WHITE & CASE

Current Developments in U.S. Patent Law

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U.S. Supreme Court

Willful Infringement (Enhanced Damages) – *Halo & Stryker*

***Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 136 S. Ct. 1923 (2016)**

(consolidated with ***Stryker v. Zimmer***)

- Decided June 13, 2016 (opinion by Roberts, 8-0)

35 U.S.C. § 284:

- "[T]he court may increase the damages up to three times the amount found or assessed."

Federal Circuit *Seagate* test (*en banc*, 2007) used in *Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 769 F.3d 1371 (Fed. Cir. 2014) (3-0) and *Stryker Corp. v. Zimmer, Inc.*, 782 F.3d 649 (Fed. Cir. 2015) (3-0)

- Enhanced damages requires establishing willful infringement under two-part test by clear and convincing evidence:
  - (1) that infringer acted despite an "objectively high likelihood" that its actions constituted infringement of a valid patent; and
  - (2) that the risk of infringement was either known or so obvious that it should have been known to the infringer.

Willful Infringement (Enhanced Damages) – *Halo & Stryker*

Question Presented (*Halo*):

- Whether the Federal Circuit erred by applying a rigid, two-part test for enhancing patent infringement damages under 35 U.S.C. § 284, that is the same as the rigid, two-part test this Court rejected last term in *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014) for imposing attorney fees under the similarly-worded 35 U.S.C. § 285.

Questions Presented (*Stryker*):

- (1) Has the Federal Circuit improperly abrogated the plain meaning of 35 U.S.C. § 284 by forbidding any award of enhanced damages unless there is a finding of willfulness under a rigid, two-part test, when this Court recently rejected an analogous framework imposed on 35 U.S.C. § 285?
- (2) Does a district court have discretion under 35 U.S.C. § 284 to award enhanced damages where an infringer intentionally copied a direct competitor's patented invention, knew the invention was covered by multiple patents, and made no attempt to avoid infringing the patents on that invention?

Willful Infringement (Enhanced Damages) – *Halo & Stryker*

Supreme Court Decision (8-0) (vacated and remanded):

- *Seagate* test is "unduly rigid, and it impermissibly encumbers the statutory grant of discretion to district courts" (quoting *Octane Fitness*).
- Objective recklessness should not be a prerequisite to enhanced damages.
- No basis in § 284 for heightened clear and convincing evidence standard of proof.
- District court decisions applying § 284 should be reviewed for "abuse of discretion".

Inter Partes Review (IPR) – *Cuozzo v. Lee*

***Cuozzo Speed Tech., LLC v. Lee*, 136 S. Ct. 2131 (2016)**

- Decided June 20, 2016 (opinion by Breyer, 6-2, Alito concurring in part, dissenting in part, joined by Sotomayor)

Federal Circuit Decision, 793 F.3d 1268 (July 8, 2015) (2-1)

- USPTO may review claims during IPR using "broadest reasonable interpretation" standard (37 C.F.R. § 42.100(b)).
- 35 U.S.C. § 314(d) (entitled "No Appeal") precludes interlocutory review of PTAB decision to institute IPR even after a final decision.

Questions Presented:

- (1) Whether the court of appeals erred in holding that, in IPR proceedings, the Patent Trial and Appeal Board may construe claims in an issued patent according to their broadest reasonable interpretation rather than their plain and ordinary meaning; and
- (2) Whether the court of appeals erred in holding that, even if the Board exceeds its statutory authority in instituting an IPR proceeding, the Board's decision whether to institute an IPR proceeding is judicially unreviewable.

Inter Partes Review (IPR) – *Cuozzo v. Lee*

Supreme Court Decision (6-2) (affirmed):

- Determination by PTO whether to institute an IPR is final and non-appealable, 35 U.S.C. § 314(d) (statutory command).
- 35 U.S.C. § 316(a)(4) allows USPTO to issue rules "governing *inter partes* review" and the legal authority to issue its regulation calling for "broadest reasonable interpretation" standard during IPR "a reasonable exercise of the rulemaking authority that Congress delegated to the Patent Office."
- "contrary to the dissent's suggestion we do not categorically preclude review…where a petition fails to give "sufficient notice" such that there is a due process problem…..nor does our interpretation enable the agency to act outside its statutory limits…" "Such "shenanigans" may be properly reviewable…"

Design Patents (Damages) – *Samsung v. Apple*

***Samsung Elecs. Co., Ltd. v. Apple Inc.*, 137 S. Ct. 429 (2016)**

- Decided December 6, 2016 (opinion by Sotomayor, 8-0)

35 U.S.C. § 289:

- "Whoever, during the term of a patent for a design . . . (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit . . . ."

District Court Opinion, 2012 WL 3071477 (N.D. Cal. July 27, 2012)

- Apple design patent: black rectangular front face, rounded corners, raised rim, grid of colorful icons on black screen.
- Jury found infringement.
- Damages for infringement: $399,000,000 (Samsung's entire profit from sale of infringing phones).

Design Patents (Damages) – *Samsung v. Apple*

Federal Circuit Decision, 786 F.3d 983 (May 18, 2015) (3-0)

- Affirmed District Court's damages award based (no error in jury instructions allowing award of entire profits).
- "Section 289 explicitly authorizes the award of total profit from the article of manufacture bearing the patented design." (entire smartphone)
- "The innards of Samsung's smartphones were not sold separately from their shells as distinct articles of manufacture to ordinary purchasers."

***Cert*. granted March 21, 2016**

Question Presented:

- Where a design patent is applied to only a component of a product, should an award of infringer's profits be limited to those profits attributable to the component?

Design Patents (Damages) – *Samsung v. Apple*

Supreme Court Decision (8-0) (reversed and remanded):

- The term "article of manufacture" as used in § 289 is broad enough to encompass both a product sold to a consumer as well as a component of that product, whether sold separately or not.
- Court declined to "set out a test for identifying the relevant article of manufacture at the first step of the § 289 damages inquiry and to … apply that test in this case."

Federal Circuit Remand Decision, 2017 U.S. App. LEXIS 2140 (Feb. 7, 2017) (3-0):

- Remanded to the district court to determine whether a new damages trial is necessary.

Inducement Under § 271(f)(1) – *Life Tech v. Promega*

***Life Techs. Corp. v. Promega Corp.*, 137 S. Ct. 734 (2017)**

- Decided February 22, 2017 (opinion by Sotomayor, 7-0) (Roberts recused)

35 U.S.C. § 271(f)(1)

- "Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer."

Federal Circuit Decision, 773 F.3d 1338 (Fed. Cir. 2014) (2-1):

- A single important component can be a substantial portion of the components.
- A third party is not required "to actively induce the combination" under § 271(f)(1).
- Life Tech liable for infringement as a result of shipping the polymerase component of accused genetic testing kit to its U.K. facility.

Inducement Under § 271(f)(1) – *Life Tech v. Promega*

Question presented:

- Whether the Federal Circuit erred in holding that supplying a single, commodity component of a multi-component invention from the United States is an infringing act under § 271(f)(1), exposing the manufacturer to liability for all worldwide sales.

Supreme Court Decision (7-0) (reversed and remanded):

- "We hold that a single component does not constitute a substantial portion of the components that can give rise to liability under 271(f)(1)."
- "Substantial portion" in § 271(f)(1) is ambiguous but the statute's structure points to quantitative not qualitative interpretation of the term.
- § 271(f)(2) refers to "any component . . . especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for noninfringing use."
- "Reading § 271(f)(1) to cover *any* single component would…undermine § 271(f)(2)'s express reference to a single component 'especially made or adapted for use in the invention.'"

Laches Defense – *SCA Hygiene v. First Quality Baby Products*

***SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 136 S. Ct. 1824 (2016)**

- Decided March 21, 2017 (opinion by Alito, 7-1)

35 U.S.C. § 286

- "Except as otherwise provided by law, no recovery shall be had for any infringement committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action."

Federal Circuit Panel Decision, 767 F.3d 1339 (Fed. Cir. 2014) (3-0)

- Affirmed summary judgment of laches, applying *A.C. Aukerman Co. v. R.L. Chaides Construction Co.*, 960 F.2d 1020 (Fed. Cir. 1992) (*en banc*).
- Presumption of laches based on more than six-year delay:
  - Knowledge of infringing activity in 2003; letters between SCA & Hygiene (2003-2004); ex parte reexamination from 2004–2008; lawsuit filed in 2010.
- Presumption not rebutted by patentee.

Laches Defense – *SCA Hygiene v. First Quality Baby Products*

Federal Circuit *En Banc* Decision (6-5), 807 F.3d 1311 (Sept. 18, 2015):

- Laches remains a defense to legal relief in patent infringement suits after *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962 (2014) (holding that laches is not a defense to a copyright infringement suit brought within the Copyright Act's statute of limitation period).
- Congress intended to codify a laches defense in 35 U.S.C. § 282(b)(1).
  - Laches bars both legal and equitable relief – therefore does not implicate *Petrella*.
- Future/ongoing relief:
  - Courts must consider laches in deciding whether to issue an injunction; however, absent extraordinary circumstances, laches does not preclude ongoing royalties.

***Cert*. granted May 2, 2016**

- **Question Presented:** Whether and to what extent the defense of laches may bar a claim for patent infringement brought within the Patent Act's six year statutory limitations period pursuant to § 286.

Laches Defense – *SCA Hygiene v. First Quality Baby Products*

Supreme Court Decision (7-1) (vacated in part and remanded):

- "By the logic of *Petrella*, we infer that [§ 286] represents a judgment by Congress that a patentee may recover damages for any infringement committed within six years of the filing of the claim."
- In the face of a statute of limitations enacted by Congress, laches cannot be invoked to bar legal relief.
- "Laches is a gap-filling doctrine, and where there is a statute of limitations, there is no gap to fill."
- Doctrine of equitable estoppel provides protection against same problems, unscrupulous patentees inducing potential targets of infringement suits to invest in arguably infringing products.
- **Dissent by Breyer:** § 286 says "[e]xcept as otherwise provided by law…" and § 282 provides the exception by listing unenforceability as a defense in any action for patent infringement.

Patent Exhaustion – *Impression v. Lexmark*

***Impression Prods., Inc. v. Lexmark Int'l, Inc.*, No. 15-1189**

- *Cert*. Petition granted December 2, 2016
- Oral argument on March 21, 2017

Background

- Patented toner cartridges sold outside the U.S. and in U.S. by Lexmark with restrictions; cartridges subsequently acquired by Impression and imported/resold inside the U.S.

District Court Decision, 9 F. Supp. 3d 830 (S.D. Ohio 2014):

- Under *Jazz Photo Corp. v. Int'l Trade Comm'n*, 264 F.3d 1094, 1105 (Fed. Cir. 2001), the patent exhaustion doctrine is territorial.
  - Initial authorized sale of patented product outside the U.S. did not exhaust patent rights.
  - Found exhaustion for cartridges first sold in the U.S.

Patent Exhaustion – *Impression v. Lexmark*

Federal Circuit sua sponte ordered *en banc* hearing, 785 F.3d 565 (April 14, 2015)

Federal Circuit *En Banc* Decision, 2016 U.S. App. LEXIS 2452 (Feb. 12, 2016) (10-2)

- "We conclude that a patentee may preserve its § 271 rights when itself selling a patented article, through clearly communicated, otherwise-lawful restrictions, as it may do when contracting out the manufacturing and sale."
- "We conclude, as we did in *Jazz Photo*, that there is no legal rule that U.S. rights are waived, either conclusively or presumptively, simply by virtue of a foreign sale, either made or authorized by a U.S. patentee."

Patent Exhaustion – *Impression v. Lexmark*

***Cert*. granted December 2, 2016**

Questions Presented:

(1) Whether a "conditional sale" that transfers title to the patented item while specifying post-sale restrictions on the article's use or resale avoids application of the patent exhaustion doctrine and therefore permits the enforcement of such post-sale restrictions through the patent law's infringement remedy.

(2) Whether, in light of this Court's holding in *Kirtsaeng v. John Wiley & Sons, Inc.*, 133 S. Ct. 1351, 1363 (2012), that the common law doctrine barring restraints on alienation that is the basis of exhaustion doctrine "makes no geographical distinctions," a sale of a patented article – authorized by the U.S. patentee – that takes place outside of the United States exhausts the U.S. patent rights in that article.

Patent Exhaustion – *Impression v. Lexmark*

Supreme Court Oral Argument (March 21, 2017):

- "[A] statute does not apply outside the United States unless it says it applies outside the United States. I don't see why that shouldn't be the same for a common-law rule like the rule here." (Alito)
- If a party received money for the first sale under a foreign patent but not an American patent, "how could you be subjecting us to a rule that the first sale exhausted our right to money under the American patent when we never received any money under the American patent?" (Breyer)
- "Why is normal contract law and normal State law inadequate, for your purposes?" (Roberts)
- "[I]f you're allowed to impose restraints down the line, it just gets too complicated and the consumer will be violating patents all the time without knowing it." (Roberts)

Venue – *TC Heartland v. Kraft Foods*

***TC Heartland LLC v. Kraft Food Grp. Brands LLC*, No. 16-341**

- *Cert*. Petition granted December 14, 2016
- Oral argument on March 27, 2017

28 U.S.C § 1400(b):

- **"**Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

***Fourco Glass Co. v. Transmirra Prods. Corp.*, 353 U.S. 222 (1957)**

- § 1400(b) is not supplemented by 28 U.S.C. § 1391(c) general venue statute
  - § 1391(c) defined corporate "residence" as "any judicial district in which [corporation] is incorporated or licensed to do business or is doing business."

Venue – *TC Heartland v. Kraft Foods*

1988 amendment to § 1391(c):

- Definitional, added "for purposes of venue under this chapter"; corporation deemed to reside in any district in which it is subject to personal jurisdiction.

***VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574 (Fed. Cir. 1990), *cert. denied*, 499 U.S. 922 (1991).**

- Based on amendments, definition of corporate residence in §1391(c) applies to §1400; *Fourco Glass* not prevailing law.

2011 amendment to § 1391(a) and (c):

- (a) "Applicability of Section. Except as otherwise provided by law . . . ."
- (c) "Residency. For all venue purposes . . . ." (replaced "for purposes of venue under this chapter")

Venue – *TC Heartland v. Kraft Foods*

Fed. Cir. Decision on Petition for Writ of Mandamus, 821 F.3d 1338 (April 26, 2016) (3-0)

- 2011 amendments to 28 U.S.C. § 1391(c) did not overrule *VE Holding*, in which "this court held that the definition of corporate residence in the general venue statute, § 1391(c), applied to the patent venue statute, 28 U.S.C. § 1400."
- "We reject Heartland's argument that in 2011 Congress codified the common law regarding venue in patent suits as described in *Fourco*."

***Cert*. granted December 14, 2016**

Question Presented:

- Whether 28 U.S.C. § 1400(b) is the sole and exclusive provision governing venue in patent infringement actions and is not to be supplemented by 28 U.S.C. § 1391(c).

Venue – *TC Heartland v. Kraft Foods*

Supreme Court Oral Argument (March 27, 2017):

- "[W]hen we issue a decision, we can be pretty confident that Congress is acting against the backdrop of that – that decision. But I think that that would be an odd thing to say in this case, given that for 30 years the Federal Circuit has been ignoring our decision [in *Fourco*] and the law has effectively been otherwise." (Kagen)
- "No – [the statutory amendment] wasn't intended to overrule *VE Holding*, but I suspect it wasn't intended to overrule *Fourco* at all either. And *Fourco* is a decision of this Court." (Roberts)

Biosimilar Drug Approval Under BPCIA – *Amgen v. Sandoz*

***Amgen Inc. v. Sandoz Inc.*, No. 15-1499 (consolidated with *Sandoz Inc. v. Amgen Inc.*, No. 15-1039)**

- *Cert.* Petition granted January 13, 2017
- Oral argument scheduled for April 26, 2017

Background

- Filgrastim (Amgen's Neupogen®) on market since 1991.
- Sandoz filed § 262(k) application in May 2014 and notified Amgen of application in July 2014 but did not provide aBLA or additional information.
- FDA approved Sandoz application in March 2015.

Biologics Price Competition and Innovation Act of 2009 (BPCIA)

- 42 U.S.C. § 262(l)(2)(A): "the subsection (k) applicant shall provide to the reference product sponsor a copy of the application (aBLA) submitted to the Secretary…"
- 42 U.S.C. § 262(l)(8)(A): "the subsection (k) applicant shall provide notice to the reference product sponsor not later than 180 days before the date of the first commercial marketing of the biological product licensed under subsection (k)."

Biosimilar Drug Approval Under BPCIA – *Amgen v. Sandoz*

Federal Circuit Decision, 794 F.3d 1347 (July 21, 2015) (Lourie, Newman, Chen)

- Disclosure requirement (2-1):
  - Sandoz "did not violate the BPCIA by not disclosing its aBLA and the manufacturing information by the statutory deadline."
  - "Shall" in § 262(l)(2)(A) is not mandatory since statute sets forth alternatives in the event applicant does not comply.
- 180 day notice (2-1):
  - Sandoz pre-approval notice of intent to commercialize "premature and ineffective."
  - "Sandoz therefore may not market Zarxio before 180 days from March 6, 2015."
  - Use of "shall" in § 262(l)(8)(A) does mandate compliance because it is a "standalone" provision.
  - Notice of commercialization and commencement of the 180 day period must occur after FDA approval.

Biosimilar Drug Approval Under BPCIA – *Amgen v. Sandoz*

Federal Circuit Decision, 794 F.3d 1347 (July 21, 2015) (Lourie, Newman, Chen)

Dissenting Opinions:

- **Newman:**
  - § 262(l)(2)(A) notice of filing of subsection (k) application is mandatory, along with the accompanying documentary and information exchanges.
  - Applicant must provide subsection (k) application, aBLA, within 20 days of FDA notification of acceptance.
  - "Shall" is a command.
- **Chen:**
  - § 262(l)(8)(A) does not create "automatic 180-day injunction" – "just as 'shall' in (l)(2) does not mean 'must,' the same is true for the 'shall' provision in (l)(8)(A)."
  - §262(l)(8)(A) is not a "standalone" provision.
  - Alternatives for non-compliance are provided in § 262(l)(9)(A)-(C).

Biosimilar Drug Approval Under BPCIA – *Amgen v. Sandoz*

Questions Presented in *Cert.* petition filed by Sandoz (No. 15-1039):

- (1) Whether notice of commercial marketing given before FDA approval can be effective; and
- (2) Whether, in any event, treating Section 262(*l*)(8)(A) as a standalone requirement and creating an injunctive remedy that delays all biosimilars by 180 days after approval is improper.

Questions Presented in Amgen Cross Petition (No. 15-1195):

- (1) Is an Applicant required by 42 U.S.C. § 262(l)(2)(A) to provide the Sponsor with a copy of its biologics license application and related manufacturing information, which the statute says the Applicant "shall provide," and,
- (2) Where an Applicant fails to provide that required information, is the Sponsor's sole recourse to commence a declaratory-judgment action under 42 U.S.C. § 262(l)(9)(C) and/or a patent-infringement action under 35 U.S.C. § 271(e)(2)(C)(ii)?

Biosimilar Drug Approval Under BPCIA – *Amgen v. Sandoz*

Supreme Court invited the Solicitor General to express views of the United States.

Amicus brief of U.S. in support of Petitioner/Cross-Respondent (Sandoz) filed December 7, 2016.

- Largely agreed with Judge Chen.
- § 262(l) establishes patent dispute resolution process that controls timing of patent litigation.
- Once applicant departs from §262(l) process, the reference biologic sponsor may bring artificial act of infringement litigation claim for all relevant patents.
- There is no cause of action for judicial enforcement of the §262(l) notice provisions in the BPCIA.

Federal Circuit

On-Sale Bar Under 35 U.S.C. §102(b) – *Medicines Co. v. Hospira (en banc)*

***Medicines Co. v. Hospira, Inc.*, Nos. 14-1469, 14-1504**

Pre-AIA 35 U.S.C. § 102(b)

- "A person shall be entitled to a patent unless . . . (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States."

Federal Circuit Panel Decision, 791 F.3d 1368 (July 2, 2015) (3-0)

- Commercial sale occurred because MedCo paid Ben Venue to prepare three batches of drug (Angiomax®) using revised manufacturing process (later patented as a product-by-process claim).
- No "supplier" exception to on-sale bar defense.
- No experimental use defense: "This is not a situation in which the inventor was unaware that the invention had been reduced to practice and was experimenting to determine whether that was the case."

On-Sale Bar Under 35 U.S.C. §102(b) – *Medicines Co. v. Hospira (en banc)*

Petition for rehearing *en banc* granted, 805 F.3d 1357 (Nov. 13, 2015)

Questions Presented:

- (1) Do the circumstances presented here constitute a commercial sale under the on-sale bar of 35 U.S.C. § 102(b)?
  - (i) Was there a sale for the purposes of § 102(b) despite the absence of a transfer of title?
  - (ii) Was the sale commercial in nature for the purposes of § 102(b) or an experimental use?
- (2) Should this court overrule or revise the principle in *Special Devices, Inc. v. OEA, Inc.*, 270 F.3d 1353 (Fed. Cir. 2001), that there is no "supplier exception" to the on-sale bar of 35 U.S.C. § 102(b)?

On-Sale Bar Under 35 U.S.C. §102(b) – *Medicines Co. v. Hospira (en banc)*

Federal Circuit *En Banc* Decision, 827 F.3d 1363 (July 11, 2016) (12-0)(affirmed in part, remanded to merits panel)

- "We hold today that a contract manufacturer's sale to the inventor of manufacturing services where neither title to the embodiments nor the right to market the same passes to the supplier does not constitute an invalidating sale under §102(b)."
- No commercial marketing of invention under *Pfaff v. Wells* because Ben Venue merely sold contract manufacturing services to MedCo, not the patented invention.
- "[M]ere stockpiling of a patented invention by the purchaser of manufacturing services does not constitute a 'commercial sale' under § 102(b)."

Motion to Amend (IPR) – *In re Aqua Products (en banc)*

***In re Aqua Prods.*, No. 2015-1177**

Patent Trial and Appeal Board, Final Written Decision, *Zodiac Pool Sys. Inc. v. Aqua Prods. Inc.*, IPR 2013-00159 (Aug. 22, 2014)

- Zodiac filed IPR petition on Aqua Products' patent for an apparatus and methods for cleaning the submerged surface of a pool or tank.
- Aqua moved to substitute new claims after PTAB instituted review; PTAB denied motion to amend and found claims invalid.

Federal Circuit Panel Decision, 823 F.3d 1369 (May 25, 2016) (3-0)

- Precedent "allocat[es] to the patentee the burden of showing that its proposed amendments would overcome the art of record."
- No abuse of discretion in declining to *sua sponte* evaluate validity arguments not raised by petitioner in the motion to amend; Board needed to reconsider only the arguments presented.

Motion to Amend (IPR) – *In re Aqua Products (en banc)*

Petition for rehearing *en banc* granted, 833 F.3d 1335 (Aug. 12, 2016)

Questions Presented:

- (1) When the patent owner moves to amend its claims under 35 U.S.C. § 316(d), may the PTO require the patent owner to bear the burden of persuasion, or a burden of production, regarding patentability of the amended claims as a condition of allowing them? Which burdens are permitted under 35 U.S.C. § 316(e)?
- (b) When the petitioner does not challenge the patentability of a proposed amended claim, or the Board thinks the challenge is inadequate, may the Board *sua sponte* raise patentability challenges to such a claim? If so, where would the burden of persuasion, or a burden of production, lie?

Federal Circuit Oral Argument on Dec. 9, 2016

Judicial Review of Institution Decision (IPR)– *Wifi-One v. Broadcom (en banc)*

***Wi-Fi One, LLC v. Broadcom Corp.*, No. 15-1944**

Patent Trial and Appeal Board, Final Written Decision, *Broadcom Corp. v. Wi-Fi One, LLC*, IPR 2013-00601 (Mar. 6, 2015)

- Broadcom filed IPR petition on Wi-Fi One's patent concerning a method for improving efficiency in notifying sender of errors in a particular message.
- There was no showing that Broadcom was in privity with time-barred district court litigant.

Federal Circuit Panel Decision, 837 F.3d 1329 (Sept. 16, 2016) (3-0)

- Section 314(d) "prohibits this court from reviewing the Board's determination to initiate IPR proceedings based on its assessment of the time-bar of § 315(b)" (quoting *Achates Reference Publishing, Inc. v. Apple, Inc.*, 803 F.3d 652 (Fed. Cir. 2015).
- "[N]othing in the *Cuozzo* decision . . . suggests *Achates* has been implicitly overruled."

Judicial Review of Institution Decision (IPR)– *Wifi-One v. Broadcom (en banc)*

Petition for rehearing *en banc* granted, 2017 U.S. App. LEXIS 61 (Jan. 4, 2017)

Question Presented:

- Should this court overrule *Achates Reference Publishing, Inc. v. Apple Inc.*, 803 F.3d 652 (Fed. Cir. 2015) and hold that judicial review is available for a patent owner to challenge the PTO's determination that the petitioner satisfied the timeliness requirement of 35 U.S.C. § 315(b) governing the filing of petitions for *inter partes* review?

Federal Circuit Oral Argument scheduled for May 4, 2017.

Patentable Subject Matter Under § 101 – *Ariosa v. Sequenom*

***Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, Nos. 14-1139, 14-1144**

Supreme Court *Cert*. Petition denied, 136 S. Ct. 2511 (June 27, 2016)

- **Question Presented:** Whether a novel method is patent-eligible where: (1) a researcher is the first to discover a natural phenomenon; (2) that unique knowledge motivates him to apply a new combination of known techniques to that discovery; and (3) he thereby achieves a previously impossible result without preempting other uses of the discovery.

Background:

- Paternally inherited cell-free fetal DNA ("cffDNA") discovered in maternal plasma and serum (previously discarded as medical waste).
- Inventors patented methods for amplifying and detecting paternally inherited cffDNA to determine fetal characteristics.
- Declaratory Judgment action by Ariosa in 2011; District Court held patent invalid under § 101 on summary judgment, 19 F.Supp.3d 938 (N.D. Cal. Oct. 30, 2013).

Patentable Subject Matter Under § 101 – *Ariosa v. Sequenom*

***Mayo Collaborative Services v. Prometheus Labs., Inc.*, 132 S. Ct. 1289 (2012)**

- Step 1: Determine whether claims at issue are directed to a patent-ineligible concept.
- Step 2: If yes, consider whether the elements of each claim – "both individually and as an ordered combination" – "transform the nature of the claim" into a patent-eligible application.

Federal Circuit Panel Decision, 788 F.3d 1371 (June 12, 2015) (3-0), rehearing *en banc* denied, 2015 U.S. App. LEXIS 20842 (Dec. 2. 2015)

- *Mayo* step 1: the method claims are directed to naturally occurring phenomenon (cffDNA in maternal blood is a natural phenomenon).
- *Mayo* step 2: practice of the method claims does not result in an "inventive concept" that "transforms" the natural phenomenon of cffDNA into patentable invention.
  - "Using methods like PCR to amplify and detect cffDNA was well-understood, routine, and conventional activity in 1997."
- Preemption: "While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility."

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