



ORANGE COUNTY INTELLECTUAL PROPERTY LAW ASSOCIATION

# NEWSLETTER

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## FEDERAL CIRCUIT SUMMARIES

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### Ranges for Interdependent and Interactive Components Can Be Tricky to Derive

In *Modernatx, Inc. v. Arbutus Biopharma Corporation*, Appeal No. 20-2329, the Federal Circuit held that a presumption of obviousness based on overlapping ranges requires showing that the overlapping range is actually taught by the prior art.

Moderna petitioned for IPR against an Arbutus patent directed to stable nucleic acid-lipid particles comprising a nucleic acid. Moderna contended that all of the ranges for the components in the claimed nucleic acid-lipid particle were disclosed or taught by the prior art, and that a presumption of obviousness should therefore apply. The PTAB disagreed that the presumption applied because the prior art expressly disclosed the ranges for only three out of the four sub-components of the claimed composition. Moderna derived the overlapping range for the sub-component with no specific disclosure in the prior art by making certain assumptions about the other three sub-components. The PTAB rejected Moderna's argument, noting that the claimed range for the fourth sub-component was not necessarily disclosed based on broader ranges for the

other three components. The PTAB found the claims were not unpatentable as obvious. Moderna appealed.

The Federal Circuit first addressed standing, noting that a party's participation in the underlying IPR before the PTAB is insufficient by itself to confer standing on that party to appeal. The Federal Circuit explained that a specific threat of infringement is not required, but it is sufficient for the appellant to show that it has engaged in, is engaging in, or will likely engage in activity that would give rise to a possible infringement suit. The Federal Circuit found Moderna had demonstrated a risk of suit by Arbutus based on the combination of its own activities in developing the COVID-19 vaccine, Arbutus's broad public statements about its extensive patent coverage in the area, and Arbutus's refusal to grant a covenant not to sue.

The Federal Circuit then affirmed the PTAB's decision that the asserted claims were nonobvious. In particular, the Federal Circuit agreed that a presumption of obviousness did not apply because Moderna failed to show that an overlapping range was actually taught by the prior art.

(Biotechnology, Standing, Obviousness; Prepared by Shelley Chen)

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# FEDERAL CIRCUIT CASE SUMMARIES

## No Standing in IPR Appeal for Sublicensee's Speculative Royalty-Based Injuries

In *Modernatx, Inc. v. Arbutus Biopharma Corporation*, Appeal No. 20-1184, the Federal Circuit held that a sublicensee's theory of royalty-based injury was too speculative to support standing on appeal. Later changes in the factual basis for standing cannot support standing where the original basis is not shown to be continuous.

Moderna filed a petition for *inter partes* review challenging certain claims of Arbutus's patent related to methods of making and administering stable nucleic acid-lipid particles. The Board found that, while certain claims were anticipated, Moderna had failed to prove that the remaining claims were either anticipated or obvious. Moderna appealed the remaining claims.

On appeal, Moderna initially stated that it did not base its standing on a risk of a future infringement suit. Rather, it based its standing on its status as a sublicensee of Arbutus' patent with "actual monetary obligations . . . that are impacted by the Board's validity determinations." However, over a year later, Moderna filed a motion to supplement the record to provide evidence that it had (1) terminated the programs that involved Arbutus' patent, and (2) begun development of a COVID-19 vaccine which had in turn created a significant risk of a future infringement suit.

Rather than examine the merits of the Board's decision, the Federal Circuit dismissed Moderna's appeal due to a lack of standing. The Federal Circuit first explained that Moderna's initial theory of financial injury was too speculative. In particular, Moderna hadn't made a royalty or milestone payment in 5 years and failed to identify any expected future payments. Additionally, Arbutus's patent was only one of many licensed patents involved in Moderna's sublicense. Moderna failed to provide any evidence as to how, if at all, its sublicense would be affected by the invalidation of only the Arbutus patent at issue, but not the other licensed patents.

Finally, the Federal Circuit rejected Moderna's supplemental standing argument. The Federal Circuit explained that, even if Moderna had established standing at the time it filed its appeal, Moderna failed to show that its termination of the sublicense programs occurred after its COVID-19 vaccine development had created a substantial risk of a future infringement suit. The court therefore applied the rule that an "intervening abandonment of the controversy produces loss of jurisdiction."

(PTAB Appeal, Standing; Prepared by James Yang)

## Intrinsic Evidence Trumps Plain and Ordinary Meaning

In *Astrazeneca AB v. Mylan Pharmaceuticals Inc.*, Appeal No. 21-1729, the Federal Circuit held that for purposes of claim construction, intrinsic evidence can trump the plain and ordinary meaning of scientific conventions such as significant figures.

AstraZeneca AB and AstraZeneca Pharmaceuticals LP (collectively, "AstraZeneca") sued Mylan Pharmaceuticals Inc. and Kindeva Drug Delivery L.P. (collectively, "Mylan") for infringement of patents directed to a pressurized metered-dose inhaler that administers a stable formoterol/budesonide pharmaceutical. The district court construed the term "0.001%" in the limitation "PVP K25 is present at a concentration of 0.001% w/w" according to its "plain and ordinary meaning, that is, expressed with one significant digit" (i.e., encompassing a concentration of PVP K25 in the range of 0.0005% to 0.0014%). Mylan then stipulated to infringement and the district court entered final judgment of infringement.

The Federal Circuit held the district court erred in its claim construction and vacated and remanded the infringement holding. The Federal Circuit stated that while the plain and ordinary meaning was based on scientific convention, the intrinsic evidence (i.e., written description and prosecution history) placed considerable emphasis on formulation stability and thus supported the narrower construction of "0.001%" as [a] precise number, with only minor variations, i.e., 0.00095% to 0.00104%." For example, the written description showed the inventors understood that a formulation comprising 0.001% w/w PVP K25 is more stable than a formulation with even a slight difference in the concentration (e.g., 0.0005% w/w PVP K25). Furthermore, over the course of the prosecution history, the patentees narrowed the concentration of PVP K25 to 0.001% w/w from a broader range without using the qualifier "about" in order to "emphasiz[e] to the Examiner that 0.001% w/w PVP K25—not concentrations slightly more or less than 0.001% w/w—was critical to stability of the formulation."

Judge Taranto dissented in part, arguing that, "0.001%" should be construed to have its significant figure meaning with one "possible interval-shrinking change" that ultimately would not disturb the previous finding of infringement.

(Pharmaceuticals, Claim Construction, Invalidity; Prepared by Alexander Zeng)

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## Limitations in Claim Language Frame Reasonable Expectation of Success Analysis

In *Teva Pharmaceuticals USA, Inc., v. Corcept Therapeutics, Inc.*, Appeal No. 21-1360, the Federal Circuit held that limitations, such as specific drug doses, in claim language can impact the application of the reasonable expectation of success analysis for obviousness.

Teva sought a post-grant review of the claims of Corcept's patent. The claims were generally directed to a method of treating Cushing's syndrome that involved a co-administration of drugs. Teva argued that the claims were obvious. The prior art materials disclosed information related to drug-drug interaction. The PTAB found that Teva failed to show that the claims would have been obvious because Teva failed to show that a skilled artisan would have had a reasonable expectation of success for safe co-administration of the drugs. Teva appealed and argued that the PTAB misapplied the law relating to obviousness. Teva argued that the PTAB required precise predictability, rather than a reasonable expectation of success.

The Federal Circuit affirmed the PTAB's decision. The Federal Circuit stated that "[t]he reasonable expectation of success analysis must be tied to the scope of the claimed invention." In the present case, the claim was construed to require safe administration of a specific amount of mifepristone, and thus, the PTAB was required to frame its reasonable-expectation-of-success analysis around that specific dosage. The Federal Circuit found that Teva had failed to prove that a skilled artisan would have expected co-administration of the claimed dosage of mifepristone with a strong inhibitor to be safe, and that the PTAB had not required precise predictability.

(Pharmaceuticals; Obviousness; Prepared by Paige Cappelli)

## A Generic Motivation Is Still a Motivation

In *Intel Corporation v. Qualcomm Incorporated*, Appeal No. 20-1664, the Federal Circuit held that a "generic" motivation to combine that has broad appeal or applicability is not deficient so long as it is supported by more than conclusory expert testimony.

Intel requested *inter partes* review of a patent owned by Qualcomm. Intel successfully argued several claims were obvious in light of a combination of references, and Qualcomm substituted new claims. Intel then argued that the substituted claims were obvious in light of a different combination of references. The PTAB rejected Intel's motivation to combine the references as "nothing more than a generic reason

to make something better" and therefore disagreed the substitute claims were obvious.

The Federal Circuit vacated the Board's decision with respect to the substituted claims. The Federal Circuit explained that "a rationale is not inherently suspect merely because it's generic in the sense of having broad applicability or appeal." Rather, generic improvements may give rise to "a motivation to combine prior art references *even absent any hint of suggestion* in the references themselves." The Federal Circuit found that Intel's motivation to combine was sufficiently supported by expert testimony explaining specifically how and why a practitioner would combine the cited references to achieve the claimed improvements. Thus, the Federal Circuit remanded.

(Communications Technology, Motivation to Combine; Prepared by Christopher Smith)

## The PTAB Should Analyze Patentability Even if Claims Are Indefinite

In *Intel Corporation v. Qualcomm Incorporated*, Appeal No. 20-1828, the Federal Circuit held that indefinite claims do not preclude a patentability analysis at the PTAB.

Intel Corp. requested *inter partes* review of a patent owned by Qualcomm Inc. The PTAB found several claims non-obvious over the prior art but declined to rule on other claims, finding that Intel had failed to meet the threshold burden to demonstrate unpatentability.

In reviewing the decision, the Federal Circuit reasoned that the Board failed to fully assess claims 16 and 17 for patentability. The Board had ruled that since there were issues of indefiniteness, a full patentability analysis for those claims could not be carried out. The Federal Circuit, however, stated that the "Board did not itself conclude that the prior-art analysis task was impossible" and concluded that the Board should nevertheless address whether the underlying patentability of the claims could be analyzed despite any indefiniteness issues. Accordingly, the Federal Circuit vacated and remanded the Board's decision.

(Computer Hardware, Patentability, Claim Construction; Prepared by Kenneth Wang)

## Silence May Support Negative Claim Limitation

In *Novartis Pharmaceuticals v. Accord Healthcare Inc.* Appeal No. 21-1070, the Federal Circuit held that a patent application that was silent about a "loading dose" of a drug provided written description support for a negative claim limitation requiring the absence of such a dose.

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HEC Pharm Co., Ltd. and HEC Pharm USA Inc. (collectively, "HEC") filed an Abbreviated New Drug Application ("ANDA") for a generic drug to treat multiple sclerosis. Novartis Pharmaceuticals Corp. ("Novartis") sued HEC, alleging that HEC's ANDA infringed U.S. Patent No. 9,187,405 ("the '405 patent"). The district court found that the '405 patent was not invalid and that the ANDA infringed. HEC appealed to the Federal Circuit, arguing that the '405 patent was invalid because its claims violated the written description requirement of 35 U.S.C. § 112(a).

The Federal Circuit affirmed, finding sufficient written description support for excluding a "loading" (larger than normal) dose from the claimed treatment method. The '405 patent described dosing regimens for both an experiment on rats and a potential clinical trial on humans, without mentioning a loading dose for either regimen. The Federal Circuit found no clear error in the district court's finding, based on expert testimony, that these dosing regimens would have indicated to a person of ordinary skill that the claimed invention lacked a loading dose.

Chief Judge Moore dissented, arguing that the patent's silence about loading doses could not support the negative limitation requiring their absence.

(Pharmaceuticals, Written description; Prepared by Nima Zargari)

## **Claim Element With No Antecedent Basis May Be Broader Than the Same Element With an Antecedent Basis.**

In *Evolusion Concepts, Inc. v. Hoc Events, Inc.*, Appeal No. 21-1963, the Federal Circuit held that a claim requiring the removal of a "factory-installed catch bar" before installation of "a catch bar" did exclude reuse of the original factory-installed bar.

Evolusion Concepts sued Juggernaut Tactical for infringement of a patent related to firearm magazine conversion kits. On dueling motions for summary judgment of infringement and non-infringement, the parties disputed only whether the term "magazine catch bar" could encompass a factory-installed catch bar. The district court relied on one sentence of the specification to conclude in Juggernaut's favor that the claim excluded a factory-installed magazine catch bar: "The invention is a permanent fixture added to a semi-automatic firearm by removing the standard OEM magazine catch assembly and installing the invention." Evolusion appealed.

On appeal, Juggernaut argued that the district court construction was correct and that the

disputed term excluded factory-installed catch bars. It argued that, because the claim used "a" before "magazine catch bar," instead of antecedent-basis language such as "said" or "the," the two magazine catch bars must be different. The Federal Circuit disagreed and reversed the district court's grant of Juggernaut's motion and denial of Evolusion's. The Federal Circuit explained that, under the ordinary meaning of "a magazine catch bar," the bar could be "either the removed catch bar or a new or different catch bar."

(Firearms, Claim Construction, Summary Judgment; Prepared by Steven Friedland)

## **Indefiniteness Is Not Determined by the Claim Language Alone**

In *Nature Simulation Systems Inc. v. Autodesk, Inc.*, Appeal No. 20-2257, the Federal Circuit held that it was improper for the district court to find patent claims indefinite without considering the specification and prosecution history.

Nature Simulation Systems, Inc. ("NSS") sued Autodesk, Inc. alleging patent infringement. After a claim construction hearing, the district court found various claims invalid as indefinite. The district court recited several "unanswered questions" about terms in those claims and stated that such unanswered questions render a claim term indefinite as a matter of law, even if the specification answers those questions. NSS appealed.

The Federal Circuit reversed in a 2-1 decision. The majority held that the district court's analysis involving "unanswered questions" applied an incorrect standard for indefiniteness. The majority emphasized that patent claims are viewed in light of the specification, the prosecution history, and other relevant evidence, and it faulted the district court for relying on the claim language alone. The majority noted that, during prosecution, indefiniteness rejections had been resolved by adding limitations to the claims, including by examiner's amendment. After also considering the specification, the majority concluded that the claim terms at issue were not indefinite.

Judge Dyk dissented, arguing that the district court had read the patent claims in light of the specification and had properly determined the claim terms at issue were indefinite. According to Judge Dyk, the specification does not explain certain claim limitations that the patent examiner suggested during prosecution, and the majority improperly relied on the fact that the examiner suggested those terms instead of requiring that the specification explain them.

(Computing, Indefiniteness; Prepared by Emily Asgari)

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## **Generic Mark Lacked Sufficient Stylization to Serve as a Source Identifier**

In *In Re Vox Populi Registry Ltd.* Appeal No. 21-1496, the Federal Circuit held that stylizing an otherwise generic character mark using ubiquitous lettering does make it a source identifier.

Vox is the domain registry operator for the .SUCKS generic top-level domain for Internet websites. Vox submitted two trademark applications for the mark “.SUCKS” to the USPTO. The first application was for a standard character mark, and the second application was for a stylized mark using pixelated letters. The TTAB determined that neither the standard character mark nor the stylized mark was registerable because neither mark served as a source identifier. The TTAB explained that the stylized .SUCKS mark did not create a separate commercial impression and was not sufficiently distinctive. Vox appealed the TTAB’s decision regarding the stylized mark to the Federal Circuit.

The Federal Circuit affirmed the TTAB’s decision. The Federal Circuit acknowledged that design or stylization may make an otherwise unregistrable mark registerable if the design features create an impression separate from the words themselves. However, in this case the court found that substantial evidence supported the TTAB’s finding that “given the ubiquity” of pixelated lettering “in the ‘early days’ of computing consumers would view pixelated lettering as ordinary” and not as a source identifier. Although marks with limited stylization may acquire distinctiveness, the ubiquity of the pixelated letter design mandated by earlier technological limitations rendered the .SUCKS stylization ordinary.

## **Ordered To Agree: Binding Settlement Agreement Provision Found Despite Absence of Singular, Executed Agreement**

In *Plasmacam, Inc. v. Cncelectronics, LLC* Appeal No. 21-1689, the Federal Circuit held that an agreement on the meaning of a term in settlement negotiations may create a binding, enforceable agreement as to that term, despite the absence of a finalized settlement agreement as to all terms.

PlasmaCam sued CNCElectronics, LLC (“CNC”) for patent infringement. On December 20, 2019, the parties exchanged a series of emails before eventually agreeing to settle the case. The parties then exchanged specific drafts of the settlement agreement, primarily disputing the products to be covered by a covenant not to sue and the terms of the mutual release. The parties eventually agreed to CNC’s definition of the covered products but could not agree on

the terms of the mutual release. PlasmaCam then moved to enforce the settlement agreement as outlined in the parties’ December 20, 2019 email exchange. In its reply brief, PlasmaCam informed the court that the parties had reached agreement on the scope of the mutual release. However, PlasmaCam’s reply brief also included PlasmaCam’s definition of covered products, and not CNC’s definition that the parties had previously agreed on. The court ultimately enforced PlasmaCam’s definition of the covered products. CNC appealed.

On appeal, the Federal Circuit noted that the term to which the parties assented is a factual question reviewed for clear error. The Federal Circuit then found clear error existed because there was mutual agreement on the definition of the covered products, even though there was no agreement on the mutual release term at that time. The Federal Circuit reversed and remanded to the district court to enter an order using CNC’s definition of the covered products.

Judge Newman dissented, arguing that there could not be a piecemeal “agreement” to one provision in a settlement agreement, since this would run afoul of the settled contract principle of mutual assent.

## **Conclusory Statements About Prior Art Combinations Not Enough to Defeat Preliminary Injunction**

In *BLEPHEX, LLC v. MYCO INDUSTRIES, Inc.* Appeal No. 21-1149, the Federal Circuit held that conclusory statements about how a skilled artisan would combine embodiments in a prior art reference are insufficient to defeat a preliminary injunction motion.

BlephEx filed suit against Myco for infringement of one claim of its patent related to treating blepharitis. The district court entered a preliminary injunction enjoining Myco from all domestic sales of its accused product. Myco appealed to the Federal Circuit, challenging the district court’s conclusion that Myco had failed to show a substantial question of validity and arguing that the preliminary injunction failed to preserve the status quo between the parties.

The Federal Circuit found no clear error in the district court’s determinations regarding anticipation and obviousness. Myco argued that a reference that disclosed the claim limitations in two separate embodiments may anticipate even if it lacks discussion of the actual combination so long as one skilled in the art would be able to implement the combination. The Federal Circuit rejected this argument, explaining that Myco agreed that the ordinary level of skill in the art was extremely high (a doctorate and several years of experience treating blepharitis), but that Myco only provided supposition about what a

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skilled artisan would do. The Federal Circuit determined that this was insufficient evidence to show that a skilled artisan would have combined the two embodiments. Similarly, the Federal Circuit rejected Myco's single-sentence obviousness argument—which the Federal Circuit noted was so sparse that Myco may have forfeited the argument—as Myco failed to present evidence showing what a skilled artisan would have been motivated to do.

As to Myco's argument that the district court's injunction failed to preserve the status quo, the Federal Circuit found that Myco was wrong in asserting that the status quo should be considered as a time before BlephEx's patent was issued. Instead, the proper time period for evaluating the status quo was when BlephEx's patent was granted and could be enforced.

## **Intrinsic Record Thwarts Theory of Interchangeability**

In *Apple Inc. v. Wi-Lan Inc.*, Appeal No. 20-2011, the Federal Circuit held that construing a broad claim term to be re-defined as a disclosed species on a theory that the terms are interchangeable requires that the intrinsic record clearly manifest a departure from the term's plain and ordinary meaning.

Apple, Inc. sued Wi-LAN, Inc. seeking a declaratory judgment of non-infringement and invalidity for all claims of the '145 and '757 patents. During claim construction, the parties disputed the construction of "subscriber unit." Apple argued that the written description defined "subscriber unit" as a "fixed or portable customer premises equipment" (CPE), pointing to (1) the patents' interchangeable use of CPE and subscriber unit, (2) the patents' use of CPE as the sole embodiment of the "subscriber unit," (3) the patentee's preliminary amendment that replaced claims reciting CPE with claims reciting "subscriber unit," and (4) the patentee's interchangeable use of subscriber unit with other similar terms in related patents. The district court rejected Apple's construction of a subscriber unit as being a CPE, granted summary judgment of non-infringement concerning certain products in view of a license, and denied JMOL of non-infringement for other products. However, two rounds of trial on damages occurred, with Wi-Lan ultimately securing damages based on a reasonable royalty rate that relied on a "key patent" theory of apportionment. Apple appealed the district court's construction of subscriber unit, denial of JMOL, and damages. Wi-Lan cross-appealed the summary judgment decision regarding non-infringement and damages.

The Federal Circuit affirmed the district court's construction. The Federal Circuit held that the intrinsic record did not support Apple's claim that the written description re-defined a subscriber unit as CPE. Applying the standard for lexicography, the court held that the written description did not clearly show that the two terms were used interchangeably to describe the same facet of a device or embodiment. Rather, the written description revealed that a CPE is a type of subscriber unit, which failed to demonstrate that the terms were interchangeable. Further, the written description failed to demonstrate that the invention was limited to a CPE as there were no "words or expressions of manifest exclusion or restriction." Lastly, the court noted replacing one claim term with another during prosecution does not alone indicate that the terms are equivalents or interchangeable. The Federal Circuit upheld the district court's claim construction determination as there was no indication of deviation from the term's plain and ordinary meaning.

Additionally, the Federal Circuit affirmed the denial of JMOL regarding non-infringement, reversed the grant of summary judgment of non-infringement after concluding that the license had expired, and remanded for a third trial on damages after holding that the "key patents" apportionment methodology was flawed.

## **Claims Survive IPR Challenge Under Narrow Construction Because It Was the Broadest Reasonable Interpretation**

In *Quanergy Systems, Inc. v. Velodyne Lidar Usa, Inc.*, Appeal No. 20-2070, the Federal Circuit held that, even under the broadest reasonable interpretation standard, a claim term's narrowed construction to refer to a specific detection method was proper in view of its exclusive use in the written description as referring to the specific method as well as its foundational relationship to the claims.

Quanergy filed two petitions for *inter partes* review challenging claims relating to a laser imaging detection and ranging ("lidar") system. Velodyne marketed products incorporating time-of-flight (ToF) lidar systems that derive distance from the time it takes for light to return to a detector. In both petitions, Quanergy argued that the claims were obvious over prior art that derived distance from the location of the detection of reflected light. Despite applying the broadest reasonable construction to the term "lidar," the PTAB construed the term to mean ToF lidar and concluded that the challenged claims were not obvious over the prior art's description of lidar that relied upon location of detection rather than time to detect.

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tion. Additionally, the PTAB found that objective indicia of nonobviousness outweighed any presumed showing of obviousness and emphasized a nexus between this evidence and Velodyne's marketed products. Quanergy appealed to the Federal Circuit, arguing, *inter alia*, that the PTAB erred in its claim construction and presumption of a nexus.

The Federal Circuit affirmed the PTAB's decision. With respect to the PTAB's construction of "lidar," the Federal Circuit reasoned that it was proper for the PTAB to interpret this term as ToF lidar because the written description focused "exclusively" on pulsed ToF lidar and such a method was "foundational to the claimed invention." Furthermore, the Federal Circuit rejected the argument that this limited the term to a preferred embodiment because the written description introduced ToF lidar right from the start and the concept underlay the entire description.

The Federal Circuit also held that substantial evidence supported the PTAB's conclusion that the prior art did not disclose or suggest ToF lidar and concluded that substantial evidence supported the PTAB's presumption of a nexus and "thorough" analysis of objective indicia of nonobviousness. The Federal Circuit agreed with the PTAB that Velodyne's products embodied the claimed invention, that a presumption of nexus was proper, and that Quanergy did not rebut this presumption with its "skeletal, undeveloped argument to the Board."

### **Federal Circuit Overrules *Shaw* and Broadens IPR Estoppel in District Court Proceedings**

In [\*California Institute of Technology v. Broadcom Inc. and Apple Inc.\*](#), Appeal No. 20-2222, the Federal Circuit held that IPR estoppel in district court proceedings applies to all claims and grounds which reasonably could have been included in the petition; and that a two-tier damage award providing a higher royalty for the same device at a different points in the supply chain was not permitted in the absence of compelling evidence.

Caltech sued Broadcom and Apple, alleging that Broadcom's wireless chips incorporated into Apple products infringed patents relating to wireless data transmission. In co-pending proceedings, Broadcom and Apple filed multiple petitions for *inter partes* review (IPR), yet failed to demonstrate that the asserted claims would have been obvious. Before the district court, Broadcom and Apple also argued that the asserted claims would have been obvious over new combinations of prior art not asserted in the IPR proceedings. The district court granted

summary judgment of no invalidity on prior art grounds for all patents, interpreting 35 U.S.C. § 315(e)(2) and its IPR estoppel provision as precluding Broadcom's and Apple's prior art arguments at trial because they reasonably could have been raised in their IPR petitions. The jury found infringement of all three patents and the district court denied Apple and Broadcom's JMOL and new trial motions. With respect to damages, Caltech proposed a two-tier damage theory that sought a different royalty rate against Broadcom and Apple despite liability arising from the same accused technology in the same chips. Broadcom and Apple appealed.

The Federal Circuit affirmed the district court's summary judgment findings of no invalidity based on IPR estoppel. Relying on the Supreme Court's decision in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), that it is the petition and not the institution decision that defines the scope of the IPR, the Federal Circuit overruled its prior holding in *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016), without en banc proceedings to clarify that "estoppel applies not just to claims and grounds asserted in the petition and instituted for consideration by the Board, but to all claims and grounds not in the IPR but which reasonably could have been included in the petition." The Federal Circuit reasoned that under the current regime, in which the petition defines the IPR proceeding and any institution must include all grounds of the petition, extending the estoppel provision to include grounds not in the petition is the only plausible reading of "reasonably could have raised."

Regarding damages and the two-tier model that Caltech presented, the Federal Circuit rejected Caltech's argument that separate royalty rates for Broadcom and Apple regarding the same chips were proper because the chips were used at different levels of the supply chain. The Federal Circuit reasoned that, in the absence of compelling evidence, "a higher royalty is not available for the same device at a different point in the supply chain." The Federal Circuit further explained that there was no factual basis to conclude that Broadcom and Apple would have engaged in separate negotiations leading to vastly different royalty rates for the same chips. Accordingly, the Federal Circuit vacated the jury's damage award and remanded for a new trial on damages. The Federal Circuit also, *inter alia*, affirmed the district court's denial of JMOL concerning non-infringement with respect to two asserted patents, but vacated the jury verdict of infringement for a final patent and remanded for a new trial due to the district court's failure to properly instruct the jury regarding the construction of the claims.

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Judge Dyk disagreed with majority's conclusions regarding literal infringement, rationalizing that expert testimony did not support infringement under the district court's claim construction, and would have reversed the denial of JMOL for each of the patents at issue.

## **First Amendment Trumps Statutory Ban on Trademark Registration**

In *In Re Steve Elster*, Appeal No. 20-2205, the Federal Circuit held that the Patent and Trademark Office violated the First Amendment by refusing to register the trademark TRUMP TOO SMALL absent consent from former president Donald Trump.

In 2018, Steve Elster sought to register the phrase "TRUMP TOO SMALL" for use on shirts. According to Elster's application, the phrase invokes a memorable exchange between Donald Trump and Senator Marco Rubio from a 2016 presidential primary debate, and aims to "convey that some features of President Trump and his policies are diminutive."

The PTO Examiner rejected Elster's mark under sections 2(c) and 2(a) of the Lanham Act. Section 2(c) bars registration of a trademark that "[c]onsists of or comprises a name . . . identifying a particular living individual" without the individual's written consent. Section 2(a) bars registration of a trademark that "falsely suggest[s] a connection with persons, living or dead." Elster appealed to the Trademark Trial and Appeal Board, arguing that the Examiner's application of sections 2(c) and 2(a) to Elster's mark constituted impermissible content-based restrictions on speech. The Board affirmed the Examiner's denial of the mark in a decision that rested solely on section 2(c) grounds. Elster appealed to the Federal Circuit.

The Federal Circuit held that Elster's First Amendment right to criticize a public figure supersedes any interest the government may have in protecting Trump's privacy and publicity rights. According to the court, "public figures subject themselves to greater public scrutiny and have a lesser interest in privacy than an individual engaged in purely private affairs." Thus, the Federal Circuit held that the Board's application of section 2(c) to Elster's mark was unconstitutional.

Elster never argued to the Federal Circuit that section 2(c) was facially unconstitutional. His challenge focused solely on the application of that statute to his specific mark. However, the Federal Circuit noted that section 2(c) raises

concerns under the First Amendment overbreadth doctrine that might warrant overturning it in a future case.

## **PTO Director's Estoppel Decision Ending Reexam Is Subject to Judicial Review**

In *Alarm.Com Inc. v. Hirshfeld* Appeal No. 21-2102, the Federal Circuit held that the Administrative Procedure Act (APA) permits judicial review of a Patent Office decision vacating an ex parte reexamination based on estoppel.

Alarm.com petitioned for inter partes review (IPR) of three patents owned by Vivint. The Patent Trial and Appeal Board (PTAB) upheld the patentability of the claims at issue, and the Federal Circuit affirmed. Subsequently, Alarm.com filed requests for ex parte reexamination of the same patents, based on "grounds that differed from the grounds it had presented in the IPRs." The Director of the Patent and Trademark Office (PTO) vacated the ex parte reexamination proceedings based on IPR estoppel. Alarm.com sought review of the Director's vacatur decision in district court under the APA. The district court dismissed Alarm.com's complaint, finding that the statutory scheme for ex parte reexamination precluded judicial review of the Director's decision.

The Federal Circuit found that the "text, statutory scheme, and legislative history pertaining to ex parte reexamination do not evince a fairly discernable intent to preclude judicial review" of the Director's vacatur decision. Thus, the Federal Circuit reversed the dismissal.

## **Preliminary Negotiation or Commercial Offer for Sale?**

In *Larry G. Junker v. Medical Components, Inc.*, Appeal No. 21-1649, the Federal Circuit held that a letter containing specific delivery conditions, risk allocations and payment terms may constitute a commercial offer for sale despite being sent in response to a "request for quotation."

Larry Junker sued Medical Components, Inc. for infringement of a design patent related to a catheter sheath. The parties filed cross-motions for summary judgment as to the issue of whether a letter sent before the critical date of the patent was a commercial offer for sale. In granting Mr. Junker's motion for summary judgment of no invalidity, the district court determined that the letter was not a definite offer based on the multiple uses of the term "quotation." After a bench trial, the court found

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infringement and awarded Mr. Junker damages.

The Federal Circuit reversed the district court's grant of summary judgment of no invalidity. While acknowledging that the term "quote" can support a finding that a communication is not a definite offer, the Federal Circuit held that the mere presence of the term is not dispositive. The terms of a communication must be considered in their entirety when determining if the communication constitutes an offer for sale or merely an invitation to negotiate. In this case, the Federal Circuit found that the letter constituted an offer for sale because it contained pricing, delivery condition, and risk allocation terms—all terms necessary for an offer. The Court also noted that the letter was addressed specifically to one recipient, signaling that it was not an unsolicited price quotation. The presence of the necessary terms for an offer outweighed that the letter used the word "quote" on multiple occasions, was missing some quantity and product terms, and was sent in response to a "request for quotation."

## When an Unmet Need May Not Be Enough

In *Adapt Pharma Operations Ltd. v. Teva Pharms. USA, Inc.*, Appeal No. 21-1649, the Federal Circuit held that recent attempts by competitors to achieve patented technology, both before and after the patent's publication, were not strong enough objective indicia of nonobviousness.

Adapt sued Teva for infringing their patents related to intranasal naloxone treatment for opioid overdoses. Adapt's patented technology was embodied in their NARCAN® product. Teva's accused infringing product was a generic version of NARCAN®.

The district court first found the patents invalid as obvious in view of two different prior art combinations. The district court then determined that the objective indicia evidence did not overcome the obviousness determination. Adapt appealed to the Federal Circuit, arguing that the district court's consideration of the objective indicia evidence only after making an obviousness determination was legal error. Adapt further argued that the district court erred in weighing the objective indicia evidence.

The Federal Circuit affirmed. The Federal Circuit held that there is no error in considering objective indicia evidence following a prima facie obviousness conclusion. District courts are required only to "consider all evidence relating to obviousness before finding a patent invalid." *In re Cyclobenzaprine*, 676 F.3d 1063, 1075 (Fed. Cir. 2012). This requirement does not preclude con-

sidering objective indicia evidence as a second step in analyzing obviousness, so long as the consideration is not an afterthought.

Most interestingly, the Federal Circuit held that the district court harmlessly erred in concluding that the asserted patents did not fill a long-felt but unmet need for a needle-free and easy-to-use naloxone treatment. While it found the long-felt-but-unmet-need evidence probative, the Federal Circuit nevertheless found the evidence not strong enough to overcome a finding of obviousness. First, the Federal Circuit held that the need was not "long felt." Although NARCAN® solved many issues of its predecessor technology, such issues only existed three years before the asserted patents' priority date. Also, the fact that competitors' similar products could not achieve FDA approval was not strong evidence that the need was "unmet." Although those products had trouble achieving FDA approval, there was also evidence that the products still fulfilled the need and were approved in other countries. As such, the Federal Circuit found the district court's error harmless.

## Claim Limitation Not Disclosed by Any Reference but Disclosed by "Proposed Combination" of References Is Obvious

In *Hoyt Augustus Fleming v. Cirrus Design Corporation*, Appeal No. 21-1561, the Federal Circuit held that a claim is obvious where "the proposed combination of [the references]—rather than one of the individual references—discloses the disputed claim limitations." A motion to amend under the Administrative Procedure Act may be denied where proposed amended claims lack written description support.

Cirrus petitioned for IPR of Fleming's patent directed to an autopilot system that, upon receiving a parachute deployment request, positions an aircraft optimally for successful parachute deployment. During the proceeding, Mr. Fleming filed a motion to amend certain claims. The Board found the challenged claims obvious over 1) a Cirrus pilot operating handbook which disclosed that a pilot should (manually) put an aircraft in a certain optimal position before deploying the parachute, and 2) a patent relating to autopilot that initiates certain procedures in an emergency, including deploying a parachute. The Board also denied the motion to amend because the proposed claims lacked written description support. Fleming appealed.

The Federal Circuit affirmed. The Federal Circuit rejected Fleming's argument that the Board improperly supplied a missing claim limitation. Rather, it held that even though neither prior art reference taught an autopilot that performs flight maneuvers to position the aircraft for

## FEDERAL CIRCUIT CASE SUMMARIES

effective parachute deployment, the claims were nonetheless obvious because one of ordinary skill would have been motivated to combine 1) manual pre-parachute-deployment flight maneuvers with 2) an auto-pilot system—to arrive at the claimed invention. The Federal Circuit also affirmed the denial of Fleming’s motion to amend because “Fleming pointed to no passage in the specification that supports the aircraft activation requirements of the proposed amended claims.”

### Effects of Proximity, Plurals, and Passive Voice for Claim Construction

In *Apple Inc. v. Mph Technologies Oy*, Appeal No. 21-1532, the Federal Circuit held that the proximity of concepts in a claim may link the concepts together and affect the plain meaning of the claim.

Apple petitioned for *inter partes* review of three patents directed to improving secure messaging across networks. The Patent Trial and Appeal Board (the Board) rejected Apple’s claim construction and found that Apple failed to show that the challenged claims would have been obvious. Apple appealed.

The Federal Circuit affirmed the Board’s decisions. The Federal Circuit rejected Apple’s claim construction and emphasized that claim terms should generally be given their plain and ordinary meaning. The Federal Circuit also detailed several rules for interpreting claim language. First, the Federal Circuit explained that the proximity of concepts in a claim can link the concepts together. Based on this principle, the Federal Circuit rejected Apple’s interpretation of “intermediate computer configured to receive from a mobile computer a secure message sent to the first network address.” Apple argued that the phrase did not require the mobile computer to send the message directly to the first address as long as the message was eventually sent to the first address. However, the Federal Circuit held that the proximity of the receiving/sending language linked the concepts together and required the mobile computer to send the message *directly* to the first address. The Federal Circuit also held that the passive voice did not affect the plain meaning of the challenged claims.

Additionally, the Federal Circuit held that a plural term refers to two or more items, even when “there is nothing in the written description providing any significance to using a plurality.” The Federal Circuit held that the term “information fields” referred to two or more fields. Thus, the Federal Circuit affirmed the

Board’s rejection of Apple’s arguments and held found that the challenged claims would not have been obvious.

### Identical Elements Are Not Required for the Presumption of Obviousness Based on Overlapping Ranges

In *Almirall, LLC v. Amneal Pharmaceuticals LLC*, Appeal No. 20-2331, the Federal Circuit held that the presumption of obviousness based on overlapping ranges applied where a prior-art reference disclosed an element in the claimed range that was similar but not identical to the claimed element.

Amneal petitioned for *inter partes* review of Almirall’s patent. The challenged claims recited methods of skin treatment using topical formulations of compounds in certain concentrations. These compounds included a copolymer called A/SA, which acts as a thickening agent. Amneal argued that the challenged claims were obvious over a patent publication called Garrett in view of either of two secondary references. With one exception, Garrett disclosed each claimed compound in concentrations that encompassed or overlapped with the concentrations claimed. The exception was that Garrett did not teach using A/SA as its thickening agent; instead, the preferred thickening agent in Garrett was a polymer in a class called carbomer. Each secondary reference disclosed using A/SA as a thickening agent in concentrations that overlapped with the claimed concentrations. The Board applied a presumption of obviousness based on overlapping ranges and found that Almirall did not overcome that presumption. It therefore held the challenged claims unpatentable. Almirall appealed.

On appeal, Almirall argued that the Board erred in presuming obviousness based on overlapping ranges. Specifically, it argued that Garrett did not disclose ranges for A/SA thickeners and therefore no single reference disclosed all of the claimed ranges. The court disagreed. It cited the Board’s factual findings of similarity between Garrett’s carbomer thickeners and the claimed A/SA thickeners, noting expert testimony that supported those findings. Separately, the court noted that the case did not depend on overlapping ranges but was simply a case of substituting one known thickening agent for another. It held there was substantial evidence that a person of ordinary skill in the art would have been motivated to combine Garrett with either of the secondary references to arrive at the claims with a reasonable expectation of success. Accordingly, the Federal Circuit affirmed the Board’s obviousness determination.

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### **Courts Must Properly Apply the Presumption in the Means-Plus-Function Analysis**

In *Dyfan, LLC v. Target Corporation*, Appeal No. 21-1725, the Federal Circuit held that where a claim does not use the word “means” and the record contains un rebutted expert testimony that a person of ordinary skill in the art would understand the claim language to describe sufficiently definite structure, a party cannot overcome the presumption that the claim is not drafted in means-plus-function format.

Dyfan sued Target for infringement of various claims of two patents directed to systems for delivering messages to a mobile device based on the user’s location. Target argued that all disputed claims should be construed as means-plus-function claims under 35 U.S.C. § 112 ¶ 6 and that the specification failed to disclose sufficient corresponding structure, rendering all claims indefinite under § 112 ¶ 2. The district court agreed and entered final judgment of invalidity for all asserted claims. Dyfan appealed.

The Federal Circuit reversed the district court’s judgment of invalidity and remanded the case for further proceedings. The Federal Circuit concluded that the district court erred in finding that the claims were drafted in means-plus-function format. The court emphasized the presumption that claims that do not contain the term “means” are not subject to § 112 ¶ 6 and that this presumption can only be overcome if it is shown by a preponderance of the evidence that skilled artisans would not have understood the claim language to recite sufficiently definite structure. The Federal Circuit found that the district court erred in concluding that Target had overcome the presumption. Specifically, the district court improperly ignored key evidence—the un rebutted deposition testimony of Target’s own expert – that a skilled artisan would have understood the claim limitations to connote sufficient structure and that off-the-shelf code was available to perform the recited functions. In reaching this conclusion, the Federal Circuit noted that, unlike in mechanical arts, the specific structure of software code and applications is partly defined by its function.

### **Only in Rare Circumstances Should the PTAB Raise a Ground of Unpatentability *Sua Sponte***

In *Hunting Titan, Inc. v. Dynaenergetics Europe GmbH*, Appeal No. 20-2163, the Federal Circuit held that, in rare circumstances, the Board should *sua sponte* raise a ground of unpatentability against substitute claims in a motion to amend, such as where evidence of unpatentability is readily identifiable and persuasive.

Hunting Titan, Inc. requested *inter partes* review of a patent owned by DynaEnergetics based on theories of anticipation and obviousness. The Board instituted and found all original claims unpatentable as anticipated by the prior art Schacherer reference. DynaEnergetics moved to amend the patent to add substitute claims. Hunting Titan opposed the motion to amend, primarily arguing obviousness of the proposed substitute claims over two different prior art references. The Board denied the motion to amend, holding that the substitute claims were anticipated by Schacherer. The Board did not address Hunting Titan’s obviousness grounds. DynaEnergetics requested rehearing and Precedential Opinion Panel review. The Panel granted review to address under what circumstances that Board may raise a ground of unpatentability that a petitioner did not advance or sufficiently develop in opposing a motion to amend.

The Panel held that the Board should *sua sponte* advance a ground of unpatentability only in rare circumstances, such as where evidence of unpatentability is readily identifiable and persuasive. The Panel specified, as an example of the readily identifiable evidence scenario, circumstances where the record readily and persuasively establishes that substitute claims are unpatentable for the same reasons that corresponding original claims are unpatentable. Turning to the Board’s decision, the Panel found that the record did not contain the readily identifiable and persuasive evidence of anticipation needed to justify the Board raising the Schacherer ground of unpatentability on its own. Hunting Titan appealed to the Federal Circuit.

On appeal, the Federal Circuit affirmed the Panel’s ruling. The court noted that the Panel’s decision to confine the Board’s discretion to *sua sponte* raise grounds of unpatentability to rare circumstances was not erroneous, and that the types of circumstances identified by the Panel were not inconsistent with Federal Circuit precedent. The court took issue, however, with the Panel’s reasoning, finding the Panel’s reliance on the adversarial nature of IPR proceedings to be problematic. The court also emphasized that its ruling was narrow, noting that Hunting Titan failed to argue on appeal that the Panel had erred in its determination that the readily identifiable evidence circumstance did not apply. In a concurring opinion, Judge Prost explained why, in her view, Hunting Titan likely would have succeeded if that argument had been preserved.

# DISTRICT COURT & PTAB HAPPENINGS

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## **In IPR, No Collateral Estoppel Based on § 101 Ruling in District Court**

by Karina J. Moy & Rubén H. Muñoz

Dec. 17, 2021

Patent Trial and Appeal Board, 35 U.S.C. § 101

A panel of the Patent Trial and Appeal Board instituted *inter partes* review of a patent, rejecting the patent owner's assertion that the petitioner's obviousness arguments were collaterally estopped by a district court's ruling on patentable subject matter.

The patent at issue claims a gaming system network and method for delivering gaming media. In a related patent infringement case, the District of Nevada held the patent invalid as directed to an abstract idea under 35 U.S.C. § 101.

In a parallel IPR proceeding, the petitioner asserted that the challenged claims were invalid as obvious under 35 U.S.C. § 103. In its preliminary response, the patent owner argued that the petitioner was collaterally estopped from commencing IPR because the petitioner had already won a judgment of invalidity in district court. Although an appeal of that decision is pending, the patent owner argued that pendency of an appeal has no bearing on the issue preclusion analysis.

To evaluate the patent owner's collateral estoppel argument, the PTAB considered whether: (1) the prior action presented an identical issue; (2) the prior action actually litigated and adjudged that issue; (3) judgment in that prior action necessarily required determination of the identical issue; and (4) the prior action featured full representation of the estopped party.

The PTAB agreed with the petitioner that none of the required elements of collateral estoppel were met because the district court's invalidity holding was based on § 101, whereas only 35 U.S.C. §§ 102 and 103 arguments can be considered in an IPR. The district court action therefore did not present, or require determination of, an identical issue. Accordingly, the district court action did not actually litigate or adjudge the § 103 issues, or feature full representation of the petitioner on its § 103 arguments. The PTAB likened the facts and reasoning here to those in another recent IPR proceeding, in which the PTAB declined to exercise its discretion to deny institution based on a district court's § 101 ruling in a parallel proceeding.

Upon rejection of the patent owner's collateral estoppel argument, the PTAB analyzed the petitioner's obviousness arguments and instituted the IPR.

Practice Tip: Patent challengers who have successfully invalidated a patent in district court should consider raising unaddressed invalidity grounds that are not subject to collateral estoppel in a given PTAB proceeding. This dual-pronged approach could provide patent challengers with alternate, and independently sufficient, bases to invalidate the claims of a target patent.

*Playtika Ltd. v. NexRF Corp*, IPR2021-00951, Paper 14 (PTAB Dec. 6, 2021).

## **PTAB Precedential Opinion Panel: Wired Funds Are Paid When Fedwire Transfer Is Complete**

by Karina J. Moy & Rubén H. Muñoz

Patent Trial and Appeal Board, Inter Partes Review  
Jan. 31, 2022

More than a year after its last precedential designation, the Precedential Opinion Panel (POP) of

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the Patent Trial and Appeal Board has held that Fedwire confirmation of payment constitutes sufficient evidence that the required fee for a petition for *inter partes* review has been paid. The POP in this IPR proceeding consisted of the acting Director of the U.S. Patent and Trademark Office (USPTO) (who is also the Commissioner of Patents), the Chief Administrative Patent Judge, and the Deputy Chief Administrative Patent Judge.

On December 16, 2020, one day shy of the one-year statutory bar, the petitioner filed a petition for IPR and initiated a wire payment of the required filing fee to Treasury NYC, the USPTO's designated bank, using the Federal Reserve Fedwire System. Although the petitioner received immediate confirmation from its bank that the wire transfer was completed, the USPTO informed the petitioner that it had not received the filing fee on either that day or the following. The PTAB's internal records reflect that the payment was received on December 18, 2020, and the petition was accorded a filing date of the next business day, December 21, 2020. Accordingly, the petition was time-barred, having been filed more than one year after the patent owner served the petitioner with a district court complaint alleging infringement of the challenged patent.

The petitioner filed a motion to correct filing date, and a majority of the three-judge panel of the PTAB denied the motion and denied institution of IPR. The lone dissenting judge observed that the PTAB's decision penalized the petitioner for the government's delay in transferring payment.

The petitioner requested rehearing and review by the POP. The POP granted review on the issue of whether Fedwire confirmation of payment constitutes sufficient evidence of pay-

ment under 35 U.S.C. § 312(a) and 37 C.F.R. § 42.103(a), which require that a filing fee "accompany" a petition for IPR.

The POP vacated the majority's denial of the motion to correct filing date, stating that by December 16, 2020, the petitioner had complied with the USPTO's published instructions for sending a wire payment through Fedwire. The POP observed that federal regulations repeatedly confirm that payment to a beneficiary coincides with receipt and acceptance of the full amount of payment by the beneficiary's bank. Accordingly, the POP concluded that the filing fee was paid when Treasury NYC received the full amount of the order, and the fee "accompanied" the IPR petition as required by 35 U.S.C. § 312(a) and 37 C.F.R. § 42.103(a). The POP therefore accorded the petition a filing date of December 16, 2020 and vacated the PTAB's decision denying institution of the IPR as time-barred.

Nonetheless, the POP denied the timely-filed petition because the Federal Circuit in a parallel proceeding had recently affirmed that all challenged claims in the asserted patent were invalid under 35 U.S.C. § 101. The POP considered it highly unlikely that the Federal Circuit's judgment would be overturned and thus declined to dedicate PTAB resources to assessing additional grounds of unpatentability.

**Practice Tip:** Among the various forms of payment accepted by the USPTO, wire transfer via Fedwire payment is deemed successful by the PTAB upon Fedwire payment confirmation. Therefore, when planning wire payments for post-grant review proceedings, practitioners using Fedwire payment can rely on the Fedwire system's confirmation as the USPTO's formal acceptance of those funds.

*Toshiba Am. Elec. Components, Inc. v. Monument Peak Ventures, LLC*, IPR2021-00330, Paper 19

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(PTAB Jan. 14, 2022).

### **Cancellation of Independent Claims in IPR Does Not Estop Doctrine of Equivalents Arguments for Surviving Dependent Claims**

by Jason Weil, Rubén H. Muñoz, Megan Mahoney (Law Clerk)

Patent Trial and Appeal Board, Inter Partes Review, Doctrine of Equivalents, Eastern District of Virginia  
Jan. 31, 2022

A judge in the Eastern District of Virginia recently held that cancellation of independent claims in an *inter partes* review (IPR) did not preclude the plaintiff from asserting infringement based on the doctrine of equivalents for surviving dependent claims. The district court found that, as a matter of law, amendment-based prosecution history estoppel does not apply based on the Patent Trial and Appeal Board's cancellation of all independent claims of the patent.

Plaintiff Columbia University asserted patent infringement against Defendant Norton's antivirus software, including under the doctrine of equivalents. Defendant challenged the patents in an IPR, and the PTAB found unpatentable all independent claims of one of those patents. There was no motion to amend filed in the IPR. Later, in the district court, Defendant moved for partial summary judgment, arguing that amendment-based prosecution history estoppel forecloses a doctrine of equivalents argument related to the surviving dependent claims of that patent. Specifically, Defendant argued that cancellation of an independent claim to pursue dependent claims gives rise to a presumption of prosecution history estoppel. In response, Plaintiff noted that no court has ever

applied amendment-based estoppel to the cancellation of independent claims in IPR proceedings.

The court explained that, under amendment-based estoppel, there is a presumption that a narrowing amendment made to achieve patentability during prosecution surrenders the entire subject matter—including any equivalents—between the original claim limitation and the amended claim limitation. Here, the court found that the mere fact of claim cancellation during IPR, without accompanying argument, could not give rise to amendment-based prosecution history estoppel. Accordingly, Plaintiff was not estopped by amendment-based estoppel from pursuing its infringement claim under a doctrine of equivalents theory.

Practice Tip: Patent owners seeking to assert infringement under the doctrine of equivalents should be mindful of possible estoppel resulting from patentability arguments and claim amendments. At least one court has found however, that mere cancellation of independent claims in an IPR will not preclude a doctrine of equivalents theory for remaining dependent claims.

*Trustees of Columbia University in the City of New York v. NortonLifeLock Inc.*, 3-13-cv-00808 (E.D.V.A. Dec. 23, 2021)

### **PGR Challenge to Genus Claims Fails Because of Enabling Disclosure of Species in Pre-AIA Priority Applications**

by Jonathan James Underwood & Rubén H. Muñoz

Patent Trial and Appeal Board, Post-Grant Review, Patent Litigation  
Mar. 15, 2022

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The Patent Trial and Appeal Board has denied institution of a post-grant review proceeding because the petitioner failed to show the challenged patent was eligible for PGR. The PTAB ruled that the petitioner's evidence, including expert testimony, did not show that the claims in the challenged patent lacked enablement by the disclosures of two PCT applications from which the challenged patent claimed priority. Because the challenged patent claimed the benefit of the two PCT applications, and those applications were filed before March 16, 2013, it was not eligible for PGR.

The challenged claims were methods of improving human endurance during exercise. The claims included the step of administering an amount of an inorganic nitrate from a specified range that was based on body weight. The petitioner did not dispute that the PCT applications disclosed the claimed range, rather, even with the disclosures, a skilled artisan would have to perform undue experimentation to practice the full scope of the claims. The petitioner argued that the upper end of the range encompassed lethal doses of the inorganic nitrate, as shown on a webpage archived by the Wayback Machine. The petitioner also argued that the only working example in the PCT applications was a much lower dose of nitrate, which could only show hope, but not support, for the higher range. The petitioner supported its arguments with expert testimony. The petitioner also challenged the dependent claims for lack of written description of various elements.

The PTAB first found that the archived webpage was inadmissible because it had not been authenticated. The PTAB explained that the petitioner could have verified the webpage as a business record under FRE 901(b)(1), further noting that other evidence had been authenti-

cated by a declarant. But even though the webpage itself was inadmissible, the PTAB explained that the petitioner's expert could rely on the webpage to form an opinion.

Turning to whether the priority applications were enabling under the *Wands* factors, the PTAB found the petitioner's expert's evidence unpersuasive. First, the working example of the challenged patent disclosed a dose that was tested and that, contrary to petitioner expert's opinion, was not lethal. Second, the PTAB distinguished the challenged patent from the patent at issue in *Amgen, Inc. v. Sanofi*, 987 F.3d 1080 (Fed. Cir. 2021). In *Amgen*, the court found that undue experimentation was required because there were too few examples of antibodies compared with the scope of the large genus claims and amount of effort required to find all of the antibodies. By contrast, the challenged patent's disclosure allowed the skilled artisan to practice the claims by "simply administer[ing] a different dosage to the human." Moreover, the challenged patent explained that the particular condition that is the source of the lethality associated with nitrates does not result from the claimed method. Because the petitioner's expert failed to address this discrepancy, the expert's testimony was of little probative value.

Finally, the PTAB considered the petitioner's written description arguments. The PTAB found that a skilled artisan would not have understood the inventors to lack possession of the inventions of the dependent claims. The limitation requiring that the dose be given "at least three days prior to exercise" was supported by the example in which a dose was given more than three days prior to exercise. Similarly, a limitation requiring administration "once a day" was supported by the disclosures of dosing ranges using units in the form "mmol/kg/24h" and administering "single bolus doses." And the limitation requiring

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a combination of the nitrate and “at least one additive” had support from disclosures in the priority applications of using the nitrates with antimicrobials, pH stabilizers, flavors, sweeteners, colors, and emulsifiers.

The PTAB concluded that, on the record before it, the petitioner had not met its burden of showing that any of the claims failed to trace priority to an application filed before March 16, 2013. Thus, the challenged patent was ineligible for PGR, and the petition was denied.

Practice tip: PGR is not available if the challenged claims trace priority to an application filed before March 16, 2013. It is petitioner’s burden to provide sufficient evidence to meet this threshold issue. Because this critical requirement for PGR eligibility often relies on expert testimony, a petitioner should scrutinize its written description and enablement arguments, as well as the supporting expert testimony. Conversely, a patent owner seeking denial of institution should review carefully petitioner’s arguments and supporting evidence, and challenge any identified weaknesses pre-institution.

*Human Power of N Company v. Heartbeat Ltd.*, PGR2021-00110, Paper 7 (PTAB Feb. 25, 2022)

### **Speculative Allegations Regarding Operation of Accused Website Doom Patent Infringement Complaint**

by Jonathan James Underwood & Rubén H. Muñoz  
District Court, Patent Infringement, 12(b)(6) Motion to Dismiss  
Mar. 16, 2022

A judge in the Northern District of Georgia has

granted a defendant’s motion to dismiss a patent infringement case for failure to state a claim under Rule 12(b)(6). The court found that the complaint failed to meet the pleading standards of Rule 8 under *Twombly* and *Iqbal* because the infringement allegations were only speculative as to how the defendant infringed the patent.

The patent at issue claimed a system for selling certain types of customer data using a particular type of software. The plaintiff alleged “upon information and belief” that the defendant had partnered with one or more data sellers, had set up a website that used software designed by the one or more data sellers, and that the software infringed the patent.

The court ruled that the complaint failed to state a plausible claim for patent infringement. The court explained that the plaintiff had relied upon a series of assumptions that amounted to alleging the defendant infringed the patent because the website functioned in a way that could be achieved using the software of the patent.

The court rejected the plaintiff’s argument that the complaint was sufficient, finding that the plaintiff had essentially argued that a “form complaint” was all that was needed. The court explained that such complaints were no longer sufficient because Rule 84, the authorizing rule, had been abrogated. The court further explained that a plaintiff need not plead facts showing that every claim limitation is met, but must show how the defendant plausibly infringes the patent by alleging facts that connect the conduct to the claim limitations. Because the plaintiff had only speculated as to how the defendant’s website operated to give access to customer data, and that the method of accessing the data was a critical part of the patent’s claims, the complaint was fatally defective. The court explained that the “sheer possibility” of

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infringement was insufficient to withstand the motion to dismiss.

The court concluded by recognizing the problem faced by a plaintiff who lacked insight into the defendant's operations, and who would find it difficult to gain insight without civil discovery. But the court rejected the notion that a case could proceed on assumptions and allegations of similarity between products. Rather, the complaint must allege facts to raise a reasonable expectation that discovery will reveal evidence to support the claim for relief. Therefore, the plaintiff must determine first whether it has a claim.

Practice tip: The pleading standards place the burden on the plaintiff to investigate and make factual allegations that plausibly, not possibly, show a defendant infringes the patent. A complaint that makes an infringement allegation founded on a series of assumptions may be highly susceptible to dismissal under the federal rules governing the sufficiency pleadings.

*DataWidget, LLC v. Rocket Science Group LLC*, 20-cv-02961 (N.D. Ga. Mar. 7, 2022)

### **District Court Granted Summary Judgment of Invalidity Because the Patent Recited a Patent-Ineligible Abstract Idea Executed in a Generic Digital Video Camera**

by C. Brandon Rash & M. Andrew Holtman  
District Court, Patent Infringement, Abstract Ideas  
Mar. 17, 2022

Judge Orrick in the Northern District of California recently granted a motion for summary judgment of invalidity for patent-ineligible subject matter under 35 U.S.C. § 101. The court

found that the claims recited the abstract idea of creating and transmitting video at two different resolutions and adjusting the video's setting remotely.

*Contour IP Holdings, LLC v. GoPro, Inc.*, No. 3:17-cv-4738-WHO (N.D. Cal.).

Plaintiff Contour IP Holdings, LLC sued GoPro for infringing U.S. Patent Nos. 8,890,954 and 8,896,694. The patents are directed to point-of-view digital video cameras. A representative claim recites such a camera—generally comprising four elements: a lens; an image sensor configured to capture light propagating through the lens and produce video image data; a wireless connection protocol device configured to send image content to a portable computing device; and a camera processor configured to receive the video image data from the sensor—generates first and second image streams, receives control signals from the computing device and adjusts settings of the video camera based on the control signals.

The court analyzed eligibility using the Supreme Court's two-step Alice framework. In step one, a court determines whether the claims are "directed to" a patent-ineligible concept, such as an abstract idea. *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 217 (2014). If they are, the court proceeds to step two and considers "the elements of each claim both individually and 'as an ordered combination' to determine whether the additional elements 'transform the nature of the claim' into a patent-eligible application." *Id.*

Addressing step one, the court cited Federal Circuit precedent stating that claims reciting a mechanical device, such as a camera, may nonetheless be directed to an abstract concept, and instructing that the analysis focuses on "what the patent asserted to be the focus of the claimed

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advance over the prior art.” *TecSec, Inc. v. Adobe Inc.*, 978 F.3d 1278, 1292 (Fed. Cir. 2020). The proffered advance over the prior art was that the device creates two video streams, one lower and one higher resolution, and transmits the lower resolution stream to a portable computing device while saving the higher resolution stream. A further stated advance is that the camera is configured to receive control signals from the computing device, which can adjust its settings.

The court found that this proffered advance is “directed to a result or effect that itself is the abstract idea and merely invoke[s] generic processes and machinery.” *Smart Sys. Innovations, LLC v. Chi. Transit Auth.*, 873 F.3d 1364, 1371 (Fed. Cir. 2017). The abstract idea is creating and transmitting video at two different resolutions and adjusting the video’s settings remotely. The court determined that receiving, generating, storing and transmitting video are abstract concepts. The court found that the claims described the implementation in “purely functional terms” and did not recite any “technical requirements” or “particular hardware” other than the generic “lens and image sensor,” generic “wireless connection protocol device” and generic “camera processor” to execute the abstract idea.

Addressing step two, the court decided that the elements of the claim did not transform the nature of the claim into something patent-eligible because “the claim only recites functional, ends-oriented language and there is no indication that the physical components are behaving in any way other than their basic, generic tasks.” The court did not find any “additional feature” showing that the claim is “more than a drafting effort designed to monopolize the’ abstract idea.” Contour relied on certain Bluetooth

technology disclosed in the specification, arguing that it shows “Contour had to make changes to the firmware for the processor” in a manner that had never been done before. The court, however, found that none of this is claimed, and that “Contour instead claimed a broader universe of *any* technology that performs its abstract idea so long as it meets the minimal criteria of its generic elements.”

### **Future Tense in Contractual Language Found Insufficient to Convey Title, Depriving Party of Right to License Patent**

by Caitlin E. Olwell & Rubén H. Muñoz  
Federal Circuit, District Court, Patent Infringement  
Mar. 29, 2022

Applying recent Federal Circuit precedent requiring language evincing a present conveyance of patent rights, a district court in the Western District of Pennsylvania found that the contractual language “shall become the property of” did not constitute a patent assignment and did not confer a third party the right to license the patent.

Plaintiff Lambeth Magnetic Structures, LLC (LMS) filed a patent infringement lawsuit against Defendants Seagate Technology (US) Holdings, Inc. and Seagate Technology LLC (collectively, “Seagate”). Seagate filed affirmative defenses, including lack of standing and express license. LMS subsequently moved for summary judgment with respect to those defenses on the basis that U.S. Patent No. 7,128,988 (the “’988 Patent”) was assigned to LMS and not Carnegie Mellon University (CMU). LMS argued that it had standing to sue as the owner of the ’988 Patent and that CMU could not have granted a license

## DISTRICT COURT & PTAB HAPPENINGS

to Seagate because it never owned the '988 Patent. The court disagreed and denied LMS's motion for summary judgment. The court found that the terms in an intellectual property policy and sponsorship agreement—which provided that intellectual property “shall be owned” or “shall become the property of” the university—constituted a present assignment of the '988 Patent to CMU.

Subsequently, the Federal Circuit in *Omni MedSci v. Apple Inc.* issued a decision regarding whether an assignee of patents had standing to sue in view of an intellectual property policy containing similar terms. 7 F.4th 1148 (Fed. Cir. 2021). The Federal Circuit in *Omni MedSci* concluded that the language “shall be the property of” did not amount to a present assignment because the “absence of an active verbal expression of present execution is a substantive indication that a present automatic assignment [is] not intended.” *Id.* at 1156. And, therefore, the Federal Circuit affirmed the district court's denial of *Apple's* motion to dismiss for lack of standing.

Because such contractual language in *Omni MedSci* did not create an automatic present assignment, LMS filed a motion for reconsideration of the district court's initial summary judgment ruling. In light of this controlling Federal Circuit precedent, the district court granted that motion and held that LMS was entitled to summary judgment on Seagate's affirmative defenses. According to the court, like in *Omni MedSci*, the contractual language with CMU lacked an active verbal expression of present execution, and hence did not result in an automatic assignment; therefore, the court concluded that CMU could not have licensed the '988 Patent to Seagate.

Practice Tip: Some parties routinely rely on in-

tellectual property agreements and policies when developing new products and technologies. If those parties are seeking to automatically assign ownership of inventions, they should avoid agreements using passive verbs in indefinite or future tenses, such as “shall be the property of.” Rather, they should use present tense words of execution to indicate a present assignment and a clear grant of intellectual property rights.

Lambeth Magnetic Structures, LLC v. Seagate Technology (US) Holdings, Inc. et al, Case No. 2-16-cv-00538 (WDPa Mar. 14, 2022)

### **District Court Granted Dismissal Because the Patent Recited a Patent-Ineligible Abstract Idea of Processing and Transmitting Data**

by C. Brandon Rash & Brooks J. Kenyon  
District Court, Patent Infringement, 35 U.S.C. § 101, 12(b)(6) Motion to Dismiss  
Apr. 07, 2022

Chief Judge Lynn in the Northern District of Texas recently granted a Rule 12(b)(6) motion to dismiss a complaint alleging patent infringement because the claim-at-issue recites patent-ineligible subject matter under 35 U.S.C. § 101. The patent is directed to transmitting data wirelessly from data sensors. The court found that the claim recites the abstract idea of processing and transmitting data.

Plaintiff Magnacross LLC sued OKI Data Americas, Inc. for infringing U.S. Patent No. 6,917,304. The claim-at-issue recites a method of wirelessly transmitting data through a communications channel from at least two data sensors to a data processing means. The method includes the step of division of the channel into sub-channels having unequal data carrying capacities, and

## DISTRICT COURT & PTAB HAPPENINGS

transmitting the data through the sub-channels from the data sensors, which require substantially different data rates for data transmission.

The court analyzed eligibility using the U.S. Supreme Court's two-step *Alice* framework. In step one, the court determines whether the claims are "directed to" a patent-ineligible concept, such as an abstract idea. *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 217 (2014). If they are, the court proceeds to step two and considers "the elements of each claim both individually and 'as an ordered combination' to determine whether the additional elements 'transform the nature of the claim' into a patent-eligible application." *Id.*

Addressing step one, the court found that the claim "describes nothing beyond the division of the channel and allocating sensor data to sub-channels." The court noted that the Federal Circuit has recognized that claims directed to gathering, processing and transmitting data are directed to an abstract idea; and the court determined that the claim is similar to claims held ineligible in *Two-Way Media Ltd. v. Comcast Cable Communications, LLC*, 874 F.3d 1329 (Fed. Cir. 2017). In *Two-Way Media*, the claims recited a method of transmitting packets of information over a network with a series of abstract steps ("converting," "routing," "controlling," "monitoring" and "accumulating records") using "result-based functional language."

The court found that, like in *Two-Way*, the claim recites functional language ("division," "transmitting" and "allocating") without any means for achieving the purported technological improvement and without any guidance on the kind of structure or how the division is to be achieved. The court reasoned that the claim is not directed to an improvement to computer functionality, but rather a generic process in

which computers are used as a tool to improve efficiency. The court further noted that the specification fails to identify a specific improvement and, instead, generally offers improvements in relation to prior proposals in the field.

Addressing step two, the court found that the claim does not recite an "inventive concept" because it recites generic terms and routine functions. According to the court, the specification acknowledges that the claimed "data sensors" were known, and that the invention is not directed to a certain type of data or limited to any particular application. The court also found nothing in the specification describing the "communications channel" as anything other than conventional, or describing the division of the channel into sub-channels as inventive.

Magnacross argued that the claim solves a problem particular to wireless data transmission from multiple sensors with different data rate requirements by asymmetrically dividing and allocating data to a communications channel. The court, however, found that improving the efficiency of a process, rather than the functionality, does not confer patent eligibility. The court also noted that Magnacross conceded that the claim relates to "how to more efficiently use bandwidth to transmit data [from data sensors]."

**Practice Tip:** Patent Owners should avoid describing and claiming the advance over the prior art in purely functional terms, in a result-oriented way that amounts to encompassing an abstract idea. Instead, Patent Owners should describe and claim technical details for tangible components in the claimed system and how the functionality of those components has been improved, showing that such components are technologically innovative and not generic. In the data transmission field, Patent Owners should

## DISTRICT COURT & PTAB HAPPENINGS

describe and claim technological improvements to components in particular applications, and avoid relying only on generic efficiency improvements.

*Magnacross LLC v. OKI Data Americas, Inc.*, No. 3:20-cv-1959-M (N.D. Tex.)

### **Inventor Declaration Excluded by PTAB Because Examination in Foreign Proceeding No Substitute for Cross-Examination by IPR Counsel**

by Thomas W. Landers IV & Rubén H. Muñoz  
Patent Trial and Appeal Board, Patent Litigation,  
Inter Partes Review  
Apr. 11, 2022

In two related *inter partes* review proceedings, the Patent Trial and Appeal Board granted a petitioner's motion to exclude the declaration of an inventor because the patent owner failed to make him available for cross-examination in the IPR. In making its decision, the PTAB determined that an "examination" of the inventor in Korea—by the petitioner's separate litigation counsel—was not a suitable replacement for cross-examination by its IPR counsel.

The petitioner challenged two patents related to streaming media content. The patents each name Jin Young Lee and Truong Cong Thang as the sole inventors. After the PTAB instituted review on both patents, the patent owner filed motions to amend. In opposition, the petitioner asserted a new prior art reference under Pre-AIA § 102(a). The asserted reference named six authors, two of whom were Mr. Lee and Mr. Thang.

In reply, the patent owner submitted a declara-

tion of Mr. Lee, which supported the argument that the asserted reference was "authored by the same inventive entity" as the challenged patents and thus was not prior art under § 102(a). The patent owner was unable to produce Mr. Lee for cross-examination in the IPR, however. Apparently, Mr. Lee "understood that . . . he would be questioned about [his declaration only] during his upcoming examination in Korea" as part of the parallel district court proceedings—an examination in which only a Korean judge and the petitioner's separate Korean counsel could ask questions. In place of producing Mr. Lee for cross-examination in the IPR, the patent owner offered to allow the petitioner to submit transcripts from the Korean examination. The petitioner rejected the offer and moved to exclude Mr. Lee's declaration.

In its motions to exclude, the petitioner argued that failing to make Mr. Lee available for cross-examination violated the PTAB's discovery rules, that Mr. Lee's declaration was inadmissible hearsay, and that submitting a transcript of the Korean examination—in place of cross-examination by its IPR counsel—would prejudice the petitioner. In response, the patent owner argued that the Korean examination qualified as a "cross-examination" in the IPR proceedings and, alternatively, that a hearsay exception applied under FRE 804(b)(1) because the petitioner's Korean counsel had "an opportunity and similar motive to develop" Mr. Lee's declaration testimony in Korea.

The PTAB agreed with the petitioner and excluded Mr. Lee's declaration. As the PTAB explained, "the rules governing routine discovery" allow the PTAB "to consider Mr. Lee's testimony in his Declaration" only if the patent owner "make[s] Mr. Lee available for cross-examination by Petitioner"—which it failed to do. See 37 C.F.R. §§ 42.51–42.53. The Korean examination did not satisfy

## DISTRICT COURT & PTAB HAPPENINGS

the PTAB's rules because depositions "outside the United States may only be taken upon agreement of the parties or as the Board specifically directs"—neither of which occurred. *Id.* § 42.53(b)(3). The patent owner also failed to "initiate a conference with the Board at least five business days before" the examination, as required for depositions involving an interpreter. *Id.* § 42.53(e). Finally, the Board explained that Mr. Lee's "understanding" that he would only be examined in Korea was not "an extraordinary circumstance" that could justify his unavailability.

The PTAB also excluded Mr. Lee's declaration as inadmissible hearsay under FRE 801 and 802 because it included out-of-court statements offered for their truth. An exception under FRE 804(b)(1) did not apply because the petitioner did not have "an opportunity . . . to develop" Mr. Lee's testimony by cross-examination. The PTAB rejected the patent owner's argument that the Korean examination was an "opportunity" for cross-examination because the petitioner's IPR counsel could not participate in the examination. Additionally, no evidence showed that the examination followed the procedures for foreign-language depositions set forth in *Ariosa Diagnostics v. ISIS Innovation Ltd.*, IPR2012-00022, Paper 55 (PTAB Aug. 7, 2013) (informative).

Finally, the PTAB explained that excluding the declaration was an appropriate remedy because allowing it to remain in the record would prejudice the petitioner. Namely, "[t]he admissibility [of] the Lee Declaration [wa]s no tangential matter—it [went] to the heart of whether [a key reference] constitute[d] prior art." Indeed, it was "the only (remaining) piece of evidence in the record that address[ed] the inventive entity" of the reference. Thus, denying the motion to

exclude would have "significantly impact[ed] Petitioner's ability to address a dispositive issue."

**Practice Tip:** Practitioners should proceed with caution when relying on declarants in PTAB proceedings, particularly when the declarants reside in foreign countries. Practitioners should ensure that their declarants are willing and able to sit for a deposition in the IPR proceedings—even if they have been or will be deposed on related subject matter in related proceedings. Moreover, for depositions in foreign countries, practitioners should ensure that they confer with opposing counsel, or get authorization from the PTAB, in a timely manner pursuant to 37 C.F.R. § 42.53 (b)(3). Finally, for foreign-language depositions, practitioners must be sure to follow the rules and guidelines set forth in 37 C.F.R. § 42.53(e) and *Ariosa Diagnostics*.

*Vudu, Inc. v. IdeaHub, Inc.*, IPR2020-01688, Paper 47, IPR2020-01689, Paper 48 (PTAB Mar. 16, 2022).

### **ALJ Finds Polycrystalline Diamond Compact Claims Patent Ineligible Because They Recite Conventional Structure Combined with Abstract Results**

by C. Brandon Rash & Daniel L. Moffett  
Abstract Ideas, 35 U.S.C. § 101, Patent Infringement  
Apr. 26, 2022

Administrative Law Judge (ALJ) Cameron Elliot recently found no violation of Section 337 in part because the claims recite patent-ineligible subject matter under 35 U.S.C. § 101. The patents are directed to polycrystalline diamond compacts (PDCs) used in drill bits for high-abrasion applications, such as earth-boring. The ALJ found

## DISTRICT COURT & PTAB HAPPENINGS

that the claims recite conventional structural features combined with patent-ineligible performance measures and side effects.

Complainant US Synthetic filed a complaint against numerous respondents for importing products that infringe U.S. Patent Nos. 8,616,306, 10,507,565 and 10,508,502. The claims-at-issue recite a PDC comprising particular structural features, including diamond grains of a maximum size and a catalyst including cobalt. The claims further recite that the PDC exhibit certain properties—e.g., coercivity, electrical conductivity, G-ratio, thermal stability, permeability and/or lateral dimension—each within a claimed range.

The ALJ analyzed eligibility using the Supreme Court's two-step *Alice* framework. In step one, the court determines whether the claims are "directed to" a patent-ineligible concept, such as an abstract idea. *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 217 (2014). If they are, the court proceeds to step two and considers "the elements of each claim both individually and 'as an ordered combination' to determine whether the additional elements 'transform the nature of the claim' into a patent-eligible application." *Id.*

Addressing step one, the ALJ found that the claims recite compositions of matter not found in nature, including structural features (e.g., grain size and the presence of a catalyst) that are not problematic under *Alice*. But the ALJ found that the claims also recite performance measures (e.g., G-Ratio and thermal stability) and side effects (e.g., electrical and magnetic parameters) that are problematic. According to the ALJ, the structural features were well-known and conventional, while the performance measures and side effects were abstract goals, resulting in the claim reading on any and all

means of achieving the claimed goals.

The ALJ found the claims were analogous those in *Certain Light-Emitting Diode Products, Fixtures, and Components Thereof*, Inv. No., 337-TA-1213 (Aug. 17, 2021) (Initial Determination), *aff'd in pertinent part*, *Comm'n Op.* (Jan. 14, 2022). In *Light-Emitting Diodes*, the claims covered a lighting device comprising a solid state light emitter with a "wall plug efficiency of at least 85 lumens per watt." Those claims encompassed ineligible subject matter because they were directed to an abstract goal of efficiency, however achieved.

Complainant argued that the claims were not directed to a law of nature and cited cases for the proposition that an invention can be claimed by reciting its properties. The ALJ, however, found that the claims are problematic, not because they recite a law of nature or properties, but because the claimed properties are a result or effect, and thus abstract. The ALJ distinguished patent-eligible properties that are design parameters, such as electrical insulation properties, needed to improve performance of the claimed apparatus. The ALJ decided that is not the context here because the claimed properties are not desirable features as such; they are just a result of other desirable features.

Addressing step two, the ALJ found that the claims do not recite any limitations that would transform the nature of the claims into a patent-eligible application. According to the ALJ, the claims recite structural limitations that are generic to all PDCs, and fail to recite structures or any other inventive feature to achieve the objectionable claim limitations (G-Ratio, thermal stability, electrical and magnetic parameters). The ALJ discussed a "mismatch" between the specification, which may teach a skilled artisan how to make the PDC having the recited characteristics, and the claims, which recite an abstract idea

## DISTRICT COURT & PTAB HAPPENINGS

instead of the particular structures or methods of manufacturing discussed in the specification.

Practice Tip: Patent owners should avoid claiming the advance over the prior art using limitations that are simply results or effects, i.e., in purely functional terms that encompass an abstract idea. Instead, Patent Owners should describe and claim structures in the claimed system and how the claimed characteristics improve the system's performance, showing that such claim elements are technologically innovative and not generic. In the PDC field, patent owners should describe and claim innovative design choices or manufacturing variables in particular applications, and avoid relying only on performance measures or side effects that are indirect measures of the effectiveness of such design choices and manufacturing variables.

*Certain Polycrystalline Diamond Compacts and Articles Containing Same, Inv. No. 337-TA-1236* (Mar. 3, 2022) (Initial Determination).



## INTERNET SIGHTINGS

by Frederic M. Douglas and James E. Hawes

This column highlights some of the more notable recent online notices, newsletters, and blogs dealing with IP prosecution issues.

**Patently-O** – a patent law blog – [Patently.com](http://Patently.com)

- **Deferring Subject Matter Eligibility Rejection Responses** – A January 9, 2022 post describes a new pilot program for the USPTO, the Deferred Subject Matter Eligibility Response (DSMER) Pilot Program (<https://www.uspto.gov/patents/initiatives/patent-application-initiatives/deferred-subject-matter-eligibility-response>). If the Examiner issues a rejection based on Subject Matter Eligibility, the invitee can defer making arguments or amendments until any other objections or rejections are satisfied. The DSMER Pilot Program is by invitation only and ends on July 30, 2022. (<https://patently.com/patent/2022/01/deferred-eligibility-response.html>).
- **Does Prior Publication Extinguish a Trade Secret?** - On January 25, 2022, Prof. Dennis Crouch discussed a trade secret case from the Federal Circuit that found that despite a trade secret being found in a prior publication cited over 1,200 times, the information therein could still be considered a trade secret if a party is in a completely different field. (<https://patently.com/patent/2022/01/publication-extinguish-secret.html>). The non-precedential opinion is *Masimo Corp. v. True Wearables, Inc.*, slip opinion, Case No. 21-2146, Dkt. No. 57 (Fed. Cir., Jan. 24, 2022) (<https://cafc.uscourts.gov/opinions-orders/21-2146.OPINION.1-24-2022.1897012.pdf>).
- **Average Number of Prior Art References Increasing** - On January 28, 2022, Prof. Dennis Crouch provided a plot of the average number of references patent applicants submitted, showing a noticeable increase since at least 2004. (<https://patently.com/patent/2022/01/applicant-submitted-prior.html>). If you look at his post from January 25, 2022, you will also note that Wikipedia is an increasingly popular citation for prior art (<https://patently.com/patent/2022/01/wikipedia-prior-art.html>).
- **United States Patent and Trademark Office** – The U.S. agency for patents and trademark registrations – [uspto.gov](http://uspto.gov)

- **Russia, Russia, Russia** – On March 22, 2022, the USPTO announced cutting off all engagement with RosPatent (Russian intellectual property organization), the Eurasian Patent Organization, and intellectual property office in Belarus. If one used RosPatent for the Global Patent Prosecution Highway, that is not going to happen at this time. <https://www.uspto.gov/about-us/news-updates/uspto-statement-engagement-russia-and-eurasian-patent-organization>.

**AIPLA** – the profession's national organization – see [AIPLA.org](http://AIPLA.org)

- AIPLA's 2022 Spring Meeting is scheduled for May 17-19, 2022, at The Roosevelt in New Orleans. More info at [https://ams.aipla.org/eweb/DynamicPage.aspx?web-code=EventInfo&Reg\\_evt\\_key=10337a53-7955-4140-a1fa-0c613f558e57&RegPath=EventRegFees&FreeEvent=0&Event=2022%20Spring%20Meeting&FundraisingEvent=0&evt\\_guest\\_limit=1](https://ams.aipla.org/eweb/DynamicPage.aspx?web-code=EventInfo&Reg_evt_key=10337a53-7955-4140-a1fa-0c613f558e57&RegPath=EventRegFees&FreeEvent=0&Event=2022%20Spring%20Meeting&FundraisingEvent=0&evt_guest_limit=1) <http://>.
- AIPLA's 2022 Annual Meeting is scheduled for October 27-29, 2022, at the Gaylord National Resort and Convention Center in National Harbor, Maryland. More information is available at <https://www.aipla.org/detail/event/2022/10/27/default-calendar/aipla-2022-annual-meeting>
- The Chisum Patent Academy was scheduled to hold one seminar in 2020, in Boston, Massachusetts on October 1-2, 2020. Instead, the Boston seminar was to be scheduled for a time in 2021, due to you-know-what. Well, that didn't happen. Maybe 2023? Check the website for updates and more information at <https://chisum-patent-academy.com/>.

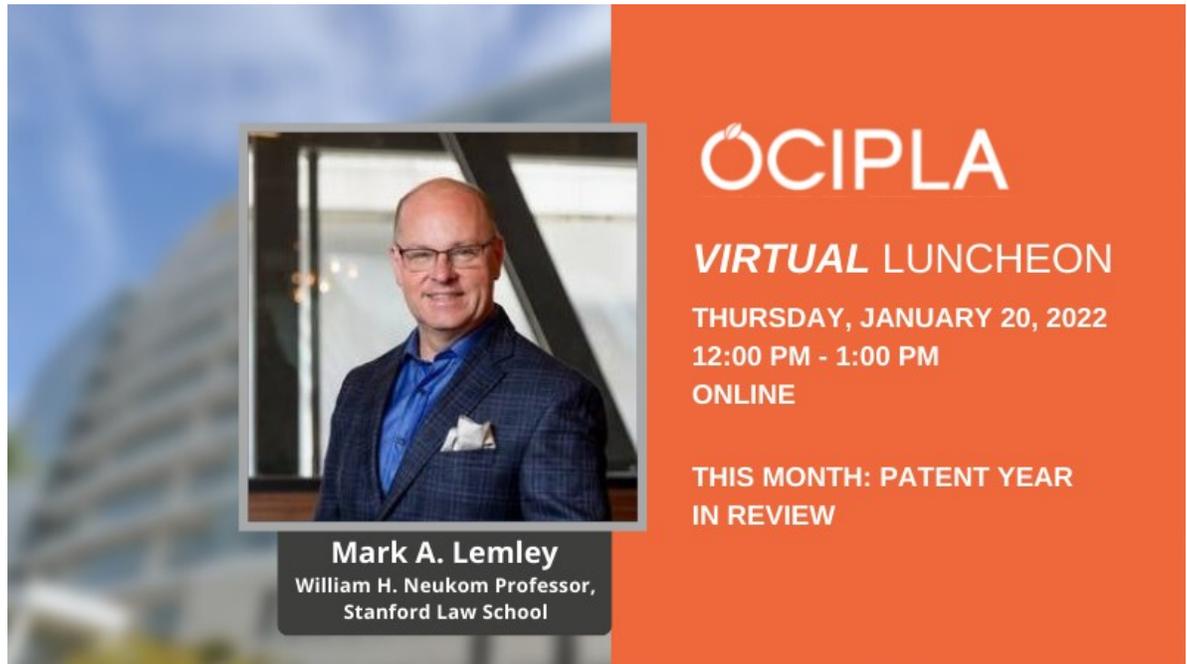
For more information about any of the patent topics mentioned consult *Patent Application Practice*. Trademark topics are discussed in *Trademark Registration Practice*. Both are published by West and updated twice a year. For patent prosecution or litigation questions, contact Fred Douglas at (949) 293-0442 or by email at [fdouglas@cox.net](mailto:fdouglas@cox.net).



## OCIPLA RECENT EVENTS

### ***January 20, 2022 Luncheon—Patent Year in Review***

*Mark Lemley, Stanford Law School*



**OCIPLA**

**VIRTUAL LUNCHEON**

THURSDAY, JANUARY 20, 2022  
12:00 PM - 1:00 PM  
ONLINE

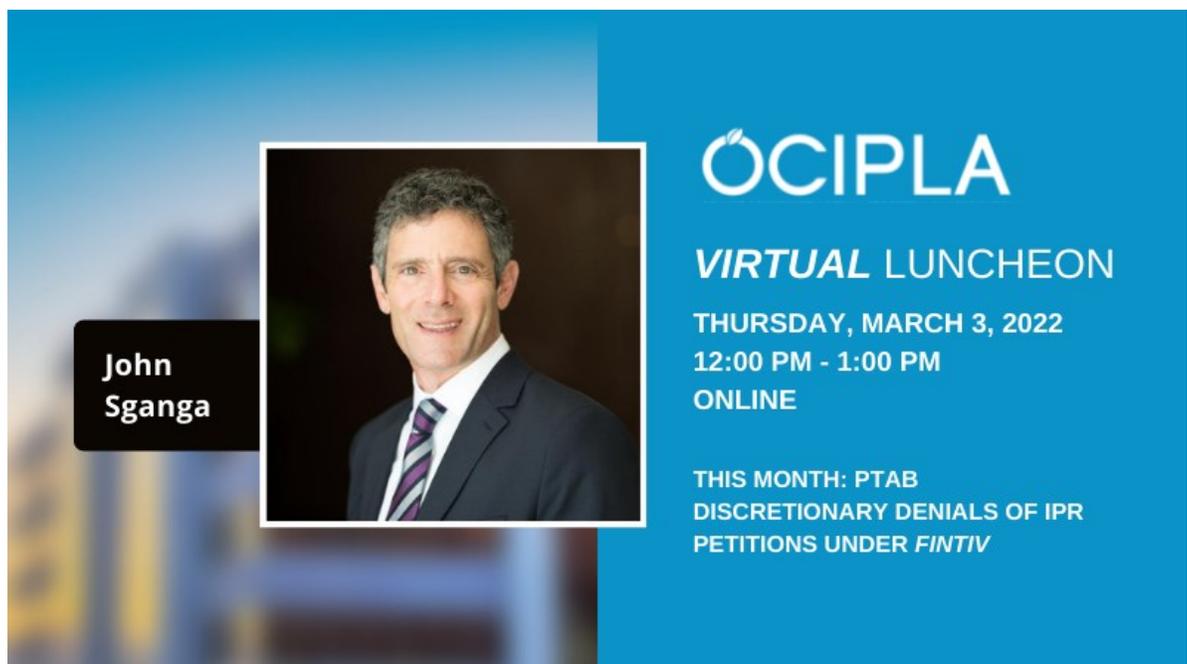
THIS MONTH: PATENT YEAR  
IN REVIEW



**Mark A. Lemley**  
William H. Neukom Professor,  
Stanford Law School

### ***March 3, 2022 Luncheon—Discretionary Denials of IPR Petitions under FINTIV***

*John Sganga, Knobbe Martens*



**OCIPLA**

**VIRTUAL LUNCHEON**

THURSDAY, MARCH 3, 2022  
12:00 PM - 1:00 PM  
ONLINE

THIS MONTH: PTAB  
DISCRETIONARY DENIALS OF IPR  
PETITIONS UNDER *FINTIV*



**John Sganga**

## OCIPLA RECENT EVENTS

### **March 17, 2022 Luncheon—Calling All Innovators: Driving Inclusive Team Idea Generation**

*Ahsan Shaikh, McDermott Will & Emery*



A promotional card for an OCIPLA virtual discussion. The card is split into two main sections: a blue and white portrait area on the left and an orange text area on the right. The portrait area features a headshot of Ahsan Shaikh, a man with a beard wearing a suit and tie, with his name 'Ahsan Shaikh' in a black box below. The orange area contains the OCIPLA logo, the event title 'VIRTUAL DISCUSSION', the date and time 'THURSDAY, MARCH 17, 2022 12:00 PM - 1:00 PM ONLINE', and the topic 'TOPIC: CALLING ALL INNOVATORS: DRIVING INCLUSIVE TEAM IDEA GENERATION'.

**OCIPLA**

**VIRTUAL DISCUSSION**

THURSDAY, MARCH 17, 2022  
12:00 PM - 1:00 PM  
ONLINE

TOPIC: CALLING ALL INNOVATORS: DRIVING INCLUSIVE TEAM IDEA GENERATION

### **April 28, 2022—Trademark Modernization Act - Practice Tips for IP Attorneys**

*Charlene Minx, Minx Law, PC*



A promotional card for an OCIPLA virtual discussion. The card is split into two main sections: a blue and white portrait area on the left and an orange text area on the right. The portrait area features a circular headshot of Charlene Minx, a woman with long dark hair wearing a dark top, with her name 'Charlene Minx' in a black box below. The orange area contains the OCIPLA logo, the event title 'VIRTUAL DISCUSSION', the date and time 'THURSDAY, APRIL 28, 2022 12:00 PM - 1:00 PM \*\*ONLINE ONLY\*\*', and the topic 'TOPIC: TRADEMARK MODERNIZATION ACT -- PRACTICE TIPS FOR IP ATTORNEYS'.

**OCIPLA**

**VIRTUAL DISCUSSION**

THURSDAY, APRIL 28, 2022  
12:00 PM - 1:00 PM  
\*\*ONLINE ONLY\*\*

TOPIC: TRADEMARK MODERNIZATION ACT -- PRACTICE TIPS FOR IP ATTORNEYS

## OCIPLA UPCOMING EVENT

**May 26, 2022 Luncheon**—What's Up With Copyrights?

Honorable John W. Holcomb, *District Judge, Central District of California*



**Hon. John W. Holcomb**

**OCIPLA**

**THURSDAY, MAY 26, 2022**  
**12:00 PM - 1:00 PM**  
**ANDREI'S CONSCIOUS**  
**CUISINE, IRVINE**  
**\*\*IN-PERSON LUNCHEON\*\***

**TOPIC: WHAT'S UP WITH**  
**COPYRIGHTS?**

# CDCA Law Clerk Position Announcement

## **Term Law Clerk to U. S. District Judges Participating in the Patent Program**

The United States District Court, Central District of California, invites applications for the position of Term Law Clerk to the United States District Judges participating in the Patent Program. Judges Selna, Wu, Kronstadt, Birotte, Scarsi, and Holcomb currently participate in the program. The position is located in Los Angeles, California and/or Santa Ana, California.

The Patent Program law clerk provides focused support to the participating judges, including typical law clerk duties and working with the Patent Program judges' non-specialist clerks on patent cases. The Patent Program law clerk also assists with judicial education, development of case management procedures, and coordination of patent-related activities with the bench and bar.

This position requires a two-year commitment, starting in the period between August and September of 2022.

The successful candidate will exhibit at all times to all persons a courteous, professional, and cooperative attitude as well as be guided by a self-imposed high standard of integrity and excellence.

For more information visit: [cacd.uscourts.gov/employment/term-law-clerk-u-s-district-judges-participating-patent-program](https://cacd.uscourts.gov/employment/term-law-clerk-u-s-district-judges-participating-patent-program)



## JOIN AN OCIPLA COMMITTEE!

### **AMICUS COMMITTEE**

This committee shall: a) scrutinize judicial decisions which involve significant issues of law or practice which affect intellectual property, (b) recommend to the Board of Directors that amicus curiae briefs be filed in appropriate cases, and (c) draft OCIPLA amicus curiae briefs.

### **PROFESSIONAL PROGRAMS COMMITTEE**

This committee shall identify and recommend curricula to the Board of Directors and assist in coordinating educational programs to be conducted during regular monthly meetings or at other times on topics which: (1) are of interest and benefit to the OCIPLA members; or (2) pertain to the professional activities of OCIPLA members and are of interest to others. The Committee will also assist the Board of Directors in obtaining speakers and otherwise preparing for the presentation of approved educational programs. The Professional Programs Committee shall include a litigation and prosecution subcommittees.

### **CORPORATE PRACTICE COMMITTEE**

This committee shall develop and disseminate information that is particularly useful to in-house attorneys, and promote efficient exchanges of best practices among in-house attorneys. *Co-chairs:*

- **MICHAEL KLINE,**  
*michaelkline@clevelandgolf.com*

### **MEMBERSHIP COMMITTEE**

This committee shall focus on expanding and diversifying the membership of OCIPLA, and shall work closely with other Committees and the Board of Directors to provide insights as to what IP practitioners in our IP community want from a legal organization and how OCIPLA can better the local IP community.

### **NEW LAWYERS COMMITTEE**

This committee shall focus on members in their first ten years of practice. The Committee shall provide educational and networking opportunities to new lawyers at OCIPLA. In addition, the Committee shall work closely with other Committees to provide new lawyers with opportunities to become more involved in the association, including participating in planning for OCIPLA meetings, coordinating networking events and other social activities for OCIPLA, assisting in research & writing projects, and developing educational materials.

***OCIPLA seeks volunteers to serve on Association Committees, whose respective missions are set forth on this page. If you have a few hours a month, we invite you to contact a member of our Board of Directors or the Committee Chairs (identified below) to discuss opportunities to help strengthen the OCIPLA community.***

# MAKE OCIPLA EVEN BETTER!

## **LAW STUDENT COMMITTEE**

This committee shall serve the law students in the local community, with particular focus on communicating their concerns to the Board of Directors and to welcome more law students to join the association as active members. The Committee shall also work closely with other Committees to provide law students with opportunities to become more involved in the association, including participating in planning for OCIPLA meetings, coordinating networking events and other social activities for OCIPLA, assisting in research & writing projects, and developing educational materials.

## **NEWSLETTER COMMITTEE**

This committee shall identify, recommend to the Board of Directors and prepare high quality, educational material for the OCIPLA Newsletter. Co-Chairs:

- **BROCK WILSON**, [bfwilson@akingump.com](mailto:bfwilson@akingump.com)
- **CLARK GORDON**, [cgordon@akingump.com](mailto:cgordon@akingump.com)

## **TRADEMARK PRACTICE COMMITTEE**

This committee shall consider all aspects of the practice of trademark law before the United States Patent and Trademark Office, aid in the institution of improvements in the administration of the trademark laws by the USPTO; monitor proposed changes in the USPTO Rules of Practice relating to trademark law and, with the advice and consent of the Board of Directors, inform the USPTO as to the position of the Association regarding such proposed changes; receive and coordinate views of members in connection with any existing problems or suggestions for improvements in the USPTO administration, and with the advice and consent of the Board of Directors, forward these views to the USPTO, and make recommendations to the Board of Directors regarding these duties.

## **COPYRIGHT PRACTICE COMMITTEE**

This committee shall consider all aspects of the practice of copyright law before the Copyright Office of the Library of Congress, and to make recommendations to the Board of Directors regarding same.

## **FORMER PRESIDENT'S COMMITTEE**

- **EHAB SAMUEL**,  
[esamuel@mannatt.com](mailto:esamuel@mannatt.com)
- **MATT LAPPLE**,  
[matt@lappellubell.com](mailto:matt@lappellubell.com)
- **LAUREN KELLER KATZENELLENBOGEN**, [lauren.katzenellenbogen@knobbe.com](mailto:lauren.katzenellenbogen@knobbe.com)
- **NATE CAMUTI**,  
[nate@camutilaw.com](mailto:nate@camutilaw.com)
- **MARK KERTZ**,  
[mark.kertz@medtronic.com](mailto:mark.kertz@medtronic.com)

## **WOMEN IN IP COMMITTEE**

This committee shall promote the role of women in IP law practice in and around Orange County. Membership and participation are open to men as well.

All committees shall consist of members appointed by the Board of Directors for a two-year term.



**OCIPLA seeks volunteers to serve on Association Committees, whose respective missions are set forth on this page. If you have a few hours a month, we invite you to contact a member of our Board of Directors or the Committee Chairs (identified below) to discuss opportunities to help strengthen the OCIPLA community.**

# OCIPLA 2021 Board of Directors

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## OCIPLA Newsletter

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Brock F. Wilson  
2022 OCIPLA Newsletter Editor

