

Brief Summary of Precedential Patent Case Law For the Period 12-14-2017 to 1-11-2018

By Rick Neifeld, Neifeld IP Law, PC

This article presents a brief summary of relevant precedential points of law during the noted time period. However, it lacks the details and nuances of a more extensive review. A more extensive review appears in my "Precedential Patent Case Decisions" monthly articles.

Captions of cases originating in the PTAB are red. Captions of cases of extraordinary importance are blue.

Wi-Fi One, LLC v. Broadcom Corporation, 15-1944, 15-1945, 15-1946 (Fed. Cir. 1/8/2018)(en banc).

This is an en banc decision on appeals from IPR2013-00601, IPR2013-00602, IPR2013-00636. Judge Reyna wrote the majority opinion, which was joined by Chief Judge Prost, and Judges Newman, Lourie, Bryson, Dyk, Moore, O'Malley, Wallach, Taranto, Chen, Hughes, and Stoll. Judge O'Malley wrote a concurring opinion. Judge Hughes wrote a dissenting opinion, which was joined by judges Lourie, Bryson, and Dyk.

Legal issue, 35 USC 314(d), scope of bar to appealability of IPR institution decisions. The Federal Circuit previously held that the 315(b) time bar determinations in institution decisions were not appealable. The en banc Federal Circuit now overrules that prior holding. 315(b) time bar determinations are now appealable.

Monsanto Technology LLC v. E.I. Dupont De Nemours & Company, 2017-1032 (Fed. Cir. 1-5-2018).

This is a decision on appeal from PTAB case 95/002,028. The PTAB affirmed the examiner's rejection of asserted claims as anticipated by Booth and of claim 2 as obvious over Booth. Dupont, the patentee, appealed. The Federal Circuit affirmed.

Legal issue, 35 USC 102 anticipation, inherent anticipation, and use of expert declarations and test data to show inherency. The Federal Circuit explained that test data supported by an expert declaration showing that a claim limitation was inherent in the prior art reference is not itself prior art, but merely evidence that the prior art reference inherently anticipates.

Microsoft Corporation v. Biscotti, Inc., 2016-2080, 2016-2082, 2016-2083 (Fed. Cir. 12/28/2017).

This is a decision on appeals from PTAB cases: IPR2014-01457; IPR2014-01458; and IPR2014-01459. All these IPRs involved the same patent. The PTAB held that Microsoft failed to show the challenged claims to be anticipated or obvious. The Federal Circuit affirmed.

Legal issue, 35 USC 102, anticipation. The Federal Circuit confirmed the standard that "a prior art reference must provide every element of the claimed invention arranged as in the claim in order to anticipate." Accordingly, Microsoft's contention that a PHOSITA would at once envisage the claimed arrangement of elements, picked from disparate embodiments, failed.

Regeneron Pharmaceuticals, Inc. v. Merus N.V., 2016-1346 (Fed. Cir. 12/26/2017).

This is an order denying rehearing en banc from the prior Federal Circuit panel decision. The Court declined to rehear en banc.

Procedural issue, FRCP 11(c) sanctions, district court discretion to find an element of inequitable conduct as a sanction for related litigation misconduct.

Judge Newman, joined by Judge Reyna dissented, arguing that a district court should not be allowed to find patent prosecution misconduct based upon litigation misconduct, and

therefore arguing that the full court should reverse panel on this point.

[Bosch Automotive Service Solutions, LLC v. Matal, 2015-1928 \(Fed. Cir. 12/22/2017\).](#)

This is a decision on appeal from PTAB case IPR2014-00183. The Board found all challenged claims unpatentable and also denied Bosch's contingent motion to amend. Bosch appealed. The Federal Circuit affirmed the PTAB's holding that all challenged claims were unpatentable, but vacated and remanded the PTAB's decision denying Bosch motion to amend.

Legal issue, 35 USC 315(d) burden of proof on proposed substitute claims. This case followed the Federal Circuit's en bank decision in *Aqua Products, Inc. v. Matal*, which precludes the PTAB from placing the burden of proof on substitute claims on the patentee.

First, the Federal Circuit clarified that *Aqua Products, Inc.* extended to the issue of claim definiteness. Second, the Federal Circuit clarified that, when the petitioner fails to argue for unpatentability of proposed substitute claims, "*the Board* that must justify any finding of unpatentability by reference to the evidence of record in the IPR."

The Federal Circuit also vacated the PTAB's decision regarding unpatentability over prior art, in which is reiterated the statement that "*it is the Board* that must justify any finding of unpatentability by reference to the evidence of record in the IPR."

[Travel Sentry, Inc. v. David A. Tropp, 2016-2386, 2016-2387, 2016-2714, 2017-1025 \(Fed. Cir. 12/19/2017\).](#)

Legal issue, 35 USC 271(a), direct infringement, scope of attribution for direct infringement under *Akamai V*. In *Akamai V*, the Federal Circuit held that an entity will be held responsible for others performance of method steps under 271(a): (1) where that entity directs or controls others' performance, and (2) where the actors form a joint enterprise. The Federal Circuit then concluded that the district court erred by taking too narrow a view of step (1), given the criteria for step (1) specified by *Akamai V* and the Federal Circuits subsequent cases construing *Akamai V*. The Federal Circuit explained that *Akamai V* "broaden[ed] the circumstances in which others' acts may be attributed to an accused infringer to support direct infringement liability for divided infringement, relaxing the tighter constrains on such attribution reflected in our earlier precedents" from agency or contract. Specifically, the Federal Circuit explained *Akamai V*'s broadening standard for attribution to include where the accused infringer "conditions participation" and "establishes the manner or timing of that performance" of the claimed steps.

[Ericsson Inc. v. Regents of the University of Minnesota, IPR2017-01186, paper 14 \(PTAB 12/19/2017\)\(expanded panel\).](#)

Legal issue, US constitution, eleventh amendment, sovereign immunity of a state of the United States. The University moved to dismiss, arguing that, as an arm of a state of the United States, it was immune to suit. The PTAB concluded that sovereign immunity was waived because the University had sued for patent infringement in district court.

[HTC Corporation v. Cellular Communications Equipment, LLC, 2016-1880 \(Fed. Cir. 12/18/2017\).](#)

This is a decision on an appeal from PTAB case IPR2014-01134. The PTAB issued a final written decision concluding that HTC failed to show the challenged claims were unpatentable. HTC appealed. The Federal Circuit affirmed.

Legal issue, waiver for failure to assert a claim construction. The novel issue in this decision was whether claim construction of a term was waived when construction of that term was not addressed in either the petition or by the PTAB's final decision. HTC's petition did not

assert a claim construction of the term, "message," and the PTAB's decision did not expressly construe that term. Nevertheless, HTC challenged the PTAB's implied construction of "message." The Federal Circuit concluded that HTC was challenging the PTAB's "expression of its understanding of the scope of the claim," and therefore construction of "message" was a proper issue for appeal.

Amgen Inc. v. Sandoz Inc., 2015-1499 (Fed. Cir. 12/14/2017). This is a decision in respond to remand from the Supreme Court. The Supreme Court had vacated in part, reversed in part, and remanded, and instructed the Federal Circuit, *inter alia*, "to determine whether the BPCIA preempts any additional remedy available under state law for an applicant's failure to comply with § 262(l)(2)(A)."

Legal issue, BCPIA preemption for failure to comply with 42 USC 262(l)(2)(A). The Federal Circuit held that "the BPCIA preempts state law remedies for an applicant's failure to comply with § 262(l)(2)(A)," both because of field preemption and conflict preemption.

Nobelbiz, Inc. v. Global Connect, LLC, 2016-1104, 2016-1105 (Fed. Cir. 12/8/2017) (en banc).

This is an order denying appellee Nobelbiz's petition for en banc review of Federal Circuit's panel decision on appeals from the E.D. Tex. district court cases 6:12-cv-00244-RWS, 6:12-cv-00247-RWS, 6:13-cv-00804-MHS, and 6:13-cv-00805-MHS. There is no majority opinion. However, Judge O'Malley, joined by judges Newman and Reyna, wrote a dissenting opinion, arguing that the Federal Circuit needed to clean up its decision in *O2 Micro International Ltd. v. Beyond Innovation Technology Co.*, 521 F.3d 1351 (Fed. Cir. 2008) to avoid confusing district courts as to their claim construction obligations. O2 provides that a "when reliance on a term's 'ordinary' meaning does not resolve the parties' dispute" there may an obligation on the judge to resolve an inherent claim construction issue. But the en banc petition failed, and therefore whatever confusion O2 engendered, it is not likely to be cleaned up any time soon.

Inventor Holdings, LLC v. Bed Bath & Beyond, Inc., 2016-2442 (Fed. Cir. 12/8/2017).

This is a decision on appeal from the D. Del. district court case 1:14-cv-00448-GMS. The district court awarded attorneys fees incurred from the date of the *Alice* decision (in the amount of just under one million dollars). IH (Inventor Holdings) appealed. The Federal Circuit affirmed.

Legal issue, 35 USC 285, exceptional case finding, impact of *Alice* on exceptionality analysis. The Federal Circuit agreed with the district court that, after the decision in *Alice* IH's case was baseless due to 101 ineligibility. The precedential points here are that the Federal Circuit concluded that *Alice* was a substantive law change, and concluded that *Alice* provided a clear test (undermining IH's theories that *Alice* was not a significant change in 101 law and that *Alice* left 101 law unclear).

Arctic Cat Inc. v. Bombardier Recreational Products Inc., 2017-1475 (Fed. Cir. 12/7/2017).

This is a decision on an appeal from the S.D. Fla. district court case 0:14-cv-62369-BB. The district court denied BRP's (Bombardier's) motion for judgement as a matter of law on several issues. The Federal Circuit affirmed the district court's denial on several issues, but vacated the denial of the motion as to marking and remanded for consideration of the marking issue.

Legal issue, 35 USC 287(a), marking, burden of proof of compliance with the

marking statute. The Federal Circuit held that the burden of proof of compliance with the marking statute is and always remains on the patentee.

Legal issue, 35 USC 287(a), marking, burden of production to identify non compliance with the marking statute. The Federal Circuit held that an alleged infringer bears the initial burden of production, to identify to the patentee the patentee's allegedly patented but unmarked products.

CRFD Research, Inc. v. Matal, 2016-2198, 2016-2298, 2016-2437 (Fed. Cir. 12/5/2017).

This is decision on three appeals three PTAB cases involved CRFD's '233 patent. CRFD appealed the PTAB decisions in cases IPR2015-00055 (Iron Dome case) and IPR2015-00627 (Dish case); and Hulu appealed the decision in PTAB case IPR2015-00259 (Hulu case). The Federal Circuit affirmed the PTAB's Iron Dome and Dish decisions. The Iron Dome and Dish appeals contain nothing appearing to be new law.

Understanding the Federal Circuit's decision in the Hulu case requires knowing the following facts. Hulu had petitioned for review based upon the following grounds: anticipation by Bates; obviousness based upon Bates *per se*; and obviousness based upon a combination of Bates in view of secondary references. The Hulu petition had incorporated, in the obviousness grounds based upon a combination of Bates in view of other references, the assertion in the obviousness ground based upon Bates *per se* that Bates *per se* suggested transmitting session history after discontinuing the session on the first device. The PTAB did institute trial on the ground of anticipation by Bates; did not institute trial on the ground of obviousness based upon Bates *per se*, and did institute trial on the grounds of obviousness based upon a combination of Bates in view of secondary references. The PTAB had applied its redundancy policy as the basis for its decision to not institute on the obviousness based upon Bates *per se* ground (on the theory that the Bates *per se* obviousness ground was redundant of the Bates and secondary references obviousness grounds). The PTAB's final written decision found that the claim was not anticipated by Bates and the claim was not obvious based upon the Bates and secondary references obviousness grounds.

Legal issue, 35 USC 103, obviousness, findings of fact. The Federal Circuit explained that the PTAB erred by limiting its fact finding regarding Bates to only those facts the PTAB found for the Bates *anticipation* ground, when analyzing the grounds of *obviousness based upon a combination* of Bates in view of secondary references.

Legal issue, 5 USC 706, abuse of discretion, and the PTAB's redundancy policy. The Federal Circuit explained that the Board erred in ignoring an assertion of fact (that Bates taught the transmitting limitation after the session had ended) present in the petition in a non instituted ground (obviousness based upon Bates, *per se*), which assertion of fact was also expressly incorporated into instituted grounds (obviousness based upon Bates in view of secondary references).

The Federal Circuit then analyzed the record and concluded that the PTAB erred in not finding that Bates suggested transmitting the session information after the session had ended, and therefore reversed the PTAB, holding that the claim was obvious based upon the grounds of Bates in combination with secondary references.

Presidio Components, Inc. v. American Technical Ceramics Corp., 2016-2607, 2016-2650 (Fed. Cir. 11/21/2017).

This is a decision on appeals from the S.D. Cal. case 3:14-cv-02061-HBGS. The jury issued an advisory verdict that ATC failed to prove by clear and convincing evidence that claim

1 of the '356 patent was indefinite and awarded lost profit damages. The district court rejected ATC's contention that the asserted claims of the '356 patent were invalid due to indefiniteness, and awarded damages based upon lost profits to Presidio. ATC appealed *inter alia* the district court's holding that the claims were not indefinite and that Presidio was entitled to damages due to lost profits. The Federal Circuit affirmed the district court holding that the claims were not indefinite and reversed the district court's holding that Presidio was entitled to lost profits.

Legal issue, 35 USC 112, indefiniteness, claim recitation "capable of being determined by measurement." The Federal Circuit concluded that, since one skilled in the art knew how to measure overall capacitance of a multilayer capacitor, extrinsic evidence (expert testimony) that fringe effect capacitance due to the electrode structure of the allegedly infringing multilayer capacitor could be measured, the claim limitation that the fringe effect capacitance due to the electrode structure was "capable of being determined by measurement" was not indefinite. This, despite that fact that there was no disclosure in the patent how to make such a measurement, and despite the fact that it was not well known (or known) in the art how to make such a measurement.

While the record supports the Federal Circuit's decision, I have my doubts that the record reflects the truth. Specifically, I have my doubts that one could "remov[... the dielectric material between the multilayer plates, and by then taking insertion loss measurements to determine the remaining capacitance." In multilayer capacitors, it is the "the dielectric material between the multilayer plates" that holds the plates apart from one another, at a fixed distance from each other, and that prevents a short circuit. I do not understand how such a removal could be accomplished, let alone how that removal would not affect the distances between the plates, and hence, the capacitance due to the plates. Moreover, even if that could be accomplished, the remaining capacitance would be due to both the fringe capacitance between 1 electrode and the capacitance between the plates, not just the fringe capacitance.

Legal issue, 35 USC 284, damages, lost profits theory, Pandit factor (2), existence of an acceptable noninfringing alternative. The Federal Circuit explained that an acceptable non-infringing alternative had to be acceptable as a substitute for the patentee's product, not as a substitute for the infringer's infringing product. ACT's admission that its noninfringing 560 capacitor was not as good as its infringing 550 capacitor, therefore, was not relevant.

BASF Corporation v. Johnson Matthey Inc., 2016-1770 (Fed. Cir. 11/20/2017).

This is a decision on appeal from the D. Del. case 1:14-cv-01204-SLR-SRF. The district court held all claims invalid based upon its conclusion that the claim recitations "effective for catalyzing"/"effective to catalyze" were indefinite. BASF appealed. The Federal Circuit reversed and remanded.

Legal issue, 35 USC 112, indefiniteness, understanding of the claim by one skilled in the art. The Federal Circuit explained that the district court's conclusion that the claim would not provide one skilled in the art the reasonable certainty (as to what was "effective to catalyze") required by *Nautilus*, was unsupported by the record. And the Federal Circuit explained that the record supported the conclusion that the claims were not indefinite because (1) the specification contained numerous examples of the materials disclosed to be effective to catalyze; (2) the specification indicated that the invention was not about the materials, but about their structural arrangement; and (3) the extrinsic evidence did not support a conclusion of indefiniteness.

In re Micron Technology, Inc., 2017-138 (Fed. Cir. 11/15/2017).

This is a decision on a petition for a writ of mandamus in D. Mass. district court case 1:16-cv-11249-WGY. The district court denied Micron's motion to dismiss or transfer the case

for improper venue. Micron petitioned the Federal Circuit to order the district court to transfer. The Federal Circuit vacated the district court's order denying the motion, and remanded.

Procedural issue, venue, FRCP rules 12(g)(2) and (h)(1)(A). The Federal Circuit held that *TC Heartland* changed the controlling law, thereby precluding a finding of waiver under FRCP 12(g)(2) and (h)(1)(A). (However, the Federal Circuit noted that district courts could reject a venue defense for other reasons, such as untimeliness.)

Promega Corporation v. Life Technologies Corporation, 2013-1011, 2013-1029, 2013-1376 (Fed. Cir. 11/13/2017).

This a decision on remand from the Supreme Court decision *Life Techs. Corp. v. Promega Corp.*, 137 S. Ct. 734, 741 (2017) (Promega II). The Supreme Court had reversed and remanded because only a single component of the patented invention was supplied from the United States, and the Supreme Court had held that "a single component does not constitute a substantial portion of the components that can give rise to liability under §271(f)(1)." On remand, the Federal Circuit reconsidered its decision *reversing* the district court's grant of Live's JMOL that Promega failed to prove infringement, and on reconsideration affirmed the district court on this issue. On remand, the Federal Circuit also reconsidered its decision vacating the district court's denial of Promega's motion for a new trial on damages, and on reconsideration affirmed the district court on this issue.

Legal issue, 35 USC 284, waiver of proofs and damage theories. Promega had expressly waived its right to any award based upon a reasonable royalty, and waived its right to prove damages limited to 271(a) domestic sales. (Promega had submitted proof of worldwide sales, but no evidence showing domestic sales.) Since the Supreme Court knocked 271(f)(1) out of the picture, Promega's damages were only due to 271(a) domestic sales. The Federal Circuit concluded that waiver was appropriate and barred any relief.

Sanofi v. Watson Laboratories Inc., 2016-2722, 2016-2726 (Fed. Cir. 11/9/2017).

This is a decision on appeals from the D. Del. district court cases 1:14-cv-00264-RGA; 1:14-cv-00265-RGA; 1:14-cv-00292-RGA; 1:14-cv-00293-RGA; 1:14-cv-00294-RGA; 1:14-cv-00424-RGA; 1:14-cv-00875-RGA; and 1:14-cv-01434-RGA. The district court held that Watson and Sandoz induced infringement and infringed claims of Sanofi's patents. Watson and Sandoz appealed. The Federal Circuit affirmed. This is an ANDA case in which infringement was based upon the relationship between the claim language, the proposed label, and in view of the existence of non-infringing uses. The new point of law focuses on the impact of substantial non-infringing uses on inducement in the ANDA labeling context.

Legal issue, 35 USC 271(b), actively inducing infringement based upon ANDA proposed labeling. The Federal Circuit concluded that ANDA labeling inducing a particular use that would be direct infringement, even though there existed substantial non-infringing uses, was inducing infringement under 35 USC 271(b). (The Federal Circuit relied upon its related prior cases to put this holding in proper context.)

Legal issue, 35 USC 103, obviousness, standard for proving obviousness, what constitutes a reasonable expectation of success. The Federal Circuit concluded that the district court's conclusion that the evidence did not support a conclusion of obviousness based upon the district court finding that the evidence showed that a PHOSITA "would have been at best cautiously optimistic" was consistent with Federal Circuit law.

Legal issue, 35 USC 112, claim construction, prosecution history disclaimer applied to continuation patents, what constitutes a disclaimer. The Federal Circuit found that merely incorporating a limitation into all claims of the parent patent, and not incorporating that

limitation into the claims of the subject child patent, did not amount to prosecution history disclaimer of the scope of the subject child patent, and provided guidance from its earlier cases.