



# Recent Patent Decisions from the Federal Circuit and Supreme Court

**Presented to: Washington State Patent Law Association**

**Presented by: Brian G. Bodine**

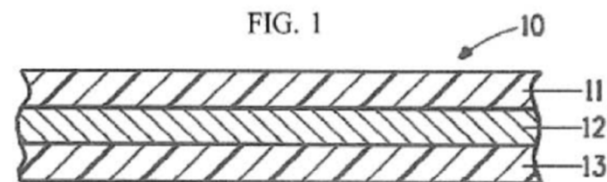
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**LANE POWELL PC**  
1420 Fifth Ave., Suite 4100  
Seattle, WA 98101  
206-223-7406  
bodineb@lanepowell.com

# CLAIM CONSTRUCTION

## *E.I. DuPont de Nemours & Co. v. Unifrax LLC*

921 F.3d 1060 (Fed. Cir. 2019)



- “the inorganic refractory layer . . . comprises platelets in an amount of **100% by weight** with a dry areal weight of 15 to 50 gsm and a residual moisture content of no greater than 10 percent by weight”
- Du Pont: “There is no carrier material . . . in addition to the inorganic platelets. There may be some residual dispersant arising from incomplete drying of the platelet dispersion.”
- Unifrax: “plain meaning—no construction is necessary”

## *E.I. DuPont de Nemours & Co. v. Unifrax LLC*

921 F.3d 1060 (Fed. Cir. 2019)

- District Court adopts DuPont's proposed construction
- CAFC affirms
- Claim 1 allows for 10% moisture
  - "nonsensical if the total percentage of components . . . exceeded 100%."
- Specifications "allow for some amount of dispersant"
  - 100% is relative to carrier material in refractory layer
  - '027 patent specification is intrinsic evidence
- Prosecution history
  - Tompkins reference disclosed laminate of 70% platelets in fiber carrier
  - Amendment to 100% platelets eliminates carrier, not dispersant

## *E.I. DuPont de Nemours & Co. v. Unifrax LLC*

921 F.3d 1060 (Fed. Cir. 2019) (O'Malley, dissenting)

- No ambiguity in the language
- 100% by weight “clearly contemplates that the platelets . . . constitute the entirety of the refractory layer.”
- “no clearer or simpler way the patent could have conveyed such a requirement”
- 100% by weight applies when the refractory layer is dry
  - “dry areal weight” and 10% “residual moisture”
- Claim refers to “residual moisture” not “residual dispersant”
- Claim amended to add “100%” limitation
- Majority imports limitation from parent application even though it was eliminated from specification of child (C-I-P)

## *Continental Circuits LLC v. Intel Corp.*

915 F.3d 788 (Fed. Cir. 2019)

- “a dielectric material having a surface remaining from *removal of a portion of the dielectric material*”
- “a conductive material, *whereby the etching of the epoxy forms cavities*”
- District court requires: “produced by a repeated desmear process”
  - Specification: distinguished from prior art “single desmear process”
  - Prosecution history: “two separate swell and etch steps”
- No clear disavowal
  - “one technique”; “can be carried out”; “a way”
  - “present invention”; “this invention” discuss preferred embodiments
  - Expert declaration in prosecution history: specification disclosed “a technique which forms teeth”

## *Arctic Cat Inc. v. GEP Power Prods., Inc.*

919 F.3d 1320 (Fed. Cir. Mar. 26, 2019)

- “A power distribution module for a personal recreation vehicle”
- “essential” structure or steps
- “necessary to give life, meaning, and vitality to the claim”
- Preamble not limiting
  - Body of claims lack “personal recreational vehicle”
  - “personal recreational vehicle” is an intended use
- “What is missing in the specification is any identification of a feature of the vehicle that is asserted to be an improvement other than the ‘power distribution module’ as described in the claims.”

## *Sanofi Mature IP v. Mylan Labs. Ltd.*

757 Fed. App'x 988 (Fed. Cir. 2019)

A method of increasing survival comprising administering *to a patient in need thereof* (i) an antihistamine, (ii) a corticoid, (iii) an H2 antagonist, and (iv) a dose of 20 to 25 mg/m<sup>2</sup> of cabazitaxel . . . in combination with prednisone or prednisolone, *wherein said patient has* . . . [a certain type of metastatic prostate cancer].



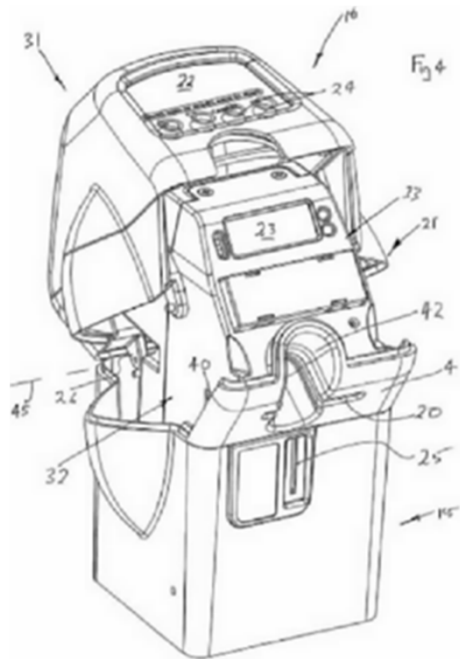
## *Sanofi Mature IP v. Mylan Labs. Ltd.*

757 Fed. App'x 988 (Fed. Cir. 2019)

- “a method of increasing survival . . . comprising administering to a patient in need thereof”
  - Limitation or
  - Intended use?
- Preamble expresses the intentional purpose for which the method must be performed
- Specification emphasized increasing survival as “an important aspect”
- Footnote 4 “Claim construction standards vary between district court litigations and *inter partes* reviews, but basic principles of construction do not.”

# INFRINGEMENT

*Duncan Parking Techs., Inc. v. IPS Group, Inc.*  
914 F.3d 1347 (Fed. Cir. 2019)



## *Duncan Parking Techs., Inc. v. IPS Group, Inc.*

914 F.3d 1347 (Fed. Cir. 2019)

- '310 patent claim 9:

A parking meter comprising:

- a housing comprising an intermediate panel set and a cover panel, **the cover panel being movably attached to the intermediate panel set**, wherein a first surface of the cover panel and a first surface of the intermediate panel set comprise a parking meter front face, the first surface of **the cover panel having** a first window and **a plurality of buttons** that operate the parking meter upon manipulation by the user . . . ;
- a module configured to be removably received by the housing, the module comprising . . . .

## *Duncan Parking Techs., Inc. v. IPS Group, Inc.*

914 F.3d 1347 (Fed. Cir. 2019)

- Claim: “a housing comprising . . . a cover panel” and the module “removably received by the housing”
- Specification:
  - Cover panel is part of the housing but does not include the device
  - Housing is a singular unit
- “keypad” of accused device is not “attached” to intermediate panel set by being in contact with the panel set
  - Attached means “to fasten or join”
- No literal infringement

## *Duncan Parking Techs., Inc. v. IPS Group, Inc.*

914 F.3d 1347 (Fed. Cir. 2019)

- “insubstantial change” vs. “claim vitiation”
- Claim required buttons to be located on cover panel, not device itself
- “Holding that the Liberty Meter infringes the ’310 patent claims under the doctrine of equivalents would essentially void the claim limitation . . . .”
- Public notice function of claims
- No infringement under DOE

## *Duncan Parking Techs., Inc. v. IPS Group, Inc.*

914 F.3d 1347 (Fed. Cir. 2019)

'054 patent, claim 1:

A parking meter device that is receivable within a housing base of a single space parking meter, the parking meter device including:

\* \* \* \*

wherein the lower portion of the parking meter device is configured . . . such that the *lower portion is receivable within the housing base* . . . .

## *Duncan Parking Techs., Inc. v. IPS Group, Inc.*

914 F.3d 1347 (Fed. Cir. 2019)

- “receivable within”
- “capable of being contained [entirely] inside”
- “[A] claim construction that excludes the preferred embodiment is highly disfavored.”
- Statements in the prosecution history are not disclaimers
  - “Whether IPS was wise to use ‘exposure to the elements’ as a point of distinction is debatable, but IPS’s statements certainly do not amount to clear disavowal of parking meter devices not ‘completely’ or ‘entirely’ contained by a housing nor do we think that the prosecution history sheds any light on the proper interpretation of the claim.”



## *Centrak, Inc. v. Sonitor Techs., Inc.*

915 F.3d 1360 (Fed. Cir. 2019)

- “final assembler” theory of infringement
- Defendant personnel go on site and configure system
- Personnel complete portion of final system configuration necessary to make system work
- Creates a triable issue of fact

## *Grunenthal GMBH v. Alkem Labs. Ltd.*

919 F.3d 1333 (Fed. Cir. 2019)

- Method of treating “polyneuropathic pain” with tepentadol
- Proposed labels
  - “pain sever enough to require daily, around-the-clock, long-term opioid treatment”
  - “moderate to severe chronic pain in adults when a continuous, around-the clock opioid analgesic is needed for an extended period of time”
- Induced infringement requires specific intent
- Contributory infringement
  - Noninfringing uses exist

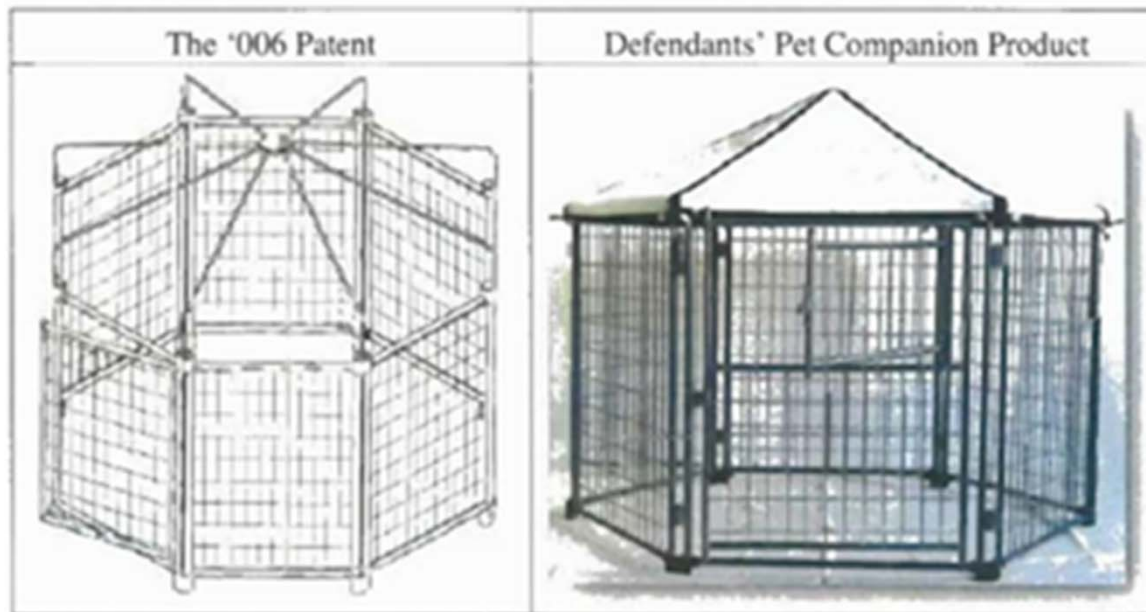
## *FastShip, LLC v. United States*

892 F.3d 1298 (Fed. Cir. 2018)

- “manufactured” in 28 USC § 1498
  - Question of first impression
- “suitable for use”
- “[W]e conclude that ‘manufactured’ requires that ‘each limitation’ ‘of the thing invented’ be present, rendering the invention suitable for use . . . .”
- Summary judgment of noninfringement was appropriate for one ship because elements (waterjet and hull) were missing when patent-in-suit expired.
- Even if government delayed assembly until months after patents expired, plaintiff failed to explain how delay would support infringement finding

*Advantek Marketing, Inc. v. Shanghai Walk-Long Tools Co., Ltd.*

898 F.3d 1210 (Fed. Cir. 2018)



## *Advantek Marketing, Inc. v. Shanghai Walk-Long Tools Co., Ltd.*

898 F.3d 1210 (Fed. Cir. 2018)

- Following restriction requirement, applicant elected design without top instead of with top
- Defendant's product contained top, argued prosecution history estoppel
- Patent owner elected broader scope of design so estoppel does not arise
- "article of manufacture" encompasses both product sold or component
- Accused product fell outside scope of purported surrender; therefore, infringement
  - Extra features don't negate infringement
- Motion for judgment on pleadings was erroneous

# VENUE AND JURISDICTION

## *Jack Henry & Assocs., Inc. v. Plano Encryption Techs. LLC*

910 F.3d 1199 (Fed. Cir. 2018)

- PET's letters:
  - "PET has reviewed [your] technology ... and believes that [you] are infringing ... ."
  - "Our review of your mobile apps indicates that your company infringes . . . ."
  - "PET actively licenses and enforces its patent rights and recently filed a lawsuit against [another bank] for infringement . . . ."
  - "We have a successful history of enforcing the [IP] rights of our clients . . . ."
- "active licensing program, with threats of litigation"
- "in conduct of PET's only business"

## *In re Oath Holdings Inc.*

908 F.3d 1301 (Fed. Cir. 2018)

- Oath seeks mandamus for a second time
- “The district court essentially concluded that *TC Heartland* did not change the law at the Supreme Court level because it reaffirmed *Fourco* . . . .”
- “The district court failed to follow *Micron*, where we explained that *TC Heartland* ‘changed the controlling law’ at the circuit level.”
- “[T]he district court recognized that its ‘reading of *TC Heartland* is completely inconsistent with the two defining issues decided in *Micron*.’”



## *In re BigCommerce, Inc.*

890 F.3d 978 (Fed. Cir. 2018)

- Two lawsuits initiated against BigCommerce in E.D. Tex.
- Motions to transfer denied
- CAFC finds conflicts in district court rulings on the issue of venue in a multi-district state
  - “basic” issue
  - “inevitably repeated”
  - Mandamus appropriate
- “in the judicial district where defendant resides” Section 1400(b)
  - Principle place of business
  - If no principal place of business but state of incorporation, natural default is district in which registered office is located

## *In re ZTE (USA) Inc.*

890 F.3d 1008 (Fed. Cir. 2018)

- Venue under Section 1400(b) is determined by Fed. Cir. law
- Section 1400(b)
  - “restrictive”
  - “intentional narrowness”
  - Burden of proof on Plaintiff

## *Xitronix Corp. v. KLA-Tencor Corp.*

892 F.3d 1194 (Fed. Cir. 2018)

- Per curium: denies rehearing *en banc* of whether CAFC has jurisdiction over *Walker Process* claims
- Newman Dissent
  - Patent law is a necessary element of a *Walker Process* antitrust claim
  - Fed. Cir. traditionally resolves *Walker Process* claims
  - *Gunn* court did not alter that practice
  - “Xitronix alleged a theory of antitrust violation based solely on patent law. And, as Xitronix states, its purpose is to invalidate the patent or render it unenforceable.”
  - Warns of “inconsistent verdicts” and “serious uncertainty”

# § 101

# PATENTABLE SUBJECT

# MATTER

## *Athena Diagnostics, Inc. v. Mayo Collaborative Servs. LLC*

915 F.3d 743 (Fed. Cir. 2019)

Claim 9 paraphrased by the CAFC:

- A method of diagnosing disorders related to MuSK comprising the step of
  - contacting MuSK . . . with a bodily fluid
  - immunoprecipitating any antibody/MuSK complex, and
  - monitoring for label on the complex
  - wherein the presence of the label indicates the presence of a MuSK-related disorder.

## *Athena Diagnostics, Inc. v. Mayo Collaborative Servs. LLC*

915 F.3d 743 (Fed. Cir. 2019)

- Claims reflect “correlation between the presence of naturally-occurring MuSK autoantibodies in bodily fluid and MuSK-related neurological disease like [myasthenia gravis]. This correlation exists in nature apart from any human action.”
- “[T]he steps of the claims . . . , whether viewed individually or as an ordered combination, only require standard techniques to be applied in a standard way.”

## *Athena Diagnostics, Inc. v. Mayo Collaborative Servs. LLC*

915 F.3d 743 (Fed. Cir. 2019) (Newman, J., dissenting)

- Must consider claims as a whole
- “Section 101 does not turn on whether any claim steps are ‘standard techniques.’ The appropriate analysis of conventional process steps . . . is under Sections 102 or 103 . . . .”
- Inconsistent precedent
- Unabated uncertainty

*Cleveland Clinic Found.  
v. True Health Diagnostics LLC*

760 Fed. App'x 1013 (Fed. Cir. April 1, 2019)

- Claims issued by examiner over Example 29-claim 1 of PTO Guidelines
- “While we greatly respect the PTO’s expertise on all matters relating to patentability, including patent eligibility, we are not bound by its guidance.”
- Claim found to be ineligible in *Ariosa* was “strikingly similar” to Example 29-claim 1.
- “*Ariosa* must control.”



## *University of Florida Research Found., Inc. v. General Elec. Co.*

916 F.3d 1363 (Fed. Cir. 2019)

- Waiver of sovereign immunity?
- Section 282(b) extends to “conditions of patentability”
- A method of integrating physiologic treatment data comprising the steps of
  - receiving . . . [the] data from at least two bedside machines
  - converting the data . . .
  - performing at least one programmatic action involving [the converted data] and
  - presenting results . . . upon a bedside [GUI].
- “On its face, the ‘251 patent seeks to automate ‘pen and paper methodologies’ . . . .”
- “[T]he claims do ‘no more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer.’”

## *Ancora Techs., Inc. v. HTC Am., Inc.*

908 F.3d 1343 (Fed. Cir. 2018)

- A method of restricting software operation within a license for use . . . comprising the steps of
  - selecting a program residing in the volatile memory
  - using an agent to set up a verification structure in the erasable, non-volatile memory of the BIOS . . .
  - verifying the program using at least the verification structure from the erasable non-volatile memory of the BIOS, and
  - acting on the program according to the verification.

## *Ancora Techs., Inc. v. HTC Am., Inc.*

908 F.3d 1343 (Fed. Cir. 2018)

- PTAB rejects HTC's petition to institute review under CBM
- PTAB concludes that the patent "claims a technical solution to a technical problem and comes within the 'technological inventions' exception . . . ."
- District court grants HTC's motion to dismiss
- CAFC reverses
- "Improving security . . . can be a non-abstract computer-functionality improvement if done by a specific technique that departs from earlier approaches to solve a specific computer problem."

## *SAP Am., Inc. v. Investpic, LLC*

898 F.3d 1161 (Fed. Cir. 2018)

- Collecting information, analyzing the information, and displaying results
- Steps are abstract under step 1
- “But it is clear from the claims themselves and the specification, that these limitations require no improved computer resources InvestPic claims to have invented, just already available computers, with their already available basic functions, to use as tools in executing the claimed process.”

# ***INTER PARTES REVIEW***

## *AC Techs. S.A. v. Amazon.com, Inc.*

912 F.3d 1358 (Fed. Cir. 2019)

- PTAB invalidated claims based on ground raised in petition but not addressed in final written decision
- Under *SAS*, Board determines whether to institute or not – a “binary choice”
- PTAB did not violate statutory scheme when reconsidered final written decision and addressed non-instituted ground
- Patent owner not prejudiced when permitted to take discovery and submit additional briefing but did not request hearing for previously non-instituted ground

## *Click-to-Call Techs., LP v. Ingenio, Inc.*

899 F.3d 1321 (Fed. Cir. 2018)

- Multiple petitioners filed single petition together
- One petitioner served with a complaint in 2001, but action was dismissed without prejudice
- Board rules that dismissal with prejudice acts “nullifies” service
- § 315(b) uses “served with a complaint”
  - Petition is time-barred if petition isn’t filed within 1 year of service
  - Cannot be rectified
- Time-bar applies to all petitioners because they filed a single petition
  - When was the petition filed?
  - When was the petitioner served with a complaint?

## *Click-to-Call Techs., LP v. Ingenio, Inc.*

899 F.3d 1321 (Fed. Cir. 2018)

- “[T]he availability of a path not taken does not validate the path actually taken.”
- *See also Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.*, 905 F.3d 1311 (Fed. Cir. 2018) (holding that the statute “endorses no exceptions for dismissed complaints”).



## *Worlds Inc. v. Bungie, Inc.*

903 F.3d 1237 (Fed. Cir. 2018)

- PTAB initial acceptance of petitioner's real parties in interest acts should be accepted until disputed by patent owner but does not shift burden of persuasion
  - Not a rebuttable presumption
- Patent owner must produce some evidence showing that third party should be named real party in interest
- "Worlds presented evidence sufficient to put Bungie's identification of itself as the sole real party in interest into dispute."
- Vacated and remanded

## *Mylan Pharm., Inc. v. Research Corp. Techs., Inc.*

914 F.3d 1366 (Fed. Cir. 2019)

- Board exercised its discretion and allowed appellants to join
  - Propriety of joinder is not an issue on appeal
- Section 315
  - PTAB has discretion with respect to joinder
  - Petitioners joined become “parties”
- Section 319 – *any party* to IPR shall have right to appeal
- End run around the statutory time-limit to file IPR?

## *E.I. DuPont de Nemours & Co. v. Synvina C.V.*

904 F.3d 996 (Fed. Cir. 2018)

- CAFC decides “cases and controversies”
  - “a specific threat of infringement litigation by the patentee” or
  - A controversy “of sufficient immediacy and reality” to warrant review
- Petitioner currently operating plant capable of infringement
  - Plans to build demo plant
  - Uses similar reagents and conditions as patent
- No specific threat of infringement needed to establish jurisdiction where competitor taken plans and action that would implicate challenged patent

## *E.I. DuPont de Nemours & Co. v. Synvina C.V.*

904 F.3d 996 (Fed. Cir. 2018)

- *See also JTEKT Corp. v. GKN Automotive Ltd.*, 898 F.3d 1217 (Fed. Cir. 2018) (holding that appellant lacked Art. III standing to appeal because product is still in development)
- *AVX Corp. v. Presidio Components, Inc.*, \_\_\_ F.3d \_\_\_ (Fed. Cir. May 13, 2019) (rejecting “competitor standing” as Art. III standing)

## *Saint Regis Mohawk Tribe v. Mylan Pharm. Inc.*

896 F.3d 1322 (Fed. Cir. 2018)

- “inherent sovereign immunity”
- Suits against tribes generally barred unless
  - clear waiver by the tribe or
  - congressional abrogation
- IPR is hybrid proceeding
- Tribal sovereign immunity cannot be asserted in IPRs

## *Arista Networks, Inc. v. Cisco Sys., Inc.*

908 F.3d 792 (Fed. Cir. 2018)

- Board reasoning for not applying assignor estoppel
  - Congress's broad grant of ability to challenge patentability in IPR (§ 311)
  - Congress did not expressly provide for assignor estoppel in IPR context
- CAFC rejects argument that assignor estoppel is applicable because it is well established common law principle
  - "*a person who is not the owner* of a patent may file" IPR, § 311(a)
  - "Where the statutory language is plain, we must enforce it according to its terms."
- "[B]y allowing 'a person who is not the owner of a patent' to file an IPR, [§ 311(a)] unambiguously dictates that assignor estoppel has no place in IPR proceedings."

## *XY LLC v. Trans Ova Genetics, L.C.*

890 F.3d 1282 (Fed. Cir. 2018)

- CAFC applies collateral estoppel *sua sponte*
- Affirmance of invalidity finding, whether from court or PTAB has collateral estoppel effect on all pending or co-pending actions
  - “Here, in oral argument, both parties assumed that an affirmance of the Board’s decision would result in estoppel . . . .”
  - “[T]his court, in circumstances such as this one, applies estoppel *sua sponte* to avoid ‘unnecessary judicial waste from remanding an issue that has a clear estoppel effect.’”
- An unrelated accused infringer may take advantage of an unenforceability decision under collateral estoppel

## *XY LLC v. Trans Ova Genetics, L.C.*

890 F.3d 1282 (Fed. Cir. 2018) (Newman, J., dissenting)

- Majority holding “contravenes not only the [AIA’s] estoppel provision, but also the general law of collateral estoppel”
- Different standards of review
- Different burdens of proof
- Jury finding of no invalidity even though PTAB had found invalidity
- Critical issues of constitutional balance
- Due process concerns
  - “Due process is not ‘unnecessary judicial waste.’”



# **DEFENSES – § 102 PUBLICLY ACCESSIBLE**

## *Acceleration Bay, LLC v. Activision Blizzard Inc.,*

908 F.3d 765 (Fed. Cir. 2018)

- Public accessibility requires more than technical accessibility
- Indexed only by author and year
- No evidence of how many reports in database
- At best evidence suggests that you could skim through titles by viewing all titles listed by author
- Because not meaningfully indexed, artisan exercising reasonable diligence may not have found it
- No error finding that Lin was not publicly accessible

## *GoPro, Inc. v. Contour IP Holding LLC*

908 F.3d 690 (Fed. Cir. 2018)

- GoPro participated in trade show and disseminated reference at issue without restriction
- Trade show was not open to public but was open to skilled artisans
- Must consider nature of conference or meeting, restrictions on public disclosure, expectations of confidentiality, and expectations of sharing the information
- No evidence of restrictions on dissemination of materials and trade show directed to relevant art, therefore publicly accessible

# DEFENSES – § 102 PUBLIC USE/ON-SALE

## *Helsinn Healthcare SA v. Teva Pharms. USA, Inc.*

\_\_ U.S. \_\_ (Jan. 22, 2018)

“A person shall be entitled to a patent unless ... the claimed invention was patented, described in a printed publication, or in public use, *on sale*, or otherwise available to the public before the effective filing date of the claimed invention.” AIA § 102(a).

- *Pfaff*
  - Product subject to a commercial offer for sale
  - Invention ready for patenting
- SCOTUS precedent suggests that invention need not be available to public
  - Federal Circuit provisions make this explicit
- “on-sale” had settled meaning before AIA
- Congress presumed to have adopted earlier judicial construction

## *Barry v. Medtronic, Inc.*

914 F.3d 1310 (Fed. Cir. 2019)

- Patented invention used in multiple surgeries prior to filing.
  - Surgeries included follow-up visits
- Evidence showed inventor did not know invention would work for intended purpose until after follow-up visits
  - Follow-up necessary for intended purpose
- “Intended purpose” need not be stated in claim limitations
- Those in operating room under implied duty of confidentiality covering tools and techniques used

## *Barry v. Medtronic, Inc.*

914 F.3d 1310 (Fed. Cir. 2019) (Prost, C.J., dissenting)

- Patent should have been found invalid as either “on sale” or in public use before the critical date
- Dr. Barry knew that the invention worked as of a surgery’s completion
  - First two surgeries and follow-ups occurred before critical date
- *Pfaff* ready for patenting test met when Dr. Barry performed the surgeries.
- “Intended purpose” broader concept than majority contends
  - Requires “some demonstration of the workability or utility of the claimed invention.”
- Dr. Barry did not present sufficient evidence of experimental use
  - “minimal evidentiary value” of after-the-fact inventor testimony
  - No records
  - Charged normal fees
  - Did not inform patients of experimental nature

## *Energy Heating, LLC v. Heat On-the-Fly, LLC*

889 F.3d 1291 (Fed. Cir. 2018)

- Before critical date, inventor used patented process on 61 jobs
- Inventor collected over \$1.8 million for these services
- Inventor failed to disclose uses to the USPTO during prosecution
- Uses were not experimental
  - Not done in secret
  - No confidentiality agreement
  - No notes of outcome
- No clear error in district court's finding that primary purpose for the 61 uses was to provide income to inventor and his company



# DEFENSES – § 103 OBVIOUSNESS

## *Acorda Therapeutics, Inc. v. Roxane Labs., Inc.*

903 F.3d 1310 (Fed. Cir. 2018)

- Court found prior art reference constituted blocking patent
- Blocking patent may deter innovation in blocked space for innovators other than owners or licensees
- Potential deterrent effect of blocking patent important to evaluating objective indicia of nonobviousness of later patent
- Can discount significance of evidence that no one marketed or developed the invention covered by the patent at issue because of the blocking patent
- Affirms the obviousness finding

## *Acorda Therapeutics, Inc. v. Roxane Labs., Inc.*

903 F.3d 1310 (Fed. Cir. 2018) (Newman, J. dissenting)

- District court placed too much weight on blocking patent
- Decades of Failures
  - Work abandoned due to inability to balance effectiveness against toxicity
- Acorda's product was a commercial success
  - \$1.7 billion in sales
  - Nearly a billion in net income
- Board sustained validity in IPR, and district court knew of that fact
- "The objective indicia of unobviousness are measured against the state of the science and in the commercial context. Here the unexpected success and its human benefits are not disputed."
- "The loser is the afflicted public."

## *E.I. DuPont de Nemours & Co. v. Synvina C.V.*

904 F.3d 996 (Fed. Cir. 2018)

- Prior art disclosed overlapping ranges with patent
- Presumption of obviousness where ranges of claimed composition overlap ranges disclosed in the prior art
- “DuPont demonstrated that the prior art as a whole . . . taught the claimed reaction, as well as conditions either identical to or overlapping with those of claims 1-5.”
- Burden shifts to patent owner to rebut
- CAFC discounts objective indicia of nonobviousness (“shortcomings”)
  - “Where the prior art is so close, it has not been shown that DuPont copied the ‘921 patent rather than other references within the prior art.”

## *Personal Web Techs., LLC v. Apple, Inc.*

\_\_\_ F.3d \_\_\_ (Fed. Cir. Mar. 8, 2019)

- Method and apparatus for creating substantially unique identifier
- Inherency may not be established by probabilities or possibilities
- Party must show the *natural result flowing* from operation would result in performance of questioned function

# DEFENSES – § 112

## *Nuvo Pharms. v. Dr. Reddy's Labs. Inc.*

\_\_\_ F.3d \_\_\_ (Fed. Cir. May 15, 2019)

- Bench trial finds claims meet written description requirement
- CAFC reverses
- That the claim language appears in specification is not necessarily enough to meet written description requirement
- Claim that uncoated PPI “might work” is insufficient
  - Mere searches vs. successful completion
  - Written description requirement “incentivizes actual invention”
  - Inventor’s testimony was that he had only “a general concept”

## *Nuvo Pharms. v. Dr. Reddy's Labs. Inc.*

\_\_\_ F.3d \_\_\_ (Fed. Cir. May 15, 2019)

- “Based on the specific facts of certain cases, it is unnecessary to prove that a claimed pharmaceutical compound actually achieves a certain result.”
- “But when the inventor expressly claims that result, our case law provides that that result must be supported by adequate disclosure in the specification.”
- “In this case, the inventor chose to claim the therapeutic effectiveness of uncoated PPI, but he did not adequately describe the efficacy of uncoated PPI so as to demonstrate to ordinarily skilled artisans that he possessed and actually invented what he claimed.”



## *Centrak, Inc. v. Sonitor Techs., Inc.*

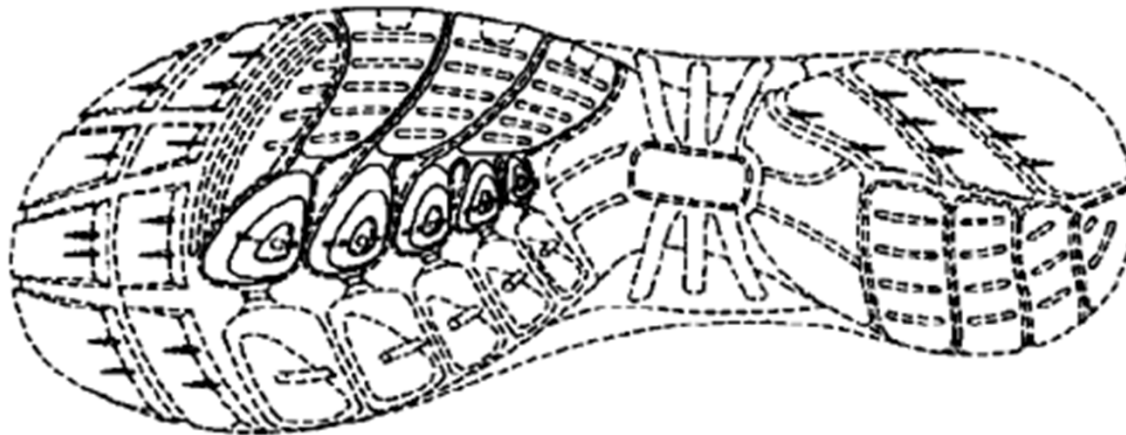
915 F.3d 1360 (Fed. Cir. 2019)

- Systems for real-time location to locate device using infrared or ultrasonic components
- Only 2 sentences in specification discuss ultrasonic
- Specification's focus on particular embodiment does not limit described invention when other embodiments contemplated
- Level of detail required depends on nature and scope of claims, complexity and predictability of technology

*In re Maatita*

900 F.3d 1369 (Fed. Cir. 2018)

**FIG. 1**



## *In re Maatita*

900 F.3d 1369 (Fed. Cir. 2018)

- Visual disclosure may render associated claim indefinite if includes multiple, internally inconsistent drawings
- Level of detail required should be a function of whether the claimed design is capable of being defined by two-dimensional or planar-view illustration
- Because two-dimensional drawing clearly demonstrates perspective of shoe, no indefiniteness
- Reverses Board affirmance of examiner's objection

# DAMAGES

## *WesternGeco L.L.C. v. Ion Geophysical Corp.*

913 F.3d 1067 (Fed. Cir. 2019)

- Parties entered into compromise agreement resolving all issues except lost profits, including payment plan for reasonable royalty
- Multiple patents later invalidated by PTAB
- Later invalidation of patent claims at issue before compromise agreement does not reopen reasonable royalty award
- Reasonable royalty award constituted fully satisfied unappealable final judgment

## *WesternGeco L.L.C. v. Ion Geophysical Corp.*

913 F.3d 1067 (Fed. Cir. 2019)

- Is direct competition required?
  - No, “but for” causation
- Difference in market may be relevant to computation of lost profits
  - Devices both perform the same types of functions
  - Evidence showed that the industry considered them as substitutes
  - Apportionment of damages
- “To sustain the lost profits award, the record must establish that there was no dispute that the technology covered by claim 23, independent of the technology covered by the now-invalidated claims . . . , was required to perform the surveys at issue.”

## *XY LLC v. Trans Ova Genetics, L.C.*

890 F.3d 1282 (Fed. Cir. 2018)

- Ongoing royalty rate set after post-verdict infringement
- Fundamental difference between reasonable royalty for pre-verdict infringement and post-verdict infringement
- “substantial shift” in bargaining position
- Difference in bargaining position should shift analysis to post-verdict *Georgia-Pacific* factors rather than irrelevant pre-verdict factors
- Makes no sense for practical result of royalty rate to be suing repeatedly for infringement rather than accepting lower ongoing royalty

## *Energy Heating, LLC v. Heat On-the-Fly, LLC*

889 F.3d 1291 (Fed. Cir. 2018)

- District court found inequitable conduct
- District court did not find the case exceptional
- District court does not always have to award attorneys' fees following finding of inequitable conduct
  - No per se rule
  - Totality of the circumstances
  - Great deference
- District court failed articulate a basis for denying attorneys' fees following finding of inequitable conduct



## *Thermolife Int'l LLC v. GNC Corp.*

\_\_\_ F.3d \_\_\_ (Fed. Cir. May 1, 2019)

- Was pre-filing investigation concerning infringement sufficient?
- “an amount [of L-arginine] sufficient to enhance endogenous endothelial NO.”
- Patentee’s expert testified that doses higher than 1.5 to 2.0 grams per day needed
- Labels from some accused products show 1.0 gram or less per dose
- Tests to determine amount would be easy and cheap
- “The district court, which oversaw the full group of more than six dozen suits, thus viewed the inadequacy of plaintiffs’ pre-filing investigation as extending beyond the two suits against Hi-Tech and Vital to the group more generally.”
- “[W]e see no abuse of discretion in the ultimate determination . . . .”

# PATENT OFFICE CHALLENGES

## *Supernus Pharm., Inc. v. Iancu*

913 F.3d 1341 (Fed. Cir. 2019)

- Petition for patent term adjustment
- Applicant submitted IDS but did not include EPO notification that did not yet exist
- Applicant later submitted supplemental IDS based on EPO Opposition
- USPTO discounted PTA by 646 days for time between RCE filing and submission of supplemental IDS
- Patent term can only be discounted if applicant failed to engage in reasonable efforts
- When applicant unable to conclude prosecution for reasons outside their control, no PTA reduction

## *Novartis AG v. Ezra Ventures LLC*

909 F.3d 1367 (Fed. Cir. 2018)

- Patent owner secured PTE of 5 years pursuant to 35 U.S.C. 156
- PTE chose to extend life of terminally disclaimed patent
- Nothing in statute restricts patent owner choice for extension
- No reason to read “effectively” as modifier to “extend” in language of 156(c)(4)
- That second patent term extended is “permissible consequence” of PTE under 156

## *NantKwest, Inc. v. Iancu*

898 F.3d 1177 (Fed. Cir. 2018)

- “All the expenses of the proceedings shall be paid by the applicant . . . .”
- PTO argued it should recover attorneys’ fees under 35 U.S.C. § 145
- PTO interpretation would have applicant pay government attorneys’ fees even if applicant success in E.D. Va.
- “American Rule” applies to § 145, “all expenses” does not include attorneys’ fees
- No explicit congressional authorization
- DISSENT: “all expenses” includes attorneys fees

**THANK YOU!**