

Developments in Patent Law 2014

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CLAIM CONSTRUCTION

Lighting Ballast Control v. Philips Electronics,

___ WL ___ (Fed. Cir. Feb. 21, 2014)

- “voltage source means providing a . . . DC voltage”
- District court receives evidence concerning technology, level of skill in the art, made factual conclusions concerning equivalents under Section 112, Para. 6.
- Panel finds that clause is means-plus-function but no corresponding structure

Lighting Ballast Control v. Philips Electronics,
___ WL ___ (Fed. Cir. Feb. 21, 2014)

- *en banc* review on the following issues
 - Should this court overrule *Cybor*?
 - Should this court afford deference to any aspect of a district court's claim construction?
 - If so, which aspects should be afforded deference?

Lighting Ballast Control v. Philips Electronics,
___ WL ___ (Fed. Cir. Feb. 21, 2014)

- Possible outcomes:
 - Entirely discard *Cybor*
 - Fusion or hybrid of *de novo* and deferential review
 - *Cybor* is both reasonable and correct and should be affirmed

Lighting Ballast Control v. Philips Electronics,

___ WL ___ (Fed. Cir. Feb. 21, 2014)

- Confirms *de novo* standard of review
- *Stare decisis*
 - Fifteen years of experience with *Cybor*
 - Uniformity
 - Reversing would add “new and uncertain inquiry”
 - Reversal rates are decreasing

Lighting Ballast Control v. Philips Electronics,

___ WL ___ (Fed. Cir. Feb. 21, 2014) (Lourie, J. concurring)

- *Cybor*'s holding is only minimally beyond *Markman*'s holding that claim construction is a question for the Court
- Claim construction does not normally involve historical facts
- “an degree of informal deference”
- Analogous to contract or statutory construction

Lighting Ballast Control v. Philips Electronics,
___ WL ___ (Fed. Cir. Feb. 21, 2014) (dissent)

- *Stare decisis* does not apply
 - No settled expectations upset
 - *Cybor* predecated on mischaracterization of *Markman*
 - *Cybor* contravenes Rule 52(a)(6)
 - Undesired consequences
 - ◆ Stability of the law
 - ◆ Losing progress and experience of trial
 - ◆ Greater incentive to appeal
 - ◆ Does not promote uniformity or predictability of outcome
 - Questions of fact

Lighting Ballast Control v. Philips Electronics,
___ WL ___ (Fed. Cir. Feb. 21, 2014)



Lighting Ballast Control v. Philips Electronics, ___ WL ___ (Fed. Cir. Feb. 21, 2014)



SkinMedica, Inc. v. Histogen Inc.

727 F.3d 1187 (Fed. Cir. 2013)

- “*culturing* fibroblast cells *in three dimensions* in a cell culture medium”
- During prosecution, patentee added “in three dimensions” to overcome rejections over prior art
- District court construes phrase to mean “growing . . . Cells in three dimensions (excluding growing . . . on microcarrier beads)”

SkinMedica, Inc. v. Histogen Inc.

727 F.3d 1187 (Fed. Cir. 2013)

- Panel affirms over dissent by Judge Rader
- Ordinary meaning of terms would normally encompass use of beads
- Specification reveals intentional disclaimer or disavowal of claim scope

SkinMedica, Inc. v. Histogen Inc.

727 F.3d 1187 (Fed. Cir. 2013)

- “cell lines grown as a monolayer or on beads, as opposed to cells grown in three dimensions . . .”
- “medium cultured by cell-lines grown as a monolayer or on beads, is generally discarded”
- “The cells are cultured in monolayer, beads (i.e., two-dimensions) or, preferably, in three-dimensions.”
- “The cells may be cultured in any manner ... including monolayer, beads or in three-dimensions ...”

SkinMedica, Inc. v. Histogen Inc.

727 F.3d 1187 (Fed. Cir. 2013)

- Majority rejects incorporation by reference
 - Cannot know whether Doyle incorporated applied to broad original claims or narrower amended claims
 - Doyle does not specifically discuss culturing beads in three dimensions
 - General citation of Doyle insufficient
- Majority rejects argument concerning prior art reference (Seldon) cited on face of patent
 - Seldon was not in evidence at district court

SkinMedica, Inc. v. Histogen Inc.

727 F.3d 1187 (Fed. Cir. 2013)

- Majority rejects expert testimony
 - District court found testimony inconsistent with intrinsic record
 - Panel agrees
 - ◆ Testimony conclusory and incomplete
 - ◆ Inconsistent with specification
 - ◆ Testimony deserves no weight

SkinMedica, Inc. v. Histogen Inc.

727 F.3d 1187 (Fed. Cir. 2013) (Rader, C.J., dissenting)

- “heavy presumption” of ordinary meaning
- Patentee must “clearly set forth” and “clearly redefine” away from ordinary meaning
- “unmistakable” and “unambiguous”
- Standard for disavowal is “exacting”

SkinMedica, Inc. v. Histogen Inc.

727 F.3d 1187 (Fed. Cir. 2013) (Rader, C.J., dissenting)

- “as opposed to” and “as a monolayer or on beads”
 - Distinguishes cells grown in “three-dimensions” from cells grown “on beads” in two dimensions
 - Cells in a monolayer (whether on beads or not) are inherently two dimensional
 - Monolayer cells are inferior to cells cultured in three-dimensions
 - Supported by uncontroverted testimony

SkinMedica, Inc. v. Histogen Inc.

727 F.3d 1187 (Fed. Cir. 2013) (Rader, C.J., dissenting)

- “beads (*i.e.* two dimensions) or, preferably three dimensions”
 - “*i.e.*” clarifies that the reference to beads is in the context of two dimensions
 - “*i.e.*” not intended to redefine ordinary meaning
- “monolayer, beads or in three-dimensions”
 - Since both were known in the art, this is not a “clear and unmistakable disavowal” by using “or”

Vederi, LLC v. Google, Inc.

___ F.3d ___ (Fed. Cir. March 14, 2014)

- “images depicting views of objects in the geographic area, the views being **substantially elevations** of the objects in the geographic area”
- District court interprets as “vertical flat (as opposed to curved or spherical) depictions of front or side views”
- “[P]hotographs are captured by cameras moving along a horizontal plane. . . . The result is one long, flat composite picture of a street.”
- “Nothing about that method or result suggests that the patents cover curved or spherical images.”

Vederi, LLC v. Google, Inc.

___ F.3d ___ (Fed. Cir. March 14, 2014)

- Accused product produces a virtual spherical composite image from multiple cameras recording.
- District Court granted summary judgment of noninfringement.
- CAFC reverses

Vederi, LLC v. Google, Inc.

___ F.3d ___ (Fed. Cir. March 14, 2014)

- “elevation”
 - A projection of a building surface onto a vertical plane or on a plane vertical (at a right angle) to the horizon
- District court read “substantially” out of the claim, and “substantially” has important meaning in light of other intrinsic evidence.
 - Photographs, not architectural drawings
 - Provisional patent application notes 360 degree panoramas
 - No disavowal

WRITTEN DESCRIPTION

Synthes USA, LLC v. Spinal Kinetics, Inc.
___ F.3d ___ (Fed. Cir. 2013)

- Claims at issue were added during prosecution to encompass defendant's recently introduced products.
- “the third plate including a plurality of openings”
- Original disclosure disclosed and claimed a plurality of grooves to attach fibers, but no openings except at perimeter.
- Parties agree that “grooves” are species of “openings,” but disagree whether disclosure of “grooves” is sufficient to reasonably convey possession of an invention with any sort of opening.

Synthes USA, LLC v. Spinal Kinetics, Inc.
___ F.3d ___ (Fed. Cir. 2013)

- Defendant's expert testimony:
 - Disclosure of peripheral grooves does not disclose openings anywhere else on the plates except perimeter.
 - Significant biomechanical differences.
 - Certain limitations on fibers when using grooves not present when using openings.

Synthes USA, LLC v. Spinal Kinetics, Inc.
___ F.3d ___ (Fed. Cir. 2013)

- Developer of defendant's product testified to significant technical hurdles during development
 - Reduce wear of fiber
 - Shape of slots/openings important to wear
 - Size of slots could affect breakage of plates
 - Needed to minimize metal in plates

Synthes USA, LLC v. Spinal Kinetics, Inc.
___ F.3d ___ (Fed. Cir. 2013)

- Taken together, the testimony is substantial evidence supporting jury's verdict of lack of written description.
- Disclosure of species may be sufficient written description of genus
- Predictability
 - A factual issue
 - No bright line rules to mechanical devices

Synthes USA, LLC v. Spinal Kinetics, Inc.

___ F.3d ___ (Fed. Cir. 2013) (Taranto, J. dissenting)

- “structural claim language ... is broader than the specific embodiments disclosed in the written description.”
- A “groove” remains open at the perimeter while an “opening” can be interior to the perimeter.
- No showing that the difference had any effect on the ability of the invented implants to fulfill their purpose.
- SK failed to establish the importance of the openings/grooves difference.

ON-SALE BAR

Hamilton Beach Brands, Inc. v. Sunbeam Prods., Inc.

726 F.3d 1370 (Fed. Cir. 2013)

- Original application was filed March 1, 2006, and discloses sealing clips on side of crock pot. A continuation was filed when a patent issued.
- Sunbeam introduces product with clips on the lid rather than the side.
- On June 4, 2010, Hamilton files a second continuation with amended claims directed to the crock pot with sealing clips on the lid.
- Hamilton argued that one skilled in the art would recognize that clips on the lid were consistent with the original disclosure. PTO agreed and issued '928 patent.

Hamilton Beach Brands, Inc. v. Sunbeam Prods., Inc.

726 F.3d 1370 (Fed. Cir. 2013)

- Test for on-sale is
 - Commercial offer for sale
 - Ready for patenting (either actual RTP or shown in drawings and documents)
- 2/8/2005: Hamilton issues PO to supplier
 - 2000 units, unit price, part number, requested delivery date
- 2/25/2005: Supplier confirms receipt of PO and will begin production upon Hamilton's release
- Release of order was after critical date.

Hamilton Beach Brands, Inc. v. Sunbeam Prods., Inc.

726 F.3d 1370 (Fed. Cir. 2013)

- District court grants summary judgment finding
 - Binding contract based on communications and
 - Ready for patenting based on CAD drawings, descriptions and communications

Hamilton Beach Brands, Inc. v. Sunbeam Prods., Inc.

726 F.3d 1370 (Fed. Cir. 2013)

- CAFC affirms
 - Supplier made offer for sale
 - ◆ No binding contract required
 - ◆ No supplier exception
 - Ready for patenting shown by
 - ◆ Specific descriptions provided to customers
 - ◆ CAD drawings
 - ◆ Gaskets, lids cooperate to keep food from leaking

Hamilton Beach Brands, Inc. v. Sunbeam Prods., Inc.

726 F.3d 1370 (Fed. Cir. 2013) (Reyna, J. dissenting)

- No commercial offer for sale
 - Purchase order was not result of consumer demand
 - Hamilton was changing design due to product failure
- Would have found experimental use

PRIORITY DATES

Medtronic Corevalve, LLC v. Edwards Lifesciences Corp.
___ F.3d ___ (Fed. Cir. 2014)

Application	Serial Number	Filing date
French Application 1b	French Application No. FR 00/14028	Oct. 31, 2000
International Application 2b	International Application No. PCT/FR 01/03258	Oct. 19, 2001
U.S. Application 4	U.S. Patent Application Serial No. 10/412,634	Apr. 10, 2003
U.S. Application 6	U.S. Patent Application Serial No. 11/352,614	Feb. 13, 2006
U.S. Application 8	U.S. Patent Application Serial No. 12/029,031	Feb. 11, 2008
U.S. Application 10	U.S. Patent Application Serial No. 12/348,892	Jan. 5, 2009

Medtronic Corevalve, LLC v. Edwards Lifesciences Corp.
___ F.3d ___ (Fed. Cir. 2014)

- “specific reference to the earlier filed application”
- Requirement mandates that “each [intermediate] application in the chain of priority to refer to the prior applications.”
- Summary judgment was affirmed
- “The patentee is the person best suited to understand the genealogy and relationship of her applications; a requirement for her to clearly disclose this information should present no hardship.”

INDEFINITENESS

Biosig Inst., Inc. v. Nautilus, Inc.

715 F.3d 891 (Fed. Cir. 2013)

- “a first live electrode and a first common electrode mounted on said first half [of an elongated member] in **spaced relationship** with each other”
- “a second live electrode and a second common electrode mounted on said second half [of an elongated member] in **spaced relationship** with each other”
- The district court granted summary judgment that the claims were indefinite.

Biosig Inst., Inc. v. Nautilus, Inc.

715 F.3d 891 (Fed. Cir. 2013)

- The district court construed the limitation, but stated that
 - “It should be half inch, one inch, two inches, three inches. What is the space[d] relationship?”
 - “Where is the spaced relationship?”
 - “[W]hat [the expert] says is that through trial and error, which he doesn’t describe, one can find a spaced relationship. That may be. But there’s no description.”

Biosig Inst., Inc. v. Nautilus, Inc.

715 F.3d 891 (Fed. Cir. 2013)

- CAFC reverses
- Refer to “spaced relationship” in the context of the intrinsic evidence
- District court improperly viewed “spaced relationship” in a vacuum.
- Indefiniteness found only if
 - “not amenable to construction” or
 - “insolubly ambiguous”

Biosig Inst., Inc. v. Nautilus, Inc.

715 F.3d 891 (Fed. Cir. 2013)

- *See Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565 (Fed. Cir. 1986).
- “wherein said front leg portion is **so dimensioned** as to be insertable through the space between the doorframe of an automobile and one of the seats thereof”
- Would one of skill in the art understand what is claimed in light of the specification?
- “The phrase ‘so dimensioned’ is as accurate as the subject matter permits, automobiles being of various sizes.”

PATENTABLE SUBJECT MATTER

35 U.S.C. § 101

What is Patentable?

- “Anything under the sun that is made by man.”
 - *Diamond v. Chakrabarty*
- Exclusions to patentability:
 - Laws of nature
 - Natural phenomena
 - Abstract ideas
 - Mental processes
 - Products of nature

Ass'n for Molecular Pathology v. Myriad Genetics
___ U.S. ___ (2013)

- Patentability of isolated DNA and cDNA
- Myriad's patent claims were directed to the location of BRCA1 and BRCA2 genes.
- *Chakrabarty* held that modified bacteria that broke down oil is patentable.
- *Funk Brothers* held that mixtures of non-modified bacteria used to “inoculate” seeds was not patentable.

Ass'n for Molecular Pathology v. Myriad Genetics
___ U.S. ___ (2013)

- Isolated BRCA1 and BRCA2 genes are not patentable.
 - Naturally occurring substance
 - Not altered by man
- cDNA is patentable
 - Modified by removing non-coding sections
 - Patent eligible because of modifications.

CLS Bank v. Alice Corp.

717 F.3d 1269 (Fed. Cir. 2013) (per curium) (*en banc*)

- A majority of the Court affirms the district court's holding that the method and media claims at issue are not directed to patentable subject matter.
- An equally divided Court affirms the district court's holding that the system claims at issue are not directed to patentable subject matter.

CLS Bank v. Alice Corp.

717 F.3d 1269 (Fed. Cir. 2013) (per curium) (*en banc*)

- Seven different decisions
- None of the opinions garnered majority support
- Case was accepted by US Supreme Court
- Will be argued on March 31, 2014

Ultramercial, Inc. v. Hulu LLC
722 F.3d 1335 (Fed. Cir. 2013)

- Method for distributing copyrighted products over the internet
- District court dismissed claims on Rule 12(b)(6) motion
- CAFC reverses

Ultramercial, Inc. v. Hulu LLC
722 F.3d 1335 (Fed. Cir. 2013)

- Presumption of validity and Rule 12(b)(6)
- § 101 is broad with narrow exceptions.
- A claim that recites an abstract idea can still be patentable.
- “[T]he relevant inquiry is whether a claim, as a whole, includes *meaningful* limitations restricting it to an application rather than merely an abstract idea.”

Ultramercial, Inc. v. Hulu LLC

722 F.3d 1335 (Fed. Cir. 2013)

- Mere use of a computer is insufficient.
- Claims reciting “a specific way of doing something” or “a specific computer for doing something” are likely patent eligible.
- Given the procedural posture, the district court should have either
 - Construed the claims in the light most favorable to plaintiff
or
 - Construed the claims consistent with *Markman*

Accenture Global Svcs. v. Guidewire Software, Inc.
728 F.3d 1336 (Fed. Cir. 2013)

- Claims 1-7 claim a system for generating tasks to be performed in an insurance organization
- Claims 8-17 claim a method for generating tasks to be performed in an insurance organization
- District court finds all claims invalid.
- CAFC affirms

Accenture Global Svcs. v. Guidewire Software, Inc.
728 F.3d 1336 (Fed. Cir. 2013)

- Claims 1-7 claim a system for generating tasks to be performed in an insurance organization.
- Claims 8-17 claim a method for generating tasks to be performed in an insurance organization.
- District court finds all claims invalid.
- Appellant appeals with respect to system claims.
- CAFC affirms over dissent of Judge Rader.

Accenture Global Svcs. v. Guidewire Software, Inc.
728 F.3d 1336 (Fed. Cir. 2013)

- Judgment with respect to method claims was not appealed and is final and conclusive.
- Majority concludes that “the system claims offer no meaningful limitations beyond the method claims that have been held patent-ineligible.”
- Abstract idea at issue is generating tasks based on the application of rules.
- Implementation of an abstract idea on a computer is not patentable.

Accenture Global Svcs. v. Guidewire Software, Inc.
728 F.3d 1336 (Fed. Cir. 2013)

- “[T]he complexity of the implementing software or the level of detail in the specification does not transform a claim reciting only an abstract concept into a patent-eligible system or method.”
- Distinguishes *Ultramercial* because
 - The claims at issue in *Accenture* contain “only generalized steps of generating a task in response to events.”
 - Procedural posture is different.

Accenture Global Svcs. v. Guidewire Software, Inc.
728 F.3d 1336 (Fed. Cir. 2013) (Rader, C.J., dissenting)

- Judge Rader would hold that the claims are patent eligible.
- No precedent of either the CAFC or SCOTUS holding that method and system claims fall together.
 - Eligibility should be determined on a claim-by-claim basis.
- “No one understands what makes an idea abstract.”
(quoting from the vacated panel decision).

Accenture Global Svcs. v. Guidewire Software, Inc.
728 F.3d 1336 (Fed. Cir. 2013) (Rader, C.J., dissenting)

- “Our opinions spend page after page revisiting our cases and those of the Supreme Court, and still we continue to disagree vigorously over what is or is not patentable subject matter.” (quoting *MySpace, Inc. v. GraphOn Corp.*)
- “[T]he remedy is the same: consult the statute!”

INDUCEMENT

Commil USA LLC v. Cisco Sys., Inc.
720 F.3d 1361 (Fed. Cir. 2013)

- District court instructed the jury that it could find inducement if “Cisco actually intended to cause the acts that constitute direct infringement and that Cisco knew **or should have known** that its actions would induce actual infringement.”
- *Global-Tech* (U.S. 2011) held that inducement “requires knowledge that the induced acts constitute infringement.”
- Satisfied by a showing of willful blindness or actual knowledge.

Commil USA LLC v. Cisco Sys., Inc.
720 F.3d 1361 (Fed. Cir. 2013)

- Jury instruction was erroneous as a matter of law.
- Jury instruction was prejudicial because it would allow a finding of induced infringement under a negligence standard (“knew or should have known”).
- Jury verdict was vacated and case was remanded for a new trial

Commil USA LLC v. Cisco Sys., Inc.
720 F.3d 1361 (Fed. Cir. 2013)

- Should Cisco have been allowed to introduce evidence of a good-faith belief of patent invalidity?
- District court did not allow Cisco to introduce the evidence.
- Majority: “no principled distinction” between noninfringement and invalidity with respect to specific intent
- “It is axiomatic that one cannot infringe an invalid patent.”
- A good faith belief in invalidity can negate specific intent.
- Cisco should have been allowed to introduce the evidence of invalidity.

Commil USA LLC v. Cisco Sys., Inc.

720 F.3d 1361 (Fed. Cir. 2013) (Newman, J., dissenting)

- A good faith belief of invalidity is not a defense to infringement.
- The majority's rule is contrary to principles of tort law.
- Validity of the patent was sustained through appeal. Cisco's belief was irrelevant to the issue of infringement.

INEQUITABLE CONDUCT

Intellect Wireless, Inc. v. HTC Corp.

732 F.3d 1339 (Fed. Cir. 2013)

- District court held a bench trial on inequitable conduct.
- District court held the asserted patents unenforceable due to inequitable conduct of the sole inventor, Mr. Henderson.
- Rule 131 Declaration during prosecution falsely stated that the claimed invention had been reduced to practice and demonstrated in July of 1999.
- Falsity was never corrected or brought to PTO's attention.

Intellect Wireless, Inc. v. HTC Corp.

732 F.3d 1339 (Fed. Cir. 2013)

- Revised declaration “inadvertently” referred to “actual reduction to practice”
- Plaintiff says that the patent attorney explained to the Examiner that Henderson was relying on constructive reduction to practice.
- Plaintiff says that the Examiner confirmed that he relied on constructive reduction to practice rather than actual reduction to practice.
- Defendant counters that revised declaration was filed during prosecution of other applications in the family.

Intellect Wireless, Inc. v. HTC Corp.

732 F.3d 1339 (Fed. Cir. 2013)

Materiality:

- Because there was no cure, Henderson’s original false statement alone establishes materiality.
- Multiple false statements in the original.
- Applicant required to “expressly advise the PTO of [the misrepresentation’s] existence, stating specifically where it resides.”
- “[T]he PTO [must] be advised what the actual facts are.”
- The applicant must “take the necessary action . . . openly.”

Intellect Wireless, Inc. v. HTC Corp.
732 F.3d 1339 (Fed. Cir. 2013)

Intent to Deceive:

- False statements in file of patent-in-suit
- False statements during prosecution of related patents
 - Relating to prototypes given to Smithsonian
 - “Prototypes” were wood and plastic smartphones incapable of performing claimed functions
- Henderson’s explanations were not credible
- No clear error
 - False statements raise strong inference of intent
 - Pattern of deceit

Intellect Wireless, Inc. v. HTC Corp.
732 F.3d 1339 (Fed. Cir. 2013)

- “[N]either Mr. Henderson nor his attorney told the Examiner the truth.”
- “[T]he district court did not clearly err in concluding that specific intent to deceive the PTO was the most reasonable inference from Mr. Henderson’s conduct.

EFFECT OF REEXAMINATION

Fresenius USA, Inc. v. Baxter Int'l, Inc.

721 F.3d 1330 (Fed. Cir. 2013)

- **2003:** Fresenius files DJ action regarding Baxter's 3 patents
- **2005:** Fresenius seeks ex parte reexam of '434 patent
- **1/2006:** PTO finds SNQP regarding claims of '434 patent
- **2/2007:** Jury returns verdict of invalidity, but district court grants JMOL (insufficient evidence)
- **10/2007:** Jury awards \$14.3 million
- **12/2007:** Final rejection of claims of '434 patent as obvious
- **9/2009:** CAFC reverses JMOL on 2 patents, but affirms on third, and remands for reconsideration of injunction and damages

Fresenius USA, Inc. v. Baxter Int'l, Inc.

721 F.3d 1330 (Fed. Cir. 2013)

- **Remand (late 2009):** Baxter moves for injunction and on-going royalty, while Fresenius seeks new trial
- **3/2010:** BPAI affirms examiner's finding of obviousness
- **12/2011:** Further proceedings in district court
- **3/2012:** District court orders Fresenius to pay Baxter \$14.3 million +
- **5/2012:** CAFC affirms BPAI and finding of obviousness
- **5/2012:** District Court grant's Fresenius' motion to stay execution of judgment pending appeal

Fresenius USA, Inc. v. Baxter Int'l, Inc.
721 F.3d 1330 (Fed. Cir. 2013)

- Whether, under the reexamination statute, the cancellation of claims by the PTO is binding in pending district court litigation?
- 2007 judgment of liability was not sufficiently final to prevent application of PTO determination.
 - Several unresolved issues
- “Where the scope of relief remains to be determined, there is no final judgment binding the parties”

Fresenius USA, Inc. v. Baxter Int'l, Inc.

721 F.3d 1330 (Fed. Cir. 2013) (Newman, J. dissenting)

- Separation of Powers prohibits this result.
 - CAFC's 2009 judgment finally resolved validity issue.
 - PTO ruling of invalidity cannot override earlier contrary finding by an Art. III court.
- Mandate Rule
 - CAFC Mandate in 12/2009 and remand did not affect validity determination (issue was post-verdict damages)

COLLATERAL ESTOPPEL

The Ohio Willow Wood Co. v. Alps South, LLC
735 F.3d 1333 (Fed. Cir. 2014)

- In 2004, OWW sues Alps for infringing the '237 patent.
- Case is stayed pending reexaminations of '237 patent.
- During stay, OWW sues Thermo-Ply for infringing the '182 patent, which issued from a continuation application of the '237 patent.
- The district court found the '182 patent invalid as obvious, and the ruling was affirmed by the CAFC.

The Ohio Willow Wood Co. v. Alps South, LLC
735 F.3d 1333 (Fed. Cir. 2014)

- Stay lifted when reexaminations final.
- District court applies collateral estoppel (issue preclusion) and grants summary judgment that the '237 patent was invalid.
- District court addresses other issues, including inequitable conduct

The Ohio Willow Wood Co. v. Alps South, LLC
735 F.3d 1333 (Fed. Cir. 2014)

- CAFC affirms
- Collateral estoppel protects a party from litigating issues
 - Fully and fairly litigated
 - Adversely resolved against a party opponent
- CE not limited to identical patent claims, but identical issues.
- Difference between claims at issue do not materially alter the question of validity.

The Ohio Willow Wood Co. v. Alps South, LLC
735 F.3d 1333 (Fed. Cir. 2014)

- '237 patent: “tube sock-shaped covering” an “amputation stump being a residual limb” and “fabric in the shape of a tube sock”
- '182 patent: “cushion liner for enclosing an amputation stump, said liner comprising a fabric covering having an open end for introduction of said stump and a closed end opposite said open end”

The Ohio Willow Wood Co. v. Alps South, LLC

735 F.3d 1333 (Fed. Cir. 2014)

- '182 patent: “polymeric” gel
- '237 patent: “block copolymer” gel
- “OWW has not adequately supported this contention because it has not provided any explanation regarding *how* the ‘block copolymer’ limitation is patentably significant in view of the obviousness determination regarding the claims of the '182 patent.”

IQBAL/TWOMBLY AND PLEADING STANDARDS

Pleading Standards

- “a short and plain statement of the claim showing that the pleader is entitled to relief.”
 - Fed. R. Civ. P. 8(a)(2)
- Form 18 requires only
 - Plaintiff owns patent
 - Defendant’s activity is infringing the patent

Pleading Standards of *Iqbal/Twombly*

- A plaintiff must “provide the ‘grounds’ of his ‘entitle[ment] to relief.’” *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007).
- “Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice.” *Ashcroft v. Iqbal*, 556 U.S. 662, 129 S. Ct. 1937 (2009).

In re Bill of Lading

681 F.3d 1323 (Fed. Cir. 2012)

- CAFC reversed district court dismissal of a complaint under *Iqbal* and *Twombly*
- Federal Circuit found that complaint adequately pleaded direct infringement
 - Form 18 and FRCP do not require plaintiff to plead facts establishing that each element of an asserted claim is met
 - Plaintiff need not identify which claims it asserts are being infringed
 - Rejected “too stringent” pleading standard

Macronix Int'l v. Spansion Inc.

2014 WL 934505 (E.D. Va. March 10, 2014)

- Dismissed an original complaint for failure to meet pleading requirements of *Iqbal/Twombly*
- “The threshold problem with *McZeal* and *Bill of Lading* is that they accord no force to either the text or teaching of *Twombly* and *Iqbal* which require more to plead a legally sufficient claim than is set out in Form 18.”
- “*McZeal* and subsequently *Bill of Lading* proceed from the premise that forms in the appendix take precedence over Supreme Court decisions even though those decisions render the forms no longer viable.”
- “And if the Supreme Court, as it clearly did in *Twombly* and *Iqbal*, says that Rule 8(a) must be applied differently than is provided for in a form, then the viability of the form must be measured against the new standard, even if the effect of doing so is to nullify the form.”

Macronix Int'l v. Spansion Inc.

2014 WL 934505 (E.D. Va. March 10, 2014)

- “[I]t is high time that counsel in patent cases **do all of that work** [determine what claims should be alleged and how] **before filing a complaint**. That, of course, will serve to **winnow out weak (or even baseless) claims** and will **protect defendants** from the need to prepare defenses for the many claims that inevitably fall by the wayside in patent cases. That also will serve to **reduce the expense and burden** of this kind of litigation to both parties which . . . is onerous.”
- “There is no logical reason to exempt patent complaints from the plausibility requirements that apply to all other federal complaints.”

Macronix Int'l v. Spansion Inc.

2014 WL 934505 (E.D. Va. March 10, 2014)

- Orders plaintiff to file amended complaint that complies with *Iqbal/Twombly* in all respects
 - Recites specific claims alleged to be infringed
 - Recites elements of claims
 - How the allegedly infringing product infringe
 - Satisfy these requirements for infringement under doctrine of equivalents

CASES AT THE SUPREME COURT

Cases at the Supreme Court

- *Medtronic v. Mirowski*, ___ U.S. ___ (Jan. 22, 2014) (patentee bears the burden of proving infringement).
- *Highmark Inc. v. Allcare Health Mgmt Sys., Inc.* and *Icon Health & Fitness v. Octane Fitness, LLC* (standard for awarding attorneys' fees)

Cases at the Supreme Court

- *Alice Corp. v. CLS Bank* (patentable subject matter)
- *Limelight Networks v. Akami Techs.* (joint infringement)
- *Nautilus, Inc. v. Biosig Instruments, Inc.* (standard for indefiniteness)

THANK YOU