

Precedential Patent Case Decisions During April 2017

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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 relating to the PTAB are in red text. Cases of extraordinary importance are in blue text.

II. Abstracts of New Points of Law

RecogniCorp, LLC v. Nintendo Co., Ltd., 2016-1499 (Fed. Cir. 4/28/2017).

This decision was on appeal from the Western District of Washington case 2:12-cv-01873-RAJ. The district court granted Nintendo's motion for judgement on the pleadings that RecogniCorp claims did not define patent eligible subject matter. The Federal Circuit affirmed.

Legal issue: 35 USC 101, patent eligibility.

The Federal Circuit concluded that the claims of the patent were ineligible, under the *Alice/Mayo* analysis.

Under the first step of *Alice*, we decide whether the claims are directed to ineligible subject matter, such as an abstract idea. *McRO*, 837 F.3d at 1312; *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015). The inquiry often is whether the claims are directed to “a specific means or method” for improving technology or whether they are simply directed to an abstract end-result. *McRO*, 837 F.3d at 1314. If the claims are not directed to an abstract idea, the inquiry ends. *Thales Visionix Inc. v. United States*, 850 F.3d 1343, 1349 (Fed. Cir. 2017). *** We find that claim 1 is directed to the abstract idea of encoding and decoding image data. It claims a method whereby a user displays images on a first display, assigns image codes to the images through an interface using a mathematical formula, and then reproduces the image based on the codes. See J.A. 35 (col. 1 ll. 23–40). This method reflects standard encoding and decoding, an abstract concept long utilized to transmit information. *Cf. Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340–41 (Fed. Cir. 2017) (organizing, displaying, and manipulating data encoded for human- and machine-readability is directed to an abstract concept). Morse code, ordering food at a fast food restaurant via a numbering system, and Paul Revere’s “one if by land, two if by sea” signaling system all exemplify encoding at one end and decoding at the other end. Even the ’303 patent describes “a common technique for synthesizing single images of faces involv[ing] horizontally dividing the image of a face into bands for different features,” such that “[p]aper strips containing exemplary features [can] then be combined to form a composite drawing of a face.” J.A. 27 (col. 1 ll. 37–43). [RecogniCorp, LLC v. Nintendo Co., Ltd., 2016-1499 (Fed. Cir. 4/28/2017).]

In step two of the *Alice* inquiry, we search for an “inventive concept” sufficient to “transform the nature of the claim into a patent-eligible application.” *McRO*, 837 F.3d at 1312 (quoting *Alice*, 134 S. Ct. at 2355). To save a patent at step two, an inventive concept must be evident in the claims. *See Alice*, 134 S. Ct. at 2357 (“[W]e must examine the elements of the claim to determine whether it contains an ‘inventive concept.’” (emphasis added)); *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1149 (Fed. Cir. 2016) (“The § 101 inquiry must focus on the language of the Asserted Claims themselves.”). *** In *DDR Holdings, LLC v. Hotels.com, L.P.*, we found that the patent claims satisfied *Alice* step two because “the claimed solution amounts to an inventive concept for resolving [a] particular Internet-centric problem.” 773 F.3d 1245, 1259 (Fed. Cir. 2014). Claim 1 of the ’303 patent contains no similar inventive concept. Nothing “transforms” the abstract idea of encoding and decoding into patent-eligible subject matter. *Alice*, 134 S. Ct. at 2357. Nor does the presence of a mathematical formula dictate otherwise. Claims that are directed to a nonabstract idea are not rendered abstract simply because they use a mathematical formula. *Diehr*, 450 U.S. at 187. But the converse is also true: A claim directed to an abstract idea does not automatically become eligible merely by adding a mathematical formula. *See, e.g., Clarilogic, Inc. v. FormFree Holdings Corp.*, ___ F. App’x ___, 2017 WL 992528, at *3 (Fed. Cir. Mar. 15, 2017). As we explained above, claim 1 is directed to the abstract idea of encoding and decoding. The addition of a mathematical equation that simply changes the data into other forms of data cannot save it. [*RecogniCorp, LLC v. Nintendo Co., Ltd.*, 2016-1499 (Fed. Cir. 4/28/2017).]

Nichia Corporation v. Everlight Americas, Inc., 2016-1585, 2016-1618 (Fed. Cir. 4/28/2017).

This decision was from an appeal from the Eastern District of Texas district court case 2:13-cv-00702-JRG. Nichia appealed from the district court's refusal to enter a permanent injunction. Everlight cross-appealed the district court's judgement of infringement and lack of invalidity. The Federal Circuit affirmed the district court.

Legal issue: 35 USC 112, claim construction.

The Court concluded that the use of different terms in the specification and the claims to describe the same element does not necessarily imply a difference in meaning.

Everlight argues that “planar” means that there is “no measurable surface variation.” J.A. 10068. Everlight asserts that this construction is mandated by the specification’s distinction between “planar” and “in the same plane.” Everlight Br. 23. Namely, the patent uses “in a substantially same plane” in the specification but “planar” in the claims. The specification states that “a resin part and a lead are formed in a substantially same plane in an outer side surface.” ’250 patent col. 2 l. 63 – col. 3 l. 1. The claims, however, recite “an outer surface of the resin part and an outer surface of the at least one lead are (claim 1) (emphasis added). Everlight argues that the patent owner’s choice to use “in a substantially

same plane” in the specification but “planar” in the claims mandates that we treat the two terms differently. We disagree. First, Everlight’s argument implies a rule that we decline to adopt here, namely, that if different words are used in the claim and specification, then we must read that distinction as an intended difference. We recognize that, in some patents, a distinction between terms may imply a difference in meaning, but this is no hard-and-fast rule. Rather, some inventors might use one term in the specification to inform the meaning of another term in the claims. *See SAS Inst., Inc. v. ComplementSoft, LLC.*, 825 F.3d 1341, 1348 (Fed. Cir. 2016). For one word to inform the meaning of another, the words need not be identical. *See id.* For example, in *SAS Institute*, we held that the term “graphical representation of a data flow” in the claims and the term “data flow diagram” in the specification were commensurate in scope. *Id.* So too here. Reading the claims in light of the specification, we conclude that the claimed term “planar” is commensurate in scope with the specification’s discussion of “in a substantially same plane.” We therefore agree with the court’s conclusion that “planar” means “in a substantially same plane.”

Fairchild (Taiwan) Corporation v. Power Integrations, Inc., 2017-1002 (Fed. Cir. 4/21/2017).

Fairchild appealed from the decision of the PTAB in inter partes reexamination 95/002,009. The Federal Circuit granted Fairchild's motion to remand and vacate aspects of the PTAB's final decision. The Federal Circuit granted the motion.

Legal issue: 35 USC 317(b) (2006) estoppel.

Once the Federal Circuit's decision from the district court was final, finding claims non-obvious, that was the end of the road for corresponding challenges in the PTO.

In *Power Integrations, Inc. v. Fairchild Semiconductor Int’l, Inc.*, 843 F.3d 1315, 1340–42 (Fed. Cir. 2016), the Federal Circuit affirmed a jury decision that claims 6, 7, 18, and 19 of the ’972 patent were not invalid for obviousness in view of the references Majid and Balakrishnan. This appeal was from the PTAB's final written decision rejecting inter alia the same claims for obviousness. The Court construed the statute as barring the PTAB's unpatentability determination

Under the version of 35 U.S.C. § 317(b) (2006) that governs this case, no inter partes reexamination proceeding can be brought or “maintained” on “issues” that a party “raised or could have raised” in a civil action arising in whole or in part under 28 U.S.C. § 1338 once “a final decision has been entered” in the civil action that “the party has not sustained its burden of proving the invalidity” of the patent claim. Put simply, “[i]f a defendant brought an invalidity challenge in a district court litigation and was unsuccessful, it is not permitted to bring the same challenge in an inter partes reexamination.” *Function Media, L.L.C. v. Kappos*, 508 F. App’x 953, 955–56 (Fed. Cir. 2013) (holding that there was no basis for continuing an appeal in light of § 317(b)). [*Fairchild (Taiwan) Corporation v. Power Integrations, Inc.*, 2017-1002 (Fed. Cir. 4/21/2017).]

We have held that this restriction applies when “all appeals have terminated.” *Bettcher Indus., Inc. v. Bunzl USA, Inc.*, 661 F.3d 629, 646 (Fed. Cir. 2011). That is precisely the situation here. The district court entered judgment against Power Integrations, holding that it failed to prove claims 6, 7, 18, and 19 were obvious over Majid and Balakrishnan. This court affirmed the holding, and the time to petition for a writ of certiorari has passed. Moreover, Power Integrations does not dispute that these obviousness grounds could have been raised in the civil action in which it failed to meet its burden. [Fairchild (Taiwan) Corporation v. Power Integrations, Inc., 2017-1002 (Fed. Cir. 4/21/2017).]

The fact that others issues before the district court remained, was not relevant.

While it is true that in Power Integrations this court vacated and remanded for additional proceedings, we cannot agree with Power Integrations that this renders the decision not “final” for § 317(b) purposes. Critically, those proceedings are unrelated to the ’972 patent. By its terms, § 317(b) is concerned with a final decision “that the party has not sustained its burden of proving the invalidity of any patent claim.” And here, Power Integrations does not suggest, nor is there any reason to believe, that any unresolved issue on remand would have any effect on the now-final ’972 patent validity determinations. [Fairchild (Taiwan) Corporation v. Power Integrations, Inc., 2017-1002 (Fed. Cir. 4/21/2017).]

The existence of other claims in the appeal from the PTAB was also irrelevant.

Nor are we persuaded by Power Integrations’s argument concerning the remaining claims that Fairchild appealed. Fairchild has asked the court to consider its appeal concerning the remaining claims abandoned and to remand only those claims at issue in Power Integrations. Power Integrations fails to offer any persuasive reason why such request should not be granted. While Fairchild is abandoning independent claims 1 and 15, that has no bearing on the application of § 317(b) here. [Fairchild (Taiwan) Corporation v. Power Integrations, Inc., 2017-1002 (Fed. Cir. 4/21/2017).]

Rembrandt Wireless v. Samsung Electronics, 2016-1729 (Fed. Cir. 4/17/2017).

This opinion is from an appeal by of a decision from Eastern District of Texas case 2:13-cv-00213-JRG. Samsung appealed the district court's denial of a JMOL, an issue of claim construction, a Rembrandt's motion to limit damages for failure to mark patented articles. The Federal Circuit affirmed the district court on the first two issues, but vacated and remanded on the motion related to marking.

Legal issue: 35 USC 112, claim construction based upon remarks in an amendment characterizing the scope of the amendment by "i.e."

The Court found the patentee's use of "i.e." in remarks characterizing a claim amendment adding "different types" to be definitional of what constituted "different types."

...While the specification is the principal source of the meaning of a disputed term, the prosecution history may also be relevant. *Vitronics Corp. v. Conceptoronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996). Here, the clearest statement in the intrinsic record regarding the meaning of the “different types” limitation is the descriptive statement the applicant made to the examiner when he inserted the limitation into the claims. *** Samsung avers that we should not give the prosecution history statement definitional weight because it uses the phrase “i.e.,” which Samsung argues introduces an exemplary item in a set. A patentee’s use of “i.e.,” in the intrinsic record, however, is often definitional. *Edwards Lifesciences LLC v. Cook Inc.*, 582 F.3d 1322, 1334 (Fed. Cir. 2009) (“[U]se of ‘i.e.’ signals an intent to define the word to which it refers.”); *see also Abbott Labs. v. Novopharm Ltd.*, 323 F.3d 1324, 1330 (Fed. Cir. 2003) (holding that a patentee “explicitly defined” a term by using “i.e.” followed by an explanatory phrase). Indeed, the term “i.e.” is Latin for id est, which means “that is.” On a related note in the context of disavowal, we have explained that “[w]hether a statement to the PTO that includes ‘i.e.’ constitutes a clear and unmistakable disavowal of claim scope depends on the context.” *Braintree Labs., Inc. v. Novel Labs., Inc.*, 749 F.3d 1349, 1355 (Fed. Cir. 2014). The context here strongly supports the conclusion that Rembrandt used “i.e.” to define the “different types” limitation because Rembrandt used it to describe to the examiner a new limitation it had inserted to further limit its claims. [Rembrandt Wireless v. Samsung Electronics, 2016-1729 (Fed. Cir. 4/17/2017).]

... Samsung directs us to cases where we have held that “i.e.” was not used to define, particularly in instances where interpreting “i.e.” as definitional would be internally inconsistent, *see Pfizer, Inc. v. Teva Pharm., USA, Inc.*, 429 F.3d 1364, 1373 (Fed. Cir. 2005), or where it would read out preferred embodiments, *see Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1326 (Fed. Cir. 2012). Samsung argues that interpreting the “i.e.” statement as definitional here would create an internal inconsistency with claim 43, which recites that “at least one of said modulation methods implements phase modulation.” Samsung asserts that because claim 43 refers to “at least one” of the methods using phase modulation, more than one of them could use phase modulation, even though under the district court’s construction that would mean they are not in different families. We are not convinced that there would necessarily be a conflict with claim 43 under the adopted construction. As Rembrandt points out, claim 26—from which claim 43 depends—also uses the “at least” language to describe “at least two different types of modulation methods,” which cuts against Samsung’s inference. [Rembrandt Wireless v. Samsung Electronics, 2016-1729 (Fed. Cir. 4/17/2017).]

...In any event, we do not find that this parsing of the claims overcomes

the definitional statement the applicant provided in the prosecution history. *See ERBE Elektromedizin GmbH v. Canady Tech. LLC*, 629 F.3d 1278, 1286–87 (Fed. Cir. 2010) (rejecting patent owner’s claim differentiation argument based on disclaimer in the prosecution history). Nor do we find that the specification is at odds with the prosecution history definition. The specification repeatedly refers to different types of modulation methods, but it does not provide examples of what would constitute different methods or otherwise define this limitation. [*Rembrandt Wireless v. Samsung Electronics*, 2016-1729 (Fed. Cir. 4/17/2017).]

Legal issue: 35 USC 112, claim construction variation between the Courts and the PTAB.

This case also illustrates the different claim constructions reached by the courts and the PTAB on essentially the same record:

Samsung also mentions that in related IPR proceedings, the Patent Trial and Appeal Board adopted the broader construction Samsung argues for here. As Samsung admits, however, this construction does not bind our court. And the Board in IPR proceedings operates under a broader claim construction standard than the federal courts. *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2142, 2146 (2016). We also note that even after adopting Samsung’s construction, the Board refused to deem Rembrandt’s patents unpatentable over the prior art, which is ultimately what Samsung seeks under its proposed construction. [*Rembrandt Wireless v. Samsung Electronics*, 2016-1729 (Fed. Cir. 4/17/2017).]

Legal issue: 35 USC 112, claim construction versus factual determinations.

It is up to a party to ensure there is no ambiguity in a construed claim; the party cannot complain after a jury finding based upon a construction to which the party agreed.

...As the district court correctly noted, any dispute regarding whether particular modulation techniques are in different families is a factual one. “[A] sound claim construction need not always purge every shred of ambiguity,” including potential ambiguity arising from “the words a court uses to construe a claim term.” *Eon Corp. IP Holdings v. Silver Spring Networks*, 815 F.3d 1314, 1318 (Fed. Cir. 2016) (citation omitted), cert. denied, 137 S. Ct. 640 (2017). “Such an endeavor could proceed ad infinitum.” *Id.* [*Rembrandt Wireless v. Samsung Electronics*, 2016-1729 (Fed. Cir. 4/17/2017).]

Legal issue: 35 USC 103, motivation to modify.

The court reiterated the doctrinal distinction between a reference teaching away and existence of motivation to combine.

Samsung misses the mark by arguing that we must find a motivation to combine if we agree with it that there is not substantial evidence to support a finding that Upender teaches away from substituting CSMA/CA with

master/slave. Whether a reference teaches away is doctrinally distinct from whether there is no motivation to combine prior art references. *See Apple Inc. v. Samsung Elecs. Co.*, 839 F.3d 1034, 1051 n.15 (Fed. Cir. 2016) (en banc) (identifying motivation to combine and teaching away as “two discrete bases” supporting district court’s denial of JMOL); *see also Star Sci., Inc. v. R.J. Reynolds Tobacco Co.*, 655 F.3d 1364, 1374–75 (Fed. Cir. 2011). Surely a showing that a prior art reference teaches away from a given combination is evidence that one of skill in the art would not have been motivated to make that combination to arrive at the claimed invention. But the absence of a formal teaching away in one reference does not automatically establish a motivation to combine it with another reference in the same field. [*Rembrandt Wireless v. Samsung Electronics*, 2016-1729 (Fed. Cir. 4/17/2017).]

Legal issue: 35 USC 287, marking requirement for pre suit damages.

The Federal Circuit reversed the district court, holding as a matter of law, that claim disclaimer of claims covering a licensed but unmarked product, did not moot the exclusion damages, prior to notice.

Samsung argues that the district court erred in refusing to bar Rembrandt’s recovery of pre-notice damages based on Rembrandt’s failure to mark products covered by a claim Rembrandt later disclaimed. [Footnote 5 omitted.] We agree with Samsung that Rembrandt cannot use disclaimer to avoid the marking requirement in 35 U.S.C. § 287, and vacate the judgment of the district court as it relates to marking. *** In denying Samsung’s motion, the district court relied on the proposition that a disclaimed patent claim is treated as if it “had never existed in the patent,” *Guinn v. Kopf*, 96 F.3d 1419, 1422 (Fed. Cir. 1996) (citing *Altoona Publix Theatres, Inc. v. Am. Tri-Ergon Corp.*, 294 U.S. 477, 492 (1935)), and allowed Rembrandt’s disclaimer to retroactively excuse its failure to mark. But while we have held that a disclaimer relinquishes the rights of the patent owner, we have never held that the patent owner’s disclaimer relinquishes the rights of the public. Indeed, our precedent and that of other courts have not readily extended the effects of disclaimer to situations where others besides the patentee have an interest that relates to the relinquished claims. *See Kearney & Trecker Corp. v. Cincinnati Milacron Inc.*, 562 F.2d 365, 372 (6th Cir. 1977) (recognizing accused infringer’s inequitable conduct defense against original patent claims after reissue claims secured through inequitable conduct were disclaimed); *Nat’l Semiconductor Corp. v. Linear Tech. Corp.*, 703 F. Supp. 845, 850 (N.D. Cal. 1988) (allowing antitrust and patent misuse counterclaims premised on disclaimed claims to proceed). *Cf. Guinn*, 96 F.3d at 1422 (holding disclaimer of an allegedly interfering claim did not divest the Board of jurisdiction over interference proceeding). As our marking cases make clear, the marking statute’s focus is not only the rights of the patentee, but the rights of the public. *See, e.g., Crown Packaging*, 559 F.3d at 1316; *Nike*, 138 F.3d at 1443; *Bonito Boats*, 489 U.S. at 162. Considering these rights held by the public, we hold that disclaimer cannot

serve to retroactively dissolve the § 287(a) marking requirement for a patentee to collect pre-notice damages. [Rembrandt Wireless v. Samsung Electronics, 2016-1729 (Fed. Cir. 4/17/2017).]

Legal issue: 35 USC 287, marking requirement for pre suit damages.

The Federal Circuit remanded on an issue of first impression. Whether the marking requirement for pre suit damages, could attach on a claim by claim basis, so that pre suit damages could be recovered based upon infringement of claims that the unmarked licensed product did not infringe when the unmarked licensed product did infringe other claims of the same patent.

Separate from its disclaimer argument, Rembrandt also argued to the district court that the marking statute should attach on a claim-by-claim, rather than on a patent-by-patent, basis. Applying Rembrandt's claim-by-claim approach in this case, for example, would permit Rembrandt to recover pre-notice damages for Samsung's infringement of claims other than claim 40, which is the only claim that Samsung alleges the unmarked Zhone product embodied. ...The patent-by-patent versus claim-by-claim marking dispute between the parties raises a novel legal issue not squarely addressed by our past decisions. *** We therefore remand to the district court to address in the first instance whether the patent marking statute should attach on a patent-by-patent or claim-by-claim basis. [Rembrandt Wireless v. Samsung Electronics, 2016-1729 (Fed. Cir. 4/17/2017).]

Phil-Insul Corp. v. Airlite Plastics Co., 2016-1982 (Fed. Cir. 4/17/2017).

This opinion is a decision on an appeal from the Nebraska District Court's case 8:12-cv-00151-JFB-TD. This case dealt with the circumstances under which collateral estoppel applies based upon a prior Federal Circuit rule 36 affirmance.

Legal issue: When can collateral estoppel exist based upon a prior rule 36 affirmance.

The Federal Circuit clarified that collateral estoppel can exist based upon the precise issue decided by the court below:

IntegraSpec's primary argument on appeal is that a Rule 36 judgment can never serve as a basis for collateral estoppel. We disagree.

Federal Circuit Rule 36 provides that:

The court may enter a judgment of affirmance without opinion, citing this rule, when it determines that any of the following conditions exist and an opinion would have no precedential value:

- (a) the judgment, decision, or order of the trial court appealed from is based on findings that are not clearly erroneous;
- (b) the evidence supporting the jury's verdict is sufficient;
- (c) the record supports summary judgment, directed verdict, or judgment on the pleadings;

(d) the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review; or (e) a judgment or decision has been entered without an error of law.

Fed. Cir. R. 36. As we have explained on several occasions, “[a]ppeals whose judgments are entered under Rule 36 receive the full consideration of the court, and are no less carefully decided than the cases in which we issue full opinions. The Rule permits the court to dispense with issuing an opinion that would have no precedential value, when the circumstances of the Rule exist.” *U.S. Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1556 (Fed. Cir. 1997). [*Phil-Insul Corp. v. Airlite Plastics Co.*, 2016-1982 (Fed. Cir. 4/17/2017).]

A Rule 36 summary affirmance is a valid and final judgment of this court. *See Taylor v. McKeithen*, 407 U.S. 191, 194 n.4 (1972) (“We, of course, agree that the courts of appeals should have wide latitude in their decisions of whether or how to write opinions. That is especially true with respect to summary affirmances.”). We have explained that, because there is no opinion, “a Rule 36 judgment simply confirms that the trial court entered the correct judgment.” *Rates Tech., Inc. v. Mediatrice Telecom, Inc.*, 688 F.3d 742, 750 (Fed. Cir. 2012). “It does not endorse or reject any specific part of the trial court’s reasoning.” *Id.* That said, we have also expressly recognized that a Rule 36 disposition can be used “in support of a claim of ‘claim preclusion, issue preclusion, judicial estoppel, law of the case, and the like.’” *Id.* (quoting Fed. Cir. R. 32.1(c)). [*Phil-Insul Corp. v. Airlite Plastics Co.*, 2016-1982 (Fed. Cir. 4/17/2017).]

The Supreme Court likewise has recognized that a summary affirmance has binding precedential effect, but it “extends no further than ‘the precise issues presented and necessarily decided by those actions.’” *Anderson v. Celebrezze*, 460 U.S. 780, 786 n.5 (1983) (“A summary disposition affirms only the judgment of the court below, and no more may be read into our action than was essential to sustain that judgment.”). As such, the Court has said that summary affirmances only “prevent lower courts from coming to opposite conclusions on the precise issues presented and necessarily decided by those actions.” *Mandel v. Bradley*, 432 U.S. 173, 176 (1977). Consistent with this approach, our internal operating procedures provide that “Rule 36 judgments shall not be employed as binding precedent by this court, except in relation to a claim of res judicata, collateral estoppel, or law of the case[.]” Fed. Cir. Internal Operating Procedure No. 9 ¶ 8 (Nov. 14, 2008). Accordingly, it is clear that a Rule 36 affirmance is a binding judgment for collateral estoppel purposes. [*Phil-Insul Corp. v. Airlite Plastics Co.*, 2016-1982 (Fed. Cir. 4/17/2017).]

Despite IntegraSpec’s arguments to the contrary, *TecSec* did not create a

categorical ban against asserting a Rule 36 judgment for collateral estoppel purposes. Instead, it stands for the proposition that collateral estoppel cannot apply where the appellate court affirmed, without explanation, the judgment of a trial court that “determined two issues, either of which could independently support the result,” because it is not known which issue was “necessary” to the final appellate judgment. [Footnote 2 omitted.] *Id.* at 1343-44. *TecSec* is therefore consistent with the principle that, for estoppel to apply, there must be no uncertainty as to whether the precise issue was raised and determined in the prior suit. *De Sollar v. Hanscome*, 158 U.S. 216, 221 (1895) (“[I]t is of the essence of estoppel by judgment that it is certain that the precise fact was determined by the former judgment.”). [*Phil-Insul Corp. v. Airlite Plastics Co.*, 2016-1982 (Fed. Cir. 4/17/2017).]

Legal issue: 35 USC 112 claim construction.

In addition to rejecting IntegraSpec's contentions based upon collateral estoppel, the Court also rejected their secondary argument that the same terms in claims 1 and 2 could be construed differently.

At oral argument, counsel for IntegraSpec argued that, although the same terms appear in Claims 1 and 2, those terms can be construed differently between the two claims. Oral Argument at 10:52-11:00, available at <http://oralarguments.cafc.uscourts.gov/default.aspx?fl=2016-1982.mp3> (“So you are saying that the exact same language could be construed differently? In the context of a different claim, yes.”). It is well-established, however, that claim terms are to be construed consistently throughout a patent. *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342 (Fed. Cir. 2001) (“Furthermore, a claim term should be construed consistently with its appearance in other places in the same claim or in other claims of the same patent.”). [*Phil-Insul Corp. v. Airlite Plastics Co.*, 2016-1982 (Fed. Cir. 4/17/2017).]

Core Wireless Licensing SARL v. Apple Inc., 2015-2037 (Fed. Cir. 4/14/2017).

This case is an appeal from Eastern District of Texas case 6:12-cv-00100-JRG. The Federal Circuit affirmed the district court's denial of Core Wireless' motion for JMOL following a jury verdict of non infringement. The core in this opinion is one of claim construction.

Legal issue: 35 USC 112, claim construction of means plus function recitations.

Claim 17 recited a "A mobile station connected with a cellular system, comprising means for sending uplink packet data to the system using a selected channel ... characterized in that it also comprises: ... means for comparing said threshold value of the channel selection parameter to a current value of the channel selection parameter *for basis of said channel selection.*" Italics added for emphasis. The decisive issue was whether claim 17 required the mobile station to have the capability to select a channel. The Federal Circuit concluded that the "means for comparing" limitation required the mobile station to have the capability to select a channel, citing the

specification and file history. An interesting point was the Court's summary of extrinsic evidence of an invention disclosure and an inventor presentation. The invention disclosure contained "statements unambiguously describe a system in which the mobile station is capable of making channel selection decisions, contrary to the way the evidence showed the accused Apple devices operate." And, in the inventor's presentation to the European Telecommunications Standards Institute, the inventor:

described his proposal as one in which the mobile station "itself should be able to make decision whether to send data packets on [the common channel] or whether to request a [dedicated channel]. Otherwise there will be unnecessary signalling [sic] . . . before [the mobile station] can send a data packet on the [common] channel."

While the intrinsic evidence supported the Court's construction, the extrinsic evidence per se could have been outcome determinative. An obvious practice point is be on the lookout for contrary extrinsic evidence, as part of pre filing investigations.

[Novartis AG, v. Torrent Pharmaceuticals Limited](#), 2016-1352 (Fed Cir. 4/12/2017).

This case is an appeal from a PTAB final written decision in consolidated cases IPR2014-00784 and IPR2015-00518. The PTAB found all claims and proposed amended claims involving USP 8,324,283 unpatentable for obviousness. The Federal Circuit affirmed.

Legal issue: 5 USC 554 compliance with the requirements for notice and opportunity to be heard.

The Federal Circuit found the PTAB's reliance on a reference identified in the petition, discussed in the institution decision, and at issue throughout the proceeding, but not identified in the institution decision as evidence supporting an instituted ground, was compliant with the APA requirements for notice and an opportunity to be heard.

We first disagree with Novartis that the Board ruled Sakai out of the case entirely in the Institution Decision. In the Institution Decision, the Board declined to read Sakai as an anticipatory reference or primary obviousness reference because Sakai does not disclose "mannitol as a 'conventional excipient' in solid pharmaceutical compositions, and Sakai's stated reasons for using mannitol in liquid pharmaceutical compositions are inapplicable to its potential use in connection with solid pharmaceutical compositions." *** We also reject as unfounded Novartis' complaints of "surprise" and contention that, following the Institution Decision, the parties "paid Sakai scant attention in subsequent proceedings." The parties debated Sakai at length throughout the proceeding and in the same context that it was discussed by the Board in the Final Written Decision. In sum, we reject Novartis' contention to this court that it believed Sakai was not at issue in the proceeding. [Footnote 2 omitted.] For this reason we reject Novartis' APA challenge. [[Novartis AG, v. Torrent Pharmaceuticals Limited](#), 2016-1352 (Fed Cir. 4/12/2017).]

Procedural issue, motion to exclude. The quote above indicates that the Court was unhappy with Novartis factual assertion that Novartis believed Sakai was not at issue in the proceeding. The Federal Court seemed even more unhappy with the unnecessary work Novartis put it through, as indicated by footnote 2, quoted below:

Indeed, had Novartis believed the Board eliminated Sakai from the proceeding, it had various procedural mechanisms at its disposal to respond to any perceived impropriety with Petitioners' continued reliance on the reference. In particular, Novartis could have moved to exclude the Sakai reference. *See Genzyme Therapeutic Prods. v. Biomarin Pharm. Inc.*, 825 F.3d 1360, 1368 (Fed. Cir. 2016). We find meritless Novartis' argument that it did in fact move to exclude Sakai from the proceeding. See Oral Arg. at 53:30–53:51: available at <http://oralarguments.cafc.uscourts.gov/default.aspx?fl=2016-1352.mp3>. Although not provided in the Joint Appendix, Novartis' counsel invited the court to review its motion to exclude. That invitation, unfortunately, led the court on a road to nowhere. In its motion, Novartis moved to exclude over fifty exhibits, including Sakai, all identified by exhibit number only and listed in one long string cite, based on one conclusory sentence: "Petitioners rely on numerous exhibits that are incomplete and/or irrelevant to the sole issue for review identified by the Board – i.e., (non)obviousness of the '283 Patent in light of Chiba over Aulton)." Patent Owner's Motion to Exclude at 20, Paper No. 73. This superficial treatment amounts to little more than a request that the Board peruse the cited evidence and piece together a coherent argument on Novartis' behalf. It is far from sufficient to raise a meaningful challenge to any of the several dozen exhibits, let alone to sensitize the Board to the complained-of use of Sakai in particular. [Novartis AG v. Torrent Pharmaceuticals Limited, 2016-1352, footnote 2 (Fed Cir. 4/12/2017).]

Note the Court went out of its way to examine facts beyond the joint appendix in response to assertions at oral argument. I find that impressive. But a word to the wise is to not send the Court, or any Court, on fishing trips.

Legal issue: 35 USC 103 obviousness, and requirements to show nexus between claims and secondary indicia evidence.

The Federal Circuit concludes that a claim limitations known in the art but not commercially available can be used to disprove nexus.

... Distilled down, Novartis argues that, as a matter of law, a feature that is known in the art but not actually available to the market—i.e., in commerce—cannot be used to disprove Novartis' attempts to establish a nexus based on that claimed feature. We disagree. None of the cases cited by Novartis, or any that we are aware of, stand for such a sweeping proposition. For objective indicia evidence to be accorded substantial weight, we require that a nexus must exist "between the evidence and the merits of the claimed invention." *Wyers v. Master Lock Co.*, 616 F.3d 1231, 1246 (Fed. Cir. 2010).⁴ "Where the offered secondary consideration actually results from something other than what is both

claimed and *novel* in the claim, there is no nexus to the merits of the claimed invention.” *In re Kao*, 639 F.3d 1057, 1068 (Fed. Cir. 2011); *see also Tokai Corp. v. Easton Enters., Inc.*, 632 F.3d 1358, 1369 (Fed. Cir. 2011) (“If commercial success is due to an element in the prior art, no nexus exists.”); *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1312 (2006) (“[I]f the feature that creates the commercial success was known in the prior art, the success is not pertinent.”).
*** The fact that Gilenya was the first to receive FDA approval for commercial marketing does not overcome the fact that solid multiple sclerosis compositions were already known. Thus, we agree with the Board that Novartis’ proffered evidence is not probative of the nonobviousness inquiry. [Novartis AG, v. Torrent Pharmaceuticals Limited, 2016-1352 (Fed Cir. 4/12/2017).]

The Medicines Company v. Mylan, Inc., 2015-1113, 2015-1151, 2015-1181 (Fed. Cir. 4/6/2017).

In case 1:11-cv-01285, the N.D. Ill. district court held asserted claims of the '343 patent not infringed on summary judgement and asserted claims of the '727 patent infringed after a bench trial. The district court construed the infringed claims as not including an "efficient mixing" limitation. The Federal Circuit held that all asserted claims included an "efficient mixing" limitation, and reversed the judgment of infringement of the claims of the '727 patent.

Legal issue: 35 USC 112 claim construction.

The Federal Circuit concluded that the patent, prosecution history, counsel admissions led to the conclusion that the claims were limited to a process achieving batch consistency, which the specification disclosed to require "efficient mixing". The Court also concluded that a contrary claim construction would be unworkable, since it would make determination of infringement, uncertain.

The patentee, however, takes the position that the batches limitation is not necessarily limited to a compounding process that achieves batch consistency. Instead, according to Medicines, the batches limitation is satisfied whenever an accused infringer consistently produces batches having Asp9 levels below 0.6 percent, and that the claims do not require the use of a particular process that achieves batch consistency. We disagree, for several reasons. First, adopting Medicines’ interpretation of the batches limitation would yield an unworkable claim construction. *** Medicines’ interpretation also fails to consider the specification and prosecution history of the patents in suit, both of which demonstrate that the invention disclosed by the '727 and '343 patents is a compounding process that achieves batch consistency. *** *** Finally, any remaining doubt that the batches limitation requires a compounding process is dispelled by Medicines’ admission to the district court that “[w]hen viewed in the context of the specification, it is readily apparent that the [definition of ‘pharmaceutical batches’] refers to the compounding processes described in the patents-in-suit.” [The Medicines Company, v. Mylan, Inc., 2015-1113, 2015-1151, 2015-1181 (Fed. Cir. 4/6/2017).]

Legal issue: 35 USC 112 claim construction.

The Federal Circuit concluded that, since the specification required the mixing efficiency process limitation, that it was a limitation of the composition claims.

Thus, we reject Medicines' interpretation and conclude that the batches limitation requires the use of a compounding process that achieves batch consistency. In doing so, we note that our decision does not impermissibly add a process limitation to a product claim that does not require a process because the specification's definition of "batches" by itself injects a compounding process as a limitation in the asserted claims. [Footnote 2 omitted.] The question remains as to what that compounding process entails. Based on the intrinsic evidence of the patents in suit, the answer is that the compounding process must use efficient mixing. [*The Medicines Company, v. Mylan, Inc.*, 2015-1113, 2015-1151, 2015-1181 (Fed. Cir. 4/6/2017).]

Wasica Finance GMBH v. Continental Automotive Systems, Inc., 2015-2078, 2015-2079, 2015-2093, 2015-2096 (Fed. Cir. 4/4/2017).

The PTAB had found certain claims of the '524 patent to be patentable and others unpatentable. The Federal Circuit affirmed the PTAB's decisions on all claims except for claim 9. The PTAB had found claim 9 patentable and the Federal Circuit reversed, holding claim 9 unpatentable.

Legal issue: 35 USC 102 anticipation, requirement that the prior art reference describe the claimed invention with sufficient precision and detail to establish that the subject matter existed in the prior art.

Regarding claim 6, both petitioners failed to show the prior art reference disclosed using a constant frequency signal.

As noted, claim 6 requires its carrier waves to have a constant frequency. Oselin discloses that its transmitters are all tuned to a "common" working frequency, but as the Board found in the '476 proceeding, this statement does not necessarily suggest that the frequency of each transmitted signal is constant. *** We see no error in the Board's conclusion. Record evidence suggests that Oselin could use signals of either constant or nonconstant frequency. Oselin is thus ambiguous as to whether it discloses the pertinent features of claim 6. Ambiguous references do not anticipate a claim. *E.g., In re Turlay*, 304 F.2d at 899. Schrader's arguments on appeal fail to show where the Board erred. Schrader relies on attorney argument in urging that Oselin's transmitters must use a constant frequency, but this contention misses the point. Anticipation is an inquiry viewed from the perspective of one skilled in the art. *See Dayco Prods., Inc. v. Total Containment, Inc.*, 329 F.3d 1358, 1368 (Fed. Cir. 2003) ("[T]he dispositive question regarding anticipation is whether one skilled in the art would reasonably understand or infer from the prior art reference's teaching that every claim element was disclosed in that single reference." (internal alterations and quotation marks omitted)). The Board found that one of ordinary skill in the art

would not have read Oselin to disclose what Schrader’s counsel urges. That finding is supported by record evidence, and Schrader did not adduce any evidence to the contrary. We thus think it was reasonable for the Board to accept Wasica’s expert testimony over Schrader’s bare attorney argument. *See Gemtron Corp. v. Saint-Gobain Corp.*, 572 F.3d 1371, 1380 (Fed. Cir. 2009) (reasoning that a party’s “unsworn attorney argument . . . is not evidence” and thus cannot rebut record evidence); *Enzo Biochem, Inc. v. Gen-Probe, Inc.*, 424 F.3d 1276, 1284 (Fed. Cir. 2005) (“Attorney argument is no substitute for evidence.”). [Wasica Finance GMBH v. Continental Automotive Systems, Inc., 2015-2078, 2015-2079, 2015-2093, 2015-2096 (Fed. Cir. 4/4/2017).]

Like Schrader, Continental argues that Oselin renders claim 6 unpatentable. In so doing, however, it advances a different theory. Continental contends that Oselin can employ “any modulation scheme,” see J.A. 943, and that any modulation scheme so employed can include constant-frequency signals. The Board rejected this argument in the ’295 proceeding, finding it insufficiently precise and underdeveloped. *** We see no error in the Board’s conclusion. “It is well established that disclosure of a genus in the prior art is not necessarily a disclosure of every species that is a member of that genus.” *Atofina v. Great Lakes Chem. Corp.*, 441 F.3d 991, 999 (Fed. Cir. 2006); *see also Eli Lilly & Co. v. Zenith Goldline Pharms., Inc.*, 471 F.3d 1369, 1376–77 (Fed. Cir. 2006); *Metabolite Labs., Inc. v. Lab. Corp. of Am. Holdings*, 370 F.3d 1354, 1367 (Fed. Cir. 2004) (“A prior art reference that discloses a genus still does not inherently disclose all species within that broad category.”). Here, the Board determined that Oselin’s broad invocation of “any modulation scheme” (a genus) does not disclose with sufficient particularity the constant- frequency modulation scheme of claim 6 (a species). *** This factual determination was reasonably drawn from record evidence and concessions by Continental’s counsel. *Id.* (relying on material found at, for example, J.A. 531, 1608–11 ¶¶ 58–59). Because the Board’s findings are reasonable on this record, they are supported by substantial evidence. *See In re Jolley*, 308 F.3d 1317, 1320 (Fed. Cir. 2002) (“If the evidence in record will support several reasonable but contradictory conclusions, we will not find the Board’s decision unsupported by substantial evidence simply because the Board chose one conclusion over another plausible alternative.”). [Wasica Finance GMBH v. Continental Automotive Systems, Inc., 2015-2078, 2015-2079, 2015-2093, 2015-2096 (Fed. Cir. 4/4/2017).]

The Court went on to provide some guidance on how to show anticipation based upon the disclosed genus:

Continental’s petition did not identify the “any modulating scheme” genus, did not establish its size, and did not name any of its modulation scheme species. See

J.A. 204. In fact, the petition relied solely on Oselin’s “common” working frequency embodiment that we now conclude is too ambiguous to anticipate claim 6. *Id.* [Wasica Finance GMBH v. Continental Automotive Systems, Inc., 2015-2078, 2015-2079, 2015-2093, 2015-2096 (Fed. Cir. 4/4/2017).]

Legal issue: 35 USC 112 claim construction.

The Court construed claim 9’s “bit sequence” to cover a single bit, contrary to the PTAB’s construction. Consequently, the Court found claim 9 anticipated by prior art.

We must determine whether the Board erred in its construction of “bit sequence.” We conclude that it did. Claim 9 recites transmitting “at least a 4 bit sequence” having four component “bit sequence[s].” ’524 patent, 14:31–39. Because none of the component bit sequences may be empty, the only way to fit four of them into “a 4 bit sequence” is for each constituent bit sequence to comprise a single bit.¹⁰ Thus, a “bit sequence” in the context of claim 9 must be broad enough to include single bit sequences. *** The claim describes its transmission as including “at least” four bits, indicating that the signal may, in some instances, span only four bits. *** Indeed, the specification confirms the use of “bit sequence” in this context by providing an embodiment where a bit sequence can contain only a single bit. See ’524 patent, 5:1–9 (incorporating by reference a patent that employs a switch-based membrane signaling when the tire pressure is excessively high or low). Therefore, we construe the term “bit sequence” to include single-bit sequences. Wasica does not dispute that Oselin anticipates claim 9 if “bit sequence” is construed to cover single-bit sequences. Accordingly, we reverse the Board’s decisions that claim 9 is patentable over Oselin. [Wasica Finance GMBH v. Continental Automotive Systems, Inc., 2015-2078, 2015-2079, 2015-2093, 2015-2096 (Fed. Cir. 4/4/2017).]

Novartis AG v. Noven Pharmaceuticals Inc., 2016-1678, 2016-1679 (Fed. Cir. 4/4/2017).

The PTAB had found claims obvious over prior art in final written decisions in IPR2014-00549, IPR2014-00550, IPR2015-00265, and IPR2015-00268. The Federal Circuit affirmed. This case reiterates the point of law that a district court decision that a claim has not been proved unpatentable is not binding on the PTAB.

Legal issue: 35 USC 316(e), burden of proof in an IPR.

Novartis alleges that a fundamental legal error pervades the PTAB’s Final Written Decisions: the PTAB unlawfully reached different conclusions than our court and the U.S. District Court for the District of Delaware (“Delaware District Court”), which addressed the “same” arguments and the “same” evidence and found the Asserted Claims nonobvious in two prior opinions. *** Novartis’s argument fails on factual and legal grounds. As an initial matter, the record here differed from that in the prior litigation, meaning that Novartis’s argument rests on a faulty factual predicate. *** Nevertheless, even if the record were the same,

Novartis's argument would fail as a matter of law. The PTAB determined that a "petitioner in an inter partes review proves unpatentability by a preponderance of the evidence (see 35 U.S.C. § 316(e)) rather than by clear and convincing evidence[] as required in district court litigation," meaning that the PTAB properly may reach a different conclusion based on the same evidence. *Noven II*, 2015 WL 5782081, at *2 (italics omitted). [Novartis AG v. Noven Pharmaceuticals Inc., 2016-1678, 2016-1679 (Fed. Cir. 4/4/2017).]

Asetek Danmark A/S v. CMI USA Inc., 2016-1026, 2016-1183 (Fed. Cir. 4/3/2017).

Legal issue: FRCP 65(d), injunction of a non-party.

In its opinion dated December 6, 2016, the Federal Circuit had maintained the injunction against non-party Cooler Master. On petition for rehearing, the panel granted rehearing in part, modifying its earlier decision. On rehearing, the panel stated that:

Two final, related points. First, the need for further proceedings to determine the proper reach of the injunction in this case leads us to vacate the injunction, effective upon issuance of our mandate, insofar as the injunction reaches conduct by Cooler Master that does not abet new violations by CMI. The district court is to conduct those proceedings in as reasonably prompt a fashion as possible. Our partial vacatur of the injunction does not foreclose Asetek from pursuing reinstatement of the vacated portion of the injunction should there be unjustifiable delay by Cooler Master in completing the proceedings, or from pursuing any other remedies against Cooler Master, if otherwise authorized by law. *** Insofar as the injunction reaches such conduct, we vacate the injunction and remand for further consideration in accordance with this opinion. [Asetek Danmark A/S v. CMI USA Inc., 2016-1026, 2016-1183 (Fed. Cir. 4/3/2017).]

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