

Summary of Selected Patent Cases from 2011 through 3-22-2012

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The following lists selected patent cases and their relevant points of law, taken from my online Cases book. That book is available at: <http://www.neifeld.com/cases.pdf>.

Since the majority of these cases are opinions from the Court of Appeals for the Federal Circuit (CAFC), no citation appears for the CAFC cases. Supreme Court cases are identified by the citation containing only the year (e.g. "2011"). District Court and USPTO cases are identified, as such.

I. PATENT LAW RELATED, BY TOPIC

Federal Sovereign Immunity

Slattery v. US (en banc), Ct. Claims jurisdiction does not depend on purpose for which funds allocated to an entity; depends on whether the entity was acting on behalf of the government.

Exception to the "record rule"

Home Products Int'l, Inc. v. U.S. and Since Hardware (Gouangzhou) Co., Ltd., Fraud by a party, discovered after the fact, requires remand.

Due process

Ronald A Katz Tech v. American Air, Use of exemplary claim fair, if it affords patentee right to raise distinguishing claims, later identified.

Choice of laws

General Protecht Gp. v. Leviton Mfg, The CAFC applies its own law in reviewing procedural matters arising from substantive issues in areas of law within its exclusive jurisdiction.

Final judgment rule

Advanced Software v. Fiserv, Denial of SJ motion not reviewable on appeal of granted SJ motion.

Falana v. Kent State Univ., "A non-final decision does not become final simply because it is issued in the same order as a final decision."

Venue

In re Verizon Business. Prior claim construction of same patent insufficient to prevent transfer to a different District Court.

DJ jurisdiction

Streck, Inc. v. Research & Diagnostic Systems, Inc., DJ jurisdiction must be continuous from time of claim until judicial decision.

Personal jurisdiction

Radio Systems Corp. v. Accession, Inc., Only those activities of the patentee that relate to the enforcement or defense of the patent can give rise to specific personal jurisdiction.

Waiver

Marine Polymer Technologies, Inc. v. HemCon, Inc. (en banc), "HemCon has waived that argument by failing to raise it in opposing summary judgment, and we therefore need not consider it here."

28 USC 1661 - Transfer to cure lack of subject matter jurisdiction

Teles AG v. Kappos (DDC 3/5/2012), Transfer from District Court to Appellate Court proper, when only Appellate Court has jurisdiction.

II. PATENT LAW, BY STATUTORY SECTION AND TOPIC

101

Mayo v. Prometheus, 566 U.S. ____ (2012), Method claims unpatentable because "the steps in the claimed processes (apart from the natural laws themselves) involve well-understood, routine, conventional activity previously engaged in by researchers in the field."

"Myriad" (Association for Molecular Pathology v. PTO), Isolated DNA claims patentable subject matter; method involving physical transformation patentable; mental steps per se, not patentable subject matter.

"Myriad" (Association for Molecular Pathology v. PTO), "In this case, the claimed isolated DNA molecules do not exist as in nature within a physical mixture to be purified. They have to be chemically cleaved from their chemical combination with other genetic materials. In other words, in nature, isolated DNAs are covalently bonded to such other materials. Thus, when cleaved, an isolated DNA molecule is not a purified form of a natural material, but a distinct chemical entity. In fact, some forms of isolated DNA require no purification at all, because DNAs can be chemically synthesized directly as isolated molecules. " And "covalent bonds in this case separate one chemical species from another".

Cybersource v. Retail Decisions, Holding Beauregard claims should be treated as method claims for 101 analysis.

Ultramercial v. Hulu, Holding claims requiring "controlled interaction with a consumer via an Internet website" to define 101 statutory subject matter. ("practical application of the general concept of advertising as currency and an improvement to prior art technology, the claimed invention is not 'so manifestly abstract as to override the statutory language of section 101'")

Dealertrack V. Huber, "Simply adding a 'computer aided' limitation to a claim covering an abstract concept, without more, is insufficient to render the claim patent eligible."

Digital-Vending Services International, LLC v. The University of Phoenix, Inc., noting that Beauregard claims should be treated as method claims for 101 analysis.

103

Genetics Inst v. Novartis Vaccines, Species claim within prior art genus non obvious because only motivation "would not have supplied researchers with a reason to make the group of proteins claimed".

In re Glatt Air, "The Board's finding that Naunapper teaches shielding the nozzle to prevent particles from prematurely entering into the initial spray pattern is not supported by substantial evidence because Naunapper does not teach shielding."

In re Klein, "neither of the references shows a movable divider or the ability to prepare different ratios" and therefore a person in the art "would not have been motivated to consider either

of these references" when considering a structure to prepare different ratios.

Old Reliable Wholesale, Inc. v. Cornell Corp., The "undisputed commercial success of the VT-1 provided a legitimate basis for Old Reliable's assertion that secondary considerations weighed against any finding that the '950 patent was invalid over the prior art".

102(g)

Teva Pharma v. Astrazeneca Pharma, "To establish prior invention, the party asserting it must prove that it appreciated what it had made. The prior inventor does not need to know everything about how or why its invention worked. Nor must it conceive of its invention using the same words as the patentee would later use to claim it. "

112, 6th paragraph (MPF) and Definiteness

Typhoon Touch v. Dell Inc., "cross-referencing entails the steps of data entry, then storage of data in memory, then the search in a library of responses, then the determination if a match exists, and then reporting action if a match is found" which is sufficient to support the "means for cross-referencing" recitation. "In turn, the amount of detail that must be included in the specification depends on the subject matter that is described and its role in the invention as a whole, in view of the existing knowledge in the field of the invention."

Ronald A Katz Tech v. American Air, "In substance, claiming "means for processing," "receiving," and "storing" may simply claim a general purpose computer, although in means-plus-function terms. While broadly claiming in that manner makes it easier to satisfy the statutory requirement of "particularly pointing out and distinctly claiming the subject matter" of the claims."

112, Claim construction

Powell v. Home Depot, "Though Home Depot argues that we cannot consider these patents because they were never before the district court on this issue, the patents are not only cited, but also discussed in detail in the 'Background of the Invention' section of the written description. Our cases establish that 'prior art cited in a patent or cited in the prosecution history of the patent constitutes intrinsic evidence.'"

Retractable Tech v. Becton Dickinson, "Thus, a construction of "body" that limits the term to a one-piece body is required to tether the claims to what the specifications indicate the inventor actually invented. Accordingly, the district court erred when it construed "body" as encompassing bodies composed of multiple pieces."

Eon-Net LP v. Flagstar Bancorp, "We agree with Flagstar that the disputed claim terms are limited to information that originates from a hard copy document. The written description repeatedly and consistently defines the invention as a system that processes information derived from hard copy documents. *** Absent from the specification is any teaching that the textual information is information other than information originating from a hard copy document."

Inventio AG v. ThyssenKrupp Elevator Americas Corporation, "Thus, the presumption flowing from the absence of the term "means" is a strong one that is not readily overcome."

Marine Polymer Technologies, Inc. v. HemCon, Inc. (En banc), "We are not bound by the arguments of the parties, however, and neither was the district court."

Myspace v. Graphon Corp., "Therefore, in construing a claim there are two limiting factors—what was invented, and what exactly was claimed. To determine the former—what was invented—we look at the entire patent, with particular attention to the specification (the written description of the invention and the several claims made). To determine the latter—what exactly

was claimed—the focus is on the precise words of the particular claim or claims at issue; the written description and preferred embodiments are aids in understanding those words."

Marine Polymer Technologies, Inc. v. HemCon, Inc. (En banc) "As we have held, claim differentiation is 'not a hard and fast rule and will be overcome by a contrary construction dictated by the written description or prosecution history.'"

Digital-Vending Services International, LLC v. The University of Phoenix, Inc., "it is particularly important not to limit claim scope based on statements made during prosecution '[a]bsent a clear disavowal or contrary definition.'"

35 USC 116 - Inventorship

Stanford v. Roche (2011), The Bayh-Dole Act does not automatically transfer ownership of inventions away from the inventors.

35 USC 132

In re Jung, A PTO rejection that is "so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection" fails to carry PTO burden of proof; but no "on-the-record claim construction" required in rejecting a claim.

In re Stepan, "By making and relying on new fact findings regarding an issue the examiner did not raise, i.e., the sufficiency of Stepan's Declaration to swear behind the Singh reference as § 102(a) prior art, the Board relied on a new ground of rejection."

135 - Interference

Streck, Inc. v. Research & Diagnostic Systems, Inc., Priority award in prior appeal bars priority defense in follow-on infringement litigation.

135(b) - Bar to Interference

Adair v. Carter, "Here, because Adair cancelled claims 1 and 16 of the PCT Application in response to the examiner's rejections, and added limitations into what eventually became claim 24 of the '261 Application to secure allowance, the Board properly presumed material differences between Adair's post- and pre-critical date claims. Adair failed to rebut this presumption."

Adair v. Carter, "For these reasons, this court holds that to overcome a § 135(b) bar for a post-critical date claim, an applicant must show that such claim is not materially different from a pre-critical date claim present in the application or any predecessor thereto in order to obtain the benefit of the earlier filing date."

Pioneer Hi-bred v. Monsanto Tech, "The Thompson opinion does not expressly reproduce the claims that were at issue in that appeal, so it is not possible to reconstruct every detail of the CCPA's claim interpretation. But its main holding is clear: multiple pre-critical date claims, considered together, can provide the foundation necessary for post-critical date claims to be held Timely."

Pioneer Hi-bred v. Monsanto Tech, "Like the Board, we embrace the positive corollary: pre-critical date claims provide the support necessary under this section where the early claims, taken together, demonstrate that the pre-critical date claims do not differ materially from the post-critical date claims."

156, Patent Term Extensions

Genetics Inst v. Novartis Vaccines, "We, like the district court, *Genetics*, 687 F. Supp. 2d at 497, reject Novartis's assertion that a patent term extension under § 156 applies on a claim-by-claim

basis. The plain language of § 156 refutes Novartis's argument. The title of this section is "Extension of patent term." 35 U.S.C. § 156 (emphasis added). Subsection (a) dictates that the term of the patent, as opposed to specific claim(s), shall be extended"

251 Reissue

In re Tanaka, Reissue is available even when only adding new dependent claims.

In re Mostafazadeh, The recapture rule not violated, unless "surrendered subject matter is ... entirely or substantially recaptured."

In re Staats, "Here, Staats's first broadening reissue application was filed within section 251's two-year limit. Under *Doll*, that is sufficient to satisfy the two-year requirement. We reverse the Board's rejection of claims 12-32 as being filed outside of the two-year statutory limitation and remand for further proceedings consistent with this opinion."

35 USC 253, 254 Certificate of Correction

Novo Indus., L.P. v. Micro Molds Corp., "We therefore conclude that the district court can correct only Essex-type errors. A district court can correct a patent only if (1) the correction is not subject to reasonable debate based on consideration of the claim language and the specification and (2) the prosecution history does not suggest a different interpretation of the claims."

35 USC 256 Inventorship

Falana v. Kent State Univ., "Conception of a chemical compound 'requires knowledge of both the specific chemical structure of the compound and an operative method of making it.'" and "Falana contributed to the conception of this genus by providing the team of which he was a part with the method for making these novel compounds. Falana's lack of contribution to the discovery of Compound 9 itself does not negate his contribution of the method used by the other inventors to make the genus of compounds covered by the claims at issue."

35 USC 261 Assignment

Abraxis Bioscience v. Navinta LLC, Lack of written assignment at time of suit is fatal. Standing requires ownership. The language, "shall cause" transfer, is insufficient.

35 USC 271 Distributed Infringement

Centillion Data v. Quest Comm, Qwest not liable due to actions of its customers using provided system. Providing software and technical assistance insufficient. Customer is user, not Qwest. "We hold that to 'use' a system for purposes of infringement, a party must put the invention into service, i.e., control the system as a whole and obtain benefit from it."

35 USC 271©

Global-tech Appliances, Inc. v. Seb S. A. (2011), "Given the long history of willful blindness and its wide acceptance in the Federal Judiciary, we can see no reason why the doctrine should not apply in civil lawsuits for induced patent infringement under 35 USC 271(b)."

35 USC 281 Remedy, Damages

Powell v. Home Depot, "proper for the jury to consider ... evidence ... of ... competitive advantage " resulting from infringement. Aka Court properly considered avoided workers compensation and related medical costs.

Uniloc USA, Inc. v. Microsoft Corp., rejecting as a matter of law the "25% rule"

Contempt, injunction violation

Tivo v. Echostar (en banc), Good faith, lack of intent to violate an injunction, is irrelevant to determining if violation occurred. "Thus, the court is required to evaluate the modified elements of the newly accused product against the asserted claim, on a limitation by limitation basis, to ensure that each limitation continues to be met. In making this infringement evaluation, out of fairness, the district court is bound by any prior claim construction that it had performed in the case. The patentee bears the burden of proving violation of the injunction by clear and convincing evidence, a burden that applies to both infringement and colorable differences. [Footnote 2 omitted.] As with other factual determinations, both findings are reviewed for clear error. Where the court finds a violation and awards sanctions, such a sanctions award is reviewable for an abuse of discretion. "

Injunctive relief

Tivo v. Echostar (en banc), "although we have strongly discouraged judicial restraint of noninfringing activities, Johns Hopkins Univ. v. CellPro, Inc., 152 F.3d 1342, 1367 (Fed. Cir. 1998), we have never barred it outright and instead have repeatedly stated that district courts are in the best position to fashion an injunction tailored to prevent or remedy infringement."

35 USC 282, Presumption of Validity

Microsoft Corp. v. i4i Ltd. Partnership (2011), The presumption of validity (still) requires proof by clear and convincing evidence!

Ronald A Katz Tech v. American Air, The "court did not violate the statutory presumption that each claim is independently presumed valid," in using claim groupings, when the Court "only required Katz to demonstrate that new claims presented unique questions of validity or infringement" to change groupings.

Defenses to infringement, Implied License

General Protecht Gp. v. Leviton Mfg., "[a]bsent a clear indication of mutual intent to the contrary settlement" the settlement agreement implied license for same products to continuation of patent in suit.

Inequitable Conduct

Therasense Inc. v. Becton, Dickinson and Company (en banc), "This court holds that, as a general matter, the materiality required to establish inequitable conduct is but-for materiality. When an applicant fails to disclose prior art to the PTO, that prior art is but-for material if the PTO would not have allowed a claim had it been aware of the undisclosed prior art. Hence, in assessing the materiality of a withheld reference, the court must determine whether the PTO would have allowed the claim if it had been aware of the undisclosed reference. In making this patentability determination, the court should apply the preponderance of the evidence standard and give claims their broadest reasonable construction. See Manual of Patent Examining Procedure ("MPEP") §§ 706, 2111 (8th ed. Rev. 8, July 2010). "

Therasense Inc. v. Becton, Dickinson and Company (en banc),"Although but-for materiality generally must be proved to satisfy the materiality prong of inequitable conduct, this court recognizes an exception in cases of affirmative egregious misconduct. This exception to the general rule requiring but-for proof incorporates elements of the early unclean hands cases before the Supreme Court, which dealt with "deliberately planned and carefully executed scheme[s]" to defraud the PTO and the courts."

RULE 56

Therasense Inc. v. Becton, Dickinson and Company (en banc), "This court declines to adopt the current version of Rule 56 in defining inequitable conduct because reliance on this standard has resulted in the very problems this court sought to address by taking this case en banc. *** Because Rule 56 sets such a low bar for materiality, adopting this standard would inevitably result in patent prosecutors continuing the existing practice of disclosing too much prior art of marginal relevance and patent litigators continuing to charge inequitable conduct in nearly every case as a litigation strategy."

INJUNCTIONS

Robert Bosch v. Pylon Mfg Corp., "The Supreme Court, however, did not expressly address the presumption of irreparable harm, and our subsequent cases have not definitively clarified whether that presumption remains intact. *** We take this opportunity to put the question to rest and confirm that eBay jettisoned the presumption of irreparable harm as it applies to determining the appropriateness of injunctive relief. "

35 USC 285 - Attorney's Fees

Eon-Net LP v. Flagstar Bancorp., "Eon-Net argues that it is not improper for a patentee to vigorously enforce its patent rights or offer standard licensing terms, and Eon-Net is correct. But the appetite for licensing revenue cannot overpower a litigant's and its counsel's obligation to file cases reasonably based in law and fact and to litigate those cases in good faith. Here, the district court did not clearly err when it found that Eon-Net filed an objectively baseless infringement action against Flagstar and brought that action in bad faith, specifically to extract a nuisance value settlement by exploiting the high cost imposed on Flagstar to defend against Eon-Net's baseless claims."

Old Reliable Wholesale, Inc. v. Cornell Corp., "We conclude, however, that the fact that the PTO confirmed the validity of the '950 patent on reexamination provides probative evidence on the issue of whether Old Reliable had a reasonable basis for its assertion that its patent was not anticipated."

Litigation misconduct

Rambus, Inc. v. Infineon Technologies, AG, "Indeed, the district court found that Rambus's misconduct alone supported the determination that this case was exceptional. Rambus has not shown that this holding is clearly erroneous. In cases deemed exceptional only on the basis of litigation misconduct, however, the amount of the award must bear some relation to the extent of the misconduct."

35 USC 291 - Patent - Patent Interferences

Genetics Inst v. Novartis Vaccines, Statute provides jurisdiction for interference involving an expired patent, when determination of priority will have real world significance.

Genetics Inst v. Novartis Vaccines, "Accordingly, the standards of review for an interference in fact mirror those of anticipation and obviousness inquiries."

Genetics Inst v. Novartis Vaccines, "Interfering subject matter is defined by courts in the same manner as in the PTO - by using the "two-way test." Medichem, 353 F.3d at 934. Under the PTO's regulations, "[a]n interference exists if the subject matter of a claim of one party would, if prior art, have anticipated or rendered obvious the subject matter of a claim of the opposing party and vice versa." 37 C.F.R. § 41.203(a). "

35 USC 292 - False Marking

In Re BP Lubricants, "This court holds that Rule 9(b)'s particularity requirement applies to false marking claims and that a complaint alleging false marking is insufficient when it only asserts conclusory allegations that a defendant is a "sophisticated company" and "knew or should have known" that the patent expired."

REEXAMINATION

35 USC 303 - Determination of Issue by the Commissioner

In re Swanson, PTO may find substantial new question of patentability after Court judgement upholding validity of patent claim.

In re NTP, "We hold that ... priority can be considered and determined during reexamination proceedings..."

In re NTP, "Nothing in §§ 301 et seq. prohibits an examiner from determining whether or not a priority date was properly claimed during the original examination of the application. "

35 USC 306 Appeal

Teles AG v. Kappos, (DDC 3/5/2012) "The defendant has moved to dismiss the Complaint, arguing that this Court lacks subject matter jurisdiction, because, following amendments to the Patent Act in 1999, "patent owners" may appeal adverse ex parte reexamination decisions by the BPAI only to the United States Court of Appeals for the Federal Circuit and may not file a civil action in this Court. [Footnote 1 omitted.] For the reasons explained below, the defendant's Motion to Dismiss is granted and this case shall be transferred to the U.S. Court of Appeals for the Federal Circuit pursuant to 28 USC 1631. "

35 USC 307 Certificate

Marine Polymer Technologies, Inc. v. HemCon, Inc. (en banc), "a majority of this court concludes as an alternative ground for affirmance that intervening rights do not apply to claims that have not been amended and are not new. ... Only if the claim at issue is new or has been amended may the court proceed to the second step in the analysis and assess the substantive effect of any such change pursuant to 252."

35 USC 312 - Determination of issue by Director

Belkin International, Inc v. Optimumpath, LLC., No. 2011-003697 (BPAI 30 March 2011)(expanded panel, informative opinion). Board lacks "jurisdiction to determine appeals regarding requests raised by third-party requestors as to whether a substantial new question of patentability exists."

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