Institute for LAW AND TECHNOLOGY

THE CENTER FOR AMERICAN AND INTERNATIONAL LAW

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YTP'S TECH TIMES

A PUBLICATION OF THE ILT YOUNG TECHNOLOGY PROFESSIONALS COMMITTEE

CONTENTS

The YTP's Tech Times, ILT's Young Technology Professionals newsletter, will contain substantive articles on trending legal issues, on emerging technology, IP, cybersecurity and data privacy, interviews, and professional development.

Mark Your Calendars

September 14, 2023: 7th Cybersecurity & Data Privacy Law Conference, Plano, TX

November 9-10, 2023: 61st Annual Conference on Intellectual Property Law, Plano, TX

A Message from ILT's Director

The Institute for Law and Technology has a busy fall with two big conferences, the 7th Cybersecurity & Data Privacy Law Conference and the 61st Annual Conference on Intellectual Property Law. Both programs will take place at our headquarters in Plano, TX.

These two conferences are free for members of ILT's Advisory Board. For more membership information, click here or email me.

This year's Cybersecurity & Data Privacy Law Conference features an incident response tabletop exercise, a law enforcement panel, a fireside chat with Toyota's CISO and leading regulatory attorney, a session on critical infrastructure, data privacy, and more.

The Annual Conference on Intellectual Property Law will feature a judges panel, a session on proposed rulemaking, updates on federal circuits and the Supreme Court, modules on patent prosecution and litigation, ethics and AI, and several other wonderful sessions.

Sponsorship opportunities for these conferences are now available. To learn more, click here.

Once we get through the rush of the fall events, we will begin planning more webinars and small programs for the spring. Please let me know if you have ideas for webinar topics or ideas for ILT get-togethers.

I hope to see you at one or both of our upcoming programs!

Vickie Adams
Director, Institute for Law and Technology

Texas Judge's Mandate on Generative Artificial Intelligence Provides Lawyers Job Security … For Now

Sarah M. Holub, Miles O. Indest, Yasser A. Madriz, Meghaan C. Madriz, McGuireWoods LLP

A Texas federal judge affirmed the impending prevalence of artificial intelligence (AI) in the law, while emphasizing the enduring importance of human lawyers.

Judge Brantley Starr of the U.S. District Court for the Northern District of Texas recently updated his judge-specific requirements to include a section titled "Mandatory Certification Regarding Generative Artificial Intelligence." Specifically, Starr orders all attorneys appearing before the court to file a certificate attesting that either: (1) no portion of any filing will be drafted by generative artificial intelligence; or (2) that any language drafted by generative artificial intelligence will be checked for accuracy by a human being. This precedent-setting Mandatory Certification is one of, if not the, first of its kind establishing the appropriate use of AI in legal proceedings — an issue lawyers are currently troubleshooting.

Indeed, in the U.S. District Court for the Southern District of New York, lawyers who used ChatGPT to draft an opposition to a motion to dismiss will be forced to show cause as to why the court should not issue sanctions against them and their firm. In the now infamous case of *Roberto Mata v. Avianca, Inc.*, the defendant's counsel wrote a letter on April 26, 2023, to the court questioning the authenticity of several cases cited by the plaintiff's counsel in their opposition — namely, asserting that the cases did not exist. The court itself found that "[s]ix of the submitted cases appear to be bogus judicial decisions with bogus quotes and bogus internal citations," and thus issued its order to show cause. In response, one of the plaintiff's attorneys admitted that "[i]t was in consultation with the generative artificial intelligence website Chat GPT, that your affiant did locate and cite" the nonexistent cases.

As the *Avianca* case revealed, and as Judge Starr points out, generative artificial intelligence — such as Chat GPT, Harvey. AI or Google Bard — is not without risks. Starr's Mandatory Certification acknowledges that the platforms' propensity for hallucinations, or tendency to "make stuff up," presents an issue with using them for legal briefing. Additionally, Starr emphasizes the issue of reliability or bias in relying on

generative artificial intelligence. Specifically, the Mandatory Certification notes that "attorneys swear an oath to set aside their personal prejudices, biases, and beliefs to faithfully uphold the law and represent their clients." In contrast, "generative artificial intelligence is the product of programming devised by humans that did not have to swear such an oath." In other words, AI holds no allegiance, is unbound by any sense of duty and bases its responses on "computer code rather than conviction" and "programming rather than principle."

Inarguably, the use of AI and automation technology calls to mind several obligations owed by lawyers illustrated in the American Bar Association's Model Rules. For example, lawyers are required to ensure the conduct of any nonlawyers associated with them is compatible with the professional obligations of the lawyer (Model Rule 5.3). The use of AI also implicates a lawyer's duty of confidentiality and the prohibition of the unauthorized practice of law (Model Rules 1.6, 5.5). However, a lawyer is also obligated to maintain tech competence and "keep abreast of changes in the law and its practice, including the benefits and risks associated with relevant technology (Model Rule 1.1)."

AI is arguably the next generation of automated technology that has already become widely used and accepted in the practice of law. For example, lawyers readily rely on Lexis and Westlaw's algorithms and search functions to find relevant case law — both of which are looking to further develop AI to better assist with case searching. For drafting, a variety of automated programs, from BriefCatch to Microsoft Word itself, offer suggestions for better briefing. And long before the prevalence of technology, lawyers relied on the work of paralegals and practice assistants to assist with the preparation of court filings. Thus, given the historical development of legal aids and lawyers' obligations to maintain tech competence, the use of generative artificial intelligence in the practice of law — while not infallible — appears inevitable.

Overall, Starr's Mandatory Certification strikes a balance between recognizing that generative artificial intelligence is incredibly powerful and has many uses, while reiterating the important role lawyers still play in ensuring accuracy, reliability and — in essence — humanity in the practice of law. In other words, lawyers' jobs are safe … for now.

NST Global v. Sig Sauer: Helpful Reminders About Claim Preambles and Claim Construction at the PTAB

Derek J. Langdon, Baker Botts L.L.P.

Claim construction decisions do not always proceed as predicted by either party, and IPR proceedings can be particularly unpredictable when it comes to construing claim terms. A recent petition for writ of certiorari to the Supreme Court, in *NST Global v. Sig Sauer*, provides helpful reminders regarding claim construction and limiting preambles.

History of the Case

Plaintiff NST Global invented a firearm accessory, the "Stabilizing Brace", that allowed users to stabilize the use of a handgun by stabilizing the forearm of the user (*NST Global, LLC v. Sig Sauer, Inc.*, petition for cert. pending at p. 3, No. 22-1001, (filed April 12, 2023) ("Petit.")). NST Global was granted two patents on the invention (*Id.* at 3-4). Defendant Sig Sauer obtained a license to the patents as the exclusive distributor for several years, but after the agreement ended, Sig Sauer developed its own brace (*Id.* at 4). NST Global filed an infringement lawsuit against Sig Sauer (Id.). Sig Sauer subsequently filed two IPR Petitions against the patents, and the infringement suit was stayed (*Id.* at 4-5). The PTAB instituted both IPRs and ultimately found certain claims patentable and certain claims unpatentable. In the Final Written Decisions, one of the reasons the PTAB found certain claims unpatentable was based on construing a preamble to be limiting (*Id.* at 5-8; Appendix C, 30a-32a; Appendix D, 110a-112a). Both parties appealed to the Federal Circuit, and after oral argument, the Federal Circuit issued a Rule 36 affirmance of the PTAB's decision (*Id.* at 8-10). NST Global filed a petition for a writ of certiorari to the Supreme Court which is currently pending before the Court.

Issues Raised

The petition raises two primary issues: 1) what is the proper standard for construing patent claim preambles? and 2) what constitutes notice or a waiver of arguments for the PTAB to construe a claim in its Final Written Decision without argument from one or both parties? Both parties' positions on these issues will be discussed further below, as well as how they may affect decision making during patent prosecution and litigation proceedings.

1. Construing Preambles as Limiting

In the Final Written Decisions, the PTAB found certain claims of NST's patents have preambles that are limiting on the claims (*Id.* at Appendix C, 30a-32a; Appendix D, 110a-112a). The claims of the patent recite:

> A forearm-gripping stabilizing attachment for a handgun, the handgun having a support structure extending rearwardly from the rear end of the handgun, the forearm-gripping stabilizing attachment, comprising (*Id.* at Appendix C, 10a).

The PTAB's construction found "a handgun" and "a support structure …" as an "essential structure", "necessary to give life, meaning, and vitality to the claims," and therefore the preamble is limiting (*Id.* at Appendix C, 32a). NST Global presented objective evidence of non-obviousness that demonstrated commercial success, copying, and licensing of its product (See *id.* at Appendix C, 57a-63a). However, the PTAB rejected this evidence because NST Global did not present evidence of how many products sold included the preamble terms "a handgun" and "a support structure …" (*Id.* at Appendix C, 61a).

NST Global, in its petition to the Supreme Court, states that there is a "lack of a uniform analytical framework for preamble limitation analysis" and quotes different cases to support their position (*Id.* at 20; see *id.* at 18-20). For example, NST Global cites the following as different tests for determining if a preamble is limiting:

1. "whether the preamble breathes life and meaning into the claims" (limiting) (*Id.* at 18 (citing *Catalina Mktg. Int'l, Inc. v. Coolsavings.com, Inc.*, 289 F.3d 801, 808 (Fed. Cir. 2002)));
2. if the preamble "recites essential structure or steps, or if it is necessary to give life, meaning, and vitality to the claim" (limiting) (*Catalina*, 289 F.3d at 808);
3. "if the body of the claim sets out the complete invention" (not limiting) (*Eaton Corp. v. Rockwell Int'l Corp.,* 323 F.3d 1332, 1339 (Fed. Cir. 2003));
4. if a claim "uses the preamble only to state a purpose or intended use for the invention" (not limiting) (*Rowe v. Dror,* 112 F.3d 473, 478 (Fed. Cir. 1997));
5. "[d]ependence on a particular disputed preamble phrase for antecedent basis may limit claim scope" (limiting) (*Catalina*, 289 F.3d at 808); or
6. if the preamble described conventional (not limiting) or inventive uses (limiting) (See Petit. at 19-20 (citing *Cochlear Bone Anchored Sols.AB v. Oticon Med. AB*, 958 F.3d 1348, 1355 (Fed. Cir. 2020))).

Sig Sauer counters in its opposition to the petition that NST Global's arguments regarding "the law of preambles" are incorrect (*NST Global, LLC v. Sig Sauer, Inc.,* opposition to petition for cert. pending at p. 17, No. 22-1001, (filed May 15, 2023) ("Opp.")). Sig Sauer further argues that the Supreme Court need not address "the law of preambles" because NST Global did not raise these arguments in its opening brief to the Federal Circuit (*Id.*). Instead, Sig Sauer states that the "issue of whether the [p]reambles were limiting was a consistent issue in the IPR proceedings. (Id. at 14)." According to Sig Sauer, a contention in an IPR petition that a piece of prior art discloses the subject matter of a preamble includes a construction that the preamble is limiting (*See id.* at 13-14).

NST Global's petition provides a timely reminder of the need to pay attention to claim preambles whether you are a patent owner or patent challenger given the unsettled nature of the law in this area. While NST Global's list of purportedly different tests used by the Federal Circuit is not exhaustive of the cases addressing preambles as limiting in claims, applying these tests can be helpful in assessing a current patent portfolio or drafting claims during prosecution to ensure that the claims, including the preamble, only include the components of the invention that need to be protected. Practitioners should also make sure that, when either challenging or defending a patent claim, the prior art discloses the preamble of the claim.

2. Notice and Waiver of Claim Construction at the PTAB

As noted above, during the proceedings before the PTAB, Sig Sauer, as petitioner, identified where in the prior art the preambles of the challenged claims were disclosed but did not explicitly seek a claim construction of the preambles as limiting (See Petit. at 24; *see also* Opp. at 13). NST Global, in its Patent Owner Response in the PTAB, did not dispute that the prior art disclosed the preamble (*See* Opp. at 15-16). NST Global states in its petition for a writ of certiorari that because Sig Sauer did not construe the preambles, NST Global does "not have the burden of producing evidence on an issue until after Sig [Sauer], as the challenger, places that issue in dispute (Petit. at 25)." In response, Sig Sauer claims that NST Global's failure to dispute that the prior art discloses the preambles constituted a waiver with respect to any argument that the preambles are not limiting (Opp. at 16).

NST Global's position that it did not waive this claim construction issue is based on the Administrative Procedures Act ("APA") and the subsequent case law that holds that "an agency violates due process if it change[s] theories in midstream without giving respondents reasonable notice of the change (Petit. at 28)." In the context of the PTAB and this case, this means that if the PTAB adopts a claim construction in its Final Written Decision without providing notice to either party, then the PTAB would be in violation of the APA. The question in this case is whether the PTAB, by acknowledging that NST Global did not dispute Sig Sauer's contentions, provided notice that the preamble was in dispute and that NST Global waived all arguments, including claim construction arguments, relating to the preambles by not disputing Sig Sauer's contentions? NST Global says there was no notice.

Sig Sauer, in response to NST Global's petition for certiorari, states that NST Global had notice and opportunity to respond to Sig Sauer's arguments at the PTAB (Opp. at 18-22). Sig Sauer identifies multiple points in the PTAB proceeding where NST Global could have addressed whether the preamble was limiting, such as the Patent Owner Response, the Patent Owner Sur-Reply, at the Hearing in response to either the PTAB or Sig Sauer's raising of the issue, or in a petition for rehearing after the Final Written Decision (Opp. at 19-20). Sig Sauer cites to Federal Circuit case law where a claim term at issue in the briefing and the hearing provided notice and opportunity for a Patent Owner given the "continuous focus" on the claim limitation and the opportunity for sur-reply or rehearing (Opp. at 18-19 (citing *Intellectual Ventures II LLC v. Ericsson Inc.*, 686 F. App'x 900, 906 (Fed. Cir. 2017))).

The Supreme Court may or may not decide to address this issue, but the case does provide a helpful reminder regarding the requirements of the APA and when the PTAB cannot decide issues in an IPR. Regardless of the PTAB's compliance with the APA, this case provides useful guidance to help practitioners ensure that either Patent Owners or Petitioners in an IPR sufficiently address issues, like claim construction,

that are related to the limitations and claims at issue. This case also provides a reminder regarding the various opportunities to respond to arguments during an IPR proceeding, including during a hearing where the PTAB raises an issue that may not be directly addressed by any previously filed briefs.

2023: The Year of Consumer Data Privacy

Jack Amaral and Jon Farnsworth, Spencer Fane LLP

So far, 2023 has been a monumental year for new consumer data privacy laws. At the start of the year, we urged businesses to update their consumer privacy policies to comply with the new state laws in California, Colorado, Connecticut, Virginia, and Utah that have and will be implemented over the course of 2023 (see our February blog). In the past few months, five additional states have been added to that list with laws going into effect as early as 2024 through 2026. The principal aim of these regulations is to provide consumers with enhanced control over their personal information, thus reinforcing their privacy.

The vanguard states that have introduced these new data privacy laws for consumers are:

1. Iowa
2. Indiana
3. Montana
4. Tennessee
5. Washington

While there are differences in each of these new laws, these new laws all share some core features. For example, they all universally allow consumers to control some aspects of their data while mandating businesses to implement measures that safeguard the privacy of personal data. Washington's law is a bit different as it is more specific to health data but contains definitions that make it potentially applicable to nearly any type of personal data meaning it might apply to companies who would not consider themselves to collect or process health information.

While these states have not finalized their regulatory framework related to these new laws (so additional guidance is anticipated in the upcoming months), the enactment of these groundbreaking consumer data privacy laws underlines the escalating significance of privacy regulations. Businesses engaged in collecting or processing personal data must stay updated about these regulations and ensure compliance. This vigilance protects their customer's privacy and helps circumvent the severe repercussions that follow the breach of privacy laws.

Private Right of Action

While there remains a fair amount of uncertainty about how these new laws may be implemented and enforced, an important defining fact that will assuredly have profound impacts on businesses is that Washington's new law provides for a private right of action similar to California's Consumer Privacy Act (CCPA). The CCPA contains a private cause of action that has created a fair amount of new litigation, targeting businesses with lax privacy policies and procedures. The advent of the new Washington law implies that consumers who sense an infringement of their rights under the Washington law have the option to file a lawsuit against the offending business similar to what we have seen in California.

This private right of action provision in the Washington law offers a potent resource for consumers to guard their privacy rights. Businesses handling personal data in Washington should be cognizant of the risk associated with non-compliance and strive to adhere to the law. While the Washington law does not go into effect until March 2024, the implementation of best practices involving consumer privacy often take many months of planning. Accordingly, we recommend that businesses who may be impacted by the Washington law start planning now.

Significance of an Updated Privacy Policy

In adhering to new regulations, businesses must ensure their privacy policies are current if they collect or process data from customers in the ten states. Such policies ought to be transparent, comprehensible, and in alignment with the applicable laws for the business.

Repercussions of Privacy Law Breach

The implications of infringing privacy laws can be harsh. Non-compliant businesses may face monetary fines, legal suits, and other punitive measures.

Just recently Meta (previously known as Facebook) was subjected to a staggering $1.3 billion fine by the Irish Data Protection Commission due to a breach of the General Data Protection Regulation (GDPR). The fine imposed on Meta serves as a stern reminder that businesses handling personal data must work diligently to protect data privacy and adhere to applicable laws. A failure to adhere to privacy regulations can result in substantial repercussions.

So, what should executives and business owners do in light of the implementation of these new laws?

- Review your current privacy policy and confirm with an expert that your customer's data is being handled consistent with how the policy is written.
- Assuming you have a trusted lawyer, who is experienced in technology and data privacy law, ask them to review

your current privacy policies to make sure they are compliant with applicable law, including the states with specific consumer data privacy laws.

- Assign an individual in the company to "own" the data privacy compliance process.
- Test your company's actual response to some example requests that may come in from consumers.

Young Technology Professional Highlight: Ryan Frankel of McGuireWoods LLP

Interview by Shannon Montgomery Straughan, Creedon PLLC

SMS: What did you want to be when you were a child?

RF: For a while I wanted to be a professional tennis player, but as everyone got bigger and I stayed small, I realized my goals of being a world-class athlete were farfetched.

SMS: Are you originally from Houston? And what do you enjoy most about living here now?

RF: I am originally from Houston. I love that I have most of my family and friends close by—I feel like my Houston community is a tight one. I still hang out with people with whom I attended preschool. I still call my friends' mom (a doctor) when I have a health scare.

SMS: What is your background? Growing up what were your interests, what were you involved in (sports clubs anything that gives us an idea of who you are!)?

RF: I have always been a huge sports fan. Since a young age, I attended Astros, Rockets, and Texans games. I also have collected sports memorabilia and have amassed a pretty decent collection—and I display a lot of it in my office at McGuireWoods.

SMS: Perhaps the most frequently asked question—What made you want to pursue a career in law?

RF: My father is a trial lawyer and I always thought that being a trial lawyer was a noble endeavor. At a young age, I heard about his cases and was intrigued, I would ask questions and want to talk about his cases long before I'd want to talk about my homework. When I got to high school, I got the chance to "work" with my dad on one of his cases. I was hooked. I also think being a litigator allows me to channel a lot of the competitiveness I had from playing sports into something productive.

SMS: What is a professional challenge or fear that keeps you up at night and how do you silence them?

RF: I think most "Type A" lawyers have a fear of failure. I try to silence that fear as best as I can by working as hard as I can and being at peace with whatever results come. Easier said than done, but I'm lucky to be in a wonderful environment at McGuireWoods.

SMS: What are you most proud of in your career thus far?

RF: I am not sure there is a specific achievement I can think of, but I am seriously proud to be an associate at McGuireWoods and to work every day with people I can consider my family.

Funny enough, one of our senior partners in the Houston office, Tom Farrell, was in trial against my father the day I was born (they took the day off). I now get to work on high-dollar commercial cases with Tom and get to learn from him. I am really close with my father, so getting to work with one of his peers has made me very proud.

SMS: In the next five years where do you see yourself?

RF: I'd like to be a partner at McGuireWoods—ideally working with the same people I work with today.

SMS: How did you decide to join the ILT-YTP Executive Committee and what do you hope to accomplish as a member?

RF: I joined because my mentor, Miles Indest, started the ILT-YTP. Since I started at McGuireWoods several years ago, I try to do everything he does and to do everything he tells me to do (though he'd probably tell you that sometimes I'm not that obedient).

Since I've started, I've gotten to meet technology-interested professionals and have even connected with old college friends I hadn't seen in years.

One of my main goals for this year with ILT-YTP is to meet more professionals who are not lawyers and to learn from their experiences.

SMS: What are your favorite hobbies or activities (outside of law!)?

RF: Anything related to sports (especially Houston sports). Like every other millennial, I enjoy a nice night of Netflix with my fiancé, too—sometimes she doesn't let me watch the Astros.

SMS: If you could have a conversation with three legal professionals or influencers, dead or alive, factual or fictional, who would they be and why?

RF: My dad, Yasser Madriz, Tom Farrell and Jeremiah Anderson.

It is safe to say that I lead a very fortunate life as an attorney because I get to talk to them every day.

and to work every day with people I can consider my family.

Funny enough, one of our senior partners in the Houston office, Tom Farrell, was in trial against my father the day I was born (they took the day off). I now get to work on high-dollar commercial cases with Tom and get to learn from him. I am really close with my father, so getting to work with one of his peers has made me very proud.

Do you know a young professional or full-time student who could benefit from being part of the ILT community? Let them know about the new membership categories and encourage them to join:

Young Technology Professional Membership - $50 Annual Dues

Full-time Students Membership (College, University, or Law Students) - $15 Annual Dues

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