

Brief Summary of Precedential Patent Case Decisions During July 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

Automotive Body Parts Association v. Ford Global Technologies, LLC, 2018-1613 (Fed. Cir. 7/23/2019; Sealed opinion dated 7/11/2019).

This is a decision on an appeal by the Automotive Body Parts Association (ABPA) from the E.D. Mich. case 2:15-cv-10137-LJM-RSW. The district court *sua sponte* entered summary judgement denying ABPA's request for a DJ of invalidity and unenforceability of two design patents, based upon ABPA's theories of patent exhaustion and permissible repair. ABPA appealed. The Federal Circuit affirmed.

Legal issue: 35 USC 171, "ornamental" requirement, as it relates to elements of an assembly.

The Federal Circuit held that the aesthetic appeal of a design to consumers is inadequate to render that design functional, even in this context of a consumer preference for a particular design to match other parts of a whole assembly.

Legal issue, related to 35 USC 282(b), defense of permissible repair of a component, for a design patent that is specific to the component.

The Federal Circuit held that making and using designs covered by Ford's design patents, for replacement parts (such replacement headlamps), without Ford's authorization, was infringement and not permissible repair.

Samsung Electronics Co., Ltd. v. Infobridge Pte. Ltd., 2018-2007, 2018-2012 (Fed. Cir. 7/12/2019).

This is a decision on appeals from PTAB cases IPR2017-00099 and IPR2017-00100. The PTAB found the challenged claims not shown unpatentable. Samsung appealed. The Federal Circuit vacated and remanded.

Legal issue: Article III standing to appeal, patent pool, impact on royalties due to invalidation of a patent in the pool.

The Federal Circuit held that the increase in royalties Samsung would obtain as a result of invalidation of the challenged patent gave Samsung standing to appeal.

Legal issue: 35 USC 102(b), public accessibility factor, web site postings.

The Federal Circuit, agreed with the Board that the focus on public accessibility of a paper developed by a large group of people collaborating on developing standards, was on whether the paper was accessible those outside the large group, not on the number of collaborators.

Legal issue: 35 USC 102(b), printed publication, public accessibility factor, listserv postings.

The Federal Circuit concluded that the posting of a paper to an email listserv for a standards setting group, where access to the listserv was open to interested members of the public not part of the group, and some evidence that “interested individuals” other than members of the group were on the listserv, resulted in the paper being sufficiently accessible to qualify as a printed publication.

Indivior Inc. v. Dr. Reddy's Laboratories, S.A., 2017-2587, 2018-1010, 2018-1058, 2018-1062, 2018-1114, 2018-1115, 2018-1176, 2018-1177, 2018-1949, 2018-2045 (Fed. Cir. 7/12/2019).

This is a decision on appeals from multiple parties in the D. Del. district court cases 1:13-cv-01674-RGA; 1:14-cv-00422-RGA; 1:14-cv-01451-RGA; 1:14-cv-01574-RGA; 1:16-cv-00178-RGA; 1:15-cv-00477-RGA; and 1:15-cv-01016-RGA involving four patents owned by Indivior and directed to pharmaceutical films. The dispute on appeal focused on two patents (the '514 and the '150). The issues on appeal included validity and infringement. The district court found various claims valid and infringed and other claims invalid. A Federal Circuit majority consisting of Judges Lourie and Newman affirmed. Judge Mayer dissented because he would have found the challenged claims invalid as obvious. I did not find the judicial dispute over obviousness worth abstracting, and abstract other issues below.

Legal issue: FRCP 59, judicial discretion to alter or amend a judgment.

The Federal Circuit majority concluded a district court did not abuse its discretion, given the facts of this case, by balancing desirability of consistency across judgments with finality and judicial efficiency, to decide to denying a party a right to belatedly amend its claim construction.

Legal issue: 35 USC 112, indefiniteness, claim defining properties of elements of the claim, at different times.

The Federal Circuit majority concluded that there was no indefiniteness when a claim defined the properties, during fabrication, of one element of the claimed manufacture thereof.

Legal issue: Infringement, interaction of the doctrine of equivalents (DOE) and the doctrine of dedication-disclaimer.

The Federal Circuit majority restated that the doctrine of dedication-disclaimer trumps the DOE, and precludes DOE infringement.

Legal issue: Vacatur of invalidity judgment due to mootness due to a prior invalidity holding.

The Federal Circuit concluded that vacatur, of the district court decision finding certain claims invalid for obviousness, was proper, because the claims subject to the district court's invalidity-for-obviousness judgement were held finally invalid by the PTAB, and the Federal Circuit had affirmed the PTAB's holding.

Cisco Systems, Inc. v. TQ Delta, LLC, 2018-1806, 2018-1917 (Fed. Cir. 7/11/2019).

This is a decision on appeals from PTAB cases IPR2016-01466 and IPR2016-01160 against 8,611,404. The PTAB found claims 1-20 not unpatentable over prior art. The Federal Circuit held that decision moot for claims 6, 11, 16, and 20, and vacated and remanded.

Legal issue: Mootness, determination of the same issue in another appeal.

The Federal Circuit concluded that its conclusion that claims 6, 11, 16, and 20 were unpatentable in their other decision on the same ground raised in these appeals mooted the appeal with respect to these claims.

TQ Delta, LLC, v. Dish Network LLC, 2018-1799 (Fed. Cir. 7/10/2019).

This is a decision on an appeal from PTAB case IPR2016-01470. The PTAB determined that claims 6, 11, 16, and 20 of USP 8,611,404 were unpatentable for obviousness. TQ appealed. The Federal Circuit affirmed.

Legal issue: 5 USC 706(2)(A) and 5 USC 554(b), notice and opportunity to be heard, claim construction relied upon in a final decision.

TQ argued that the PTAB relied upon a new claim construction in its final decision, and that violated TQ's right to notice and opportunity to be heard. The Federal Circuit disagreed, noting that TQ was aware of the underlying issue of the claim term reading on the prior art, throughout the proceeding. The Federal Circuit made a point to note that there was no prior claim construction, prior to the final decision.

General Electric Company v. United Technologies Corporation, 2017-2497 (Fed. Cir. 7/10/2019).

This is a decision on an appeal from PTAB case IPR2016-00531. The PTAB found the claims not obvious in view of prior art asserted by GE. GE appealed. The Federal Circuit dismissed.

Judge Reyna wrote the opinion of the court, and Judge Hughes wrote a concurring opinion. Notably, this appeal was pending from not later than December 2017, and only now, nineteen months later, has a decision.

The appeal-from-the-PTAB standing issue cases are interesting from another aspect, which is that they require the Federal Circuit to evaluate evidence in support or opposed to standing, submitted for this first time, on appeal. This decision is also notable because it restates the relatively new law on appeal-from-the-PTAB Article III standing. Therefore, I will list each legal point as a legal issue, even though they are not necessarily new precedential points of law.

Legal issue: Article III standing to appeal from a PTAB decision, burden of proof to show standing to appeal.

The Federal Circuit restated that the appellant from a PTAB final decision has the burden of proof to show Article III standing, when standing is not apparent from the record below.

Legal issue: Article III standing to appeal from a PTAB decision, requirement to make a record before the Federal Circuit showing standing when standing is not apparent from the PTAB record.

The Federal Circuit restated that an appellant must make a record in the Federal Circuit showing it has Article III standing, when the record before the PTAB fails to show such standing.

Legal issue: Article III standing to appeal from a PTAB decision, timing requirement to show standing before the Federal Circuit does not necessarily require the evidence of standing be submitted at the first appropriate time.

The Federal Circuit did not decide the issue of standing based upon evidence submitted by the appellant in support of standing at the first appropriate time. Instead, it allowed the appellant to supplement the record, and then decided standing on the supplemental record. Prior Federal Circuit case law specified that a party appealing to the Federal Circuit had to submit

evidence *in support of* standing, “at the first appropriate time,” whether in response to a motion to dismiss or in the opening brief, [see *Phigenix*, discussed in "Precedential Patent Case Decisions During January 2017," Rick Neifeld, February 9, 2017](#). Because the record below failed to contain evidence that GE had standing, GE should have presented its evidence of standing not later than in GE’s opening brief. UTC raised the standing issue by motion. It is not apparent from the opinion whether UTC’s motion was filed before or after GE’s opening brief.

However, GE had the burden of proof. Even assuming the evidence GE submitted in response to UTC motion was submitted at “the first appropriate time,” the Federal Circuit failed to decide the standing issue based upon that evidence. And that evidence was clearly insufficient to show standing, because the Federal Circuit eventually concluded that even with additional evidence submitted by GE in response to an order from the Federal Circuit, that GE had not met its burden to show standing.

So it seems that the Federal Circuit should have decided and denied standing and dismissed, based upon GE’s response to UTC’s motion. I question whether the Federal Circuit’s action was appropriate since it had previously determined that “an appellant should produce the evidence establishing its standing ... ‘at the first appropriate’ time,” *Phigenix, supra*. “Should” means “must” and therefore it is clear that GE did not comply with this requirement and it seems that the Federal Circuit’s precedent required it to hold against GE for failing to meet GE’s burden in response to UTC’s motion. In any case, this decision contradicts *Phigenix* on this point and is a basis to argue for a second bite at the evidentiary apple on standing issues before the Federal Circuit.

Legal issue: Article III standing to appeal from a PTAB decision, competitor standing doctrine.

The PTAB restated the competitor standing doctrine, which requires a showing that government action alters competitive conditions, and concluded that GE failed to show competitor standing because of PTAB’s upholding claims as not unpatentable did not “alter the status quo of the field of competition.”

Legal issue: Article III standing to appeal from a PTAB decision, standing based upon economic losses, actual or imminent additional R&D costs, or threat of suit.

The Federal Circuit concluded that GE had failed to show standing because GE failed to show that it had incurred actual or imminent additional R&D or development costs as a result of the subject patent, or threat of suit based upon the subject patent.

Legal issue: Article III standing to appeal from a PTAB decision, standing based 35 USC 315(e) statutory estoppel.

The Federal Circuit also restated its law that statutory estoppel for a PTAB petitioner, where injury is speculative (as in this case where the appellant does not currently infringe) is insufficient to provide Article III standing, on appeal.

[Focal Therapeutics, Inc. v. Senorx, Inc., IPR2014-00116, paper 19 \(PTAB 7/21/2014\) \(Order by APJ Bonilla, for a panel consisting of APJs Green, Prats, and Bonilla\)\(emphasis in the original\)\(designated precedential 7/10/2019\).](#)

This is an Order entered by the PTAB in IPR2014-00116, and made precedential this month.

Legal issue: 37 CFR 42.5, conduct of IPR proceedings, when counsel can confer with

the witness relating to cross-examination and re-cross.

The PTAB made precedential that counsel could confer with their witness after cross-examination had ended and after re-cross examination had ended, that is, prior to beginning re-direct.

Westech Aerosol Corporation v. 3M Company, 2018-1699 (Fed. Cir. 7/5/2019).

This is a decision on appeal from the W.D. Wash. district court case 3:17-cv-05067-RBL. The district court dismissed Westech's complaint, for improper venue. During the appeal, 3M moved for attorney's fees arguing the appeal was frivolous.

Legal issue: Frivolous appeal, sanctions.

The Federal Circuit concluded that under the special circumstances of failing to plead facts supporting venue before the district court, at a time when the burden of proof on venue had not been decided, and subsequently maintaining an appeal after Federal Circuit law settled the burden and placed it on the appellant, was not frivolous as filed, but was frivolous as argued due to evolution of the case law, but was (barely) insufficient to justify sanctions.

In re Global IP Holdings LLC, 2018-1426 (Fed. Cir. 7/5/2019).

This is a decision on an appeal from PTAB case 14/632,238. The PTAB affirmed the examiner's rejection of the claims under 35 USC 112 for violating the written description requirement. Global appealed. The Federal Circuit vacated and remanded.

Legal issue: 35 USC 112, written description, predictability and criticality.

The Federal Circuit held that the PTAB's conclusion that predictability was irrelevant to whether broad claims were supported by a narrow disclosure was legal error, and that disclosed criticality or importance of expressly disclosed species may be relevant to the existence of written description.

Enzo Life Sciences, Inc. v. Roche Molecular Systems, Inc., 2017-2498, 2017-2499, 2017-2545, 2017-2546 (Fed. Cir. 7/5/2019).

This is a decision on appeals from the D. Del. district court cases: 1:12-cv-00106-LPS; 1:12-cv-00274-LPS; 1:12-cv-00275-LPS; and 1:13-cv-00225-LPS. The district court found the claims invalid for lack of enablement. Enzo appealed. The Federal Circuit affirmed.

Legal issue: 35 USC 112, enablement, scope of claim and unpredictability of species within the scope of the claim having a claimed limitation.

The Federal Circuit noted that the claim covered tens of thousands of chemical species and Enzo admitted that each species would have to have been tested to see if it had the claimed limitation. Accordingly, it affirmed the judgment of lack of enablement.

Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC, 2017-2508 (Fed. Cir. 7/3/2019).

This is an Order denying en banc review of the panel decision in *Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC*, 2017-2508 (Fed. Cir. 2/6/2019). The panel decision was on an appeal from the D. Mass district court case 1:15-cv-40075-IT. The district court held Athena's claims 6-9 invalid under 35 UCS 101 and dismissed Athena's complaint pursuant to FRCP 12(b)(6). Athena appealed. Judge Lourie wrote the majority opinion, joined by Judge Stool. Judge Newman dissented. The Federal Circuit panel majority affirmed, holding that the addition of admittedly conventional techniques to obtain a result relating to the natural law, was "directed to" the natural law ("to supply an inventive concept the sequence of claimed steps must

do more than adapt a conventional assay to a newly discovered natural law; it must represent an inventive application beyond the discovery of the natural law itself. Because claims 7–9 fail to recite such an application, they do not provide an inventive concept. ”).

Nine separate opinions accompany the Order denying en banc review. These opinions collectively may be characterized as a plea for curative action by the Supreme Court or Congress, to change binding 101 patentable subject matter law.

Kolcraft Enterprises, Inc. v. Graco Children's Products, Inc., 2018-1259, 2018-1260 (Fed. Cir. 7/2/2019).

This is a decision on appeals from IPR2016-00816 and IPR2016-00826. The PTAB found design patents D604,970 and D616,23 obvious in view of prior art. Kolcraft appealed. The Federal Circuit affirmed.

Legal issue: Priority of invention, rule requiring corroboration of inventor testimony.

The Federal Circuit first restated the rule, then affirmed the Board’s finding that the evidence of priority of invention lacked corroboration by a non-inventor, and therefore failed to show priority of invention. One apparently critical failing of Kolcraft was failing to place into evidence the meta data (such as, I postulate, file creation date and file modification date) relating to files relied upon to show conception, so that there was no non-inventor evidence supporting alleged dates.