

## Brief Summary of Precedential Patent Case Decisions During January 2019

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### I. Introduction

This paper contains summary abstracts of what I believe to be the significant new points of law from the precedential decisions in patent cases this month. Cases captions relating to the PTAB are in **red** text. Case captions of extraordinary importance are in **blue** text.

### II. Brief Summary Abstracts and New Points of Law

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

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

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

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

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

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

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

On issue was whether King's contributions were significant enough to result in application of 102(e) against the '310 patent. The Federal Circuit stated that the test for application of 102(e) was (1) "the degree to which" portions of the reference patent relied upon as anticipatory prior art were "conceived 'by another'" and (2) whether "other person's [sic; the person named as a co-inventor of the reference patent but not named as a co-inventor in the rejected patent] contribution is significant enough, when measured against the full anticipating disclosure, to render him a joint inventor of the applied portions of the reference patent."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Helsinn Healthcare S. A. v. Teva Pharmaceuticals USA, Inc., 17-1229, 586 U. S. \_\_\_\_ (1/22/2019).**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Realtime argued that the Board erred in determining that POSITA would have been motivation to combine O'Brien and Nelson. In response, the Federal Circuit noted that the Board had found that "O'Brien alone disclosed every element of claims" 1 and 4. The Federal Circuit cited *inter alia Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983) for the conclusion that anticipation is the epitome of obviousness and therefore concluded that the Board did not err in finding claims 1 and 4 invalid for obviousness based upon finding that O'Brien anticipated.

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

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

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

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

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

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

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