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# RECENT DEVELOPMENTS IN PATENT LAW May 18, 2016

*Presented by:*

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# Claim Construction

*Straight Path IP Grp., Inc. v. Sipnet EU S.R.O.*

806 F.3d 1356 (Fed. Cir. 2015)

- “is connected to the network”
- Absent disclaimer or redefinition (explicit or implicit) proper construction stays true to claim language
- Present tense or past tense
- “When claim language has as plain a meaning on an issue as the language does here, leaving no genuine uncertainties on interpretive questions relevant to the case, it is particularly difficult to conclude that the specification reasonably supports a different meaning.”

*Nuance Communications, Inc. v. ABBYY USA Software House, Inc.*

813 F.3d 1368 (Fed. Cir. 2016)

- “identifying [an unknown character]”
- plain and ordinary meaning
- Experts on infringement used “identifying”
  - Class of characters
  - Particular character
- District court did not err by refusing Nuance’s request to construe “identifying”

*Summit 6, LLC v. Samsung Elecs.Co.*

802 F.3d 1283 (Fed. Cir. 2015)

- “being provided to”
- District court declines to construe
- “being provided to”
  - commonly used terms used in common parlance
  - no special meaning in the art
- Rejects Samsung’s argument that present ongoing activity was required (i.e., during the claimed method)
- No error by district court declining to construe

*Eon Corp. IP Holdings LLC v. Silver Spring Networks, Inc.*

815 F.3d 1314 (Fed. Cir. 2016)

- “portable” and “mobile”
- District court adopted ordinary meaning
- Experts disputed meaning
  - “easily moved from one location to another”
  - “capable of being easily moved ... but not that it actually has to move”
- “fundamental dispute regarding the scope of a claim”
- Ordinary meaning not determined in vacuum but in context of patent
- A step further?

*UltimatePointer, L.L.C. v. Nintendo Co.*

816 F.3d 816 (Fed. Cir. 2016)

- “handheld device”
- “handheld direct pointing device” rather than ordinary meaning
- “The **repeated description** of the invention as a direct-pointing system, the **repeated extolling of the virtues** of direct pointing, and the **repeated criticism of indirect pointing** clearly point to the conclusion that the ‘handheld device’ in [the claims] is limited to a direct-pointing device.”
- “[Adopting the] ‘ordinary meaning,’ however, would incorrectly divorce the claim language from ... the specification.”

*Avid Tech., Inc. v. Harmonic, Inc.*

812 F.3d 1040 (Fed. Cir. 2016)

- “independent storage units”
- District court finds that Avid disclaimed a system in which the central controller tells the client which storage unit to use during read/write
- Prosecution history less useful than the claim language
- High standard for disclaimer
- If disavowal is ambiguous or susceptible to multiple interpretations, disclaimer is rejected.



*Trustees of Columbia University v. Semantec Corp.*

811 F.3d 1359 (Fed. Cir. 2016)

- “byte sequence feature”
- “[W]e reject Columbia’s argument that the presumption of plain and ordinary meaning ‘can be overcome in only two circumstances’
  - Express definition
  - Express disavowal
- The “construction that stays true to the claim language and most naturally aligns with the patent’s description will be, in the end, the correct construction.”
- Departing from plain and ordinary meaning by consulting specification is permissible.

*Kaneka Corp. v. Xiamen Kingdomway Grp. Co.*

790 F.3d 1298 (Fed. Cir. 2015)

- “sealed tank”
- “a tank that is closed to prevent the entry or exit of materials”
- Tank is not sealed to prevent entry/exit of all materials
  - Sealed to atmosphere
  - Not sealed to other materials (solvents)
- Dictionary definition of “sealed” conflicts with intrinsic record
- “sealed” defined by specification even though it only appears in the claims

*Eidos Display, LLC v. AU Optronics Corp.*

779 F.3d 1360 (Fed. Cir. 2015)

- “a contact hole for source wiring and gate wiring connection terminals”
- one hole or separate holes?
- state of art for LCD panel manufacture is separate holes for each terminal
- “[B]ecause a person of ordinary skill in the art would understand the limitation ... means separate contact holes ... adopting such a construction is not rewriting the claim limitation.”

*Lighting Ballast Control LLC v. Philips Elecs. N. Am. Corp.*

790 F.3d 1329 (Fed. Cir. 2015)

- “voltage source means”
- not means-plus-function
  - Rectifier
  - Battery
- no intrinsic evidence to support
- understood by one skilled in the art
- not invalid for indefiniteness

*Williamson v. Citrix Online, LLC*

792 F.3d 1339 (Fed. Cir. 2015)

- “distributed control module”
- Whether “means” is present is irrelevant
- “[T]he essential inquiry is not merely the presence or absence of the word “means” but whether the words of the claim are understood by persons of ordinary skill in the art to have a sufficiently definite meaning as the name for structure
- Presumptions still apply but without characterizations (strength)

# Induced Infringement



## ***Commil USA, LLC v. Cisco Sys.*, 135 S. Ct. 1920 (2015) –**

A defendant's belief regarding patent validity is not a defense to an induced infringement claim.

- §271(b) applies only if the defendant knew of the patent and that “the induced acts constitute patent infringement.”  
*Global-Tech*
- Evidence of good faith belief in invalidity was properly excluded by the district court, reversing the Circuit's ruling.



***Takeda Pharms. U.S.A., Inc. v. W.-Ward Pharm. Corp.,***  
**785 F.3d 625 (Fed. Cir. 2015)** – The majority rejects Takeda's argument that statement "if you have a gout flare while taking Mitigare, tell your healthcare provider" induced infringement even though the physician would likely tell the patient to use the Mitigare product in a manner that infringed the Takeda patents.

- Denial of preliminary injunction is affirmed.





***Westerngeco L.L.C. v. Ion Geophysical Corp.*, 791 F.3d 1340 (Fed. Cir. 2015)** – A divided panel rules that § 271(f) does not permit recovery of lost profits as a result of the infringer's customers using the infringing systems outside the U.S.

- 35 U.S.C. § 271(f) provides that is an infringement to supply components from the U.S. and induce the combination outside of the country in a way to infringe the patent if the assembly took place in the U.S.



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# Divided Infringement



## ***Akamai Techs., Inc. v. Limelight Networks, Inc., 797***

**F.3d 1020 (Fed. Cir. 2015)** – A unanimous *en banc* Circuit holds that liability for direct infringement under § 271(a) is not limited to principal-agent or contractual relationships and joint enterprises but can also be based on conditioning participation in an activity upon performance of steps of a patented method.

- \$45 million verdict reinstated based upon substantial evidence of conditioning of participation upon performing infringing steps.



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# Infringement under DOE

*Wi-LAN, Inc. v. Apple, Inc.*

811 F.3d 455 (Fed. Cir. 2016)

- Conflicting expert witness testimony
  - Apple – order affects the number of multipliers and the circuitry required
  - Wi-LAN – order is insubstantial as it would save only twenty transistors out of a million
- Jury verdict of noninfringement (DOE)
- Upheld on appeal

*Spectrum Pharmaceuticals, Inc. v. Sandoz Inc.*

802 F.3d 1326 (Fed. Cir. 2015)

- “a quantity at least sufficient to provide multiple doses ... in an amount of 2000 mg per dose”
- Accused product - vials of 175 mg or 250 mg
- Prosecution history reflects “a clear and unmistakable . . . intent to surrender”

*Momenta Pharms, Inc. v. Teva Pharms, USA, Inc.*

809 F.3d 610 (Fed. Cir. 2015)

- § 271(g) prohibits importation of a product “*made by* a process patented in the United States”
- Teva used patented process to test batches to see whether they meet regulatory requirements
- “made” is equated with “manufacture”
- “made by” does not include testing
- Dissent:
  - Quality control is “integral part” of manufacturing
  - Purification patents?



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# VALIDITY





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# Obviousness

## ***Blue Calypso, LLC v. Groupon, Inc.*, 815 F. 3d 1331**

**(Fed. Cir. 2016)** – The panel agrees with the Board in rejecting Groupon’s argument that a paper that was posted on the personal webpage of a graduate student was reasonably accessible to one interested in the art.

- The opinion also broadly defines what is a “financial product” as it relates to a CBM patent and narrowly defines the “technological invention” exception.
- The panel reverses the Board’s decision that other claims are invalid for violating the written description requirement.

## ***Apple, Inc. v. Samsung Electronics Co., 816 F 3d 788***

**(Fed. Cir. 2016)** – The Circuit reverses the denial of JMOL of invalidity of two of Apple's patents, directed to the iPhone's "slide to unlock" and "autocorrect" features, rejecting Apple's arguments as to secondary considerations such as commercial success and praise from Apple users.

- The Circuit also reverses the denial of Samsung's motion for JMOL of non-infringement as to the principal patent in suit.



***PPC Broadband, Inc. v. Corning Optical Commc'ns R.F. LLC, 815 F.3d 734 (Fed. Cir. 2016)*** – The panel reverses and remands the Board's decision as to commercial success because the evidence shows that PPC's connectors are the invention disclosed and claimed in the patent. Specifically, the Board and the Circuit must presume that any commercial success of these products is due to the patented invention.

## ***Zoltek Corp. v. United States*, 815 F 3d. 1302 (Fed. Cir.**

**2016)** — The panel rejects the attempts by the government's expert to reconstruct the invention using not only teachings that were not prior art but also the teachings of the patent itself.

- The patent cannot be used as a road map for putting together the pieces of a jigsaw puzzle to come up with the claimed invention.

## ***Purdue Pharma L.P. v. Epic Pharma, LLC, 811 F.3d 1345***

**(Fed. Cir. February 2016)** — In affirming the case, the panel holds that the district court did not err in disregarding process limitations in product-by-process claims since the focus of such claims must be the product, not the process of making it.

- The panel also rejects the argument that it was impermissible for the district court to pick and choose among the teachings of a reference since the examples within the reference are all “directly related” to one another.

## ***In re Gregory E. Urbanski*, 809 F.3d 1237 (Fed. Cir. 2016)**

— The Board properly found that one of ordinary skill would have been motivated to pursue the desirable properties taught by Wong, even at the expense of foregoing the benefit taught by Gross.

- Modifying the Gross process by shortening the hydrolysis time would have rendered the process inoperable for Gross's intended purpose, viz., forming stable dispersions.
- Although Gross teaches the benefit of stable dispersions, Wong teaches other desirable properties, viz., improved sensory properties without substantially reducing the fiber content.

## ***Prometheus Labs., Inc. v. Roxane Labs., Inc.*, 805 F.3d**

**1092 (Fed. Cir. 2015)** – The panel determines that there was no clear error by the district court in finding that commercial success was due to Prometheus' marketing and not due to the merits of the claimed invention.

- The district court did not improperly shift the burden of proof as to commercial success to Prometheus.





***Ivera Medical Corp. v. Hospira, Inc.*, 801 F.3d 1336 (Fed. Cir. 2015)** – The Circuit reverses the grant of summary judgment of invalidity, ruling that issues of fact remain as to the teachings of the prior art and whether one with ordinary skill would have been motivated to combine the references.

# Experimental Use Exception to On-Sale Bar

***Medicines Co. v. Hospira, Inc.*, 791 F.3d 1368 (Fed. Cir. 2015)** – The panel reverses a determination that the experimental use exception applies to pre-critical date sales of plaintiff's Angiomax blood thinning drug, which had sales of \$600 million last year. But the case has been accepted by the Circuit for *en banc* review.



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# Inequitable Conduct



## ***The Ohio Willow Wood Co. v. Alps South, LLC, 813 F.3d***

**1350 (Fed. Cir. 2016)** – The district court was not clearly erroneous in ruling that OWW's patent liaison was guilty of inequitable conduct by failing to disclose letters that provided corroboration to testimony that OWW repeatedly contended was uncorroborated.

- Ohio Willow Wood must pay Alps the attorney fees it incurred from the time it engaged in inequitable conduct during the second of two ex parte reexaminations.



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# Patentable Subject Matter

*Enfish, LLC v. Microsoft Corp.*  
2016 WL 2756255 (Fed. Cir. May 12, 2016)

- A data storage and retrieval system for a computer memory, comprising
  - means for configuring said memory according to a logical table, said logical table including:
    - a plurality of logical rows . . .
    - a plurality of columns . . . ; and
    - means for indexing data stored in said table.

*Enfish, LLC v. Microsoft Corp.*

\_\_\_ F.3d \_\_\_ (Fed. Cir. 2016)

- District court finds abstract idea of “the concept of organizing information using tabular formats”
- Federal Circuit criticizes as a high level of abstraction untethered from the claim language
- Claims not directed to any table, but to self-referential table
- Improvements computer functioning
  - Faster searching
  - More effective storage of data

*Enfish, LLC v. Microsoft Corp.*

\_\_\_ F.3d \_\_\_ (Fed. Cir. 2016)

- “Whether the focus of the claims is on the **specific asserted improvements in computer capabilities . . . or**, instead, on a process that qualifies as an ‘abstract idea’ for which **computers are invoked merely as a tool.**”
- Claims at issue here are improvements to computer functionality



## *Mortgage Grader, Inc. v. First Choice Loan Services, Inc.*

811 F.3d 1314 (Fed. Cir. 2016)

- “a method for a borrower to evaluate and/or obtain . . . a loan”
- *Alice* was a sufficient change to the law to allow amendment of invalidity contentions
- Abstract idea of “anonymous loan shopping”
- No inventive concept
  - Generic computer components (interface, network, database)
  - claims do not improve computer functioning

*Versata Dev. Group, Inc. v. SAP Am., Inc.*

793 F.3d 1306 (Fed. Cir. 2015)

- Covered business method patent
  - “a method . . . for performing data processing or other operations used in the practice, administration, or management of a financial product of service”
  - Exclusion: does not include patents for technological inventions
    - Solves a technological problem using a technical solution

*Versata Dev. Group, Inc. v. SAP Am., Inc.*

793 F.3d 1306 (Fed. Cir. 2015)

- Abstract idea of determining price using organizational and product groups
- Additional steps (storing, retrieving, sorting, eliminating, and receiving) are conventional
- Computer hardware limitations do not help because the underlying process could be done using pencil and paper
- PTAB correctly applied *Alice* and *Mayo*

*Genetic Technologies, Ltd. v. Merial, L.L.C.*  
\_\_\_\_ F.3d \_\_\_\_ (Fed. Cir. 2016)

- Coding and non-coding regions in genes are inherited together and linked together more than probability would dictate.
- Inventor used well-established lab methods, to amplify and analyze non-coding regions known to be linked to coding region
- Here the claims specify only conventional steps – amplifying and analyzing
- The application must provide something inventive, beyond mere “well understood, routine, conventional activity”
- Claims are not eligible for patent - laws of nature

## *In Re Smith*

814 F.3d 816 (Fed. Cir. 2016)

- Rules for conducting wagering game
- Abstract idea
  - “exchanging and resolving financial obligations based on probabilities”
- Inventive concept
  - Shuffling and dealing cards
  - Purely conventional activity
  - “could envisage” how to survive *Alice* – new or original deck of cards



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# REMEDIES



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# Damages

*AstraZeneca AB v. Apotex Corp.*

782 F.3d 1324 (Fed. Cir. 2015)

- Upholds 50% of Apotex's gross margin as a reasonable royalty
  - Apotex's profit margin (36%) would have been within its typical margins (31-48%)
  - Astra would risk highly successful brands
  - Difficult to design around
  - Other settlements/licensing agreements involved OTC rather than prescription



## *Commonwealth Scientific & Indus. Research Org. v. Cisco Sys., Inc.*

890 F.3d 1295 (Fed. Cir. 2015)

- Apportionment
  - Parties' negotiations
  - Already built in apportionment
- SSPPU is not starting point for all models
  - Comparable licenses with appropriate adjustments

*Commonwealth Scientific & Indus. Research Org. v. Cisco Sys., Inc., continued*  
890 F.3d 1295 (Fed. Cir. 2015)

- Standard Adoption
  - Apportion patented feature from all unpatented
  - Royalty premised on value of patented feature, not on standard's adoption of patented technology
  - District court erred not considering standard's effect on commercial success

*Commonwealth Scientific & Indus. Research Org. v. Cisco Sys., Inc., continued*  
890 F.3d 1295 (Fed. Cir. 2015)

- Technology License Agreement
  - Amendments to TLA occurred near the time of the hypothetical negotiations
  - “Special relationship” between CSIRO and Radiata ended by time of amendments
  - License may not be excluded solely because of its chosen royalty base (each chip sold rather than SSPPU)

*Rosebud LMS Inc. v. Adobe Systems, Inc.*

812 F.3d 1070 (Fed. Cir. 2016)

- § 154(d)(1)(B) requires actual notice
- No requirement that applicant send notice
- No genuine issue of material fact
  - Knowledge of grandparent
  - Adobe followed Rosebud and its product
  - Prior litigation between parties on patents in family
- Affirms summary judgment

*Carnegie Mellon Univ. v. Marvell Tech. Group, Ltd.*

807 F.3d 1283 (Fed. Cir. 2015)

- Sale in the US vs. foreign sales
- Presumption against extraterritorial reach
- Domestic activity must include one of:
  - Making,
  - Using,
  - Selling/offering for sale, or
  - Importing
- New trial to determine where sales were made



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# Enhanced Damages

*Carnegie Mellon Univ. v. Marvell Tech. Group, Ltd., continued*

807 F.3d 1283 (Fed. Cir. 2015)

- Jury found that
  - Marvel knew of patents
  - Should have known that it was infringing
- District court applies *Seagate* to enhance damages under § 284
  - Found that Marvel acted in subjectively reckless manner
- Federal Circuit reverses because invalidity defense was objectively reasonable

*Halo Electronics, Inc. v. Pulse Electronics, Inc.*  
(on cert to U.S. Supreme Court)

- 35 U.S.C. § 284
- *Seagate* set the standard for willfulness under § 284
  - Objectively high likelihood
  - Risk known or should have been
  - Clear and convincing evidence



*Halo Electronics, Inc. v. Pulse Electronics, Inc.*  
(on cert to U.S. Supreme Court)

- *Octane Fitness and Highmark* change the standard for § 285
  - “[A]n ‘exceptional’ case is simply one that stands out from other with respect to the substantive strength of a party’s litigating position . . . Or the unreasonable manner in which the case was litigated.”
  - Totality of the circumstances
  - Discretionary

*Halo Electronics, Inc. v. Pulse Electronics, Inc.*  
(on cert to U.S. Supreme Court)

35 U.S.C. § 284	35 U.S.C. § 285
“The court <i>may increase</i> the damages up to three times the amount found or assessed.”	“The court in exceptional cases <i>may award</i> reasonable attorneys fees to the prevailing party.”



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# Attorney Fees



***Lumen View Technology LLC v. Findthebest.com, Inc.,***  
**811 F.3d 479 (Fed. Cir. 2016)** – An award of attorney fees is vacated and the case is remanded because the court considered inappropriate factors in its doubling of the lodestar amount in its award of attorney fees.

- Deterrence and expedited resolution of the case are not appropriate factors to be considered in calculating an attorney fee award.



## ***SFA Sys., LLC v. Newegg Inc.*, 793 F.3d 1344 (Fed. Cir.**

**2015)** – The Circuit affirms the denial of a motion for attorney fees by the E.D. of Texas, which noted the fact that SFA had filed several lawsuits against numerous defendants is insufficient to render this case exceptional.

- But the Circuit holds that courts must consider whether the case was litigated in an unreasonable manner as part of their exceptional case determination.
- *Octane Fitness* did not indicate that the Circuit needed to rethink the *Brooks Furniture* holding that unreasonable and vexatious litigation tactics can support an award of fee.



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## ***Gaymar Indus. v. Cincinnati Sub-Zero Prods.*, 790 F.3d**

**1369 (Fed. Cir. 2015)** – The Circuit affirms a finding that the case was not exceptional, as Gaymar’s litigation position was not objectively baseless and rules that CSZ’s alleged misconduct was simply sloppy lawyering and not litigation misconduct.



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# Injunctive Relief



## ***Apple Inc. v. Samsung Elecs. Co.*, 801 F.3d 1352 (Fed.**

**Cir. 2015)** — The Circuit reverses the denial of Apple's motion for permanent injunction, clarifying the standard for showing irreparable harm post-*eBay* in cases where a product includes many features and embodies many patented inventions.

- To show irreparable injury, the patented features do not need to be the sole reason why consumers purchase the infringing product.
- The patents cover many features that the record reflects contribute to the consumer's purchasing decision, so nexus has been shown.





## ***Luminara Worldwide, LLC v. Liown Electronics Co., 814***

**F.3d 1343 (Fed. Cir. 2016)** – Substantial questions are raised as to whether a prior art patent anticipates so the panel reverses the grant of a preliminary injunction.

- Liown can sell its artificial flame candles accused of infringing a Disney patent directed to candles used in a Disneyland ride.



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# DEFENSES



***SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 807 F.3d 1311 (Fed. Cir. 2015)** – *An en banc* Circuit reaffirms the panel decision 6-5 that laches is available as a defense in patent cases, but two weeks ago the Supreme Court accepted the case.

- The Supreme Court held in *Petrella v. Metro-Goldwyn-Mayer* that laches is not available as a defense in copyright cases.
- The Circuit holds that *Petrella* is not applicable to patent cases since section 286 is not a statute of limitations, as in *Petrella*.



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# Equitable Estoppel

*High Point SARL v. Sprint Nextel Corp.*

\_\_\_\_ F.3d \_\_\_\_ (Fed. Cir. April 1, 2016)

- Elements of equitable estoppel
  - Misleading conduct that leads infringer to reasonably infer that patentee won't enforce patents
  - Reliance
  - Material prejudice (economic/evidentiary)
- Silence ***must*** be accompanied by additional factors as to amount to bad faith

*High Point SARL v. Sprint Nextel Corp., continued*

\_\_\_\_ F.3d \_\_\_\_ (Fed. Cir. April 1, 2016)

- Parties knew of unlicensed activity for a long period of time as early as 2001
- Detrimental reliance proven by testimony showing that Sprint considered alternative technology
- Prejudice
  - Economic – billions of dollars involved
  - Evidentiary – information about inventor was fading or already absent
- No abuse of discretion



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# Exhaustion

***Lexmark Int'l, Inc. v. Impression Products Inc.***

816 F.3d 721 (Fed. Cir. 2016) (en banc)

- “without authority” - § 271(a)
- “A patentee’s own sale of its patented article subject to a clearly communicated restriction ... does not exhaust the patentee’s ... rights.” *Malinckrodt*
- Federal Circuit distinguishes *Quanta* because LG authorized Intel to sell products practicing the patents.
- For unrestricted sales, the buyer presumptively has authority to use and resell.
- Holds that patent can restrict resale/reuse if clearly communicated to the buyer at the time of sale



*Lexmark Int'l, Inc. v. Impression Products Inc.*

816 F.3d 721 (Fed. Cir. 2016) (en banc)

- *Jazz Photo* held that “United States patent rights are not exhausted by products of foreign provenance ...”
- *Kirtsang* – decided under 17 U.S.C. § 109(a)
  - “[T]he owner of a particular copy ... lawfully made under this title ... is entitled, without authority of the copyright owner, to sell . . . that copy . . . .”
- No analog in the patent statute

***Lexmark Int'l, Inc. v. Impression Products Inc.***

816 F.3d 721 (Fed. Cir. 2016) (Dyk, J., dissenting)

- *Malinckrodt* was wrongly decided
  - Supreme Court cases hold that patent rights extinguished upon first sale in U.S.
  - “unconditional sale” refers to one in which title passes
- Foreign sales
  - Retain *Jazz Photo* if
  - Patentee expressly reserves U.S. rights



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# DESIGN PATENTS

*Validity*



***Ethicon Endo-Surgery, Inc. v. Covidien, Inc.*, 796 F.3d 1312 (Fed. Cir. 2015)** – Summary judgment of invalidity based on functionality is reversed because the district court did not follow the “stringent” test for invalidating design patents based on functionality.

## ***Apple Inc. v. Samsung Elecs. Co.*, 786 F.3d 983 (Fed.**

**Cir. 2015)** – The Circuit affirms the utility and design patent infringement portions of the case after reversing the judgment as to trade dress infringement, finding the trade dress to be functional.

- Reduces \$930 million judgment to \$548 million, which was paid by Samsung last year.
- But shows the importance of applying for design patents and not relying exclusively on common law trade dress protection.

***Apple Inc. v. Samsung Elecs. Co., ( continued)*** – In reciting that an infringer "shall be liable to the owner to the extent of [the infringer's] total profit," 35 U.S.C. § 289 explicitly authorizes the award of total profit from the article of manufacture bearing the patented design.

- The clear statutory language prevents the Circuit from adopting a "causation" rule as Samsung urges.
- Has been accepted on certiorari.
- Samsung argues that this decision is “an open invitation to extortionate patent litigation.”



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# The Hague Agreement

- Went into effect May 13, 2015 to facilitate international design patent filings.
  - U.S. applicants can now file design application in WIPO or in USPTO and designate up to 45 countries
  - 15 year design patent term
  - Provisional rights are available





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# Procedural Cases

***Rembrandt Vision Tech., L.P. v. Johnson & Johnson Vision Care, Inc.***

\_\_\_\_\_ F.3d \_\_\_\_\_ (Fed. Cir. April 7, 2016)

- Rule 60(b)(3) – “fraud, . . . misrepresentation or misconduct”
- “surface layer” and “soft”
- expert falsified evidence and withheld documents
- proof that withheld evidence would alter result is not required
- sufficient proof – altered the way that Rembrandt’s counsel would have approached the case

*Rembrandt Vision Tech, L.P. v. Johnson & Johnson Vision Care, Inc.*

\_\_\_\_\_ F.3d \_\_\_\_\_ (Fed. Cir. April 7, 2016) (dissent)

- Rembrandt had “full and fair opportunity” to prove “soft”
  - dispositive of infringement
  - false testimony did not effect that issue
- No showing that false testimony on “surface layer” would have changed approach to “soft” limitation

*Luminara Worldwide, LLC v. Liown Elec. Co.*

814 F.3d 1343 (Fed. Cir. 2016)

- “all substantial rights”
- Disney’s retained right are insubstantial
  - “any other entity, theme park, or venue **operated** by or **under license** from [Disney] or any of its Affiliates
- Luminara has sufficient rights to sue in its own name
  - “sole and exclusive right” to sue
  - practice the patent
  - sublicense

*Speedtrack, Inc. v. Office Depot, Inc.*

791 F.3d 1317 (Fed. Cir. 2015)

- Prior suit found that Walmart did not infringe Speedtrack's patents by using IAP software
- District court grants summary judgment because Office Depot used IAP software in the same way as Walmart
- "[I]f the *Kessler* doctrine bars the assertion of new *claims*, it must also bar the assertion of new *theories* involving the same, already asserted claims." *Brain Life, LLC v. Elektra, Inc.*, 746 F.3d 1045 (CAFC 2014).
- Right attaches to the manufacturer's product
- Limited trade right

*Tesco Corp. v. Nat'l Oilwell Varco, L.P.*

804 F.3d 1367 (Fed. Cir. 2015)

- Case or controversy?
- Attorneys argue that district court's ruling
  - Sanction and reputational harm to attorneys
  - No notice or opportunity to be heard
- “[J]udicial statements that criticize a lawyer, no matter how harshly, that are not accompanied by a sanction or findings, are not directly appealable.”
- Settlement makes the question moot -
- Newman's dissent
  - Reputation is most important asset
  - Lack of notice and opportunity to be heard
  - Evidence not as strong as majority suggests

*In re TC Heartland, LLC*

\_\_\_\_\_ F.3d \_\_\_\_\_ (Fed. Cir. 2016)

- 2011 amendments to venue statute broadened, not narrowed, statute
  - 1391(c) – defendant resides where subject to personal jurisdiction
  - 1400(b) – infringement action may be brought where defendant resides

*In re TC Heartland, LLC*

\_\_\_\_\_ F.3d \_\_\_\_\_ (Fed. Cir. 2016)

- Personal jurisdiction exists
  - Accused products shipped to “national accounts” having place of business in Delaware
  - No argument that jurisdiction is unreasonable



*Celguard, LLC v. SK Innovation Co.*

792 F.3d 1373 (Fed. Cir. 2015)

- Personal Jurisdiction
- Purposeful Direction Theory rejected
  - No showing of involvement in sales of Kia cars in NC
- Stream of Commerce Theory rejected
  - Dell and Apple
  - No evidence of SKI's knowledge of sales in NC
  - No evidence of products sold in NC



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# RECENT AMENDMENTS TO FEDERAL RULES OF CIVIL PROCEDURE

- Form 18 permitted very general allegations of infringement, at least as to direct infringement.
- In the recent amendments, Form 18 was abrogated so *Twombly* and *Iqbal* apply to actions filed after December 1, 2015:

- *Intellicheck Mobilisa, Inc. v. Wizz Sys., LLC, W.D. WA.* January 20, 2016 C15-0366JLR applying Form 18 and finding allegations of direct infringement adequate but granting motion to dismiss with leave to amend as to contributory infringement.
- *But see Tannerite Sports, LLC v. Jerent Enters., LLC, D. OR.* May 2, 2106, 6:16-cv-00180-AA holding that *Twombly* and *Iqbal* standard and not Form 18 apply to case filed well prior to Dec. 1, 2015.



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# Contempt

## ***Delorme Publ. Co. v. ITC*, 805 F.3d 1328 (Fed. Cir. 2015)**

— The panel affirms a decision by the ITC assessing a penalty of over \$6 million based on DeLorme's violation of a Consent Order.

- The panel rejects DeLorme's argument that it did not have to comply with the Consent Order because of the subsequent invalidation of the admittedly-infringed claims.
- Citing the recent *Commil v. Cisco* Supreme Court decision, the panel also disagrees with DeLorme that the sale of individual components, along with instructions as to how to assemble, was not a violation of the Consent Order.

# Privilege

***In re Queen's at Kingston*, 2016 U.S. App. LEXIS 4259 (Fed. Cir. March 7, 2016)** – The Circuit recognizes a patent agent/client privilege.

- But only as to activities and communications reasonably necessary and incident to the preparation and prosecution of patent applications or other proceedings in the USPTO.

# Forum *Non Conveniens*

***Halo Creative & Design Limited v. Comptoir Des Indes Inc., 2016 U.S. App. LEXIS 4615 (Fed. Cir. March 14, 2016)*** – Because the movant had not demonstrated the adequacy of an alternative foreign jurisdiction, the Circuit denies a motion to dismiss on forum *non conveniens* grounds when the crux of the case is U.S. intellectual property rights.



# JMOL

## ***Nordock, Inc. v. Systems, Inc.*, 803 F.3d 1344 (Fed. Cir. 2015)**

- Systems failed to properly renew the motion for JMOL as to validity with sufficient particularity.
- “Everything we made we renew. I'm not sure what that is, but just for the record whatever we said before ...”



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# PTO MATTERS



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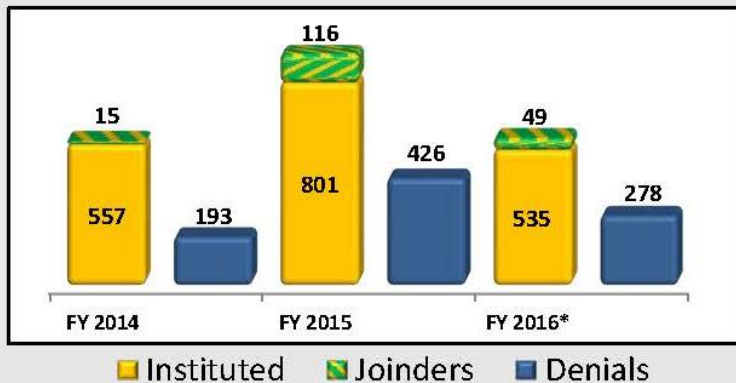


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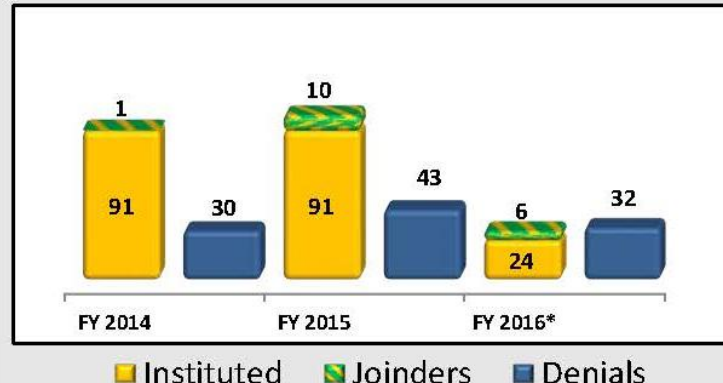
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# *Inter Partes* Review

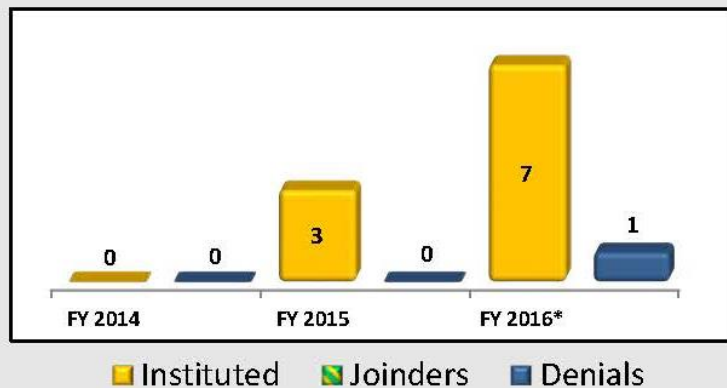
**IPR - Number of Decisions On Institution Per Fiscal Year by Outcome**



**CBM - Number of Decisions On Institution Per Fiscal Year by Outcome**



**PGR - Number of Decisions On Institution Per Fiscal Year by Outcome**



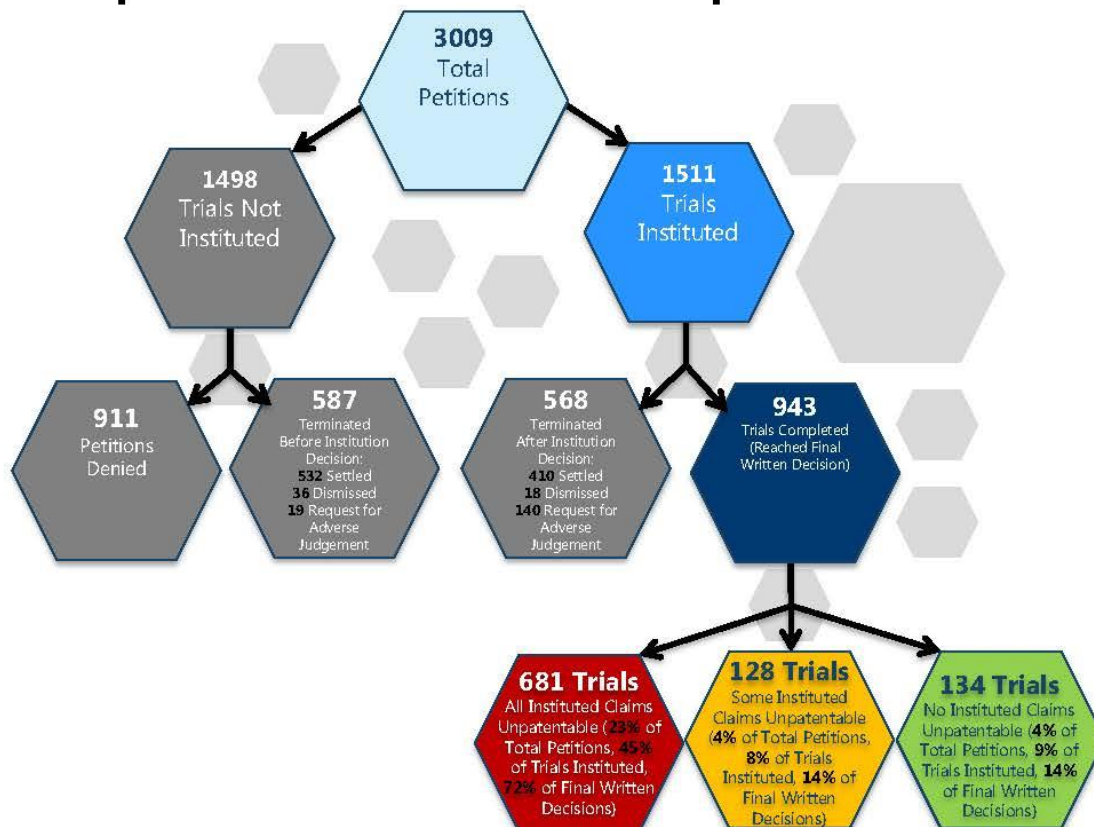
### Narrative:

These three sets of bar graphs show the number of decisions on institution by fiscal year broken out by trials instituted (including joinders) and trials denied in IPR, CBM, and PGR proceedings. A trial that is instituted in part is counted as an institution in these bar graphs.

**\*Data current as of: 4/30/2016**



## Disposition of IPR Petitions Completed to Date\*



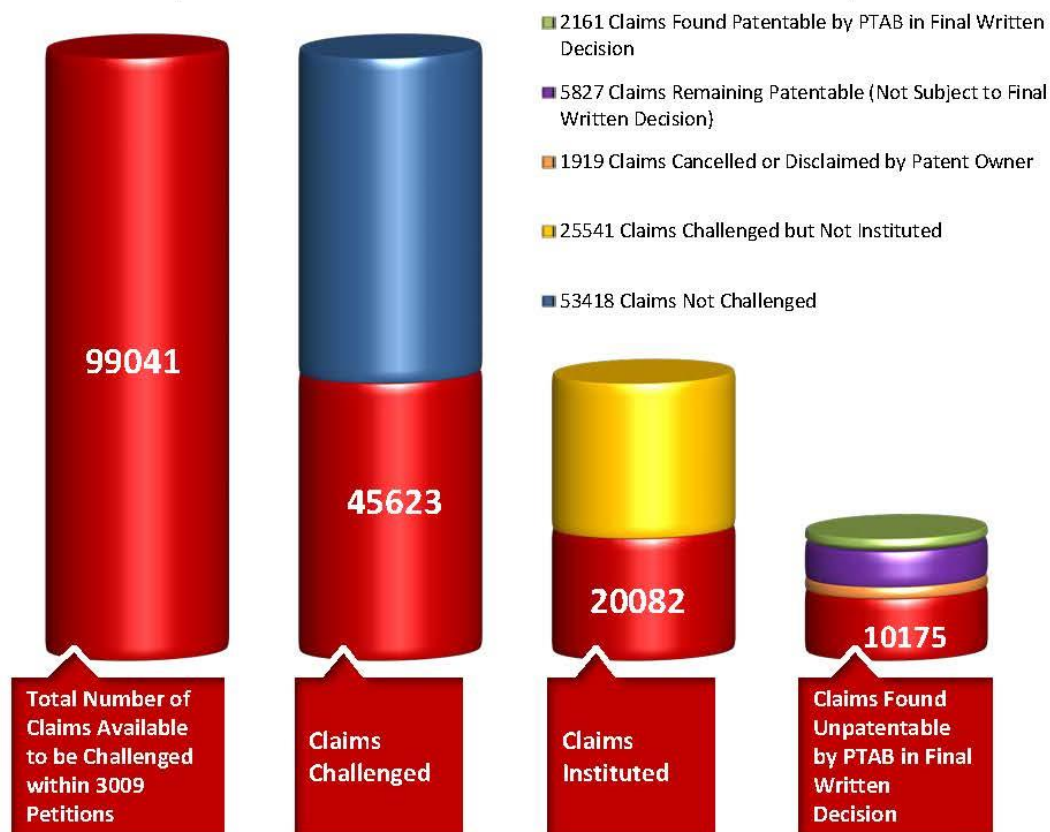
\*Data current as of: 4/30/2016

### Narrative:

This graph shows a stepping stone visual depicting the outcomes for all IPR petitions filed to-date that have reached a final disposition.



## IPR Petitions Terminated to Date\*



### **Narrative:**

This visual contains four cylinders. The first cylinder shows the total number of claims available to be challenged in the IPR petitions filed. The second cylinder shows the number of claims actually challenged and not challenged. The third cylinder shows the number of claims on which trial was instituted and not instituted. The fourth cylinder shows the total number claims found unpatentable in a final written decision, the number of claims canceled or disclaimed by patent owner after institution, the number of claims remaining patentable (not subject to a final written decision), and the number of claims found patentable by the PTAB.

**Note:** "Completed" petitions include terminations (before or after a decision on institution) due to settlement, request for adverse judgment, or dismissal; final written decisions; and decisions denying institution.

**\*Data current as of: 4/30/2016**

## ***In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268 (Fed.**

**Cir. 2015)** – The Circuit votes to deny *en banc* review of the panel decision in *In re Cuozzo*, holding that (1) the decision to initiate IPR is not appealable and (2) claims challenged in PTO post-grant proceedings should be reviewed under the broadest reasonable interpretation standard.

- These two hotly contested issues are now before the Supreme Court.
- Will the Supreme Court side with the majority of the Circuit or will Judge Newman be vindicated?

***Dell Inc. v. Accelaron, LLC.*, 2016 U.S. App. LEXIS 4686  
(Fed. Cir. 2016)** – In an appeal of an IPR, the panel vacates and

remands the Board's ruling as to anticipation because Dell raised this anticipation argument for the first time at oral argument before the Board.

- Citing PTO rules, the panel holds that Accelaron was not given an adequate opportunity to respond to Dell's argument.



***Nike, Inc. v. Adidas AG*, 812 F.3d 1326 (Fed. Cir. 2016) -**

While it is appropriate for the Board to require a patentee to show that its claims are patentable based on the prior art of record, there is no obligation to demonstrate patentability with respect to prior art that is not of record.

- The panel also remands the obviousness determination because the Board failed to explain its conclusions as to the secondary considerations.

## ***Synopsys, Inc. v. Mentor Graphics Corp.*, 814 F.3d 1309 (Fed. Cir. February 2016) –**

- The final order of the Board need not address every claim raised in the petition.
- The Board did not err in denying Mentor's motion to amend the claims or in requiring Mentor to demonstrate that its proposed claims would be patentable over the prior art.
- Judge Newman dissents.

## **TriVascular, Inc. v. Shaun L.W. Samuels, 812 F.3d 1056**

**(Fed. Cir. 2016)** – TriVascular argued that the Board should not have changed its institution position as to obviousness without clearly explaining why it had done so, but the panel notes that there is a significant difference between a petitioner’s burden to establish “a reasonable likelihood of success” at institution, and actually proving invalidity by a preponderance of the evidence at trial.

***Agilent Technologies, Inc. v. Waters Technologies Corp.*, 811 F. 3d 1326 (Fed. Cir. 2016)** – The Circuit dismisses an appeal by an alleged successor-in-interest to an *inter partes* reexamination for lacking a cause of action. The correct party to bring the appeal was the third party that requested and participated in the reexamination proceedings.

## ***Ethicon Endo-Surgery, Inc. v. Covidien LP, 812 F.3d***

**1023 (Fed. Cir. 2016)** – In a split decision the Circuit holds that the same panel that decides whether to institute an IPR can also make the final determination of validity.

- Judge Newman dissents



***Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435 (Fed. Cir. 2015)** – Redline appeals an IPR decision in which the PTAB denied a motion by Redline to submit supplemental information under 37 C.F.R. § 42.123(a) because Redline gave no reason for not submitting its expert declaration and additional prior art with its initial petition, other than cost savings.

## ***Prolitec, Inc. v. ScentAir Techs., Inc.*, 807 F.3d 1353**

**(Fed. Cir. 2015)** – A divided panel affirms the rejections and the denial of the motion to amend the claims, ruling that Prolitec failed to demonstrate that the proposed claim was patentable over two references, one of which was not a part of the IPR.

- Judge Newman dissents.

## ***Ariosa Diagnostics v. Verinata Health, Inc.*, 805 F.3d**

**1359 (Fed. Cir. 2015)** - The panel vacates and remands for further consideration a final decision in an IPR because the Board's decision was not clear as to its handling of Exhibit 1010, a prior art brochure.

- The panel also points out that the supporting declarations say little about the relevance of Exhibit 1010, and if this was the reason for the Board rejecting Ariosa's reliance on Exhibit 1010, that might be entirely appropriate.



## ***Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064 (Fed. Cir.**

**2015)** – For only the second time, the Circuit reverses an inter partes review determination, but this is the first time the Circuit has ruled that claims that had not been invalidated, should have been.

- The panel finds that there is “no substantial evidence” to support the Board’s determination of nonobviousness.

# Covered Business Methods

***Blue Calypso, LLC v. Groupon, Inc.*, Fed. Cir. Case 2015-1391, -1393, -1394 (March 1, 2016)** – The opinion broadly defines what is a “financial product” as it relates to a CBM patent and narrowly defines the “technological invention” exception, holding that the patents at issue are properly involved in a CBM review.



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# MALPRACTICE

***Maling v. Finnegan, Henderson, Farabow, Garrett & Dunner, LLP, 473 Mass. 336 (2015)*** – The Massachusetts Supreme Court affirms the dismissal of a complaint filed against Finnegan due to an alleged conflict of interest. the court cautions that firms need to have systems in place to avoid actual conflicts, as could occur when patent firms represent multiple clients in the same technology area.

- The ruling is based on Massachusetts Rules of Professional Conduct 1.7, which is identical to Washington's Rule.



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# Thank You!

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& Wyatt**

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**Lane Powell**