

Precedential Patent Case Decisions During December 2020

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I. Introduction

This paper abstracts 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

General Electric Company v. Raytheon Technologies Corporation, 2019-1319 (Fed. Cir. 12/28/2020).

This is a decision on an appeal from PTAB case IPR2017-00428. The PTAB found Raytheon's gas turbine engine patent claims not unpatentable for obviousness. GE appealed. The Federal Circuit vacated and remanded.

Legal issue: US Constitution, Article III, standing to appeal, substantial risk of future infringement.

The Federal Circuit concluded that GE had alleged sufficient facts to establish a substantial risk of future infringement, providing GE standing to appeal. The Federal Circuit found that a conceived design, substantial expenditures to develop a product based upon that design, and evidence showing that design to be appellant's preferred design for future products, coupled with a belief the patent owner would accuse the design of infringement, was sufficient to confer standing to appeal.

First, the Federal Circuit restated its law regarding Constitutional Article III standing based upon possible future infringement, in an appeal from an administrative proceeding.

“Although we have jurisdiction to review final decisions of the Board under 28 U.S.C. § 1295(a)(4)(A), an appellant must meet ‘the irreducible constitutional minimum of standing.’” *Amerigen Pharm. Ltd. v. UCB Pharma GmbH*, 913 F.3d 1076, 1082 (Fed. Cir. 2019) (quoting *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992)). That “irreducible constitutional minimum” requires the appellant to “have (1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the [appellee], and (3) that is likely to be redressed by a favorable judicial decision.” *Spokeo, Inc. v. Robins*, 136 S. Ct. 1540, 1547 (2016), as revised (May 24, 2016). “[W]here Congress has accorded a procedural right to a litigant, such as the right to appeal an administrative decision” some requirements of standing—but not the requirement of injury in fact—“may be relaxed.” *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1261 (Fed. Cir. 2014). The standing dispute here, then, centers on whether GE has alleged an injury in fact. [General Electric Company v. Raytheon Technologies Corporation, 2019-1319 (Fed. Cir. 12/ 28/2020).]

When an appellant “relies on potential infringement liability as a basis for injury in fact, but is not currently engaging in infringing activity, it must establish that it has concrete plans for future activity that creates a substantial risk of future infringement or would likely cause the patentee to assert a claim of infringement.” *JTEKT Corp. v. GKN Auto. LTD.*, 898 F.3d 1217, 1221 (Fed. Cir. 2018), *cert. denied*, 139 S. Ct. 2713 (2019); *accord Susan B. Anthony List v. Driehaus*, 573 U.S. 149, 158 (2014) (“An allegation of future injury may suffice if the threatened injury is ‘certainly impending,’ or there is a “substantial risk” that the harm will occur.” (quoting *Clapper v. Amnesty Int’l USA*, 568 U.S. 398, 414 (2013))). [General Electric Company v. Raytheon Technologies Corporation, 2019-1319 (Fed. Cir. 12/ 28/2020).]

Since JTEKT, this court has explained that “to establish the requisite injury in an appeal from a final written decision in an inter partes review,” “[a]n appellant need not face ‘a specific threat of infringement litigation by the patentee[.]’” *Adidas AG v. Nike, Inc.*, 963 F.3d 1355, 1357 (Fed. Cir. 2020) (quoting *E.I. DuPont de Nemours & Co. v. Synvina C.V.*, 904 F.3d 996, 1004 (Fed. Cir. 2018)). “Instead, ‘it is generally sufficient for the appellant to show that it has engaged in, is engaging in, or will likely engage in activity that would give rise to a possible infringement suit.’” *Id.* (quoting *Grit Energy Sols., LLC v. Oren Techs., LLC*, 957 F.3d 1309, 1319 (Fed. Cir. 2020)). [General Electric Company v. Raytheon Technologies Corporation, 2019-1319 (Fed. Cir. 12/ 28/2020).]

“GE has the burden of showing that it suffered an injury in fact sufficient to confer Article III standing to appeal.” *Gen. Elec. Co.*, 928 F.3d at 1353. “[T]he summary judgment burden of production applies in cases where an appellant seeks review of a final agency action and its standing comes into doubt.” *Phigenix, Inc. v. Immunogen, Inc.*, 845 F.3d 1168, 1172–73 (Fed. Cir. 2017). As a result, “[w]e accept as true [an appellant’s] material representations of fact for purposes of assessing its standing.” *Amerigen*, 913 F.3d at 1083. GE has met its requisite burden of production to show that it will likely engage in activity that would prompt an infringement suit. [General Electric Company v. Raytheon Technologies Corporation, 2019-1319 (Fed. Cir. 12/ 28/2020).]

Second, the Federal Circuit applied that law to the GE’s material representations of fact regarding standing.

GE has made concrete plans for future activity. It spent \$10–12 million in 2019 developing a geared turbofan architecture and design. DiTommaso Decl. ¶ 24. Because of customer requirements for the lucrative next-generation narrow body market segment, GE intends to keep developing its geared turbofan engine design; that design is GE’s technologically preferred design for the next-generation narrow body market. *Id.* In fact, GE has offered this preferred

geared turbofan design to Airbus in response to a request for information Airbus dispatched for its next-generation narrow body aircraft. *Id.* ¶ 22. Although none of these statements prove that GE will select this engine as its final bid for the Airbus next-generation narrow body program or for any other aircraft programs, “[a]ctivities that ‘will likely’—but might not—occur in the future can be sufficient to confer standing” *Grit Energy*, 957 F.3d at 1320. GE’s specific investment in continued development of a geared turbofan engine design, its avowed preference to offer this design for sale, and its informal offer of this engine to Airbus in an ongoing bidding process together establish that GE will likely engage in the sale of this geared turbofan engine design to customers. *Cf. JTEKT*, 898 F.3d at 1220 (noting that “[t]he fact that JTEKT has no product on the market at the present time does not preclude Article III standing,” but finding that JTEKT lacked standing because its potentially infringement product design was so preliminary that it could not yet be analyzed for infringement). GE has also established that such a sale would raise a substantial risk of an infringement suit. According to the sworn statement of GE Aviation’s Chief IP Counsel, “GE fully expects that [Raytheon] would accuse this engine of infringing of the ’920 patent” Long Decl. ¶ 9. The most reasonable inference from this statement is that GE believes its preferred design raises a substantial risk of infringement. [1] “IPR petitioners need not concede infringement to establish standing to appeal.” *JTEKT*, 898 F.3d at 1221. Beyond explicit statements that this preferred geared turbofan design includes a gear train driven by the low-pressure spool and a two-stage high-pressure turbine, *see* DiTommaso Decl. ¶ 22; 2d DiTommaso Decl. ¶ 5, GE only obliquely alludes to how its preferred engine design meets the claimed limitations. *See* 2d DiTommaso Decl. ¶ 3–4 (declaring that “virtually every turbofan engine” has certain claimed features such as the core and fan nacelles, low-pressure and high-pressure spools and rotating machinery, and fan, and that to provide a “commercially competitive engine,” the engine must meet certain other claim limitations, such as a bypass ratio of at least seven.). Although GE does itself no favors by making its allegations so coyly, GE’s declarations plausibly establish that its preferred next-generation engine design substantially risks infringing the ’920 patent. [2] [General Electric Company v. Raytheon Technologies Corporation, 2019-1319 (Fed. Cir. 12/ 28/2020).]

To recap, here, GE has alleged that it has conceived a geared turbofan engine design that Raytheon would likely argue falls within the scope of claims 10–14 of the ’920 patent. It has alleged specific ongoing expenditures in 2019 of \$10–12 million to continue to develop and refine that design. And it provides that this geared turbofan engine design is its preferred engine design to offer to its customers for the next-generation narrow body market segment. More concretely, GE identifies an Airbus aircraft program where it intends to offer this design for sale to Airbus. And GE supports the concreteness of these plans by showing that it in fact submitted the design to Airbus for the preliminary stage of the bidding

process. It has not yet submitted any other design to Airbus. Finally, GE alleges that it believes Raytheon would accuse this specific design of infringement. These new factual allegations remedy the problems we identified in the prior appeal. [General Electric Company v. Raytheon Technologies Corporation, 2019-1319 (Fed. Cir. 12/ 28/2020).]

Sotera Wireless, Inc. v. Masimo Corporation, IPR2020-01019, paper 12 (12/1/2020)
(designated precedential on 12/17/2020 as to § II.A).

This a PTAB decision granting institution. Sotera petitioned. Masimo is the patentee. This is a decision relating to the effect of parallel district court litigation on institution.

Legal issue: 35 USC 314(a), discretion to deny institution based upon civil actions for patent infringement of the patent that is the same subject of the IPR petition.

Here, the PTAB weighed factors previously identified as relevant to their discretion to deny institution (“*Fintiv*” factors) based upon a parallel civil action.

Here are the *Fintiv* factors and the PTAB’s findings relevant to these factors:

Fintiv 1: whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted: “Because the District Court has not ruled on the pending motion to stay, we determine that this factor does not weigh for or against denying institution in this case.”

Sotera.

Fintiv 2: proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision: “Here, the trial is scheduled to begin around the same time as our deadline to reach a final decision. Thus, we find that this factor does not weigh for or against denying institution in this case.” *Sotera.*

Fintiv 3: investment in the parallel proceeding by the court and the parties:

As noted above, the parties have already served their respective infringement contentions and initial invalidity contentions. However, as Petitioner points out, all *Markman* deadlines have been vacated, including the *Markman* hearing. Reply 4. Moreover, much other work remains in the parallel proceeding as it relates to invalidity: fact discovery is ongoing, expert reports are not yet due, and substantive motion practice is yet to come. *** Petitioner filed its Petition approximately two months after serving its initial invalidity contentions, and approximately two weeks before the statutory deadline. *** Due to the relatively limited investment in the parallel proceeding to date and the fact that the timing of the Petition was reasonable, we find that this factor weighs in favor of not exercising discretion to deny institution under 35 U.S.C. § 314(a). [Sotera Wireless, Inc. v. Masimo Corporation, IPR2020-01019, Paper 12 (12/1/2020) (designated precedential on 12/17/2020 as to § II.A).]

Fintiv 4: overlap between issues raised in the petition and in the parallel proceeding:

Petitioner notes that the Petition “seeks review of all claims of the RE353

Patent, not merely those at issue in the [parallel proceeding].” Reply 6; see also Ex. 2004, 1 (claims 1, 6, 7, 8, 13, 14, 18, 19, 23, and 25 of the RE353 patent are asserted in the parallel proceeding). Further, as noted above, Petitioner has filed in the District Court “a stipulation that, if IPR is instituted, they will not pursue in the District Court Litigation any ground raised or that could have been reasonably raised in an IPR.” Reply 6; Ex. 1038. Petitioner contends that, because of this stipulation, “there will be no overlap of invalidity issues between the [parallel district court proceeding] and [this inter partes review].” *** Accordingly, Petitioner’s broad stipulation ensures that an inter partes review is a “true alternative” to the district court proceeding. *Id.* Thus, we find that this factor weighs strongly in favor of not exercising discretion to deny institution under 35 U.S.C. § 314(a). [Sotera Wireless, Inc. v. Masimo Corporation, IPR2020-01019, Paper 12 (12/1/2020) (designated precedential on 12/17/2020 as to § II.A).]

Fintiv 5: whether the petitioner and the defendant in the parallel proceeding are the same party: “Petitioner and Patent Owner acknowledge the parties are the same in the inter partes proceeding and in the parallel proceeding. Prelim. Resp. 18; Reply 6–7. Thus, this factor supports denying institution.” *Sotera*.

Fintiv 6: other circumstances that impact the Board’s exercise of discretion, including the merits: “As discussed below, on this preliminary record, Petitioner has met its burden of demonstrating a reasonable likelihood that it would prevail in showing that claims of the RE353 patent are unpatentable. *** We determine that this factor does not weigh for or against denying institution in this case.” *Sotera*.

In summary, pretrial activity for determining invalidity was incomplete, an IPR decision would be accorded broad estoppel, the parties were the same in both proceedings, and there was a reasonable likelihood that claims were unpatentable. Given those findings, the PTAB decided not to deny institution. Here is the PTAB panel’s conclusion based upon those factors.

We take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review” when considering the six *Fintiv* factors. *Fintiv* Order 6. Our holistic review of the *Fintiv* factors, namely that the timing of the Petition was reasonable, the relatively limited investment in the parallel proceeding to date, and that there is minimal potential overlap of the two proceedings, indicates that the *Fintiv* factors weigh in favor of instituting inter partes review. As such, we are not persuaded that the interests of the efficiency and integrity of the system would be best served by invoking our authority under 35 U.S.C. § 314(a) to deny institution of a meritorious Petition. For the reasons discussed above, we decline to deny institution under § 314(a). [Sotera Wireless, Inc. v. Masimo Corporation, IPR2020-01019, Paper 12 (12/1/2020) (designated precedential on 12/17/2020 as to § II.A).]

Snap, Inc. v. SRK Technology LLC, IPR2020-00820, paper 15 (10/21/2020; designated precedential 12/17/2020).

This a PTAB decision granting institution. Snap filed an IPR petition. SRK is the patent owner. The patent owner argued that both 314(a) and 325(d) favored denial.

The PTAB disagreed on both accounts. However, the PTAB's web page for precedential opinions contains the bracket "[AIA § 314(a), instituting review – *Fintiv* analysis, district court proceeding stayed]" suggesting only the 314(a) analysis is relevant, and PTO's email subscription service email dated 12/17/2020, subject line "PTAB designates two decisions applying the *Fintiv* factors as precedential" characterizes *Snap*, stating "This decision addressing the *Fintiv* factors explains that a district court stay that would remain in place until an inter partes review final written decision weighs strongly in favor of institution."

Legal issue: 35 USC 314(a), discretion to deny institution based upon civil actions for patent infringement of the same patent that is the subject of the IPR petition.

Here, the PTAB weighed factors previously identified as relevant to their discretion to deny institution ("*Fintiv*" factors) based upon a parallel civil action. Significantly, the PTAB discounted relevance of the difference in scope and availability of discovery between PTAB proceedings and civil actions.

Here are the *Fintiv* factors and the PTAB's findings relevant to these factors:

Fintiv 1 and 2, whether the court granted a stay and the proximity of court's trial date:

We agree with Petitioner that the District Court's stay of the litigation pending denial of institution or a final written decision allays concerns about inefficiency and duplication of efforts. *See Fintiv* at 6. The granting of a stay pending inter partes review has weighed strongly against exercising discretion to deny institution under *NHK*. *See id.* Accordingly, consideration of the first *Fintiv* factor weighs strongly against exercising discretion to deny institution. [Snap, Inc. v. SRK Technology LLC, IPR2020-00820, paper 15 (10/21/2020; designated precedential 12/17/2020).]

Fintiv 3, investment in the parallel proceeding by the court and the parties:

...The record before us indicates that the District Court has not issued any substantive orders related to the '159 Patent, and has not substantially invested in the case, apart from holding a scheduling conference in November 2019 and granting the parties joint stipulation to stay the parallel proceeding in April 2020. *** Where the District Court has not issued claim construction orders and the discovery process is not yet complete, the remaining investment of time and effort likely necessary to bring co-pending litigation to trial appears to far outweigh that which has already been invested *** In view of our finding that the parallel District Court proceeding was in an early stage prior to the stay, the timing of the filing of the Petition does not weigh in favor of exercising discretion to deny institution. *** On balance, the considerations of the third *Fintiv* factor weigh against exercising discretion to deny institution. [Snap, Inc. v. SRK Technology LLC, IPR2020-00820, paper 15 (10/21/2020; designated precedential

12/17/2020).]

Fintiv 4, overlap between issues raised in the petition and in the parallel proceeding:

We agree with Petitioner that the invalidity contentions do not include the Araki and Trewin references. *See generally* Ex. 2008. Nonetheless, we acknowledge that Ronkainen is explicitly included while Newman is implicitly included in the invalidity contentions, as argued by Patent Owner. See Ex. 2008, 5–6, 15–18, 31. *** Based on the aforementioned material differences between the challenges to patentability set forth in the Petition compared to the invalidity contentions before the District Court, as well as the stay of the parallel District Court proceeding, the considerations of the fourth *Fintiv* factor weigh against exercising discretion to deny institution. [Snap, Inc. v. SRK Technology LLC, IPR2020-00820, paper 15 (10/21/2020; designated precedential 12/17/2020).]

Fintiv 5, whether the petitioner and the defendant in the parallel proceeding are the same party:

In consideration of the fact that the parallel District Court proceeding is stayed, and there is not substantial overlap between the invalidity contentions and the Petition challenges, we regard the consideration of the fifth *Fintiv* factor as neutral or, at most, weighing slightly in favor of exercising discretion to deny institution. [Snap, Inc. v. SRK Technology LLC, IPR2020-00820, paper 15 (10/21/2020; designated precedential 12/17/2020).]

Fintiv 6, other circumstances that impact the Board’s exercise of discretion, including the merits:

Patent Owner also argues that the ability to develop facts related to secondary considerations that are within the control of Petitioner and would have been the focus of the District Court proceedings is a compelling factor that weighs heavily in favor of denying institution. *** We are not persuaded by Patent Owner’s arguments. Patent Owner does not meaningfully explain why it would be in the interests of justice for discovery regarding secondary considerations to take place before the District Court instead of before the PTAB. Although we recognize that routine discovery in trial proceedings before the PTAB is limited compared to U.S. District Courts, we note that our rules provide parties the ability to file a motion for additional discovery. *** The parties’ additional dispute regarding the existence of evidence of secondary considerations (see Reply to Prelim. Resp. 3–4; Sur-Reply to Prelim. Resp. 3–4) bear little relevance to Patent Owner’s argument that discovery related to secondary considerations before the District Court instead of the PTAB is in the interests of justice and weighs heavily in favor of denying institution. [Snap, Inc. v. SRK Technology LLC,

IPR2020-00820, paper 15 (10/21/2020; designated precedential 12/17/2020).]

As explained in the detailed analysis below, we find that the merits of Petitioner’s patentability challenges appear to be strong at this stage of the proceeding. [Snap, Inc. v. SRK Technology LLC, IPR2020-00820, paper 15 (10/21/2020; designated precedential 12/17/2020).]

For the foregoing reasons, consideration of other circumstances, including Patent Owner’s concerns about discovery and the merits of Petitioner’s challenges weigh against exercising discretion to deny institution. [Snap, Inc. v. SRK Technology LLC, IPR2020-00820, paper 15 (10/21/2020; designated precedential 12/17/2020).]

Significant in this opinion is the PTAB panel’s conclusion that disparity in scope and timing of discovery is not a relevant factor given any weight in their 314(a) *Fintiv* factor 6 determinations.

The PTAB panel concluded its 314(a) analysis as follows:

We have considered the circumstances and facts before us in view of the *Fintiv* factors. Because our analysis is fact-driven and we take a holistic view of the factors, no single factor is determinative of whether we exercise our discretion to deny institution under § 314(a). Based on the facts before us, the stay in the parallel District Court proceeding, the early stages of that parallel proceeding prior to the stay, and the lack of overlap between the invalidity contentions in the District Court proceeding and the challenges raised in the Petition allay any concerns regarding inefficiency, duplication of efforts, and the possibility of conflicting decisions. Of the remaining factors, we find only that Petitioner is the same as the defendant in the parallel proceeding to be neutral or to weigh slightly in favor of discretionary denial. Balancing all of the *Fintiv* factors, on this record, we determine that the circumstances presented here weigh against exercising discretion under § 314(a) to deny institution of *inter partes* review. [Snap, Inc. v. SRK Technology LLC, IPR2020-00820, paper 15 (10/21/2020; designated precedential 12/17/2020).]

Akeva LLC v. Nike, Inc., 2019-2249 (Fed. Cir.7/16/2020)(non-precedential).

First, I thank Eugene Prokopenko of Fenwick and West LLP for bringing this non-precedential decision to my attention, by publishing their article titled “Rescinding a Specification Disclaimer Introduces New Matter.”

This is a non-precedential decision on an appeal from the M.D.N.C. district court case 1:09-cv-00135-LCB-JEP. In response to a DJ action, Akeva countersued for patent infringement *inter alia* asserting certain continuation patents. The district court granted SJ *inter alia* that the continuation patents were invalid.

Legal issue: 35 USC 120 benefit, effect of specification disclaimer on disclosed but

disclaimed subject matter.

Initially note that the statute requires a “benefit” claim to a prior domestic “application,” not a “priority” claim to a domestic application, and the statute requires the claim be to an “application,” and not to a “patent.” 35 USC 119(e); 120. However, the Court’s inaccurately uses terms “priority” instead of “benefit,” and “patent” instead of “application” in this case.

The Federal Circuit held that a patent’s specification that disclaims subject matter does not provide the continuity of disclosure of that subject matter required by 35 USC 120 for entitlement to benefit.

In this case, the asserted patents claimed benefit through the ‘300 patent; the ‘300 patent claimed to be a CIP of an earlier patent; and the ‘300 patent’s specification disclaimed subject matter defined by the asserted claims. Consequently, the Federal Circuit held that the claims reciting the disclaimed subject matter were not entitled to benefit to the disclaimed subject matter, and therefore not entitled to benefit to applications in a benefit claim chain filed prior to the application in which the subject matter was disclaimed.

The Federal Circuit concluded that

As the district court correctly concluded, the fundamental problem with Akeva’s priority argument is that the ‘300 patent disclaims and therefore does not disclose shoes with conventional fixed rear soles. *Akeva I*, 208 F. App’x at 865. Due to this break in the priority chain, the asserted claims of the Continuation Patents cannot claim priority to the ’126 patent for a shoe having a conventional fixed rear sole. *Hollmer*, 681 F.3d at 1355; *Zenon*, 506 F.3d at 1378; *Lockwood*, 107 F.3d at 1571–72. And as explained above, because we agree with the district court that the ’126 patent likewise disclaims and therefore does not disclose shoes with a conventional fixed rear sole, Akeva’s priority claim argument fails for this reason as well. [*Akeva LLC v. Nike, Inc.*, 2019-2249 (Fed. Cir.7/16/2020)(non-precedential.)]

Legal issue: 35 USC 120 benefit, effect of attempted rescission in a continuing application of a specification disclaimer in a parent application.

The Federal Circuit concluded that a continuation application could not rescind a specification disclaimer in a parent application to provide entitlement to benefit to the disclaimed subject matter.

The Federal Circuit ultimately concluded that:

We hold that the ’126 patent disclaimed a shoe with a conventional fixed rear sole. As a result, such a shoe is not within the scope of claim 25 of the ’126 patent. Further, the Continuation Patents cannot claim priority to the ’126 patent for claims covering a conventional fixed rear sole because the chain of priority was broken by the ‘300 patent. Thus, the asserted claims of the Continuation Patents are anticipated. [*Akeva LLC v. Nike, Inc.*, 2019-2249 (Fed. Cir.7/16/2020)(non-precedential.)]

The Federal Circuit’s reasoning leading to that conclusion follows.

Akeva’s argument that the Continuation Patents rescinded the prior disclaimers and that the Continuation Patents should thus be able to claim priority to the ’126 patent is not persuasive. Akeva has provided no case law support for its position that a disclaimer in the specification can be later rescinded and undone by amendments to a subsequent continuation specification without this new, expanded scope of the disclosure constituting new matter in that subsequent continuation. [Akeva LLC v. Nike, Inc., 2019-2249 (Fed. Cir.7/16/2020)(non-precedential.)]

Akeva would have us look to *Hakim v. Cannon Avent Group, PLC*, 479 F.3d 1313, 1317–18 (Fed. Cir. 2007), and *Luv N’ Care, Ltd. v. Jackel International Limited*, 115 F. Supp. 3d 808, 819–21 (E.D. Tex. 2015), as examples of disclaimers of claim scope that were successfully rescinded in a later-filed continuation patent. But those cases involve disclaimers regarding the claim scope made during prosecution, unlike the specification disclaimer in the present case. In those cases, the written description support for the asserted claims always existed in the prior patents, and the patent owner then in the subsequent application filed a statement explicitly rescinding that prior-made prosecution disclaimer. *Hakim*, 479 F.3d at 1317–18. [Akeva LLC v. Nike, Inc., 2019-2249 (Fed. Cir.7/16/2020)(non-precedential.)]

A disclaimer in the specification, on the other hand, specifically excludes subject matter from the invention possessed by the patentee. Moreover, we have previously explained that removing limitations often broadens the description. *Anascape, Ltd. v. Nintendo of Am. Inc.*, 601 F.3d 1333, 1338 (Fed. Cir. 2010). In this case, for example, rescinding the specification disclaimer would bring an entirely new embodiment into the Continuation Patents that had originally been excluded from the ’300 patent’s disclosure. Such an embodiment would be “classical new matter” and is not within the scope of the invention as disclosed in the prior patent. *Id.* We therefore disagree with Akeva that it could rescind the specification disclaimer in the ’300 patent by amending the specifications of the subsequent continuation patents, thereby adding new matter to the Continuation Patents, and then reach through that patent to the ’126 patent for priority. Moreover, given our holding as to the specification disclaimer in the ’126 patent, the asserted claims of the Continuation Patents cannot claim priority to the ’126 patent for the separate, additional reason that the ’126 patent disclaimed and thus does not disclose a shoe having a conventional fixed rear sole. The asserted claims of the Continuation Patents thus are not entitled to the ’126 patent’s priority date for that reason as well. [Akeva LLC v. Nike, Inc., 2019-2249 (Fed. Cir.7/16/2020)(non-precedential.)]

We agree with the district court that the '300 patent broke the chain of priority for the asserted claims of the Continuation Patents and that the Continuation Patents cannot claim priority to the '126 patent. As a result, because the parties have admitted that the accused Nike shoe is prior art if the Continuation Patents cannot claim priority to the '126 patent, *Asics* at 35–36, the asserted claims of the Continuation Patents are invalid under the on-sale bar. *Vanmoor v. Wal-Mart Stores, Inc.*, 201 F.3d 1363, 1366–67 (Fed. Cir. 2000). [*Akeva LLC v. Nike, Inc.*, 2019-2249 (Fed. Cir.7/16/2020)(non-precedential).]

[Sharkninja Operating LLC v. Irobot Corporation, IPR2020-00734, paper 11 \(PTAB 10/6/2020; designated precedential 12/4/2020\).](#)

Legal issue: 35 USC 312(a)(2), PTAB discretion to fail to review whether the petition identifies all RPIs.

The PTAB determined that, because there was no evidence of a 315(b) time bar, estoppel, failure of good faith, or attempt by the petitioner to gain an advantage by not identifying an unnamed party as an RPI, the PTAB would not consider whether the unnamed entity was an RPI.

There is, however, no allegation that Petitioner's failure to name JS Global as an RPI should result in termination of the proceeding or denial of institution of review for any reason other than for the alleged failure of a procedural requirement that can be corrected under our precedent. Additionally, there is no allegation or evidence that JS Global is barred or estopped from this proceeding, or that Petitioner purposefully omitted JS Global to gain some advantage.¹² Indeed, Petitioner has offered to update its mandatory notices and identify JS Global as an RPI. [*Sharkninja Operating LLC v. Irobot Corporation*, IPR2020-00734, paper 11 (PTAB 10/6/2020; designated precedential 12/4/2020).]

On this record, we determine that we need not address whether JS Global is an unnamed RPI because, even if it were, it would not create a time bar or estoppel under 35 U.S.C. § 315. Under the Board's precedential decision in *Lumentum Holdings, Inc. v. Capella Photonics, Inc.*, our jurisdiction to consider a petition does not require a "correct" identification of all RPIs in a petition. IPR2015-00739, Paper 38 at 6 (PTAB Mar. 4, 2016) (precedential); *see also Blue Coat Sys., Inc. v. Finjan, Inc.*, IPR2016-01444, Paper 11 at 10 (PTAB July 18, 2017) ("Evidence [of failure to identify all RPIs] is, at best, suggestive of an issue that is not jurisdictional."). The Federal Circuit agrees that § 312(a)(2) is not jurisdictional. *See Mayne Pharma Int'l Pty. Ltd. v. Merck Sharp & Dohme Corp.*, 927 F.3d 1232, 1240 (Fed. Cir. 2019) ("[I]f a petition fails to identify all real parties in interest under § 312(a)(2), the Director can, and does, allow the petitioner to add a real party in interest." (quoting *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1374 n.9 (Fed. Cir. 2018) (en banc)). [*Sharkninja Operating LLC v. Irobot Corporation*, IPR2020-00734, paper 11 (PTAB 10/6/2020; designated precedential 12/4/2020).]

[RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 \(PTAB 12/4/2020\)\(Precedential\) \(“AIT 3”\)](#)

This is a decision upon remand from the Federal Circuit. The PTAB found that Salesforce was an RPI, the petition was time barred under 315(b), and terminated the proceeding.

Legal issue: 35 USC 312, 315, 317, 322, 325, and 327, definition of a real party in interest (RPI), expansive formulation.

The PTAB accepted the guidance of the Federal Circuit in *AIT2*, for an expansive common law meaning of an RPI, and applied the facts to the expansive common law meaning.

The Federal Circuit vacated and remanded this case to the PTAB, in *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336 (Fed. Cir. 7/9/2018; released to the public 7/24/2018) (“*AIT 2*”). In *AIT 2*, the Federal Circuit stated that it “explore in greater detail the meaning of the term “real party in interest” in the context of the AIA.” To do that, it had to “first construe § 315(b) by examining the language of the provision, its place in the overall statutory scheme, and the legislative history of the provision” and then to “explain how the Board in this case rendered a flawed time-bar determination under § 315(b) by taking an unduly narrow view of the meaning of the governing statutory term and by failing to consider the entirety of the record before it.” Subsequently, in *Thryv, Inc. v. Click-To-Call Technologies, LP*, 18–916, 590 U. S. ____ (4/20/2020)(“*Thryv*”), the Supreme Court held that 314(d) made the PTAB’s 315(b) determinations nonreviewable. (“The agency’s application of §315(b)’s time limit, we hold, is closely related to its decision whether to institute inter partes review and is therefore rendered nonappealable by§314(d).”). *Thryv* cast into doubt the effect on the PTAB of the holding and dicta in *AIT 2*.

However, in *AIT 3*, the PTAB accepted the Federal Circuit’s guidance from *AIT 2*, notwithstanding *Thryv*’s stain on the precedential effect of *AIT 2*. In *AIT 3*, the PTAB stated “we follow the Federal Circuit’s admonition that ‘Congress intended that the term ‘real party in interest’ have its expansive common-law meaning.’” So, it is important to restate what the Federal Circuit found and concluded in *AIT 2*.

In *AIT 2*, the Federal Circuit explained how the PTAB had taken an “unduly narrow view of the meaning of the governing statutory term “real party in interest, or privy of the petitioner” and by failing to consider the entirety of the record before it determining who was a "real party in interest, or privy of the petitioner."

In *AIT 2*, the Federal Circuit stated that the PTAB had “failed to adhere to the expansive formulation of ‘real party in interest’ that is dictated by the language, structure, purpose, and legislative history of § 315(b).” In *AIT 2*, the Federal Circuit explained that “Determining whether a non-party is a “real party in interest” demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner.”

In *AIT 2*, the Federal Circuit concluded that the PTAB had failed to “meaningfully examine” and Salesforce’s relationship with RPX and “the nature of” RPX as an entity. In *AIT 2*, the Federal Circuit concluded that the PTAB’s “consideration of the evidence was impermissibly shallow, both under the Trial Practice Guide and the common law it incorporates.” In *AIT 2*, the Federal Circuit found that the record evidence does “imply that RPX can and does file IPRs to

serve its clients' financial interests, and that a key reason clients pay RPX is to benefit from this practice in the event they are sued by an NPE;" that the PTAB's "selective weighing of the record evidence does not pass muster under the APA," and it was not convinced the error was harmless. In *AIT 2*, the Federal Circuit concluded that the many failures in the PTAB's "real party in interest" analysis demanded vacatur.

In *AIT 2*, the Federal Circuit also held that the PTAB erred by failing to consider the other legal theories references in the PTAB's Trial Practice Guide and raised by on appeal by AIT.

In *AIT 2*, the Federal Circuit also held on such theory was that an agent whose sole duty was to bring suit is not the real party in interest, concluding that "There is no indication that the Board considered AIT's contention that Salesforce is a real party in interest because RPX acted as its attorney-in-fact or its express or implied litigating agent."

In *AIT 2*, the Federal Circuit also held on such theory was "preclusion by consent and estoppel by conduct," stating that "In this case, AIT argued that RPX had apparent authority to file the IPR petitions to benefit Salesforce, pointing to RPX's public statement that its 'interests are 100% aligned with those of [its] clients' and to the timing of Salesforce's substantial payments to RPX."

In *AIT 2*, the Federal Circuit did not reach the merits and therefore vacated and remanded, but concluded that that it could not find substantial evidence supported the PTAB's finding because "the Board made its findings without considering the entirety of the evidentiary record, appears to have imposed—even if inadvertently—the burden of proving that RPX was not the only real party in interest on AIT, and assessed the evidence it did consider through an incorrect legal lens."

In *AIT 3*, the PTAB has bound itself to the Federal Circuit's guidance in *AIT 2* (referring to that decision as "*AIT*"). *AIT 3* begins:

We address these cases on remand after a decision by the U.S. Court of Appeals for the Federal Circuit in *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336 (Fed. Cir. 2018) ("*AIT*") (see Paper 1101). Upon review, we follow the Federal Circuit's admonition that "Congress intended that the term 'real party in interest' have its expansive common-law meaning." *AIT*, 897 F.3d at 1351. We approach the inquiry by focusing on the "two related purposes" of the real party in interest ("RPI") requirement set forth in the legislative history, i.e., to preclude parties from getting "two bites at the apple" by: (1) ensuring that third parties who have sufficiently close relationships with IPR petitioners are bound by the outcome of instituted IPRs in final written decisions under 35 U.S.C. § 315(e), the IPR estoppel provision; and (2) safeguarding patent owners from having to defend their patents against belated administrative attacks by related parties via 35 U.S.C. § 315(b). *Id.* at 1350. As stated by the Federal Circuit, "[d]etermining whether a non-party is a 'real party in interest' demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner." *Id.* at 1351. [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB

12/4/2020)(Precedential) (“AIT 3”).]

And *AIT 3* followed that quote immediately with its conclusion:

As explained below, when considering the entirety of the evidentiary record, including evidence relating to RPX’s business model and RPX’s relationship with Salesforce, who would have benefitted from IPRs filed by RPX, in view of the two purposes of the RPI provision in § 315(b), as noted above, as well as equitable and practical considerations, we determine that Salesforce is a real party in interest of RPX. [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB 12/4/2020)(Precedential) (“AIT 3”).]

After summarizing the procedural history, the PTAB included a section titled “Legal Principles.” This section restates what the PTAB considers to be the law, and it specifically cites to *AIT 2* for the Federal Circuit’s proposition that Congress intended the term RPI to have “an expansive formulation.”

Following the remand order, the PTAB reviewed the evidence for factors (identified as A through I in the decision). Regarding each one of factors A to I, the PTAB stated:

A. RPX’s Business Model *** We therefore find that RPX filed these IPRs to benefit its member Salesforce, supporting a conclusion that Salesforce is an RPI in these proceedings. [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB 12/4/2020)(Precedential) (“AIT 3”).]

B. RPX’s Interest in the IPRs *** We therefore find that RPX filed these IPRs to benefit its existing clients, supporting a conclusion that Salesforce is an RPI in these proceedings. [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB 12/4/2020)(Precedential) (“AIT 3”).]

C . Whether RPX Takes Client Interests into Account when Filing IPRs *** At bottom, as the Federal Circuit stated, intentionally avoiding discussion about a forthcoming IPR against its client for the sole purpose of avoiding having to name the client as an RPI, yet challenging patents asserted against its client, suggests a “willful blindness” strategy, see *id.* at 1355, supporting a conclusion that Salesforce is an RPI in these proceedings. [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB 12/4/2020)(Precedential) (“AIT 3”).]

D. Salesforce Relationship with RPX *** IPR2015-01750 (Patent 8,484,111 B2) IPR2015-01751, IPR2015-01752 (Patent 7,356,482 B2) In sum, evidence indicates that, from a “practical and equitable’ standpoint,” see *AIT*, 897 F.3d at 1349 (quoting Trial Practice Guide, 77 Fed. Reg. at 48,759), Salesforce’s relationship with RPX was based, at least in part, on efforts to address the same

patents asserted against Salesforce by AIT in litigation and also challenged by RPX in these IPRs, to the benefit of Salesforce, supporting a conclusion that Salesforce is an RPI in these proceedings. [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB 12/4/2020)(Precedential) (“AIT 3”).]

E. Salesforce’s Interest in and Benefit from the IPRs *** As discussed below, we agree with Patent Owner that, because of the pending litigation, the invalidation of the challenged patents would provide a benefit to Salesforce, supporting a conclusion that salesforce is an RPI in these proceedings. *See* Remand Opp. 8–9; *see also AIT*, 897 F.3d at 1355 (“the evidence submitted indicates [RPX]’s understanding that the very challenges to validity included in the IPR petitions were challenges Salesforce would like to have made if not time-barred from doing so”). [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB 12/4/2020)(Precedential) (“AIT 3”).]

F. Whether RPX Is Representing Salesforce’s Interest *** T hat a member organization exists in part to file IPR petitions against patents being asserted or threatened to be asserted against its members is indicative of an RPI relationship between the organization and its members. That is the case here, as between RPX and Salesforce. [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB 12/4/2020)(Precedential) (“AIT 3”).]

G. Whether Salesforce actually “desire[d] review of the patent[s]” *** In any event, the patents were asserted against Salesforce, an RPX member, and Salesforce had just failed to obtain institution of CBM petitions against the same patents. This is persuasive evidence that Salesforce would have been interested in Board review of the patentability of the claims in the patents asserted against it in litigation, supporting a conclusion that Salesforce is an RPI in these proceedings. [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB 12/4/2020)(Precedential) (“AIT 3”).]

H. Overlapping Board Member *** For purposes of the analysis here, in the absence of evidence to the contrary, we find that Mr. Robertson’s role on the board of RPX and Salesforce does not weigh for or against finding that Salesforce is an RPI in these proceedings. [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB 12/4/2020)(Precedential) (“AIT 3”).]

I. Communications between RPX and Salesforce *** The discussion of pending litigation by AIT against Salesforce by RPX, who subsequently filed an IPR, weighs in favor of finding that Salesforce was an interested party. *** s discussed above, RPX’s business model requires RPX to ascertain patent risks to

its clients. Without doing so, it could not acquire relevant patents on its clients' behalf, or, as it did here, file an IPR petition. [RPX Corporation v. Applications in Internet Time, LLC, IPR2015-01750, paper 128 (PTAB 12/4/2020)(Precedential) ("AIT 3").]