

## Brief Summary of Precedential Patent Case Decisions During October 2018

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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

#### **Maxchief Investments Limited v. Wok & Pan, Ind., Inc., 2018-1121 (Fed. Cir. 11/29/2018).**

This is a decision on an appeal from the E.D. Tenn. district court. 2:15-cv-00153-JRGMCLC. The district court dismissed Maxchief's action for DJs of noninfringement and invalidity for lack of personal jurisdiction. Maxchief appealed. The Federal Circuit affirmed.

**Legal issue: Whether a patentee is subject to specific personal jurisdiction in a target state, when the patentee filed a civil action charging infringement of the patent in another state, and the supplier and indemnitor of the accused infringer resides in the target state.**

Wok sued Staples in California for patent infringement. Staples received the infringing product from Meco, which is located in Tennessee. Staples requested Meco indemnify Staples for the infringement suit. Meco received the product from MaxChief, which is located in China. Meco also requested MaxChief indemnify Meco for the infringement suit. Maxchief then filed its request for DJs in the E.D. Tenn. district court.

The Federal Circuit concluded that the facts that a requested injunction might apply to a Tennessee resident (Meco) that was a non-party, but acting in concert with the defendant by distributing the infringing product to the accused infringer and indemnifying the accused infringer, provided too attenuated a connection to satisfy minimum contacts. The Federal Circuit also concluded that sending an infringement notice letter to an attorney in the target state, noting that the attorney's client located in another state was infringing, was insufficient to result in personal jurisdiction over the patentee in the target state.

#### **Enplas Display Device Corporation v. Seoul Semiconductor Company, Ltd., 2016-2599 (Fed. Cir. 11/19/2018).**

This is a decision from an appeal in the N.D. Cal. case 3:13-cv-05038-NC. The district court denied Enplas' motion for JMOL that the jury's damage award was excessive and not supported by the trial evidence. The panel majority, consisting of Judges Hughes and Stoll, from which Judge Newman dissented, vacated the denial of Enplas' motion for JMOL that the jury's damage award was excessive and not supported by the trial evidence.

**Legal issue: 35 USC 284, evidence supporting damage award must be limited to infringing activities.**

The plaintiff's damages expert theorized that the defendant would have licensed more

than just infringing product. The Federal Circuit majority concluded that its precedent "proscribe awarding damages for non-infringing activity," and reversed on the theory that jury awards must be based upon evidence limited to infringing activities.

**Hamilton Beach Brands, Inc. v. F'Real Foods, LLC, 2018-1274 (Fed. Cir. 11/16/2018).**

This is a decision on an appeal from PTAB case IPR2016-01107.

The PTAB found claim 21 not unpatentable for obviousness, under 35 USC 103. Hamilton appealed. The Federal Circuit affirmed.

**Legal issue: Appellee failure to appeal an issue for which it argues for change in the judgement, and on which issue it lost below**

Appellee, F'Real, argued that the Federal Circuit should vacate, because of a 315(b) violation. But F'Real had not appealed. Appellee's have long been barred from arguing for modification of a judgement on an issue they did not appeal. This case extends that law to 315(b) issues.

**Legal issue: 5 USC 554(b)(3) and (c), notice and opportunity to be heard, adopted claim construction different than what either party proposed**

The PTAB eventually adopted a claim construction different from what each party proposed. However, unlike in SAS, the parties raised a claim construction issue, post institution, the issue was discussed at the final hearing, and the PTAB construed the claim in its final decision. The Federal Circuit concluded that the parties raising the issue followed by the Board's discussion of the issue at the final hearing satisfied the notice and opportunity to be heard requirements.

**Ancora Technologies, Inc. v. HTC America, Inc., 2018-1404 (Fed. Cir. 11/16/2018).**

This is a decision on an appeal from the W.D. Wa. district court case 2:16-cv-01919-RAJ. The district court granted HTC's FRCP 12(b)(6) motion to dismiss based upon 35 USC 101 patent ineligibility. The Federal Circuit reversed.

**Legal issue: 35 USC 101, patent eligibility, *Alice* step 1, novel use of computer components and data structures.**

The Federal Circuit held that "a concrete assignment of specified functions among a computer's components to improve computer security" is not an abstract idea, and patent eligible subject matter, at *Alice* step 1. The Federal Circuit described the improvement and the innovation disclosed by the patent, and the corresponding claim recitations, as relating to the use of BIOS memory to store the information that can be used, when a program is introduced into the computer, to determine whether the program is licensed to run on that computer.

**Legal issue: 35 USC 101, patent eligibility, *Alice* step 2 considerations, overlap with *Alice* step 1 considerations.**

The Federal Circuit concluded that its analysis of step 2 considerations supported the conclusion that the claim was not directed to an abstract idea. In other words, the Federal Circuit seems to be importing into *Alice* Step 1, its prior analysis reserved for *Alice* step 2.

**In re Oath Holdings, Inc., 2018-157 (Fed. Cir. 11/14/2018).**

This is a decision in response to a petition for a writ of certiorari relating to 1400(b).

The E.D. NY. district court denied Oath's request for reconsideration of Oath's motion objecting to venue. Oath petitioned the Federal Circuit (again) for a writ of mandamus to order the district court to grant the motion. The Federal Circuit granted the petition.

**Legal issue: 28 USC 1400(b), waiver of venue in patent cases, choice of law.**

This decision first reiterates that *In re Micron Technology, Inc.*, 2017-138 (Fed. Cir. 11/15/2017) and *In re ZTE (USA) Inc.*, 2018-113 (Fed. Cir. 5/14/2018) held that venue and the burden of persuasion for venue pursuant to 1400(b) are matters of Federal Circuit law. This decision goes on to hold that "that issues of waiver or forfeiture of patent-venue rights under § 1400(b) and § 1406(a) are likewise governed by our law."

**Legal issue: 28 USC 1400(b), waiver in response to TC Heartland.**

On the facts, the Federal Circuit indicated that a *pre-TC Heartland* admission to venue followed by a "seasonably raised" *post-TC Heartland* venue challenge did not constitute waiver. This case should put to bed substantially all remaining venue disputes relating to timeliness of venue challenged of civil actions filed prior to *TC Heartland* that were prompted by the decision in *TC Heartland*. The Federal Circuit generally held that seasonably raising venue challenge in response to *TC Heartland* does not constitute waiver

**[Arista Networks, Inc. v. Cisco Systems, Inc., 2017-1525, 2017-1577 \(Fed. Cir. 11/9/2018\).](#)**

This is a decision on appeals from PTAB case IPR2015-00978. The PTAB upheld some challenged claims as patentable and held other challenged claims unpatentable. Both parties appealed. The Federal Circuit affirmed-in-part, reversed-in-part, and remanded. The remand resulted from the Federal Circuit's reversal of the PTAB's claim construction of "broadcast." However, the issues of general interest relate to the scope of the 314(d) bar to reviewability of IPR institution decisions, and assignor estoppel.

**Legal Issue: 35 USC 314(d), test for nonreviewability of issues in IPR institution decisions.**

This Federal Circuit panel explained that *Wi-Fi One* construed *Cuozzo* to limit the 314(d) bar to (1) "the Director's determinations closely related to the preliminary patentability determination" and (2) "the exercise of discretion not to institute."

**Legal Issue: 35 USC 314(d), reviewability of assignor estoppel in IPR proceedings**

This Federal Circuit panel then concluded that *Wi-Fi One's* interpretation of *Cuozzo's* interpretation of 314(d) clearly allowed the Federal Circuit to review the PTAB's determination regarding applicability of assignor estoppel in IPR proceedings, and concluded that the statute precluded applicability of assignor estoppel in IPR proceedings, stating that "[t]he plain language of § 311(a) demonstrates that an assignor, who is no longer the owner of a patent, may file an IPR petition as to that patent."

**Note:** The Federal Circuit expressly recognized a weakening of the assignor estoppel doctrine, over time, which leaves open the door for future parties to challenge, on appeal, district court applications of assignor estoppel.

**[Acceleration Bay, LLC v. Activision Blizzard Inc., 2017-2084, 2017-2085, 2017-2095, 2017-2096, 2017-2097, 2017-2098, 2017-2099, 2017-2117, 2017-2118 \(Fed. Cir. 11/6/2018\).](#)**

This is a decision on appeals from PTAB cases: IPR2015-01951; IPR2015-01953; IPR2015-01964; IPR2015-01970; IPR2015-01972; IPR2015-01996; IPR2016-00933; IPR2016-00934; IPR2016-00935; IPR2016-00936; IPR2016-00963; and IPR2016-00964. The PTAB held certain claims patentable and other claims unpatentable in each of three patents. Acceleration appealed PTAB holdings of claim unpatentability and Activision (and others) appealed PTAB holdings of claim patentability. The Federal Circuit affirmed.

**Legal issue: 35 USC 112(b), claim construction, effect of failure to include a transitional phrase.**

The Federal Circuit concluded that failure to include a transitional phrase separating a preamble from a body of a claim, did not result in the body of the claim encompassing the preamble. And the Federal Circuit cautioned "patentees" [sic; patent applicants and patentees?] against failing to include a transitional word or phrase in a claim.

**Legal issue: 35 USC 101, qualifications for a reference being a printed publication, public accessibility.**

The Federal Circuit has recently decided several cases clarifying what constitutes a printed publication, and specifically what qualifies as public accessibility. This decision continues that line of cases. This case expands upon what functionality a website search engine must have to make a reference publicly accessible, at least when the burden is on the party attempting to show public accessibility. In this case, the PTAB found that the database's functionality "to allow a user to search keywords for author, title, and abstract fields, evidence demonstrated that functionality was not reliable." This unreliability of the abstracts field search seems to have been the most probative factor. The Federal Circuit went on to explain that mere indexing is insufficient, and not the test for public accessibility.

**GoPro, Inc. v. Contour IP Holding LLC, 2017-1894, 2017-1936 (Fed. Cir. 11/1/2018).**

This is a modification of an opinion originally issued 7/27/2018, based upon appeals from PTAB cases IPR2015-01078, IPR2015-01080. The PTAB held that GoPro had not shown the challenged claims to be obvious. GoPro appealed. The Federal Circuit vacated and remanded.

**Legal issue: 35 USC 102, printed publication, requirements for a reference to be sufficiently accessible to the relevant public, for the reference to qualify as a prior art printed publication.**

The Federal Circuit concluded that the PTAB erred in concluding the GoPro Catalog was not sufficiently accessible to qualify as a printed publication prior art document. The Catalog was distributed at a trade show, and then posted on a corresponding website. The Federal Circuit stated that the test for availability was whether "reasonable diligence" by "members of the relevant public" would result in access to the document, and factors to be considered in determining if the reference was sufficiently accessible included (1) the nature of the conference; (2) any restrictions on public disclosure; (3) expectations of confidentiality; and (4) expectations the information would be shared. The Federal Circuit noted that the "Tucker Rocky ... an annual trade show ... draws thousands of attendees;" and was "attended by actual and potential dealers, retailers, and customers of POV video cameras." (Underlying showing additional text relative to the original decision.) Based primarily upon this evidence, the Federal Circuit concluded that the Board erred in not concluding that the GoPro Catalog was a printed publication.