeared on the MHIA web site. Although most of these cases have continued in pretrial discovery, none of the cases has gone to verdict. However, one recent development in the Federal Circuit is worthy of note. The Federal Circuit, which specializes in patent cases, has reportedly agreed to decide an issue as to whether the Lemelson patents are invalid because of "prosecution history laches."

Let me briefly explain the concept of "laches." Most of you have heard of a statute of limitations. It is passed by a legislative body requiring that a lawsuit be filed within so many years of an injury or damage being incurred. For example, an injured party is required under an applicable statute of limitations to file a lawsuit within two years of the event giving rise to his claim of injury. If he does not file his lawsuit within the two-year statute of limitations, he is barred from pursuing a claim, no matter how valid it may be.

The doctrine of laches can present a similar bar, although it does not stem from a statute which was passed by a legislature. The doctrine of laches is an equitable rule growing from the common law of the United States and England.

Under the doctrine of laches, a party who delays in registering a complaint is barred from pursuing that complaint if its delays disadvantaged the defendant. A

delay under the doctrine of laches has been deemed by some courts to constitute acquiescence in the defendant's conduct. This doctrine involves delays that would make it inequitable to give relief sought. The party claiming to be hurt is often deemed to have waived his right to a claim.

According to the doctrine of laches, a delay that results in a disadvantage, injury, injustice, detriment, or prejudice to the defendant can preclude a plaintiff from pursuing the claim in the absence of a valid excuse. Although there is no fixed time, the doctrine of laches requires a claim to be prosecuted within a reasonable and proper period.

The issue before the Federal Circuit regarding Lemelson's patents is whether Lemelson's delays in pursuing claims for infringement constitute a bar against recovery. By delaying the prosecution of the patents, Lemelson would be deemed to have acquiesced in other parties' use of the patents. He certainly was aware that others were relying to their detriment by building technologies and even industries around the subject matter of his patents. (Remember that Lemelson used a process called "submarining" whereby he would apply and reapply for patents, drawing out the process for decades, until the Patent Office granted the patent; under existing law, protection then stemmed back to the date of the original application.

The decision by the Federal Circuit to hear claims of prosecution laches could call the continued validity of the Lemelson patents into question.

Although we have not seen the Order agreeing to decide this issue of laches, we will keep you posted. In the meantime, I can provide copies of the earlier articles for your perusal.

Arthur H. Stroyd

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