The Precedent: Vol 002

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Welcome to this issue of *The Precedent*, which covers those opinions from Q3 and Q4 of 2023 that the Federal Circuit designated as precedential and worthy of publication in the Federal Reporter.

In the second half of 2023, the Federal Circuit issued 35 precedential opinions regarding intellectual property issues. Sixty percent (21 of 35) of those opinions were on appeals from the United States Patent and Trademark Office. The Federal Circuit affirmed the decision of the agency's appeal boards in 53% (11 of 21) cases, which was higher than the court's average of 46% (16 of 35) across all appeals.

As was the case in Q2 of 2023, the most common issue addressed by the Federal Circuit's precedential opinions was the obviousness standard for patent invalidity under 35 U.S.C. § 103. Those decisions accounted for 32% (11 of 35) of the Federal Circuit's precedential opinions in the second half of 2023 and were almost exclusively decided on appeals from the Patent Trial and Appeal Board.

Summaries of those 35 opinions can be found below, grouped by the issues that matter most to the protection and enforcement of your intellectual property. As always, if you have any questions regarding how these decisions may impact your intellectual property portfolio or litigation strategy, please contact your Vorys attorney.

Patent Eligibility under § 101

Section 101 of the Patent Act provides: "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor." The Federal Circuit has long held that § 101 contains an implicit exception, namely that laws of nature, natural phenomena, and abstract ideas—such as mathematical formulas and algorithms, mental processes, etc.—are not patentable.

Trinity Info Media, LLC v. Covalent, Inc., 72 F.4th 1355 (Fed. Cir. 2023)

Overview

This case relates to (1) patent eligibility under 35 U.S.C. § 101 and applying the *Alice/Mayo* framework with respect to claims directed to poll-based networking systems for connecting users based on similarities, and (2) whether claim construction and discovery is required before analyzing the asserted claims for patent eligibility.

Issues

1. Did the district court err in finding that the asserted claims claim an abstract idea and thus are not patent eligible under step one of the *Alice/Mayo* framework?
2. Did the district court err in finding that the asserted claims are not directed to an inventive concept under step two of the *Alice/Mayo* framework?
3. Was the district court required to conduct claim construction and fact discovery before analyzing the asserted claims for patent eligibility under 35 U.S.C. 101?

Holdings

1. The district courtdid not err in finding that the claims are directed to the abstract idea of matching based on questioning, as the claims focus on collecting information, analyzing it, and displaying certain results, which does not improve the functionality of a computer itself.
2. The district court did not err in finding that the patentee had failed to allege that the asserted claims contained an inventive concept.
3. The district court was not required to conduct claim construction and discovery, as the patentee failed to identify (1) a proposed claim construction for any term; or (2) specific facts requiring discovery into whether the asserted claims could be analyzed for patent eligibility.

Background and Reasoning

Trinity Info Media, LLC sued Covalent, Inc. for infringement of two patents: U.S. Patent No. 9,087,321 (the "'321 Patent") and 10,936,685 (the "'685 Patent"). Both patents are directed to a poll-based networking system that connects users based on similarities, and the '685 Patent contains additional disclosure discussing progressive polling for ecommerce systems. Trinity asserted various claims from both patents against Covalent. Covalent filed a motion to dismiss Trinity's amended complaint arguing that the asserted claims are invalid under 35 U.S.C. § 101. The district court granted the motion, finding that the asserted claims were directed to the abstract idea of "matching users who gave corresponding answers to questions," and found that the claims did not contain an inventive step. The district court also found that the claims did not recite any improvement to computer functionality, rather they used "generic computer components as tools to perform the functions faster than a human would." Trinity appealed.

On appeal, Trinity first argued that the district court was required to conduct claim construction and fact discovery before analyzing the asserted claims for patent eligibility. The Federal Circuit found this argument unavailing because "Trinity [did] not identify a proposed claim construction or specific facts to

be discovered" that were necessary for evaluating the claims for patent eligibility. A patentee "must propose a specific claim construction or identify specific facts that need development and explain why those circumstances must be resolved before the scope of the claims can be understood for § 101 purposes."

To ascertain if the claims are directed to patent-eligible subject matter, the Federal Circuit applied the two-step framework (test) as set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 77-80 (2012), and further described in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 216 (2014).

1. *Alice/Mayo* Step One

Step 1 of the *Alice/Mayo* framework, requires that a court "'determine whether the claims at issue are directed to one of those patent-ineligible concepts' such as an abstract idea."

Applying step one of the *Alice/Mayo* framework, the Federal Circuit was not persuaded that the asserted claims were not directed to an abstract idea.

Independent claims 1 and 19 of the '321 Patent require: "(1) receiving user information; (2) providing a polling question; (3) receiving and storing an answer; (4) comparing that answer to generate a 'likelihood of match' with other users; and (5) displaying certain user profiles based on the likelihood." Independent claims 2 and 3 of the '685 Patent generally require many of the same steps as the '321 Patent, but they also add reviewing matches using swiping and using a "hand-held device." The Federal Circuit agreed with the lower court that the independent claims of these patents focus on the abstract idea of matching based on questioning. Furthermore, implementing the abstract idea on a "hand-held device" or that matches are "reviewable by swiping" does not alter the outcome.

Nor was the Federal Circuit persuaded by Trinity's argument that claim 8 further requires using a processor to perform operations with web servers, a database, and a match aggregator. In fact, the patents' specification confirms that the asserted claims are directed to an abstract idea using computers as tools, not an improvement to the computer itself, and frames the inventor's problem "in terms of how to improve existing polling systems by performing progressive polling, not how to improve computer technology."

As to Trinity's patent eligibility arguments, the Federal Circuit found them unpersuasive. Carrying out matching on a mobile phone did not change the Federal Circuit's analysis at step one, as this is nothing more than performing the abstract idea of matching on a mobile phone. Furthermore, Trinity's argument that a human "could not mentally engage in the 'same claimed process' because they could not perform 'nanosecond comparisons,' nor could they "select criteria using 'servers, storage, identifiers, and/or thresholds" had no weight. These arguments, the Federal Circuit found, are not tethered to the asserted claims, as the claims do not require "nanosecond comparisons," for example. Furthermore, although a human may not be able to communicate over a computer network without the use of a computer, this fact does not save Trinity's asserted claims.

Furthermore, Trinity's asserted claims provide no improvements to the functionality of a computer or computer network itself, contrary to Trinity's assertion; instead, Trinity relies on generic computer terms – a data processing system, processors, memory – that provide a generic technical environment for the abstract idea. The patents confirm that no specialized computer component is required. As to the use of a

"unique identifier" in the asserted claims, this "does not prevent a claim from being directed to an abstract idea." Trinity also pointed to the use of "match servers" and a "match aggregator." However, the use of traditional components, such as match server and an aggregator, only places the abstract idea in the context of a distributed network system, which in light of the specification "does not change the focus of the asserted claims from an abstract idea."

Accordingly, because the dependent claims only further narrow down the abstract idea and do not save the independent claims, the Federal Circuit found that the asserted claims are directed to the abstract idea of matching based on questioning.

B. Alice/Mayo Step Two

Applying step two of the *Alice/Mayo* step, the Federal Circuit was not persuaded that the asserted claims recite an "inventive concept" sufficient to transform the claimed abstract idea into a patent-eligible application.

At *Alice/Mayo* step two, "the elements of [the] claim [are considered] both individually and as 'an ordered combination' to determine whether the additional elements 'transform the nature of the claim' into a patent-eligible application."

As to Trinity's argument that the asserted claims contained several features that were not well-understood, routine, or conventional and not found in the prior art, the Federal Circuit found that they are to little avail. The Federal Circuit found that these arguments amounted to conclusory statements and failed to demonstrate an inventive concept. Trinity's arguments as to inventiveness only demonstrate "the inherent speed" of using technology (a computer) to implement the abstract idea. Nor did the Federal Circuit find an inventive concept in the claims use of an ordered combination of elements, as "the asserted claims are organized in an expected way."

As to the technology recited by the asserted claims, the Federal Circuit found "no inventive concept where claims merely recite 'generic features' or 'routine functions' to implement the underlying technology" and this finding was supported by the patent's specification, which focuses on generic technology for implementing the abstract idea, rather than "focus on how to implement a distributed architecture." Finally, the Federal Circuit was not persuaded that use of a handheld device and a matching application save the claims, as this amounted to simply applying the abstract idea, and the patent's specification teaches that mobile phones and mobile applications existed prior to the alleged claimed invention.

Accordingly, because the dependent claims do not recite any additional features that would save the independent claims, the Federal Circuit found that "all asserted claims fail step two of the *Alice/Mayo* inquiry."

Invalidity and § 102 Anticipation Defenses

In general, a patent is invalid as anticipated under 35 U.S.C. § 102 where a single prior art reference contains an enabling disclosure of each element of the claim(s) of the later-filed patent. As the Federal Circuit has previously stated, a prior art reference anticipates a patent's claims when the four corners of the prior art reference describe every element of the claimed invention, expressly or inherently, such that a person of

skill in the art could practice the invention without undue experimentation.

Incept LLC v. Palette Life Scis., Inc., 77 F.4th 1366 (Fed. Cir. 2023).

Overview

In a split decision, the Federal Circuit affirms the Board's finding that the challenged claims pertaining to prostate cancer radiation treatment methods are unpatentable on grounds of anticipation and obviousness.

Issue

Whether the claims are unpatentable as being anticipated (35 U.S.C. § 102) and obvious (35 U.S.C. § 103).

Holding

Affirmed. The challenged claims were unpatentable as anticipated and obvious.

Background and Reasoning

Incept LLC ("Incept" or "Patent Owner") owns U.S. Patent Nos. 8,257,723 (the "'723 Patent") and 7,744,913 (the "'913 Patent"). Both patents (the "Challenged Patents") relate to methods for improving the treatment of prostate cancer. More particularly, the patents teach the injection of a "filler" between layers of tissue that are to be targeted by radiation treatment. The purpose of the filler being to increase the distance between the layers of tissue and reduce the amount of radiation the non-targeted tissue receives.

Palette Life Sciences, Inc. ("Palette" or "Petitioner") filed petitions for inter partes review ("IPR") of claims in the Challenged Patents. Palette argued that the claims are unpatentable on grounds of anticipation (35 U.S.C. § 102) and obviousness (35 U.S.C. § 103).

In particular, Palette argued the claims are unpatentable over the prior art including U.S. Patent No. 6,624,245 to Wallace et al. ("Wallace"), PCT Publication No. WO 94/25080 to Griffith-Cima et al. ("Griffith-Cima") and U.S. Patent No. 6,210,314 to Ein-Gal ("Ein-Gal"). The Board instituted IPR and ultimately found the claims to be unpatentable. Incept appealed the Board's decision to the Federal Circuit which ultimately affirmed the Board's decision

The Federal Circuit found no legal error with the Board's anticipation analysis, where Incept argued that the Board used a "'patch work' approach involving 'picking and choosing' from Wallace's different teaching to piece together the elements of the '723 patent claims." The Federal Circuit did not find the Board to be "picking and choosing" features from different Wallace teachings. Instead, the Federal Circuit found Wallace to explicitly discuss "compositions that have the claimed characteristics of, and are used for the same displacement purposes as, the compositions referred to in the '723 Patent claims." The Federal Circuit noted that the Patent Owner cannot use the fact that the prior art (Wallace) describes multiple compositions to evade an anticipation finding when a person of ordinary skill in the art ("POSITA") would have understood Wallace's compositions as having the same generic properties of those in the '723 Patent. The Federal Circuit found that substantial evidence on the record, including excerpts from the Wallace disclosure and Palette's expert's testimony, supported the Board's anticipation analysis. Accordingly, as the

Federal Circuit's role is to review the Board's findings for substantial evidence, the Federal Circuit affirmed the claims as unpatentable on anticipation grounds.

In regard to the Board's obviousness holding, Incept made multiple arguments to the Federal Circuit refuting the Board's decision. Incept first argued that the Board's analysis was just a reiteration of its anticipation analysis. Second, Incept argued that the Board ignored that Wallace teaches away from the Challenged Patents. Third and fourth, Incept argued that the Board did not analyze the dependent claims separately and that the Board disregarded Incept's evidence of commercial success.

Addressing Incept's first argument, the Federal Circuit found the Board's § 103 analysis to be more than a regurgitation of its §102 analysis because the Board's findings addressed obvious features (use of gel and displacement of a rectum limitations) and identified a motivation to combine. In dismissing Incept's second argument that the Board ignored Wallace's alleged teaching away from "biodegradable compositions," the Federal Circuit noted that "a reference does not teach away if it 'merely expresses a *general preference* for an alternative invention but does not criticize, discredit or otherwise discourage investigation into the invention claimed.'"

The Federal Circuit dismissed Incept's third argument that the Board failed to analyze two dependent claims having biodegradability time limits for obviousness. The Federal Circuit noted that Incept did not argue the patentability of each dependent claim during the IPR proceedings. Accordingly, where a party that does not separately argue a dependent claim limitation, "[the] dependent claim limitation…stands or falls together with [the] independent claim."

Lastly, for the commercial success argument, the Federal Circuit found the Board to have considered the evidence and in doing so made a proper assessment that the evidence provided was insufficient. The Federal Circuit similarly refuted Incept's argument that the Board improperly imparted a requirement that Incept provide market share data to show commercial success. The Federal Circuit reiterated that the Board did not require market share data but simply weighed the evidence and found Incept's data to be insufficient.

Medtronic, Inc. v. Teleflex Life Scis. Ltd., 86 F.4th 902 (Fed. Cir. 2023)

Overview

This case addresses an appellant's unsuccessful attempt to evade the dictate of the Federal Rules of Appellate Procedure against incorporation by reference, and the resulting failure of appellant's argument on the pre-AIA question of diligence in connection with a constructive reduction to practice.

Issues

1. Did the Board err in finding that *in vivo* testing was not required for actual reduction to practice?
2. Did the Board err in finding that the patentee exercised reasonably continuous diligence until constructive reduction to practice through patent filing?

Holdings

1. The Federal Circuit did not reach the issue of actual reduction practice, including the question of whether or not *in vivo* testing was required, as the Federal Circuit was able to affirm based on constructive reduction to practice.
2. The Federal Circuit affirmed the Board's findings relating to constructive reduction of practice because Medtronic failed to adequately support and develop its diligence arguments and was unable to rely on incorporation by reference under the Federal Rules of Appellate Procedure.

Background and Reasoning

Medtronic, Inc. filed two petitions for *inter partes* review ("IPR") of U.S. Patent RE46,116 (the "'116 Patent") owned by Teleflex Life Sciences Limited ("Teleflex"). In the IPR, Medtronic asserted that a reference named Itou was prior art under pre-AIA § 102(e) with respect to the claimed invention of claim 25. Teleflex argued to the contrary that the claimed invention of the '116 Patent was (1) conceived prior to Itou's filing date of September 23, 2005 (*i.e.*, the critical date), and (2) was either (a) actually reduced to practice before the critical date, or (b) diligently pursued until its constructive reduction to practice through its effective filing in May 2006. Medtronic did not challenge Teleflex's demonstration of conception, only challenging the showing of both actual reduction to practice and diligence until constructive reduction to practice.

The United States Patent Trial and Appeal Board ("Board") found that the claimed invention was conceived and reduced to actual practice before the critical date, and that the Patent Owner had diligently pursued working on the invention until its constructive reduction to practice through its effective filing in May 2006. In support of its finding, the Board adopted the finding in another IPR (IPR2020-00132) on a related patent (which was affirmed by the Federal Circuit), where the Board addressed whether or not Itou qualified as prior art with respect to similar claims having the same priority date. Regarding actual reduction of practice, the Board found that *in vivo* testing was not required to support claim 25's limitations of "advancing . . . a guide catheter . . . through a main blood vessel to an ostium of a coronary artery," reasoning that a physical model can be used as a substitute for the human anatomy.

Medtronic appealed the Board findings relating to Itou's status as prior art with respect to 1) whether *in vivo* testing was required in order to find actual reduction to practice, and (2) whether or not the patentee had exercised reasonable continuous diligence until constructive reduction to practice.

On appeal, Medtronic argued that it had "preserved" the issue of diligence at page 41 of its opening brief through its statement that "if this Court vacates the Board's diligence holding in No 21-2356, it should likewise vacate the Board's decision here." The Federal Circuit did not vacate the Board's diligence holding in that decision, and the Federal Circuit found that because the condition precedent was not met—since the Federal Circuit did not vacate the Board's diligence holding in the referenced case—Medtronic's argument based on that condition could not be pursued further. The Federal Circuit also rejected Medtronic's request that the Federal Circuit decide the diligence issue and consider Medtronic's arguments in a related appeal, as this would be an improper incorporation by reference. "[A]rgument by incorporation . . . is a violation of Fed. R. App. P. 28(a)(6)." While the Federal Circuit is entitled to incorporate by reference arguments from other decisions, this does not entitle "an appellant to violate our rules when it argues before us." The Federal Circuit also found that Medtronic had violated the motions panel's order denying Medtronic's request to exceed the 14,000 word count limit when it decided to incorporate by

reference arguments from another case brief, which amounted to an extra 4,000 words. The Federal Circuit found that Medtronic "affirmatively chose not to include developed arguments on diligence" and ultimately waived its challenge to the Board's finding on diligence. Thus, the Federal Circuit affirmed the Board's finding relating to constructive reduction to practice.

The Federal Circuit does not reach Medtronic's argument relating to the Board erring in their actual reduction to practice before Itou's filing, including the question of whether or not *in vivo* testing was required, as the Federal Circuit could affirm this case on *either* constructive *or* actual.

Invalidity and § 103 Obviousness Defenses

Section 103 of the Patent Act provides: "A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."

Axonics, Inc. v. Medtronic, Inc., 73 F.4th 950 (Fed. Cir. 2023)

Overview

This case is just one part of an ongoing dispute between Axonics and Medtronic related to the companies' advancements in spinal nerve-stimulation technology. In this case, the Federal Circuit reversed the Patent Trial and Appeal Board's ("Board") decision maintaining two of Medtronic's patents. In doing so, the Federal Circuit revived Axonics's challenge and sent it back to the Board for reconsideration.

Issue

Whether a person skilled in the art would have been motivated to combine prior art references.

Holding

The Federal Circuit held that the Board applied a legally incorrect framing of the motivation to combine framework and remanded the matter back to the Board for reconsideration.

Background and Reasoning

Axonics and Medtronic are competitors developing sacral neuromodulation technology to treat urinary and bowel incontinence issues. In November 2019, Medtronic sued Axonics for infringement of seven of its patents. Thereafter, Axonics petitioned for *inter partes* review, challenging several of Medtronic's patents. In the challenges underlying this case, Axonics argued unpatentability on obviousness grounds based on three prior art references ("Young" in view of "Gerber" and "Lindegren") against two of Medtronic's patents that relate to an implantable medical electrical lead and how it is implanted and anchored to a sacral nerve. Specifically, it argued that a person skilled in the art would have been motivated "to replace the one electrode of Young with multiple electrodes at the distal end distal to the anchoring mechanism, as taught in Gerber, in order to provide more flexibility in activation of a wider area and provide the possibility for

bipolar electrical stimulation, as taught in Young."

The Board rejected Axonics's challenge. The Board first held that "the relevant art is medical leads specifically for sacral neuromodulation," relying on the "field of the invention" statements to narrow the field to only sacral nerves. The Board then distinguished Axonics's submitted prior art from Medtronic's patents, finding that the purpose of Young is electrical stimulation of the trigeminal sensory root, a region which has spacing constraints that would preclude combination with a plurality of electrodes as taught by Gerber. As such, the Board concluded that Axonics had failed to meet its burden of proving that a person skilled in the art would have had a motivation to combine "Young's lead with Gerber's plurality of electrodes." Axonics appealed.

The Federal Circuit held that the Board made two errors that warranted reversal: (1) the Board adopted a legally incorrect framing of the relevant art and (2) the Board erred in its obviousness analysis. As to scope of the relevant art, the Federal Circuit found that the Board erred in limiting the relevant art to medical leads for sacral-nerve stimulation. Instead, the claims are much broader than the Board identified because they make no reference to sacral anatomy or sacral neuromodulation. As such, "Medtronic patents' claims are not limited to the sacral-nerve context and the shared specification, properly read, is not so limited either."

More fundamentally, though, the Federal Circuit held that the Board "adopted a legally incorrect framing of the motivation-to-combine question when it confined the inquiry to whether a motivation would exist to make the Gerber-Young combination for use in the Young-specific trigeminal-nerve context." Instead, the proper inquiry is whether a person of skill would be motivated to make the combination to arrive at the claims' actual limitations, which are not limited to the trigeminal-nerve context.

Axonics's obviousness challenge will now head back to the Board for rehearing.

Rembrandt Diagnostics, LP v. Alere, Inc., 76 F.4th 1376 (Fed. Cir. 2023)

Overview

This case relates to the failure to make a timely assertion of a right, and specifically whether a general objection is sufficient to constitute a proper objection to avoid forfeiture. Additionally, this case identifies the proper scope of a reply argument to be deemed responsive, rather than providing new evidence.

Issue

Whether the Patent Trial and Appeal Board's ("Board") factual findings underlying its obviousness determinations were supported by substantial evidence based on an expert's testimony of what was disclosed in the prior art.

Holding

The Board's factual findings underlying the obviousness determinations were supported by substantial evidence given express disclosure in the prior art and an expert's credible testimony as to what the prior art disclosed.

Background and Reasoning

Rembrandt Diagnostics, L.P. (Rembrandt) owns U.S Patent No. 6,548,019 (the "'019 Patent") directed to assay devices and methods for testing biological fluids. This dispute began in 2016 when Rembrandt sued Alere for patent infringement in district court, where the case was stayed. Alere petitioned for inter partes review ("IPR") before the Board challenging claims 1-6 and 9-15 of the '019 Patent. After institution, Rembrandt disclaimed claims 1, 9, and 11-15 leaving claims 2-5 for the Board to review. The Board issued a final written decision in February of 2018, finding that claim 2 was anticipated and that claims 3-5 were unpatentable. Alere appealed the Board's determination as to claims 3-5, claim construction of a disputed term, and asked the Federal Circuit to remand for the Board to considered all non-instituted claims and grounds under the Supreme Court's decision in *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348, 200 L. Ed. 2d 695 (2018). The Federal Circuit did remand the proceedings back to the Board.

On remand, at issue are claims 2-6 and 10 of the '019 patent, which all depend from claim 1 directed toward the assay testing device. Rembrandt filed a patent owner response addressing non-instituted grounds, but did not submit an accompanying expert declaration. Alere filed a reply in response, accompanied by an expert declaration responding to both Rembrandt's arguments and to the observations the Board raised in its original institution decision. In February 2021, the Board issued its post-remand final written decision finding claims 2-6 and 10 unpatentable. Rembrandt appealed.

The Federal Circuit found that the Board's factual findings underlying its obviousness determinations were supported by substantial evidence. The Federal Circuit noted that Rembrandt's arguments centered on the interpretation of disclosures from the prior art and the presence of motivation to combine. However, the Federal Circuit reasoned that Rembrandt cited to no counter testimony from a qualified declarant to refute Alere's expert testimony in interpreting the prior art disclosures. Based on Alere's expert testimony and prior art disclosure, the Federal Circuit determined that a reasonable mind might accept the evidence as adequate to support the Board's findings.

Volvo Penta of the Americas, LLC v. Brunswick Corp., 81 F.4th 1202 (Fed. Cir. 2023)

Overview

This case addresses whether a single line from a reference is sufficient motivation to combine two references, what is required to show a nexus between secondary evidence of nonobviousness and the claimed invention, and how certain factors affect the nonobviousness analysis.

Issues

1. Whether the Patent Trial and Appeal Board's ("Board") finding of a motivation to combine the two cited references supported by substantial evidence?
2. Whether a nexus exists for connecting the evidence of nonobviousness to the invention?
3. Whether the Board erred in its consideration of Volvo Penta's objective evidence of secondary considerations of nonobviousness?

Holdings

1. The Board's holding was supported by substantial evidence because the motivation to combine the two references was supported by substantial evidence.
2. The Board correctly held that Volvo Penta was not entitled to a presumption of nexus, but the Board erred in finding that there was no nexus because the record showed documents and arguments connecting claimed invention and the objective evidence of nonobviousness.
3. The Board erred because it assigned vague weights to the secondary considerations and in some instances the Board's conclusions concerning those weights contradicted its own evidential findings.

Background and Reasoning

Volvo Penta of the Americas, LLC ("Volvo Penta") owns U.S. patent 9,630,692 (the "'692 Patent"). The '692 Patent is directed to a tractor-type stern drive boat. Brunswick Corp. ("Brunswick") petitioned for inter partes review of all claims of the '692 Patent at the U.S. Patent Office's Patent Trial and Appeal Board. The Board held that all claims of the '692 Patent were obvious. Volvo Penta appealed to the Federal Circuit.

Motivation to Combine

The Board held that the '692 Patent was obvious over U.S. patent 4,840,136 to Brandt ("Brandt") in view of U.S. patent 2,616,387 to Kiekhaefer ("Kiekhaefer"). Specifically, "the Board held that it would have been obvious to redesign the stern drive of Brandt in light of the outboard motor of Kiekhaefer to arrive at the challenged claims." The Board only relied on one sentence from Kiekhaefer, which states that a "tractor-type propeller is more efficient and capable of higher speeds."

Volvo Penta argued that this one sentence was insufficient. The Federal Circuit affirmed the Board and held that the sentence was sufficient because it was supported by expert testimony: "As we have found, a broadly applicable motivation may be sufficient as long as it is supported by more than conclusory expert testimony."

Requirement of Nexus

The Federal Circuit laid out the principles for whether a nexus exists between the objective evidence and the secondary consideration of nonobviousness:

For objective evidence of secondary considerations to be relevant, there must be a nexus between the merits of the claimed invention and the objective evidence. A showing of nexus can be made in two ways: (1) via a presumption of nexus, or (2) via a showing that the evidence is a direct result of the unique characteristics of the claimed invention.

The Federal Circuit agreed with the Board that Volvo Penta was not entitled to a presumption of nexus. A patent owner is entitled to a presumption of nexus when it shows that the asserted objective evidence is tied to a specific product that embodies the claimed features, and is coextensive with them. Volvo Penta provided only a single sentence tying the two together. The Federal Circuit commented that Volvo Penta did "little more than confirm that the Forward Drive embodies the challenged claims."

However, the Federal Circuit disagreed with the Board that Volvo Penta failed to show a nexus. The Federal Circuit pointed to multiple instances where Volvo Penta showed a connection between its objective evidence and the claimed invention. Volvo Penta cited to Brunswick internal documents that stated that Brunswick needed to develop a "comparable forward facing sterndrive with capabilities that match the Volvo Penta Forward Drive." The Board also held that Brunswick's development of the Bravo Four S was akin to copying and that its own internal documents showed that the Volvo Penta's Forward Drive product guided Brunwick to design its Bravo Four S in the first place. The Federal Circuit held that Volvo Penta demonstrated a nexus between the claims and its evidence of secondary considerations.

Secondary Indicia of Nonobviousness

After holding that there was a nexus, the Federal Circuit analyzed the objective indicia of nonobviousness. The Federal Circuit stated that "[o]bjective evidence of nonobviousness includes: (1) commercial success, (2) copying, (3) industry praise, (4) skepticism, (5) long-felt but unsolved need, and (6) failure of others."

Volvo Penta argued that the Board conducted an improper weighing analysis on the secondary considerations and the Board's conclusions as to their weights were not supported by substantial evidence. The Federal Circuit agreed.

Regarding the improper weighing, the Board assigned certain factors "some weight" or "very little weight." The Federal Circuit held that this terminology was "overly vague and ambiguous." Further, the Federal Circuit pointed out that the Board did not discuss the summation of the weights except for stating that they "collectively weighted somewhat in favor of nonobviousness." The Federal Circuit held that this analysis was not "sufficient to sustain its determination."

The Federal Circuit also took issue with the Board's conclusion regarding certain factors.

- The Board concluded that Brunswick copied Volvo Penta's Forward Drive engine, but only stated that this factor afforded "some weight." The Federal Circuit wondered why, despite finding copying, the Board would only assign this factor "some weight." The Federal Circuit stated that "although copying is not alone dispositive of nonobviousness, we have usually considered a determination of copying to be strong evidence of nonobviousness."
- The Board found evidence of commercial success. The Board found that boat manufacturers strongly desired Volvo Penta's Forward Drive engine. Again, The Board only assigned this factor "some weight." The Federal Circuit held that this was contradictory and was not supported by substantial evidence.
- The Federal Circuit held that the Board misunderstood the evidence presented of a long-felt but unresolved industry need. One advantage of forward-facing propellers is that it is safer to be in the water behind the boat; there is less worry of the propellers cutting a person such as a wakeboarder. The record contained a Boating World magazine article that discussed how the industry had long wanted a stern-drive boat that allowed safer wakeboarding and how Volvo Penta's Forward Drive engine met this need. The Board dismissed this as merely describing the benefit of the product and not indicating a long-felt problem that others had failed to solve. The Federal Circuit held that this evidence indeed showed a long-felt but unresolved industry need.

Apple Inc. v. Corephotonics, Ltd., 81 F.4th 1353 (Fed. Cir. 2023)

Overview

This case arises out of an obviousness challenge and addresses the issues of (1) claim construction and the use of terms "a" and "the" in intrinsic evidence and also (2) the requirements of notice and opportunity to respond under the Administrative Procedures Act (APA).

Issues

1. Whether the Patent Trial and Appeal Board ("Board") correctly construed the claim term requiring a "fused image with a point of view (POV) of the Wide camera" in light of available intrinsic evidence.
2. Whether the Board violated the APA by denying Apple's petition when the denial was based on typographical errors in the declaration of Apple's expert and neither party briefed the issue or was provided an opportunity to respond to it.

Holdings

1. Based on the claim's use of "a" POV and the patent's intrinsic evidence from the specification, the Board's construction was too narrow.
2. The Board violated the APA because basing a holding on typographical errors in Apple's expert declaration, without prior notice to the parties, violated the APA.

Background and Reasoning

Apple filed two petitions for *inter partes* review ("IPR") challenging claims of U.S. Patent No. 10,225,479 (the "'479 Patent"). The '479 Patent describes a method of using dual-aperture camera systems in smartphones to combine images from a wide-angle "Wide" lens and a telephoto "Tele" lens to produce a fused image.

Claim Construction

In the first IPR, the Board denied Apple's contention that certain claims were rendered obvious in view of prior art. Particularly, the parties disputed whether the phrase "a point of view of the Wide camera" means "that the fused image must maintain only Wide position POV or Wide perspective POV (as Apple contends) or whether it means that the fused image must maintain both (as Corephotonics contends and the Board found.)"

Because the Board's decision relied only on intrinsic evidence, the Federal Circuit examined the claim construction *de novo*. In doing so, it concluded that the Board's construction was too narrow, based on the claim's use of "a POV" and the intrinsic evidence from the patent's specification.

The Federal Circuit reasoned that "a reasonable reading of [the specification] is that Wide perspective and Wide position are two different types of Wide point of view[;] [t]he claim term requires only that the fused image maintain 'a point of view of the Wide camera,' i.e., only one of the disclosed types of Wide point of view."

The Federal Circuit concluded that "taken together and in context, however, the intrinsic evidence supports that the claim term requiring a fused image maintaining 'a point of view of the Wide camera' requires only that the fused image maintain Wide perspective point of view or Wide position point of view, but does not require both."

Based on this, the Federal Circuit vacated the Board's construction and remanded to determine whether the prior art disclosed the claim limitation given the Federal Circuit's construction.

APA Violation

In the other IPR, the Board denied Apple's contention that certain claims were rendered obvious in view of a combination of prior art. In doing so, "the Board based its decision almost entirely on its determination that the declaration submitted by Apple's expert [] was unreliable because of a typographical error the expert made regarding lens data."

The Federal Circuit concluded that the Board's reliance on the typographical error in the declaration did not comport with the notice requirements of the APA. Neither of the parties had "reason to anticipate" that the error would be the basis for the Board's decision, and neither party briefed, argued, or suggested that the error was dispositive.

As a result, the Federal Circuit held that "the Board based its decision on a typographical error without sufficiently explaining its significance, made *sua sponte* findings that lacked substantial evidence, and did not resolve the issue the parties presented" and vacated and remanded the Board's decision "for further proceedings that meet the APA's requirements for notice and the opportunity to respond." *Id.*

Elekta Ltd. v. Zap Surgical Sys., Inc., 81 F.4th 1368 (Fed. Cir. 2023)

Overview

This case involves a dispute over whether a person of skill in the art would have had a motivation to combine certain prior art references, such that the patent in question was invalid as obvious.

Issues

1. Was the Patent Trial and Appeal Board's ("Board") finding that a skilled artisan would have been motivated to combine prior art references disclosing radiation imagery with prior art references disclosing radiation therapy supported by substantial evidence?
2. Did the Board err as a matter of law in failing to make any explicit findings regarding the reasonable expectation of success of combining prior art references in its obviousness analysis?
3. If the Board made an implicit finding of reasonable expectation of success, did substantial evidence support that finding?

Holdings

1. The Board's finding as to why a skilled artisan would have been motivated to combine prior art references was supported by substantial evidence, including the prosecution history of the '648 Patent,

the teachings of the prior art references, and the expert testimony of record.

2. The Board did not err as a matter of law because it can be reasonably discerned that the Board considered and implicitly addressed reasonable expectation of success based on the motivation to combine arguments and the evidence presented to the Board.
3. Substantial evidence supported the finding of reasonable expectation of success because the evidence to support the motivation was sufficient, and in some cases, as here, evidence establishing a motivation to combine can be used to support a finding of reasonable expectation of success.

Background and Reasoning

ZAP Surgical Systems, Inc. ("ZAP") petitioned for review of U.S. Patent No. 7,295,648 (the "'648 Patent") owned by Elekta Limited ("Elekta") before the Board. The patent relates to a device for treating a patient with ionizing radiation for certain types of radiosurgery and radiation therapy. The Board found certain claims of the '648 Patent invalid as being obvious. Specifically, the Board found in its obviousness analysis that a skilled artisan would have been motivated to combine the Grady Patent's imaging device with the Ruchala Patent's linear accelerator ("linac") device. In reaching its findings, the Board relied on the prosecution history of the '648 Patent, the teachings of the asserted prior art references, and the expert testimony of record.

Elekta appealed the Board's obviousness finding argument on three (3) grounds: (1) that the Board's motivation to combine finding is unsupported by substantial evidence; (2) that the Board failed to make any explicit findings relating to reasonable expectation of success from combining Grady and Ruchala; and (3) even if the Board had made such findings, those findings were not supported by substantial evidence.

Elekta argued that substantial evidence did not support the Board's finding that a skilled artisan would have been motivated to replace the Grady Patent's device with the Ruchala Patent's device because the linac of Ruchala would not offer any imaging improvement and also requires extreme precision due to its potentially lethal side effects.

Obviousness requires, *inter alia*, a finding that a skilled artisan would have been motivated to combine the teachings of the prior art in such a way that the combination discloses the claimed limitations.

The Federal Circuit was not persuaded by Elekta's arguments, as the Board's conclusions were supported by the prosecution history of the '648 patent, the teachings of the asserted prior art references, and the expert testimony. Elekta failed to argue that references in a similar field of art as prior art relied on by ZAP were not relevant during prosecution, and the evidence provided substantial support for why a skilled artisan would have been motivated to make the proposed combination. The Ruchala Patent teaches advantages of combining imaging with delivery of radiation, the Winter Patent (another cited prior art reference) teaches why such combinations are preferable, and ZAP's expert explained why a skilled artisan would have been motivated to make this combination. Taken together, the Federal Circuit found that this evidence provided substantial support for the Board's finding that a skilled artisan would have been motivated to combine the Grady and the Ruchala Patents.

Elekta further argued that the Board erred as a matter of law because the Board failed to articulate any findings on reasonable expectation of success.

"[A]n obviousness determination requires finding that a person of ordinary skill in the art would have had a reasonable expectation of success," which "refers to the likelihood of success in combining references to meet the limitations of the claimed invention." "Unlike a motivation to combine determination, which requires an explicit analysis, [] a finding of reasonable expectation of success can be implicit." An implicit finding on reasonable expectation of success can be found in arguments, including intertwined arguments, from which an implicit reasonable expectation success finding can be reasonably discerned, as in the present case.

The Federal Circuit did not believe that the Board erred as a matter of law because an implicit finding of reasonable expectation of success, such as under the present circumstances, can be found in the arguments and evidence supporting a motivation to combine. "[W]e can reasonably discern that the Board considered and implicitly addressed reasonable expectation of success based on the arguments and evidence presented to the Board on motivation to combine."

Elekta further argued that even if the Board made an implicit finding, there is no substantial evidence that could support a finding that a skilled artisan would have reasonably expected to succeed in combining the asserted prior references.

Evidence of a reasonable expectation of success, like evidence of a motivation to combine, "may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some case, from the nature of the problem being solved."

Because the arguments and evidence of reasonable expectation of success are the same for motivation to combine, in some cases, such as here, this can establish a finding of reasonable expectation of success. The Federal Circuit warned that a finding of motivation to combine does not necessarily establish a finding of reasonable expectation of success, but that it did in this case given the overlap in arguments and evidence.

Sisvel international S.A. v. Sierra Wireless, Inc., 82 F.4th 1355 (Fed. Cir. 2023)

Overview

This case involves an *inter partes* review ("IPR") proceeding in which the Board analyzed issues involving the existence of a motivation to combine, as well as means-plus-function claim construction principles.

Issues

1. Whether art being analogous is enough to establish a motivation to combine.
2. Whether the specification contained sufficient support for a skilled artisan to understand the structure of a means-plus-function claim.

Holding

1. The mere assertion that references are analogous art, without more, is not enough to find a motivation to combine.
2. A brief disclosure of algorithmic protocols warranted consideration of extrinsic expert opinion evidence to construe the means-plus-function limitation.

Background and Reasoning

Sierra Wireless, Inc. ("Sierra") challenged claims 1-10 of Sisvel International S.A.'s ("Sisvel") U.S. Patent No. 6,529,561 (the "'561 Patent") in an IPR before the Patent Trial and Appeal Board ("Board"). The Board found claims 1-3 and 9 were unpatenable, but found claims 4-8 and 10 of the '561 Patent were patentable. Specifically, the Board found claims 1-3 and 9 were obvious in view the Chen reference and that the specification failed to disclose sufficient structure for "means for detecting" as recited by claims 5 and 10. Moreover, the Board found that Sierra's expert testimony could not be used to import the structure lacking in the specification. Both parties appealed.

Sisvel appealed and argued that the Chen reference teaches away from a second puncturing pattern as recited by claim 1 and that the combining limitation of the '561 patent was not supported by the Chen reference. However, the Federal Circuit held that Chen expressly discloses the second puncturing pattern and refutes any suggestion of teaching away, and that the Board's analysis of the "combining" limitation was sufficiently detailed, adequately addressed Sisvel's arguments, and was supported by substantial evidence.

Regarding Sierra's appeal, the Board found that Sierra failed to articulate a reason for combining the Chen and GSM prior art references. Sierra appealed this finding. However, the Federal Circuit affirmed the Board's decision, finding that Sierra's arguments amounted to a bare assertion that the Chen and GSM references were merely analogous art. Furthermore, the Federal Circuit reasoned that Sierra argued both that a skilled artisan would improve Chen with GSM, and conversely improve GSM with the teachings of Chen. Accordingly, the Federal Circuit found that it could not fault the Board for being at a loss in trying to make sense of Sierra's confusing motivation-to-combine arguments.

Furthermore, Sierra appealed the Board's finding that Sierra had failed to identify sufficient algorithmic structure in the specification for claim 5's "means for detecting" limitation. The Board disregarded Sierra's expert testimony because the Board classified claim 5's "means for" as a Noah group 1 case for computer implemented methods, where the specification includes no disclosure and expert testimony is irrelevant. However, the Federal Circuit disagreed with the Board, finding that claim 5's "means for" is a Noah group 2 case, such that consideration of expert testimony is required. Specifically, the Federal Circuit found that the specification identified protocols that could be used by a skilled artisan, although not the specific steps of the protocols. Accordingly, the Federal Circuit held that reference to specific protocols is enough to require the Board to consider the import of those names in light of the knowledge of a skilled artisan. Thus, the Federal Circuit remanded the case to the Board for a determination of the scope of the "means for" limitation under the Noah group 2 analysis.

Schwendimann v. Neenah, Inc., 82 F.4th 1371 (Fed. Cir. 2023).

Overview

This case involved an appeal from the Patent Trial and Appeal Board concerning its decision that challenged claims relating to ink-jet transfer were obvious.

Issues

1. Whether substantial evidence supports a conclusion that a person of ordinary skill in the art ("POSITA") would have been motivated to combine the references cited by the Petitioner and in doing so, does the POSITA have a reasonable expectation of success in making the combination of references.
2. Whether characterizing cited references as primary or secondary is a necessary factual determination in an obviousness finding.

Holding

The panel affirmed the Board's obviousness determinations for a group of Challenged Patents based on proper combinations of references supported by substantial evidence.

Background and Reasoning

The Challenged Patents relate to a one-step solution for ink-jet transfer having image transfer sheets and methods for transferring images onto dark-colored fabrics. The patents address simultaneously transferring an image with a white background and a dark image onto dark fabrics (previously accomplished via a two-step process).

Procedural History

Neenah et al. ("Petitioner") filed multiple IPR petitions against the Challenged Patents on obviousness grounds. Petitioner argued a primary reference ("Kronzer") in view of a secondary reference ("Oez") rendered the claims of the Challenged Patents obvious. The Board found the evidence showed a POSITA would have been motivated to combine the teachings of Kronzer and Oez and would have had a reasonable expectation of success in making the combination. Accordingly, the Board determined that the Challenged Patents were obvious.

Jodi Schwendimann ("Patent Owner" and "PO") filed an appeal of the Board final decision.

Discussion

On its review, the Federal Circuit reviewed the factual findings of the Board for substantial evidence because obviousness is a question of law based on underlying facts. Substantial evidence is "relevant evidence as a reasonable mind might accept as adequate to support a conclusion."

Patent Owner did not dispute that Kronzer and Oez (the "Prior Art") together teach or suggest everything in the Challenged Claims. Patent Owner's only challenges to the Prior Art were whether a POSITA would have been motivated to combine and whether the combination would have yielded a reasonable

expectation of success.

On appeal, Patent Owner argued three bases for overturning the Board's final decision. All of which fell short.

First, the Patent Owner argued that a POSITA would not have been motivated to combine the Prior Art because the references were "diametrically opposed" and "flatly inconsistent" with one another. The Federal Circuit disagreed finding the references were not opposed and instead shared a common goal of improving image transfer characteristics. The Federal Circuit agreed with the Board that the references disclosures themselves and expert testimony offered during the underlying IPR proceedings was substantial evidence in support of the Board's obviousness finding.

Second, the Patent Owner argued that a POSITA would not have motivation to combine the teachings because Oez taught away from the combination and its combination would be "unpredictable." The Patent Owner argued that in combining the Prior Art, a POSITA would have to do significant "reengineering." The Federal Circuit agreed with the Board that the evidence showed otherwise and that a POSITA would have had a reasonable expectation of success in making the proposed combination.

Lastly, the Patent Owner argued that the Board erred by not showing why a skilled artisan would have chosen Krozner as the "primary reference" in the proposed obviousness combination (referred to as the "Primary Reference Argument"). The Federal Circuit made clear that the Primary Reference Argument here "has no basis in our case law." "In the context of an obviousness challenge with two or more references, describing one of the references as 'primary' means that it is the reference to be modified by the 'secondary' or other references." Accordingly, the ground described as Kronzer in view of Oez means the obviousness challenge is based on Kronzer being modified by Oez. As a result, whether a reference is called primary or secondary "is merely a matter of presentation" and not legally significant when the underlying factual inquiries in an obviousness determination are shown.

The Federal Circuit also concluded the Patent Owner forfeited the Primary Reference Argument and that a mention of it at oral argument was not sufficient to preserve the argument.

Cyntec Co. v. Chilisin Elecs. Corp., 84 F.4th 979 (Fed. Cir. 2023)

Overview

This case addresses the judgment as a matter of law standard for obviousness determinations and damages calculations for lost profits.

Issues

1. Whether entry of judgment as a matter of law that the asserted claims were not invalid as obvious was improperly granted because of factual disputes that were improperly adjudicated by the judge instead of the jury.
2. Whether the expert's damages calculation was proper when it included products other than the infringing chokes and revenue from products not including chokes.

Holdings

1. Judgment as a matter of law was improper because the defendant presented evidence that would have allowed a finding that the claims were obvious.
2. The expert's inclusion of products other than those accused of infringement was improper.

Background and Reasoning

U.S. Patent Nos. 8,922,312 (the "'312 Patent") and 9,481,037 (the "'037 Patent") are directed to molded chokes and a method of manufacturing molded chokes, respectively. The Federal Circuit explained that "[a] choke is a type of inductor used to eliminate undesirable signals in a circuit." Prior methods of manufacturing chokes suffered from the fact that manufacturing required high temperatures, and this could damage some of the internal components. The patentee, Cyntec, developed a method where the choke was molded from two magnetic powders having different hardnesses and particle sizes.

Competitor Chilisin began selling allegedly infringing molded chokes and Cyntec sued for infringement. Before trial, Chilisin moved the Northern District of California to exclude Cyntec's damages expert alleging that his calculations included improper assumptions. The district court denied the motion. At trial, Chilisin presented evidence that the claims of the asserted patents were invalid due to obviousness. "After Cyntec's rebuttal testimony, but before Chilisin could cross-examine Cyntec's technical expert," Cyntec motioned for judgment as a matter of law arguing that the prior art was missing elements of the claim and could not meet the "clear and convincing evidence standard" for invalidity. The district court granted the motion and entered judgment in Cyntec's favor. Chilisin appealed.

Judgment as a Matter of Law and Obviousness

The Federal Circuit reviewed the district court's judgment as a matter of law *de novo* applying the standard of the regional circuit (here, the Ninth circuit). The Federal Circuit stated that the standard is like the standard for summary judgment: the court "view[s] the evidence in the light most favorable to the nonmoving party . . . and draw[s] all reasonable inferences in that party's favor."

Here, the Federal Circuit held that the district court improperly granted judgment as a matter of law. The Federal Circuit held that the jury could reasonably hold that the claims were invalid as obvious because the applied references taught the elements of the claim. Further, the Federal Circuit held based on the available evidence, a jury could reasonably believe that Chilisin could meet the clear and convincing evidence standard. Thus, the Federal Circuit held it improper to grant Cyntec's motion.

Damages Calculation

The Federal Circuit reviewed the district court's denial of Chilisin's motion to exclude Cyntec's damages expert for abuse of discretion.

Cyntec's expert estimated Cyntec's lost profits. The estimate used the total revenue of Chilisin's customers based on the customers' SEC filings to derive the percent of products containing the accused chokes that were imported into the US. The Federal Circuit held that the expert's damages calculation was flawed because the expert "assumed that (1) the sales revenue reported in the customers' Form 10-K reflected

sales of products with molded chokes; and (2) each third-party product shipped into the United States contained an infringing choke." The sales revenue included sales from products that did not include chokes; for example, some of the included revenue was from advertising services. Further, it was simply improper to include products that did not include the infringing chokes in the damages calculation. Based on this, the Federal Circuit held that it was improper to admit the damages expert for Chilisin and vacated the jury's damages award.

Netflix, Inc. v. DivX, LLC, 80 F.4th 1352 (Fed. Cir. 2023)

Overview

In an appeal from an *inter partes* review ("IPR") proceeding initiated by Netflix, the Federal Circuit held that the Patent Trial and Appeal Board ("Board") abused its discretion when it found that Netflix failed to establish analogous art under the "field of endeavor" test.

Issue

Whether the secondary reference Netflix proposed could be considered as analogous art for purposes of combination with the proposed primary reference.

Holding

The Federal Circuit held that the Board abused its discretion in holding that the proposed secondary reference ("Kaku") was non-analogous on the ground that Netflix had not expressly articulated the relevant "field of endeavor" to which the Kaku reference pertained.

Background and Reasoning

The patent challenged in the IPR was U.S. Patent No. 8,472,792 (the "'792 Patent"). The Federal Circuit described its subject by quoting the Background of the Invention, which states that the invention "relates generally to encoding, transmission and decoding of multimedia files." The Board rejected Netflix's obviousness argument because it found Netflix had not met its burden of showing that Kaku is analogous art to the '792 Patent under either the field-of-endeavor test or the reasonable-pertinence test.

The Federal Circuit held that the Board's determination that "Netflix failed to articulate a field of endeavor" was an abuse of discretion. Netflix had argued that the Kaku reference "must be considered for its AVI teachings and . . . includes embodiments directed to particular implementations of the AVI file format." The Board rejected Netflix's argument as to Kaku because, in its view, Netflix never expressly identified either of those subjects as the relevant field of endeavor. The Federal Circuit found that this was erroneous, because Netflix had "argued that the [claimed] invention 'refers to AVI as prior art' and cited sections of the '792 Patent that discussed the AVI file and how the 'chunks' of the invention's multimedia file 'are defined as part of the AVI file format.'" Given this, the Federal Circuit held that "[t]aken together and in context, Netflix sufficiently argued that the field of endeavor for both the '792 Patent and Kaku is AVI file formats."

The Federal Circuit also noted that Netflix had argued in its briefing that the Kaku reference taught "encoding . . . and decoding . . . data in AVI files . . . ." Thus, according to the Federal Circuit, "even where a petitioner does not explicitly define a field of endeavor, its briefing may nonetheless present an argument on that issue when taken as a whole."

The Federal Circuit remanded the proceedings back to the Board to decide whether the Kaku reference was directed to the same field of endeavor as the patent challenged in the IPR petition.

Invalidity and § 112 Enablement Defenses

Section 112(a) of the Patent Act provides that a patent's specification must "contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable a person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same." As the Supreme Court has recently advised, enablement requires inventors to enable—i.e., disclose—the full scope of the claimed invention without unreasonable experimentation.

Baxalta Inc. v. Genentech, Inc., 81 F.4th 1362 (Fed. Cir. 2023)

Overview

This case addresses enablement of functional claims in the biochemistry field.

Issue

Whether the district court correctly held that the claims were invalid for a lack of enablement.

Holding

The district court correctly held the claims as invalid because Baxalta did not enable the full scope of the claims.

Background and Reasoning

Baxalta is the owner of U.S. Patent No. 7,033,590 (the "'590 Patent"). The '590 Patent is directed towards antibody and antibody fragments. Claim 1 recites: "An isolated antibody or antibody fragment thereof that binds Factor IX or Factor IXa and increases the procoagulant activity of Factor IXa."

Baxalta sued Genentech, Inc. alleging Genentech's Hemlibra® (emicizumab) product infringed the '590 Patent. Genentech moved for summary judgment alleging that claims 1-4, 19, and 20 of the '590 Patent were invalid for lack of enablement. The district court granted summary judgment.

A patent's specification must describe "the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains . . . to make and use the same." The Supreme Court recently stated in *Amgen v. Sanofi* that "the specification must enable the full scope of the invention as defined by its claims, allowing for 'a reasonable amount of experimentation.'" Patents are presumed valid, so lack of enablement must be proven by clear and convincing evidence.

First Baxalta argued that a skilled artisan could "obtain the full scope of the claimed antibodies without undue experimentation" because a person of skill in the art ("POSA") could make and identify the claimed antibodies using a routine hydridoma-and-screening process. The Federal Circuit disagreed.

The Federal Circuit pointed out that the '590 Patent's hydridoma-and-screening process was a roadmap that directed a skilled artisan to do the following:

(1) generate a range of antibodies in the lab;

(2) test those antibodies to determine whether any bind to PCSK9;

(3) test those antibodies that bind to PCSK9 to determine whether any bind to the sweet spot as described in the claims; and

(4) test those antibodies that bind to the sweet spot as described in the claims to determine whether any block PCSK9 from binding to LDL receptors.

The Federal Circuit also discussed the '590 Patent's "conservative substitution technique." In this technique, a skilled artisan could make and use the undisclosed antibodies by "(1) start[ing] with an antibody known to perform the described functions; (2) replac[ing] select amino acids in the antibody with other amino acids known to have similar properties; and (3) test[ing] the resulting antibody to see if it also performs the described functions."

The Federal Circuit noted that *Amgen* also disclosed a roadmap and a conservative substitution technique. The Supreme Court in *Amgen* held that these two types of teachings, without more, are insufficient to enable claims where a large number of possible species exist. Here, the Federal Circuit noted that "[t]here are millions of potential candidate antibodies but the written description discloses the amino acid sequences for only eleven antibodies."

The Supreme Court held that "methods like a roadmap or conservative substitution might be sufficient to enable" if the patent discloses "a quality common to every functional embodiment." Here, the Federal Circuit held that the '590 Patent had no disclosure like this.

Next Baxalta attempted to distinguish its hybridoma-and-screening process from that disclosed in the teachings in *Amgen*. Baxalta argued that its hybridoma-and-screening process was not trial and error because it "reliably generates new claimed antibodies every time it is performed." The Federal Circuit disagreed. The Federal Circuit held that the hybridoma-and-screening approach was "the definition of trial and error and leaves the public no better equipped to make and use the claimed antibodies than the inventors were when they set out to discover the antibodies . . . ." The Federal Circuit held that this "random trial-and-error" technique constituted the type of "unreasonable experimentation" that *Amgen* forbids.

Lastly, Baxalta argued that "the district court's enablement determination [was] inconsistent with the *In re Wands* case. The Federal Circuit disagreed stating that this case was indistinguishable from *Amgen* and that *Amgen* was consistent with its "prior enablement case law."

Patent Litigation and Exceptional Cases

Amazon.com, Inc. v. PersonalWeb Techs. LLC (In re PersonalWeb Techs. LLC), 85 F.4th 1148

Overview

The Federal Circuit affirmed an award of approximately $5.2 million in attorneys' fees against PersonalWeb Technologies, stemming from a long series of lawsuits it brought against Amazon and Amazon's customers.

Issues

1. Whether the district court abused its discretion in finding the case to be exceptional.
2. Whether the district court erred in its calculation of attorneys' fees.

Holdings

1. The district court did not err in finding the case to be exceptional so as to award attorneys' fees.
2. The district court's calculation of attorneys' fees was thorough and supported by sufficient reasoning.

Background and Reasoning

This was the third appeal from multidistrict litigation involving Amazon and PersonalWeb. PersonalWeb first sued Amazon in 2011, alleging infringement against a series of data processing patents. After claim construction that favored Amazon, PersonalWeb dismissed its suit with prejudice. In 2018, PersonalWeb opted to sue dozens of Amazon's customers alleging infringement of the same patents. Amazon intervened and the cases were consolidated, with the district court granting summary judgment of non-infringement in Amazon's favor for both of Amazon's products – S3 and CloudFront. The district court ruled against PersonalWeb as to the customers as well, citing in part the Kessler doctrine, which arose from the 1907 U.S. Supreme Court case *Kessler v. Eldred* and prevents patent owners from suing an accused infringer's customers after a final judgment on non-infringement has been entered in favor of the accused infringer when the same alleged infringing product is at issue.

Amazon moved for attorney's fees and costs, claiming the case was exceptional. The district court agreed, finding that (1) PersonalWeb's infringement claims against S3 were objectively baseless; (2) PersonalWeb changed its position on infringement several times; (3) PersonalWeb prolonged litigation unnecessarily; (4) PersonalWeb exhibited unreasonable conduct and positions in the customer cases; and (5) PersonalWeb submitted declarations that it should have known were inaccurate.

The majority of the Federal Circuit panel agreed with the district court that PersonalWeb's arguments were ill-supported. After emphasizing the doctrine of claim preclusion and the precedent set in *Kessler*, the Federal Circuit rejected PersonalWeb's arguments of zealous advocacy and ambiguous claim construction. The Federal Circuit then affirmed, holding that the district court did not abuse its discretion in finding the case to be exceptional and that the district court's fee analysis "demonstrate[d] . . . a careful exercise of discretion."

Patent Litigation and Claim Construction

United Therapeutics Corp. v. Liquidia Techs., Inc., 74 F.4th 1360 (Fed. Cir. 2023)

Overview

This case concerns a number of issues that can arise during claim construction, including enablement, written description arguments, and validity, as well as the novel issue of whether claims directed to medicinal treatment need to provide "safety and efficacy" and whether the scope of the claimed treatment should be limited to import only safe and effective treatments.

Issues

1. Whether a claim that recites treating a condition with a "therapeutically effective dose" requires importation of safety and efficacy into the claims.
2. Whether the specification is required to disclose therapeutically effective doses for each variation of the condition.
3. Whether a product-by-process claim is anticipated by a disclosure of the product lacking the description of the claimed process.
4. With respect to induced infringement, whether a product's label needs to provide data for the treatment.

Holding

1. A claim reciting "treating pulmonary hypertension" comprising a "therapeutically effective" dose does not require a showing of safety and efficacy.
2. A specification does not need to disclose variations of a condition to enable and provide written description support to the claims for treating pulmonary hypertension.
3. Claims reciting a composition of treprostinil prepared by alkylation and hydrolysis steps are product-by-process claims that are anticipated by a product disclosed in the prior art.
4. A product's label does not need to provide data for the treatment to infringe the claim reciting the treatment employing the product.

Background and Reasoning

Liquidia Technologies, Inc. ("Liquidia") appealed from a decision of the United States District Court for the District of Delaware's decision holding that (1) claims 1, 4, and 6-8 of U.S. Patent No. 10,716,793 (the "'793 Patent") are valid and are infringed by Liquidia and (2) claims 1-3 of U.S. Patent No. 9,593,066 (the "'066 Patent") are invalid as anticipated, but otherwise infringed by Liquidia. United Therapeutics ("United") holds New Drug Application ("NDA") No. 022387 for Tyvaso®, an inhaled solution formulation of treprostinil approved for the treatment of pulmonary hypertension ("PH"). Experts consider there are five subgroups of pulmonary hyptertension, Groups 1-5, that each may require group specific treatment based on different etiologies corresponding to the groups. United owns the '793 and '066 Patents, which are generally

directed to methods of treating pulmonary hypertension and to pharmaceutical compositions comprising treprostinil. The '793 and '066 Patents are listed in the FDA's Orange Book for Tyvaso®.

The Federal Circuit rejected Liquidia's challenge to the district court's determination that the meaning of "treating pulmonary hypertension" does not require a showing of safety and efficacy. Liquidia asserted that the parties' experts agreed that treatment with treprostinil would not benefit the Group 2 PH patients, and further that a skilled artisan would have concerns about administering inhaled treprostinil to the Group 2 PH patients. However, the Federal Circuit focused primarily on what Liquidia failed to argue, namely that Liquidia did not challenge, on appeal, the district court's finding that a therapeutically effective dose would have the plain and ordinary meaning of a dose given in a single treatment session that causes an improvement in a patent's hemodynamics. Based on the district court's claim construction, the claim language does not import any additional efficacy limitations or any safety limitations. Further, the Federal Circuit noted that concerns about the safety and efficacy of treating Group 2 PH patients is under the purview of the FDA and are different than requirements in patent law, such that the Federal Circuit declined to insert FDA responsibilities and requirements into the claims that do not recite those limitations.

Liquidia also challenged the district court's determination that the '793 Patent's claims are adequately enabled and supported by the written description. The Federal Circuit disagreed with Liquidia, reasoning that while the district court credited expert testimony concluding that a physician may have safety concerns treating a Group 2 PH patient with treprostinil, that treprostinil still reduces blood pressure in Group 2 PH patients. Therefore, the reduced blood pressure is enough to enable the "effective dose" without undue experimentation. Furthermore, the Federal Circuit disagreed with Liquidia's assertion that each subgroup of PH should be treated as a species within a larger genus, thereby requiring different disclosures for each species. Rather, the Federal Circuit reasoned that for any given method of treatment claim, there may be a subset of patients who would not benefit from or should not take the claimed treatment, such that a subset of unresponsive patients is not analogous to unsupported species in a generic claim to chemical compounds.

Further, Liquidia asserted that the district court did not err in finding that claims 1-3, 6, and 9 of the '066 Patent were invalid. The Federal Circuit held that these claims are anticipated by the Moriarty reference, which discloses the synthesis of impure treprostinil as having 99.7% purity. Similarly, the '066 Patent discloses an impurity level of 99.7%-99.9%, which includes the disclosed impurity level of Moriarty. The Federal Circuit reasoned that the claims reciting treprostinil being prepared by alkylation and hydrolysis steps were product-by-process claims, such that the claims are interpreted as product claims irrespective of the process by which they are made.

Liquidia also challenged the district court's finding that Liquidia's product Yutrepia induced infringement of the '793 Patent. However, the Federal Circuit affirmed the district court's decision restating that Yutrepia does not need to provide hemodynamic data to constitute inducement of infringement, but merely needs to instruct doctors and patients to administer a therapeutically effect dose.

Sisvel Int'l S.A. v. Sierra Wireless, 81 F.4th 1231 (Fed. Cir. 2022)

Overview

This case relates to 1) whether a claim term should be given its plain and ordinary meaning, and 2) whether substitute claims enlarge the scope of the original claims.

Issues

1. Whether the Board's application of the plain and ordinary meaning to the claim construction of "connection rejection message" proper.
2. Whether the Board erred in its construction of the scope of the amended claims as compared to the scope of the original claims.

Holding

1. A claim should be given its plain and ordinary meaning in the absence of intrinsic evidence that provides no persuasive basis to limit the claims.
2. A substitute claim enlarges the scope of the original claim if the substitute claim contains any conceivable apparatus or process which would not have infringed the original patent.

Background and Reasoning

Sisvel Int'l S.A.("Sisvel) is the owner of U.S. Patent Nos. 7,433,698 (the "'698 Patent") and 8,364,196 (the "'196 Patent"), which claim methods and apparatuses that rely on the exchange of frequency information in connection with cell reselection between a mobile station (cell phone) and a central mobile switching center. Particularly, the '698 Patent and the '196 Patent are related and respectively claim a method and apparatus that include limitations directed to a "connection rejection message." Sierra Wireless, Inc. ("Sierra") filed *inter partes* reviews (IPRs) challenging the claims of the '698 and '196 Patents with the Patent Trial and Appeal Board ("Board"), IPR2020-01070 (the "'1070 IPR") against the '698 Patent and IPR 2020-01071 (the "'1071 IPR") against the '196 Patent. Sisvel appealed the Board's decisions to the Federal Circuit, challenging the Board's claim construction of "connection rejection message" and denial of Sisvel's motions to amend the claims of the '698 Patent.

When filing a patent application, descriptions can generally be written to include non-limiting examples of apparatus or methods in the patent's claims. However, those broader interpretations proposed in the description can include subject matter in prior art publications that are used to challenge the patent's claims during IPR. As further discussed below, a limiting example will not be read into the claim construction in the absence of intent provided by intrinsic evidence. In an effort to further limit challenged claims during an IPR, the patent owner may file one motion to amend the patent by proposing a reasonable number of substitute claims under 35 U.S.C. § 316(d)(1)(B). To propose substitute claims in an IPR, the plaintiff must show that the substitute claims do not enlarge the scope of the claims of the patent under 35 U.S.C. § 316(d)(3), based on a preponderance of the evidence.

In Sisvel, the Federal Circuit affirmed the Board's decision to apply the plain and ordinary meaning to the claim term of "connection rejection message," in lieu of patent owner Sisvel's proposed claim construction. Sisvel proposed that a "connection rejection message" is "a message from a GSM or UMTS telecommunications network rejection a connection request from a mobile station." The Federal Circuit rejected this claim construction because the claim was not so limiting and agreed with the Board that the specification only passively suggested that the cellular telecommunication *could be* a UMTS or GSM system. Accordingly, the Federal Circuit found that there was "no basis to accept Sisvel's contention that a person of ordinary skill in the art would read the broad claim language, accompanied by the broad specification statement[s]..., to be limited to GSM and UMTS networks." Because Sisvel did not make any arguments relating to the patentability of the challenged claims that did not depend on the preferred claim construction, the Federal Circuit affirmed the Board's decision and found the patents at issue to be unpatentable.

Furthermore, the Federal Circuit held "that the Board correctly determined that Sisvel failed to meet its burden to show that the scope of its substitute claims is not broader than the scope of its original claims." In doing so, the Federal Circuit reiterated that a claim "is broader in scope than the original claim [] if it contains within its scope any conceivable apparatus or process which would not have infringed the original patent." In Sisvel, the original claim recited a new a connection setup that is "based on" a frequency parameter, whereas the proposed substitution claim recited that the value "may be set merely by 'using the frequency parameter.'" The Federal Circuit found that in the context of the claims, the phrase "using" is broader than the "based upon" embodiment, providing an example that would come within the scope of the substitute claim and not the original claim. The Federal Circuit further reasoned that the original claim recited that the value of at least one parameter be based "at least in part on *information* in at least one frequency parameter," which is a narrower construction than the substitute claim reciting that "the value of at least one frequency parameter need only 'us[e] the frequency parameter.'" Accordingly, the Federal Circuit affirmed the Board's decision to deny the motion to deny Sisvel's contingent revised motion to amend the substitute claims, such that the Board did not abuse their discretion.

The Federal Circuit's decision is a reminder to patent practitioners who fail to provide meaningful and limiting features of the invention in both the detailed description and the claims. Furthermore, the Federal Circuit's reiteration of the standard for substitute claims applies to not only IPRs, but reissue and reexamination proceedings as well. While the opinion does not state that the word "using" is broader than the phrase "based upon" without context, this opinion does reiterate that the claim drafter needs to consider whether the substitute claim "is broader *in any respect* . . . even though it may be narrower in other respects" compared to the original claim.

ABS Glob., Inc. v. Cytonome/ST, LLC, 84 F.4th 1034

Overview

This case involved a question of claim construction regarding whether the use of "a" or "an" in a claim term is plural-allowing.

Issue

Whether the Patent Trial and Appeal Board (the "Board") erred in determining that a reference to "***the*** sample stream," which followed an earlier reference to "***a*** sample stream," limited the scope of the claim to a single sample stream.

Holdings

The Board erred in its claim construction by not extending a plural-allowing meaning to attach to "a sample stream" and its subsequent limitations.

Background and Reasoning

ABS Global requested *inter partes* review of U.S. Patent No. 10,583,439 (the "'439 Patent") owned by Cytonome/ST. The '439 Patent concerned a microfluidic device for the processing of particles. Such devices analyze, sort, count, and test various particles by moving fluids containing various molecules or cells through discrete channels. The claim requires:

An inlet configured to receive a sample stream; [and]

A fluid focusing region configured to focus the sample stream;...

'439 Patent, claim 1 (emphasis added). In *inter partes* review, the Board determined that, as a matter of claim construction, "a sample stream" must be a singular-only construction due to the inconsistency that a plural construction would present with other claims. Specifically, claim 2 provides that the focusing fluid be "introduced into the flow channel symmetrically with respect to **a centerline** of the sample stream." '439 Patent, claim 2 (emphasis added). The Board reasoned that a centerline could not lie in a pair or plurality of streams of the sample fluid, and thus the stream must be singular.

The Federal Circuit disagreed with the Board's construction. In addition to conventional antecedent basis rules, the Federal Circuit relied on the "general rule" that "a" and "an" are generally plural-allowing articles and can be construed to mean "one or more." The Federal Circuit also applied the lexicography principle, because the specification stated that "the term 'a' or 'an' entity refers to one or more of that entity."

The Federal Circuit then rebutted the Board's rationale of conflict with claim 2 by holding that "a centerline" within claim 2 can itself be construed to be a plural-allowing interpretation of "one or more centerlines." Such a construction would not present a conflict, but would instead be consistent with maintaining a plural status for subsequent limitations on a plural-allowing antecedent term "a sample stream." The Federal Circuit asserted that the correct construction simply allows for multiple streams on the same microfluidic device, the multiple streams having centerlines that are "one or more" if the streams are "one or more."

The Federal Circuit next recognized that "it is appropriate to reverse [instead of vacate and remand] the Board's determination when the evidence supports only the conclusion that the challenged claims are unpatentable, where no properly raised issues still need to be decided by the Board in order to adjudicate a particular patentability challenge."

After applying its plural-allowing interpretation of "a sample stream," the Federal Circuit reversed the Board's decision on claims 1 and 8, holding that those claims were anticipated by prior art. For claims 2, 6, and 9, the Federal Circuit remanded to the Board for further consideration in light of the Federal Circuit's construction.

Actelion Pharms. Ltd. v. Mylan Pharms. Inc., 85 F.4th 1167 (Fed. Cir. 2023)

Overview

This case involves an appeal from district court litigation in which the district court failed to consider extrinsic evidence in its claim construction.

Issues

What level of significant digits would a person of ordinary skill in the art view for "a pH of 13 or higher," and whether extrinsic evidence must be considered in such a determination.

Holding

Extrinsic evidence must be considered to understand how a person of ordinary skill in the art would understand the claim language.

Background and Reasoning

This Abbreviated New Drug Application (ANDA) litigation concerns the drug epoprostenol, which Actelion Pharmaceuticals sells as an epoprostenol sodium for injection (brand named Veletri®) for the treatment of severe pulmonary arterial hypertension. Actelion owns two patents - U.S. Patent Nos. 8,318,802 and 8,598,227 – both regarding the improved formulation of epoprostenol. The specifications state that greater chemical stabilization in the lyophilized formulation of the product is achieved when the bulk solution maintains a higher pH. Mylan sought to gain approval to manufacture and sell a generic version of Veletri® through submission of an ANDA and claiming that Actelion' s patents would not be infringed.

Claim 11 of the '802 patent was set forth as representative of the asserted claims:

1. A lyophilisate formed from a bulk solution comprising:

    (a) epoprostenol or a salt thereof;

    (b) arginine;

    (c) sodium hydroxide; and

    (d) water,

    wherein the bulk solution has *a pH of 13 or higher*, and wherein said lyophilisate is capable of being reconstituted for intravenous administration with an intravenous fluid (italicized limitation being at issue).

Actelion claimed infringement of its patents and argued that “a pH of 13 or higher” should be construed to include values that round to 13, such as 12.5 and 13.4 in accordance with conventional rounding rules. Actelion presented three textbooks in support of this argument. Mylan argued that the proper construction indicated a floor from which the pH cannot fall below, and if it didn't, then the textbooks actually supported a substantially narrower pH range of 12.995-13.004, based on the level of significant figures in observation of the logarithmic nature of pH values. Mylan further argued that the lack of approximation language in the claim term further indicated that an exact measurement of 13 is implied.

The district court declined to consider the textbooks because they were extrinsic evidence. Instead, the district court relied only on the intrinsic evidence – the patent claims, specification, and the prosecution history. The district court interpreted "a pH of 13" in favor of Actelion, agreeing that it encompassed values from 12.5 to 13.4. Based on that claim construction, the parties stipulated that Mylan did indeed infringe, and Mylan appealed.

The Federal Circuit held that the district court should have considered extrinsic evidence after reviewing the specifications, claim language, and prosecution history. None of these provided adequate evidence or guidance to reach a proper conclusion as to which interpretation was correct. The claim language lent equal plausibility to each interpretation. The specification and prosecution history both revealed inconsistent specificity for the pH level. Based on these findings, the Federal Circuit vacated the claim construction order and the judgment of infringement. The Federal Circuit remanded with instructions that the district court consider the extrinsic evidence presented and determine its impact on the claim construction.

K-Fee Sys. GmbH v. Nespresso USA, Inc., 89 F.4th 915 (Fed. Cir. 2023)

Overview

This case relates to claim scope, and more specifically whether claim scope is surrendered to patent prosecution absent clear intent to do so.

Issue

Whether the ordinary meaning of a claim term or limitation can be narrowed or disclaimed absent an explicit construction by the patent holder, such as whether a barcode should be given its plain and ordinary meaning if the patent prosecution history indicates that the barcode can be a bit code.

Holding

The relevant artisan reading the asserted patents and their prosecution history would have understood “barcode” to refer to line-code messages and the patent holder did not act with the clarity required either to prescribe a new meaning for “barcode” or to disclaim any portion of the apparent meaning.

Background and Reasoning

K-fee System GmbH (K-fee) owns three U.S. Patents (U.S. Patent Nos. 10,858,176, 10,858,177, and 10,870,531) that each share a Specification and include claims that each recite the term "barcode." K-fee filed suit against Nespresso USA (Nespresso) in the Central District of California alleging infringement of these three patents. Nespresso won on summary judgment of non-infringement, having argued that its products did not meet the "barcode" claim limitations. Specifically, the district court agreed with Nespresso that K-fee argued during patent prosecution that "barcode" excluded the term "bit codes," which are codes made up of two binary symbols. On appeal, the Federal Circuit reviewed the patent prosecution history and noted that the various examples where K-fee showed an understanding of "the relationship between barcodes and bit codes to be more complex than simply bit codes cannot be barcodes." For example, the Federal Circuit cited K-fee's remarks stating "a barcode can be, but is not necessarily, a bit code." Therefore, the Federal Circuit held that the full scope of the ordinary meaning of the "barcode" should be applied in contrast to the district court's opinion. Moreover, the Federal Circuit found that K-fee never surrendered the scope of the claim to exclude the term "bit code," but rather that statements made about bit codes were at most ambiguous and were not clear enough to support disclaimer.

PTAB Patent Litigation Generally

In re Float'N'Grill LLC, 72 F.4th 1347 (Fed. Cir. 2023)

Overview

The Federal Circuit affirmed the Board's rejection under the original patent requirement of 35 U.S.C. §251, finding reissue claims that omit a plurality of magnets limitation go beyond the invention disclosed in the original patent.

Issue

Whether new claims presented in a reissue patent application were in compliance with the original patent requirement of 35 U.S.C. §251.

Holding

Affirmed. Reissue claims that remove a necessary, critical or essential part of the invention to cover an undisclosed alternative are not the same invention and fail the original patent requirement of §251.

Background and Reasoning

Float'N'Grill LLC ("FNG") owns U.S. Patent No. 9,771,132 (the "'132 Patent"). The '132 Patent titled "Floating Apparatus for Supporting a Grill," is directed to a float capable of supporting a grill that allows a user to grill food while in a body of water. To enable operation, the original '132 Patent disclosed a float as having "grill supports" and each of the grill supports as having a "plurality of magnets" disposed within the grill supports. The bottom portion of a grill could then be "removably securable" to the "plurality of magnets." The specification only described a single embodiment, teaching a "plurality of magnets," and did not describe the magnets as optional.

FNG filed a broadening reissue application by omitting "plurality of magnets" limitations from the claimed float apparatus. During prosecution, the Examiner rejected the reissue claims for failure to meet the original patent requirement of 35 U.S.C. §251 as well as for indefiniteness. The Board sustained all the Examiner's rejections under §251. FNG appealed the Board's decision and the Federal Circuit affirmed.

The Federal Circuit cited the 1942 case, *U.S Industrial Chemicals, Inc. v. Carbide & Carbon Chemicals, Corp.*, as the black-letter standard for the "original patent" requirement of §251. In *Industrial Chemicals*, the U.S. Supreme Court compared the specifications of the original and reissue patent and analyzed "whether, in light of the disclosures contained in the two patents, they are for the same invention." To apply this standard, SCOTUS explained "it must appear from the face in the instrument that what is covered by the reissue was intended to have been covered and secured by the original." In *Industrial* the Federal Circuit found applying water was an essential part of the invention in the original patent and could not be omitted from reissue claims as that would direct the reissue claims to a different invention.

Here, the Federal Circuit used the same criteria in finding that the reissued claims did not meet the original patent test. The Federal Circuit notes that the '132 Patent specification describes only one embodiment, which requires the use of a plurality of magnets. Like the water in *U.S. Industrial,* the magnets in the '132 Patent specification were not described as optional or even as an exemplary embodiment of a broader invention covering other alternative embodiments but were an "essential part of the invention."

FNG argued that the magnets were a "non-essential embodiment of the original patent" and further that a person of ordinary skill in the art ("POSITA") would know that it is "unimportant how the floating apparatus supports the grill." The Federal Circuit flatly disagreed because the plurality of the magnets are of an "essential and critical nature" to the removable securing limitations of the '132 Patent.

Lastly, the Federal Circuit noted the original patent requirement for reissue is an independent basis for unpatentability separate from the written description requirement.

SNIPR Techs. LTD v. Rockefeller Univ., 72 F.4th 1372 (Fed. Cir. 2023)

Overview

This case addresses whether patents and patent applications with effective filing dates after the institution date of the America Invents Act ("AIA") are subject to pre-AIA interference proceedings.

Issue

Did the Director err by subjecting the SNIPR Patents to an interference?

Holding

The Director erred because the SNIPR Patents are purely AIA patents and purely AIA patents are not subject to interferences.

Background and Reasoning

SNIPR Technologies Limited ("SNIPR") and Rockefeller University ("Rockefeller") both developed technologies relating to clustered regularly interspaced short palindromic repeats ("CRISPR") gene editing. Both parties filed one or more patent applications on the technology.

SNIPR has a family of five patents directed to this technology ("SNIPR Patents"); their priority claim date is May 3, 2016. Rockefeller's application has a priority claim date of February 7, 2013. So, Rockefeller is the "senior party" in terms of priority and its patent application is a pre-AIA application. SNIPR's patents are AIA patents. SNIPR had a patent application issued before Rockefeller. Rockefeller amended its application's claims to match the claims of the SNIPR Patents. This triggered an interference at the Patent Trial and Appeal Board ("Board") to determine who was the first to invent the claimed subject matter.

SNIPR moved the Board to terminate the interference and argued that "the AIA eliminated interferences for AIA patents such as the SNIPR Patents." The Board denied the motion. Due to Rockefeller's earlier priority date, the Board held that Rockefeller was the senior party and cancelled all claims of the SNIPR patents. SNIPR timely appealed.

Based on a lengthy discussion of the Patent Act pre-AIA and post-AIA, the Federal Circuit concluded that the AIA eliminated interferences for patents with priority claims that fall in the post-AIA time period (after March 16, 2013). The Federal Circuit calls these pure AIA patents. The Federal Circuit calls patents with priority claims before that date pure pre-AIA patents, and patents with priority claims before and after March 16, 2013, mixed patents.

Rockefeller and the Director argued that pre-AIA § 135(a) authorizes the Director to institute an interference between an application and "any unexpired patent." The SNIPR Patents are unexpired patents, so they should be subjected to pre-AIA interference practice. The Federal Circuit rejected this argument stating that "[r]ead in context with the AIA, however, the language 'any unexpired patent' from pre-AIA § 135 does not include pure AIA patents." The Federal Circuit noted that interpreting "any unexpired patent" to include pure AIA patents would defeat "a central purpose of the AIA." The Federal Circuit discussed that a goal of the AIA was to eliminate the inefficiencies of the first to invent system and eliminate the specter of possible interferences for future applications. The Federal Circuit noted that the Director's interpretation, "would permit pure AIA patents to be dragged into interferences until the year 2034, when there are no more pre-AIA patents or applications"

Rockefeller also argued that without an interference, the Patent Office would be forced to issue two patents to the same invention under the pre-AIA and AIA systems, which conflicts with the principle that only one patent may be issued for an invention. The Federal Circuit rejected this argument. The Federal Circuit reasoned that several mechanisms exist to address patents that are incorrectly granted: *inter partes* review, post-grant review, and ex-parte reexamination. Pure pre-AIA patent applications will always have an effective filing date before March 16, 2013, and pure AIA patents will always have an effective filing date later, so an earlier-filed patent application can serve as prior art and ensure that two patents do not issue for the same invention.

After concluding that the Director and SNIPR's arguments were unpersuasive, the Federal Circuit turned to the facts of the case. The Federal Circuit held that the SNIPR Patents were purely AIA patents. As such, they should not have been subjected to an interference.

In re Cellect, LLC., 81 F.4th 1216 (Fed. Cir. 2023)

Overview

This case relates to Patent Term Adjustment (PTA) and Patent Term Extension (PTE) and their treatment in an obviousness-type double patenting (ODP) analysis.

Issue

Did the Board err in determining that whether or not a patent is unpatentable for ODP is determined based on the date of expiration of a patent that includes any duly granted PTA pursuant to 35 U.S.C. § 154?

Holding

The Board did not err because ODP analysis for a patent that has received PTA must be based on the expiration date of the patent after PTA has been added.

Background and Reasoning

Cellect LLC owns U.S. Patent Nos. 6,982,742 (the "'742 Patent"), 6,424,369 (the "'369 Patent"), 6,452,626 (the "'626 Patent") and 7,002,621 (the "'621 Patent") (collectively referred to as the "Challenged Patents"). Cellect also owns U.S. Patent No. 6,862,036 (the "'036 Patent"), which is a continuation-in-part of the '626 Patent. Each of the Challenged Patents was granted Patent Term Adjustment (PTA) as result of United States Patent and Trademark Office (USPTO) delay during prosecution pursuant to 35 U.S.C. § 154(b). Each of the Challenged Patents claims priority to a priority application, U.S. Application Serial No. 08/944,322, filed October 6, 1997, and thus would have expired on the same day, but for the individual grants of PTA. None of the patents were subject to a terminal disclaimer during prosecution, and the challenged patents all expired, even after factoring in PTA.

Cellect sued Samsung Electronics, Co. ("Samsung") for infringement of the Challenged Patents, in response to which Samsung requested *ex parte* reexamination of the Challenged Patents arguing that Cellect's asserted claims were unpatentable based on obviousness-type double patenting (ODP). The Examiner rejected the asserted claims of each asserted patent based on ODP grounds.

Cellect appealed the rejection of the asserted claims to the Patent Trial and Appeal Board ("Board"), relying on *Novartis AG v. Ezaa Ventures LLC*, 909 F.3d 1367 (Fed. Cir. 2018). Cellecta argued that, just as Novartis held that ODP does not invalidate a statutory grant of Patent Term Extension (PTE) under 35 U.S.C. § 156, ODP could also not be used to invalidate a statutory grant of PTA. The Board, however, sustained the Examiner's determination that the challenged patents were unpatentable under ODP, holding that the expiration dates for an ODP analysis should be calculated following the addition of PTA, thus distinguishing from the application of PTE in ODP.

In reaching its decision, the Board relied on *Merck & Co. v. Hi-Tech Pharmacal Co.*, 482 F.3d 1317 (Fed. Cir. 2007) and *Novartis*. In *Merck*, the Federal Circuit held that the filing of a terminal disclaimer does not foreclose statutory PTE. This means that "patent term extension is from the expiration date resulting from the terminal disclaimer and not from the date the patent would have expired in the absence of the terminal disclaimer." *Novartis*, the Board noted, is "a logical extension of the holding in *Merck*," and thus, ODP is considered from the expiration date of the patent before the addition of PTE. Relying on the statutory language in 35 U.S.C. § 154(b)(2)(B), by contrast, the Board concluded that "any terminal disclaimer should be applied after any PTA is granted or, in other words, that a PTA cannot adjust a term beyond the disclaimed date in any terminal disclaimer." The Board also reasoned that ODP prevents an applicant from gaining a later-expiring patent on an invention covered by an earlier patent that was filed at the same time but has a different patent term due to PTA.

The Board held that for "any ODP analysis or determination, whether or not a terminal disclaimer is required, should be based on the adjusted expiration date of the patent." As a result, the asserted claims were obvious in view of the invalidating ODP references, and the Examiner was sustained. Cellect appealed to the Federal Circuit.

Cellect argued on appeal that PTA and PTE should be factored in an ODP analysis. Cellect asserted that under *Novartis* a "statutorily authorized extension of patent term (i.e., PTE) cannot be terminated by a judicial doctrine, here ODP." Consequently, Cellect argued that ODP cannot terminate PTA, and whether claims are unpatentable under ODP "should be based on the expiration date that does not include the addition of any duly granted PTA." Cellect also argued that the "shall" language in the PTA and PTE statutes means that the "legislative intent illustrates that PTE and PTA were meant to be mandatory term adjustment and extension provisions that restore patent term lost to different administrative delays."

In response, the USPTO argued that precedent requires that PTA and PTE should be treated differently from each other when analyzing whether or not claims are unpatentable under ODP. The USPTO further argued that the PTA statute mentions terminal disclaimers, whereas by contrast, the PTE statute does not. Furthermore, while both statutory provisions use the term "shall", "the required conditions are limited by the presence of a terminal disclaimer in PTA but not PTE. The USPTO argued that these statutory differences illustrate that Congress intended to treat PTA and PTE differently.

The Federal Circuit agreed with the USPTO "that PTA and PTE should be treated differently from each other when determining whether or not claims are unpatentable under ODP." The Federal Circuit reasoned that treating PTA and PTE similarly in an ODP analysis because they support statutorily authorized time extensions is "an unjustified attempt to force disparate statutes into one." In support, the Federal Circuit relied on *Merck*, where PTE was not foreclosed by a terminal disclaimer, and *Novartis*, which held that ODP does not invalidate a validly obtained PTE. The Federal Circuit also reasoned that *Merck* and *Novartis* establish "that ODP for a patent that has received PTE should be applied on the expiration date (adjusted to a disclaimed date if a terminal disclaimer has been filed) before the PTE is added, so long as the extended patent is otherwise valid without extension." Thus, the Federal Circuit concluded that *Merck* and *Novartis* further "inform our analysis because they recognize the differences between PTA and PTE" as both sections 154 and 156 have different and distinct requirements for obtaining extension of patent term.

The Federal Circuit also noted that no terminal disclaimer had been filed in the present case, which was critical to the analysis of Section 154(b)(2)(B) of the statute. The Federal Circuit stated that terminal disclaimers are often filed to overcome an ODP rejection, and their use is inextricably intertwined with ODP. Because "OPD and disclaimers are two sides of the same coin: the problem and the solution" such that "statutory recognition of the binding power of terminal disclaimers in § 154(b)(2)(B) is tantamount to a statutory acknowledgement that ODP concerns can arise when PTA results in a later-expiring claim that is patentably indistinct."

Accordingly, the Federal Circuit concluded that "ODP for a patent that has received PTA, regardless whether or not a terminal disclaimer is required or has been filed, must be based on the expiration date of the patent after PTA has been added." Therefore, the Board did not err in finding that the asserted claims were unpatentable under ODP.

Netflix, Inc. v. DivX, LLC, 84 F.4th 1371 (Fed. Cir. 2023)

Overview

This case addresses the necessities for an argument to be properly raised in a petition for *inter partes* review ("IPR").

Issue

Whether an appellant forfeits arguments raised in its appeal to the Federal Circuit by not presenting them to the Patent Trial and Appeal Board ("Board") in the first instance.

Holding

An appellant forfeits on appeal arguments not clearly and expressly raised before the Board in the first instance.

Background and Reasoning

U.S. Patent No. 9,270,720 (the "'720 Patent") and U.S. Patent No. 9,998,515 (the "'515 Patent") are directed to methods "bitrate streaming of content on a playback device, such as a mobile phone or personal computer." The patents describe methods for generating top level index files, which allow a playback device to choose appropriate streams based on factors such as network conditions and device capabilities.

Netflix filed IPRs for several claims of the '720 Patent and '515 Patent. The patents were challenged "over: (1) the combination of Pyle and Marusi and (2) the combination of Lewis and Marusi." Netflix's petition contained "arguments directed to the 'filtering the list of assets' limitation of claim 1 of the '720 Patent, the 'retrieving . . . a list of assets' limitation of claim 1 in both patents, and the 'generating . . . a top level index file' limitation of claim 1 of the '515 patent." The Board found Netflix's arguments unpersuasive, and Netflix appealed the Board's final written decision to the Federal Circuit.

On appeal, Netflix argued that the Board misinterpreted or failed to address multiple parts of its obviousness arguments. The Federal Circuit reviewed the Board's judgment concerning whether it misinterpreted or failed to address arguments for abuse of discretion.

The Federal Circuit stated that “the Board is entitled to discretion in how it interprets petitions” and that “[the Federal Circuit has] rejected, many times, post-hoc attempts on appeal to include additional, new arguments not contained in the petition.” The Federal Circuit further stated that “any argument not raised to the Board is forfeited, and we decline to consider it for the first time on appeal.”

Regarding the “filtering the list of assets” limitation, Netflix argued that in its petition it argued that Pyle’s creation of a new manifest meets this limitation. The Federal Circuit disagreed. Netflix pointed to block quotes from Pyle stating that “the new manifest can be optimized based on certain features.” However, the Federal Circuit pointed out that the petition does not address how an optimized new manifest equates to “filtering the list of assets.”

The Federal Circuit pointed out that Netflix’s petition made a clear argument that Pyle’s pre-existing manifest taught the “filtering the list of assets” limitation. The Federal Circuit reasoned that Netflix knew how to “put forward a clear mapping of Pyle to the filtering limitation.” The Federal Circuit held that Netflix made a clear mapping to the pre-existing manifest, but the supposed mapping to the new manifest was missing from the petition.

Netflix further argued that the Board overlooked its alternative argument that Marusi (and not Pyle) taught the filtering of assets step. The Federal Circuit disagreed. Netflix argued that Pyle taught all of the “filter the list of assets” limitation and in the alternative, if Pyle did not meet the limitation, it would be obvious to combine the teaching of Pyle and Marusi. Netflix concluded its alternative argument stating that “[a] skilled artisan would have been motivated to employ a known component (Marusi's database of identifiers and associated assets) in a predictable way (for Pyle to filter assets to obtain a subset in a format compatible with the requesting device)." Thus, Marusi did not filter; rather, Marusi disclosed the components and Pyle discloses the action performed. The Federal Circuit concluded that Netflix did not include in its petition that Marusi taught the filter of assets step. The Federal Circuit advised that petitioners must make it clear when they are making alternative arguments and to “sufficiently expound each one.” It stated that “[t]he Board should not have to work as hard as Netflix wants to identify all arguments fairly presented in a petition.”

Regarding the “retrieving . . . a list of assets” limitation, Netflix argued “that the Board wrongfully viewed Lewis as a basis for a § 103 obviousness challenge that required modification to Lewis, when, in Netflix's view, the petition argued Lewis disclosed this limitation. Netflix argued in its petition that a skilled artisan “would have found it obvious to retrieve a list of assets”; yet now argues that this is not an obviousness argument. The Federal Circuit pointed out that “[t]here is no word in patent law that sends a more unmistakable signal that § 103, rather than § 102, is being invoked than the word ‘obvious.’” Thus, the Board viewed Lewis correctly as an obviousness reference.

Netflix next argued that the Board misunderstood that its petition argued that “creating a manifest containing URLs pointing to the selected processed video necessarily involves first *retrieving* a list of assets that reside in the manifest itself.” The Federal Circuit held that this argument was not reasonably laid out in the petition. The Federal Circuit reasoned that the petition did not lay out “this sort of part-and-parcel inherency argument” and that “the petition's use of the word ‘obvious’ suggests that retrieving a list of assets and creating a manifest are not the same.”

"Regarding the "generating . . . a top level index file" limitation, Netflix contended that its petition contained argument that Pyle's creation of a new manifest meets the "generating" limitation. The Federal Circuit disagreed. The Federal Circuit reasoned that the "petition plainly shows that Netflix argued that the "generating" limitation was met by Pyle's transmission of a manifest into storage, which is entirely different from Pyle's creation of a new manifest." The Federal Circuit pointed out that the section that supposedly contained this argument was located in the petition section discussing "filtering" and "receiving" limitation —not in its section discussing the "generating . . . top level index file" limitation.

Thus, the Federal Circuit held that the arguments presented to it were not presented to the Board and, thus, were forfeited.

Corephotonics, Ltd. v. Apple Inc., 84 F.4th 990 (Fed. Cir. 2023)

Overview

This case examines the proper scope and ability of the Board to resolve factual disputes about analogous art that underlie obviousness determinations in post-grant proceedings.

Issues

1. Did the Board make procedural errors in allowing Petitioner to make new analogous art contentions in its reply in IPR proceedings?
2. Did the Board make procedural errors in providing an analogous art determination different from that of the parties in the IPR proceedings?
3. Did the Board make a substantive error in its explanation of why two references used in its obviousness determination were analogous art for the challenged patent claims?

Holding

The Federal Circuit held that the Board did not make any procedural errors in its approach to resolving the analogous art contentions, but vacated and remanded the obviousness determination to the Board for further explanation as to why one of the applied patent references was analogous art when it was directed to cameras having different points of view as opposed to different fields of view like the challenged claims.

Background and Reasoning

The claims in the Challenged Patents relate to a dual-aperture camera system having a wide-lens camera and a tele-lens camera. The wide-lens and tele-lens cameras have different fields of view and are placed in different locations near one another which gives them different points of view. The system switches between the wide-lens and tele-lens cameras which can cause a jumping problem where transition in a video image displayed is not smooth.

At the outset, references to analogous art in the obviousness grounds were ambiguous. It was not clear whether Petitioner meant its prior art references "are in the same field of endeavor as the Challenged Patents or, instead, merely . . . in the same field of endeavor with as one another." In its initial Petitions and accompanying expert testimony, the Petitioner maintained that two prior art references, Golan and Martin,

were analogous art and in the same field of endeavor characterized as "imaging systems generating video output images using two imaging sections having different points of view." No further express reference tied to the field of endeavor of the Challenged Patents themselves was given.

The issue only arose after institution. Patent Owner challenged the analogous art in its Patent Owner Response. Petitioner clarified its position in its replies "that the Challenged Patents, Golan, and Martin are *all* in the same field of endeavor" and address the same pertinent problem of a discontinuous mage change or jump between a dual-aperture camera switches points of views. The issue was further addressed in sur-replies and by both parties at oral argument. Finally, the Board found Petitioner "rectified the improper comparison" and showed that Golan and Martin are analogous art in the same field of endeavor and that Martin was pertinent to the same problem as the inventor.

On appeal, the Federal Circuit agreed that the Board did not abuse its discretion in allowing Petitioner to fix an error its analogous art comparison to refer to the Challenged Patents. The Federal Circuit explained that like *Sanofi-Aventis*, here the Petitioner is not required to anticipate analogous art arguments in its petition and can use its reply to do so. The Federal Circuit agreed the Patent Owner was on notice of the analogous art contention and the scope of the Reply by Petitioner with new evidence was proper because it did not raise an entirely new legal theory of obviousness and was responsive to arguments in Patent Owner's response.

As a result, the Federal Circuit agreed the Board committed no procedural errors in resolving analogous art factual disputes that underlie obviousness grounds. The Federal Circuit found the Board was correct here to make its own determination of a field of endeavor and pertinent problem even if somewhat different from that proposed by the parties to the IPR proceedings.

However, the Federal Circuit found a substantive error in the Board's obviousness determination and source of confusion where the Board failed to properly explain why the patent to Martin dealing with a problem of different *points of view* was analogous art to the challenged claims which both parties agree address the problem of different *fields of view*, and remanded for further consideration.

Allgenesis Biotherapeutics Inc. v. Cloudbreak Therapeutics, LLC, 85 F.4th 1377

Overview

This case addresses the theory of potential infringement liability as a basis for appellate standing under Article III of the Constitution.

Issues

Whether appellant had standing to appeal the Patent Trial and Appeal Board's (the "Board") decision based on potential infringement liability and the Board's priority determination.

Holding

The Federal Circuit held that the appellant failed to establish an injury in fact sufficient to confer standing to appeal an inter partes review final written decision by the Board because potential infringement liability was not shown and collateral estoppel would not attach to the Board's priority decision.

Background and Reasoning

Allegenesis Biotherapeutics Inc. ("Allgenesis") petitioned for *inter partes* review of U.S. Patent No. 10,149,820 (the "'820 Patent"). In reaching its decision that Allgenesis had failed to prove that certain claims of the '820 Patent are unpatentable, the Board determined that Allgenesis' PCT Application Publication No. WO 2016/209555 ("Allgenesis' PCT") did not qualify as prior art because the challenged claims may claim priority to U.S. Provisional Application No. 62/172,063 ("the '063 Provisional") filed June 6, 2015—two weeks before Allgenesis' PCT. In reaching this priority determination, the Board found that the '063 Provisional provides sufficient written description support for the challenged claims. Moreover, the Board found that the '820 Patent's description of unexpected results regarding improved efficacy and improved safety profile supported a nonobvious determination over the closest prior art. Allgenesis appealed.

Article III of the U.S. Constitution limits the Federal Circuit's jurisdiction and requires the appellant to show that they have (1) suffered an injury in fact (2) that is fairly traceable to the challenged conduct of the defendant, and (3) likely to be redressed by a favorable judicial decision. To establish an injury in fact, an appellant must show it has "suffered 'an invasion of a legally protected interest' that is 'concrete and particularized' and 'actual or imminent, not conjectural or hypothetical.'" Where, an appellant relies on potential infringement liability as a basis for injury in fact, "it must establish that it has concrete plans for future activity that creates a substantial risk of future infringement or likely cause the patentee to assert a claim of infringement."

Here, Allgenesis argued that injury in fact was supported by potential infringement liability stemming from its development of treatments for pterygium. However, Allegenesis was only able to point to previously completed Phase II trials and a general statement that the project is ongoing. The Federal Circuit rejected this argument, citing the fact that Allgenesis was not able to point to concrete plans, such as plans to conduct Phase III trials. Furthermore, the Federal Circuit rejected Allgenesis' assertion that the parties being unable to reach settlement agreement was sufficient evidence to show a substantial risk of infringement, especially absent threats or previous suits from the Patent Owner for infringement against Allgenesis.

Additionally, Allgenesis asserted that it suffered an injury in fact based on the Board's priority determination because the determination had a preclusive effect on the Allgenesis' pending patent application (Ser. No. 17/750,400) that claims priority to Allgenesis' PCT. Here, the Federal Circuit stated that Allgenesis' albeit brief, but nonspecific arguments were insufficient to meet the burden of establishing standing. The Federal Circuit further cited *Best Medical International Inc v. Electa Inc.*, 46 F.4th 1346 (Fed. Cir. 2022) to explain that even under a theory of collateral estoppel resulting from a Board's decision, collateral estoppel does not apply to non-appealable judgments, such that the potential for collateral consequences is insufficient on its own to confer standing.

Purdue Pharma L.P. v. Collegium Pharm., Inc., 86 F.4th 1338 (Fed. Cir. 2023)

Overview

This case addresses what happens when the Patent Trial and Appeal Board ("Board) does not issue a final written decision by the 18-month statutory deadline.

Issues

1. Whether the Board loses authority to adjudicate a Post-Grant Review ("PGR) once the 18-month statutory deadline has passed.
2. What remedy does a party have if a Final Written Decision is not issued by the statutory deadline?

Holdings

1. The Board maintains authority to adjudicate a PGR despite not resolving the case within the 18-month statutorily proscribed deadline.
2. A party may file a petition for a writ of mandamus to the Federal Circuit.

Background and Reasoning

Pursuant to the Patent Act and corresponding regulations establishing procedures for PGR proceedings, the Board must issue a decision by 18 months after "the date on which the Director notices the institution of a proceeding under this chapter."

In this case, the PGR was held up by multiple circumstances that led to the Board failing to issue a decision by the 18-month deadline. First, Purdue filed a Notice of Bankruptcy Filing and an Imposition of Automatic Stay, which stayed the PGR proceeding and the parallel district court proceeding. Then, the Chief Administrative Patent Judge found good cause to extend the proceedings by six months "so the bankruptcy court could assess whether the automatic stay applied to PGRs." The 18-month deadline passed with neither party seeking guidance from the bankruptcy court to lift the stay. Nine months after the 18-month deadline, Purdue filed a motion to terminate the PGR proceeding arguing that the Board no longer had authority to issue a Final Written Decision. The Board denied the motion and on the same day issued a decision finding the claim unpatentable as lacking written description and anticipated. Purdue appealed to the Federal Circuit.

The Federal Circuit ruled against Purdue and held that the Board had authority to issue a Final Written Decision. The Federal Circuit cited *United States v. James Daniel Good Real Prop.,* 510 U.S. 43, 63 (1993), stating, "if a statute does not specify a consequence for noncompliance with statutory timing provisions, the federal courts will not in the ordinary course impose their own coercive sanction." The Federal Circuit held that here, based on this precedent, the statute does not specify a consequence for noncompliance, so the Federal Circuit would not create its own consequence and take away the Board's authority.

The Federal Circuit also found it significant that when the AIA forbids the Board from acting after a deadline, the language is significantly different than the disputed statutory code. The Federal Circuit stated that "[s]ection 315(b) contains explicit language denying agency power after a time deadline, saying

'[a]n inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner . . . is served with a complaint alleging infringement of the patent.'" (Emphasis in original.) The Federal Circuit also pointed to "*section 321(c)* ('A petition for a post-grant review may only be filed not later than the date that is 9 months after the date of the grant of the patent or of the issuance of a reissue patent.'" (Emphasis in original.)) The Federal Circuit reasoned that if "Congress meant to deprive the [Board] of power in section 326(a)(11), it knew how to do it, and, significantly, it did not use language in section 326(a)(11) similar to that used in other sections."

The Federal Circuit also found support for its holding in the legislative history of the AIA, stating that, "If the Board could not issue a Final Written Decision [after the deadline], the parties would be forced to pursue the issue in district court litigation. This is the exact opposite of the purpose of the AIA, which is meant to create a more efficient alternative to district court litigation."

Purdue argued that if the Board was not held to the 18-month statutory deadline, it would have an indefinite time period to issue decisions, which is what Congress sought to replace with the AIA. The Federal Circuit disagreed and held that a court can compel an agency to act within a certain time period; therefore, mandamus is the remedy. The Federal Circuit held that "Purdue had an available mandamus remedy and simply chose not to seek to compel an earlier decision from the Board. Failure to seek relief by mandamus does not, however, mean a loss of the Board's authority to act."

District Court Patent Litigation Generally

Inguran, LLC v. ABS Glob., Inc., 72 F.4th 1272 (Fed. Cir. 2023)

Overview

This case relates to the res judicata and claim preclusion effect of a previous judgment of direct infringement of a patent on a later induced infringement claim against the same party for the same patent.

Issue

Did the district court err in applying res judicata or claim preclusion to Patent Owner's induced infringement claim?

Holding

The district court erred, because at the time of the first trial, the parties stipulated to direct infringement, the question of induced infringement was not before the jury, and the direct and induced infringement claims arose from different transactional facts.

Background and Reasoning

The patent at issue is U.S. Patent No. 8,206,987 (the "'987 Patent"), for which Inguran, LLC (d/b/a STGenetic ("ST")) is the patent holder. In 2014, ST asserted the '987 Patent in district court against ABS Global, Inc. in a first patent infringement suit ("*ABS I*") alleging direct infringement of the '987 Patent. In *ABS I*, the jury

found direct infringement of claim 2 of the '987 Patent. In 2017, ST filed a second patent infringement suit against ABS ("*ABS II*"), and a third patent infringement suit in 2020 ("*ABS III*"); in *ABS III* ST asserted additional claims, including an induced infringement claim on the same '987 Patent.

ABS filed a motion to dismiss the induced infringement claim on the grounds that this claim was precluded by the judgment in *ABS I*. Under Seventh Circuit law, there are three elements to claim preclusion: (1) an identity of the parties or their privies in the first and second lawsuits; (2) an identity of the cause of action; and (3) a final judgment on the merits in the first suit. The district court found that each element was met and entered dismissal. ST appealed.

On appeal, ST challenged the district court's finding as to the second element. Whether the induced patent infringement claim asserted in *ABS III* is precluded by the *ABS I* judgment hinges on whether the same "cause of action" or set of "transactional facts" are at issue.

The Federal Circuit found that ST had not asserted an induced infringement claim against ABS in *ABS I*, as the induced infringement claim in the earlier suit was against the parent company Genus for actions taken by ABS, and not in fact against ABS. Furthermore, the Federal Circuit held that the induced infringement claim brought in *ABS III* was not precluded by the direct infringement claim brought in *ABS I* because the claims were not based on the same transactional facts. This is because the evidence that ST would need to support a claim for direct infringement by ABS is different from the evidence required to sustain a claim of induced infringement by third parties. Moreover, the Federal Circuit found that ST's induced patent infringement claim brought at the time of trial in *ABS I* would have been based on speculation, in part because the parties had stipulated to direct infringement and the question of inducement was not before the jury. Accordingly, the district court erred in dismissing ST's induced infringement claim.

Colum. Sportswear N. Am., Inc. v. Seirus Innovative Access., Inc.

Overview

In the context of a design patent jury verdict, the Federal Circuit vacated the jury's finding and remanded the case for further proceedings based on improper jury instructions.

Issue

1. Whether the scope of prior art was specific enough for the purposes of comparison art in a design patent infringement.
2. Whether the district court's jury instructions included the proper scope of the design patent issue.
3. Whether the district court's jury instructions pertaining to a logo embedded within the accused product's design was proper and/or an abuse of discretion.

Holding

1. The Federal Circuit held that the district court did not properly instruct the jury on the proper scope of comparison prior art. Further the Federal Circuit found the district court's error to be prejudicial and thereby vacated the non-infringement judgment and remanded the case for further proceedings.

2. The Federal Circuit did not find that the district court's jury instructions pertaining to the logo were improper or inaccurate, nor did they constitute an abuse of discretion on the part of the district court.

Background and Reasoning

Columbia Sportswear North America, Inc. ("Columbia") owns U.S. Design Patent No. D657,093 (the "D'093 Patent"). The D'093 Patent pertains to heat reflective material with a specific ornamental design. Columbia sued Seirus Innovative Accessories, Inc. ("Seirus") for infringement of the D'093 Patent. The district court granted Columbia summary judgment and a jury awarded Columbia more than $3M in damages. On a first appeal, the Federal Circuit vacated the summary judgment decision and remanded the case for further consideration. On remand, a jury found Seirus to be non-infringing. Consequently, Columbia appealed the jury finding challenging the jury instructions.

In determining the issue of the jury instructions, the Federal Circuit applied the law of the regional circuit, in this case, the Ninth Circuit. The Federal Circuit thereby "review[ed] de novo whether an instruction states the law correctly," and reviewed for abuse of discretion the district court's "formulation of civil jury instruction." The Federal Circuit noted that the jury instructions should therefore "fairly and adequately cover the issues presented, correctly state the law, and not be misleading."

The ordinary-observer test is the sole test used to assess design patent infringement. However, a point-of-novelty test may be used where "the claimed and accused designs are not plainly dissimilar." The point-of-novelty test is that which asks "whether the similarity between the claimed and accused designs was attributable to the novelty that distinguished the claimed design from the prior art." The Federal Circuit noted in its analysis that the point-of-novelty test provides context in which to view the design patents at issue, providing a point for comparison. Here, in its analysis, the Federal Circuit held that comparison art was necessary to allow the observer to differentiate between the accused heatwave material design and the claimed heatwave material design. Additionally, the Federal Circuit noted that to qualify as comparison prior art, the prior art design must be applied to the *same article of manufacture* as identified within the claim.

The Federal Circuit found the district's court jury instructions to be in error. Specifically, the Federal Circuit held that the jury instructions did not "fairly and adequately cover the issues presented." The Federal Circuit held that the district court did not properly instruct the jury on the scope of comparison prior art. In other words, the district court failed to inform the jury that the scope of comparison prior art was designs specifically implementable in a heat reflective material. The Federal Circuit further found the district court's error to be prejudicial, warranting vacating the non-infringement judgment and remand for further proceedings.

In its decision the Federal Circuit addressed whether specifying the design as implemented in heat reflective material, improperly imposed a functional limitation into the design patent. The Federal Circuit clarified that while "valid design patents cannot be directed to designs that are primarily functional, as opposed to ornamental," design patents are also "granted only for a design applied to an article of manufacture." Accordingly, the Federal Circuit iterated that design patent protection should not be granted to something that is purported ornamental or decorative, but in reality, is actually functional. In the case at issue, the question is whether the claimed material (heat reflective material) to which the design is applied is the same material to which the accused is being compared.

In its analysis of the jury-instructions pertaining to Seirus' logo embedded within the design, the Federal Circuit considered the difference between the likelihood of confusion test as applied in trademark versus design patent infringement analysis. The Federal Circuit explained that while a consumer may not be unclear as to the source of a product (whereas here, the accused design includes Seirus's logo) the logo does not prevent a finding that a design patent may be infringed. Ultimately, the Federal Circuit found the jury instructions to be adequate where the jury was specifically instructed that "the 'ordinary observer' test should be the sole test for determining whether a design patent has been infringed" and that jurists need not "find that any purchasers were actually deceived or confused by the appearance of the accused products." Accordingly, the Federal Circuit did not find the district court's instructions to be in error nor an abuse of discretion.

The Federal Circuit vacated the non-infringement judgment and remanded for further proceedings.

Finjan LLC v. SonicWall, Inc., 84 F.4th 963 (Fed. Cir. 2023)

Overview

The Federal Circuit affirmed a district court's grant of summary judgment of non-infringement as to the asserted claims but vacated the district court's judgment of invalidity based on collateral estoppel.

Issues

1. Whether referencing "a computer" in one limitation and "the computer" in a subsequent limitation referred to the same singular computer initially recited, thus requiring a single computer to be able to perform both functions.
2. Whether receiving packets that contain a downloadable constitutes receiving a downloadable itself, and if stipulated claim construction can be challenged upon appeal.
3. Whether invalidity based upon issue preclusion/collateral estoppel will remain in effect if those prior cases are vacated.

Holdings

1. While the indefinite article "a" can be interpreted to allow for plural meaning, the use of "the" also indicates the claimed term refers to an antecedent term, and thus the subsequent references can only be satisfied by the *same* one or more computers that satisfied the first limitation.
2. Receiving packets does not constitute receiving a downloadable, and parties on appeal are not permitted to raise claim construction challenges upon stipulated claim constructions.
3. It does not. Since the overturned judgments can no longer have any preclusive effect, then the invalidity decisions relying on such judgments in the new case must also give way.

Background and Reasoning

Finjan LLC ("Finjan"), sued SonicWall, Inc. ("SonicWall") asserting patent infringement upon U.S. Patent Nos. 8,677,494, 6,154,844, 6,804,780, and 7,613,926 (collectively, the "Downloadable Patents"), as well as U.S. Patent No. 8,225,408 (the "ARB Patent"), among others, by SonicWall's cybersecurity products – Gateway,

Email Security, and Capture Advanced Threat Protection ("ATP"). The '844 and '780 patents had been found invalid as indefinite in cases Finjan had previously brought against other entities, so SonicWall moved for summary judgment as to invalidity based on collateral estoppel, which the district court granted. Finjan appealed the indefiniteness decisions and the Federal Circuit vacated and remanded them. SonicWall also moved for summary judgments of non-infringement for the Downloadable Patents and the ARB Patent. For the Downloadable Patents, SonicWall argued that its products could not fall within the stipulated claim construction. For the ARB Patent, SonicWall argued that the claimed sets must be performed by the same computer, and its products performed functions across several separate computers. The district court granted both of SonicWall's motions for summary judgment of noninfringement and Finjan appealed.

Issue 1: Non-infringement of the ARB Patent

The claims of the ARB patent require "a computer" or "the computer" to perform a series of steps, such as "receiving" a stream of code, "determining" information about it, and "instantiating" a response. SonicWall contended that "the computer" must refer back to the antecedent "a computer," thus requiring the claim limitations to be performed by the same computer. SonicWall argued that, by contrast, its products perform these functions across separate computers and, therefore, would not infringe. SonicWall argued that even if the article "a computer" is construed to its plural embodiment "one or more computers," the subsequent limitations on "the computer" must still be satisfied by the same one or more computers that fell within the first limitation. SonicWall argued it would still not infringe due to its separation of functions across separate computers.

The Federal Circuit agreed with SonicWall, citing its recent decisions in *Salazar v. AT&T Mobility LLC* and *Traxcell Techs., LLC v. Nokia Sols. & Networks Oy* as being wholly consistent with the logic – subsequent limitations that refer back to an antecedent component (in *Salazar*, for example, a microprocessor) require at least one of those components to be capable of performing each of the claimed functions.

Finjan further attempted to argue that a "computer" can still be comprised of a combination or network of computers working together. Even under such an interpretation, the district court concluded, and the Federal Circuit agreed, that Finjan still failed to demonstrate that SonicWall's products contain a single computer that satisfies the claimed limitations. Finjan did not challenge the district court's reasoning for denying their reconsideration motion.

Accordingly, the Federal Circuit affirmed the district court's decision that SonicWall did not infringe upon the ARB patent.

Issue 2: Non-infringement of the Downloadable Patents

Claim construction for the Downloadable Patents hinged on the interpretation of receiving a "Downloadable" which the parties had stipulated to mean "an executable application program, which is downloaded from a source computer and run on the destination computer."

SonicWall argued that its products merely receive and inspect packets, but do not extract the data or reassemble the file within. As such, SonicWall contended that receiving a sequence of packets of an executable file, but never reassembling said packets to an executable format could not constitute the receiving of an executable application program. SonicWall further submitted evidence its products never

possess a downloadable because they operate by inspecting each packet and then forwarding them without extracting data or reassembling a file. Based on this, SonicWall moved for summary judgment of non-infringement for the Downloadable Patents, and the district court agreed. The district court concluded that Finjan failed to establish evidence that the accused products ever possessed such a reassembled file to meet the stipulated executable application program.

The Federal Circuit upheld the district court's decision, agreeing that the sending and receiving of packets without reassembling the contents into an executable application program does not qualify as receiving a downloadable under the agreed upon claim construction. The Federal Circuit found Finjan's arguments unconvincing because they failed to grapple with the core issue that the packets were not executable in accordance with the stipulated construction and the testimony of Finjan's own expert. The Federal Circuit emphasized that it does not permit parties on appeal to raise claim construction challenges upon stipulated claim constructions.

Issue 3: Collateral Estoppel

Some Finjan patents were found indefinite in other proceedings and were thus found to be invalid based upon collateral estoppel. However, those invalidity judgments had been vacated on appeal. The Federal Circuit thus vacated the invalidity judgment, reasoning that it cannot uphold collateral estoppel based on a verdict that itself was vacated on appeal.

VLSI Tech. LLC v. Intel. Corp., 87 F.4th 1332 (Fed. Cir. 2023)

Overview

This case addresses the doctrine of equivalents and what a patentee must show to prove infringement under the doctrine of equivalents.

Issue

Whether the Patent Owner failed as a matter of law to present sufficient evidence to prove infringement under the doctrine of equivalents.

Holding

The evidence was insufficient, as a matter of law, because the Patent Owner failed to sufficiently explain why the different way the defendant's processors operated was merely an insubstantial difference from the asserted claims.

Background and Reasoning

U.S. Patent No. 7,725,759 ('759 Patent) is directed towards a system "in which at least two devices, such as computer processors, are coupled to a bus that can operate at a variety of frequencies (clock speeds)." The Federal Circuit found that claim 14 was representative for present purposes:

A system comprising:

a bus capable of operation at a variable clock frequency;

a *first master device* coupled to the bus, the first master device configured to provide a request to change a clock frequency of a high-speed clock in response to a predefined change in performance of the first master device, wherein the predefined change in performance is due to loading of the first master device as measured within a predefined time interval; and

a *programmable clock controller* having an embedded computer program therein, the computer program including instructions to:

receive the request provided by the first master device;

provide the clock frequency of the high-speed clock as an output to control a clock frequency of a second master device coupled to the bus in response to receiving the request provided by the first master device; and

provide the clock frequency of the high-speed clock as an output to control the variable clock frequency of the bus in response to receiving the request provided by the first master device.

VLSI sued Intel, asserting that Intel's Haswell and Broadwell microprocessors embodied the claimed system. The district court held that Intel infringed the '759 patent under the doctrine of equivalents. Intel appealed to the Federal Circuit. The Federal Circuit reversed the district court, holding that VLSI failed to prove infringement under the doctrine of equivalents as a matter of law.

The Federal Circuit began its analysis by stating that "the doctrine of equivalents provides a limited exception to the principle that claim meaning defines the scope of the exclusivity right in our patent system." It also stated that "liability under the doctrine is 'exceptional.'"

The Federal Circuit stated that "[f]irst, proof of equivalents must be limitation specific, not focused only on the claim as a whole, though the limitation-specific inquiry of equivalence may be informed by the "role played by each element in the context of the specific patent claim." Next, the Federal Circuit stated that "the determination of whether a substitute element is only insubstantially different from a claimed element and hence an equivalent . . . asks whether a substitute element matches the function, way, and result of the claimed element." Third, the Federal Circuit stated that "we have long demanded specificity and completeness of proof as crucial to enforcing the limits on the doctrine: The patentee must provide particularized testimony and linking argument as to the insubstantiality of the differences between the claimed invention and the accused device."

The Federal Circuit stated that the claim required "that the request function be performed by one component (master device) and the receipt and output functions be performed by a distinct component (programmable clock controller)." With reference to claim 14 shown above, the request function needs to be performed by a "first master device," and the receipt and output function needs to be performed by a "programmable clock controller." According to the Federal Circuit, "what occurs in Intel's accused microprocessors is that the request function is split between two physical components (core and power control unit) . . . and the receipt and output [functions] [also] occur within the [power control unit] . . . ."

VLSI's doctrine of equivalents argument was that "[t]he request [function] and the receipt/output are performed not by distinct physical components but by different software 'modules'—one p-code module or a second instruction module." In other words, in Intel's accused microprocessors one component sends a request provision and receives it to itself. This does not literally match up with the claim language requiring that the request function needs to be performed by the "first master device," and the receipt and output function needs to be performed by the "programmable clock controller."

The Federal Circuit found that VLSI did not provide particularized testimony and linking argument required to prove that Intel's arrangement was substantially the same as the elements of the claimed arrangement. VSLI did not provide particularized testimony and linking argument as to why having one component send a request provision and receive it to itself is substantially the same as what the claim requires—a "first master device" sending the request and a "programmable clock controller" receives the request and performs the output function.

VSLI argued that whether to distribute the microprocessor's components and functions between two physical components (claimed system) or a single component (Intel's microprocessors) was merely "a design choice." The Federal Circuit emphasized that calling something "merely a design choice" does not show the particularized testimony and linking argument as the doctrine of equivalents requires. The Federal Circuit wanted to know "whether the difference in the way the functionalities are actually allocated between" the claim and Intel's microprocessors "is an insubstantial one." VLSI failed to provide an explanation for this difference. Based on VLSI's failure to provide this explanation, the Federal Circuit held that VLSI's doctrine of equivalents theory "fail[ed] as a matter of law" and "[t]he judgment of infringement of the '759 patent is therefore reversed."

A/S v. Lupin Ltd.., 87 F.4th 1361, (Fed. Cir. 2023)

Overview

This case examines the scope of infringement under section 271(e)(2)(A) and holds that infringement actions under this section are limited to the specific drug indications for which an Abbreviated New Drug Application (ANDA) applicant is seeking approval. This case also addresses requirements for proving induced and contributory infringement of pharmaceutical patents and clarifies that the mere potential for off-label use does not meet the threshold for induced infringement if the ANDA submission is for a non-patented use. Furthermore, the case reinforces that the existence of substantial non-infringing uses of a drug precludes a finding of contributory infringement.

Issues

1. Did the district court err in finding non-infringement of the '096 and '910 Patents?
2. Did the district court err in finding that Lupin infringed the '626 Patent?

Holdings

1. The district court did not err in finding non-infringement of the '096 and '910 Patents because the defendants' ANDAs sought approval only for the treatment of MDD, a use not covered by these patents, aligning with legal precedents that infringement actions under section 271(e)(2)(A) are limited to

indications for which approval is sought.

2. The district court did not err in finding that Lupin infringed the ’626 Patent, as it agreed with the plaintiffs' interpretation of the term "reacting" and determined that Lupin's process for making vortioxetine would infringe under that construction.

Background and Reasoning

Lundbeck A/S and other plaintiffs, including Takeda U.S.A., Inc. (collectively “Plaintiffs”) hold an approved NDA for the branded drug Trintellix for the treatment of major depressive disorder (“MDD”) in adults, with an active ingredient that is a salt of vortioxetine. Following initial Federal Drug Administration Approval (FDA), plaintiffs secured method of use patents: U.S. Patent Nos. 9,278,096 (“the ’096 Patent”) and 9,125,910 (“the ’910 Patent”). Defendant Lupin Ltd. and other defendants (collectively “Defendants”) submitted ANDAs seeking approval to market vortioxetine for only one indication, the treatment of MDD in adults, a method of use not covered by the ’096 and ’910 Patents.

Plaintiffs also hold U.S. Patent No. 9,101,626 (“the ’626 Patent”) that covers a process for making vortioxetine. Lupin filed an ANDA seeking approval to market vortioxetine prepared by a process that Plaintiffs contended would infringe the ’626 Patent. Plaintiffs sued Lupin for infringement and to bar Lupin from using the process before the expiration of the ’626 Patent. The parties disputed the construction of the term "reacting."

After a bench trial, the district court agreed with Plaintiffs' construction and found that Lupin infringed the ’626 Patent under that construction. The district court also found that Defendants’ ANDAs did not infringe the ’096 and ’910 Patents.

On appeal, Plaintiffs argued that the Defendants violated section 271(e)(2)(A) by submitting ANDAs for vortioxetine marketing approval because vortioxetine can be prescribed for uses protected by the '096 and '910 Patents—specifically, for treating patients who stopped or reduced other medications due to sexual side effects and for treating cognitive impairment. The Plaintiffs contended that it is irrelevant that the Defendants did not intend to market vortioxetine for these patented purposes; the possibility of its prescription for these uses constitutes infringement. The Federal Circuit disagreed because actions for infringement of method of use patents under section 271(e)(2)(A) are limited to patents that claim an indication of the drug for which indication the applicant is seeking approval. Defendants solely sought approval to market the drug for the treatment of MDD pursuant to the methods of expiring patents—that is the “purpose” of the ANDA submissions. Thus, the patented uses are not those for which ANDA approval was sought.

Furthermore, Plaintiffs argued that the district court erred in finding no induced infringement of the ’096 Patent. Plaintiffs argued that because the ’096 Patent exists and clinicians will prescribe the ANDA products for the uses claimed in the ’096 Patent, Defendants have induced infringement and cannot obtain approval for their ANDAs. The Federal Circuit disagreed and held that it cannot be, as Plaintiffs suggest, that a patentee can bar the sale of a drug for a use covered only by patents that will have expired simply by securing a new patent for an additional, narrower use, as recognized by the Federal Circuit in *Warner-Lambert*. In the normal course, a label required to market the drug for a use covered by expired patents does not equate to demonstrating the required specific intent to induce infringement of new patents covering different uses.

Plaintiffs also argued that the district court erred by concluding that the Plaintiffs had not established contributory infringement of the '096 and '910 Patents under section 271(c) because there are substantial non-infringing uses of vortioxetine. Plaintiffs contended that the district court erred as a matter of law in finding substantial non-infringing uses when those uses purportedly infringe other patents owned by Lundbeck, specifically patents on the drug compound. The Federal Circuit disagreed as substantial non-infringing use in section 271(c) refers to uses that do not infringe the patent in question, not other patents.

Finally, the Federal Circuit found no error in the district courts finding that Lupin infringed the '626 Patent based on their adopted claim construction.

Trademarks and TTAB Prosecution

Great Concepts, LLC v. Chutter. Inc., 84 F.4th 1014 (Fed. Cir. 2023)

Overview

This case addresses whether the TTAB wrongly allowed cancellation of Great Concepts' trademark registration as penalty for its fraudulent Section 15 declaration.

Issue

Whether fraud used to acquire incontestable status for a trademark registration serves as a basis to cancel the registration entirely.

Holding

Fraud used to acquire incontestable status is not a basis for cancellation of a trademark registration, but is a basis to deny incontestable status to the registrant. The TTAB only has authority to cancel a registration for circumstances where the *registration* was obtained fraudulently, which is distinct from questions about incontestability. The remedies available for fraud obtained in each process – obtaining a registration and obtaining incontestability status – should be considered separately. The Federal Circuit reversed the TTAB's cancellation of Great Concepts' mark and remanded for consideration of the mark's incontestability status and also to determine whether to impose sanctions on Great Concepts or its attorney for fraud.

Background and Reasoning

In 2005, Great Concepts applied to register the mark "DANTANNA'S" for use with a *steak and seafood restaurant*. Chutter, Inc.'s ("Chutter") predecessor-in-interest, Dan Tana, alleged a likelihood of confusion with his common law "DAN TANA" mark for *restaurant services* and petitioned to cancel Chutter's registration in 2006. The parties also engaged in litigation in Georgia which then went to the Eleventh Circuit on appeal. During this time, former counsel for Great Concepts, Frederick Taylor, filed and signed a combined declaration of use and declaration of incontestability. In the declaration, Mr. Taylor falsely stated that there were no proceedings pending and not disposed of in the courts, despite an ongoing cancellation proceeding with the Patent and Trademark Office and the Eleventh Circuit appeal. Mr. Taylor was made aware of his error by opposing counsel, but nevertheless made no efforts to correct the declaration to the USPTO. Chutter responded by petitioning for cancellation of Great Concepts mark based

on Mr. Taylor's false statements.

The TTAB agreed that Mr. Taylor's Section 15 declaration was fraudulent and cancelled Great Concepts' mark in 2021. Great Concepts appealed the cancellation.

The Federal Circuit considered the sole issue of statutory interpretation of Section 14 of the Lanham Act, which permits cancellation of a registered mark if the mark was obtained fraudulently. However, under the Lanham Act, *registration* of a mark and acquiring *incontestability* are separate rights. Incontestability can only be secured for an already registered mark, making the mark more difficult to invalidate. Thus, a later fraudulent incontestability filing does not impact the validity of an already existing registration.

While the TTAB found that an intent to deceive can be inferred from a reckless disregard for the truth, the Federal Circuit left the TTAB's analysis untouched in its opinion. The TTAB had found that the totality of Mr. Taylor's actions including signing onto the sworn declaration without closely reading it, being unfamiliar with its filing requirements, and making no action to remedy his error once it was brought to his attention, amounted to a reckless disregard for the truth. While the Federal Circuit did not comment on this analysis, the Federal Circuit did opine that if fraud is found, the TTAB has authority to sanction and attorneys may be vulnerable to criminal penalties, such as perjury, for false Section 15 filings. In issuing this opinion, the Federal Circuit overturned the longstanding TTAB practice of cancelling marks as a penalty for fraudulent obtainment of incontestability.