PATENT CASE LAW-IN-REVIEW, RECENT DECISIONS FROM THE FEDERAL CIRCUIT AND SUPREME COURT

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Presented by

Brian G. Bodine
LANE POWELL P.C.
1420 5th Avenue, Suite 4200
Seattle, Washington 98101
(206) 223-7406
bodineb@lanepowell.com

Nika F. Aldrich
Schwabe, Williamson & Wyatt
1211 SW 5th Ave., Ste. 1900
Portland, OR 97204
503-796-2424
naldrich@schwabe.com
**BRIAN G. BODINE** is a partner in the Seattle office of Lane Powell PC. He has extensive experience litigating patent, trademark, trade secret, and other intellectual property related disputes. He is a Past President of the Washington State Patent Law Association and a Past Chair of the IP Section of the Washington State Bar Association. He has been giving his Patent Law Update since 2006. Brian is listed in Chambers USA and The Best Lawyers in America. He was named 2017 Lawyer of the Year for Trade Secrets Law in Seattle by Best Lawyers in America. He is active in youth and high school sports, where he has served as a referee, a manager, a coach, a photographer, and a team coordinator.

**NIKA F. ALDRICH** is a shareholder in the Portland office of Schwabe, Williamson & Wyatt. As a litigator, he has represented innovative companies in patent disputes covering a wide array of technologies, and has also tried cases covering design patents, including a leading case on design patent damages. Nika has also handled numerous appeals, including before the Federal Circuit and the Supreme Court. On the side, Nika is the professor of patent law at Lewis & Clark Law School. Nika has recently taken over writing Schwabe’s Fresh from the Bench from his colleague Pete Heuser. This is a weekly report on precedential patent cases decided by the Federal Circuit, distributed to several hundred patent attorneys in the Northwest. If you’d like to be added to that circulation list, please email him at naldrich@schwabe.com.
RECENT DECISIONS FROM THE FEDERAL CIRCUIT AND SUPREME COURT
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Schwabe Williamson & Wyatt
Lane Powell
CLAIM CONSTRUCTION
Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc.,
880 F.3d 1356 (Fed. Cir. 2018)

- Improved display interface
- “un-launched state”
- “not running” or “not displayed”
- CAFC affirms district court’s construction of “not displayed”
Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc.,
880 F.3d 1356 (Fed. Cir. 2018) (Wallach, J., dissenting)

- “display” used differently/independently from “launch” in the claims
- Specification uses “launch” and “display” distinctly
- Patentee distinguished over prior art, suggesting that “launch” means “running, not merely displayed”
Cisco Sys., Inc. v. International Trade Commission,
873 F.3d 1354 (Fed. Cir. 2017)

• “router configuration data managed by said database system and derived from configuration commands supplied by a user and executed by a router configuration subsystem before being stored in said database”

- “wireless device means”
- Would a person skilled in the art understand as structure?
- What function?
- “wireless device means” does not require multiple processors
  - Specification discloses embodiment with multiple processors
  - Specification also discloses software embodiment using a single processor
  - Invention can be practiced using “a conventional cellular phone without the need for additional hardware”
Nobelbiz, Inc. v. Global Connect, L.L.C.,

• “replacement telephone number”
• “modify caller identification data”
• “outbound call”
• “The district court must provide a construction because ‘the parties disputed not the meaning of the words themselves, but the scope that should be encompassed by the claim language.’”
Nobelbiz, Inc. v. Global Connect, L.L.C.,

- “replacement telephone number”
  - “a telephone number that substitutes for an original telephone number”
- “modify caller identification data”
  - “change caller identification data”
- “outbound call”
  - “call placed by an originator to a target”
Nobelbiz, Inc. v. Global Connect, L.L.C.,

• “It is not reversible error for the district court to decline to ‘construe’ terms that have a plain and ordinary meaning as used in the patent.”

• “In cases where the question of ‘claim scope’ is directly congruent to the ultimate question of infringement, and the claim terms do not have a disputed or complex technical meaning, it was not reversible error for the trial judge to refer the question of infringement to the jury.”
Nobelbiz, Inc. v. Global Connect, L.L.C.,
876 F.3d 1326 (Fed. Cir. 2017)

• Dissent from denial of petition to rehear *en banc*

• “Beyond this case, O2 Micro has caused difficulties for courts and litigants alike.”
  – Inconsistent Federal Circuit application
  – District courts struggle to find consistent approach

• “We should clarify the scope of O2 Micro’s reach, and, at the very least, clarify under what circumstances a plain-and-ordinary-meaning dispute is an ‘actual’ one within the meaning of O2 Micro.”
**Sanofi v. Watson Labs., Inc.,**
875 F.3d 636 (Fed. Cir. 2017)

- Are the patent claims limited by narrowing amendment in parent application?
- “familiar pattern”
  - Narrow initial claims to get issuance
  - Prosecutes broader claims in continuation
- “Without more than exists here, that process does not imply a disclaimer . . . when later issued [claims] . . . lack the first patent’s express narrowing limitation.”
Aylus Networks, Inc. v. Apple, Inc.,
856 F.3d 1353 (Fed. Cir. 2017)

• “[W]hether statements made by a patent owner during an IPR proceeding can be relied upon to support a finding of prosecution disclaimer during claim construction.”

• Prosecution disclaimer applied
  – Statements/amendments during prosecution
  – Statements made during reexamination

• Apply to statements in IPR
“removable mounting”

Mounts that cannot be removed without tools do not literally infringe.

Collateral estoppel precludes re-litigating claim construction
INFRINGEMENT
Life Technologies v. Promega,
137 S. Ct. 734 (2017)

• Promega sublicensed a patent to a toolkit for genetic testing to Life Technologies.

• An enzyme, Taq, a critical one of the kit’s five components, was manufactured by Life Technologies in the U.S. and then shipped to the UK, where it was combined with the other four components.

• Promega sued, claiming that patent infringement liability was triggered under §271(f)(1)

• §271(f)(1) prohibits the supply from the U.S. of “all or a substantial portion of the components of a patented invention” for combination abroad.
Life Technologies v. Promega,
137 S. Ct. 734 (2017)

• Held: Shipping a single component of a claimed invention to be combined with other components outside of the country does not constitute patent infringement under §271(f)(1).

• While 271(f)(1)’s phrase “substantial portion” could mean either quantitative or qualitative significance, the statutory context points to a quantitative meaning.
271(f)(1) “Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.”

271(f)(2) “Whoever without authority supplies or causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use, where such component is uncombined in whole or in part, knowing that such component is so made or adapted and intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.”
**Eli Lilly v. Teva,**
845 F.3d 1357 (Fed. Cir. 2017)

- The method involved patients first taking doses of folic acid to reduce the toxicity of a cancer drug, which is then administered by the physician.
- The parties stipulated that the steps are performed by different actors (doctor & patient).
- District court found induced infringement.
- Teva appealed, arguing no direct infringement.
- Federal Circuit affirmed, applying the *Akamai Techs., Inc. v. Limelight Networks, Inc.*, 797 F.3d 1020, 1022 (Fed. Cir. 2015) (en banc) two-step test to determine direct infringement by the physicians.
Direct infringement requires that a single actor perform, or “direct and control,” all steps of the claimed method.

“Direct and controls” is a two-step test:

1. The controlling party must condition participation in an activity upon receipt of a benefit upon the other’s performance of one or more steps of the claimed method; and
2. The controlling party must establish the manner or timing of that performance.

The Court found substantial evidence that the physicians conditioned administration of the cancer drug upon proof that the patient had complied with the folic acid dosing.

The Court rejected Teva’s argument that “conditioning” requires imposition of a legal obligation or that performance must be an “unavoidable technical prerequisite” to participation.
Eli Lilly v. Teva,
845 F.3d 1357 (Fed. Cir. 2017)

• The second step was met because substantial evidence showed that the patients would receive the benefit of the cancer drug only after performing the claimed step of taking folic acid.

• Teva’s product labeling provided sufficiently clear instructions how to perform the infringing steps to satisfy the intent requirement for induced infringement.
VENUE
**TC Heartland v. Kraft Foods,**
137 S. Ct. 1514 (2017)

- 8-0 opinion written by Justice Thomas
- “Resides” in 28 U.S.C. § 1400(b) does not implicate 28 UCS § 1391 (c)
- A defendant “resides” for venue purposes only where (1) the defendant is incorporated; or (2) has committed acts of infringement and has a regular and established place of business.
- The Court determined that 2011 amendments to the general venue statute (28 UCS § 1391) confirmed its prior holding in *Fourco* that the patent venue statute (28 USC § 1400) controls venue in patent cases.
- Score: D. Del. 1 and E. D. Texas 0.
1. What does this mean?

defendant is incorporated: or (2)
**In re Big Commerce**

___ F.3d ___ (Fed. Cir. May 15, 2018)

- Only the *district* where the incorporation papers are filed.

- Score: E.D. Tex. losing badly, now.
2. What does this mean?
In re Cray,
871 F.3d 1355 (Fed. Cir. 2017)

- Cray had a sales executive in E.D. Tex.
- E.D. Tex. denied motion to transfer venue, relying on In re Cordis Corp., 769 F.2d 733 (Fed. Cir. 1985)
- Fed. Cir. reversed: “the world has changed since 1985 when the Cordis decision issued.”
- “three general requirements relevant to the inquiry: (1) there must be a physical place in the district; (2) it must be a regular and established place of business; and (3) it must be the place of the defendant.”
3. Foreign Defendants?

1400 (b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.
In re HTC Corp.,
___ F.3d ___ (Fed. Cir. May 9, 2018)

• The “alien-venue rule”: foreign corporations can be sued in any district.

• Writs of mandamus generally not available for Section 1406 relief
4. Addressing pending cases?
**In re Micron Tech., Inc.**, 875 F.3d 1091 (Fed. Cir. 2017)

- Defendant Micron had filed a Rule 12(b)(6) motion prior to *TC Heartland* without including a venue challenge.
- D. Del. denied the motion to transfer on grounds it had been waived under FRCP 12(h)(1).
- The Fed. Cir. granted mandamus petition to answer two questions:
  - (1) did *TC Heartland* change the law such that the venue challenge had been “unavailable” under the FRCP; and
  - (2) to what extent does that excuse a waiver of a *TC Heartland*-based venue challenge.
The Federal Circuit held that *TC Heartland* was an intervening change in the law, which overruled *V.E. Holding*.

The court held that Micron therefore had not waived its Rule 12(h)(1) challenge: *TC Heartland* excuses “rule based waiver”

But courts have the inherent authority to find *non-rule based waiver* to further the just, speedy and inexpensive resolution of disputes.

Factors include closeness to trial, conduct reflecting consent to venue, and prejudicial delay.
In re Micron (cont.)

• Defendants may not take a “wait-and-see” approach before challenging venue under TC Heartland.

• The Federal Circuit remanded to the district court for determination of a non-rule based forfeiture of the venue challenge.

• See also In re Cutsforth, Inc., No. 2017-135 (Fed. Cir. Nov. 15, 2017) (non-precedential)
5. Whose law applies?
In re ZTE (USA) Inc.,
__ F.3d __ (Fed. Cir. May 14, 2018)

• Fifth Circuit law places the burden of proving an improper venue on the defendant.

• **Held:** Federal Circuit law applies to Section 1406 motions in patent cases

• Burden of proving correct venue is on the plaintiff.

• Score: E.D. Tex. still 0.
§ 101
PATENTABLE SUBJECT
MATTER
Method of archiving an item in a computer

Step 1: Abstract ideas of

- Parsing and comparing data
- Parsing, comparing, and storing data
- Parsing comparing, storing, and editing data
Berkheimer v. HP Inc.,
881 F.3d 1360 (Fed. Cir. 2018)

• Step 2: inventive idea?
  – Claim 1: No, parsing and comparing done using conventional computer components
  – Claims 4-7:
    • Claim 4: storage without substantial redundancy improves system performance and lowers costs
    • Claim 5: selectively editing reduces effort needed to update the files
    • Claim 6-7 depend from Claim 5 and claim specific method of archiving that improves functionality

• A data processing system for designing, creating, and importing data into a viewable form . . . comprising

  • a form file that models the physical representation of an original paper form and establishes the calculations and rule conditions required to fill in the viewable form

  • a form file creation program that . . . creates the file

  • a data file containing data from a user application for populating the viewable form and

  • a form viewer program . . . to perform calculations . . . and create viewable forms and reports.
Aatrix Software, Inc. v. Green Shades Software, Inc.,
882 F.3d 1121 (Fed. Cir. 2018)

• Allegations of fact in proposed amendment
  – “[t]his invention increases the efficiencies of computer processing tax forms”
  – “the claimed invention saved storage space”
  – Invention “uses less memory, results in faster processing speed”

• On 12(b)(6) motion, allegations must be accepted as true

• District court should have allowed amendment
“[T]he majority opinion attempts to shift the character of the § 101 inquiry from a legal question to a predominately factual inquiry.”

“opens the door . . . for the introduction of an inexhaustible array of extrinsic evidence . . .”

“The problem is that the 12(b)(6) procedure is converted into a full blown factual inquiry on the level of § 102, § 103 and § 112 inquiries.”
Finjan, Inc. v. Blue Coat Sys., Inc.,
879 F.3d 1299 (Fed. Cir. 2018)

• A method comprising:
  – receiving by an inspector a Downloadable;
  – generating by the inspector a first Downloadable security profile that identifies suspicious code in the received Downloadable; and
  – linking by the inspector the first Downloadable security profile to the Downloadable before a web server makes the Downloadable available to web clients.
Claim goes beyond conventional virus screening

Newly generated security profile done by “behavior-based” virus scan

Enables more flexible and nuanced virus filtering

“Our cases confirm that software-based innovations can make ‘non-abstract improvements to computer technology’ and be deemed patent eligible at [Alice] step 1." (citing Enfish)

“[T]he method of claim 1 employs a new kind of file that enables a computer security system to do things it could not do before.”
Claims found to be patent eligible at step 1 of the Alice analysis

See also Core Wireless Licensing, S.A.R.L. v. LG Electronics, Inc., 880 F.3d 1356 (Fed. Cir. 2018) (claims not directed to abstract idea of indexing)
A method of assessing a test subject’s risk of developing a complication of atherosclerotic cardiovascular disease comprising:

- determining levels of [MPO] activity, [MPO] mass or both in a bodily sample of the test subject

- wherein elevated levels of MPO activity or MPO mass or both as compared to levels of MPO activity, MPO mass, or both in control subjects diagnosed as not having the disease indicates that the test subject is at risk of developing a complication of . . . [the] disease.
Cleveland Clinic Foundation v. True Health Diagnostics LLC,
859 F.3d 1352 (Fed. Cir. 2017)

• Step 1: claims instruct a user to apply a natural law
  – MPO levels correlate to cardiovascular disease
  – “[T]he method starts and ends with naturally occurring phenomena with no meaningful non-routine steps in between . . . .”

• Step 2:
  – “[T]ransforming claims that are directed to a law of nature requires more than simply stating the law of nature while adding the words ‘apply it.’”
Exergen Corp. v. Kaz USA, Inc.,

- A body temperature detector comprising:
  - a radiation detector; and
  - electronics that measure radiation from at least three readings per second of the radiation detector as a target skin surface over an artery is viewed, the artery having a relatively constant blood flow, and that process the measured radiation to provide a body temperature approximation, distinct from skin surface temperature, based on detected radiation.
Claims apply a law of nature to derive core temperature

District court concludes that claim elements were not well-understood, routine, and conventional

Whether claim elements are well-understood, routine, and conventional in a particular art at a particular time is fact finding.

No clear error
Exergen Corporation v. Kaz USA, Inc.,
--- Fed. Appx. --- (Fed. Cir. 2018) (Hughes, J., dissenting)

• “In my view, the claimed inventions merely calculate a law of nature using conventional commercially available technology.”

• “Temperature-detecting products that make use of [the claim] elements have existed for decades.”

• “[The district court] differentiated the claimed invention from the prior art solely on the basis that the claimed invention ‘solve[s] a different problem.’”
A method of treating a patient for schizophrenia comprising:

– Determining whether the patient is a CYP2D6 poor metabolizer

– If the patient is a poor metabolizer, administering 12 mg of iloperidone/day

– If the patient is not a poor metabolizer, administering >12 mg of iloperidone /day but up to 24 mg/day
--- F.3d --- (Fed. Cir. 2018)

• Distinguishable from Mayo because claims are to treatment rather than to optimizing dosage

• Claims specify a specific dosage, depending upon results of genetic testing

• Claims patent eligible
• “I would find the asserted claims to be directed to a law of nature.”

• Majority conflates the two steps of Alice

• “substantive similarity” with Mayo
  – Step one: a natural law
  – Dosage adds no more than conventional application of a natural law
  – Would find ineligible subject matter
INTER PARTES REVIEW
Oil States v. Greene’s Energy
(U.S. 2018)

- Held: IPRs do not violate the 7th Amendment right to jury trial
- Held: IPRs do not violate Article III
- But:

“We emphasize the narrowness of our holding. . . . [W]e address only the precise constitutional challenges that Oil States raised here. Oil States does not challenge the retroactive application of inter partes review, even though that procedure was not in place when its patent issued. Nor has Oil States raised a due process challenge. Finally, our decision should not be misconstrued as suggesting that patents are not property for purposes of the Due Process Clause or the Takings Clause.”
SAS Institute Inc. v. Iancu  
(U.S. 2018)

- SAS sought IPR concerning 16 claims.
- PTAB instituted of only 9 claims – found 8 unpatentable
- SAS appealed the failure to institute the remaining claims
- Held: “The agency cannot curate the claims at issue but must decide them all.”
- But: What about grounds?
**SAS Institute Inc. v. Iancu**
(U.S. 2018)

- “Congress chose to structure a process in which it’s the petitioner, not the Director, who gets to define the contours of the proceeding.”

- “The Director, we see, is given only the choice ‘whether’ to institute an inter partes review. That language indicates a binary choice—either institute review or don’t.”

- “The rest of the statute confirms, too, that the petitioner’s petition, not the Director’s discretion, is supposed to guide the life of the litigation.”
SAS Institute Inc. v. Iancu  
(U.S. 2018)

• Additional issue: Does 35 U.S.C. § 314(d) bar appeal of the issue?

  “The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.”

• There is a "the strong presumption in favor of judicial review."

• “§314(d) does not enable the agency to act outside its statutory limits.”

• The APA “directs courts to set aside agency action ‘not in accordance with law’ or ‘in excess of statutory jurisdiction, authority, or limitations.’”

• Held: Courts have the “power to ensure that an inter partes review proceeds in accordance with the law’s demands”
**Wi-Fi One v. Broadcom**, 878 F.3d 1364 (Fed. Cir. 2018) (en banc)

- **Held**: Time bar determinations under 35 U.S.C. § 315(b) are appealable.

- This includes the issue of who may be time barred: “the petitioner, real party in interest, or privy of the petitioner”
Wi-Fi One v. Broadcom,
(Fed. Cir. 2018) (on remand)


- This can be established when an IPR petitioner controlled or had an opportunity to control litigation.

- “[w]hen a patent holder sues a dealer, seller, or distributor of an accused product, as is the case at hand, indemnity payments and minor participation in a trial are not sufficient to establish privity between the non-party manufacturer of the accused device and the defendant parties.”
Wi-Fi One v. Broadcom,
(Fed. Cir. 2018) (on remand)

- Wi-Fi requested documents to prove there was privity.
- Wi-Fi pointed to indemnity agreements and general communication and cooperation between the parties.
- The Board denied any discovery into the issue.
- Held: The discovery denial was not an abuse of discretion.
- Indemnification alone was not enough to establish privity. Control would have been required.
- There was not “more than a mere possibility of producing useful privity information.”
Another case about whether indemnity can establish privity.

Held: “‘control’ is not the exclusive analytical pathway for analyzing privity . . . It is but one of a variety of considerations.”

But “None of the correspondence relating to the indemnity provision shows an expectation that ION would be responsible for stepping in, or otherwise protecting PGS from a patent infringement suit.”

“We agree with the Board that such a circumscribed indemnity provision does not amount to . . . privity.”

*WesternGeco LLC v. Ion Geophysical Corp.*

(Fed. Cir. May 7, 2018)
**Aqua Products v. Matal,** 872 F.3d 1290 (Fed. Cir. 2017)

• In a deeply divided *en banc* decision, the Federal Circuit made it easier for patent owners to amend claims in IPR proceedings.

• Seven of eleven judges joined in Judge O’Malley’s plurality opinion, with two judges concurring in result only. There were three minority opinions expressing different rationales, and two dissenting opinions.

• The Court narrowly held that:
  
  (i) petitioners must carry the burden of proof on unpatentability of amended claims,

  (ii) the Board must consider the entirety of the record when assessing patentability of amended claims; and

  (iii) the Board must justify any conclusions of unpatentability based on that record.
Aqua Products (cont.)

- Part III of Judge Reyna’s opinion suggests that while the ultimate burden of persuasion may rest with Petitioner, the Patent Owner, as movant, must carry a burden of production in the first instance.

- Part III of Reyna’s concurring opinion is joined by five other judges (a majority of the 11-judge en banc panel).

- The majority expresses open disagreement with Judge Reyna whether Part III of his concurrence is dictum or a part of the Court’s judgment.

- Unresolved: Can the PTO decide to place the burden on the patent owner through proper rulemaking?
Knowles Elecs. LLC v. Iancu
(Fed. Cir. April 6, 2018)

- Analog Devices filed an IPR; PTAB held claims invalid
- Analog Devices declined to participate in the appeal.
- Director Iancu intervened.
- The merits are not interesting
- But, in a page-long footnote, held: the Director has Article III standing to defend an appeal.

- Judge Newman issued a 13 page dissent. She would hold that the Director has standing only to defend PTAB practices, not the merits of the appeal.
DEFENSES - § 102
Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc.,
880 F.3d 1356 (Fed. Cir. 2018)

• “the application summary displays a limited list of data offered within the one or more applications”
• CAFC affirms denial of JMOL
• JMOL “reserved for extreme cases”
• “[W]e cannot say that this is a case in which the evidence points so strongly and overwhelming in favor of LG that reasonable jurors could not arrive at any contrary conclusion.”
  – Jury could have relied on cross-examination
  – “Core Wireless had the right to choose to use its limited trial clock for other purposes . . . .”
Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc., 855 F.3d 1356 (Fed. Cir. 2017)

- Supply and Purchase Agreement
  - For the product in the patent application
  - Contingent on FDA approval

- District court
  - Pre-AIA patents
    - Commercial sale but not ready for patenting
  - AIA patent
    - No commercial sale and not ready for patenting
CAFC reverses

Pre-AIA patents
- "all the hallmarks of a commercial contract for sale"
- Specific terms (price, method of payment, etc.)
- FDA approval contingency does not preclude

AIA patent
- Secret sales covered?
Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.,
855 F.3d 1356 (Fed. Cir. 2017)

• 102(b) (pre-AIA) barred patentability
  – “patented or described in a printed publication in
this or a foreign country or in public use or on
sale in this country” more than 1 year before the
critical date

• 102(a)(1) (under the AIA) bars patentability
  – “patented, described in a printed publication, or in
public use, on sale, or otherwise available to the
public” before filing date of application
**Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.,**
855 F.3d 1356 (Fed. Cir. 2017)

- Court declines to address because the sale was public
  - Press release
  - SEC filings
- Ready for patenting – requisite testing
  - Will invention work for its intended purpose
  - FDA approval more stringent than “ready for patenting”
- District court’s ruling was clearly erroneous
After bench trial, district court finds

- not sold/offered for sale

- Distribution agreement was only agreement for ICS to become distributor

The Medicines Co. v. Hospira, Inc.,
881 F.3d 1347 (Fed. Cir. 2018)
The Medicines Co. v. Hospira, Inc.,
881 F.3d 1347 (Fed. Cir. 2018)

- CAFC reverses
- Agreement was offer for sale
  - Medicines agreed to sell Angiomax
  - ICS agreed to purchase
  - Medicines had to use “commercially reasonable efforts” to fill PO’s
  - On-sale bar does not exempt commercial agreements between patentee and its supplier/distributor
EmeraChem Holdings, LLC v. Volkswagen Group of Am., Inc., 859 F.3d 1341 (Fed. Cir. 2017)

- ’758 patent challenged in IPR
  - inventors: Campbell & Guth

- ’558 patent – prior art asserted in IPR
  - Inventors: Campbell, Guth & 2 others

- Campbell decl. – Guth and I invented portion of ’558 patent relied upon in IPR

- Not prior art under 102(e) (“by another”)
EmeraChem Holdings, LLC v. Volkswagen Group of Am., Inc.,
859 F.3d 1341 (Fed. Cir. 2017)

• Board finds patent invalid

• CAFC affirms
  – “The declaration amounts to a naked assertion by an inventor that he and a co-inventor are the true inventors . . . .”
  – Corroboration isn’t required in every case
  – Inventor’s testimony alone is insufficient to prove conception
**Apator Miitors ApS v. Kamstrup A/S**
--- F.3d --- (Fed. Cir. 2018)

- Apator attempts to swear behind prior art reference cited against its patent
  - Inventor declaration says that he invented before reference’s filing date of March 25, 2010
  - Apator’s patent has a filing date of April 12, 2010 (18 day difference)

- Board rejects patentee’s claim of prior conception despite emails
“Apator has failed to proffer any evidence of Drachmann’s conception that is not supported solely by Mr. Drachmann himself.”

- Email 1: no indication that file was attached
- Emails 2 & 3: declaration is only indication that presentation was attached
- Drawings: show modifications on January 30, 2012
• Catch-22 of corroboration
  – Emails/drawings only provide corroboration with help of Drachman’s testimony
  – Unwitnessed lab notebook insufficient
  – Unwitnessed emails/drawings insufficient
  – “[I]t would be strange indeed to say that [an inventor], who filed the affidavit that needs corroboration, can by his own testimony provide that corroboration.”
DEFENSES - § 103
In re Brandt,
886 F.3d 1171 (Fed. Cir. 2018)

• said coverboard having a density greater than 2.5 lbs/ft$^3$ and less than 6 lbs/ft$^3$

• Prior art discloses density of between 6 and 8 lbs/ft$^3$

• CAFC affirms
  – Application discloses 2.5 to 20 lbs/ft$^3$
  – No evidence of unexpected results
  – Prior art doesn’t teach away
• ODT formulation of vardenafil

• District court finds that claims are not obvious based on expert witness testimony

• CAFC: clear error
  – 9 references support combination
  – District court fails to address 6 references
"It is well within the district court’s discretion to credit one expert’s competing testimony over another. We must give due regard to the trial court’s opportunity to judge the witnesses’ credibility.”

“But a district court cannot, through a credibility determination, ignore the wealth of evidence . . . .”
869 F.3d 1336 (Fed. Cir. 2017)

- District court grants SJ of obviousness
  - “convenient opening and reclosing arrangement” was known problem
  - “simple and clear teachings of prior art”
  - “common sense and ordinary creativity”
  - Commercial success, unsolved need, and copying insufficient to overcome strong prima facie case

- CAFC affirms
- Conclusion of strong prima facie showing after consideration of *Graham* factors
- “When a challenger shows that a ‘motivation’ existed for a relevant skilled artisan to combine prior art in the way claimed in the patent at issue, such a showing commonly supports and leads readily to the further, ultimate determination that such an artisan, using ordinary creativity, would actually have found the claimed invention obvious.”
"[T]he purpose of objective indicia of non-obviousness is to refute the evidence of obviousness."

Burden does not shift to patent owner to show non-obviousness

"[E]vidence of secondary consideration may often be the most probative and cogent evidence in the record. It may often establish that an invention appearing to be obvious in light of the prior art was not."
“[I]t is incorrect to consign the objective evidence to rebuttal against the other three *Graham* factors.” *Merck Sharp & Dohme Corp v. Hospira, Inc.*, 874 F.3d 724 (Fed. Cir. 2017) (Newman, J., dissenting)
§ 112
INDEFINITENESS
**Exmark Mfg’g Co. v. Briggs & Stratton Power Prods. Group, LLC,** 879 F.3d 1332 (Fed. Cir. 2018)
Exmark Mfg’g Co. v. Briggs & Stratton Power Prods. Group, LLC, 879 F.3d 1332 (Fed. Cir. 2018)

• “All that is required is some standard for measuring the term of degree.”

• Upholds finding of not indefinite despite testimony of plaintiff’s expert/co-inventor
  – Unable to provide any order of magnitude to quantify exactly but
  – Length relative to the proportions of other components
  – Testimony is consistent with specification and claims

- “virtually free from interference”
- CAFC reverses ITC’s finding of indefiniteness
  - Specification repeatedly highlights private-listening feature
  - Statement in prosecution history supports definiteness
  - Not defined in a technical sense, but that does not render a claim indefinite
One-E-Way, Inc. v. International Trade Commission,
859 F.3d 1059 (Fed. Cir. 2017) (Prost, C.J., dissenting)

- Majority “relaxes” indefiniteness law
- Written description is key to determining whether term of degree is indefinite
- Intrinsic evidence falls short of providing PHOSITA reasonable certainty of breadth of the limitation
Berkheimer v. HP Inc.,
881 F.3d 1360 (Fed. Cir. 2018)

• “minimal redundancy”

• Claim language unclear as to how much redundancy is required

• Specification uses inconsistent terminology

• “The specification contains no point of comparison for skilled artisans to determine an objective boundary of ‘minimal’ when the archive includes some redundancies.”
• A system comprising
  – a reporting module . . .
  – wherein the reporting module . . . presents a set of user-selectable database fields . . ., receives from the user a selection . . ., and generates a database query . . . .

MasterMine Software, Inc. v. Microsoft Corporation,
874 F.3d 1307 (Fed. Cir. 2017)

- District court found the claims indefinite
- CAFC reversed
- A claim directed to both apparatus and method is invalid as indefinite
- A claim is not necessarily invalid because it uses functional language
- Claim language reflects the capabilities of the “reporting module” and does not claim activities of an individual
DEFENSES
1. LACHES
**SCA Hygiene v. First Quality,**
137 S. Ct. 954 (2017)

- Fed. Cir. held *en banc* that laches can bar damages incurred within the 6 year limitations period of 35 U.S.C. § 286.

- The Court found that its rationale in *Patrella,* which involved a similar limitations period in the Copyright Act, applies equally in the patent context.

- **Held:** The equitable doctrine of laches is foreclosed by § 286. Laches is gone in patent cases.

- Justice Breyer entered a lengthy dissent based on the large body of law affirming the laches defense in patent cases; and differences in patent law and copyright law.
2. EXHAUSTION
**Impression Prods. v. Lexmark Int’l.,**
137 S. Ct. 1523 (2017)

- Lexmark sold printer cartridges under a program where cartridges were sold at a 20% discount with a single use/no release contract restriction.

- Re-manufacturers purchased empty cartridges from Lexmark’s customers. Lexmark sued re-manufacturers.

- Fed. Cir. held *en banc* that a patentee may sell an item and retain the right to enforce "clearly communicated, ... lawful restriction[s] as to post-sale use or resale."

- The Court held that Lexmark’s sale of cartridges to a customer exhausted its patent rights the moment the sale occurred.
Patentee’s cause of action is limited to one for breach of contract against its customers.

The Court also rejected the Federal Circuit’s *en banc* holding that foreign sales did not exhaust U.S. patent rights.

The Court held that common law antipathy to restraints on alienation is “borderless” citing its *Kirtsaeng* decision in the copyright context.

Justice Ginsberg dissented to this latter ruling on grounds that U.S. patent rights should not be forfeited by a foreign sale.
3. UNCLEAN HANDS
Gilead Sciences, Inc. v. Merck & Co., Inc.
(Fed. Cir. Apr. 25, 2018)

- Unclean hands makes its return to patent law
- Case concerned violation of a confidentiality agreement.
- Federal Circuit relied on a trio of early 20th century cases used as the basis for inequitable conduct.
- Inequitable conduct not at issue – no fraud on the patent office.
- Federal Circuit also found infectious unenforceability.
DAMAGES
WesternGeco?
Mentor Graphics Corp. v. Eve-USA, Inc.,
851 F. 3d 1275 (Fed. Cir. 2017)

- Case concerned patents for features in microchip emulators sold to Intel
- Two player market – Mentor Graphics and Synopsys
- Each party accused the other of infringement
- Synopsys’ patents were found invalid by the district court
- Mentor Graphics’ patents proceeded to trial.
- Jury awarded Mentor Graphics $36 million in lost profits
- Synopsys did not dispute that all four Panduit factors were satisfied.
Mentor Graphics Corp. v. Eve-USA, Inc.,
851 F. 3d 1275 (Fed. Cir. 2017)

• Synopsys argued that Mentor Graphics failed to apportion

• In complex devices covered by multiple patents, each is a “but for” element of any sale.

• Federal Circuit affirmed.

• “Apportionment is an important component of damages law generally, and we believe it is necessary in both reasonable royalty and lost profits analysis.”

• “We hold today that on the undisputed facts of this record, satisfaction of the Panduit factors satisfies principles of apportionment: Mentor’s damages are tied to the worth of its patented features.”
Mentor Graphics Corp. v. Eve-USA, Inc.,
851 F. 3d 1275 (Fed. Cir. 2017)

- What about Synopsys’ Patent?
- Supreme Court?
**Samsung Electronics Co., Ltd. v. Apple Inc.,**
137 S. Ct. 429 (2016)

- Design patents - § 289 disgorgement remedy may apply to components, rather than entire products.

- Numerous issues unresolved

- Several cases pending:
  - *Columbia Sportswear v. Seirus* – Trial in September 2017, currently on appeal
  - *Deckers v. Romeo and Juliette* – Jury verdict of $5.2 million in April 2018
  - *Apple v. Samsung* – Retrial started May 14, 2018
  - *Nordock v. Systems* – Settled April 2018
PATENT OFFICE CHALLENGES
Nantkwest?
THANK YOU!

Nika F. Aldrich
Schwabe, Williamson & Wyatt

Brian G. Bodine
Lane Powell