

## Precedential Patent Case Decisions During June 2018

By Rick Neifeld, Neifeld IP Law, PC

### 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 of New Points of Law

#### **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 delay in metabolism and reduced efficacy of the drug relative to the active metabolite of the drug, on an obviousness analysis.**

The Chauveau reference mentioned zolmitriptan as a possible active ingredient for nasal administration 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 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).]

#### **Helsinn Healthcare v. Teva Pharmaceuticals, 17-1229, 585 U.S. (6/25/2018).**

The Supreme Court's Order List today granted certiorari. The decision of the Federal Circuit, below, appears in my May 2017 article.

The question presented by Petitioner, Helsinn, is:

Whether, under the Leahy-Smith America Invents Act, an inventor's sale of an invention to a third party that is obligated to keep the invention confidential qualifies as prior art for purposes of determining the patentability of the invention.

The question presented in opposition, by Teva, is:

Whether this Court should review the Federal Circuit's factual conclusion that Helsinn's sale agreement with a third party publicly disclosed its claimed invention "in detail" (Pet. 33a) more than a year before it filed its patent application, thus triggering the "on sale" bar on patentability set forth in 35 U.S.C. §102(a).

**WesternGeco LLC v. Ion Geophysical Corp., 16–1011(6/22/2018).**

Federal Circuit had originally held that "WesternGeco ...[could not] recover lost profits resulting from its failure to win foreign service contracts, the failure of which allegedly resulted from ION's supplying infringing products to WesternGeco's competitors." WesternGeco petitioned for certiorari. The Supreme Court granted certiorari and then remanded after its *Halo* decision. On remand, the Federal Circuit panel majority "reaffirmed the portion of its decision regarding the extraterritoriality of §271(f). 837 F. 3d 1358, 1361, 1364 (CA Fed. 2016)." WesternGeco petitioned the Supreme Court for review on the extraterritoriality issue. A Supreme Court majority consisting of C.J. Roberts, and Justices Thomas, Kennedy, Ginsburg, Alito, Sotomayor, and Kagan, reversed. Justice Gorsuch, joined by Justice Breyer, dissented.

**Legal issue: 35 USC 284, application of extraterritoriality to patent infringement damages.**

The Court majority held that the focus of 35 USC 284 was the act of infringement. "This Court has established a two-step framework for deciding questions of extraterritoriality [sic; of applicability of US law]. \*\*\* We resolve this case at step two. \*\*\* Under the second step of our framework, we must identify "the statute's 'focus.'" \*\*\* To determine the focus of §284 in a given case, we must look to the type of infringement that occurred."

The Court majority held that, because the focus of the conduct 35 USC 271(f)(2) sought to regulate was domestic, 271(f)(2) infringement entitled the patent owner to recover damages pursuant to 35 USC 284, which in this case included foreign profits.

Under the Patent Act, a company can be liable for patent infringement if it ships components of a patented invention overseas to be assembled there. *See* 35 U. S. C. §271(f)(2). A patent owner who proves infringement under this provision is entitled to recover damages. §284. The question in this case is whether these statutes allow the patent owner to recover for lost foreign profits. We hold that they do. [Westerngeco LLC v. Ion Geophysical Corp., 16–1011(6/22/2018).]

**Legal Issue: Restatement of the test for extraterritorial applicability of US law**

This Court has established a two-step framework for deciding questions of extraterritoriality. The first step asks “whether the presumption against extraterritoriality has been rebutted.” *RJR Nabisco, Inc. v. European Community*, 579 U. S. \_\_\_, \_\_\_ (2016) (slip op., at 9). It can be rebutted only if the text provides a “clear indication of an extraterritorial application.” *Morrison v. National Australia Bank Ltd.*, 561 U. S. 247, 255 (2010). If the presumption against extraterritoriality has not been rebutted, the second step of our framework asks “whether the case involves a domestic application of the statute.” *RJR Nabisco*, 579 U. S., at \_\_\_ (slip op., at 9). Courts make this determination by identifying “the statute’s ‘focus’” and asking whether the conduct relevant to that focus occurred in United States territory. *Ibid.* If it did, then the case involves a permissible domestic application of the statute. *See ibid.* We resolve this case at step two. While “it will usually be preferable” to begin with step one, courts have the discretion to begin at step two “in appropriate cases.” *See id.*, at \_\_\_, n. 5 (slip op., at 10, n. 5) (citing *Pearson v. Callahan*, 555 U. S. 223, 236–243 (2009)). [Westerngeco LLC v. Ion Geophysical Corp., 16–1011(6/22/2018).]

Under the second step of our framework, we must identify “the statute’s ‘focus.’” *RJR Nabisco, supra*, at \_\_\_ (slip op., at 9). The focus of a statute is “the objec[t] of [its] solicitude,” which can include the conduct it “seeks to ‘regulate,’” as well as the parties and interests it “seeks to ‘protec[t]’” or vindicate. *Morrison, supra*, at 267 (quoting *Superintendent of Ins. of N. Y. v. Bankers Life & Casualty Co.*, 404 U. S. 6, 12, 10 (1971)). “If the conduct relevant to the statute’s focus occurred in the United States, then the case involves a permissible domestic application” of the statute, “even if other conduct occurred abroad.” *RJR Nabisco*, 579 U. S., at \_\_\_ (slip op., at 9). But if the relevant conduct occurred in another country, “then the case involves an impermissible extraterritorial application regardless of any other conduct that occurred in U. S. territory.” *Ibid.* When determining the focus of a statute, we do not analyze the provision at issue in a vacuum. *See Morrison, supra*, at 267–269. If the statutory provision at issue works in tandem with other provisions, it must be assessed in concert with those other provisions. Otherwise, it would be impossible to accurately determine whether the application of the statute in the case is a “domestic application.” *RJR Nabisco*, 579 U. S., at \_\_\_ (slip op., at 9). And determining how the statute has actually been applied is the whole point of the focus test. *See ibid.* [Westerngeco LLC v. Ion Geophysical Corp., 16–1011(6/22/2018).]

**Legal Issue: 35 USC 284, extraterritoriality test, step 2, focus of the conduct relevant to patent damages is the act of infringement.**

The Court majority concluded that the conduct relevant to patent damages is the act of infringement.

Applying these principles here, we conclude that the conduct relevant to the statutory focus in this case is domestic. We begin with §284. It provides a

general damages remedy for the various types of patent infringement identified in the Patent Act. The portion of §284 at issue here states that “the court shall award the claimant damages adequate to compensate for the infringement.” We conclude that “the infringement” is the focus of this statute. As this Court has explained, the “overriding purpose” of §284 is to “affor[d] patent owners complete compensation” for infringements. *General Motors Corp. v. Devex Corp.*, 461 U. S. 648, 655 (1983). “The question” posed by the statute is “‘how much ha[s] the Patent Holder. . . suffered by the infringement.’” *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U. S. 476, 507 (1964). Accordingly, the infringement is plainly the focus of §284. [Westerngeco LLC v. Ion Geophysical Corp., 16–1011(6/22/2018).]

**Legal Issue: 35 USC 271(f)(2), extraterritoriality test, step 2, the focus of 271(f)(2) is domestic conduct.**

The Court majority found the act of the infringement under 271(f)(2) was domestic conduct.

But that observation does not fully resolve this case, as the Patent Act identifies several ways that a patent can be infringed. See §271. To determine the focus of §284 in a given case, we must look to the type of infringement that occurred. We thus turn to §271(f)(2), which was the basis for WesternGeco’s infringement claim and the lost-profits damages that it received. [Westerngeco LLC v. Ion Geophysical Corp., 16–1011(6/22/2018).]

Section 271(f)(2) focuses on domestic conduct. It provides that a company “shall be liable as an infringer” if it “supplies” certain components of a patented invention “in or from the United States” with the intent that they “will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States.” The conduct that §271(f)(2) regulates—i.e., its focus—is the domestic act of “suppl[ying] in or from the United States.” As this Court has acknowledged, §271(f) vindicates domestic interests: It “was a direct response to a gap in our patent law,” *Microsoft Corp.*, 550 U. S., at 457, and “reach[es] components that are manufactured in the United States but assembled overseas,” *Life Technologies*, 580 U. S., at \_\_\_ (slip op., at 11). As the Federal Circuit explained, §271(f)(2) protects against “domestic entities who export components . . . from the United States.” 791 F. 3d, at 1351. [Westerngeco LLC v. Ion Geophysical Corp., 16–1011(6/22/2018).]

In sum, the focus of §284, in a case involving infringement under §271(f)(2), is on the act of exporting components from the United States. In other words, the domestic infringement is “the objec[t] of the statute’s solicitude” in this context. *Morrison*, 561 U. S., at 267. The conduct in this case that is relevant to that focus clearly occurred in the United States, as it was ION’s domestic act of supplying the components that infringed WesternGeco’s patents. Thus, the

lost-profits damages that were awarded to WesternGeco were a domestic application of §284. [Westerngeco LLC v. Ion Geophysical Corp., 16–1011(6/22/2018).]

**Sirona Dental Systems GMBH v. Institut Straumann AG, 2017-1341, 2017-1403 (Fed. Cir. 6/19/2018).**

This is a decision on appeal from PTAB case IPR2015-01190. The PTAB held claims 1-8 unpatentable and claims 9-10 not unpatentable, and denied the patent owner's contingent motion to amend. Sirona appealed the unpatentability of claims 1-8, the denial of its motion to amend, and Institut cross-appealed the holding that claims 9-10 were not unpatentable. The Federal Circuit: affirmed the holding of unpatentability of claims 1-8; affirmed the holding of lack of unpatentability of claims 9-10; and vacated and remanded the PTAB's denial of the contingent motion to amend.

**Legal issue, 35 USC 316(d), motion to amend, burden of proof.**

The Federal Circuit restated its holding in *Aqua Prods., Inc. v. Matal*, 872 F.3d 1290, 1324–25 (Fed. Cir. 2017) (en banc) (plurality opinion), as placing the burden of proof on the petitioner to show substitute claims presented in a motion to amend the patent. *Aqua Prods.* expressly only went so far as to state the burden was not on the patentee.

The petitioner bears the burden of proving that proposed amended claims are unpatentable. *Aqua Prods., Inc. v. Matal*, 872 F.3d 1290, 1324–25 (Fed. Cir. 2017) (en banc) (plurality opinion). The final written decision, which issued prior to our en banc decision in *Aqua Products*, improperly placed the burden on Sirona to demonstrate that the proposed substitute claims were patentable. Thus, we must vacate the Board's denial of Sirona's contingent motion to amend and remand for the Board to reconsider in light of *Aqua Products*. [Sirona Dental Systems GMBH v. Institut Straumann AG, 2017-1341, 2017-1403 (Fed. Cir. 6/19/2018).]

**Legal issue, 35 USC 316(d), scope of review for patentability of substitute claims.**

More specifically, whether the PTAB can deny a motion to amend on prior art grounds not presented by the petitioner.

The Federal Circuit noted that *SAS* requires the case be driven by the petitioner, not the PTAB. However, *SAS* does not address motions to amend, and therefore it did not address whether the PTAB could be in the driver's seat, stepping in for the petitioner, in presenting a basis to deny a motion to amend not presented by the petitioner. However, it appears that the PTAB did exactly that, in this case, just prior to the en banc *Aqua Prods.* decision, and of course prior to the *SAS* decision. So it seems that the Federal Circuit flagged this issue, and left this issue for the PTAB to consider in the first instance, on remand. For clarity, I point out the underlying patent has only claims 1-10, and therefore trial was instituted on all claims in the patent.

An inter partes review must proceed “in accordance with or in conformance to the petition.” *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (internal quotations omitted). “Nothing suggests the Director enjoys a

license to depart from the petition and institute a different inter partes review of his own design.” *Id.* (emphasis in original). “The rest of the statute confirms, too, that the petitioner’s petition, not the Director’s discretion, is supposed to guide the life of the litigation.” *Id.* “[T]he statute tells us 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. It would thus not be proper for the Board to deviate from the grounds in the petition and raise its own obviousness theory, as Sirona contends. [Sirona Dental Systems GMBH v. Institut Straumann AG, 2017-1341, 2017-1403 (Fed. Cir. 6/19/2018).]

The Board erred when it denied Sirona’s contingent motion to amend. Sirona challenged the Board’s denial on multiple grounds. It argued that the Board improperly placed the burden on Sirona to prove that the proposed substitute claims were patentable. It argued that the Board improperly rejected the proposed substitute claims based on a combination of references not raised by Petitioners. It argued that, even if the Board could rely on a combination of references not raised by Petitioners, Sirona did not receive notice and an opportunity to respond to the combination of references the Board relied on, as required under the APA. [Sirona Dental Systems GMBH v. Institut Straumann AG, 2017-1341, 2017-1403 (Fed. Cir. 6/19/2018).]

We need not address Sirona’s other alleged errors at this time. Instead, we leave to the Board to determine in the first instance, in light of recent precedent including *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), whether it may consider combinations of references not argued by the petitioner in opposing the motion to amend claims, and, if so, what procedures consistent with the APA are required to do so. [Sirona Dental Systems GMBH v. Institut Straumann AG, 2017-1341, 2017-1403 (Fed. Cir. 6/19/2018).]

**Xitronix Corporation v. KLA-Tencor Corporation, 2016-2746 (Fed. Cir. 6/15/2018)(en banc).**

In *Xitronix Corporation v. KLA-Tencor Corporation*, 2016-2746 (Fed. Cir. 2/9/2018), the Federal Circuit applied the principles of *Gunn* to conclude it lacked jurisdiction (in W.D. Tex. case, 1:14-cv-01113-SS) under 28 USC 1295(a)(1) over a claim whose only tie to federal patent laws was alleged fraudulent prosecution of a patent. KLA petitioned for rehearing and rehearing en banc. The en banc court per curiam denied the petition. Judges Newman and Lourie dissented. Judge Newman wrote a dissenting opinion.

**Legal issue: 28 USC 1295(a)(1), subject matter jurisdiction.** Judge Newman characterizes the limitation imposed by *Gunn* on 28 USC 1295(a)(1) as extending to both enforceability and validity.

Judge Newman stated in her dissent that it was not clear that *Gunn* controlled:

The case at bar is not a “hypothetical ‘case within a case,’” as in *Gunn*,

568 U.S. at 261. The adjudication of fraud in procuring the patent in the PTO is a substantial issue of patent law. The panel states that *Gunn* requires moving the appeal to the Fifth Circuit because in the case at bar “[t]here is no dispute over the validity of claims.” Transfer Order, 882 F.3d at 1078. This is a puzzling statement, for that is the dispute: Xitronix states that a finding of fraud or inequitable conduct will “result in the ’260 patent claims being rendered collaterally invalid and/or unenforceable.” Reh’g Resp. Br. 9. The dispute is indeed over the validity and enforceability of the patent. The Court did not obliterate this jurisdiction of the Federal Circuit in *Gunn*’s resolution of state court malpractice jurisdiction. [Judge Newman’s dissent in Xitronix Corporation v. KLA-Tencor Corporation, 2016-2746 (Fed. Cir. 6/15/2018)(en banc).]

**Medtronic, Inc. v. Mark A. Barry, 2017-1169, 2017-1170 (Fed. Cir. 6/11/2018).**

This is a decision on appeals from PTAB cases IPR2015-00780, IPR2015-00783. The Board held the challenged claims not proven unpatentable. Medtronic appealed. The Federal Circuit affirm-in-part and vacate-in-part, and remanded.

**Legal issue: Impact of SAS on Federal Circuit remands to the PTAB.**

The Federal Circuit indirectly told the PTAB to consider the previously non-instituted grounds, on remand. Footnote 1 reads:

The Supreme Court recently held in *SAS Institute Inc. v. Iancu*, 584 U.S. \_\_\_ (2018), that the statute does not permit a partial institution leading to a partial final written decision. Because the final written decisions relating to this appeal do not address every ground raised in the petitions, we understand from the Board’s recent guidance document, Guidance on the impact of SAS on AIA trial proceedings (April 26, 2018), [hyperlink omitted], that it will consider the previously non-considered grounds on remand. [Medtronic, Inc. v. Mark A. Barry, 2017-1169, 2017-1170 (Fed. Cir. 6/11/2018).]

**Legal issue: 35 USC 102(a), printed publication, public accessibility factors.**

The Federal Circuit addressed a fact pattern in which the prior art status of printed materials depended upon "whether such materials were sufficiently disseminated at the time of their distribution at the conferences." The Federal Circuit reviewed prior cases and noted that factors included the size and nature of the meeting, whether the meeting was open to the people interested in the subject matter, and whether there is an expectation of confidentiality between distributor and recipients in view of policies or practices associated with the meeting:

These decisions illustrate some common considerations about materials that are distributed at meetings or conferences. As relevant to this case, the size and nature of the meetings and whether they are open to people interested in the subject matter of the material disclosed are important considerations. Another factor is whether there is an expectation of confidentiality between the distributor and the recipients of the materials. Even if there is no formal, legal obligation of confidentiality, it still may be relevant to determine whether any policies or

practices associated with a particular group meeting would give rise to an expectation that disclosures would remain confidential. [Medtronic, Inc. v. Mark A. Barry, 2017-1169, 2017-1170 (Fed. Cir. 6/11/2018).]

The Federal Circuit then found that the PTAB had not considered these factors when deciding the materials were not printed publications.

The record does not show that the Board fully considered all of the relevant factors. As a threshold matter, the Board did not address the potentially-critical difference between the SDSG meeting in Arizona and the programs in Colorado Springs and St. Louis, which were not limited to members of the SDSG but instead were attended by at least 75 other surgeons, collectively. J.A. 2668. Also, Medtronic's expert, Dr. Lenke, testified that the materials were distributed without restrictions at the Colorado Springs and St. Louis programs. J.A. 1467–68, 3002. Although the Board found that disclosure to a small group of experts in the members-only SDSG meeting was insufficient to compel a finding that the Video and Slides were publicly available, its analysis was silent on the distribution that occurred in the two non-SDSG programs. [Medtronic, Inc. v. Mark A. Barry, 2017-1169, 2017-1170 (Fed. Cir. 6/11/2018).]

Further, even if the Board were correct in its assumption that Medtronic only gave the Video and Slides to the SDSG members, it did not address whether the disclosures would remain confidential. The Board found that SDSG members were experts voted into membership by an executive board based on their qualifications and research, but the relatively exclusive nature of the SDSG membership is only one factor in the public accessibility analysis. It may be relevant, for example, to consider the purpose of the meetings and to determine whether the SDSG members were expected to maintain the confidentiality of received materials or would be permitted to share or even publicize the insights gained and materials collected at the meetings. *See, e.g.*, J.A. 4153 (stating that the materials were distributed at the SDSG meeting without restriction or obligation of confidentiality). [Medtronic, Inc. v. Mark A. Barry, 2017-1169, 2017-1170 (Fed. Cir. 6/11/2018).]

Accordingly, whether dissemination of the Video and Slides to a set of supremely-skilled experts in a technical field precludes finding such materials to be printed publications warrants further development in the record. The expertise of the target audience can be a factor in determining public accessibility. *See In re Klopfenstein*, 380 F.3d at 1350–51 (“The expertise of the intended audience can help determine how easily those who viewed it could retain the displayed material.”). But this factor alone is not dispositive of the inquiry. Distributing materials to a group of experts, does not, without further basis, render those materials publicly accessible or inaccessible, simply by virtue of the relative expertise of the recipients. The nature of those meetings, as well as any



restrictions on public disclosures, expectations of confidentiality, or, alternatively, expectations of sharing the information gained, can bear important weight in the overall inquiry. [Medtronic, Inc. v. Mark A. Barry, 2017-1169, 2017-1170 (Fed. Cir. 6/11/2018).]

**Stone Basket Innovations, LLC v. Cook Medical LLC, 2017-2330 (Fed. Cir. 6/11/2018).**

This is a decision on an appeal from the S.D. Ill. district court case 1:16-cv-00858-LJMTAB. The district court denied Cook's 285 motion for attorneys fees. Cook appealed. The Federal Circuit affirmed.

**Legal Issue, 35 USC 285, exceptionality, clear notice of litigation position.**

The Federal Circuit concluded that Cook's service of invalidity contentions alleging anticipation of 32 different references without an particular specificity of the actual anticipatory reference did not provide "clear notice" of invalidity.

First, the District Court did not err in finding Stone lacked any type of "clear notice" of the '327 patent's invalidity by service of Cook's invalidity contentions. *Id.* at 25; *see Stone Basket II*, 2017 WL 2655612, at \*4. Although Cook focuses on the obviousness of the '327 patent over U.S. Patent No. 6,168,603 ("Leslie") on appeal, that reference was not the focus of Cook's invalidity contentions, which listed Leslie along with thirty-one other pieces of prior art as anticipatory references. J.A. 1601–02; *see also* J.A. 1602 (singling out only other prior art references Gilson and Greenhalgh—not Leslie—from that list of thirty-two). After providing that list of thirty-two references, Cook made the general statement that "[e]ach prior art reference disclosed above [in the list of thirty two], either alone or in combination . . . , renders the asserted claims invalid as obvious," J.A. 1602, included a legal standard section for motivation to combine, J.A. 1603–05, and attached inconsistent and unilluminating claim charts, *see, e.g.*, J.A. 1614–25 (attaching claim charts lacking inclusion of Leslie), J.A. 1601, 1614, 1619 (referencing U.S. Patent No. 6,383,196 ("the '196 patent"), which is another patent issued to Leslie, in the claim chart for only two of claim 1's seven claim limitations despite the fact that Cook includes the '196 patent in its list of anticipatory references). The Eastern District's Local Patent Rules governing invalidity contentions require that "each such combination, and the motivation to combine such items, must be identified," and "[a] chart identifying where specifically in each alleged item of prior art each element of each asserted claim is found." E.D. Tex. P.R. 3-3(b), (c).<sup>1</sup> While compliance with local patent rules is not always necessary to provide "clear notice" of invalidity, Cook's invalidity contentions, at minimum, fall short of notifying Stone how Leslie renders the '327 patent obvious—or even that Stone should conduct a focused investigation on whether Leslie, in particular, renders the '327 patent obvious. [Stone Basket Innovations, LLC v. Cook Medical LLC, 2017-2330 (Fed. Cir. 6/11/2018).]

**Legal Issue, 35 USC 285, exceptionality, litigation conduct of moving party, failure to specifically identify invalidity contentions.**

The Federal Circuit concluded that the movant's "failure to provide early, focused, and supported notice of its belief that it was being subjected to exceptional litigation behavior," counted against exceptionality.

The District Court was well within its discretion to factor in Cook's litigation conduct, because "the conduct of the parties is a relevant factor under Octane's totality-of-the-circumstances inquiry, including the conduct of the movant." *Gaymar Indus., Inc. v. Cincinnati Sub-Zero Prods., Inc.*, 790 F.3d 1369, 1373 (Fed. Cir. 2015) (footnote omitted) (considering conduct of the movant in assessing exceptionality). Such conduct includes Cook's failure to send any communication to Stone that highlighted and set out with precision the specific invalidity argument on which Cook now relies for its assertion that Stone should have known its conduct was "clearly unreasonable," Appellant's Br. 17, or "objectively baseless," *id.* at 25, so as to merit an award of attorney fees. [Stone Basket Innovations, LLC v. Cook Medical LLC, 2017-2330 (Fed. Cir. 6/11/2018).]

Further, Cook's failure to provide early, focused, and supported notice of its belief that it was being subjected to exceptional litigation behavior further supports the District Court's determination that Stone's litigating position did not "stand[] out" from others. *Octane*, 134 S. Ct. at 1756. Absent any evidence that Stone's litigating position was frivolous when filed or at any point before it filed for dismissal, we are not persuaded the District Court abused its discretion in determining Stone's case did not meet the standard for an award of attorney fees. *Cf. Nat'l Oilwell Varco, L.P. v. Omron Oilfield & Marine, Inc.*, 676 F. App'x 967, 973 (Fed. Cir. 2017) (affirming award of attorney fees where a party was "on notice" of its potentially frivolous litigating position based on information provided by the opposing party, yet took no action to remedy its position). [Stone Basket Innovations, LLC v. Cook Medical LLC, 2017-2330 (Fed. Cir. 6/11/2018).]

**PGS Geophysical AS v. Iancu, 2016-2470, 2016-2472, 2016-2474 (Fed. Cir. 6/11/2018).**

This is a decision on appeals from PTAB cases IPR2015-00309, IPR2015-00310, IPR2015-00311 challenging claims 1-38 of a single patent owned by PGS. The PTAB had instituted on less than all claims and less than all grounds in the three IPRs. The PTAB's final written decisions held some of the tried claims unpatentable and others not unpatentable (under the tried grounds). Both parties appealed. Then WesternGeco settled with PGS and withdrew. The Director intervened to defend the Board's decision. The Federal Circuit affirmed.

**Legal Issue: 35 USC 314, institution decision scope.**

In this decision, the Federal Circuit understood *SAS* to require a binary institution decision (institute or not institute) on both all claims *and all grounds* in an IPR petition. This

mandates the PTAB's recent procedural guidance that the PTAB will uniformly *either* institute trial on all claim and all grounds, *or* not institute trial.

Equal treatment of claims and grounds for institution purposes has pervasive support in *SAS*. Although 35 U.S.C. § 318(a), the primary statutory ground of decision, speaks only of deciding all challenged and added “claim[s],” the Supreme Court spoke more broadly when considering other aspects of the statutory regime, and it did so repeatedly. \*\*\* We read those and other similar portions of the *SAS* opinion as interpreting the statute to require a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition, and we have seen no basis for a contrary understanding of the statute in light of *SAS*. [PGS Geophysical AS v. Iancu, 2016-2470, 2016-2472, 2016-2474 (Fed. Cir. 6/11/2018).]

**Procedural Issue: 35 USC 318(a), guidance to the PTAB, on final written decisions.**

The Federal Circuit suggested that the PTAB might draft final written decisions noting certain challenges to be moot and therefore not deciding those challenges.

We note that it is a distinct question (not presented here) whether, after instituting on the entire petition, the Board, in a final written decision, may decide the merits of certain challenges and then find others moot, the latter subject to revival if appellate review of the decided challenges renders the undecided ones no longer moot.

**Legal Issue: 28 USC 1295(a)(4)(A), Jurisdiction to hear appeals from partial institution decisions.**

The Federal Circuit concluded that it had jurisdiction "to address the merits of the Board's final written decisions" resulting from partial institution decisions.

We conclude that we have jurisdiction to rule on the appeals, i.e., that the existence of non-instituted claims and grounds does not deprive us of jurisdiction to decide PGS's appeals. Under 28 U.S.C. § 1295(a)(4)(A), this court has “exclusive jurisdiction . . . of an appeal from a decision of . . . the [Board] with respect to [an] . . . inter partes review under title 35.” “We have held that § 1295(a)(4) should be read to incorporate a finality requirement.” *In re Arunachalam*, 824 F.3d 987, 988 (Fed. Cir. 2016) (quoting *Loughlin v. Ling*, 684 F.3d 1289, 1292 (Fed. Cir. 2012)); *see Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345, 1348 (Fed. Cir. 2018). There is finality here: the combination of the non-institution decisions and the final written decisions on the instituted claims and grounds “terminated the IPR proceeding[s]” that are now on appeal. *Arthrex*, 880 F.3d at 1348. [PGS Geophysical AS v. Iancu, 2016-2470, 2016-2472, 2016-2474 (Fed. Cir. 6/11/2018).]

**Legal Issue: Waiver, partial institution decisions**

The Federal Circuit concluded that it could waive the PTAB's error in not fully instituting a petition.

We have uncovered no legal authority that requires us *sua sponte* to treat the Board's incorrect denial of institution as to some claims and grounds either as a basis for disturbing or declining to review the Board's rulings on the instituted claims and grounds or as a basis for reopening the IPRs to embrace the non-instituted claims and grounds. Even if the Board could be said to have acted "ultra vires" in refusing to institute reviews of some claims and grounds—and then proceeding to merits decisions concerning the claims and grounds included in the instituted reviews—the Board's error is waivable, not one we are required to notice and act on in the absence of an appropriate request for relief on that basis. *See CBS Broad., Inc. v. EchoStar Commc'ns Corp.*, 450 F.3d 505, 520 n.27 (11th Cir. 2006) (finding challenge to FCC action as ultra vires waived). Several courts of appeals have recognized the same for a challenge to an *agency's* "jurisdiction," after the Supreme Court, in *City of Arlington v. FCC*, 569 U.S. 290, 297–98 (2013), rejected a distinction between agency "jurisdiction" errors and other errors for certain deference purposes and treated the label "ultra vires" as embracing any "improper" agency action. [Footnote 3 omitted.] *See, e.g., Metro-N. Commuter R.R. Co. v. U.S. Dep't of Labor*, 886 F.3d 97, 108 (2d Cir. 2018) (finding waiver of challenge to agency jurisdiction); *1621 Route 22 W. Operating Co. v. NLRB*, 825 F.3d 128, 140–43 (3d Cir. 2016) (same). Moreover, the Supreme Court in *SAS* characterized the error at issue here as an error under 5 U.S.C. § 706, but errors under that provision are generally subject to a traditional harmless-error analysis, with challengers of the agency action having the burden of showing prejudice. *See Shinseki v. Sanders*, 556 U.S. 396, 406, 409 (2009); *Suntec Indus. Co. v. United States*, 857 F.3d 1363, 1368 (Fed. Cir. 2017). That burden assignment further suggests that the *SAS* error is not one that must be recognized *sua sponte*. [*PGS Geophysical AS v. Iancu*, 2016-2470, 2016-2472, 2016-2474 (Fed. Cir. 6/11/2018).]

**Legal Issue: Federal Circuit sua sponte action in appeals on partial institutions.**

The Federal Circuit concluded that it would not decline to review appeals on the instituted claims and grounds as a consequence of the partial institution under the facts of this case. While this decision is limited to this case, it suggests how the Federal Circuit would handle other appeals involving partial institutions in which there was no request for appropriate relief (aka a request to remand in view of *SAS*).

In the absence of an obligation to act *sua sponte*, we will not *sua sponte* exercise any discretion to decline to decide the appeals on the instituted claims and grounds. There is a clear private and public interest in our deciding the patentability issues before us. Nor will we exercise any discretion to revive the non-instituted claims and grounds. Finality and expedition interests strongly counsel against such action. And so does the Court's emphasis in *SAS* on the

petitioner's control of the contours of the proceeding. [PGS Geophysical AS v. Iancu, 2016-2470, 2016-2472, 2016-2474 (Fed. Cir. 6/11/2018).]

**In re Durance, 2017-1486 (Fed. Cir. 6/1/2018).**

This is a decision on an appeal from PTAB case 12/682,989. The PTAB affirmed an examiner's obviousness rejection. Durance appealed. The Federal Circuit vacated and remanded.

This is a case of examination "gone south", so to speak, best described by quoting the decision, instead of first listing the legal issue.

Throughout this examination, the Patent Office continually shifted its position on which Burger structures and what characteristics of those structures are the bases for the Office's grounds of rejection. In her September 24, 2014 Final Rejection, the examiner relied on the embodiments in Figures 1, 6, and 7 of Burger as teaching "a concept of simultaneous rotation and transport of the containers" and a means for rotating the container using "rotatable cage 24" that is "configured to receive the container." J.A. 151. But in her summary of a subsequent telephone interview on December 23, 2014, the examiner cited to paragraph 54 of Burger, describing the embodiment in Figure 8 of Burger as disclosing the tumbling element of the claimed invention. Then, in her answer to the Board, the examiner discussed all four figures, but argued for the first time that there was no structural difference between the claimed invention and Burger Figure 8. The Board, for its part, did not identify which Burger embodiment it was relying on in either its Decision or its denial of Durance's request for rehearing. And finally, on appeal to this court, the Patent Office relies on yet another figure from Burger, Figure 10, as the true embodiment that matches Durance's disclosed structure. Appellee's Br. 9–10. [In re Durance, 2017-1486 (Fed. Cir. 6/1/2018).]

The examiner had found that Wefers disclosed every element of claim 1, except the tumbling limitation. The examiner relied upon Burger Fig. 8 to find that Burger discloses that "material in the container will be tumbled." Durance appealed. The examiner's answer responded by alleging no structural difference between the claimed invention and the teachings of the prior art references to find that both the appealed application and Burger use gravity to rotate containers within the vacuum chamber. Durance's reply brief argued that the examiner had not previously articulated that understanding and that the examiner's understanding was inconsistent with Durance's specification and claims. The Board found the combination made Durance's claim obvious, stating in relevant part that "given the appropriate selection of rotation speed and material for the inner surface of the container, tumbling would be inherent." The Board found Durance's reply brief "not responsive to an argument raised in the Answer" and disregarded it. [In re Durance, 2017-1486 (Fed. Cir. 6/1/2018).]

The Patent Office's discussion of inherency also resulted in moving target

rejections for Durance to traverse. In her Final Office Action, the examiner rejected Durance's claims by finding tumbling to be "merely an inherent function of all rotating containers." J.A. 161. The Board similarly found that, "given the appropriate selection of rotation speed and material for the inner surface of the container, tumbling would be inherent." J.A. 31. And when Durance challenged this statement as an improper application of the inherency doctrine, the Board responded on rehearing that "[a]s the doctrine of inherency was not invoked in the examiner's rejection or relied upon in our Decision, we cannot have misapprehended the requirements of the doctrine." J.A. 45. On appeal, the Patent Office "[a]ssuming arguendo" that the Board's rejection was based on inherency, now makes a case for this court to find inherency in the first instance. Appellee's Br. 25-27. [In re Durance, 2017-1486 (Fed. Cir. 6/1/2018).]

Under these circumstances of multiple shifting articulations, this Court is not confident in the Patent Office's reasoning for its rejection of the Application, specifically as to which embodiment of Burger the Board relied on, and whether the Board relied on inherency as a basis for the tumbling function. [In re Durance, 2017-1486 (Fed. Cir. 6/1/2018).]

**Legal issue, construction of 37 CFR 41.41(b), right to respond to a new argument in an examiner's answer in a reply brief.**

The Federal Circuit held that 41.41(b) permits a reply brief to respond to any argument first raised in the examiner's answer, - - instead of requiring the applicant to petition for the right to address such an argument. The Federal Circuit stated, in conclusion, that "The purpose of § 41.41 is not to prevent an applicant from responding to new arguments raised for the first time in the examiner's answer."

The Board relied on 37 C.F.R. § 41.41(b) to find waiver. Section 41.41(b)(2) outlines what content cannot be included in an applicant's reply brief. It provides in relevant part: ["]Any argument raised in the reply brief which was not raised in the appeal brief, or is not responsive to an argument raised in the examiner's answer, including any designated new ground of rejection, will not be considered by the Board for purposes of the present appeal, unless good cause is shown.["] Section 41.41(b)(2) permits a reply brief to respond to "an argument raised in the examiner's answer." In particular, nothing in this provision bars a reply brief from addressing new arguments raised in the examiner's answer that are not articulated in the Final Office Action, regardless of whether the examiner designated that new argument as a "new ground of rejection." [footnote 7 omitted.] To be clear, 37 C.F.R. § 41.39(a)(1) provides that "[a]n examiner's answer is deemed to incorporate all of the grounds of rejection set forth in the Office action from which the appeal is taken." Since the examiner's answer is deemed to incorporate all grounds in the Final Office Action, an applicant's reply may not respond to grounds or arguments raised in the examiner's answer if they were part of the Final Office Action and the applicant did not address them in the

initial appeal brief. If an examiner's answer includes arguments raised for the first time, i.e., not in the Final Office Action, an applicant may address those arguments in the reply. 37 C.F.R. §§ 41.39, 41.41. [In re Durance, 2017-1486 (Fed. Cir. 6/1/2018).]

Here, the examiner's first clear representation that she was relying on structural identity, and not inherency, appeared in the examiner's answer. See J.A. 85. We agree with the Patent Office that there need not be talismanic words to indicate a ground of rejection. Appellee's Br. 28–29. But in this case, there is no mention of structural identity with Figure 8 of Burger before the examiner's answer. And the equivocal nature of the examiner's and Board's remarks throughout the examination of the '989 application, including whether inherency was the basis for the rejection, clouded the issues before Durance. Accordingly, Durance had no notice, prior to the examiner's answer, of this ground on which his application was being rejected. [footnote 8 omitted.] It was therefore proper under § 41.41(b)(2) for Durance to respond to the structural identity argument raised in the examiner's answer. [In re Durance, 2017-1486 (Fed. Cir. 6/1/2018).]

**Legal issue: Construction of MPEP § 1207.03 or 37 C.F.R. § 41.41.**

The Federal Circuit held that MPEP § 1207.03 or 37 C.F.R. § 41.41 do not require an applicant to petition to have an examiner's answer designated as a new ground of rejection in order to be entitled to respond in their reply brief to a new argument in the examiner's answer.

The Patent Office contends that Durance should have petitioned to have the examiner's answer designated as a new ground of rejection, relying on the Patent Office's Manual of Patent Examination Procedure ("MPEP") § 1207.03. But this Court does not read MPEP § 1207.03 or 37 C.F.R. § 41.41 to put such a burden on applicants. Neither contemplates that the applicant has to petition to have a new argument in an answer designated as a new ground of rejection before it can respond to the new argument. Rather, § 41.41 states that a showing of good cause is only required if the argument is not responsive to an argument raised by the examiner. Here, Durance's reply brief was responsive to the examiner's answer and included citations indicating the new arguments to which Durance was responding. See J.A. 62–64. It was error for the Board to find such argument waived. [In re Durance, 2017-1486 (Fed. Cir. 6/1/2018).]

Note: The PTO may want to change the wording of 41.39 and 41.41 in view of this decision.

**Zeroclick, LLC v. Apple Inc., 2017-1267 (Fed. Cir. 6/1/2018).**

This is a decision on an appeal from N.D. Cal. district court case 3:15-cv-04417-JST. The district court held the claims invalid for indefiniteness. Zeroclick appealed. The Federal Circuit vacated and remanded.

**Legal issue: 35 USC 112, legal conclusion whether recitations invoke means plus function construction.**

The Federal Circuit held that the district court must make "pertinent finding that compels the conclusion that a conventional [structural term such as a] graphical user interface program or code is used in common parlance as substitute for 'means.'" That is, the district court must make findings supporting the conclusion that a term is a nonce term.

"To determine whether § 112, para. 6 applies to a claim limitation, our precedent has long recognized the importance of the presence or absence of the word 'means.'" *Williamson*, 792 F.3d at 1348. The failure to use the word "means" creates a rebuttable presumption that § 112, ¶ 6 does not apply. \*\*\* When evaluating whether a claim limitation invokes § 112, ¶ 6, the essential inquiry remains "whether the words of the claim are understood by persons of ordinary skill in the art to have a sufficiently definite meaning as the name for structure." *Williamson*, 792 F.3d at 1348; *Greenberg*, 91 F.3d at 1583 ("What is important is . . . that the term, as the name for structure, has a reasonably well understood meaning in the art."). That determination must be made under the traditional claim construction principles, on an element-by-element basis, and in light of evidence intrinsic and extrinsic to the asserted patents. *See, e.g., Personalized Media Commc 'ns, LLC v. Int'l Trade Comm'n*, 161 F.3d 696, 702–04 (Fed. Cir. 1998) (stating that "[w]hether certain claim language invokes 35 U.S.C. § 112, ¶ 6 is an exercise in claim construction" and that the presumption that § 112, ¶ 6 does not apply "can be rebutted if the evidence intrinsic to the patent and any relevant extrinsic evidence so warrant"); *Cole v. Kimberly-Clark Corp.*, 102 F.3d 524, 531 (Fed. Cir. 1996) (noting that whether § 112, ¶ 6 is invoked involves an analysis of the "patent and its prosecution history," and consulting a dictionary definition of "perforation" to understand if one of skill in the art would understand the term to connote structure). The district court failed to undertake that inquiry and make related factual findings. [*Zeroclick, LLC v. Apple Inc.*, 2017-1267 (Fed. Cir. 6/1/2018).]

Neither of the limitations at issue uses the word "means." Presumptively, therefore, § 112, ¶ 6 does not apply to the limitations. Apple argued that the limitations must be construed under § 112, ¶ 6, but provided no evidentiary support for that position. Accordingly, Apple failed to carry its burden, and the presumption against the application of § 112, ¶ 6 to the disputed limitations remained un rebutted. The district court's discussion is revealing: its determination that the terms must be construed as means-plus-function limitations is couched in conclusory language. The court relied on Apple's arguments, contrasting them against Zeroclick's contentions, but pointed to no record evidence that supports its ultimate conclusion regarding whether § 112, ¶ 6 applies to the asserted claims. *Cf. J.A. 10* ("[T]he Court concludes that the term 'program that can operate the movement of the pointer (0)' is a means-plus-function term because the claim itself fails to recite any structure whatsoever, let alone 'sufficiently definite structure.'" (*quoting Williamson*, 792 F.3d at 1349)); *J.A. 12* ("[B]ecause the use of the phrase 'user interface code' provides the same 'black box recitation



of structure’ as the use of the word ‘module’ did in *Williamson*, and the claim language provides no additional clarification regarding the structure of the term, the Court concludes that ‘user interface code’ constitutes a means-plus-function term.” (quoting *Williamson*, 792 F.3d at 1350)). The court thus legally erred by not giving effect to the unrebutted presumption against the application of § 112, ¶ 6. [*Zeroclick, LLC v. Apple Inc.*, 2017-1267 (Fed. Cir. 6/1/2018).]

By taking that approach, the district court effectively treated “program” and “user interface code” as nonce words, which can operate as substitutes for “means” and presumptively bring the disputed claims limitations within the ambit of § 112, ¶ 6. That is erroneous for at least three related reasons. [*Zeroclick, LLC v. Apple Inc.*, 2017-1267 (Fed. Cir. 6/1/2018).]

...First, the mere fact that the disputed limitations incorporate functional language does not automatically convert the words into means for performing such functions. *See Greenberg*, 91 F.3d at 1583 (“Many devices take their names from the functions they perform. The examples are innumerable, such as ‘filter,’ ‘brake,’ ‘clamp,’ ‘screwdriver,’ or ‘lock.’”). [*Zeroclick, LLC v. Apple Inc.*, 2017-1267 (Fed. Cir. 6/1/2018).]

...Second, the court’s analysis removed the terms from their context, which otherwise strongly suggests the plain and ordinary meaning of the terms. \*\*\* Given that “[t]he basic concept behind both of the patents-in-suit is relatively simple,” J.A. 3, a person of ordinary skill in the art could reasonably discern from the claim language that the words “program,” as used in claims 2 and 52 of the ’691 patent, and “user interface code,” as used in claim 19 of the ’443 patent, are used not as generic terms or black box recitations of structure or abstractions, but rather as specific references to conventional graphical user interface programs or code, existing in prior art at the time of the inventions. [*Zeroclick, LLC v. Apple Inc.*, 2017-1267 (Fed. Cir. 6/1/2018).]

Third, and relatedly, the district court made no pertinent finding that compels the conclusion that a conventional graphical user interface program or code is used in common parlance as substitute for “means.” *Cf. Williamson*, 792 F.3d at 1350–51 (affirming the district court’s finding that “‘module’ is simply a generic description for software or hardware that performs a specified function” based on, among other things, the patent owner acknowledging so). The district court thus erred by effectively treating “program” and “user interface code” as nonce words and concluding in turn that the claims recited means-plus-function limitations. [*Zeroclick, LLC v. Apple Inc.*, 2017-1267 (Fed. Cir. 6/1/2018).]

***Western Digital Corporation v. SPEX Technologies, Inc.*, IPR2018-00082 and IPR2018-00084, paper 13, (PTAB 4/25/2018, designated Informative 6/1/2018).**

The PTAB marked this decision as informative, to provide guidance on motions to

amend. The guidance is provided below. The decision notes that "the burden of persuasion will ordinarily lie with the petitioner " and that while motions to amend must respond to a ground of unpatentability, the amendments may go further to address to "include additional limitations to address potential § 101 or § 112 issues."

...the burden of persuasion will ordinarily lie with the petitioner to show that any proposed substitute claims are unpatentable by a preponderance of the evidence. The Board itself also may justify any finding of unpatentability by reference to evidence of record in the proceeding, as it must do when a petitioner ceases to participate, as further noted in *Aqua Products* and *Bosch*. *Bosch*, 878 F.3d at 1040 (citing *Aqua Products*, 872 F.3d at 1311 (O'Malley, J.)). Thus, the Board determines whether substitute claims are unpatentable by a preponderance of the evidence based on the entirety of the record, including any opposition made by the petitioner. [Western Digital Corporation v. SPEX Technologies, Inc., IPR2018-00082 and IPR2018-00084, paper 13, (PTAB 4/25/2018, designated Informative 6/1/2018).]

...To help the Board determine whether a motion to amend meets the requirement, the motion should, for each proposed substitute claim, specifically identify the challenged claim that it is intended to replace. All proposed claims should be traceable to an original challenged claim as a proposed substitute claim for that challenged claim. [Western Digital Corporation v. SPEX Technologies, Inc., IPR2018-00082 and IPR2018-00084, paper 13, (PTAB 4/25/2018, designated Informative 6/1/2018).]

37 C.F.R. § 42.121(a)(2)(I) states that "[a] motion to amend may be denied where . . . [t]he amendment does not respond to a ground of unpatentability involved in the trial." Thus, in considering the motion, we review the entirety of the record to determine whether a patent owner's amendments respond to a ground of unpatentability involved in the trial. \*\*\* The rule does not require, however, that every word added to or removed from a claim in a motion to amend be solely for the purpose of overcoming an instituted ground. Additional modifications that address potential 35 U.S.C. § 101 or § 112 issues, for example, are not precluded by rule or statute. Thus, once a proposed claim includes amendments to address a prior art ground in the trial, a patent owner also may include additional limitations to address potential § 101 or § 112 issues, if necessary. [Western Digital Corporation v. SPEX Technologies, Inc., IPR2018-00082 and IPR2018-00084, paper 13, (PTAB 4/25/2018, designated Informative 6/1/2018).]

...the Board requires that a motion to amend set forth written description support in the originally filed disclosure of the subject patent for each proposed substitute claim, and also set forth the support in an earlier-filed disclosure for each claim for which benefit of the filing date of the earlier filed disclosure is

sought. See 37 C.F.R. §§ 42.121(b)(1), 42.121(b)(2). \*\*\* to meet this requirement, citation should be made to the original disclosure of the application, as filed, rather than to the patent as issued. [Western Digital Corporation v. SPEX Technologies, Inc., IPR2018-00082 and IPR2018-00084, paper 13, (PTAB 4/25/2018, designated Informative 6/1/2018).]

A claim listing, reproducing each proposed substitute claim, is required. See 37 C.F.R. § 42.121(b). Any claim with a changed scope, subsequent to the amendment, should be included in the claim listing as a proposed substitute claim, and have a new claim number. This includes any dependent claim a patent owner intends as depending from a proposed substitute independent claim. For each proposed substitute claim, the motion must show clearly the changes in the proposed substitute claim with respect to the original patent claim that it is intended to replace. No particular form is required, but use of brackets to indicate deleted text and underlining to indicate inserted text is suggested. The claim listing may be filed as an appendix to the motion to amend, and shall not count toward the page limit for the motion. [Western Digital Corporation v. SPEX Technologies, Inc., IPR2018-00082 and IPR2018-00084, paper 13, (PTAB 4/25/2018, designated Informative 6/1/2018).]

A petitioner may submit additional testimony and evidence with an opposition to the motion to amend, and a patent owner may do likewise with a reply. [Western Digital Corporation v. SPEX Technologies, Inc., IPR2018-00082 and IPR2018-00084, paper 13, (PTAB 4/25/2018, designated Informative 6/1/2018).]

Under 37 C.F.R. § 42.11, all parties have a duty of candor, which includes a patent owner's duty to disclose to the Board information of which the patent owner is aware that is material to the patentability of substitute claims, if such information is not already of record in the case. When considering the duty of candor in connection with a proposed amendment, a patent owner should consider each added limitation. Information about an added limitation may be material even if it does not include the rest of the claim limitations. [Western Digital Corporation v. SPEX Technologies, Inc., IPR2018-00082 and IPR2018-00084, paper 13, (PTAB 4/25/2018, designated Informative 6/1/2018).]

Likewise, a petitioner should keep in mind that it has a duty of candor in relation to relevant information that is inconsistent with a position advanced by the petitioner during the proceeding. Cf. 37 C.F.R. § 42.51(b)(iii). For example, such information could include objective evidence of non-obviousness of proposed substitute claims, if a petitioner is aware of such evidence and it is not already of record in the case. [Western Digital Corporation v. SPEX Technologies, Inc., IPR2018-00082 and IPR2018-00084, paper 13, (PTAB 4/25/2018, designated Informative 6/1/2018).]

Y:\Library\LAW\FirmPublicationsAndPresentationsAndLectureMaterials\RickNeifeld\articles\Precedential Patent Case Decisions During June 2018.wpd