
Federal Circuit Patent Updates - July 2018

JULY 2018

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***BioDelivery Sciences Intl. v. Aquestive Therapeutics, Inc.* (No. 2017-1265, -1266, -1268, 7/31/18)
(Newman, Lourie, Reyna)**

Newman, J. Remanding IPRs so the Board can consider non-instituted claims and grounds per the Supreme Court's decision in SAS. The Court rejected arguments from both the patent owner and the director that the petitioner had waived its right to seek SAS-based relief because it had not raised the issue (A) upon the Supreme Court agreeing to hear SAS, (B) during pendency of the IPRs or (C) during the briefing period for the Federal Circuit appeal.

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

***Nantkwest, Inc. v. IANCU* (No. 2016-1794, 7/27/18) (en banc opinion)**

Stoll, J. Provision of Section 145 of the Patent Act providing for the recovery of "expenses" incurred by PTO in defending district court appeals from the PTAB does not include agency's attorneys' fees. Prost, J., joined by Dyk, Reyna and Hughes, dissented.

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

***GoPro, Inc. Contour IP Holding LLC* (No. 2017-1894, -1936, 7/27/18) (Reyna, Wallach, Hughes)**

Reyna, J. Remanding IPR decision based on Board's erroneous finding that a sales catalogue distributed at a trade show without restriction was not a printed publication. Although trade show was only open to sports vehicle dealers, it was more likely than not that persons of ordinary skill were "in attendance or at least knew about the trade show and expected to find action sports cameras at the show."

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

***ZUP, LLC v. Nash Manufacturing, Inc.* (No. 2017-1601, 7/25/18) (Prost, Newman, Lourie)**

Prost, J. Affirming summary judgment that claims directed to water riding board were obvious. All of the elements were know in the prior art and served the well-known need of promoting stability on

the board. There was insufficient evidence of secondary considerations to overcome the conclusion of obviousness. Newman, J. dissented.

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

***Trustees of Boston University v. Everlight Electronics Co.* (No. 2016-2576, -2577, -2578, -2579, -2580, -2581, -2582, -2591, -2592, -2593, -2594, -2595, 7/25/18) (Prost, Moore, Reyna)**

Prost, J. Reversing JMOL decision after jury trial and finding claims non-enabled as a matter of law. The claim covered “six permutations for the relationship” between two lawyers of a LED semiconductor device. The specification did not include any teaching of how to achieve one of these permutations, although others had successfully done so. However, “the inquiry is not whether it was, or is, possible to make the full scope of the claimed device—a scope that here covers a monocrystalline growth layer directly on an amorphous layer. The inquiry is whether the patent’s specification taught one of skill in the art how to make such a device without undue experimentation as of the patent’s effective filing date.” “[G]ap filing [reliance on what is known in the art] is merely supplemental; it cannot substitute for a basic enabling disclosure.”

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

***Saint Regis Mohawk Tribe v. Mylan Pharmaceuticals Inc.* (No. 2018-1638, -1639, 1640, -1641, -1642, -1643, 7/20/18) (Dyk, Moore, Reyna)**

Moore, J. Affirming Board’s opinion that Indian Tribe lacked sovereign immunity from suit in an IPR, which “is more like an agency enforcement action than a civil suit brought by a private party.” Dyk, J. concurred.

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

***Interval Licensing LLC v. AOL, Inc.* (No. 2016-2502, -2505, -2506, -2507, 7/20/18) (Taranto, Plager, Chen)**

Chen, J. Affirming summary judgment that software claims were directed to ineligible subject matter. Plager, J., concurring in part “given the current state of the law” but dissenting “from our court’s continued application of this incoherent body of doctrine.”

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

***Blackbird Tech LLC v. ELB Electronics, Inc.* (No. 2017-1703, 7/16/18) (Prost, Moore, Reyna)**

Moore, J. Vacating a judgment of non-infringement and remanding because the district court erred in construing the claim term “attachment surface” to be “secured to the ballast cover.” The Court explained that, “[b]y its plain language, [the patent claim] does not require the attachment surface to be secured to the ballast cover.” The Court held that the district court incorrectly read this requirement into the claims from the specification. The Court also explained that the district court’s construction was contrary to the prosecution history, because the patentee had amended the claim to eliminate the requirement that the attachment surface be secured to the ballast cover. Judge

Reyna dissented.

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

***Endo Pharmaceuticals Solutions v. Custopharm Inc.* (No. 2017-1719, 7/13/18) (Moore, Linn, Chen)**

Chen, J. Affirming the district court's judgment that two patents covering a testosterone replacement therapy were not invalid as obvious under 35 U.S.C. § 103. The Court explained that there was not clear and convincing evidence that the claimed formulation was inherently disclosed in the prior art or obvious.

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

***TF3 Limited v. Tre Milano, LLC* (No. 2016-2285, 7/13/18) (Newman, Lourie, Hughes)**

Newman, J. Reversing the PTAB's determination that a patent directed to a "hair styling device" was invalid as anticipated under 35 U.S.C. § 102. The Court held that the PTAB's finding of anticipation was based on erroneous claim constructions that broadened two claim terms beyond the description provided in the patent specification, "thereby enlarging the claims beyond their correct scope." In particular, the PTAB did not correctly consider that the specification used the term "i.e." to provide a definition of a claimed mode whereby a curl of hair slides out of the styling device.

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

***Jazz Pharmaceuticals, Inc. v. Amneal Pharmaceuticals, LLC* (No. 2017-1671, -1673, -1674, -1675, -1676, -1677, -2075, 7/13/18) (Newman, Lourie, Reyna)**

Lourie, J. Affirming seven PTAB decisions finding claims in seven patents invalid as obvious. The challenged patents relate to a drug distribution system for tracking prescriptions of a "sensitive drug." The Court rejected the patentee's argument that the cited prior art—i.e., certain meeting materials provided at a U.S. Food and Drug Administration ("FDA") website—did not satisfy the "public accessibility" requirement for a "printed publication." The Court explained that the FDA meeting materials were publicly accessible because a Federal Register Notice regarding the meeting provided a hyperlink to the FDA website and specific instructions on how to access the meeting materials before the critical date of the challenged patents.

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

***Raytheon Company v. Indigo Systems Corporation* (No. 2016-1945, 7/12/18) (Newman, Dyk, Chen)**

Chen, J. Affirming a judgment that the defendant did not misappropriate the plaintiff's trade secrets relating to the production of infrared cameras. The jury verdict was supported by substantial evidence that the defendant's employees had independently developed their infrared camera production techniques.

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

***Polara Engineering Inc. v. Campbell Company* (No. 2017-1974, 7/10/18) (Lourie, Dyk, Hughes)**

Lourie, J. Affirming a judgment that the asserted patent was infringed and not invalid, and vacating and remanding an award of enhanced damages for willful infringement. The asserted patent is directed to a control system for push-button crosswalk stations. Regarding validity, the Court upheld the jury's findings that the claims were not invalid under the public use bar of 35 U.S.C. § 102, because the plaintiff's testing of the claimed features prior to the critical date satisfied the "experimental use" exception. In addition, the Court held that the jury's finding of willful infringement was supported by substantial evidence that the defendant intentionally copied the asserted patent despite a significant known risk of infringement. However, the Court vacated the district court's decision to enhance damages by two-and-a-half times, because the district court had not adequately considered the strength of the defendant's public use defense.

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

***Texas Advanced Optoelectronic v. Renesas Electronics America* (No. 2016-2121, -2208, -2235, 7/9/18) (Dyk, Bryson, Taranto)**

Taranto, J. In response to a petition for rehearing, the Court modified a portion of its earlier May 1, 2018 opinion, but the result is the same. The modified portion of the opinion addresses the district court's summary judgment of no damages regarding extraterritorial sales. The Court maintained its prior holding that the district court correctly granted summary judgment that plaintiff was not entitled to damages for products that were manufactured and packaged abroad, and shipped to locations abroad.

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

***Power Integrations, Inc. v. Fairchild Semiconductor* (No. 2016-2691, 2017-1875, 7/3/18) (Dyk, Clevenger, Chen)**

Dyk, J. Affirming the judgment of infringement but vacating the damages award and remanding. The Court held that the infringement verdict was supported by substantial evidence and rejected the defendant's prosecution history estoppel argument. Regarding damages, the Court held that "the entire market value rule cannot be used here to calculate damages." The court explained that "the entire market value rule is appropriate only when the patented feature is the sole driver of customer demand or substantially creates the value of the component parts." The Court further explained that, "when the product contains multiple valuable features, it is not enough to merely show that the patented feature is viewed as essential, that a product would not be commercially viable without the patented feature, or that consumers would not purchase the product without the patented feature.... When the product contains other valuable features, the patentee must prove that those other features did not influence purchasing decisions." The entire market value rule did not apply because the plaintiff "did not meet its burden to show that the patented feature was the sole driver of consumer demand, i.e., that it alone motivated consumers to buy the accused products."

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

***Adidas AG v. NIKE, Inc.* (No. 2018-1180, -1181, 7/2/18) (Moore, Wallach, Taranto)**

Moore, J. Granting motion to remand to the Board in view of the Supreme Court's decision in *SAS Institute Inc. v. Iancu*. The Board initially instituted *inter partes* review on only one of two grounds and the Board issued its final written decision on October 19, 2017. The Court remanded so that the Board can consider the second ground.

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