

Developments in Patent Law

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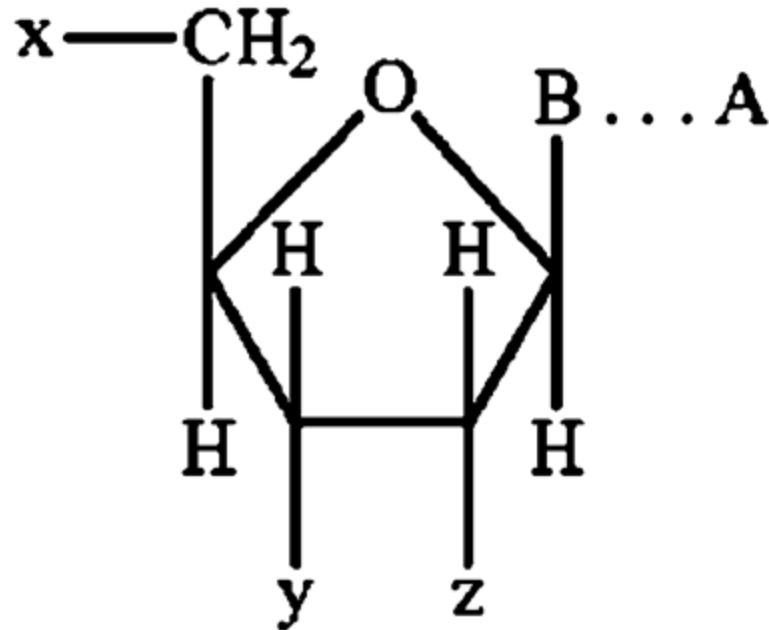
CLAIM CONSTRUCTION

Teva Pharm. USA, Inc. v. Sandoz, Inc., **134 S. Ct. 1761 (2015)**

- Supreme Court's 7-2 decision clarifies the standard of review applied to claim construction:
 - district court's subsidiary factual findings are reviewed for clear error
 - district court's legal conclusions (i.e., claim construction based solely on intrinsic evidence or the court's ultimate claim construction) are reviewed de novo

Enzo Biochem Inc. v. Applera Corp.

780 F.3d 1149 (Fed. Cir. 2015)



Enzo Biochem Inc. v. Applera Corp.

780 F.3d 1149 (Fed. Cir. 2015)

- wherein **A comprises** at least three carbon atoms and represents **at least one component of a signaling moiety** capable of producing a detectable signal;
- wherein B and A are covalently attached directly or through a linkage group that does not substantially interfere with . . . **formation of the signaling moiety**

Enzo Biochem Inc. v. Applera Corp.

780 F.3d 1149 (Fed. Cir. 2015)

- District Court:
 - “A comprises at least three carbon atoms and is one or more parts of a signaling moiety, which includes, **in some instances, the whole signaling moiety.**”
 - “a chemical entity capable of producing a detectable signal.”

Enzo Biochem Inc. v. Applera Corp.

780 F.3d 1149 (Fed. Cir. 2015)

- Panel majority cites *Teva*, but despite expert testimony presented at the *Markman* hearing, reviews the specification to understand the “ordinary and customary meaning of the claim term.”
- “[T]his sole factual finding does not override our analysis of the totality of the specification, which clearly indicates that the purpose of the invention was directed towards indirect detection, not direct detection.”

Enzo Biochem Inc. v. Applera Corp.

780 F.3d 1149 (Fed. Cir. 2015) (Newman, J. dissenting)

- Majority construed claims incorrectly as matter of grammar and linguistics.
- Majority failed to give deference to the district court's factual findings.

EON Corp. IP Holdings LLC v. AT&T Mobility LLC
780 F.3d 1149 (Fed. Cir. 2015)

- “means for causing selected themes to automatically display a second menu”
- Structure disclosed is a microprocessor
- No algorithm disclosed

EON Corp. IP Holdings LLC v. AT&T Mobility LLC
780 F.3d 1149 (Fed. Cir. 2015)

- The *Katz* exception
 - Applies only to functions that can be achieved without special programming
 - E.g., “processing,” “receiving,” or “storing”
 - Coextensive with the microprocessor itself

EON Corp. IP Holdings LLC v. AT&T Mobility LLC
780 F.3d 1149 (Fed. Cir. 2015)

- *Katz* exception inapplicable
- “The district court made explicit factual findings, based on expert testimony, that each of the eight claim terms at issue recited complicated, customized computer software.”
- No clear error

Means-plus-function Limitations

- “receiver” – not MPF because it recites structure
 - *EnOcean GmbH v. Face Int’l Corp.*, 742 F.3d 955 (Fed. Cir. 2014)
- “program recognition device” and “program loading device” – subject to MPF
 - *Robert Bosch, LLC v. Snap-On, Inc.*, 769 F.3d 1094 (Fed. Cir. 2014)

World Class Tech. Corp. v. Ormco Corp ., 769 F.3d 1120 (Fed. Cir. 2014)

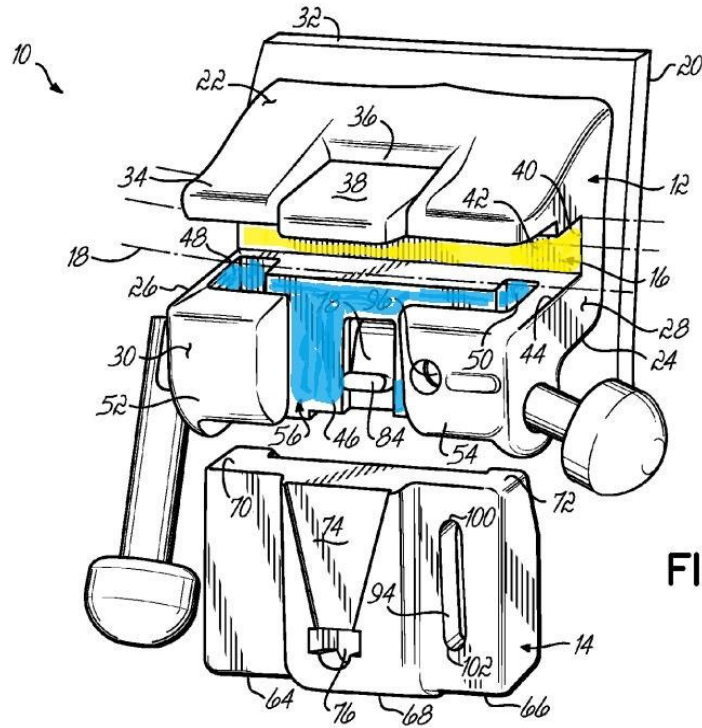


FIG. 1

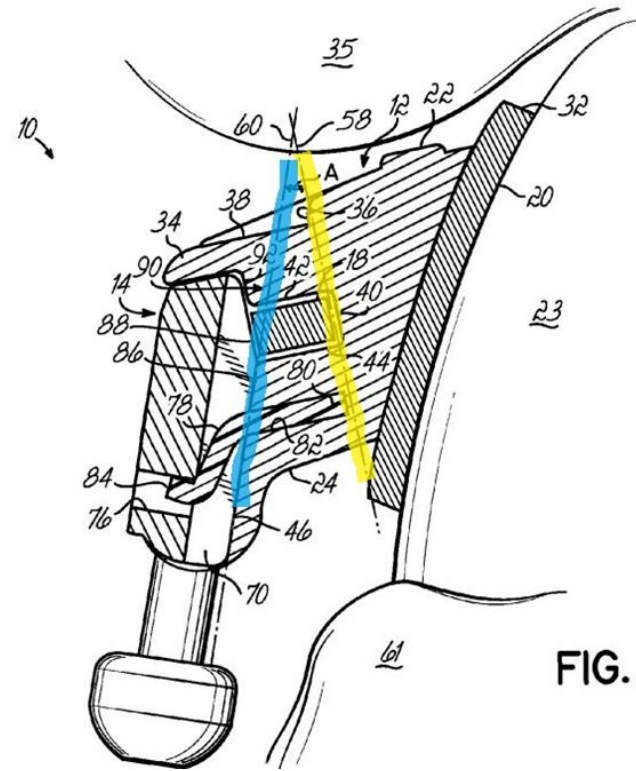
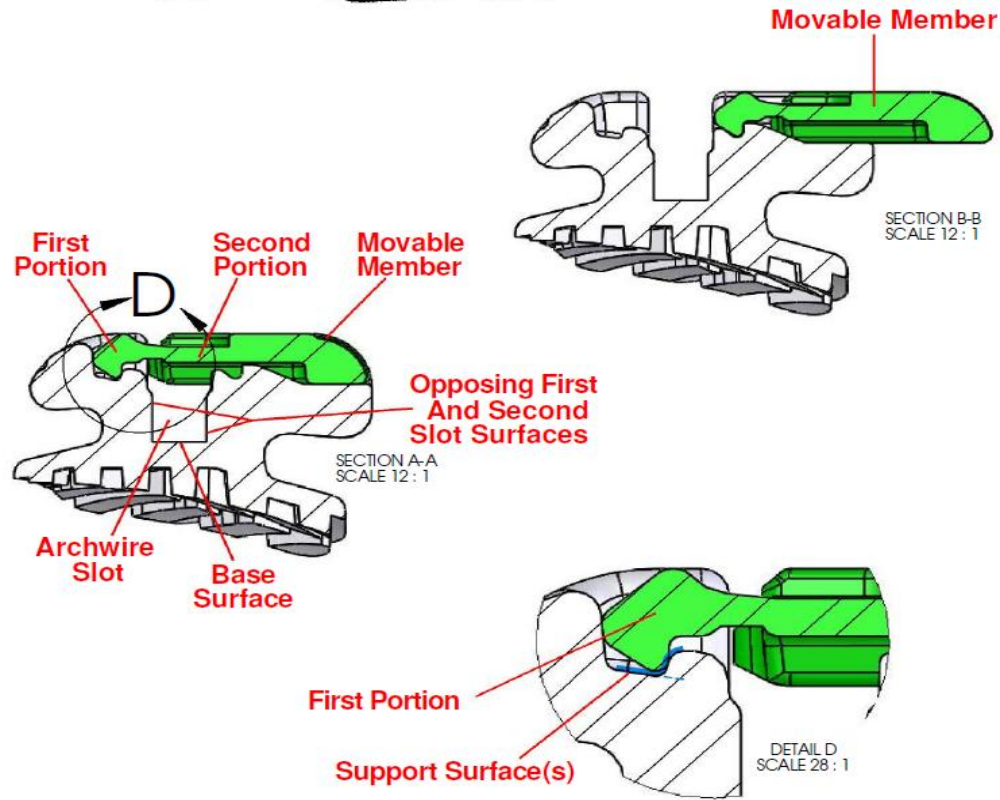


FIG. 3

World Class Tech. Corp. v. Ormco Corp., 769 F.3d 1120 (Fed. Cir. 2014)



World Class Tech. Corp. v. Ormco Corp.,
769 F.3d 1120 (Fed. Cir. 2014)

- “support surface” of claim 1 was not clear and unambiguous
- Reviewed the specification to identify “the construction that stays true to the claim language and most naturally aligns with the patent’s description of the invention.”

Williamson v. Citrix Online, LLC,
770 F.3d 1371 (Fed. Cir. 2014)

- “a graphical display representative of a classroom”
- “classroom” defined in specification as “an at least partially virtual space in which participants can interact, and that identifies presenter(s) and the audience member(s) by their location on the map”

Williamson v. Citrix Online, LLC,
770 F.3d 1371 (Fed. Cir. 2014)

- District court: “a pictorial map illustrating an at least partially virtual space in which participants can interact, and that identifies presenter(s) and the audience member(s) by their location on the map”

Williamson v. Citrix Online, LLC,
770 F.3d 1371 (Fed. Cir. 2014)

- “It is the claims, not the written description, which define the scope of the patent right.”
- Use of “preferential” language negated intent to limit the claim’s scope.
- “[T]he claims must not be read restrictively unless the patentee has demonstrated a clear intention to limit the scope using words or expressions of manifest exclusion or restriction.”

Pacing Tech., LLC v. Garmin Int'l, Inc.,
778 F.3d 1021 (Fed. Cir. 2015)

- Disavowal or Disclaimer
 - Clear and unmistakable statements that limit the claims
 - “the present invention includes”
 - “required”
 - “an important feature of the present invention”
 - “principal object” – may be enough

Pacing Tech., LLC v. Garmin Int'l, Inc., 778 F.3d 1021 (Fed. Cir. 2015)

- A repetitive motion pacing system for pacing a user comprising:
 - a website adapted to allowing the user to pre-select from a set of user-selectable activity types an activity they wish to perform and entering one or more target tempo or target pace values corresponding to the tempo;
 - a data storage and **playback device**; and
 - a communications device adapted to transferring data related to the pre-selected activity or the target pace values between the website and the data storage and **playback device**.

Pacing Tech., LLC v. Garmin Int'l, Inc.,
778 F.3d 1021 (Fed. Cir. 2015)

- 19 objects of the invention
- “those [listed 19 objects] . . . are accomplished, as embodied and fully described herein, by a repetitive motion pacing system that includes . . . a data storage and playback device adapted to producing a sensible tempo.”

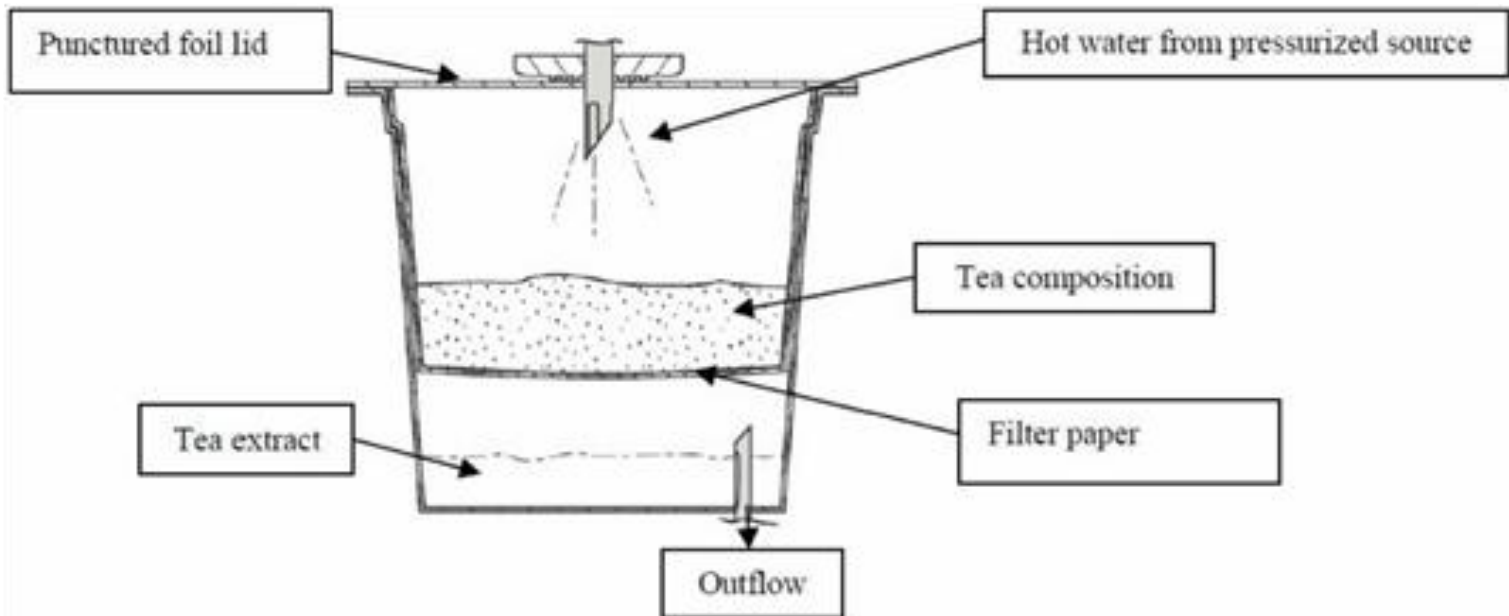
Pacing Tech., LLC v. Garmin Int'l, Inc., 778 F.3d 1021 (Fed. Cir. 2015)

- “With these words, the patentee does not describe yet another object of the invention—he alerts the reader that the invention accomplishes *all* of its objects and features . . . with a repetitive motion pacing system that includes a data storage and playback device adapted to produce a sensible tempo.”
- “In the context of this patent, this clearly and unmistakably limits ‘the present invention’ to a repetitive motion pacing system having a data storage and playback device that is adapted to producing a sensible tempo.”

Teashot LLC v. Green Mountain Coffee Roasters,
No. 2014-1323, 2015 WL 51237 (Fed. Cir. Jan. 5, 2015) (non-precedential)

- “sealed body is constructed of a *water-permeable material* which allows flow of a fluid through said sealed body to produce a tea extract from said tea composition”

Teashot LLC v. Green Mountain Coffee Roasters,
No. 2014-1323, 2015 WL 51237 (Fed. Cir. Jan. 5, 2015) (non-precedential)



Teashot LLC v. Green Mountain Coffee Roasters,
No. 2014-1323, 2015 WL 51237 (Fed. Cir. Jan. 5, 2015) (non-precedential)

- CAFC:
 - Claim identifies “water-permeable material” as means for fluid to flow through the sealed body
—confirmed by discussion within the specification
 - Affirmed district court because a “hole” is different from “water-permeable material”

In re Imes, 778 F.3d 1250 (Fed. Cir. 2015)

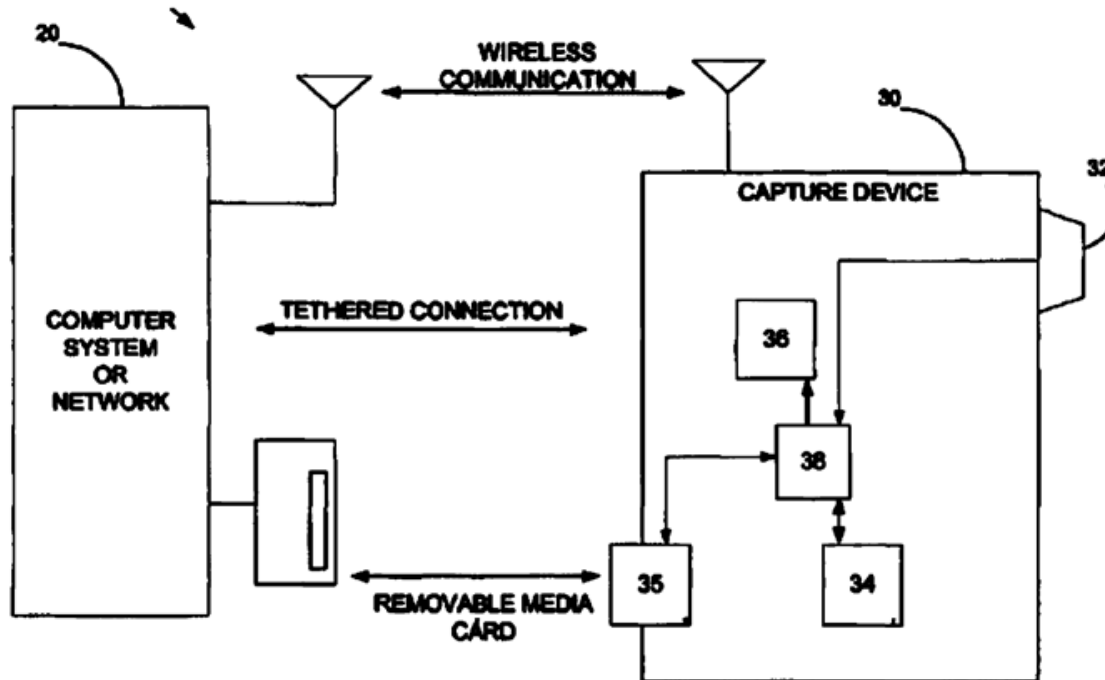


FIGURE 1

In re Imes,
778 F.3d 1250 (Fed. Cir. 2015)

- PTAB: a removable memory card is a “second wireless communications module” because the memory card did not use a wire
- CAFC: Broadest reasonable interpretation of “wireless” (per the specification):
 - methods and devices that carry electromagnetic or acoustic waves through atmospheric space rather than along a wire

In re Imes,
778 F.3d 1250 (Fed. Cir. 2015)

- Court held that metal contacts of a removable memory card do not communicate via waves carried through atmospheric space
- Claims sought by the applicant are not obvious in light of cited prior art

INTER PARTES REVIEW

St. Jude Medical Cardiology v. Volcano Corp., **749 F.3d 1373 (Fed. Cir. 2014)**

- Director issued non-institution decision denying petition for *inter partes* review
- CAFC held that the non-institution decision was not a final agency action and thus court lacked jurisdiction to hear the appeal
 - Appeal to Federal Circuit may only be heard where the appeal is made by “a party to an inter partes review . . . who is dissatisfied with the final written decision of the [Board] under section 318(a)”

In re Cuozzo Speed Techs., LLC,
778 F.3d 1250 (Fed. Cir. 2015)

- Issues
 - Reviewability of decision to institute proceeding on prior art not cited in IPR petition
 - Standard for claim construction in IPR

In re Cuozzo Speed Techs., LLC,
778 F.3d 1250 (Fed. Cir. 2015)

- CAFC concluded that § 314(d) prevents it from exercising jurisdiction over challenges to the institution of IPR, even after the PTAB issues a final decision
 - “Because § 314(d) is unnecessary to limit interlocutory appeals, it must be read to bar review of all institution decisions, even after the Board issues a final decision.”

In re Cuozzo Speed Techs., LLC, 778 F.3d 1250 (Fed. Cir. 2015)

- Applying broadest reasonable interpretation, PTAB construed the term “*integrally attached*” as “discrete parts physically joined together as a unit without each part losing its own separate identity.”
- Under this construction, claims 10, 14, and 17 were unpatentable as obvious

In re Cuozzo Speed Techs., LLC,
778 F.3d 1250 (Fed. Cir. 2015)

- Affirmed PTAB's final determination, finding no error in its claim construction under the broadest reasonable interpretation standard

In re Cuozzo Speed Techs., LLC, (Newman, J. dissenting)

- IPR is a substitute for litigation
 - Same standards and procedures as district court
- “Patentability” is distinct from “validity”
 - *See In re Donaldson*, 16 F.3d 1189 (Fed. Cir. 1994) (referring to “a patentability determination in the PTO or . . . a validity determination in a court.”)

PATENT ELIGIBLE SUBJECT MATTER

35 U.S.C. § 101

DDR Holdings, LLC v. Hotels.com,
773 F.3d 1245 (Fed. Cir. 2014)

- Patent claims systems and methods to create a composite web page that allows customers to stay within the architecture of the host website while viewing a third-party merchant's content

DDR Holdings, LLC v. Hotels.com, 773 F.3d 1245 (Fed. Cir. 2014)

- Panel distinguishes *DDR* from other Section 101 cases:
 - “these claims stand apart because they do not merely recite the performance of some business practice known from the pre-Internet world along with the requirement to perform it on the Internet. Instead, the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.”

DDR Holdings, LLC v. Hotels.com,
773 F.3d 1245 (Fed. Cir. 2014)

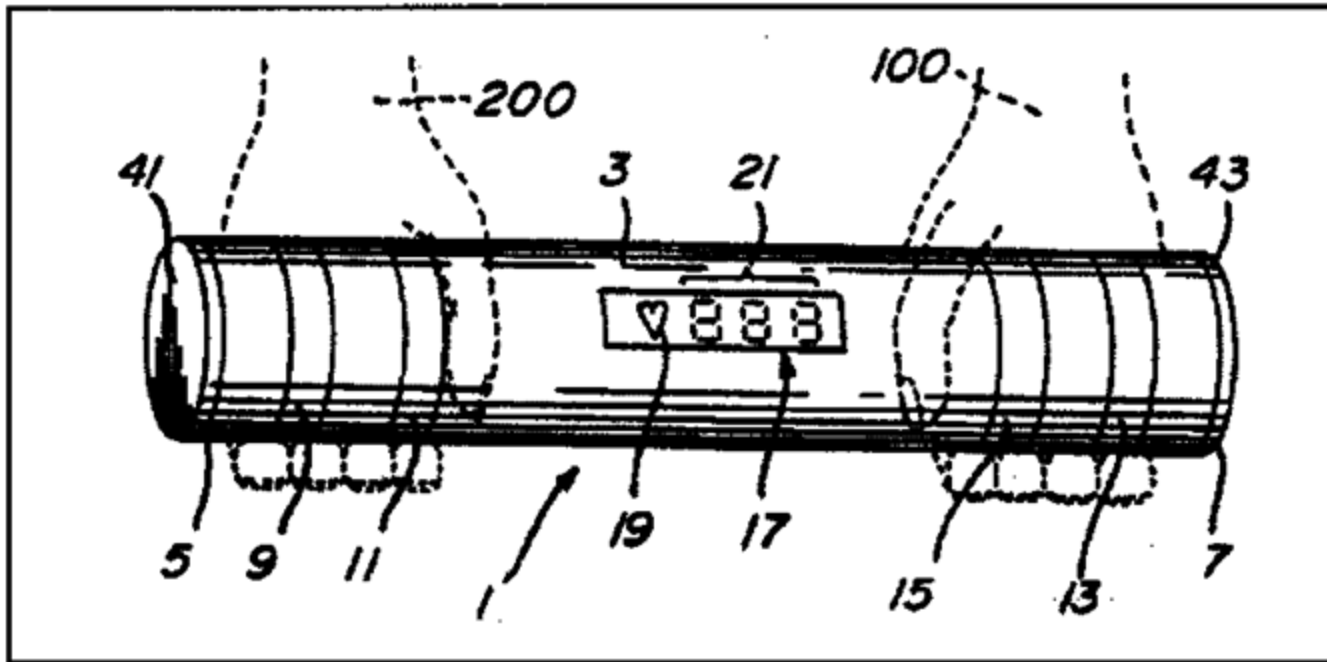
- Nor do the claims “attempt to preempt every application of the idea of increasing sales by making two web pages look the same”
- Instead, “they recite a specific way to automate the creation of a composite web page by an ‘outsourcer provider’ that incorporates elements from multiple sources in order to solve a problem faced by websites on the internet”

DDR Holdings, LLC v. Hotels.com,
773 F.3d 1245 (Fed. Cir. 2014) (Mayer, J. dissenting)

- Echoing his concurring opinion in *Ultramercial*:
 - DDR’s patent claims are not section 101 eligible because the “claims do, in fact, simply take a well-known and widely-applied business practice and apply it using a generic computer and the internet”
 - Advocates for application of the “technological arts test” to section 101 inquiries.

INDEFINITENESS

Nautilus, Inc. v. Biosig Instruments, Inc., 134 S. Ct. 2120 (2014)



Patent No. 5,337,753, Figure 1

Nautilus, Inc. v. Biosig Instruments, Inc., **134 S. Ct. 2120 (2014)**

- Supreme Court rejects CAFC standard for indefiniteness
- “a patent is invalid for indefiniteness if its claims, read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention”
- Reconciles and balances the inherent limitations of language against the need for clarity of claims

Biosig Instruments, Inc. v. Nautilus, Inc.,
No. 2012-1289, 2015 WL 1883265 (Fed. Cir. April 27, 2015)

- On remand from the Supreme Court
- Biosig’s claims informed one skilled in the art with reasonable certainty about the scope of the invention
 - Spaced relationship of the electrodes related to the width of user’s hand
 - Specification, claim language, and figures explained the “spaced relationship” with “sufficient clarity to skilled artisans as to the bounds of the disputed term”
 - Prosecution history also informed the proper bounds of the “spaced relationship”

Triton Tech. v. Nintendo of America, Inc., **753 F.3d 1375 (Fed. Cir. 2014)**

- “integrator means”
- District court found claims indefinite because patent did not disclose algorithm for performing integrated functions
- CAFC affirms

Triton Tech. v. Nintendo of America, Inc., **753 F.3d 1375 (Fed. Cir. 2014)**

- “merely using the term ‘numerical integration’ does not disclose an algorithm—i.e., a step-by-step procedure—for performing the claimed function”
- Rather, the term “numerical integration” refers to an entire class of possible algorithms used to perform integration
- Affirmed district court:
 - Although one skilled in the art could potentially choose an appropriate algorithm, patent failed to disclose any particular algorithm and was therefore indefinite

INDIRECT INFRINGEMENT

Limelight Networks, Inc. v. Akamai Tech., Inc., **134 S. Ct. 2111 (2014)**

- CAFC ruled, *en banc*, that Limelight could be liable for induced infringement despite the fact that neither Limelight nor its customers performed all of the steps of the method claims at issue
- The Supreme Court reaffirmed the rule that there can be no induced infringement without direct infringement

Limelight Networks, Inc. v. Akamai Tech., Inc., 134 S. Ct. 2111 (2014)

- Explained that the CAFC's *Muniauction* holding (which the CAFC did not address below) necessarily compelled the result in this case: because there is no single actor that directly infringes or controls the direct infringement of Akamai's patent, there can be no liability for induced infringement
- Supreme Court assumed *Muniauction* to be correct
- Stated that the CAFC may reconsider *Muniauction* on remand

Akamai Tech., Inc., v. Limelight Networks, Inc., **No. 2009-1372, 2015 WL 2216261 (Fed. Cir. May 13, 2015)**

- “Direct infringement liability of a method claim exists . . . when all of the steps of the claim are performed by or attributed to a single entity”
- “Single entity” includes:
 - Principal-agent relationship
 - Contractual arrangement
 - Joint enterprise

Akamai Tech., Inc., v. Limelight Networks, Inc., **No. 2009-1372, 2015 WL 2216261 (Fed. Cir. May 13, 2015)**

- On remand from Supreme Court: Does Section 271(a) incorporate joint tortfeasor liability?
 - “Unquestionably, it does not”
 - Statutory construction: contributory liability limited to Sections 271(b) and (c), otherwise, (b) and (c) are redundant
 - “statutory framework of 35 U.S.C. § 271 does not admit to the sweeping notions of common-law tort liability argued in this case”

Akamai Tech., Inc., v. Limelight Networks, Inc.,
No. 2009-1372, 2015 WL 2216261 (Fed. Cir. May 13, 2015)
(Moore, J. dissenting)

- Majority opinion “divorces patent law from mainstream legal principles by refusing to accept that § 271(a) includes joint tortfeasor liability. The majority’s rule creates a gaping hole in what for centuries has been recognized as an actionable form of infringement.”

Promega Corp. v. Life Tech. Corp., **773 F.3d 1338 (Fed. Cir. 2014)**

- Patent claim directed to a kit for analyzing genetic variation associated with at least one DNA locus
- Life Tech manufactured the majority of an infringing kit in the U.K., but supplied one component from its U.S. manufacturing facility

Promega Corp. v. Life Tech. Corp., **773 F.3d 1338 (Fed. Cir. 2014)**

- Section 271(f)(1) requires that to be liable for patent infringement, Life Tech must have supplied or caused to be supplied in or from the U.S. *all or a substantial portion of the kit components* so as to *actively induce* the combination of those components in a manner that would constitute infringement if it were done in the U.S.

Promega Corp. v. Life Tech. Corp., **773 F.3d 1338 (Fed. Cir. 2014)**

- Panel majority held that under 35 U.S.C. § 271(f)(1), “induce” means “a specific intent to cause” but does not require the presence of “another,” and “a substantial portion of the components” includes “a single important or essential component”
- Life Tech (1) actively induced its own infringement by (2) supplying one, albeit it necessary component of the patented kit from the U.S.

Promega Corp. v. Life Tech. Corp.,
773 F.3d 1338 (Fed. Cir. 2014)(Prost, C.J., dissenting)

- § 271(f)(1), like § 271(b), requires inducement of “another” under Supreme Court precedent (citing *Global-Tech Appliances, Inc. v. SEB SA*, 131 S. Ct. 2060, 2065 (2011))

SALE OR OFFER FOR SALE

Halo Elecs., Inc. v. Pulse Elecs., Inc.,
769 F.3d 1371 (Fed. Cir. 2014)

- Pulse manufactured electronic components in Asia
- Sold components abroad to contract manufacturers that made end products
- Purchase orders received by Pulse outside the U.S.
- But engaged in, among other things, pricing negotiations within the U.S.

Halo Elecs., Inc. v. Pulse Elecs., Inc., 769 F.3d 1371 (Fed. Cir. 2014)

- CAFC affirmed district court's ruling that there was no sale or offer for sale within the United States
 - Undisputed that Pulse's products were manufactured, shipped and delivered to buyers abroad
 - Purchase orders received abroad
 - Pricing negotiation different than firm offer to buy or sell
 - Where negotiations occur in the U.S., but the contemplated sale occurs abroad, there is no offer for sale within the U.S. for purposes of Section 271(a)

FEE SHIFTING

Octane Fitness, LLC v. ICON Health & Fitness, Inc., 134 S. Ct. 1749 (2014)

- *Octane*: the Supreme Court rejected the CAFC’s formulation of the “exceptional” case standard
 - “an ‘exceptional’ case is simply one that stands out from the others with respect to the substantive strength of a party’s litigating position . . . or the unreasonable manner in which the case was litigated”
 - Whether a case is “exceptional” is an exercise of discretion, considering the totality of the circumstances

***Highmark Inc. v. Allcare Health Mgmt. Sys., Inc.,
134 S. Ct. 1744 (2014)***

- *Highmark*: emphasized that “exceptional case” determinations
 - are within the district court’s discretion and
 - are reviewed for an abuse of discretion, not de novo

Halo Elecs., Inc. v. Pulse Elecs., Inc.,
769 F.3d 1371 (Fed. Cir. 2014)

- Petition for *en banc* review denied 8-2
- In dissent, Judges O'Malley and Hughes wrote that in light of *Octane*, the full Circuit should revisit *Seagate's* “objectively high likelihood” of infringement standard for awarding attorney’s fees

SANCTIONS

AntiCancer, Inc. v. Pfizer, Inc.,
769 F.3d 1323 (2014)

- Pfizer filed summary judgment motion challenging AntiCancer's preliminary infringement contentions as defective under the local patent rules
- District court granted the motion, and conditioned AntiCancer's submission of revised infringement contentions upon payment of Pfizer's attorney's fees for bringing the summary judgment motion

AntiCancer, Inc. v. Pfizer, Inc.,
769 F.3d 1323 (2014)

- Issue before the CAFC was not whether the district abused its discretion by requiring more specificity from AntiCancer
- Issue was whether the imposition of the fee-shifting sanction was an abuse of discretion

AntiCancer, Inc. v. Pfizer, Inc.,
769 F.3d 1323 (2014)

- Applying Ninth Circuit law, CAFC determined that sanctions grounded in court's inherent powers require a showing of bad faith
- District court abused its discretionary authority in imposing fee-shifting sanction absent any finding of bad faith

Two-Way Media LLC, v. AT&T, Inc., 782 F.3d 1311 (Fed. Cir. 2015)

- AT&T failed to file a timely notice of appeal of \$40 million patent infringement verdict
 - 3 of 4 JMOL motions filed under seal
 - District Court’s orders were labeled “ORDER GRANTING [] Motion For Leave to File Sealed Document” but orders “clearly denied merits” of JMOLs
 - AT&T failed to show good cause or excusable neglect for not timely filing notice of appeal
 - District Court did not abuse its discretion

Two-Way Media LLC, v. AT&T, Inc.,
782 F.3d 1311 (Fed. Cir. 2015) (Dyk, J. dissenting)

- Notice of orders on substantive JMOL motions was not given to parties
- Sealing orders did not constitute required “entry” under FRAP 4(a)(7)
- District court had authority to decide issue under FRAP 4(a)(6) despite holding to the contrary
- District Court’s holding was premised on an error of law

PRIOR ART

Suffolk Techs., LLC v. AOL Inc., **752 F.3d 1358 (2014)**

- CAFC affirmed district court’s ruling that Suffolk’s patent claims were anticipated by a graduate student’s online newsgroup post (printed publication)
 - At the time of the post, skilled artisans learned common gateway interface (“CGI”) through self study and evidence showed that they used newsgroups to learn and communicate
 - A printed publication “need not be easily searchable after publication if it was sufficiently disseminated at the time of publication”
 - Post was sufficiently disseminated because it received 6 responses the week following publication

PATENT EXHAUSTION

Helperich Patent Licensing, LLC v. New York Times, 778 F.3d 1293 (Fed. Cir. 2015)

- Two types of claims at issue:
 - “handset” claims: apparatus and method claims directed to handsets that received/requested media content
 - “content” claims: systems and methods for storing and updating content, and sending content to handsets
- Only “content” claims asserted against the content provider defendants

Helperich Patent Licensing, LLC v. New York Times, **778 F.3d 1293 (Fed. Cir. 2015)**

1. A method of providing content to a cell phone comprising:

a content provider causing the content to be stored in an internet accessible storage unit;

the content provider initiating a page to a content subscriber, the page including a notification that: (i) identifies the content, and (ii) includes an address of a system to be contacted to trigger retrieval of the content, but does not include the content;

wherein the page indicates that the content is available for a specified time; and

the content provider causing the content identified by the notification to become inaccessible at the internet accessible storage unit after the specified time identified by the initiated page.

Helferich Patent Licensing, LLC v. New York Times, 778 F.3d 1293 (Fed. Cir. 2015)

- District court held that by granting *handset manufacturers* broad licenses to sell handsets, Helferich exhausted ability to enforce its patents against
 - acquirers of handsets and
 - *content providers* that deliver content to handset users

Helperich Patent Licensing, LLC v. New York Times,
778 F.3d 1293 (Fed. Cir. 2015)

- Exhaustion doctrine does not apply in cases “where the alleged infringement involved distinct, though related, validly patented inventions” (citing dictum in *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.*, 152 U.S. 425 (1894))

Helperich Patent Licensing, LLC v. New York Times, **778 F.3d 1293 (Fed. Cir. 2015)**

- No reason, on facts presented in this case, to extend patent exhaustion doctrine beyond its traditional scope
- Court rejected “broad brush” position taken by defendants but did not foreclose a more narrowly-framed exhaustion defense

Supreme Court Watch

- *Kimble v. Marvel Enterprises Inc.*, 13-845
 - Patent licensing: will *Brulotte* survive?
- *Commil USA LLC v. Cisco Systems Inc.*, 13-1044
 - Proving induced infringement

THANK YOU