

## Precedential Patent Case Decisions During September 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 and New Points of Law

#### **Wisconsin Alumni Research Foundation v. Apple Inc., 2017-2265, 2017-2380 (Fed. Cir. 9/28/2018).**

This is a decision on appeals from the W.D. Wis. district court case 3:14-cv-00062-wmc. A jury awarded Apple \$234 million in damages for patent infringement. The district court denied Apple's motion for JMOL. Apple appealed. The Federal Circuit reversed.

**Legal issue: 35 USC 112, claim construction, "a prediction associated with the particular [load] instruction."**

The Federal Circuit concluded that no reasonable juror could have found literal infringement. The claim read "1. In a processor ... a data speculation decision circuit comprising: a) a predictor receiving a mis-speculation indication from the data speculation circuit to produce a prediction associated with the particular [load] instruction ...."

The Federal Circuit noted that the evidence showed the accused device produced the same prediction for many load instructions, and that the word "particular" had its plain and ordinary meaning. Accordingly, the accused device did not meet the claim requirement "to produce a prediction associated with the *particular* [load] instruction."

WARF first contends that the "prediction" corresponding to a load tag will necessarily remain associated with a "particular" load instruction that mis-speculates because that load instruction will always hash to the same 12-bit load tag. Appellee's Br. 13. But, even accepting that a load instruction will always generate the same 12-bit load tag, see J.A. 2518 ll. 19–24, this is insufficient to satisfy this claim limitation because this argument ignores the plain and ordinary meaning of the term "particular," as described above. Under that meaning, it is not enough that an instruction hash to the same tag every time; the dispositive issue is whether *other* instructions *also* hash to that tag, such that the prediction is associated with a *group* of instructions, rather than a *particular* instruction. [Wisconsin Alumni Research Foundation v. Apple Inc., 2017-2265, 2017-2380 (Fed. Cir. 9/28/2018).]

WARF's second argument for upholding the jury verdict appears to be that, even if the prediction must be associated with a single load instruction, the products still infringe in at least some circumstances—i.e., those in which aliasing

does not occur. Appellee’s Br. 15–18. Certainly, a product that “sometimes, but not always, embodies a claim nonetheless infringes.” *Broadcom Corp. v. Emulex Corp.*, 732 F.3d 1325, 1333 (Fed. Cir. 2013) (alteration omitted) (quoting *Bell Commc’ns Research, Inc. v. Vitalink Commc’ns Corp.*, 55 F.3d 615, 622–23 (Fed. Cir. 1995)). But after reviewing the evidence and drawing all reasonable inferences in favor of WARF, we find that there is insufficient evidence to support WARF’s theory that Apple’s load tags are sometimes associated with a single load instruction. \*\*\* In short, there is not substantial evidence to support WARF’s theory that, in Apple’s LSD predictor, a prediction (by way of a load tag) is at least sometimes associated with a single load instruction. And, given that only 4,096 load tags are possible, and that Apple’s operating system alone contains millions of load instructions, the only reasonable inference to draw is that load tags will always represent multiple load instructions. See J.A. 1605–06 (testimony of Dr. Conte), 2296–97 (testimony of Dr. August). [Wisconsin Alumni Research Foundation v. Apple Inc., 2017-2265, 2017-2380 (Fed. Cir. 9/28/2018).]

**Gust, Inc. v. Alphacap Ventures, LLC, 2017-2414 (Fed. Cir. 9/28/2018).**

This is a decision on appeal from the S. D. NY district court cases 1:15-cv-06192-DLC and 1:16-cv-01784-DLC. The district court found the case "exception" within the meaning of 35 USC 285 and awarded attorneys fees pursuant to 35 USC 285, and held AlphaCap's law firm, Gutride, jointly and severally liable, pursuant to 28 USC 1927. Gutride appealed the jointly and severally liable holding. The Federal Circuit reversed.

28 USC 1927 reads:

Any attorney or other person admitted to conduct cases in any court of the United States or any Territory thereof who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorneys’ fees reasonably incurred because of such conduct.

**Legal issue: 28 USC 1927, requirements for claims to be (1) entirely without color and (2) brought in bad faith, in the context of 35 USC 101 patent eligibility.**

The Federal Circuit, citing *Phonometrics, Inc. v. Westin Hotel Co.*, 350 F.3d 1242, 1246 (Fed. Cir. 2003), restated the actual law of the Second Circuit and extrapolated law of the Second Circuit, for 1927. In sum, the Federal Circuit noted that a 1927 award required the asserted claims to be (1) entirely without color and (2) by an attorney acting in bad faith in contrast to merely filing a baseless complaint. The Federal Circuit found that the law of patent eligibility after *Alice* was sufficiently unsettled so that assertion of claims being patent eligible was not "entirely without color"; that merely filing such a civil action could not show attorney bad faith; and that failing to settle such a case, absent evidence showing that the attorneys controlled the decision process, could not show attorney bad faith.

In the Second Circuit, an award under § 1927 requires: (1) that claims were “entirely without color,” and (2) “were brought in bad faith—that is,

motivated by improper purposes such as harassment or delay.” *Advanced Magnetic Closures, Inc. v. Rome Fastener Corp.*, 607 F.3d 817, 833 (Fed. Cir. 2010) (citing *Eisemann*, 204 F.3d at 396). The relevant “claims” are the attorney actions deemed motivated by improper purposes. *See Oliveri*, 803 F.2d at 1273 (“[A]n award under § 1927 is proper when the attorney’s actions are so completely without merit as to require the conclusion that they must have been undertaken for some improper purpose such as delay.”) (emphasis added). Both elements must be met before a district court may make an award under § 1927. Moreover, both determinations require a district court to provide “a high degree of specificity in the factual findings.” *Dow Chem. Pac. Ltd. v. Rascator Maritime S.A.*, 782 F.2d 329, 344 (2d Cir. 1986). [*Gust, Inc. v. Alphacap Ventures, LLC*, 2017-2414 (Fed. Cir. 9/28/2018).]

On its face, § 1927 only applies to actions that result in unreasonable and vexatious multiplication of proceedings. This necessarily excludes a filing of a baseless complaint, which is properly analyzed under Fed. R. Civ. P. 11. *Jensen v. Phillips Screw Co.*, 546 F.3d 59, 65 (1st Cir. 2008) (“[A]n unbroken band of cases across the courts of appeals hold[s] that a lawyer cannot violate section 1927 in the course of commencing an action,” and therefore holding that the failure to vet or investigate a claim cannot give rise to a § 1927 sanction); *Zuk v. E. Pa. Psychiatric Inst.*, 103 F.3d 294, 297 (3d Cir. 1996) (holding that § 1927 award is unavailable for failing to adequately investigate the facts and law prior to filing a complaint); *DeBauche v. Trani*, 191 F.3d 499, 511 (4th Cir. 1999). Although the Second Circuit has not stated this explicitly, it has stated that the primary purpose of § 1927 is “to deter unnecessary delays in litigation.” *Oliveri*, 803 F.2d at 1273 (emphasis added) (quoting H.R.Conf. Rep. No. 1234, 96th Cong., 2d Sess. 8, reprinted in 1980 U.S. Code Cong. & Ad. News, 2716, 2782). Coupled with the clear language of § 1927, we conclude that the Second Circuit would join the “unbroken band of cases” excluding baseless filing of a complaint from supporting an award under § 1927. [*Gust, Inc. v. Alphacap Ventures, LLC*, 2017-2414 (Fed. Cir. 9/28/2018).]

**Legal issue: 28 USC 1927, requirement that an assertion that a claim is patent eligible to be entirely without color.**

The Federal Circuit concluded that the district court abused its discretion by concluding that the plaintiff’s assertion that the subject patent claims were patent eligible was “entirely without color,” in view of the unsettled state of patent eligibility law shortly after the Supreme Court’s *Alice* decision.

We also agree with Gutride that AlphaCap’s position on patent eligibility was colorable, particularly given the relative paucity of § 101 cases that were decided by this court between *Alice* and AlphaCap’s complaint in Texas. “[A] claim is entirely without color when it lacks any legal or factual basis.” *Schlaifer Nance & Co. v. Estate of Warhol*, 194 F.3d 323, 337 (2d Cir.1999) (internal

quotation marks omitted). When the applicable law is unsettled, attorneys may not be sanctioned merely for making reasonable arguments for interpreting the law. *Secs. Indus. Ass'n v. Clarke*, 898 F.2d 318, 321–22 (2d Cir. 1990), abrogated on other grounds recognized by *Mareno v. Rowe*, 910 F.2d 1043, 1047 (2d Cir. 1990). This is just another way of saying that the domain of colorable arguments is broader when the law is unsettled. During the pendency of this litigation, the abstract idea law was unsettled. \*\*\* The district court's conclusion that Gutride's patent eligibility position lacked color was built on improper hindsight as to the state of the law and a conclusory analysis of the claims at issue. Under the exacting standard of review applicable in this § 1927 case, we conclude that the district court abused its discretion by holding that Gutride's position with respect to patent eligibility lacked color. [Gust, Inc. v. Alphacap Ventures, LLC, 2017-2414 (Fed. Cir. 9/28/2018).]

The Federal Circuit concluded that the district court abused its discretion by concluding that the plaintiff's of filing suit on patent ineligible claims; filing in E.D. Tex. and failure to settle or dismiss, each constituted attorney bad faith.

First, the Federal Circuit concluded that no evidence supported the district court's finding that Gutride knew the patents were invalid.

As discussed in Section III.A., supra, AlphaCap's position that its claims were not invalid did not lack color. Bad faith may be inferred from attorney action only "if actions are so completely without merit as to require the conclusion that they must have been undertaken for some improper purpose such as delay." *Adv. Magnetic Closures*, 607 F.3d at 834 (citing *Schlaifer Nance & Co.*, 194 F.3d at 336. Gutride's eligibility arguments here do not meet this standard. [Gust, Inc. v. Alphacap Ventures, LLC, 2017-2414 (Fed. Cir. 9/28/2018).]

Second, the Federal Circuit concluded that the district court abused its discretion by imputing actions controlled by the client to the attorney to show attorney bad faith.

The district court also supported its bad faith determination by noting that AlphaCap filed this lawsuit "as one of ten," "in the expectation that they could obtain quick settlements of relatively modest amounts from every major firm in the internet crowdfunding arena." \*\*\* Nevertheless, § 1927 is not the proper vehicle to generally address those concerns. As discussed above, supra at 10, Rule 11, with its procedural safeguards, already addresses attorneys' complicity in the filing of frivolous and improper litigation. Moreover, the heart of the district court's concern is with AlphaCap, not its attorneys. As discussed below in connection with the decision not to settle or offer a covenant not to sue, infra at 20, decisions within the client's domain are generally not attributable to its attorneys. It is the client's decision whether to capitalize its business, to acquire the patents, to decide whether to practice the patents, whether and who to sue, and whether and when to agree to low value settlements. Such client decision-making

is a poor evidentiary basis on which to infer attorney bad faith in multiplying proceedings. \*\*\* Finally, we also agree with Gutride that AlphaCap’s decision not to grant a covenant not to sue until May 18, 2016 is not evidence of Gutride’s bad faith. The decision to settle or grant a covenant not to sue is wholly committed to clients, not their attorneys. *See United States v. Int’l Bhd. of Teamsters, Chauffeurs, Warehousemen & Helpers of Am., AFL-CIO*, 986 F.2d 15, 19 (2d Cir. 1993) (“The Supreme Court recognized long ago that the decision to settle a case rests with the client alone.”) (citing *United States v. Beebe*, 180 U.S. 343, 350–53 (1901)). [*Gust, Inc. v. Alphacap Ventures, LLC*, 2017-2414 (Fed. Cir. 9/28/2018).]

However, in a footnote to this passage (footnote 1), the Federal Circuit explained that evidence showing decisional control ceded to the litigating attorney in contingency cases, if in evidence, could be probative.

We note that in the context of contingency fee arrangements, attorneys have more interest—and presumably somewhat more say—in these decisions than under other attorney-client fee arrangements. *Gust* has not, however, proffered any evidence that Gutride had control over such decisions. [*Gust, Inc. v. Alphacap Ventures, LLC*, 2017-2414 (Fed. Cir. 9/28/2018).]

***Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.* 2017-1555, 2017-1626 (Fed. Cir. 9/28/2018).**

This is a decision on an appeal from PTAB case IPR2015-00826. *Bennett* appealed the decision on patentability and the sanctions order. The Federal Circuit vacated that patentability decision, and remanded the sanctions order.

**Legal Issue: 35 USC 315(b), one year bar to an IPR, effect of involuntary dismissal of a complaint.**

In this case, a complaint was involuntarily dismissed by the district court. The Federal Circuit concluded that involuntary dismissal has no effect on the 315(b) bar to institution of an IPR proceeding based upon an IPR petition filed more than one year after service of the complaint.

Section 315(b) prohibits the Board from instituting an IPR based on a petition “filed more than 1 year after the date on which the petitioner . . . is served with a complaint alleging infringement.” § 315(b). We recently held that serving a complaint alleging infringement—an act unchanged by the complaint’s subsequent success or failure—unambiguously implicates § 315(b)’s time bar. *See Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1329–32 (Fed. Cir. 2018). The statute endorses no exceptions for dismissed complaints, and we therefore held that the Board exceeded its authority when it instituted IPR over a year after service of a complaint later voluntarily dismissed without prejudice. *Id.* at 1328 n.3 (en banc). [*Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.* 2017-1555, 2017-1626 (Fed. Cir. 9/28/2018).]

This case differs from *Click-to-Call* only in that Bennett’s complaint was involuntarily dismissed without prejudice. We identify no reason to distinguish *Click-to-Call* on that basis. [Footnote 1 omitted.] The statutory language clearly expresses that service of a complaint starts § 315(b)’s clock. *See id.* at 1330–31, 1336. Just as the statute includes no exception for a voluntarily dismissed complaint, it includes no exception for an involuntarily dismissed complaint. Bennett undisputedly served Atlanta Gas with a complaint asserting the ’029 patent on July 18, 2012. See Appellant’s Br. 57–58; Cross-Appellant’s Br. 9. Section 315 permits a petitioner to seek IPR for a year after such service, but Atlanta Gas filed its IPR petition on February 27, 2015, J.A. 118, more than eighteen months after the statutory time limit. The Board lacked authority to institute review. Accordingly, we vacate the Board’s final written decision, and we remand for the Board to dismiss the IPR. [Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co. 2017-1555, 2017-1626 (Fed. Cir. 9/28/2018).]

**Legal Issue: Authority of the PTAB to issue sanctions, when it loses jurisdiction due to a 315(b) violation.**

The Federal Circuit concluded that the PTAB might retain jurisdiction to order sanctions when finding a party violated 35 USC 312(a)(2) by failing to timely name the real parties in interest, but declined to decide the issue in this case.

We next address the parties’ challenges to the Board’s sanctions order. Bennett asserts that the Board properly awarded monetary sanctions but erred by failing to terminate the IPR, see Appellant’s Br. 27–35, while Atlanta Gas urges that the Board erred by awarding sanctions at all, see Cross-Appellant’s Br. 70–86. Although the Board lacked authority to institute the IPR, its sanction award might nevertheless stand. *Cf. Willy v. Coastal Corp.*, 503 U.S. 131, 132 (1992) (holding federal district courts may impose Rule 11 sanctions even “in a case in which the district court is later determined to be without subject-matter jurisdiction”). We do not resolve that question, however, because we lack jurisdiction to review the Board’s unquantified, and thus non-final, order. [Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co. 2017-1555, 2017-1626 (Fed. Cir. 9/28/2018).]

Note: This case will go back the PTAB to review and make a final decision regarding sanctions. However, in this case, the time period during which the RPI was not properly identified was small, and not incorrect at the time of the filing of the petition, and therefore I expect a modest sanctions award. Unlike this fact pattern, however, sanctions (assuming the Federal Circuit ultimately concludes that the PTAB has authority to impose sanctions when the PTAB concludes that 315(b) bars institution because of a failure to timely name all real parties in interest) *for failing to name all RPIs in the petition* may result in much larger sanctions. This is because there is some degree of culpability involved in knowingly failing to name in the petition any party that arguably might be an RPI (or privy) to the petitioner, and the PTAB would likely only make a

finding regarding RPI after substantial litigation. And given that the Federal Circuit recently reset the PTAB's case law on the focus of the RPI inquiry (expanding when the PTAB should consider an entity an RPI), there may be quite a few cases in the near future where the PTAB concludes that a party was knowingly and improperly not named in the petition as an RPI.

**Gilbert P. Hyatt v. Iancu, 2017-1722 (Fed. Cir. 9/24/2018).**

This is a decision on an appeal from the D. Nev. district court case 2:16-cv-01490-RCJ-PAL. The district court granted the PTO's motion for summary judgement. Hyatt appealed. The Federal Circuit affirmed. However, the Federal Circuit reversed the district court's dismissal for lack of subject matter jurisdiction and affirmed on other grounds.

**Legal issue: 28 USC 1338(a), subject matter jurisdiction for APA appeals relating to PTO rules for appeal.**

The Federal Circuit concluded the exclusive jurisdiction of the Federal Circuit and the Eastern Virginia district court to review final PTAB decisions under § 141 and § 145 does not displace the district court's jurisdiction over APA challenges relating to process leading to an applicant's appeal from the examiner to the PTAB. The Federal Circuit also concluded that a petition that does not change the process that culminates in final PTAB decisions does not indirectly affect the Federal Circuit's jurisdiction over those decisions and therefore did not implicate the *TRAC (Telecommunications Research & Action Center v. FCC, 750 F.2d 70 (D.C. Cir. 1984) )* exception to APA jurisdiction.

**Power Integrations, Inc. v. Fairchild Semiconductor International, Inc., 2016-2691, 2017-1875 (Fed. Cir. 9/20/2018; modifying the 7/3/2018 decision).**

This is a modification of the original decision issued July 3, 2018. The modification affects the precedent I noted in my writeup of the July 3, 2018 decision. I show below the changes by adding strikeout to text removed from the original decision and underlining to show text added by this modification relative to the original decision. As noted by the changed language, the Federal Circuit made the patentee's burden a bit higher by requiring the patent to show that other features do not cause the consumer to purchase the infringing product, for entitlement to the entire market value rule.

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~~ do not cause consumers to purchase the product, 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~~ do not cause consumers to purchase the product. 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~~ do not cause consumers to purchase the product. [*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).

On May 23, 2018, a Federal Circuit majority held that the Federal Circuit's affirmance of invalidity of claims of a patent in any case "has an immediate issue preclusive effect on any pending or co-pending actions involving the patent." *See XY, LLC v. Trans Ova Genetics, L.C.*, 2016-2054, 2016-2136 (Fed. Cir. 5/23/2018)(Judge Newman, dissenting). Assuming the Federal Circuit confirms the PTAB's holding of unpatentability of the asserted claims when the Federal Circuit decides the pending IPR appeals before the district court action terminates, how does that impact the litigation?

**[E.I. Dupont De Nemours & Company v. Synvina C.V., 2017-1977 \(Fed. Cir. 9/17/2018\).](#)**

This is a decision on an appeal from PTAB case IPR2015-01838. The PTAB held that DuPont failed to prove certain claims would have been obvious. The Federal Circuit reversed.

**Legal issue: Article III, Jurisdiction, standing to appeal from an IPR proceeding.**

The Federal Circuit equated the test for standing to appeal from an IPR proceeding, to the test for standing required for a DJ action.

Under the circumstances here, we agree with DuPont that it has standing to appeal the Board's decision. As in the declaratory judgment context, a petitioner who appeals from an IPR decision need not face "a specific threat of infringement litigation by the patentee" to establish jurisdiction. *ABB Inc. v. Cooper Indus., LLC*, 635 F.3d 1345, 1348 (Fed. Cir. 2011). Rather, on appeal the petitioner must generally show a controversy "of sufficient immediacy and reality" to warrant the requested judicial relief. *Id.* (citing *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007)). [[E.I. Dupont De Nemours & Company v. Synvina C.V., 2017-1977 \(Fed. Cir. 9/17/2018\).](#)]

The Federal Circuit concluded that DuPont provided facts sufficient to show controversy "of sufficient immediacy and reality" to warrant review of an IPR decision, including operation of a plant capable of infringing the patent and that was currently in operation, that DuPont and the patent owner were avowed competitors, and that the patent owner refused to grant DuPont a license.

Such a controversy exists here because DuPont currently operates a plant capable of infringing the '921 patent. After Synvina challenged DuPont's standing in its responsive brief, [footnote 12 omitted.] DuPont submitted several declarations in support of standing. In the declarations, three scientists employed by ADM or DuPont collectively averred that: (1) in January 2016 ADM and DuPont publicly announced a plan to build a 60 ton-per-year demonstration plant to produce FDME, (2) FDME would be produced at the plant by dehydrating

fructose to compounds including HMF which are then oxidized to FDCA and esterified to FDME, (3) the process would occur in an acetic acid solvent and with a Co/Mn/Br catalyst within a temperature range of 120–250°C (preferably 170–190°C) and a PO<sub>2</sub> range of 0.02–100 bars (preferably 0.2–21 bars), and (4) the plant was expected to be mechanically complete by January 2018 and online by the second quarter of 2018. At oral argument, counsel for DuPont confirmed that the plant opened on April 30, 2018 and is currently in operation. Oral Arg. at 1:00–1:30, <http://oralarguments.ca9.uscourts.gov/default.aspx?fl=2017-1977.mp3>. [*E.I. Dupont De Nemours & Company v. Synvina C.V.*, 2017-1977 (Fed. Cir. 9/17/2018).]

Taken together, these facts demonstrate that DuPont, an avowed competitor of patent owner Synvina, has taken and “plans to take . . . action that would implicate” the ’921 patent, *Phigenix*, 845 F.3d at 1173–74, including significant “involvement in research [and] commercial activities involving” the claimed subject matter of the ’921 patent, *Consumer Watchdog*, 753 F.3d at 1260. According to DuPont’s declarations, the process conducted at its plant uses the same reactants to generate the same products using the same solvent and same catalysts as the ’921 patent. Likewise, the temperature and PO<sub>2</sub> ranges used at the plant overlap with those claimed in the ’921 patent. At the very least, this indicates that DuPont “is engaged or will likely engage ‘in an[] activity that would give rise to a possible infringement suit.’” *JTEKT Corp. v. GKN Auto. Ltd.*, 898 F.3d 1217, 1220 (Fed. Cir. 2018) (alteration in original) (quoting *Consumer Watchdog*, 753 F.3d at 1262). Synvina’s allegations of copying before the Board and its refusal to grant DuPont a covenant not to sue further confirm that DuPont’s risk of liability is not “conjectural” or “hypothetical.” *See Lujan*, 504 U.S. at 560. [*E.I. Dupont De Nemours & Company v. Synvina C.V.*, 2017-1977 (Fed. Cir. 9/17/2018).]

In sum, because DuPont “has concrete plans” for present and “future activity that create[] a substantial risk of future infringement or likely cause the patentee to assert a claim of infringement,” *JTEKT*, 898 F.3d at 1221, we conclude that DuPont has satisfied the injury in fact requirement for Article III standing. As there is no dispute that the risk of infringement liability is attributable to Synvina’s ’921 patent, and that the risk could be redressed by our review of the Board’s decision, we conclude that DuPont has Article III standing.<sup>13</sup> We therefore proceed to the merits. [*E.I. Dupont De Nemours & Company v. Synvina C.V.*, 2017-1977 (Fed. Cir. 9/17/2018).]

**Legal issue: 35 USC 103, presumption of obviousness, in IPR proceedings, when the ranges of a claimed composition overlap the ranges disclosed in the prior art.**

The Federal Circuit concluded that presumption applied in IPR proceedings, despite the ultimate burden remaining on the petitioner.

The Federal Circuit first restated the legal principle underlying this presumption in patent

infringement litigation and ex parte patent appeals.

The legal principle at issue in this case is old. For decades, this court and its predecessor have recognized that “where the general conditions of a claim are disclosed in the prior art, it is not inventive to discover the optimum or workable ranges by routine experimentation.” *In re Aller*, 220 F.2d 454, 456 (CCPA 1955); *see also, e.g., In re Geisler*, 116 F.3d 1465, 1469–70 (Fed. Cir. 1997); *In re Woodruff*, 919 F.2d 1575, 1578 (Fed. Cir. 1990). Thus, “[n]ormally, it is to be expected that a change in temperature, or in concentration, or in both, would be an unpatentable modification.” *Aller*, 220 F.2d at 456. A more specific application of this general principle is that “[a] prima facie case of obviousness typically exists when the ranges of a claimed composition overlap the ranges disclosed in the prior art.” *Peterson*, 315 F.3d at 1329 (collecting cases). We have said that such overlap creates a presumption of obviousness. *See Galderma Labs., L.P. v. Tolmar, Inc.*, 737 F.3d 731, 737–38 (Fed. Cir. 2013); *Ormco*, 463 F.3d at 1311; *Iron Grip Barbell Co. v. USA Sports, Inc.*, 392 F.3d 1317, 1322 (Fed. Cir. 2004). [*E.I. Dupont De Nemours & Company v. Synvina C.V.*, 2017-1977 (Fed. Cir. 9/17/2018).]

There are several ways by which the patentee may rebut that presumption. First, a modification of a process parameter may be patentable if it “produce[s] a new and unexpected result which is different in kind and not merely in degree from the results of the prior art.” *Aller*, 220 F.2d at 456. A claimed range that demonstrates such unexpected results is referred to as a “critical” range, and the patentee has the burden of proving criticality. *Id.* Second, and relatedly, a patentee may rebut the presumption of obviousness by showing that the prior art taught away from the claimed range. *Ormco*, 463 F.3d at 1311. Third, a change to a parameter may be patentable if the parameter was not recognized as “result-effective.” *In re Applied Materials, Inc.*, 692 F.3d 1289, 1295 (Fed. Cir. 2012) (citing *In re Antonie*, 559 F.2d 618, 620 (CCPA 1977)). But “[a] recognition in the prior art that a property is affected by the variable is sufficient to find the variable result-effective.” *Id.* at 1297. Fourth, we have reasoned that disclosure of very broad ranges may not invite routine optimization. *Genetics Inst., LLC v. Novartis Vaccines & Diagnostics, Inc.*, 655 F.3d 1291, 1306 (Fed. Cir. 2011) (holding that ordinary motivation to optimize did not apply where disclosure was 68,000 protein variants including 2,332 amino acids); *Peterson*, 315 F.3d at 1330 n.1. As we explain, the presumption of obviousness applies here, and none of the means for rebutting it has been shown. [*E.I. Dupont De Nemours & Company v. Synvina C.V.*, 2017-1977 (Fed. Cir. 9/17/2018).]

The Federal Circuit then concluded the same presumption of obviousness applied in an IPR proceeding when the ranges of a claimed composition overlap the ranges disclosed in the prior art, but was careful to point out the petitioner retained the burden of proof in IPR proceedings.

To our knowledge, this is the first time we have been asked to decide whether this framework governs in the IPR context. \*\*\* we conclude that the same scheme applicable to district court adjudications and PTO examinations controls in IPR proceedings. Thus, “where there is a range disclosed in the prior art, and the claimed invention falls within that range, the burden of production falls upon the patentee to come forward with evidence” of teaching away, unexpected results or criticality, or other pertinent objective indicia indicating that the overlapping range would not have been obvious in light of that prior art. *Galderma*, 737 F.3d at 738. [E.I. Dupont De Nemours & Company v. Synvina C.V., 2017-1977 (Fed. Cir. 9/17/2018).]

Synvina points to broader statements in *Magnum Oil* purportedly in tension with applying any burden shifting framework in the obviousness context. \*\*\* All our case law states is that, absent a reason to conclude other wise, a factfinder is justified in concluding that a disclosed range does just that—discloses the entire range. While a patentee technically has no “burden” to do anything to defend the validity of its patent other than hold the patent challenger to its own burden of persuasion, that burden of persuasion is necessarily satisfied when there is no evidentiary reason to question the prior art’s disclosure of a claimed range. *Magnum Oil* is not to the contrary. [E.I. Dupont De Nemours & Company v. Synvina C.V., 2017-1977 (Fed. Cir. 9/17/2018).]

**ParkerVision, Inc. v. Qualcomm Incorporated, 2017-2012; 2017-2013; 2017-2014; and 2017-2074 (Fed. Cir. 9/13/2018).**

This is a decision on appeals from PTAB cases: IPR2015-01828; IPR2015-01829; and IPR2015-01831. All three IPRs involved the same patent. The PTAB held apparatus claims proved unpatentable and analog method not proved unpatentable. ParkerVision appealed the proved unpatentable holding. Qualcomm cross-appealed the not proved unpatentable holding. The Federal Circuit affirmed.

**Legal issue: 35 USC 112, claim construction, apparatus claims "capable" of generating a particular signal feature versus method claims generating that particular signal feature.**

The Federal Circuit concluded that, while the apparatus claims were proved obvious, the analog method claim were not proved obvious because no evidence was submitted to show that the Nozawa reference, although capable of producing a periodic signal included a plurality of harmonics, actually did so.

The apparatus claim recited "a switching module ... to gate said bias signal and thereby generate a periodic signal having a plurality of harmonics" whereas the method claim recited "gating ... at a rate that is a function of said string of pulses to create a periodic signal having a plurality of harmonics."

As to the apparatus claim, the Federal Circuit concluded that:

Because it is undisputed that Nozawa’s circuit is capable of producing a “plurality of harmonics,” substantial evidence supports the Board’s determination

that the apparatus claims are unpatentable. [ParkerVision, Inc. v. Qualcomm Incorporated, 2017-2012; 2017-2013; 2017-2014; and 2017-2074 (Fed. Cir. 9/13/2018).]

As to the method claim, the Federal Circuit concluded that:

...Qualcomm needed to present evidence and argument that a person of ordinary skill would have been motivated to operate Nozawa in a manner that satisfied the “plurality of harmonics” limitation. \*\*\* Qualcomm provided no explanation or evidence in its petitions as to why a person of ordinary skill in the art would have been motivated to select inputs for Nozawa’s circuit that would yield a periodic signal with a plurality of integer multiple harmonics, rather than an input signal that does not produce integer-multiples of the fundamental frequency. \*\*\* Here, Qualcomm failed to put forth any argument or evidence in its petitions as to whether Nozawa’s device, even if capable of doing so, actually would output a periodic signal with a plurality of integer-multiple harmonics, or why a person of ordinary skill in the art would have been motivated to use the particular inputs that would result in such an output, choosing to broach that subject for the first time in its reply briefs. We therefore affirm the Board’s determination that ... [the method claims] were not proven unpatentable. [ParkerVision, Inc. v. Qualcomm Incorporated, 2017-2012; 2017-2013; 2017-2014; and 2017-2074 (Fed. Cir. 9/13/2018).]

**Cautionary note:** The decision is rather hard to decipher, - - and I question the outcome. Is it true and well known (to the extent that of an APJ meeting the 35 USC 6(a) criteria of "scientific ability" was supposed to know it) that an apparatus that uses a string of pulses to gate a bias signal inherently generates a plurality of harmonics? If it is true and well known, then this case represents a false conclusion by the Board. If it true and not well known, then this case represents a failure of proofs before the Board.

A clear take away from this case is to not assume the APJs hearing the case have any technical background knowledge, despite 35 USC 6(a).

**Regents of the University of California v. Broad Institute, Inc., 2017-1907 (Fed. Cir. 9/10/2018).**

This is a decision on an appeal from PTAB case 106,048; the much vaunted CRISPR-Cas9 interference. The PTAB determined that there was no interference-in-fact, concluding that Broad’s claims would not have been obvious over UC’s claims. UC appealed. The Federal Circuit affirmed.

The Federal Circuit described this fascinating technology as follows:

The involved claims relate to the use of a CRISPR-Cas9 [Footnote 1 omitted.] system for the targeted cutting of DNA molecules. The system includes three components: (1) a “crRNA”; (2) a “tracrRNA”; and (3) the Cas9 protein. J.A. 4803. The crRNA is an RNA molecule with a variable portion that targets a

particular DNA sequence. J.A. 4799–803. The nucleotides that make up the variable portion complement the target sequence in the DNA and hybridize with the target DNA. J.A. 4801. Another portion of the crRNA consists of nucleotides that complement and bind to a portion of the tracrRNA. J.A. 4801. The Cas9 protein interacts with the crRNA and tracrRNA and cuts both strands of DNA at the target location. J.A. 4799. [Regents of the University of California v. Broad Institute, Inc., 2017-1907 (Fed. Cir. 9/10/2018).]

The relevant issue was the Board's finding of no reasonable expectation of success and therefore non-obviousness of Broad's claims in view of UC's claim and the prior art.

The Board instituted an interference, and Broad moved to terminate the interference, arguing its claims are patentably distinct from UC's claims because a person of ordinary skill in the art would not have had a reasonable expectation that the CRISPR-Cas9 system would work successfully in a eukaryotic cell. J.A. 7, 13. The Board determined there was no interference-in-fact because, given the differences between eukaryotic and prokaryotic systems, a person of ordinary skill in the art would not have had a reasonable expectation of success in applying the CRISPR-Cas9 system in eukaryotes. J.A. 48–49. It determined, therefore, that UC's claims to the use of CRISPR-Cas9 did not render obvious Broad's claims to its use in eukaryotes. J.A. 49. [Regents of the University of California v. Broad Institute, Inc., 2017-1907 (Fed. Cir. 9/10/2018).]

**Legal Issue: 35 USC 103 obviousness, requirement for reasonable expectation of success, which is reviewed only for substantial evidence.**

This case turned on the standard of review for reasonable expectation of success. The PTAB's found that there was no reasonable expectation of success in applying the CRISPR-Cas9 system in eukaryotes. The fact that the Federal Circuit has defined reasonable expectation of success as a question of fact, was a death knell for UC's appeal. The Federal Circuit concluded that the PTAB's finding that there was no reasonable expectation of success was supported by substantial evidence.

This case turns in its entirety on the substantial evidence standard. The Board found a person of ordinary skill in the art would not have had a reasonable expectation of success in applying the CRISPR-Cas9 system in eukaryotic cells. J.A. 48–49. Given the mixture of evidence in the record, we hold that substantial evidence supports the Board's finding that there was not a reasonable expectation of success, and we affirm. UC argues that the Board: (1) improperly adopted a rigid test for obviousness that required the prior art contain specific instructions, and (2) erred in dismissing evidence of simultaneous invention as irrelevant. For the reasons set forth below, we hold the Board did not err in its analysis. [Regents of the University of California v. Broad Institute, Inc., 2017-1907 (Fed. Cir. 9/10/2018).]

In this case, the Board found there would not have been specific instructions in the art as to CRISPR-Cas9 that would have given one of ordinary skill in the art a reasonable expectation of success, and it was “persuaded that the failure demonstrated with other systems would have indicated the lack of a reasonable expectation of success.” J.A. 45–46. At no point did the Board suggest it found there would not have been a reasonable expectation of success solely because there were not specific instructions in the art describing how to apply CRISPR-Cas9 in eukaryotes. We see no error in the Board’s consideration of the lack of specific instructions in conjunction with prior failures at adapting prokaryotic systems to eukaryotic cells based on general instructions. [Regents of the University of California v. Broad Institute, Inc., 2017-1907 (Fed. Cir. 9/10/2018).]

Simultaneous invention may serve as evidence of obviousness when considered in light of all of the circumstances. *Lindemann Maschinenfabrik GMBH v. Am. Hoist & Derrick Co.*, 730 F.2d 1452, 1460 (Fed. Cir. 1984). We have recognized that simultaneous invention may bear upon the obviousness analysis in two ways. *Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH*, 139 F.3d 877, 883 (Fed. Cir. 1998). First, it is evidence of the level of skill in the art. *Id.* Second, it constitutes objective evidence that persons of ordinary skill in the art understood the problem and a solution to that problem. *Id.* Inherent in the existence of interference practice is the principle that evidence of simultaneous invention cannot alone show obviousness, otherwise any claims involved in an interference would be unpatentable for obviousness. *Lindemann*, 730 F.2d at 1460. The weight of evidence of simultaneous invention must, therefore, be carefully considered in light of all the circumstances. See *Monarch Knitting*, 139 F.3d at 883. [Regents of the University of California v. Broad Institute, Inc., 2017-1907 (Fed. Cir. 9/10/2018).]

UC would have the Board read more into this evidence and infer that because several research teams pursued a particular approach, and that approach was ultimately successful, they must have expected that approach to work. It argued to the Board that absent an expectation of success, multiple groups “would not have undertaken the use of UC’s Type-II CRISPR-Cas system in eukaryotic cells.” J.A. 245. The Board rejected this bright-line rule and instead determined in this instance the evidence of simultaneous invention did not establish a reasonable expectation of success given the “specific context of the art at the time.” See J.A. 23–25. The Board explained that “[e]ach case must be decided in its particular context, including the characteristics of the science or technology, its state of advance, the nature of the known choices, the specificity or generality of the prior art, and the predictability of results in the area of interest.” J.A. 25 (quoting *Abbott Labs. v. Sandoz, Inc.*, 544 F.3d 1341, 1352 (Fed. Cir. 2008)). We do not see any error in this analysis. Contrary to UC’s claims, the Board recognized that UC’s evidence of simultaneous invention is relevant to the obviousness

determination. We consider Broad's evidence of simultaneous invention, along with evidence regarding the state of the art, the statements of the inventors, failures involving similar technologies, and the remainder of the record evidence, and conclude the Board's finding is supported by substantial evidence. [Regents of the University of California v. Broad Institute, Inc., 2017-1907 (Fed. Cir. 9/10/2018).]

**IXI IP, LLC v. Samsung Electronics Co., Ltd., 2017-1665 (Fed. Cir. 9/10/2018).**

This is a decision on an appeal from PTAB case IPR2015-01444. The PTAB rendered a final decision that all claims were invalid. IXI appealed. The Federal Circuit affirmed.

This decision has no apparent precedential value. In this decision, IXI challenged a few of the PTAB's conclusions which were each supported by record evidence and logical reasoning flowing from that evidence. The Federal Circuit reviewed and concluded the PTAB's decision was supported by substantial evidence.

**Orexo AB v. Actavis Elizabeth LLC, 2017-1333 (Fed. Cir. 9/10/2018).**

This is a decision on an appeal from the D. Del. district court case 1:14-cv-00829-SLR-SRF. The district court held certain claims invalid for obviousness. Orexo appealed. The Federal Circuit reversed.

**Legal Issue: 35 USC 103, objective indicia of unobviousness, weight accorded to evidence of unexpected utility.**

Here, the patentee attributed the improvements achieved by their product, Zubsolv, to a 66% increase in bioavailability over the prior art. The Federal Circuit concluded the district court erred in discounting the weight to be accorded that evidence.

Orexo attributes the improvements achieved by the Zubsolv product to the microparticles of buprenorphine adhered to the surface of citric acid carrier particles. Orexo states that the 66% higher bioavailability is not suggested or reasonably predictable from the prior art. We have been directed to no reference to show or suggest otherwise. \*\*\* The district court also discussed the objective indicia of unobviousness, responding to Orexo's arguments of unexpectedly increased bioavailability, long-felt need for improved treatment of opioid dependence, copying by Actavis, and hindsight. The court stated that "the unexpected result of increased bioavailability provides some support for nonobviousness," Dist. Ct. Op. at 776, but found that interactive mixtures were generally known to improve bioavailability and that the increase here was a "'difference in degree,' not a difference in 'kind.'" *Id.* at 774. \*\*\* The district court erred in discounting the enhanced bioavailability in the '330 Patent's formulation as "a 'difference in degree,' not a difference in 'kind,'" Dist. Ct. Op. at 774, for the clinical studies reported in the '330 Patent show 66% improved bioavailability. Particularly in the context of this invention, this is more than a trivial "degree." [Orexo AB v. Actavis Elizabeth LLC, 2017-1333 (Fed. Cir. 9/10/2018).]



**Acorda Therapeutics, Inc. v. Roxane Laboratories, Inc., 2017-2078, 2017-2134 (Fed. Cir. 9/10/2018).**

This is a decision on appeals from the D. Del. district court cases 1:14-cv-00882-LPS; 1:14-cv00922-LPS; 1:14-cv-00935-LPS; and 1:14-cv-00941-LPS (Fed. Cir. 9/10/2018). Judge Taranto, with whom Judge Dyk joined, constituted the majority. Judge Newman dissented.

**Legal issue, 35 USC 103, impact of blocking patent on weight accorded secondary indicia of non-obviousness.**

Acorda had a license to the blocking patent, the Elan patent. This fact played into the Federal Circuit's analysis of the impact of secondary indicia evidence on the obviousness analysis. The Federal Circuit, held that the existence of the blocking patent discounted the weight accorded evidence of commercial success, failure of others, and long-felt but unmet need.

For such reasons, it is clear that, if all other variables are held constant, a blocking patent diminishes possible rewards from a non-owner's or non-licensee's investment activity aimed at an invention whose commercial exploitation would be infringing, therefore reducing incentives for innovations in the blocked space by non-owners and nonlicensees of the blocking patent. Such a blocking patent therefore can be evidence that can discount the significance of evidence that nobody but the blocking patent's owners or licensees arrived at, developed, and marketed the invention covered by the later patent at issue in litigation. But the magnitude of the diminution in incentive in any context—in particular, whether it was great enough to have actually deterred activity that otherwise would have occurred—is “a fact-specific inquiry.” *Merck II*, 874 F.3d at 731. That inquiry, conducted within the framework under which the challengers always retain the burden of persuasion on obviousness, may be a difficult one as a practical matter. In a particular case, a court may ultimately be left, for its evaluation, with the solid premise of diminished incentives, plus some evidence (possibly weak or ambiguous) about the significance of the deterrence, together with a background sense of the general realities in the area at issue that can affect the weight to be given to the evidence in the specific case. [Acorda Therapeutics, Inc. v. Roxane Laboratories, Inc., 2017-2078, 2017-2134 (Fed. Cir. 9/10/2018).]

Against this background, we review the district court's consideration of objective indicia of nonobviousness in light of the Elan patent. Acorda licensed the Elan patent in the late 1990s, before the period of commercial success alleged by Acorda and found by the district court. Here, Acorda bore the burden of producing evidence of objective indicia, but the “ultimate burden of proving obviousness” at all times remained with the defendants. *Galderma*, 737 F.3d at 736–38. We conclude that the district court did not err in viewing the Elan patent, among other evidence, as evidence that discounted the weight of Acorda's evidence of commercial success, failure of others, and long-felt but unmet need so that “the evidence as a whole” in the case “prove[d] clearly and convincingly that the Acorda Patents are invalid due to obviousness.” Dist. Ct. Op. at \*41. [Acorda Therapeutics, Inc. v. Roxane Laboratories, Inc., 2017-2078, 2017-2134 (Fed. Cir.

9/10/2018).]

In dissent, Judge Newman wrote:

The district court observed that the objective indicia, viz. commercial success, long-felt but unmet need, failure of others, and copying, could change the result, yet discounted its weight on the theory that the patentee had a “blocking” patent. Adopting this flawed reasoning, my colleagues hold that this new treatment for multiple sclerosis was obvious. However, it is apparent that there is not clear and convincing evidence of obviousness. \*\*\* From my colleagues’ continuation of this error, and their erroneous conclusions, I respectfully dissent. [Acorda Therapeutics, Inc. v. Roxane Laboratories, Inc., 2017-2078, 2017-2134 (Fed. Cir. 9/10/2018)(Newman, dissenting).]

**Worlds Inc. v. Bungie, Inc., 2017-1481, 2017-1546, 2017-1583 (Fed. Cir. 9/7/2018).**

This is a decision on appeals from PTAB cases IPR2015-01264; IPR2015-01319; and IPR2015-01321. The PTAB invalidated the corresponding three patents. World appealed. The Federal Circuit vacated and remanded

This is another decision whittling away at the patent killing impact of IPR petitions. In this decision the Federal Circuit took up the issue of the burdens related to showing that an IPR petition was not barred by 315(b). The Federal Circuit rejected the notion that an IPR petition's designation of real party in interest, is entitled to a presumption of correctness, holding that the patent owner need only provide "some evidence" indicating that a non named party is an RPI, to place that issue into dispute.

**Legal Issue: 35 USC 315(b), burden of persuasion.**

And the Federal Circuit held that the IPR petitioner bears the burden of persuasion to demonstrate that 315(b) does not time bar its petition.

We largely concur with the burden framework used in *Atlanta Gas Light*. As explained below, we agree that the IPR petitioner bears the burden of persuasion to demonstrate that its petitions are not time-barred under § 315(b) based on a complaint served on a real party in interest more than a year earlier. [Worlds Inc. v. Bungie, Inc., 2017-1481, 2017-1546, 2017-1583 (Fed. Cir. 9/7/2018).]

**Legal Issue: 35 USC 315(b), petition RPI identification, no presumption of correctness.**

The Federal Circuit held that IPR petition's RPI identification was not entitled to a presumption of correctness.

We also agree that an IPR petitioner’s initial identification of the real parties in interest should be accepted unless and until disputed by a patent owner. And although we disagree with treating this initial acceptance as a “rebuttable presumption” that formally shifts a burden of production to the patent owner, we

agree that a patent owner must produce some evidence to support its argument that a particular third party should be named a real party in interest. [Worlds Inc. v. Bungie, Inc., 2017-1481, 2017-1546, 2017-1583 (Fed. Cir. 9/7/2018).]

**Legal Issue: 35 USC 315(b), petition RPI identification, quantum of evidence required to place RPI into issue.**

The Federal Circuit gave no test for the quantum of evidence the patent owner must put forth to place RPI and 315(b) into dispute.

...The next question then becomes: what must a patent owner do to sufficiently raise the issue? In *Atlanta Gas Light*, the Board viewed the “presumption” created by the IPR petitioner’s initial identification of the real parties in interest as shifting the burden of production to the patent owner. From this, the Board explained that, where “a patent owner provides sufficient rebuttal evidence that reasonably brings into question the accuracy of a petitioner’s identification of the real parties in interest, the burden remains with the petitioner to establish that it has complied with the statutory requirement to identify all the real parties in interest.” *Atlanta Gas Light*, Paper 88 at 8 (emphasis added). As explained above, we disagree with the use of a presumption in this context. We agree, however, that a patent owner must produce some evidence that tends to show that a particular third party should be named a real party in interest. [Footnote 8 omitted.] A mere assertion that a third party is an unnamed real party in interest, without any support for that assertion, is insufficient to put the issue into dispute. [Worlds Inc. v. Bungie, Inc., 2017-1481, 2017-1546, 2017-1583 (Fed. Cir. 9/7/2018).]

For purposes of deciding this case, we need not address the quantum of support required from a patent owner. If it were not framed in terms of a presumption, the standard used in *Atlantic Gas Light*—evidence that “reasonably brings into question the accuracy of a petitioner’s identification of the real parties in interest”—may prove useful. In this case, it suffices to say that, as discussed below, Worlds presented more than enough evidence to sufficiently put this issue into dispute. [Worlds Inc. v. Bungie, Inc., footnote 8, 2017-1481, 2017-1546, 2017-1583 (Fed. Cir. 9/7/2018).]

**Legal Issue: Estoppel on 35 USC 315(b), RPI challenge, based upon actions in prior IPR petition proceedings.**

Another issue, one peculiar to this case, is whether the patentee is estopped from its 315(b) challenge due to issue preclusion arising from earlier IPRs by the same named petitioner.

Bungie briefly argues on appeal that, in light of issue preclusion principles, Worlds should be estopped from contesting the Board’s real-party-in-interest determination. Bungie bases its preclusion argument on the three other IPRs that proceeded on a similar time frame as the three IPRs now on

appeal. [Footnote 13 omitted.] In those IPRs, Worlds argued, as it does here, that Bungie should have named Activision as a real party in interest. The Board disagreed. Worlds did not appeal the Board’s final written decisions in those IPRs, and the time for appeal has now expired. \*\*\* In this case, such a limited record is insufficient for this court to decide, for the first time on appeal, whether issue preclusion should apply to this unusual set of facts. \*\*\* Without a more comprehensive understanding of the issues raised in each case, we decline to apply collateral estoppel. Instead, given that we are already remanding this case with regard to the merits of the real-party-in-interest analysis, we find it appropriate to have the Board analyze in the first instance whether issue preclusion should apply under these particular circumstances. [Worlds Inc. v. Bungie, Inc., 2017-1481, 2017-1546, 2017-1583 (Fed. Cir. 9/7/2018).]

**Intellectual Ventures I LLC v. T-Mobile USA, Inc., 2017-2434, 2017-2435 (Fed. Cir. 9/4/2018).**

This is a decision from the D. Del. cases 1:13-cv-01671-LPS and 1:13-cv01672-LPS. The district court construed key claim terms adverse to IV, and also held certain IV claims indefinite. IV appealed. The Federal Circuit reversed on the claim construction issues, and upheld the indefiniteness determination.

**Legal Issue: 35 USC 112, claim definiteness, subjective limitations.**

The Federal Circuit concluded that the claimed "QoS requirements" were entirely subjective and user-defined, and therefore indefinite.

IV argues the district court erred in determining the claimed “allocating means for allocating resources to said IP flow . . . so as to optimize end user application IP QoS requirements of said software application” is indefinite. According to IV, the specification provides sufficient structure to render the “allocating means” definite, but the district court erroneously failed to consider this structure after determining the function was indefinite. We do not agree. \*\*\* While a claim employing a “term[] of degree” may be definite “where it provide[s] enough certainty to one of skill in the art when read in the context of the invention,” *Interval Licensing*, 766 F.3d at 1370, a term of degree that is “purely subjective” and depends “on the unpredictable vagaries of any one person’s opinion” is indefinite, *Datamize, LLC v. Plumtree Software, Inc.*, 417 F.3d 1342, 1350– 51 (Fed. Cir. 2005). We conclude that the “QoS requirements” are entirely subjective and user-defined. The ’248 patent analogizes QoS to “a continuum, defined by what network performance characteristic is most important to a particular user” and characterizes it as “a relative term, finding different meanings for different users.” ’248 patent at 12:51–52, 62–65. “Ultimately,” the ’248 patent states, “the end-user experience is the final arbiter of QoS.” *Id.* at 14:39–40. By the ’248 patent’s own terms, “optimiz[ing] . . . QoS” is a “term of degree” that, like the “aesthetically pleasing” limitation in *Datamize*, is “purely subjective” and depends “on the unpredictable vagaries of any one person’s opinion.” 417 F.3d at 1350–51. As in *Datamize*, merely understanding that

“optimiz[ing] . . . QoS” relates to the end-user experience “fails to provide one of ordinary skill in the art with any way to determine whether” QoS has been “optimiz[ed].” We see no error in the district court’s conclusion that this function is indefinite or that because the function is indefinite, there was no need to evaluate structure. We have similarly held a means-plus-function limitation indefinite without looking to structure where a term of degree in the function was sufficient to render the claim indefinite. *Interval Licensing*, 766 F.3d at 1369 n.4. [Intellectual Ventures I LLC v. T-Mobile USA, Inc., 2017-2434, 2017-2435 (Fed. Cir. 9/4/2018).]

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