

Amazon's Neutral Patent Evaluation Process

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SLW SCHWEGMAN
LUNDBERG • WOESSNER

Presentation Scope

- Define what Amazon's program purports to be
- What we have seen thus far
- What sorts of hurdles do we see?



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Grand Experiment

- Amazon's "utility patent neutral evaluation program." (NEP) pilot was initiated in early 2019
- The program claims to offer a cost-effective and streamlined procedure for adjudicating infringement disputes between a patent owner and an Amazon seller.
- No formal announcement of full program
- No analytics published by Amazon of who/what/how

Four Month Process

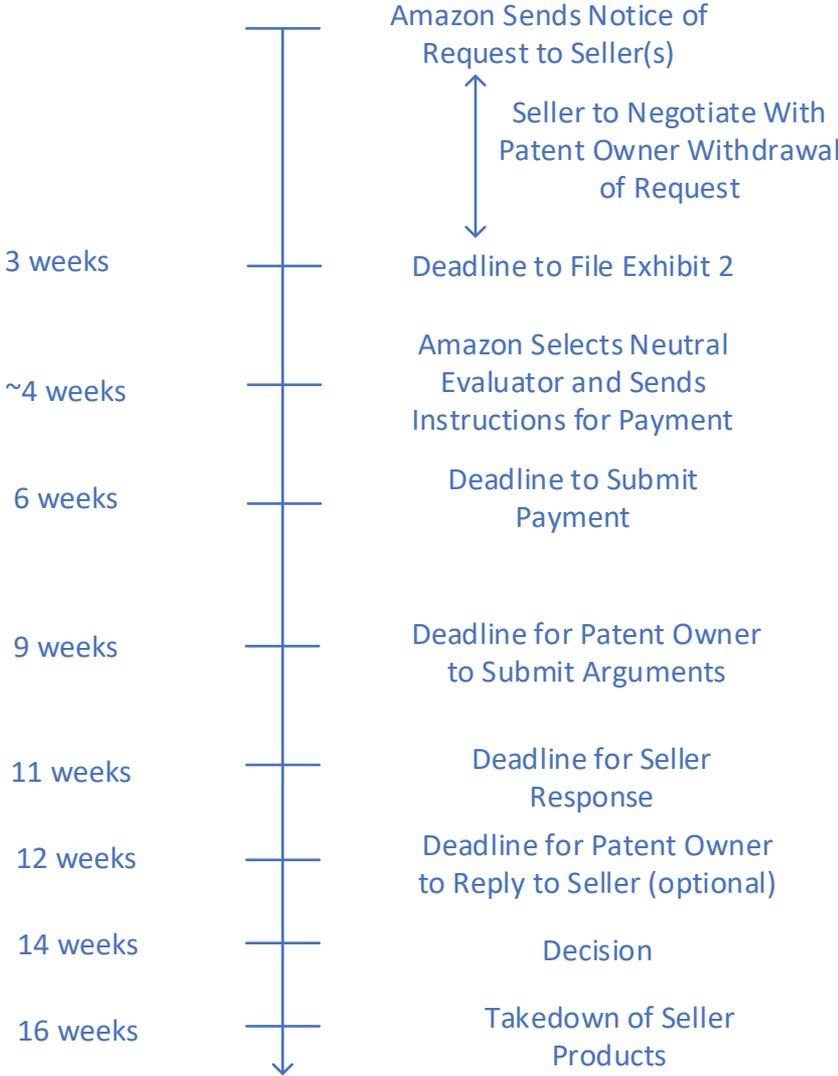


Exhibit I

Exhibit 1: Patent Owner-Supplied Information

Patent Owner name: [REDACTED]

Patent Owner physical address: [REDACTED]

Names of any corporate parents, subsidiaries, or other entities related to Patent Owner:

[REDACTED]

Name of individual contact for Patent Owner or Patent Owner's authorized representative:

[REDACTED]

Email Address for contact (this email address will be used by the Evaluator and Amazon for communications related to the Evaluation):

[REDACTED]

United States utility patent number ("Asserted Patent") for Evaluation: [REDACTED]

Patent Claim number for Evaluation: Claim [REDACTED]

Amazon Standard Identification Numbers (ASINs) of Accused Products:

[REDACTED]

Signature

[REDACTED]

Exhibit II

Exhibit 2: Seller-Supplied Information

Seller name:

Seller physical address:

Names of any corporate parents, subsidiaries, or other entities related to Seller:

Name of individual contact for Seller or Seller's authorized representative:

Email Address for contact (this email address will be used by the Evaluator and Amazon for communications related to the Evaluation):

Amazon Standard Identification Numbers (ASINs) of Accused Products for which Seller will participate in the Evaluation:

Signature

Name

Title

Date

Fees

- Patent Owner: \$4,000 per request
 - Flat fee for one patent, up to 20 ASINs, 4 opted-in sellers
- Seller: \$4,000 per request
 - Flat fee regardless of # of ASINs
- Disposition of Fees:
 - Max to Evaluator is \$4,000
 - Winner gets \$4000 refunded; Evaluator gets \$4000 from patent owner or divided evenly among sellers found to infringe.
 - Partial win:
 - \$2000 refunded to patent owner
 - Full refund to sellers found not to infringe
 - Evaluator gets \$2,000 divided evenly among sellers of infringing products
 - Balance to Amazon Smile charity chosen by Patent Owner

Typical Approach to a Seller by Amazon

- Hello,
- We received a report from a rights owner that claims the items at the end of this email infringe their utility patent rights. We consider allegations of intellectual property infringement a serious matter. We have provided the rights owner's contact information below:
- – Contacts:
 - Patent number:
 - ASIN:
 - Complaint ID:
- Please work directly with the rights owner to resolve this dispute. We encourage you to resolve this dispute promptly. Failure to do so may result in removal of your offers or your [Amazon.com](https://www.amazon.com) selling privileges.
- Sincerely,
Seller Performance Team

Benefits

- Speed to decision (4 months)
- Cost (\$4k, only when neutral evaluator is selected)
- Confidential
- Accused products removed if seller doesn't participate
- No nationality requirement
- No dealing with international courts/local courts

Negatives

- Arguments Admissible?
 - Owner
 - Seller
 - Neutral evaluator
- No discovery
- Uniform Results?
- Hidden Process
 - Discoverable?
- No Design patent enforcement
- Patent Owner bias?

Additional Charges/Costs/Risk

- Initial Patent Evaluation prior to engages (Owner)
- Patent analytic/response if contested (Seller)
- No guarantee neutral evaluator is skilled in sold item
 - Amazon chooses evaluator
 - Evaluator potentially has significantly workload in minimal time
 - Patent owner should use skilled counsel for argument
- No appeal

Who is Representing

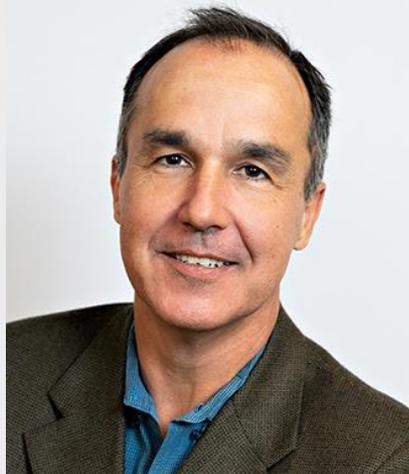
- Large law firms – 1 or 2 atty
- Medium law firms also 1-2 atty
- Small law firms(?) most active
 - Example search “amazon sellers law firm”
 - Many operating out of Virtual Offices

Amazon's History with IP Programs

- Brand Registry
- IP Accelerator Program
- Project Zero

Caselaw....?

- Dror v. Kenu
 - Case No. 19-cv-03043-LB (N.D. Cal. Nov. 1, 2019)
 - District court in San Francisco granted, in part, patent holder Kenu, Inc.'s motion to dismiss a declaratory judgment action filed by an Amazon seller Dror who was unable to sell his air vent cellphone mount holder on Amazon.com because Kenu contended that the product infringed its patents.
- Case is in settlement hearing before magistrate (3/18)
- Kenu counterclaimed with Patent Infringement allegation



FRANÇOIS DEVILLIERS

Of Counsel

François deVilliers is a registered patent attorney and is Of Counsel at Schwegman Lundberg & Woessner. He has broad intellectual property and technology experience, both in-house and at major law firms. In addition to IP portfolio development and management, he has dealt with incoming and outgoing patent assertions, negotiated complex technology and settlement agreements, written invalidity and non-infringement opinions and reviewed patent portfolios for acquisition or avoidance. His technical experience extends to wired and wireless telecommunications, RF transmission protocols, audio signal processing, computer hardware, software and networking, cloud computing, medical devices, audio and video compression and semiconductor fabrication. Prior to joining Schwegman, François was Chief IP Counsel at Plantronics. Before entering the patent profession, François worked as an engineer in the inertial navigation field.



PAMELA HUFF
Trademark Principal

Pamela Huff is a registered patent attorney and Trademark Principal of Schwegman Lundberg & Woessner. Her practice includes the development of creative and strategic planning for protecting brands in the United States and throughout the world. These strategies are implemented through domestic and international searches, trademark filings, and continued portfolio management. Pam plays a key role in advising companies on how to achieve their business and branding objectives and with brand enforcement, including assisting clients with disputes and resolutions. She has drafted and negotiated complex trademark licenses and assignments, the intellectual property provisions in corporate contracts and credit documents, and conducted extensive due diligence related to title ownership. Pam also represents clients with domain name disputes and transfers and in Internet Corporation for Assigned Names and Numbers (ICANN) proceedings under the Anticybersquatting Consumer Protections Act (ACPA).



MARK STIGNANI

**Analytics Chair &
Firm Compliance
Officer**

Mark Stignani is a registered patent attorney at Schwegman Lundberg & Woessner. Mark has patent experience in various technology areas, including software, information systems, mobile devices, computer hardware and design, telecommunications, and mechanical. His practice includes prosecution, post-grant proceedings, patent and portfolio analysis, freedom to operate, patent strategy and planning and strategic counseling.

Prior to joining Schwegman, Mark served as an Assistant General Counsel for Thomson Reuters for over ten years. While at Thomson Reuters, Mark's responsibilities included the harvesting and protection of intellectual property associated with software and high value content as well as providing primary intellectual property legal support for business development, contracts, editorial, technology area in the legal, healthcare, and financial services information market groups. As an integrated team member, Mark also served on various executive committees that drove investment in acquisitions, emerging business development and new product development across a multiple set of marketplaces.

Mark received his Juris Doctorate from William Mitchell College of Law while working for Alliant Techsystems. He had previously done post graduate work in robotics and control systems at the University of Minnesota and National Technological University while working at Honeywell, Inc.



AARON WININGER

**Director of China
Intellectual Property
Practice**

Aaron Winger is a Senior Attorney and the firm's Director of China Intellectual Property. Aaron counsels both U.S. and Chinese companies on portfolio development and preparation of their patent applications and office action responses. He has worked with clients in the areas of software, networks (wired and wireless), lasers, medical devices, semiconductors and physics.

Most recently, Aaron has counseled Chinese companies on freedom to operate analyses for their entry into the U.S., represented a U.S. gaming company with operations in China, handling IP issues in China for a startup from Series A through to IPO, assisting a U.S. scanning electron microscope company, building their patent portfolio from incorporation through exit via acquisition, and built a U.S. wireless company's patent portfolio from incorporation through acquisition. His knowledge of both the Chinese and American markets allows him to advise his clients as they expand their patent portfolios and look for investors to help the company grow.

Aaron worked in China for more than a decade as a foreign registered lawyer and is conversational in Mandarin. He is a frequent contributor to ZhiChanLi.

<http://www.chinaiplawupdate.com>

Thank you for your participation.

For more information, please visit www.SLWip.com

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