
Federal Circuit Patent Updates - December 2014

DECEMBER 31, 2014

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***Fleming v. Escort, Inc.* (No. 2014-1331, 12/24/14) (Taranto, Bryson, Hughes)**

December 24, 2014 3:40 PM

Taranto, J. Affirming judgment of certain claims as invalidated by a prior invention that was not abandoned, suppressed or concealed and was proven by extensive testimony and sufficient documentary corroborating evidence. “[N]one of the corroborating evidence constitutes definitive proof of Orr’s account or discloses each claim limitation as written. But the corroboration requirement has never been so demanding. ... It is a flexible, rule-of reason demand for independent evidence that, as a whole, makes credible the testimony of the purported prior inventor with regard to conception and reduction to practice of the invention as claimed.” Also affirming judgment that other, reissue claims were not invalid because there allegedly was no “error” in the original patent, a prerequisite to reissue. “Errors are not limited to slips of the pen but encompass—and most often are— deliberate drafting choices. ... The asserted error here is that, when drafting his original patent, Fleming failed to appreciate the full scope of his invention and the inadequacy of the original claims for properly capturing the full scope. This is a classic reason that qualifies as error.”

A full version of the text is [available in PDF form](#).

***Content Extraction v. Wells Fargo Bank* (No. 2013-1588, 12/23/14) (Dyk, Taranto, Chen)**

December 23, 2014 10:25 AM

Chen, J. Affirming dismissal of infringement claims at pleading stage because the business method claims were invalid as patent-ineligible under 35 U.S.C. § 101. “Although the determination of patent eligibility requires a full understanding of the basic character of the claimed subject matter, claim construction is not an inviolable prerequisite to a validity determination under § 101.” “[T]he claims of the asserted patents are drawn to the abstract idea of 1) collecting data, 2) recognizing certain data within the collected data set, and 3) storing that recognized data in a memory. The concept of data collection, recognition, and storage is undisputedly well-known. Indeed, humans

have always performed these functions.” In addition, “the asserted patents contain no limitations—either individually or as an ordered combination— that transform the claims into a patent-eligible application. ... CET’s claims merely recite the use of this existing scanning and processing technology to recognize and store data from specific data fields such as amounts, addresses, and dates.” Also affirming dismissal of RICO and tortious interference counterclaims as barred by the *Noerr-Pennington* doctrine.

A full version of the text is [available in PDF form](#).

***Aqua Shield v. Inter Pool Cover Team* (No. 2014-1263, 12/22/14) (Wallach, Taranto, Chen)**

December 22, 2014 6:15 PM

Taranto, J. Vacating royalty award, non-willfulness finding, and denial of enhanced damages and attorney’s fees and remanding. Regarding damages, “[i]f a potential user of the patented technology would expect to earn X profits in the future without using the patented technology, and X + Y profits by using the patented technology, it would seem, as a prima facie matter, economically irrational to pay more than Y as a royalty—paying more would produce a loss compared to forgoing use of the patented technology... [T]he district court did not err in considering [defendant’s] profits. But it did err in treating the profits [defendant] actually earned during the period of infringement as a royalty cap. That treatment incorrectly replaces the hypothetical inquiry into what the parties would have anticipated, looking forward when negotiating, with a backward-looking inquiry into what turned out to have happened.”

A full version of the text is [available in PDF form](#).

***Creative Kingdoms, LLC v. ITC* (No. 2014-1072, 12/19/14) (Newman, Bryson, O’Malley)**

December 19, 2014 4:10 PM

Affirming finding of no Section 337 violation. “Here, the novelty of the asserted claims includes the use of sensors in combination, and the scope of the asserted claims includes both mechanical and electronic sensors. But the two specifications contain no guidance as to how electronic sensors, such as accelerometers and gyroscopes, can be substituted or added to detect different motions, as required by the asserted claims. Instead, the specifications merely include a laundry list of the types of electronic sensors that could be used... Without any further guidance, the specifications fail to disclose how to make and use the full scope of the asserted claims. Accordingly, the asserted claims are invalid for lack of enablement.”

A full version of the text is [available in PDF form](#).

***Stryker Corporation v. Zimmer, Inc.* (No. 2013-1668, 12/19/14) (Prost, Newman, Hughes)**

December 19, 2014 1:22 PM

Prost, J. Affirming jury’s findings of validity and infringement of patents related to pulsed lavage devices and also affirming summary judgment of infringement of another patent. Also affirming

jury's damages award and reversing judgment of willful infringement and award of treble damages. "An objective assessment of the case shows that [defendant] presented reasonable defenses to all of the asserted claims of [the] patents." Also vacating finding of exceptional case and award of attorneys' fees and remanding.

A full version of the text is [available in PDF form](#).

***University of Utah Research v. Ambry Genetics Corporation* (No. 2014-1361, -1366, 12/17/14) (Prost, Clevenger, Dyk)**

December 17, 2014 11:30 AM

Dyk, J. Affirming denial of preliminary injunction and finding invalid under §101 claims related to BRCA gene sequences. Although this case presented different claims, some of the asserted patents were previously considered by the Supreme Court in [Association for Molecular Pathology v. Myriad Genetics, Inc.](#) Following Myriad, the Court found the structure claims invalid. "Contrary to [patent owner's] statement, it makes no difference that the identified gene sequences are synthetically replicated. As the Supreme Court made clear, neither naturally occurring compositions of matter, nor synthetically created compositions that are structurally identical to the naturally occurring compositions, are patent eligible." The Court found the method claims invalid following [Alice Corp. v. CLS Bank Int'l](#). The method claims were directed to "the patent-ineligible abstract idea of comparing BRCA sequences and determining the existence of alterations" and the non-patent-ineligible elements of those claims "set forth well-understood, routine and conventional activity engaged in by scientists at the time of [patent owner's] patent applications."

A full version of the text is [available in PDF form](#).

***Promega Corp v. Life Tech* (No. 2013-1011, -1029, -1376, 12/15/14) (Prost, Mayer, Chen)**

December 15, 2014 3:20 PM

Chen, J. Reversing grant of JMOL of non-infringement for patent related to DNA-based identification. The Court concluded that no third party is required to satisfy the "to actively induce the combination" language of §271(f)(1). The Court also held "that there are circumstances in which a party may be liable under §271(f)(1) for supplying ... a single component for combination outside the United States." Also reversing denial of summary judgment and finding invalid other patents due to lack of enablement, affirming ruling that some sales were not covered by a cross license, vacating damages award and remanding. Prost, J. dissented-in-part and would have found that §271(f)(1) requires inducement of a third party.

WilmerHale represented the plaintiff-cross-appellant, Promega Corporation.

A full version of the text is [available in PDF form](#).

***Japanese Foundation v. Lee* (No. 2013-1678, 2014-1014 12/9/14) (Prost, Dyk, Taranto)**

December 9, 2014 10:15 AM

Prost, J. Vacating order that the PTO withdraw a terminal disclaimer.

A full version of the text is [available in PDF form](#).

***Memorylink Corp. v. Motorola Solutions, Inc.* (No. 2014-1186, 12/5/14) (Lourie, Moore, O'Malley)**

December 5, 2014 1:45 PM

Lourie, J. Affirming summary judgment that assignment of invention was valid and did not lack consideration and dismissing tort claims as barred under the statute of limitations.

A full version of the text is [available in PDF form](#).

***Sandoz, Inc. v. Amgen, Inc.* (No. 2014-1693, 12/5/14) (Dyk, Taranto, Chen)**

December 5, 2014 9:30 AM

Taranto, J. Affirming district court's denial of declaratory judgment jurisdiction where, when suit was filed, plaintiff was conducting phase III trials for biosimilar product and FDA approval was at least several years away.

A full version of the text is [available in PDF form](#).

***DDR Holdings, LLC v. Hotels.com, L.P.* (No. 2013-1505, 12/5/14) (Wallach, Mayer, Chen)**

December 5, 2014 4:22 PM

Chen, J. Affirming finding that one patent directed to systems and methods of generating a composite website claimed patentable subject matter and that the claim term "look and feel" was not indefinite. A second patent was found invalid as anticipated. Mayer, J., partially dissented on the 101 holding.

A full version of the text is [available in PDF form](#).

***Tyco Healthcare Grp. LP v. Ethicon Endo-Surgery, Inc.* (No. 2013-1324, -1381, 12/4/14) (Prost, Reyna, Hughes)**

December 4, 2014 12:40 PM

Prost, J. Reversing obviousness determination of district court where district court correctly found prior invention under 35 U.S.C. 102(g) but did not apply it under Section 103.

A full version of the text is [available in PDF form](#).

***Ericsson, Inc. v. D-Link Systems, Inc.* (No. 2013-1625, -1631, -1632, -1633, 12/4/14) (O'Malley, Taranto, Hughes)**

December 4, 2014 11:15 AM

O'Malley, J. Affirming in part and reversing in part judgment in favor of patentee on patents alleged to

be essential to practicing Wi-Fi standard. With respect to one patent, denial of JMOL affirmed because claim language recited the capability of a device rather than its operation. With respect to a second patent, although it would have been a “factual error” to find direct infringement of a method claim, a verdict covering both direct and indirect infringement was sustained where the jury could have found induced infringement. With respect to damages the Court held (1) it was not error to admit licenses that applied a royalty to a royalty base that did not comply with the entire market value rule, (2) argument by counsel referring to the total cost of a laptop when discussing the requested royalty rate was not objected to at trial and therefore would not be reviewed (3) the district court’s instructions with respect to damages for standards-essential patents were erroneous. “In sum, we hold that, in all cases, a district court must instruct the jury only on factors that are relevant to the specific case at issue. There is no Georgia-Pacific-like list of factors that district courts can parrot for every case involving RAND-encumbered patents. The court should instruct the jury on the actual RAND commitment at issue and must be cautious not to instruct the jury on any factors that are not relevant to the record developed at trial. We further hold that district courts must make clear to the jury that any royalty award must be based on the incremental value of the invention, not the value of the standard as a whole or any increased value the patented feature gains from its inclusion in the standard. We also conclude that, if an accused infringer wants an instruction on patent hold-up and royalty stacking, it must provide evidence on the record of patent hold-up and royalty stacking in relation to both the RAND commitment at issue and the specific technology referenced therein.” Taranto, J., partially dissented on an infringement holding.

WilmerHale represented the intervenor-appellant Intel and argued for the appellants.

A full version of the text is [available in PDF form](#).

Par Pharmaceuticals, Inc. v. TWI Pharmaceuticals, Inc. (No. 2014-1391, 12/3/14) (O'Malley, Wallach, Hughes)

December 3, 2014 3:40 PM

O'Malley, J. Reversing and remanding finding that method of treatment claims were obvious where district court had misapplied law of inherency. “A party must . . . meet a high standard in order to rely on inherency to establish the existence of a claim limitation in the prior art in an obviousness analysis—the limitation at issue necessarily must be present, or the natural result of the combination of elements explicitly disclosed by the prior art.” The Court otherwise affirmed the district court’s findings of motivation to combine, reasonable expectation of success and absence of unexpected results.

A full version of the text is [available in PDF form](#).