PATENT LAW YEAR IN REVIEW 2024

Banner Year in Review Team 2024

Editors in Chief: Matt Becker and Scott M. Kelly

Contributors: David Glass

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2024 RECENT DEVELOPMENTS IN PATENT LAW

I. INTRODUCTION

We are proud to present our Patent Law Year in Review materials for the 2024 precedential decisions from the Federal Circuit, Supreme Court (none this year), and PTAB (quiet on precedent too!). These materials aim to provide a ready reference for the patent practitioner on the cases that touched on each topic area of interest in patent law.

The biggest change this year was to how design patents are evaluated for obviousness. The Federal Circuit's *en banc* decision in *LKQ Corp. v. GM Global Tech. Operations LLC*, 102 F.4th 1280 (Fed. Cir. 2024) (en banc), declared the prevailing *Rosen-Durling* test too inflexible and carried the *Graham* and *KSR* analysis from the utility side over to designs. While design patents may not be at the top of every IP practitioner's list, they have continued to be an important way to protect the "cool" which drives many purchasing decisions and have become an essential tool in certain product areas.

The law of patentable subject matter and abstract ideas continued to coalesce around a theme – claims using only result-oriented, functional language are subject to intense scrutiny and often will be invalid under 35 U.S.C. § 101. Competing cases focus on whether the claims provide the "how" that solves a technological problem, in a technological way. Arguments that there are lots of hard computer features in the claims ring hollow unless those features are what effects the solution to the problem. Yet it still can be hard to predict any given case, as most claims can be distilled down to some abstract idea and determining what is conventional is a very subjective analysis.

Cases about the on sale bar continued to receive the Federal Circuit's attention, though a pair of cases (*Allergan* and *Sanho*) hold that a private sale of the invention can be invalidating prior art but does not get you into the post-AIA § 102(b) safe harbor against later disclosures by another.

On the infringement side, no cases seemed to mark real sea-changes in the law. The Federal Circuit reaffirmed a high bar for proving infringement under the doctrine of equivalents. Skinny labels and inducement of infringement continued to receive attention, exploring what can be considered along with the label in assessing inducing infringement. The Federal Circuit also issued opinions clarifying some issues around damages, touching on foreign conduct, reasonable royalties, and the entire market value rule.

We hope you find these materials helpful in your practice, and we look forward to what 2024 will bring for the patent law industry.

II. PATENT ELIGIBLE SUBJECT MATTER

A. Claims Found Ineligible

Chewy Inc. v. Int'l Business Machines Corp., 94 F.4th 1354 (Fed. Cir. 2024). The district court granted summary judgment holding patent claims directed to a method of targeting advertising were ineligible subject matter under § 101. The district court applied the two-step *Alice* framework. On *Alice* step one, the district court found that the asserted claims were directed to the abstract idea of identifying advertisements based on search results. IBM argued on appeal that the claims were directed to a patent-eligible improvement in online advertising: obtaining search engine results from a user's search query and using those search results to identify targeted advertisements. The Federal Circuit agreed with the district court. The Federal Circuit held that the claims broadly recite correlating advertisements with search results using a generic process. The Federal Circuit cited its 2020 *Customedia Techs. and* 2015 *Intell. Ventures* decisions which held that targeted advertising is an abstract idea. The Court rejected IBM's attempt to analogize the alleged improvement to the 2020 *Packet Intelligence* decision because the claims in this case were not directed to any challenges unique to computer networks, or specific improvements to the functionality of the computer itself.

The Federal Circuit proceeded to step two of the *Alice* analysis which the district court determined that the claims failed to recite an inventive concept. IBM argued that the claims recited an inventive concept, namely an information repository specifically configured to correlate advertisements with search results. The Federal Circuit rejected IBM's argument holding that "[u]sing a generic database to store the information used in correlating advertisements with search results is not an inventive concept."

IBM also argued that one claim contained the inventive concept of using off-line batch processing in an unconventional way. The Federal Circuit rejected the argument, concluding that the use of offline batch processing is not an inventive concept because off-line processing was conventional at the time of the invention and simply claiming improved speed or efficiency inherent with applying an abstract idea on a computer does not provide a sufficient inventive concept.

Finally, IBM argued that another claim recited the inventive concept of assigning a session value in an unconventional way and at an unconventional time. The Federal Circuit concluded the claimed use of session values, individually or in combination with the remaining elements of the claim, was not a sufficient inventive concept. And the Federal Circuit found that the patent did not provide any detail on how assigning a session value was done in an unconventional way.

Brumfield, Trustee for Ascent Trust v. IBG LLC, 97 F.4th 854 (Fed. Cir. 2024). Trading Technologies (TT) brought suit against IBG alleging infringement of several TT-owned patents, four of which were the subject of the appeal brought

by TT's successor in interest. The district court found two patents invalid for claiming ineligible subject matter and a jury found two patents infringed and awarded over $6.6 MM in damages. TT appealed the invalidity determinations and issues relating to damages. The Federal Circuit rejected TT's challenges and affirmed.

The specification of the '411 and '996 patents at issue described improved graphical user interfaces for commodity trading and methods for placing trade orders using those interfaces that allegedly allow traders to place orders "quickly and efficiently" in volatile markets. The claims of the two patents on appeal both require a "price axis" with no requirement that it be static. In a prior decision, the Federal Circuit upheld the claims of two related TT patents which required a static price axis reasoning that the claims are "directed to a specific implementation of a solution to a problem in the software arts." *Trading Technologies Inc. v. CQG, Inc*., 675 F. App'x 1001, 1006 (Fed. Cir. 2017). The district court held that the '411 and '996 patent claims were broader than those addressed previously by the Federal Circuit and TT failed to explain how the broader claims provide a specific solution to the problem solved by the other two patents. The Federal Circuit affirmed, holding that the '411 and '996 patents are directed to an abstract idea— the combination of receipt and display of information, and use of the information to engage in the fundamental economic practice of placing an order. The '411 and '996 patent presented the information using known techniques. The patents did not claim an inventive concept because there was an absence of an improvement in computer functionality.

The appellate court also rejected TT's argument that an earlier decision regarding the '411 and '996 patents governed because the prior decision did not hold any claim was patent eligible. The prior decision addressed only whether the patents were eligible for CBM review.

AI Visualize, Inc. v. Nuance Communications, Inc., 97 F.4th 1364 (Fed. Cir. 2024). AI sued Nuance for patent infringement of four patents related to the visualization of medical scans. Nuance filed a Rule 12(b)(6) motion to dismiss for failure to state a claim, alleging that the patents claimed ineligible subject matter under § 101. The district court granted the motion finding the claims were directed to an abstract idea and failed to provide an inventive step that transformed the abstract idea into a patent eligible invention. AI appealed and the Federal Circuit affirmed.

The four asserted patents are part of the same family and share substantially the same specification. According to the patents, medical imaging systems (e.g. MRI scans) typically create a collection of two-dimensional, cross-section images of a patient. The images are stored together as a three-dimensional collection of data referred to as a "volume visualization dataset" or VDD. The inventors recognized complications with attempts to view portions of these large VDDs at a client computer because doing so required a dedicated powerful processor and direct

availability of scans via a high speed communications link. The patents described systems and methods for users to review VDD on a computer connected to the internet without having to transmit or locally store the entire VDD.

The district court applied the two-step *Alice* analysis. Turning to Alice step one, the district court concluded that all the asserted claims are directed to the abstract idea of "retrieving user-requested, remotely stored information." The district court reviewed the specification and found that the asserted patents attempted to address prior art problems with transmitting large VVDs over a standard internet connection. The district court rejected AI's arguments that the claims are directed to improvements in computer functionality.

At *Alice* step two, the district court independently considered three representative claims. It concluded that no claim limitations transformed the representative claims into a patent-eligible application of an abstract idea. For example, for the group 1 claims, the district court found that the "inventive component of Claim 1 is the ability to obtain virtual views of a VVD over a low bandwidth, high latency network." It then stated that only one limitation in Claim 1 related to "achieving that stated goal," and concluded that the limitation "claimed functionally, at a high level of generality," such that it did not save the claims from abstraction.

The Federal Circuit agreed with the district court that a second group of claims were also directed to an abstract idea. The appellate court cited prior decisions holding that the steps of obtaining, manipulating, and displaying data, particularly when claimed at a high level of generality, are abstract concepts. The Federal Circuit examined the claims at issue and concluded the asserted claims are directed to converting data and using computers to collect, manipulate, and display the data. AI argued that the claims are not directed to an abstract idea because the claims require the *creation* of "on the fly" virtual views at a client computer. The Federal Circuit rejected the argument because the claim language made clear that the "creation" is achieved by manipulating portions of the existing VDD, which as in its *Hawk* decision, is abstract data manipulation. AI pointed to portions of the specification that supported its view that "creation" provided a technical solution to a technical problem. The Federal Circuit rejected the argument because the details of the alleged solution were not claimed.

As to the second prong of the *Alice* analysis, AI argued that the creation of virtual views sufficiently transformed the claims into patent-eligible subject matter. The Federal Circuit disagreed because the claimed step of creating a virtual view is itself an abstract idea. Furthermore, the specification noted that technology existed to present three-dimensional view from existing two-dimensional scans.

Beteiro, LLC v. Draftkings, Inc., 104 F.4th 1350 (Fed. Cir. 2024). Beteiro sued Draftkings and others for infringing patents relating to gaming and/or gambling at a remote venue. Draftkings and the other defendants each filed Rule 12(b)(6) motions to dismiss on the grounds that the asserted patents claim nonpatentable

subject matter under 35 U.S.C. § 101. The district court granted the motions to dismiss and Beteiro appealed. The Federal Circuit affirmed.

The Federal Circuit agreed with the district court's *Alice/Mayo* step one analysis that concluded the claims were directed to the abstract idea of "exchanging information concerning a bet and allowing or disallowing the bet based on where the user is located." First, the claims recited "well-settled indicators of abstractness," including generic steps frequently held as abstract, such as detecting information, generating and transmitting a notification based on the information, receiving a message (bet request), determining whether to allow the bet, and processing information. Second, the claims are drafted using largely result-focused functional language and "claims of this nature are almost always found to be ineligible for patenting." Third, the Federal Circuit cited several precedents finding abstract analogous claims that related to methods of providing particularized information to individuals based on their locations. Fourth, the claims analogize to longstanding "brick and mortar" activities. The Federal Circuit rejected Beteiro's argument that the claims are tied to technological improvements. The claims involve the mere use of computers as tools and do not claim any improvement in the computer-related technology itself.

At step two of the *Alice/Mayo* analysis, the district court found that the representative claim failed to provide an inventive concept because it achieved the abstract steps using several generic computers. Beteiro did not raise a genuine dispute as to whether the inclusion of GPS on a mobile phone was conventional technology in 2002. The specifications of the asserted patents referred to conventional use of GPS in connection with several types of computers. The specification does not purport to have advanced GPS or mobile device technology. Allegations in the complaint "wholly divorced" from the disclosure of the asserted patents cannot defeat a motion to dismiss.

In the end, Beteiro's claims amount to nothing more than the practice of an abstract idea using convention computer equipment, including GPS on a mobile phone, which are not eligible for patent under the court's current § 101 jurisprudence.

Broadband iTV v. Amazon.com, Inc., 113 F.4th 1359 (Fed. Cir. 2024). Broadband alleged infringement of five patents by Amazon. Four of the asserted patents (the '026 patent family) related to electronic program guides for televisions and claimed priority to the same patent application. The fifth patent, the '825 Patent, is unrelated to the other patent family, but covered similar technology.

Amazon moved for summary judgment arguing that all of the asserted claims were patent ineligible subject matter under § 101.

The parties treated claim 1 in the '026 patent as representative of the '026 patent family. The '026 patent family sought to improve existing program guides by automating the creation of a hierarchically arranged, template-based program

guide. A computer automatically created the program guide by using video content and associated metadata that content providers upload to a server.

The district court determined, at *Alice* step one, that the ’026 patent family claims “are directed to the abstract idea of receiving hierarchical information and organizing the display of video content.” At *Alice* step two, the district court found nothing transformed the claims into something other than the abstract idea. There was no dispute of fact that the claims recited generic and conventional components, arranged in a convention manner, to provide convention functionalities. The district court found that the claimed hierarchical organization was conventional and the use of templates are fundamental human practices that form the abstract idea itself.

The ’825 Patent generally related to electronic program guides for “video-on-demand” television systems. The patent sought to improve existing program guides by adjusting the order of categories of listings within a guide based on a user's viewing history. Through these readjustments, the system reduced the number of keypresses needed for a viewer to reach their desired video program. The parties treated claim 1 as representative. The district court determined, at *Alice* step 1, that the claims “are directed to the abstract idea of collecting and using a viewer's video history to suggest categories of video content.” The district court reasoned that “clerks at video rental stores” have done what the ’825 patent claimed for years and that the claims are not meaningfully different from other claims that the Federal Circuit court has found abstract, including claims directed to collecting user information and providing content based on that information.

At *Alice* step 2, the district court found nothing transformative because the ’825 patent conceded that tracking systems that could collect user’s viewing histories were conventional and the claims recited conventional databases, servers, and televisions, combined with a generic method of identifying a user.

Thus, the district court granted Amazon’s motion for invalidity. Broadband appealed and the Federal Circuit affirmed.

On appeal, Broadband argued that the ’026 patent family claims are directed to patentable improvements to computer user interfaces, and that the district court erred by dismissing claim elements it found to be generic at *Alice* step one rather than step two. The Federal Circuit disagreed. The Federal Circuit found the claims of the ’026 patent family are directed to receiving metadata and organizing the display of video content based on that metadata. The Federal Circuit found the family claims similar to claims it had previously found directed to abstract ideas, citing its *Electric Power Group* and *In re TLI* decisions. Combining two abstract ideas does not render an abstract idea less abstract. Next, the Federal Circuit dismissed Broadband’s reliance on its *Core Wireless* and *Data Engine* decisions because, unlike the claims in those cases, the ’026 patent family claims were not directed to an improved structure or function of a user interface.

As to *Alice* step 2, Broadband argued that three different aspects of the claims transformed the claims into more than the abstract idea: first, the idea of generating

displays "automatically from specific template types" based on data that content providers upload to a database; second, the content management system which is a type of server; and third, the claimed templates. The Federal Circuit found that none of these features transformed the claims into something other than the abstract idea. Generating displays "automatically" does not constitute an inventive concept because that is simply automating the abstract idea itself. The content management system was not transformative because it is a conventional server. The templates did not transform the claims because they were generic, routine and well-understood in the art.

As to the '825 Patent, in addressing *Alice* step 1, Broadband argued that the '825 patent claims were directed to patentable improvements to computer user interfaces based again on *Data Engine* and *Core Wireless*. The Federal Circuit disagreed, finding the claims directed to the abstract idea of collecting and using viewing history data to recommend categories of video content akin to targeted advertising which the Federal Circuit has repeatedly found abstract. Further, determining content to recommend based on user consumption history can be performed in the human mind or using a pencil and paper which also indicates the claims are directed to an abstract idea.

As to *Alice* step 2, Broadband argued that the claims include three elements that transform the claims into something significantly more than the abstract idea itself: generating displays where categories are arranged based on relevance; identifying a viewer using a log-in step; and creating new categories to encompass highly relevant content. The Federal Circuit was not persuaded. Again, the generating displays based on relevance was nothing more than a restatement of the abstract idea. Using "new" categories is not transformative either because creating categories is a longstanding human practice. The log-in step failed to transform the claims because that step was well-understood, conventional, and routine.

The Federal Circuit affirmed that the claims are patent ineligible under § 101.

Mobile Acuity Ltd. v. Blippar Ltd., 113 F.4th 1359 (Fed. Cir. 2024). Mobile Acuity sued Blippar for directly and indirectly infringing two patents that, in general, disclose methods and devices relating to "storing information so that it can be accessed using a captured image." Blippar filed a motion to dismiss Mobile Acuity's second amended complaint arguing that each of the asserted patents is invalid under 35 U.S.C. § 101 for claiming ineligible subject matter.

Prior to hearing oral argument on the motion, the district court issued a tentative ruling indicating that the asserted patents were directed to patent ineligible subject matter. The district court noted that Mobile Acuity asserted that Blippar infringed at least claims 9, 11, and 16 in each patent. The court's opinion then addressed those claims. The district court concluded that the asserted claim was directed to the abstract idea of "leaving information at a location or object for one's future use or reference." The court also determined that the Asserted Claims "do not recite an

inventive concept" because the "alleged inventive concept and the described advancement over the prior art" were nothing more than the abstract idea itself, and "the remainder of Plaintiff's inventive concept analysis focuses on general descriptions in the specification and of the commercial embodiments." After oral argument, the court adopted its tentative ruling as its final decision and granted Blippar's motion to dismiss with prejudice.

Mobile Acuity then filed a motion to alter or amend the judgment and for leave to file a third amended complaint. Mobile Acuity argued that its relief was necessary because the district court made assumptions concerning the meaning of certain claim limitations without a record to do so and had manifestly erred in finding a lack of inventive concept and by failing to consider its argument that invalidity under § 101 is an affirmative defense. The district court denied the motion finding that Mobile Acuity simply reiterated the same arguments the court rejected and that proposed amendments did not cure the defects in the second amended complaint.

Mobile Acuity appealed and the Federal Circuit affirmed. Mobile Acuity alleged four errors by the district court (1) failing to recognize that Blippar's nonpatentable subject matter contention is an affirmative defense and must be evaluated as such at the pleading stage; (2) treating claim 9 of each of the Asserted Patents as representative of all claims; (3) finding that the Asserted Patents are invalid for claiming patent ineligible subject matter; and (4) denying Mobile Acuity's request for leave to file a third amended complaint.

The Federal Circuit agreed that the district court erred in holding that a challenge under § 101 was not an affirmative defense. But, that error was harmless because the district court applied the correct legal standard for evaluating an affirmative defense at the motion to dismiss stage. The Federal Circuit rejected Mobile Acuity's argument that the district court granted Blippar's motion because the complaint failed to address patentable subject matter. The Federal Circuit found that the district court applied the Ninth Circuit's law which provides a complaint may be dismissed based on an affirmative defense that "clearly appears on the face of the pleadings." The lack of patent eligible subject matter was clearly on the face of the complaint because the patents were attached as exhibits to the complaint, which are considered as part of the pleading.

The Federal Circuit next rejected Mobile Acuity's argument that the district court erred in treating claim 9 in each patent as representative claims. Limiting the analysis of a § 101 challenge to representative claims is proper when the claims at issue are "substantially similar and linked to the same" ineligible concept." Courts may treat claims as representative if the parties agree to treat claims as representative or the patent owner does not present any meaningful argument for the distinctive significance of any claim limitation not found in the representative claim. In the context of a dispute over the representativeness of a claim, if a patent owner makes a non-frivolous argument that the eligibility of the purported representative claim does not fairly represent all claims in the group for purposes of eligibility, then the patent challenger bears the burden to prove otherwise. The

Federal Circuit agreed with the district court that claim 9 was representative and that Mobile Acuity failed to make a non-frivolous argument that the ineligibility of claim 9 does not fairly represent all claims. But, the district court didn't stop at claim 9. It also analyzed claims 11 and 16 finding this broader group of claims representative of each patent for purposes of evaluating ineligibility.

Next, the Federal Circuit agreed with the district court that the representative claims are directed to an abstract idea, although the Federal Circuit articulated the abstract idea slightly (and not materially) differently. The Federal Circuit held that Mobile Acuity's claims are directed to the abstract idea of receiving information, associating information with images, comparing the images, and presenting information based on that comparison. The representative claims recited the steps of "receiving ... user defined information," "associating" that information with an image in a database, and "providing access" to that information either "when a second image ... includes a portion corresponding to at least the first portion of the first image." The Federal Circuit characterized the limitations as result-oriented, functional language that omit any specific requirements as to how these steps of information manipulation are performed. The Federal Circuit reiterated prior holdings that "claims reciting generalized steps of collecting, analyzing, and presenting information, using nothing other than the conventional operations of generic computer components, are directed to abstract ideas." The remaining claims in the asserted patents added nothing of significance to the ineligibility analysis because limitations reciting extracting and matching "interest points" to images provided no specificity as to how the "interest points" are determined or used in image comparison.

The Federal Circuit turned to the second step of the *Alice* test and agreed with the district court that the asserted patents did not recite an inventive concept. Mobile Acuity argued that the "inventive concept" in its claims is "using the object (or location) itself as the trigger for leaving information to be collected in the future." The Federal Circuit rejected the argument because that purported "inventive concept" is part of the abstract idea of comparing images and displaying information based on the comparison and the abstract idea "cannot supply the inventive concept that renders the invention 'significantly more' than that abstract idea at step two," citing *Simio. LLC v. FlexSin Software.* The Federal Circuit also rejected Mobile Acuity's argument that the "interest points" limitations provided an innovative way to retrieve information because the specification expressly described methods of mapping interest points as prior art.

Finally, the Federal Circuit affirmed the denial of Mobile Acuity's motion to dismiss, agreeing with the district court that Mobile Acuity's proposed third amended complaint did not fix the problems plaguing the operative complaint.

B. Claims Found Eligible

Contour IP Holding LLC v. GoPro Inc., 113 F.4th 1373 (Fed. Cir. 2024). Contour sued GoPro for infringing two patents directed to a portable, point-of-view digital video camera. The two patents shared the same specification. GoPro moved for summary judgment under § 101, which the district court granted. Contour appealed. The Federal Circuit reversed and remanded.

The specification of the asserted patents identified problems with POV digital cameras, including the mounting location which did not permit the user to easily adjust camera settings or see the camera and what was being recorded in real-time. To address these problems, the patents described ways to implement wireless technology allowing the camera to send real-time information to a remote device, such as a cell phone. The specification disclosed modifying the camera's system for processing recordings to generate video recordings in two formats, including a lower quality file streamed to a remote device and a higher quality file stored on the camera. The dual recording embodiment was reflected in the patent claims.

At *Alice* step one, the district court characterized the representative claim as directed to the abstract idea of "creating and transmitting video (at two different resolutions) and adjusting the video's settings remotely." At *Alice* step two, the district court concluded that the claim recites only functional, results-oriented language with "no indication that the physical components are behaving in any way other than their basic, generic tasks." The district concluded the asserted claims were patent ineligible under § 101 and entered judgment for GoPro.

The Federal Circuit reversed. As to *Alice* step 1, the Federal Circuit found the asserted claims are directed to a specific device that improves the relevant technology. The claims recited an improved POV camera with dual recording configuration and wireless streaming of a low-quality data stream to a remote device. Thus, the claims were drawn to a "specific means or method that improves the relevant technology." The district court's decision impermissibly characterized the claims a high level of generality. The Federal Circuit rejected GoPro's argument that the asserted claims were directed to the abstract idea of wireless network communications because the claim described more than simply wireless data transfer and were directed to a technical solution to a technical problem. Thus, the claims described patent eligible subject matter.

III. ANTICIPATION, OBVIOUSNESS, AND PRIOR ART

A. Prior Art – Printed Publication

Weber, Inc. v. Provisur Techs., Inc., 113 F.4th 1373 (Fed. Cir. 2024). Weber appealed two final written decisions from the Patent Trial and Appeal Board. The patents at issue related to high-speed mechanical slicers used in food-processing plants to slice and package meats and cheeses. The Board determined that Weber

failed to establish the unpatentability of the claims of Provisur's patents. The Board first found that Weber's operating manuals were not prior art printed publications. The Board also determined that the prior art did not disclose two challenged claim terms, one of which was included in the Board's claim construction of the challenged claims. Weber appealed.

Weber asserted obviousness based on commercial food slicer operating manuals in combination with a patent and published patent publication. In its final written decision, the Board determined that the operating manuals did not qualify as printed publication because they were distributed to ten unique customers subject to confidentiality restrictions. The Federal Circuit reversed, finding the Board's improperly reviewed the case under the *Cordis* framework which involved two academic monographs that were distributed to a handful of university and hospital colleagues. The court found *Cordis* readily distinguishable because Weber's operating manuals were created for dissemination to the interested public to provide instructions as to the use of the slicers. The Federal Circuit cited record evidence showing the manuals were accessible to the public because the operating manuals could be obtained upon purchase of a slicer or upon request directed to a Weber employee, which was corroborated by testimony, invoices, and email exchanges between Weber employees and customers.

The Federal Circuit reversed the Board's claim construction of "disposed over." The Board construed the term to require that the "feed apparatus and its conveyor belts and grippers are 'positioned above and in vertical and lateral alignment with' the food article loading apparatus and its lift tray assembly." The court held that neither the claim language or specification contained any restrictions that would require direct alignment of the conveyor belts and lift tray from the apparatuses.

B. Prior Art Exception – Private Sale § 102(b)(2)(B)

Sanho Corp. v. Kaijet Tech. Int'l Ltd. Inc., 108 F.4th 1376 (Fed. Cir. 2024). Sanho appealed from the final written decision of the PTAB finding all claims in one patent unpatentable as obvious. All of the obviousness grounds relied on a U.S. Patent Application Publication (Kuo) which ordinarily would be prior art because its effective filling date (December 13, 2016) predates the effective filing date of Sanho's challenged patent (April 27, 2017). Sanho argued that, before Kuo's effective filing date, the inventor of Sanho's patent "publicly disclosed" the relevant subject matter of Kuo through the private sale of a product (the Hyperdrive) allegedly embodying the claimed invention. Sanho contended that: (1) the inventor offered to sell the HyperDrive to Sanho's owner in November 2016, (2) Sanho placed an order for 15,000 units after obtaining a sample, (3) the inventor's company accepted the offer. Sanho made no showing that the sale of Hyperdrive was publicized in any way prefiling or that there were any other private

sales. There was nothing in the record indicating the order for 15,000 HyperDrives was fulfilled before Kuo's effective filing date. The Board concluded that Sanho failed to show that the inventor publicly disclosed the invention and concluded that the private sale did not qualify for the exemption of section 102(b)(2)(B). Thus, Kuo was found to be prior art. Sanho appealed. The Federal Circuit affirmed.

The sole issue on appeal was the applicability of the prior art exception in § 102(b)(2)(B) which provides: "[a] disclosure shall not be prior art to a claimed invention under subsection [102](a)(2) if … the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor." Sanho contended that the phrase "publicly disclosed" in § 102(b)(2)(B) should be construed to include all disclosures described in § 102(a), including situations in which the invention was "on sale." Sanho pointed to the Supreme Court's *Helsinn Healthcare v. Teva Pharmaceuticals* decision which held a private commercial sale constitutes a disclosure under § 102(a)(1).

The Federal Circuit characterized the issue as whether something "on sale" in § 102(a)(1) means that the invention embodied by the device sold is necessarily "publicly disclosed" for purposes of § 102(b)(2)(B). The appellate court started with the language of the statute and noted that Congress used different phrases "publicly disclosed" and "disclosure" which suggests Congress intended the phrases to have different meanings. That is, the exception applies only to "disclosures" that result in the subject matter of the invention being "publicly disclosed."

The Federal Circuit also found Sanho's reading contrary to the purpose of the statute which is to protect an inventor who discloses his invention before filing from later disclosures by others. The "patent bargain" provides inventors with a limited term of exclusivity in exchange for bringing new technologies into the public domain through disclosure. In light of this purpose, "publicly disclosed by the inventor" must mean that it is reasonable to conclude that the invention was made available to the public.

The legislative history supported the Federal Circuit's statutory construction, because the legislative history states that "public disclosure" requires that the invention be made available to the public." The provisions in the AIA acted to ensure that if a patentee discloses the subject matter of an invention "to the public" a patentee will not be prevented from obtaining a patent merely because a third party disclosed what was already publicly disclosed by the inventor.

The Federal Circuit rejected Sanho's argument that "publicly disclosed" incorporates earlier judicial interpretation of "public use." There was no evidence that Congress intended to do so. And the argument ignored the difference in phraseology between "publicly disclosed" and "public use." Furthermore, the

Supreme Court's precedent makes clear that a public commercial use that does not disclose to the public all the features of an invention can still be an invalidating public use. The Federal Circuit saw no reason to incorporate the judicial interpretations of "public use" in section 102(a)(1) into the definition of "publicly disclosed" in section 102(b)(2)(B), and therefore rejected Sanho's argument.

Applying the facts, the Federal Circuit did not think it is a close question that the relevant subject matter of the invention (the claimed circuitry allegedly described in Kuo) was "publicly disclosed" by the sale. The testimony established only that there was a private sale between two individuals arranged via private messages. There was no indication the sale disclosed the inventive subject matter to the public sufficiently for the exception to prior art in section 102(b)(2)(B) to apply.

C. On-Sale Bar

Celanese Int'l Corp. v. Int'l Trade Comm., **108 F.4th 1376 (Fed. Cir. 2024).** Celanese filed a petition before the ITC alleging Anhui Jinhe imported Ace-K (an artificial sweetener) made using a process that infringed three Celanese patents. The three patents each have an effective filing date of September 21, 2016 and are governed by the America Invents Act.

It was undisputed that Celanese's patented process was in secret use in Europe more than a year before the patents' effective filing dates (the critical date). It was also undisputed that Celanese sold Ace-K made using the patented process in the United States prior to the critical date.

Jinhe moved for summary determination that the asserted patents were invalid under the on-sale provision of 35 U.S.C. § 102(a)(1). Celanese did not dispute that under pre-AIA precedent, sales of products made using a secret process triggered the on-sale bar. Celanese argued that the AIA changed pre-AIA law such that its sales of Ace-K made using the secret process would not trigger the on-sale bar. The ALJ rejected Celanese's arguments and concluded that the AIA did not overturn settled pre-AIA law and found the claims invalid.

The Federal Circuit affirmed. First, the Federal Circuit recapped the history of on-sale provisions in the patent statutes and Supreme Court and Federal Circuit precedent applying it. Under long-settled pre-AIA precedent, pre-critical date sales of products made using a secret process would trigger the on-sale bar to patentability.

The Federal Circuit then turned to the AIA. The court noted that in *Helsinn*, both the Federal Circuit and Supreme Court addressed the reenactment of the on-sale bar in the AIA. In *Helsinn*, the Federal Circuit rejected the argument that the AIA overturned pre-AIA law regarding "on-sale" and the Supreme Court affirmed. The

Supreme Court explained that Congress reenacted the "on sale" language in the AIA "against the backdrop of a substantial body of law interpreting § 102's on-sale bar." The Federal Circuit thus presumed that when Congress reenacted the "on sale" language in the AIA, Congress was aware of pre-AIA precedent and adopted the settled judicial interpretation of that term.

The Federal Circuit then examined whether Congress intended to abrogate the settled construction of "on sale" in the AIA. The Federal Circuit discerned no support for Celanese's proposition that Congress intended to alter the on-sale bar as applied to process inventions, or to disturb the underlying rationale in its caselaw. The Federal Circuit found a colloquy from Senator Leahy was an individual's isolated view and did not meaningfully establish *congressional* intent to abrogate the settled meaning of "on-sale."

Crown Packaging Tech., Inc. v. Belvac Prod. Machinery, Inc., 2024 WL 5049205 (Fed. Cir. 2024). Crown Packing appealed a judgment of noninfringement and Belvac cross appealed a judgment of no invalidity. The patents at issue related to necking machines and assemblies, which are common tools used to reduce the diameter of the top of a can body. More than one year before the asserted patents' critical date, Crown sent a letter to a third party providing a quotation for a necking machine along with descriptions of the device, the procedures for ordering the device and delivery timelines. Ultimately, the third party never ordered a necking machine from the letter. The district court concluded that the letter sent by Crown to the third party was merely an invitation to make an offer, so the letter did not implicate the on-sale bar of pre-AIA § 102(b).

On appeal, the Federal Circuit reversed the finding of no invalidity, holding that the invention claimed in the asserted patents were the subject of an invalidating offer for sale in this country prior to the patents' critical date under pre-AIA § 102(b). Under the pre-AIA on-sale bar, it is required that (1) the subject of the offer for sale must embody the claims of the asserted patent; (2) the offer for sale must have been "in this country"; (3) the offer for sale must occur before the critical date of the asserted patent; (4) the invention is subject of a commercial offer for sale prior to the critical date of the asserted patent; and (5) the invention is ready for patenting prior to the critical date of the asserted patent.

Crown argued that the third-party letter (1) was not a commercial offer for sale, and (2) even if the letter was a commercial offer for sale, the offer was not made in this country as required by the statute. The Federal Circuit held that the letter was a commercial offer for sale reasoning that the language of the proposed offer in view of general contract principles make it clear the letter was a commercial offer for sale. The court noted the offer was directed to a specific company and signed by a

representative of Crown while also including numerous specific terms such that the letter was sufficiently clear as a commercial offer for sale.

The Federal Circuit further held that the offer was made in the United States reasoning that precedent shows that an offer directed to a United States entity at its United States place of business is an offer "made in this country" as required for pre-AIA § 102(b). As such, the letter offering for sale an embodiment of the claims of the asserted patent, even though no actual sale occurred, triggered the on-sale bar and directed a finding of invalidity.

D. Analogous Art and Motivation to Combine

ZyXEL Communications Corp. v. UNM Rainforest Innovations, 107 F.4th 1368 (Fed. Cir. 2024). UNMRI owned a patent related to wireless communication systems, particularly relating to methods of constructing frame structures in orthogonal frequency-division multiple access (OFDMA) systems. ZyXEL filed a petition for *inter partes* review of the patent. The PTAB found claims 1-4, 6 and 7 unpatentable as obvious but declined to find claim 8 unpatentable as obvious. The PTAB granted UNMRI's motion to amend that cancelled claims 1-4, 6 and 7 and added substitute claims 44-47, 49 and 50. ZyXEL appealed the Board's determination that claim 8 was not obvious and the Board's decision granting UNMRI's motion to amend. UNMRI cross-appealed the Board's determination that claims 1–4, 6, and 7 were unpatentable as obvious.

As to claims 1-4, 6 and 7, UNMRI argued on appeal that a POSA would not know how to combine the cited Talukdar and Li references in order to render obvious the limitation "wherein each symbol in the second communication system has a shorter symbol period than that in the first communication system." The Federal Circuit determined the PTAB's decision was supported by substantial evidence.

Talukdar disclosed a frame structure that includes first and second sections, each corresponding to a first and second communication system. Talukdar discloses using the IEEE standard 802.16(e) system as an older legacy system and the IEEE standard 802.16(m) as a newer system, which are the same systems used in UNMRI's challenged patent. Li in the context of a legacy system teaches "using shorter symbol periods for faster moving remote units." The Board determined that it would have been obvious to apply Li's teachings to the second communication system in Talukdar (i.e., the newer system) because "it would improve Talukdar's method in the same way as Li by reducing inter-subcarrier interference experienced by the faster moving mobile remote users." The Federal Circuit affirmed.

As to claim 8, ZyXEL argued that the Board erred in finding that claim 8 was not obvious based on a lack of motivation to combine Talukdar and Nystrom. The

PTAB noted claim 8 was nearly identical to claim 1 except claim 8 recited a signal density difference between the first and second communication system whereas claim 1 recited to difference in symbol period. It was undisputed that the limitation pertaining to symbol density is present in Nystrom. The Board, however, found that Nystrom did not teach that higher density pilot symbols are used to counteract high doppler conditions or improve channel estimation. The Federal Circuit disagreed, finding the PTAB's determination was not supported by substantial evidence, and the record supported only a conclusion of obviousness. The Federal Circuit demonstrated where Nystrom "plainly" taught the beneficial use of higher pilot symbol densities for higher Doppler conditions. While not explicit, a prior art reference does not need to explicitly explain why its teachings are beneficial so long as a POSA would recognize that their application was beneficial. ZyXEL presented expert testimony explaining why a POSA would have been motivated to combine Talukdar and Nystrom and that the record contained no contrary evidence. The Federal Circuit rejected testimony of UNMRI's expert on motivation to combine because it offered no support for the Board's reasoning and was not relevant to whether Nystrom discloses the beneficial use of high pilot symbol densities for high Doppler shifts.

E. Double-Patenting

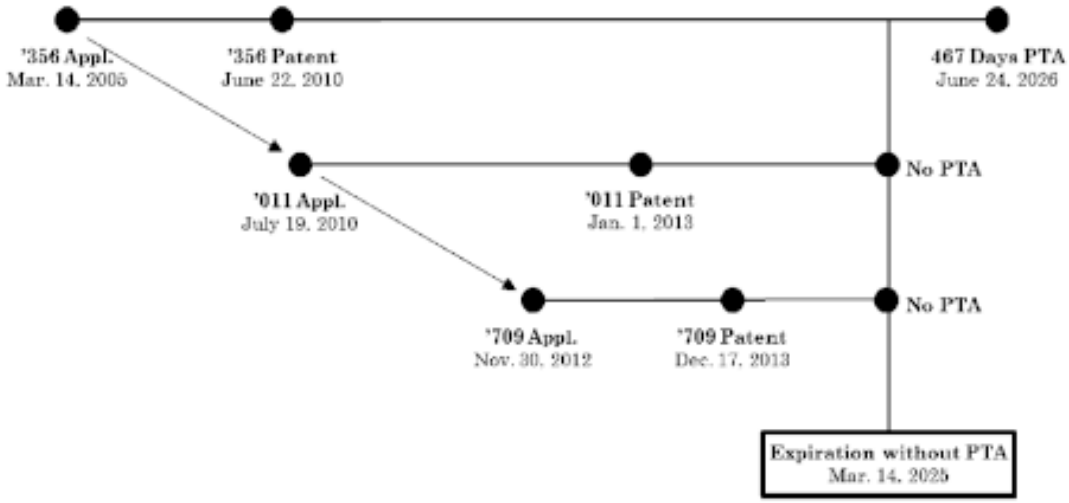
Allergan USA, Inc. v. MSN Labs. Private Ltd., 111 F.4th 1358 (Fed. Cir. 2024). Allergan appealed final judgment following a bench trial where the district court determined that one patent claim in the '356 Patent was invalid under the doctrine of obvious-type double patenting and claims in four patents were invalid for lack of written description. The Federal Circuit reversed with Judge Dyk concurring-in-part and dissenting-in-part. This decision is significant due to how it effectively neutralized last year's *In re Cellect* opinion, clarifying that double patenting does not apply from a later-filed, later-issued continuation that expires earlier due to PTA awarded to the earlier patent. The decision in *Allergan* seemed to characterize the *In re Cellect* opinion, which had the patent bar deeply concerned about continuation practice, as very narrow and specific to the unique facts in that case.

The first-ever patent application to cover eluxadoline was filed on March 14, 2005. The '356 Patent issued from that application on June 22, 2010. Allergan asserted infringement of claim 40 which recites eight chemical compounds, including eluxadoline. The '356 Patent received a patent term adjustment (PTA) of 1107 days for delays in prosecution, but all but 467 days of the awarded PTA was disclaimed for obtaining patent term extension (PTE) for delays in the FDA approval of the drug under 35 U.S.C. § 156. After accounting for the PTA, the '356 Patent will expire on June 24, 2026.

A number of continuation applications claimed priority to the March 14, 20025 filing date of the ’356 Patent, including the ’011 Patent and the ’709 Patent. The ’011 Patent issued on January 1, 2013 and, because there was not delay in prosecution, the ’011 Patent did not receive any PTA and it would expire on March 14, 2025.

The’709 Patent issued on December 17, 2013 and was subject to a terminal disclaimer over the ’356 Patent. Because there was not delay in prosecution, the ’709 Patent did not receive any PTA it would expire on March 14, 2025.

The relationship between the filing, issuance, and expiration of the three patents is depicted in the figure below:



Because all three patents share the same priority date, they would expire on the same date but for the PTA awarded the ’356 Patent.

Allergan brought suit against Sun Pharmaceutical following Sun’s submission of an Abbreviated New Drug Application for a generic version of eluxadoline, which proceeded to a bench trial. The only issues before the court were of the asserted claims’ validity; namely: (1) whether claim 40 of the ’356 patent is invalid for obviousness-type double patenting (“ODP”), and (2) whether the asserted claims of four additional patents are invalid for lack of written description.

On the ODP issue, Sun argued that claim 40 was invalid because it expires after the claims in the ’011 Patent and ’709 Patent and those claims. Allergan argued that because the ’356 Patent was the first filed patent claiming eluxadoline and first patent to issue, it was not subject to ODP over later-filed, later-issued patents.

The district court concluded that claim 40 was invalid finding Allergan’s “first-filed, first-issued” distinction immaterial. Citing the Federal Circuit’s *Cellect* and *Gilead* decisions, the district court reasoned that “when analyzing ODP, a court compares patent expiration dates, rather than filing or issuance dates.”

The Federal Circuit reversed. The court framed the issue as "can a first-filed, first-issued, later-expiring claim be invalidated by a later-filed, later-issued, earlier-expiring reference claim having a common priority date?" The Federal Circuit held it could not. In discussing its *Cellect* decision, the court stated it "when it comes to evaluating ODP on a patent that has received PTA, the relevant expiration date is the expiration date including PTA—not the original expiration date measured twenty years from the priority date." The district court felt itself bound by *Cellect*, but *Cellect* did not address the question in this case, namely, under what circumstances can a claim properly serve as an ODP reference.

The Federal Circuit concluded that the claims of the '011 and '709 reference patents are not proper ODP references that can be used to invalidate claim 40 of the '356 patent. This conclusion was consistent with the purpose of the ODP doctrine, which is to prevent patentees from obtaining a *second* patent on a patentably indistinct invention to effectively extend the life of a *first* patent to that subject matter. Because the '356 Patent was the first-filed, first-issued patent in its family, the Federal Circuit held that it is the '356 Patent that sets the maximum period of exclusivity for the claimed subject matter and any patentably indistinct variants. Thus, a first-filed, first-issued, later expiring claim cannot be invalidated by a later-filed, later-issued, earlier-expiring reference claim having a common priority date. Holding otherwise would effectively abrogate the benefit Congress intended to bestow on patentees when codifying PTA.

As to the written description issue, the district court found that a POSITA would not have understood that the inventors possessed an eluxadoline formulation that lacked a glidant. The asserted claims were essentially picture claims to a particular pharmaceutical tablet comprising eluxadoline and various inert ingredients. The Federal Circuit characterized the claims as narrow and reciting specific ingredients and amounts of ingredients. Indeed, it was undisputed that each of the claimed limitations, i.e., each of the expressly recited ingredients and its recited amount, is adequately disclosed in the specification. The issue was whether the inventors had possession of a formulation that lacked a component that is *not* claimed, which in the district court's view they did not. Specifically, the district court determined that the specification discloses only a narrow group of eluxadoline formulations, all of which include a glidant.

The Federal Circuit disagreed and reversed. First, the Federal Circuit found that the use of the word "optional" in the specification described two possibilities—that something may be present or absent—and the very word describes both possibilities. Next, the Federal Circuit found that the specification described at least two embodiments in which a glidant was not required. Additionally, claim 1 as originally filed did not recite a glidant and is part of the specification for purposes of a § 112 analysis. While the specification largely focused on more detailed

formulations that included a glidant, the disclosures do not limit the scope of the invention.

Judge Dyk dissented on the written description issue. He would have affirmed the district court's ruling based on unrebutted expert testimony during the bench trial that a POSITA would normally use a glidant, and that, absent a teaching to the contrary, he would interpret the specification to show that the inventor only possessed formulations that include a glidant. The disclosures in the specification the majority relied on did not, according to Judge Dyk, suggest a contrary conclusion.

F. Other Obviousness Cases

Pfizer, Inc. v. Sanofi Pasteur Inc., SK, 94 F.4th 1341 (Fed. Cir. 2024). Pfizer appealed from five final written decisions by the Board concluding claims 1-45 of U.S. Patent No. 9,492,559 were unpatentable. The Board also denied Pfizer's contingent motions to amend the claims filed in three of the IPR proceedings finding the claims not independently patentable.

The '559 patent claimed immunogenic compositions comprising conjugated Streptococcus pneumoniae capsular saccharide antigens (i.e., glycoconjugates) for use in pneumococcal. Claim 1 of the '559 patent recites that the *S. pneumoniae serotype* 22F glycoconjugate having a molecular weight of between 1000 kDa and 12,500 kDa. Sanofi argued that all the claims would have been obvious over PCT Patent Application Publication ("GSK-711") and U.S. Patent Application Publication ("Merck-086"), both of which were directed to *S. pneumoniae* vaccines derived from serotype 22F. The Board concluded that the claims would have been obvious over the references.

On appeal, Pfizer argued that the Board erred in determining that GSK-711 and Merck-086 would have rendered obvious the claimed composition by applying the "result-effective variable doctrine." Although neither prior art reference disclosed any molecular weight for a *S. pneumoniae* serotype 22F conjugate, the Board concluded that glycoconjugate molecular weight is a result-effective variable that a person of ordinary skill in the art would have been motivated to optimize to provide a conjugate having improved stability and good immune response. Pfizer argued that the result-effective variable doctrine required an actual overlap between a range in the prior art and the claims and that because neither prior art reference disclosed a molecular weight there was no overlapping range. The Federal Circuit disagreed with Pfizer stating that the result-effective variable is "merely one aspect of a broader routine optimization analysis" and that a routine optimization analysis "generally requires consideration whether a person of ordinary skill in the art would have been motivated … to bridge any gaps in the prior art to arrive at the claimed

invention." The Federal Circuit went on to conclude that it is not improper to consider whether an undisclosed parameter in the prior art would have been recognized as a results-effective variable.

The Federal Circuit then found substantial evidence supported the Board's conclusion that the molecular weight recited in the claims would have been obvious. The GSK-711 reference disclosed a serotype 22F glycoconjugate and molecular weights for fourteen other *S. penumoniae* serotype that overlapped the claimed 1000 kDa to 12,500 kDa range. The Federal Circuit also cited expert testimony that conjugation techniques and conditions were routine. A person of ordinary skill in the art would have understood the claimed molecular weight to be "typical of immunogenic conjugates," making conjugate size a "result-effective variable" that was within the grasp of a person of ordinary skill to optimize.

Pfizer also argued that the Board erred in denying its contingent motion to amend the claims. Proposed claim 46 recited, in part, a 14-valent immunogenic composition that exhibits a 2-log (i.e., 100-fold) increase above baseline in serum IgG levels across all serotypes according to a particular dosing regimen. The Board concluded that, based on the prior art, it would have been obvious to arrive at the claimed composition with a reasonable expectation of success in obtaining a 2-log increase above baseline in serum IgG levels across all serotypes. The Board found that Merck-086 and GSK-711 provided specific reasons why a person of ordinary skill would have been motivated to incorporate a serotype 22F glycoconjugate into a multivalent vaccine. The Board also found that that Hausdorff disclosed a 13-valent glycoconjugate vaccine comprising the same thirteen serotypes added in proposed claim 46. On appeal, Pfizer argued that the Board's conclusion was error because the prior art did not teach the claimed 2-log increase across all serotypes. The Federal Circuit rejected the argument stating that a finding of obviousness does not require a guarantee of success—only a reasonable expectation of success is needed. Unlike in other cases, the prior art did not evidence "only failures," as Merck-086 and Hausdorff demonstrated the claimed 2-log increase could be achieved across various serotypes in a multivalent composition. Accordingly, the Federal Circuit found substantial evidence supported the Board's decision.

As to claims 48 and 49, the Federal Circuit vacated the Board's denials of Pfizer's motions to amend. These proposed claims further required a 2-log increase across additional serotypes (15B, 33F, etc.). The Board's decisions considered the limitations of claim 46 but did not consider whether it would be reasonably expected that the compositions of proposed claims 48 and 49 met the recited 2-log IgG increase.

Virtek Vision Int'l ULC v. Assembly Guidance Sys., Inc., 97 F.4th 882 (Fed. Cir. 2024). Virtek appealed an *inter partes* review final written decision of the PTAB holding claims 1, 2, 5, 7, and 10–13 of Virtek's patent were unpatentable. Aligned Vision (a d/b/a for Assembly Guidance) cross-appealed the Board's holding that it failed to prove claims 3, 4, 6, 8, and 9 of the '734 patent are unpatentable. The Federal Circuit reversed as to Virtek's appeal, and affirmed the Board on Aligned Vision's cross-appeal – finding in Virtek's favor in both cases.

The '734 patent disclosed an improved method for aligning a laser projected on a work surface. The patent disclosed an improved two-step alignment method where in the first step a secondary (non-laser) light source flashed light onto a work surface to determine a pattern of targets on the work surface. In the second step, a laser beam scans the targets as directed by the identified pattern and calculates the precise location of targets to direct the laser projector where to project the laser template image.

Virtek challenged the PTAB's determination that the claims would have been obvious over Keitler and Briggs (ground 1) and over Briggs and Bridges (ground 3). Virtek argued substantial evidence did not support the PTAB's findings relating to a motion to combine. Neither Keitler nor Bridges disclosed identifying targets in a *3D coordinate* system as claimed. Instead, both references disclose determining an angular direction of each target. Aligned Vision relied on Brigg's disclosure of determining the 3D coordinates of targets to supply this missing element for grounds 1 and 3. The PTAB reasoned the obviousness combinations would have been obvious to try because Briggs discloses both 3D coordinates and angular directions.

The Federal Circuit determined the PTAB erred as a matter of law because a proper motivation to combine requires more than simply recognizing that two alternative arrangements systems were known in the art. The disclosure did not provide any reason why a skilled artisan would use 3D coordinates instead of angular directions in a system. The mere fact these possible arrangements existed in the prior art does not provide a reason that a skilled artisan would have substituted the one-camera angular direction system in Keitler and Bridges with the two-camera 3D coordinate system disclosed in Briggs. Neither the petition nor supporting declaration articulated any reasons to substitute one for the other or advantages that would result. Thus, the Federal Circuit reversed the PTAB's obviousness determination.

The Federal Circuit affirmed the PTAB's determination as to ground 2 and 4. Aligned Vision argued, both before the Board and on appeal, that the claims were unpatentable because the claim elements were known in the prior art. Again, the Federal Circuit clarified that elements being known alone does not show a motivation to combine. Conclusory testimony from Aligned Vision's expert failed to address why or whether a skilled artisan would have been motivated to combine

the camera disclosed in one prior art patent with a camera taught in a second prior art.

Janssen Pharms., Inc. v. Teva Pharms. USA, Inc., 97 F.4th 915 (Fed. Cir. 2024). Janssen sued Teva for patent infringement based on Teva's filing of an ANDA for a generic version of Invega, which is an extended-release intramuscular injectable of paliperidone palmitate used to treat schizophrenia. The asserted claims all related to "[a] dosing regimen for administering paliperidone palmitate to a psychiatric patient in need of treatment for schizophrenia."

Teva argued that all asserted claims were invalid as obvious and that claims 19–21 were also invalid as indefinite. Teva argued the asserted claims would have been obvious in view of three primary art references: (1) clinical study protocol NCT00210548 ("the '548 protocol"); (2) U.S. Patent No. 6,555,544 (the '544 patent); and (3) International Publication No. WO 2006/114384 ("WO'384"). After a bench trial, the district court concluded that Teva had not proven invalidity on either basis. Teva appealed.

On appeal, Teva asserted a number of reversible errors in the district court's analysis. First, Teva argued that the district court erred by requiring Teva to show that it would have been obvious to use the claimed dosing regimens for the *general population* of patients, where the claims were not directed to a generalized dosing regimen. The Federal Circuit agreed with Teva. Both the non-renal-impairment and renal-impairment claims recited "*a* psychiatric patient" or "*a* renally impaired psychiatric patient" "in need of treatment for schizophrenia" followed by a specific dosing regimen (amount and timing of dose). Nothing in the claims requires the regime be used for the patient population as a whole, or a certain percentage of it. "On their face, the claims only recite a dosing regime for *a* psychiatric patient." The district court emphasized arguments and evidence related to a clinical-study design and approval process, both of which concerned generating population-wide data. The district court erred by failing to recognize the distinction between difficulties generating population-wide data with the scope of the claims which encompassed a single patient administration. The Federal Circuit found that the district court's misunderstanding of claim scope constituted legal error affecting its overall obviousness analysis and fact finding. This error resulted in the Federal Circuit remanding as to all claims because the "record does not contain underlying obviousness fact findings that are cued to the 'a psychiatric patient' claims at issue here."

Teva also argued that the district court read in a "mild" limitation into the renal-impairment claims whereas the claims do not specify a level of renal impairment. The Federal Circuit agreed with Teva that there is no "mild" requirement in the

claims and remanded for the district court to analyze obviousness without a "mild" limitation added to the claims.

Teva next argued that the district court's analysis was impermissibly rigid and did not comport with *KSR* or otherwise reflect the court's obviousness jurisprudence. The Federal Circuit agreed with Teva and held the district court's committed legal error. The district court analyzed the prior art without giving the needed weight to the perspective of a POSA. Instead of considering the prior art in context or combination, the court's analysis addressed each reference one-by-one which was a siloed, inflexible approach which left insufficient room for considering a POSA's background knowledge and understanding of motivation to modify or combine the prior art references.

The district court also erred in treating prior art protocols by finding no reason to combine protocols that did not contain safety and efficacy data. The Federal Circuit found the absence of safety and efficacy data does not justify discarding prior art, especially when the claims do not have any safety or efficacy requirements. The district court also erred by requiring a prior art protocol to hold itself out as flawed in order for a POSA to alter it. The Federal Circuit then went on to identify numerous other errors committed by the district court the required the non-obviousness determination to be vacated.

Another error the district court committed was failing to apply the proper legal test for teaching away. The district court found a teaching away with respect to a limitation relating to the particle size of the administered drug. The district court erred because an optimal range cited in the prior art "is not a criticism of all other particle sizes" to constitute a teaching away.

Next, the Federal Circuit agreed with Teva that the district court's analysis of secondary considerations did not avoid vacating the decision. The Federal Circuit provided guidance to the district court regarding the analysis of secondary considerations, and specifically unexpected results, industry praise, how blocking patents impact the long-felt need, and commercial success analysis.

Salix Pharms., Ltd. v. Norwich Pharms., Inc., 98 F.4th 1056 (Fed. Cir. 2024). Salix appealed from a final judgement holding claims in four patents invalid as obvious. Norwich cross-appealed from an order finding Norwich infringed three patents and failed to prove the claims were invalid. The Federal Circuit affirmed.

Rifaximin, the active ingredient in Salix's commercial product Xifaxan®, has been widely used as an antibiotic since the early 1980s. The FDA approved Xifaxan in 2004 as 200 mg tablets for the treatment of travelers' diarrhea. The FDA

subsequently approved 550 mg tables for hepatic encephalopathy (HE) in 2010 and for irritable bowel syndrome with diarrhea (IBS-D) in 2015.

In 2019, Norwich sought to market a generic version of rifaximin and filed an ANDA application for 550 mg tablets with the same indications as Xifaxan. By the time of trial, three groups of patents remained in dispute: 1) the HE patents, 2) the IBS-D patents, and 3) patents directed to rifaximin form β (the polymorph patents). Following a bench trial, the district court held that Norwich infringed the HE patents and failed to establish their invalidity. As to the IBS-D patents and polymorph patents, the district court found them infringed and obvious over certain prior art.

On appeal, Salix asserted that the district court erred in concluding that the IBS-D patent claims were invalid as obvious. The IBS-D claims required "administering 1650 mg/day of rifaximin for 14 days" and "wherein the 1650 mg/day is administered at 550 mg three times a day." Norwich challenged the IBS-D claims as obvious over a published 2005 Phase II clinical trial plan protocol (Protocol) and a 2006 journal article (Pimentel). Protocol describes a study evaluating twice-daily doses of 550 mg (1100 mg/day) and 1100 mg (2200 mg/day) for the treatment of IBS-D. Pimentel teaches administering 400 mgt three times a day (1200 mg/day), but explained that the optimal dosage may be higher. The district court found the combination taught all of the limitations in the challenged claims and that a skilled artisan would have been motivated to combine the two references with a reasonable expectation of success. On appeal, Salix argued that there was insufficient evidence to support a finding of a reasonable expectation of success, arguing that the highest prior art dosage amount that could have been supported by a reasonable expectation of success was the 1200 mg/day dose in Pimentel. Salix argued that Protocol did not include any efficacy or safety data, nor does it mention a 1650 mg/day dose. The Federal Circuit disagreed finding that a skilled artisan would have discerned from the Protocol and Pimentel that the optimal dosage for treating patients suffering from IBS disorders may be higher than 400 mg TID, and the next higher dosage unit from the Protocol was 550 mg. A skilled artisan would have had a reasonable expectation of success in administering the claimed 1650 mg/day dosage. The Federal Circuit reiterated that "certainty and absolute predictability are not required to establish a reasonable expectation of success."

Next, Salix argued that the district court clearly erred in finding that there would have been a reasonable expectation of success in obtaining the rifaximin form β recited in the polymorph patents' claims. The polyform patents are directed to the form of rifaximin: "rifaximin in polymorphic form β wherein the rifaximin has a x-ray powder diffraction peaks at [specific values]." Norwich argued in the district court that the polymorph claims would have been obvious over Cannata, U.S. Patent No. 4,557,866, which discloses rifaximin in crystalline form, but Cannata did not discuss the crystalline structure in detail. The district court held that expert

testimony supported a conclusion that, in view of the prior art, (1) a skilled artisan would have had good reason to characterize the crystalline rifaximin obtained by following the Cannata protocols, (2) that such characterization was routine and could have been performed "in one day," and (3) that doing so would have led the skilled artisan to have "detected rifaximin β."

On appeal, Salix argued that the Federal Circuit's *Grunenthal v. Alkem* decision compelled the opposite result. The Federal Circuit disagreed with Salix. *Grunenthal* held that it was not clear error to find a lack of clear and convincing evidence to establish a reasonable expectation of success in preparing claimed polymorphic Form A of tapentadol hydrochloride. The synthesis of tapentadol hydrochloride known in the prior art produced Form B and there was a lack of evidence that a prior art synthesis would result in Form A. There also was no prior art guidance on solvents, temperatures, agitation, etc. to use to arrive at Form A. In contrast to *Grunenthal*, the prior art included a process to produce a crystalline form of rifaximin and the dispute centered around characterizing the crystalline form because the prior art taught synthesis resulting in the β form of rifaximin.

Judge Cunningham filed a dissenting opinion as to the IBS-D patents stating he would vacate the judgement that the IBS-D patents are obvious and remand for further proceedings. He believed that the district court's findings as to reasonable expectation of success were clearly erroneous and not supported by the evidence. In particular, Judge Cunningham found reliance on a RFIB 2001 Press Release describing the results of the Protocol to establish a reasonable expectation of success erroneous because the Press Release only discussed an improvement in the 550 mg/day twice-a-day group and the 2,200 mg/day "did not achieve more responders compared to the placebo for adequate relief." Citations to other references did not cure this error because the district court did not explain why the other references would give rise to a reasonable expectation of success for a dosage that is almost 40% higher and none of the cited evidence show that physicians prescribe at the 1650 mg/day (550 mg/TID) dosage. Thus, according to Judge Cunningham, the district court clearly erred in relying on the RFIB 2001 Press Release and other references that do not teach the claimed dosage.

Judge Cunningham also questioned the majority's reliance on one sentence in Pimentel stating: "Recent data suggest that the optimal dosage of rifaximin may, in fact, be higher than that used in our study." The use of the word "may," the lack of discussion about what the optimal dosage may be, and the fact that study discloses dosing regimen of 2,200 mg/day rather than the claimed 1650 mg/day called into question the majority's finding.

IV. ENABLEMENT, INDEFINITENESS, AND WRITTEN DESCRIPTION

A. Indefiniteness

Maxell Ltd. v. Amperex Tech. Ltd., 94 F.4th 1369 (Fed. Cir. 2024). Maxell asserted infringement of a patent claiming a rechargeable lithium-ion battery. The claims required at least two lithium-containing transition metal oxides, represented by formulas that include a transition metal M1 and requirements for M1. The district court held that the claim language defining M1 was indefinite because the two limitations contradicted each other. Maxell appealed. The Federal Circuit reversed.

The claims recited, in relevant part, "a nonaqueous secondary battery comprising … at least two lithium-containing transition metals … wherein M1 represents at least one transition metal element selected from Co, Ni, and Mn … wherein the content of Co in the transition metal M1 of the formulae (1) and (2) is from 30% by mole to 100% by mole." The district court issued a claim construction order holding that the plain language of the claim recites a contradiction because the first limitation does not require Co (cobalt) whereas the second limitation requires cobalt.

The Federal Circuit reversed holding there is no contradiction in the claim language at issue. The claims recite two limitations and a transition metal can possibly meet both requirements. Stating the requirements in two separate limitations rather than in one does not alter the logical point that it is possible to meet both requirements. Accordingly, the Federal Circuit reversed.

Janssen Pharms., Inc. v. Teva Pharms. USA, Inc., 97 F.4th 915 (Fed. Cir. 2024). Janssen sued Teva for patent infringement based on Teva's filing of an ANDA for a generic version of Invega, which is an extended-release intramuscular injectable of paliperidone palmitate used for the treatment of schizophrenia. The asserted claims all "relate to "[a] dosing regimen for administering paliperidone palmitate to a psychiatric patient in need of treatment for schizophrenia."

Teva argued that three claims were invalid as indefinite. The district court found the claims not indefinite. The Federal Circuit affirmed. The claims at issue contained an average particle-size limitation for the paliperidone palmitate used in the formulation administered. The claims did not specify what measurement technique should be used to determine an average particle size. Teva argued that different particle-size measurement techniques would yield meaningfully different results, with the same sample falling within or outside the claimed range depending on the technique used. The district court rejected this argument because the discrepancy Teva pointed to was "an outlier measurement taken with a defective

device." The Federal Circuit found that Teva had not shown the district court's finding was clearly erroneous because an outlier measurement discrepancy is not evidence that different techniques would typically yield different particle-size measurements.

Vascular Solutions LLC v. Medtronic Inc., 117 F.4th 1361 (Fed. Cir. 2024). Vascular and Teleflex filed a patent infringement suit against Medtronic alleging infringement of forty claims across seven patents all descending from a common application. The patent claims are directed to a coaxial guide catheter that is deliverable through standard guide catheters. The preferred embodiment includes three parts: (1) a proximal substantially rigid portion, (2) a reinforced portion, and (3) as distal flexible tip. The proximal end of the guide extension catheter includes a "side opening," i.e., a partially cylindrical region which permits the extension catheter to receive and deliver interventional cardiological devices while it is within the guide catheter. Some claims include the side opening as part of the substantially rigid portion (Group One claims) whereas other claims recite the side opening as separate and distal to the substantially rigid portion (Group Two claims). Following claim construction, the district court held the phrase "substantially rigid portion/segment" in the asserted claim was indefinite and entered final judgment for Medtronic. In reaching its decision, the district court was troubled by Teleflex's proposed construction which would "result in the same device simultaneously infringing mutually exclusive claims." The district court determined the asserted claims were "mutually exclusive" because the Group One claims placed the side opening within the substantially rigid portion, and the Group Two claims placed the side opening distal to the substantially rigid portion. Teleflex appealed.

The Federal Circuit held that the district court erred when it determined the claims were "mutually exclusive" and indefinite. The Federal Circuit explained the district court's determination, in effect, meant that (1) claims in a patent cannot vary in the way they claim the disclosed subject matter, and (2) independent claims must be totally consistent with other independent claims. But claiming is not restricted in that way and the art of claiming involves drafting claims in a variety of ways. Claims are definite if the claims themselves inform "with reasonable certainty, those skilled in the art about the scope of the invention." The Federal Circuit explained that that claims are not necessarily "mutually exclusive" because each independent claim is a different ordered combination of limitations.

Next, the Federal Circuit held that the boundary of the "substantially rigid portion/segment" limitation does not have to be consistent across claims. The limitation is functional which means the substantially rigid portion is a portion of the catheter that is substantially rigid enough to achieve some function. The Federal Circuit's construction is consistent with the legal concept of construing claims

consistently across related patents because the phrase is construed the same way across all the asserted claims. It is not problematic when a functional construction does not specify the boundary of the "substantially rigid portion."

The Federal Circuit vacated and remanded to the district court with instruction that the asserted claims are not necessarily mutually exclusive and the claim limitation "substantially rigid portion/ segment" does not have to have a consistent boundary across different independent claims.

B. Written Description

RAI Strategic Holdings, Inc. v. Philip Morris Prods., S.A., 92 F.4th 1085 (Fed. Cir. 2024). Philip Morris filed a petition to institute a post grant review proceeding of a patent directed to electrically powered vaping device that provided an inhalable substance by heating tobacco without significant combustion. Philip Morris argued that dependent claims 10 and 27, which recite a heating member with "a length of about 75% to about 85% of a length of the disposable aerosol forming substance," were not supported by written description because "the claimed range is different from and substantially narrower than the ranges disclosed in the specification." The Board agreed finding that the claims lacked written description because no range contained an upper limit of about 85% making it unclear the inventors contemplated a range of "about 75% to about 85%." RAI appealed.

The written description requirement is met when the disclosure relied on for support "reasonably conveys to those skilled in the art that the inventor had possession of he claimed subject matter as of the filing date." The Federal Circuit analyzed its and the CCPA's decisions addressing written description in the context of claimed ranges. Then, the court framed the issue as "whether the disclosure of a length of about 75% to about 125%, about 80% to about 120%, about 85% to about 115%, or about 90% to about 110% "reasonably conveys to those skilled in the art that the inventor had possession" of the claimed length of "about 75% to about 85%." The Federal Circuit stated that the specification need not expressly recite the claimed range to provide written description support and noted the specification did expressly disclose both endpoints of the claimed range. The court found the predictability of electromechanical inventions at issue , and the lack of complexity of the particular claim imitation at issue—i.e., reciting the length of a heating member—"a lower level of detail is required to satisfy the written description requirement than for unpredictable arts." Accordingly, the Federal Circuit concluded that no reasonable fact finder could find that the claimed subrange is not within the appellant's invention. The court found the facts of this case more analogous to those in *Wertheim, Blaser,* and *Kolmes* where the broader disclosed ranges did not constitute a separate invention from the narrower claimed ranges.

V. UNCLEAN HANDS AND INEQUITABLE CONDUCT

Luv N'Care, Ltd. v. Laurain, 98 F.4th 1081 (Fed. Cir. 2024). Luv N'Care (LNC) sued Laurain and EZPZ seeking injunctive relief for alleged unfair competition under the Lanham Act. After the PTO issued EZPZ a utility patent related to dining mats for toddlers, LNC filed an amended complaint seeking a declaratory judgment that EZPZ's patent was invalid, unenforceable, and not infringed. EZPZ filed counterclaims asserting infringement of the utility patent as well as copyright, trademark, and unjust enrichment.

Following discovery, LNC moved for partial summary judgment that the EZPZ's utility patent was invalid as obvious. In May 2020, the district court granted summary judgment finding that all of the claims would have been obvious in view of a U.S. patent publication (Bass) in view of the Webb prior art (one U.S. patent publication and one patent). In June 2020, EZPZ moved for reconsideration which the court denied in October 2020 indicating that a "ruling providing further reasons will follow in due course." Meanwhile, EZPZ requested *ex parte* reexamination of its patent and in August 2021, EZPZ notified the court that the PTO would soon issue an *ex parte* reexamination certificate confirming the patentability of the claims. The PTO issued the certificate on August 23, 2021, but EZPZ did not provide to the district court before or during the bench trial that began on August 25, 2021.

Following a bench trial, the district court issued an opinion finding that LNC failed to prove EZPZ's patent is unenforceable due to inequitable conduct. The district court found that Laurain and her patent agent made misrepresentations to the PTO but the misrepresentations were not but-for material to the patentability of the claims. The district court also found that several prior art references Laurain and her patent agent withheld from the PTO were not material because they were cumulative of prior art (Platinum Pets mat) before the office. Finally, the district court found Laurain and her patent agent's actions did not demonstrate a specific intent to deceive the PTO.

As to LNC's unclean hands claims, the district court determined that unclean hands barred EZPZ from obtaining relief on its then-remaining counterclaims. In particular, the court found that EZPZ engaged in litigation misconduct, including the failure to disclose certain patent applications during discovery, attempting repeatedly to block LNC from obtaining Laurain's prior art searches, stringing LNC along during settlement negotiations, and providing evasive and misleading testimony. The court concluded that EZPZ "by deceit and reprehensible conduct attempted to gain an unfair advantage" and, thus, "is not entitled to the relief it seeks."

On the same day, the district court provided the reasoning for the grant of summary judgment of obviousness. EZPZ sought reconsideration of the grant of summary judgment based on the PTO's issuance of the *ex parte* reexamination certificate, which EZPZ provided to the district court only after entry of judgment. The court denied the motion for reconsideration finding the reexamination certificate did not require or compel altering or amending the court's ruling.

EZPZ also sought reconsideration of various findings relating to LNC's unclean hands defense. The court granted the motion in part and denied it part and issued an amended bench trial opinion that continued to find EZPZ's unclean hands barred it from obtaining the relief it sought.

LNC appealed the district court's conclusion that LNC failed to prove inequitable conduct. The Federal Circuit vacated the district court's holding and remanded for further proceedings. LNC argued that misrepresentations are material per se. The Federal Circuit, however, was unable to discern from the district court's opinion whether it made findings as to the affirmative egregious misconduct and per se materiality. The district court's analysis of those issues appeared embedded in the assessment of deceptive intent, but materiality and intent are separate requirements. The Federal Circuit instructed the district court to determine on remand whether Laurain's and her patent agent's misrepresentation relating to the self-sealing functionality of the Platinum Pets mat amounted to affirmative egregious misconduct and is, therefore, per se material, or if not, the district court must reassess whether the misrepresentations were but-for material. More specifically, the district court must assess whether the PTO's patentability decision may have been different if the Platinum Pets mat characteristics had been accurately described and a video of it disclosed. The Federal Circuit vacated the district court's finding that other withheld prior art references were cumulative because the district court may find, on remand, that these undisclosed prior art references would have taught more than what a reasonable examiner would have considered to have been taught by the misrepresented Platinum Pets mat.

Next, LNC contended that the district court erred in its handling of the deceptive intent argument. The Federal Circuit agreed, finding the district court abused its discretion by not applying the proper legal standard. The Federal Circuit cited its precedent stating "it is not enough for a court to consider each individual act of misconduct without also considering the collective whole" and that because intent to deceive may be based on a "pattern of lack of candor." The district court erred by considering Laurain's and the agent's individual acts in isolation and failed to address the collective weight of the evidence as a whole. Accordingly, the Federal Circuit instructed the district court to reevaluate deceptive intent of both in the aggregate.

The Federal Circuit also agreed with LNC that the district court wrongly found that the misrepresentations amounted only to gross negligence. The district court's findings that Laurain and the agent made a conscious choice to misrepresent the Platinum Pets mat should not have been discounted as merely gross negligence. The purposeful misrepresentation of key teaching of the prior art may be indicative of a specific intent to deceive the PTO. The Federal Circuit instructed the court on remand to analyze whether Laurain's and the agent's misrepresentations relating to the Platinum Pets mat, considered in aggregate with their other acts of misconduct, demonstrate that these individuals intended to deceive the PTO.

EZPZ appealed the finding that the doctrine of unclean hands bars EZPZ from obtaining its requested relief. The Federal Circuit affirmed finding the evidence in the record supports that EZPZ "by deceit and reprehensible conduct attempted to gain an unfair advantage" in seeking relief in the litigation. In particular, the Federal Circuit cited evidence that EZPZ failed to disclose to LNC patent applications related to the patent in suit until well after the end of facts discovery and dispositive motion practice; EZPZ's efforts to block LNC's discovery of Laurain's prior art searches by falsely claiming she had conducted no such searches; EZPZ witnesses that repeatedly gave evasive testimony during deposition and trial; and Laurain's false testimony directly contradicted by other contemporaneous evidence. The district court did not clearly error in its findings.

The Federal Circuit also affirmed that EZPZ's misconduct bears an immediate and necessary connection to EZPZ's claims of infringement. The undisclosed patent application and prosecution are directly relevant to LNC's litigation strategy because the undisclosed materials deprived LNC and the court of the opportunity to understand the PTO's construction of an important claim term. EZPZ's failure to produce prior art searches undermined LNC's invalidity and unenforceability challenges. In sum, the district court did not clearly err in its assessment that the totality of the evidence demonstrated that EZPZ engaged in misconduct rising to the level of unconscionable acts, enhancing EZPZ's litigation positions and undermining those of LNC, creating immediate and necessary connections between EZPZ's misconduct and the relief it was seeking from the court. Thus, the district court did not abuse its discretion in finding that unclean hands barred EZPZ from seeking relief for alleged infringement.

VI. VENUE AND JURISDICTION IN PATENT CASES

A. Jurisdiction – Collateral Order Doctrine

Copan Italia SpA v. Puritan Med. Prods. LLC, 101 F.4th 847 (Fed. Cir. 2024). In June 2018, Copan brought suit against Puritan alleging infringement of various patents relating to flocked swabs for collecting biological specimens. The case

proceeded normally throughout 2018 and 2019. Then the COVID-19 pandemic hit and the parties jointly moved to stay the litigation, which the court granted in May 2020.

In July 2020, Puritan entered a contract with the U.S. Air Force where Puritan agreed to expand its facilities for manufacturing flocked swabs. The contract expressly recognized immunity under a provision of the Pandemic Readiness and Emergency Preparedness Act (PREP Act). In October 2021, the court lifted the stay and discovery reopened. Puritan sought to amend its answer to include the affirmative defense of PREP Act immunity. Puritan also filed a partial motion to dismiss Copan's patent infringement claims to the extent they were directed to flocked swabs manufactured for the Air Force. The district court denied Puritan's motion to dismiss, finding that Puritan had not shown that its flocked swabs were "covered countermeasures" under the PREP Act. Puritan appealed.

On appeal, Copan defended the merits of the district court's denial of the motion to dismiss and argued that the appellate court lacked jurisdiction over the appeal. Puritan argued that the Federal Circuit had jurisdiction by virtue of the collateral order doctrine. The Federal Circuit determined that it lacked jurisdiction.

The collateral order doctrine is a limited exception to the general requirement that appellate jurisdiction arises only after a district court issues a final order. for a district court order to come within the collateral order exception, it must "at a minimum satisfy three conditions: It must [1] 'conclusively determine the disputed question,' [2] 'resolve an important issue completely separate from the merits of the action,' and [3] 'be effectively unreviewable on appeal from a final judgment.'" The Federal Circuit found that the denial of Puritan's partial motion to dismiss does not conclusively determine any issue. The district court did not make any factual or legal determination that Puritan's flocked swabs made for the Air Force are not immune. Instead, it simply – and preliminarily – held that it was not in a position to make these determinations at this time because the record was not adequate to make a finding as to the "covered countermeasures." The district court's ruling is not a "conclusive determination" of the immunity issue.

Accordingly, the Federal Circuit dismissed the appeal for lack of jurisdiction.

B. Personal Jurisdiction

SnapRays v. Lighting Defense Group, 100 F.4th 1371 (Fed. Cir. 2024). SnapRays is a Utah company with a principal place of business in Utah. SnapRays designs, markets, and sells electrical outlet covers in Utah and on Amazon.com. LDG, a Delaware company with a principal place of business in Arizona, owns a patent relating to an electrical outlet cover. LDG submitted a report to Amazon

under Amazon's Patent Evaluation Express (APEX) procedure alleging SnapRays infringed its patent. SnapRays filed a declaratory judgment action in Utah which the district court granted for lack of personal jurisdiction. The district court found that LDG lacked sufficient contacts with Utah to exercise specific personal jurisdiction because SnapRays failed to demonstrate that LDG purposefully directed activities at SnapRays in Utah or that the action arose out of or related to LDG's activities in Utah. SnapRays appealed.

The Federal Circuit reversed. The Federal Circuit found that LDG purposefully directed enforcement activities at Utah when in initiated the APEX program. Under the APEX program, a lack of action by SnapRays would result in the removal of its Amazon listings which would necessarily affect sales and activities in Utah. The Federal Circuit concluded the intended effect of the APEX filing would necessarily affect marketing, sales, and other activities within Utah. The appellate court rejected LDG's argument that the declaratory judgment action did not arise or relate to any activity in Utah because LDG sent the APEX agreement to Amazon in Washington, finding the action was directed towards SnapRays in Utah.

C. Standing

Intellectual Tech LLC v. Zebra Techs. Corp., 101 F.4th 807 (Fed. Cir. 2024). IT stated that it is the owner and assignee of a patent against Zebra. Zebra moved for summary judgment of no subject-matter jurisdiction based on IT's lack of standing. The district court treated the motion as a motion to dismiss and granted the motion determining that IT lacked constitutional standing.

IT is the wholly owned subsidiary of OnAsset. OnAsset's agreements with a lender, Main Street, provided important background information regarding IT's creation and legal interest in the asserted patent. In 2011, OnAsset granted Main Street, as part of a loan agreement, a security interest in its patents, including the asserted patent which was assigned to OnAsset at that time. In 2013, Main Street notified OnAsset that it was in default of a loan agreement. In 2017, OnAsset and Main Street entered into a forbearance agreement. At that time, IT was formed and assigned the asserted patent. IT then joined the loan agreement between OnAsset and Main Street and entered a patent security interest agreement with Main Street which included the asserted patent. In 2018, IT defaulted. The parties agreed that Main Street's default rights in 2019, when the complaint was filed, were the same under IT's default or OnAsset's default.

The security agreements permitted the Debtor [IT] to control and manage the asserted patent "including the right to exclude others … so long as no Default exists." In the event of a default, the agreement provided Main Street with options it could elect to exercise, including enforcement and licensing of the patent. Zebra

pointed to no evidence that Main Street elected to exercise any rights under the options following the default. The district court found that because Zebra could obtain a license from Main Street, that deprived IT of all of its exclusionary rights. IT appealed.

The Federal Circuit addressed IT's Article III standing, and more specifically, whether IT demonstrated a constitutional minimum of an injury in fact. The inquiry hinged on whether IT retained an exclusionary right—i.e. infringement would amount to an invasion of IT's legally protected interest. Before addressing this issue, the Federal Circuit clarified that whether IT's interest in the asserted patent was sufficient to meet the "patentee" requirement of 35 U.S.C. § 281 did not control because that being a "patentee" is not a jurisdictional requirement. The court then turned to the issue and determined that IT had an exclusionary right in the asserted patent when the complaint was filed.

Zebra argued that Main Street's ability to license the asserted patent pursuant to the agreement deprived IT of all exclusionary rights. The Federal Circuit disagreed. First, the court rejected Zebra's argument that the agreement granted Main Street exclusive licensing rights upon default because nothing in the agreement indicates that the mere triggering of Main Street's options upon a default automatically deprived IT of all of its rights.

Next, the court concluded that IT retained exclusionary rights even though Main Street had the non-exclusive ability to license the asserted patent. Citing its *Uniloc v. Motorola Mobility* decision, the Federal Circuit held that a patent owner has exclusionary rights sufficient to meet the injury-in-fact requirement even where, without more, it grants another party the ability to license. The Federal Circuit concluded that Main Street and IT's shared ability to license while a default existed did not divest IT, the patent owner, of all exclusionary rights. The Article III inquiry must be evaluated based on the actual transfer of rights, and not the mere ability or hypothetical redistribution in the future. Thus, the district court erred by concluding that Main Street's *option* to assign the asserted patents divested IT of all exclusionary rights. The Federal Circuit reversed and remanded.

Core Optical Techs., LLC v. Nokia Corp., 102 F.4th 1267 (Fed. Cir. 2024). Core Optical filed complaints alleging infringement of the '211 patent against Nokia and others. Nokia moved for summary judgment arguing that Core lacked standing to assert the '211 patent even though the inventor, Dr. Core, had assigned the patent to Core Optical in 2011. Nokia argued that the 2011 assignment was ineffective because Dr. Core had already assigned his patent rights to TRW, his employer at the time of the invention in 1990 through an employment-associated

agreement with TRW. The district court agreed with Nokia and granted summary judgment. The Federal Circuit vacated and remanded for further proceedings.

Dr. Core signed a TRW Invention Agreement in 1990 as part of his employment at TRW. In the Agreement, Dr. Core agreed to disclose to TRW and automatically assign to TRW all of his inventions that "relate to the business or activities of TRW" and that were "conceived, developed, or reduced to practice during his employment with TRW." The Agreement included one exception that did not require assignment to TRW invention for which no TRW equipment or facilities were used and which "was developed entirely on my own time."

In 1993, Dr. Core was accepted into a PhD program at the University of California, Irvine. Dr. Core also was accepted into TRW's fellowship program based on his PhD enrollment. As a TRW fellow, Dr. Core continued to work as a salaried employee at TRW, but with reduced hours and wages. TRW paid Dr. Core's tuition and fees and reimbursed him for books and supplies for the PhD program. Dr. Core was required to pursue a degree sufficiently related to this job responsibilities. During the course of his PhD research, Dr. Core conceived of and reduced to practice the invention claimed in the '211 patent. Dr. Core admitted that his PhD dissertation is "essentially identical" to the provisional application that turned into the '211 patent. Dr. Core received his PhD in 1999 and his employment with TRW came to an end in August 2000. In August 2011, Dr. Core executed an assignment of the '211 patent from himself to Core Optical.

The district court concluded that there was no genuine issue of material fact, held on summary judgment that the 1990 invention agreement's phrase "developed entirely on my own time" does not encompass Dr. Core's PhD research. The automatic assignment of the invention to TRW deprived Core Optical of standing to bring the action against Nokia.

Core Optical appealed. The Federal Circuit vacated, concluding that the entirely-own-time exception in the Agreement does not unambiguously express a mutual intent to designate either all the time Dr. Core spent performing his PhD research as his own time (as Core Optical contended) or some of it as partly TRW's time (as the district court, in agreement with Nokia, held). Further inquiry into pertinent facts to resolve the ambiguity was needed.

The Federal Circuit found that the Agreement did not define the entirely-own-time phrase and that the ordinary meaning of the phrase refers to an employee not being accountable to the employee during the time at issue. The relevant notion of accountability, however, was ambiguous because it allowed multiple perspectives—limited to on-the-clock company-assigned work (Core's position) or a broader notion encompassing accountability to TRW for participation in the fellowship program which required substantial off-the-clock time. The other

documents surrounding TRW's relationship with Dr. Core did not resolve the ambiguity.

The Federal Circuit next concluded that an inquiry beyond the language of the contract was needed to determine the mutual intention of the parties. This inquiry called for findings of fact inappropriate for summary judgment. Because the ownership of the '211 patent is a threshold jurisdictional issues of standing, the Federal Circuit explained that the district court had the authority to act as a fact finder to resolve the jurisdictional issue.

Judge Mayer issued a dissenting opinion. Dr. Core received a prorated salary and stipend from TRW while he completed his PhD program and his thesis related to TRW's business. Thus, Judge Mayer would have affirmed the district court because Dr. Core did not develop the patented invention "entirely on [his] own time."

Platinum Optics Technology Inc. v. Viavi Solutions Inc., 111 F.4th 1378 (Fed. Cir. 2024). Platinum filed a petition for *inter partes* review of Viavi's patent relating to optical filters including layers of hydrogenated silicon. Prior to Platinum's petition, Viavi had sued Platinum for infringement in two district court actions, both of which were dismissed with prejudice. The PTAB issued a final written decision holding that Platinum failed to show the challenged claims were unpatentable. Platinum appealed.

The Federal Circuit dismissed the appeal for lack of standing. The court's jurisdiction under Article III is limited to cases and controversies, which requires the appellant to demonstrate that it "(1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be redressed by a favorable judicial decision." A party does not need to establish Article III standing to appear before the PTAB. Platinum asserted that it has standing to appeal the PTAB's decision based on potential infringement liability stemming from (1) supplying its bandpass filters accused in Viavi II to parts integrators overseas, and (2) developing new models of bandpass filters.

As to the first argument, Platinum argued that its continued distribution of bandpass filters accused in district court litigation creates a likelihood the Viavi will sue again. Where a party relies on potential infringement liability as a basis for standing, the party must establish concrete plans for future activity that creates a substantial of future infringement or a claim of infringement. Platinum pointed to a letter in which Viavi explained that it did not believe Platinum could fulfill its supply agreements without infringing Viavi's patents. The Federal Circuit dismissed this as "mere speculation about a possibility of suit," which is insufficient to establish standing. Furthermore, Platinum's argument failed to address the fact that the letter was sent before the district court actions which were subsequently

dismissed with prejudice. Accordingly, the Federal Circuit held that Platinum did not establish standing based on its continued distribution of bandpass filters.

Next, the Federal Circuit found that Platinum's development of new bandpass filters did not establish standing. The declaration supporting the alleged new filters lacked detailed development plans and details relating to how the new filters related to Viavi's challenged patent. Platinum's "vague and conclusory statements are insufficient to establish that PTOT has concrete plans for the development of bandpass filters."

VII. LITIGATION PROCEDURE

A. Work Funded by the Federal Government

Univ. of South Fla. Bd. of Trustees v. United States, 111 F.4th 1378 (Fed. Cir. 2024). Patent owner brought action in the Court of Federal Claims alleging that United States infringed its patent for a method of preparing transgenic animal model with enhanced, accelerated pathology for Alzheimer's Disease (AD). The suit alleged the United States allowed a third party (The Jackson Laboratory) to use and manufacture invention described in patent. It was undisputed that The Jackson Laboratory, with the government's consent and authorization, has been producing mice covered by the patent for the government. The United States argued that it had a license to practice the patent, and have the patent practiced on its behalf, under 35 U.S.C. § 202(c)(4), a provision of the Bayh-Dole Act. Following a trial, the court agreed with the government's argument and entered final judgement of noninfringement. USF appealed.

On appeal, USF disputed whether the invention was a "subject invention" within § 202(c)(4), which gives the government a license (to practice or have practiced for it) certain federally funded inventions. The Bayh-Dole Act key purposes are to: "promote the utilization of inventions arising from federally supported research," "promote collaboration between commercial concerns and nonprofit organizations," and "ensure that the Government obtains sufficient rights in federally supported inventions." The Act allocates rights to federally funded "subject invention[s]" between the government and federal contractors. A "contractor" is anyone that is a party to a "funding agreement" which is any contract, grant, or cooperative agreement entered into between a Federal agency and a contractor for experimental, research and development work. 35 U.S.C. § 201(b). An "invention" is "any invention of the contractor conceived or first actually reduced to practice in the performance of work under a funding agreement." 35 U.S.C. § 201(d), (e).

The Federal Circuit analyzed the issue based on findings of facts by the Claims Court that were not clearly erroneous. Work in April 1997 was the first actual reduction to practice and was covered by a NIH grant. The Mayo Clinic and USF entered into a subcontract in November 1997 where Mayo paid USF money received from the NIH. USF disputed whether it received payment at the time of the April 1997 work. The Federal Circuit, however, set that issue aside and accepted USF's arguments as to the timing of payments.

The Federal Circuit framed the issue as whether the April 1997 work and first actual reduction to practice was "in the performance of work under a funding agreement." The Federal Circuit concluded that the April 1997 work, i.e., the first actual reduction to practice, was "in the performance of work under a funding agreement," § 201(e)—a subcontract between Mayo and USF to the NIH grant (the latter a funding agreement of NIH with Mayo). The Federal Circuit found backward reaching payments was a recognized practice and common place in government funded research where subcontracts are not executed until after a grant is awarded, but the grant covers work without waiting for the inking of the subcontract. To adopt USF's time-restrictive view of the Act would impair one or more policies of the Act. Thus, the Federal Circuit rejected USF's reliance on the November 1997 agreement's effective date and execution date as a basis for not recognizing it as a funding agreement sufficient to give rise to the license rights of the government under § 202(c)(4).

B. Appellate Brief – Incorporating Arguments by Reference

Promptu Sys. Corp. v. Comcast Cable Communications, LLC, **111 F.4th 1378 (Fed. Cir. 2024).** After hearing oral argument in four related cases on appeal from the PTAB, counsel for appellee was asked to show cause why counsel/appellee should not be sanctioned for attempting to incorporate by reference multiple pages of argument from a brief in one case into another.

Counsel argued that apellee's intent behind the incorporation by reference was to "enhance efficiency," "stream-line the briefing," and "save the time and resources of the Court." The Federal Circuit rejected the arguments, finding cross-referencing arguments from multiple briefs and exceeding word counts does not increase efficiency. The court accepted counsel's mistake was made in good faith at the time of briefing.

The Federal Circuit admonished counsel for failing to withdraw the improper arguments incorporated by reference after being made aware that such arguments violated a precedential *Microsoft* decision. The court also rejected counsel's argument that it had not addressed whether or not incorporating arguments by reference from the same party's case in a companion appeal set for argument before the same panel was permissible. The Federal Circuit ordered that: "Parties may not

incorporate by reference arguments into one brief from another unless in compliance with Fed. R. App. P. 28, and in no event is such incorporation permitted if it would result in exceeding the applicable word count."

C. Forum Selection Clause

DexCom, Inc. v. Abbott Diabetes Care, Inc., 89 F.4th 1370 (Fed. Cir. 2024). After DexCom sued Abbott for infringing its patents, Abbott petitioned for *inter partes* review of the asserted patents before the Patent Trial and Appeal Board. DexCom moved for a preliminary injunction to enjoin Abbott from proceeding with the inter partes review proceedings based on a forum selection clause in a settlement and license agreement between the parties. The district court denied the preliminary injunction. DexCom filed an interlocutory appeal.

In 2014, the parties, who are competitors in the glucose monitoring field, entered into a settlement and license agreement. The agreement included a forum selection clause identifying U.S. District Court for the District of Delaware as the exclusive jurisdiction "over any dispute arising from or under or relating to this Agreement, to the extent permitted by law." The agreement also included a mutual covenant not to sue and a covenant not to Challenge each other's patents during a Covenant Period, which expired on March 31, 2021. The definition of Challenge included post-grant review and *inter partes* review proceedings.

After the Covenant Period expired, DexCom sued Abbott in the Western District of Texas, alleging infringement of five patents. Abbott moved to transfer the case to the District of Delaware, citing the agreement's forum selection clause. While the motion to transfer was pending, Abbott filed a breach of contract suit against DexCom in Delaware, alleging it violated the forum selection clause of the agreement. The Western District of Texas transferred DexCom's infringement suit to Delaware where it was consolidated with Abbott's breach of contract suit.

Ten months after DexCom filed its infringement suit in Texas, Abbott filed eight IPR petitions for DexCom's asserted patents. After filing preliminary patent owner responses, DexCom filed a breach-of-contract counterclaim in the Delaware arguing that Abbott breached the forum selection clause by filing the IPR petitions.

DexCom moved for a preliminary injunction requesting that the district court prohibit Abbott from proceeding with the IPRs. The district court denied the motion for preliminary injunction. After assuming DexCom had shown a likelihood of success, it found actively participating in IPR proceedings for six months before seeking a preliminary injunction negated irreparable harm. The district court also found the balance of hardships favored denial because DexCom took inconsistent legal positions as to whether the patents were licensed. The public interest in preventing invalid patents and allowing the PTAB to complete the IPR proceedings also weighed against an injunction.

DexCom appealed and the Federal Circuit affirmed. The Federal Circuit acknowledged that the district court assumed a likelihood of success, but concluded DexCom did not establish a likelihood of success. First, the Federal Circuit found that the forum selection clause applied to the entire term of the agreement, and not just the period after the Covenant Period. Next, the Federal Circuit found the agreement indisputably allowed the filing of IPRs during the Covenant Period under certain circumstances during the Covenant Period notwithstanding the existence of the forum selection clause. The forum selection clause could not prohibit filing of IPRs after the Covenant Period if the Agreement allowed IPR filings during the Covenant Period. Thus, the Federal Circuit concluded that DexCom cannot succeed on its breach of contract counterclaim and affirmed that it was not entitled to a preliminary injunction.

D. Preserving Issues for Appeal

Freshub, Inc. v. Amazon.com, Inc., 93 F.4th 1244 (Fed. Cir. 2024). A jury found Freshub's voice-processing technology patents not infringed. Freshub appealed the denial of its motion for a new trial. Freshub filed a motion in limine seeking to preclude Amazon from using the filing dates of the asserted patents in a prejudicial manner. More specifically, Freshub argued that Amazon would use the filing dates of the patents (that occurred after Amazon introduced products using its Alexa responsive voice service) to suggest that Freshub filed the applications to specifically target Alexa unfairly. The district court denied the motion in limine.

On appeal, Freshub argued that Amazon used the filing dates prejudicially at trial and that the district court erred by not granting it a new trial. The Federal Circuit disagreed finding that the district court did not abuse its discretion because Freshub failed to object properly during trial to the mention of the filing dates as required by Fifth Circuit law. The Federal circuit cited Fifth Circuit cases holding that the filing of a motion in limine does not preserve the issue of admissibility of evidence at trial when the party did not object to the evidence at trial.

E. Jury Instructions

Inline Plastics Corp. v. Lacerta Group, LLC, 97 F.4th 889 (Fed. Cir. 2024). Inline asserted five patents which claimed tamper-resistant and tamper-evident containers as well as method of making containers using thermoformed plastic. The district court granted Inline's motion for summary judgment of infringement finding some claims infringed. The remaining claims went to trial, which a jury found not infringed and all the claims invalid. The district court denied posttrial motions and entered final judgment.

Inline appealed on several grounds, including that it was entitled to judgment as a matter of law of no invalidity and that an error in the jury instructions required a new trial on invalidity. Lacerta cross-appealed, challenging the denial of attorney fees and the judgment's dismissal "without prejudice" of certain patent claims Inline voluntarily dropped from its asserted-claims list near the end of trial.

On validity, Inline argued that it is entitled to judgment as a matter of law rejecting Lacerta's obviousness challenge to the asserted claims. Inline also argued that, if the Federal Circuit did not award it the requested judgment of nonobviousness, it should set aside the verdict of invalidity and order a new trial of the issue. The Federal Circuit rejected Inline's argument that the prior art Lacerta relied on were deficient because four references were examined by the PTO and the two others were cumulative. Inline cited not authority that precludes a successful obviousness challenge based on PTO-considered references. The Federal Circuit also rejected Inline's argument regarding a lack of motivation to combine, finding Lacerta's expert testified that there was a motivation to make the argued combination. Next, the Federal Circuit rejected Inline's argument that Lacerta's expert did not rebut or challenge objective-indicia evidence, explaining that the court has "never held that the challenger must present its own testimony on objective indicia or else the patentee's evidence must be credited."

The Federal Circuit, however, agreed with Inline that the district court gave an incorrect jury instruction regarding the objective indicia of nonobviousness because it mentioned only commercial success and long felt need. Other indicia for which there was evidence were not included in the jury instruction. Inline specifically requested before trial objective-indicia instructions that referenced industry praise, copying and licensing, which were part of the court's draft instructions. When the court read the instructions to the jury, the court did not read the portions referencing industry praise, copying, and licensing. Inline objected and preserved the issue for appeal. The Federal Circuit found the jury instructions were erroneous and not harmless. The prima-facie-case of obviousness was not so strong as to require a finding of obviousness, but the jury instruction were prejudicial and the Federal Circuit remanded for further proceedings with further instructions.

The further instruction included directing the district court to consider anew whether Lacerta's expert should be limited to testifying only about the first three Graham factors—the factors adequately discussed in his report—rather than the ultimate question of obviousness. The district court barred Lacerta's expert from testifying about objective indicia of non-obviousness because his expert report did not address any indicia. The Federal Circuit noted that the district court allowed the expert to testify on the ultimate question of obviousness without a proper disclosure for one component of the obviousness analysis (objective indicia of nonobviousness).

Inline also argued that the district court improperly allowed Lacerta to introduce evidence of a Lacerta patent for its willfulness and damages. Inline argued that allowing the evidence had an adverse on the jury's infringement finding. The Federal Circuit rejected the argument finding no legal authority that Lacerta's patent was inadmissible as a matter of law. The Federal Circuit also acknowledged that the district court gave the jury two clarifying instruction that they could consider Lacerta's patent only for willfulness and damages.

F. ITC – Domestic Industry

Roku, Inc. v. Int'l Trade Commission, 90 F.4th 1367 (Fed. Cir. 2024). Universal Electronics developed patented technology permitting multiple communication devices that use different communication protocols to work together. Universal's "QuickSet" technologies were incorporated into multiple smart TVs. Universal filed a complaint with the International Trade Commission against Roku for importing certain TV products that infringe the '196 patent.

An administrative law judge found that Roku violated Section 337 by importing infringing articles. The Commission affirmed the administrative judge's finding and found in relevant part that (1) Universal had ownership rights to assert the '196 patent and (2) Universal satisfied the economic prong of the domestic industry requirement. Roku appealed.

Roku argued that Universal lacked standing to assert the '196 patent when it filed its complaint. Roku argued that Universal filed a petition for correction of inventorship to add one of its employees as an inventor to the patent after it filed its complaint and that the agreements between this employee (Mr. Barnett) and Universal did not constitute an assignment of rights. The Commission found that a 2012 agreement assigned all of Mr. Barnett's rights in the '196 patent to Universal. The Federal Circuit affirmed because Roku's arguments were based on a 2004 agreement that the Commission did not rely on and the 2012 agreement language constituted a present conveyance of all patent rights.

The Federal Circuit also rejected Roku's arguments that the Commission erred in finding Universal satisfied the economic prong of the domestic industry inquiry. Roku argued that the Commission did not require Universal to allocate domestic industry expenditures to a specific product. The Commission found that QuickSet involves software and software updates and Universal's investments in R&D and engineering are attributable directly to the functionality necessary to practice many elements of the patent. The Federal Circuit found Roku's focus on specific smart TVs as not the appropriate inquiry because its precedent did not require expenditures in whole products, but rather "sufficiently substantial investment in the exploitation of the intellectual property."

Zircon Corp. v. Int'l Trade Commission, 101 F.4th 817 (Fed. Cir. 2024). Zircon alleged that importation and sale of electronic stud finders, metal detectors, and electrical scanners by Black & Decker infringed three patents in violation of Section 337 of the Tariff Act. Following an evidentiary hearing, the ALJ issued an initial determination that importation of the accused products did not violate section 337. In reaching that conclusion, the ALJ found that the economic prong of the domestic industry requirement was not satisfied with respect to any of the patents. The ALJ also found certain patent claims infringed, invalid as obvious, and not infringed.

Zircon sought Commission review of the initial determination and the Commission upheld the ALJ's determination. First, the Commission affirmed that Zircon had not satisfied the economic prong. Zircon based its economic prong on an aggregation of its investments across all of its domestic stud finder products, most of which practiced fewer than all the asserted patents. Zircon also argued that its research and development expenditures on a computer chip used in Zircon's products satisfied section 337(a)(3)(C). The Commission rejected both arguments. The Commission explained that by aggregating its investments across domestic industry products that practiced different patents or groups of patents, Zircon "failed to provide the Commission with an adequate basis to evaluate the investments and the significance of those investments with respect to each asserted patent." The Commission also found unreliable Zircon's evidence attributing a portion of its research and development expenses to the computer chip. The Commission also found each asserted claim either invalid or not infringed.

Zircon appealed and the Federal Circuit affirmed the Commission's determination as to the domestic industry, and did not reach the infringement or validity issues. To obtain relief under Section 337 a complainant must show that "an industry in the United States, relating to the articles protected by the patent, ... exists or is in the process of being established." 19 U.S.C. § 1337(a)(2). Zircon argued that the Commission erred by requiring a patent-by-patent breakdown of its investments and by doing so, the Commission departed from its "flexible, market-oriented approach to domestic industry."

The Federal Circuit rejected Zircon's argument. The appellate court started with the plain language of section 337(a)(2) which provides for a violation if there is a domestic industry "relating to the articles protected by the patent." The Federal Circuit found that meant the domestic industry "must relate to articles that are all protected by a particular patent, not a group of articles variously protected by different patents." Section 337(a)(3) referred to expenditures on activities "with respect to the articles protected by the patent," which ties the domestic industry to products protected by a particular patent. The Federal Circuit agreed that investments do not always need to be broken down patent-by-patent. But in cases in which the complainant's products or groups of products each practice different

patents, the complainant would need to establish separate domestic industries for each of those different groups of products. In this case, the products Zircon sought to aggregate were not all protected by the same patent or patents. Zircon presented its investment in the aggregate for 53 products, which practiced multiple different combinations of patents. The Commission did not err in finding that Zircon failed to meet that burden when it relied on aggregated evidence of its investments in all domestic industry products without allocating those investments among products or product groups relating to each asserted patent, or product groups relating to all the asserted patents.

The Federal Circuit also found substantial evidence supported the Commission's finding that Zircon's research and development expenditures were unreliable. Zircon submitted a witness statement which lacked documentary support and any explanation as to how the witness arrived at the expenditures. The witness also admitted that he merely estimated the expenditure figures. The Federal Circuit stated that the ALJ's credibility determinations and weighing of the evidence are entitled to great weight and there is no reason to override those determinations. Accordingly, the Federal Circuit affirmed the Commission's ruling on the domestic industry issue.

G. Issue Preclusion

Koss Corp. v. Bose Corp., 107 F.4th 1363 (Fed. Cir. 2024). Koss is the assignee of three patents sharing a common specification disclosing a wireless earphone that communicates with a digital-audio source, such as a smartphone, over an ad hoc wireless network like Bluetooth. In July 2020, Koss filed a patent infringement suit against Bose. That same day Koss filed suit against another party, Plantronics asserting infringement of the same three patents and others. Bose petitioned for *inter partes* review of all three patents before the PTAB. Ultimately the district court stayed the litigation against Bose pending completion of Bose's IPRs, including appeals. The PTAB found Koss's patent unpatentable in whole or in part. Koss appealed and Bose cross-appealed.

Meanwhile, Plantronics moved to dismiss Koss's patent infringement claims on the grounds that all claims in the three patents asserted against it and Bose were invalid under § 101 for claiming ineligible subject matter. The district court granted Plantronics motion, finding all claims invalid under § 101. Following the invalidation of all claims, the district court granted Koss leave to amend. Koss filed an amended complaint in which it re-asserted two of the patents, but limited its infringement allegations to certain claims that involved signal strength technology. Plantronics moved to dismiss, again alleging the asserted claims are invalid under § 101 for claiming ineligible subject matter. Prior to a decision on Plantronics second motion to dismiss, Koss voluntarily stipulated to dismiss the Plantronics

litigation with prejudice. When doing so, Koss did not ask the district court to vacate its earlier order finding all claims of the asserted patents invalid. The district court subsequently entered an order formally dismissing Koss's suit against Plantronics with prejudice. The deadline for Koss to appeal the district court's final passed on September 5, 2023 and Koss did not appeal.

On September 20, 2023, Bose moved to dismiss the appeals of the IPRs as moot arguing that the *Plantronics* court invalidated the asserted claims at issue in the appeal. The Federal Circuit granted the motion to dismiss finding that there was no case or controversy because the Koss patents were invalid. The Federal Circuit characterized the issue before it as one of issue preclusion under Ninth Circuit law. Specifically, whether the *Plantronics* invalidation of all claims is final, as Bose contends, or whether it was superseded by Koss's amended complaint, as Koss argues. The Federal Circuit explained that when a district court issues a final judgment, any interlocutory order merge with that final judgment, citing its *Hartley v. Mentor Corp.* decision. In *Hartley*, the Federal Circuit held that an interlocutory summary judgment of invalidity merged with the final stipulation of dismissal with prejudice. Because the patentee did not appeal the summary judgment order or sought to have it vacated, the Federal Circuit held that the dismissal order had preclusive effect in later litigation against a different defendant.

Koss attempted to distinguish *Hartley* by arguing that the district court's ineligibility ruling became a nullity by the filing of Koss's amended complaint. The Federal Circuit disagreed. Under Ninth Circuit law, claims in prior dismissed complaints need not be raised in amended complaints for them to be appealable. Koss's decision not to replead all dismissed claims did not alter its ability to appeal. Koss's right to appeal was altered by its decision to dismiss the case with prejudice thereby triggering issue preclusion following *Hartley.* Koss's patent claims are invalid thereby removing any case or controversy and rendering the appeals moot.

Wisconsin Alumni Research Foundation v. Apple Inc., 112 F.4th 1364 (Fed. Cir. 2024). WARF appealed two final judgments from two different district court litigations with the same patent, the same parties, and multiple generations of the accused product. In *WARF I*, the district court denied WARF's request to pursue an abandoned doctrine-of-equivalents theory and entered judgment in favor of Apple of noninfringement. In *WARF II*, the district court found that action barred by *WARF I.* WARF appealed.

In *WARF I*, WARF originally pursued both a literal and doctrine-of-equivalents theory of infringement. Shortly before trial, WARF agreed to drop its doctrine-of-equivalents theory in exchange for Apple's agreement not to offer an Apple patent application into evidence. The jury returned a verdict of literal infringement. The

Federal Circuit reversed in a 2018 decision. On remand, WARF requested a new trial on infringement under the doctrine of equivalents, which Apple opposed. The district court denied WARF's request concluding, (1) WARF abandoned its doctrine of equivalents theory, and (2) WARF's argument under the doctrine-of-equivalents is precluded by the plain and ordinary meaning of "particular" and would vitiate the limitation.

In *WARF II,* WARF sought to continue the case under a doctrine-of-equivalents theory of infringement. Apple opposed arguing issue preclusion and the *Kessler* doctrine precluded the theory. The district court agreed with Apple, finding the claims in *WARF II* were barred by the *WARF I* judgment. The district court found the case procedurally in the same posture as the Federal Circuit's *Nystrom* decision that barred a plaintiff from revisiting a doctrine of equivalents theory based on waiver of that doctrine in past litigation over materially similar, earlier generation products.

The Federal Circuit affirmed both judgments. The Federal Circuit agreed that WARF waived its doctrine-of-equivalents theory in *WARF I.* No change in claim construction excused WARF's failure to present its doctrine-of-equivalents theory to the jury. And WARF affirmatively abandoned the theory for strategic purposes unrelated to claim construction which constitutes waiver.

As to issue preclusion, the Federal Circuit considered whether the A7/A8 accused processors in *WARF I* and the A9/A10 processors in *WARF II* were "essentially the same." "Accused devices are essentially the same where the differences between them are merely colorable or unrelated to the limitations in the claim of the patent." The Federal Circuit found no clear error in the district court's determination that the products are "essentially the same." Next, the Federal Circuit considered whether the "issues" were identical. WARF argued that different issues were involved because literal infringement and infringement under the doctrine of equivalents have different tests. The Federal Circuit rejected the argument finding there is one statute (35 U.S.C. § 271) that governs infringement such that literal infringement and infringement under the doctrine of equivalents are the same issue for purposes of issue-preclusion purposes.

Finally, the Federal Circuit found *WARF II* barred by the *Kessler* doctrine. The *Kessler* doctrine is a patent-specific preclusion doctrine that "fills the gap between [claim and issue] preclusion doctrines ... allowing an adjudged non-infringer to avoid repeated harassment for continuing its business as usual post-final judgment." The Federal Circuit examined its precedential decisions applying the *Kessler* doctrine and explained that *Kessler* operates to grant a product a noninfringing status and that status applies to subsequent versions of the originally accused products if there are "no material differences." Because the A7/A8 and A9/A10 processors are "essentially the same," the *Kessler* doctrine applied.

ParkerVision, Inc. v. Qualcomm Inc., 116 F.4th 1345 (Fed. Cir. 2024). In 2011, ParkerVision filed a lawsuit against Qualcomm alleging infringement of patents relating to wireless communication technology (ParkerVision 1). In 2014, ParkerVision filed a second lawsuit on different but related patents (ParkerVision 2). In 2015, the Federal Circuit affirmed JMOL of non-infringement in ParkerVision 1. While the 2011 and 2014 actions were pending, Qualcomm filed several petitions for *inter partes* review and the district court stayed the litigation. As to one patent asserted in the 2014 action, the PTAB found the apparatus claims unpatentable but the method claims survived. The Federal Circuit affirmed the PTAB decisions in 2018.

The 2014 action resumed following the appeal and the district court granted summary judgment of non-infringement in ParkerVision 2 based on collateral estoppel arising from the non-infringement finding ParkerVision 1. The district court also granted Qualcomm's *Daubert* motion to exclude expert testimony on validity and infringement finding collateral estoppel arose from the Federal Circuit's affirmance of the PTAB's IPR decisions and the ParkerVision 1 noninfringement finding. ParkerVision appealed and the Federal Circuit vacated the judgment of non-infringement and reversed the exclusion of testimony and remanded for further proceedings.

The Federal Circuit began with ParkerVision's appeal of the district court's grant of summary judgment based on collateral estoppel. The Federal Circuit applied regional law to this issue, which was the law of the Eleventh Circuit. Under Eleventh Circuit law collateral estoppel is a four part test: (1) the issue at stake must be identical to the one involved in the prior litigation; (2) the issue must have been actually litigated in the prior suit; (3) the determination of the issue in the prior litigation must have been a critical and necessary part of the judgment in that action; and (4) the party against whom the earlier decision is asserted must have had a full and fair opportunity to litigate the issue in the earlier proceeding. The Federal Circuit applies its own law to issues unique or special application to patent law, including whether a particular claim in a patent case is the same as or separate from another claim.

On appeal, ParkerVision challenged the district court's decision that the 2011 and 2014 Actions had the same infringement issue. Evaluating this issue required a comparison of the scope of the claims in the 2011 and 2014 actions. Although the district court correctly identified this dispositive issue, the district court did not undertake claim construction. Instead, the district court relied on Qualcomm's expert reports that concluded the same infringement issue arose in both actions.

The Federal Circuit reversed finding multiple errors committed by the district court. First, the district court erred by failing to assess claim scope by conducting a proper claim construction. The district court erred by ignoring the intrinsic evidence and

turning to extrinsic evidence—expert reports. Second, the district court erred by treating Qualcomm's expert report as unrebutted because ParkerVision's expert indisputably opined that there were material differences in the scope of the claims in the 2011 and 2014 actions. Next, the Federal Circuit's 2015 decision presented the question of whether the claims in the 2011 action required a conversion of a high-frequency signal to a low-frequency baseband signal *at or after* a capacitor whereas the claims in the 2014 appeared to permit the down-conversion to occur *before* a capacitor. Thus, the Federal Circuit agreed with ParkerVision that a dispute as to the scope of the claims precluded summary judgment. The Federal Circuit found it was not well-positioned to undertake claim construction in the first instance because the parties did not provide it with claim construction briefing.

Next, the Federal Circuit addressed the district court's motion to exclude expert testimony relating to invalidity based on collateral estoppel stemming from the IPR proceeding. The Federal Circuit noted that it has "not previously addressed the question of whether a finding underlying an unpatentability decision in an IPR proceeding collaterally estops a patentee from making validity arguments regarding separate, related claims in district court litigation." The district court hold that it does not. One exception to the application of collateral estoppel is where the second action involved application of a different legal standard. In the IPR proceeding, Qualcomm's burden of proof was only a preponderance of the evidence. To prevail on its invalidity contentions in district court, Qualcomm must establish invalidity by clear and convincing evidence. Thus, collateral estoppel did not apply. The Federal Circuit distinguished its *XY* decision in which a patent claim found and affirmed as invalid cannot be asserted because in this case the asserted claims had not been found unpatentable.

As to the exclusion of expert testimony on infringement, the district court erred because Qualcomm's attacks on the testimony went to the correctness of the facts, which is reserved for the jury to resolve.

H. Preclusive Effect of Litigation on IPR Proceeding

Packet Intelligence LLC v. NetScout Sys., Inc., 100 F.4th 1378 (Fed. Cir. 2024). Packet sued NetScout for infringing three patents. Following a bench trial and jury verdict NetScout was found to literally infringe claims in all three patents, no asserted claim was unpatentable or invalid, and Packet was entitled to $3.5 MM in pre-suit damages, $2.25 MM in post-suit damages, $2.8 MM in enhanced damages and an on-going royalty of 1.55% for future infringement.

In a 2020 appeal (*Packet I*), the Federal Circuit reversed the award of pre-suit damages and vacated the enhancement of that award. The judgment in all other

aspects was affirmed. The Federal Circuit remanded for the district court to excise pre-suit damages and enhanced damages relating to pre-suit damages.

During the pendency of the remand, the PTAB issued final written decisions in IPR proceedings initiated by third parties, finding all claims asserted against NetScout were unpatentable as obvious. After the PTAB issued the final written decisions, NetScout filed motions to dismiss or stay the litigation until the conclusion of Packet's appeal of those decisions, which Packet opposed. The district court denied the motions and entered an amended final judgment that eliminated the pre-suit damages, reduced the enhanced damages by the same proportion, and dropped the on-going royalty rate to 1.355%. NetScout appealed, alleging the district court erred in granting enhanced damages for willful infringement and the in setting the rate and effective date for an on-going royalty.

In a parallel appeal, the Federal Circuit affirmed the PTAB's determination that all claims were unpatentable. In view of that decision, the Federal Circuit vacated the district court's amended final judgment and remanded with instructions to dismiss the case as moot.

The central issue on appeal was whether the Federal Circuit's decision in *Packet I* rendered the case sufficiently final such that it is immune to the Board's subsequent determination of unpatentability. The Federal Circuit concluded that the Packet's infringement judgment was not final before the Board's unpatentability determinations were affirmed.

The Federal Circuit began its analysis with a discussion of its *Fresenius II* decision. Fresenius brought a declaratory judgment action alleging two of Baxter's patents were invalid and not infringed. The litigation culminated in a jury verdict awarding Baxter over $14 MM in pre-verdict damages, post-verdict royalties, and a permanent injunction.

The parties appealed to the Federal Circuit. The Federal Circuit affirmed that the claims of the '434 patent were not invalid. The Federal Circuit (*Fresenius I*) reversed the district court's determination that the claims of the other two patents were not invalid and we vacated the district court's permanent injunction and royalty awards and remanded for reconsideration of these issues. The district court, on remand, entered final judgment on the original jury award and post-verdict damages at a reduced royalty rate.

While the litigation was pending, Fresenius requested an *ex parte* reexamination of the '434 patent. The PTO examiner found the reexamined claims unpatentable as obvious, a determination which the Board of Patent Appeals and Interferences and Federal Circuit affirmed.

In a second appeal, Fresenius challenged the award of damages and also argued that Baxter no longer had a cause of action in light of the cancellation of the asserted claims in the '434 patent and the fact that the infringement suit remained pending in court. In *Fresenius II*, the Federal Circuit rejected Baxter's view that the validity of the '434 patent and Fresenius's liability for infringement were conclusively established by entry of the district court's original judgment. The *Fresenius II* panel explained that "finality" concerned "with whether the judgment in this infringement case is sufficiently final so that it is immune to the effect of the final judgment in the PTO proceedings, as affirmed by this court." The court then held that in order for a judgment to be "sufficiently final to prevent the application of" an intervening unpatentability finding, "the litigation must be entirely concluded so that the cause of action against the infringer was merged into a final judgment [and is] one that ends the litigation on the merits and leaves nothing for the court to do but execute the judgment."

The *Packet II* panel then applied *Fresenius II*'s standard to the *Packet I* decision and determined it did not move the case to a stage that "leaves nothing for the court to do but execute the judgment." Even Packet's brief essentially conceded this point by stating: "left nothing for the district court to do *other than* to remove the pre-suit damages and any enhancement tied thereto." The remand from *Packet I* did not end the litigation on the merits. Instead, the district court was required to modify its original judgment on compensatory damages and determine the impact on enhanced damages. "[T]his is something more than 'nothing … but execute the judgment." The Federal Circuit bolstered its conclusion by citing the "voluminous briefing related to enhanced damages" and the fact that the remanded litigation lasted for more than 16 months.

Packet argued that the case was in a different procedural posture than *Fresenius II*. The Federal Circuit rejected the argument. After expressing skepticism of Packet's contention that the case was at a more advanced stage that other cases, the issue of finality is <u>not</u> one of degree. Instead, the Federal Circuit applies a bright line yes/no analysis: is there, post-mandate, anything left to do other than execute the judgment. If "yes," then the case as a whole is not "final" and is not immune to the impact of subsequent developments with respect to the validity of patents on which infringement and invalidity claims are based.

Packet raised one additional argument against the dismissal of its case, contending that even if its case was not "final" when it was proceeding on remand, it is sufficiently final now. That is because, in Packet's view, once the amended judgment was entered on May 4, 2022, there was then nothing for any court to do other than execute that judgment. The Federal Circuit found Packet's contention lacked merit because it failed to accept that this case remains pending as a result of NetScout's non-frivolous appeal of the district court's amended judgment

I. Exceptional Case

Dragon Intellectual Property LLC v. DISH Network L.L.C., 101 F.4th 1366 (Fed. Cir. 2024). DISH and Sirius XM appealed the district court's denial-in-part of its motion for attorneys' fees under 35 U.S.C. § 285. Dragon cross-appealed the grant-in-part of attorneys' fees. The Federal Circuit affirmed.

Dragon separately sued DISH, Sirius XM and eight others for patent infringement. DISH and Sirius XM sent letters to Dragon's counsel explaining their products were not covered by the asserted patent and that a reasonable pre-suit investigation would have shown the accused products could not infringe. Dragon continued to pursue its infringement claims.

In 2014, DISH filed an IPR petition which the PTAB instituted and Sirius joined. The district court stayed litigation but continued claim construction as to the eight other defendants. Based on the claim construction order, Dragon, DISH, Sirius XM and the other defendants stipulated to noninfringement and the district court entered judgement of noninfringement. Subsequently, the PTAB issued a final written decision holding unpatentable all asserted claims.

In 2016, DISH and Sirius XM moved for attorneys' fees under 35 U.S.C. § 285 and 28 U.S.C. § 1972. Before the issues were resolved, Dragon appealed the PTAB's decision and district court's judgment of noninfringement. In 2017, the Federal Circuit affirmed the PTAB's decision and dismissed the parallel appeal of the district court appeal as moot. On remand, Dragon moved to vacate the judgment of noninfringement and dismiss the case as moot. The district court vacated the noninfringement judgment but retained jurisdiction to resolve DISH and Sirius XM's fee motions.

In November 2018, the district court denied DISH and Sirius XM's fee motions, holding neither party was the prevailing party because invalidating patents in an IPR was not a basis for attorneys' fees. The Federal Circuit reversed, holding DISH and Sirius XM were prevailing parties under § 285.

Following remand, the district court found the cases exceptional and granted DISH and Sirius XM's fee motions in part to the extent they sought fees for the time spent litigating. The district court denied fees incurred solely during the IPR proceedings and from Dragon's counsel, holding § 285 does not permit either form of recovery.

The Federal Circuit first addressed Dragon's cross-appeal. The district court found the cases exceptional based on the substantive strength of Dragon's infringement position. Dragon's position was weak because the prosecution history included a clear disclaimer which precluded a finding of infringement by any of the accused products, public information demonstrated noninfringement, and Dragon continued to litigate after being put on notice of the objective baselessness of its infringement

allegations. On appeal, Dragon argued that the district court's reliance on its claim construction order in awarding fees exposes it to harm based on an unreviewable decision. The Federal Circuit disagreed and found the district court did not abuse its discretion. Dragon did not request vacatur of the claim construction order and the court considered whether the prosecution history disclaimed the functionality of the accused products when deciding the exceptionality inquiry.

The Federal Circuit then addressed whether the district court erred in denying attorneys' fees incurred during the IPR. The Federal Circuit held that § 285 does not entitle DISH and Sirius XM's to recover fees incurred in parallel IPR proceedings and does not entitle them to hold Dragon's counsel jointly and severally liable for fees. DISH and Sirius XM's argued that the IPR proceedings were "part and parcel" of the litigation. The Federal Circuit disagreed, finding DISH and Sirius XM voluntarily pursued parallel proceedings in front of the PTAB. Where a party voluntarily elects to argue invalidity before the PTAB, there is no basis for awarding IPR fees under § 285. The Federal Circuit distinguished its *PPG Industries* opinion in which the court found fees incurred by the defendant in a reissue proceeding were recoverable under § 285 because, in *PPG*, the patent owner initiated the reissue proceeding and the defendant's participation was not optional.

Finally, the Federal Circuit agreed that liability for attorney fees under § 285 does not extend to counsel. The silence in § 285 about who is liable for attorneys' fees supported the conclusion because other statutes, such as 28 U.S.C. § 1927, or rules, such as Fed. R. Civ. P. 11, expressly allows the court to impose monetary sanctions on attorneys and law firms.

J. Other Litigation Procedure Cases

Astellas Pharma, Inv. v. Sandoz, Inc., 117 F.4th 1371 (Fed. Cir. 2024). Astellas sued Sandoz and others for patent infringement after Sandoz submitted an ANDA request to market and sell generic version of Myrpetriq—an extended release mirabegron tablet for the treatment of overactive bladders. Before trial, the parties filed a joint proposed pre-trial order in which Sandoz agreed to limit its invalidity defenses to written description, enablement, and indefiniteness.

During the five-day bench trial, there was no discussion or argument from the parties as to patent eligibility of the claims, nor did the parties raise the issue in post-trial briefing. Nevertheless, the district court issued a final decision holding the asserted claims were invalid as directed to patent-ineligible subject matter. The district court relied on Astella's statement that "inventive concept of the '780 Patent was discovering the dissolution rate that would address the food effect and achieving it using previously known formulation technology," which the district

court determined was a concession that the asserted claimed a natural law applied via routine, conventional, well-known methods.

Following entry of judgment, Sandoz moved for the district court to make additional findings of fact and conclusion of law on the infringement and § 112 invalidity issues presented at trial. The district court declined to do so. Astellas appealed and the Federal Circuit vacated the judgment and remanded.

The Federal Circuit began its opinion by explaining that in the United States adversary system follows the principle of party presentation, that is, the system relies on parties to frame the issues for decision and the courts role is to be the neutral arbiter of matters the parties present. The district court abused its discretion by disregarding the principle of party presentation by rendering a decision on a ground not raised by the parties.

The Federal Circuit noted that a cornerstone of patent law is § 282's presumption that a patent is valid and requires the party asserting invalidity to establish it by clear and convincing evidence. The court's role is to simply to determine whether the patent's challenger carried the burden of establishing invalidity. The district court misapprehended its role in adjudicating the issue of § 101 patentability which neither party raised.

The district court also erred by believing § 101 as a threshold issue it had a duty to address, because the presumption of validity applies to all grounds of validity, not just §§ 102, 103 and 112.

The Federal Circuit vacated the judgment and remand for adjudication of the issues properly raised and adequately supported by the record, which is limited to infringement and validity under § 112.

K. Motion to Dismiss – Failure to State a Claim

AlexSam, Inc. v. Aetna, Inc., 119 F.4th 27 (Fed. Cir. 2024). AlexSam filed suit against Aetna in 2019 alleging that Aetna's VISA and Mastercard products directly and indirectly infringed one patent that expired in 2017. The patent was directed to a multifunctional debit/credit card and a processing center which can manage a multifunctional card. AlexSam and MasterCard International entered into a license agreement in May 2005 which granted MasterCard a license under the asserted patent to process and enable others to process Licensed Transactions. A "Licensed Transaction" was defined in the Agreement as "each process of activating or adding value to an account or subaccount which is associated with a transaction that utilizes MasterCard's network or brands wherein data is transmitted between a POI Device [i.e., "Point-of-Interaction Device," which includes a POS terminal] and MasterCard's financial network or reversing such process, provided that such

process is covered by one of the Licensed Patents." Aetna moved to dismiss for failure to state a claim, arguing that the alleged infringement was licensed under the MasterCard license agreement. The district court granted the motion to dismiss for failure to state a claim. AlexSam appealed and the Federal Circuit vacated the dismissal of the infringement claims.

The Federal Circuit began with AlexSam's claims of infringement relating to the Mastercard products. The district court found the accused Mastercard products came within the scope of the license and Aetna was a sublicensee. The Federal Circuit disagreed finding the district court erred by resolving the Mastercard licensing issues on the limited information provided in the complaint and its attachments. First, the Federal Circuit concluded that the license granted by the License Agreement extends only to transactions involving activation of, or adding value to, an account. The patent claims asserted by AlexSam were not limited to transactions involving activation or adding value. Thus, not every act that infringes will necessarily be licensed, meaning that transactions involving Aetna's Mastercard products are both *within* and *outside* the scope of the license. Thus, the district court erred by finding that a license covered all of the alleged infringement. The Federal Circuit vacated and instructed the district court to determine whether it needs to address other issues it did not address, such as whether the license agreement terminated before the patent expiration and the impact of an amendment to the license agreement.

As to the Visa products, the Federal Circuit also found that the district court erred in dismissing all of AlexSam's direct and indirect infringement claims based on the Visa products. The Federal Circuit reiterated the framework for a sufficient pleading of patent infringement. The court stated it had not yet explicitly set out the standard of review applicable to a district court's categorization of a complaint's allegations as well-plead and factual (and accorded a presumption of truth or a legal conclusion) or conclusory (and not credited at the motion to dismiss stage). The Federal Circuit held that its review of district court determinations on these matters is de novo.

Turning to the merits, the Federal Circuit found the district court erred by concluding that AlexSam failed to allege a plausible claim of direct infringement by Aetna's making and using the Visa products. The Federal Circuit stated that a plaintiff is "not required to plead infringement on an element-by-element basis" and that a complaint need only place the accused infringer on notice of what activity is being accused of infringement. AlexSam's complaint met these requirements, "particularly given the simplicity of the technology involved." The complaint included allegations regarding how the Visa card is multifunctional and how Aetna provides and/or uses a transaction processor to receive card data and bank information from a POS. The Federal Circuit disagreed with the district court that many of the allegations were conclusory. To the contrary, the complaint included a

detailed infringement theory and claim charts which provided fair notice of the allegations against which Aetna must defend itself. Aetna's operational role relative to banks and retailers was a contested issue of fact that the district court could not resolve on a motion to dismiss.

The Federal Circuit also found Aetna sufficiently plead indirect infringement. AlexSam was not required to identify a specific customer induced to infringe. Rather, its reference brochures and promotional material was sufficient to support a plausible inference that at least on directly infringing customer existed. As to "intent," AlexSam's allegations that Aetna provided support for the Visa products and product instructions on how to use the card, were adequately plead.

UTTO Inc. v. Metrotech Corp., 119 F.4th 984 (Fed. Cir. 2024). UTTO sued competitor for infringing a patent for detecting and identifying underground utility lines, pipes, and cables and for tortious interference with prospective economic advantage under California law.

The patent in suit described variations on a process for detecting and identifying "buried assets" (i.e., underground utility lines), such as lines for telephones, electricity, natural gas, Internet, or wastewater pipes. The core of the process involves using both (a) a geographical location provider (e.g., a global positioning system (GPS)) to pinpoint a person's location and (b) previously stored buried asset data to locate, and generate a buffer zone around, a buried asset. Armed with this information, a field technician with a locator device is informed whether the technician is inside or outside the buffer zone for a particular asset. The claims recited claim language requiring a "group of buried asset data points" In denying UTTO motion for a preliminary injunction, the district court construed the "group of buried asset data points" to require "two or more" buried asset data points for each buried asset, adopting that construction as reflecting the "ordinary and customary meaning."

After denying the motion for preliminary injunction, the district court granted Metrotech's motion to dismiss the complaint, while granting UTTO leave to amend. UTTO amended its complaint and the district court dismissed it while granting UTTO leave to amend again. The district court then dismissed the third amended complaint with prejudice. The district followed its claim construction from the denial of a preliminary injunction and held that the "buffer zone" is generated only using "multiple buried asset data points" and that "walk back" features in the accused product used only one data point at a time.

UTTO appealed, arguing the district court erred in construing the claims as requiring at least two data points per buried asset. UTTO argued that a district court may never engage in claim construction in deciding a motion to dismiss. The

Federal Circuit rejected UTTO's proposed categorical rule. The Federal Circuit explained that the first step of determining infringement is construing the claims which, if based solely on intrinsic evidence, is no different than the interpretation of other legal standard which is "proper and routine" in deciding Rule 12(b)(6) motions. Furthermore, the Federal Circuit's precedent regarding motions to dismiss in the context of a § 101 patent eligibility challenge approves of granting a motion to dismiss requires the court to interpret the claims. The Federal Circuit reiterated that its prior precedent "make clear that there is no procedural error in the mere fact that a court has construed claims without conducting a separate Markman claim-construction set of proceedings, much less without hearing extrinsic evidence or expert testimony." The Federal Circuit explained that district courts have a wide-latitude in how they conduct claim construction proceedings.

The Federal Circuit then concluded that fuller claim construction proceedings and analysis were needed than were provided in and by the district court. The issue in dispute is whether "a group of buried asset data points corresponding to a particular buried asset" must consist of at least two data points. The district court's determination that the limitation did require at least two data points were not adequately supported. The Federal Circuit found several issues relevant to a proper claim construction that would significantly benefit from fuller exploration by the parties and the district court. UTTO raised a question as to whether a skilled artisan would read the claim limitation in light of a recognized meaning of group in mathematics to mean ore or more, not two or more. The use of group and plural terms had the character of plurals, but that is only presumptive. The analysis of the proper meaning must go beyond a conclusion about the "ordinary and customary meaning" of the words. Without deciding the issue, the Federal Circuit noted the specification appeared to support UTTO's construction that "buried asset data points" may include one or more data points. Finally, the use of extrinsic evidence may be helpful in this case. The Federal Circuit vacated the district court's dismissal of UTTO's infringement claim and remanded for further claim-construction proceedings without deciding whether the district court's claim construction was correct.

VIII. CLAIM CONSTRUCTION

A. Specification Limiting to "Present Invention" or a non-limiting Preferred Embodiment?

Chewy Inc. v. International Business Machines, Corp., 94 F.4th 1354 (Fed. Cir. 2024). Chewy filed a declaratory judgment action against IBM relating to improvements for web-based technologies, including web-based advertising. IBM counterclaimed for infringement of five patents. The district court granted summary

judgment of noninfringement for five claims of the ’849 patent and granted summary judgment that four claims in the ’443 patent claimed ineligible subject matter under 35 U.S.C. § 101. IBM appealed. The Federal Circuit affirmed in part, reversed in part and remanded for further proceedings.

As to the district court’s noninfringement judgment to four claims, IBM argued that (1) the district court improperly construed a “selectively storing advertising objects” limitation, and (2) genuine disputes of material fact precluded summary judgment even under the district court’s construction.

The district court construed “selectively storing advertising objects” as requiring “pre-fetching” advertising objects. IBM argued that the proper construction does not require pre-fetching. The Federal Circuit agreed with the district court’s claim construction. The Federal Circuit turned to the specification and concluded that it consistently described the invention as including pre-fetching of advertising objects. The “Summary of the Invention” referred to the “present invention” as “storing and managing the advertising so that it can be pre-fetched from the network.” Other portions of the written description also associated the “present invention” with pre-fetched advertisements. The Federal Circuit distinguished cases cited by IBM that held the use of “present invention” is not always limiting because the ’849 patent “uniformly refers to the pre-fetching of advertising objects as an aspect of the invention as a whole.” The prosecution history also supported the district court’s construction because an appeal brief filed during prosecution stated in a section titled “Summary of the Claim Subject Matter” that the “selectively stor[ed] advertising objects” are “separately pre-fetched … and cached at the reception system in anticipation of being called for presentation.” Thus, the Federal Circuit affirmed the district court’s claim construction.

The Federal Circuit also affirmed the finding of noninfringement because it was undisputed that Chewy’s website retrieves advertisements in response to a user requesting a page.

As to claim 12 in the ’849 patent, the district court granted summary judgment of noninfringement because it determined no reasonable factfinder could find Chewy's website or mobile applications “establish[ ] characterizations for respective users based on the compiled data.” The district court construed this limitation to require delivering advertisements to a user based on user-specific targeting criteria. The parties did not dispute the claim construction on appeal. IBM argued that genuine disputes of fact precluded summary judgment and the Federal Circuit agreed. IBM cited Chewy’s privacy policy which informed users that Chewy uses “what ads *you* see, what ads *you* interact with, and other actions *you* take” to “provide *you*” with “*personalized or targeted ads* … based on information from such activities such as *browsing or purchasing*.” (emphasis in opinion).

The Federal Circuit found that the district court failed to draw all reasonable inferences in IBM's favor when considering the policy and under the proper lens, the privacy policy creates a genuine issue of fact whether Chewy meets the "establish[ ] characterizations for respective users" limitation.

Promptu Sys. Corp. v. Comcast Corp., 92 F.4th 1372 (Fed. Cir. 2024). Promptu filed a complaint against Comcast alleging infringement of three patents directed to remote voice recognition systems. After the district court adopted claim constructions that largely followed Comcast's proposals, the parties stipulated to final judgment of no infringement of all three patents. Promptu appealed challenging several of the district court's claim constructions.

The Federal Circuit concluded that the district court erred in construing "back channel" as limited to a "*fixed band of frequencies or time slot(s)* for transmitting signals to a speech processing system or engine." Nothing in the claim language suggested limiting "back channel" to a fixed band of frequencies or time slots. Nor does the '196 patent's specification require the particular path-definition technique demanded by the district court's claim construction. Indeed, the specification describes embodiments that involve signal transmission along the back channel on dynamically assigned and managed (i.e. not fixed) bands or time slots. Thus, the use of a fixed frequency band or time slot was exemplary and not required, and thus, did not narrow the claim term.

The Federal Circuit also rejected the district court's construction of "multiplicity of received identified speech channels" phrase as requiring "a single band of frequencies or a designated time slot" or each identified speech channel. The district court's construction depends on the underlying construction of "back channel" which was rejected. There court found no stronger reason to limit an identified speech channel to a single frequency band or designated time slot than to limit the "back channel" as the rejected claim construction of that phrase does.

The Federal Circuit also reversed the district court's construction of "speech recognition system coupled to a wireline node" because it incorrectly construed "speech recognition system," "coupled to," and "wireline node." The district court improperly presupposed that speech recognition is the exclusive function of the system. The district court incorrectly read a proximity requirement (in or near) into the claim term, citing precedent where "coupled to" simply means "connected to." Lastly, the district court erred by adopting the specification's definition of "*centralized* wireline node" when the "*centralized*" modifier was absent in the claims.

The Federal Circuit also reversed the district court's construction of "centralized processing station." The district court construed the limitation to mean "device at a

cable-TV network head-end unit that receives and performs voice recognition on voice commands, and generates and returns instructions to set-top boxes to carry out the commands." The Federal Circuit found the district court erred by requiring the "device" to be located "at a cable-TV head-end unit. The Federal Circuit found the use of "for example" indicated that the colocation of the central processing station and a cable television head-end was merely exemplary and not a requirement of the invention. Requiring colocation would impermissible read embodiment features into the claims.

The Federal Circuit vacated the entry of judgment and remanded for further proceedings.

B. Printed Matter Doctrine

IOENGINE, LLC v. Ingenico Inc., 100 F.4th 1395 (Fed. Cir. 2024). IOENGINE appealed a series of Final Written Decisions finding unpatentable certain claims in three patents. As to six claims across two patents, the Federal Circuit reversed, finding the PTAB erred in its application of the printed matter doctrine.

IOENGINE argued that the Board incorrectly applied the printed matter doctrine to accord no patentable weight to certain claim limitations that recite "encrypted communications" and "program code." The Federal Circuit has long recognized that certain "printed matter" falls outside the scope of patentable subject matter under U.S. patent law. The "printed matter" has expanded to include any information claimed for its communicative content, regardless of medium.

The Federal Circuit applies a two-step test to determine whether a limitation should be accorded patentable weight under the printed matter doctrine. First, the court determines whether the limitation is directed to printed matter, that is, the limitation claims the content of information. The second step asks whether the printed matter nevertheless should be given patentable weight because the informational content has a functional or structural relation to the substrate.

The Federal Circuit disagreed with the Board that "encrypted communications" constitute printed matter. The court explained that printed matter encompasses what is communicated—the content or information being communicated—rather than the act of a communication itself. The "encrypted communications" in this case were not being claimed for any content that they are communicating. The fact that there is a communication itself is not content.

The Federal Circuit also disagreed with the Board that "program code" is printed matter. The claim was altogether silent as to the contents of the claimed "program code." That the code is being downloaded did not change the analysis. Because

there is no particular content being claimed, the "program code" is not printed matter.

Because Ingenico conceded at oral argument that it did not submit alternative grounds for invalidity other than the printed matter doctrine with respect to the "program code" and "encrypted communications" claims, a remand was not needed and the Federal Circuit reversed.

C. Other Claim Construction Cases

Pacific Biosciences of Cal., Inc. v. Personal Genomics Taiwan, Inc., 89 F.4th 1377 (Fed. Cir. 2024). PacBio filed two IPR petitions relating to a patent that claimed an "apparatus for identifying a single biomolecule," as well as methods of using or making that apparatus.

The Board entered two final written decisions finding some claims unpatentable whereas other survived. Both parties appealed. PacBio primarily challenged the Board's construction of the claim phrase "identifying a single biomolecule," while also challenging the Board's finding that the prior art PacBio relied on in the first IPR did not teach this limitation under the Board's construction. PGI challenged the Board's finding that the prior art taught the disputed claim limitation in the second IPR.

The claim-construction dispute on appeal involved the Board's understanding that the phrase "identifying a single biomolecule," in the context of the "[s]pecification of the '441 patent," "contemplates running myriad optical detection apparatuses in parallel to detect a single or individual biomolecule in each such apparatus." The Board's construction required that the apparatus have the capability to characterize (determine the identity of) a biomolecule by examining that biomolecule alone, with no copies created to form an ensemble for examination. In adopting that construction, the Board rejected PacBio's argument that an apparatus would come within this claim phrase if the apparatus, though not capable of characterizing a biomolecule by examining it alone, had the capability to characterize a biomolecule by making copies, examining the resulting ensemble, and inferring the identity of the starter biomolecule.

The Federal Circuit affirmed the Board's claim construction as requiring an apparatus capable of ascertaining the identity of one single biomolecule by examining only that biomolecule. The Federal Circuit agreed that the identifying-by-examining-one-alone meaning is the ordinary meaning of the phrase in context. The striking feature of the phrase is its inclusion of the word "single." The only reason for the inclusion of the word "single" in the phrase is to indicate that the capability required is to identify a molecule with just that one molecule in view.

The specification confirmed this understanding by emphasizing that the "single biomolecule" capability is critical to the invention and illustrated examination of one individual biomolecule, not an ensemble or cluster consisting of multiple biomolecules. The specification also differentiated identifying a single biomolecule from detecting a population-level signal from an ensemble or cluster of amplified or copied biomolecules.

The Federal Circuit found the Board's factual findings regarding the prior art were supported by substantial evidence. As to the Hassibi reference, it described a sensitivity of detection as low as 0.1 attomoles, which is a minimum detection of 60,000 molecules. This evidence, which was not rebutted, provided substantial evidence that Hassibi does not have the capacity to identify a single biomolecule.

As to the Choumane reference, it disclosed that the invention can include "very small openings ... of a dimension less than the wavelength of light emitted by chromophores," where "[t]hese openings delimit very small observation volumes ... for the detection and observation of individual chromophores." The Board understood this disclosed the capacity to identify one individual biomolecule, given that a single chromophore is often used to tag a single biomolecule. PGI challenged the Board's finding based on a calculation and Choumane's lack of disclosure of detection sensitivity of less than 78 biomolecules. The Federal Circuit affirmed, finding the Board had sufficient reason to reject PGI's argument based on the quoted statement in Choumane.

Google LLC v. EcoFactor, Inc., 92 F.4th 1049 (Fed. Cir. 2024). Google appealed from a final written decision of the PTAB finding the challenged claims in a patent assigned to EcoFactor not unpatentable. The patent relates to climate control systems, such as heating and cooling systems. In its decision, the PTAB stated that claim construction was unnecessary and that the plain language of the claims required five separate and distinct components and each required different input data. The PTAB concluded that claim Google obviousness challenge failed because the prior art relied on by Google did not use five distinct inputs, but rather double counted an input to satisfy two different components. Google appealed, arguing that PTAB engaged in claim construction and its implicit construction is wrong.

The Federal Circuit evaluated the tribunal's analysis to determine whether the PTAB construed a claim, explaining that "[i]f the outcome of the analysis of the claim term establishes the scope (e.g., boundaries) and meaning of the patented subject matter, the court (or the Board) has mostly likely construed the claim." The court determined the PTAB construed the challenged claim. The court first found that the PTAB's statement that it was not engaging in claim construction was not dispositive. The Federal Circuit concluded that the Board's determination "that no

input can be based in part on another input and that each input must be distinct, is to establish a limit to the scope of the [1m] claim limitation."

Next, the Federal Circuit held that the PTAB's claim construction was erroneous. The court found the claim language supported a broader reading of the disputed limitation which must allow for any of the five claimed inputs to potentially be used to calculate another claimed input. The claims indicated that the output is determined "based in part on" each input with no constraint on the manner in which inputs are used. The specification similarly did not contain restrictive language that required five distinct and separate inputs. Accordingly, the Federal Circuit reversed the Board's claim construction and vacated the final written decision.

IX. INFRINGEMENT AND DAMAGES

A. Capable of Infringing

Provisur Technologies Inc. v. Weber, Inc., 92 F.4th 1049 (Fed. Cir. 2024). Provisur sued Weber for infringing three patents related to high-speed mechanical slicers used in food-processing plants to slice and package food articles, such as meats and cheeses. A jury found Weber willfully infringed all three patents and awarded over $10M in damages. Following the verdict, Weber moved for JMOL on the issues of infringement and willfulness and new trial on the issues of infringement, willfulness, and damages, but the district court denied both motions. Weber appealed. As to two of the patents, an intervening decision of the Federal Circuit rendered Weber's noninfringement arguments unavailable.

Weber argued that the district court erred in denying JMOL of noninfringement of the third patent because Provisur failed to prove Weber's accused SmartLoader system satisfied a "advance-to-fill" limitation. The "advance-to-fill" limitation required a shuttle conveyor starting in the retracted position and filling packaging pockets with sliced food products as the conveyor extends to its fully extended position. The record indisputably shows Weber's SmartLoader is sold to customers as a retract-to-fill conveyor. That means the conveyor starts fully extended and fills packaging pockets with sliced food products until the conveyor is fully retracted. Provisur's infringement theory relied on establishing Weber's SmartLoader system could be reprogrammed to operate as an advance-to-fill conveyor, that is, that is capable of infringement.

The Federal Circuit found Provisur did not meet its burden of proving infringement. An accused device may be found to infringe if it is reasonably capable of satisfying the claim limitations. A product that is "readily configurable to infringe" meets the capability standard. Provisur's expert testified that the SmartLoader could be configured as an advance-to-fill conveyor by manipulating a human machine

interface (HMI) and adjusting certain parameters. But Provisur proffered no evidence that Weber's customers could readily activate the alleged advance-to-fill functionality. Provisur's expert had access to screens that Weber's customers did not and the expert had to ask Weber technicians for permission to access certain HMI screens. The HMI screens required to adjust the parameters were available only to Weber's service technicians, and not to Weber's customers. Provisur's expert also did not testify that he was able to configure the SmartLoader system to advance-to-fill, he merely testified that he could have. There was no evidence Weber's SmartLoader was ever configured to advance-to-fill. Therefore, his testimony was insufficient to establish infringement and the Federal Circuit reversed the district court's denial of JMOL of noninfringement.

B. Inducing Infringement

Amarin Phrama, Inc. v. Hikma Pharms., USA Inc., 104 F.4th 1370 (Fed. Cir. 2024). Amarin markets and sells icosapent ethyl under the brand name Vascepa. In 2012, the FDA approved Vascepa for the treatment of severe hypertriglyceridemia (the "SH Indication"). As part of the labeling of Vascepa, Amarin include an express limitation of use disclosing that its effects on cardiovascular mortality and morbidity has not been determined. In 2019, following the success of Amarin's additional research and clinical trials, the FDA approved Vascepa for a second use as a treatment to reduce cardiovascular risk in patients with blood triglycerides of at least 150 mg/dL (the "CV indication").

In 2016, when Vascepa was approved only for the SH indication, Hikma filed an ANDA for approval of its generic icosapent ethyl product. That ANDA remained pending in 2019 when the FDA approved Vascepa for the CV indication. Hikma submitted a statement to the FDA stating it sought FDA approval only for uses not covered by the newly listed CV indications, i.e. a "skinny label" for its generic product that would include only the SH indication.

The FDA approved Hikma's ANDA and proposed skinny label in 2020. Hikma's approved label refers only to the SH indication in the "Indications and Usage" section. It further identifies potential side effects, stating that people with cardiovascular disease or diabetes with a risk factor for cardiovascular disease may experience "[h]eart rhythm problems (atrial fibrillation and atrial flutter)."

Throughout 2020, Hikma issued a series of press release regarding its efforts to provide a generic icosapent ethyl product and district court litigation between it and Amarin regarding the SH indication. The press releases referred to Hikma's product as the generic version of Vascepa. Certain press releases referred to annual sales of Vascepa, which included all uses, with the CV indication making up more than 75% of Vascepa's sales. Hikma's final press release upon the official launch of its

generic product stated "Hikma's product is indicated for the SH indication and not approved for any other indication for the reference listed drug Vascepa."

Less than a month after Hikma launched its generic icosapent ethyl product, Amarin sued Hikma for inducing infringement. According to Amarin, the content of Hikma's press releases, website, and product label evidence the specific intent to actively encourage physicians to directly infringe the asserted patents by prescribing its generic icosapent ethyl product for the off-label CV indication. Hikma moved to dismiss, arguing Amarin failed to allege facts that Hikma had taken active steps to specifically encourage infringement. The district court found Amarin's complaint failed to state a plausible claim. As to Hikma's label, the district court concluded that warning as to side effects for patients with cardiovascular disease was "hardly instruction or encouragement" to prescribe the drug for the CV indication. As to public statements in press releases and on its website, the district court found those did not plausibly evidence an inducing act. Amarin appealed.

The Federal Circuit reversed. To state a claim for induced infringement, a patent owner must plausibly allege facts establishing that there has been direct infringement by a third party and that the alleged infringer affirmatively induced that infringement with knowledge that the induced acts constituted patent infringement. The Federal Circuit focused on the question of whether Amarin's complaint plausibly pleads that Hikma "actively" induced healthcare provider's direct infringement. Accepting all well-pleaded facts as true, the Federal Circuit found Amarin's complaint plausibly plead "active" inducement. A generic manufacturer can be liable for inducing infringement of a patented method even if it has attempted to "carve out" the patented indications from its label under 21 U.S.C. § 355(j)(2)(A)(viii), where, as here, other evidence is asserted with regard to inducement. The Federal Circuit cited allegations that Hikma removed the CV Limitation of Use on its label combined with portions of the label that describe patients with cardiovascular history and lipid levels covered by the asserted patents. Those facts *in combination* with Hikma's public statements referring to Hikma's product as the generic equivalent to Vascepa or generic and that Vascepa was indicated "in part" for the SH indication implied that Vascepa was indicated for more than one use plausibly stated a claim for induced infringement.

The Federal Circuit rejected Hikma's arguments that finding the allegations plead a claim for inducing infringement was contrary to precedent. The Federal Circuit distinguished its prior *HZNP* decision because it was a label-only case whereas the present case involved additional allegations of marketplace communications. It distinguished its *GSK* case because it was decided on a post-trial motion as a matter of law and the label itself taught an infringing use.

The appellate court concluded the opinion by acknowledged the difficult balance of "skinny-labels" and inducing infringement claims: "We continue to acknowledge, as we did in *GSK*, that there is a 'careful balance struck by the Hatch-Waxman Act regarding section viii carve-outs.' That balance benefits both brand manufacturers and generic manufacturers alike. What we can also say is that clarity and consistency in a generic manufacturer's communications regarding a drug marketed under a skinny label may be essential in avoiding liability for induced infringement."

C. Doctrine of Equivalents

NexStep, Inc. v. Comcast Cable Communications, LLC, 119 F.4th 1355 (Fed. Cir. 2024). NexStep filed suit in the asserting infringement of nine patents, two of which were subject to the appeal. Following claim construction proceedings, the district court granted summary judgment of non-infringement of the '802 patent, adopting Comcast's view that VoIP was a term of art with a meaning that excluded NexStep's only infringement theory. A jury trial proceeded on the second patent—the '009 patent—which the jury found infringed under the doctrine of equivalents, but not literally infringed. Following post-trial motions under Federal Rule of Civil Procedure 50(b), the district court set aside the jury verdict and granted judgment of noninfringement as a matter of law, finding the evidentiary record inadequate to support infringement under the doctrine of equivalents. NexStep appealed both decisions and the Federal Circuit affirmed.

The '802 Patent was directed to a "digital buffer" that controls consumer electronics based on audio data. The claims recited two primary components, a handheld device capable of receiving audio input and a separate "master device" for processing the audio input. The claims included a limitation reciting: "the remote control depends on the master device to *transcode input from the slaved audio input to VoIP from the remote control device format."* The district court construed VoIP in light of the parties' agreement that VoIP is a well-established term of art within the relevant industry. Specifically, the parties "agreed that [VoIP] is an industry standard term, and the patentee did not deviate from the plain and ordinary meaning of the term as understood by a person of ordinary skill in the art." The district court turned to extrinsic evidence and construed "VoIP" as "protocols and data formats for transmitting voice conversations over a packet-switched network, such as the Internet." The district court's summary judgment decision adopted Comcast's argument that "voice conversations" required capability for two-way voice communications and the accused products used a protocol capable only of one-way audio transmission.

NexStep failed to show that the district court clearly erred by construing VoIP to require capability for two-way voice communications. The district court's

construction was supported by two technical dictionaries which likened VoIP to other forms of telephony which are two-way voice communication systems. The district court did not error by considering and rejecting a third dictionary referring to "voice emails" that could be a one-way transmission because the "voice email" was a supplemental service in addition to two-way transmissions. Nor did the district court err by rejecting testimony from NexStep's expert because underlying evidence contradicted the opinion testimony. NexStep also forfeited any argument that the '802 patent redefined VoIP by failing to raise that argument in the district court; nevertheless, the Federal Circuit noted that NexStep's contentions about the intrinsic evidence were "plainly incorrect."

The second principal issue on appeal related to the district court's disposition of the '009 patent. The Federal Circuit found the district court correctly granted Comcast's motion for judgment as a matter of law of non-infringement under the doctrine of equivalents. The '009 patent is directed to a "concierge device" that offers a streamlined approach for initiating technical customer support. The parties agreed that the point of novelty for the claimed invention is initiating a customer service support session through just a "single action," saving the user time and the hassle of all the steps inherent in calling a support center and having to provide the model, serial number, or other information to identify what products are malfunctioning. According to claim 1, when a troubleshooting issue arises, *all* the claimed steps must occur "responsive to a *single* action performed by a user."

NexStep asserted that three tools in Comcast's smartphone application infringed. Initiating each of the three tools requires a user to press a series of buttons on the smartphone's display. NexStep's infringement theory asserted that each series of steps, when taken together, can be appropriately described as a single action. The district court granted Comcast's motion for judgment as a matter of law on infringement under the doctrine of equivalents finding NexStep failed to offer particularized testimony and linking argument required by Federal Circuit precedent for a doctrine of equivalents case.

NexStep pointed to testimony from its expert witness applying the function-way-result test in an attempt to show that the "single action" limitation is met equivalently. But the testimony failed to meet its burden of proof. First, the expert did not identify a particular element or elements in each accused application as being equivalent to a "single action." The expert's passing reference to "several button presses" did not guide the jury to focus on what theory or what button presses are allegedly equivalent. "If a jury is not told what components are equivalent, it necessarily cannot find those components to be equivalent to a claim limitation." The expert's testimony also failed to provide a "meaningful explanation of *why*" the element(s) from the accused product are equivalent to the claimed limitations for each part of the function-way-result test. In the end, the Federal Circuit found the expert's generalized testimony about the overall similarity of the claimed and

accused processes to be similar to expert testimony found deficient in its 1996 *Texas Instruments* decision.

NexStep also argued its evidence was sufficient for the jury to find infringement under the "insubstantial differences" formulation of equivalents. The Federal Circuit disagreed. NexStep did not present an independent "insubstantial differences" theory at trial. Under an "insubstantial differences" formulation, "a patentee must still provide particularized testimony and linking argument as to the 'insubstantiality of the differences' between the claimed invention and the accused device or process" to show infringement under the doctrine of equivalents." The expert's testimony cited by NexStep lacked particularized identification of the specific elements in the accused product that are allegedly equivalent.

NexStep also argued that the Federal Circuit should adopt a novel exception to the requirement of particularized testimony and linking argument for "easily understandable" technologies. The Federal Circuit rejected the argument because it was contrary to Federal Circuit precedent and the policies underlying the requirement for particularized testimony and linking arguments. Regardless of the technology at issue, the Federal Circuit has required particularized testimony and linking argument to ensure that the jury does not misapply the doctrine and thereby stray beyond the doctrine's "properly limited" role.

Justice Reyna concurred-in-part and dissented-in-part as to the majority's opinion that affirmed the district court's grant of judgment as a matter of law of non-infringement for the '009 patent. He believed the majority committed two errors in overriding the jury's infringement findings on the "non-technical non-complex factual issue" of whether the process of a several button presses is equivalent to a "single action," a single button press. First, the majority viewed the evidence of infringement under the doctrine of equivalents in a vacuum and ignored the expert testimony on literal infringement and the context in which the jury heard the testimony on function-way-result. For example, when testifying about literal infringement, the expert referred to "several button presses" which the jury could reasonably conclude that the expert was referring to those same presses as the specific elements for the doctrine of equivalents theory. Judge Reyna also believed that the majority "concocts a rigid new rule that in all cases a patentee must present expert opinion testimony to prove infringement under the doctrine of equivalents." Judge Reyna wrote that expert testimony is needed in complex cases, but it is not needed, as in this case, where the "specific doctrine of equivalents issues is so simple." The majority disagreed with this belief.

Judge Reyna concluded: "Because I believe the majority invades the province of the jury by overturning a reasonable verdict that is supported by substantial evidence in this case and by imposing an unnecessary new rule in all future doctrine of equivalents cases to come, I respectfully dissent in part."

D. Willful Infringement and Entire Market Value Rule

Provisur Technologies Inc. v. Weber, Inc., 119 F.4th 948 (Fed. Cir. 2024). Provisur sued Weber for infringing three patents related to high-speed mechanical slicers used in food-processing plants to slice and package food articles, such as meats and cheeses. A jury found Weber willfully infringed all three patents and awarded over $10M in damages. Following the verdict, Weber moved for JMOL on the issues of infringement and willfulness and new trial on the issues of infringement, willfulness, and damages, but the district court denied both motions. Weber appealed.

On the issue of willful infringement, Weber argued that the district court erred in admitting testimony in violation of 35 U.S.C. § 298, and the remaining evidence was insufficient to establish willful infringement. Section 298 prohibits patentees from using the accused failure to obtain the advice of counsel as an element of proving that the accused infringer willfully infringed. Prior to trial, the district court granted Weber's motion to exclude expert testimony on Weber's alleged failure to obtain advice of counsel. At trial, Provisur's expert testified that Weber failed to consult a third party to evaluate the allegedly infringed patents, including steps of seeking a freedom to operate analysis or legal advice. The Federal Circuit held that Provisur's expert testimony violated § 298. The remainder of the expert's testimony demonstrated Weber's knowledge of the asserted patents, which was not disputed. The Federal Circuit reiterated its prior statement of law that "knowledge of the asserted patent and evidence of infringement is necessary, but not sufficient, for a finding of willfulness."

As to damages, the Federal Circuit reversed the district court's denial of a new trial on damages. The jury awarded $10.5M in the form of a reasonable royalty. Provisur accused certain features of Weber's slicers and SmartLoader of infringement, but the features were part of a slicer or automation components which were themselves just a part of an entire multicomponent slicing line system.

The damages verdict rested on Provisur's reliance on the entire market value rule. Weber argued the district court erred by permitting Provisur to rely on the entire market value the rule. The Federal Circuit agreed with Weber, finding the district court abused its discretion. The Federal Circuit reiterated its long-standing legal precedent that a reasonable royalty must apportion infringing and non-infringing features to arrive at a royalty base comprised of the smallest salable patent-practicing unit. Using an entire multi-component product as the royalty base requires proof that the patented feature(s) are the basis of customer demand. Provisur's use of the entire market value rule was impermissible because it failed to present sufficient evidence that the patented features drove demand for the entire slicing line system. Provisur's damages expert relied on testimony of Provisur's technical expert that patented features drove demand, but the technical expert's

opinion was conclusory and did not provide any customer centric evidence regarding demand, such as market studies or consumer surveys. This failure was particularly problematic because Provisur's technical expert also testified that many features of the slicing machine system were considered conventional and not an unique selling point, but the expert failed to attribute any demand to the conventional features, let alone prove that the conventional features did not cause consumers to purchase Weber's accused products. Thus, the district court abused its discretion in allowing the case to proceed on the entire market value rule.

E. Safe Harbor Provision of 35 U.S.C. § 271(e)(1)

Edwards Lifesciences Corp. v. Meril Life Sciences PVT. LTD., 96 F.4th 1347 (Fed. Cir. 2024). Edwards and Meril, an Indian medical device company, are competitors selling transcatheter heart valve systems. In September 2019, Meril imported into the United States two transcatheter heart valve systems (the Myval Systems) to attend a medical conference (The Transcatheter Cardiovascular Therapeutics Conference (TCTC)) in San Francisco. The two Myval Systems did not attend the medical conference. Instead, they sat in a hotel closet and then a storage room before leaving the country to attend a medical conference in Europe. Meril's Myval System is considered a Class III medical device and cannot be marketed or sold in the United States without first receiving premarket approval from the FDA.

In October 2019, Edwards filed suit against Meril for patent infringement based on the importation of the two heart valve systems. The district court granted summary judgment of no infringement determining that Meril's importation was exempt from patent infringement under the safe harbor of 35 U.S.C. § 271(e)(1). Edwards appealed and the Federal Circuit affirmed.

The Federal Circuit began its analysis with the plain language of Section 271(e)(1), which is a safe harbor for defendants or what would otherwise constitute infringing activity that applies to medical devices:

> It shall not be an act of infringement to make, use, offer to sell, or sell within the United States or import into the United States a patented invention ... solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs ....

35 U.S.C. § 271(e)(1).

The Federal Circuit noted that it has interpreted § 271(e)(1) on numerous occasions and has clear precedent that "[t]he exemption applies 'as long as there is a reasonable basis for believing' that the use of the patented invention will produce

the types of information that are relevant to an FDA submission," *citing Amgen Inc. v. Hospira, Inc.*, 944 F.3d 1327, 1338 (Fed. Cir. 2019). The court discussed its precedent interpreting § 271(e)(1) and reiterated that the "intent or alternative uses" were "irrelevant" to the invocation of § 271(e)(1) because "the statutory language allows [defendant] to use its data from the tests for more than FDA approval."

The Federal Circuit then interpreted that the "*solely* for uses reasonably related to the development and submission of information" to the FDA clause means that for each act of infringement the safe harbor provision is available only for acts or uses that bear a reasonable relation to the development and submission of information to the FDA. "Solely" does not mean that the use must *only* be reasonably related to the development of information to the FDA. Thus, the issue is not *why* Meril imported the Myval Systems or *how* it used them, but whether the act of importation was reasonably related to submitting information to the FDA.

The parties did not dispute the following material facts: Ahead of TCTC, Meril had taken steps towards obtaining FDA approval for its transcatheter heart valves, including: "(1) preparing a formal clinical trial synopsis for its Landmark Trial; (2) preparing a draft pre-submission to seek FDA input on its clinical trial; (3) communicating with the FDA regarding Meril's proposed clinical study and its pre-submission; and (4) hiring an FDA consultant to help with the FDA pre-submission." After TCTC, Meril submitted its premarket approval submission to the FDA and continued to communicate with the FDA about the submission and Meril's proposed clinical study

Based on the undisputed material facts, the Federal Circuit affirmed. The court rejected Edward's argument that disputed issues of material fact precluded summary judgment none of the evidence Edwards points to precluded summary judgment because no reasonably minded juror could draw an inference "that Meril's sole purpose for importing Myval Devices was to support its commercial sales efforts, and the importation was wholly unrelated to recruiting clinical investigators and wholly unrelated to any FDA submission."

Next, the Federal Circuit rejected Edwards argument that § 271(e)(1) does not apply because Meril did not actual use the device after importation. Nothing in § 271(e)(1) requires an actual use separate and distinct from the delineated acts of infringement, which specifically includes importing. Thus, importing by itself (without use) fails within the safe harbor of §271(e).

Finally, Edwards rejected Edwards argument that the district court erred by crediting only the declaration of the Meril employee who carried the Myval Systems to San Francisco, finding the district court cited other declarations and witness testimony.

F. Expert Testimony

Osseo Imaging LLC v. Planmeca USA, Inc., 116 F.4th 1335 (Fed. Cir. 2024). Osseo alleged Planmeca's 3D imagining system infringed three patents relating to orthopedic imaging systems that use X-ray beam techniques to create tomographic and/or densitometric models of a scanned object.

During a jury trial, the jury was instructed that a person of ordinary skill in the art would have a bachelor's degree in electrical or computer engineering, plus 3 to 5 years working in a diagnostic imaging environment that uses the techniques described in the Asserted Patents. During cross-examination of Osseo's technical expert, Dr. Omid Kia, Planmeca sought to demonstrate that Dr. Kia did not have the requisite 3 to 5 years of diagnostic imaging experience in 1999, the patents' alleged date of invention. Instead, Planmeca asserted that Dr. Kia did not acquire such experience until nearly 10 years after the time of the invention. The jury found infringement and none of the claims invalid for obviousness.

In JMOL, Planmeca argued that Dr. Kia's testimony should be disregarded in its entirety because he was not a person of ordinary skill in the art at the time of the patents' alleged date of invention in 1999. The district court rejected the argument and denied the JMOL motion. Planmeca appealed.

The Federal Circuit cited its 2022 *Kyocera* decision that "to be qualified to offer expert testimony on issues from the vantage point of an ordinarily skilled artisan in a patent case" is that "an expert must at a minimum possess ordinary skill in the art." Planmeca urged the Federal Circuit to add a timing requirement that the testifying expert must possess the requisite skill at the time of the alleged invention. The Federal Circuit rejected the argument stating "[a]n expert need not have acquired that skill level prior to the time of the invention to be able to testify from the vantage point of a person of ordinary skill in the art."

G. Attorney's Fees

Realtime Adaptive Streaming LLC v. Sling TV LLC, 113 F.4th 1348 (Fed. Cir. 2024). Realtime alleged Sling infringed three patents related to digital data compression. Early in the case, the defendants filed motions to dismiss and motions for judgment on the pleadings alleging the asserted claims were patent ineligible under § 101. The court denied the motions and instructed the parties that it would address invalidity arguments after claim construction. The district court ultimately granted summary judgment of invalidity under § 101 as to one patent, which was affirmed on appeal. The district court granted defendants' motion for attorney fees, finding the case exceptional and awarding $3.9 MM in attorneys' fees. Realtime appealed and the Federal Circuit vacated and remanded the case.

The district court fees award was based on six "red flags" that should have served as warning signs to Realtime that its case was fatally flawed. The district court found the case exceptional based on the totality of the circumstances in light of the red flags.

The first red flag related to decisions in other district courts finding some of the asserted claims patent ineligible. Because the patent claims found ineligible had virtually identical specification and essentially the same substance as the asserted claims, the district court found those cases should have featured prominently in Realtime's thinking about the present case. Realtime argued the prior decisions could not be red flags, but the Federal Circuit disagreed.

The district court also relied on a non-precedential decision from the Federal Circuit affirming that claims directed to receiving a video signal in one format and broadcasting the signal to other devices in a different format were patent ineligible. Although the decision was non-binding, the district court treated it as a second red flag. The Federal Circuit found the district court erred because the non-precedential decision involved a different technology and the district court did not do side-by-side analysis of all the limitations in the asserted patent and the claims in the non-precedential decision.

The district court cited two PTAB decisions finding certain claims of the asserted patents unpatentable as red flags. The Federal Circuit found the district court erred in doing so. The PTAB decisions at best established that a concept was known in the prior art, but that is not enough to establish conventionality at step two of the *Alice* § 101 test. The PTAB's decisions addressing patentability under §§ 102 and 103 were insufficient to put Realtime on notice that its arguments regarding patent eligibility were entirely without merits.

Next, the district court cited two non-final office actions issued during *ex parte* reexamination finding the claims unpatentable for obviousness. It was unclear whether the district court relied on the office actions as red flags, the Federal Circuit found the district court's analysis lacking as it failed to explain how the decisions supported a finding of exceptionality.

The district court also relied on a letter from Dish's counsel to Realtime's counsel alleging the asserted patent was ineligible for the same reasons underlying the other district court's ineligibility determinations. The Federal Circuit found nothing in the notice letter that, viewed independently of the district court decisions, constituted a red flag. The letter contained no analysis sufficient to put Realtime on notice that its arguments regarding ineligibility were so meritless to amount to an exceptional case.

The final red flag was the opinions of an expert witness on patent ineligibility. Realtime retained an expert that provided an opposite opinion and offered specific

disagreements with defendants' expert. The Federal Circuit found this typical of the ordinary, unexceptional patent infringement case.

In view of its findings, the Federal Circuit vacated the district court's opinion awarding attorneys' fees and remanded for further consideration in light of its opinion.

H. Other Damages Cases

Brumfield, Trustee for Ascent Trust v. IBG LLC, 97 F.4th 854 (Fed. Cir. 2024). Trading Technologies (TT) brought suit against IBG alleging infringement of several TT-owned patents, four of which were the subject of the appeal brought by TT's successor in interest. The district court found two patents invalid for claiming ineligible subject matter and a jury found two patents infringed and awarded over $6.6 MM in damages. TT appealed the invalidity determinations and issues relating to damages. The Federal Circuit rejected TT's challenges and affirmed.

TT argued that the district erred in excluding testimony from its damages expert that TT should recover "foreign damages" flowing from IBG making the accused products in the United States. TT argued that the district court should have applied the extraterritoriality analysis articulated by the Supreme Court in *WesternGeco* rather than the more restrictive principles the district court drew from the Federal Circuit's *Power Integrations* decision. The Federal Circuit agreed that the *WesternGeco* framework governs, but concluded the district court properly excluded TT's expert testimony.

The Federal Circuit confirmed that *WesternGeco* established a framework of analysis that necessarily supersedes the Federal Circuit prior analysis in *Power Integrations*. The *WesternGeco* analysis now governs the reasonable royalty analysis for cases involving infringement under 35 U.S.C. § 271(a). The *WesternGeco* framework analyzes first, "whether the presumption against extraterritoriality has been rebutted" (by clear enough congressional action) and, second (if the presumption has not been rebutted), "whether the case involves a domestic application of the statute" (rather than an extraterritorial application)."

The Federal Circuit first resolved that the *WesternGeco* framework applies when the infringement at question is an act under 35 U.S.C. § 271 (a). *WesternGeco* involved infringement under § 271(f), but the Federal Circuit found nothing in the *WesternGeco* analysis was altered by the type of infringement. The Federal Circuit then examined whether the infringement allegations focused on domestic conduct. Under § 271(a), at least making, using, selling, and offering to sell are expressly limited to domestic acts. Then, the Federal Circuit reasoned that if exporting under § 271(f) was a domestic act, as *WesternGeco* held, then so too are the § 271(a) covered acts in this case. Next, the Federal Circuit determined that the *WesternGeco* framework applied to a reasonable-royalty award, and not just lost-profits which

were at issue in *WesternGeco*. The court reasoned that the Supreme Court has treated reasonable-royalty as a form of damages (like lost profits) and not a substitute for damages. The Federal Circuit went on to clarify that a reasonable-royalty must be based on the value of the patented technology and "if a patentee seeks to increase the amount [of a reasonable-royalty] by pointing to foreign conduct that is not itself infringing, the patentee must … show why that foreign conduct increases the value of the domestic infringement itself … while respecting the apportionment limit that excludes values beyond that of practicing the patent."

Applying the *WesternGeco* framework, the Federal Circuit found that damages expert's testimony was properly excluded because the damages theory did not focus on the infringement. The two claim groups claimed a method and a computer readable medium (CRM) containing code. Thus, infringement is limited to making, using, selling, offering to sell a method or a CRM. The damages expert's theory did not focus on either a method or a CRM. Instead, it focused on foreign user's use of software worldwide.

EcoFactor, Inc. v. Google LLC, 104 F.4th 243 (Fed. Cir. 2024). EcoFactor sued Google for infringing a patent related to smart thermostats in computer-networked heating and cooling systems. A jury found Google infringed the asserted claim and awarded damages. Google appealed the denial of its motion for a new trial on damages. The Federal Circuit affirmed with Judge Prost issuing an opinion dissenting-in-part.

Google contended on appeal that the district court erred in denying Google's motion for a new trial on damages because Mr. Kennedy's damages opinion was based on unreliable methodology and inadmissible. According to Google, the district court should have excluded the opinion because it lacked any reliable methodology or underlying calculations and the opinion also lacked apportionment and comparability. The Federal Circuit disagreed with Google.

Mr. Kennedy used the hypothetical negotiation approach for calculating reasonable royalty damages under 35 U.S.C. § 284. Mr. Kennedy determined that the parties would have expected a reasonable royalty of $X per unit.[1] Mr. Kennedy did not "pluck[] the $X royalty rate from nowhere." Instead, he based the rate on three license agreements and the testimony of EcoFactor's CEO. Each of the license agreements included the same $X royalty rate at issue. Each license agreement provided in a whereas clause that the license would pay EcoFactor a lump sum "based on what EcoFactor believes is a reasonable royalty calculation of [$X] per-unit for" estimated past and future infringement. The CEO testified as to his belief that the lump sums in the agreements were based on the $X royalty rate and accepted by the parties. In light of the three license agreements and the CEO's

[1] The royalty rate is confidential business information subject to a protective order.

testimony, the Federal Circuit found Mr. Kennedy's damages opinion concerning the $X royalty rate to be sufficiently tied to the facts of the case and admissible. The jury heard this evidence and the cross-examination of Mr. Kennedy. The jury returned a verdict with damages exceeding $20MM, which represented significantly less damages than would have resulted from applying the $X royalty rate to Google's past sales.

Google argued that Mr. Kennedy's testimony is unreliable because there is no evidence that the parties actually applied the $X royalty rate. The Federal Circuit rejected this argument based on the whereas clause in each agreement and it was up to the jury to decide how much weight to give to the provisions.

Next, Google argued the Mr. Kennedy failed to account for the value of the asserted patent within the patent portfolios in the three agreements which licensed EcoFactor's entire patent portfolio. Federal Circuit disagreed. The Federal Circuit explained that if a sufficiently comparable license is used for determining the appropriate reasonable royalty rate, further apportionment may not be required because the comparable license has a built-in apportionment. The degree of comparability of license agreements is a factual issue "best addressed by cross examination and not by exclusion." The Federal Circuit found Mr. Kennedy sufficiently showed that the three licenses were economically comparable to the hypothetically negotiated agreement. Mr. Kennedy relied on the unrebutted testimony of another expert regarding the technical comparability of the asserted patents. Mr. Kennedy also testified regarding factors that would put upward pressure on the royalty rate, such as the three agreements reflect a settlement a reflects risk of noninfringement and validity. And he separately grounded his apportionment opinion on underlying internal profit and survey data from Google.

Judge Prost dissented from the decision to affirm the denial of Google's motion for a new trial on damages. Judge Prost believed the majority "at best muddles our [damages] precedent and at worst contradicts it." She believed Mr. Kennedy's royalty rate was calculated in an unreliable way and did not reflect the value of the asserted patent. Judge Prost viewed the three license agreements as lump sum that did *not* support a running royalty rate. She pointed to language in two of the licenses which state the lump sum payment "is not based upon sales and does not reflect or constitute a royalty." She viewed this language as reflecting *both* parties view, in contrast to the whereas clause the majority relied on which reflect only *EcoFactor's* belief. Thus, the record did not allow one to establish that the lump-sum payments were calculated using a royalty-rate, let alone the $X rate. Mr. Kennedy did not cite any documents, records, sales date, or testimony to show any calculation of the lump-sum payments to show they used the $X rate.

Next, Judge Prost found that the $X rate does not reflect the asserted patents value because it includes the value of other patents which is another error requiring a new

trial. In particular, EcoFactor's technical expert did not discuss all of the patents in each license—he only compared the asserted patent to certain patents in each agreement. His circumstance-agnostic analysis is insufficient under Federal Circuit law accord to Judge Prost.

X. INTER PARTES REVIEWS – IPR ESTOPPEL AND PTAB PRACTICE

A. Joinder and Permissible Arguments Opposing Motion to Amend

CyWee Group Ltd. v. ZTE (USA), Inc., 90 F.4th 1358 (Fed. Cir. 2024). ZTE filed an IPR petition asserting claims in a patent directed to a three-dimensional pointing device were unpatentable. LG Electronics moved to join ZTE's on-going IPR because it was time barred from filing an IPR. The Board granted LG's motion to join, but placed restrictions on LG's participation and ordered: LG "(1) to consolidate filings with the current petitioner; (2) to rely on ZTE to take testimony and defend depositions; (3) to refrain from requesting or reserving any additional deposition or oral hearing time; and (4) to agree to 'other procedural concessions necessary to minimize complication or delay and result in a speedy trial with little or no impact on the ZTE IPR or the Board.'"

While the motion to join was pending, CyWee filed a motion to amend the claims. ZTE opposed. After LG's joinder, CyWee filed a revised motion to amend the claims, which ZTE indicated it did not oppose. LG moved for leave to oppose CyWee's revised motion to amend, arguing that ZTE was no longer actively participating in the IPR. Although the Board initially denied LG's request to oppose the revised motion to amend, LG sought rehearing, which the Board granted.

LG's opposition argued that the proposed revised claims would have been obvious over a combination of three prior art references, including one (Withanawasam) that ZTE did not rely upon in opposing the CyWee's initial motion to amend.

The Board issued its final written decision, determining that the original claims are unpatentable as obvious and that the proposed revised claims would have been obvious over LG's asserted three prior art reference combination.

CyWee appealed and challenged that the Board erred in (1) permitting LG to oppose the revised motion to amend and to rely on Withanawasam, and (2) denying the revised motion to amend. The Federal Circuit affirmed. First, the court found no error in the Board's determination that ZTE "no longer appear[ed] to be meaningfully adversarial" as to the revised motion to amend, which then permitted LG to oppose the revised motion to amend. Next, the Federal Circuit rejected CyWee's argument that LG could not introduce new issues into the proceedings as an otherwise time barred party. The Federal Circuit explained that the principle that

the IPR statutory provisions permit consideration of only the grounds in the petition does "not apply in the context of motions to amend where the patent owner has introduced new claims into the proceedings."

The Federal Circuit also found substantial evidence supported the Board's motivation to combine determination. Withanawasam disclosed an integrated sensor device and the other references disclosed an algorithm for determining orientation of a sensor in three-dimensional space. The Board credited LG's expert testimony that a skilled artisan would look to a method for determining sensor orientation because Withanawasam did not explicitly disclose algorithms to evaluate the orientation of its sensors. The Federal Circuit found this evidence sufficient to support the Board's motivation to combine conclusion.

B. Motion to Amend and Motion to Exclude Expert Testimony

ZyXel Communications Corp. v. UNM Rainforest Innovations, 90 F.4th 1358 (Fed. Cir. 2024). UNMRI owns a patent relating to methods for constructing frame structures in orthogonal frequency-division multiple access (OFDMA) systems. ZyXEL filed a petition for *inter partes* review of the patent. The PTAB found claims 1-4, 6 and 7 unpatentable as obvious but declined to find claim 8 unpatentable at obvious. The PTAB granted UNMRI's motion to amend cancelling claims 1-4, 6 and 7 and substituting in claims 44-47, 49 and 50. ZyXEL appealed the Board's determination that claim 8 was not obvious and the Board's decision granting UNMRI's motion to amend. UNMRI cross-appeals the Board's determination that claims 1–4, 6, and 7 are unpatentable as obvious.

As a preliminary matter, UNMRI argued that the PTAB abused its discretion in refusing to exclude the testimony of ZyXEL's expert (Dr. Roy) on obviousness. UNMRI argued that Dr. Roy's report was actually an expert report prepared by a different expert in an earlier proceeding and Dr. Roy did not disclose this until his deposition. The PTAB denied UNMRI's motion as untimely because any objection to evidence must be filed within 10 business days of the institution of trial, 37 C.F.R. § 42.64(b)(1), and UNMRI did not object within 10 business days of the institution of trial. Even if UNMRI did not know about the alleged misrepresentation until the deposition, the objection was still untimely because UNMRI was objecting to evidence presented during trial which requires an objection within five business days and UNMRI objected eight business days after the deposition. The Federal Circuit found no abuse of discretion in the PTAB following its own rules on the timing of objections.

The Federal Circuit also rejected UNMRI's argument that the PTAB erred by determining that challenges to Dr. Roy's opinions go to the credibility and weight attributed to the report and not to its admissibility. The appellate court found no

abuse of discretion where the PTAB credited Dr. Roy's testimony and determined the weight to give it.

ZyXEL argued that that PTAB erred in granting UNMRI's motion to amend because UNMRI did not satisfy the requirement of 37 C.F.R. § 42.121(b) that the motion *itself* contain written description support for all of the claim limitations in the substitute claims. The parties did not dispute that UNMRI's reply brief provided the missing written description. ZyXEL argued that PTAB regulations require all arguments and evidence to support a motion to be in the motion itself and Board decisions holding that supplemental a motion to amend through reply was improper. The Federal Circuit rejected the arguments, finding them inconsistent with the purpose of the Motion to Amend Pilot Program which is for the Board to provide preliminary guidance on motions to amend and to "allow for the correction of errors in the original motion." The Pilot Program permits the patent owner to "respond to the Board's preliminary guidance" and to "file new evidence, including declarations, with its reply." Thus, the PTAB did not error in permitting UNMRI to rely on evidence submitted in the reply brief.

The Federal Circuit then determined that even if the Board erred, that error was harmless. Any error committed by the Board was harmless error because ZyXEL was not prejudiced by the Board's decision to allow the reply brief to supplement the initial motion. ZyXEL was on notice of the written description arguments and had ample opportunity to respond in its sur-reply. ZyXEL argued that it could not refute UNMRI's new arguments with an expert declaration because the PTAB rules do not permit it to submit new evidence in a sur-reply. The Federal Circuit rejected that argument because ZyXEL did not seek leave to file new evidence and ZyXEL did not point to any relevant evidence that it would have presented if given the opportunity.

After the Federal Circuit affirmed that claims 1-4, 6 and 7 were unpatentable and reversed the PTAB's decision that claim 8 was patentable and concluded it was unpatentable, the Federal Circuit remanded with instructions for the PTAB to determine whether collateral estoppel applies to substitute claims 44-47, 49 and 50. The substitute claims were entirely a combination of the limitations of claims 1–4 and 6–8, all of which the Federal Circuit have now held unpatentable as obvious. The potential for collateral estoppel did not arise until the Federal Circuit reversed the Board's finding as to claim 8. Thus, ZyXEL did not waive the argument by raising it for the first time at oral argument. Although the ZyXEL did not argue that the substitute claims were unpatentable over the combination of Talukdar, Li, and Nystrom, the Board may *sua sponte* identify a patentability issue for a proposed substitute claim over the prior art of record. If the Board identifies a patentability issue on remand, the Federal Circuit reminded the Board that it must provide notice of thee issue to the patent owner and permit an opportunity for the parties to respond before issuing a final written decision, citing 35 U.S.C. § 318(a).

C. Estoppel

Softview LLC v. Apple Inc., 108 F.4th 1366 (Fed. Cir. 2024). Softview appealed the PTAB's final written decision in two *inter partes* review proceedings that found, based on a prior PTAB decision, all claims of Softview's patent invalid under the estoppel provisions of 37 C.F.R. § 42.73(d)(3).

Softview raised three arguments on appeal. First, Softview argued the PTAB improperly interpreted the regulation and gave it broader scope than the common law rule of collateral estoppel. Second, Softview argued the PTAB lacked statutory authority to promulgate a regulation governing the estoppel effect of prior IPR decisions in subsequent PTO proceedings. Third, Softview argued that the regulation does not apply to claims that have already issued.

The PTO promulgated regulations governing IPR procedures under the authority given to it by Congress in 35 U.S.C. § 316(a)(4). Among those rules is 37 C.F.R. § 42.73(d)(3) which addressed the operation of estoppel principles in patent office proceedings. The rule prohibits a patent owner form "taking action inconsistent with the adverse judgment" in IPR proceedings and, more specifically, prohibits a patent owner from "obtaining in any patent (i) a claim that is not patentably distinct from a finally refused or canceled claim."

During the IPR, the PTAB rejected all pending claims based on § 42.73(d)(3) finding each claim was essentially the same as a canceled claim or merely a combination of limitation that had previously been invalidated on obviousness grounds. For these reasons, the PTAB found the claims not "patentably distinct" from those that had been invalidated in a prior IPR proceeding.

Softview challenged the PTAB's interpretation of "patentably distinct" arguing that the regulation was intended to codify the common law doctrine of collateral estoppel and that the PTAB interpreted it too broadly. Softview argued that "patentably distinct" should mean "substantially the same." The Federal Circuit found "patentably distinct" has a specialized meaning in patent law (in obviousness-type double patenting) and presumed the PTO intended to adopt that meaning in its regulations.

D. Forfeiture

Voice Tec Corp. v. Unified Patents, LLC, 110 F.4th 1331 (Fed. Cir. 2024). Unified Patents petitioned for *inter partes* review of a Voice Tech patent relating to the use of voice commands at a mobile device to remotely access and control a computer. The Board determined that all challenged claims were unpatentable as obvious under § 103. Voice Tech appealed.

Voice Tech argued that the Board misinterpreted the claim terms "audio command interface" and "mobile device interface." Voice Tech timely raised its proposed constructions in its Patent Owner Response, but the Board did not adopt them in its Final Written Decision. Unified Patents argued that Voice Tech forfeited these claim construction arguments because the arguments were not included in Voice Tech's request for rehearing. 37 C.F.R. § 42.71(d) allows a party dissatisfied with a Board decision to file a "single request for rehearing" that "specifically identif[ies] all matters the party believes the Board misapprehended or overlooked." Unified Patents argued that under Section 42.71 Voice Tech forfeited its claim construction arguments on appeal because it filed a request for rehearing that did not include the claim construction arguments.

The Federal Circuit disagreed with Unified Patents reading of Section 42.71, finding nothing in the section requires a party to file a request for rehearing to preserve the right to appeal. The filing of a request for rehearing is optional and a party's choice not to re-raise an argument in a request for rehearing does not, in and of itself, forfeit the argument. The Federal Circuit reiterated that "a party forfeits an argument that it fails to present to the Board because that failure deprives the court of the benefit of the Board's informed judgment." Voice Tech presented its claim construction issues which the Board addressed in its final written decision. The appellate court rejected Unified Patent's reliance on the Federal Circuit's non-precedential *Polycom* decision because the cases were not analogous.

The Federal Circuit then declined to consider Voice Tech's claim construction arguments because it failed to show any prejudice from the Board's claim constructions. Voice Tech's attempts to distinguish the prior art based on its proposed claim construction were conclusory and incomplete and Voice Tech's arguments "stops short of explaining why its proposed construction would change the Board's obviousness findings."

XI. DESIGN PATENTS - OBVIOUSNESS

LKQ Corp. v. GM Global Tech. Operations LLC, 102 F.4th 1280 (Fed. Cir. 2024) (en banc). LKQ filed a petition to institute an *inter partes* review of a design patent related to a vehicle front fender, challenging whether the claimed design would have been obvious in view of a prior art design patent alone or as modified by a promotional brochure for a Hyundai Tuscon front fender. The Board applied the *Rosen-Durling* test to assess the nonobviousness of the claimed design. Under this two-part test, a single reference must be identified that is basically the same as the claimed design (the *Rosen* reference). At step two, *Durling* permits other references to be used to modify the *Rosen* reference to create a design that has the same overall visual appearance as the claimed design. The secondary reference,

however, must be so related to the *Rosen* reference that the appearance of certain ornamental features in one would suggest the application of those features to the other. The Board found that LKQ failed to identify a *Rosen* reference and ended its obviousness analysis without further consideration.

LKQ appealed and a panel of the court affirmed the decision. The Federal Circuit granted rehearing en banc and vacated the panel decision. The en banc court vacated the final written decision of the Board as to the nonobviousness determination and remanded for further proceedings. The Federal Circuit held that the *Rosen-Durling* standard is improperly rigid and inconsistent with Supreme Court precedent, including *KSR*, which suggest a more flexible approach. Thus, the court overruled the *Rosen-Durling* standard and adopted the obviousness analysis set forth in *Graham v. John Deere*.

The Federal Circuit vacated the Board's decision and remanded for the Board to decide in the first instance whether GM's design patent would have been nonobvious applying the *Graham* legal framework.

XII. INTERFERENCES

A. 35 U.S.C. § 135(b)(1)

***Speck v. Bates,* 102 F.4th 1304 (Fed. Cir. 2024) (en banc).** Speck appealed from final judgment in an interference where the PTAB entered judgment in favor of Bates et al on the issue of priority. The interference proceeding concerned one patent application owned by Bates (the senior party) and one patent owned by Speck (the junior party), which related to drug coated balloon catheters. During the proceeding, Speck argued that the claims in Bates's patent application were time barred under 35 U.S.C. § 135(b)(1) and (2) and invalid for lack of written description. The PTAB denied arguments and awarded priority to Bates. Speck appealed.

35 U.S.C. § 135(b)(1) (2012) states a "claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted." Section 135(b)(1) has been described "as a statute of repose, placing a time limit on a patentee's exposures to an interference proceeding." Thus, claims in an application that are "the same as, or for the same or substantially same subject matter" and filed later than one year after a patent issue will be time barred under § 135(b)(1).

There is a long-standing exception to § 135(b) when the applicant files its claim after the one year critical period but "had already been claiming substantially the same invention as the patentee" during the critical period.

On August 29, 2013, six days before the one-year anniversary of Speck's patent, Bates filed its application which is a continuation of an application filed October 31, 2001. On August 30, 2013, Bates filed a preliminary amendment that cancelled all the original claims and replaced them with new claims. Bates asserted in the preliminary amendment that the newly added claims "include claims for the same or substantially the same subject matter" as the claims in Speck's patent.

In April 2018, Bates amended the claims again after the one-year critical date to require that the device be "free of a containment material atop the drug layer" in order to overcome a rejection. Ultimately, the examiner allowed the claims.

In 2020, the Board declared an interference. Speck filed a motion that Bates's claims were time barred under § 135(b)(1). The Board denied Speck's motion because it found that the later amended claims did not differ materially from the claims in other patents and patent applications Bates owned that were filed prior to the critical date because "Speck ha[d] not directed [the Board] to a material limitation of the Bates involved claims that is not present in the earlier Bates claims." Speck appealed.

The Federal Circuit characterized the issue as (1) whether there is pre-critical date support for the "free of containment" limitation and (2) whether the pre-critical date claims are materially different from the post-critical date claims in that respect. First, the Federal Circuit evaluated whether a one-way or two-way test should be applied to determine if pre-critical date claims and post-critical date claims are materially different. The two-way test requires comparing the two sets of claims to determine if either set contains material limitations not found in the other.

The Federal Circuit concluded that as a matter of law under the two-way test the two sets of claims are materially different. The Federal Circuit found that the Bates application permit including the drug within the containment layer, but the pre-critical date claims would not. The prosecution histories and other proceedings before the PTO demonstrate the differences in these limitations are material to their respective inventions. Thus, the Federal Circuit found the Bates application claims time-barred under § 135(b)(1).

