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## FEDERAL CIRCUIT SUMMARIES

Contributors: Knobbe Martens

### **Inventors, Not Ai-Ventors: The Patent Act Requires an “Inventor” to be a Natural Person**

In *Thaler v. Vidal*, Appeal No. 21-2347, the Federal Circuit held that under the Patent Act, an “inventor” must be a natural person. Therefore, an AI system cannot be an inventor.

Thaler filed two patent applications with the PTO listing DABUS, an AI system, as the sole inventor. The PTO sent Thaler Notices to File Missing Parts requesting that Thaler identify valid inventors. Thaler petitioned the PTO director to vacate the Notices. The PTO denied the petitions on the ground that a machine does not qualify as an inventor. Thaler sought review, and the parties cross-moved for summary judgment. The District Court granted the PTO’s motion for summary judgement, denied Thaler’s request to reinstate the applica-

tions, and concluded that an inventor under the Patent Act must be an “individual,” which as used in the statute is a natural person.

On appeal, the Federal Circuit concluded that the Patent Act was unambiguous in that it requires inventors to be natural persons. The Federal Circuit explained that although the Patent Act does not define “individual,” the Supreme Court has stated that when used in a statute, “individual” ordinarily means a human being unless there is an indication Congress intended a different meaning. Finding no such indication, the Court concluded that the term “individual,” in the context of the Patent Act, includes only human beings. The Federal Circuit affirmed the District Court’s decision.

(Inventorship; Prepared by Cesar Estrada)

### **No Recapturing of Surrendered Patent-**

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## Ineligible Subject Matter

[\*In Re McDonald\*](#), Appeal No. 21-1697, the Federal Circuit held that when applying for reissue, a patent applicant may not recapture subject matter that was intentionally surrendered to overcome a § 101 rejection.

Inventor John McDonald applied for a patent on methods and systems related to the display of search results in response to search queries. In response to a § 101 rejection, McDonald amended certain claims to include a “processor” and the rejection was withdrawn. The application ultimately issued as U.S. Patent No. 8,280,901 (“the ‘901 patent”). Before the ‘901 patent issued, McDonald filed a continuation with similar claims that also included the “processor” limitations and this application ultimately issued as U.S. Patent No. 8,572,111 (“the ‘111 patent”). McDonald then filed a reissue application seeking to amend the claims of the ‘111 patent by adding several new limitations and removing the “processor” limitations. The examiner rejected claims 1-7, 10, 12-16, and 18-38 (“the reissue claims”) as obvious and McDonald appealed to the Patent Trial and Appeal Board.

The Board entered two new grounds of rejection: first, that the reissue claims were based on a defective reissue declaration and, second, that a subset of the reissue claims also impermissibly attempted to reclaim subject matter intentionally surrendered during prosecution when the “processor” limitations were added. McDonald appealed to the Federal Circuit.

The Federal Circuit affirmed the Board’s decision. The Court applied a three-step analysis on the issue of recapture. First, it found that the subset of reissue claims under consideration were broader than the original patent

claims. Second, it found that the broader aspects directly related to surrendered subject matter (i.e. methods and systems that did not use a processor). Third, it found that the surrendered subject matter had “crept into the reissue claim[s].” The Court clarified that the recapture rule is not limited to subject matter surrendered to overcome prior art rejections under 35 U.S.C. §§ 102–103, and applies equally to subject matter surrendered to overcome subject matter eligibility rejections under 35 U.S.C. § 101. The Court reasoned that the “public’s reliance interest on a patent’s public record” applies equally to subject matter surrendered to overcome rejections under any of these grounds and that the Court had never “expressly preclude[d] the application of the recapture rule to amendments made for other reasons.”

Addressing the Board’s rejection based on a defective reissue declaration, the Court held that the “the statement of error in the Reissue Declaration relates to an error that is uncorrectable by reissue.” The Court reasoned that the supposed error (inclusion of the “processor” limitations) could not be corrected without violating the recapture rule.

(Software & Information Technology, Patent Prosecution, Reissue Applications; Prepared by Logan Young)

## Claim Cancellation Before Assignment Does Not Preclude Assignor Estoppel

In [\*Hologic, Inc. v. Minerva Surgical, Inc.\*](#) Appeal No. 19-2054, the Federal Circuit held that despite cancelling a claim prior to assignment, assignor estoppel still applied to bar invalidity defenses against a related claim because the assignor warranted the validity of the cancelled claim and the cancelled claim was not directed to subject matter materially broader

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than the related claim.

Hologic, Inc. (“Hologic”) sued Minerva Surgical, Inc. (“Minerva) for patent infringement and the district court barred Minerva’s invalidity defenses under the doctrine of assignor estoppel. The Federal Circuit affirmed the decision and Minerva petitioned the Supreme Court, requesting that the Court “discard this century-old form of estoppel.” The Supreme Court held that assignor estoppel remains a valid doctrine, but that it comes with limits, and remanded the case for the Federal Circuit to determine whether the asserted claim was “materially broader” than the claims assigned to Hologic such that assignor estoppel should not apply. On remand, the Federal Circuit affirmed upon analyzing whether (1) the inventor warranted the validity of a claim from a parent application that was cancelled prior to assignment; and (2) whether the cancelled claim was materially broader than an asserted claim.

Regarding validity, Minerva argued that the inventor had not warranted validity of the cancelled claim because it was cancelled prior to assignment. The Federal Circuit rejected this argument because the claim was cancelled “without prejudice” due to a restriction requirement. Moreover, the inventor successfully overcame the Examiner’s rejection of the claim for anticipation prior to its cancellation. Given this posture, the Federal Circuit explained that the cancellation was for reasons other than patentability and was not a concession of unpatentability. Furthermore, the Federal Circuit explained that cancellation did not nullify the claim, that it remained viable for further prosecution in a divisional application, and the inventor’s assignment conveyed rights to any divisional applications not yet filed. Thus, the cancelled claim traveled with the assignment to Hologic and its validity had been warranted by

its original filing, its successful defense during prosecution, and in the inventor’s assignment stating that he had “no present knowledge from which [he] could reasonably conclude” that the assigned rights were invalid or unenforceable.

As for claim breadth, Minerva argued that the cancelled claim was “materially broader” because it was limited to a “moisture-permeable” device while the asserted claim was limited to a “moisture-impermeable” device. The Federal Circuit disagreed upon analyzing the claim language (which did not contain an express limitation), the written description (which described “moisture-permeability” only as being “preferable”), and applied the doctrine of claim differentiation to hold that the cancelled claim was not limited to “moisture-permeable” devices and instead encompassed both “moisture-permeable” and “moisture-impermeable” devices. Thus, the asserted claim was not materially broader than the cancelled claim, and assignor estoppel applied.

(Medical Devices & Procedures, Assignor Estoppel; Prepared by Nefi Oliva)

## **University Successfully Argues Prior Art’s Disclosures Were Not “by Another”**

In [\*Lsi Corporation v. Regents Of The University Of Minnesota\*](#), Appeal No. 21-2057, the Federal Circuit held that determining whether a patent or application’s disclosure is “by another” under § 102(e) requires evaluating the relied-upon portions of the disclosure to determine if the source of this disclosure is truly “by another;” a Board’s determination of untimeliness must be appealed even if the Board reaches the merits of the argument.

LSI petitioned for *inter partes* review of U.S. Pat. No. 5,859,601 (“601 patent”) owned by the University of Minnesota (“UMN”) and relating to computer coding and bit processing. The Board

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held that claims 14 and 17 of the '601 patent were not anticipated by either U.S. Pat. No. 5,392,270 ("Okada") or U.S. Pat. No. 5,731,768 ("Tsang"). With respect to Okada, the Board found that certain arguments were untimely raised and, in any event, failed on the merits because they did not address the claimed constraints on processing. Tsang in contrast, did address the claimed constraints but those aspects from Tsang were not considered "by another" under 35 U.S.C. § 102(e). LSI appealed.

With respect to anticipation by Tsang, the Federal Circuit reviewed the Board's determination as to whether the relevant portions of Tsang that LSI relied upon described an invention "by another." Tsang undisputedly recited a different inventive entity than the '601 patent. And LSI relied upon the disclosure of processing constraints from the Background section as anticipating claims 14 and 17. However, that section of Tsang was a summary of an annual report written by the '601 patent's inventors and describing their work that was provided to Tsang's named inventor. Thus, even though LSI technically relied on Tsang and not the annual report written by the '601 patent's inventors, the relevant inquiry was whether the relied upon portions of Tsang were "by another." Because they were not, the Federal Circuit affirmed the Board's decision that Tsang did not anticipate under § 102(e).

Regarding Okada, LSI admitted at oral argument that it did not appeal the Board's decision regarding timeliness and asserted this was not necessary because the Board reached the merits of the argument. The Federal Circuit disagreed, holding that it was necessary for LSI to have appealed the Board's timeliness decision despite the Board having reached the merits of the argument because

untimeliness was an independent ground for the decision. Accordingly, the Federal Circuit concluded that LSI forfeited any challenge to untimeliness and affirmed the Board's determination without addressing the merits.

(Software & Information Technology, Anticipation, PTAB procedure; prepared by Matt Pham)

## **Unsuccessful Remolding of a Finding of a Product-By-Process Claim Element**

In *Kamstrup AVS v. Axioma Metering Uab*, Appeal No. 2019-01640, the Federal Circuit held that rebutting a finding of a product-by-process claim element requires a showing of a structural description of the term alongside structural and functional differences found in the prior art.

Axioma Metering UAB ("Axioma") petitioned for Inter Partes Review of all 15 claims of Kamstrup AVS's U.S.'957 patent which describes ultrasonic flow meters and housings. The Patent Trial and Appeal Board ("Board") construed the claims as a product-by-process claim as the claims described the process of "casting" the polymer housing and not the housing's structure. In doing so, the Board concluded that it should not impart patentable weight to the claims and that they should not be considered as part of any anticipation or obviousness analyses. The Patent Trial and Appeal Board ("Board") found the challenged claims unpatentable as anticipated and obvious in view of analogous references.

The Federal Circuit affirmed the Board's construction and findings of anticipation and obviousness. It noted that the claim language confirmed the construction of "cast in one piece" as a product-by-process claim element as the claim element claims a process of a structure "being" cast in a particular way. Arguments

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that the mentioning of a process should not convert a limitation into a process limitation were not successful as the Court noted that the disclosure did not describe any structure for the term. Instead, the relied-on disclosure discussed the fabrication process for the device, further supporting the product-by-process construction. The Court then turned to whether the product-by-process claim element imparts patentable weight, which the Court found that it does not. First, there were no functional or structural differences between structures cast in a single mold versus multiple molds as the Court noted that the claim elements described a manufacturing method with restrictions. Second, the alleged differences identified between casting in one mold compared to multiple molds were detached from the claims since the claims were directed to casting the part in one piece and not in one mold. The Board was correct to not impart the narrower interpretation of requiring a single mold. In affirming the PTA-B's patentability finding, the Federal Circuit upheld the Board's various claim constructions and agreed that the asserted references were analogous. The Court therefore affirmed the Board's final written decision.

(Mechanical; Claim Construction; Electronics; Prepared by Alex Martin del Campo)

## **The Patent Office Need Not Consider Requests for Director Review of IPR Institution Decisions**

[In Re: Palo Alto Networks, Inc.](#) Appeal No. 22-145, the Federal Circuit held that the USPTO policy of refusing to consider Requests for Director Rehearing of decisions denying institution of IPR and PGR does not violate the Appointments Clause of the Constitution.

Palo Alto Networks, Inc. ("PAN") petitioned for *inter partes* review ("IPR") of one patent and

post-grant review ("PGR") of another. While the petitions were pending, the U.S. Patent and Trademark Office ("USPTO") updated its interim guidance to note that the agency does not accept requests for Director review of institution decisions. The Patent Trial and Appeal Board denied institution of PAN's IPR and the PGR. PAN filed Requests for Director Rehearing seeking review of the non-institution decisions by the Director, but the USPTO refused to consider the requests. PAN petitioned the Federal Circuit for writ of mandamus, challenging the USPTO policy on which the refusal was based.

Relying on *United States v. Arthrex, Inc.*, 141 S. Ct. 1970 (2021), PAN argued that the USPTO's categorical refusal to accept requests for Director review of institution decisions violated the Appointments Clause. *Arthrex* found a violation of the Appointments Clause where the Director—an executive officer appointed by the President—lacked control over final written decisions by administrative patent judges—who are inferior officers not appointed by the President. The Federal Circuit distinguished PAN's situation from *Arthrex* because PAN sought review of institution decisions, rather than final written decisions. No structural impediment prevents the Director from reviewing institution decisions, and the Director has occasionally done so *sua sponte*. Thus, the USPTO's policy of refusing to consider requests for such review did not violate the Appointments Clause.

(Software & Information Technology, Appointments Clause; Prepared by Brianne Kingery)

## **An ANDA Specification that Directly Addresses Issues of Infringement Controls the Infringement Inquiry**

In [Par Pharmaceutical, Inc. v. Eagle Pharmaceuticals, Inc.](#) Appeal No. 22-145, the Federal Circuit held that an ANDA was held not to infringe as-

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serted claims because the ANDA specifies pH ranges that fall outside of those recited in the asserted claims.

Par Pharmaceutical has two patents relating to Vasostrict, which is an injection product used to treat patients with critically low blood pressure. The claims of both patents require a composition having a pH between 3.65 and 3.94. In 2018, Eagle Pharmaceuticals filed an abbreviated new drug application (ANDA) to make and sell a generic version of Vasostrict. Eagle's ANDA specifies a pH range between 3.35 and 3.64 when released for distribution and a pH range between 3.4 and 3.6 during the drug's shelf life.

Par sued Eagle alleging that Eagle's ANDA filing was an act of infringement under 35 U.S.C. § 271(e)(2). Par noted that Eagle's ANDA seeks authority to release products for distribution with a pH just 0.01 beneath the claimed range, and contended "real-world" evidence shows the pH of Eagle's drug increases over time. Thus, Par argued, Eagle's proposed product would inevitably drift upward into the claimed range. The district court disagreed, noting the ANDA requires Eagle's product to maintain a pH between 3.4 and 3.6 during the drug's shelf life. After a bench trial, the district court found no infringement under § 271(e). Par appealed.

The Federal Circuit affirmed. It noted that when an ANDA defines a proposed generic drug in a manner that directly addresses the issue of infringement, the ANDA controls the infringement inquiry. Here, the court held, the pH ranges in the ANDA "directly and unambiguously" address the pH range of Eagle's proposed product. Because those pH ranges are outside the claimed range, the court affirmed the finding of no infringement.

(Pharmaceuticals, ANDA, 35 U.S.C. § 271(e)(2); Prepared by Alistair McIntyre)

## **Section 101 Jurisprudence Still Sound Post-Dobbs.**

*In Re Killian*, Appeal No. 21-2113, the Federal Circuit held that section 101 jurisprudence is still sound post-*Dobbs*.

Killian applied for a patent related to a system and method "for determining eligibility for Social Security Disability Insurance [SSDI] benefits through a computer network." The examiner found that the claims were directed to an abstract idea of "determining eligibility for social security disability insurance . . . benefits" and lacked additional elements amounting to significantly more than the abstract idea because the additional elements were simply generic recitations of generic computer functionalities. The Patent Trial and Appeal Board ("Board") affirmed the rejection of all pending claims under 35 U.S.C. § 101. Killian appealed and the Federal Circuit affirmed the Board's decision.

On appeal, Killian argued that *Dobbs v. Jackson Women's Health Organization*, 142 S. Ct. 2228 (2022), undermined the Supreme Court's § 101 jurisprudence. Killian asserted that because *Alice*, *Mayo*, *Bilski*, *Parker*, and *Benson* were "mere policy preferences," they were constitutionally unsound post-*Dobbs*. Killian also argued that the *Alice/Mayo* analysis is so vague that the Board's decision holding a claim patent ineligible is arbitrary and capricious under the Administrative Procedure Act. The Federal Circuit disagreed and walked through the contrary prior jurisprudence in the field. The Federal Circuit also noted its own judicial limitations, which prevented it from addressing many of the issues Killian raised.

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On the substance of Killian's claims, the Federal Circuit agreed with the Board and found that the claims are directed to "collection of information, comprehending the meaning of that collected information, and indication of the results, all on a generic computer network operating in its normal, expected manner." The Federal Circuit stated that steps that "can be performed in the human mind, or by a human using a pen and paper" are unpatentable abstract mental processes, and implementing these abstract mental processes "on a generic computer does not save the claims from being directed to an abstract idea." The Federal Circuit further pointed out that the application's specification suggests "nothing technical exists in the nature of these steps" by stating that the invention "frees up assigned staff to perform more traditional duties."

(Software & Information Technology, Patentability; Prepared by Mary Bao)

## **IPR estoppel "under an unusual set of facts"**

In [\*Click-To-Call Technologies Lp v. Ingenio, Inc., Dba Keen, Ether, Thryv, Inc.\*](#) Appeal No. 22-1016, the Federal Circuit held that Ingenio's IPR petition was partially instituted before SAS (overruling the practice of partial institutions), and a final written decision was issued after SAS. IPR estoppel applied to a claim that was not addressed in a final written decision because the invalidity ground reasonably could have been brought, and petitioner chose not to seek remand in view of SAS.

Click-to-call sued Ingenio for patent infringement. Ingenio filed an IPR petition challenging the asserted claims. The Board partially instituted IPR on certain claims based on the Dezonno reference, but refused to consider grounds based on the Freeman reference. Because Ingenio challenged claim 27 based only on Freeman,

that claim was not part of the final written decision. After the IPR concluded, Ingenio filed a motion for summary judgment of invalidity in the District Court, asserting claim 27 was invalid in view of Dezonno. Click-to-call argued that Ingenio was precluded due to IPR estoppel. The District Court granted summary judgment of invalidity.

The Federal Circuit reversed. The Federal Circuit held that Ingenio's reliance on Dezonno for other claims evidenced its awareness of Dezonno, and therefore it "reasonably could have raised" Dezonno as a ground of invalidity against claim 27 in the IPR. The Federal Circuit also rejected Ingenio's argument that IPR estoppel could not apply because claim 27 was not part of the Board's final written decision. Due to the unusual facts of this case, Claim 27 was included in Ingenio's petition but the Board failed to include claim 27 in its final written decision due to a legal error of partial institution, which was later corrected in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018). The IPR proceeding was still pending when SAS issued and Ingenio could have sought remand to address claim 27, but chose not to. "Ingenio's choice to leave unremedied the Board's mistake does not shield it from estoppel as to a claim it included in its IPR petition."

(IPR Estoppel, Issue Preclusion, IPR Partial Institution, Prepared by Joshua Loader)

## **Missing Experience Undermines Expert's Rebuttal of Obviousness Arguments**

In [\*Best Medical International, Inc. v. Elekta Inc.\*](#) Appeal No. 21-2099, the Federal Circuit held that Expert testimony was properly discounted when substantial evidence supported the Board's finding that a POSA would have possessed experience that the expert was missing; there is no standing to appeal a claim's unpatentability determination from an IPR when the claim is finally

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canceled during parallel *ex parte* re-examination prior to appealing the IPR determination.

Elekta filed petitions for *inter partes* review challenging four claims of Best Medical International's ("BMI") patent directed towards the radiation therapy of tumors by computing an optimal radiation beam arrangement. Review was instituted and *ex parte* reexamination of two challenged claims (1 and 18) was also underway in a parallel proceeding. During re-examination, BMI canceled claim 1 in response to a rejection. In the IPR, however, the Board proceeded to analyze claim 1 reasoning that it had not yet been statutorily disclaimed or canceled by any final action in the re-examination. Ultimately, the Board concluded in the IPR that challenged claims 1, 43, 44, and 46 would have been obviousness. In reaching this conclusion, the Board found that a person of ordinary skill in the art ("POSA") would have had formal computer programming experience. Because BMI's expert did not have this experience, the Board discounted BMI's expert testimony in its obviousness analysis.

On appeal from the IPR decision, the Federal Circuit affirmed the Board's determination that claims 43, 44, and 46 would have been obvious. The Federal Circuit observed that the parties provided little evidence relating to factors that may guide the Board to the appropriate level of skill in the art. Despite competing expert testimony regarding a POSA's training, the Federal Circuit held that it was not unreasonable or lacking in substantial evidence for the Board to conclude that a POSA would have had formal computer programming experience because the specification repeatedly referred to the invention being implemented on a computer and, though not discussed by the Board, an inventor's deposition also supported the Board's conclusion. As for claim 1,

BMI argued that its cancellation before the Board issued a final written decision, rendered the patentability question moot and denied the Board authority to analyze the claim. Yet, BMI conceded during oral argument that claim 1 was only finally canceled when it failed to appeal the Examiner's rejection of the claim, which occurred after the Board issued its final written decision and prior to the appeal of the Board's IPR decision. Thus, the Federal Circuit held it was proper for the Board to analyze claim 1 during the IPR under the Supreme Court's decision in *SAS Institute*. However, because of the timing of the final cancellation of claim 1, there was no case or controversy as to claim 1's patentability at the time the IPR determination was appealed to the Federal Circuit and BMI therefore lacked standing to appeal the Board's determination as to claim 1 and the Federal Circuit held it lacked jurisdiction over this part of BMI's appeal.

(*Inter Partes* Review; Obviousness and Standing; Prepared by Kenneth McNeill)

## **Mere Capability by itself is not enough to establish patent essentiality**

In [\*Invt Spe LLC v. International Trade Commission, Htc America, Inc., Htc Corporation\*](#), Appeal No. 20-1903, the Federal Circuit held that Determination of reasonable functional capability requires proof that an accused product executes all the claimed functions at least some of the time or at least once in the claim-required environment when put into operation.

INVT SPE LLC filed a case in International Trade Commission (ITC) alleging that the respondents' 3G and certain LTE enabled communications infringed five INVT patents, including the '439 patent. The '439 patent at issue relates to a wireless communication system where a user device (receiving side) determines and

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sends some parameters to a base station (transmission side) which encodes the data using the same parameters and sends the encoded data back to the user device for decoding the data. INVT SPE LLC asserted that the '439 claims were essential to the LTE standard and the accused products practiced the asserted claims. The ITC disagreed and established that the asserted claims of the '439 patent were not essential to the LTE standard and were not infringed.

The Federal Circuit affirmed the Commission's decision with respect to the '439 patent. The Federal Circuit acknowledged that the '439 patent claims were drawn to "capability" and not to actual operation. However, the Federal Circuit asserted that the asserted claims were not standard essential as they did not cover every possible implementation of the LTE standard. In addition, the Federal Circuit also held that there was no infringement as INVT failed to establish that the accused devices will ever perform the functions recited in the asserted claims.

(Communications Technology, Patent Essentiality; Prepared by Geetha Durairaj)

### **Unforced Error: An IPR Challenger Cannot Rely on an Error that a POSITA Would Have Corrected**

In *Ig Electronics Inc. v. Immervision Inc.*, Appeal No. 21-2037, the Federal Circuit held that where a reference contains an "obvious" error in a disclosure, even if not immediately apparent on the face of the disclosure, the erroneous information may not support a finding of obviousness.

LG Electronics ("LG") filed an IPR against two of Immervision's patents. LG argued that a reference contained an embodiment of a panoramic objective lens having image point distribution functions claimed in the challenged claims.

When attempting to recreate the embodiment, Immervision's expert was unable to create a lens that matched the embodiment. He later determined that a transcription error occurred between the priority application and the published patent such that the aspherical coefficients of the table relied upon by LG's expert were meant for a different embodiment. The Board determined that this transcription error was the type of obvious error that a POSITA would have recognized and corrected. Because, when the correct coefficients were used, the embodiment did not satisfy the language of the challenged claims, the Board found LG had not met its burden of proving obviousness.

On appeal, the Federal Circuit asked whether substantial evidence supported the Board's fact finding that the error would have been apparent to a POSITA such that the person would have corrected the error or disregarded the disclosure. The Federal Circuit found that the aspherical coefficients' (1) differing values between the patent and the priority application, (2) differing values between the embodiment table and the table encompassing embodiments into the entire lens system, and (3) identical values for two substantially different embodiments within the relied upon reference would have indicated an obvious error to a POSITA. With the correct information substituted in, the Federal Circuit found substantial evidence for the Board's determination that the reference did not disclose the claimed image distribution. The Federal Circuit found LG's arguments that (1) the error would have taken too long to find by a POSITA and (2) the error here differed from previous cases as a transcription error rather than a typographical one unpersuasive, as the obviousness of the error is determined by more than the time to discover the error or the nature of the error.

Judge Newman dissented, arguing that the error would not have been obvious to a POSITA given

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the effort in finding the error by Immervision's expert, the lack of detection of the error at any point during examination or in the 20 years since publication, and the error being non-typographical in nature.

## **Expert Testimony That Contradicts Patent Specification Fails to Create a Genuine Issue of Fact**

In *Caredx, Inc. v. Natera, Inc.*, Appeal No. 22-1027, the Federal Circuit held that expert testimony that steps of challenged patent claims were unconventional failed to preclude summary judgment of ineligibility where specification admitted the steps were conventional.

CareDx, Inc. ("CareDx") sued Natera, Inc. and Eurofins Viracor, Inc. (collectively, "Defendants") alleging infringement of claims directed at methods for detecting organ transplant rejection by measuring levels of the organ donor's cell-free DNA in the recipient's blood. Defendants moved for summary judgment, arguing that the asserted claims were patent ineligible under 35 U.S.C. § 101 because they were directed to the detection of natural phenomena using only conventional techniques. In support of their motion, Defendants relied on portions of the specification that admitted that each step of the claimed methods were "well known" or "known in the art." In its opposition, CareDx relied on expert testimony that the steps were not conventional. The district court granted summary judgment, finding that CareDx had failed to create a genuine issue of fact. CareDx appealed.

The Federal Circuit explained that under the *Alice/Mayo* test, a claim is ineligible if it is directed to a natural law together with conventional steps to detect or quantify the manifestation of that law. The Federal Circuit held

that the specification's numerous admissions that each step of the claimed methods was "well known" or "known in the art" served as intrinsic evidence of ineligibility. CareDx could not rely on extrinsic evidence that plainly contradicted the intrinsic record to create a genuine issue of fact. The Federal Circuit therefore affirmed the district court's judgment.

## **MOTIVE MATTERS – FORUM SHOPPING CAN LEAD TO ATTORNEYS' FEES**

In *Realtime Adaptive Streaming LLC v. Netflix Inc.*, Appeal No. 21-1484, the Federal Circuit held that courts may use their inherent equitable powers to award attorneys' fees for bad faith conduct.

Realtime Adaptive Streaming (Realtime) filed suit against Netflix in the District of Delaware alleging infringement of six patents. While the action was pending, Netflix moved to dismiss the Delaware action, arguing that several of the patents were ineligible under Section 101. Netflix also filed IPRs challenging the patentability of the patents. After the Patent Office instituted the IPR proceedings and a Delaware magistrate judge recommended that several patents be found ineligible, but before the district court ruled on the recommendation, Realtime voluntarily dismissed the suit.

Realtime re-asserted the same patents in the Central District of California, despite having previously argued in Delaware that litigating in California would be an unfair burden. Netflix moved for attorneys' fees and to transfer the actions back to Delaware. Prior to any decision, Realtime voluntarily dismissed the case. The district court awarded fees for the California actions under Section 285 and, in the alternative, under its inherent equitable powers, finding that Realtime had engaged in impermissible forum shopping.

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Applying Ninth Circuit precedent, the Federal Circuit held that the California district court did not abuse its discretion in awarding fees under its inherent equitable powers. The Federal Circuit noted that while Rule 41 allows a plaintiff to voluntarily dismiss an action and refile in another forum, Realtime's conduct was blatant gamesmanship to avoid a potentially adverse ruling in Delaware. The Federal Circuit also upheld the district court's denial of fees for the IPR proceedings and the Delaware action, finding no abuse of discretion in the court's determination that the Delaware action was not clearly untenable when Realtime filed that action and that the IPR institutions alone were not enough to apprise Realtime of the futility of its litigation efforts.

### **Famous Trademark Not Abandoned After Original Owner's Bankruptcy**

*Tiger Lily Ventures Ltd. v. Barclays Capital Inc.* Appeal No. 21-1107, the Federal Circuit held that a trademark associated with a bankrupt company was not abandoned when the trademark continued to be used during bankruptcy and was the subject of active licenses.

After Lehman Brothers filed for bankruptcy in 2008, Barclays Capital acquired the LEHMAN BROTHERS mark and licensed it back to Lehman Brothers. Subsequently, Barclays allowed all of its acquired LEHMAN BROTHERS trademark registrations to expire. In 2013, Tiger Lily applied to register the mark LEHMAN BROTHERS for beer and spirits. Barclays then filed an application to register the mark LEHMAN BROTHERS for various financial services, and an opposition to Tiger Lily's applications. Tiger Lily responded by opposing Barclays' application. The Trademark Trial and Appeal Board ("Board") found that Barclays had not abandoned its rights to the mark, and had priority of use. Tiger Lily appealed.

On appeal, Tiger Lily challenged the Board's findings on abandonment, among other issues. The Federal Circuit rejected this challenge, noting Tiger Lily's admission that Lehman Brothers had continued to use the mark under license from Barclays in the course of winding up its affairs, and that such use was "similar in nature to the context in which Lehman Brothers used the mark for decades." Regarding the similarity of goods and services, the Federal Circuit found that the use of trademarks on products that differ from the original source of the trademark is common in modern consumer markets. The court pointed to evidence showing that Lehman Brothers, in marketing its own banking products and services, had used its LEHMAN BROTHERS mark for promotional products related to whisky and alcoholic beverages. The Federal Circuit rejected Tiger Lily's admitted attempt to benefit from the fame of Barclays' LEHMAN BROTHERS mark, and affirmed the TTAB's judgment in favor of Barclays.

### **Claims With Clerical Errors Can Be Judicially Corrected and Willfully Infringed**

*Pavo Solutions LLC v. Kingston Technology Company, Inc.*, Appeal No. 21-1834, the Federal Circuit held that a court can correct obvious minor typographical or clerical errors in claim language even when doing so would alter the claimed structure; reliance on such a clerical error is not a defense to willful infringement.

CATR Co. (later substituted by Pavo Solutions) sued Kingston for infringement of a patent relating to a pivoting cover for a USB apparatus. During claim construction, the district court found that the claim language "pivoting the case with respect to the flash memory main body" included a clerical error and it judicially corrected the language by replacing the word "case" with the word "cover". The jury returned a verdict of willful infringement and awarded Pavo damages.

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The district court denied Kingston's motion for JMOL and Kingston appealed.

Regarding Kingston's argument that the district court should not have judicially corrected the claim language, the Federal Circuit concluded that the claim contained an obvious minor typographical or clerical error because the error was clear from the "full context of the claim language." The Federal Circuit disagreed with Kingston's argument that replacing one structural element with another is "a substantial alteration of the claimed structure" such that the error could not be "minor". The Federal Circuit stated that "[n]othing in our case law precludes district courts from correcting obvious minor errors that alter the claimed structure" and that "courts are not limited to correcting errors that result in linguistic incorrectness." The Federal Circuit also concluded that the correction is not subject to reasonable debate in view of the claim language and the specification. It reasoned that Kingston's proposed alternative correction, in light of the specification and drawings, would result in the same claim scope as the district court's correction. Finally, the Federal Circuit concluded that the prosecution history did not suggest a different interpretation of the claims. It noted that the characterizations and descriptions of the Applicant as well as multiple reviewing bodies (the examiner, the Board, the Federal Circuit) consistently understood the scope of the claim to be as corrected.

The Federal Circuit then addressed Kingston's argument that it could not have formed the requisite intent to support a willfulness finding because it did not infringe the claims as originally written and because it could not have anticipated that a court would later correct the claims. The Federal Circuit held that "reliance on an obvious minor clerical error in the claim language is not a defense to willful

infringement." The Federal Circuit also noted that Kingston could not reasonably rely on the Board's refusal to make the same correction during IPR because the Board denied the request on procedural grounds without considering the substance of the request and because the Board's denial came after Kingston's willful infringing conduct.

The Federal Circuit did not address Kingston's other two arguments reasoning that Kingston forfeited those arguments by failing to raise them to the district court in post-trial motions.

### **Concentration of a Sub-Topically Applied Compound is Measured at Topical Application**

*University Of Massachusetts v. L'oréal S.A.*, Appeal No. 21-1969, the Federal Circuit held that in claims of two patents regarding skin enhancement, the recited concentration of a compound that is applied to sub-topical dermal cells is measured at the point the compound is applied topically to the skin.

The University of Massachusetts ("UMass") sued L'Oréal alleging infringement of two patents. The asserted patents describe methods of skin enhancement through topical application of compositions containing adenosine. A representative claim recites a concentration of adenosine twice. First, it recites a concentration applied topically to skin: "topically applying to the skin a composition comprising a concentration of adenosine in an amount effective to enhance the condition of the skin, without increasing dermal cell proliferation." Later, it recites a concentration range applied to sub-topical dermal cells: "wherein the adenosine concentration applied to the dermal cells is  $10^{-4}$  M to  $10^{-7}$  M." The district court issued a claim-construction ruling that the recited concentration range refers to "the concentration as it is

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applied to the dermal cells,” not as it is applied topically to skin. The district court emphasized that, thus, the first-recited concentration is distinct from the later-recited concentration range. Based on that ruling, L’Oréal moved for summary judgment that the language containing the first-recited concentration is indefinite for failure to establish the claimed concentration. The district court granted the motion and entered final judgment of invalidity against UMass. UMass appealed.

The Federal Circuit reversed the district court’s claim-construction ruling. It held that the recited concentration range refers to the concentration as it is applied topically to skin. The Federal Circuit recognized that the representative claim recites the concentration range “applied to the dermal cells” rather than applied topically to skin. But it reasoned the same concentration can be applied both directly to the skin surface and indirectly to the sub-topical dermal cells. Looking to the specification, the Court identified multiple specific concentrations for “topically administering” adenosine and noted that none specify measuring concentration after seepage through the skin into the dermal cells. Turning to the prosecution history, the Federal Circuit noted the claim language indicating the concentration range “applied to the dermal cells” was added in an amendment. According to the Court, the applicant implied that the amended wording did not change the location where the concentration was to be measured. Based on its new claim construction, the Federal Circuit vacated the district court’s indefiniteness ruling and remanded.

### **Silence Is No Support For Negative Claim Limitation**

*Novartis Pharmaceuticals Corp. v. Hec Pharm Co., Ltd.* Appeal No. 21-1070 the Federal Circuit held

that silence regarding the presence or absence of a limitation in a patent specification was not sufficient to provide written description support for a negative claim limitation.

Novartis sued HEC for infringement. The patent at issue was directed to a method of treating relapsing-remitting multiple sclerosis by administering the drug “at a daily dosage of 0.5 mg, **absent an immediately preceding loading dose regimen.**” A loading dose is a higher than daily-dose of the drug, typically given as the first dose. HEC argued there was no written description support for the negative limitation “absent an immediately preceding loading dose regimen.” The District Court disagreed and found Novartis’s patent was not invalid for lack of written description.

The Federal Circuit initially affirmed the District Court’s decision. HEC petitioned for rehearing, which the Federal Circuit granted. On rehearing, the Federal Circuit vacated its initial decision, reversed the District Court’s judgment, and held the patent at issue invalid for lack of written description. The Federal Circuit noted that even for negative claim limitations, silence is generally not sufficient to provide written description support. The Court held that while a negative limitation need not be recited *in haec verba*, the specification must contain some disclosure that conveys to a person of skill in the art that the exclusion of the limitation was intended by the inventor, such as discussion of the disadvantages or alternatives to the limitation. In this case, the patent’s specification was silent regarding whether a loading dose should or should not be used as part of the treatment regimen. The Court therefore held that the specification failed to adequately describe the absence of a loading dose and concluded that the patent is invalid under 35 U.S.C. §112.

Judge Linn dissented, arguing that the majority

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applied “a heightened written description standard to the facts of this case in requiring not only a ‘reason to exclude’ but a showing that the negative limitation in question was ‘necessarily excluded.’”

## **Justice Must Satisfy the Appearance of Justice— A Judge’s Family’s Financial Interest of 100 Shares of a Party’s Stock is a Serious Issue**

*Centripetal Networks, Inc. v. Cisco Systems, Inc.*, Appeal No. 21-1888, the Federal Circuit held that placing stock in a blind trust does not divest a judge of that stock for purposes of the judicial ethics statutes.

After a 22-day bench trial in patent case between Centripetal Networks and Cisco, Judge Morgan learned that his wife owned 100 shares of Cisco stock valued at \$4,687.99. Instead of selling the stock, Judge Morgan placed the stock in a blind trust. Judge Morgan then denied Cisco’s motion requesting Judge Morgan’s recusal under 28 U.S.C. § 455, reasoning that placing the stock in a blind trust “cured” any conflict and that selling the stock would “imply[] concern about insider trading.” Judge Morgan ultimately held that Cisco willfully infringed Centripetal’s patents and awarded enhanced damages and royalties exceeding \$2.75 billion.

On appeal, the Federal Circuit reversed. The Federal Circuit concluded that placing the stock in a blind trust did not “divest” Judge Morgan of the stock under the judicial ethics statutes because “ownership” can only be “divested” if the interest is sold or given away. The Court also noted that selling the stock would not have suggested the appearance of insider trading because “comply[ing] with ethical obligations is not insider trading.” Stressing the importance of judiciary

credibility and the public’s confidence in the judicial process, the Federal Circuit also held that the appropriate remedy is to vacate the rulings which were issued after Judge Morgan learned of his wife’s financial interest in Cisco. Thus, the Federal Circuit, in part, reversed, vacated, and remanded Judge Morgan’s orders.

## **Proving Reputational Injury Without Use of the Marks in the United States**

*Meenaxi Enterprise, Inc. v. The Coca-Cola Company*, Appeal No. 21-2209, the Federal Circuit held that to maintain a statutory cause of action under the Lanham Act for activities solely conducted outside the United States, the claimant must provide concrete evidence of reputational injury or lost sales.

The Coca-Cola Company sought to cancel Meenaxi Enterprise, Inc.’s registrations for THUMS UP and LIMCA under § 14(3) of the Lanham Act, 15 U.S.C. § 1064(3) asserting that Meenaxi was using these marks to misrepresent the source of its goods. Since the 1970s, Coca-Cola has distributed Thums Up cola and Limca lemon-lime soda in India and other foreign markets and obtained registrations for both marks in those countries. Meenaxi has distributed Thums Up cola and Limca lemon-lime soda in the United States since 2008 and registered the marks THUMS UP and LIMCA in connection with soft drinks (among other goods) in International Class 32 with the United States Patent and Trademark Office. Coca-Cola claimed that Meenaxi traded on Coca-Cola’s goodwill with Indian-American consumers by misleading them into thinking that Meenaxi’s beverages were the same as those sold by Coca-Cola in India. The Trademark Trial and Appeal Board (“Board”) held in Coca-Cola’s favor and cancelled Meenaxi’s registrations.

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The Federal Circuit reversed the Board's decision to cancel Meenaxi's registrations. The Federal Circuit held that Coca-Cola failed to establish a statutory cause of action based on lost sales or reputational injury. The Federal Circuit noted that the territoriality principle was not implicated as Coca-Cola based its claim solely on its alleged injury occurring in the United States. The Federal Circuit reasoned that the limited sales of Coca Cola's Indian products by third parties in the US and Coca-Cola's assertion that Americans of Indian descent would be aware of the marks' reputation in India, without any survey evidence, was insufficient to prove reputation of the marks in the US. Thus, Coca-Cola failed to establish the right to bring a statutory cause of action under § 14(3) of the Lanham Act, 15 U.S.C. § 1064(3).

Judge Reyna concurred to express that the case was governed by the territoriality principle and the well-known mark exception.

### **Disclosures Under Joint Defense Agreement Were Not A Protective Order Violation**

*Static Media LLC v. Leader Accessories LLC*, Appeal No. 21-2303, the Federal Circuit held that it was an abuse of discretion to hold a party in contempt for an alleged protective order violation resulting from a third person's use of confidential information in a co-pending litigation when the third person (1) agreed to be bound by the order, (2) was reminded of its obligations under the order, and (3) the disclosure was made pursuant to a joint defense agreement.

Static Media sued Leader for patent infringement in Wisconsin and the parties entered into a protective order during the course of the proceedings to govern the dissemination and use of confidential documents. In relevant part, the order stated that documents "shall be used solely for the propose of this proceeding." Ac-

cess to the confidential documents was limited to a select group of people, including outside individuals retained to furnish consulting, technical, or expert services provided they executed a "Written Assurance" to abide by the terms of the order. Static Media subsequently sued OJ Commerce for patent infringement in Florida, asserting the same patent as in the co-pending suit with Leader, and the two defendants entered into a joint defense agreement to consult one another with respect to issues of infringement and potential defenses. Leader's attorney, Mr. Lee, had OJ Commerce's attorney, Mr. Hecht, execute the Written Assurance of the order and began sharing confidential documents with Mr. Hecht. With each disclosure, Mr. Lee reminded Mr. Hecht that the documents were subject to the protective order and asked him to adhere to the order. However, Mr. Hecht subsequently used certain documents during settlement negotiations of the Florida action and disclosed his use of these confidential documents to Static. Static moved for discovery sanctions in the Wisconsin action arguing that Leader and Mr. Lee violated the protective order. The district court agreed and ordered a monetary sanction.

The Federal Circuit reversed the district court's order, holding that there was no clear and convincing evidentiary support for the conclusion that Mr. Lee knew or should have known that Mr. Hecht would use the confidential information in the Floridan action. Noting that "Mr. Lee did exactly what was required to ensure that Mr. Hecht would abide by the protective order," the Federal Circuit first focused on the execution of the Written Assurance by Mr. Hecht and the reminders that Mr. Lee provided with each disclosure. Thus, the fact that Mr. Hecht made an improper disclosure in the Florida action should not have been attributed to Leader and Mr. Lee. Moreover, the Federal Circuit held that Mr. Lee's disclosure to Mr. Hecht did not violate the

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protective order's restriction concerning use "solely" for the purpose of the Wisconsin action. The Federal Circuit determined that it was not objectively unreasonable to interpret the protective order as allowing use amongst individuals bound by the order while prohibiting disclosure only to third parties not bound by the order. Thus, there was a "fair ground of doubt" as to whether the protective order barred Mr. Lee's disclosures to develop a joint defense strategy and such a contempt order was improper under the circumstances.

Judge Reyna dissented, arguing that deference to the district court was warranted and Mr. Lee knew or should have known that the disclosures to Mr. Hecht were not "solely" for use in the Wisconsin action.

### **Somebody's Wrong: PTAB Must Resolve Conflicting Factual Testimony During IPR**

In *Google LLC v. IPA Technologies Inc.*, Appeal No. 21-1179, the Federal Circuit held that, for purposes of determining whether a reference was prior art, the Board has an obligation to resolve fundamental testimonial conflicts.

Google petitioned for *inter partes* review of two of IPA Technologies' patents. Google argued that the IPA patents would have been obvious over Martin, an academic paper that included both the inventors and non-inventor Douglas Moran as authors. During prosecution, the examiner identified Martin as prior art and issued a rejection under 35 USC 102 (a). In response, the Applicant submitted inventor declarations asserting that Dr. Moran was not a co-inventor of the claimed subject matter otherwise disclosed in Martin. The examiner withdrew rejections because the invention was not "by others," and thus outside the scope of section 102(a). Google's petition nevertheless relied on Martin, and Google

attempted to establish Martin as prior art based on Dr. Moran's contribution to inventorship reflected in Martin. After a trial, the Board concluded that Google had not provided sufficient support to explain how Dr. Moran's contributions to the Martin reference established that he was part of the inventive entity, and entered final written decisions holding the challenged claims not unpatentable.

Google appealed. On appeal, the Federal Circuit observed that the parties agreed that the Board's holding was based on insufficient corroboration of Dr. Moran's inventorship. The court explained that co-authorship on a paper does not presumptively make the co-author a co-inventor, but that co-authorship is still "significant corroborating evidence that a co-author contributed to the invention." As such, the Federal Circuit concluded Dr. Moran's testimony was sufficiently corroborated by his being named as a co-author, as well as his role in a related project and his being named on a related patent. Because sufficient evidence of corroboration existed, the court concluded that the Board erred by not addressing the inventorship issue on the merits. The Federal Circuit also observed that it was not a "tenable position" for the Board to find both Dr. Moran's and the inventors' conflicting testimony credible. The Federal Circuit remanded for the Board to resolve this "highly relevant evidentiary conflict and make appropriate findings of fact." Finally, the court rejected IPA's argument that the Board's decision could be affirmed because, even if Dr. Moran was an inventor, he could be added to the patent, which would remove Martin as prior art. Because IPA Technologies had not sought correction of the inventorship of the patents, the Federal Circuit held IPA's argument unavailing. The Board vacated and remanded for further proceedings.

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### **Negative Claim Construction Found Inadequate**

In *Sound View Innovations, LLC v. Hulu, LLC*, Appeal No. 21-1998, the Federal Circuit held that it was improper to find a claim limitation was missing without affirmatively construing the limitation and instead relying on its relation to a term not shown to have a sufficiently uniform meaning in the art.

Sound View Innovations, LLC (“Sound View”) sued Hulu, LLC alleging infringement of a patent claim related to streaming multimedia. The district court construed the claim to require a “buffer.” On summary judgment, to satisfy the “buffer” requirement, Sound View pointed to components that the accused system labeled as “caches.” The district court noted that the asserted patent also used the term “caches” to identify components, and that the patent describes those components as distinct from “buffers.” The district court therefore held that the accused components labeled as “caches” could not be the required “buffers” and granted summary judgment of non-infringement. Sound View appealed.

The Federal Circuit reversed the non-infringement determination. It noted that, to the extent the district court construed the term “buffer,” all it did was declare what it must exclude (a “cache”). The Federal Circuit acknowledged there is no per se rule against negative constructions. But it held the district court’s negative construction in this case did not enable a comparison between the required “buffer” and the accused product. The Court noted there had been no determination that the term “cache” has a sufficiently uniform meaning in the art. Absent such a determination, it reasoned, a conclusion that the asserted patent distinguishes “caches” from “buffers” does not preclude a finding that accused components

labeled as “caches” practice the required “buffers.” Further, the Federal Circuit held an affirmative construction of “buffer” was needed for the additional reason that the asserted patent does not appear to use the terms “buffer” and “cache” in a mutually exclusive manner. The Court therefore vacated the entry of summary judgment of non-infringement and remanded.

### **The Board Has The Final Say on Time Bar Decisions**

In *Atlanta Gas Light Company v. Bennett Regulator Guards, Inc.*, Appeal No. 21-1759, the Federal Circuit held that a termination decision made by the Board in part based on the time-bar was “intimately related” to the institution decision, and therefore not reviewable by the Federal Circuit under 35 U.S.C. §314(d).

Bennett sued Atlanta Gas for infringement of its patent related to an anti-icing device for a gas pressure regulator. Atlanta Gas was served with the complaint on July 18, 2012, but the litigation was dismissed by the district court without prejudice for lack of personal jurisdiction. Atlanta Gas filed an IPR petition requesting review of Bennett’s patent exactly one year after the complaint was served. The IPR was instituted, but before a final written decision was issued, the Board vacated its institution decision and terminated the IPR because Atlanta Gas failed to list all real parties-in-interest in its petition.

In February 2015, Atlanta Gas filed another IPR petition on substantially the same grounds. Bennett argued that this petition was time barred because more than one year had passed since its July 2013 complaint was served. The Board disagreed and reasoned that the one-year clock to file an IPR reset when the district court dismissed the original action without prejudice. After the written decision invalidating Bennett’s patent was issued, Bennett learned that a

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corporate merger involving Atlanta Gas's parent company had occurred, but had not been disclosed to the Board. Bennett moved for sanctions and termination of the proceedings since the merger had occurred before the final written opinion had been issued. The Board agreed that monetary sanctions were appropriate but denied Bennett's request for termination. Both parties appealed to the Federal Circuit.

The Federal Circuit vacated the Board's decision and held that Atlanta Gas's petition was time barred because it was filed more than one year after it was served with a complaint alleging patent infringement. The Court remanded the case for the Board to finalize the outstanding sanctions issues and terminate the proceedings. However, before the Board was able to carry out these orders, the Supreme Court held in *Thryve* that the Federal Circuit did not have jurisdiction to review time bar determinations since those decisions are intimately related to institution decisions, which are protected from appeal. Accordingly, this case went back to the Federal Circuit to consider the merits of the Board's invalidity determination. The Court affirmed the invalidity determination, and once again remanded back to the Board to finalize the outstanding sanctions issues.

On remand, the Board vacated both its institution and written decision, and terminated the proceedings due to a change in PTO policy regarding the time bar. In its termination decision, the Board explained that no monetary sanctions would be awarded, because the vacatur and termination "most effectively resolve the issues...by operating as a sufficient sanction...while still conforming to [USPTO policy]."

Atlanta Gas appealed the Board's vacatur and

termination decisions, arguing that the Federal Circuit had jurisdiction because the Board characterized its termination decision as a sanction. The Federal Circuit dismissed the case and found that it lacked jurisdiction because the Board's termination decision was based in part on the time bar issue. It noted that the Board has sole authority over its institution decisions and inherent authority to reconsider and vacate those decisions, including after remand from the Federal Circuit. Newman provided a dissenting opinion.

## **Commissioner's Exercise of Vacant Director's Duties Does Not Violate Appointments Clause**

*Arthrex, Inc. v. Smith & Nephew, Inc.*, Appeal No. 18-2140

Before Moore, Reyna, and Chen. Appeal from the Patent Trial and Appeal Board.

Summary: During vacancies of the Director and Deputy Director of the U.S. Patent and Trademark Office, the Commissioner of Patents may exercise the Director's authority to decide rehearing of *inter partes* review decisions without violating the Appointments Clause of the Constitution.

Smith & Nephew, Inc. and ArthroCare Corp. petitioned for *inter partes* review of Arthrex, Inc.'s patent, arguing that certain claims of the patent are anticipated by prior art. The Board instituted *inter partes* review and ultimately found in favor of the petitioners. Arthrex appealed, arguing in part that the Board lacked constitutional authority to issue final decisions. Specifically, Arthrex contended that Administrative Patent Judges ("APJs") are not nominated by the President and confirmed by the Senate as the Appointments Clause of the Constitution requires for principal offic-

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ers. The Federal Circuit agreed, holding that the appropriate remedy was to (1) sever the statutory limitations on the removal of APJs and (2) *remand for rehearing by a new panel of APJs*. Though the Supreme Court agreed that APJs could not issue a final decision binding the executive branch, it vacated and remanded the matter. In doing so, the court ordered an alternative remedy: to (1) exempt the Director of the U.S. Patent and Trademark Office from 35 U.S.C. § 6(c), which precludes anyone but the Board from granting rehearing of a Board decision, and (2) *remand the case to the Acting Director* to determine whether to rehear the case. On remand, Arthrex sought rehearing by the Director. However, as both the offices of the Director and Deputy Director were vacant, the Commissioner for Patents was charged with addressing Arthrex's request, pursuant to an agency order. The Commissioner denied rehearing and ruled that the Board's decision was final. Arthrex appealed.

In the instant appeal, Arthrex asserted it did not receive the remedy that the Supreme Court ordered and that the Commissioner's exercise of the Director's authority violated the Appointments Clause. The Federal Circuit acknowledged that, because the Commissioner is not a presidentially appointed, Senate-confirmed ("PAS") officer, the Commissioner ordinarily may not issue a final decision binding the executive branch. However, the court proceeded to explain that, per *United States v. Eaton*, 169 U.S. 331 (1898), an inferior officer may temporarily perform the duties of an absent PAS officer on an acting basis. In upholding the applicability of *Eaton*, the Court further explained that, as was the case in *Eaton*, the Commissioner's time performing the Director's duties was limited even though the agency order did not specify the Commissioner's tenure; for the Commissioner would hold the role only so long as the offices

of the Director and Deputy Director remained vacant. In light of the foregoing, the Federal Circuit concluded that the Commissioner's exercise of the Director's authority did not violate the Appointments Clause.

Arthrex also averred that the Federal Vacancies Reform Act ("FVRA") prevented the Commissioner from ruling on the rehearing request. The Federal Circuit rejected this argument as well, as the FVRA only limits who may temporarily perform the *non*-delegable duties of a PAS officer; the Director's authority to decide rehearing requests is a delegable one.

### **Sounding Off: Prosecution Disclaimer Requires Unambiguous Intrinsic Evidence**

*Genuine Enabling Technology LLC v. Nintendo Co., Ltd.*, Appeal No. 20-2167, the Federal Circuit held that a finding of prosecution disclaimer must be supported by an unambiguous disavowal within the intrinsic record.

Genuine sued Nintendo, alleging infringement of U.S. Patent No. 6,219,730 ('730 patent). '730 patent claim 1 was generally directed to an apparatus coupled to a computer that uses an "input signal." During prosecution, the patentee distinguished prior art on the basis that the art did not disclose "signals containing audio or higher frequencies." The parties agreed that these arguments resulted in a prosecution disclaimer, but disagreed as to the scope of the disclaimer. Genuine argued the disclaimer only applied to signals lower than a minimum audio frequency of about 20 Hz. Nintendo, however, submitted an expert declaration interpreting the prior art and argued the disclaimer should extend to signals up to 500 Hz. The court agreed with Nintendo and construed the term "input signal" as limited to signals with a frequency above 500 Hz, and granted Nintendo's motion for summary judgment of non-infringement.

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Genuine appealed the grant of summary judgment, and the Federal Circuit reversed. The Federal Circuit explained that the district court erred by using the extrinsic expert declaration to contradict the prosecution history's intrinsic evidence when constructing the claim. The Federal Circuit found that the only unambiguous disclaimer in the intrinsic record was to signals below 20 Hz, the minimum audio frequency, stemming from the patentee's consistent distinction of the prior art's "slow-varying signals" from the patent's "audio or higher frequency" input signals. In contrast, the intrinsic record did not support the district court's finding of disclaimer of input signals of up to 500 Hz. Because prosecution disclaimer does not apply to statements that are "ambiguous or amenable to multiple reasonable interpretations," and the only unambiguous statement disclaimed signals below the audio spectrum, the Federal Circuit held the district court erred in its construction of "input signal." In view of this incorrect claim construction, the Federal Circuit reversed the grant of summary judgment and remanded for further proceedings.

## **A Construction That Eliminates the Entire Scope of Dependent Claims Should Be Avoided**

*Littelfuse, Inc. v. Mersen USA Ep Corp.*, Appeal No. 21-2013, the Federal Circuit vacated a claim construction that violated the doctrine of claim differentiation by depriving several dependent claims of independent scope.

Littelfuse sued Mersen for patent infringement. At Mersen's behest, the district court construed two independent claims to require a multi-piece apparatus. Littlefuse stipulated to noninfringement under this claim construction and appealed.

The Federal Circuit held that the district court's multi-piece construction of the independent claims was erroneous because four dependent claims required a single-piece apparatus. Under the district court's construction, these dependent claims were improperly rendered meaningless because they were left with no distinct scope. Thus, the Federal Circuit vacated the district court's claim construction and judgment of noninfringement.

## **The Heightened Standard of Proving Induced Infringement**

*Roche Diagnostics Corporation v. Meso Scale Diagnostics, LLC*, Appeal No. 21-1609, the Federal Circuit held that a finding of induced infringement requires knowledge that the induced acts constitute patent infringement, which can be established by a finding of 'willful blindness,' a standard of limited scope that exceeds recklessness and negligence.

In 1995, Meso was formed as part of a research agreement with Igen International. The agreement granted Meso an exclusive worldwide license to all technology developed during the research. In 2003, Roche acquired a license from Igen to operate in the field of "human patient diagnostics." That same year, BioVeris took ownership of the patents from Igen. In 2007, Roche acquired BioVeris and began instructing its customers to ignore the field restriction labels. In 2010, Meso sued, alleging that Roche breached the 2003 deal by violating the field restriction. The district court determined Meso was not a party to the 2003 agreement and that only BioVeris could enforce the field restriction.

In 2017, Roche brought suit seeking a declaratory judgment that it did not infringe Meso's patent rights arising out of the 1995 license agreement. Meso counterclaimed for patent

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infringement. At trial, the jury found that Meso had an exclusive right to the asserted patent claims and that Roche both directly infringed Meso's patent rights and induced infringement. The district court denied Roche's post-trial motions challenging infringement, induced infringement and damages. However, it granted Roche's motion regarding willfulness, denying Meso's motion for enhanced damages. The district court also rendered a non-infringement decision with respect to three additional patents on the ground that Meso waived compulsory infringement counterclaims as to those patents.

The Federal Circuit affirmed the finding of direct infringement, reversed the finding of induced infringement, vacated the damages award, and remanded for a new trial on damages.

The Federal Circuit found that, in denying Roche's motion regarding inducing infringement, the district court incorrectly applied a negligence standard rather than requiring specific intent. The Federal Circuit highlighted that the district court erroneously ruled that specific intent requires that the accused infringer "knew or should have known his actions would induce actual infringement." The Federal Circuit noted the similarity between the intent standard for willfulness and inducement, and found that the district court's ruling contradicted its own express finding that Roche subjectively believed it was not infringing or inducing infringement.

The Federal Circuit further found that the alleged acts of inducement occurred outside the patent damages limitation period. The district court had relied on a concept of continuing impact; however, the Federal Circuit was wary of this concept. The Federal Circuit stated that, even if this concept was sound, Meso failed to demonstrate acts of inducement occurring pri-

or to the damages limitation period that actually led to acts of direct infringement within the damages limitation period.

The Federal Circuit also vacated the district court's non-infringement decision regarding the three additional patents. The court found the compulsory counterclaim rule barred future claims, but that it did not authorize rendering an adverse judgment on declaratory judgment claims simply because of a failure to assert compulsory counterclaims. The court vacated and remanded for appropriate disposition of properly pled declaratory judgment claims.

Judge Newman dissented, arguing that because Meso did not have a license to the asserted patent claims, both induced infringement and direct infringement should have been reversed.

### **"Pliable" Language Results in "Resilient" Patent Claims**

*Niazi Licensing Corporation v. St. Jude Medical S.C., Inc.*, Appeal No. 21-1864, the Federal Circuit held that providing examples in the claim language and written description may make descriptive terms definite.

Niazi sued St. Jude for infringement of its patent related to a catheter for cannulating the coronary sinus without significant manipulation. Niazi alleged that St. Jude both directly infringed and induced infringement. The district court determined that all but one of the asserted claims were invalid as indefinite. Niazi appealed the district court's determinations as to indefiniteness, induced infringement, and sanctions.

The Federal Circuit reversed the district court's finding that the terms "resilient" and "pliable" rendered Niazi's claims indefinite. The court applied the *Nautilus* test established by the Supreme Court to determine whether the use of descriptive terms (*i.e.*, "resilient" and "pliable")

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resulted in a claim that “fail[s] to inform, with reasonable certainty, those skilled in the art about the scope of the invention.”

For the term “resilient,” the court found that the claim language and written description provided sufficient guidance to convey to a person of ordinary skill that a resilient outer catheter referred to one that has shape memory and stiffness such that it can return to its original shape. Further, the claims provided examples of resilient materials of which the outer catheter could be made (e.g., “braided silastic”).

While there was less guidance for the term “pliable,” the court still found that the written description provided numerous examples of a “pliable” inner catheter. For example, the claims required “an inner, pliable catheter slidably disposed in the outer catheter.” Further, the specification stated that the pliable inner catheter was “constructed of a more pliable, soft material such as silicone” without “longitudinal braiding, which makes it extremely flexible and able to conform to various shapes.” Thus, the court found that, when read in light of the intrinsic evidence, a person of ordinary skill in the art would understand the scope of the claims and the meaning of the terms “resilient” and “pliable” with reasonable certainty. The court affirmed the district court’s determination as to induced infringement and entry of evidentiary sanctions.

### **Notice Letters and Communications May Form a Basis for Personal Jurisdiction**

*Apple Inc. v. Zipit Wireless, Inc.*, Appeal No. 21-1760, the Federal Circuit held that notice letters and related communications may be sufficient to establish personal jurisdiction within a given forum.

California Plaintiff, Apple Inc. (“Apple”) sued

Zipit Wireless, Inc. (Zipit) for patent infringement in the Northern District of California. Zipit was a Delaware corporation with a principal place of business and all of its 14 employees in South Carolina.

In 2013, Zipit contacted Apple (domiciled in the Northern District of California) regarding the possibility of Apple buying or licensing the patents-in-suit from Zipit. Over the course of three years, the parties exchanged several rounds of correspondence, phone calls, and met in person twice at Apple’s headquarters in the Northern District.

In June 2020, Zipit sued Apple in the Northern District of Georgia, accusing Apple of infringing the patents-in-suit. Nine days later, Apple filed a complaint in the Northern District of California, seeking a declaratory judgment of noninfringement of the patents-in-suit. Zipit moved to dismiss Apple’s complaint for lack of personal jurisdiction. In February 2021, the district court granted Zipit’s motion and dismissed Apple’s complaint, holding that it lacked specific personal jurisdiction over Zipit. The district court held that, while Apple established that the contact between the parties was sufficient to establish personal jurisdiction, exercise of jurisdiction would be unreasonable because Zipit’s contacts with California were all related to the attempted resolution of the dispute regarding the patents-in-suit.

On appeal, the Federal Circuit disagreed that the exercise of personal jurisdiction would be unreasonable. The Federal Circuit explained that there is no bright-line rule prohibiting the exercise of personal jurisdiction based only on cease-and-desist letters and related in-person discussions. Rather, the Federal Circuit explained that courts consider a “variety of interests” in determining whether exercise of jurisdiction would be reasonable. These interests

## FEDERAL CIRCUIT CASE SUMMARIES

include (1) the burden on the defendant, (2) the forum state's interest in adjudicating the dispute, (3) the plaintiff's interest in obtaining relief, (4) the interstate judicial system's interest in efficient resolution of controversies, and (5) the shared interest in furthering fundamental substantive social policies.

The Federal Circuit found Zipit failed to meet its burden of presenting a compelling case that jurisdiction would have been unreasonable, reversed the district court's judgment, and remanded the case for further proceedings.

## DISTRICT COURT & PTAB HAPPENINGS

Contributors: Akin Gump  
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### **PTAB: Applicant-Admitted Prior Art Out of Bounds in IPR, If Used as Basis for Challenge**

by Karina J. Moy & Rubén H. Muñoz

Apr. 29, 2022

Patent Trial and Appeal Board, Inter Partes Review, 35 U.S.C. § 311(b)

In an *inter partes* review, the Patent Trial and Appeal Board applied guidance from the U.S. Patent and Trademark Office and declined to consider an obviousness ground that was based on admissions about prior art in the specification of the challenged patent.

The petitioner challenged a patent related to a cochlear implant system with an external sound processor and a permanently integrated rechargeable power source. Ground 1 of the IPR asserted that all claims of the challenged patent were obvious based on applicant-admitted prior art (“AAPA”) in combination with a prior art patent. In particular, the petitioner cited figures that were labeled “Prior Art” and admissions in the patent specification regarding a prior art cochlear implant system and prior art behind-the-ear sound processor.

On August 19, 2020, shortly after the IPR petition was filed, the Director of the USPTO issued binding guidance on the treatment of statements by the applicant in a patent challenged in IPR. The Director considered the statutory language of 35 U.S.C. § 311(b), which authorizes IPR “only on the basis of prior art consisting of patents or printed publications.” The USPTO guidance states that admissions about prior art in the challenged patent cannot form the “basis of” an IPR challenge because a patent cannot be prior art to itself. But where an IPR challenge is properly based on one or more prior art patents or printed publications, the PTAB may consider AAPA as factual evidence of the general knowledge of a person having ordinary skill in the art (“POSA”) by, for example, supplying missing claim limitations and supporting the motivation to combine particular disclosures.

In view of this guidance—and the Federal Circuit’s endorsement in *Qualcomm Inc. v. Apple Inc.*, 24 F.4th 1367 (Fed. Cir. 2022)—the PTAB found that the petitioner improperly relied on AAPA as the basis of an obviousness ground of the IPR. The petitioner relied on AAPA alone to provide several structural and functional limitations of the claimed invention. The petitioner also framed AAPA as the “foundation or starting point” of the asserted ground, citing AAPA

for the known cochlear implant system and using the other prior art patent to supply missing claim elements. Having found that AAPA was the basis of this asserted ground for IPR, the PTAB then concluded that it lacked jurisdiction to consider the merits of this ground. The PTAB rejected the patent owner’s argument that once IPR is instituted the PTAB must issue a final written decision on every ground raised in the petition, including those that are outside the PTAB’s statutory authority.

Turning to three other obviousness grounds that did not rely on applicant-admitted prior art, the PTAB concluded that the petitioner had proven the unpatentability of all challenged claims.

**Practice Tip:** A petitioner should exercise caution when relying on admissions about the prior art drawn from a patent specification to challenge that patent. If these applicant admissions are needed to support an obviousness challenge in an IPR, the petitioner should base its challenge on a prior art patent or publication and use AAPA to supply a factual foundation as to what a POSA would have known at the time of the invention, for pre-AIA patents, or at the effective filing date of the invention, for post-AIA patents.

*MED-EL Elektromedizinische Geräte Ges.m.b.H. v. Advanced Bionics AG*, IPR2020-01016, Paper 42, IPR2021-00044, Paper 40 (PTAB Mar. 31, 2022)

### **Industry Praise of Consumer Hair Product Sufficient to Rebut Bald Obviousness Allegations**

by Matthew George Hartman, Rubén H. Muñoz, Megan Mahoney (Law Clerk, not admitted to practice)

Apr. 29, 2022

Patent Trial and Appeal Board, Inter Partes Review, 35 U.S.C. § 103

In a recent *inter partes* review proceeding, the Patent Trial and Appeal Board relied on compelling evidence of secondary considerations to hold all challenged claims not unpatentable under 35 U.S.C. § 103. Specifically, the PTAB found the patent owner’s evidence of industry praise and acceptance sufficiently persuasive to conclusively decide the obviousness issue.

The patent at issue discloses a brush-like hair straightener that uses protruding heating elements and spacers to quickly straighten hair without burning the user’s scalp. The petitioner challenged all claims as obvious over several combinations of prior art. In response, the patent owner proffered objective evidence of nonobviousness, including evidence of long-felt but unmet need, failure of others, skepticism, industry praise and acceptance, copying, and commercial success.

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As an initial matter, the PTAB agreed with the petitioner that a person of ordinary skill in the art would have modified one prior art reference and combined it with the teachings of a second prior art reference to create the claimed invention. However, after evaluating the secondary considerations, the PTAB concluded that the evidence of industry praise and acceptance, on its own, was sufficiently compelling to render all claims nonobvious.

For secondary considerations, the patent owner pointed to one of its products—the DAFNI brush—as evidence of nonobviousness. The patent owner argued that the DAFNI brush is entitled to a presumption of nexus with the claimed invention because it meets all limitations of the claimed invention, and is therefore coextensive with the invention. Further, the patent owner argued that industry praise and acceptance of the DAFNI brush is a direct result of the unique characteristics of the claimed invention, namely the plurality of elongate heating elements and elongate insulating spacers that allow users to quickly straighten hair without burning the skin. As support for these assertions, the patent owner submitted several articles from popular magazines in which the DAFNI brush was praised for its ability to quickly and effectively straighten hair while protecting a user’s scalp, testimony that the enhanced speed and safety are due to the claim elements, numerous accolades and recognition from popular home and beauty magazines, and use of the DAFNI brush by professional hairstylists, celebrities, and prominent beauty influencers.

The petitioner responded that the DAFNI brush could not be coextensive with the independent claim because the product contained additional unclaimed features. The petitioner further argued that the industry praise and acceptance did not result from the claimed features, but instead is attributable to the unclaimed features, prior art features, aesthetics, marketing, and brand name. However, the petitioner did not provide evidence to support the argument that the DAFNI brush’s success was due to unclaimed features or other extraneous factors.

Ultimately, the PTAB determined that the patent owner had demonstrated a nexus between the DAFNI brush and the claimed invention by showing that the evidence of secondary considerations directly resulted from the unique characteristics of the claimed invention. The PTAB therefore found the patent owner’s considerable and largely un rebutted evidence of industry praise and acceptance to be compelling evidence of nonobviousness. As such, the PTAB concluded that given the compelling evidence of secondary considerations, the tenuous prior art combinations were not sufficient to render any of the challenged claims obvious.

**Practice Tip:** When supporting or challenging obviousness grounds, it is important not to neglect evidence of secondary considerations. In particular, where the claimed invention includes a popular consumer product, industry praise and acceptance that directly results from the claimed features may be sufficient to overcome an obviousness challenge. Any party attempting to address secondary considerations, however, must point to actual evidence and avoid unsupported assertions.

*Ontel Prods. Corp. v. Guy A. Shaked Invs. Ltd.*, IPR2021-00052, Paper 38 (PTAB Apr. 18, 2022)

02 MAY '22

### **District Court Granted Judgment on the Pleadings Because the Patents Recited Patent-Ineligible Mathematical Techniques Executed in an Aircraft Flight Control System**

by C. Brandon Rash & Brooks J. Kenyon

May 2, 2022

District Court, Abstract Ideas, 35 U.S.C. § 101

Judge Orrick in the Northern District of California recently granted a motion for judgment on the pleadings that the asserted claims are invalid for claiming patent-ineligible subject matter under 35 U.S.C. § 101. The patents-at-issue are directed to flight control systems for aircraft. The court found the claims unpatentable because they recite abstract mathematical techniques carried out by generic components performing their conventional functions.

Plaintiff Wisk Aero sued Archer Aviation for infringing U.S. Patent Nos. 10,370,099 and 11,034,441. The patents are directed to an “online optimization-based flight control system.” Claim 1 of the ‘099 patent recites a method of controlling flight of an aircraft by receiving inputs associated with a set of “forces and moments” (movements the aircraft can make), and computing an “optimal mix of actuators” and associated parameters by “minimizing a weighted set of costs,” including costs from errors if a rotor fails. Claim 1 of the ‘441 patent recites an aircraft in which a flight controller and sensors perform a calculation to determine the “solution space” of all possible solutions to the algorithm and then selects the best from among them after excluding solutions that do not factor in that an error has occurred.

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 ele-

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ments 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.*

### The ‘099 Patent

Addressing *Alice* step one for the ‘099 patent, the court found that the focus of the claimed advance over the prior art is the minimization of the weighted set of costs, including costs of errors. The claimed method receives inputs and computes an “optimal mix” of actuators and parameters. According to the court, this advance is simply a mathematical technique that could be performed in the human mind or, in Wisk’s framing, an improvement to such a technique. The court noted that the Supreme Court and Federal Circuit have repeatedly held that mathematical techniques are not patentable.

The court found that the claims were similar to claims invalidated in *In re Board of Trustees of Leland Stanford Junior University*, 991 F.3d 1245 (Fed. Cir. 2021). In *Stanford*, the claims recited a method that received information and employed a mathematical technique to compute parameters. Wisk argued that the claims “recite the novel solution of including error as a weighted cost in a cost function.” The court determined, however, that including a new mathematical step in a computational technique is patent-ineligible subject matter—it does not matter that the mathematical technique was better than previous ones.

Wisk also relied on *Thales Visionix Inc. v. United States*, 850 F.3d 1343 (Fed. Cir. 2017), in which the asserted claims utilize mathematical equations. The court distinguished *Thales* because the Federal Circuit found that the claims focused on the “particular arrangement of sensors” and that the advance over the prior art was the placement of sensors in combination with the equation, not the underlying mathematical technique alone. In contrast, Wisk does not contend that the point of novelty is the actuators or another aspect of the technology. Rather, the focus of the claims over the prior art is minimizing the weighted costs, which is ineligible.

Addressing *Alice* step two, the court decided that “each mathematical technique is ... carried out solely by generic components performing their conventional functions,” and that the claims are “entirely ends-oriented and use only functional language.” The court further reasoned that claim 1 recites that it “receives” information and “computes” in a particular way, but does not explain any technical requirements of how these steps occur. Wisk argued that the inventive step is “taking the ... error[] between the requested force or moment and the calculated achievable force or moment and

factoring that error into the analysis as a cost to be minimized.” The court agreed, but found that this is “nothing more than a mathematical step.”

### The ‘441 Patent

Addressing *Alice* step one for the ‘441 patent, the court found that the claimed advance over the prior art is “a flight controller” that is configured to (1) “receive flight control inputs” corresponding to a set of forces and moments; (2) “monitor” sensor data to determine whether any of the lift fans has a failure induced reduced capacity; (3) if there is such a failure, determine a “solution space”; and (4) “determine” a combination of actuators and associated parameters to apply the set of forces and moments to the aircraft to an extent practicable. The court decided that the claim is directed to an abstract mathematical technique—i.e., the use of a solution space that takes into account that a lift fan has failed. The court noted that modeling a solution space is the result of a mathematical technique that can be performed in the human mind.

Addressing *Alice* step two, the court recognized that the ‘441 patent recites a physical device—an aircraft and its component flight controller. Citing *Yu v. Apple Inc.*, 1 F.4th 1040 (Fed. Cir. 2021), however, the court found that “the analysis focuses on the **advance** over the prior art.” The court explained that the point of novelty is selecting an optimal solution from a “solution space,” not the claimed physical components themselves. The court further found that, like in the ‘099 patent, the claims are entirely ends-oriented and use only functional language.

Wisk argued that what “adds significantly to the mere concept of computing a set of outputs” is that the claims are directed to a specific application. The court concluded, however, that “merely reciting an ‘aircraft’ and ‘flight controller’ without more are generic and conventional components that are there only to perform the abstract idea without adding anything substantial.” Quoting *Alice*, the court further reasoned that “the prohibition against patenting abstract ideas cannot be circumvented by attempting to limit the use of the idea to a particular technological environment.”

**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 the abstract solution no matter how implemented. Instead, Patent Owners should describe and claim technical details for tangible components in the claimed system, showing that such components are technologically innovative and not generic. For computer-implemented inventions, this may include a specific set of computer digital structures to solve a specific computer prob-

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lem.

*Wisk Aero LLC v. Archer Aviation Inc.*, No. 3:21-cv-02450 (N.D. Cal.)

### **Voluntary Nature of IPR Proceedings Forecloses Attorney's Fees, According to District Court**

by Megan R. Mahoney, Jason Weil & Rubén H. Muñoz

Jun. 14, 2022

District Court, Inter Partes Review, 35 U.S.C. § 285

A district court recently denied a motion for attorney's fees under 35 U.S.C. § 285 where the defendant successfully invalidated each claim of the patent at issue during an *inter partes* review proceeding. The district court explained that, because the IPR was voluntarily initiated by the accused infringer, work completed during an IPR is not a patent infringement "case" for § 285 purposes.

In that case, the plaintiff sued the defendant for patent infringement based on defendant's "automatic top-off" food fryers. The next month defendant presented plaintiff with several pieces of prior art that allegedly invalidated the claims. Defendant later filed an IPR petition alleging that each claim of the patent was anticipated by one of the references the defendant had previously identified. The board ultimately found all claims anticipated over that reference.

The district court dismissed the case and the defendant timely moved for attorney's fees under § 285. According to the defendant, the plaintiff pursued frivolous litigation, including taking inconsistent positions before the court and the board, and proceeding with the litigation despite being presented with the invalidating art.

The plaintiff opposed the motion, arguing that Federal Circuit *dicta* and the statute's silence on the matter show that attorney's fees are not available for work in an IPR. The defendant countered, relying on a Federal Circuit case that addressed a unique situation in a reissue proceeding, and arguing that since the dispute was fully resolved through IPR, the IPR proceeding should be considered part of the patent infringement "case" for § 285 purposes.

The district court ultimately agreed with the plaintiff that § 285 attorney fees are not available for IPR proceedings. The court relied on both the words and context of the statute, as well as the Federal Circuit *dicta* that fees cannot be awarded for work completed during an IPR.

IPR proceedings are voluntary, and the alleged infringer chooses to participate in the proceeding by filing a petition. As such, an alleged infringer is not entitled to receive attorney's fees under § 285 for prevailing in an IPR proceeding.

**Practice Tip:** When seeking attorney's fees, parties should consider focusing on an adversary's conduct during litigation. Conduct during an *inter partes* review, even if it involves success based on a reference that has been presented to the patent owner, may not support a fee award because proceeding down the IPR route may be viewed as a voluntary choice outside of district court litigation.

*Sherwood Sensing Solutions LLC v. Henny Penny Corp.*, 3:19-cv-00366 (S.D. Ohio May 20, 2022).

### **System Prior Art Allowed at Trial Despite Arguments That Related Printed Publications Could Have Been Asserted in Parallel IPR Proceedings**

by Hannah D. Price, Caitlin E. Olwell & Rubén H. Muñoz

Jun. 14, 2022

Eastern District of Texas, Inter Partes Review, Patent Infringement.

In a recent order, the Eastern District of Texas declined to preclude a defendant from raising prior art system references despite patentee's argument that similar printed publications could have been raised in earlier *inter partes* review (IPR) petitions.

After plaintiff United Services Automobile Association (USAA) sued defendant PNC Bank N.A. for patent infringement, PNC filed IPR petitions against each of the six patents-in-suit, of which three were instituted by the Patent Trial and Appeal Board. In each of these petitions, PNC stipulated that "if this IPR is instituted, it will not advance the grounds that are raised or reasonably could have been raised in this IPR in the co-pending district court proceeding."

In the parallel district court proceeding, PNC asserted prior art system references, which were related to printed publications describing the system. In response, USAA filed a motion *in limine* to preclude PNC from asserting these system references on the basis that the related printed publications could have been raised in the IPR proceedings.

The court pointed out that district courts are split on the issue of whether a party is estopped from asserting a system reference when there is a related printed publication. The court, however, declined to preclude PNC from raising invalidity defenses based on these system references

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because it was “not clear on th[e] record that the related publications fully describe[d] all relevant features of the asserted systems.”

**Practice Tip:** Though prior art systems cannot be raised during IPR proceedings, some district courts have struggled with the issue of whether a party should be precluded from asserting a system reference when there is a related printed publication that could have been raised in IPR proceedings. Parties to litigation should recognize that estoppel may not preclude the assertion of system references, especially if the accused infringer can show that the system has features not disclosed in related prior art publications.

*United Services Automobile Association v. PNC Bank, NA*, No. 2-20-cv-00319 (E.D. Tex. Apr. 28, 2022) (Roy S. Payne).

### USPTO: Compelling Evidence of Unpatentability Forecloses Fintiv Denial

by Megan R. Mahoney, Daniel L. Moffett & Rubén H. Muñoz

Jun. 29 '22

Patent Trial and Appeal Board, Patent Litigation, Inter Partes Review

The USPTO recently issued new guidance on how the Patent Trial and Appeal Board (PTAB) will apply *Apple Inc. v. Fintiv Inc.*, a 2020 precedential decision which laid out considerations for denying institution of a post-grant proceeding because of a parallel district court litigation. USPTO Director Katherine K. Vidal released a memorandum entitled “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings With Parallel District Court Litigation.” Director Vidal identified three specific scenarios in which the PTAB will no longer deny institution under *Fintiv*: where the parallel proceeding venue is the ITC; where the petitioner stipulates not to pursue similar arguments in the parallel litigation; and where the petition presents compelling evidence of unpatentability.

In these past two years, the PTAB considered the following *Fintiv* factors when determining whether to deny institution of a post-grant proceeding:

Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;

Proximity of the court’s trial date to the board’s projected statutory deadline for a final written decision;

Investment in the parallel proceeding

by the court and the parties;

Overlap between issues raised in the petition and in the parallel proceeding;

Whether the petition and the defendant in the parallel proceeding are the same party; and

Other circumstances that impact the board’s exercise of discretion, including the merits.

The application of these factors at the PTAB has garnered considerable attention and has been the subject of much debate among stakeholders, as evidenced by the more than 800 comments submitted to the Office on this topic.

### New USPTO Guidance

On June 21, 2022, United States Patent and Trademark Office (USPTO) Director Vidal provided updated guidance on the PTAB’s application of the *Fintiv* factors. Director Vidal noted that these clarifications are to benefit the patent system and the public good, and are in response to the 822 comments the USPTO received from its October 2020 Request for Comments on the PTAB’s approaches to exercising discretion to institute a post-grant proceeding. These clarifications also come shortly after the introduction of the PTAB Reform Act of 2022 in Congress, a bill that would abolish *Fintiv* denials entirely.

Until the USPTO undergoes formal rulemaking on this topic, Director Vidal’s interim guidance instructs that the PTAB will not rely on the *Fintiv* factors to discretionarily deny institution where:

The request for denial is based on a parallel ITC proceeding.

The petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition and any grounds that could have reasonably been raised in the petition.

The petition presents compelling evidence of unpatentability.

The interim guidance also clarifies that *Fintiv* factor two, which considers the proximity of the trial date in the parallel district court proceeding, should instead focus on the median time-to-trial for civil actions in the relevant district court.

### Parallel ITC Proceedings

Prior to this new guidance, declining to deny institution based on a parallel International Trade Commission (ITC) proceeding was already an established trend. Relying on the distinction

# DISTRICT COURT & PTAB HAPPENINGS

between district court litigation and ITC investigations—namely that the ITC does not have authority to invalidate a patent—the PTAB was no longer applying *Fintiv* to discretionarily deny petitions based on a parallel ITC investigation. The new guidance therefore simply memorializes what was already the predominant practice at the PTAB.

## Estoppel Stipulations

Since the precedential decision in *Sotera Wireless, Inc. v. Masimo Corporation*, where the PTAB found that petitioner's broad stipulation to not pursue similar arguments in the parallel litigation weighed strongly in favor of institution, petitioners in post-grant proceedings have increasingly avoided discretionary denials under *Fintiv* with similar stipulations. These *Sotera* stipulations, which generally preclude the petitioner from asserting in district court any grounds that were raised or reasonably could have been raised before the PTAB, help to mitigate concerns over potentially conflicting decisions or duplicative efforts between the district courts and the PTAB.

*Sotera* stipulations have already been a successful strategy for petitioners looking to avoid *Fintiv* denials. The USPTO released a [PTAB Parallel Litigation Study](#) in conjunction with the interim guidance evidencing this success rate for petitioners; in the last four fiscal quarters, the PTAB denied review in 52 out of 258 petitions that made such stipulations. The most recent quarter had only two denials out of 68 petitions with *Sotera* stipulations. The new interim guidance now provides petitioners a blanket exception to *Fintiv* denials if they are willing to submit to such stipulations.

## Compelling Evidence of Unpatentability

While the merits of a post-grant petition have always been part of the institution analysis under *Fintiv* factor six, the interim guidance has now made a petition's merits dispositive if the unpatentability evidence meets a "compelling" threshold. That is, under the interim guidance, the PTAB no longer has the discretion to deny institution under *Fintiv* where there is "compelling evidence of unpatentability."

The interim guidance's definition of "compelling evidence" leaves the precise threshold flexible and fact-specific. Specifically, Director Vidal defines a compelling challenge as one where "the evidence, if un rebutted in trial, would plainly lead to a conclusion that one or more claims are unpatentable by a preponderance of evidence." By way of example, Director Vidal cites three recent institution decisions to illustrate "compelling evidence"—*Illumina, Inc. v. Trustees*

*of Columbia University, Synthego Corporation v. Agilent Technologies, Inc.* and *Samsung Electronics v. Scramoge Technology Ltd.*

In *Illumina, Inc. v. Trustees of Columbia University*, the PTAB instituted review based on the strength of petitioner's evidence—specifically, the history of *inter partes review* (IPR) proceedings between the same parties where the PTAB had already held substantially similar claims unpatentable. The PTAB concluded that this evidence outweighed the other *Fintiv* factors.

In *Synthego Corporation v. Agilent Technologies, Inc.*, the PTAB cited Federal Circuit precedent that directly contradicted the patent owner's argument that the alleged anticipatory art was not enabling. Controlling law purportedly undermining the patent owner's position seems to have been sufficient for the PTAB to institute review over the patent owner's other merits-based arguments.

In *Samsung Electronics v. Scramoge Technology Ltd.*, the PTAB found petitioner's evidence of unpatentability strong, and specifically noted that the patent owner's preliminary response did not address the merits of the petitioner's invalidity challenges.

In each of these cases, the PTAB instituted review despite only *Fintiv* factor six—the merits of the petition—weighing against exercising its discretion to deny. Further, in each of these cases, the PTAB explicitly considered the content of the patent owner's preliminary response when determining whether to institute review.

By formally creating a *Fintiv* exception for petitions with "compelling evidence," the new guidance gives an increased significance to the merits of the petition and preliminary response. If the evidence is merely sufficient to meet the statutory institution threshold—a "reasonable likelihood" of prevailing for IPR, or "more likely than not" unpatentable for post-grant review—then the PTAB will conduct a *Fintiv* analysis. However, if there is "compelling evidence of unpatentability," the guidance precludes discretionary denial under *Fintiv*, regardless of the remaining factors.

## Trial Proximity

The final clarification of the interim guidance is a direct response to concerns about aggressive yet unreliable trial schedules. The new guidance provides that the median time-to-trial, instead of the actual trial date alone, should also be considered under *Fintiv* factor two. Doing so controls for fluctuations in a trial schedule, which Direc-

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tor Vidal notes may not by itself be a good indicator of whether the district court would resolve the patentability issue before the PTAB's final written decision. The new guidance also articulates that unlike *Fintiv* factor six, the proximity to trial should not be a dispositive factor.

### Open Issues and Potential Impact on Discretionary *Fintiv* Denials

While the new guidance's *Fintiv* exceptions for parallel ITC proceedings and *Sotera* stipulations provide concrete direction for petitioners, the exception for "compelling evidence of unpatentability" provides less clarity for either side. Even with the definition provided in the interim guidance, the line between the statutory institution threshold, where a *Fintiv* analysis is available, and the threshold for a "compelling" challenge, where it is not, is unclear. For example, will "compelling" challenges be limited to cases like *Illumina, Inc.*, *Synthego Corporation*, and *Samsung Electronics*, where special circumstances, such as prior decisions on identical claims, controlling law, and un rebutted arguments, make the challenges uniquely "compelling"? Or is the "compelling" threshold based entirely on the views of a particular panel? In addition, the suggestion in the interim guidance that the strength of evidence is assessed as if "unrebutted" raises further questions. Specifically, in assessing whether "compelling evidence" exists, how should the Panel weigh the evidence submitted with a preliminary response, if one is filed? Should expert testimony accompany a preliminary response? The panels in the three decisions cited in the interim guidance all considered the preliminary response when assessing the strength of the merits. At the very least, until the PTAB provides further clarity on "compelling evidence" through decisions or additional guidance, Director Vidal's selection of "compelling evidence" cases suggests that patent owners should address the merits of the unpatentability arguments if they are going to seek discretionary denial, and petitioners should attempt to point out how their challenge is uniquely compelling.

Ultimately, the new guidance seemingly codifies the current trends in discretionary denials at the PTAB. In the simultaneously released [PTAB Parallel Litigation Study](#), the USPTO outlines the sharp decline of *Fintiv* denials, which peaked at 11% of all *Fintiv* outcomes in early 2021, but has since dropped to 2% in early 2022. The new guidance may result in even fewer *Fintiv* denials, as each of the clarifications seem to weigh against the PTAB exercising its discretion to deny institution. In particular, a compelling, meritorious petition can now independently prevent a *Fintiv* denial, which could shift petitioner's and patent owner's priorities before institution.

### District of Delaware: IPR Estoppel Does Not Apply to Prior-Art Products

by Jonathan James Underwood & Rubén H. Muñoz

Jul. 29, 2022

District of Delaware, Prior Art, Inter Partes Review, 35 U.S.C. § 315(e)(2) estoppel

A judge in the District of Delaware has ruled that estoppel under 35 U.S.C. § 315(e)(2) does not apply to prior-art products, even if those products are "cumulative" of prior-art patents or printed publications that were raised during IPR proceedings. As such, the court denied a patentee's motion for summary judgment that sought to estop the defendant from pursuing anticipation and obviousness positions that were premised on prior-art products.

The court initially noted that it was undisputed that the defendant could not have raised the prior-art products during a related IPR proceeding. However, the patentee had argued that the prior-art products at issue in the district court case were "cumulative" to the paper-based prior art that the defendant had asserted in the IPR proceeding. As such, the patentee argued that the defendant was still estopped from pursuing invalidity defenses based on the products. The court explained that although it had agreed to hear evidence on the cumulativeness of the prior-art products, the dispute could be settled without a hearing.

The court resolved the dispute by looking at the text of the estoppel statute and using "well-accepted canons of construction." The court first explained that by the plain text of the statute, estoppel only applies to grounds that were raised or reasonably could have been raised during the IPR proceeding. Furthermore, even though the term "ground" was not defined in the statute, other courts had interpreted it to mean the "specific pieces of prior art" involved in the challenge. Adopting the same interpretation, the court reasoned that because prior-art products cannot not be raised in an IPR, such products cannot not be a "ground" that is subject to statutory estoppel.

The court acknowledged that the issue is not settled. Across the country, judges have reached varying conclusions, including a decision in which the former Chief Judge of the District of Delaware ruled that Section 315(e)(2) estoppel did apply to a prior-art product, given the circumstances of that case. Nevertheless, the court reasoned that adhering closely to the statutory text was the most appropriate course given that neither the Supreme Court nor the Federal Circuit has decided the issue.

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The court also explained that Congress had chosen the statutory text after “considered debate and careful thought.” And because Congress could have provided broader categories of estoppel but did not do so, the court should not seek to create additional bases for estoppel.

**Practice tip:** This decision highlights an ongoing struggle among district courts about the scope of IPR estoppel. Until the scope is clarified, at least in the first instance by the Federal Circuit, parties should consider carefully whether estoppel might apply to invalidity grounds premised on prior-art products. Parties should look to decisions from within the district court and, more specifically, the presiding judge to determine how estoppel has been applied.

*Chemours Co. FC LLC v. Daikin Indus., Ltd.*, 2022 WL 2643517, C.A. No. 17-1612 (MN) (D. Del. July 8, 2022)

### **PTAB Orders Production of Final Infringement Contentions from Related Litigations Because they were Inconsistent with Patent Owner’s Response**

by Caitlin E. Olwell & Rubén H. Muñoz

Jul. 29, 2022

Patent Trial and Appeal Board, Inter Partes Review, Patent Litigation

Petitioners moved for an order requiring Patent Owner to produce discovery comprising Final Infringement Contentions from related district court litigations between the parties. Petitioners set forth two independent bases for requested discovery: (1) the Final Infringement Contentions should be produced as “additional” discovery under 37 C.F.R. § 42.51(b)(2)(i); or (2) the Final Infringement Contentions were required “routine” discovery under 37 C.F.R. § 42.51(b)(1)(iii). The Patent Trial and Appeal Board (“PTAB”) granted Petitioners’ motion as additional discovery, but declined to reach a decision on Petitioners’ alternative basis under routine discovery.

A party seeking additional discovery during *inter partes* review (“IPR”) proceedings must demonstrate that it is “necessary in the interests of justice.” In assessing whether a party has met this standard, the PTAB looks to five factors articulated in *Garmin Int’l Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 26 (PTAB Mar. 5, 2013). Here, the PTAB found that all five *Garmin* factors supported granting Petitioners’ motion.

*First*, Petitioners established there was more than a possibility that the requested discovery would

yield useful information because the Final Infringement Contentions provide an indication of Patent Owner’s understanding of the ‘835 Patent and it was undisputed that Patent Owner took different positions regarding claim language. While the PTAB did not rule on whether those positions were in fact inconsistent, the “acknowledged differences” were sufficient to support a finding that the requested discovery is in the interests of justice. Furthermore, because Petitioners’ counsel already had the requested discovery in their possession from the related litigations, this was not a fishing expedition for something that might not exist. *Second*, Petitioners were not trying to ascertain the underlying basis for Patent Owner’s litigation positions. *Third*, the Final Infringement Contentions would be unavailable unless Petitioners’ motion was granted and the Board might need access to those complete contentions should Petitioners’ substantive briefing assert arguments related to alleged inconsistencies. *Fourth*, Patent Owner readily understood what Petitioners were requesting for additional discovery in the IPR proceeding. *Fifth*, it would not be burdensome for Patent Owner to produce the Final Infringement Contentions in this IPR proceeding.

**Practice Tip:** Discovery is limited in IPR proceedings, and the PTAB will only authorize additional discovery when necessary in the interests of justice. A party is more likely to meet this standard where the request is limited in scope, the moving party is already in possession of the requested materials from related proceedings, and access to the requested materials by the PTAB may be necessary for a complete record (e.g., to determine whether a party has taken inconsistent positions regarding claim scope).

## 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 – [Patentlyo.com](https://patentlyo.com)

**\* Nonce words and Means Plus Function**

**Claims** – You usually want to avoid Section 112 (f) classifications as the result is often either (1) narrow claim scope or (2) invalid claims. In his May 18, 2022 post (<https://patentlyo.com/patent/2022/05/means-function-petitions.html>), Prof. Dennis Crouch goes into two recent Federal Circuit cases which build further on the *Williamson v. Citrix Online, LLC*, 792 F.3d 1339 (Fed. Cir. 2015) (*en banc* as to Part II.C.1) case that changed the strong presumption that a claim lacking the term “means” did not fall within Section 112(f) to the rebuttable presumption that “nonce words” such as “mechanism,” “element,” and “device” fail to recite sufficiently definite structure. The two recent cases are *Dyfan, LLC v. Target Corp.*, 28 F.4th 1360 (Fed. Cir. 2022) ([https://cafc.uscourts.gov/opinions-orders/21-1725.OPINION.3-24-2022\\_1926111.pdf](https://cafc.uscourts.gov/opinions-orders/21-1725.OPINION.3-24-2022_1926111.pdf)) and *VDPP LLC v. Vizio, Inc.*, 2021-2040, 2022 WL 885771 (Fed. Cir. Mar. 25, 2022) ([https://cafc.uscourts.gov/opinions-orders/21-2040.OPINION.3-25-2022\\_1926745.pdf](https://cafc.uscourts.gov/opinions-orders/21-2040.OPINION.3-25-2022_1926745.pdf)).

**\* Typos in Prior Art and PHOSITA** – In his July 11, 2022 post, Prof. Dennis Crouch discussed a case from the Federal Circuit that agreed with the patentee in holding that a person holding ordinary skill in the art (PHOSITA) would have “disregarded or corrected” an error found in a prior art document rather than relying on the error as the foundation of an inventive project. (<https://patentlyo.com/patent/2022/07/prior-wherefore-though.html>). The opinion is *LG Electronics, Inc. v. ImmerVision, Inc.*, slip opinion, Dkt. Nos. 2021-2037, 2021-2038 (Fed. Cir., July 11, 2022) (Fed. Cir., Jan. 24, 2022) ([https://cafc.uscourts.gov/opinions-orders/21-2037.OPINION.7-11-2022\\_1975922.pdf](https://cafc.uscourts.gov/opinions-orders/21-2037.OPINION.7-11-2022_1975922.pdf)).

**\* Boilerplate Statements in Patent Sink Eligibility**

– A July 18, 2022 post describes a situation wherein Stanford lost an appeal on eligibility after a finding that disputed claims covered conventional technology. The Federal Circuit bolstered this finding in *CareDx, Inc. v. Natera, Inc.*, slip opinion, Case No. 22-1027 (Fed. Cir., July 18, 2022) ([https://cafc.uscourts.gov/opinions-orders/22-1027.OPINION.7-18-2022\\_1979207.pdf](https://cafc.uscourts.gov/opinions-orders/22-1027.OPINION.7-18-2022_1979207.pdf)) by noting the following admissions in the specification stating that the technology was wholly conventional:

“The practice of the present invention employs, unless otherwise indicated, conventional tech-

niques of immunology, biochemistry, chemistry, molecular biology, microbiology, cell biology, genomics and recombinant DNA, which are within the skill of the art.”

The take-home lesson here is to take a new look at your boilerplate and adjust accordingly. One dilemma involves relying on such boilerplate to satisfy written description requirements while hoping to avoid obviousness rejections. (<https://patentlyo.com/patent/2022/07/boilerplate-admissions-eligibility.html>).

**United States Patent and Trademark Office** – The U.S. agency for patents and trademark registrations – [uspto.gov](https://www.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 offices 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>.

On May 5, 2022, the U.S. Department of Treasury’s Office of Foreign Assets Control (OFAC) issued General License No. 31 to let you still file and prosecute patent applications, trademark registration applications, copyright registrations, and pay renewal or maintenance fees to the Russian authorities. The General License No. 31 is available at [https://home.treasury.gov/system/files/126/russia\\_gl31.pdf](https://home.treasury.gov/system/files/126/russia_gl31.pdf). See the USPTO announcement at <https://www.uspto.gov/about-us/news-updates/update-interactions-rosipatent>.

On June 1, 2022, the USPTO issued an update on the Rospatent situation stating that effective December 1, 2022, the USPTO is terminating the agreement that involves Rospatent functioning as an International Searching Authority (ISA) and an International Preliminary Examining Authority (IPEA) for PCT applications received by the USPTO. You can read the announcement here - <https://www.uspto.gov/about-us/news-updates/update-termination-rosipatent-isa-and-ipea-international-applications>.

On July 26, 2022, the USPTO issued a notice in the Official Gazette that any parties in Ukraine affected by the Russian invasion of that country may request a restart on any office action response deadlines. The Official Gazette notice is available here - <https://www.uspto.gov/web/offices/com/sol/og/2022/week30/TOC.htm#ref9>.

**\* PTO Offices Back Open** – On August 16, 2022, the USPTO fully reopened all locations to employees and resumed some in-person activities.

<https://www.uspto.gov/about-us/news-updates/uspto-enters-phase-3-and-reopens-facilities-public>.

\* **Duty of Candor & Duty to Disclose** – On August 16, 2022, the USPTO provided in the Official Gazette a notice on what it considers the duty to disclose information to the USPTO and the reasonable inquiry requirement. The Notice took pains to make clear that these duties also apply to PTAB proceedings and that inconsistent statements made to the FDA or other government agencies, which contradict statements made to the USPTO, are improper. <https://www.uspto.gov/web/offices/com/sol/og/2022/week33/TOC.htm#ref12>.

### **AIPLA – the profession’s national organization – see [AIPLA.org](https://www.aipla.org)**

\* 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).

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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

### **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 section on the left and an orange text section on the right. The portrait section features a headshot of Ahsan Shaikh, a man with a beard wearing a dark suit and blue tie, with his name 'Ahsan Shaikh' in a black box below. The orange section 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 section on the left and an orange text section on the right. The portrait section 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 section 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 RECENT EVENTS

**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?**

**September 15, 2022 Luncheon**—An Overview of the USPTO Pro Bono Program

*Dahlia George, USPTO, Office of Enrollment and Discipline*



**Dahlia George, USPTO**

**OCIPLA**

**THURSDAY**  
**SEPTEMBER 15, 2022**  
**12:00 PM - 1:00 PM**  
**ZOOM**

**TOPIC: AN OVERVIEW OF**  
**THE USPTO PATENT PRO**  
**BONO 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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We hope that the Newsletter is informative, entertaining, and interesting. Comments, ideas, announcements, proposed articles, suggestions and any other communications concerning the content, form or other aspect of this Newsletter may be directed to:

Brock F. Wilson  
2022 OCIPLA Newsletter Editor

