

Brief Summary of Precedential Patent Case Decisions During June 2020

By Rick Neifeld, Neifeld IP Law

I. Introduction

This paper provides a brief summary 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. Abstracts and New Points of Law

B/E Aerospace, Inc. v. C&D Zodiac, Inc., 2019-1935, 2019-1936 (Fed. Cir. 6/26/2020).

This is a decision on appeals from IPR2017-01275 and IPR2017-01276. The PTAB found certain claims of B/E's patents obvious. B/E appealed. The Federal Circuit affirmed.

Legal issue: 35 USC 103, obviousness, limitations not disclosed by the prior art.

The Federal Circuit agreed with both rationales upon which the PTAB concluded that a claim defining a limitation not present in the prior art was nevertheless obvious. The relevant facts were that the same advantage (of increasing airplane passenger cabin space) obtained by modifying the primary reference to include the prior art feature (a first recess in a wall of the passenger cabin space), was also obtained by further modifying the primary reference to include the missing limitation (the second recess in the same wall), and both modifications of the primary reference were similar, both recesses.

First, the Federal Circuit affirmed on the rationale that the missing limitation was a predictable application of known technology and a POSITA would have seen the benefit of including the missing limitation because it was the obvious solution to a known problem.

Second, the Federal Circuit affirmed on the rationale that it would have been a matter of common sense to include the missing limitation, and that PTAB had provided "sufficient reasoning" and evidentiary support for the PTAB's obviousness conclusion.

Shoes by Firebug LLC v. Stride Rite Children's Group, LLC, 2019-1622, 2019-1623 (Fed. Cir. 6/25/2020).

This is a decision on appeals from PTAB cases IPR2017-01809 and IPR2017-01810. The PTAB held claims of two patents unpatentable as obvious. Shoes appealed. The Federal Circuit affirmed.

Legal issue: 35 USC 112, claim construction, preamble, circumstances under which the preamble limits the claim.

The Federal Circuit construed the same preamble ("*internally illuminated textile footwear*") in two independent claims, finding that preamble limiting in one claim and not limiting in the other claim. The Federal Circuit concluded that expressly reciting in the body of one claim, the noun defined in an "adjective-noun" combination in the preamble, resulted in the adjective in the preamble not being limiting. In contrast, the Federal Circuit concluded that inferentially reciting the noun defined in "adjective-noun" combination in the preamble in the

body of the other claim, while not always determinative, resulted in that same adjective in the preamble in this case being limiting. The adjective-noun combination was “textile footwear.”

Claim 1 of the ‘038 patent read “1. An internally illuminated *textile footwear* comprises: a *footwear*; the footwear comprises a sole and *an upper*; an illumination system; ... the illumination system being housed within the footwear....”

Claim 1 of the ‘574 patent, read “1. An internally illuminated *textile footwear* comprises: a sole and *an upper*; an illumination system;*** the illumination system being housed within the *footwear*;...”

The Federal Circuit concluded that the “*internally illuminated textile footwear*” preamble of claim 1 of the ‘038 was did not limit the claimed “upper” to be a textile upper, because the body of that claim positively recited a “footwear” element, whereas the same “*internally illuminated textile footwear*” preamble of claim 1 of the ‘038 did limit the claimed “upper” to be a textile upper, because claim 1 of the ‘038 only inferentially referred to the “footwear” of the preamble to clarify the location of the illumination system.

Adidas AG v. Nike, Inc., 2019-1787, 2019-1788 (Fed. Cir. 6/25/2020).

This is a decision on appeals from PTAB cases IPR2016-00921 and IPR2016-00922.

The PTAB held that the challenged claims of two patents were unpatentable. Adidas appealed. The Federal Circuit affirmed.

Legal issue: Article III Standing to appeal, facts sufficient to meet the injury in fact requirement.

The Federal Circuit concluded that the following facts were sufficient to meet the injury in fact requirement: (1) Adidas and Nike were direct competitors; (2) Nike previously accused Adidas of infringing a corresponding foreign patent; (3) Nike expressed its intent to protect corresponding rights globally; (4) Adidas sells, in the United States, the same product accused of infringing the foreign patent; (5) Nike refused to grant Adidas a covenant not to sue.

In re PersonalWeb Technologies, LLC, 19-1918 (Fed. Cir. 6/17/2020).

This is a decision on appeal from the N.D. Cal. district court cases 5:18-cv-05599-BLF; 5:18-cv-05606-BLF; 5:18-cv-05969-BLF; 5:18-cv-05970-BLF; 5:18-cv-06044-BLF; 5:18-cv-06046-BLF; 5:18-cv-06612-BLF; 5:18-cv-07119-BLF; and 5:18-md-02834-BLF. The district court dismissed the cases, apparently granting intervener Amazon’s motion to bar the infringement actions against Amazon’s customers. PersonalWeb appealed. The Federal Circuit affirmed.

Legal issue: Kessler doctrine, whether non-infringement must be “actually litigated” in order for the Kessler doctrine to apply.

The Federal Circuit held that the question of non-infringement does not have to be “actually litigated,” in order for the *Kessler* doctrine to apply. Instead, the Federal Circuit held that a dismissal with prejudice of the infringement action is sufficient. (The *Kessler* doctrine provided for res judicata to claims of patent infringement by a product purchaser when there is a final judgement for the product manufacturer that the product does not infringe the asserted patent.)

The Federal Circuit rejected PersonalWeb’s argument and, instead, extended the *Kessler* doctrine (now the new *Kessler/PersonalWeb* doctrine) to dismissals with prejudice.

Curt G. Joa, Inc. v. Fameccanica.data S.P.A., IPR2016-00906, paper 61 (PTAB 6/20/2017; designated informative 6/11/2020).

This is a decision on a motion to seal a hearing. Petitioner moved to seal and patent owner also requested the hearing be sealed. The PTAB provided for a public portion and a private sealed portion of the hearing.

Sattler Tech Corp. v. Humancentric Ventures, LLC, PGR2019-00030, paper 9 (PTAB 7/26/2019; designated informative 6/11/2020).

This is a PTAB decision. Sattler petitioned for post-grant review. The PTAB instituted review.

Legal issue: 35 USC 324(a), meaning of “unpatentable” in 324(a).

The PTAB implicitly concluded that lack of 35 USC 171 “ornamentality” met the “unpatentable” requirement of 35 USC 324(a).

DTN, LLC v. Farms Technology, LLC, IPR2018-01412 and IPR2018-01525 (6/14/2019 PTAB; designated precedential 6/11/2020).

This is a precedential decision by the PTAB in IPRs IPR2018-01412 and IPR2018-01525. The parties filed joint motions to expunge collateral agreements to a settlement agreement. The PTAB denied the motions.

Legal issue: 35 USC 317(b), statutory constructions of “between the patent owner and a petitioner” and “any collateral agreements.”

The PTAB concluded that an agreement between the parties to an IPR was an agreement between the petitioner and the patent owner, and that “any collateral agreement” was not limited to agreements between the petitioner and patent owner.

Munchkin, Inc. v. Luv N' Care, Ltd., 2019-1454 (Fed. Cir. 6/8/2020).

This is a decision on an appeal from the C.D. Cal. district court case 2:13-cv-06787-JEM.

Legal Issue: 35 USC 285 and 15 USC 1117(a), foundational requirements for an exceptional case finding, abuse of discretion.

The Federal Circuit held that, when a district court bases its exceptionality finding upon issues raised in the fees motion that were not fully litigated before the district court, then the district court needs to provide adequate support, such by reference to a detailed fact-based analysis in the fees motion, showing that the litigating positions were wholly lacking in merit.

Amneal Pharmaceuticals LLC v. Almirall, LLC, 2020-1106 (Fed. Cir. 6/4/2020).

This is an order in an appeal from PTAB case IPR2018-00608. Both parties moved to dismiss the appeal. Almirall also moved for attorneys fees. The Federal Circuit dismissed the appeal and denied the motion for fees.

Legal issue: 35 USC 285, fees for attorney costs incurred before the PTO during an IPR proceeding.

The Federal Circuit held that 35 USC 285 generally does not authorize it to award attorneys fees for attorney costs incurred before the PTO during an IPR proceeding.

The Federal Circuit also confirmed its authority to award attorney's fees for work performed in a district court patent infringement action.