

Brief Summary of Precedential Patent Case Law For the Period 8-7-17 to 9-13-17

By Rick Neifeld, Neifeld IP Law, PC

This form of summary provides quick review, of relevant points of law, but lacks the details of a more extensive case summary. Captions of cases originating in the PTAB are red. Captions of cases of extraordinary importance are blue.

**Allied Mineral Products, Inc. v. Osmi, Inc., 2016-2641 (Fed. Cir. 9/13/2017).**

Legal issue, 28 USC 2201(a), "actual controversy within its jurisdiction" requirement. The Federal Circuit concluded that the assertion of infringement in Mexico of a Mexican patent on a claim identical to a claim in a corresponding United States patent, was insufficient to satisfy DJ jurisdiction for the United States patent.

**Waymo LLC v. Uber Technologies, Inc., 2017-2130 (Fed. Cir. 9/13/2017).**

Legal issue, right of a non-signatory to an employment contract to compel a party to arbitrate based upon an arbitration clause in an employment agreement.

The Federal Circuit concluded that under 9th circuit contract law, the civil action claim had to rely intimately on the terms of the employment contract for a right to force arbitration to apply.

**Waymo LLC v. Uber Technologies, Inc., 2017-2235, 2017-2253 (Fed. Cir. 9/13/2017).**

Legal issue, 28 USC 1651, entitlement to a writ of mandamus to quash discovery of privileged information. The Federal Circuit held that appeal by an intervenor after disclosure of a privileged communication is not an inadequate remedy, thereby defeating right to mandamus.

**Intellectual Ventures I LLC v. Motorola Mobility LLC, 2016-1795 (Fed. Cir. 9/13/2017).**

Legal issue, 35 USC 271(a), requirements of proof of direct infringement by use of a distributed system. The majority restated its *NTP* and *Centillion*, decisions to require the proof of both control (even if indirectly) and benefit" to exist for "each claimed component."

**Bristol-Myers Squibb Company v. Mylan Pharmaceuticals Inc., 17-379-LPS (D.Del. 9/11/2017).**

Legal issue, 28 USC 1400(b), venue, "where the defendant has committed acts of infringement". ANDA filings may give rise to acts of infringement for purposes of determining 1400(b) venue.

**Southwire Company v. Cerro Wire LLC, 2016-2287 (Fed. Cir. 9/8/2017).**

Legal issue, 35 USC 103, obviousness. This case states the rule of law that a quantitative limitation does not distinguish a claimed method from prior art otherwise disclosing the same process for the same purpose.

**Intercontinental Great Brands LLC v. Kellogg North America Company, 2015-2082, 2015-2084 (Fed. Cir. 9/7/2017).**

Legal issue, 35 USC 103, obviousness, and specifically whether secondary indicia evidence need be considered as factual evidence indicating whether there existed a motivation to combine. The

Federal Circuit majority concluded that secondary indicia factual evidence need not be considered in determining whether there existed a motivation to combine. Judge Reyna dissented.

**Lifetime Industries, Inc. v. Trim-Lok, Inc., 2017-1096 (Fed. Cir. 9/7/2017).**

Procedural issue, FRCP 12(b)(6), factual pleadings, facts required to plead direct, induced, and contributory infringement. The Federal Circuit reiterated that patent infringement pleading requires no more than those facts from which "the court to draw the reasonable inference that the defendant is liable for the misconduct alleged," citing *Iqbal* and *Twombly*. (Note: The district court confused the act of making the infringing combination of elements with who owned the elements.)

**General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha, IPR2016-01357; IPR2016-01358; IPR2016-01359; IPR2016-01360; and IPR2016-01361 (PTAB 9/6/2017) (expanded panel consisting of CAPJ Ruschke; Deputy CAPJ Boalick; and APJs Lee; Zecher; Giannetti; Bisk; and McShane).**

Legal issue, 35 USC 314(a), discretion to deny follow-on petitions. The PTAB expanded the panel to signal an important decision, and noted that follow-on petitions were unfair to patent owner and that would be a factor in their discretion whether to grant. The PTAB asserted discretion under 314(a).

**Mentor Graphics Corporation v. Eve-USA, Inc., 2015-1470, 2015-1554, 2015-1556 (Fed. Cir. 9/1/2017) (en banc).**

Legal issue, 35 USC 284, damages, requirement for apportionment. The en banc court denied rehearing. Judge Stoll wrote a six member concurrence noted that what imbues value to the combination, or what drives demand for the combination, were elements that could entirely satisfy the apportionment requirement.

**Nantkwest, Inc. v. Matal, 2016-1794 (Fed. Cir. 8/31/2017)(en banc sua sponte order for rehearing).**

Legal issue, construction of 35 USC 145's "[a]ll the expenses of the proceedings" provision. The order requesting briefing on the following issue:

Did the panel in *NantKwest, Inc. v. Matal*, 860 F.3d 1352 (Fed. Cir. 2017) correctly determine that 35 U.S.C. § 145's "[a]ll the expenses of the proceedings" provision authorizes an award of the United States Patent and Trademark Office's attorneys' fees? [*Nantkwest, Inc. v. Matal*, 2016-1794 (Fed. Cir. 8/31/2017) (en banc sua sponte order for rehearing).]

**Vicor Corporation v. Synqor, Inc., 2016-2283 and 2016-2288 (Fed. Cir. 8/30/2017).**

Legal issue, 5 USC 706, requirement for "substantial evidence" to support a Board finding of fact and rationality in legal conclusions. The Federal Circuit found that unexplained inconsistencies in findings and irrational conclusions failed evidentiary standard of review and

were arbitrary or capricious.

**Return Mail, Inc. v. United States Postal Service, 2016-1502 (Fed. Cir. 8/28/2017).**

Legal issue, Federal Circuit "authority to review the Board's determination that the Postal Service had standing to petition for CBM review" pursuant to AIA section § 18(a)(1)(B). The majority held that "§ 324(e) does not bar judicial review of the Board's decision that a party satisfies § 18(a)(1)(B)'s requirements to petition for CBM review."

Legal issue, whether a law suit filed pursuant to 28 U.S.C. § 1498(a) for patent infringement satisfies the requirement in AIA § 18(a)(1)(B) of having "been sued for infringement of the patent." The majority concluded that a suit under 1498(a) satisfied the AIA § 18(a)(1)(B) requirement of having been "been sued for infringement of the patent."

Legal issue, 35 USC 101, eligibility. The majority also provided guidance regarding the interplay of 101 eligibility and preemption. The majority advised that "Arguments about the lack of preemption risk cannot save claims that are deemed to only be directed to patent ineligible subject matter."

**Ultratec, Inc. v. CaptionCall, LLC, 2016-1706, 2016-1707, 2016-1710, 2016-1712 (Fed. Cir. 8/28/2017).**

This is an important decision constraining the discretion of the PTAB to manage its permissive rules. The decision goes to the Board's practice of limiting the record when requiring authorization to file a motion. This decision substantially limits the Board's long standing the two-step motions practice.

Legal issue, 5 USC 706, abuse of discretion, failure to allow submission of evidence under 37 CFR 42.123(b).

1. "The Board abused its discretion when it refused to admit and consider Mr. Occhiogrosso's trial testimony and when it refused to explain its decision."
2. The Board offers no reasoned basis why it would not be in the interest of justice to consider sworn inconsistent testimony on the identical issue.
3. "First, the Board lacked the information necessary to make a reasoned decision. \*\*\* In this case, the Board denied a request to admit evidence without ever seeing the evidence it was denying."
4. "[T]he Board's procedures allowed it to make significant evidentiary decisions without providing an explanation or a reasoned basis for its decisions."
5. "[T]he Board's procedures impede meaningful appellate review of the agency decision-making."

Legal issue, 5 USC 706, abuse of discretion failure to explain denial of a motion. The patentee bears no burden to memorialize agency action or reasoning. The PTAB's failure to explain the denial of a party's request to make a motion is an abuse of discretion.

**In re Stepan Company, 2016-1811 (Fed. Cir. 8/25/2017).**

1. Legal issue, burden of proof on appeal "the Board erred when it shifted the burden of proving patentability to Stepan, apparently by not treating the claim requirement of the "cloud point above at least 70°C" as a limitation in a composition claim.
2. Legal issue, 5 USC 704, abuse of discretion.

"The Board failed to explain why it would have been 'routine optimization' to select and adjust the claimed surfactants and achieve a cloud point above at least 70°C."

**Nidec Motor Corporation v. Zhongshan Broad Ocean Motor Co. Ltd., 2016-2321 (Fed. Cir. 8/22/2017).**

Concurrence by Judge's Dyk and Wallace noting "serious questions as to the Board's (and the Director's) interpretation of the relevant statutes and current practices."

1. Regarding time barred joinders: "We think it unlikely that Congress intended that petitioners could employ the joinder provision to circumvent the time bar by adding time-barred issues"

2. "While we recognize the importance of achieving uniformity in PTO decisions, we question whether the practice of expanding panels where the PTO is dissatisfied with a panel's earlier decision is the appropriate mechanism of achieving the desired uniformity."

(Memories of *Alappat*.)

**Alvarado Hospital, LLC v. Thomas E. Price (as renamed by an errata, originally named Alvarado Hospital, LLC v. Cochran), 2016-1356 (Fed. Cir. 8/22/2017).**

Legal issue, 28 USC 1491 jurisdiction of the Court of Federal Claims. Remanded to the district court because Court of Federal Claims does not have jurisdiction over the transferred DJ and mandamus claims, although it does have exclusive jurisdiction over the contract claim.

**Georgetown Rail Equipment Company v. Holland L.P., 2016-2297 (Fed. Cir. 8/1/2017).**

Legal issue, 35 USC 271(a), infringement of a distributed system claim on information technology, having a data entry front end and an analysis back end. The Federal Circuit concluded that the distributed system was used as required by *Centillion*, by Holland (in the U.S.) because of its actions and ultimate control and derivation of benefit from the system, even though the data analysis was conducted overseas.

**Visual Memory LLC v. Nvidia Corporation, 2016-2254 (Fed. Cir. 8/15/2017).**

Legal Issue, 35 USC 101, subject matter eligibility. The majority concluded that the disclosed and claimed computer memory system including "programmable operational characteristics, said characteristics being defined through configuration by said computer based on the type of said processor" was an improvement in computer technology and not abstract. (*Alice*, step 1.)

**Amgen Inc. v. Hospira, Inc., 2016-2179 (Fed. Cir. 8/10/2017).**

Legal issue, Federal Circuit jurisdiction, collateral order doctrine, inapplicability to discovery orders relating to the BCPIA requirement to disclose "other information that describes the process or processes used to manufacture the biological product that is the subject of such application," pursuant to 42 USC 262(1)(2)(A).

The Federal Circuit concluded that the it lacked jurisdiction to review the order denying discovery because there was no "clear-cut statutory purpose that would be undermined by denying immediate appeal."

**AIA America, Inc. v. Trustees of the University of Pennsylvania, 2016-2647 (Fed. Cir. 8/10/2017).**

Legal issue, U.S. constitution, seventh amendment, right to a jury trial. AIA argued that the seventh amendment right extended to attorney fee awards under 35 USC 285 when the factual determination underlying the award required determination of a party's state of mind. The Federal Circuit disagreed.

**Romag Fasteners, Inc. v. Fossil, Inc., 2016-1115, 2016-1116, 2016-1842 (Fed. Cir. 8/9/2017).**

Legal issue, 15 USC1117(a), "exceptional cases" requirement to award attorneys fees. The Federal Circuit concluded that "exceptional cases" for Lanham act violations meant the same thing as "exceptional cases" pursuant to *Octane Fitness*, for patent cases.

Legal issue, 35 USC 285, exceptionality, totality of circumstances factors. The majority concluded that the conduct of the prevailing party seeking attorneys fees must be considered.

**Personal Audio, LLC v. Electronic Frontier Foundation, 2016-1123 (Fed. Cir. 8/7/2017).**

Legal issue, Article III standing of appellee, Electronic Frontier Foundation, EFF, to participate in the appeal. The Federal Circuit panel concluded that standing applied to the appellant, not the appellee, holding that "With Article III satisfied as to the appellant, EFF is not constitutionally excluded from appearing in court to defend the PTAB decision in its favor."