

Precedential Patent Case Decisions During January 2019

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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 captions relating to the PTAB are in **red** text. Case captions of extraordinary importance are in **blue** text.

II. Abstracts and New Points of Law

Duncan Parking Technologies, Inc. v. IPS Group, Inc., 2018-1205 and IPS Group, Inc. v. Duncan Solutions Inc., 2018-1360 (Fed. Cir. 1/31/2019).

This is a decision on an appeal from PTAB case IPR2016-00067 and also an appeal from the S.D. Cal. District court cases 3:15-cv-01526-CABMDD and 15-CV-1526-CAB-(MDD).

DPT appealed the PTAB holding claims of the '310 patent not shown to be unpatentable as anticipated under 102(e). The Federal Circuit reversed the Board's decision.

IPS appealed summary judgement of noninfringement of claims of the '054 and '310 patents. The Federal Circuit affirmed the district court's SJ of noninfringement for the '310 patent. The Federal Circuit vacated the district court's SJ of noninfringement of the '054 patent (due to a claim construction error) and remanded.

Procedural Issue: Citations to disparate briefs and appendices from distinct appeals.

The Federal Circuit noted that each appeal had a distinct set of briefs, and explain in the footnote 1 how it was referring to the distinct records. Footnote 1 reads as follows:

Because we decide two appeals in this opinion, there are two sets of briefs and two sets of joint appendices. All citations in the 1360 Appeal section refer to the briefs and joint appendices of the 1360 Appeal, while all previous citations, including those in the background section, refer to those of the 1205 Appeal. [Duncan v. IPS and IPS v. Duncan, 2018-1205, and 2018-1360, footnote 1 (Fed. Cir. 1/31/2019).]

Legal Issue: 35 USC 102(e), "by another" requirement for prior art.

DPT had contracted with another company, the design firm, D+I, to address the space constraints of retrofitting its device inside existing parking meter housings.

King and Schwarz were officers of DPT. One key point is that the earlier filed '054 patent named King and Schwarz as inventors and the later filed '310 patent named *inter alia* Schwarz but not King as an inventor.

On issue was whether King's contributions were significant enough to result in application of 102(e) against the '310 patent. The Federal Circuit stated that the test for application of 102(e) was (1) "the degree to which" portions of the reference patent relied upon

as anticipatory prior art were “conceived ‘by another’” and (2) whether “other person’s [sic; the person named as a co-inventor of the reference patent but not named as a co-inventor in the rejected patent] contribution is significant enough, when measured against the full anticipating disclosure, to render him a joint inventor of the applied portions of the reference patent.”

Under the facts in this case, the Federal Circuit concluded that King’s contributions to the ‘054 patent met that test, and therefore the ‘054 patent anticipated the ‘310 patent’s claim.

We agree with DPT that the ‘054 patent anticipates the challenged claims of the ‘310 patent. The Board clearly erred in concluding otherwise. A patent is anticipated under 35 U.S.C. § 102(e) if “the invention was described in . . . a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent” (emphasis added). [Footnote 3 omitted.] “The statute’s reference to ‘by another’ means that an application issued to the same inventive entity cannot qualify as § 102(e) prior art.” *EmeraChem Holdings, LLC v. Volkswagen Grp. of Am., Inc.*, 859 F.3d 1341, 1345 (Fed. Cir. 2017) (citing *Riverwood Int’l Corp. v. R.A. Jones & Co.*, 324 F.3d 1346, 1355–56 (Fed. Cir. 2003)). [Duncan v. IPS and IPS v. Duncan, 2018-1205, and 2018-1360 (Fed. Cir. 1/31/2019).]

To be a joint inventor, one must: [“] (1) contribute in some significant manner to the conception or reduction to practice of the invention, (2) make a contribution to the claimed invention that is not insignificant in quality, when that contribution is measured against the dimension of the full invention, and (3) do more than merely explain to the real inventors well-known concepts and/or the current state of the art. [“] *In re VerHoef*, 888 F.3d 1362, 1366 (Fed. Cir. 2018) (quoting *Pannu v. Iolab Corp.*, 155 F.3d 1344, 1351 (Fed. Cir. 1998)). “The law of inventorship does not hinge coinventorship status on whether a person contributed to the conception of all of the limitations in any one claim of the patent. Rather, the law requires only that a coinventor make a contribution to the conception of the subject matter of the claim.” *Eli Lilly & Co. v. Aradigm Corp.*, 376 F.3d 1352, 1361–62 (Fed. Cir. 2004); see *Fina Oil & Chem. Co. v. Ewen*, 123 F.3d 1466, 1474 (Fed. Cir. 1997). [Duncan v. IPS and IPS v. Duncan, 2018-1205, and 2018-1360 (Fed. Cir. 1/31/2019).]

Thus, to decide whether a reference patent is “by another” for the purposes of 35 U.S.C. § 102(e), the Board must (1) determine what portions of the reference patent were relied on as prior art to anticipate the claim limitations at issue, (2) evaluate the degree to which those portions were conceived “by another,” and (3) decide whether that other person’s contribution is significant enough, when measured against the full anticipating disclosure, to render him a joint inventor of the applied portions of the reference patent. We conclude that the Board erred in not holding that King and Schwarz are joint inventors of the anticipating disclosure. [Duncan v. IPS and IPS v. Duncan, 2018-1205, and 2018-1360 (Fed. Cir. 1/31/2019).]

As is clear from DPT’s Petition, J.A. 84–100, as well as the Institution Decision, *Duncan Parking Techs., Inc. v. IPS Grp., Inc.*, No. IPR2016-00067, 2016 WL 5679596, Paper 9 (P.T.A.B. Mar. 30, 2016), DPT relied on the ’054 patent’s disclosure of a specific parking meter device, depicted in the figures and described in detail in the specification. *** In particular, Figure 8 discloses each of the electrical components claimed in the ’310 patent, along with a detailed diagram showing how each component is connected. *** Because the ’310 patent claims clearly include elements previously disclosed in Figure 8, the question is whether Schwarz conceived those elements as they were disclosed in the ’054 patent. *Cf. In re Carreira*, 532 F.2d 1356, 1358–59 (CCPA 1976) (holding that a reference patentees’ declaration that they did not invent the claimed method is insufficient to remove the reference patent as § 102(e) prior art because “the declarants could be the inventors of the species disclosed in their patents, but at the same time never have conceived of the general or generic use [claimed in the patent at issue]”). [*Duncan v. IPS and IPS v. Duncan*, 2018-1205, and 2018-1360 (Fed. Cir. 1/31/2019).]

It is clear that Schwarz conceived much of the ’054 patent’s electrical system, including designing the diagram showing how all the electronic components are connected. *** Schwarz’s contribution to the invention defined by the ’310 patent claims, as disclosed in the ’054 patent, was significant in light of the invention as a whole. *** Further, the ’054 patent’s parking meter device, its sole embodiment, contains the specific electrical system disclosed in Figure 8. *** As the Board found, Board Decision at 9–10, Schwarz conceived, at the very least, some aspects of that electrical system which are required by the electrical system limitations of the ’310 patent claims. The record indicates that these aspects of the electrical system were a significant contribution to the invention claimed in the ’310 patent. Thus, the anticipating embodiment was the joint invention of King and Schwarz, an inventive entity different from that of the ’310 patent, and the ’054 patent is prior art under 35 U.S.C. § 102(e). Since IPS does not dispute the Board’s finding that this embodiment discloses every limitation of claims 1–5 and 7–10, *id.* at 6, we hold those claims of the ’310 patent unpatentable as anticipated. We therefore need not address the discovery dispute concerning them. [*Duncan v. IPS and IPS v. Duncan*, 2018-1205, and 2018-1360 (Fed. Cir. 1/31/2019).]

Infringement issues. Interplay with claims found invalid in IPR. Analyzed infringement of a claim 9, found invalid in the IPR, because its dependent claim, not at issue in the IPR, was alleged to infringe. Buttons on the body not infringed.

Claim construction precluded expert testimony to the contrary. (“Here, Dr. Rosing’s opinion that the Liberty Meter’s keypad may comprise a portion of the cover panel is clearly foreclosed by the district court’s claim construction. In such a situation, the district court is not obligated to credit an expert’s testimony.”)

Claim construction:

We agree with IPS and conclude that the district court erred by construing “receivable within” as meaning “capable of being contained [entirely] inside.” The district court construed the term “receivable within” as “capable of being contained inside,” ’054 Decision at 5, but upon applying the claim construction in its infringement analysis added a requirement that the “entire” lower portion of the device must be contained within the housing, *id.* at 8, effectively altering the construction to “capable of being contained entirely inside.” Thus, we read the district court’s claim construction as meaning “capable of being contained [entirely] inside,” but through operation of the word “entirely,” this construction is much narrower than the plain meaning of the claim limitation and is unsupported by either the specification or the prosecution history of the ’054 patent.

A reasonable meaning of the term “receivable within” in the context of the ’054 patent is “capable of being contained inside.” *Receive*, *The New Oxford American Dictionary* (2d ed. 2005) (defining “receive” as “to act as a receptacle for” and “receptacle” as “an object or space used to contain something”). The suffix “-able” further implies that the lower portion of the device is capable of being contained within the housing base. But this definition contains no limitation to “completely” or “entirely” contained, nor is there any evidence that persons of skill in the art would understand it to be so limited. Indeed, DPT advertised the Liberty Meter on the basis that it “fits within” existing parking meter housings. J.A. 8589.

Likewise, the specification’s sole use of the term “receivable” does not imply any limitation to devices “entirely” contained by the housing. ’054 patent col. 2 ll. 11–14 (“The parking meter device in accordance with the invention may be receivable in a conventional single space parking meter housing, such as that supplied by Duncan Industries, POM or Mackay.”).

We also agree with IPS that the district court’s claim construction excludes the preferred embodiment. The specification defines the coin slot as a part of the lower portion, see ’054 patent col. 3 ll. 44–45, even though it is not located “within” the housing base but is instead accessible through an opening, *id.* at Fig. 6. Whether the coin slot “protrudes” or not is beside the point; it is a part of the lower portion of the parking meter device but is not “capable of being contained [entirely] within” the housing base as required by the district court’s claim construction. As IPS notes, a claim construction that excludes the preferred embodiment is highly disfavored. See *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1583 (Fed. Cir. 1996) (holding that a claim construction that excludes the preferred embodiment is “rarely, if ever, correct and would require highly persuasive evidentiary support”).

DPT argues that the district court’s narrow construction is warranted by the prosecution history of the ’054 patent because IPS disavowed parking meter devices not fully enclosed by a

housing in its response to an office action. *** We note that the district court never relied upon the '054 patent's prosecution history in the '054 Decision. In any case, IPS's statements fall far short of the disavowal DPT urges. IPS distinguished the cited prior art—an actual parking meter, not an insertable device—on the basis that it discloses a “self-contained unit,” as opposed to the claimed device, which is “a retro-fit upgrade to existing parking meters.” J.A. 1424. Whether IPS was wise to use “exposure to the elements” as a point of distinction is debatable, but IPS's statements certainly do not amount to clear disavowal of parking meter devices not “completely” or “entirely” contained by a housing nor do we think the prosecution history sheds any light on the proper interpretation of the claim.

Thus, to decide whether a reference patent is “by another” for the purposes of 35 U.S.C. § 102(e), the Board must (1) determine what portions of the reference patent were relied on as prior art to anticipate the claim limitations at issue, (2) evaluate the degree to which those portions were conceived “by another,” and (3) decide whether that other person's contribution is significant enough, when measured against the full anticipating disclosure, to render him a joint inventor of the applied portions of the reference patent. We conclude that the Board erred in not holding that King and Schwarz are joint inventors of the anticipating disclosure. [*Duncan v. IPS and IPS v. Duncan*, 2018-1205, and 2018-1360 (Fed. Cir. 1/31/2019).]

Mark A. Barry v. Medtronic, Inc., 2017-2463 (Fed. Cir. 1/24/2019).

This is a decision on an appeal the E.D. Tex. district court case 1:14-cv-00104-RC. A jury found infringement of method claims of one patent and system claims of another patent, and rejected Medtronic's invalidity defenses. Medtronic appealed. The Federal Circuit majority affirmed, with judge Chief Judge Prost dissenting on the majority's affirmance on the method claim patent.

Legal issue: Public use on sale bar, ready for patenting, reduction to practice.

The Federal Circuit majority found that substantial evidence supported the jury's conclusion that the claims were not invalid due to public use prior to the critical date. The Federal Circuit majority concluded that the evidence supported a finding that Dr. Barry did not know that his invention would work for its intended purpose prior to the critical date.

The jury could reasonably find facts that support rejection of Medtronic's contention that Dr. Barry's '358 invention was ready for patenting before December 30, 2003. Medtronic's contention required it to prove that, before that date, the method was “shown or known to work for its intended purpose.” *Polara*, 894 F.3d at 1348 (quoting *Helsinn Healthcare S.A. v. Teva Pharm. USA, Inc.*, 855 F.3d 1356, 1371 (Fed. Cir. 2017), cert. granted on a different issue, 138 S. Ct 2678 (2018)); see *Electromotive Div. of Gen. Motors Corp. v. Transp. System Div. of Gen. Elec. Co.*, 417 F.3d 1203, 1211 (Fed. Cir. 2005); *Manville*, 917 F.2d at 550–51. But there is substantial evidence that Dr. Barry's invention was not ready for patenting until January 2004 because the final follow-up from

the October surgery was reasonably needed for the determination that the invention worked for its intended purpose. [Mark A. Barry v. Medtronic, Inc., 2017-2463 (Fed. Cir. 1/24/2019).]

This court has long held that “the Supreme Court’s ‘ready for patenting test’” from *Pfaff*, involving the on-sale bar, also “applies to the public use bar under § 102(b).” *Invitrogen*, 424 F.3d at 1379. Medtronic accepts in this appeal that, to show readiness for patenting, it had to show (a) a reduction to practice or (b) drawings or descriptions enabling an ordinarily skilled artisan to practice the invention. *Pfaff*, 525 U.S. at 67–68.4 Here, Medtronic’s ability to support judgment as a matter of law in its favor under that test depends on its succeeding under the reduction-to-practice alternative. [Mark A. Barry v. Medtronic, Inc., 2017-2463 (Fed. Cir. 1/24/2019).]

Under the test for a reduction to practice, the challenger must show that “the inventor (1) constructed an embodiment or performed a process that met all the limitations and (2) determined that the invention would work for its intended purpose.” *In re Omeprazole Patent Litig.*, 536 F.3d 1361, 1373 (Fed. Cir. 2008) (internal quotations omitted). What testing was in order to determine whether an invention would work for its intended purpose is one of the subsidiary fact questions underlying a determination of whether an invention was in public use. *See Z4 Techs., Inc. v. Microsoft Corp.*, 507 F.3d 1340, 1352 (Fed. Cir. 2007) (“Because the necessity and sufficiency of such testing [of an invention to determine if it will work for its intended purpose] are factual issues, substantial evidence . . . will suffice to support the jury’s verdict.”); *Slip Track Sys., Inc. v. Metal-Lite, Inc.*, 304 F.3d 1256, 1268 (Fed. Cir. 2002) (“[W]e leave to the fact finder the determination of whether testing was necessary . . . or whether the mere construction of the First Proto-type, in and of itself, was enough to demonstrate to one of skill in the art that the invention would work for its intended purpose without any testing.”); *Seal-Flex, Inc. v. Athletic Track & Court Const.*, 98 F.3d 1318, 1324 (Fed. Cir. 1996) (“The trier of fact must determine whether the invention was completed and known to work for its in-tended purpose . . .”). [Mark A. Barry v. Medtronic, Inc., 2017-2463 (Fed. Cir. 1/24/2019).]

Here, Medtronic relied on the August and October 2003 surgeries as reductions to practice that immediately proved that the claimed invention of the ’358 patent would work for its intended purpose. But the evidence allows a reasonable finding that Dr. Barry did not know that his invention would work for its intended purpose until January 2004, when he completed the follow-ups on those surgeries, which were on three patients who fairly reflected the real-world range of application of the inventive method. [Mark A. Barry v. Medtronic, Inc., 2017-2463 (Fed. Cir. 1/24/2019).]

Supernus Pharmaceuticals, Inc. v. Andrei Iancu, 2017-1357 (Fed. Cir. 1/23/2019).

This is a decision on an appeal from the E.D. Va. district court case 1:16-cv-00342-GBL-IDD. The district court entered judgement that the PTO's patent term determination was correct. Supernus appealed. The Federal Circuit reversed.

Legal issue: 35 USC 154(b)(2)(C)(I), period of time that “the applicant failed to engage in reasonable efforts to conclude prosecution of the application.”

Supernus was served with an opposition on a corresponding foreign patent case and subsequently filed an IDS disclosing the opposition. The PTO counted the time from response until the time the IDS was filed against the patent's accrued PTA. But there was no action Supernus could have taken from the time it filed its response until the opposition came into existence, to bring the opposition information into the US patent application.

The Federal Circuit held that, based upon the statute, the PTO may not count as applicant delay a period of time during which there was no action the applicant could have taken to conclude prosecution. Specifically, the time from when Supernus filed its response until when the Opposition came into existence.

In this case, the pertinent language of the PTA statute is plain, clear, and conclusive. “Congress has supplied a clear and unambiguous answer to the interpretive question at hand.” *Pereira v. Sessions*, 138 S. Ct. 2105, 2113 (2018); *see also Chevron*, 467 U.S. at 842–43 (“If the intent of Congress is clear, that is the end of the matter; for the court, as well as the agency, must give effect to the unambiguously expressed intent of Congress.”) On the basis of the plain language of the statute, we hold that the USPTO may not count as applicant delay a period of time during which there was no action that the applicant could take to conclude prosecution of the patent. Doing so would exceed the time during which the applicant failed to engage in reasonable efforts. [Supernus Pharmaceuticals, Inc. v. Andrei Iancu, 2017-1357 (Fed. Cir. 1/23/2019).]

Princeton Digital Image Corporation v. Office Depot Inc., 2017-2597, 2017-2598, 2017-2600, 2017-2602, 2017-2605, 2017-2606, 2017-2609, 2017-2611, 2017-2612, 2017-2627, 2017-2628, 2017-2629, 2017-2630, 2017-2631, 2017-2632, 2017-2633, 2017-2634, 2018-1006 (Fed. Cir. 1/22/2019).

This is a decision on appeals the D. Del. district court cases: 1:13-cv-00239-LPS; 1:13-cv-00287-LPS; 1:13-cv-00288-LPS; 1:13-cv-00289-LPS; 1:13-cv-00326-LPS; 1:13-cv-00330-LPS; 1:13-cv-00331-LPS; 1:13-cv-00404-LPS; and 1:13-cv-00408-LPS. The district court entered various rulings, but no final decision. Defendant Adobe appealed. Plaintiff Princeton cross-appealed. The Federal Circuit dismissed for lack of jurisdiction.

Legal issue: Jurisdiction, standing to appeal, final decision, requirement for merits determination as precondition for appeal.

The only issue here is what constitutes a final decision for purposes of appeal. The district court had effectively limited (intervenor) Adobe's contract based damages to a nominal amount, and denied Adobe's motion for 35 USC 285 attorneys fees based damages. Adobe wanted to appeal the more substantial 285 fees issue, and therefore requested adverse judgement on its

contract violation claim, which the court granted.

The Federal Circuit concluded that, lacking a merits determination on the contract claim, the Federal Circuit lack jurisdiction to hear Adobe's appeal of the 285 fees issue. The Federal Circuit concluded that the district court decision on the merits was not final, and therefore the 285 fees issue was not appealable.

In an effort to secure an appealable decision, Adobe then requested that the court enter judgment in favor of PDIC, contending that in light of the court's rulings, "Adobe doesn't have damages to present," which Adobe contended was "an element of what is to be tried." Tr. of Pre-Trial Conference at 67:23–24, *Princeton Digital Image Corp. v. Office Depot Inc.*, No. 1:13-cv-00239-LPS (D. Del. Sept. 1, 2017), ECF No. 281. The court reiterated its conclusion "that there are purely defensive damages that can be proven on this record," but granted Adobe's request and entered judgment in favor of PDIC. J.A. 106–08. Adobe appeals, contending that the district court erred in (1) not awarding fees under § 285 and sanctions under Rule 11; (2) limiting the damages for Adobe's breach of contract claim; and (3) refusing to compel PDIC to produce additional documents (regarding PDIC's pre-suit investigation and litigation conduct) that Adobe asserted were encompassed within PDIC's waiver of attorney-client privilege. [*Princeton Digital Image Corporation v. Office Depot Inc.*, 2017-2597 et al. (Fed. Cir. 1/22/2019).]

...The central question is whether the judgment entered by the district court at Adobe's request constitutes a final decision. We hold that it does not. Generally, a final decision is a decision by the district court that "ends the litigation on the merits and leaves nothing for the court to do but execute the judgment." *Catlin v. United States*, 324 U.S. 229, 233 (1945). *** Here there was no final ruling by the district court barring recovery on Adobe's breach claim because of a failure to prove a required element of that claim. Under New Jersey law, actual damages are not even a required element of a breach of contract claim. "[W]henver there is a breach of contract . . . the law ordinarily infers that damage ensued, and, in the absence of actual damages, the law vindicates the right by awarding nominal damages." *Nappe v. Anshelewitz, Barr, Ansell & Bonello*, 477 A.2d 1224, 1228 (N.J. 1984); *Karcher v. Phil. Fire & Marine Ins. Co.*, 116 A.2d 1, 3 (N.J. 1955) (plaintiff who "established a breach of the contract" "was entitled to at least a judgment for nominal damages"). Nothing in the district court's rulings foreclosed an award of nominal damages. Moreover, the district court did not even preclude Adobe from establishing actual damages, but in fact ruled multiple times that "there are purely defensive damages that can be proven on this record." J.A. 106–07. The district court's rulings did not foreclose Adobe's ability to satisfy a required element of its breach claim; they merely limited Adobe's potential actual damages as in the cases discussed above. Accordingly, we conclude that Adobe could still have proceeded to trial on its breach claim, and

was required to do so to obtain a final decision on the merits that could be appealed. [Princeton Digital Image Corporation v. Office Depot Inc., 2017-2597 et al. (Fed. Cir. 1/22/2019).]

Helsinn Healthcare S. A. v. Teva Pharmaceuticals USA, Inc., 17–1229, 586 U. S. ____ (1/22/2019).

This is a decision on Helsinn’s petition. The Federal Circuit held that the on sale bar applied to Helsinn’s sale to MGI, because the existence of the sale was public, even though the details of the sold product were not disclosed to the public. Helsinn petitioned for certiorari. The Supreme Court granted certiorari and affirmed, but under a broader rationale.

Legal issue: AIA 35 USC 102(a), and pre-AIA 102(b), whether sale of a ready-for-patenting invention is “on sale” within the meaning of 102.

The Supreme Court held that a commercial sale to a third party who is required to keep the invention confidential “may” place the invention “on sale” under the AIA. Here, the “may” is correlated with the *Pfaff* condition that a sale qualifies as “on sale” under 102, only if at the time of the sale the invention is ready-for-patenting. The holding strongly suggests that a commercial sale to a third party of a ready-for-patenting invention is “on sale” under the AIA, regardless of any other factor.

More than 20 years ago, this Court determined that an invention was “on sale” within the meaning of an earlier version of §102(a) when it was “the subject of a commercial offer for sale” and “ready for patenting.” *Pfaff v. Wells Electronics, Inc.*, 525 U. S. 55, 67 (1998). We did not further require that the sale make the details of the invention available to the public. In light of this earlier construction, we determine that the reenactment of the phrase “on sale” in the AIA did not alter this meaning. Accordingly, a commercial sale to a third party who is required to keep the invention confidential may place the invention “on sale” under the AIA. [Helsinn Healthcare S. A. v. Teva Pharmaceuticals USA, Inc., 17–1229, 586 U. S. ____ (1/22/2019).]

We granted certiorari to determine whether, under the AIA, an inventor’s sale of an invention to a third party who is obligated to keep the invention confidential qualifies as prior art for purposes of determining the patentability of the invention. 585 U. S. ____ (2018). We conclude that such a sale can qualify as prior art. [Helsinn Healthcare S. A. v. Teva Pharmaceuticals USA, Inc., 17–1229, 586 U. S. ____ (1/22/2019).]

The Leahy-Smith America Invents Act (AIA) bars a person from receiving a patent on an invention that was “in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.” 35 U. S. C. §102(a)(1). This case requires us to decide whether the sale of an invention to a third party who is contractually obligated to keep the invention confidential places the invention “on sale” within the meaning of §102(a). *** We conclude that such

a sale can qualify as prior art. Helsinn Healthcare S. A. v. Teva Pharmaceuticals USA, Inc., 17–1229, 586 U. S. ____ (1/22/2019).]

Legal issue: AIA 35 USC 102(a), meanings of “on sale” and “or otherwise available to the public.”

The Supreme Court held that “on sale” had the same meaning post-AIA as it did pre-AIA. The Supreme Court held that “or otherwise available to the public” was a broad catchall clause.

In light of this settled pre-AIA precedent on the meaning of “on sale,” we presume that when Congress reenacted the same language in the AIA, it adopted the earlier judicial construction of that phrase. *See Shapiro v. United States*, 335 U. S. 1, 16 (1948) (“In adopting the language used in the earlier act, Congress ‘must be considered to have adopted also the construction given by this Court to such language, and made it a part of the enactment’”). The new §102 retained the exact language used in its predecessor statute (“on sale”) and, as relevant here, added only a new catchall clause (“or otherwise available to the public”). As amicus United States noted at oral argument, if “on sale” had a settled meaning before the AIA was adopted, then adding the phrase “or otherwise available to the public” to the statute “would be a fairly oblique way of attempting to overturn” that “settled body of law.” Tr. of Oral Arg. 28. The addition of “or otherwise available to the public” is simply not enough of a change for us to conclude that Congress intended to alter the meaning of the reenacted term “on sale.” *Cf. Holder v. Martinez Gutierrez*, 566 U. S. 583, 593 (2012) (determining that a reenacted provision did not ratify an earlier judicial construction where the provision omitted the word on which the prior judicial constructions were based). *** Given that the phrase “on sale” had acquired a well-settled meaning when the AIA was enacted, we decline to read the addition of a broad catchall phrase to upset that body of precedent. [Helsinn Healthcare S. A. v. Teva Pharmaceuticals USA, Inc., 17–1229, 586 U. S. ____ (1/22/2019).]

Amerigen Pharmaceuticals Limited v. UCB Pharma GMBH, 2017-2596 (Fed. Cir. 1/11/2019).

This is a decision on an appeal from the PTAB case IPR2016-01665. The PTAB held the appealed claims not unpatentable for obviousness. Amerigen appealed. The Federal Circuit affirmed.

Legal issue: Standing of ANDA applicant to appeal from a PTAB decision against a blocking Orange Book patent.

The Federal Circuit held that an ANDA applicant whose application’s approval was blocked by the existence of the listing of the challenged patent in the Orange Book had standing to appeal a PTAB decision finding the challenged claims not unpatentable.

UCB argues that Amerigen lacks standing to appeal from the Board’s decision

because the Food and Drug Administration (“FDA”) will not approve Amerigen’s abbreviated new drug application (“ANDA”) until the expiration of the ’650 patent, previously upheld in a separate suit in the District of Delaware, in 2022. Accordingly, UCB contends that Amerigen is foreclosed from infringing the ’650 patent, and without a possibility of infringement there can be no justiciable dispute. *** UCB’s arguments that Amerigen lacks standing are largely premised on the theory that under the Hatch-Waxman Act, 21 U.S.C. §§ 355, 360 (2012), a “Paragraph IV certification is the fundamental, jurisdictional basis enabling parties to litigate Orange Book-listed patents in the Article III courts,” and without that basis there can be no injury in fact. Appellee’s Br. 27. But this case does not arise under the Hatch-Waxman Act, and the causes of action available under that Act do not necessarily control the standing inquiry in an appeal from an IPR decision. They do not control here because Amerigen does not rely on a risk of infringement liability as a basis for injury in fact; rather, it contends that the mere listing of the ’650 patent in the Orange Book inflicts a concrete commercial injury redressable by this court. [*Amerigen Pharmaceuticals Limited v. UCB Pharma GMBH*, 2017-2596 (Fed. Cir. 1/11/2019).]

Although we have jurisdiction to review final decisions of the Board under 28 U.S.C. § 1295(a)(4)(A), an appellant must meet “the irreducible constitutional minimum of standing,” *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992), even if there is no such requirement in order to appear before the administrative agency being reviewed, *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1261 (Fed. Cir. 2014).¹¹ Standing requires an appellant to have “(1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be redressed by a favorable judicial decision.” *Spokeo, Inc. v. Robins*, 136 S. Ct. 1540, 1547 (2016). As the party seeking judicial review, the appellant bears the burden of proving that it has standing. *Phigenix, Inc. v. Immunogen, Inc.*, 845 F.3d 1168, 1171 (Fed. Cir. 2017). We accept as true Amerigen’s material representations of fact for purposes of assessing its standing. *See Warth v. Seldin*, 422 U.S. 490, 501 (1975); *James v. J2 Cloud Servs., LLC*, 887 F.3d 1368, 1372 (Fed. Cir. 2018); *see also Am. Inst. of Certified Pub. Accountants v. IRS*, 804 F.3d 1193, 1197 (D.C. Cir. 2015). [*Amerigen Pharmaceuticals Limited v. UCB Pharma GMBH*, 2017-2596 (Fed. Cir. 1/11/2019).]

We have previously recognized that listing a patent in the Orange Book may create a cognizable injury independent of the prospect of infringement liability. In *Apotex, Inc. v. Daiichi Sankyo, Inc.*, one generic company, Apotex, sought to cause the forfeiture of a third-party generic company’s 180-day exclusivity period by securing a declaratory judgment of noninfringement of Daiichi’s patent that had been disclaimed. 781 F.3d 1356, 1359–61 (Fed. Cir. 2015).¹⁵ Apotex could not show harm via infringement because the disclaimed patent could not be infringed. But Apotex could show harm from the fact that the

patent was still listed in the Orange Book, because the listing delayed the start of the third party's 180-day exclusivity period, which in turn delayed the date on which Apotex could market its drug. Apotex argued that a declaratory judgment of noninfringement, in accelerating the end of the third party's exclusivity period, "would allow it to enter the market earlier than it could without the judgment." *Id.* at 1360. We agreed that Apotex demonstrated a controversy "of sufficient immediacy and reality" for Article III standing. *Id.* at 1361–62 (quoting *MedImmune*, 549 U.S. at 127). That controversy originated from the "listing of [a] patent, with its current consequence of preventing FDA approval" of Apotex's proposed drug during the other generic company's exclusivity period. *Id.* at 1362. This case presents the same essential scenario, where the listing of a drug company's patent delays the launch of a competing generic product. If Amerigen succeeds in invalidating the '650 patent here and having the patent delisted, then it, like Apotex, could launch its proposed drug substantially earlier than it otherwise could. Consequently, "by any common-sense measure," Amerigen has a "substantial, concrete stake[] in whether" it succeeds in proving the invalidity of the '650 patent. *Id.* at 1363. [*Amerigen Pharmaceuticals Limited v. UCB Pharma GMBH*, 2017-2596 (Fed. Cir. 1/11/2019).]

WesternGeco L.L.C., v. Ion Geophysical Corporation, 2013-1527, 2014-1121, 2014-1526, 2014-1528 (Fed. Cir. 1/11/2019).

This is a decision on remand from the Supreme Court in which the Court held "that WesternGeco's damages award for lost profits was a permissible domestic application of [35 U.S.C.] § 284," reversing the prior Federal Circuit holding on appeals from the S.D. Tex. district court case 4:09-cv-01827. The Federal Circuit remanded to the district court.

Subsequent to the original, now vacated, Federal Circuit decision, the parties had entered into a stipulated FRCP 58 final judgement which the Federal Circuit stated included an "agree[ment]... not to appeal the enhanced damages award and provided a schedule for payment of the enhanced damages award." While this case was pending at the Supreme Court, the Federal Circuit affirmed the PTAB's unpatentability determination of four of the six asserted claims.

Legal Issue: FRCP 58, judgement, effect of subsequent claim invalidation on a fully paid reasonable royalty award pursuant to a judgement, when a portion of the litigation remains pending.

The Federal Circuit held that payment pursuant to a judgement was not recoverable, regardless whether a portion of the litigation remained pending.

ION challenges the fully paid and satisfied reasonable royalty award based on subsequent invalidation of a number of WesternGeco's asserted patent claims. *See WesternGeco IPR*, 889 F.3d at 1331. ION argues that the calculation of the reasonable royalty under *Georgia-Pacific Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970), would be affected by the invalidation of four of the six asserted patent claims, and therefore a new trial is required. For support, ION frames the decision in *Fresenius USA, Inc. v. Baxter International, Inc.*, 721

F.3d 1330 (Fed. Cir. 2013) as holding that a judgment cannot be final for purposes of intervening patent invalidations if any part of the litigation remains pending, and that here the lost profits award continues to be litigated and is not final. [WesternGeco L.L.C., v. Ion Geophysical Corporation, 2013-1527, 2014-1121, 2014-1526, 2014-1528 (Fed. Cir. 1/11/2019).]

We disagree. *Fresenius* only applies where a judgment is not final. *Id.* at 1340–41 & n.9; see also *Fresenius USA, Inc. v. Baxter Int’l, Inc.*, 733 F.3d 1369, 1371 (Fed. Cir. 2013) (Dyk, J., concurring in denial of rehearing en banc). To be sure, finality under *Fresenius* requires that “the litigation must be entirely concluded so that [the] cause of action [against the infringer] was merged into a final judgment . . . one that ends the litigation on the merits and leaves nothing for the court to do but execute the judgment.” 721 F.3d at 1341 (alterations in original)(quoting *Mendenhall v. Barber–Greene Co.*, 26 F.3d 1573, 1580 (Fed. Cir. 1994); see *ePlus, Inc. v. Lawson Software, Inc.*, 789 F.3d 1349, 1358 (Fed. Cir. 2015). But *Fresenius* made clear that it does not allow reopening of a satisfied and unappealable final judgment. 721 F.3d at 1340 (“As the Supreme Court’s decision in *Moffitt* made clear, ‘[i]t is a mistake to suppose . . . that . . . moneys recovered on judgments in suits . . . might be recovered back [after a patent is cancelled]. The title to these moneys does not depend upon the patent, but upon . . . the judgment of the court.’” (alterations in original) (quoting *Moffitt v. Garr*, 66 U.S. 273, 283 (1861)); see *Pennsylvania v. Wheeling & Belmont Bridge Co.*, 59 U.S. 421, 431 (1855). [WesternGeco L.L.C., v. Ion Geophysical Corporation, 2013-1527, 2014-1121, 2014-1526, 2014-1528 (Fed. Cir. 1/11/2019).]

Realtime Data, LLC, DBA IXO v. Andrei Iancu, Intervenor, 2018-1154 (Fed. Cir. 1/10/2019).

This is a decision on an appeal from the PTAB’s final written decision in IPR2016-00783. The PTAB found all challenged claims of Realtime’s patent obvious in view of prior art. Realtime appealed. The Federal Circuit affirmed.

Legal issue: 35 USC 103, a finding of a motivation to combine two references is not required when one of the two references is found to anticipate.

In the petition, HP asserted that O’Brien taught all of the steps of claim 1 and that Nelson also taught the “maintaining a dictionary” step of claim 4. HP relied upon Nelson to show that a POSITA would have recognized that O’Brien disclosed “maintaining a dictionary.” (More specifically, that Nelson showed that a POSITA would have recognized that O’Brien’s string compression algorithm is a dictionary algorithm which is a type of algorithm that requires maintaining a dictionary.)

Realtime argued that the Board erred in determining that POSITA would have been motivation to combine O’Brien and Nelson. In response, the Federal Circuit noted that the Board had found that “O’Brien alone disclosed every element of claims” 1 and 4. The Federal Circuit cited *inter alia Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983) for the

conclusion that anticipation is the epitome of obviousness and therefore concluded that the Board did not err in finding claims 1 and 4 invalid for obviousness based upon finding that O'Brien anticipated.

We conclude that, in this case, the Board was not required to make any finding regarding a motivation to combine given its reliance on O'Brien alone. Certainly, had the Board relied on HP's alternative argument, HP would have been required to demonstrate a sufficient motivation to combine the two references. In its primary argument, however, HP relied on Nelson merely to explain that O'Brien's encoder is a type of dictionary encoder. In addition, Realtime conceded the point HP sought to use Nelson to prove: that O'Brien disclosed a dictionary encoder. See *Hewlett-Packard*, 2017 WL 4349409, at *5 ("At the outset, we note that Petitioner, Patent Owner, and their respective declarants all agree that O'Brien's encoder is a type of dictionary encoder."). [*Realtime Data, LLC, DBA IXO v. Andrei Iancu, Intervenor*, 2018-1154 (Fed. Cir. 1/10/2019).]

Under these circumstances, the Board was free to come to the very conclusion it reached: that O'Brien alone disclosed every element of claims 1–4, 8, and 28. And because the Board did not rely on Nelson for the disclosure of a particular element or teaching, the Board had no obligation to find a motivation to combine O'Brien and Nelson. While Realtime argues that the use of O'Brien as a single anticipatory reference would have been more properly raised under § 102, it is well settled that "a disclosure that anticipates under § 102 also renders the claim invalid under § 103, for 'anticipation is the epitome of obviousness.'" *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983) (quoting *In re Fracalossi*, 681 F.2d 792, 794 (CCPA 1982)); cf. *Wasica Fin. GmbH v. Cont'l Auto. Sys., Inc.*, 853 F.3d 1272, 1278 n.3 (Fed. Cir. 2017) (noting the Board's conclusion that a prior art reference rendered certain claims obvious "by virtue of its anticipation of them"). The Board therefore did not err when it concluded that claim 1 was invalid under § 103 based on O'Brien alone. [*Realtime Data, LLC, DBA IXO v. Andrei Iancu, Intervenor*, 2018-1154 (Fed. Cir. 1/10/2019).]

Legal issue: 35 USC 103, a separate finding of the presence in a reference of an element in an independent claim is not required when there is a finding of the presence in the reference of an element in a dependent claim that necessarily requires the presence of the element of the independent claim.

And according to Realtime, O'Brien did not disclose Realtime's proposed construction of the "maintaining a dictionary" limitation because O'Brien generates a new dictionary for each data segment. In response, the Federal Circuit noted the Board "found that O'Brien satisfied this limitation [sic; the "maintaining a dictionary" limitation] because it disclosed all of the steps in dependent claim 4." Because claim 4 added further limitations to claim 1's "maintaining a dictionary" limitation, the Federal Circuit concluded that the Board's finding that O'Brien

disclosed the further “maintaining a dictionary” limitations of claim 4 was a finding that O’Brien disclosed the “maintaining a dictionary” limitation of claim 1. [Realtime Data, LLC, DBA IXO v. Andrei Iancu, Intervenor, 2018-1154 (Fed. Cir. 1/10/2019).]

The Board did not expressly construe the phrase “maintaining a dictionary,” but found that O’Brien satisfied this limitation because it disclosed all of the steps independent claim 4. As noted above, claim 4 depends from claim 1 *** In other words, the Board found that the steps outlined in dependent claim 4 were sufficient to satisfy the “maintaining a dictionary” limitation in independent claim 1. The Board’s interpretation is supported by both the claim language itself and the specification. The term “maintaining a dictionary” is not defined in claim 1, and dependent claim 4 is the first of the claims to lend meaning to the phrase. More tellingly, the language of claim 4 directly mimics the portion of the specification that teaches [sic; the claim limitation.] *** Realtime points to no law undermining the Board’s view in this case that the claim elements introduced in dependent claim 4 with “comprising” language are properly understood as giving details sufficient to constitute a particular embodiment of the more general “maintaining a dictionary” term of independent claim 1. [Realtime Data, LLC, DBA IXO v. Andrei Iancu, Intervenor, 2018-1154 (Fed. Cir. 1/10/2019).]

AC Technologies S.A. v. Amazon.com, 2018-1433 (Fed. Cir. 1/9/2019).

This is decision on an appeal from PTAB IPR2015-01802. The PTAB found all claims invalid. AC appealed. The Federal Circuit affirmed.

Legal issue: Due process, considering, on rehearing, a grounds raised in the petition.

The Federal Circuit concluded that the PTAB was required to consider, on rehearing, a ground in the petition it overlooked in the final written decision. Because the PTAB then provided AC notice and an opportunity to be heard, the PTAB did not violate due process.

AC argues that the Board erred procedurally when it invalidated claims 2, 4, and 6 based on a ground that it did not institute in its institution decision. *** If the Board institutes an IPR, it must issue a final written decision addressing all claims challenged by the petitioner. *** And, we have held, if the Board institutes an IPR, it must similarly address all grounds of unpatentability raised by the petitioner. *See Adidas AG v. Nike, Inc.*, 894 F.3d 1256, 1258 (Fed. Cir. 2018) (remanding noninstituted grounds for review); *BioDelivery Scis. Int’l, Inc. v. Aquestive Therapeutics, Inc.*, 898 F.3d 1205, 1208 (Fed. Cir. 2018) (“Post-SAS cases have held that it is appropriate to remand to the PTAB to consider non-instituted claims as well as non-instituted grounds.”). This precedent forecloses AC’s argument that the Board exceeded its statutory authority when it reconsidered its final written decision and addressed non-instituted Ground 3. Indeed, it would have violated the statutory scheme had the Board not done so. *See PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (“Equal treatment of claims and grounds for institution purposes has pervasive support in

SAS.”). Contrary to AC’s arguments, see Appellant’s Br. 49–53, neither § 314(b)’s timing requirements nor § 314(d)’s limits on appealability alter the Board’s statutory obligation to rule on all claims and grounds presented in the petition. See *SAS*, 138 S. Ct. at 1356 (explaining that an IPR must “proceed[] ‘[i]n accordance with’ or ‘in conformance to’ the petition” (second alteration in original) (quoting Pursuant, Oxford English Dictionary(3d ed. 2007), <http://www.oed.com/view/Entry/155073>)). [*AC Technologies S.A. v. Amazon.com*, 2018-1433 (Fed. Cir. 1/9/2019).]

We recognize that *SAS* did not displace the Board’s responsibility to comply with due process. We have explained that due process dictates that parties before the Board must receive adequate notice of the issues the Board will decide as well as an opportunity to be heard on those issues. See *Genzyme Therapeutic Prods. Ltd. P’ship v. Biomarin Pharm. Inc.*, 825 F.3d 1360, 1367–68 (Fed. Cir. 2016). No due process violation occurred here. As AC admits, after the Board decided to accept Amazon’s rehearing request and consider Ground 3, it permitted AC to take discovery and submit additional briefing and evidence on that ground. Though AC did not receive a hearing specific to Ground 3, it never requested one. Had AC desired a hearing, it should have made a request before the Board. See, e.g., *Intellectual Ventures II LLC v. Ericsson Inc.*, 686 F. App’x 900, 905–06 (Fed. Cir. 2017) (finding no due process violation where party had notice and an opportunity to be heard and failed to request sur-reply or rehearing to address issue). [*AC Technologies S.A. v. Amazon.com*, 2018-1433 (Fed. Cir. 1/9/2019).]