Precedential Patent Case Decisions During July 2018

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I. Introduction

This paper abstracts what I believe to be the significant new points of law from the precedential decisions in patent cases this month. Cases captions relating to the PTAB are in **red** text. Case captions of extraordinary importance are in **blue** text.

II. Abstracts and New Points of Law

Biodelivery Sciences International, Inc. v. Aquestive Therapeutics, Inc., 2017-1265, 2017-1266, 2017-1268 (Fed. Cir. 7/31/2018).

This is a decision in appeals from PTAB cases IPR2015-00165, IPR2015-00168, and IPR2015-00169. BioDelivery petitioned for IPRs. The PTAB instituted on less than all asserted claims and grounds, and then affirmed patentability of all instituted claims.

BioDelivery moved to remand for consideration of non-instituted claims and noninstituted grounds. Aquestive and the PTO opposed. The Federal Circuit granted the motion, remanding.

Legal Issue, 35 USC 314(a), institution decision, extend of right to remand pursuant to SAS Institute Inc. v. Iancu, 16–969 (4/24/2018).

The Federal Circuit first summarized its law, to date, for post SAS remand relief.

> This court explained that *SAS* "require[s] a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition." *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018); *see also Medtronic, Inc. v. Barry*, 891 F.3d 1368, 1371 n.1 (Fed. Cir. 2018) ("[T]he statute does not permit a partial institution leading to a partial final written decision."). Post-*SAS* cases have held that it is appropriate to remand to the PTAB to consider non-instituted claims as well as non-instituted grounds. *See, e.g., Adidas AG v. Nike, Inc.*, No. 2018-1180, 2018 WL 3213007, at *2 (Fed. Cir. July 2, 2018) (remanding for the PTAB to consider a noninstituted ground); *Broad Ocean Techs., LLC v. Nidec Motor Corp.*, No. 2017-1933, 2018 WL 2979928, at *1 (Fed. Cir. June 14, 2018) (remanding after summary affirmance instructing the PTAB to consider the noninstituted claims); *Nestle Purina PetCare Co. v. Oil-Dri Corp. of Am.*, No. 2017-1744, slip op. at 3–4 (Fed. Cir. June 11, 2018) (remanding to consider non-instituted grounds); *Baker Hughes Oilfield v. Smith Int'l, Inc.*, Nos. 2018-1754, -1755, slip op. at 4–5 (Fed. Cir. May 30, 2018) (remanding to the PTAB to consider non-instituted claims and non-instituted grounds); *Ulthera*, slip op. at 3 (remanding to the PTAB to consider non-instituted claims). *Cf. PGS Geophysical*, 891 F.3d at 1359–60 ("treat[ing] claims and grounds the same . . . without distinguishing non-instituted claims from non-instituted grounds"). [Biodelivery Sciences International, Inc. v.

Aquestive Therapeutics, Inc., 2017-1265, 2017-1266, 2017-1268 (Fed. Cir. 7/31/2018).]

> We also declined to find that a party waived its right to seek *SAS*-based relief due to failure to argue against partial institution before the PTAB. *Polaris*, 724 F. App'x at 949–50 (citing *Hormel v. Helvering*, 312 U.S. 552, 558– 59 (1941) (holding an exception to the waiver rule exists in "those [cases] in which there have been judicial interpretations of existing law after decision below and pending appeal—interpretations which if applied might have materially altered the result")); *accord In re Micron Tech., Inc.*, 875 F.3d 1091, 1097 (Fed. Cir. 2017) (acknowledging that "a sufficiently sharp change of law sometimes is a ground for permitting a party to advance a position that it did not advance earlier in the proceeding when the law at the time was strongly enough against that position"); *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 114 F.3d 1161, 1164 (Fed. Cir. 1997) (holding that "[g]iven the change in law, it would be unfair at this stage of the case to apply *Hilton Davis*' statements against it or estop it from augmenting the record to show the reason for the claim amendment based on other facts that may be available"). [Biodelivery Sciences International, Inc. v. Aquestive Therapeutics, Inc., 2017-1265, 2017-1266, 2017-1268 (Fed. Cir. 7/31/2018).]

The Federal Circuit then shot down various arguments why it should not remand, upon the petitioner's request for remand in this case, finding waiver inapplicable and short delays in requesting remand not untimely:

> Both Aquestive and the Director argue that BioDelivery has waived its right to seek SAS-based relief for not raising the issue (A) upon the Supreme Court agreeing to hear SAS in May 2017, see ECF No. 93 at 2; (B) during the pendency of the inter partes reviews, see ECF No. 92 at 4; or (C) during the briefing period in this appeal, *see id.* *** It is clear that waiver does not apply in the present case. [Biodelivery Sciences International, Inc. v. Aquestive Therapeutics, Inc., 2017-1265, 2017-1266, 2017-1268 (Fed. Cir. 7/31/2018).]
>
> Aquestive and the Director also argue that BioDelivery's motion requesting remand for consideration of noninstituted grounds is untimely. *** Nine days after the SAS decision, BioDelivery filed its first request for SAS-based relief from the PTAB's institution of less than all claims in IPR2015-00165. *** BioDelivery made its second request for SAS-based relief soon after this court began ordering remands when the PTAB considered less than all asserted grounds, explaining that such requests were appropriate in view of SAS. *** The second request for SAS-based relief was not untimely simply because BioDelivery did not predict that this court would authorize requests for remand when the PTAB instituted on less than all grounds as well as on all claims. It is undisputed that BioDelivery acted promptly after these occurrences,

requesting remand within days of this court's first orders granting remand for the PTAB's failure to institute on all asserted grounds. [Biodelivery Sciences International, Inc. v. Aquestive Therapeutics, Inc., 2017-1265, 2017-1266, 2017-1268 (Fed. Cir. 7/31/2018).]

Legal issue, 35 USC 314(a) right to decision on appealed from a partial institution decision, prior to remand, in view of *SAS Institute*.

The Federal Circuit declined deciding the pending appeals to (1) avoid piecemeal litigation and (2) discounted the existence of a stay of corresponding district court litigation, indicating that stay was not a relevant factor.

> Aquestive also asks that if this court decides that remand is appropriate, that we first decide the presently appealed issues. *** This is precisely the type of piecemeal litigation that is historically disfavored. *** Whether district court litigation is stayed for these remand procedures is within the province of the district court. Thus, the prejudice alleged by Aquestive does not weigh against a remand in this case. [Biodelivery Sciences International, Inc. v. Aquestive Therapeutics, Inc., 2017-1265, 2017-1266, 2017-1268 (Fed. Cir. 7/31/2018).]

GoPro, Inc. v. Contour IP Holding LLC, 2017-1894, 2017-1936 (Fed. Cir. 7/27/2018).

This is a decision on appeals from PTAB cases IPR2015-01078, IPR2015-01080. The PTAB held that GoPro had not shown the challenged claims to be obvious. GoPro appealed. The Federal Circuit vacated and remanded.

Legal issue: 35 USC 102, printed publication, accessibility requirement.

The Federal Circuit concluded that the PTAB erred in concluding the GoPro Catalog was not sufficiently accessible to qualify as a printed publication prior art document. The Catalog was distributed at a trade show, and then posted on a corresponding website. The Federal Circuit stated that the test for availability was whether "reasonable diligence" by "members of the relevant public" would result in access to the document, and factors to be considered included (1) the nature of the conference; (2) any restrictions on public disclosure; (3) expectations of confidentiality; and (4) expectations the information would be shared.

> We have interpreted § 102 broadly, finding that even relatively obscure documents qualify as prior art so long as the relevant public has a means of accessing them. *See, e.g., Jazz Pharm., Inc. v. Amneal Pharm., LLC*, Nos. 17-1671, -1673, -1674, -1675, -1676, -1677, -2075, --- F.3d ----, slip op. at 11–22, 2018 WL 3400764, at *5–9 (Fed. Cir. July 13, 2018). For example, we have determined that a single cataloged thesis in a university library was "sufficient[ly] accessible to those interested in the art exercising reasonable diligence." In re *Hall*, 781 F.2d 897, 900 (Fed. Cir. 1986). Subsequently, we explained that "[a]ccessibility goes to the issue of whether interested members of the relevant public could obtain the information if they wanted to" and "[i]f accessibility is proved, there is no requirement to show that particular members of the public

actually received the information." *Constant v. Advanced Micro-Devices, Inc.*, 848 F.2d 1560, 1569 (Fed. Cir. 1988). Accordingly, "[a] reference will be considered publicly accessible if it was 'disseminated or otherwise made available to the extent that persons interested and ordinarily skilled in the subject matter or art exercising reasonable diligence, can locate it.'" *Blue Calypso*, 815 F.3d at 1348 (quoting *Kyocera Wireless Corp. v. Int'l Trade Comm'n*, 545 F.3d 1340, 1350 (Fed. Cir. 2008)). *** The principal issue on appeal is whether the GoPro Catalog was sufficiently accessible as contemplated under § 102(b). [GoPro, Inc. v. Contour IP Holding LLC, 2017-1894, 2017-1936 (Fed. Cir. 7/27/2018).]

We disagree with the Board's conclusion that the evidence presented by GoPro failed to satisfy the § 102(b) requirements. The case law regarding accessibility is not as narrow as the Board interprets it. The Board focused on only one of several factors that are relevant to determining public accessibility in the context of materials distributed at conferences or meetings. The Board cited the target audience is dispositive of the inquiry of accessibility. *Cf. Medtronic v. Barry*, 891 F.3d 1368, 1382 (Fed. Cir. 2018) ("The expertise of the target audience can be a factor in determining public accessibility. But this factor alone is not dispositive of the inquiry." (citations omitted)). Rather, our case law directs us to also consider the nature of the conference or meeting; whether there are restrictions on public disclosure of the information; expectations of confidentiality; and expectations of sharing the information. *Id*. at 1382–83. [GoPro, Inc. v. Contour IP Holding LLC, 2017-1894, 2017-1936 (Fed. Cir. 7/27/2018).]

The Federal Circuit identified the relevant facts and applied its test to those facts, to find the Board erred. Uncontroverted evidence included: that "Tucker Rocky ... an annual trade show ... draws thousands of attendees;" that "GoPro displayed and distributed hundreds of copies of the GoPro Catalog to attendees at the show without restriction;" that "a primary purpose of POV cameras is for use on vehicles in extreme action environments, such as the ones advertised at the Tucker Rocky Dealer Show;" that "attendees attracted to the show were likely more sophisticated and involved in the extreme action vehicle space than an average consumer; that "[t]he vendor list provided ... a number of vendors who likely sell, produce and/or have a professional interest in digital video cameras." Based upon this evidence, the Federal Circuit concluded that the Board erred in not concluding that the GoPro Catalog was a printed publication:

The Board concluded that the GoPro Catalog was not a printed publication because the Tucker Rocky Dealer Show was not open to the general public [footnote 8 omitted] and GoPro failed to provide evidence that someone ordinarily skilled in the art actually attended the dealer show. But, the standard for public accessibility is one of "reasonable diligence," *Blue Calypso*, 815 F.3d at 1348, to locate the information by "interested members of the relevant public." *Constant*, 848 F.2d at 1569 (emphasis added). A dealer show focused on extreme

sports vehicles is an obvious forum for POV action sports cameras. And although the general public at large may not have been aware of the trade show, dealers of POV cameras would encompass the relevant audience such that a person ordinarily skilled and interested in POV action cameras, exercising reasonable diligence, should have been aware of the show. Additionally, the GoPro Catalog was disseminated with no restrictions and was intended to reach the general public. Based upon Mr. Jones's testimony, the evidence provided by GoPro regarding the Tucker Rocky Dealer Show, and the evidence of the Tucker Rocky Distributing website, we conclude that GoPro met its burden to show that its catalog is a printed publication under § 102(b). [GoPro, Inc. v. Contour IP Holding LLC, 2017-1894, 2017-1936 (Fed. Cir. 7/27/2018).]

Nantkwest, Inc. v. Iancu, 2016-1794 (Fed. Cir. 7/27/2018)(en banc).

This is an en banc decision of the court rehearing its early decision directing the district court to award attorneys' fees to the PTO on the theory that proper construction of 35 USC 145 specifies that the PTO is entitled to attorneys' fees. The en banc court reversed the panel decision, holding that 145 does not specify that the PTO is entitled to its attorneys' fees in 145 actions.

> At the outset, we hold that the American Rule applies to § 145. As noted, the American Rule provides that each litigant bears its own attorneys' fees, win or lose, and a statute must use "specific and explicit" language to depart from this rule. *** Having concluded that the American Rule applies, we now ask whether § 145 displaces it. *** In our view, § 145's statement that "[a]ll the expenses of the proceedings shall be paid by the applicant" lacks the "specific and explicit" congressional authorization required to displace the American Rule. [Nantkwest, Inc. v. Iancu, 2016-1794 (Fed. Cir. 7/27/2018)(en banc).]

Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).

This is a decision on appeals from PTAB cases IPR2015-01750; IPR2015-01751; and IPR2015-01752. AIT appealed. The Federal Circuit vacated and remanded.

According to the Court:

> ...the Board applied an unduly restrictive test for determining whether a person or entity is a "real party in interest" within the meaning of § 315(b) and failed to consider the entirety of the evidentiary record in assessing whether § 315(b) barred institution of these IPRs. [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

Judge Reyna also wrote a concurring opinion, stating that he:

> ...also conclude[d] that the Board erred by failing to fully address the question of whether RPX's petitions are time barred under the privity provision of § 315(b). This error constitutes an independent ground for vacating and remanding. [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018); Judge Reyna concurring; interpolation supplied.]

The Court faced squarely the meaning of "real party in interest", for the first time, in 315(b):

> Although we have issued a few decisions recently applying these common-law principles in the context of § 315(b) challenges, they have been in cases where privity challenges were raised and where the arguments on that question related to the parties' relationship during an earlier litigation that reached a final judgment; the question of who is a "real party in interest" in the context of an IPR was not addressed. *** The facts of this case and the arguments made by the parties require us to explore in greater detail the meaning of the term "real party in interest" in the context of the AIA. As such, we first construe § 315(b) by examining the language of the provision, its place in the overall statutory scheme, and the legislative history of the provision. We then explain how the Board in this case rendered a flawed time-bar determination under § 315(b) by taking an unduly narrow view of the meaning of the governing statutory term and by failing to consider the entirety of the record before it. [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

After a thorough review, the Federal Circuit concluded that 315(b) was unambiguous and therefore it owed no deference to the PTO's interpretation.

> We begin our analysis of the Board's application of § 315(b) by construing the provision. "As in any case of statutory construction, our analysis begins with the language of the statute." *Hughes Aircraft Co. v. Jacobson*, 525 U.S. 432, 438 (1999) (internal quotation marks omitted). "The first step 'is to determine whether the language at issue has a plain and unambiguous meaning with regard to the particular dispute in the case.'" *Barnhart v. Sigmon Coal Co.*, 534 U.S. 438, 450 (2002) (quoting *Robinson v. Shell Oil Co.*, 519 U.S. 337, 340 (1997)). We also "must read the words 'in their context and with a view to their place in the overall statutory scheme.'" *King v. Burwell*, — U.S. —, 135 S. Ct. 2480, 2489 (2015) (quoting *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 133 (2000)). This is because statutory "[a]mbiguity is a creature not [just] of definitional possibilities but [also] of statutory context." *Brown v. Gardner*, 513 U.S. 115, 118 (1994). Importantly, we may not conclude that a statutory provision is ambiguous until we conclude that resort to all standard

forms of statutory interpretation are incapable of resolving any apparent ambiguity which might appear on the face of the statute. *See Chevron*, 467 U.S. at 843 n.9. *** We conclude that, with respect to the dispute in this case, § 315(b) is unambiguous: Congress intended that the term "real party in interest" have its expansive common- law meaning. Because "the statutory language is unambiguous and 'the statutory scheme is coherent and consistent,'" our inquiry ceases and "we need not contemplate deferring to the agency's interpretation." *Barnhart*, 534 U.S. at 450, 462 (first quoting *Robinson*, 519 U.S. at 340; then quoting *Chevron*, 467 U.S. at 842–43). [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

Legal issue: 35 USC 315(b), time bar, test for real party in interest or privy of the petitioner.

The Federal Circuit reviewed the statute, the common law, and the legislative history concluding that "real party in interest" and "privy of the petitioner" in § 315(b) covered more than a single entity and included entities that were "proxies or privies [that] would benefit from an instituted IPR, even where the petitioning party might separately have its own interest in initiating an IPR." However, more than that is not clear from the Court's explanation.

> Two insights into Congress's intent vis-à-vis the reach of § 315(b) can be gleaned from the statutory text alone. First, the inclusion of the terms "real party in interest" and "privy of the petitioner" in § 315(b) makes clear that Congress planned for the provision to apply broadly— sweeping in not only what might be traditionally known as real parties in interest, but privies as well. Second, Congress did not speak of there being only one interested party in each case; instead, it chose language that bars petitions where proxies or privies would benefit from an instituted IPR, even where the petitioning party might separately have its own interest in initiating an IPR. Indeed, Congress understood that there could be *multiple* real parties in interest, as evidenced by § 312(a)'s requirement that an IPR petition must "identif[y] all real parties in interest." 35 U.S.C. § 312(a)(2) (emphasis added). [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

The Federal Circuit reviewed the legislative history, concluding that:

> Other statements from members of Congress reveal that the terms "real party in interest" and "privy" were included in § 315 to serve two related purposes: (1) to ensure that third parties who have sufficiently close relationships with IPR petitioners would be bound by the outcome of instituted IPRs under § 315(e), the related IPR estoppel provision; and (2) to safeguard patent owners from having to defend their patents against belated administrative attacks by related parties via § 315(b). For example, during the March 2011 Senate debates,

> Senator Kyl stated that "[t]he present bill also incorporates S. 3600's extension of the estoppels and other procedural limits in sections 315 and 325 to real parties in interest and privies of the petitioner." 157 Cong. Rec. S1376 (Mar. 8, 2011) (statement of Sen. Kyl). He continued that "privity is an *equitable rule* that takes into account the 'practical situation,' and should *extend to parties to transactions and other activities relating to the property in question*." *Id*. (emphases added). He then stated that, "[i]deally, extending could-have-raised estoppel to privies will help ensure that if an inter partes review is instituted while litigation is pending, that review will completely substitute for at least the patent sand-printed-publications portion of the civil litigation." *Id*. One of his colleagues, Senator Schumer, expressed a similar belief, stating that "[a] 'privy' is a party that has a direct relationship to the petitioner with respect to the allegedly infringing product or service." Id. at S5432 (Sept. 8, 2011) (statement of Sen. Schumer). [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

Comment: I find the decision on the actual test for real party in interest hard to follow because it fails to specify a test and it fails to clearly separate real party in interest and privy in its analysis.

Legal Issue: APA, Requirements for a reasoned explanation, application of the burden of proof, and substantial evidence.

The Federal Circuit was clear that the PTAB's decision did not meet the substantial evidence, or reasoned analysis requirements, when applied to the relevant legal test for real party in interest.

> In sum, we believe that the Board's determination that Salesforce was not a real party in interest under § 315(b) relied on an impermissibly narrow understanding of the common-law meaning of the term, was not based on consideration of the entirety of the administrative record, and seemingly misallocated the burden of proof. Any one of these errors might warrant vacatur—together, they compel it. [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

What follows are excerpts of the Federal Circuit's disagreement with the Board's analysis. The Federal Circuit indicated that RPX's business model imply that RPX can and does file IPRs to serve its clients' financial interests was probative.

> Determining whether a non-party is a "real party in interest" demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner ... [t]he Board ... did not meaningfully examine ... Salesforce's relationship with RPX and "the nature of" RPX as an entity. *** We conclude that the Board's

> consideration of the evidence was impermissibly shallow, ... under ... the ...common law .... The evidence of record reveals that RPX, unlike a traditional trade association, is a for-profit company whose clients pay for its portfolio of "patent risk solutions." J.A. 73. These solutions help paying members "extricate themselves from NPE lawsuits." J.A. 29. The company's SEC filings reveal that one of its "strategies" for transforming the patent market is "the facilitation of challenges to patent validity," one intent of which is to "reduce expenses for [RPX's] clients." J.A. 31. Yet the Board did not consider these facts, which, taken together, imply that RPX can and does file IPRs to serve its clients' financial interests, and that a key reason clients pay RPX is to benefit from this practice in the event they are sued by an NPE. [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

The Federal Circuit indicated that the factors that RPX considers when identifying potential IPR candidates are "highly probative of whether particular individual clients would benefit from having RPX file IPR petitions."

> This implication becomes stronger when one considers the discovery produced in this case. First, even though it is undisputed that RPX nominally adhered to its "best practices," which prohibit it from discussing IPRs with clients who do not agree to be named as real parties in interest, J.A. 80, these practices do not bear on whether RPX files IPR petitions to benefit specific clients that previously have been accused of patent infringement. Moreover, several of the factors that RPX considers when identifying potential IPR candidates are highly probative of whether particular individual clients would benefit from having RPX file IPR petitions challenging patents they have been accused of infringing. These include (1) the number of patents "asserted in the campaign"; (2) the likelihood of a new validity challenge by another entity; (3) the number of "RPX clients, including those covered under RPX insurance policies, in suit"; (4) the "estimated cost of litigation defense"; and (5) "potential reputational benefits" to RPX. J.A. 80–81. Each of these factors is suggestive of whether any given RPX client would benefit from having RPX file an IPR petition challenging patents that have been asserted against that client in district court. Yet, again, the Board did not examine these factors, in contravention of its obligations under the Administrative Procedure Act ("APA"). *Falkner v. Inglis*, 448 F.3d 1357, 1363 (Fed. Cir. 2006) ("This court applies the standards of the Administrative Procedure Act ('APA') in reviewing decisions of the Board." (citation omitted)). [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

The Federal Circuit explained that the PTAB erred by focusing on RPX's interest in the IPR and not whether Salesforce "interest in and will benefit from" having RPX file the IPRs, was error.

> The Board emphasized Chuang's testimony that "[t]he primary factor driving RPX's decision to file [the] IPRs" was "the ability to file a very strong petition against a low quality patent in the software sector before the NPE extracted its price from its first litigation and proceeded to assert the patents more broadly against other targets," which would "prevent multiple future lawsuits against clients, prospects, and the industry at large and, as a result, provide significant reputational benefits to RPX." J.A. 1398. The Board seemed to believe that, so long as RPX articulated an independent interest in pursuing the IPRs, that was enough to make it—and not Salesforce— the real party in interest. But, as discussed above, § 315(b) does not presume the existence of only one real party in interest—it is not an either-or proposition. The point is not to probe RPX's interest (it does not need any); rather, it is to probe the extent to which Salesforce—as RPX's client—has an interest in and will benefit from RPX's actions, and inquire whether RPX can be said to be representing that interest after examining its relationship with Salesforce. The Board's focus on RPX's motivations to the exclusion of Salesforce's reveals its misunderstanding of controlling legal principles. [Footnote 5 shown below.] [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

The foregoing paragraph ended with footnote 5, which reads:

> As noted above, the Board never required RPX to assert or prove that "the industry at large" would be impacted by or have an interest in these patents or these IPRs. Thus, even if it were enough for RPX to prove that it had other clients who might benefit from the invalidation of the patents at issue, the Board did not require RPX to prove that to be true. [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

This footnote relies upon the fact that, as petitioner, RPX had the burden of proof, including the burden to show that it was the sole real party in interest.

The Federal Circuit explained that the PTAB erred by both mis weighing evidence and failing to consider clearly relevant evidence, and to draw relevant conclusions.

> ...Here, the Board's failure to consider Salesforce's interest in the IPRs, its decision not to examine critically either RPX's business model, its underestimation of the relevance, in the context presented here, of the fact that Salesforce and RPX had overlapping members on their respective boards of directors, J.A. 1401, and its decision to accept at face value RPX's explanation of its own interest in the IPRs indicates that the Board did not adequately assess whether Salesforce actually "desire[d] review of the patent[s]." 77 Fed. Reg. at 48,759. [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently

released to the public 7/24/2018).]

> The Board also cited Chuang's testimony that RPX followed its Best Practices Guide in this case and accordingly "had no communication with Salesforce whatsoever regarding the filing of IPR petitions against the AIT Patents before the AIT IPRs were filed."*** Chuang did not, however, testify that RPX actually believed Salesforce would have reacted negatively to RPX's filing of IPR petitions challenging claims of the '482 and '111 patents. Rather, the evidence submitted indicates the company's understanding that the very challenges to validity included in the IPR petitions were challenges Salesforce would like to have made if not timebarred from doing so. Indeed, Chuang's own averments about the timing and content of the communications between RPX and Salesforce in relation to the Salesforce litigation and the denied CBM petitions indicate the contrary. [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

The Federal Circuit explained that the PTAB erred by failing to provide substantial evidence supporting its conclusion that the RPX had shown it was not acting in a willfully blind manner to benefit *Salesforce*.

> The evidence might actually indicate that RPX worked to ascertain, with a strong degree of confidence, its client's desires, while taking last-minute efforts to avoid obtaining an express statement of such desires. The law has a label for this: willful blindness. *See Global- Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 769 (2011) ("While the Courts of Appeals articulate the doctrine of willful blindness in slightly different ways, all appear to agree on two basic requirements: (1) the defendant must subjectively believe that there is a high probability that a fact exists and (2) the defendant must take deliberate actions to avoid learning of that fact." (footnote and citation omitted)). AIT accused RPX of engaging in this very practice. See J.A. 1368. But the Board, without providing any reasoned explanation, wrote that it was "not persuaded that the evidence of record supports th[e] assertion[s]" that RPX has "adopted a 'willful blindness' strategy" and "intentionally operates its business to circumvent the PTAB's RPI case law." J.A. 1400. It further explained that "RPX has provided declaration testimony that explains RPX's 'best practices' for identifying RPIs that contradicts Patent Owner's assertion." J.A. 1400 (emphasis added) (citing paragraphs 14–19 of Chuang's declaration). Substantial evidence does not support this determination—nothing in these paragraphs, or anything else in Chuang's declaration or RPX's reply to AIT's preliminary response on real-party-in-interest "contradicts" AIT's theory that RPX filed IPR petitions challenging the two patents asserted in the Salesforce action to benefit Salesforce, where Salesforce itself was time-barred from filing petitions. The insufficiency of the Board's reasoning is especially important because RPX bore the burden of persuasion on

this issue, as the Board itself recognized. J.A. 1396–97 (recognizing that, "[w]hen a patent owner provides sufficient evidence prior to institution that reasonably brings into question the accuracy of a petitioner's identification of RPIs, the overall burden remains with the petitioner to establish that it has complied with the statutory requirement to identify all [real parties in interest]." (citing *Zerto*, No. IPR2014-01295, slip op. at 6–7)). [Applications in Internet Time, LLC v. RPX Corporation, 2017-1698; 2017-1699; and 2017-1701 (Fed. Cir. decision rendered 7/9/2018, but apparently released to the public 7/24/2018).]

Trustees of Boston University v. Everlight Electronics Co., Ltd., 2016-2576; 2016-2577; 2016-2578; 2016-2579; 2016-2580; 2016-2581; 2016-2582; 2016-2591; 2016-2592; 2016-2593; 2016-2594; and 2016-2595 (Fed. Cir. 7/25/2018).

This is a decision on appeals from the D. Mass district court cases 1:12-cv-11935-PBS, 1:12-cv-12326-PBS and 1:12-cv-12330-PBS. A jury found that Defendants infringed the '738 patent and failed to prove the patent's invalidity. The district court denied Defendants' motion for JMOL due to lack of enablement. Defendants appealed. The Federal Circuit panel consisting of Chief Judge Prost and Judges Moore and Reyna, reversed.

Legal issue: 35 USC 112, enablement of the full scope of the claim, *as construed*.

This is a strange case because the patentee pressed for an overbroad claim construction that led to its defeat on appeal, for lack of enablement of the full scope of the claim. The appeal does not indicate that the non-enabled scope of the claim was relevant to infringement; it is silent on that issue. The claim at issue defined a semiconductor device comprising "a non-single crystalline buffer layer...consisting essentially of gallium nitride."

The Federal Circuit concluded that:

> "[T]o be enabling, the specification of a patent must teach those skilled in the art how to make and use the full scope of the claimed invention without 'undue experimentation.'" *Genentech, Inc. v. Novo Nordisk A/S*, 108 F.3d 1361, 1365 (Fed. Cir. 1997) (alteration in original) (quoting *In re Wright*, 999 F.2d 1557, 1561 (Fed. Cir. 1993)). Enablement is determined as of the patent's effective filing date. *E.g., Plant Genetic Sys., N.V. v. DeKalb Genetics Corp.*, 315 F.3d 1335, 1339 (Fed. Cir. 2003). [Footnote 4 omitted.] *** The inquiry is whether the patent's specification taught one of skill in the art how to make such a device without undue experimentation as of the patent's effective filing date. Viewed in this light, BU's evidence is not probative of enablement. [Trustees of Boston University v. Everlight Electronics Co., Ltd., 2016-2576 et al. (Fed. Cir. 7/25/2018).]

The Federal Circuit noted the following facts:

> The district court construed two terms relevant here. ... Second, the district court construed "a non-single crystalline buffer layer" to mean "a layer of material that is not monocrystalline, namely, [1] polycrystalline, [2] amorphous or [3] a mixture of polycrystalline and amorphous, located between the first

> substrate and the first growth layer." [Footnote 2 omitted.] J.A. 253–54 (numbers added for clarity). And, while the district court did not specifically construe "growth layer," BU does not dispute that "growth layer" includes within its scope a monocrystalline growth layer. *** The enablement issue in this case concerns this sixth permutation—a monocrystalline growth layer formed directly on an amorphous buffer layer. [Trustees of Boston University v. Everlight Electronics Co., Ltd., 2016-2576 et al. (Fed. Cir. 7/25/2018).]

So really the issue was that the claim construction of "non-single crystalline buffer layer" included the possibility of the buffer layer being "amorphous." A claim construction for example of "non-single crystalline buffer layer" being either polycrystalline or a combination of amorphous and polycrystalline would have avoided the scope of the claim resulting in the Federal Circuit invalidating the claim for lack of enablement. As the Federal Circuit explained:

> We note finally that, to some extent, BU created its own enablement problem. BU sought a construction of "a non-single crystalline buffer layer" that included a purely amorphous layer. See J.A. 253–54 (reciting BU's proposed construction as "a layer of material that is not monocrystalline, located between the first substrate and the first growth layer" (emphasis added)). Having obtained a claim construction that included a purely amorphous layer within the scope of the claim, BU then needed to successfully defend against an enablement challenge as to the claim's full scope. *See Liebel-Flarsheim*, 481 F.3d at 1380. Put differently: if BU wanted to exclude others from what it regarded as its invention, its patent needed to teach the public how to make and use that invention. That is "part of the quid pro quo of the patent bargain." *Sitrick*, 516 F.3d at 999 (quoting *AK Steel*, 344 F.3d at 1244). [Trustees of Boston University v. Everlight Electronics Co., Ltd., 2016-2576 et al. (Fed. Cir. 7/25/2018).]

Comment: The moral of this story is to be careful what you ask for!
Appendix:

> Claim 19 was the only claim tried to the jury. Per the opinion, it reads:
>
> A semiconductor device comprising:
> a substrate, said substrate consisting of a material selected from the group consisting of (100) silicon, (111) silicon, (0001) sapphire, (11–20) sapphire, (1–102) sapphire, (111) gallium aresenide, (100) gallium aresenide, magnesium oxide, zinc oxide and silicon carbide;
> a non-single crystalline buffer layer, comprising a first material grown on said substrate, the first material consisting essentially of gallium nitride; and
> a growth layer grown on the buffer layer, the growth layer comprising gallium nitride and a first dopant material.

Zup, LLC v. Nash Manufacturing, Inc., 2017-1601 (Fed. Cir. 7/25/2018).

This is an appeal from the E.D. VA. case 3:16-cv-00125-HEH. The Federal Circuit panel split, with Chief Judge Prost and Judge Lourie constituting the majority. Judge Newman dissented, concluding that summary judgement of invalidity was improper.

Judge Newman characterized the majority as improperly applying "only three of the four *Graham* factors ... in order to establish a prima facie case of obviousness, and ...[applying] the fourth *Graham* factor ... only in rebuttal, whereby the fourth factor must be of sufficient weight to outweigh and thereby rebut the first three factors." And Judge Newman concluded that this was contrary to the statement in *Apple Inc. v. Samsung Electronics Co.*, 839 F.3d 1034, 1048 (Fed. Cir. 2016) (en banc), that "it is error to reach a conclusion of obviousness until all those factors are considered."

In sum, this case provides a couple of factors to consider in secondary indicia analysis (weakness of long felt need evidence when all that is lacking is a motivation to combine; and strength of evidence controverting copying in the form of instructions cautioning a user against configuring components of a device so that they or their use infringes the patent). But as the dissent notes, those factors are of dubious value.

Legal issue: 35 USC 103, obviousness, motivation to combine.

The Federal Circuit majority restated basis for finding a motivation to combine.

> A "motivation to combine may be found explicitly or implicitly in market forces; design incentives; the 'interrelated teachings of multiple patents'; 'any need or problem known in the field of endeavor at the time of invention and addressed by the patent'; and the background knowledge, creativity, and common sense of the person of ordinary skill." *Plantronics, Inc. v. Aliph, Inc.*, 724 F.3d 1343, 1354 (Fed. Cir. 2013) (citing *Perfect Web Techs., Inc. v. InfoUSA, Inc.*, 587 F.3d 1324, 1328 (Fed. Cir. 2009) (quoting *KSR*, 550 U.S. at 418–21)). [Zup, LLC v. Nash Manufacturing, Inc., 2017-1601 (Fed. Cir. 7/25/2018).]

Legal issue: 35 USC 103, obviousness, long felt but unresolved need.

The Federal Circuit majority seemed to hold that a motivation to combine was a minimal difference from the prior art, when all individual elements of the claim were known in the art.

> In the face of the significant evidence presented by Nash regarding the consistent desire for riders to change positions while riding water recreational boards (and the need to maintain stability while doing so), and given that the elements of the '681 patent were used in the prior art for this very purpose, there is no genuine dispute as to the existence of a motivation to combine. [Footnote 2 omitted.] ZUP's second argument on appeal relates to the district court's analysis of ZUP's evidence of secondary considerations. *** ZUP's argument also suggests that summary judgment could not be granted based on the record evidence. This argument is similarly unavailing. *** As we have said before, "[w]here the differences between the prior art and the claimed invention are as minimal as they are here, however, it cannot be said that any long-felt need was unsolved." *Geo. M. Martin Co. v. All. Mach. Sys. Int'l LLC*, 618 F.3d 1294,

1304–05 (Fed. Cir. 2010). That is true here, where the differences between the claimed invention and the prior art are minimal. [Zup, LLC v. Nash Manufacturing, Inc., 2017-1601 (Fed. Cir. 7/25/2018).]

Note: This while this analysis indicates that when all elements are shown to be in the prior art and only a motivation to modify is missing, then "the differences between the claimed invention and the prior art are minimal," thereby discounting the probative value of evidence of long standing but unresolved need. However, I do not however follow that logic.

Legal issue: 35 USC 103, obviousness, secondary indicia, evidence of copying.

There were both device and method claims that required handles after of the tow hook. Versa's Board came with the handles, but also with written instructions, cautioning the user against standing while having the handles installed. The Federal Circuit majority found this caution significant in concluding the evidence for copying was weak.

> Like the ZUP Board, the Versa Board has a tow hook on the front section of the board. Unlike the ZUP Board, however, the Versa Board has several holes on the top surface of the board that allow users to attach handles or foot bindings in various configurations. See J.A. 427–29. Although Nash warns against having the handles attached to the board while standing, see J.A. 430 ¶¶ 22–23, a user could theoretically ignore Nash's warnings and attach the handles and foot bindings in a configuration that mirrors the configuration of the ZUP Board, see J.A. 139. [Zup, LLC v. Nash Manufacturing, Inc., 2017-1601 (Fed. Cir. 7/25/2018).]

> ZUP presented even less compelling evidence of copying. See J.A. 139–40 (Emmons Decl.); J.A. 417 ¶¶ 6–7 (Duff Decl.). "Our case law holds that copying requires evidence of efforts to replicate a specific product, which may be demonstrated through internal company documents, direct evidence such as disassembling a patented prototype, photographing its features, and using the photograph as a blueprint to build a replica, or access to the patented product combined with substantial similarity to the patented product." *Wyers v. Master Lock Co.*, 616 F.3d 1231, 1246 (Fed. Cir. 2010). Nash did obtain a sample product from ZUP during the parties' initial business discussions. J.A. 419 ¶ 5 (Parten Decl.). But, the evidence ZUP points us to suggests that, for Nash's Versa Board to resemble the claimed invention, a user would need to ignore Nash's instructions on how to use the Versa Board—instructions that specifically discourage users from keeping the handles attached to the board while standing. See Appellant's Br. 25 (emphasizing the district court's statement that "it is feasible for a user to ignore [Nash's] instructions and attach both the handles and the foot bindings in a configuration that is nearly identical to the ZUP Board"); see also J.A. 139. [Zup, LLC v. Nash Manufacturing, Inc., 2017-1601 (Fed. Cir. 7/25/2018).]

Comment: I take it on faith, because the majority said it, that cautioning the user against

configuring the device in a manner that infringes someone else's device and method claims, is evidence that the accused did not copy the patented device. But I fail to see the logic in that conclusion. Judge Newman, in dissent reasoned that:

> My colleagues also err in their analysis of the objective indicia. For example, the panel majority concedes that Nash obtained the patented wakeboard and used it to develop a wakeboard that "resembled the claimed invention." Maj. Op. at 15. Yet the panel majority holds that because ZUP did not give Nash a "blueprint" of the ZUP Board, the evidence of copying is somehow diminished. Id. at 15. No precedent, no logic, requires a "blueprint" in order to copy a simple structure in plain view and possessed by the accused infringer. [Zup, LLC v. Nash Manufacturing, Inc., 2017-1601 (Fed. Cir. 7/25/2018).]

I find her reasoning logical.

Saint Regis Mohawk Tribe v. Mylan Pharmaceuticals Inc., 2018-1638, 2018-1639, 2018-1640, 2018-1641, 2018-1642, 2018-1643 (Fed. Cir. 7/20/2018).

This is a decision on appeals from PTAB cases: IPR2016-01127; IPR2016-01128; IPR2016-01129; IPR2016-01130; IPR2016-01131, IPR2016-01132; IPR2017-00599; IPR2017-00576; IPR2017-00578; IPR2017-00579; IPR2017-00583, IPR2017-00585; IPR2017-00586; IPR2017-00594; IPR2017-00596; IPR2017-00598; IPR2017-00600; and IPR2017-00601. Judge Dyk filed a concurring opinion. The PTAB "Board denied the Tribe's motion to terminate on the basis of sovereign immunity and Allergan's motion to withdraw from the proceedings." Allergan dn the Tribe appealed. The Federal Circuit affirmed.

Legal issue: Tribal Sovereign immunity to IPR. The Federal Circuit held that tribal sovereign immunity did not exist in IPRs.

> We hold that tribal sovereign immunity cannot be asserted in IPRs. *** Ultimately, several factors convince us that IPR is more like an agency enforcement action than a civil suit brought by a private party, and we conclude that tribal immunity is not implicated. First, although the Director's discretion in how he conducts IPR is significantly constrained, he possesses broad discretion in deciding whether to institute review. *** Second, the role of the parties in IPR suggests immunity does not apply in these proceedings. Once IPR has been initiated, the Board may choose to continue review even if the petitioner chooses not to participate. 35 U.S.C. § 317(a). *** Third, unlike *FMC*, the USPTO procedures in IPR do not mirror the Federal Rules of Civil Procedure. *** Finally, while the USPTO has the authority to conduct reexamination proceedings that are more inquisitorial and less adjudicatory than IPR, this does not mean that IPR is thus necessarily a proceeding in which Congress contemplated tribal immunity to apply. [Saint Regis Mohawk Tribe v. Mylan Pharmaceuticals Inc., 2018-1638, 2018-1639, 2018-1640, 2018-1641, 2018-1642, 2018-1643 (Fed. Cir. 7/20/2018).]

> The Director's important role as a gatekeeper and the Board's authority to proceed in the absence of the parties convinces us that the USPTO is acting as the United States in its role as a superior sovereign to reconsider a prior administrative grant and protect the public interest in keeping patent monopolies "within their legitimate scope." *See Cuozzo*, 136 S. Ct. at 2144. The United States, through the Director, does "exercise . . . political responsibility" over the decision to proceed with IPR. *FMC*, 535 U.S. at 764 (quoting *Alden*, 527 U.S. at 756). The Tribe may not rely on its immunity to bar such an action. *See Miccosukee Tribe of Indians of Fla. v. United States*, 698 F.3d 1326, 1331 (11th Cir. 2012) ("Indian tribes may not rely on tribal sovereign immunity to bar a suit by a superior sovereign."). Because we conclude that tribal sovereign immunity cannot be asserted in IPR, we need not reach the parties' other arguments. [Saint Regis Mohawk Tribe v. Mylan Pharmaceuticals Inc., 2018-1638, 2018-1639, 2018-1640, 2018-1641, 2018-1642, 2018-1643 (Fed. Cir. 7/20/2018).]

Interval Licensing LLC v. AOL, Inc., 2016-2502, 2016-2505, 2016-2506, 2016-2507 (Fed. Cir. 7/20/2018).

This is a decision on appeals from the W.D. Wash. district court cases 2:13-cv-00263-MJP, 2:13-cv-00264-MJP, 2:13-cv-00265-MJP, 2:13-cv-00266-MJP. The majority opinion is by Judges Chen and Taranto. Judge Plager concurred on the result, but dissented "from our court's continued application of this incoherent body of doctrine" relating to the abstract idea analysis for patent eligibility determination.

Interval appealed from the district court's grant of judgement on the pleadings that claims 15-18 were patent ineligible under 35 USC 101. The Federal Circuit affirmed.

Legal issue: 35 USC 101 patent eligibility, abstract idea test, *Alice* Step 1.

The claim recited a computer implemented "attention manager." The Federal Circuit, concluded that the "attention manager" was directed to providing information to a person without interfering with the person's primary activity (that is, what, in a computer display, held their attention), and that this was an abstract idea, in *Alice* Step 1:

> ...We have recognized that "[i]nformation as such is an intangible" and that collecting, analyzing, and displaying that information, without more, is an abstract idea. *Elec. Power Grp.*, 830 F.3d at 1353–54; *see also id.* at 1355 (noting claim requirement of "'displaying concurrent visualization' of two or more types of information"was insufficient to confer patent eligibility). *** Recitation, as in this case, of the collection, organization, and display of two sets of information on a generic display device is abstract absent a "specific improvement to the way computers [or other technologies] operate." *Enfish*, 822 F.3d at 1336. [Interval Licensing LLC v. AOL, Inc., 2016-2502, 2016-2505, 2016-2506, 2016-2507 (Fed. Cir. 7/20/2018).]

The Federal Circuit then concluded that claim language was functional, not defining any technological improvement in computers.

> Furthermore, in light of the broad, result-oriented construction for "attention manager," we agree with the district court that the claimed "attention manager" encompasses a patent-ineligible abstract concept rather than an arguably technical improvement to display devices, because the term as properly construed simply demands the production of a desired result (non-interfering display of two information sets) without any limitation on how to produce that result. Instead of claiming a solution for producing that result, the claim in effect encompasses all solutions. This result-centric construction for "attention manager" conforms with the specification, which lacks any description for how a display device would ensure the segregation of the two sets of information presented on a display screen. [Interval Licensing LLC v. AOL, Inc., 2016-2502, 2016-2505, 2016-2506, 2016-2507 (Fed. Cir. 7/20/2018).]

Legal issue: 35 USC 101 patent eligibility, abstract idea test, *Alice* Step 2.

The Federal Circuit found that there was nothing in *Alice* step 2 that converted the abstract idea into a patent eligible invention, rejecting Interval's best argument, as follows:

> Interval Licensing next argues that the claims provide a specific technological improvement which is "rooted in computer technology" in that they "improve computer display devices by combining the acquired information with the user's primary display interaction." Appellant Br. 51–52 (quoting *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014)). We disagree. Interval Licensing does not allege that computer display devices were previously unable to display information from more than one source. And the problem for Interval Licensing is that its claims, as construed, are so broad that they encompass the basic concept of displaying two sets of information, using any means to display them without overlap, in which the secondary data set is acquired and organized by generic, conventional steps. Thus, unlike *DDR Holdings*, the claims here do not offer a particular solution to a problem that, in *DDR Holdings*, was unique to the Internet. The asserted improvement there is the presentation of information in conjunction with other information. Such an information-based improvement is not an improvement "rooted in computer technology." *DDR Holdings*, 773 F.3d at 1257. [Interval Licensing LLC v. AOL, Inc., 2016-2502, 2016-2505, 2016-2506, 2016-2507 (Fed. Cir. 7/20/2018).]

Comment on specificity: The requirement for specificity in claims defining solutions in computer-space is much like the requirement for a conception in the legal sense to be clear and definite, as thereafter reduced to practice to entitle an inventor to a conception based date of invention. It's easy to imagine, for example, that if Interval had disclosed and claimed an engineering specification implementing their concept, that claim would easily have passed 101 muster under *Alice*.

Comment on impact on the law: This case is a plain vanilla *Alice* two step analysis case. However, it is very notable for Judge Plager's separate opinion impugning the entire line of

"abstract idea" case law, suggesting it be tossed into the dist bin of historically bad ideas:

> Today we are called upon to decide the fate of some inventor's efforts, whether for good or ill, on the basis of criteria that provide no insight into whether the invention is good or ill. Given the current state of the law regarding what inventions are patent eligible, and in light of our governing precedents, I concur in the carefully reasoned opinion by my colleagues in the majority, even though the state of the law is such as to give little confidence that the outcome is necessarily correct. The law, as I shall explain, renders it near impossible to know with any certainty whether the invention is or is not patent eligible. Accordingly, I also respectfully dissent from our court's continued application of this incoherent body of doctrine. *** The 'abstract ideas' idea, when used for denying a claimed invention's patent eligibility either before or after a patent is issued, cannot thus function as a valid rule of law. *** Is it the case that now, some 65 years later, we really have resurrected the concept of an 'inventive concept'?13 The late Judge Giles Rich, the grand old man of patent law, whose portrait hangs in the place of honor in the Federal Circuit courthouse-how can he rest in peace? *** As a decisional construct for validation of a property right-a patent-the idea of a necessarily underlying 'inventive concept' proved unworkable. *** Judge Rich, who devoted his life to patent law, saw this clearly, and gave the Congress a workable alternative-nonobvious subject matter-which they adopted. *** The modern Supreme Court inherited this body of formulaic doctrine, and we now expect the Court to make sense of it. That they have failed is less a commentary on their efforts than on the absence of recognition of the problem on the part of the lawyers and judges who continue to treat these doctrines as if they were gospel. *** There is almost universal criticism among commentators and academicians that the 'abstract idea' idea has created havoc in the patent law. *** Something as simple as a declaration by the Court that the concept of 'abstract ideas' has proven unworkable in the context of modern technological patenting, and adds nothing to ensuring patent quality that the statutory requirements do not already provide, would remove this distraction from the salutary system *** Failing that, a legislative fix is a possibility, though waiting for that may be the ultimate test of patience. [Interval Licensing LLC v. AOL, Inc., 2016-2502, 2016-2505, 2016-2506, 2016-2507 (Fed. Cir. 7/20/2018); Judge Plager dissenting on application of the doctrine.]

Blackbird Tech LLC v. Elb Electronics, Inc., 2017-1703 (Fed. Cir. 7/16/2018).

This is a decision on an appeal from the D. Del. district court cases: 1:15-cv-00056-RGA; 1:15-cv-00057-RGA; 1:15-cv-00058-RGA; and 1:15-cv-00062-RGA. The Federal Circuit majority consisted of Chief Judge Prost and Judge Moore. Judge Reyna dissented. The district court entered judgement of noninfringement of claim 12. Blackbird appealed. The Federal Circuit majority reversed.

I find no substantial precedential value in this case.

Instead, this case illustrates how dramatically different claim constructions can arise in

the same case. Contrast the majority's statement:

> We conclude that the district court erred in construing "attachment surface" to be secured to the ballast cover. By its plain language, claim 12 does not require the attachment surface to be secured to the ballast cover. Claim 12 expressly recites a fastening mechanism for securing the attachment surface to the illumination surface. It does not refer to any other fastening mechanism. It does not require the attachment surface be secured to anything other than the illumination surface. The district court nevertheless read in a second fastening mechanism—this one to secure the attachment surface to the ballast cover. As discussed, the specification discloses an embodiment for an energy efficient lighting apparatus that can be retrofitted on an existing fixture, and that embodiment describes a fastener that connects the ballast cover to the attachment surface. See, e.g., '747 patent at 2:65–3:10, 9:1–10:28, Fig. 5. We do not agree that this fastener limitation should be imported into the claim. [Blackbird Tech LLC v. Elb Electronics, Inc., 2017-1703 (Fed. Cir. 7/16/2018).]

with the dissent's statement:

> Claim 12 does not expressly require that the attachment surface be attached to anything other than to the illumination surface. However, claim 12 does expressly describe a lighting apparatus "for retrofit with an existing light fixture having a ballast cover." '747 patent col. 11 ll. 26–27 (emphases added). The majority fails to give meaning to these claim terms by holding that "attachment surface" means "layer of the housing to which the illumination surface is secured," and concludes that the patent owner is entitled to patent scope that is neither described in nor supported by the specification. The plain language of claim 12, read in the context of the specification, implicitly requires that the attachment surface be secured to the ballast cover to achieve the retrofit function. [Blackbird Tech LLC v. Elb Electronics, Inc., 2017-1703 (Fed. Cir. 7/16/2018); (Judge Reyna, dissenting).]

Endo Pharmaceuticals Solutions, Inc. v. Custopharm Inc., 2017-1719 (Fed. Cir. 7/13/2018).

This is a decision on an appeal from the D. Del district court case 1:14-cv-01422-SLR-SRF. The district court concluded that Custopharm had not proven that the claims were invalid under 103. Custopharm appealed. The Federal Circuit affirmed.

Legal issue: 35 USC 103, burden of proof of accused infringer to show motivation to modify.

The Federal Circuit noted that, under the clear and convincing burden, Custopharm had to "affirmatively demonstrate that a skilled artisan would have been motivated to" make the modification.

> Second, Custopharm argues that the obviousness of an invention does not

require using the "best" motivation [footnote 8 omitted]; only a "suitable" motivation is required. *Par Pharm*., 773 F.3d at 1197–98. But this is a misunderstanding of Custopharm's burden. While the FDA Guidelines do not teach away from using the AACE Guidelines, the district court found that Custopharm had not shown, by clear and convincing evidence, that a skilled artisan would have recognized that patients injected with 1000 mg TU were being overdosed. To meet its burden, Custopharm needed to do more than merely show that the prior art does not preclude lowering the dose of TU. Custopharm needed to affirmatively demonstrate that a skilled artisan would have been motivated to lower the dose of TU despite no clear evidence of overdosing under the FDA Guidelines. *See Pfizer, Inc. v. Apotex, Inc.*, 480 F.3d 1348, 1361 (Fed. Cir. 2007) ("[T]he burden falls on the challenger of the patent to show by clear and convincing evidence that a skilled artisan would have been motivated to combine the teachings of the prior art references to achieve the claimed invention . . . ."). [Endo Pharmaceuticals Solutions, Inc. v. Custopharm Inc., 2017-1719 (Fed. Cir. 7/13/2018).]

Legal issue: 35 USC 102, inherency.

The Federal Circuit concluded that an ingredient was not inherently disclosed by a reference, merely because the ingredient was in fact actually used in the corresponding formulation.

To establish that a prior art reference inherently— rather than expressly—discloses a claim limitation, "the limitation at issue necessarily must be present, or [is] the natural result of the combination of elements explicitly disclosed by the prior art." Par Pharm., 773 F.3d at 1196. Here, Custopharm argues that the vehicle formulation was "necessarily present" in the Articles because it was later revealed to be the actual formulation the authors of the Articles used in their reported clinical studies. We disagree. *** Importantly, *Crish* and *Omeprazole* were about inherently present properties or characteristics for a "known" prior art product. But here, the TU injection composition recounted in the Articles cannot be said to be "known" in the same way; the Articles failed to disclose that the composition's vehicle formulation included another, key ingredient, benzyl benzoate, let alone the ratio of benzyl benzoate to castor oil. And there was no evidence in the record that a skilled artisan could determine the nondisclosed vehicle formulation based on the reported pharmacokinetic performance profile, or that the non disclosed vehicle formulation was necessarily a feature of the TU injection studied in the Articles. Under the circumstances of this case, the incomplete description of the TU injection composition elements denied skilled artisans from having access to that composition, thereby precluding use of the inherency doctrine to fill in disclosure about the product missing from the Articles. [Endo Pharmaceuticals Solutions, Inc. v. Custopharm Inc., 2017-1719 (Fed. Cir. 7/13/2018).]

Legal issue: 35 USC 103, obviousness, reasonable expectation of success.

The Federal Circuit noted that the reasonable expectation of success analysis takes into account the goal contemplated by the inventor, which in this case was a "a commercially viable" therapy.

> Third, Custopharm's explanation for why a skilled artisan would have a reasonable expectation of success that changing the injection regimen would result in a long acting testosterone therapy is lacking. Endo presented evidence that oil based, depot (slow release) injections, such as TU injections can behave in unpredictable ways and that such dose and regimen changes would require more than routine experimentation. Namely, this is because it was unclear from the Articles if there is a linear relationship between the dose amount and the amount of TU in the patient's body. Custopharm does not directly dispute this pharmacokinetic argument; rather, it contends on appeal that the district court did not give the proper weight to its argument that the invention should be viewed from the perspective of the individual patient. The invention, however, is meant to achieve a commercially viable testosterone therapy. '640 patent, col. 2, ll. 49–54 ("There is a need of providing reliable standard regimens acceptable for a broad population of men in need thereof, preferably regimens without the need of occasional control of serum testosterone levels, and regimens wherein steady state conditions are achieved within a shorter time period."); '395 patent, col. 2, ll. 57–60. *** The district court thus did not err in considering the obviousness inquiry from the perspective of a skilled artisan "confronted with the same problems as the inventor," which in this case is developing a commercially viable long-acting testosterone therapy. *See In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998). Doing so, the district court properly found that Custopharm failed to meet its burden of showing that a skilled artisan would combine the lowered dose with the injection schedule in the manner claimed. [Endo Pharmaceuticals Solutions, Inc. v. Custopharm Inc., 2017-1719 (Fed. Cir. 7/13/2018).]

TF3 Limited v. Tre Milano, LLC, 2016-2285 (Fed. Cir. 7/13/2018).

This is an appeal from PTAB case IPR2015-00649. The PTAB found challenged claims unpatentable for anticipation. TF3 appealed. The Federal Circuit reversed.

Legal issue: 35 USC 112 claim construction, meaning of "i.e." used in the specification.

The Federal Circuit found the PTAB erred by misunderstanding "i.e." in the specification to not signal an intent to define the words to which it referred.

> We conclude that the Board erred in its claim construction. The specification describes how the curled hair is removed from the device: ["] It is arranged that the abutment 52 in its open position allows the styled length of hair to pass out of the secondary opening 50, i.e., to slide along the elongate member 20 towards and subsequently off its free end. Little force is required to separate the hair styling device 10 from the length of hair which has been styled . . . the

length of hair is not required to pass any obstruction or otherwise be forced to uncurl during its removal from the hair styling device 10 . . . . ["] '118 Patent, col. 6, ll. 33–42. However, the Board held that the description "can pass through a secondary opening" is not limited to requiring a secondary opening. The Board found it "irrelevant" as to whether claim 1 "requires that hair slides along and off the elongate member in passing through the secondary opening." Board Op. at *14. Instead, the Board found that, "We do not understand the use of 'i.e.' . . . to signify that passing out of the secondary opening always must be accomplished by sliding along and off the elongate member." Id. at *15. The Board erred in this analysis, for the specification uses the abbreviation "i.e." for the mode whereby the curl slides out of the device without stretching or uncurling. The usage "i.e." ("id est" or "that is"), "signals an intent to define the word to which it refers." *Edwards Lifesciences LLC v. Cook Inc.*, 582 F.3d 1322, 1334 (Fed. Cir. 2009); *see SkinMedica, Inc. v. Histogen Inc.*, 727 F.3d 1187, 1202 (Fed. Cir. 2013) ("i.e." is definitional when it "comports with the inventors' other uses . . . in the specification and with each and every other reference"). [TF3 Limited v. Tre Milano, LLC, 2016-2285 (Fed. Cir. 7/13/2018).]

The '118 Patent describes the device as improving curl retention by the structure that "permits a formed curl to be slid off the end of the elongate member without being uncurled." '118 Patent, col. 2, ll. 9–11. Neither the Gnaga nor the Hoshino device has such a structure. The claims of the '118 Patent are not reasonably construed to include a device and method that are not described. As in *Enzo Biochem Inc. v. Applera Corp.*, 780 F.3d 1149, 1156–57 (Fed. Cir. 2015), the claim construction was erroneously broadened to include subject matter contrary to the description in the specification. *** Tre Milano defends the Board's finding of anticipation, arguing that there is not "a clear indication in the intrinsic record that the patentee intended the claims to be so limited," citing *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1327 (Fed. Cir. 2012). However, it is not reasonable to read the claims more broadly than the description in the specification, thereby broadening the claims to read on the prior art over which the patentee asserts improvement. [TF3 Limited v. Tre Milano, LLC, 2016-2285 (Fed. Cir. 7/13/2018).]

Jazz Pharmaceuticals, Inc. v. Amneal Pharmaceuticals, LLC, 2017-1671, 2017-1673, 2017-1674, 2017-1675, 2017-1676, 2017-1677, 2017-2075 (Fed. Cir. 7/13/2018).

This is a decision on appeals from PTAB cases IPR2015-00545; IPR2015-00546; IPR2015-00547; IPR2015-00548; IPR2015-00551; IPR2015-00554; and IPR2015-01903. The PTAB held claims of Jazz unpatentable for obviousness. Jazz appealed. The Federal Circuit affirmed.

Legal Issue: Jurisdiction to consider appeals resulting from PTAB partial institution decision.

The Federal Circuit panel considered itself bound by the prior panel decision finding jurisdiction and no reason to remand, under similar circumstances.

> We must first address whether we have jurisdiction over the entirety of Jazz's appeal. The Supreme Court recently decided that 35 U.S.C. § 318(a) prohibits the Board from instituting IPR of fewer than all claims challenged in a petition. *** Nonetheless, on appeal neither party has requested a remand for the Board to consider non-instituted claims or grounds, or any other *SAS*-based relief. *** Confronted with indistinguishable partially instituted IPRs and a lack of any request by either party for *SAS* based action, we conclude that PGS controls this case. Under PGS, we have jurisdiction over Jazz's appeal under 28 U.S.C. § 1295(a)(4)(A) and are not obliged to reopen non-instituted claims or grounds. Id. at 1362. And we likewise see no reason to exercise any discretion to remand the non-instituted claims or grounds sua sponte. *See id.* at 1362–63. [Jazz Pharmaceuticals, Inc. v. Amneal Pharmaceuticals, LLC, 2017-1671, 2017-1673, 2017-1674, 2017-1675, 2017-1676, 2017-1677, 2017-2075 (Fed. Cir. 7/13/2018).]

Legal issue: 35 USC 102, whether materials posted by the FDA were "sufficiently accessible to the public" to constitute prior art.

The Federal Circuit note that "accessibility" was the relevant issue in determining if the material was a prior art printed publication.

> ...The Notice also provided a hyperlink to an FDA website where background material would be posted before the meeting, and the meeting minutes, transcript, and slides would be posted after the meeting. *Id*. Collectively, the Board referred to the background materials and the meeting minutes, transcript, and slides on the FDA website as the Advisory Committee Art ("ACA materials"). Each of the Board's obviousness determinations relied on the ACA materials as prior art. The primary issue on appeal is whether the ACA materials were sufficiently accessible to the public to constitute prior art. [Jazz Pharmaceuticals, Inc. v. Amneal Pharmaceuticals, LLC, 2017-1671, 2017-1673, 2017-1674, 2017-1675, 2017-1676, 2017-1677, 2017-2075 (Fed. Cir. 7/13/2018).]

The Federal Circuit reviewed the law regarding what constituted a "printed publication."

> This court and its predecessor have interpreted the "printed publication" provision of 35 U.S.C. § 102(b) (2006)5 in light of its purpose "to prevent withdrawal by an inventor . . . of that which was already in the possession of the public." *Medtronic, Inc. v. Barry*, 891 F.3d 1368, 1380 (Fed. Cir. 2018) (alteration in original) (quoting *In re Wyer*, 655 F.2d 221, 226 (CCPA 1981)). "Because there are many ways in which a reference may be disseminated to the interested public, 'public accessibility' has been called the touchstone in determining whether a reference constitutes a 'printed publication' . . . ." *In re Hall*, 781 F.2d 897, 898–99 (Fed. Cir. 1986). A reference is considered publicly accessible "upon a satisfactory showing that such document has been

disseminated or otherwise made available to the extent that persons interested and ordinarily skilled in the subject matter or art, exercising reasonable diligence, can locate it." *Wyer*, 665 F.2d at 226. "If accessibility is proved, there is no requirement to show that particular members of the public actually received the information." *Constant v. Advanced Micro-Devices, Inc.*, 848 F.2d 1560, 1569 (Fed. Cir. 1988). [Jazz Pharmaceuticals, Inc. v. Amneal Pharmaceuticals, LLC, 2017-1671, 2017-1673, 2017-1674, 2017-1675, 2017-1676, 2017-1677, 2017-2075 (Fed. Cir. 7/13/2018).]

Whether a reference qualifies as a "printed publication" under § 102(b) is a legal conclusion based on underlying factual findings. *E.g., Suffolk Techs., LLC v. AOL Inc.*, 752 F.3d 1358, 1364 (Fed. Cir. 2014). As relevant to this issue, Jazz appeals only from the Board's underlying determination that the ACA materials were publicly accessible. Public accessibility is a question of fact that we review for substantial evidence. *In re NTP, Inc.*, 654 F.3d 1279, 1296 (Fed. Cir. 2011). As the IPR petitioner, Amneal had the burden to prove that a particular reference is a printed publication. *Medtronic*, 891 F.3d at 1380. [Jazz Pharmaceuticals, Inc. v. Amneal Pharmaceuticals, LLC, 2017-1671, 2017-1673, 2017-1674, 2017-1675, 2017-1676, 2017-1677, 2017-2075 (Fed. Cir. 7/13/2018).]

Then the Federal Circuit considered the findings in this case, and comparison to prior cases. However, the significant point of this decision is that "disclosure through public domain sources such as the Federal Register and a public federal agency website plainly indicates that there was no reasonable expectation that the ACA materials would remain confidential."

Comparing the facts of this case to those in *MIT*, *Klopfenstein*, and *Medtronic* confirms that the ACA materials were disseminated more broadly and for a longer duration to persons of ordinary skill than the materials disclosed at individual meetings in those cases. In addition, unlike in *Cordis*, disclosure through public domain sources such as the Federal Register and a public federal agency website plainly indicates that there was no reasonable expectation that the ACA materials would remain confidential. As we explain below, each of these factors supports the Board's finding that the ACA materials were publicly accessible printed publications. *** As relevant here, wide dissemination of a reference through a publication like the Federal Register that those of ordinary skill would be motivated to examine is a factor strongly favoring public accessibility. *See Suffolk*, 752 F.3d at 1365; *Cordis*, 561 F.3d at 1333 (distinguishing case from situations involving "widespread distribution so that the public could easily obtain copies of the publication"); *see also Klopfenstein*, 380 F.3d at 1348 ("[A] public billboard targeted to those of ordinary skill in the art that describes all of the limitations of an invention and that is on display for the public for months may be neither 'distributed' nor 'indexed'—but it most surely is 'sufficiently accessible to the public interested in the art' and therefore . . . a 'printed publication.'") *** Third, the ACA materials were distributed via public

domain sources with no possible expectation that the materials would remain confidential or not be copied. We have consistently emphasized the importance of such expectations in determining whether a reference is publicly accessible. *See Medtronic*, 891 F.3d at 1382; *Cordis*, 561 F.3d at 1333–34; *Klopfenstein*, 380 F.3d at 1351; MIT, 774 F.2d at 1108–09. There can be no dispute that materials disclosed in the Federal Register and available online on a public FDA website have no expectation of confidentiality. [Jazz Pharmaceuticals, Inc. v. Amneal Pharmaceuticals, LLC, 2017-1671, 2017-1673, 2017-1674, 2017-1675, 2017-1676, 2017-1677, 2017-2075 (Fed. Cir. 7/13/2018).]

Raytheon Company v. Indigo Systems Corporation, 2016-1945, 2016-2050 (Fed. Cir. 7/12/2018).

This is a decision on appeals from the E.D. Tex. district court case 4:07-cv-00109-RAS. A jury entered a verdict that Indigo did not misappropriate Raytheon's trade secrets. The district court denied Raytheon's motions for JMOL and a new trial on trade secret misappropriation, and denied Indigo's motion for attorneys fees. Raytheon appealed denial of its JMOL and motion for a new trial on trade secrets misappropriation. Indigo cross-appealed the district court's denial of its motion for attorneys fees. The Federal Circuit affirmed.

Legal issue: Attorney fees under the Texas Theft Liability Act (TTLA), prevailing party status on dismissed claim; showing claim dismissal was in order to avoid an adverse ruling on the merits.

The question in this case was whether Raytheon's decision to pursue its trade secret misappropriation California law claims, rather than its trade secret misappropriation Texas law claim, qualified Indigo as a prevailing party within the meaning of the TTLA. Damages under the TTLA are awarded to a prevailing party. The Federal Circuit noted that "The appellate court reviews de novo the legal question of a party's eligibility to recover attorney fees under a statute," citing fifth circuit law. The Federal Circuit concluded that Indigo failed to show or explain why California law was more favorable than Texas law to Raytheon's trade secret misappropriation claim. Accordingly, Indigo failed to show that Raytheon's dismissal of its Texas law trade secret misappropriate claim in favor of its California law trade secret misappropriate claim was in order to avoid an adverse ruling on the merits of the Texas claim. Therefore, Indigo had not shown it was a prevailing party entitled to damages under the TTLA.

The Federal Circuit noted that:

> A defendant may also claim prevailing-party status when the plaintiff nonsuits or dismisses the claim with prejudice. *Epps v. Fowler*, 351 S.W.3d 862, 868 (Tex.2011). When a plaintiff's claims are dismissed with prejudice, the doctrine of res judicata prohibits the plaintiff from re-asserting his claims against that defendant in a later suit. *Id*. at 867. In certain circumstances, however,"a defendant may be a prevailing party when a plaintiff nonsuits without prejudice if the trial court determines, on the defendant's motion, that the nonsuit was taken to avoid an unfavorable ruling on the merits." *Id.* at 870. [Raytheon Company v. Indigo Systems Corporation, 2016-1945, 2016-2050 (Fed. Cir. 7/12/2018).]

So this requires a defendant move for a finding that the nonsuit was taken to avoid an unfavorable ruling on the merits.

> Thus, to prove its entitlement to attorney fees under the TTLA here, Indigo must establish either: (1) it actually prevailed on the merits of a TTLA claim; (2) Raytheon dismissed the TTLA claim with prejudice; or (3) Raytheon dismissed the TTLA claim without prejudice to avoid an adverse ruling on the merits. The first two prongs do not apply because only the CUTSA claim went to trial and Raytheon dismissed the TTLA claim without prejudice. *See* J.A. 714. As a result, the relevant remaining question is: did Raytheon dismiss its TTLA claim to avoid an adverse ruling on the merits of that claim? [Raytheon Company v. Indigo Systems Corporation, 2016-1945, 2016-2050 (Fed. Cir. 7/12/2018).]

And the Federal Circuit concluded that Raytheon's choice to pursue the misappropriation claim in California rather than Texas was not in order to avoid an adverse ruling on the merits.

> After having considered the statutory language and the relevant case law, we see no error with the district court's determination that the Indigo entities "are not the prevailing parties under the Plaintiff's TTLA claim and, therefore, are not entitled to attorneys' fees." J.A. 29 Raytheon initially pleaded its trade secrets claims under two separate state laws. After additional discovery, it decided to pursue its trade secrets claims under the CUTSA rather than the TTLA. Dismissing the TTLA claim without prejudice in this context appears to represent a preference by Raytheon to pursue its trade secret misappropriation claims under one state's laws over another's. On this record, we agree with the district court that it is far from clear that Raytheon's focus on California law over Texas law was taken "to avoid an unfavorable ruling on the merits." *See* J.A. 28; *see also Epps*, 351S.W.3d at 870. [Raytheon Company v. Indigo Systems Corporation, 2016-1945, 2016-2050 (Fed. Cir. 7/12/2018).]

> Indigo argues that the district court erred because Raytheon withdrew its TTLA claim to avoid an unfavorable choice-of-law ruling, that such a ruling would have been on the merits, and that the withdrawal therefore gives rise to an attorney fees award under the TTLA.2 To support its position, Indigo relies on two cases: *ChickKam Choo v. Exxon Corp.*, 486 U.S. 140 (1988) and *Vasquez v. Bridgestone/Firestone, Inc.*, 325 F.3d 665 (5thCir. 2003). Neither is a TTLA case. [Raytheon Company v. Indigo Systems Corporation, 2016-1945, 2016-2050 (Fed. Cir. 7/12/2018).]

> In *Chick Kam Choo*, the Supreme Court held that a federal district court that had previously dismissed claims on forum non conveniens and choice-of-law grounds could enjoin the plaintiffs from reasserting their Texas state law claims in state court. 486 U.S. at 150–51. The Supreme Court explained that such an injunction would be proper under the relitigation exception to the Anti-Injunction

Act because the validity of the Texas law claim was adjudicated in the original federal action when the district court decided that under applicable choice-of-law principles, the law of Singapore, rather than Texas, controlled the petitioner's suit. *Id*. at 150. [Raytheon Company v. Indigo Systems Corporation, 2016-1945, 2016-2050 (Fed. Cir. 7/12/2018).]

In *Vasquez*, the Fifth Circuit held that, after a federal district court dismissed plaintiffs' claims on forum non conveniens grounds, the plaintiffs could be properly enjoined from reasserting their Texas law claims in Texas state court pursuant to the same exception to the Anti-Injunction Act. 325 F.3d at 680. The Fifth Circuit explained that the district court's earlier determination that Mexican law, rather than Texas law, applied, adjudicated the merits of plaintiff's Texas law claims. *Id*. In other words, when the federal court in the earlier action decided that Mexican law governed the suit, as part of the forum non conveniens analysis, it "actually adjudicated the Texas state law claims." *Id*. ("Whereas the [forum non conveniens] dismissal did not decide the substantive merits of plaintiffs' claims, the court's choice of Mexican law did. This is somewhat counter-intuitive, given that a choice-of-law determination is a necessary part of an [forum non conveniens] dismissal." (citing *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 245 (1981))). [Raytheon Company v. Indigo Systems Corporation, 2016-1945, 2016-2050 (Fed. Cir. 7/12/2018).]

In our view, the cases upon which Indigo relies are inapposite. First, unlike those cases, the district court here never made a ruling on the proper choice of law for Raytheon's trade secrets claims. It is uncertain on this record how the court would have ruled on such a motion. Second, unlike the plaintiffs in *Chick Kam Choo* and *Vasquez*, all of whom were barred from reasserting a state law claim in state court after receiving an adverse choice of law ruling in federal court, Raytheon is not attempting to reassert its trade secrets claims in a second state court action under the TTLA. Further, all parties understood that Raytheon was going to pursue its trade secrets claims under either California or Texas law, and Indigo never explained why it would be an "unfavorable ruling on the merits" for Raytheon, even assuming a choice of law ruling was "on the merits," to litigate its claims under California law. For example, Indigo never suggested that Raytheon would somehow be in a better position to prove its trade secret misappropriation claims under Texas law as opposed to California law. As for the possibility of receiving attorney fees under the TTLA, Indigo has not cited any decisions holding that a choice-of-law ruling is a ruling on the merits for purposes of awarding attorney fees under the TTLA. Where, as here, significant uncertainty looms over how the choice of law issue would have been decided, the district court did not err in denying Indigo's motion for attorney fees. [Raytheon Company v. Indigo Systems Corporation, 2016-1945, 2016-2050 (Fed. Cir. 7/12/2018).]

Texas Advanced Optoelectronic Solutions, Inc. v. Renesas Electronics America, Inc., 2016-2121, 2016-2208, 2016-2235 (Fed. Cir. 7/9/2018; on rehearing modifying the 5/1/2018 opinion).

This is a decision on appeals from the E.D. Tex. district court case 4:08-cv-00451-RAS. A jury returned a verdict for Texas Advanced Optoelectronic Solutions (TAOS) and awarded damages for claims for patent infringement, trade secret misappropriation, breach of contract, and tortious interference. Both parties appealed. The Federal Circuit inter alia affirmed liability for trade secret misappropriation on a more limited basis than TAOS presented to the jury, affirmed liability for patent infringement, but vacated the monetary awards and remanded.

Legal issue: Contract construction, terms defining limited right to use confidential information.

The Federal Circuit held that use of confidential information to make a "Build vs. Buy" analysis obtained under and agreement providing for the limited purpose of enabling the recipient of such information to investigate and evaluate the business and financial condition of the other" was not misappropriation.

> The Agreement was designed "to allow both parties to evaluate the Possible Business Relationship" by disclosing "information relating to our respective businesses and operations ('Confidential Information')," and a "Permitted Use" of Confidential Information was "for the limited purpose of enabling the recipient of such information (the 'Recipient') to investigate and evaluate the business and financial condition of the other (the 'Provider') in connection with such discussions and negotiations." J.A. 23828. Intersil properly used TAOS's financial information in its "Build vs. Buy" analysis "to evaluate the Possible Business Relationship," *id*., by analyzing whether to build its own optoelectronics program or to buy TAOS and incorporate TAOS's program, J.A. 24660. Even TAOS understood the Agreement to allow for that type of analysis, as TAOS used Intersil's confidential information in the same way to determine whether TAOS should merge or grow. See J.A. 42157 (TAOS requested Intersil's "detailed breakout for percent-of-revenue by function" to "evaluate the business fit" and "weigh[] [the] possibilities of merg[ing] against moving through a rapid growth phase with equity investment to expand our sales, application, and development teams"); TAOS Br. 52 n.4 (stating that TAOS's grow versus sell "activity was permitted by the Confidentiality Agreement"). [Texas Advanced Optoelectronic Solutions, Inc. v. Renesas Electronics America, Inc., 2016-2121, 2016-2208, 2016-2235 (Fed. Cir. 7/9/2018; on rehearing modifying the 5/1/2018 opinion).]

Legal issue: Constitution, Seventh Amendment, jury trial, remedies for trade secret misappropriation, disgorgement of profits unavailable.

The Federal Circuit held that, in this case, disgorgement of profits remedy for *trade secret misappropriation* under applicable Texas common law for trade secrets, was unavailable. The Federal Circuit concluded, by analogy to patent, trademark, and copyright law, that disgorgement of profits for trade secret misappropriation was not available as a remedy, at law,

in 1791, and therefore the plaintiff had no seventh amendment right to have the jury determine an amount for disgorgement. So this case stands for the general proposition that a judge, not a jury, must determine the facts and law and amount for the remedy of disgorgement for trade secret misappropriate.

> According to Intersil, monetary relief in the form of disgorgement is equitable and, as a result, the court, not the jury, must decide whether to award it and how much to award. Therefore, Intersil argues, the district court had to treat the jury verdict on disgorgement as merely advisory, see Fed. R. Civ. P. 39(a), (c), and had to "find the facts specially and state its conclusions of law separately" on disgorgement, Fed. R. Civ. P. 52(a)(1). The district court did not do so. *** TAOS does not dispute Intersil's premise that Intersil had a right to a non-jury decision on disgorgement unless TAOS had a Seventh Amendment right to a jury decision on disgorgement. We therefore proceed on that premise. The parties debate whether TAOS has a Seventh Amendment right to a jury decision on its request for disgorgement of Intersil's profits. We conclude that TAOS does not have such a right, and we therefore vacate the disgorgement award on this ground as well. Intersil is entitled to a decision on disgorgement by the trial court, with findings of fact and conclusions of law duly entered in accordance with Rule 52. [Texas Advanced Optoelectronic Solutions, Inc. v. Renesas Electronics America, Inc., 2016-2121, 2016-2208, 2016-2235 (Fed. Cir. 7/9/2018; on rehearing modifying the 5/1/2018 opinion).]

> The apparent fact is that for patent infringement, disgorgement of profits was not historically available at law. As for copyright and trademark infringement, we have seen no support for concluding that disgorgement of profits was available at law for those wrongs. [Footnote 10 omitted.] And recently, in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962 (2014), the Supreme Court treated recovery of the defendants' profits in a copyright infringement case as an equitable remedy. *** We see no basis for drawing a different conclusion for TAOS's request for disgorgement for trade secret misappropriation in this case, based on Intersil's improper taking and use of TAOS's intellectual property in the photodiode structure. For Seventh Amendment purposes, claims for patent, copyright, or trademark infringement are appropriate analogues of the trade secret claim here. From all we have seen, no disgorgement remedy was available at law in 1791 for the former claims. We conclude that no such remedy would have been available at law for the trade secret misappropriation here, either. [Texas Advanced Optoelectronic Solutions, Inc. v. Renesas Electronics America, Inc., 2016-2121, 2016-2208, 2016-2235 (Fed. Cir. 7/9/2018; on rehearing modifying the 5/1/2018 opinion).]

Power Integrations, Inc. v. Fairchild Semiconductor International, Inc., 2016-2691, 2017-1875 (Fed. Cir. 7/3/2018).

This is a decision on appeals from the N.D. Cal. case 3:09-cv-05235-MMC

A jury found some claims literally infringed and others infringed under the doctrine of equivalents, found that the entire market value rule applied, and awarded damages accordingly. The district court denied Fairchild's motion for JMOL. Fairchild appealed. The Federal Circuit affirmed infringement, and vacated the damages award and remanded.

Legal issue: 35 USC 284, reasonable royalty, entire market value rule for a multi-component product.

Evidence showed that the infringing product contained valuable features other than the patented feature. The Federal Circuit held that, "[w]hen the product contains other valuable features, the patentee must prove that those other features did not influence purchasing decisions," to prove entitlement to damages based upon the entire market value.

> As *LaserDynamics*, *Versata*, and *VirnetX* held, the entire market value rule is appropriate only when the patented feature is the sole driver of customer demand or substantially creates the value of the component parts. *LaserDynamics*, 694 F.3d at 67; *Versata*, 717 F.3d at 1268; *VirnetX*, 767 F.3d at 1326. The burden of proof in this respect is on the patent holder. *LaserDynamics*, 694 F.3d at 67. The question is whether the accused product, compared to other products in the same field, has features that would cause consumers to purchase the products beyond the patented feature, i.e., valuable features. Where the accused infringer presents evidence that its accused product has other valuable features beyond the patented feature, the patent holder must establish that these features are not relevant to consumer choice. A patentee may do this by showing that the patented feature "alone motivates customers to purchase [the infringing product]" in the first place. *See id.* at 69. But when the product contains multiple valuable features, it is not enough to merely show that the patented feature is viewed as essential, that a product would not be commercially viable without the patented feature, or that consumers would not purchase the product without the patented feature. *Id. at 68.* When the product contains other valuable features, the patentee must prove that those other features did not influence purchasing decisions. [Power Integrations, Inc. v. Fairchild Semiconductor International, Inc., 2016-2691, 2017-1875 (Fed. Cir. 7/3/2018).]

> Here, the power supply controllers had other valuable features, such as jittering. The district court noted that "there is evidence in the record that other features are important and are highlighted by the respective parties" and that "there is no question that . . . there are other valuable features." [Footnote 6 omitted.] J.A. 1764. In fact, Power Integrations sought infringement damages from Fairchild on the jittering feature in these same products in a separate lawsuit based on different patents, and we affirmed the judgment of infringement. *See Power Integrations, Inc. v. Fairchild Semiconductor Int'l, Inc.*, 843 F.3d 1315 (Fed. Cir. 2016). Moreover, many of Fairchild's technical marketing documents specifically mention the jittering feature and other features in addition to the '079 patented feature. There is no proof that these features, including jittering, did not affect consumer demand. Without such proof, Power Integrations did not meet its

burden to show that the patented feature was the sole driver of consumer demand, i.e., that it alone motivated consumers to buy the accused products. [Power Integrations, Inc. v. Fairchild Semiconductor International, Inc., 2016-2691, 2017-1875 (Fed. Cir. 7/3/2018).]

Note: The decision does not indicate that Fairchild appealed validity of the infringed claims. However, footnote 2 in the decision states:

> All of the asserted claims in this proceeding *have been found unpatentable in two IPR proceedings*. Those proceedings are currently pending on appeal to this court. *See Semiconductor Components Indus., LLC v. Power Integrations, Inc.*, IPR No. 2016-00809 (P.T.A.B. Dec. 22, 2017), appeal filed No. 18-1607 (Fed. Cir. Feb. 26, 2018); *Semiconductor Components Indus., LLC v. Power Integrations, Inc.*, IPR No. 2016-00995 (P.T.A.B. Dec. 21, 2017), appeal filed No. 18-1602 (Fed. Cir. Feb. 23, 2018). [Power Integrations, Inc. v. Fairchild Semiconductor International, Inc., 2016-2691, 2017-1875, footnote 2 (Fed. Cir. 7/3/2018).]

Adidas AG v. Nike, Inc., 2018-1180, 2018-1181 (Fed. Cir. 7/2/2018).

This is a decision on appeals from PTAB cases IPR2016-00921 and IPR2016-00922. Adidas moved to remand. Nike opposed. The Federal Circuit granted the motion.

Legal issue: Standing in view of *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018) to review a decision trying all challenged claims but not on all asserted grounds.

The Federal Circuit held that *SAS* required the Director, if deciding to institute an IPR trial, had to do so on all grounds (in addition to all claims) specified by the petition. The Director had not instituted the IPR trial on all grounds in the petition, warranting remand.

> We hold that remand is appropriate here. The Court explained in *SAS* that in establishing inter partes review, Congress set forth "a process in which it's the petitioner, not the Director, who gets to define the contours of the proceeding." 138 S. Ct. at 1355. The Court held that if the Director institutes review proceedings, the review must proceed "in accordance with or in conformance to the petition," id. at 1356 (internal quotations omitted), a "petition describing 'each claim challenged' and 'the grounds on which the challenge to each claim is based,'" *id*. at 1355 (quoting 35 U.S.C. § 312(a)(3)). "Nothing suggests the Director enjoys a license to depart from the petition and institute a different inter partes review of his own design." *Id.* at 1356 (emphasis in original). The Court found that "the petitioner's petition, not the Director's discretion, is supposed to guide the life of the litigation," id., and "that the petitioner's contentions, not the Director's discretion, define the scope of the litigation all the way from institution through to conclusion," *id*. at 1357. [Adidas AG v. Nike, Inc., 2018-1180, 2018-1181 (Fed. Cir. 7/2/2018).]

The Federal Circuit also decided to follow its practice of not deciding the partial appeal

before remanding.

> In several cases since *SAS*, we have found it appropriate to remand to the Board to consider arguments addressed to non-instituted claims and found waiver inapplicable to a prompt remand request due to the significant change in the law. *See, e.g., Baker Hughes Oilfield v. Smith Int'l, Inc.*, Nos. 2018-1754, -1755, slip op. at 4–5 (Fed. Cir. May 30, 2018); *Polaris Indus. Inc. v. Arctic Cat, Inc.*, Nos. 2017-1870, 2017-1871, slip op. at 3–4 (Fed. Cir. May 30, 2018); *Ulthera, Inc. v. DermaFocus LLC*, No. 2018-1542, slip op. at 3 (Fed. Cir. May 25, 2018). We see no reason to treat this case differently. As we recently explained in *PGS Geophysical AS v. Iancu*, __ F.3d __, slip op. at 7 (Fed. Cir. June 7, 2018), "[e]qual treatment of claims and grounds for institution purposes has pervasive support in *SAS*." Adidas promptly requested a remand for consideration of the non-instituted grounds. In this case, we think it appropriate to grant that request, as in the above-cited cases, without first deciding the appeal of the claims and grounds already before us. [Adidas AG v. Nike, Inc., 2018-1180, 2018-1181 (Fed. Cir. 7/2/2018).]

Impax Laboratories Inc. v. Lannett Holdings Inc., 2017-2020 (Fed. Cir. 6/28/2018).

This is a decision on appeal from the D. Del. district court cases 1:14-cv-00984-RGA and 1:14-cv-00999-RGA. The district court concluded that certain patent claims were not shown to be invalid, and entered an injunction against Lanett, pursuant to 35 USC 271(e)(4)(injunction pursuant to artificial infringement). The Federal Circuit affirmed.

Legal issue, 35 USC 103, impact of a formulation whose mode of administration delays metabolism and which has reduced efficacy compared to its metabolite on an obviousness analysis.

The Chauveau reference mentioned zolmitriptan as a possible active ingredient for nasal admnistration as part of a laundry list of active ingredients of over twenty five categories and examples of medicants. However, the evidence showed a PHOSITA would have expected that the therapeutic effect of the intended intranasal administration of the claimed zolmitriptan formulations would have been "delayed or lower" than that of the active metabolite. Credited expert testimony noted that it would have been “absolutely counterintuitive to make a nasal spray when you have an active metabolite which is more potent . . . than the drug itself.”

The Federal Circuit noted that "in an obviousness analysis, prior art should be viewed as a whole. *Takeda Chem. Indus., Ltd. v. Alphapharm Pty., Ltd.*, 492 F.3d 1350, 1358 (Fed. Cir. 2007)," and that the record as a whole (summarized above) did not lead the Federal Circuit to conclude that the district court clearly erred:

> In view of the totality of the record evidence of the state of the prior art, we cannot find that the district court clearly erred in its findings. Far from disregarding the prior art’s discussion of zolmitriptan, the court specifically considered and acknowledged that zolmitriptan was mentioned in connection with nasal formulations and sprays. However, the court also properly considered additional record evidence to make findings on the state of the prior art as a

whole. [Impax Laboratories Inc. v. Lannett Holdings Inc., 2017-2020 (Fed. Cir. 6/28/2018).]

> Based on the record before us, we do not find that the court clearly erred in concluding that at the time, zolmitriptan's known significant reliance on its active metabolite would have, on balance, dissuaded a person of skill in the art from making nasal formulations of zolmitriptan. *See, e.g., Winner Int'l Royalty Corp. v. Wang*, 202 F.3d 1340, 1349–50 (Fed. Cir. 2000) (no clear error in the district court's finding that a person of skill in the art, on balance, would not have made the claimed invention); *Intendis GmbH v. Glenmark Pharm. Inc.*, 822 F.3d 1355, 1366–67 (Fed. Cir. 2016) (no clear error when the district court found that a person of skill in the art would have pursued other formulations). [Impax Laboratories Inc. v. Lannett Holdings Inc., 2017-2020 (Fed. Cir. 6/28/2018).]

Query: Would the examining corps reach the conclusion of the district court on the same evidence? In other words, would the reduced efficacy and delay relative to the available metabolite be sufficient to overcome the express suggestion in the prior art that the claimed formulation would be useful? While this is a highly fact dependent situation, I think it very unlikely that the examining corps, faces with the same evidence, would have allowed the claim.

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