

RECENT DEVELOPMENTS IN PATENT LAW (Spring 2022)

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PATENTABLE SUBJECT MATTER

Software and Business Method Cases

Unpatentable

Universal Secure Registry LLC v. Apple Inc., 10 F.4th 1342 (Fed. Cir. Aug 26, 2021)

In this appeal from the District of Delaware, the Federal Circuit affirmed a finding of invalidity for lack of novelty for patents relating to securing electronic payment transactions.³ A magistrate judge originally determined that the patents were directed to a non-abstract idea, because “the plain focus of the claims is on an improvement to computer functionality itself, not on economic or other tasks for which a computer is used in its ordinary capacity.”⁴ The district court disagreed, holding that steps one and two of *Alice* disqualified the patents, as the invention was directed to the abstract idea of secure verification of identity and that no inventive concept was disclosed.⁵

The Federal Circuit affirmed the district court ruling for each step for each of the four patents in suit. First, for the ‘539 patent on step one of *Alice*, the Federal Circuit held that the claims at issue were not materially different from the claims at issue in *Prism Technologies LLC v. T-Mobile USA, Inc.*⁶, and that they “‘simply recite conventional actions in a generic way’ (e.g., receiving a transaction request, verifying the identity of a customer and merchant, allowing a transaction) and ‘do not purport to improve any underlying technology.’”⁷ The Court distinguished *Ancora Technologies, Inc. v. HTC America, Inc.*⁸ on the grounds that *Ancora* identified an unexpected way to address a software vulnerability, whereas the inventions in this case used a “combination of conventional components in a conventional way to achieve an expected result.”⁹

On step two of *Alice*, the court held that time-varying codes and sending data to a third party didn’t rise to the level of an inventive concept, noting that

³ *Universal Secure Registry LLC v. Apple Inc.*, 10 F.4th 1342 (Fed. Cir. 2021).

⁴ *Id.* at 1345.

⁵ *Id.*

⁶ 696 Fed.Appx. 1014 (Fed. Cir. 2017).

⁷ *Universal Secure Registry LLC v. Apple Inc.*, 10 F.4th 1342, 1349 (Fed. Cir. 2021).

⁸ 908 F.3d 1343 (Fed. Cir. 2018).

⁹ *Id.* at 1350.

identifying codes is longstanding (e.g. RSA), while sending data to a third party is an abstract idea itself and thus unable to serve as an inventive concept.¹⁰

For the '813, '826, and '137 patents, the Court held that the patent was directed to "the abstract idea of collecting and examining data to enable authentication," with no description of a specific technological solution.¹¹ For step two of *Alice*, the Court noted this method was a combination of conventional authentication techniques with expected results, thereby not arising to the level of an inventive concept. While USR combined multiple security features (biometric sensors, a separate security key, and signals to ensure authentication), the court noted there was no factual basis "that the combination of these conventional authentication techniques results in an unexpected improvement beyond the expected sum of the security benefits."¹² Thus, all claims in each of the patents were invalid under *Alice*.

***PersonalWeb Technologies LLC v. Google LLC*, 8 F.4th 1310 (Fed. Cir. Aug. 12, 2021)**

This case has made its way through the courts for some time – it started with a suit in the Eastern District of Texas, was transferred to the Northern District of California, was stayed pending six IPRs, which found claims in three patents relating to algorithmically generated content-based identifiers unpatentable for obviousness.¹³ The Federal Circuit originally affirmed in part, vacated in part, and remanded.¹⁴ The PTAB again found claims unpatentable, the Federal Circuit reversed on the grounds that certain prior art was not inherently disclosed.¹⁵ The Northern District of California trial then resumed, where the judge granted a judgment on the pleadings finding invalidity under 101, which was then appealed, resulting in this case.¹⁶ The Federal Circuit affirmed and held that the claims were ineligible for patenting for lack of subject matter eligibility.¹⁷

The process at issue is a three-step process: divide the data into bit sequences, calculate content-based identifiers, compare the identifiers to other identifiers in the network, and use that to identify users and authorize access.¹⁸ The court held that this process was directed to an abstract idea – they are mental

¹⁰ *Id.*

¹¹ *Id.* at 1352.

¹² *Id.* at 1355.

¹³ *PersonalWeb Technologies LLC v. Google LLC*, 8 F.4th 1310, 1313 (Fed. Cir. 2021).

¹⁴ *Id.*

¹⁵ *Id.* at 1314.

¹⁶ *Id.*

¹⁷ *Id.* at 1319.

¹⁸ *Id.* at 1315.

processes that could have been performed in the human mind or pencil and paper.¹⁹ Moving to step two of *Alice*, the Court held that there was no inventive concept – the technology at issue used a generic hash function without any novel subject matter.²⁰ As such, the technology was abstract under 101, the claims were ineligible, and the Court affirmed the finding of invalidity.²¹

***Yu v. Apple Inc*, 1 F.5th 1040 (Fed. Cir. June 11, 2021)**

In this appeal from a dismissal in the Northern District of California, the Federal Circuit affirmed a finding of ineligibility for a patent on a digital camera that used multiple lenses and combined the resulting images to enhance picture quality.²² The Court noted that photographers have been using cameras to enhance each other for centuries.²³ In step one of *Alice*, they found that the key claim was directed to the abstract idea of taking two photos and using one to enhance the other.²⁴ Yu argued that this was a patent eligible application, being a tangible device, but the Court noted that only conventional camera components are used, performing their basic function.²⁵ Yu also argued that the particular configuration was an advance, but the Court found that the claims claimed only the broad law underneath them.²⁶ In step two, the Court held that the claim was recited at a high level of generality, and that the claimed configuration did not add enough substance to the underlying and well-known idea of enhancement.²⁷ Judge Newman issued a lengthy dissent noting that this case would be better dealt with under 103 and arguing that the majority had substantially enlarged Section 101 against the weight of statute and precedent.²⁸

¹⁹ *Id.* at 131.

²⁰ *Id.* at 1318-19.

²¹ *Id.* at 1319.

²² *Yu v. Apple Inc*, 1 F.5th 1040 (Fed. Cir. 2021).

²³ *Id.* at 1042.

²⁴ *Id.* at 1043.

²⁵ *Id.* at 1044.

²⁶ *Id.*

²⁷ *Id.* at 1045.

²⁸ *Id.* at 1046-50.

Patentable

CosmoKey Solutions GmbH & Co. K v. Duo Security LLC, 2021 WL 4515270 (Fed. Cir. Oct 4, 2021)

In this appeal from the District of Delaware, the Federal Circuit reversed a district court finding that the asserted claims were invalid for failing to provide an inventive concept.²⁹ CosmoKey owns the '903 patent, a method patent for authenticating the identity of a user performing a transaction at a terminal.³⁰ The idea behind the invention is to have the authentication function be normally inactive, and only activated by the user for the transaction, and when the channel communicates that the authentication is active, to deactivate the authentication function, thereby using time of authentication as a second security method.³¹ CosmoKey sued Duo for infringement, and Duo moved for judgment on the pleadings arguing that the claims were directed to the abstract idea of authentication.³² The lower court agreed that the claims were directed to the abstract idea of authentication, and analogizing to *Prism*, a case where claims were held invalid for being directed to providing restricted access to resources.³³ At step two of *Alice*, the court held that it merely taught generic computer functionality.³⁴

The Federal Circuit distinguished *Universal Secure Registry v. Apple* and *Prism* because, it asserted, neither of those cases departed from earlier approaches and improved computer technology.³⁵ In *Alice* step one, the Court held that the claimed advance's focus is the activation of the authentication function, communication of it, and automatic deactivation, raising the question of whether this is abstract.³⁶ However, the Court doesn't reach that question because it resolves this case under *Alice* step two – the Court held that the '903 patent discloses a technical solution by having the authentication device check if a predetermined time relation exists between the transmission of the user identification and a response, ensuring that the function is normally inactive, ensuring that the response encodes information that the authentication function is active, and then deactivating it.³⁷ The Court held that none of these are

²⁹ *CosmoKey Solutions GmbH & Co. K v. Duo Security LLC*, 2021 WL 4515270 (Fed. Cir. Oct 4, 2021). Full disclosure: Lemley represented Duo Security in this appeal.

³⁰ *Id.* at *1.

³¹ *Id.*

³² *Id.* at *2.

³³ *Id.* at *3.

³⁴ *Id.*

³⁵ *Id.* at *4.

³⁶ *Id.*

³⁷ *Id.* at *5-6.

conventional steps (despite its contrary holding in *Universal Secure*), and that they are a technical improvement over conventional authentication methods because less user interaction and resources are required.³⁸

Duo argues that a second communication channel in a timing mechanism and authentication function that is normally inactive is inherently abstract.³⁹ The Court disagreed and distinguished *ChargePoint*, holding that here the limitations are more specific, recite an improved method for overcoming hacking, and explains the features to show how it improves network security.⁴⁰

Judge Reyna concurred under *Alice* step one, and criticized the majority for skipping step one. Ultimately he concluded that the question of whether the claim was directed to an abstract idea at step one is resolved using much the same evidence as the used at step two.⁴¹

³⁸ *Id.*

³⁹ *Id.* at *6.

⁴⁰ *Id.*

⁴¹ *Id.* at *7-8.

DISCLOSURE

Definiteness

Nature Simulation Systems, Inc. v. Autodesk, Inc., 23 F.4th 1334 (Fed. Cir. Jan. 27, 2022)

In this appeal from the Northern District of California, the Federal Circuit reversed a finding of invalidity for indefiniteness, holding that the lower court erroneously applied an overly stringent standard of “unanswered questions.”⁴²

Nature Simulation Systems’s ‘961 and ‘105 patents are directed to packaging computational data for 3D objects.⁴³ At issue were two terms: “searching neighboring triangles of the last triangle pair that holds the last intersection point” and “modified Watson method.”⁴⁴ Autodesk had requested construction of these terms, and NSS had claimed they do not require construction and instead should be given their ordinary meaning.⁴⁵ The district court ruled, after a *Markman* hearing, that the terms were indefinite as there were “unanswered questions” about the term, stating that when the PTO issues a patent after amendment to clarify a term, but a PHOSITA would not understand the term, the Court should look to whether the challenger could point to unanswered questions.⁴⁶ For the first term, Autodesk and the Court pointed to a lack of clarity as to whether searching requires a repeated search or just one, what a “last triangle pair” and “last intersection point” were, and that it was sometimes impossible to “extend an intersection line.”⁴⁷ The Court pointed to similar flaws in the modified Watson method term, and held that definiteness required the questions to be answered in the claim language alone, in response to NSS’s claim that the questions were answered in the specification.⁴⁸

The Federal Circuit reversed.⁴⁹ The Court noted that patent claims must be interpreted in light of the specification and held that the district court had failed to do the standard intrinsic/extrinsic evidence analysis.⁵⁰ Applying said analysis, the Court noted multiple places in the specification that describe the decomposition and intersection method, and pointed to the challenger’s expert

⁴² *Nature Simulation Sys., Inc. v. Autodesk, Inc.*, 23 F.4th 1334 (Fed. Cir. 2022)

⁴³ *Id.* at 1337.

⁴⁴ *Id.* at 1338.

⁴⁵ *Id.* at 1337-38.

⁴⁶ *Id.* at 1338.

⁴⁷ *Id.* at 1340.

⁴⁸ *Id.*

⁴⁹ *Id.* at 1344.

⁵⁰ *Id.* at 1340.

stating their familiarity with the Watson method.⁵¹ The Court then went to the prosecution history, where the examiner had originally rejected for indefiniteness and withdrew after an amendment that added some of the challenged language.⁵² The Court held that the district court erred by not giving deference to the examiner's finding of definiteness, especially when they requested the language to be added in the first place.⁵³

Judge Dyk dissented, objecting both to the characterization of the district court opinion (noting that it included analysis of the specification), and to the holding of definiteness.⁵⁴ He noted that the term "modified Watson method" does not and did not have an ordinary meaning in the art, and that the claim language includes ambiguous limitations not defined in the specification nor addressed by the majority.⁵⁵ On the issue of deference, he argued that despite the examiner's consideration, there was not a reasonable basis for the test of informing a PHOSITA with reasonable certainty being met, given the lack of explanation of the challenged terms.⁵⁶

***Niazi Licensing Corp. v. St. Jude Medical S.C., Inc.*, 30 F. 4th 1339 (Fed. Cir. Apr. 11, 2022)**

On this appeal from the District of Minnesota, the Federal Circuit reversed the lower court's finding of indefiniteness.⁵⁷ The '268 patent recites an "outer, resilient catheter" and an "inner, pliable catheter," and the lower court found that the terms resilient and pliable were indefinite.⁵⁸ The Federal Circuit disagreed, and after a lengthy recitation of past examples, held that resilience was given reasonable certainty by the claim language itself ("shape memory" and "sufficient stiffness"), while dependent claims provided examples.⁵⁹ The Court also noted guidance in the written description about the design and materials, and that there was "torque control and stiffness."⁶⁰ For "pliable," the Federal Circuit noted that while the claim language did not provide guidance, the written description gave examples, and that it was "extremely flexible and

⁵¹ *Id.* at 1340-41.

⁵² *Id.* at 1342.

⁵³ *Id.* at 1343.

⁵⁴ *Id.* at 1344.

⁵⁵ *Id.*

⁵⁶ *Id.* at 1345.

⁵⁷ *Niazi Licensing Corp. v. St. Jude Medical S.C., Inc.*, 30 F. 4th 1339 (Fed. Cir. 2022)

⁵⁸ *Id.* at 1343-44.

⁵⁹ *Id.* at 1349.

⁶⁰ *Id.*

able to conform to various shapes.”⁶¹ The Court broadly held that each term was not purely subjective, and provided sufficient guidance to PHOSITAs, and that extrinsic evidence in the form of dictionary definitions comported with this.⁶² While one sentence in the specification stated that both the inner and outer catheters have a “predetermined shape and a certain degree of stiffness to maintain such shape during manipulation in the heart,” the Court dismissed this argument, noting that while both must be flexible, the patent overall made clear that the degree of stiffness for each was different between the two.⁶³

Means-Plus-Function Claiming – Definiteness

Dyfan, LLC v. Target Corp., 28 F.4th 1360 (Fed. Cir. Mar. 24, 2022)

On this appeal from the Western District of Texas, the Federal Circuit held that disputed claim language was not drafted in means-plus-function format and reversed the district court's finding of invalidity on that ground.⁶⁴ Two pieces of claim language were disputed: “said code, when executed, further configured to [list of things the code does]” and “wherein the system is configured such that [list of system configurations].”⁶⁵ For each limitation, the Court started by noting that the word “means” was not present so there was a presumption that 112 ¶ 6 did not apply.⁶⁶ For the “code” limitation, the Court held that the lower court erred by ignoring unrebutted testimony from the defendant’s own expert that “code” and the similarly situated “application” were understood as structures to people of ordinary skill in the art (“a bunch of software instructions” and “a computer program intended to provide some service to a user,” respectively).⁶⁷ The Federal Circuit referenced its decision in *Zeroclick*, where it held that “program” and “user interface code” were not black box recitations subject to 112 ¶ 6.⁶⁸ It continued to describe that software is in many ways special: code is partly defined by its function, so courts must look beyond the initial term to see if a person of ordinary skill would understand the claim limitation as a whole to sufficiently describe a definite structure.⁶⁹ For both limitations present here, there

⁶¹ *Id.*

⁶² *Id.* at 1350.

⁶³ *Id.*

⁶⁴ *Dyfan, LLC v. Target Corp.*, 28 F.4th 1360 (Fed. Cir. 2022)

⁶⁵ *Id.* at 1363.

⁶⁶ *Id.* at 1365.

⁶⁷ *Id.* at 1367-68.

⁶⁸ *Id.* at 1368.

⁶⁹ *Id.*

were descriptions of operations and enough functional language that a PHOSITA would understand the terms to connote structure.⁷⁰ These cases are pretty clearly inconsistent with the Federal Circuit's en banc decision in *Williamson v. Citrix*, which held that "nonce words" like "mechanism" can't satisfy the structure requirement.

On the "systems" limitation, the Federal Circuit recognized that "system" in a vacuum can be a nonce word, but held that here the claim language itself defined the system to include sufficient structure to be definite.⁷¹ While Target argued that the claims failed to specify which components performed which functions, so the components were treated as a black box, the Court held that the language at issue referenced specific functions attributable to specific buildings, communication units, a mobile device, and a server.⁷² While noting the language was not a "model[] of clarity," the Court reminded litigants and the lower court that the onus is on the defendant to prove indefiniteness, and held that this burden was unmet.⁷³

***VDPP LLC v. Vizio, Inc.*, 2022 WL 885771 (Fed. Cir. Mar. 25, 2022)**

In this appeal from the Central District of California, the Federal Circuit reversed the district court's finding of invalidity for indefiniteness, holding that the disputed language was not a means-plus-function limitation.⁷⁴ The claim language at issue read "a storage adapted to: store one or more image frames; and a processor adapted to: [perform functions]."⁷⁵ The lower court had held that storage and processor were nonce words, but the Federal Circuit held that they had paid inadequate attention to the presumption against 112(f) when the word "means" is absent.⁷⁶ The Court continued to note that "processor" and "storage" are well-known terms to skilled artisans, rather than mere black boxes.⁷⁷ The Court rejected Vizio's argument that processor and storage inherently connoted function, noting that many devices (e.g. filter) are functionally named, and that *Dyfan* precluded this argument.⁷⁸ Once again, the Federal Circuit urged lower courts to consider the claim as a whole when applying 112(f).⁷⁹ But as in *Dyfan*,

⁷⁰ *Id.* at 1369.

⁷¹ *Id.* at 1370.

⁷² *Id.* at 1370-71.

⁷³ *Id.* at 1371.

⁷⁴ *VDPP LLC v. Vizio, Inc.*, 2022 WL 885771 (Fed. Cir. Mar. 25, 2022)

⁷⁵ *Id.* at *1.

⁷⁶ *Id.* at *2.

⁷⁷ *Id.* at *3.

⁷⁸ *Id.* at *4.

⁷⁹ *Id.*

the court actually looked to the specification, *not* the claims, in making its structure determination.

Written Description

***Juno Therapeutics, Inc. v. Kite Pharma, Inc.*, 10 F.4th 1330 (Fed. Cir. Aug. 26, 2021)**

In this appeal from the Central District of California, the Federal Circuit reversed a jury finding that a patent for nucleic acids encoding chimeric T cell receptors was not invalid for lack of written description.⁸⁰ The Court held that for the claimed functional single-chain antibody-variable fragment (scFv) genus, the '190 patent failed to disclose "representative species or common structural features to allow a person of ordinary skill in the art to distinguish between scFvs that achieve the claimed function and those that do not."⁸¹ The '190 patent disclosed two examples of scFvs, without disclosing the amino acid sequence of either.⁸² Potentially quadrillions of candidates exist for scFvs that bind to the target.⁸³ The Court noted that the amino acid sequences not being disclosed would not have been fatal if the patent had "provided other means of identifying which scFvs would bind to which targets, such as common structural characteristics or shared traits."⁸⁴ The court discounted Juno's argument that scFvs in general were known and were not the point of novelty of the invention, as the specification still needed to demonstrate possession of the claimed invention (all scFvs that bind to a selected target).⁸⁵

***Indivior UK Ltd. v. Dr. Reddy's Laboratories S.A.*, 18 F.4th 1323 (Fed. Cir. Nov. 24, 2021)**

In this appeal from the PTAB, the Federal Circuit affirmed the Board's decision that claims 1-5, 7, and 9-14 of Indivior's '454 patent were unpatentable as anticipated, but that DRL had failed to demonstrate that claim 8 was anticipated.⁸⁶ The issue was whether or not the claims had written support in the

⁸⁰ *Juno Therapeutics, Inc. v. Kite Pharma, Inc.*, 10 F.4th 1330 (Fed. Cir. 2021).

⁸¹ *Id.* at 1342.

⁸² *Id.* at 1333.

⁸³ *Id.* at 1336.

⁸⁴ *Id.* at 1337.

⁸⁵ *Id.* at 1337-38.

⁸⁶ *Indivior UK Ltd. v. Dr. Reddy's Lab'ys S.A.*, 18 F.4th 1323 (Fed. Cir. 2021)

'571 application (dated to 2009), or if their priority date was after a piece of prior art from 2011.⁸⁷ Polymer weight percentage limitations were added to the application via amendment: claim 1 recited a 40-60% limitation on the weight of the polymer, claim 7 and 12 recited an about 48.2-58.6% limitation, and claim 8 recited an 48.2% limitation, rather than a range.⁸⁸ The PTAB had found that the '571 application included tables from which the 48.2% limitation could be calculated by a person of ordinary skill in the art, while the other claims were not discussed in the application, and that a person could be lead away from them by language stating that the film could contain any desired level of polymer.⁸⁹ Thus, claim 8 had written description support, while the other claims did not and were invalidated.⁹⁰ On appeal, the Court noted that neither table described the claimed ranges, and that while specific examples were within that range, there was no boundary set within the tables or the application.⁹¹ The Federal Circuit held that Indivior had failed to provide persuasive evidence demonstrating that a person of ordinary skill would understand from reading the application that the range should be limited to any of the ranges in the eventual patent.⁹² The Court noted that written description is a fact-based inquiry, and there is no general rule for range comparisons, so requiring a closed range rather than discrete values was appropriate.⁹³ Meanwhile, the Court held that the 48.2% limitation in claim 8 was permissible, in deference to the PTAB's fact-finding, and because it did not cite a range but only a specific amount which was more definite.⁹⁴

Judge Linn concurred as to claim 8 but dissented on the other claims.⁹⁵ He would have followed *Nalpropion* and permitted the disclosure of only discrete values to be sufficient written description for a later articulated range.⁹⁶ Judge Linn especially criticized the majority's treatment of claims 7 and 12 (which cited the 48.2-58.6% limitation), noting that it was not arbitrary but represented the lower and upper bound of the sum of the polymer percentages disclosed in the tables.⁹⁷

⁸⁷ *Id.* at 1325.

⁸⁸ *Id.* at 1325-26.

⁸⁹ *Id.* at 1326.

⁹⁰ *Id.*

⁹¹ *Id.* at 1327-29.

⁹² *Id.* at 1329.

⁹³ *Id.* at 1329-30.

⁹⁴ *Id.* at 1330.

⁹⁵ *Id.* at 1331.

⁹⁶ *Id.* at 1332.

⁹⁷ *Id.*

***Biogen International GMBH v. Mylan Pharmaceuticals Inc.*, 18 F.4th 1333 (Fed. Cir. Nov. 30, 2021)**

In this appeal from the Northern District of West Virginia, the Federal Circuit affirmed the district court's finding that the asserted patent claims were invalid for lack of written description.⁹⁸ Biogen's '514 patent claims priority to a '921 application.⁹⁹ The question before the court was if the original specification described possession of using 480 mg of DMF to treat multiple sclerosis.¹⁰⁰ The sole paragraph in the application's specification that discusses dosage levels for DMF monotherapy cites "200 mg to about 800 mg per day (e.g., from about 240 mg to about 720 mg per day; or from about 480 mg to about 720 mg per day; or about 720 mg per day)" as the appropriate dose.¹⁰¹ The Federal Circuit held that this was inadequate, as unlike a 720 mg dose, a 480 mg dose was never identified as a specifically effective dose but only as one end of a range, and insufficient blaze marks were provided.¹⁰² In response to Biogen's argument that an artisan would be drawn to 480 as an anchor, the Court noted that this would apply equally to a 240 mg dose, which is known to be ineffective, so it was unlikely that Biogen at the time of the '921 application possessed the invention.¹⁰³ Lastly, the Federal Circuit deferred to the district court's assessment of Biogen's expert as lacking credibility on the anchoring claim, due to prior inconsistent statements.¹⁰⁴ In response to the dissent's claim that the Court improperly conflated therapeutic effects and clinical efficacy, the Court held that this was a factual question and deferred to the district court.¹⁰⁵ The Court also noted that the specification's definition of "therapeutically effective dose" features both clinical and therapeutic components, and that there was evidence in the record for their interpretation, so held that the lower court's ruling was not clearly erroneous.¹⁰⁶

Judge O'Malley dissented, noting that both parties agreed that the district court had erred in finding that Biogen was judicially estopped from drawing a distinction between clinical and therapeutic effects.¹⁰⁷ Where the majority and Mylan claimed this error was harmless, Judge O'Malley believed it pervaded the entire discussion of the written description, as it led the court to require clinical

⁹⁸ *Biogen Int'l GMBH v. Mylan Pharm. Inc.*, 18 F.4th 1333 (Fed. Cir. 2021)

⁹⁹ *Id.* at 1337.

¹⁰⁰ *Id.*

¹⁰¹ *Id.* at 1338.

¹⁰² *Id.* at 1343.

¹⁰³ *Id.* at 1344.

¹⁰⁴ *Id.* at 1344-45.

¹⁰⁵ *Id.* at 1345.

¹⁰⁶ *Id.*

¹⁰⁷ *Id.* at 1346.

data rather than therapeutic effects.¹⁰⁸ She would have remanded for reconsideration with the understanding that the patent is not about clinical efficacy.¹⁰⁹

Biogen petitioned for rehearing en banc, which was denied.¹¹⁰ Judge Lourie, joined by Chief Judge Moore and Judge Newman, dissented from the denial of the petition.¹¹¹ The dissent argued that the panel majority and the district court made four errors: overly emphasizing unclaimed disclosures in the specification, requiring that the specification prove efficacy, importing legal factors from other areas of patent law, and improperly being influenced by extrinsic evidence.¹¹² For the first error, Judge Lourie believes the district court was incorrect in comparing how frequently 480 mg was disclosed compared to other numbers, as any other numbers disclosed were merely overdisclosure, and had no bearing on if 480 mg was disclosed.¹¹³ He would have distinguished the blaze marks analysis as only apposite when the specification failed to disclose a claimed species.¹¹⁴ Next, Judge Lourie faulted the district court and the panel majority for requiring that the specification prove efficacy beyond its explicit statement that 480 mg per day is an effective amount, viewing this as the incorrect standard.¹¹⁵ This bled into the next error Judge Lourie saw, which was the importation of improper factors from enablement, inventorship, and best mode, thereby muddying the written description standard.¹¹⁶ Lastly, the dissent saw the panel's focus on the extrinsic evidence of Biogen's clinical trials as erroneous, and having no bearing on whether disclosure was adequate.¹¹⁷

¹⁰⁸ *Id.*

¹⁰⁹ *Id.*

¹¹⁰ 28 F.4th 1194 (Mem) (Fed. Cir. 2022).

¹¹¹ *Id.* at 1195.

¹¹² *Id.* at 1198.

¹¹³ *Id.*

¹¹⁴ *Id.* at 1199.

¹¹⁵ *Id.* at 1200.

¹¹⁶ *Id.* at 1201.

¹¹⁷ *Id.* at 1202.

INVENTORSHIP

Thaler v. Hirshfeld, 2021 WL 3934803 (E.D. Va. Sept. 2, 2021)

In this summary judgement decision, the Eastern District of Virginia held that an artificial intelligence machine may not be an inventor under the Patent Act.¹¹⁸ Stephen Thaler filed two patent applications, identifying the inventor's given name as DABUS (an AI Thaler claims to own) and the family name as "invention generated by Artificial Intelligence."¹¹⁹ The application also included a substitute statement in lieu of the oath required of patentees indicating that DABUS had no legal capability to execute an oath, so Thaler signed a declaration on its behalf.¹²⁰ The Patent Office refused to process the applications so Thaler brought this case under the Administrative Procedure Act.¹²¹

The Court noted that the PTO is entitled to *Skidmore* deference as it had carefully considered the law.¹²² Continuing to statutory construction, the Court held that the plain language definition of "inventor" in the Patent act referenced "individuals," and that individuals had been previously construed by the Supreme Court in the Torture Victim Protection Act to refer to "natural persons."¹²³ The Court further noted that the plain meaning of individual means a person, and cited several dictionaries.¹²⁴ This conclusion was further buttressed by the statement in the act that an inventor must include a statement that "such individual believes himself or herself to be the original inventor," which indicate natural personhood via personal pronoun use, and Federal Circuit precedent that inventors must be natural persons.¹²⁵

The plaintiff relied on policy considerations and the idea that the Constitution must protect innovation.¹²⁶ The Court rejected this argument as insufficient to overcome that statutory plain language and noted the PTO's ongoing studies of AI and innovation as evidence that the PTO had seriously considered the issue.¹²⁷

¹¹⁸ *Thaler v. Hirshfeld*, 2021 WL 3934803 (E.D. Va. Sept. 2, 2021)

¹¹⁹ *Id.* at *2.

¹²⁰ *Id.*

¹²¹ *Id.* at *1.

¹²² *Id.* at *4.

¹²³ *Id.* at *4-5 (citing *Mohamad v. Palestinian Auth.*, 566 U.S. 449, 453-54 (2012)).

¹²⁴ *Id.* at *5-6.

¹²⁵ *Id.* at *6 (citing *Univ. of Utah v. Max-Planck-Gesellschaft*, 734 F.3d 1315, 1323 (Fed. Cir. 2013)).

¹²⁶ *Id.* at *7.

¹²⁷ *Id.* at *7-8.

OBVIOUSNESS

Teva Pharmaceuticals International GmbH v. Eli Lilly and Company, 8 F.4th 1349 (Fed. Cir. Aug. 16, 2021)

In this appeal from an IPR, the Federal Circuit affirmed a finding of obviousness for Teva's patents relating to humanized antagonist antibodies that target calcitonin gene-related peptide (CGRP).¹²⁸ Eli Lilly asserted obviousness over three prior art references: Tan, a study using rats and an anti-CGRP monoclonal antibody for immunoblockade, Wimalawansa, a review article that describes CGRP, its history, and potential, and Queen, which discloses a method of humanizing antibodies.¹²⁹ The PTAB found that each individual claim was taught by the prior art, that there was motivation to combine, and found that anti-CGRP antagonist antibodies were well known and that the field encouraged the development of humanized antibodies, and rejected Teva's argument that Eli Lilly must have shown a reasonable likelihood of efficacy and safety in humans since the claims didn't recite safety or efficacy limitations.¹³⁰ The Federal Circuit affirmed on all counts.¹³¹

Teva raised three challenges: that the PTAB deviated from the motivation asserted by Eli Lilly in its motivation to combine analysis, that there was not substantial evidence for the PTAB's finding on motivation to combine, and that the PTAB erred in its analysis of secondary characteristics of non-obviousness.¹³² The Federal Circuit rejected the first argument, which argued that Eli Lilly must have proven that a skilled artisan would have expected a safe and effective treatment, by noting that the weight of the evidence indicated that safety and efficacy concerns would not be sufficient to discourage a skilled artisan from pursuing the invention.¹³³ The Federal Circuit rejected the second argument as relying on parsing grammatical interpretation of the prior art, which is a fact question that they defer to the PTAB on.¹³⁴

Third, the Federal Circuit rejected Teva's secondary considerations of non-obvious evidence (the acclaim and success of AJOVY and Emgality, as well as a license Teva gave to a competitor).¹³⁵ The Court did find that the PTAB had misapplied the standard for the presumption of nexus. The PTAB had held that

¹²⁸ *Teva Pharmaceuticals International GmbH v. Eli Lilly and Company*, 8 F.4th 1349 (Fed. Cir. 2021).

¹²⁹ *Id.* at 1354.

¹³⁰ *Id.* at 1355.

¹³¹ *Id.* at 1364.

¹³² *Id.* at 1357.

¹³³ *Id.* at 1358.

¹³⁴ *Id.* at 1358-59.

¹³⁵ *Id.* at 1360-64.

a challenger need only show material impact of an unclaimed feature to defeat nexus, the Federal Circuit held that an unclaimed feature must be critical and claimed by a different patent and materially impact the product's functionality to defeat the presumption of nexus.¹³⁶ However, unfortunately for Teva, the unclaimed features here were very important and critically affected binding affinity, so the presumption of nexus was properly rebutted.¹³⁷ Lastly, the Court rejected Teva's argument that because it had licensed the technology out it demonstrated validity, on the grounds that Teva had not shown the motivation of the licensee was related to validity and that the nexus here was significantly attenuated.¹³⁸ The Court therefore affirmed the PTAB's finding of obviousness.¹³⁹

***Chemours Company FC, LLC v. Daikin Industries, Ltd.*, 4 F.4th 1370 (Fed Cir. July 22, 2021)**

In this appeal from an IPR, the Federal Circuit reversed, finding that the PTAB erred in requiring evidence of market share to establish commercial success and that separate disclosure of individual limitations in prior art did not negate a nexus between the invention and commercial success.¹⁴⁰ Chemours's '609 patent relates to a polymer especially suitable for insulating wires because of its high (30+/-3 g/10 min) specific melt flow rate range.¹⁴¹ The PTAB found the invention to be obvious over a Kaulbach reference that disclosed a melt flow rate of 24g/10 min and noted this was especially suitable for wire insulation.¹⁴² The Federal Circuit disagreed, noting that Kaulbach disclosed reasons a lower molecular weight was beneficial, indicating there was no reason a skilled artisan would seek to increase the melt flow rate.¹⁴³ The Federal Circuit also criticized the PTAB's analysis of objective indicia of nonobviousness--the PTAB combined the Kaulbach reference and some other prior art that disclosed a higher melt flow rate, but the Federal Circuit noted that "separate disclosure of individual limitations, where the invention is a unique combination of three interdependent properties, does not negate a nexus."¹⁴⁴ The PTAB also required Chemours to prove market share, whereas Chemours and the Federal Circuit thought that

¹³⁶ *Id.* at 1361.

¹³⁷ *Id.* at 1361-62.

¹³⁸ *Id.* at 1363-64.

¹³⁹ *Id.* at 1364.

¹⁴⁰ *Chemours Company FC, LLC v. Daikin Industries, Ltd.*, 4 F.4th 1370 (Fed. Cir. 2021).

¹⁴¹ *Id.* at 1373.

¹⁴² *Id.* at 1375.

¹⁴³ *Id.* at 1376-77.

¹⁴⁴ *Id.* at 1378.

sales data was sufficient.¹⁴⁵ Given the PTAB lacked sufficient evidence for both the primary and secondary characteristics of non-obviousness, the Federal Circuit reversed and held that the patent was non-obvious over the prior art.¹⁴⁶

Judge Dyk concurred as to the issue of secondary characteristics, but dissented as to the conclusion that Kaulbach taught away from the invention, emphasizing evidence that Kaulbach noted that a broad molecular weight distribution was feasible, but not preferred.¹⁴⁷

***Campbell Soup Company v. Gamon Plus, Inc.*, 10 F.4th 1268 (Fed. Cir. Aug. 19, 2021)**

In this appeal from a design patent IPR, the Federal Circuit reversed and held that an ornamental design for a soup can dispenser was obvious over the prior art.¹⁴⁸ Gamon owned design patents relating to gravity dispensers, which Campbell used to sell more cans – when Campbell switched dispenser suppliers, Gamon sued for design patent infringement.¹⁴⁹ Campbell and its new supplier petitioned for an IPR, claiming obviousness an earlier design patent (Linz).¹⁵⁰ The PTAB ruled that they had failed to prove unpatentability as the Linz patent was not similar enough to serve as a proper primary reference – this was appealed to the Federal Circuit, which vacated and remanded, finding the differences “ever-so-slight.”¹⁵¹ The PTAB again held that Campbell failed to prove unpatentability, prioritizing objective indicia of non-obviousness over the visual similarity, and presuming a nexus because the product was coextensive with the claims, which was appealed again to originate this case.¹⁵² The Federal Circuit reviewed de novo, and again found that Linz had the same overall visual appearance.¹⁵³ On the secondary considerations, the Federal Circuit found that there was not a nexus--where the PTAB had argued that the unclaimed features were ornamentally insignificant, the Federal Circuit extended the *Fox Factory* test to the design patent sphere, and held that non-ornamental features may still be enough to defeat coextensiveness.¹⁵⁴ The Court proceeded to hold that there was

¹⁴⁵ *Id.*

¹⁴⁶ *Id.* at 1379.

¹⁴⁷ *Id.*

¹⁴⁸ *Campbell Soup Company v. Gamon Plus, Inc.*, 10 F.4th 1268 (Fed. Cir. Aug. 19 2021).

¹⁴⁹ *Id.* at 1273.

¹⁵⁰ *Id.* at 1274.

¹⁵¹ *Id.*

¹⁵² *Id.* at 1274-75.

¹⁵³ *Id.* at 1275.

¹⁵⁴ *Id.* at 1276-77.

no nexus in fact, as the added features of the unique design elements were not specifically praised or key to commercial success.¹⁵⁵

***Adapt Pharma Operations Ltd. v. Teva Pharmaceuticals USA, Inc.*, --- F.4th ---, 2022 WL 402133 (Fed. Cir. Feb. 10, 2022)**

In this appeal from the District of New Jersey, the Federal Circuit affirmed a finding of invalidity for obviousness.¹⁵⁶ Adapt's patents in suit relate to methods of treating opioid overdoses via intranasal administration of naloxone, using a higher dose for an intranasal administration than was used for intramuscular applications.¹⁵⁷ Teva challenged the patent with two combinations of prior art references, each consisting of three unique references that independently taught higher doses, the spray applicator, and the other components used in the solution.¹⁵⁸ The district court found a motivation to combine, that the prior art did not teach away, and that the offered objective indicia of nonobviousness were not sufficient.¹⁵⁹

The Federal Circuit affirmed. First, on motivation to combine, the Court held that a skilled artisan would have been motivated to formulate an improved product, select the necessary components and delivery vehicle, and raise the dose.¹⁶⁰ Each step of this analysis had significant analysis in the factual record, including the prior art's analysis of how intranasal naloxone was superior, that the formulation of including pH-limiting, chelating, and preserving agents was normal when formulating an intranasal solution, and that the FDA had already said publicly that a higher dose may be necessary for intranasal application.¹⁶¹ While the Court noted that the expert did not expressly provide a reason to combine, the documentary evidence was sufficient for the majority given the known drawbacks, the teachings, and the guidance from the FDA.¹⁶²

Adapt argued that a reference which Teva did not rely upon taught away from using the specific preservative that Adapt used in its patent.¹⁶³ The Court disagreed, holding that a skilled artisan would not have been dissuaded from

¹⁵⁵ *Id.* at 1278-79.

¹⁵⁶ *Adapt Pharma Operations Ltd. v. Teva Pharmaceuticals USA, Inc.*, --- F.4th ---, 2022 WL 402133 (Fed. Cir. 2022).

¹⁵⁷ *Id.* at *1.

¹⁵⁸ *Id.* at *2-3.

¹⁵⁹ *Id.* at *4.

¹⁶⁰ *Id.* at *5.

¹⁶¹ *Id.* at *5-8.

¹⁶² *Id.* at *8.

¹⁶³ *Id.* at *9.

using the preservative, just from using it in high concentrations.¹⁶⁴ While the Court noted that the district court may have erred in not analyzing the teach away standard explicitly, the judgment itself was proper and it cited the relevant cases.¹⁶⁵

Lastly, on the objective indicia of nonobviousness, the Court held that district court's holding that the results were not particularly surprising was not clearly erroneous.¹⁶⁶ Next, the Court held that the district court did not err in discounting evidence of copying, as in the ANDA context this may just reflect desire to be approved.¹⁶⁷ The majority held that the patentee's expert's testimony that the industry was skeptical of the dose size because of the potential for withdrawal was not a sufficient concern to provide evidence of nonobviousness in light of the FDA's calls for higher doses.¹⁶⁸ Lastly, the Court held that although the district court erred in finding there was no long felt but unmet need for the product, the error was harmless because of the strong case of obviousness as a matter of law, given that the "long" need was only 3 years.¹⁶⁹ The majority concluded by noting that it was a close case and giving deference to the district court's ability to interrogate the factual record.¹⁷⁰

Judge Newman dissented, and would have held that there was no motivation to combine.¹⁷¹ She noted that neither the defendant's expert nor any reference pointed to combining the specific components and concentrations claimed in the patent, that the extent of improvement was striking, and that the prior art warned that the preservative used caused unacceptable degradation.¹⁷² She also noted the multiple attempts by other countries to create nasal delivery systems that were inadequate as a persuasive objective indicator of nonobviousness, and cited the significant lifesaving benefits in an area of public concern.¹⁷³

***Teva v. Corcept*, 18 F.4th 1377 (Fed. Cir. Dec. 7, 2021)**

In this appeal from the PTAB, the Federal Circuit affirmed a finding that Teva had failed to show obviousness of the claims.¹⁷⁴ Corcept engaged in a

¹⁶⁴ *Id.*

¹⁶⁵ *Id.* at *10.

¹⁶⁶ *Id.* at *11.

¹⁶⁷ *Id.* at *12.

¹⁶⁸ *Id.* at *13.

¹⁶⁹ *Id.* at *13-14.

¹⁷⁰ *Id.* at *14.

¹⁷¹ *Id.* at *15-19.

¹⁷² *Id.*

¹⁷³ *Id.* at *20-21.

¹⁷⁴ *Teva v. Corcept*, 18 F.4th 1377 (Fed. Cir. 2021)

clinical trial testing the use of mifepristone to treat hyperglycemia secondary to hypercortisolism in certain Cushing's patients, and the FDA approved it while requiring Corcept to engage in a drug-drug interaction clinical trial to examine what occurs with the coadministration of CYP3A4 inhibitors, fearing safety concerns.¹⁷⁵ The approved label warned against using the drug with strong CYP3A inhibitors, and advised limiting the dose to 300mg when doing so.¹⁷⁶ Upon the completion of the clinical trial, Corcept discovered that the coadministration had positive effects and filed for the '214 patent, which disclosed a 600mg dose and the use of a strong CYP3A inhibitor.¹⁷⁷

Teva argued that the PTAB erred in requiring precise predictability rather than a reasonable expectation of success to show that an invention was obvious to try, and that the Board improperly required it to show the specific dose was safe rather than permitting a range.¹⁷⁸ The Federal Circuit disagreed on both counts, holding that the Board only required a reasonable expectation of success around that specific dosage, which was crucial as it was the invention at stake.¹⁷⁹ Given the warning on the label and the prior art, the PTAB and the Federal Circuit went further to note there was *no* expectation of success at higher dosages.¹⁸⁰ Applying the standard for a claimed range of values, the Court agreed with the PTAB that the prior art did not have an overlap in ranges, as the prior art disclosed dosages of less than 300 mg.¹⁸¹

¹⁷⁵ *Id.* at 1370.

¹⁷⁶ *Id.*

¹⁷⁷ *Id.* at 1380.

¹⁷⁸ *Id.* at 1380-81.

¹⁷⁹ *Id.*

¹⁸⁰ *Id.*

¹⁸¹ *Id.* at 1381-83.

CLAIM CONSTRUCTION

***Seabed Geosolutions (US) Inc. v. Magseis FF LLC*, 8 F.4th 1285 (Fed. Cir. Aug 11, 2021)**

In this appeal from an IPR, the Federal Circuit vacated and remanded, holding that the PTAB's claim construction was erroneously narrow.¹⁸² Magseis's '268 patent is directed to seismometers for use in exploration, and recited a "geophone internally fixed within" either a housing or an internal compartment.¹⁸³ The PTAB construed "geophone internally fixed within the housing" to require a non-gimbaled geophone, relying entirely on extrinsic evidence to determine that fixed had a special meaning of not being gimbaled and therefore unable to rotate within the mechanism.¹⁸⁴ The Federal Circuit held that the PTAB erred in going to the extrinsic evidence, as the intrinsic evidence and the plain language of the claim was consistent with the specification, which was silent on gimbaling beyond a single drawing and instead used fixed to mean "attached."¹⁸⁵ When intrinsic evidence is clear, extrinsic evidence may not be used to overturn the meaning.¹⁸⁶

***Commscope Technologies LLC v. Dali Wireless Inc.*, 10 F.4th 1289 (Fed. Cir. Aug 24, 2021)**

In this appeal from the Northern District of Texas, the Federal Circuit reversed a jury finding of infringement after holding the claims were properly construed.¹⁸⁷ Dali's '521 patent is a wireless communication patent that prevents distortions to signals when using power amplification, with the key disputed term being "switching a controller off to disconnect signal representative of the output of the power amplifier," which the district court construed to mean "switching a controller to a nonoperating state to disconnect signal representative of the output of the power amplifier."¹⁸⁸ Dali had argued that the term needed no further construction, but the district court drew a distinction between when the controller is turned off and the effect on the system of the controller being turned

¹⁸² *Seabed Geosolutions (US) Inc. v. Magseis FF LLC*, 8 F.4th 1285 (Fed. Cir. 2021).

¹⁸³ *Id.* at 1287.

¹⁸⁴ *Id.*

¹⁸⁵ *Id.* at 1288-89.

¹⁸⁶ *Id.* at 1290.

¹⁸⁷ *Commscope Technologies LLC v. Dali Wireless Inc.*, 10 F.4th 1289 (Fed. Cir. 2021).

¹⁸⁸ *Id.* at 1291-93.

off.¹⁸⁹ Dali made an “opaque” challenge to this construction on appeal, arguing in a footnote that the idea that the controller must be turned off is nonsensical because something needs to turn the switch on, and that something is the controller.¹⁹⁰ After quickly noting that an argument made only in a footnote is forfeited, and that the argument was entirely underdeveloped, the Federal Circuit noted that this argument was irreconcilable with Dali’s statements elsewhere saying that claim construction was unchallenged and that the controller could place itself in a non-operating state.¹⁹¹ The Court went on to reverse the finding of infringement.¹⁹²

***Traxcell Technologies, LLC v. Nokia Solutions and Networks Oy*, 15 F.4th 1136 (Fed. Cir. Oct. 12, 2021)**

In this appeal from the Eastern District of Texas, the Federal Circuit affirmed the district court’s claim construction of the terms “a computer” and “first computer” to mean that the program must be run through a single computer.¹⁹³ Traxcell asserted three patents in the same family against Nokia relating to self-optimizing wireless network technology.¹⁹⁴ Throughout each patent, claims reference “a first computer” or “a computer” performing various functions (e.g. “locating a wireless device” and “being further programmed to receive an error code and selectively suggest a corrective action.”)¹⁹⁵ The district court had construed the terms to require a single computer to perform each function, and the Federal Circuit affirmed.¹⁹⁶

The Court reviewed the claim language, prosecution history, and specification *de novo*.¹⁹⁷ For the claim language, the Court held that the plain language of the claim reciting “the computer” or “said first computer” performing additional functions indicated that the individual computer must be tied to all those functions, especially given the claims recited the computer being “further programmed.”¹⁹⁸ The prosecution history supported this interpretation, as the patentee had distinguished a prior art reference in part because that

¹⁸⁹ *Id.* at 1295.

¹⁹⁰ *Id.* at 1295-96.

¹⁹¹ *Id.* at 1296.

¹⁹² *Id.* at 1300.

¹⁹³ *Traxcell Technologies, LLC v. Nokia Solutions and Networks Oy*, 15 F.4th 1136 (Fed. Cir. 2021)

¹⁹⁴ *Id.* at 1139.

¹⁹⁵ *Id.* at 1143.

¹⁹⁶ *Id.* at 1139.

¹⁹⁷ *Id.* at 1140.

¹⁹⁸ *Id.* at 1144.

reference used multiple computers.¹⁹⁹ The Court rejected Traxcell's argument that a narrower disclaimer would have been sufficient to overcome the reference on the grounds that a patentee is held to the actual arguments made.²⁰⁰ Lastly, the Court noted that the specification's figures include a single master server having all the necessary software and hardware, without an embodiment spreading the functions across multiple computers.²⁰¹ Traxcell attempted to argue that a person of ordinary skill would understand that "a computer" can include multiple computers, but the Court noted that it failed to provide any extrinsic evidence and even if it did the weight of the intrinsic evidence would trump it.²⁰² The Court proceeded to find that Traxcell had failed to raise a genuine factual dispute as to whether Nokia's product was run on a single computer, so affirmed a finding of summary of judgment for Nokia.²⁰³

***Astrazenca AB v. Mylan Pharmaceuticals Inc.*, 19 F.4th 1325 (Fed. Cir. Dec. 8, 2021)**

In this appeal from the Northern District of West Virginia, the Federal Circuit vacated the District Court's claim construction of "0.001%" and remanded, holding that rather than construing the term in its conventional significant figure manner, it should be construed to mean only that precise number with minor variations.²⁰⁴ The Court agreed with the lower court that the conventional meaning would be 0.0005%-0.0014%, relying on standard scientific convention and significant figures.²⁰⁵ However, the Court noted that the ordinary meaning in the abstract is not the same as the ordinary meaning after reading the entire patent, and held that as the written description and prosecution history place emphasis on the particular value of 0.001%'s stability, contrasted with slightly higher or lower concentrations, the proper claim construction was to narrow the range.²⁰⁶

From the specification the Court notes that the application favorably compares efficacy at 0.001% with 0.0005%, which would be odd if when they wrote 0.001% they meant 0.0005%.²⁰⁷ The Court held this indicated that slight

¹⁹⁹ *Id.*

²⁰⁰ *Id.*

²⁰¹ *Id.*

²⁰² *Id.*

²⁰³ *Id.* at 1145.

²⁰⁴ *Astrazenca AB v. Mylan Pharmaceuticals Inc.*, 19 F.4th 1325 (Fed. Cir. 2021)

²⁰⁵ *Id.* at 1329.

²⁰⁶ *Id.* at 1330.

²⁰⁷ *Id.* at 1330-32.

differences in this number could matter, down to the fourth decimal place.²⁰⁸ As such, the Court adopted a construction that adds a significant figure, allowing variations only from 0.00095% to 0.00104%.²⁰⁹

The Court continued to note this was supported by the prosecution history, where the examiner required the inventors to show criticality of the 0.001% value compared to values slightly higher and lower, indicating again the sensitivity of this value.²¹⁰ Throughout prosecution, the claimed concentration was narrowed without the qualifier of about, again indicating support for a narrow construction.²¹¹

The Federal Circuit dismissed AstraZeneca's argument that some other concentrations being expressed with additional significant figures indicates the particularity of this value, noting that elsewhere in the specification it discusses this concentration with a greater degree of precision.²¹² The Court also rejected AstraZeneca's characterization of Mylan's construction as limiting the scope of the claims to the preferred embodiment, relying on the analysis they undertook earlier.²¹³

Judge Taranto dissented, and would have construed the term in the ordinary significant figures manner, or perhaps limited it to 0.00054%-0.0014%, due to the inclusion of the significant figures on the lower bound at 0.0005%.²¹⁴ He noted that there was no support in the record for the minor variations interpretation, which only adds to uncertainty.²¹⁵ He argues that when AstraZeneca took out the word "about" from its claim language, it foreclosed this approach in favor of one relying on significant figures.²¹⁶ He also strongly rejected the analysis of decimal points, emphasizing that the reason four decimal precision was used elsewhere was to obtain the same number of significant figures.²¹⁷ Given the only argument he found persuasive from Mylan was the one on overlap, he would have at most accepted the construction limiting the bounds of the 0.001% limitation at the bounds of the 0.0005% limitation.²¹⁸

²⁰⁸ *Id.*

²⁰⁹ *Id.* at 1332.

²¹⁰ *Id.* at 1332-34.

²¹¹ *Id.*

²¹² *Id.* at 1334.

²¹³ *Id.*

²¹⁴ *Id.* at 1338.

²¹⁵ *Id.* at 1342.

²¹⁶ *Id.* at 1343.

²¹⁷ *Id.* at 1344.

²¹⁸ *Id.* at 1345.

INFRINGEMENT

Inducement

GlaxoSmithKline LLC v. Teva Pharmaceuticals UA, Inc., 7 F.4th 1320 (Fed. Cir. Aug 5, 2021)

On this appeal from the District of Delaware, the Federal Circuit reinstated a jury finding of induced infringement for a generic drug, reversing a Judgment as a Matter of Law.²¹⁹ GSK has sold carvedilol as a beta-blocker since 1997, originally to treat hypertension and heart failure.²²⁰ In 2003 the FDA approved it to reduce mortality in patients suffering from left ventricular dysfunction following myocardial infections.²²¹ The compound was patented in 1985 ('067), and in 1998 the '069 patent claiming a method to use carvedilol and one other compound to decrease mortality from heart failure was issued.²²² In 2002 Teva filed an ANDA for generic carvedilol for all three purposes, claiming that the '069 patent was anticipated or obvious, and in 2007 launched with a "skinny" label that covered the non-heart failure uses.²²³ In 2008 the PTO issued a reissue patent ('000) for decreasing mortality from heart failure, and in 2011 Teva, under instruction from the FDA, amended its label to include the heart failure use. Teva told the FDA it did not need to provide certification to the '000 patent because it received final approval of its ANDA before the patent issued.²²⁴ GSK sued on an inducement theory, and Teva argued that prior to 2011 it had carved out the relevant treatment ("partial label period"), and that it could not be liable at all because it did not cause others to infringe the method ("full label period"), but the jury found willful induced infringement in both periods.²²⁵

The district court granted a JMOL because GSK failed to prove that Teva's inducement actually caused physicians to prescribe generic carvedilol for treatment of heart failure, and that the left ventricular distress instruction, while it served an overlapping population, was distinct.²²⁶ The Federal Circuit reversed, Teva petitioned for en banc rehearing, and the Court granted them a panel rehearing because multiple *amici* were concerned that the prior opinion

²¹⁹ *GlaxoSmithKline LLC v. Teva Pharmaceuticals UA, Inc.*, 7 F.4th 1320 (Fed. Cir. 2021).

²²⁰ *Id.* at 1323.

²²¹ *Id.*

²²² *Id.*

²²³ *Id.* at 1323-24.

²²⁴ *Id.* at 1324-25.

²²⁵ *Id.* at 1325.

²²⁶ *Id.*

was unclear as to how ANDA filers could carve out uses.²²⁷ The Court clarified that generics can be held liable if they marketed a drug with a label describing therapeutic use, but not for merely marketing a skinny label omitting patented indications or merely noting equivalence to a brand name drug.²²⁸ However, the Federal Circuit still held that there was inducement, as post-myocardial infection, left ventricular distress, and congestive heart failure are so intertwined, and this is a fact question where the jury's decision needs to be given deference.²²⁹

While Teva argued that GSK's submissions to the FDA for the Orange Book did not include left ventricular distress, the Federal Circuit affirmed that the jury's holding could reasonably mean that they believed this filing included left ventricular distress in its general statements about heart failure.²³⁰ Teva and the dissent also emphasized the lack of evidence that doctors read labels to prescribe according to it, but the majority emphasized expert testimony indicating doctors read labels (although none of the doctors that testified had read labels, they claimed other doctors do) and boilerplate in Teva's prescribing references indicating that doctors are supposed to be up to date on full product labelling.²³¹ The majority also emphasized press releases from Teva that indicated the drug could be used as an equivalent to GSK's product and to treat heart failure, and while these were before the '000 patent issued, they remained on the website later.²³² The majority also found causation, because although Teva could point to other guidelines showing knowledge of how to use carvedilol, the jury had the relevant evidence in front of it and found that doctors were lead to prescribe it by Teva's actions.²³³

Judge Prost issued a lengthy dissent arguing that Teva's carve out merely described an infringing use rather than encouraging it, that no expert testified that they themselves read the label/causation was incredibly tenuous, and that finding as the majority did leads to significant uncertainty for generic manufacturers.²³⁴

²²⁷ *Id.* at 1326.

²²⁸ *Id.*

²²⁹ *Id.* at 1328-30.

²³⁰ *Id.* at 1331.

²³¹ *Id.* at 1334-35.

²³² *Id.* at 1335-37.

²³³ *Id.* at 1339-40.

²³⁴ *Id.* at 1343.

***Roche Diagnostics Corp. v. Meso Scale Diagnostics, LLC*, 30 F.4th 1109 (Fed. Cir. Apr. 8, 2022)**

In this appeal from the District of Delaware, the Federal Circuit reversed the district court's finding of induced infringement, holding that the scienter requirement was unmet and that Meso failed to prove that Roche committed in act of inducement within the six-year patent damages limitation period.²³⁵

First, the Federal Circuit noted that the lower court improperly applied a lower “knew or should have known” standard, instead of the more stringent willful blindness/knowledge standard.²³⁶ It then cross-applied the district court’s finding from Roche’s JMOL motion on willfulness that “at no time did Roche have a subjective intent to infringe” to note that Roche couldn’t have either acted with knowledge that their actions constituted patent infringement or taken deliberate action to avoid confirming a high probability of wrongdoing.²³⁷ It therefore couldn’t have the requisite intent to induce infringement.

For the limitation period, Meso unsuccessfully argued that actions before the limitations period could support a finding of inducement if they continued to have an impact after the critical date.²³⁸ The Federal Circuit rejected this argument, successful at the district court, as inconsistent with *Standard Oil* and in any event lacking evidence of causation between the acts and the infringement.²³⁹ The court held that the act of inducement must occur within the six-year limitations period.

***Niazi Licensing Corp. v. St. Jude Medical S.C., Inc.*, 30 F. 4th 1339 (Fed. Cir. Apr. 11, 2022)**

In this appeal from the District of Minnesota, the Federal Circuit affirmed the district court’s exclusion of Niazi’s expert testimony on inducement. St. Jude was arguing that Niazi’s induced infringement claim failed for lack of a direct infringer.²⁴⁰ Niazi’s expert report, which was served after the close of fact discovery, included the expert explaining that he himself had infringed the patent while using St. Jude’s products.²⁴¹ Niazi failed to disclose this to St. Jude during fact discovery, and did not identify their expert as a potential fact witness

²³⁵ *Roche Diagnostics Corp. v. Meso Scale Diagnostics, LLC*, 30 F.4th 1109 (Fed. Cir. 2022)

²³⁶ *Id.* at 1118.

²³⁷ *Id.* at 1119.

²³⁸ *Id.*

²³⁹ *Id.* at 1120-21.

²⁴⁰ *Niazi Licensing Corp. v. St. Jude Medical S.C., Inc.*, 30 F. 4th 1339 (Fed. Cir. 2022)

²⁴¹ *Id.* at 1354.

under FRCP 26(a).²⁴² The lower court, on motion from St. Jude, struck this fact from the report.²⁴³ Niazi on appeal argued that the district court improperly applied the four factor test for exclusion of undisclosed evidence from *Citizens Bank*, but the Federal Circuit noted that the *Citizens Bank* test is for violations predating FRCP 37(c)(1), and was not the test the district court applied here.²⁴⁴ Because Niazi failed to challenge the actual basis (whether the failure to disclose was “substantially justified or harmless”) for the exclusion, the Federal Circuit affirmed the exclusion.²⁴⁵

²⁴² *Id.*

²⁴³ *Id.*

²⁴⁴ *Id.*

²⁴⁵ *Id.*

DEFENSES

Assignor Estoppel

Minerva Surgical, Inc. v. Hologic, __ S.Ct. __ (U.S. June 29, 2021)

In this appeal from the District of Delaware, the Federal Circuit held that assignor estoppel does not prevent an alleged infringer from challenging the validity of patent claims in inter partes review but may nonetheless preclude validity challenges in parallel court proceedings.²⁴⁶

Hologic's '183 and '348 patents disclose "procedures and devices for endometrial ablation."²⁴⁷ Both patents list Csaba Truckai as an inventor.²⁴⁸ Truckai assigned his interests in the patents to NovaCept, a company he co-founded in 1993.²⁴⁹ After a series of acquisitions, Hologic acquired NovaCept and was assigned the patents.²⁵⁰ Truckai later left the company and founded another company, Minerva, that developed an endometrial ablation system ("EAS").²⁵¹ Hologic sued Minerva for infringing the '183 and '348 patents by developing and using the EAS.²⁵² Minerva then filed petitions for inter partes review, asserting the patents were obvious in view of the prior art.²⁵³ The Patent Trial and Appeal Board ("PTAB") ultimately reviewed the '183 patent claims and found them unpatentable for obviousness.²⁵⁴ Hologic appealed the decision and eventually the Federal Circuit affirmed, but in the meantime the infringement suit continued in district court.²⁵⁵ The district court granted Hologic's motion for summary judgment on the issue of assignor estoppel preventing Minerva from challenging the validity of the patent claims in district court.²⁵⁶ A trial, the jury found Minerva had infringed the patents and awarded Hologic lost profits and royalties.²⁵⁷ Hologic then moved for a permanent injunction to prevent Minerva from further infringing the '183 patent, but the district court denied the motion after the Federal Circuit affirmed that the '183 patent was invalid in the appeal

²⁴⁶ *Hologic, Inc. v. Minerva Surgical, Inc.*, 957 F.3d 1256 (Fed. Cir. 2020).

²⁴⁷ *Id.* at 1260 (citing U.S. Patent Nos. 6,872,183 and 9,095,348).

²⁴⁸ *Id.* at 1261.

²⁴⁹ *Id.*

²⁵⁰ *Id.*

²⁵¹ *Id.* at 1262.

²⁵² *Id.*

²⁵³ *Id.*

²⁵⁴ *Id.*

²⁵⁵ *Id.*

²⁵⁶ *Id.* at 1263.

²⁵⁷ *Id.*

from the IPR proceeding.²⁵⁸ The district court ultimately awarded Hologic the prejudgment damages for Minerva's infringement of the '348 patent, noting the Federal Circuit's decision concerning the '183 patent does not affect the district court's finding of assignor estoppel on the '348 patent.²⁵⁹ Both Hologic and Minerva appealed.²⁶⁰

On appeal, Hologic argued assignor estoppel precludes Minerva from avoiding liability for the '183 patent due to the Federal Circuit's decision the patent was invalid.²⁶¹ The Federal Circuit disagreed.²⁶² "[A]though estopped parties cannot challenge the validity of the patent at issue, assignor estoppel does not limit their ability to defend themselves in other ways, including arguing that the patentee is itself collaterally estopped from asserting a patent found invalid in a prior proceeding."²⁶³ Therefore, assignor estoppel does not prevent Minerva from using the Federal Circuit decision's concerning the '183 patent's invalidity to avoid liability for infringement.²⁶⁴ The court recognized "the seeming unfairness" of Minerva using inter partes review to circumvent assignor estoppel.²⁶⁵ Nonetheless, the court asserted "the doctrine of assignor estoppel does not bar an assignor from filing a petition for IPR."²⁶⁶

On cross-appeal, Minerva argued assignor estoppel did not preclude it from challenging the validity of the '348 patent.²⁶⁷ The Federal Circuit was not persuaded, finding the district court had not abused its discretion and further agreed with the district court that "the equities weigh in favor of [assignor estoppel's] application in this case."²⁶⁸

The Supreme Court granted certiorari and reversed the holding as to the '348 patent. It rejected Minerva's call to abolish the assignor estoppel doctrine altogether, noting that while prior Supreme Court opinions had criticized and limited the doctrine, the doctrine itself was well-established in the law. Nonetheless, the Court held that the Federal Circuit had unduly broadened the doctrine beyond its purpose of preventing an assignor from going back on its representations in selling the patent. It identified at least three circumstances in which assignor estoppel should not apply: (1) where an employee signs an assignment agreement as a condition of employment before ever inventing anything, (2) where the claims are written or broadened after the assignor

²⁵⁸ *Id.*

²⁵⁹ *Id.* at 1264

²⁶⁰ *Id.*

²⁶¹ *Id.*

²⁶² *Id.*

²⁶³ *Id.* at 1265 (quoting *Mentor Graphics*, 150 F.3d at 1379) (internal quotations omitted).

²⁶⁴ *Id.*

²⁶⁵ *Id.*

²⁶⁶ *Id.* (citing *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018)).

²⁶⁷ *Id.* at 1267.

²⁶⁸ *Id.*

assigns their rights, and (3) where the law changes in a way that makes a formerly valid patent invalid.

Four dissenting justices would have abolished assignor estoppel as a judicially-created doctrine not in the patent statute.

Prosecution Laches

***Hyatt v. Hirshfeld*, 998 F.3d 1347 (Fed. Cir. June 1, 2021)**

In this appeal from the District Court for DC, the Federal Circuit vacated the district court's decision that the PTO had failed to prove prosecution laches. Hyatt has filed 399 patent applications total, 381 of which were filed during the GATT bubble in spring of 1995 (i.e. in the brief period of time before patents ran from application rather than from issuance, eliminating the issue of submarine patents). These 381 patents were all copies of earlier applications claiming priority to the 70s and 80s that contained small claim sets relating to computer technologies. The applications now are very long and complex, each over 500 pages of text. Five months after Hyatt filed the applications, a PTO group director asked Hyatt to focus each application on distinct subject matter, and Hyatt began filing amendments – these amendments grew the number of claims to a total of 115,000, 12-28 years after the alleged priority dates. Eventually four of the applications were finally rejected for lack of written description and obviousness, and Hyatt filed a section 145 action seeking issuance. The PTO filed a motion to dismiss on prosecution laches. Hyatt moved for summary judgment, arguing that the PTO had failed to show it provided warning of laches, did not prove intervening rights, never issued laches rejections for the applications at issues, and failed to meet its burden of unexplained delay. The district court ruled for Hyatt, holding that the PTO “had failed to take the actions necessary to advance the prosecution” and that Hyatt’s claim shifting did not warrant a finding of laches, and while Hyatt acted unreasonably for four claims, that didn’t warrant a finding of laches for the overall 115,000 claims.

The Federal Circuit reversed, holding that the PTO can assert a prosecution laches defense even without warnings or prior laches rejections, as section 145 actions open the door to new evidence and arguments. The Court proceeded to find that the district court had ignored evidence of Hyatt’s pattern of claim shifting and his overall conduct as a cause of delay. The Court held that the district court had spent too much time analyzing the PTO’s conduct rather than the proper inquiry of focusing on Hyatt’s actions, and found that the PTO’s evidence of laches and unexplained delay were sufficient to shift the burden to Hyatt, due to his long delays, overcomplicated specifications, and constant amendments. The Court held in an issue of first impression that the PTO must prove intervening rights, but an unreasonable and unexplained prosecution

delay of six years or more raises a presumption of prejudice, which was met here. The Court remanded to give Hyatt a chance to prove a legitimate reason for his delay to excuse his undue burden on the PTO and to demonstrate a lack of prejudice, despite his abuse of the system likely being inherently prejudicial.

Inequitable Conduct

Belcher Pharmaceuticals, LLC v. Hospira, Inc., 11 F.4th 1345 (Fed. Cir. Sept. 1, 2021)

In this appeal from the District of Delaware, the Federal Circuit affirmed the court's decision to render the '197 patent unenforceable for inequitable conduct.²⁶⁹

In 2012 Belcher filed a new drug application for a formulation of epinephrine that removed a sulfite antioxidant, calling a pH range of 2.8-3.3 "old".²⁷⁰ The application discussed Sintetica's preservative and sulfite free formulation, and relied on it for stability validation, calling the change between the drugs "a very minor change", and cited literature from Stepensky that indicated that racemization of the isomer was a well-known process.²⁷¹

When Belcher filed a patent application, it disclosed neither reference, called reducing the pH to 2.8-3.3 its critical innovation, and Belcher's Chief Science Officer who had project managed both applications later testified that he had knowledge of certain key facts, including both above references and the existence of a product from JHP that met all the claims.²⁷²

The Federal Circuit held that such knowledge was inherently material, as the existence of JHP's product was sufficient to invalidate the claim.²⁷³ Belcher argued that the withheld art was cumulative of a prior art reference they did distinguish, but Belcher's argument against that prior art in prosecution did not apply to the JHP product so the Court did not give this argument weight.²⁷⁴ The Federal Circuit further held that there was intent, as it was the only reasonable inference given the CSO was an active participant in both processes.²⁷⁵ Belcher's argument that it considered the references irrelevant given other differences was rejected as post hoc and implausible.²⁷⁶

²⁶⁹ *Belcher Pharmaceuticals, LLC v. Hospira, Inc.*, 11 F.4th 1345 (Fed. Cir. 2021).

²⁷⁰ *Id.* at 1348.

²⁷¹ *Id.*

²⁷² *Id.* at 1349-50.

²⁷³ *Id.* at 1353.

²⁷⁴ *Id.*

²⁷⁵ *Id.*

²⁷⁶ *Id.* at 1354.

REMEDIES

Damages

MLC Intellectual Property, LLC v. Micron Technology, Inc., 10 F.4th 1358 (Fed. Cir. Aug. 26, 2021)

In this interlocutory appeal from the Northern District of California, the Federal Circuit affirmed three motions limiting MLC's damages expert.²⁷⁷ MLC licensed its patent to Hyinx for a lump sum, reduceable under most favored customer principles if any other licensee was granted a royalty of less than 0.25% and licensed the patent to Toshiba for a lump sum on the same day.²⁷⁸ Micron asked for MLC's damages theories and any facts, evidence, or testimony supporting an applicable royalty rate during fact discovery in interrogatories and a 30(b)(6) deposition, and MLC failed to describe their reasonable royalty theory.²⁷⁹ Micron filed three motions: (1) a motion in limine to prevent MLC's damages expert construe the Hyinx and Toshiba agreements as a 0.25% royalty (2) a motion to strike new theories, facts, and evidence disclosed for the first time in MLC's expert report (3) a *Daubert* motion to exclude MLC's expert's reasonable royalty opinion for failure to apportion out the value of non-patented components.²⁸⁰ The district court granted all three, and the Federal Circuit affirmed.²⁸¹

First, the Federal Circuit held that MLC's damage's expert's reliance on the most favored customer provision was not based on sufficient facts and was properly excluded.²⁸² MLC had argued that because the Toshiba agreement was signed on the same day, it indicated that the parties to the Hyinx agreement didn't see that lump sum as less valuable than a 0.25% royalty rate.²⁸³ The Court dealt with this argument by noting that the most favored customer provision did not apply to lump sum payments, so it was not reliable to assume that the value of this lump sum was analogous to the trigger royalty rate.²⁸⁴

²⁷⁷ *MLC Intellectual Property, LLC v. Micron Technology, Inc.*, 10 F.4th 1358 (Fed. Cir. 2021).

²⁷⁸ *Id.* at 1364.

²⁷⁹ *Id.* at 1365.

²⁸⁰ *Id.* at 1365-66.

²⁸¹ *Id.*

²⁸² *Id.* at 1368.

²⁸³ *Id.*

²⁸⁴ *Id.* at 1368-69.

Micron's motion to strike portions of the expert report for a Rule 37 violation for failure to disclose information in its discovery was also granted.²⁸⁵ MLC claimed it was not required to disclose the facts supporting its theory during fact discovery because it disclosed them during expert discovery.²⁸⁶ MLC did correctly identify the Hyinx and Toshiba licenses on which it relied, but did not disclose other extrinsic evidence (e.g. negotiation documents) relied upon by MLC's expert.²⁸⁷ The Federal Circuit held that the district court was within its discretion to find that MLC did not properly disclose documents reflecting the 0.25% rate, and that MLC failed to disclose its view that the agreements reflected a 0.25% rate.²⁸⁸ The Court emphasized the importance of early discovery to permit further fact discovery and ensure proper case flow, and held that disclosure during expert discovery does not cure deficient disclosure during fact discovery.²⁸⁹

Micron's *Daubert* motion was granted on the grounds that MLC's damages expert failed to apportion the base and rate to account for the patented technology.²⁹⁰ He failed to compare the licensed to the accused technology to demonstrate that it was sufficiently comparable, and MLC's argument that its claims were directed to the device as a whole was rejected because Micron's device had a significantly broader scope.²⁹¹

***California Institute of Technology v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. Feb. 4, 2022)**

In this appeal from the Central District of California, the Federal Circuit held that the district court's jury instructions on extraterritoriality were not erroneous, but that Caltech's two-tier damages theory was not supportable, and vacated the award.²⁹² The district court did not give a jury instruction indicating a presumption against extraterritoriality.²⁹³ The Federal Circuit held that this presumption was inapplicable, as the dispute between the parties was not about the extraterritorial application of laws, but merely whether the transactions at issue occurred domestically.²⁹⁴ The Court noted that the jury instructions

²⁸⁵ *Id.* at 1369.

²⁸⁶ *Id.*

²⁸⁷ *Id.*

²⁸⁸ *Id.*

²⁸⁹ *Id.* at 1370-72.

²⁹⁰ *Id.* at 1373.

²⁹¹ *Id.* at 1374-75.

²⁹² *Cal. Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022).

²⁹³ *Id.* at 992.

²⁹⁴ *Id.*

included an instruction requiring the jury to find that the infringement occurred in the United States.²⁹⁵ The Court also held that the district court's jury instruction that a "sales cycle leading to design wins" can trigger a U.S. sale was not erroneous, as the lower court properly noted that when there were substantial activities entirely outside the U.S. it would not constitute a domestic sale.²⁹⁶

Caltech's damages theory relied on two simultaneous hypothetical negotiations, one with Broadcom at the chip level and one with Apple at the device level, excluding from Broadcom's hypothetical chip license any Broadcom chips incorporated into Apple products sold in the U.S. and treating those at a different royalty rate.²⁹⁷ The district court relied on Caltech's experts stating that there would be no cross talk and there would be separate infringers, seeing no concern of double recovery because they were carved out.²⁹⁸ The Federal Circuit held this was erroneous, as the mere fact of the two being separate infringers does not support treating the chips differently or submitting a two-tier damage theory without more evidence that the companies would engage in separate negotiations. The Court held that the exclusion of chips sold to Apple from the Broadcom license was contrived and contrary to custom, leading to error and vacating the award.²⁹⁹

***Apple Inc. v. Wi-LAN Inc.*, 25 F.4th 960 (Fed Cir. Feb. 4, 2022)**

In this appeal from the Southern District of California, the Federal Circuit vacated the lower court's denial of a motion for a new trial on damages, agreeing with Apple that the expert testimony from the plaintiff was fatally flawed.³⁰⁰ Wi-LAN's expert culled 150 license agreements from Wi-LAN down to the three most similar on the grounds that they involved phones, became effective in 2013 or later, licensed patents covering LTE or related technology, and were executed after the asserted patents issued.³⁰¹ Each agreement also licensed other patents.³⁰² Wi-LAN's expert then set out to adjust for this difference, arguing that in practice only a handful of valuable patents determine the royalty rate, and that the patents-in-suit were the key ones, based on them being focused on in negotiations, that one licensor reupped, and that Apple chose to infringe rather

²⁹⁵ *Id.*

²⁹⁶ *Id.* at 993.

²⁹⁷ *Id.*

²⁹⁸ *Id.*

²⁹⁹ *Id.* at 994.

³⁰⁰ *Apple Inc. v. Wi-LAN Inc.*, 25 F.4th 960 (Fed Cir. 2022)

³⁰¹ *Id.* at 972.

³⁰² *Id.*

than design around.³⁰³ The Court held that this was untethered to the case. The licensees did not continue to use the technology after infringing, there was no evidence that the patents-in-suit were discussed during negotiations for comparable licenses, and were treated as an add-in (being in the non-asserted patents for the agreements).³⁰⁴ Two of the three licenses did not include the '757 patent, one of the patents-in-suit here, at all, and the one that did included it only as a non-asserted patent in an appendix.³⁰⁵ Only one of the two patents was discussed in a single one of the three licenses used as examples, and there it was among five more asserted patents that the expert did not compare its value to.³⁰⁶ Given these methodological errors, the Court held that the expert's opinion was unreliable and should have been excluded, and Apple should have been granted a new trial on damages.³⁰⁷

***Roche Diagnostics Corp. v. Meso Scale Diagnostics, LLC*, 30 F.4th 1109 (Fed. Cir. Apr. 8, 2022)**

After vacating the inducement judgement, the Federal Circuit vacated the damages award and remanded for a new trial on damages.³⁰⁸ In doing so, the Court cautioned the district court and the parties to pay careful attention to apportionment, and strongly implied that the prior damages award was improper.³⁰⁹ The jury awarded 75% of Roche's profits on the infringing product to the plaintiff, and Meso's expert did not seek to distinguish between damages attributable to infringing and non-infringing components.³¹⁰ While Meso and the district court argued that an alternative theory, referring to a 2003 license agreement, could support the damages award, the Federal Circuit cautioned that Meso would need to do more to demonstrate comparability between a license to 100 patents and the three at issue here.³¹¹ In any event, because the inducement verdict was reversed but not the direct infringement verdict, everyone agreed a new trial on damages was necessary.³¹²

³⁰³ *Id.* at 972-73.

³⁰⁴ *Id.* at 973.

³⁰⁵ *Id.*

³⁰⁶ *Id.* at 973-74.

³⁰⁷ *Id.* at 974.

³⁰⁸ *Roche Diagnostics Corp. v. Meso Scale Diagnostics, LLC*, 30 F.4th 1109 (Fed. Cir. 2022)

³⁰⁹ *Id.* at 1123.

³¹⁰ *Id.* at 1122.

³¹¹ *Id.* at 112.

³¹² *Id.*

Willfulness and Enhanced Damages

SRI International, Inc. v. Cisco Systems, Inc., 2021 WL 4434231 (Fed. Cir. Sept. 28, 2021)

In this appeal from the District of Delaware, the Federal Circuit reversed a JMOL, reinstating the jury finding of willfulness and enhanced damages, while affirming a grant of attorney fees.³¹³ SRI originally sued for infringement in D. Del. on the '615 patent and '203 patent, relating to network surveillance.³¹⁴ A jury trial was held on validity, infringement, willful infringement, and damages. The jury found willful infringement, Cisco moved for a JMOL of no willful infringement and SRI moved for attorney's fees and enhanced damages.³¹⁵ The district court found substantial evidence supporting the jury's willfulness finding and awarded SRI attorney fees and enhanced (doubled) damages because Cisco pursued litigation heavily and intentionally created extra work for SRI and the court, as well as the finding of willfulness.³¹⁶ Cisco appealed the denial of JMOL of no willful infringement and enhanced damages, the Federal Circuit vacated and remanded because there was a lack of evidence Cisco knew about SRI's patents until May 8, 2012, and found little evidence to support with willfulness finding or consequently the enhanced damages.³¹⁷

On remand, the district court held that substantial evidence also did not support the jury verdict of willful infringement after May 8, 2012, applying a more stringent standard for willful infringement based on the Federal Circuit's wording in the appeal: conduct rising to the level of "wanton, malicious, and bad faith behavior."³¹⁸ The Court maintained its attorney's fees award because it felt that the willfulness finding was not necessary to support an award of attorneys fees.³¹⁹ SRI appealed the JMOL of no willful infringement and the denial of the motion to reinstate the jury willfulness verdict.³²⁰

The Federal Circuit started by noting that per the jury instructions, the jury found that Cisco had no reasonable basis to believe it did not infringe or that it had a reasonable defense to infringement.³²¹ Cisco's only basis for invalidity was anticipation by a reference that had twice been considered and rejected by

³¹³ *SRI International, Inc. v. Cisco Systems, Inc.*, 2021 WL 4434231 (Fed. Cir. Sept. 28, 2021)

³¹⁴ *Id.* at *1.

³¹⁵ *Id.*

³¹⁶ *Id.*

³¹⁷ *Id.* at *2.

³¹⁸ *Id.*

³¹⁹ *Id.*

³²⁰ *Id.*

³²¹ *Id.* at *3.

the PTO.³²² Cisco at trial ignored the Court's construction of "network monitor" only requiring one monitor and its only infringement defense was that their product didn't have multiple monitors.³²³ The jury also found inducement, which was not challenged on appeal and indicates that the jury found that Cisco knew of the patent, took actions to encourage infringement, and knew that its consumers actions would infringe, also supporting willfulness.³²⁴ The Court did, however, clarify that induced infringement does not compel a finding of willfulness – the standards are different but support each other.³²⁵

Finally, the Court said that it was not heightening the requirement for willfulness with its prior language of "wanton, malicious, and bad faith," which actually related to conduct warranting enhanced damages. Willfulness, by contrast, requires no more than deliberate or intentional infringement.³²⁶ In sum, the Court held that the jury findings of willfulness were proper and reinstated the jury verdict.³²⁷

On enhanced damages, although willfulness is a component of enhancement, it is not the only component, and there needs to be egregious conduct.³²⁸ The Court found that the district court did not abuse its discretion, and reinstated the original district court award of double damages.³²⁹ Lastly, on attorney's fees, the Court held that this was an exceptional case – Cisco crossed the line and created work for the court and this was not an abuse of discretion by the district court.³³⁰

³²² *Id.*

³²³ *Id.*

³²⁴ *Id.* at *4.

³²⁵ *Id.*

³²⁶ *Id.*

³²⁷ *Id.*

³²⁸ *Id.* at *5.

³²⁹ *Id.*

³³⁰ *Id.*

PRACTICE AND PROCEDURE

Standing

Omni Medsci, Inc. v. Apple Inc., 7 F.4th 1148 (Fed. Cir. Aug. 2, 2021)

In this interlocutory appeal from the Northern District of California, the Federal Circuit affirmed a holding that the University of Michigan's bylaw governing the assignment of property rights did not effectuate present automatic assignment of title, so the biomedical company that the professor/inventor assigned the rights to still had standing.³³¹ Dr. Islam was a professor of electrical and computer engineering at the University of Michigan medical school, and had signed an employment agreement including a provision to abide by the bylaws, which stated that patents issued as a result of or in connection with research conducted by members of the University staff and supported by the University funds shall be owned by the university, those patents resulting from activities without support shall be the property of the inventor, and that when there is both university and independent activity, then there had to be an agreement in writing in advance of exploitation.³³²

In 2012 Islam took an unpaid leave of absence to start a new biomedical laser company, filed provisional patent applications, returned to Michigan in 2013, and filed non-provisional applications claiming priority to the provisional applications.³³³ He then assigned the rights to Omni, which eventually sued Apple.³³⁴ The patents at issue grew out of Islam's time on leave, not his teaching, but the University's technology transfer office noted the expenditure of funds to give support and time to process his appointment, as well as the springboarding of other professors, and claimed that ownership would be disputed.³³⁵

Both sides analyzed the contract under the provision assuming that Michigan had supported Dr. Islam financially. The key issue was one of contract interpretation: does the phrase "shall be the property of" lead to automatic and present assignment?³³⁶ Both the district court and the Federal Circuit held that it didn't, and instead reflected a future agreement to assign.³³⁷ The plain language doesn't effectuate a transfer. The conditional transfer if there is joint development shares identical language and cannot be read as an immediate

³³¹ *Omni Medsci, Inc. v. Apple Inc.*, 7 F.4th 1148 (Fed. Cir. 2021).

³³² *Id.* at 1150.

³³³ *Id.*

³³⁴ *Id.*

³³⁵ *Id.* at 1151.

³³⁶ *Id.* at 1152.

³³⁷ *Id.*

assignment as it explicitly notes the requirement of a written agreement, there is no present tense executing verb (assigns, does hereby grant and assign, hereby conveys, etc.), and Michigan has a separate form that specifically and unambiguously assigns the rights in the invention.³³⁸ Apple argued that “shall” indicates a present automatic conveyance, relying on *Roche*. The Federal Circuit distinguished *Roche* as being about a statute that governs initial vesting rather than assignment.³³⁹ The Federal Circuit was concerned with Apple’s critique of a “magic words” test, but still held the absence of an active verbal expression was fatal.³⁴⁰

Judge Newman issued a lengthy dissent, arguing that the plain meaning of the document and substantial precedent demonstrated that “shall be the property of” was a present assignment.³⁴¹

***Apple Inc. v. Qualcomm Incorporated*, 2021 WL 5227094 (Fed. Cir. Nov. 10, 2021)**

In this appeal from the PTAB, the Federal Circuit held that Apple lacked standing to challenge a decision that it had failed to prove claims unpatentable in an IPR after it and Qualcomm had settled.³⁴² The Court stood by its decision on other patents in *Apple I*,³⁴³ which rejected Apple’s theories of standing based on ongoing payment obligations, infringement claims following the expiration of the license agreement, and estoppel from challenging the patents in the future.³⁴⁴ Apple argued a new theory which the Court also rejected.³⁴⁵ Apple claimed if it ceased payment and terminated the settlement, that would be sufficient under *MedImmune*. The Court held that this nuance was not sufficient to overturn *Apple I* without *en banc* rehearing.³⁴⁶

In the alternative, Apple requested that the Board’s decision be vacated to eliminate the risk of estoppel, citing *United States v. Munsingwear*.³⁴⁷ The Court distinguished *Munsingwear* as concerning mootness rather than standing, and

³³⁸ *Id.* at 1152-54.

³³⁹ *Id.* at 1154-55.

³⁴⁰ *Id.* at 1156.

³⁴¹ *Id.* at 1157-65.

³⁴² *Apple Inc. v. Qualcomm Incorporated*, 2021 WL 5227094 (Fed. Cir. Nov. 10, 2021)

³⁴³ 992 F.3d 1478, 1385 (Fed. Cir. 2021).

³⁴⁴ *Apple Inc. v. Qualcomm Incorporated*, 2021 WL 5227094 (Fed. Cir. Nov. 10, 2021) at *1.

³⁴⁵ *Id.* at *3.

³⁴⁶ *Id.*

³⁴⁷ *Id.*

that even if mootness was at issue, Apple voluntarily entered into the jurisdiction-destroying settlement.³⁴⁸

Judge Newman issued a lengthy dissent from the dismissal, noting that licensees have standing to challenge the validity of the patent, that the parties recognized in the agreement that PTAB proceedings would continue, and that it was likely that the accused products would still be in commerce when the license agreement expired.³⁴⁹ Judge Newman also would have ruled differently on the estoppel arguments, as there should be some review of administrative decisions.³⁵⁰

Sufficiency of Pleading

***Bot M8 LLC v. Sony Corporation of America*, 4 F.4th 1342 (Fed. Cir. July 13, 2021)**

In this appeal from the Northern District of California, the Federal Circuit affirmed in part and reversed in part the district court's dismissal of infringement claims on four patents.³⁵¹ Bot M8 alleged that Sony's PlayStation infringed five patents ('540, '990, '988, '670, '363) relating to authentication mechanisms to ensure a game has not been manipulated, the first four of which were dismissed, and the last of which was invalidated on summary judgment.³⁵² The district court directed Bot M8 to file an amended complaint specifying each element of every claim for which infringement was alleged or explain why it couldn't, and reverse engineer as much as they could, which Bot M8 said they would be happy to do.³⁵³ Bot M8 filed an amended complaint, for which the district court granted a motion to dismiss because the complaint failed to allege when or where the game program and authentication program are stored together on the same memory board (a requisite element for the '540 and '990 patents), or a basis to infer the timing of fault inspection was before the game starts (a requisite element for the '988 and '670 patents).³⁵⁴ The court gave Bot M8 one more chance to file an amended complaint. Bot M8 raised concerns about the legality of jailbreaking a PS4, indicating they had not reverse engineered the PS4 for the prior complaints. The district court induced Sony to give permission to

³⁴⁸ *Id.* at *3-4.

³⁴⁹ *Id.* at *4-7.

³⁵⁰ *Id.* at *8-10.

³⁵¹ *Bot M8 LLC v. Sony Corporation of America*, 4 F.4th 1342 (Fed. Cir. 2021).

³⁵² *Id.* at 1347-48.

³⁵³ *Id.* at 1348.

³⁵⁴ *Id.* at 1349.

reverse engineer the PS4.³⁵⁵ The district court refused Bot M8's second amended complaint for lack of diligence, holding that Bot M8 should have raised concerns about the legality of reverse engineering earlier.³⁵⁶

The Federal Circuit held that the district court erred in dismissing the infringement claims on the '998 and '670 patents, but affirmed on the '540 and '990 patents.³⁵⁷ For the '540 patent, Bot M8 in its first amended complaint included an allegation that the authentication program was located on the motherboard, while the patent requires it to be stored together with the program, not on the motherboard. Inconsistent allegations are insufficient to state a plausible claim under *Twombly*.³⁵⁸

On the '990 patent, the Federal Circuit noted that while there was no requirement to provide source code at the pleadings stage, Bot M8 failed to point to a storage component in the infringing device which satisfied a mutual authentication limitation – it merely recited the claim language, so dismissal was proper.³⁵⁹

On the '988 and '670 patents, which require a control device that executes a fault inspection program before the game is started, the Federal Circuit held that the first amended complaint plausibly alleged the inspection occurred prior to the game starting based on error codes it provided from the PS4.³⁶⁰ While Sony argued these allegations were conclusory, Bot M8's specific allegations of error codes that must be resolved before the game is started was sufficient to allege the completion of the fault inspection program before the game was started.³⁶¹

The Federal Circuit affirmed the district court's denying of leave to amend on the dismissed claims, as while the district court should not have required reverse engineering, Bot M8 had waived that objection but had not been timely in performing the necessary reverse engineering.³⁶²

³⁵⁵ *Id.*

³⁵⁶ *Id.* at 1350.

³⁵⁷ *Id.* at 1358.

³⁵⁸ *Id.* at 1354.

³⁵⁹ *Id.* at 1354-55.

³⁶⁰ *Id.* at 1355-56.

³⁶¹ *Id.* at 1356.

³⁶² *Id.* at 1357.

Limits on Number of Patents at Trial

In re Midwest Athletics and Sports Alliance LLC, 858 Fed.Appx. 363 (Mem) (Fed. Cir. Sept. 10, 2021)³⁶³

The Federal Circuit denied a petition for writ of mandamus challenging an order from the Western District of New York narrowing the number of patents the plaintiff could assert.³⁶⁴ MASA originally asserted 20 patents on printer and copier technology, but the district court issued an order to require MASA to reduce the number of patents to eight at the dispositive motion stage and to four at the trial stage to help keep the case manageable.³⁶⁵ Any dismissed patents would be without prejudice and would not toll the statute of limitations, and the order was amendable.³⁶⁶

MASA petitioned for a writ of mandamus, but the Federal Circuit denied it, holding that MASA had not shown a clear and indisputable right that precludes the Court from narrowing the number of patents a plaintiff can assert (citing *In re Katz Interactive Call Processing Patent Litigation*, which held that a district court could limit out claims it saw as duplicative).³⁶⁷ The district court had found that the procedural safeguards were sufficient to avoid deprivation of any rights, and the Federal Circuit held that that decision was not shown to be in error.³⁶⁸

Appellate Jurisdiction

Chandler v. Phoenix Services LLC, 1 F.4th 1013 (Fed. Cir. June 10, 2021)

On this appeal from the Northern District of Texas, the Federal Circuit held that it lacked subject matter jurisdiction of an antitrust case based on a *Walker Process* monopolization action that requires proof of fraud on the patent office, when the patent had already been invalidated.³⁶⁹ Heat on the Fly, Phoenix's predecessor in interest, filed a patent application for a new fracking

³⁶³ Full disclosure: Lemley represented the respondent in this petition.

³⁶⁴ *In re Midwest Athletics and Sports Alliance LLC*, 858 Fed.Appx. 363 (Mem) (Fed. Cir. 2021).

³⁶⁵ *Id.* at 364.

³⁶⁶ *Id.*

³⁶⁷ *Id.*

³⁶⁸ *Id.*

³⁶⁹ *Chandler v. Phoenix Services LLC*, 1 F.4th 1013 (Fed. Cir. June 10, 2021).

technology but failed to disclose public uses of over a year earlier.³⁷⁰ They then asserted the Patent against Chandler and others, before the Federal Circuit rendered the patent unenforceable for inequitable conduct in a separate suit.³⁷¹

The Federal Circuit held that it lacked jurisdiction because, while the claims here relate to patents, the causes of action do not arise out of federal patent law (but instead the Sherman Antitrust Act). Nor is patent law a necessary element of one of the well-pleaded claims.³⁷² The Court heavily analogized to *Xitronix I*, where it held that it lacked jurisdiction on a standalone *Walker Process* claim based on enforcement of a live patent because no decision another circuit would make on a case within a case would lead to precedent on the rest of patent law, citing *Gunn v. Minton* to distinguish cases arising under federal patent law from cases that involve it.³⁷³ The Fifth Circuit bounced *Xitronix* back in *Xitronix II*, noting that the Federal Circuit had previously observed that determination of fraud involves a substantial question of patent law, and that in *Nobelpharma AB v. Implant Innovations* it was appropriate to apply Federal Circuit law to a *Walker Process* claim.³⁷⁴ The Federal Circuit reluctantly accepted jurisdiction in *Xitronix III*, a nonprecedential decision that indicated that perhaps since the patent was live, it could be invalidated, and to declare a PTO proceeding tainted, giving rise to Federal Circuit jurisdiction.³⁷⁵ However, the patent in this case is not live, so the Federal Circuit applied *Xitronix I* to transfer the case to the Fifth Circuit.³⁷⁶

Personal Jurisdiction

Apple Inc. v. Zipit Wireless, Inc., 30 F. 4th 1368 (Fed. Cir. Apr. 18, 2022)

In this appeal from the Northern District of California, the Federal Circuit reversed a dismissal of a declaratory judgment action for lack of personal jurisdiction.³⁷⁷ Zipit, a Delaware corporation located in South Carolina, communicated with Apple over some wireless instant messaging patents. They met at Apple's headquarters in Cupertino (in the Northern District), and

³⁷⁰ *Id.* at 1014-15.

³⁷¹ *Id.* at 1015.

³⁷² *Id.*

³⁷³ *Id.* at 1015-16.

³⁷⁴ *Id.* at 1016-17.

³⁷⁵ *Id.* at 1018.

³⁷⁶ *Id.*

³⁷⁷ *Apple Inc. v. Zipit Wireless, Inc.*, 30 F. 4th 1368 (Fed. Cir. 2022)

exchanged several rounds of correspondence.³⁷⁸ Negotiations failed, and four years later Zipit sued Apple in the Northern District of Georgia.³⁷⁹ It's not entirely clear why, but Zipit voluntarily dismissed the case without prejudice two weeks later. Apple then filed a declaratory judgment action in the Northern District of California.³⁸⁰ The district court dismissed for lack of personal jurisdiction, holding that while there were sufficient minimum contacts, and the jurisdiction would not be unreasonable, it saw the Federal Circuit's opinion in *Breckenridge Pharm. v. Metabolite Labs* as establishing a bright-line rule that when contacts were in the form of a demand letter, they were insufficient to establish personal jurisdiction.³⁸¹

The Federal Circuit reversed and held that minimum contacts were satisfied via the notice letters directed to California.³⁸² The Court favorably cited *Xilinx*, where two notice letters and travelling to the forum state to discuss allegations of infringement were sufficient to establish minimum contacts, and distinguished *Autogenomics*, where a notice letter and flying to the forum state to discuss allegations of infringement were insufficient to establish minimum contacts.³⁸³ The factual distinctions from *Autogenomics* included that Zipit kept Apple apprised of the status of IPRs, and that it escalated threats of infringement as willful, but more importantly held that the totality of the precedent argued that cease and desist letters alone can provide minimum contacts.³⁸⁴

After finding minimum contacts, the Court held that exercising jurisdiction was not unreasonable, noting there is no bright-line rule that demand letters cannot create specific jurisdiction.³⁸⁵ While there is a policy consideration to encourage settlement by allowing patentees to not subject themselves to a wide variety of jurisdictions by merely sending demand letters, that is but one factor to consider under *Burger King*.³⁸⁶ Applying those other factors, the burden on Zipit of litigating in California was inconvenient, but not unconstitutionally so, given that Zipit was able to travel to California to discuss infringement earlier.³⁸⁷ The Court also held California has defined interests in protecting its companies and advancing science, and that Apple had an interest in convenient relief.³⁸⁸ The fourth factor, the judicial system's interest in efficient

³⁷⁸ *Id.* at 1375.

³⁷⁹ *Id.* at 1373.

³⁸⁰ *Id.*

³⁸¹ *Id.* at 1374.

³⁸² *Id.* at 1376.

³⁸³ *Id.*

³⁸⁴ *Id.* at 1376, n. 3.

³⁸⁵ *Id.* at 1378.

³⁸⁶ *Id.*

³⁸⁷ *Id.* at 1379-80.

³⁸⁸ *Id.* at 1380.

resolution of controversies, is where the settlement-promoting factor arises, and weighed for Zipit.³⁸⁹ Lastly, there was no conflict between states.³⁹⁰ In total, California's and Apple's interests were sufficient for jurisdiction to not be unreasonable, irrespective of the settlement-promoting rationale and the burden on Zipit.³⁹¹

Venue and Transfer

In re: Samsung Electronics Co., 2 F.4th 1371 (Fed. Cir. June 30, 2021)

In this consolidated appeal of denied motions to transfer from Judge Albright in the Western District of Texas to the Northern District of California, the Federal Circuit held that Judge Albright clearly abused his discretion by concluding that N.D. Cal. was not more convenient.³⁹² Ikorongo had sued Samsung and LG in W.D. Tex. a month after forming as a Texas LLC, despite the relevant individuals being from North Carolina.³⁹³ Samsung and LG moved to transfer to N.D. Cal., noting that that was the location of the majority of the development of the accused applications, and that no application was developed or researched in Western Texas.³⁹⁴ The district court denied the transfer motions, holding that LG and Samsung failed to establish that the complaints could have been brought in N.D. Cal. – Ikorongo had originally (before amending a day later) filed the complaint as Ikorongo Texas, an entity which owned the rights to the patents only in the Western District of Texas, so argued that infringement was impossible outside of Texas.³⁹⁵ The District Court also analyzed the private and public interest factors, and noted that while the location of documents and witnesses were primarily in the Northern District of California, party witnesses were given little weight and that relatively few non-party witnesses would be impacted.³⁹⁶ The Court continued to find no higher local interest in California, as it rejected the idea that patent cases give rise to local controversy, and that the practical problems of Ikorongo having active suits in multiple jurisdictions outweighed the small private interest rationale for transfer.³⁹⁷

³⁸⁹ *Id.* at 1380-81.

³⁹⁰ *Id.* at 1381.

³⁹¹ *Id.*

³⁹² *In Re: Samsung Electronics Co., Ltd., 2F.4th 1371 (Fed. Cir. 2021).*

³⁹³ *Id.* at 1373.

³⁹⁴ *Id.* at 1374.

³⁹⁵ *Id.*

³⁹⁶ *Id.*

³⁹⁷ *Id.* at 1374-75.

The Federal Circuit reversed.³⁹⁸ First, it found that because Ikorongo Technology (which owned the rights outside of Texas) joined the suit, the amended complaint could have been brought in California, and that the plaintiff was clearly trying to manipulate its venue.³⁹⁹ On the merits of the motions, the Federal Circuit found clear abuse of discretion in the lack of weight given to the convenience of the N.D. Cal., because of the dozens of sources of evidence in Northern California, the lack of a single relevant witness in Texas, and the local interest of the apps being developed in Northern California.⁴⁰⁰ The Court held that the judicial economy point was less relevant, as relatively few patents overlapped, multidistrict litigation solves, and there was a completely different underlying technology.⁴⁰¹

***In re: Dish Network LLC*, 856 Fed.Appx. 310 (Mem) (Fed Cir. Aug. 13, 2021)**

The Federal Circuit denied a petition for a writ of mandamus to transfer the case from Judge Albright in the Western District of Texas to the District of Colorado.⁴⁰² The court denied the petition on the grounds that a writ of mandamus requires demonstrating no adequate alternative, but noted that the lower court needed to reconsider the motion.⁴⁰³ The district court had held that the local interest factor was neutral because of call centers, warehouses, and service centers in the district, but the Federal Circuit noted that general corporate presence isn't sufficient and it must be tied to the events underlying the suit, while also noting that as in *Samsung*, witnesses were much more prominent in the target venue.⁴⁰⁴ The Court strongly implied that if the district court denied the petition, a future petition would be successful.⁴⁰⁵

Judge Renya concurred, expressing concern with the decision to deny a petition while instructing a judge to reconsider his views, and worried that this risked creating a new form of relief.⁴⁰⁶

On remand, the district court reentered a similar decision despite the Federal Circuit's "confidence" that it would reconsider the question on remand. DISH petitioned for mandamus again, and this time the court granted the petition, transferring the case to Colorado.

³⁹⁸ *Id.* at 1381.

³⁹⁹ *Id.* at 1376.

⁴⁰⁰ *Id.* at 1379-80.

⁴⁰¹ *Id.*

⁴⁰² *In Re: Dish Network LLC*, 856 Fed.Appx. 310 (Mem) (Fed Cir. 2021).

⁴⁰³ *Id.* at 310-11.

⁴⁰⁴ *Id.* at 311.

⁴⁰⁵ *Id.*

⁴⁰⁶ *Id.*

***In re: Apple Inc.*, 855 Fed.Appx. 766 (Mem) (Fed. Cir. Aug. 4, 2021)**

The Federal Circuit denied a petition seeking a writ of mandamus directing transfer from Judge Albright in the Western District of Texas to the Northern District of California.⁴⁰⁷ The Court held that Apple had failed to demonstrate that the right to relief was clear and indisputable, as the plaintiff had demonstrated two potential W.D. Tex. witnesses who were unwilling to travel to California to testify, while Apple had relied on employee witnesses who were unlikely to be called to trial.⁴⁰⁸ Judicial economy considerations because of co-pending lawsuits in W.D. Tex. also gave reason against transfer.⁴⁰⁹

***In re: Google LLC*, 855 Fed.Appx. 767 (Mem) (Fed. Cir. Aug. 4, 2021)**

The Federal Circuit denied Google's petition for a writ of mandamus to transfer the action from Judge Albright in the Western District of Texas to the Northern District of California.⁴¹⁰ The district court had refused to transfer on the grounds of co-pending cases, that the Texas courts were open, that Google employees in the Western District of Texas had material information, that Google had failed to demonstrate anyone was unwilling to travel to Texas/use video to testify, that Google failed to demonstrate specific documents in N.D. Cal, and that Google had a substantial presence in Austin.⁴¹¹ The Federal Circuit disagreed on that last factor, as the events in the case need to be connected to the local interest, but still found Google had not made a clear and indisputable showing that transfer was required given the efficiency benefits of keeping it in Texas.⁴¹²

***In re: Hulu LLC*, 2021 WL 3278194 (Fed. Cir. Aug. 2, 2021)**

The Federal Circuit granted Hulu's writ of mandamus to transfer the case from Judge Albright in the Western District of Texas to the Central District of California.⁴¹³ The plaintiff, SITO Mobile, is a Delaware company with principal

⁴⁰⁷ In Re: Apple Inc., 855 Fed.Appx. 766 (Mem) (Fed. Cir. 2021).

⁴⁰⁸ *Id.* at 766-67.

⁴⁰⁹ *Id.* at 767.

⁴¹⁰ In Re: Google LLC, 855 Fed.Appx. 767 (Mem) (Fed. Cir. 2021).

⁴¹¹ *Id.* at 768.

⁴¹² *Id.*

⁴¹³ In re: Hulu LLC, 2021 WL 3278194 (Fed. Cir. 2021).

place of business in New Jersey.⁴¹⁴ Hulu demonstrated that the vast majority of witnesses would be based in California, but the district court had held that this factor weighed against transfer because some of the witnesses could be summoned to Texas and that prior art witnesses are unlikely to testify a trial.⁴¹⁵ The Federal Circuit held that this discounting was an abuse of discretion without more case-specific analysis, and that this factor weighed for transfer.⁴¹⁶ On willing witnesses, the district court discounted the convenience of party witnesses and held that Hulu had failed to identify relevant third party witnesses – the Federal Circuit disagreed, noting that employee convenience while still discounted is a factor, and that not a single significant witness was in the Western District of Texas or would find it more convenient.⁴¹⁷ The Federal Circuit found court congestion to be neutral, and found that the balance of factors clearly weighed towards transfer and that the district court had abused its discretion.⁴¹⁸

***Andra Group, LP v. Victoria's Secret Stores, LLC*, 6 F.4th 1283 (Fed. Cir. Aug 3, 2021)**

In this appeal from the Eastern District of Texas, the Federal Circuit affirmed a motion to dismiss for improper venue.⁴¹⁹ L Brands, Inc. is the corporate parent for defendants, which are divided into a subsidiary to manage retail stores, one to manage the website and application, and one that owns the brand.⁴²⁰ All defendants are incorporated in Delaware, and only the retail subsidiary has any employees or physical presence in the Eastern District of Texas.⁴²¹ When the plaintiff sued, the magistrate judge recommended that the non-store defendants be dismissed for improper venue, and the district court divided the case and adopted the recommendations, leading to the plaintiff voluntarily dismissing the case against the retail subsidiary without prejudice and appealed the decision for the non-retail defendants.⁴²²

The Federal Circuit affirmed, noting that the plaintiff needed to show that each defendant committed acts of infringement and maintains a regular and

⁴¹⁴ *Id.* at *1.

⁴¹⁵ *Id.* at *3.

⁴¹⁶ *Id.*

⁴¹⁷ *Id.* at *4-*5.

⁴¹⁸ *Id.* at *5.

⁴¹⁹ *Andra Group, LP v. Victoria's Secret Stores, LLC*, 6 F.4th 1283 (Fed. Cir. 2021).

⁴²⁰ *Id.* at 1286.

⁴²¹ *Id.*

⁴²² *Id.*

established place of business in the E.D. Tex.⁴²³ Andra argued that the retail locations were a regular and established place of business of the other defendants because the employees were agents of the defendants or because the defendants had ratified the locations as their place of business.⁴²⁴ Andra's agency argument relied on the facts that the parent controlled the hiring and firing of employees, the website subsidiary could direct the handling of returns purchased on the website, and the brand subsidiary's products were distributed there.⁴²⁵ The Court held that none of these were sufficiently proven – the parent didn't directly control hiring and didn't approve hires, there was no evidence that the internet subsidiary controlled returns, and that the brand's control of its products didn't prove control of employees.⁴²⁶

Andra's ratification theory relied not on proving a lack of corporate separateness, but by the same actions as the agency argument demonstrating the company holding themselves out as doing business there.⁴²⁷ The court dismissed this argument, on the grounds that the defendants must also actually do business there, which they didn't, and also that none of the other defendants owned the physical locations or displayed their corporate names there.⁴²⁸

***In re: Juniper Networks, Inc.*, 2021 WL 4343309 (Fed. Cir. Sept. 24, 2021)**

The Federal Circuit granted a petition for writ of mandamus to direct Judge Albright in the Western District of Texas to transfer six actions to the Northern District of California.⁴²⁹ WSOU Investments, a Patent Assertion Entity whose CEO and president live in California but whose office is in Waco Texas, filed seven complaints against Juniper Networks, a Delaware Corporation headquartered in Sunnyvale, California and with a small office in Austin.⁴³⁰ Juniper moved to transfer to the N.D. Cal., which Judge Albright rejected.⁴³¹ On sources of proof, Judge Albright found that the majority of Juniper's documents were in California, but that information was stored in multiple other locations, so Juniper had failed to differentiate what documents would be more available in N.D. Cal.⁴³² On compulsory process, neither party identified any witness who

⁴²³ *Id.* at 1287.

⁴²⁴ *Id.*

⁴²⁵ *Id.* at 1288.

⁴²⁶ *Id.* at 1288-89.

⁴²⁷ *Id.* at 1289.

⁴²⁸ *Id.* at 1290.

⁴²⁹ *In re: Juniper Networks, Inc.*, 2021 WL 4343309 (Fed. Cir. Sept. 24, 2021).

⁴³⁰ *Id.* at *1.

⁴³¹ *Id.* at *2.

⁴³² *Id.*

would be unable to testify in either location, so the district court held that this was a factor against transferring, for somewhat opaque reasons.⁴³³ On relative convenience for witnesses, Juniper had identified 15 witnesses in the N.D. Cal. while WSOU could only demonstrate one employee in W.D. Tex., so Judge Albright found this weighed slightly for transfer.⁴³⁴ On local interest, the district court found that Juniper's office in Austin and WSOU's headquarters being in W.D. Tex. was sufficient to give it a greater local interest, as Juniper had not shown that development was done entirely within N.D. Cal.⁴³⁵ Lastly, the district court held that the W.D. Texas would be able to try the case more quickly, and taking into account these factors found against transfer.⁴³⁶

The Federal Circuit reversed, noting the massive difference in convenience for witnesses, and holding that Juniper's small office in Austin which had no connection to the events of the case and WSOU's nominal existence in Texas were not enough to give rise to a local interest compared to Juniper's headquarters in California where the majority of development was done and where the Plaintiffs resided.⁴³⁷ The Court also noted that the vast majority of evidence was more accessible in N.D. Cal., and the existence of evidence in other locations (but not in W.D. Tex.) was not a reason that N.D. Cal. was not more convenient, and that a lack of need for compulsory process in either venue made that factor neutral.⁴³⁸ Lastly, the Court disputed the time to trial statistics, emphasizing it was improper to weigh W.D. Tex.'s aggressive scheduling orders and that this factor should be given little weight.⁴³⁹ Because the "center of gravity" was clearly in California, the Court granted the petition.⁴⁴⁰

In re: Google LLC, 2021 WL 4592280 (Fed. Cir. Oct. 6, 2021)

The Federal Circuit granted Google's writ of mandamus to transfer the case from Judge Albright in the Western District of Texas to the Northern District of California.⁴⁴¹ Jenam Tech., whose only employee is in the E.D. Tex. where it is incorporated but who licenses its IP through an affiliate in the N.D. Cal, sued Google relating to the Quick UDP Internet Connections Protocol.⁴⁴² Google filed

⁴³³ *Id.*

⁴³⁴ *Id.*

⁴³⁵ *Id.* at *3.

⁴³⁶ *Id.*

⁴³⁷ *Id.* at *4-*5.

⁴³⁸ *Id.* at *5-*6.

⁴³⁹ *Id.* at *6-*7.

⁴⁴⁰ *Id.* at *7.

⁴⁴¹ *In re: Google LLC, 2021 WL 4592280 (Fed. Cir. Oct. 6, 2021).*

⁴⁴² *Id.* at *1.

a motion to transfer and asserted that the vast majority of the research occurred in either Mountain View or Cambridge, and that the source code and technical documents were stored there.⁴⁴³ Jenam argued to keep the case in W.D. Tex., noting that Google has an office in Austin, claiming that the inventor was likely unwilling to travel to either location but would prefer Texas because he could drive there rather than having to fly during COVID, and asserting that it would be more convenient for Jenam's one employee and its patent attorney, both of whom resided in Texas.⁴⁴⁴

The district court denied the motion to transfer.⁴⁴⁵ On sources of proof, the district court held that Google could easily access documents electronically from either place, whereas it would be more convenient for plaintiffs' employee residing in Eastern Texas to transfer documents to the W.D. Tex.⁴⁴⁶ On compulsory process, Google identified five third party witnesses who could be compelled in N.D. Cal. but not in W.D. Tex. The district court discounted this because only one of them was likely unwilling to testify.⁴⁴⁷ On convenience of witnesses, the lower court emphasized that few witnesses would testify live, that convenience was not important for party witnesses, and that the importance of convenience for the inventor outweighed the importance of convenience for Google's ex-employees, who were less critical.⁴⁴⁸ On local interest, the lower court found it to be against transfer because Google had employees and customers in both districts, while Jenam is a Texas entity.⁴⁴⁹ On court congestion, the district court emphasized that a transfer would cause delay.⁴⁵⁰

The Federal Circuit granted the petition, finding a clear abuse of discretion.⁴⁵¹ First, the Court held the witness convenience factor greatly favored transfer by noting that party witness convenience still matters, that no witness lived in the W.D. Tex., that a great number lived in N.D. Cal., and that the inventor having to travel a longer distance was irrelevant because in either case he'd have to leave home for a long time, and that the inventor's stated aversion to flying because of COVID will hopefully have abated by the trial in ~2023.⁴⁵² The Court then held that the local interest factor strongly favored transfer, as Google's general presence in Austin bore no relationship to where events that gave rise to the suit occurred – this was indisputably Northern California – and

⁴⁴³ *Id.*

⁴⁴⁴ *Id.*

⁴⁴⁵ *Id.* at *2.

⁴⁴⁶ *Id.*

⁴⁴⁷ *Id.*

⁴⁴⁸ *Id.* at *2-*3.

⁴⁴⁹ *Id.* at *3.

⁴⁵⁰ *Id.*

⁴⁵¹ *Id.* at *7.

⁴⁵² *Id.* at *4-*5.

that Jenam's connection to W.D. Tex. is a single office in a different district within Texas.⁴⁵³

The Court next held that the court congestion factor was neutral, as there was comparable congestion, and that Google's motion to transfer was prompt enough that the possibility of delay for new scheduling orders was minimal.⁴⁵⁴ Moving to sources of proof, while Google can access information electronically, the fact that there were no documents within the Western District whatsoever weighed in favor of transfer.⁴⁵⁵ The Court held that there was nothing tying the case to the W.D. Tex., nor any factor that favored retention, so denying transfer was clearly an abuse of discretion.⁴⁵⁶

In re: Pandora Media, LLC, 2021 WL 4772805 (Fed. Cir. Oct. 13, 2021)

The Federal Circuit granted Pandora's writ of mandamus to transfer the case from Judge Albright in the Western District of Texas to the Northern District of California.⁴⁵⁷ Bluebonnet, a patent assertion entity based in the N.D. Tex., sued Pandora in W.D. Tex.⁴⁵⁸ Pandora filed a motion to transfer to N.D. Cal., relying on the fact that Bluebonnet's predecessor in interest, Friskit, developed the technology at issue in San Francisco and as such multiple non-party witnesses resided there, along with Pandora's own engineers.⁴⁵⁹ Bluebonnet noted that multiple Pandora employees with potentially relevant information were located in Austin, two were elsewhere in Texas, and one was in Boulder, Colorado.⁴⁶⁰ Bluebonnet also noted that Waco was closer to the residences of the inventors in Israel and Maryland, and that Waco was more convenient for witnesses in New York and Philadelphia.⁴⁶¹

The district court denied the transfer motion.⁴⁶² The Court weighed the location of documents in favor of transfer, noting that the key source code and other documents were in N.D. Cal.⁴⁶³ Availability of compulsory process to secure attendance of witnesses was neutral, as Pandora had failed to show that

⁴⁵³ *Id.* at *5-*6.

⁴⁵⁴ *Id.*

⁴⁵⁵ *Id.* at *6-*7.

⁴⁵⁶ *Id.* at *7.

⁴⁵⁷ *In re: Pandora Media, LLC, 2021 WL 4772805 (Fed. Cir. Oct. 13, 2021)*

⁴⁵⁸ *Id.* at *1.

⁴⁵⁹ *Id.*

⁴⁶⁰ *Id.*

⁴⁶¹ *Id.*

⁴⁶² *Id.* at *2.

⁴⁶³ *Id.*

any witnesses would be unwilling to testify.⁴⁶⁴ On willing witnesses, N.D. Cal. was more convenient for a party witnesses, which was given little weight compared to the non-party witnesses for whom Pandora failed to identify residences and Bluebonnet had noted that Texas was more convenient for witnesses in Israel, New York, and Philadelphia.⁴⁶⁵ The district court held that local interest was slightly in favor of transfer, and that all other factors were neutral, so N.D. Cal. was not clearly the more convenient forum.⁴⁶⁶

The Federal Circuit granted the petition for mandamus.⁴⁶⁷ First, the Court emphasized that the compulsory process factor weighed significantly in favor of N.D. Cal., as witnesses should be presumed to be unwilling absent a showing by the opposing party.⁴⁶⁸ Next, the Court held that the district court erred by not giving weight to party witnesses and by weighing so highly the difference in distance between Texas and California for witnesses located far from either location.⁴⁶⁹ Finding that no factor favored keeping the case in Texas while several of the most important ones favored it being transferred, the Court granted the motion.⁴⁷⁰

***In re: Volkswagen Group of America*, 28 F.4th 1023 (Fed. Cir. Mar. 9, 2022)**

The Federal Circuit granted Volkswagen's and Hyundai's writs of mandamus to dismiss or transfer for lack of venue in the Western District of Texas.⁴⁷¹ The district court had found proper venue by finding that independent car dealerships in the Western District gave petitioners sufficient control to establish a regular and established place of business despite a Texas law prohibiting auto manufacturers from directly operating or controlling a dealership, as the dealerships were agents of the manufacturers.⁴⁷²

The Federal Circuit reversed, holding that Stratos failed to demonstrate the dealerships were agents.⁴⁷³ First, the court noted that there is a distinction between interim control that evidences agency (e.g. step by step directions for maintenance and installation), and control that provides constraints and

⁴⁶⁴ *Id.*

⁴⁶⁵ *Id.*

⁴⁶⁶ *Id.*

⁴⁶⁷ *Id.* at *7.

⁴⁶⁸ *Id.* at *3.

⁴⁶⁹ *Id.* at *4-5.

⁴⁷⁰ *Id.* at *7.

⁴⁷¹ *In re: Volkswagen Group of America*, 28 F.4th 1023 (Fed. Cir. 2022)

⁴⁷² *Id.* at 1206.

⁴⁷³ *Id.* at 1205.

standards.⁴⁷⁴ Second, agency in one aspect of activity does not create an agency relationship for all purposes.⁴⁷⁵ The Federal Circuit held that the manufacturers lacked interim control over car sales or warranty work, as once the cars leave their possession they have no authority over the manner in, or price for, cars are sold.⁴⁷⁶ While there are constraints of displaying the logo, providing sales reports, and keeping minimum inventory, these didn't rise to the level of control creating an agency relationship.⁴⁷⁷ The Court also noted the parties themselves, in their franchise agreements, disclaimed an agency relationship, and cited to other circuits agreeing that dealerships are not agents.⁴⁷⁸ As such, the Court held that the Western District's declining to dismiss or transfer based on these dealerships was an abuse of discretion.⁴⁷⁹

⁴⁷⁴ *Id.* at 1209.

⁴⁷⁵ *Id.* at 1210.

⁴⁷⁶ *Id.* at 1211.

⁴⁷⁷ *Id.*

⁴⁷⁸ *Id.* at 1212-14.

⁴⁷⁹ *Id.* at 1214.

PATENT TRIAL AND APPEAL BOARD

Inter Partes Review Procedure

Qualcomm Incorporated v. Intel Corporation, 6 F.4th 1256 (Fed. Cir. July 27, 2021)

In this appeal from an IPR, the Federal Circuit held that the PTAB provided insufficient notice and opportunity to respond to a claim construction, violating its rights under the Administrative Procedure Act; the Court also declined to extend the algorithm requirement to circuitry in claim construction.⁴⁸⁰

Qualcomm owns the '675 patent relating to techniques for generating a power tracking supply voltage for a circuit that processes multiple radio frequency signals simultaneously.⁴⁸¹ Intel petitioned for IPR, proposing a claim construction of "a plurality of carrier aggregated transmit surveys" to mean "signals for transmission on multiple carriers at the same time to increase the bandwidth for a user", while Qualcomm proposed the construction "signals from a single terminal utilizing multiple component carriers which provide extended transmission bandwidth for a user transmission from the single terminal" – both parties agreed that increased bandwidth requirement was a component.⁴⁸² One judge asked Intel during the oral hearing what the purpose and support for this requirement was.⁴⁸³ The next day the Board ordered additional briefing on a different topic, and later issued its final written decisions concluding unpatentability by omitting any requirement of increasing bandwidth, and holding that "means for determining a single power tracking signal" is a means plus function limitation and that power tracker 582 is the corresponding structure.⁴⁸⁴

Qualcomm argued it did not receive adequate notice to respond to the Board's sua sponte elimination of the increasing bandwidth requirement, as the PTO must timely inform the patent owners of the matters asserted under the APA.⁴⁸⁵ The Federal Circuit agreed with Qualcomm, noting that while the Board may adopt a claim construction that neither party proposes without violating the

⁴⁸⁰ *Qualcomm Incorporated v. Intel Corporation*, 6 F.4th 1256 (Fed. Cir. 2021).

⁴⁸¹ *Id.* at 1259.

⁴⁸² *Id.* at 1261.

⁴⁸³ *Id.*

⁴⁸⁴ *Id.* at 1262.

⁴⁸⁵ *Id.*

APA, it may not diverge from the agreed upon requirement – neither party could have anticipated that an agreed upon claim was a moving target.⁴⁸⁶

Intel argued that the challenge failed because of a lack of prejudice, and that oral argument and a chance to move for rehearing were opportunities to respond. The Federal Circuit rejected all three arguments: first, Qualcomm had shown adequate prejudice by removing an element on which Intel had the burden of proof and Qualcomm had no opportunity to brief.⁴⁸⁷ Second, the Court held that a single question offered to the opposing party did not provide notice that the Board may depart from the requirement. The board didn't announce a construction at the hearing or criticize the requirement, and even if there was notice, there was no chance to respond since the Board didn't give a rationale at hearing, ask a question to Qualcomm about it, or ask for additional briefing on the issue.⁴⁸⁸ Lastly, the Court found that a chance to seek rehearing was not sufficient, since as a matter of law parties need not seek rehearing in order to seek relief, nor may the Court impose an exhaustion requirement.⁴⁸⁹

***In re: Vivint, Inc.*, 2021 WL 4448620 (Fed. Cir. Sept. 29, 2021)**

On this appeal from a PTAB decision, the Federal Circuit held that serial IPR requests can doom a request for an ex parte reexamination.⁴⁹⁰ In 2015, Vivint sued Alarm.com for patent infringement, and Alarm.com responded by filing fourteen IPR petitions, three of which challenged claims in the patent at issue here.⁴⁹¹ The PTO declined to institute IPR, for the first two petitions on the grounds of failing to show a reasonable likelihood of success, and for the last petition as “incremental petitioning” that used prior PTAB decisions as a roadmap to correct deficiencies and harass patent owners.⁴⁹² Over a year later, Alarm.com requested ex parte reexamination repackaging the arguments in its last IPR petition.⁴⁹³ The PTO ordered reexamination, finding substantial new questions of patentability without addressing the question of its discretionary ability to deny reexamination when the same arguments were previously presented.⁴⁹⁴ Vivint petitioned the PTO under section 325, but the PTO dismissed the petition on the grounds it needed to have been filed before reexamination.

⁴⁸⁶ *Id.* at 1262-63.

⁴⁸⁷ *Id.* at 1263-64.

⁴⁸⁸ *Id.* at 1264-65.

⁴⁸⁹ *Id.* at 1265.

⁴⁹⁰ *In re: Vivint, Inc.*, 2021 WL 4448620 (Fed. Cir. Sept. 29, 2021).

⁴⁹¹ *Id.* at *1.

⁴⁹² *Id.*

⁴⁹³ *Id.* at *2.

⁴⁹⁴ *Id.*

Vivint petitioned again, and the PTO rejected again on the grounds that Vivint could have sought waiver of rules preventing them from petitioning before an ex parte reexamination.⁴⁹⁵ An examiner issued a rejection of all claims of Vivint's patent, Vivint appealed to the PTAB, the PTAB affirmed, and Vivint appealed.⁴⁹⁶

The Federal Circuit reversed, noting that while there was a substantial new question of patentability the PTO still abused its discretion by permitting the reexamination.⁴⁹⁷ The Court found there was a substantial new question of patentability because the arguments within had not been considered on their merits, as they'd been merely rejected earlier for abusive petitioning.⁴⁹⁸ The Federal Circuit also held that section 325(d) discretionary decisions are reviewable. The Court reviewed the decisions here under the APA for abuse of discretion or arbitrary and capricious behavior.⁴⁹⁹

The Federal Circuit held that the PTO's ordering of reexamination was arbitrary and capricious, as the PTO misunderstood its own power to terminate ex parte reexaminations and this infected all of its analysis.⁵⁰⁰ Finding this, the Federal Circuit proceeded to say it would be arbitrary for the PTO to do anything on remand other than terminate the reexamination, as it would depart from established precedent without a reasoned explanation.⁵⁰¹ Alarm.com word for word copied its prior IPR grounds into the ex parte reexamination request, and it was arbitrary of the PTO to deny the third petition for incremental petitioning but not the fourth petition.⁵⁰² The Court rejected the argument that because ex parte reexamination and IPR are different procedures, a nearly identical petition may be granted for one but not the other, because they saw no difference between the processes that would justify such conduct.⁵⁰³

***California Institute of Technology v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. Feb. 4, 2022)**

In this appeal from the Central District of California, the Federal Circuit overruled its precedent from *Shaw*, holding that now IPR estoppel applies not just to claims and grounds asserted in the petition and instituted for

⁴⁹⁵ *Id.* at *2-3.

⁴⁹⁶ *Id.* at *3.

⁴⁹⁷ *Id.* at *8.

⁴⁹⁸ *Id.* at *4-5.

⁴⁹⁹ *Id.* at *5.

⁵⁰⁰ *Id.* at *6.

⁵⁰¹ *Id.*

⁵⁰² *Id.* at *7.

⁵⁰³ *Id.*

consideration, but to all grounds not stated in the petition but which reasonably could have been asserted against the claims included in the petition.⁵⁰⁴

The main consideration for this change was that *Shaw* relied on the assumption, overturned by the Supreme Court in *SAS*, that the PTAB could institute review on only some grounds in a petition.⁵⁰⁵ The Court noted that at the time of *Shaw*, the institution decision decided the scope of review, while now it is more accurate to say a claim is raised “during” IPR if it is in the petition, not the institution decision, as the petition defines the scope of the review.⁵⁰⁶ Given that it was undisputed that Apple and Broadcom were aware of the prior art references they sought to raise in the district court when Apple filed its IPR petitions, the Court held that they were barred from raising challenges based on them.⁵⁰⁷

***Qualcomm Inc. v. Apple Inc.*, 24 F.4th 1367 (Fed. Cir. Feb. 1, 2022)**

In this appeal from the PTAB, the Federal Circuit reversed the Board and held that Applicant Admitted Prior Art (AAPA) does not constitute a printed publication eligible to serve as the basis of an IPR claim under 35 U.S.C. § 311(b).⁵⁰⁸ The PTAB found several claims of Qualcomm’s ‘674 patent unpatentable, relying on statements in the challenged patent acknowledging that most of the limitations were already known.⁵⁰⁹ Qualcomm appealed, arguing that 35 U.S.C. § 311(b)’s requirement that IPRs be filed “only on the basis of prior art consisting of patents or printed publications” precluded relying on AAPA.⁵¹⁰ Qualcomm’s interpretation was that AAPA is not prior art consisting of patents, nor of prior art consisting of a printed publication, so cannot be used as the basis for an IPR.⁵¹¹ Apple interpreted this as a misreading of 311(b), and would permit the use of any prior art consisting of patents or printed publications, including AAPA.⁵¹² The PTO asked for a remand, agreeing with Qualcomm’s interpretation that AAPA does not fall within the ambit of 311(b), but would permit the use of AAPA as evidence of general knowledge instead of as the basis of claims.⁵¹³

⁵⁰⁴ *Cal. Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

⁵⁰⁵ *Id.* at 990-91.

⁵⁰⁶ *Id.*

⁵⁰⁷ *Id.* at 991.

⁵⁰⁸ *Qualcomm Inc. v. Apple Inc.*, 24 F.4th 1367 (Fed. Cir. 2022)

⁵⁰⁹ *Id.* at 1369.

⁵¹⁰ *Id.*

⁵¹¹ *Id.* at 1373.

⁵¹² *Id.*

⁵¹³ *Id.*

The Federal Circuit agreed with Qualcomm and the PTO that the patents or printed publications that form the basis of an IPR must themselves be prior art based on the text of the statute, excluding any descriptions in the challenged patent.⁵¹⁴ The Court started with the text, then noted wording in the Supreme Court’s *Return Mail* decision that implied that the patents or printed publications had to exist at the time of the application, and in the Federal Circuit’s *LSI Corp.* decision that implied the same.⁵¹⁵ It continued to argue that this best aligned with the interpretation of 35 U.S.C. § 301(a) in *Lonardo*, which distinguished “consideration of other patents or printed publications” from “prior art patents or printed publications.”⁵¹⁶ The Court did soften its decision by noting that a petitioner may rely on evidence beyond prior art documents in IPRs, even though it may not qualify as the basis for a ground in the petition.⁵¹⁷ The Court remanded to determine if the AAPA in this case was the “basis” of Apple’s challenge.⁵¹⁸

***Hunting Titan, Inc. v. DynaEnergetics Europe GmbH*, 28 F.4th 1371 (Fed. Cir. Mar. 24, 2022)**

In this appeal from the Precedential Opinion Panel, the Federal Circuit narrowly affirmed the Panel’s decision that while the PTAB may advance a ground of unpatentability that a petitioner does not advance, they should only need to do so in rare situations, on the grounds that the challenge was improperly preserved.⁵¹⁹ Hunting Titan petitioned for IPR of DynaEnergetics’s patent, including on grounds of anticipation by a Schacherer reference.⁵²⁰ The PTAB instituted and found the claims unpatentable.⁵²¹ DynaEnergetics moved to amend and add substitute claims.⁵²² Hunting Titan opposed the motion to amend, advancing only obviousness grounds, and not asserting Schacherer.⁵²³ Nevertheless, the PTAB determined the original and substitute claims were unpatentable as anticipated by Schacherer.⁵²⁴ DynaEnergetics requested and received rehearing from the Precedential Opinion Panel, which reversed the

⁵¹⁴ *Id.* at 1375.

⁵¹⁵ *Id.* at 1374.

⁵¹⁶ *Id.*

⁵¹⁷ *Id.* at 1375-76.

⁵¹⁸ *Id.* at 1377.

⁵¹⁹ *Hunting Titan, Inc. v. DynaEnergetics Europe GmbH*, 28 F.4th 1371 (Fed. Cir. 2022)

⁵²⁰ *Id.* at 1374.

⁵²¹ *Id.* at 1373.

⁵²² *Id.*

⁵²³ *Id.*

⁵²⁴ *Id.* at 1373-74.

PTAB's decision to deny the motion to amend.⁵²⁵ The Panel held that the Board could raise a sua sponte ground of unpatentability only in rare circumstances (e.g. the petitioner ceases to participate, or the record establishes that substitute claims are unpatentable for the same reasons as the original claims and the original reason why is readily identifiable and persuasive), that Hunting Titan had not raised Schacherer against the substitute claims, and that asserting it against the original claims was insufficient, and that therefore this was not one of those special cases.⁵²⁶

The Federal Circuit affirmed the Panel's decision because Hunting Titan failed to challenge the Panel's decision as an abuse of discretion and didn't argue that the same reasons exception was misapplied.⁵²⁷ As such, the Federal Circuit narrowly affirmed, but noted it did not determine the patentability of the substitute claims, or whether than Panel abused its discretion in determining Schacherer was not readily identifiable and persuasive, or whether the Panel's other restrictions were consistent with 318.⁵²⁸ But the Court rejected the Panel's reasoning that raising new grounds of unpatentability should be rare. The Court noted that the Panel's reasoning was problematic, and relied too heavily on the adversarial system to the detriment of agency expertise.⁵²⁹

Judge Prost concurred, writing that had Hunting Titan properly preserved its challenge, it should have succeeded.⁵³⁰

PTAB and Choice of Forum

Kannuu Pty Ltd. v. Samsung Electronics Co., Ltd., 2021 WL 46717967 (Fed. Cir. Oct. 7, 2021)

On this appeal from the Southern District of New York, the Federal Circuit held in a case of first impression that an NDA forum selection clauses did not bar IPR petitions.⁵³¹ Kannuu and Samsung entered into an NDA that included a forum section clause stating that any legal action arising out of or relating to the agreement or the transactions contemplated must be instituted exclusively in a court of competent jurisdiction in Manhattan.⁵³² No deal was

⁵²⁵ *Id.* at 1374.

⁵²⁶ *Id.* at 1377.

⁵²⁷ *Id.* at 1382.

⁵²⁸ *Id.*

⁵²⁹ *Id.*

⁵³⁰ *Id.* at 1382-86.

⁵³¹ *Kannuu Pty Ltd. v. Samsung Electronics Co., Ltd.*, 2021 WL 46717967 (Fed. Cir. Oct. 7, 2021).

⁵³² *Id.* at *1.

made, and six years later Kannuu filed suit for infringement against Samsung, and Samsung petitioned for IPR.⁵³³ Kannuu sought a preliminary injunction to compel Samsung to dismiss the IPRs on the grounds that the NDA had prohibited IPRs.⁵³⁴ The district court denied the motion, and Kannuu appealed.⁵³⁵

The Federal Circuit affirmed, holding that the plain meaning of the contract did not include IPR, as the agreement implicated confidentiality rather than Intellectual Property rights.⁵³⁶ Kannuu's counterargument was that the NDA involved an agreement about the exchange of info in contemplation of a licensing deal, the suit relates to the misuse of that information, and that the IPR relates to the lawsuit.⁵³⁷ The Federal Circuit dismissed each step of this logic: First, the NDA did not grant any rights and was not a licensing agreement, and the issues underlying patents were out of the scope of an NDA. Hoped-for transactions didn't fall within the scope.⁵³⁸ Second, Kannuu relied on forum selection clauses in license agreements as precedent to argue that the forum selection clause applied to the district court, but the Federal Circuit refused to see the NDA as a failed license attempt. And even if it was, the Court held that failing to bind Samsung in an agreement is not a reason to stop Samsung from filing an IPR.⁵³⁹ Thirdly, Kannuu's argument that the IPR implicates the NDA because Kannuu may rebut Samsung's case with evidence of copying was simply too attenuated. Mere factual relevancy is not sufficient to prevent an IPR, and Kannuu had not demonstrated that copying will be relevant to the board's analysis.⁵⁴⁰ Applying all these factors, the Court held that the NDA did not bar Samsung from seeking IPR.⁵⁴¹

Judge Newman dissented, arguing that the forum selection clause was clear and unambiguous, and arguing that the majority's creation of a requirement that an agreement be a license to bind the parties was out of line with precedent.⁵⁴²

⁵³³ *Id.*

⁵³⁴ *Id.* at *2.

⁵³⁵ *Id.*

⁵³⁶ *Id.* at *3.

⁵³⁷ *Id.*

⁵³⁸ *Id.*

⁵³⁹ *Id.* at *4.

⁵⁴⁰ *Id.* at *5.

⁵⁴¹ *Id.*

⁵⁴² *Id.* at *6.

In re: MaxPower Semiconductor, Inc., 13 F.4th 1348 (Fed. Cir. Sept. 8, 2021)

MaxPower sought to review the PTAB's decision to institute IPR via either an appeal or a writ of mandamus. The Federal Circuit denied both attempts.⁵⁴³ The Court noted that a decision to institute is not appealable under 35 USC § 314(d).⁵⁴⁴ MaxPower challenged this under the collateral order doctrine by arguing that its challenge implicated questions whether the board can institute proceedings that are subject to arbitration, but the Court rejected this by noting that this doctrine only applies if affected rights would be irretrievably lost, and MaxPower could just raise its challenges after any final decisions.⁵⁴⁵ Failing this, MaxPower sought mandamus relief, but the Court held that it failed to show that this was not merely a means of avoiding the statutory prohibition on appellate review of institution decisions.⁵⁴⁶ Rejecting the argument for an exception, the Court held that the PTAB had not clearly exceeded its authority, as the PTAB is not held to the private contracts of parties.⁵⁴⁷

Judge O'Malley issued a dissent on the issue of mandamus.⁵⁴⁸ She would have held that MaxPower and Rohm's agreement to arbitrate any dispute created a clear and indisputable legal right under the Federal Arbitration Act, citing *Preston v. Ferrer* for the proposition that a neutral adjudicator should not initially hear cases involving arbitration provisions.⁵⁴⁹ Judge O'Malley would have further held that the harm of no longer getting the efficiency benefits of arbitration would have been done at the completion of IPR, so there was no other avenue for adequate relief.⁵⁵⁰ The majority distinguished *Preston* on the grounds that it concerned a court exercising power over parties to compel them to arbitration, as opposed to this case where the tribunal would be exercising power over itself.⁵⁵¹ Judge O'Malley distinguished the distinguishing by noting that the PTAB need only stay its own proceedings rather than enforce the arbitration agreement.⁵⁵²

⁵⁴³ *In re: MaxPower Semiconductor, Inc.*, 13 F.4th 1348 (Fed. Cir. 2021)

⁵⁴⁴ *Id.* at 1351.

⁵⁴⁵ *Id.*

⁵⁴⁶ *Id.*

⁵⁴⁷ *Id.* at 1351-52.

⁵⁴⁸ *Id.* at 1352-60.

⁵⁴⁹ *Id.* at 1354-57 (citing 552 U.S. 346 (2008))

⁵⁵⁰ *Id.* at 1359-60.

⁵⁵¹ *Id.* at 1352.

⁵⁵² *Id.* at 1358.

Nippon Shinyaku Co., Ltd. v. Sarepta Therapeutics, Inc., 25 F.4th 998 (Fed. Cir. Feb. 8, 2022)

In this appeal from the District of Delaware, the Federal Circuit reversed the district court, and granted a preliminary injunction enjoining Sarepta from proceeding with IPRs on breach of contract grounds.⁵⁵³ The parties had signed a confidentiality agreement that included a forum selection clause for IP disputes after the contract term, specifying the District of Delaware and including administrative proceedings as an action.⁵⁵⁴ The agreement also included a time-limited no-suit clause, which included administrative proceedings and specifically precluded patent validity challenges before the PTO.⁵⁵⁵ Sarepta filed an IPR, and Nippon Shinyaku filed suit in Delaware, seeking to enjoin them from continuing the challenge.⁵⁵⁶

The lower court held that Nippon Shinyaku had not shown a reasonable probability of succeeding on the argument that the agreement barred IPRs after the no-suit clause expired.⁵⁵⁷ The district court found that interpreting the forum selection clause to preclude IPRs would put it in tension with the no-suit clause, as it would be odd for one clause to expressly bar something for a shorter period of time than a different clause impliedly barred for a longer period.⁵⁵⁸ The district court noted that the forum selection clause mentioned forum non conveniens, venue, and personal jurisdiction, indicating its intent to apply to district court proceedings, notwithstanding the inclusion of administrative proceedings in the definition of action.⁵⁵⁹ Lastly, the district court was concerned about the practical implication, noting that if Sarepta was forced to wait out the forum selection clause its IPR petitions would be time barred.⁵⁶⁰

Applying Delaware law to interpret the contract, the Federal Circuit held that the plain language of the contract overwhelmed these arguments, as administrative agency actions include IPRs.⁵⁶¹ The Court dismissed the tension of the forum-selection and no-suit clause by simply noting that they were harmonious, as the no-suit clause completely barred all disputes, while the forum selection clause just funneled them into the District of Delaware once the no-suit provision expired.⁵⁶² The mentions of FNC/venue/personal jurisdiction

⁵⁵³ *Nippon Shinyaku Co., Ltd. v. Sarepta Therapeutics, Inc.*, 25 F.4th 998 (Fed. Cir. 2022)

⁵⁵⁴ *Id.* at 1002.

⁵⁵⁵ *Id.*

⁵⁵⁶ *Id.* at 1002-03.

⁵⁵⁷ *Id.* at 1003.

⁵⁵⁸ *Id.*

⁵⁵⁹ *Id.*

⁵⁶⁰ *Id.*

⁵⁶¹ *Id.* at 1005.

⁵⁶² *Id.* at 1006-07.

were dispatched as not dispositive that the parties meant to exclude IPRs, merely as lists of actions they shall not do in district courts.⁵⁶³ Lastly, on the argument that the parties didn't intend to bargain away their right to file IPRs, the Court noted parties are entitled to bargain it away including via forum selection clauses.⁵⁶⁴ Considering this and the equitable factors, the Court reversed the district court and ordered the entry of a preliminary injunction.⁵⁶⁵

Constitutionality and Jurisdiction

United States v. Arthrex, 141 S.Ct. 1970 (2021)

The Supreme Court heard oral argument on the constitutionality of the PTAB on March 1, 2021 and ruled on June 21.⁵⁶⁶ A 5-4 majority held that Administrative Patent Judges exercise sufficient unreviewable authority via IPRs that their appointment by the Commerce Secretary was unconstitutional.⁵⁶⁷ A different 7-2 majority fashioned the remedy: the USPTO director "may review final PTAB decisions and, upon review may issue decisions himself on behalf of the Board."⁵⁶⁸ Prior rulings of Administrative Patent Judges were not overturned, but discretionary review by the PTO director is now an option.⁵⁶⁹

Mobility Workx, LLC v. Unified Patents, LLC, 15 F.4th 1146 (Fed. Cir. Oct. 13, 2021)

In this appeal from the PTAB, the Federal Circuit held that the financial interest PTAB judges allegedly had in instituting procedures under the AIA to generate fees and receive better performance reviews did not violate the patentee's due process rights.⁵⁷⁰ Unified Patents sought IPR against a Mobility patent on communications technology.⁵⁷¹ Mobility appealed the PTAB's finding of unpatentability, and raised two core constitutional challenges: that the PTAB was structurally biased by receiving fees when proceedings are instituted, and

⁵⁶³ *Id.* at 1007.

⁵⁶⁴ *Id.* at 1007-08.

⁵⁶⁵ *Id.* at 1009.

⁵⁶⁶ *United States v. Arthrex*, 141 S.Ct. 1970 (2021).

⁵⁶⁷ *Id.* at 1985.

⁵⁶⁸ *Id.* at 1987.

⁵⁶⁹ *Id.*

⁵⁷⁰ *Mobility Workx, LLC v. Unified Patents, LLC*, 15 F.4th 1146 (Fed. Cir. 2021)

⁵⁷¹ *Id.* at 1150

that Administrative Patent Judges (APJs) are personally biased by having a personal financial interest in instituting proceedings to gain better performance reviews.⁵⁷²

First, the Court held that Mobility did not forfeit these arguments by failing to make them below, as agencies lack authority to adjudicate constitutional claims and that in any event the Court has discretion to consider new issues on appeal.⁵⁷³

On Mobility's structural bias point, the Federal Circuit distinguished the line of Supreme Court cases arising from *Tumey v. Ohio* by noting that APJs do not have responsibility for agency finances, unlike the mayor's responsibility for city finances in *Tumey*.⁵⁷⁴ The Court also noted that Congress appropriates funds to the PTO and that the fees from institution do not become available to the PTO until Congress appropriates them.⁵⁷⁵ Mobility emphasized the existence of a fund that held these fees, but the Court noted that Congress still needed to permit access and cited other circuits who had held similarly that if Congress needed to appropriate there was not structural bias from collecting fees.⁵⁷⁶

The Court rejected Mobility's argument that performance reviews incentivized APJs to institute AIA proceedings, noting that APJ compensation didn't depend on the outcomes of their decisions, merely on the number of decisions authored.⁵⁷⁷ Even though APJs earn credit for follow on merit decisions for instituted AIA proceedings, the Court held that Mobility failed to show that the magnitude of this effect was sufficient to trigger bonuses, and that there were more than enough cases backlogged to not require additional merits cases to achieve performance thresholds.⁵⁷⁸ As such, the Court held that the PTO was not unconstitutionally biased.⁵⁷⁹

Judge Newman issued a lengthy concurrence in part and dissent in part noting that even if actual bias was not present, the appearance of bias should be enough to raise serious concerns.⁵⁸⁰

⁵⁷² *Id.*

⁵⁷³ *Id.* at 1150-51.

⁵⁷⁴ *Id.* at 1154.

⁵⁷⁵ *Id.*

⁵⁷⁶ *Id.* at 1154-55.

⁵⁷⁷ *Id.* at 1155-56.

⁵⁷⁸ *Id.* at 1156.

⁵⁷⁹ *Id.* at 1157.

⁵⁸⁰ *Id.* at 1158-65.