

Federal Circuit Cases of Interest Year to Date 2023

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Introduction

This presentation is intended to highlight Federal Circuit decisions in 2023 which the presenter deems to be of some interest. The cases cited herein are not given complete analysis and may only refer to one issue presented in each case. Furthermore, any opinion that may be expressed herein are those of the presenter at the time of the presentation and do not necessarily reflect the opinions of Reising Ethington P.C. or any of its attorneys.

Enablement

Amgen Inc. v. Sanofi, Supreme Court, No. 21-757 (May 18, 2023)

- The patent claims at issue related to antibodies that could bind to a naturally occurring protein. The specific claims at issue did not seek protection for any particular antibody described by an amino acid sequence and instead claimed “the entire genus of antibodies that (1) ‘bind to specific amino acid residues on [the protein],’ and (2) ‘block [the protein] from binding to [LDL receptors] .”
- The patent identifies amino acids of only 26 antibodies that perform the two functions, and the claims covered much more than those 26 antibodies – there were “at least millions of candidates.”
- The Supreme Court found that the patent owner failed to “enable *all* that it has claimed” (emphasis added).

Enablement

Amgen Inc. v. Sanofi, Supreme Court, No. 21-757 (May 18, 2023)

- Amgen Argues that “its broad claims are enabled because scientists can make and use every undisclosed but functional antibody if they simply follow the company’s ‘roadmap’ or its proposal for ‘conservative substitution.’”
- “For if our cases teach anything, it is that the more a party claims, the more it must enable.”

Enablement

Amgen Inc. v. Sanofi, Supreme Court, No. 21-757 (May 18, 2023)

“Section 112 of the Patent Act reflects Congress’s judgment that if an inventor claims a lot, but enables only a little, the public does not receive its benefit of the bargain. For more than 150 years, this Court has enforced the statutory enablement requirement according to its terms.”

- This case provides fair warning to all patent applicants that the broader the claims that are sought, the more the patent application must enable.

Raising New Issues

Axonics, Inc. v. Medtronic, Inc., Case 22-1523 (Fed. Cir. August 7, 2023)

- This is an appeal from two IPR final written decisions finding against Axonics and upholding patentability of claims at issue.
- In each case the Board adopted a claim construction first presented in the patent owner's response *after* the institution decision.

Raising New Issues

Axonics, Inc. v. Medtronic, Inc., Case 22-1523 (Fed. Cir. August 7, 2023)

- Axonics asserted a one-input claim construction.
- Only after the Board's institution decision did the patent owner (Medtronic) proffer a claim construction which construction was identified as the two-input construction.
- The Board adopted a claim construction first presented in the patent owner's response *after* the institution decision.

Raising New Issues

Axonics, Inc. v. Medtronic, Inc., Case 22-1523 (Fed. Cir. August 7, 2023)

- In response, Axonics submitted additional evidence in its rebuttal. This supplemental evidence included a supplemental expert declaration and referred to additional disclosures in the prior art pertaining to the same embodiments relied on in the petition.
- Medtronic Objected.
- Where a patent owner offers a new claim construction for the first time in its response after the institution decision, a petitioner must have notice and an opportunity to introduce new arguments and evidence in reply under the newly proposed claim construction.

Raising New Issues

Axonics, Inc. v. Medtronic, Inc., Case 22-1523 (Fed. Cir. August 7, 2023)

- Decision does not support the proposition that a petitioner may rely on new prior art in cases where the claim construction was resolved after institution.
- Court declined to answer whether, when presented with a new claim construction, a petitioner can rely, in its reply, on new embodiments from the prior art references that were relied on in the petition.
- Decision expresses concern for sandbagging if patent owner sits on strongest claim construction and then raises it for the first time after institution, the patent owner may obtain favorable final decision with the estoppel reaching issues on invalidity that were never argued by the petitioner.

Raising New Issues

Axonics, Inc. v. Medtronic, Inc., Case 22-1523 (Fed. Cir. August 7, 2023)

“We hold that where a patent owner in an IPR first proposes a claim construction in a patent owner response, a petitioner must be given the opportunity in its reply to argue and present evidence of anticipation or obviousness under the new construction, at least where it relies on the same embodiments for each invalidity ground as were relied on in the petition.”

Estoppel

Ironburg Inventions LTD v. Valve Corp., Case 21-2296 (Fed. Cir. April 3, 2023)

- Case deals with the scope of the estoppel applicable when PTAB proceedings *were not initiated with respect to certain grounds* and a final decision has been issued, and also on non-petition grounds.
- General rule is that the issuance of a final written decision results in estoppel for all grounds which the petitioner “reasonably could have raised” during the proceeding.
- The test for determining what could have been raised is bounded by “a skilled searcher conducting a diligent search reasonably could have been expected to discover.”

Estoppel

Ironburg Inventions LTD v. Valve Corp., Case 21-2296 (Fed. Cir. April 3, 2023)

- What a skilled searcher might do in one instance may greatly vary from what a skilled searcher might do in another instance.
- Patent holder bears the burden of showing what a skilled searcher may have done by a preponderance of the evidence.

Res Judicata

Inguran, LLC v. ABS Global, Inc., Case 22-1385 (Fed. Cir. July 5, 2023)

- Facts of the case get a little cumbersome to deliver.
- First action between the parties was an antitrust lawsuit; Inguran counterclaimed for direct infringement of its patent. ABS stipulated to direct infringement of some of the claims at issue.
- Jury found one of the asserted claims to be invalid, but rest were not found to be invalid. Jury issued a monetary award.

Res Judicata

Inguran, LLC v. ABS Global, Inc., Case 22-1385 (Fed. Cir. July 5, 2023)

- Thereafter, a second proceeding was instituted and Inguran asserted a claim for indirect infringement of its patent claims.
- ABS moved to dismiss on claim preclusion grounds.
- In the context of claim preclusion in a patent case, the Fed. Cir. looks to its own precedent to resolve “the operative facts involved in a claim for patent infringement.” The “same cause of action” means the “second claim is based on the same set of transactional facts as the first.”

Res Judicata

Inguran, LLC v. ABS Global, Inc., Case 22-1385 (Fed. Cir. July 5, 2023)

- The question reduced to whether a first action for direct infringement precludes a second action based on indirect (induced) infringement.
- Fed. Cir. stated res judicata does not bar the assertion of “new rights acquired during the action which might have been, but which were not, litigated.” To meet this, the claims must not have been in existence at the time the original complaint is filed or claims actually supported by supplemental pleadings or otherwise in the earlier action.
- If the claim did not exist at the time of the earlier action, it could not have been asserted and is not barred by res judicata.

Res Judicata

Inguran, LLC v. ABS Global, Inc., Case 22-1385 (Fed. Cir. July 5, 2023)

- Here there was no claim preclusion because the induced infringement claim of the second case rested on evidence and elements beyond those required to find direct infringement in the first case.

Cannot Broaden Claims in an IPR

Sisvel Int'l S.A. v. Sierra Wireless Inc., Nos. 2022-1387, 2022-1492 (Fed. Cir. Sep. 1, 2023)

- Patent owner challenged the Board’s denial of a revised motion to amend the claims.
- Amended claims “may not enlarge the scope of the claims of the patent.”
- Fed. Cir. uses same test that it uses in connection with a reissue after 2 years.

Cannot Broaden Claims in an IPR

Sisvel Int'l S.A. v. Sierra Wireless Inc., Nos. 2022-1387, 2022-1492 (Fed. Cir. Sep. 1, 2023)

- While it is true that a petitioner bears the burden of persuasion to show that a proposed substitute claim is not patentable, it is the patent owner's burden to show that the proposed amendment complies with the relevant regulatory and statutory requirements.
- Here the claims were deemed broader because the word “using” in the amended claim is broader than the original “based on” language. “The removal of a claim requirement can broaden the resulting amended claim.”
- Claim cannot be broader “in any respect.”

Reissue Limited to Same Invention

In re: Float'n'Grill LLC, No 2022-1438 (Fed. Cir. July 12, 2023)

- Reissue sought in connection with a patent for a float designed to support a grill to allow a user to grill food while remaining in the water.
- Claim 1 was a picture claim that specifically claimed, “a plurality of magnets disposed within the middle segment of the upper support of each of the right grill support and the left grill support.”
- Reissue seeks to have claims which do not contain the plurality of magnets limitation.

Reissue Limited to Same Invention

In re: Float'n'Grill LLC, No 2022-1438 (Fed. Cir. July 12, 2023)

- Examiner rejected the claims because the original application only disclosed a single embodiment using the plurality of magnets.
- Fed. Cir. stated that “the reissue claims must be directed to ‘the invention disclosed in the original patent.’”
- It must appear from the face of the original patent that what is covered by the reissue was intended to have been covered and secured by the original.
- Here it was not. The plurality of magnets was the only disclosed component for removable securing the grill to the support. It was not described as optional or representative or exemplary of a broader invention. No alternatives were disclosed.

Reissue Limited to Same Invention

In re: Float'n'Grill LLC, No 2022-1438 (Fed. Cir. July 12, 2023)

- An express statement of criticality of an element in the original specification is not a prerequisite for a determination that the element is essential to the invention claimed in the original patent.

Reason to Combine

Elekta Ltd. V. Zap Surgical Systems, Inc., No. 2021-1985 (Fed. Cir. Sep. 21, 2023)

- Appellant (Elekta) challenged PTAB's findings related to motivation to combine and reasonable expectation of success.
- Generally, the claim related to a device for treating a patient which related to both imaging and providing therapeutic irradiation of a target.
- Three references were involved in the combination.
- Elekta raised an argument that a skilled artisan would not have been motivated to combine two of the references on the ground that the weight associated with one of the references would render the device essentially inoperable and fail to provide a viable solution for focusing therapeutic radiation on the target.

Reason to Combine

Elekta Ltd. V. Zap Surgical Systems, Inc., No. 2021-1985 (Fed. Cir. Sep. 21, 2023)

- The Board found that a person of ordinary skill in the art would have readily understood the advantages of the approach of the secondary reference and would not have been dissuaded by the difficulty in accommodating heavy equipment.
- Patentee during prosecution did not argue that prior art references to imaging devices were not relevant art.
- The third reference taught the combination of an imaging system with a radiation source because it would eliminate the need to move a patient between different types of equipment.

Reason to Combine

Elekta Ltd. V. Zap Surgical Systems, Inc., No. 2021-1985 (Fed. Cir. Sep. 21, 2023)

- The Fed. Cir. found that there was sufficient reason to combine.
- The more interesting question related to whether it had been proven that there was a reasonable expectation of success.
- While motivation to combine requires explicit analysis, a finding of reasonable expectation of success can be implicit.
- This can occur where the Board makes an implicit finding on reasonable expectation of success by considering and addressing other, intertwined arguments including those related to motivation to combine.

Reason to Combine

Elekta Ltd. V. Zap Surgical Systems, Inc., No. 2021-1985 (Fed. Cir. Sep. 21, 2023)

- The Board’s rejection of an argument by the patent owner that the prior art taught away from combining the references impliedly found a reasonable expectation of success.
- Elekta made two arguments in connection with the lack of reason to combine – 1) that the result of the combination would render device inoperable; and 2) the prior art if combined would not work for its intended purpose.
- Evidence of reasonable expectation of success “may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art or from the nature of the problem to be solved.”

Field of Endeavor

Netflix, Inc. v. Divx, LLC, No 2022-1138 (Fed. Cir. Sep. 11, 2023)

- Netflix argues that a person of ordinary skill in the art would have been motivated to apply the primary reference to include the trick play functionality in and AVI file as taught by Kaku.
- Divx countered that there was no indication that Kaku has anything to do with enabling trick play functionality, among other arguments.
- Divx also challenged whether Kaku is reasonably pertinent art to the problem the inventor of the patent at issue sought to address.
- Board held that because Netflix did not explicitly identify the field of endeavor or the reasonably pertinent problems for either the patent at issue or Kaku, Netflix failed to show unpatentability.

Field of Endeavor

Netflix, Inc. v. Divx, LLC, No 2022-1138 (Fed. Cir. Sep. 11, 2023)

- Question was whether a secondary reference (Kaku) was analogous art.
- Fed. Cir. looked at Kaku's Field of Invention, Abstract, and Detailed Description.
- Kaku's primary object related to reproducing a motion image as it relates to memory size of the aperture (a problem with digital cameras).
- Kaku added that "the invention is applicable to every electronic appliance to reproduce motion images."

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Field of Endeavor

Netflix, Inc. v. Divx, LLC, No 2022-1138 (Fed. Cir. Sep. 11, 2023)

- Two separate tests are used to define scope of analogous art – 1) whether the art is from the same field of endeavor, regardless of the problem addressed; and 2) if the reference is not within the field of the inventor’s endeavor, whether the reference still is reasonably pertinent to the particular problem with which the inventor is involved.
- Fed. Cir. reviewed the Board’s procedural decision for abuse of discretion.

Field of Endeavor

Netflix, Inc. v. Divx, LLC, No 2022-1138 (Fed. Cir. Sep. 11, 2023)

- A person of ordinary skill in the art presumptively knows the teaching of all the prior art *in the field of endeavor* at the time the invention was made.
- Question of analogous art is viewed using the foresight of a person of ordinary skill, not with the hindsight of the inventor's successful achievement.
- Field of endeavor is determined by reference to explanations of the invention's subject matter in the patent application, including the embodiments, function and structure of the claimed invention.

Field of Endeavor

Netflix, Inc. v. Divx, LLC, No 2022-1138 (Fed. Cir. Sep. 11, 2023)

- Field of endeavor is “not limited to the specific point of novelty, the narrowest possible conception of the field or the particular focus within a given field.”
- Field of endeavor test does **not** look to the problem that the patent purports to address.
- Here Netflix identified two alternate theories to show Kaku’s and the patent at issue’s overlapping fields of endeavor – AVI files generally and encoding and decoding multimedia files.
- Fed. Cir. remanded on this issue.

Field of Endeavor

Netflix, Inc. v. Divx, LLC, No 2022-1138 (Fed. Cir. Sep. 11, 2023)

- Fed. Cir. acknowledged that evidence and analysis relating to the field of endeavor and reasonably pertinent tests may overlap.
- This was basis for rejecting Boards “unduly rigid requirement” that Netflix explicitly identify the field of endeavor.
- Here the general language is sufficient to allow Board to consider the alternate arguments on the merits.
- Board in its analysis did not clearly articulate what it viewed as the field of endeavor.

Field of Endeavor

Netflix, Inc. v. Divx, LLC, No 2022-1138 (Fed. Cir. Sep. 11, 2023)

- In connection with the reasonably pertinent prong, the CAFC reiterated that the test is whether the subject matter of the prior art would logically have commended itself to the inventor's attention in considering the problem. Said another way a reference is reasonably pertinent only if a person of ordinary skill would have reasonably consulted it and applied its teachings in seeking a solution to the problem that the inventor was attempting to solve.
- Board was affirmed in noting that Kaku did not address the problem of image compression to accommodate as lengthy a recording as possible in a camera's internal memory.

Obviousness of Design Patents

LKQ Corp. v. GM Global Tech. Operations LLC, No. 2021-2348 (Fed. Cir. Jan. 20, 2023)

- Test for obviousness of design patents requires a proper primary reference (*Rosen* reference), then apply the *Durling* test.
- Thus, there is a rigid two-part test for determining obviousness:
 - Whether a *Rosen* reference exists with characteristics basically the same as the claimed design; and
 - If a *Rosen* reference exists, whether an ordinary designer would have modified the primary reference to create a design with the same overall visual appearance as the claimed design.
- In this case, the Fed. Cir. sidestepped the issue as to whether *KSR* now controls a design patent analysis for obviousness. At least one judge indicated the *Durling* test may no longer apply in a post-*KSR* world.

Obviousness of Design Patents

LKQ Corp. v. GM Global Tech. Operations LLC, No. 2021-2348 (Fed. Cir. July 30, 2023)

Fed. Cir. agreed to take the case *en banc* primarily to address whether *KSR* is applicable to design patents in making obviousness determinations.

Fraud In Filing Section 15 Declaration

Great Concepts, LLC v. Chutter, Inc., No 2022-1212 (Fed. Cir. October 18, 2023)

- Great Concepts, registration holder, appeals Board decision cancelling registration due to a fraudulent declaration by a former attorney.
- Great concepts was in a proceeding with Chutter. During the pendency of that proceeding the former attorney filed a Section 15 declaration of incontestability.
- Declaration falsely stated, “there is no proceeding involving said rights pending and not disposed of either in the U.S. Patent and Trademark Office or in the courts.”

Fraud In Filing Section 15 Declaration

Great Concepts, LLC v. Chutter, Inc., No 2022-1212 (Fed. Cir. October 18, 2023)

- Fed. Cir. framed the issue as whether Section 14 of the Lanham Act, 15 U.S.C. § 1064 permits the Board to cancel a trademark's registration due to a fraudulent Section 15 declaration for the purpose of acquiring incontestability status for an already registered mark.
- Section 14 permits cancellation of a mark if the *registration* was obtained fraudulently.
- Section 14 does not state that fraud committed in connection with an incontestability declaration is a basis for cancellation of the registration.

Fraud In Filing Section 15 Declaration

Great Concepts, LLC v. Chutter, Inc., No 2022-1212 (Fed. Cir. October 18, 2023)

- Fed. Cir. found that registration and incontestability are different rights.
- “Fraud committed in connection with obtaining incontestable status is distinctly not fraud committed in connection with obtaining the registration itself.”
- Even though a combined declaration (Sections 8 and 15) was filed, the Section 8 declaration was not tainted by the misrepresentation made in connection with the Section 15 declaration.

Fraud In Filing Section 15 Declaration

Great Concepts, LLC v. Chutter, Inc., No 2022-1212 (Fed. Cir. October 18, 2023)

- Ramifications are that registration does not enjoy the benefits of incontestability and the party signing the false declaration may be subject to the penalties of perjury.

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Act Civilly Toward One Another

(United Cannabis Corp. v. Pure Hemp Collective Inc., No. 2022-1363 (Fed. Cir. May 8, 2023))

- Case related to decision on awarding attorneys' fees
- There was a lot of sniping back and forth.

“We take this opportunity to remind counsel of their obligation not to lightly launch attacks on one another’s integrity and most certainly not to do so without a sound basis and solid evidence.”

Thank you!



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