

RECENT DEVELOPMENTS IN PATENT LAW (Fall 2021)

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PATENTABLE SUBJECT MATTER

Software and Business Method Cases

Unpatentable

In re Bd. of Trs. of the Leland Stanford Junior Univ., 991 F.3d 1245 (Fed. Cir. March 25, 2021)

In this appeal from the Patent Trial and Appeal Board (“PTAB”), the Federal Circuit affirmed the claimed statistical methods were subject matter ineligible under § 101 for being directed to an abstract idea.⁴

Stanford University’s ‘982 application is “directed to computerized statistical methods for determining haplotype phase.”⁵ The PTAB rejected the application for being subject matter ineligible under § 101.⁶ At *Alice* step 1, the PTAB found the representative claim was directed to the patent ineligible abstract ideas of mathematical concepts and abstract mental processes.⁷ Furthermore, the PTAB noted the steps were merely implemented in generic computer hardware and that the claims did not include any steps to apply the computed information towards a purpose.⁸ At *Alice* step 2, the PTAB identified no inventive conception which would make the claim directed towards abstract ideas patent eligible.⁹ Stanford appealed.¹⁰

On appeal, the Federal Circuit affirmed the district court’s findings.¹¹ At *Alice* step 1, the court found the “the claims are directed to the use of mathematical calculations and statistical modeling” that “without more, are patent ineligible under § 101” and well-established precedent.¹² As with the district court, the Federal Circuit found claims contained no application and recited generic steps of implementing the steps with a computer.¹³ The court also noted “[t]he different use of a mathematical calculation, even one that yields different or better results, does not render patent eligible subject matter.”¹⁴ At

⁴ *In re Bd. of Trs. of the Leland Stanford Junior Univ.*, 991 F.3d 1245 (Fed. Cir. 2021).

⁵ *Id.* at *6

⁶ *Id.*

⁷ *Id.* at *7

⁸ *Id.* at *8.

⁹ *Id.* at *9.

¹⁰ *Id.* at *10.

¹¹ *Id.* at *14.

¹² *Id.* at *10-11. (citing *Parker v. Flook*, 437 U.S. 584, 595, 98 S. Ct. 2522, 57 L. Ed. 2d 451 (1978)).

¹³ *Id.* at *12.

¹⁴ *Id.* at *14.

Alice step 2, the court also could not identify any inventive concept that saved the claims' subject matter eligibility.¹⁵

***Simio, LLC v. Flexsim Software Prods.*, 983 F.3d 1353 (Fed. Cir. Dec. 29, 2020)**

In this appeal from the District of Utah, the Federal Circuit affirmed an invention which used graphics rather than text for object-oriented simulation was patent ineligible under § 101 for being directed to an abstract idea.¹⁶

Simio's '468 patent discloses an invention "for making object-oriented simulation easier and more accessible by letting users build simulations with graphics instead of programming."¹⁷ Simio filed suit against FlexSim for allegedly infringing its patent.¹⁸ FlexSim argued the claimed invention as patent ineligible under § 101. Applying the *Alice* test, the district court concluded at step one that the claims were directed to the abstract idea of substituting text-based computer programming with graphics.¹⁹ At step two, the district court found no inventive concept making the claims patent eligible.²⁰

On appeal, the Federal Circuit agreed the patent claims were subject-matter ineligible under § 101.²¹ At step one of the *Alice* test, the court identified the patent's asserted advance as "using graphics instead of programming to create object-oriented simulations."²² The patent itself conceded the practice of using graphics to simplify simulation building had been common for decades.²³ The court held "simply applying the already-widespread practice of using graphics instead of programming to the environment of object-oriented simulations is no more than an abstract idea."²⁴ At step two of the *Alice* test, the court acknowledged claimed invention may present a new idea, but it ultimately lacked any meaningful application of that idea to warrant patent eligibility.²⁵

¹⁵ *Id.* at *14-15.

¹⁶ *Simio, LLC v. Flexsim Software Prods.*, 983 F.3d 1353 (Fed. Cir. 2020).

¹⁷ *Id.* at 1356 (citing U.S. Patent No. 8,156,468).

¹⁸ *Id.* at 1357.

¹⁹ *Id.* at 1358.

²⁰ *Id.*

²¹ *Id.* at 1356.

²² *Id.*

²³ *Id.* at 1360.

²⁴ *Id.*

²⁵ *Id.* at 1364.

***Universal Secure Registry LLC v. Apple Inc.*, 10 F.4th 1342 (Fed. Cir. Aug 26, 2021)**

In this appeal from the District of Delaware, the Federal Circuit affirmed a finding of invalidity for lack of novelty for patents relating to securing electronic payment transactions.²⁶ A magistrate judge originally determined that the patents were directed to a non-abstract idea, because “the plain focus of the claims is on an improvement to computer functionality itself, not on economic or other tasks for which a computer is used in its ordinary capacity.”²⁷ The district court disagreed, holding that steps one and two of *Alice* disqualified the patents, as the invention was directed to the abstract idea of secure verification of identity and that no inventive concept was disclosed.²⁸

The Federal Circuit affirmed the district court ruling for each step for each of the four patents in suit. First, for the ‘539 patent on step one of *Alice*, the Federal Circuit held that the claims at issue were not materially different from the claims at issue in *Prism Technologies LLC v. T-Mobile USA, Inc.*²⁹, and that they “‘simply recite conventional actions in a generic way’ (e.g., receiving a transaction request, verifying the identity of a customer and merchant, allowing a transaction) and ‘do not purport to improve any underlying technology.’”³⁰ The Court distinguished *Ancora Technologies, Inc. v. HTC America, Inc.*³¹ on the grounds that *Ancora* identified an unexpected way to address a software vulnerability, whereas the inventions in this case used a “combination of conventional components in a conventional way to achieve an expected result.”³²

On step two of *Alice*, the court held that time-varying codes and sending data to a third party didn’t rise to the level of an inventive concept, noting that identifying codes is longstanding (e.g. RSA), while sending data to a third party is an abstract idea itself and thus unable to serve as an inventive concept.³³

For the ‘813, ‘826, and ‘137 patents, the Court held that the patent was directed to “the abstract idea of collecting and examining data to enable authentication”, with no description of a specific technological solution.³⁴ For step two of *Alice*, the Court noted this method was a combination of conventional authentication techniques with expected results, thereby not arising to the level of an inventive concept. While USR combined multiple security features (biometric sensors, a separate security key, and signals to ensure authentication),

²⁶ *Universal Secure Registry LLC v. Apple Inc.*, 10 F.4th 1342 (Fed. Cir. 2021).

²⁷ *Id.* at 1345.

²⁸ *Id.*

²⁹ 696 Fed.Appx. 1014 (Fed. Cir. 2017).

³⁰ *Universal Secure Registry LLC v. Apple Inc.*, 10 F.4th 1342, 1349 (Fed. Cir. 2021).

³¹ 908 F.3d 1343 (Fed. Cir. 2018).

³² *Id.* at 1350.

³³ *Id.*

³⁴ *Id.* at 1352.

the court noted there was no factual basis “that the combination of these conventional authentication techniques results in an unexpected improvement beyond the expected sum of the security benefits.”³⁵ Thus, all claims in each of the patents were invalid under *Alice*.

***PersonalWeb Technologies LLC v. Google LLC*, 8 F.4th 1310 (Fed. Cir. Aug. 12, 2021)**

This case has made its way through the courts for some time – it started with a suit in the Eastern District of Texas, was transferred to the Northern District of California, was stayed pending six IPRs, which found claims in three patents relating to algorithmically generated content-based identifiers unpatentable for obviousness.³⁶ The Federal Circuit originally affirmed in part, vacated in part, and remanded.³⁷ The PTAB again found claims unpatentable, the Federal Circuit reversed on the grounds that certain prior art was not inherently disclosed.³⁸ The Northern District of California trial then resumed, where the judge granted a judgment on the pleadings finding invalidity under 101, which was then appealed, resulting in this case.³⁹ The Federal Circuit affirmed and held that the claims were ineligible for patenting for lack of subject matter eligibility.⁴⁰

The process at issue is a three-step process: divide the data into bit sequences, calculate content-based identifiers, compare the identifiers to other identifiers in the network, and use that to identify users and authorize access.⁴¹ The court held that this process was directed to an abstract idea – they are mental processes that could have been performed in the human mind or pencil and paper.⁴² Moving to step two of *Alice*, the Court held that there was no inventive concept – the technology at issue used a generic hash function without any novel subject matter.⁴³ As such, the technology was abstract under 101, the claims were ineligible, and the Court affirmed the finding of invalidity.⁴⁴

³⁵ *Id.* at 1355.

³⁶ *PersonalWeb Technologies LLC v. Google LLC*, 8 F.4th 1310, 1313 (Fed. Cir. 2021).

³⁷ *Id.*

³⁸ *Id.* at 1314.

³⁹ *Id.*

⁴⁰ *Id.* at 1319.

⁴¹ *Id.* at 1315.

⁴² *Id.* at 131.

⁴³ *Id.* at 1318-19.

⁴⁴ *Id.* at 1319.

***Yu v. Apple Inc*, 1 F.5th 1040 (Fed. Cir. June 11, 2021)**

In this appeal from a dismissal in the Northern District of California, the Federal Circuit affirmed a finding of ineligibility for a patent on a digital camera that used multiple lenses and combined the resulting images to enhance picture quality.⁴⁵ The Court noted that photographers have been using cameras to enhance each other for centuries.⁴⁶ In step one of *Alice*, they found that the key claim was directed to the abstract idea of taking two photos and using one to enhance the other.⁴⁷ Yu argued that this was a patent eligible application, being a tangible device, but the Court noted that only conventional camera components are used, performing their basic function.⁴⁸ Yu also argued that the particular configuration was an advance, but the Court found that the claims claimed only the broad law underneath them.⁴⁹ In step two, the Court held that the claim was recited at a high level of generality, and that the claimed configuration did not add enough substance to the underlying and well-known idea of enhancement.⁵⁰ Judge Newman issued a lengthy dissent noting that this case would be better dealt with under 103 and arguing that the majority had substantially enlarged Section 101 against the weight of statute and precedent.⁵¹

Patentable

***CosmoKey Solutions GmbH & Co. K v. Duo Security LLC*, 2021 WL 4515270 (Fed. Cir. Oct 4, 2021)**

In this appeal from the District of Delaware, the Federal Circuit reversed a district court finding that the asserted claims were invalid for failing to provide an inventive concept.⁵² CosmoKey owns the '903 patent, a method patent for authenticating the identity of a user performing a transaction at a terminal.⁵³ The idea behind the invention is to have the authentication function be normally inactive, and only activated by the user for the transaction, and when the channel communicates that the authentication is active, to deactivate the authentication

⁴⁵ *Yu v. Apple Inc*, 1 F.5th 1040 (Fed. Cir. 2021).

⁴⁶ *Id.* at 1042.

⁴⁷ *Id.* at 1043.

⁴⁸ *Id.* at 1044.

⁴⁹ *Id.*

⁵⁰ *Id.* at 1045.

⁵¹ *Id.* at 1046-50.

⁵² *CosmoKey Solutions GmbH & Co. K v. Duo Security LLC*, 2021 WL 4515270 (Fed. Cir. Oct 4, 2021). Full disclosure: Lemley represented Duo Security in this appeal.

⁵³ *Id.* at *1.

function, thereby using time of authentication as a second security method.⁵⁴ CosmoKey sued Duo for infringement, and Duo moved for judgment on the pleadings arguing that the claims were directed to the abstract idea of authentication.⁵⁵ The lower court agreed that the claims were directed to the abstract idea of authentication, and analogizing to *Prism*, a case where claims were held invalid for being directed to providing restricted access to resources.⁵⁶ At step two of *Alice*, the court held that it merely taught generic computer functionality.⁵⁷

The Federal Circuit distinguished *Universal Secure Registry v. Apple* and *Prism* because, it asserted, neither of those cases departed from earlier approaches and improved computer technology.⁵⁸ In *Alice* step one, the Court held that the claimed advance's focus is the activation of the authentication function, communication of it, and automatic deactivation, raising the question of whether this is abstract.⁵⁹ However, the Court doesn't reach that question because it resolves this case under *Alice* step two – the Court held that the '903 patent discloses a technical solution by having the authentication device check if a predetermined time relation exists between the transmission of the user identification and a response, ensuring that the function is normally inactive, ensuring that the response encodes information that the authentication function is active, and then deactivating it.⁶⁰ The Court held that none of these are conventional steps (despite its contrary holding in *Universal Secure*), and that they are a technical improvement over conventional authentication methods because less user interaction and resources are required.⁶¹

Duo argues that a second communication channel in a timing mechanism and authentication function that is normally inactive is inherently abstract.⁶² The Court disagreed and distinguished *ChargePoint*, holding that here the limitations are more specific, recite an improved method for overcoming hacking, and explains the features to show how it improves network security.⁶³

Judge Reyna concurred under *Alice* step one, and criticized the majority for skipping step one. Ultimately he concluded that the question of whether the claim was directed to an abstract idea at step one is resolved using much the same evidence as the used at step two.⁶⁴

⁵⁴ *Id.*

⁵⁵ *Id.* at *2.

⁵⁶ *Id.* at *3.

⁵⁷ *Id.*

⁵⁸ *Id.* at *4.

⁵⁹ *Id.*

⁶⁰ *Id.* at *5-6.

⁶¹ *Id.*

⁶² *Id.* at *6.

⁶³ *Id.*

⁶⁴ *Id.* at *7-8.

UTILITY

In re Huping Hu, 2021 U.S. App. LEXIS 7776 (Fed. Cir. Mar. 17, 2021)

In this appeal from the Patent Trial and Review Board, the Federal Circuit upheld the PTAB's decision to deny Hu patent applications. The applications were "directed to various methods or apparatus for producing or using quantum entanglement"⁶⁵ that allegedly allowed the inventor to change gravity, pH, and temperature at a distance. The PTAB and the Federal Circuit agreed "that there is not scientific support for the claimed methods or apparatus, and that the experimental data and explanations are inadequate to support the novel results and scientific principles asserted by Hu."⁶⁶ The claimed inventions thus lacked the utility necessary to warrant patent protection.⁶⁷

⁶⁵ *Id.* at *3.

⁶⁶ *Id.* at *26

⁶⁷ *Id.*

DISCLOSURE

Definiteness

Rain Computing, Inc. v. Samsung Elecs. Am., Inc., 989 F.3d 1002 (Fed. Cir. March 2, 2021)

In the appeal from the District of Massachusetts, the Federal Circuit found the asserted claims indefinite because they cited a general-purpose computer as structure without identifying an algorithm to achieve the claimed function.⁶⁸ Rain Computing's '349 patent claims a method for "delivering software application packages to a client terminal in a network based on user demands."⁶⁹ Rain sued Samsung for patent infringement and won at the district court level.⁷⁰ Samsung appealed, arguing the term "user identification module configured to control access ... of software packages" in the claims was indefinite.⁷¹

On appeal, the Federal Circuit agreed with Samsung.⁷² The court first determined that "user identification module" was a means-plus-function term. While the word "means" was not in the term, the court noted "module" is a common substitute for "means" and that nothing in the claim language indicated a particular structure. Furthermore, the specification did not mention the term at all and also did not give it any structure. The court thus concluded "user identification module" was a means-plus-function term.

Neither Rain nor Samsung disputed that the claimed function was to "to control access ... of software packages."⁷³ The court, however, did not find sufficient structure to make the term definite. Disclosing the use of "computer-readable media or storage devices" did not provide structure because those devices amounted to nothing more than a general-purpose computer. The court noted, "under these circumstances, where a general purpose computer is the corresponding structure and it is not capable of performing the controlling access function absent specialized software, an algorithm is required."⁷⁴ However, nothing in the claim language, written description, or oral arguments identified such an algorithm.⁷⁵ Therefore, the court held the term "user identification module" lacked sufficient structure and made the claims indefinite.⁷⁶

⁶⁸ Rain Computing, Inc. v. Samsung Elecs. Am., Inc., 989 F.3d 1002 (Fed. Cir. 2021).

⁶⁹ *Id.* at 1004 (citing U.S. Patent No. US9805349B1).

⁷⁰ *Id.*

⁷¹ *Id.* at 1005.

⁷² *Id.*

⁷³ *Id.*

⁷⁴ *Id.* at 1008.

⁷⁵ *Id.*

⁷⁶ *Id.*

Synchronoss Techs., Inc. v. Dropbox, Inc., 987 F.3d 1358 (Fed. Cir. Feb. 12, 2021)

In this appeal from the Northern District of California, the Federal Circuit affirmed district court's finding that the disputed patent was invalid for indefiniteness because they either contained an impossibility or a functional term without any corresponding structure.⁷⁷

Synchronoss' '446, '696, and '757 patents are directed to "technology for synchronizing data across multiple devices."⁷⁸ Synchronoss sued Dropbox for allegedly infringing these patents. During claim construction, Dropbox argued the terms "module," "authenticator," and "controller" in the '696 patent were indefinite because they are functional that did not suggest any particular structure.⁷⁹ The district court agreed and found all claims of the '696 patent invalid. Dropbox then moved for summary judgment, arguing the '446 patent's claims were indefinite because they contained the impossibility of "generating a single digital media file that itself comprises a directory of digital media files."⁸⁰ The district court again agreed, noting that Synchronoss' own expert conceded such a requirement was impossible.⁸¹

On appeal, the Federal Circuit affirmed the district court's finding.⁸² Synchronoss admitted the '446 patent contained an impossibility, but argued a person of ordinary skill in the art could reasonably understand how to interpret it from the specification. The Federal Circuit was not convinced, noting such reasoning would require the court to step outside its function and rewrite nonsensical claims. As for the '696 patent, the Federal Circuit observed the term "user identifier module" appeared in every claim without any corresponding structure. While there were indeed many possible structures for such a term, as Synchronoss argued, "it is not enough that a means-plus-function claim term correspond to every known way of achieving the claimed function; instead, the term must correspond to 'adequate' structure in the specification that a person of ordinary skill in the art would be able to recognize and associate with the corresponding function in the claim."⁸³

⁷⁷ *Synchronoss Techs., Inc. v. Dropbox, Inc.*, 987 F.3d 1358 (Fed. Cir. Feb. 12, 2021)

⁷⁸ *Id.* at 1360.

⁷⁹ *Id.* at 1363.

⁸⁰ *Id.* at 1364.

⁸¹ *Id.*

⁸² *Id.*

⁸³ *Id.*

***Horizon Pharma, Inc. v. Reddy's Labs. Inc.*, 839 F. App'x 500 (Fed. Cir. Jan. 6, 2021)**

In the appeal from the District of New Jersey, the Federal Circuit affirmed a finding of indefiniteness because the ordinary meaning of the term “target” made the disputed claims nonsensical.”⁸⁴

Horizon’s ‘698 and ‘208 patents are directed towards methods of delivering a drug designed to inhibit stomach acid secretion, a common side effect of non-steroidal anti-inflammatory drugs (NSAIDs).⁸⁵ The claims focus on the dissolution profile of the drug inside the body. The claimed method involved giving pills to a patient where the pill “targets” a specified dissolution over a specified period. Horizon sued Dr. Reddy’s for patent infringement.

At a Markman hearing, the parties disputed the construction of the word “target” in the claims. Horizon argued “target” has the ordinary meaning of “produce.”⁸⁶ Dr. Reddy’s argued “target” had the ordinary meaning of “with the goal of obtaining.”⁸⁷ The district court agreed with Dr. Reddy’s proposal and found “target” to ordinarily mean “set as a goal.”⁸⁸ Then, at summary judgment, the court found the claims to be invalid for indefiniteness because the “act of targeting [the] goal” was not defined and “pills cannot be said to set goals.”⁸⁹

On appeal, the Federal Circuit affirmed the district court’s conclusion. The court noted “target” is a commonly understood word and nothing in the specification or the prosecution history suggested the word should mean something else.⁹⁰ Following the district court’s reasoning, the court found the disputed clauses to be “incomprehensible” because “reading the claim literally, a dose form, which is an inanimate object, cannot set a goal.”⁹¹

⁸⁴ *Horizon Pharma, Inc. v. Reddy's Labs. Inc.*, 839 F. App'x 500 (Fed. Cir. 2021)

⁸⁵ *Id.* at 502 (citing U.S. Patent Nos. 9,220,698 and 9,393,208.).

⁸⁶ *Id.* at 503

⁸⁷ *Id.* at 504

⁸⁸ *Id.*

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ *Id.* at 505.

Enablement

Bayer HealthCare LLC v. Baxalta Inc., 989 F.3d 964 (Fed. Cir. April 26, 2021)

In the appeal from the District of Delaware, the Federal Circuit held that a reasonable jury could have found the disputed patent claims were properly enabled given the evidence in the record.⁹²

Bayer's '520 patent is "to recombinant forms of human factor VIII" (FVIII), which is used to treat hemophilia.⁹³ The patent improves upon the prior art by using "site-directed PEGylation" instead of "random PEGylation," as was taught in the prior art.⁹⁴ Bayer argued the claims were invalid for lack of enablement.⁹⁵ At trial, the jury found none of the disputed claims were invalid for lack of enablement.⁹⁶ Baxalta moved for judgment as a matter of law, but the court denied the motion.⁹⁷

On appeal, the Federal Circuit upheld the district court's decision.⁹⁸ Examining the record, the court noted Bayer and Baxalta's experts disagreed on whether a person of ordinary skill in the art could recreate the claimed invention from the specification and claims.⁹⁹ However, the court held the jury was not obligated to believe Baxalta's expert over Bayer's expert.¹⁰⁰ Further, despite the lack of some specific examples in the specification, the court asserted the "specification need not include a working example of every possible embodiment to enable the full scope of the claims."¹⁰¹ The court ultimately found a reasonable jury could conclude the patent met the enablement requirement given the evidence in the record.¹⁰²

Amgen Inc. v. Sanofi, 987 F.3d 1080 (Fed. Cir. Feb 11, 2021)

In this appeal from the District of Delaware, the Federal Circuit affirmed the disputed claims were invalid under the enablement requirement because they

⁹² *Bayer HealthCare LLC v. Baxalta Inc.*, 989 F.3d 964 (Fed. Cir. 2021).

⁹³ *Id.* at 964 (citing U.S. Patent No. 9,364,520).

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ *Id.*

⁹⁹ *Id.*

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.*

were broad functional claims with little guidance on how to recreate the invention without undue experimentation.¹⁰³

Amgen's '165 and '741 patents describe antibodies which bind to proprotein convertase subtilisin/kexin type 9 enzymes ("PCSK9") and prevent them from binding to low-density lipoprotein ("LDL") receptors with the goal of lowering LDL cholesterol levels.¹⁰⁴ The specification lists amino acid sequences for twenty-six antibodies and claims antibodies that bind at least one of fifteen amino acids on the PCSK9 protein.¹⁰⁵ At trial, the jury found Sanofi had not proven the patents invalid.¹⁰⁶ The court, however, ultimately granted Sanofi's motion for judgment as a matter of law for lack of enablement.¹⁰⁷

On appeal, the Federal Circuit upheld the district court's ruling.¹⁰⁸ Amgen argued that a person of ordinary skill in the art could make "make all antibodies within the scope of the claims by following a roadmap using anchor antibodies and well-known screening techniques as described in the specification or by making conservative amino acid substitutions in the twenty-six examples."¹⁰⁹ Thus, under the *Wands* factors, Amgen argued its claimed invention did not require "undue experimentation."¹¹⁰ The court, however, disagreed.¹¹¹ The court noted "although *Wands* gave birth to its eponymous factors, *Wands* did not proclaim that all broad claims to antibodies are necessarily enabled."¹¹² The functional claim limitations here "did not enable preparation of the full scope of these double-function claims without undue experimentation."¹¹³ The claims were "far broader in functional diversity than the disclosed examples" and were in a "unpredictable field of science."¹¹⁴ The court found a person of ordinary skill in the art could only discover the claimed embodiments through trial and error or just discovering a new one themselves.¹¹⁵ With such broad functional claims and narrow guidance, the court held no reasonable jury could conclude "anything but 'substantial time and effort' would be required to reach the full scope of claimed embodiments."¹¹⁶

¹⁰³ *Amgen Inc. v. Sanofi*, 987 F.3d 1080 (Fed. Cir. 2021).

¹⁰⁴ *Id.* at 1083 (citing U.S. Patent Nos. 8,859,741 and 8,829,165).

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ *Id.*

¹⁰⁸ *Id.* at 1088.

¹⁰⁹ *Id.* at 1085.

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² *Id.* at 1086.

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ *Id.* at 1088.

¹¹⁶ *Id.*

***Pacific Biosciences v. Oxford Nanopore*, 99 F.3d 1342 (Fed. Cir. May 11, 2021)**

In this appeal from the District of Delaware, the Federal Circuit affirmed a jury finding of invalidity for lack of enablement.¹¹⁷ Pacific Biosciences filed two patents with a shared specification describing methods for sequencing DNA and other nucleic acids using nanopores.¹¹⁸ Pacific was able to prove that a person having ordinary skill in the art knew how to perform some nanopore sequencing, relying on the testimony of Oxford's expert that a person of ordinary skill in the art would have been able to successfully perform the method of claim 1 of the '400 patent if they had research Oxford had publicly disclosed about nanopore sequencing of DNA hairpins (a type of synthesized nucleic acid used to test new techniques) in front of them.¹¹⁹

The Court found that the jury did not have to give this answer broad meaning and may have understood the expert to be saying only that an ordinarily skilled artisan could have performed the method on DNA hairpins, rather than the full set of nucleic acids Pacific Biosciences claimed.¹²⁰ The jury was permitted to synthesize evidence from elsewhere demonstrating that the claims lacked enablement, including that the required element of determining how many nucleotides impact the current measurement during transit was not yet discovered, that a conference years later where Oxford announced they had successfully performed nanopore sequencing got them great acclaim, and that there was no indication that Pacific Biosciences themselves had been able to perform nanopore sequencing.¹²¹ Lastly, the Court noted that Pacific Biosciences had indicated an intent to "fool" competitors with its patents, further permitting the jury to find a lack of enablement of nanopore sequencing for all nucleic acids.¹²²

¹¹⁷ *Pacific Biosciences v. Oxford Nanopore*, 99 F.3d 1342 (Fed. Cir. 2021).

¹¹⁸ *Id.* at 1345.

¹¹⁹ *Id.* at 1351.

¹²⁰ *Id.*

¹²¹ *Id.* at 1352.

¹²² *Id.*

Written Description

Juno Therapeutics, Inc. v. Kite Pharma, Inc., 10 F.4th 1330 (Fed. Cir. Aug. 26, 2021)

In this appeal from the Central District of California, the Federal Circuit reversed a jury finding that a patent for nucleic acids encoding chimeric T cell receptors was not invalid for lack of written description.¹²³ The court held that for the claimed functional single-chain antibody-variable fragment (scFv) genus, the '190 patent failed to disclose "representative species or common structural features to allow a person of ordinary skill in the art to distinguish between scFvs that achieve the claimed function and those that do not."¹²⁴ The '190 patent disclosed two examples of scFvs, without disclosing the amino acid sequence of either.¹²⁵ Potentially quadrillions of candidates exist for scFvs that bind to the target.¹²⁶ The Court noted that the amino acid sequences not being disclosed would not have been fatal if the patent had "provided other means of identifying which scFvs would bind to which targets, such as common structural characteristics or shared traits."¹²⁷ The court discounted Juno's argument that scFvs in general were known and were not the point of novelty of the invention, as the specification still needed to demonstrate possession of the claimed invention (all scFvs that bind to a selected target).¹²⁸

¹²³ *Juno Therapeutics, Inc. v. Kite Pharma, Inc.*, 10 F.4th 1330 (Fed. Cir. 2021).

¹²⁴ *Id.* at 1342.

¹²⁵ *Id.* at 1333.

¹²⁶ *Id.* at 1336.

¹²⁷ *Id.* at 1337.

¹²⁸ *Id.* at 1337-38.

INVENTORSHIP

Thaler v. Hirshfeld, 2021 WL 3934803 (E.D. Va. Sept. 2, 2021)

In this summary judgement decision, the Eastern District of Virginia held that an artificial intelligence machine may not be an inventor under the Patent Act.¹²⁹ Stephen Thaler filed two patent applications, identifying the inventor's given name as DABUS (an AI Thaler claims to own) and the family name as "invention generated by Artificial Intelligence."¹³⁰ The application also included a substitute statement in lieu of the oath required of patentees indicating that DABUS had no legal capability to execute an oath, so Thaler signed a declaration on its behalf.¹³¹ The Patent Office refused to process the applications so Thaler brought this case under the Administrative Procedure Act.¹³²

The Court noted that the PTO is entitled to *Skidmore* deference as it had carefully considered the law.¹³³ Continuing to statutory construction, the Court held that the plain language definition of "inventor" in the Patent act referenced "individuals", and that individuals had been previously construed by the Supreme Court in the Torture Victim Protection Act to refer to "natural persons."¹³⁴ The Court further noted that the plain meaning of individual means a person, and cited several dictionaries.¹³⁵ This conclusion was further buttressed by the statement in the act that an inventor must include a statement that "such individual believes himself or herself to be the original inventor," which indicate natural personhood via personal pronoun use, and Federal Circuit precedent that inventors must be natural persons.¹³⁶

The plaintiff relied on policy considerations and the idea that the Constitution must protect innovation.¹³⁷ The Court rejected this argument as insufficient to overcome that statutory plain language and noted the PTO's ongoing studies of AI and innovation as evidence that the PTO had seriously considered the issue.¹³⁸

¹²⁹ *Thaler v. Hirshfeld*, 2021 WL 3934803 (E.D. Va. Sept. 2, 2021)

¹³⁰ *Id.* at *2.

¹³¹ *Id.*

¹³² *Id.* at *1.

¹³³ *Id.* at *4.

¹³⁴ *Id.* at *4-5 (citing *Mohamad v. Palestinian Auth.*, 566 U.S. 449, 453-54 (2012)).

¹³⁵ *Id.* at *5-6.

¹³⁶ *Id.* at *6 (citing *Univ. of Utah v. Max-Planck-Gesellschaft*, 734 F.3d 1315, 1323 (Fed. Cir. 2013)).

¹³⁷ *Id.* at *7.

¹³⁸ *Id.* at *7-8.

NOVELTY

M & K Holdings, Inc. v. Samsung Elecs. Co., 985 F.3d 1376 (Fed. Cir. Feb. 1, 2021)

In this appeal from Patent Trial and Appeal Board (“PTAB”), the Federal Circuit held that references published to a task force website were “publicly available” and thus rendered the disputed patent claims unpatentable for obviousness.¹³⁹

M&K’s ‘163 patent is directed towards a method for compressing video files.¹⁴⁰ Samsung filed a petition for *inter partes* review, asking the PTAB to find all the claims unpatentable.¹⁴¹ Samsung argued all the claims were rendered obvious through combining reference “WD4-v3” and two papers, Park et al. and Zhou.¹⁴² These references were created as the Joint Collaborative Team on Video Coding (“JCT-VC”) established standards for the high-efficiency video coding (“HEVC”) compression standard.¹⁴³ M&K did not challenge the substance of Samsung’s argument, but instead argued these references did not qualify as “printed publications” because they were not publicly accessible.¹⁴⁴ The PTAB disagreed, finding the references were discussed at meetings and available on the JCT-VC’s public website before the priority date of the ‘163 patent.¹⁴⁵ The PTAB subsequently found all the patent claims invalid for obviousness under § 102.¹⁴⁶

On appeal, M&K argued a person of ordinary skill in the art could not have located the Park and Zhou references by exercising reasonable diligence.¹⁴⁷ The specific documents, M&K argued, were not prominent.¹⁴⁸ Further, the structure of the JCT-VC’s website and its lack of an adequate search function made finding the documents prohibitively difficult.¹⁴⁹ The Federal Circuit rejected these arguments.¹⁵⁰ Whether or not the publications themselves were prominent, the relevant question was whether the channel for publicizing the references was prominent among the relevant community of skilled artisans.¹⁵¹ Furthermore, the JCT-VC website was not required to be easy for everyone to

¹³⁹ *M & K Holdings, Inc. v. Samsung Elecs. Co.*, 985 F.3d 1376 (Fed. Cir. 2021).

¹⁴⁰ *Id.* at 1378 (Citing U.S. Patent No. 9,113,163).

¹⁴¹ *Id.*

¹⁴² *Id.*

¹⁴³ *Id.*

¹⁴⁴ *Id.* at 1379.

¹⁴⁵ *Id.*

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ *Id.* at 1381.

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

navigate or to have a search function.¹⁵² Rather, “given the prominence of JCT-VC, the dispositive question is whether interested users of the JCT-VC website could have located Park and Zhou through reasonable diligence.”¹⁵³ The court affirmed the evidence supported these conclusions.¹⁵⁴ The court also noted Samsung was not required to show anyone had actually accessed the references on the website, despite M&K’s arguments otherwise.¹⁵⁵ The court ultimately affirmed the PTAB’s finding that the references were “publicly accessible.”¹⁵⁶

¹⁵² *Id.*

¹⁵³ *Id.*

¹⁵⁴ *Id.* at 1382.

¹⁵⁵ *Id.* at 1383.

¹⁵⁶ *Id.* at 1386.

OBVIOUSNESS

Teva Pharmaceuticals International GmbH v. Eli Lilly and Company, 8 F.4th 1349 (Fed. Cir. Aug. 16, 2021)

In this appeal from an IPR, the Federal Circuit affirmed a finding of obviousness for Teva's patents relating to humanized antagonist antibodies that target calcitonin gene-related peptide (CGRP).¹⁵⁷ Eli Lilly asserted obviousness over three prior art references: Tan, a study using rats and an anti-CGRP monoclonal antibody for immunoblockade, Wimalawansa, a review article that describes CGRP, its history, and potential, and Queen, which discloses a method of humanizing antibodies.¹⁵⁸ The PTAB found that each individual claim was taught by the prior art, that there was motivation to combine, and found that anti-CGRP antagonist antibodies were well known and that the field encouraged the development of humanized antibodies, and rejected Teva's argument that Eli Lilly must have shown a reasonable likelihood of efficacy and safety in humans since the claims didn't recite safety or efficacy limitations.¹⁵⁹ The Federal Circuit affirmed on all counts.¹⁶⁰

Teva raised three challenges: that the PTAB deviated from the motivation asserted by Eli Lilly in its motivation to combine analysis, that there was not substantial evidence for the PTAB's finding on motivation to combine, and that the PTAB erred in its analysis of secondary characteristics of non-obviousness.¹⁶¹ The Federal Circuit rejected the first argument, which argued that Eli Lilly must have proven that a skilled artisan would have expected a safe and effective treatment, by noting that the weight of the evidence indicated that safety and efficacy concerns would not be sufficient to discourage a skilled artisan from pursuing the invention.¹⁶² The Federal Circuit rejected the second argument as relying on parsing grammatical interpretation of the prior art, which is a fact question that they defer to the PTAB on.¹⁶³

Third, the Federal Circuit rejected Teva's secondary considerations of non-obvious evidence (the acclaim and success of AJOVY and Emgality, as well as a license Teva gave to a competitor).¹⁶⁴ The Court did find that the PTAB had misapplied the standard for the presumption of nexus. The PTAB had held that a challenger need only show material impact of an unclaimed feature to defeat

¹⁵⁷ *Teva Pharmaceuticals International GmbH v. Eli Lilly and Company*, 8 F.4th 1349 (Fed. Cir. 2021).

¹⁵⁸ *Id.* at 1354.

¹⁵⁹ *Id.* at 1355.

¹⁶⁰ *Id.* at 1364.

¹⁶¹ *Id.* at 1357.

¹⁶² *Id.* at 1358.

¹⁶³ *Id.* at 1358-59.

¹⁶⁴ *Id.* at 1360-64.

nexus, the Federal Circuit held that an unclaimed feature must be critical and claimed by a different patent and materially impact the product's functionality to defeat the presumption of nexus.¹⁶⁵ However, unfortunately for Teva, the unclaimed features here were very important and critically affected binding affinity, so the presumption of nexus was properly rebutted.¹⁶⁶ Lastly, the Court rejected Teva's argument that because it had licensed the technology out it demonstrated validity, on the grounds that Teva had not shown the motivation of the licensee was related to validity and that the nexus here was significantly attenuated.¹⁶⁷ The Court therefore affirmed the PTAB's finding of obviousness.¹⁶⁸

***Chemours Company FC, LLC v. Daikin Industries, Ltd.*, 4 F.4th 1370 (Fed Cir. July 22, 2021)**

In this appeal from an IPR, the Federal Circuit reversed, finding that the PTAB erred in requiring evidence of market share to establish commercial success and that separate disclosure of individual limitations in prior art did not negate a nexus between the invention and commercial success.¹⁶⁹ Chemours's '609 patent relates to a polymer especially suitable for insulating wires because of its high (30+/-3 g/10 min) specific melt flow rate range.¹⁷⁰ The PTAB found the invention to be obvious over a Kaulbach reference that disclosed a melt flow rate of 24g/10 min and noted this was especially suitable for wire insulation.¹⁷¹ The Federal Circuit disagreed, noting that Kaulbach disclosed reasons a lower molecular weight was beneficial, indicating there was no reason a skilled artisan would seek to increase the melt flow rate.¹⁷² The Federal Circuit also criticized the PTAB's analysis of objective indicia of nonobviousness--the PTAB combined the Kaulbach reference and some other prior art that disclosed a higher melt flow rate, but the Federal Circuit noted that "separate disclosure of individual limitations, where the invention is a unique combination of three interdependent properties, does not negate a nexus."¹⁷³ The PTAB also required Chemours to prove market share, whereas Chemours and the Federal Circuit thought that sales data was sufficient.¹⁷⁴ Given the PTAB lacked sufficient evidence for both

¹⁶⁵ *Id.* at 1361.

¹⁶⁶ *Id.* at 1361-62.

¹⁶⁷ *Id.* at 1363-64.

¹⁶⁸ *Id.* at 1364.

¹⁶⁹ *Chemours Company FC, LLC v. Daikin Industries, Ltd.*, 4 F.4th 1370 (Fed. Cir. 2021).

¹⁷⁰ *Id.* at 1373.

¹⁷¹ *Id.* at 1375.

¹⁷² *Id.* at 1376-77.

¹⁷³ *Id.* at 1378.

¹⁷⁴ *Id.*

the primary and secondary characteristics of non-obviousness, the Federal Circuit reversed and held that the patent was non-obvious over the prior art.¹⁷⁵

Judge Dyk concurred as to the issue of secondary characteristics, but dissented as to the conclusion that Kaulbach taught away from the invention, emphasizing evidence that Kaulbach noted that a broad molecular weight distribution was feasible, but not preferred.¹⁷⁶

***Campbell Soup Company v. Gamon Plus, Inc.*, 10 F.4th 1268 (Fed. Cir. Aug. 19, 2021)**

In this appeal from a design patent IPR, the Federal Circuit reversed and held that an ornamental design for a soup can dispenser was obvious over the prior art.¹⁷⁷ Gamon owned design patents relating to gravity dispensers, which Campbell used to sell more cans – when Campbell switched dispenser suppliers, Gamon sued for design patent infringement.¹⁷⁸ Campbell and its new supplier petitioned for an IPR, claiming obviousness an earlier design patent (Linz).¹⁷⁹ The PTAB ruled that they had failed to prove unpatentability as the Linz patent was not similar enough to serv as a proper primary reference – this was appealed to the Federal Circuit, which vacated and remanded, finding the differences “ever-so-slight.”¹⁸⁰ The PTAB again held that Campbell failed to prove unpatentability, prioritizing objective indicia of non-obviousness over the visual similarity, and presuming a nexus because the product was coextensive with the claims, which was appealed again to originate this case.¹⁸¹ The Federal Circuit reviewed de novo, and again found that Linz had the same overall visual appearance.¹⁸² On the secondary considerations, the Federal Circuit found that there was not a nexus--where the PTAB had argued that the unclaimed features were ornamentally insignificant, the Federal Circuit extended the *Fox Factory* test to the design patent sphere, and held that non-ornamental features may still be enough to defeat coextensiveness.¹⁸³ The Court proceeded to hold that there was no nexus in fact, as the added features of the unique design elements were not specifically praised or key to commercial success.¹⁸⁴

¹⁷⁵ *Id.* at 1379.

¹⁷⁶ *Id.*

¹⁷⁷ *Campbell Soup Company v. Gamon Plus, Inc.*, 10 F.4th 1268 (Fed. Cir. Aug. 19 2021).

¹⁷⁸ *Id.* at 1273.

¹⁷⁹ *Id.* at 1274.

¹⁸⁰ *Id.*

¹⁸¹ *Id.* at 1274-75.

¹⁸² *Id.* at 1275.

¹⁸³ *Id.* at 1276-77.

¹⁸⁴ *Id.* at 1278-79.

CLAIM CONSTRUCTION

SIMO Holdings, Inc. v. H.K. uCloudlink Network Tech., Ltd., 983 F.3d 1367 (Fed. Cir. Jan. 5, 2021)

In this appeal from the Southern District of New York, the Federal Circuit reversed, finding the district court had improperly constructed the phrase “a plurality of” in the disputed claim.¹⁸⁵ SIMO’s ‘689 patent “describes apparatuses and methods that allow individuals to reduce roaming charges on cellular networks when traveling outside their home territory.”¹⁸⁶ It claims a “wireless communication client” which comprises “plurality of memory, processors, programs, communication circuitry, authentication data stored on a subscribed identify module (SIM) card and/or in memory and non-local calls database, at least one of the plurality of programs stored in the memory comprises instructions executable by at least one of the plurality of processors.”¹⁸⁷ SIMO filed suit against uCloudlink for selling hotspots and a mobile phone that allegedly infringed the ‘689 patent.¹⁸⁸ Both parties filed for summary judgment. The district court treated the “and” in the phrase “and non-local calls database” as an “and/or,” leading it to conclude the phrase “a plurality of” requires “at least two” members from the list of identified components but not a plurality of each component.¹⁸⁹ The district court chose to read the term “plurality” in the claim as disjunctive because the specification said the listed “non-local calls database” was not necessary.¹⁹⁰ Following this construction, the court held uCloudlink’s products met all of the claimed limitations and granted SIMO’s motion for summary judgment.¹⁹¹

On appeal, the Federal Circuit ultimately agreed with uCloudlink’s construction.¹⁹² The Federal Circuit found the proper construction of “a plurality of” requires “at least two of each of” the listed components.¹⁹³ The court noted the lack of an article preceding “non-local calls database,” which would have negated the application of “a plurality of” to each item in the list.¹⁹⁴ Furthermore, the phrase following “non-local calls database” used the phrase “the plurality of”

¹⁸⁵ *SIMO Holdings, Inc. v. H.K. uCloudlink Network Tech., Ltd.*, 983 F.3d 1367 (Fed. Cir. 2021).

¹⁸⁶ *Id.* at 1369-70. (citing U.S. Patent No. 9,736,689).

¹⁸⁷ *Id.* at 1370-71.

¹⁸⁸ *Id.*

¹⁸⁹ *Id.*

¹⁹⁰ *Id.* at 1373.

¹⁹¹ *Id.*

¹⁹² *Id.* at 1376.

¹⁹³ *Id.* at 1382.

¹⁹⁴ *Id.*

indicated the preceding “a plurality of” does apply to at least some of the listed components.¹⁹⁵ Overall, the court found the phrase “a plurality” of applied to each listed component.¹⁹⁶ Since the claimed device required a “plurality” of non-local calls databases and uCloudlink’s devices contained none, the court reversed and ruled uCloudlink had not infringed the patent.¹⁹⁷

Seabed Geosolutions (US) Inc. v. Magseis FF LLC, 8 F. 4th 1285 (Fed. Cir. Aug 11, 2021)

In this appeal from an IPR, the Federal Circuit vacated and remanded, holding that the PTAB’s claim construction was erroneously narrow.¹⁹⁸ Magseis’s ‘268 patent is directed to seismometers for use in exploration, and recited a “geophone internally fixed within” either a housing or an internal compartment.¹⁹⁹ The PTAB construed “geophone internally fixed within the housing” to require a non-gimbaled geophone, relying entirely on extrinsic evidence to determine that fixed had a special meaning of not being gimbaled and therefore unable to rotate within the mechanism.²⁰⁰ The Federal Circuit held that the PTAB erred in going to the extrinsic evidence, as the intrinsic evidence and the plain language of the claim was consistent with the specification, which was silent on gimbaling beyond a single drawing and instead used fixed to mean “attached.”²⁰¹ When intrinsic evidence is clear, extrinsic evidence may not be used to overturn the meaning.²⁰²

Commscope Technologies LLC v. Dali Wireless Inc., 10 F.4th 1289 (Fed. Cir. Aug 24, 2021)

In this appeal from the Northern District of Texas, the Federal Circuit reversed a jury finding of infringement after holding the claims were properly construed.²⁰³ Dali’s ‘521 patent is a wireless communication patent that prevents distortions to signals when using power amplification, with the key disputed term being “switching a controller off to disconnect signal representative of the output of the power amplifier,” which the district court construed to mean “switching a

¹⁹⁵ *Id.*

¹⁹⁶ *Id.* at 1378.

¹⁹⁷ *Id.* at 1381.

¹⁹⁸ *Seabed Geosolutions (US) Inc. v. Magseis FF LLC, 8 F. 4th 1285 (Fed. Cir. 2021).*

¹⁹⁹ *Id.* at 1287.

²⁰⁰ *Id.*

²⁰¹ *Id.* at 1288-89.

²⁰² *Id.* at 1290.

²⁰³ *Commscope Technologies LLC v. Dali Wireless Inc., 10 F.4th 1289 (Fed. Cir. 2021).*

controller to a nonoperating state to disconnect signal representative of the output of the power amplifier.”²⁰⁴ Dali had argued that the term needed no further construction, but the district court drew a distinction between when the controller is turned off and the effect on the system of the controller being turned off.²⁰⁵ Dali made an “opaque” challenge to this construction on appeal, arguing in a footnote that the idea that the controller must be turned off is nonsensical because something needs to turn the switch on, and that something is the controller.²⁰⁶ After quickly noting that an argument made only in a footnote is forfeited, and that the argument was entirely underdeveloped, the Federal Circuit noted that this claim was irreconcilable with Dali’s statements elsewhere saying that claim construction was unchallenged and that the controller could place itself in a non-operating state.²⁰⁷ The Court went on to reverse the finding of infringement.²⁰⁸

***Traxcell Technologies, LLC v. Nokia Solutions and Networks Oy*, 15 F.4th 1136 (Fed. Cir. Oct. 12, 2021)**

In this appeal from the Eastern District of Texas, the Federal Circuit affirmed the district court’s claim construction of the terms “a computer” and “first computer” to mean that the program must be run through a single computer.²⁰⁹ Traxcell asserted three patents in the same family against Nokia relating to self-optimizing wireless network technology.²¹⁰ Throughout each patent, claims reference “a first computer” or “a computer” performing various functions (e.g. “locating a wireless device” and “being further programmed to receive an error code and selectively suggest a corrective action.”)²¹¹ The district court had construed the terms to require a single computer to perform each function, and the Federal Circuit affirmed.²¹²

The Court reviewed the claim language, prosecution history, and specification *de novo*.²¹³ For the claim language, the Court held that the plain language of the claim reciting “the computer” or “said first computer” performing additional functions indicated that the individual computer must be

²⁰⁴ *Id.* at 1291-93.

²⁰⁵ *Id.* at 1295.

²⁰⁶ *Id.* at 1295-96.

²⁰⁷ *Id.* at 1296.

²⁰⁸ *Id.* at 1300.

²⁰⁹ *Traxcell Technologies, LLC v. Nokia Solutions and Networks Oy*, 15 F.4th 1136 (Fed. Cir. 2021)

²¹⁰ *Id.* at 1139.

²¹¹ *Id.* at 1143.

²¹² *Id.* at 1139.

²¹³ *Id.* at 1140.

tied to all those functions, especially given the claims recited the computer being “further programmed.”²¹⁴ The prosecution history supported this interpretation, as the patentee had distinguished a prior art reference in part because that reference used multiple computers.²¹⁵ The Court rejected Traxcell’s argument that a narrower disclaimer would have been sufficient to overcome the reference on the grounds that a patentee is held to the actual arguments made.²¹⁶ Lastly, the Court noted that the specification’s figures include a single master server having all the necessary software and hardware, without an embodiment spreading the functions across multiple computers.²¹⁷ Traxcell attempted to argue that a person of ordinary skill would understand that “a computer” can include multiple computers, but the Court noted that it failed to provide any extrinsic evidence and even if it did the weight of the intrinsic evidence would trump it.²¹⁸ The Court proceeded to find that Traxcell had failed to raise a genuine factual dispute as to whether Nokia’s product was run on a single computer, so affirmed a finding of summary of judgment for Nokia.²¹⁹

²¹⁴ *Id.* at 1144.

²¹⁵ *Id.*

²¹⁶ *Id.*

²¹⁷ *Id.*

²¹⁸ *Id.*

²¹⁹ *Id.* at 1145.

INFRINGEMENT

Inducement

GlaxoSmithKline LLC v. Teva Pharmaceuticals UA, Inc., 7 F.4th 1320 (Fed. Cir. Aug 5, 2021)

On this appeal from the District of Delaware, the Federal Circuit reinstated a jury finding of induced infringement for a generic drug, reversing a Judgment as a Matter of Law.²²⁰ GSK has sold carvedilol as a beta-blocker since 1997, originally to treat hypertension and heart failure.²²¹ In 2003 the FDA approved it to reduce mortality in patients suffering from left ventricular dysfunction following myocardial infections.²²² The compound was patented in 1985 ('067), and in 1998 the '069 patent claiming a method to use carvedilol and one other compound to decrease mortality from heart failure was issued.²²³ In 2002 Teva filed an ANDA for generic carvedilol for all three purposes, claiming that the '069 patent was anticipated or obvious, and in 2007 launched with a "skinny" label that covered the non-heart failure uses.²²⁴ In 2008 the PTO issued a reissue patent ('000) for decreasing mortality from heart failure, and in 2011 Teva, under instruction from the FDA, amended its label to include the heart failure use. Teva told the FDA it did not need to provide certification to the '000 patent because it received final approval of its ANDA before the patent issued.²²⁵ GSK sued on an inducement theory, and Teva argued that prior to 2011 it had carved out the relevant treatment ("partial label period"), and that it could not be liable at all because it did not cause others to infringe the method ("full label period"), but the jury found willful induced infringement in both periods.²²⁶

The district court granted a JMOL because GSK failed to prove that Teva's inducement actually caused physicians to prescribe generic carvedilol for treatment of heart failure, and that the left ventricular distress instruction, while it served an overlapping population, was distinct.²²⁷ The Federal Circuit reversed, Teva petitioned for en banc rehearing, and the Court granted them a panel rehearing because multiple *amici* were concerned that the prior opinion was unclear as to how ANDA filers could carve out uses.²²⁸ The Court clarified

²²⁰ *GlaxoSmithKline LLC v. Teva Pharmaceuticals UA, Inc.*, 7 F.4th 1320 (Fed. Cir. 2021).

²²¹ *Id.* at 1323.

²²² *Id.*

²²³ *Id.*

²²⁴ *Id.* at 1323-24.

²²⁵ *Id.* at 1324-25.

²²⁶ *Id.* at 1325.

²²⁷ *Id.*

²²⁸ *Id.* at 1326.

that generics can be held liable if they marketed a drug with a label describing therapeutic use, but not for merely marketing a skinny label omitting patented indications or merely noting equivalence to a brand name drug.²²⁹ However, the Federal Circuit still held that there was inducement, as post-myocardial infection, left ventricular distress, and congestive heart failure are so intertwined, and this is a fact question where the jury's decision needs to be given deference.²³⁰

While Teva argued that GSK's submissions to the FDA for the Orange Book did not include left ventricular distress, the Federal Circuit affirmed that the jury's holding could reasonably mean that they believed this filing included left ventricular distress in its general statements about heart failure.²³¹ Teva and the dissent also emphasized the lack of evidence that doctors read labels to prescribe according to it, but the majority emphasized expert testimony indicating doctors read labels (although none of the doctors that testified had read labels, they claimed other doctors do) and boilerplate in Teva's prescribing references indicating that doctors are supposed to be up to date on full product labelling.²³² The majority also emphasized press releases from Teva that indicated the drug could be used as an equivalent to GSK's product and to treat heart failure, and while these were before the '000 patent issued, they remained on the website later.²³³ The majority also found causation, because although Teva could point to other guidelines showing knowledge of how to use carvedilol, the jury had the relevant evidence in front of it and found that doctors were lead to prescribe it by Teva's actions.²³⁴

Judge Prost issued a lengthy dissent arguing that Teva's carve out merely described an infringing use rather than encouraging it, that no expert testified that they themselves read the label/causation was incredibly tenuous, and that finding as the majority did leads to significant uncertainty for generic manufacturers.²³⁵

²²⁹ *Id.*

²³⁰ *Id.* at 1328-30.

²³¹ *Id.* at 1331.

²³² *Id.* at 1334-35.

²³³ *Id.* at 1335-37.

²³⁴ *Id.* at 1339-40.

²³⁵ *Id.* at 1343.

Doctrine of Equivalents

Edgewell Pers. Care Brands, LLC v. Munchkin, Inc., 989 F.3d 1358 (Fed. Cir. March 9, 2021)

In the appeal from the Central District of California, the Federal Circuit held the district court had improperly granted a motion of summary judgment against a claim of patent infringement under the doctrine of equivalents when there was an unresolved issue of material fact.²³⁶

Edgewell's '420 and '029 disclose improvements to the cassette design for its Diaper Genie product, a "a diaper pail system that has two main components: (i) a pail for collection of soiled diapers; and (ii) a replaceable cassette that is placed inside the pail and forms a wrapper around the soiled diapers."²³⁷ Munchkin marketed its own refill cassettes as compatible with the Diaper Genie.²³⁸ Edgewell sued Munchkin for infringement.²³⁹ After claim construction, Edgewell limited its infringement allegation for the '029 patent under the doctrine of equivalents.²⁴⁰ The district court granted Munchkin's subsequent motion for summary judgment of noninfringement.²⁴¹

On appeal, the Federal Circuit reversed and remanded.²⁴² The court agreed with the district court's construction of the disputed term "annular cover" as "a single, ring-shaped cover, including at least a top portion and an inner portion that are parts of the same structure."²⁴³ However, the court disagreed a theory of infringement under the doctrine of equivalents would vitiate or render meaningless the claimed "annular cover."²⁴⁴ Testimony from Edgewell's expert and Munchkin employees led the court to conclude the district court had not properly "[evaluated] the evidence to determine whether a reasonable juror could find that the accused products perform substantially the same function, in substantially the same way, achieving substantially the same result as the claims."²⁴⁵ Edgewell's expert described in detail how Munchkin's products could meet the "function-way-result" test.²⁴⁶ The court found such evidence was sufficient to create an issue of material fact and prevent summary judgment.²⁴⁷

²³⁶ *Edgewell Pers. Care Brands, LLC v. Munchkin, Inc.*, 989 F.3d 1358 (Fed. Cir. 2021).

²³⁷ *Id.*

²³⁸ *Id.*

²³⁹ *Id.*

²⁴⁰ *Id.*

²⁴¹ *Id.*

²⁴² *Id.* at *18.

²⁴³ *Id.* at *11.

²⁴⁴ *Id.* at *14.

²⁴⁵ *Id.*

²⁴⁶ *Id.* at *17.

²⁴⁷ *Id.*

DEFENSES

Assignor Estoppel

Minerva Surgical, Inc. v. Hologic, __ S.Ct. __ (U.S. June 29, 2021)

In this appeal from the District of Delaware, the Federal Circuit held that assignor estoppel does not prevent an alleged infringer from challenging the validity of patent claims in inter partes review but may nonetheless preclude validity challenges in parallel court proceedings.²⁴⁸

Hologic's '183 and '348 patents disclose "procedures and devices for endometrial ablation."²⁴⁹ Both patents list Csaba Truckai as an inventor.²⁵⁰ Truckai assigned his interests in the patents to NovaCept, a company he co-founded in 1993.²⁵¹ After a series of acquisitions, Hologic acquired NovaCept and was assigned the patents.²⁵² Truckai later left the company and founded another company, Minerva, that developed an endometrial ablation system ("EAS").²⁵³ Hologic sued Minerva for infringing the '183 and '348 patents by developing and using the EAS.²⁵⁴ Minerva then filed petitions for inter partes review, asserting the patents were obvious in view of the prior art.²⁵⁵ The Patent Trial and Appeal Board ("PTAB") ultimately reviewed the '183 patent claims and found them unpatentable for obviousness.²⁵⁶ Hologic appealed the decision and eventually the Federal Circuit affirmed, but in the meantime the infringement suit continued in district court.²⁵⁷ The district court granted Hologic's motion for summary judgment on the issue of assignor estoppel preventing Minerva from challenging the validity of the patent claims in district court.²⁵⁸ A trial, the jury found Minerva had infringed the patents and awarded Hologic lost profits and royalties.²⁵⁹ Hologic then moved for a permanent injunction to prevent Minerva from further infringing the '183 patent, but the district court denied the motion after the Federal Circuit affirmed that the '183 patent was invalid in the appeal

²⁴⁸ *Hologic, Inc. v. Minerva Surgical, Inc.*, 957 F.3d 1256 (Fed. Cir. 2020).

²⁴⁹ *Id.* at 1260 (citing U.S. Patent Nos. 6,872,183 and 9,095,348).

²⁵⁰ *Id.* at 1261.

²⁵¹ *Id.*

²⁵² *Id.*

²⁵³ *Id.* at 1262.

²⁵⁴ *Id.*

²⁵⁵ *Id.*

²⁵⁶ *Id.*

²⁵⁷ *Id.*

²⁵⁸ *Id.* at 1263.

²⁵⁹ *Id.*

from the IPR proceeding.²⁶⁰ The district court ultimately awarded Hologic the prejudgment damages for Minerva's infringement of the '348 patent, noting the Federal Circuit's decision concerning the '183 patent does not affect the district court's finding of assignor estoppel on the '348 patent.²⁶¹ Both Hologic and Minerva appealed.²⁶²

On appeal, Hologic argued assignor estoppel precludes Minerva from avoiding liability for the '183 patent due to the Federal Circuit's decision the patent was invalid.²⁶³ The Federal Circuit disagreed.²⁶⁴ "[A]though estopped parties cannot challenge the validity of the patent at issue, assignor estoppel does not limit their ability to defend themselves in other ways, including arguing that the patentee is itself collaterally estopped from asserting a patent found invalid in a prior proceeding."²⁶⁵ Therefore, assignor estoppel does not prevent Minerva from using the Federal Circuit decision's concerning the '183 patent's invalidity to avoid liability for infringement.²⁶⁶ The court recognized "the seeming unfairness" of Minerva using inter partes review to circumvent assignor estoppel.²⁶⁷ Nonetheless, the court asserted "the doctrine of assignor estoppel does not bar an assignor from filing a petition for IPR."²⁶⁸

On cross-appeal, Minerva argued assignor estoppel did not preclude it from challenging the validity of the '348 patent.²⁶⁹ The Federal Circuit was not persuaded, finding the district court had not abused its discretion and further agreed with the district court that "the equities weigh in favor of [assignor estoppel's] application in this case."²⁷⁰

The Supreme Court granted certiorari and reversed the holding as to the '348 patent. It rejected Minerva's call to abolish the assignor estoppel doctrine altogether, noting that while prior Supreme Court opinions had criticized and limited the doctrine, the doctrine itself was well-established in the law. Nonetheless, the Court held that the Federal Circuit had unduly broadened the doctrine beyond its purpose of preventing an assignor from going back on its representations in selling the patent. It identified at least three circumstances in which assignor estoppel should not apply: (1) where an employee signs an assignment agreement as a condition of employment before ever inventing anything, (2) where the claims are written or broadened after the assignor

²⁶⁰ *Id.*

²⁶¹ *Id.* at 1264

²⁶² *Id.*

²⁶³ *Id.*

²⁶⁴ *Id.*

²⁶⁵ *Id.* at 1265 (quoting *Mentor Graphics*, 150 F.3d at 1379) (internal quotations omitted).

²⁶⁶ *Id.*

²⁶⁷ *Id.*

²⁶⁸ *Id.* (citing *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018)).

²⁶⁹ *Id.* at 1267.

²⁷⁰ *Id.*

assigns their rights, and (3) where the law changes in a way that makes a formerly valid patent invalid.

Four dissenting justices would have abolished assignor estoppel as a judicially-created doctrine not in the patent statute.

Prosecution Laches

***Hyatt v. Hirshfeld*, 998 F.3d 1347 (Fed. Cir. June 1, 2021)**

In this appeal from the District Court for DC, the Federal Circuit vacated the district court's decision that the PTO had failed to prove prosecution laches. Hyatt has filed 399 patent applications total, 381 of which were filed during the GATT bubble in spring of 1995 (i.e. in the brief period of time before patents ran from application rather than from issuance, eliminating the issue of submarine patents). These 381 patents were all copies of earlier applications claiming priority to the 70s and 80s that contained small claim sets relating to computer technologies. The applications now are very long and complex, each over 500 pages of text. Five months after Hyatt filed the applications, a PTO group director asked Hyatt to focus each application on distinct subject matter, and Hyatt began filing amendments – these amendments grew the number of claims to a total of 115,000, 12-28 years after the alleged priority dates. Eventually four of the applications were finally rejected for lack of written description and obviousness, and Hyatt filed a section 145 action seeking issuance. The PTO filed a motion to dismiss on prosecution laches. Hyatt moved for summary judgment, arguing that the PTO had failed to show it provided warning of laches, did not prove intervening rights, never issued laches rejections for the applications at issues, and failed to meet its burden of unexplained delay. The district court ruled for Hyatt, holding that the PTO “had failed to take the actions necessary to advance the prosecution” and that Hyatt’s claim shifting did not warrant a finding of laches, and while Hyatt acted unreasonably for four claims, that didn’t warrant a finding of laches for the overall 115,000 claims.

The Federal Circuit reversed, holding that the PTO can assert a prosecution laches defense even without warnings or prior laches rejections, as section 145 actions open the door to new evidence and arguments. The Court proceeded to find that the district court had ignored evidence of Hyatt’s pattern of claim shifting and his overall conduct as a cause of delay. The Court held that the district court had spent too much time analyzing the PTO’s conduct rather than the proper inquiry of focusing on Hyatt’s actions, and found that the PTO’s evidence of laches and unexplained delay were sufficient to shift the burden to Hyatt, due to his long delays, overcomplicated specifications, and constant amendments. The Court held in an issue of first impression that the PTO must prove intervening rights, but an unreasonable and unexplained prosecution

delay of six years or more raises a presumption of prejudice, which was met here. The Court remanded to give Hyatt a chance to prove a legitimate reason for his delay to excuse his undue burden on the PTO and to demonstrate a lack of prejudice, despite his abuse of the system likely being inherently prejudicial.

Inequitable Conduct

***Belcher Pharmaceuticals, LLC v. Hospira, Inc.*, 11 F. 4th 1345 (Fed. Cir. Sept. 1, 2021)**

In this appeal from the District of Delaware, the Federal Circuit affirmed the court's decision to render the '197 patent unenforceable for inequitable conduct.²⁷¹

In 2012 Belcher filed a new drug application for a formulation of epinephrine that removed a sulfite antioxidant, calling a pH range of 2.8-3.3 "old".²⁷² The application discussed Sintetica's preservative and sulfite free formulation, and relied on it for stability validation, calling the change between the drugs "a very minor change", and cited literature from Stepensky that indicated that racemization of the isomer was a well-known process.²⁷³

When Belcher filed a patent application, it disclosed neither reference, called reducing the pH to 2.8-3.3 its critical innovation, and Belcher's Chief Science Officer who had project managed both applications later testified that he had knowledge of certain key facts, including both above references and the existence of a product from JHP that met all the claims.²⁷⁴

The Federal Circuit held that such knowledge was inherently material, as the existence of JHP's product was sufficient to invalidate the claim.²⁷⁵ Belcher argued that the withheld art was cumulative of a prior art reference they did distinguish, but Belcher's argument against that prior art in prosecution did not apply to the JHP product so the Court did not give this argument weight.²⁷⁶ The Federal Circuit further held that there was intent, as it was the only reasonable inference given the CSO was an active participant in both processes.²⁷⁷ Belcher's argument that it considered the references irrelevant given other differences was rejected as post hoc and implausible.²⁷⁸

²⁷¹ *Belcher Pharmaceuticals, LLC v. Hospira, Inc.*, 11 F. 4th 1345 (Fed. Cir. 2021).

²⁷² *Id.* at 1348.

²⁷³ *Id.*

²⁷⁴ *Id.* at 1349-50.

²⁷⁵ *Id.* at 1353.

²⁷⁶ *Id.*

²⁷⁷ *Id.*

²⁷⁸ *Id.* at 1354.

REMEDIES

Damages

MLC Intellectual Property, LLC v. Micron Technology, Inc., 10 F.4th 1358 (Fed. Cir. Aug. 26, 2021)

In this interlocutory appeal from the Northern District of California, the Federal Circuit affirmed three motions limiting MLC's damages expert.²⁷⁹ MLC licensed its patent to Hyinx for a lump sum, reduceable under most favored customer principles if any other licensee was granted a royalty of less than 0.25% and licensed the patent to Toshiba for a lump sum on the same day.²⁸⁰ Micron asked for MLC's damages theories and any facts, evidence, or testimony supporting an applicable royalty rate during fact discovery in interrogatories and a 30(b)(6) deposition, and MLC failed to describe their reasonable royalty theory.²⁸¹ Micron filed three motions: (1) a motion in limine to prevent MLC's damages expert construe the Hyinx and Toshiba agreements as a 0.25% royalty (2) a motion to strike new theories, facts, and evidence disclosed for the first time in MLC's expert report (3) a *Daubert* motion to exclude MLC's expert's reasonable royalty opinion for failure to apportion out the value of non-patented components.²⁸² The district court granted all three, and the Federal Circuit affirmed.²⁸³

First, the Federal Circuit held that MLC's damage's expert's reliance on the most favored customer provision was not based on sufficient facts and was properly excluded.²⁸⁴ MLC had argued that because the Toshiba agreement was signed on the same day, it indicated that the parties to the Hyinx agreement didn't see that lump sum as less valuable than a 0.25% royalty rate.²⁸⁵ The Court dealt with this argument by noting that the most favored customer provision did not apply to lump sum payments, so it was not reliable to assume that the value of this lump sum was analogous to the trigger royalty rate.²⁸⁶

Micron's motion to strike portions of the expert report for a Rule 37 violation for failure to disclose information in its discovery was also granted.²⁸⁷

²⁷⁹ *MLC Intellectual Property, LLC v. Micron Technology, Inc.*, 10 F.4th 1358 (Fed. Cir. 2021).

²⁸⁰ *Id.* at 1364.

²⁸¹ *Id.* at 1365.

²⁸² *Id.* at 1365-66.

²⁸³ *Id.*

²⁸⁴ *Id.* at 1368.

²⁸⁵ *Id.*

²⁸⁶ *Id.* at 1368-69.

²⁸⁷ *Id.* at 1369.

MLC claimed it was not required to disclose the facts supporting its theory during fact discovery because it disclosed them during expert discovery.²⁸⁸ MLC did correctly identify the Hyinx and Toshiba licenses on which it relied, but did not disclose other extrinsic evidence (e.g. negotiation documents) relied upon by MLC's expert.²⁸⁹ The Federal Circuit held that the district court was within its discretion to find that MLC did not properly disclose documents reflecting the 0.25% rate, and that MLC failed to disclose its view that the agreements reflected a 0.25% rate.²⁹⁰ The Court emphasized the importance of early discovery to permit further fact discovery and ensure proper case flow, and held that disclosure during expert discovery does not cure deficient disclosure during fact discovery.²⁹¹

Micron's *Daubert* motion was granted on the grounds that MLC's damages expert failed to apportion the base and rate to account for the patented technology.²⁹² He failed to compare the licensed to the accused technology to demonstrate that it was sufficiently comparable, and MLC's argument that its claims were directed to the device as a whole was rejected because Micron's device had a significantly broader scope.²⁹³

Attorneys' Fees

Arunachalam v. IBM, 989 F.3d 988 (Fed. Cir. March 1, 2021)

In this appeal from the District of Delaware, the Federal Circuit the district court's sanctions in the form of attorneys' fees against a *pro se* plaintiff.²⁹⁴ Plaintiff Dr. Arunachalam, appearing *pro se*, sued IBM for allegedly infringing one of her patents and for violating the Racketeer Influenced and Corrupt Organizations Act ("RICO Act").²⁹⁵ Later, she amended the complaint to add as defendants JPMorgan Chase, SAP America, and Judge Andrews, who was assigned to her case.²⁹⁶ She alleged all defendants had conspired and engaged in "civil racketeering."²⁹⁷ The defendants moved to dismiss. Dr. Arunachalam opposed and filed further motions to recuse Judge Andrews from her case and

²⁸⁸ *Id.*

²⁸⁹ *Id.*

²⁹⁰ *Id.*

²⁹¹ *Id.* at 1370-72.

²⁹² *Id.* at 1373.

²⁹³ *Id.* at 1374-75.

²⁹⁴ *Arunachalam v. IBM*, 989 F.3d 988 (Fed. Cir. 2021).

²⁹⁵ *Id.* at *2.

²⁹⁶ *Id.*

²⁹⁷ *Id.* at *3.

enter a default judgment against him.²⁹⁸ The Government filed a Statement of Interest for Judge Andrews, to which the district court referred ruling to Chief Judge Stark.²⁹⁹ Dr. Arunachalam then moved to recuse Chief Judge Stark, who denied the motion and then dismissed all claims against Judge Andrews.³⁰⁰ Judge Andrews denied the motion to recuse himself.³⁰¹ The district court eventually granted the other defendants' motions to dismiss.³⁰² Over the next year, Dr. Arunachalam continued filing a series of motions, all of which were denied.³⁰³ The defendants all moved for sanctions through attorney's fees, which the district court eventually granted in a sum of about \$150,000 split between JPMorgan, SAP, and IBM.³⁰⁴ Dr. Arunachalam filed more motions.³⁰⁵ She also appealed the sanctions.

On appeal, the Federal Circuit found the district court had not abused its discretion in imposing sanctions against Dr. Arunachalam.³⁰⁶ The court found "the record amply demonstrates Dr. Arunachalam's vexatious and wanton litigation conduct."³⁰⁷ "During litigation, Dr. Arunachalam forced Appellees and the District Court to expend resources responding to her repetitive, frivolous, and often bizarre oppositions and motions."³⁰⁸ The court also found the district court had awarded reasonable attorneys' fees through applying the "lodestar" approach.³⁰⁹

Willfulness and Enhanced Damages

***SRI International, Inc. v. Cisco Systems, Inc.*, 2021 WL 4434231 (Fed. Cir. Sept. 28, 2021)**

In this appeal from the District of Delaware, the Federal Circuit reversed a JMOL, reinstating the jury finding of willfulness and enhanced damages, while

²⁹⁸ *Id.* at *4.

²⁹⁹ *Id.*

³⁰⁰ *Id.*

³⁰¹ *Id.* *5.

³⁰² *Id.*

³⁰³ *Id.* at *6-9.

³⁰⁴ *Id.* at *9.

³⁰⁵ *Id.* at *10-11.

³⁰⁶ *Id.* at *14.

³⁰⁷ *Id.*

³⁰⁸ *Id.* at *15-16.

³⁰⁹ *Id.*

affirming a grant of attorney fees.³¹⁰ SRI originally sued for infringement in D. Del. on the '615 patent and '203 patent, relating to network surveillance.³¹¹ A jury trial was held on validity, infringement, willful infringement, and damages. The jury found willful infringement, Cisco moved for a JMOL of no willful infringement and RI moved for attorney's fees and enhanced damages.³¹² The district court found substantial evidence supporting the jury's willfulness finding and awarded SRI attorney fees and enhanced (doubled) damages because Cisco pursued litigation heavily and intentionally created extra work for SRI and the court, as well as the finding of willfulness.³¹³ Cisco appealed the denial of JMOL of no willful infringement and enhanced damages, the Federal Circuit vacated and remanded because there was a lack of evidence Cisco knew about SRI's patents until May 8, 2012, and found little evidence to support with willfulness finding or consequently the enhanced damages.³¹⁴

On remand, the district court held that substantial evidence also did not support the jury verdict of willful infringement after May 8, 2012, applying a more stringent standard for willful infringement based on the Federal Circuit's wording in the appeal: conduct rising to the level of "wanton, malicious, and bad faith behavior."³¹⁵ The Court maintained its attorney's fees award because it felt that the willfulness finding was not necessary to support an award of attorneys fees.³¹⁶ SRI appealed the JMOL of no willful infringement and the denial of the motion to reinstate the jury willfulness verdict.³¹⁷

The Federal Circuit started by noting that per the jury instructions, the jury found that Cisco had no reasonable basis to believe it did not infringe or that it had a reasonable defense to infringement.³¹⁸ Cisco's only basis for invalidity was anticipation by a reference that had twice been considered and rejected by the PTO.³¹⁹ Cisco at trial ignored the Court's construction of "network monitor" only requiring one monitor and its only infringement defense was that their product didn't have multiple monitors.³²⁰ The jury also found inducement, which was not challenged on appeal and indicates that the jury found that Cisco knew of the patent, took actions to encourage infringement, and knew that its

³¹⁰ SRI International, Inc. v. Cisco Systems, Inc., 2021 WL 4434231 (Fed. Cir. Sept. 28, 2021)

³¹¹ *Id.* at *1.

³¹² *Id.*

³¹³ *Id.*

³¹⁴ *Id.* at *2.

³¹⁵ *Id.*

³¹⁶ *Id.*

³¹⁷ *Id.*

³¹⁸ *Id.* at *3.

³¹⁹ *Id.*

³²⁰ *Id.*

consumers actions would infringe, also supporting willfulness.³²¹ The Court did, however, clarify that induced infringement does not compel a finding of willfulness – the standards are different but support each other.³²²

Finally, the Court said that it was not heightening the requirement for willfulness with its prior language of “wanton, malicious, and bad faith,” which actually related to conduct warranting enhanced damages. Willfulness, by contrast, requires no more than deliberate or intentional infringement.³²³ In sum, the Court held that the jury findings of willfulness were proper and reinstated the jury verdict.³²⁴

On enhanced damages, although willfulness is a component of enhancement, it is not the only component, and there needs to be egregious conduct.³²⁵ The Court found that the district court did not abuse its discretion, and reinstated the original district court award of double damages.³²⁶ Lastly, on attorney’s fees, the Court held that this was an exceptional case – Cisco crossed the line and created work for the court and this was not an abuse of discretion by the district court.³²⁷

³²¹ *Id.* at *4.

³²² *Id.*

³²³ *Id.*

³²⁴ *Id.*

³²⁵ *Id.* at *5.

³²⁶ *Id.*

³²⁷ *Id.*

PRACTICE AND PROCEDURE

Standing

Omni Medsci, Inc. v. Apple Inc., 7 F. 4th 1148 (Fed. Cir. Aug. 2, 2021)

In this interlocutory appeal from the Northern District of California, the Federal Circuit affirmed a holding that the University of Michigan's bylaw governing the assignment of property rights did not effectuate present automatic assignment of title, so the biomedical company that the professor/inventor assigned the rights to still had standing.³²⁸ Dr. Islam was a professor of electrical and computer engineering at the University of Michigan medical school, and had signed an employment agreement including a provision to abide by the bylaws, which stated that patents issued as a result of or in connection with research conducted by members of the University staff and supported by the University funds shall be owned by the university, those patents resulting from activities without support shall be the property of the inventor, and that when there is both university and independent activity, then there had to be an agreement in writing in advance of exploitation.³²⁹

In 2012 Islam took an unpaid leave of absence to start a new biomedical laser company, filed provisional patent applications, returned to Michigan in 2013, and filed non-provisional applications claiming priority to the provisional applications.³³⁰ He then assigned the rights to Omni, which eventually sued Apple.³³¹ The patents at issue grew out of Islam's time on leave, not his teaching, but the University's technology transfer office noted the expenditure of funds to give support and time to process his appointment, as well as the springboarding of other professors, and claimed that ownership would be disputed.³³²

Both sides analyzed the contract under the provision assuming that Michigan had supported Dr. Islam financially. The key issue was one of contract interpretation: does the phrase "shall be the property of" lead to automatic and present assignment?³³³ Both the district court and the Federal Circuit held that it didn't, and instead reflected a future agreement to assign.³³⁴ The plain language doesn't effectuate a transfer. The conditional transfer if there is joint development shares identical language and cannot be read as an immediate assignment as it explicitly notes the requirement of a written agreement, there is

³²⁸ *Omni Medsci, Inc. v. Apple Inc.*, 7 F. 4th 1148 (Fed. Cir. 2021).

³²⁹ *Id.* at 1150.

³³⁰ *Id.*

³³¹ *Id.*

³³² *Id.* at 1151.

³³³ *Id.* at 1152.

³³⁴ *Id.*

no present tense executing verb (assigns, does hereby grant and assign, hereby conveys, etc.), and Michigan has a separate form that specifically and unambiguously assigns the rights in the invention.³³⁵ Apple argued that “shall” indicates a present automatic conveyance, relying on *Roche*. The Federal Circuit distinguished *Roche* as being about a statute that governs initial vesting rather than assignment.³³⁶ The Federal Circuit was concerned with Apple’s critique of a “magic words” test, but still held the absence of an active verbal expression was fatal.³³⁷

Judge Newman issued a lengthy dissent, arguing that the plain meaning of the document and substantial precedent demonstrated that “shall be the property of” was a present assignment.³³⁸

***Apple Inc. v. Qualcomm Incorporated*, 2021 WL 5227094 (Fed. Cir. Nov. 10, 2021)**

In this appeal from the PTAB, the Federal Circuit held that Apple lacked standing to challenge a decision that it had failed to prove claims unpatentable in an IPR after it and Qualcomm had settled.³³⁹ The Court stood by its decision on other patents in *Apple I*,³⁴⁰ which rejected Apple’s theories of standing based on ongoing payment obligations, infringement claims following the expiration of the license agreement, and estoppel from challenging the patents in the future.³⁴¹ Apple argued a new theory which the Court also rejected.³⁴² Apple claimed if it ceased payment and terminated the settlement, that would be sufficient under *MedImmune*. The Court held that this nuance was not sufficient to overturn *Apple I* without *en banc* rehearing.³⁴³

In the alternative, Apple requested that the Board’s decision be vacated to eliminate the risk of estoppel, citing *United States v. Munsingwear*.³⁴⁴ The Court distinguished *Munsingwear* as concerning mootness rather than standing, and that even if mootness was at issue, Apple voluntarily entered into the jurisdiction-destroying settlement.³⁴⁵

³³⁵ *Id.* at 1152-54.

³³⁶ *Id.* at 1154-55.

³³⁷ *Id.* at 1156.

³³⁸ *Id.* at 1157-65.

³³⁹ *Apple Inc. v. Qualcomm Incorporated*, 2021 WL 5227094 (Fed. Cir. Nov. 10, 2021)

³⁴⁰ 992 F.3d 1478, 1385 (Fed. Cir. 2021).

³⁴¹ *Apple Inc. v. Qualcomm Incorporated*, 2021 WL 5227094 (Fed. Cir. Nov. 10, 2021) at *1.

³⁴² *Id.* at *3.

³⁴³ *Id.*

³⁴⁴ *Id.*

³⁴⁵ *Id.* at *3-4.

Judge Newman issued a lengthy dissent from the dismissal, noting that licensees have standing to challenge the validity of the patent, that the parties recognized in the agreement that PTAB proceedings would continue, and that it was likely that the accused products would still be in commerce when the license agreement expired.³⁴⁶ Judge Newman also would have ruled differently on the estoppel arguments, as there should be some review of administrative decisions.³⁴⁷

Sufficiency of Pleading

***Bot M8 LLC v. Sony Corporation of America*, 4 F. 4th 1342 (Fed. Cir. July 13, 2021)**

In this appeal from the Northern District of California, the Federal Circuit affirmed in part and reversed in part the district court's dismissal of infringement claims on four patents.³⁴⁸ Bot M8 alleged that Sony's PlayStation infringed five patents ('540, '990, '988, '670, '363) relating to authentication mechanisms to ensure a game has not been manipulated, the first four of which were dismissed, and the last of which was invalidated on summary judgment.³⁴⁹ The district court directed Bot M8 to file an amended complaint specifying each element of every claim for which infringement was alleged or explain why it couldn't, and reverse engineer as much as they could, which Bot M8 said they would be happy to do.³⁵⁰ Bot M8 filed an amended complaint, for which the district court granted a motion to dismiss because the complaint failed to allege when or where the game program and authentication program are stored together on the same memory board (a requisite element for the '540 and '990 patents), or a basis to infer the timing of fault inspection was before the game starts (a requisite element for the '988 and '670 patents).³⁵¹ The court gave Bot M8 one more chance to file an amended complaint. Bot M8 raised concerns about the legality of jailbreaking a PS4, indicating they had not reverse engineered the PS4 for the prior complaints. The district court induced Sony to give permission to reverse engineer the PS4.³⁵² The district court refused Bot M8's second amended complaint for lack of diligence, holding that Bot M8 should have raised concerns about the legality of reverse engineering earlier.³⁵³

³⁴⁶ *Id.* at *4-7.

³⁴⁷ *Id.* at *8-10.

³⁴⁸ *Bot M8 LLC v. Sony Corporation of America*, 4 F. 4th 1342 (Fed. Cir. 2021).

³⁴⁹ *Id.* at 1347-48.

³⁵⁰ *Id.* at 1348.

³⁵¹ *Id.* at 1349.

³⁵² *Id.*

³⁵³ *Id.* at 1350.

The Federal Circuit held that the district court erred in dismissing the infringement claims on the '998 and '670 patents, but affirmed on the '540 and '990 patents.³⁵⁴ For the '540 patent, Bot M8 in its first amended complaint included an allegation that the authentication program was located on the motherboard, while the patent requires it to be stored together with the program, not on the motherboard. Inconsistent allegations are insufficient to state a plausible claim under *Twombly*.³⁵⁵

On the '990 patent, the Federal Circuit noted that while there was no requirement to provide source code at the pleadings stage, Bot M8 failed to point to a storage component in the infringing device which satisfied a mutual authentication limitation – it merely recited the claim language, so dismissal was proper.³⁵⁶

On the '988 and '670 patents, which require a control device that executes a fault inspection program before the game is started, the Federal Circuit held that the first amended complaint plausibly alleged the inspection occurred prior to the game tarding based on error codes it provided from the PS4.³⁵⁷ While Sony argued these allegations were conclusory, Bot M8's specific allegations of error codes that must be resolved before the game is started was sufficient to allege the completion of the fault inspection program before the game was started.³⁵⁸

The Federal Circuit affirmed the district court's denying of leave to amend on the dismissed claims, as while the district court should not have required reverse engineering, Bot M8 had waived that objection but had not been timely in performing the necessary reverse engineering.³⁵⁹

Limits on Number of Patents at Trial

***In re Midwest Athletics and Sports Alliance LLC*, 858 Fed.Appx. 363 (Mem) (Fed. Cir. Sept. 10, 2021)³⁶⁰**

The Federal Circuit denied a petition for writ of mandamus challenging an order from the Western District of New York narrowing the number of patents the plaintiff could assert.³⁶¹ MASA originally asserted 20 patents on

³⁵⁴ *Id.* at 1358.

³⁵⁵ *Id.* at 1354.

³⁵⁶ *Id.* at 1354-55.

³⁵⁷ *Id.* at 1355-56.

³⁵⁸ *Id.* at 1356.

³⁵⁹ *Id.* at 1357.

³⁶⁰ Full disclosure: Lemley represented the respondent in this petition.

³⁶¹ *In re Midwest Athletics and Sports Alliance LLC*, 858 Fed.Appx. 363 (Mem) (Fed. Cir. 2021).

printer and copier technology, but the district court issued an order to require MASA to reduce the number of patents to eight at the dispositive motion stage and to four at the trial stage to help keep the case manageable.³⁶² Any dismissed patents would be without prejudice and would not toll the statute of limitations, and the order was amendable.³⁶³

MASA petitioned for a writ of mandamus, but the Federal Circuit denied it, holding that MASA had not shown a clear and indisputable right that precludes the Court from narrowing the number of patents a plaintiff can assert (citing *In re Katz Interactive Call Processing Patent Litigation*, which held that a district court could limit out claims it saw as duplicative).³⁶⁴ The district court had found that the procedural safeguards were sufficient to avoid deprivation of any rights, and the Federal Circuit held that that decision was not shown to be in error.³⁶⁵

Appellate Jurisdiction

Chandler v. Phoenix Services LLC, 1 F.4th 1013 (Fed. Cir. June 10, 2021)

On this appeal from the Northern District of Texas, the Federal Circuit held that it lacked subject matter jurisdiction of an antitrust case based on a *Walker Process* monopolization action that requires proof of fraud on the patent office, when the patent had already been invalidated.³⁶⁶ Heat on the Fly, Phoenix's predecessor in interest, filed a patent application for a new fracking technology but failed to disclose public uses of over a year earlier.³⁶⁷ They then asserted the Patent against Chandler and others, before the Federal Circuit rendered the patent unenforceable for inequitable conduct in a separate suit.³⁶⁸

The Federal Circuit held that it lacked jurisdiction because, while the claims here relate to patents, the causes of action do not arise out of federal patent law (but instead the Sherman Antitrust Act). Nor is patent law a necessary element of one of the well-pleaded claims.³⁶⁹ The Court heavily analogized to *Xitronix I*, where it held that it lacked jurisdiction on a standalone *Walker Process* claim based on enforcement of a live patent because no decision another circuit would make on a case within a case would lead to precedent on

³⁶² *Id.* at 364.

³⁶³ *Id.*

³⁶⁴ *Id.*

³⁶⁵ *Id.*

³⁶⁶ *Chandler v. Phoenix Services LLC*, 1 F.4th 1013 (Fed. Cir. June 10, 2021).

³⁶⁷ *Id.* at 1014-15.

³⁶⁸ *Id.* at 1015.

³⁶⁹ *Id.*

the rest of patent law, citing *Gunn v. Minton* to distinguish cases arising under federal patent law from cases that involve it.³⁷⁰ The Fifth Circuit bounced *Xitronix* back in *Xitronix II*, noting that the Federal Circuit had previously observed that determination of fraud involves a substantial question of patent law, and that in *Nobelpharma AB v. Implant Innovations* it was appropriate to apply Federal Circuit law to a *Walker Process* claim.³⁷¹ The Federal Circuit reluctantly accepted jurisdiction in *Xitronix III*, a nonprecedential decision that indicated that perhaps since the patent was live, it could be invalidated, and to declare a PTO proceeding tainted, giving rise to Federal Circuit jurisdiction.³⁷² However, the patent in this case is not live, so the Federal Circuit applied *Xitronix I* to transfer the case to the Fifth Circuit.³⁷³

Venue and Transfer

***In re Tracfone Wireless, Inc.*, No. 2021-136, 2021 U.S. App. LEXIS 11388 (Fed. Cir. Apr. 20, 2021)**

In this decision, the Federal Circuit found the Western District of Texas had abused its discretion in denying a motion to transfer venue to the Southern District of Florida. Precis filed a patent infringement suit against TracFone in the Western District of Texas.³⁷⁴ TracFone later moved to dismiss for improper venue or, alternatively, transfer the case to the Southern District of Florida.³⁷⁵ The district court continued proceedings without addressing this motion until the Federal Circuit ordered it to do so upon a petition for a writ of mandamus from TracFone.³⁷⁶ The district court denied the motion three days later, concluding the “willing witness” factor weighed against transfer despite there being no identified witnesses in the Western District of Texas.³⁷⁷ Relying on the Fifth Circuit’s “100-mile” rule, the court reasoned “doubling the distance traveled would double the

³⁷⁰ *Id.* at 1015-16.

³⁷¹ *Id.* at 1016-17.

³⁷² *Id.* at 1018.

³⁷³ *Id.*

³⁷⁴ *Id.*

³⁷⁵ *Id.*

³⁷⁶ *Id.* (citing *In re Tracfone Wireless, Inc.*, No. 2021-118, 2021 U.S. App. LEXIS 6689 (Fed. Cir. Mar. 8, 2021)).

³⁷⁷ *Id.* at *3.

inconvenience to the non-party witnesses” who lived in Arizona and Minnesota.³⁷⁸ Again, TracFone petitioned for a writ of mandamus.³⁷⁹

The Federal Circuit found the district court had abused its discretion.³⁸⁰ The court found the district court had misapplied the “100-mile” rule by being too rigid.³⁸¹ Despite Arizona and Minnesota being closer Texas than Florida, the witnesses would need to travel a great distance to testify either way.³⁸² Following the reasoning in *Genentech* and *Apple*, the court concluded “the district court clearly abused its discretion in concluding that the willing witness factor did not weigh in favor of transfer.”³⁸³ Because the district court had ruled the other transfer factors as being either neutral or in favor of transfer, the Federal Circuit granted the petition.³⁸⁴

***In re ADTRAN, Inc.*, 840 F. App'x 516 (Fed. Cir. March 19, 2021)**

In this decision, the Federal Circuit denied a petition for writ of mandamus but nonetheless directed the Western District of Texas to act quickly.³⁸⁵

Correct Transmission filed a patent infringement suit against ADTRAN in the Western District of Texas.³⁸⁶ On September 14, 2020, ADTRAN moved to dismiss the case for proper venue or, alternatively, transfer the case to the Northern District of Alabama.³⁸⁷ In October 2020, the district court set several deadlines for future filings in the case and set a date for a Markman hearing.³⁸⁸ The court had not yet, however, addressed ADTRAN’s motion.³⁸⁹ ADTRAN motioned the district court to stay all deadlines unrelated to the venue issue until that issue had been resolved.³⁹⁰ The district court indicated it would not address the stay

³⁷⁸ *Id.* at *6.

³⁷⁹ *Id.* at *2.

³⁸⁰ *Id.* at *6.

³⁸¹ *Id.* at *7.

³⁸² *Id.*

³⁸³ *Id.* at *8. (citing *In re Genentech, Inc.*, 566 F.3d 1338, 1344 (Fed. Cir. 2009); *In re Apple Inc.*, 979 F.3d 1332, 1342 (Fed. Cir. 2020)).

³⁸⁴ *Id.* at *10.

³⁸⁵ *In re Tracfone Wireless, Inc.*, No. 2021-136, 2021 U.S. App. LEXIS 11388 (Fed. Cir. Apr. 20, 2021).

³⁸⁶ *Id.*

³⁸⁷ *Id.*

³⁸⁸ *Id.*

³⁸⁹ *Id.*

³⁹⁰ *Id.*

motion until after the venue issue was briefed.³⁹¹ ADTRAN subsequently petitioned for a writ of mandamus.³⁹²

The Federal Circuit denied the petition.³⁹³ The court held mandamus is “reserved for extraordinary situations” and that ADTRAN had “identified no authority establishing a clear legal right to a stay of all non-venue-related deadlines under circumstances where the venue-related motion is still in briefing and the Markman hearing is months away.”³⁹⁴ The court reasoned the district court still plausibly had time to address the issue before the Markman hearing or postpone the hearing.³⁹⁵ However, the court noted it fully expected the district court to give the stay and venue motions top priority.³⁹⁶ Otherwise, it could still turn to mandamus upon a future petition.³⁹⁷

***In re Tracfone Wireless, Inc.*, No. 2021-118, 2021 U.S. App. LEXIS 6689 (Fed. Cir. Mar. 8, 2021)**

In this decision, the Federal Circuit ordered the Western District of Texas to stay proceedings until it ruled on an unaddressed motion to transfer venue.³⁹⁸ Precis filed a patent infringement suit against TracFone in the Western District of Texas.³⁹⁹ TracFone later moved to dismiss for improper venue or, alternatively, transfer the case to the Southern District of Florida in June 2020.⁴⁰⁰ In December 2020, the district court scheduled and held a Markman hearing despite having not ruled on TracFone’s petition.⁴⁰¹ Tracfone filed a petition for writ of mandamus to direct the district court either transfer the case or stay proceedings until it ruled on the motion to transfer.⁴⁰²

The Federal Circuit granted the petition for mandamus for staying proceedings.⁴⁰³ The court identified well-established Fifth Circuit precedent requiring district courts “give promptly filed transfer motions ‘top priority’

³⁹¹ *Id.*

³⁹² *Id.*

³⁹³ *Id.*

³⁹⁴ *Id.*

³⁹⁵ *Id.*

³⁹⁶ *Id.*

³⁹⁷ *Id.*

³⁹⁸ *In re Tracfone Wireless, Inc.*, No. 2021-118, 2021 U.S. App. LEXIS 6689 (Fed. Cir. Mar. 8, 2021).

³⁹⁹ *Id.*

⁴⁰⁰ *Id.*

⁴⁰¹ *Id.* at *3.

⁴⁰² *Id.* at *1.

⁴⁰³ *Id.* at *3.

before resolving the substantive issues in the case.”⁴⁰⁴ The court thus ordered the district court to stay proceedings until it ruled on the motion to transfer.⁴⁰⁵

***In re SK Hynix Inc.*, No. 2021-114, 2021 U.S. App. LEXIS 5674 (Fed. Cir. Feb. 25, 2021)**

In this decision, the Federal Circuit denied a petition for writ of mandamus to transfer venue because the district court had not clearly abused its discretion.⁴⁰⁶

Netlist sued SK Hynix in the Western District of Texas for allegedly infringing two of its patents.⁴⁰⁷ SK Hynix filed a motion to transfer venue to the Central District of California, which the district court denied.⁴⁰⁸ SK Hynix then filed a petition for writ of mandamus to compel the transfer.⁴⁰⁹

The Federal Circuit denied the petition because SK Hynix had not shown the district court abused its discretion.⁴¹⁰ Netlist and SK Hynix had previously taken part in two pending, but inactive, lawsuits in the Central District of California involving patents of the same family as the instant case.⁴¹¹ SK Hynix argued the “first to file” rule and 28 U.S.C. § 1404(a) required the case be transferred to the Central District of California.⁴¹² The Federal Circuit agreed with the district court’s reasoning that SK Hynix had not met the threshold requirements for § 1404(a) that the action “might have been brought” against SK Hynix in the Central District of California or that “all parties have consented” to the transfer.⁴¹³ The court later held SK Hynix had not shown a right to transfer under the “first to file” rule without meeting the threshold requirements of § 1404(a).⁴¹⁴ Furthermore, SK Hynix had not shown any error in the district court’s conclusion that the Central District of California was in improper venue because SK Hynix neither resides in that district nor has established a place of business there.⁴¹⁵

⁴⁰⁴ *Id.* (citing *In re Horseshoe Entm't*, 337 F.3d 429, 433 (5th Cir. 2003)).

⁴⁰⁵ *Id.*

⁴⁰⁶ *In re SK hynix Inc.*, No. 2021-114, 2021 U.S. App. LEXIS 5674 (Fed. Cir. Feb. 25, 2021).

⁴⁰⁷ *Id.* at *1.

⁴⁰⁸ *Id.* at *2.

⁴⁰⁹ *Id.*

⁴¹⁰ *Id.*

⁴¹¹ *Id.* at *3.

⁴¹² *Id.*

⁴¹³ *Id.* at *11.

⁴¹⁴ *Id.* at *13.

⁴¹⁵ *Id.* at *12.

In re: Samsung Electronics Co., 2 F.4th 1371 (Fed. Cir. June 30, 2021)

In this consolidated appeal of denied motions to transfer from Judge Albright in the Western District of Texas to the Northern District of California, the Federal Circuit held that Judge Albright clearly abused his discretion by concluding that N.D. Cal. was not more convenient.⁴¹⁶ Ikorongo had sued Samsung and LG in W.D. Tex. a month after forming as a Texas LLC, despite the relevant individuals being from North Carolina.⁴¹⁷ Samsung and LG moved to transfer to N.D. Cal., noting that that was the location of the majority of the development of the accused applications, and that no application was developed or researched in Western Texas.⁴¹⁸ The district court denied the transfer motions, holding that LG and Samsung failed to establish that the complaints could have been brought in N.D. Cal. – Ikorongo had originally (before amending a day later) filed the complaint as Ikorongo Texas, an entity which owned the rights to the patents only in the Western District of Texas, so argued that infringement was impossible outside of Texas.⁴¹⁹ The District Court also analyzed the private and public interest factors, and noted that while the location of documents and witnesses were primarily in the Northern District of California, party witnesses were given little weight and that relatively few non-party witnesses would be impacted.⁴²⁰ The Court continued to find no higher local interest in California, as it rejected the idea that patent cases give rise to local controversy, and that the practical problems of Ikorongo having active suits in multiple jurisdictions outweighed the small private interest rationale for transfer.⁴²¹

The Federal Circuit reversed.⁴²² First, it found that because Ikorongo Technology (which owned the rights outside of Texas) joined the suit, the amended complaint could have been brought in California, and that the plaintiff was clearly trying to manipulate its venue.⁴²³ On the merits of the motions, the Federal Circuit found clear abuse of discretion in the lack of weight given to the convenience of the N.D. Cal., because of the dozens of sources of evidence in Northern California, the lack of a single relevant witness in Texas, and the local interest of the apps being developed in Northern California.⁴²⁴ The Court held that the judicial economy point was less relevant, as relatively few patents

⁴¹⁶ *In Re: Samsung Electronics Co., Ltd.*, 2F.4th 1371 (Fed. Cir. 2021).

⁴¹⁷ *Id.* at 1373.

⁴¹⁸ *Id.* at 1374.

⁴¹⁹ *Id.*

⁴²⁰ *Id.*

⁴²¹ *Id.* at 1374-75.

⁴²² *Id.* at 1381.

⁴²³ *Id.* at 1376.

⁴²⁴ *Id.* at 1379-80.

overlapped, multidistrict litigation solves, and there was a completely different underlying technology.⁴²⁵

***In re: Dish Network LLC*, 856 Fed.Appx. 310 (Mem) (Fed Cir. Aug. 13, 2021)**

The Federal Circuit denied a petition for a writ of mandamus to transfer the case from Judge Albright in the Western District of Texas to the District of Colorado.⁴²⁶ The court denied the petition on the grounds that a writ of mandamus requires demonstrating no adequate alternative, but noted that the lower court needed to reconsider the motion.⁴²⁷ The district court had held that the local interest factor was neutral because of call centers, warehouses, and service centers in the district, but the Federal Circuit noted that general corporate presence isn't sufficient and it must be tied to the events underlying the suit, while also noting that as in *Samsung*, witnesses were much more prominent in the target venue.⁴²⁸ The Court strongly implied that if the district court denied the petition, a future petition would be successful.⁴²⁹

Judge Renya concurred, expressing concern with the decision to deny a petition while instructing a judge to reconsider his views, and worried that this risked creating a new form of relief.⁴³⁰

On remand, the district court reentered a similar decision despite the Federal Circuit's "confidence" that it would reconsider the question on remand. DISH petitioned for mandamus again, and this time the court granted the petition, transferring the case to Colorado.

***In re: Apple Inc.*, 855 Fed.Appx. 766 (Mem) (Fed. Cir. Aug. 4, 2021)**

The Federal Circuit denied a petition seeking a writ of mandamus directing transfer from Judge Albright in the Western District of Texas to the Northern District of California.⁴³¹ The Court held that Apple had failed to demonstrate that the right to relief was clear and indisputable, as the plaintiff had demonstrated two potential W.D. Tex. witnesses who were unwilling to travel to California to testify, while Apple had relied on employee witnesses who

⁴²⁵ *Id.*

⁴²⁶ *In Re: Dish Network LLC*, 856 Fed.Appx. 310 (Mem) (Fed Cir. 2021).

⁴²⁷ *Id.* at 310-11.

⁴²⁸ *Id.* at 311.

⁴²⁹ *Id.*

⁴³⁰ *Id.*

⁴³¹ *In Re: Apple Inc.*, 855 Fed.Appx. 766 (Mem) (Fed. Cir. 2021).

were unlikely to be called to trial.⁴³² Judicial economy considerations because of co-pending lawsuits in W.D. Tex. also gave reason against transfer.⁴³³

In re: Google LLC, 855 Fed.Appx. 767 (Mem) (Fed. Cir. Aug. 4, 2021)

The Federal Circuit denied Google's petition for a writ of mandamus to transfer the action from Judge Albright in the Western District of Texas to the Northern District of California.⁴³⁴ The district court had refused to transfer on the grounds of co-pending cases, that the Texas courts were open, that Google employees in the Western District of Texas had material information, that Google had failed to demonstrate anyone was unwilling to travel to Texas/use video to testify, that Google failed to demonstrate specific documents in N.D. Cal, and that Google had a substantial presence in Austin.⁴³⁵ The Federal Circuit disagreed on that last factor, as the events in the case need to be connected to the local interest, but still found Google had not made a clear and indisputable showing that transfer was required given the efficiency benefits of keeping it in Texas.⁴³⁶

In re: Hulu LLC, 2021 WL 3278194 (Fed. Cir. Aug. 2, 2021)

The Federal Circuit granted Hulu's writ of mandamus to transfer the case from Judge Albright in the Western District of Texas to the Central District of California.⁴³⁷ The plaintiff, SITO Mobile, is a Delaware company with principal place of business in New Jersey.⁴³⁸ Hulu demonstrated that the vast majority of witnesses would be based in California, but the district court had held that this factor weighed against transfer because some of the witnesses could be summoned to Texas and that prior art witnesses are unlikely to testify a trial.⁴³⁹ The Federal Circuit held that this discounting was an abuse of discretion without more case-specific analysis, and that this factor weighed for transfer.⁴⁴⁰ On willing witnesses, the district court discounted the convenience of party witnesses and held that Hulu had failed to identify relevant third party

⁴³² *Id.* at 766-67.

⁴³³ *Id.* at 767.

⁴³⁴ *In Re: Google LLC, 855 Fed.Appx. 767 (Mem) (Fed. Cir. 2021).*

⁴³⁵ *Id.* at 768.

⁴³⁶ *Id.*

⁴³⁷ *In re: Hulu LLC, 2021 WL 3278194 (Fed. Cir. 2021).*

⁴³⁸ *Id.* at *1.

⁴³⁹ *Id.* at *3.

⁴⁴⁰ *Id.*

witnesses – the Federal Circuit disagreed, noting that employee convenience while still discounted is a factor, and that not a single significant witness was in the Western District of Texas or would find it more convenient.⁴⁴¹ The Federal Circuit found court congestion to be neutral, and found that the balance of factors clearly weighed towards transfer and that the district court had abused its discretion.⁴⁴²

***In re: Bose Corp.*, 848 Fed.Appx. 426 (Mem) (Fed. Cir. May 25, 2021)**

The Federal Circuit rejected a writ of mandamus to stay all non-venue related proceedings in the Western District of Texas until the district court ruled on its motion to transfer to the District of Massachusetts – the Federal Circuit held that Bose had failed to show that the district court would conduct its Markman hearing or other substantive procedures before deciding on the venue issue, nor did Bose show a clear legal right to stay its deadlines to file its Markman briefs.⁴⁴³

***In re: Western Digital Technologies, Inc.*, 846 Fed.Appx. 925 (Mem) (Fed. Cir. May 10, 2021)**

The federal circuit denied a petition for mandamus directing Judge Albright to transfer the case to the Northern District of California.⁴⁴⁴ The plaintiff is a Swiss resident, and the Defendant has two offices in the Western District of Texas, but is headquartered in San Jose.⁴⁴⁵ The district court denied a motion to transfer because WDT failed to identify physical documents in the NDCA, and that three non-party witnesses resided in or close to the W.D. Tex. The Federal Circuit denied the petition on the grounds that the W.D. Tex. had a local interest, a less congested docket, and could compel the testimony of more likely non-party witnesses, for whom it was also a more convenient destination.⁴⁴⁶

⁴⁴¹ *Id.* at *4-*5.

⁴⁴² *Id.* at *5.

⁴⁴³ *In re: Bose Corporation*, 848 Fed.Appx. 426 (Mem) (Fed. Cir. 2021).

⁴⁴⁴ *In re: Western Digital Technologies, Inc.*, 846 Fed.Appx. 925 (Mem) (Fed. Cir. 2021).

⁴⁴⁵ *Id.* at 926.

⁴⁴⁶ *Id.* at 926-27.

***Andra Group, LP v. Victoria's Secret Stores, LLC*, 6 F.4th 1283 (Fed. Cir. Aug 3, 2021)**

In this appeal from the Eastern District of Texas, the Federal Circuit affirmed a motion to dismiss for improper venue.⁴⁴⁷ L Brands, Inc. is the corporate parent for defendants, which are divided into a subsidiary to manage retail stores, one to manage the website and application, and one that owns the brand.⁴⁴⁸ All defendants are incorporated in Delaware, and only the retail subsidiary has any employees or physical presence in the Eastern District of Texas.⁴⁴⁹ When the plaintiff sued, the magistrate judge recommended that the non-store defendants be dismissed for improper venue, and the district court divided the case and adopted the recommendations, leading to the plaintiff voluntarily dismissing the case against the retail subsidiary without prejudice and appealed the decision for the non-retail defendants.⁴⁵⁰

The Federal Circuit affirmed, noting that the plaintiff needed to show that each defendant committed acts of infringement and maintains a regular and established place of business in the E.D. Tex.⁴⁵¹ Andra argued that the retail locations were a regular and established place of business of the other defendants because the employees were agents of the defendants or because the defendants had ratified the locations as their place of business.⁴⁵² Andra's agency argument relied on the facts that the parent controlled the hiring and firing of employees, the website subsidiary could direct the handling of returns purchased on the website, and the brand subsidiary's products were distributed there.⁴⁵³ The Court held that none of these were sufficiently proven – the parent didn't directly control hiring and didn't approve hires, there was no evidence that the internet subsidiary controlled returns, and that the brand's control of its products didn't prove control of employees.⁴⁵⁴

Andra's ratification theory relied not on proving a lack of corporate separateness, but by the same actions as the agency argument demonstrating the company holding themselves out as doing business there.⁴⁵⁵ The court dismissed this argument, on the grounds that the defendants must also actually do business there, which they didn't, and also that none of the other defendants owned the physical locations or displayed their corporate names there.⁴⁵⁶

⁴⁴⁷ *Andra Group, LP v. Victoria's Secret Stores, LLC*, 6 F.4th 1283 (Fed. Cir. 2021).

⁴⁴⁸ *Id.* at 1286.

⁴⁴⁹ *Id.*

⁴⁵⁰ *Id.*

⁴⁵¹ *Id.* at 1287.

⁴⁵² *Id.*

⁴⁵³ *Id.* at 1288.

⁴⁵⁴ *Id.* at 1288-89.

⁴⁵⁵ *Id.* at 1289.

⁴⁵⁶ *Id.* at 1290.

In re: Juniper Networks, Inc., 2021 WL 4343309 (Fed. Cir. Sept. 24, 2021)

The Federal Circuit granted a petition for writ of mandamus to direct Judge Albright in the Western District of Texas to transfer six actions to the Northern District of California.⁴⁵⁷ WSOU Investments, a Patent Assertion Entity whose CEO and president live in California but whose office is in Waco Texas, filed seven complaints against Juniper Networks, a Delaware Corporation headquartered in Sunnyvale, California and with a small office in Austin.⁴⁵⁸ Juniper moved to transfer to the N.D. Cal., which Judge Albright rejected.⁴⁵⁹ On sources of proof, Judge Albright found that the majority of Juniper's documents were in California, but that information was stored in multiple other locations, so Juniper had failed to differentiate what documents would be more available in N.D. Cal.⁴⁶⁰ On compulsory process, neither party identified any witness who would be unable to testify in either location, so the district court held that this was a factor against transferring, for somewhat opaque reasons.⁴⁶¹ On relative convenience for witnesses, Juniper had identified 15 witnesses in the N.D. Cal. while WSOU could only demonstrate one employee in W.D. Tex., so Judge Albright found this weighed slightly for transfer.⁴⁶² On local interest, the district court found that Juniper's office in Austin and WSOU's headquarters being in W.D. Tex. was sufficient to give it a greater local interest, as Juniper had not shown that development was done entirely within N.D. Cal.⁴⁶³ Lastly, the district court held that the W.D. Texas would be able to try the case more quickly, and taking into account these factors found against transfer.⁴⁶⁴

The Federal Circuit reversed, noting the massive difference in convenience for witnesses, and holding that Juniper's small office in Austin which had no connection to the events of the case and WSOU's nominal existence in Texas were not enough to give rise to a local interest compared to Juniper's headquarters in California where the majority of development was done and where the Plaintiffs resided.⁴⁶⁵ The Court also noted that the vast majority of evidence was more accessible in N.D. Cal., and the existence of evidence in other locations (but not in W.D. Tex.) was not a reason that N.D. Cal. was not more convenient, and that a lack of need for compulsory process in either venue made

⁴⁵⁷ *In re: Juniper Networks, Inc.*, 2021 WL 4343309 (Fed. Cir. Sept. 24, 2021).

⁴⁵⁸ *Id.* at *1.

⁴⁵⁹ *Id.* at *2.

⁴⁶⁰ *Id.*

⁴⁶¹ *Id.*

⁴⁶² *Id.*

⁴⁶³ *Id.* at *3.

⁴⁶⁴ *Id.*

⁴⁶⁵ *Id.* at *4-*5.

that factor neutral.⁴⁶⁶ Lastly, the Court disputed the time to trial statistics, emphasizing it was improper to weigh W.D. Tex.'s aggressive scheduling orders and that this factor should be given little weight.⁴⁶⁷ Because the "center of gravity" was clearly in California, the Court granted the petition.⁴⁶⁸

In re: Google LLC, 2021 WL 4592280 (Fed. Cir. Oct. 6, 2021)

The Federal Circuit granted Google's writ of mandamus to transfer the case from Judge Albright in the Western District of Texas to the Northern District of California.⁴⁶⁹ Jenam Tech., whose only employee is in the E.D. Tex. where it is incorporated but who licenses its IP through an affiliate in the N.D. Cal, sued Google relating to the Quick UDP Internet Connections Protocol.⁴⁷⁰ Google filed a motion to transfer and asserted that the vast majority of the research occurred in either Mountain View or Cambridge, and that the source code and technical documents were stored there.⁴⁷¹ Jenam argued to keep the case in W.D. Tex., noting that Google has an office in Austin, claiming that the inventor was likely unwilling to travel to either location but would prefer Texas because he could drive there rather than having to fly during COVID, and asserting that it would be more convenient for Jenam's one employee and its patent attorney, both of whom resided in Texas.⁴⁷²

The district court denied the motion to transfer.⁴⁷³ On sources of proof, the district court held that Google could easily access documents electronically from either place, whereas it would be more convenient for plaintiffs' employee residing in Eastern Texas to transfer documents to the W.D. Tex.⁴⁷⁴ On compulsory process, Google identified five third party witnesses who could be compelled in N.D. Cal. but not in W.D. Tex. The district court discounted this because only one of them was likely unwilling to testify.⁴⁷⁵ On convenience of witnesses, the lower court emphasized that few witnesses would testify live, that convenience was not important for party witnesses, and that the importance of convenience for the inventor outweighed the importance of convenience for Google's ex-employees, who were less critical.⁴⁷⁶ On local interest, the lower

⁴⁶⁶ *Id.* at *5-*6.

⁴⁶⁷ *Id.* at *6-*7.

⁴⁶⁸ *Id.* at *7.

⁴⁶⁹ *In re: Google LLC, 2021 WL 4592280 (Fed. Cir. Oct. 6, 2021).*

⁴⁷⁰ *Id.* at *1.

⁴⁷¹ *Id.*

⁴⁷² *Id.*

⁴⁷³ *Id.* at *2.

⁴⁷⁴ *Id.*

⁴⁷⁵ *Id.*

⁴⁷⁶ *Id.* at *2-*3.

court found it to be against transfer because Google had employees and customers in both districts, while Jenam is a Texas entity.⁴⁷⁷ On court congestion, the district court emphasized that a transfer would cause delay.⁴⁷⁸

The Federal Circuit granted the petition, finding a clear abuse of discretion.⁴⁷⁹ First, the Court held the witness convenience factor greatly favored transfer by noting that party witness convenience still matters, that no witness lived in the W.D. Tex., that a great number lived in N.D. Cal., and that the inventor having to travel a longer distance was irrelevant because in either case he'd have to leave home for a long time, and that the inventor's stated aversion to flying because of COVID will hopefully have abated by the trial in ~2023.⁴⁸⁰ The Court then held that the local interest factor strongly favored transfer, as Google's general presence in Austin bore no relationship to where events that gave rise to the suit occurred – this was indisputably Northern California – and that Jenam's connection to W.D. Tex. is a single office in a different district within Texas.⁴⁸¹

The Court next held that the court congestion factor was neutral, as there was comparable congestion, and that Google's motion to transfer was prompt enough that the possibility of delay for new scheduling orders was minimal.⁴⁸² Moving to sources of proof, while Google can access information electronically, the fact that there were no documents within the Western District whatsoever weighed in favor of transfer.⁴⁸³ The Court held that there was nothing tying the case to the W.D. Tex., nor any factor that favored retention, so denying transfer was clearly an abuse of discretion.⁴⁸⁴

In re: Pandora Media, LLC, 2021 WL 4772805 (Fed. Cir. Oct. 13, 2021)

The Federal Circuit granted Pandora's writ of mandamus to transfer the case from Judge Albright in the Western District of Texas to the Northern District of California.⁴⁸⁵ Bluebonnet, a patent assertion entity based in the N.D. Tex., sued Pandora in W.D. Tex.⁴⁸⁶ Pandora filed a motion to transfer to N.D. Cal., relying on the fact that Bluebonnet's predecessor in interest, Friskit, developed the technology at issue in San Francisco and as such multiple non-party witnesses

⁴⁷⁷ *Id.* at *3.

⁴⁷⁸ *Id.*

⁴⁷⁹ *Id.* at *7.

⁴⁸⁰ *Id.* at *4-*5.

⁴⁸¹ *Id.* at *5-*6.

⁴⁸² *Id.*

⁴⁸³ *Id.* at *6-*7.

⁴⁸⁴ *Id.* at *7.

⁴⁸⁵ *In re: Pandora Media, LLC, 2021 WL 4772805 (Fed. Cir. Oct. 13, 2021)*

⁴⁸⁶ *Id.* at *1.

resided there, along with Pandora's own engineers.⁴⁸⁷ Bluebonnet noted that multiple Pandora employees with potentially relevant information were located in Austin, two were elsewhere in Texas, and one was in Boulder, Colorado.⁴⁸⁸ Bluebonnet also noted that Waco was closer to the residences of the inventors in Israel and Maryland, and that Waco was more convenient for witnesses in New York and Philadelphia.⁴⁸⁹

The district court denied the transfer motion.⁴⁹⁰ The Court weighed the location of documents in favor of transfer, noting that the key source code and other documents were in N.D. Cal.⁴⁹¹ Availability of compulsory process to secure attendance of witnesses was neutral, as Pandora had failed to show that any witnesses would be unwilling to testify.⁴⁹² On willing witnesses, N.D. Cal. was more convenient for a party witnesses, which was given little weight compared to the non-party witnesses for whom Pandora failed to identify residences and Bluebonnet had noted that Texas was more convenient for witnesses in Israel, New York, and Philadelphia.⁴⁹³ The district court held that local interest was slightly in favor of transfer, and that all other factors were neutral, so N.D. Cal. was not clearly the more convenient forum.⁴⁹⁴

The Federal Circuit granted the petition for mandamus.⁴⁹⁵ First, the Court emphasized that the compulsory process factor weighed significantly in favor of N.D. Cal., as witnesses should be presumed to be unwilling absent a showing by the opposing party.⁴⁹⁶ Next, the Court held that the district court erred by not giving weight to party witnesses and by weighing so highly the difference in distance between Texas and California for witnesses located far from either location.⁴⁹⁷ Finding that no factor favored keeping the case in Texas while several of the most important ones favored it being transferred, the Court granted the motion.⁴⁹⁸

⁴⁸⁷ *Id.*

⁴⁸⁸ *Id.*

⁴⁸⁹ *Id.*

⁴⁹⁰ *Id.* at *2.

⁴⁹¹ *Id.*

⁴⁹² *Id.*

⁴⁹³ *Id.*

⁴⁹⁴ *Id.*

⁴⁹⁵ *Id.* at *7.

⁴⁹⁶ *Id.* at *3.

⁴⁹⁷ *Id.* at *4-5.

⁴⁹⁸ *Id.* at *7.

PATENT TRIAL AND APPEAL BOARD

Inter Partes Review Procedure

Uniloc 2017 LLC v. Facebook Inc., 989 F.3d 1018 (Fed. Cir. March 9, 2021)

In this appeal from the Patent Trial and Appeal Board, the Federal Circuit held it had the authority to review PTAB estoppel decisions.⁴⁹⁹

Uniloc's '433 patent is directed to "a system and method for enabling local and global instant Voice over Internet Protocol messaging over an IP network."⁵⁰⁰ Facebook filed two petitions for *inter partes* review ("IPR") of the '433 patent while another IPR proceeding initiated by Apple was already pending at the PTAB.⁵⁰¹ Facebook filed a new petition substantively identical to Apple's and filed a petition to join, which the PTAB granted.⁵⁰² Later, LG also petitioned for IPR and motioned to join Facebook's original two petitions, which the PTAB also granted.⁵⁰³ Since Facebook was part of multiple IPR petitions, the PTAB asked for briefs about the possibility of a statutory estoppel issue against Facebook under 35 U.S.C. § 315(e)(1).⁵⁰⁴ Later, after finding all the challenged claims patentable in the Apple IPR, the court dismissed Facebook from its original IPR, holding Facebook was estopped under § 315(e)(1).⁵⁰⁵ However, the proceeding continued because LG could continue the IPR as challenger to the claims.⁵⁰⁶ The PTAB ultimately found the all the challenged claims unpatentable in this IPR.⁵⁰⁷ Uniloc appealed, arguing Facebook's original IPR proceedings should have been canceled once the PTAB found Facebook to be estopped.⁵⁰⁸ The Federal Circuit first addressed whether it had the authority to review PTAB estoppel decisions not directly related to the ultimate patentability decisions in IPR.⁵⁰⁹ The Federal Circuit noted 35 U.S.C. § 314(d) dictates "[t]he determination by the Director [of the Patent Office] whether to institute an inter partes review under this section shall be final and nonappealable."⁵¹⁰ In *Credit Acceptance Corp.*, the Federal Circuit noted it had held § 324(e) did not preclude judicial review of the estoppel

⁴⁹⁹ *Uniloc 2017 LLC v. Facebook Inc.*, 989 F.3d 1018 (Fed. Cir. 2021).

⁵⁰⁰ *Id.* (citing U.S. Patent No. 8,995,433).

⁵⁰¹ *Id.* at *5

⁵⁰² *Id.*

⁵⁰³ *Id.*

⁵⁰⁴ *Id.*

⁵⁰⁵ *Id.* at *8

⁵⁰⁶ *Id.*

⁵⁰⁷ *Id.* at *9.

⁵⁰⁸ *Id.*

⁵⁰⁹ *Id.* at *10.

⁵¹⁰ *Id.* at *12.

provision of § 325(e)(1), which is nearly identical to § 315(e)(1).⁵¹¹ Thus, the court reasoned it should interpret “the similarly worded and focused IPR estoppel provision of § 315(e)(1) as not so closely tied to institution to render judicial review precluded when the estoppel-triggering event arises after institution.”⁵¹² Given the “strong presumption of reviewability of agency action,” the court saw “no indication that § 314(d) precludes judicial review of the Board's application of § 315(e)(1)'s estoppel provision in this case.”⁵¹³ The court thus found the estoppel challenge reviewable. Turning to the merits, the court ultimately upheld the PTAB’s findings.⁵¹⁴

***Qualcomm Incorporated v. Intel Corporation*, 6 F. 4th 1256 (Fed. Cir. July 27, 2021)**

In this appeal from an IPR, the Federal Circuit held that the PTAB provisioned insufficient notice and opportunity to respond to a claim construction, violating its rights under the Administrative Procedure Act; the Court also declined to extend the algorithm requirement to circuitry in claim construction.⁵¹⁵

Qualcomm owns the ‘675 patent relating to techniques for generating a power tracking supply voltage for a circuit that processes multiple radio frequency signals simultaneously.⁵¹⁶ Intel petitioned for IPR, proposing a claim construction of “a plurality of carrier aggregated transmit surveys” to mean “signals for transmission on multiple carriers at the same time to increase the bandwidth for a user”, while Qualcomm proposed the construction “signals from a single terminal utilizing multiple component carriers which provide extended transmission bandwidth for a user transmission from the single terminal” – both parties agreed that increased bandwidth requirement was a component.⁵¹⁷ One judge asked Intel during the oral hearing what the purpose and support for this requirement was.⁵¹⁸ The next day the Board ordered additional briefing on a different topic, and later issued its final written decisions concluding unpatentability by omitting any requirement of increasing bandwidth, and holding that “means for determining a single power tracking

⁵¹¹ *Id.* at *14.

⁵¹² *Id.* at *16.

⁵¹³ *Id.* at *15.

⁵¹⁴ *Id.* at *32.

⁵¹⁵ *Qualcomm Incorporated v. Intel Corporation*, 6 F. 4th 1256 (Fed. Cir. 2021).

⁵¹⁶ *Id.* at 1259.

⁵¹⁷ *Id.* at 1261.

⁵¹⁸ *Id.*

signal” is a means plus function limitation and that power tracker 582 is the corresponding structure.⁵¹⁹

Qualcomm argued it did not receive adequate notice to respond to the Board’s sua sponte elimination of the increasing bandwidth requirement, as the PTO must timely inform the patent owners of the matters asserted under the APA.⁵²⁰ The Federal Circuit agreed with Qualcomm, noting that while the Board may adopt a claim construction that neither party proposes without violating the APA, it may not diverge from the agreed upon requirement – neither party could have anticipated that an agreed upon claim was a moving target.⁵²¹

Intel argued that the challenge failed because of a lack of prejudice, and that oral argument and a chance to move for rehearing were opportunities to respond. The Federal Circuit rejected all three arguments: first, Qualcomm had shown adequate prejudice by removing an element on which Intel had the burden of proof and Qualcomm had no opportunity to brief.⁵²² Second, the Court held that a single question offered to the opposing party did not provide notice that the Board may depart from the requirement. The board didn’t announce a construction at the hearing or criticize the requirement, and even if there was notice, there was no chance to respond since the Board didn’t give a rationale at hearing, ask a question to Qualcomm about it, or ask for additional briefing on the issue.⁵²³ Lastly, the Court found that a chance to seek rehearing was not sufficient, since as a matter of law parties need not seek rehearing in order to seek relief, nor may the Court impose an exhaustion requirement.⁵²⁴

***In re: Vivint, Inc.*, 2021 WL 4448620 (Fed. Cir. Sept. 29, 2021)**

On this appeal from a PTAB decision, the Federal Circuit held that serial IPR requests can doom a request for an ex parte reexamination.⁵²⁵ In 2015, Vivint sued Alarm.com for patent infringing, and Alarm.com responded by filing fourteen IPR petitions, three of which challenged claims in the patent at issue here.⁵²⁶ The PTO declined to institute IPR, for the first two petitions on the grounds of failing to show a reasonable likelihood of success, and for the last petition as “incremental petitioning” that used prior PTAB decisions as a roadmap to correct deficiencies and harass patent owners.⁵²⁷ Over a year later,

⁵¹⁹ *Id.* at 1262.

⁵²⁰ *Id.*

⁵²¹ *Id.* at 1262-63.

⁵²² *Id.* at 1263-64.

⁵²³ *Id.* at 1264-65.

⁵²⁴ *Id.* at 1265.

⁵²⁵ *In re: Vivint, Inc.*, 2021 WL 4448620 (Fed. Cir. Sept. 29, 2021).

⁵²⁶ *Id.* at *1.

⁵²⁷ *Id.*

Alarm.com requested ex parte reexamination repackaging the arguments in its last IPR petition.⁵²⁸ The PTO ordered reexamination, finding substantial new questions of patentability without addressing the question of its discretionary ability to deny reexamination when the same arguments were previously presented.⁵²⁹ Vivint petitioned the PTO under section 325, but the PTO dismissed the petition on the grounds it needed to have been filed before reexamination. Vivint petitioned again, and the PTO rejected again on the grounds that Vivint could have sought waiver of rules preventing them from petitioning before an ex parte reexamination.⁵³⁰ An examiner issued a rejection of all claims of Vivint's patent, Vivint appealed to the PTAB, the PTAB affirmed, and Vivint appealed.⁵³¹

The Federal Circuit reversed, noting that while there was a substantial new question of patentability the PTO still abused its discretion by permitting the reexamination.⁵³² The Court found there was a substantial new question of patentability because the arguments within had not been considered on their merits, as they'd been merely rejected earlier for abusive petitioning.⁵³³ The Federal Circuit also held that section 325(d) discretionary decisions are reviewable. The Court reviewed the decisions here under the APA for abuse of discretion or arbitrary and capricious behavior.⁵³⁴

The Federal Circuit held that the PTO's ordering of reexamination was arbitrary and capricious, as the PTO misunderstood its own power to terminate ex parte reexaminations and this infected all of its analysis.⁵³⁵ Finding this, the Federal Circuit proceeded to say it would be arbitrary for the PTO to do anything on remand other than terminate the reexamination, as it would depart from established precedent without a reasoned explanation.⁵³⁶ Alarm.com word for word copied its prior IPR grounds into the ex parte reexamination request, and it was arbitrary of the PTO to deny the third petition for incremental petitioning but not the fourth petition.⁵³⁷ The Court rejected the argument that because ex parte reexamination and IPR are different procedures, a nearly identical petition may be granted for one but not the other, because they saw no difference between the processes that would justify such conduct.⁵³⁸

⁵²⁸ *Id.* at *2.

⁵²⁹ *Id.*

⁵³⁰ *Id.* at *2-3.

⁵³¹ *Id.* at *3.

⁵³² *Id.* at *8.

⁵³³ *Id.* at *4-5.

⁵³⁴ *Id.* at *5.

⁵³⁵ *Id.* at *6.

⁵³⁶ *Id.*

⁵³⁷ *Id.* at *7.

⁵³⁸ *Id.*

PTAB and Choice of Forum

Kannuu Pty Ltd. v. Samsung Electronics Co., Ltd., 2021 WL 46717967 (Fed. Cir. Oct. 7, 2021)

On this appeal from the Southern District of New York, the Federal Circuit held in a case of first impression that an NDA forum selection clauses did not bar IPR petitions.⁵³⁹ Kannuu and Samsung entered into an NDA that included a forum section clause stating that any legal action arising out of or relating to the agreement or the transactions contemplated must be instituted exclusively in a court of competent jurisdiction in Manhattan.⁵⁴⁰ No deal was made, and six years later Kannuu filed suit for infringement against Samsung, and Samsung petitioned for IPR.⁵⁴¹ Kannuu sought a preliminary injunction to compel Samsung to dismiss the IPRs on the grounds that the NDA had prohibited IPRs.⁵⁴² The district court denied the motion, and Kannuu appealed.⁵⁴³

The Federal Circuit affirmed, holding that the plain meaning of the contract did not include IPR, as the agreement implicated confidentiality rather than Intellectual Property rights.⁵⁴⁴ Kannuu's counterargument was that the NDA involved an agreement about the exchange of info in contemplation of a licensing deal, the suit relates to the misuse of that information, and that the IPR relates to the lawsuit.⁵⁴⁵ The Federal Circuit dismissed each step of this logic: First, the NDA did not grant any rights and was not a licensing agreement, and the issues underlying patents were out of the scope of an NDA. Hoped-for transactions didn't fall within the scope.⁵⁴⁶ Second, Kannuu relied on forum section clauses in license agreements as precedent to argue that the forum selection clause applied to the district court, but the Federal Circuit refused to see the NDA as a failed license attempt. And even if it was, the Court held that failing to bind Samsung in an agreement is not a reason to stop Samsung from filing an IPR.⁵⁴⁷ Thirdly, Kannuu's argument that the IPR implicates the NDA because Kannuu may rebut Samsung's case with evidence of copying was simply too attenuated. Mere factual relevancy is not sufficient to prevent an IPR, and Kannuu had not demonstrated that copying will be relevant to the board's

⁵³⁹ *Kannuu Pty Ltd. v. Samsung Electronics Co., Ltd.*, 2021 WL 46717967 (Fed. Cir. Oct. 7, 2021).

⁵⁴⁰ *Id.* at *1.

⁵⁴¹ *Id.*

⁵⁴² *Id.* at *2.

⁵⁴³ *Id.*

⁵⁴⁴ *Id.* at *3.

⁵⁴⁵ *Id.*

⁵⁴⁶ *Id.*

⁵⁴⁷ *Id.* at *4.

analysis.⁵⁴⁸ Applying all these factors, the Court held that the NDA did not bar Samsung from seeking IPR.⁵⁴⁹

Judge Newman dissented, arguing that the forum selection clause was clear and unambiguous, and arguing that the majority's creation of a requirement that an agreement be a license to bind the parties was out of line with precedent.⁵⁵⁰

***In re: MaxPower Semiconductor, Inc.*, 13 F.4th 1348 (Fed. Cir. Sept. 8, 2021)**

MaxPower sought to review the PTAB's decision to institute IPR via either an appeal or a writ of mandamus. The Federal Circuit denied both attempts.⁵⁵¹ The Court noted that a decision to institute is not appealable under 35 USC § 314(d).⁵⁵² MaxPower challenged this under the collateral order doctrine by arguing that its challenge implicated questions whether the board can institute proceedings that are subject to arbitration, but the Court rejected this by noting that this doctrine only applies if affected rights would be irretrievably lost, and MaxPower could just raise its challenges after any final decisions.⁵⁵³ Failing this, MaxPower sought mandamus relief, but the Court held that it failed to show that this was not merely a means of avoiding the statutory prohibition on appellate review of institution decisions.⁵⁵⁴ Rejecting the argument for an exception, the Court held that the PTAB had not clearly exceeded its authority, as the PTAB is not held to the private contracts of parties.⁵⁵⁵

Judge O'Malley issued a dissent on the issue of mandamus.⁵⁵⁶ She would have held that MaxPower and Rohm's agreement to arbitrate any dispute created a clear and indisputable legal right under the Federal Arbitration Act, citing *Preston v. Ferrer* for the proposition that a neutral adjudicator should not initially hear cases involving arbitration provisions.⁵⁵⁷ Judge O'Malley would have further held that the harm of no longer getting the efficiency benefits of arbitration would have been done at the completion of IPR, so there was no other avenue for adequate relief.⁵⁵⁸ The majority distinguished *Preston* on the grounds that it concerned a court exercising power over parties to compel them to

⁵⁴⁸ *Id.* at *5.

⁵⁴⁹ *Id.*

⁵⁵⁰ *Id.* at *6.

⁵⁵¹ *In re: MaxPower Semiconductor, Inc.*, 13 F.4th 1348 (Fed. Cir. 2021)

⁵⁵² *Id.* at 1351.

⁵⁵³ *Id.*

⁵⁵⁴ *Id.*

⁵⁵⁵ *Id.* at 1351-52.

⁵⁵⁶ *Id.* at 1352-60.

⁵⁵⁷ *Id.* at 1354-57 (citing 552 U.S. 346 (2008))

⁵⁵⁸ *Id.* at 1359-60.

arbitration, as opposed to this case where the tribunal would be exercising power over itself.⁵⁵⁹ Judge O'Malley distinguished the distinguishing by noting that the PTAB need only stay its own proceedings rather than enforce the arbitration agreement.⁵⁶⁰

Constitutionality and Jurisdiction

United States v. Arthrex, 141 S.Ct. 1970 (2021)

The Supreme Court heard oral argument on the constitutionality of the PTAB on March 1, 2021 and ruled on June 21.⁵⁶¹ A 5-4 majority held that Administrative Patent Judges exercise sufficient unreviewable authority via IPRs that their appointment by the Commerce Secretary was unconstitutional.⁵⁶² A different 7-2 majority fashioned the remedy: the USPTO director “may review final PTAB decisions and, upon review may issue decisions himself on behalf of the Board.”⁵⁶³ Prior rulings of Administrative Patent Judges were not overturned, but discretionary review by the PTO director is now an option.⁵⁶⁴

Mobility Workx, LLC v. Unified Patents, LLC, 15 F.4th 1146 (Fed. Cir. Oct. 13, 2021)

In this appeal from the PTAB, the Federal Circuit held that the financial interest PTAB judges allegedly had in instituting procedures under the AIA to generate fees and receive better performance reviews did not violate the patentee’s due process rights.⁵⁶⁵ Unified Patents sought IPR against a Mobility patent on communications technology.⁵⁶⁶ Mobility appealed the PTAB’s finding of unpatentability, and raised two core constitutional challenges: that the PTAB was structurally biased by receiving fees when proceedings are instituted, and that Administrative Patent Judges (APJs) are personally biased by having a personal financial interest in instituting proceedings to gain better performance reviews.⁵⁶⁷

⁵⁵⁹ *Id.* at 1352.

⁵⁶⁰ *Id.* at 1358.

⁵⁶¹ *United States v. Arthrex*, 141 S.Ct. 1970 (2021).

⁵⁶² *Id.* at 1985.

⁵⁶³ *Id.* at 1987.

⁵⁶⁴ *Id.*

⁵⁶⁵ *Mobility Workx, LLC v. Unified Patents, LLC*, 15 F.4th 1146 (Fed. Cir. 2021)

⁵⁶⁶ *Id.* at 1150

⁵⁶⁷ *Id.*

First, the Court held that Mobility did not forfeit these arguments by failing to make them below, as agencies lack authority to adjudicate constitutional claims and that in any event the Court has discretion to consider new issues on appeal.⁵⁶⁸

On Mobility's structural bias point, the Federal Circuit distinguished the line of Supreme Court cases arising from *Tumey v. Ohio* by noting that APJs do not have responsibility for agency finances, unlike the mayor's responsibility for city finances in *Tumey*.⁵⁶⁹ The Court also noted that Congress appropriates funds to the PTO and that the fees from institution do not become available to the PTO until Congress appropriates them.⁵⁷⁰ Mobility emphasized the existence of a fund that held these fees, but the Court noted that Congress still needed to permit access and cited other circuits who had held similarly that if Congress needed to appropriate there was not structural bias from collecting fees.⁵⁷¹

The Court rejected Mobility's argument that performance reviews incentivized APJs to institute AIA proceedings, noting that APJ compensation didn't depend on the outcomes of their decisions, merely on the number of decisions authored.⁵⁷² Even though APJs earn credit for follow on merit decisions for instituted AIA proceedings, the Court held that Mobility failed to show that the magnitude of this effect was sufficient to trigger bonuses, and that there were more than enough cases backlogged to not require additional merits cases to achieve performance thresholds.⁵⁷³ As such, the Court held that the PTO was not unconstitutionally biased.⁵⁷⁴

Judge Newman issued a lengthy concurrence in part and dissent in part noting that even if actual bias was not present, the appearance of bias should be enough to raise serious concerns.⁵⁷⁵

⁵⁶⁸ *Id.* at 1150-51.

⁵⁶⁹ *Id.* at 1154.

⁵⁷⁰ *Id.*

⁵⁷¹ *Id.* at 1154-55.

⁵⁷² *Id.* at 1155-56.

⁵⁷³ *Id.* at 1156.

⁵⁷⁴ *Id.* at 1157.

⁵⁷⁵ *Id.* at 1158-65.