

Brief Summary of Precedential Patent Case Decisions During April 2019

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I. Introduction

This paper contains summary abstracts of 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. Brief Summary Abstracts and New Points of Law

Neptune Generics, LLC v. Eli Lilly & Company, 2018-1257, 2018-1258 and Mylan Laboratories Limited v. Eli Lilly & Company, 2018-1257, 2018-1258 (Fed. Cir. 4/26/2019).

This is a decision on appeal from PTBA cases IPR2016-00237; IPR2016-00240; IPR2016-01190; IPR2016-01191; IPR2016-01335; IPR2016-01337; IPR2016-01341; IPR2016-01343; IPR2016-00318; IPR2016-01340; IPR2016-01393; and IPR2016-01429. The PTAB found that petitioners had not established that the claims were unpatentable. Petitioners appealed. The Federal Circuit affirmed.

Legal issue: 35 USC 311(b), scope of review, patent eligibility.

The Federal Circuit held that it was precluded from addressing patentable subject matter issues on appeal from an IPR proceeding.

Trading Technologies International, Inc. v. IBG LLC, 2017-2257, 2017-2621; and 2018-1063 (Fed. Cir. 4/18/2019).

This is a decision on appeals from PTAB cases CBM2015-00179; CBM2016-00051; and CBM2016-00032. The PTAB held the patents eligible for CBM review, and held the claims did not define 35 USC 101 patent eligible subject matter. Trading Technologies (TT) appealed. The Federal Circuit affirmed.

Legal issue: AIA section § 18(a)(1)(E), technological invention test for what constitutes a “CBM patent.”

The Federal Circuit concluding that software that makes a person faster (in this case, a trader of financial products), and not the computer, is not a technical solution to a technical problem within the meaning of the exception to the definition of a CBM patent in AIA section 18(a)(1)(E) (“except that the term does not include patents for technological inventions.”)

The Federal Circuit concluded the patent taught and claimed software that made the trader more efficient, but did not make the computer more efficient. And that software that made the trader more efficient was not a technical solution to a technical problem.

E.I. Du Pont De Nemours & Company v. Unifrax I LLC, 2017-2575 (Fed. Cir. 4/17/2019).

This is a decision on an appeal from the D. Del. district court case 1:14-cv-01250-RGA. Judge O’Malley dissented from the majority, which consisted of Judges Reyna and Hughes. A jury found that Unifrax infringed the asserted patent and had not proved that patent to be invalid. Unifrax moved for JMOL of non-infringement and invalidity. The district court denied the

motion. Unifrax appealed. The Federal Circuit affirmed.

Legal issue: 35 USC 112, claim construction, what constitutes intrinsic evidence, parent of a CIP application.

The majority concluded that disclosure in the parent of a CIP application supported the claim construction. In factual distinction to prior cases, the strongest support in the parent of the CIP patent for the disputed claim construction was from a passage that was not included in the CIP, but was present in the parent. The majority concluded that this passage was part of the intrinsic record. It was the existence of the parent's disclosure of "residual dispersant arising from incomplete drying of the platelet dispersion," which was not in the patent's specification, that primarily led to construction of the claim term "100% by weight" to cover an amount of organic additives in the refractory layer.

[Adello Biologics LLC v. Amgen Inc., PGR2019-00001, paper 11 \(PTAB 2/14/2019; designated precedential 4/16/2019\).](#)

Legal issue: 35 USC 322(a)(2), PGR petition requirement to identify all real parties in interest, addition of RPI after filing and prior to institution.

The PTAB allowed the petitioner to add an RPI after filing the petition and prior to a decision on institution, noting that the original RPI allowed the PTAB to effectively check for conflicts, and there was no undue prejudice to Patent Owner.

[Proppant Express Investments, LLC v. Oren Technologies, LLC, IPR2017-01917, paper 86 \(PTAB 2/13/2019; designated precedential 4/16/2019\).](#)

Legal issue: 35 USC 322(a)(2), PGR petition requirement to identify all real parties in interest, addition of RPI after institution.

The PTAB concluded it was authorized to allow a petitioner to update its real parties in interest to add allegedly unnamed real parties in interest after institution. The PTAB also held that the date for determining a 315(b) time bar for the newly added RPIs remained the petition's original filing date.

[Ventex Co., Ltd. v. Columbia Sportswear North America, Inc., IPR2017-00651, paper 152 \(PTAB 1/24/2019; designated precedential 4/16/2019\).](#)

Legal issue: 35 USC 315(b), burden of proof on RPIs and privies.

The PTAB held that the petitioner bears the burden of establishing that no real parties in interest and no privies were served with a complaint alleging infringement more than one year prior to the filing of the petition.

Legal issue: 35 USC 315(b), restatement of the test for a real party in interest.

The PTAB restated the Federal Circuit law for a 315(b) RPI, including the distinct emphasis on the circumstances surrounding interests of a client of the petitioner.

The PTAB applied that RPI test to the facts of this case to find Sierus was an RPI, and therefore the petition was barred due to violation of 315(b).

Legal issue: 35 USC 315(b), restatement of the test for a privy.

The PTAB restated the Federal Circuit law for a 315(b) privy, based upon the legal relationships between the parties and noting that any one factor relating to that legal relationship is sufficient to find a non party a privy, including "(1) an agreement between the parties to be bound; (2) pre-existing substantive legal relationships between the parties; (3) adequate representation by the named party; (4) the non-party's control of the prior litigation; (5) where

the non-party acts as a proxy for the named party to relitigate the same issues; and (6) where special statutory schemes foreclose successive litigation by the non-party (e.g., bankruptcy and probate).”

The PTAB applied that privity test to the facts of this case to find Sierus was a privity, and therefore the petition was also barred due to a of 315(b) privity violation.

ATI Technologies ULC v. Iancu, 2016-2222, 2016-2406, 2016-2608 (Fed. Cir. 4/11/2019).

This is a decision on appeals from PTAB proceedings IPR2015-00325, IPR2015-00326, and IPR2015-00330. The PTAB held all but one of the challenged claims (Claim 20 of the '871 patent) unpatentable as anticipated or obvious. ATI, the patent owner, appealed. The Federal Circuit reversed the PTAB decisions of unpatentability.

Legal issue: Priority of invention, law of diligence.

ATI's conception date of prior to 10/9/2001 and reduction to practice (by filing their patent application) on 9/29/2003 were undisputed. The Federal Circuit found that the PTAB erred in concluding that ATI did not demonstrate diligence through constructive reduction to practice.

The Federal Circuit criticized the Board analysis on many respects, on conclusions contrary to evidence, and by applying incorrect legal rules. In summary, the evidence showed a mountain of work directed to actually reducing the claimed invention to practice, and to actually reducing improvements to the claimed invention to practice, prior to the filing of a the patent application. The PTAB failed to elicit any evidence that the diligence showing was insufficient. Yet, the PTAB concluded that unidentified unexplained lapses in diligence were not addresses, and the patent application should have been filed sooner. The PTAB's reasoning was inconsistent with facts and law, and the Director's citation of legal authority in support of the PTAB's decision did not support their case. That said, this decision appears to contain no new law, and making it precedential seems to be more of an exercise to show that the Court thinks the PTAB still has not gotten around to internalizing the relatively recent restatement of diligence law, in *Perfect Surgical Techniques v. Olympus America, Inc.*, 2015-2043 (Fed. Cir. 11/16/2016). Excerpts from the decision relating to these conclusions follows.

Omega Patents, LLC v. CalAmp Corp., 2018-1309 (Fed. Cir. 4/8/2019)

This is a decision on appeal from the M.D. Fla. district court case 6:13-cv-01950-PGB-DCI. A jury found claims infringed and not invalid. The district court entered judgement. CalAmp appealed. The Federal Circuit affirmed lack of invalidity; affirm-in-part, reverse-in-part, vacate-in-part, and remand the judgment as to direct infringement; and remanded for a new trial on indirect infringement, compensatory damages, willful infringement, enhanced damages, and attorney's fees.

Legal issue: FRCP 46, objection to a ruling, preservation of the issue for appeal, claim construction and relevant prior art.

CalAmp alleged that under its proposed claim construction, additional prior art references existed which would invalidate the patent claims. However, the judge ruled against CalAmp's proposed constructions, and CalAmp never identified the additional prior art. On appeal, CalAmp did not explain how the district court excluded or limited that unidentified prior art, why the claim construction was relevant to that prior art. The Federal Circuit concluded that under

these circumstances CalAmp failed to preserve the issue for appeal.

Legal Issue: 35 USC 112, claim construction, duty of the court to construe disputed claim terms.

Over CalAmp's objection, the district court failed to construe a disputed claim term. The meaning of that term was central to the dispute. The Federal Circuit, citing *O2 Micro*, found that to be reversible error.

Legal issue: Willful infringement, exclusion of evidence, evidence of mental state.

The Federal Circuit found that the district court's exclusion of evidence going to the state of mind of the defendant, and belief of no patent infringement liability, was an abuse of discretion. Basically, the Federal Circuit concluded that the district court applied the wrong evidentiary and procedural rules to exclude testimony of the state of mind of CalAmp employees resulting from CalAmp's prior art review and product clearance (from infringement of valid patents) and of the corresponding contemporaneously provided reasoning of CalAmp's outside counsel on that issue.

Huawei Device Co., Ltd. v. Optis Cellular Tech., LLC, IPR2018-00816, paper 19 (1/8/2019; designated precedential 4/5/2019).

Legal issue: 35 USC 316(a)(8), Office Trial Practice Guide, standard for submission of new evidence in support of a request for rehearing.

The PTAB relied upon the Trial Practice Guide (TPG), not an enumerated rule, for its precedential holding. That reliance is contrary to a prior policy of the PTAB deeming the TPG to not be a promulgated rule.

In particular, the PTAB relied upon the TPG's statement "[e]vidence not already of record at the time of the decision will not be admitted absent a showing of *good cause*," to exclude evidence submitted with a request for rehearing. The PTAB advised that a party seeking entry of evidence supporting a request for rehearing, needed to show good cause, either via a teleconference call prior to requesting rehearing, or within the written request for rehearing.

Chevron Oronite Co. LLC v. Infineum USA L.P., IPR2018-00923, paper 9 (11/7/2018; designated informative 4/5/2019).

Legal issue: 35 USC 314(a), PTAB discretion to institute, fraction of challenged claims meeting the threshold showing for institution.

The PTAB denied institution of a petition challenging 20 claims when the challenges met the reasonably likely standard for only two dependent claims.

Deeper, UAB v. Vexilar, Inc., IPR2018-01310, paper 7 (1/24/2019; designated informative 4/5/2019).

Legal issue: 35 USC 314(a), PTAB discretion to institute, fraction of challenged claims meeting the threshold showing for institution.

The PTAB denied institution of a petition challenging 23 claims on four grounds when it found that only one of the challenges, for only 2 of the 23 claims (one independent and one dependent), met the reasonably likely standard.

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