

2021 Patent Landscape

Year in Review

Chicago Bar Association
October 13, 2021

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Agenda

- ▶ Supreme Court
- ▶ Federal Circuit
 - ▶ PTAB Developments
 - ▶ Pleadings, Jurisdiction, and Standing
 - ▶ Venue
 - ▶ Patent Principles
 - ▶ Section 101
 - ▶ Estoppel and Laches
 - ▶ Invalidity
 - ▶ Design Patent Law
 - ▶ Contracts and Transactions
- ▶ Looking Forward

2021 Supreme Court Patent Cases

- ▶ Two Supreme Court Patent Cases

- ▶ *U.S. v. Arthrex, Inc.*

- ▶ 141 S. Ct. 1970 (2021)

- ▶ PTAB Constitutionality and Director Review

- ▶ *Minerva Surgical, Inc. v. Hologic, Inc., et al.*

- ▶ 141 S. Ct. 2298 (2021)

- ▶ Limits of Assignor Estoppel

2021 Supreme Court - Arthrex

▶ Background

- ▶ Smith & Nephew challenged Arthrex's knotless-stitch surgical device
- ▶ PTAB ruled the claims invalid as anticipated
- ▶ Arthrex appealed
 - ▶ APJs violate the Constitution's Appointments Clause
 - ▶ the entire PTAB structure should be disbanded
- ▶ The Federal Circuit tried to "fix" the improper "principal" nature of APJs by stripping APJs of their tenure protections

▶ S. Ct. Held:

- ▶ Unreviewable nature of APJs decisions is improper
- ▶ Solution: Patent Director can review APJ decisions

▶ PTAB follow-up:

- ▶ IPR Parties can petition for Director review
- ▶ Director can sua sponte review
- ▶ See <https://www.uspto.gov/patents/patent-trial-and-appeal-board/procedures/arthrex-qas>

2021 Supreme Court - Minerva v Hologic

▶ Background

- ▶ Inventor of uterine bleeding treatment device assigned all present and future rights to Novacept, which Hologic acquired; inventor left and founded Minerva and made an “improved” device.
- ▶ In a continuation, Hologic obtains claims with broad coverage and asserts same against Minerva
- ▶ D. Ct. held Assignor Estoppel applied; Fed. Cir. affirmed.

▶ S. Ct. Held

- ▶ Assignor estoppel is an equitable doctrine
- ▶ Should only apply where the assignor made explicit or implicit representations contrary to the invalidity assertions. Examples where it might not apply:
 - ▶ Assignment occurs before inventor could rep/warrant claim validity
 - ▶ After-arising legal developments
 - ▶ Claims are changed after assignment in ways that are material to the warranty

2021 Federal Circuit Cases

- ▶ PTAB/PTO Procedure
- ▶ Pleadings, Jurisdiction, and Standing
- ▶ Venue
- ▶ Fundamental Patent Principles
 - ▶ Section 101
 - ▶ Estoppel and Laches
 - ▶ Invalidity
 - ▶ Design Patent Law
- ▶ Contracts and Transactions

2021 Fed. Cir. Cases — PTAB Procedure

- ▶ Federal Circuit PTAB/PTO Procedure Cases
 - ▶ *M & K Holdings v Samsung Elec.*, 985 F.3rd 1376 (Fed. Cir. Feb. 2021)
 - ▶ Sua sponte anticipation finding not allowed when only obviousness is argued
 - ▶ *Qualcomm Inc. v Intel Corp.*, 6 F.4th 1256 (Fed. Cir. July 2021)
 - ▶ Sua sponte construction of non-contested terms must allow for feedback
 - ▶ *Mylan Labs. v. Janssen Pharma.*, 989 F.3rd 1375 (Fed. Cir. March 2021)
 - ▶ Mandamus review of IPR institution denial is “difficult to imagine”
 - ▶ *Chudik v Hirschfeld*, 987 F.3rd 1033 (Fed. Cir. Feb. 2021)
 - ▶ No PTA for notices of appeal if it results in prosecution reopening
 - ▶ (*See also Arthrex* (S.Ct.) re: PTAB Director review)

2021 Fed. Cir. Cases – PTAB Procedure

- ▶ *M & K Holdings v Samsung Elec.*
 - ▶ Samsung filed IPR arguing 102 and 103 for claims 1 and 2 but only argued 103 obviousness for claim 3; PTAB found all three claims anticipated under 102
 - ▶ APA requires notice of the “matters of fact and law asserted” and an opportunity to respond
 - ▶ M&K’s first notice of this invalidity theory was in the PTAB final order
 - ▶ Without notice, M&K was deprived of a chance to counter the basis of the finding
- ▶ *Qualcomm Inc. v Intel Corp.*
 - ▶ Intel filed 6 IPRs against Qualcomm patents
 - ▶ The parties agreed on certain claim term meanings; but the PTAB went in a different direction
 - ▶ Again, APA found to have been violated
 - ▶ *See also Oren Tech v. Proppant* (2021 WL 3120819, July 23, 2021) (new 103 ground)

2021 Fed. Cir. Cases – PTAB Procedure

▶ *Mylan Labs. v. Janssen Pharma.*

- ▶ Mylan brought IPR Petition, PTAB denied institution because patents already deep into litigation against other parties
- ▶ PTAB denied Mylan's IPR Petition
- ▶ On appeal, Mylan argued that the denial was a due process violation
- ▶ Fed. Cir. found they had no appellate jurisdiction because 35 USC 314 clearly states decisions to institute are “final and nonappealable”
- ▶ Although mandamus jurisdiction exists, “difficult to imagine” a right to relief

▶ *Chudik v Hirschfeld*

- ▶ Dr. Chudik's patent issued 11.5 years after filing. Received a patent term adjustment (PTA) of 2066 days (5 years, 8 months)
- ▶ Dr. Chudik argued for 650 more days due to the time various notices of appeal were pending
- ▶ Because Board never took possession of the case, no right to appellate delay days

2021 Fed. Cir. Cases – Pleadings, Jurisdiction, and Standing

- ▶ *Bot M8 LLC v Sony Corp.*, 4 F.4th 1342 (Fed. Cir. July 2021)
 - ▶ Pleadings: element-by-element infringement pleading not required
- ▶ *Trimble Inc. v. PerDiemCo LLC*, 997 F.3d 1147 (Fed. Cir. May 2021)
 - ▶ PJ: Pestering someone about potential infringement 22x = jurisdiction
- ▶ *Apple Inc. v. Qualcomm Inc.*, 992 F.3d 1378 (Fed. Cir. Apr. 2021)
 - ▶ Standing: dismissal of D. Ct. proceedings can remove IPR appeal standing
- ▶ *Chandler v. Phoenix Svcs.*, 1 F.4th 1013 (Fed. Cir. June 2021)
 - ▶ SMJ: Sherman Act claims do not arise under patent law; no CAFC jurisdiction

2021 Fed. Cir. Cases – Pleadings and Personal Jurisdiction

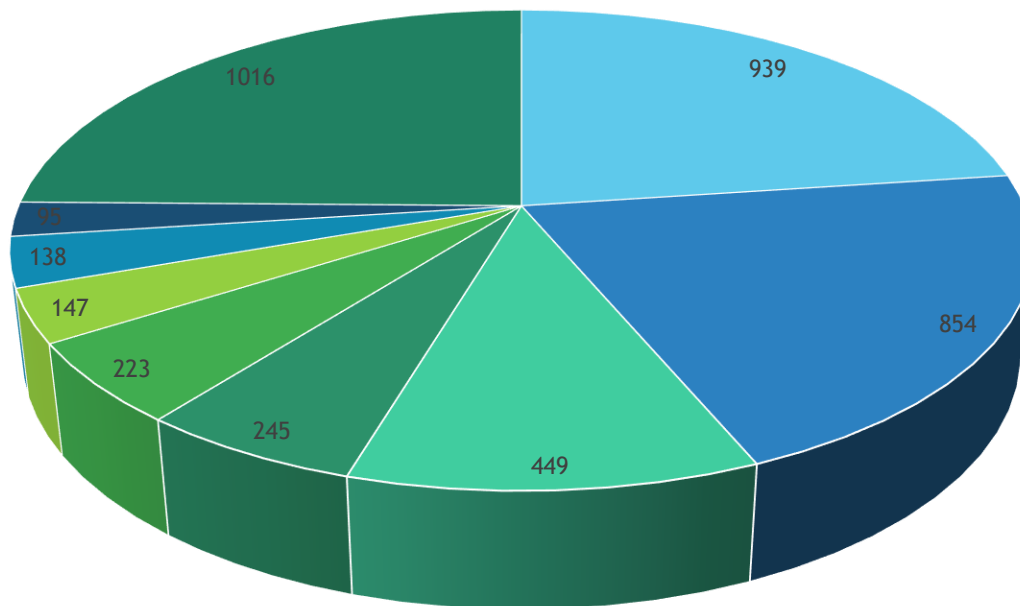
- ▶ *Bot M8 LLC v Sony Corp.* (pleading standard)
 - ▶ D. Ct. sua sponte demanded amended complaint with element-by-element allegations; later dismissed complaint for lack of diligence
 - ▶ Fed. Cir. affirmed dismissal of some claims (contradictory facts, conclusory language)
 - ▶ Fed. Cir. reversed dismissal of claims supported by specific, factual allegations
- ▶ *Trimble Inc. v. PerDiemCo LLC* (personal jurisdiction)
 - ▶ PDC alleged infringement by Trimble for months, through nearly 2 dozen communications
 - ▶ Trimble brought DJ action in its home court, in ND Cal.; dismissed for lack of PJ
 - ▶ Fed. Cir. reversed, citing various post-*Red Wing* developments in support
- ▶ *See also Raytheon, 983 F.3d 1334* (in Invalidity, below)

2021 Fed. Cir. Cases – Standing and Jurisdiction before the Fed. Cir.

- ▶ *Apple Inc. v. Qualcomm Inc.* (standing before Fed. Cir.)
 - ▶ Apple sought Fed. Cir. review of two IPRs finding no obviousness
 - ▶ Qcomm/Apple settled all associated litigation shortly before Apple's appeal
 - ▶ Fed. Cir. found no continuing Article III standing
 - ▶ Different from *MedImmune v. Genentech* (pay under protest DJ standing)
- ▶ *Chandler v. Phoenix Svcs.* (subject matter jurisdiction before Fed. Cir.)
 - ▶ Fed. Cir. jurisdiction extends to actions ... “relating to patents” 28 USC 1295
 - ▶ But “relates to” is narrowly tailored
 - ▶ Does not include *Walker Process* antitrust claims, especially if the patent is not “live”

2021 Fed. Cir. Cases – Venue

Cases Filed (4106), TTM (10/1/2020-10/1/-2021)



- W.D. Tex. (23%)
- D. Del. (21%)
- E.D. Tex. (11%)
- C.D. Cal. (6%)
- N.D. Cal. (5%)
- N.D. Ill. (4%)
- D. N.J. (3%)
- S.D. N.Y. (2%)
- Other (25%)

2021 Fed. Cir. Cases — Venue

- ▶ *29 Venue-related Cases in last 12 months*
 - ▶ 4 were non-W.D. Tex. cases; all were affirmed, at least in part
 - ▶ 25 were W.D. Texas cases
 - ▶ 12 venue-related decisions were affirmed
 - ▶ Typical affirmations were for large corporations with a physical presence (e.g., Apple, Google, Intel), and multiple decisions were only grudgingly affirmed
 - ▶ *In re: Apple Inc.* (Fed. Cir. No. 21-147): WD Tx affirmed*
 - ▶ *In re: Western Digital Techs.* (Fed. Cir. No. 21-137): WD Tx affirmed*
 - ▶ At least 3 of these related to whether substantive efforts in the case should be stayed while the venue issue remained pending
 - ▶ *In re: Volkswagen Group* (Fed. Cir. No. 21-149): WD Tx writ denied (motion was still pending)
 - ▶ *In re: Bose Corp.* (Fed. Cir. No. 21-145): WD Tx writ denied (motion was still pending)
 - ▶ 13 venue-related decisions were reversed
 - ▶ *In re Apple Inc.*, 979 F.3d 1332 (Fed. Cir. Nov. 2020): WD Tx reversed (several errors)
 - ▶ *In re: TracFone Wireless* (Fed. Cir. No. 21-118, 21-136): WD Tx reversed (after delay)

2021 Fed. Cir. Cases — Legal Principles

- ▶ Patent Principles
 - ▶ Section 101
 - ▶ Estoppel, Laches, etc.
 - ▶ Invalidity
 - ▶ Design Patent Law

2021 Fed. Cir. Cases — Section 101

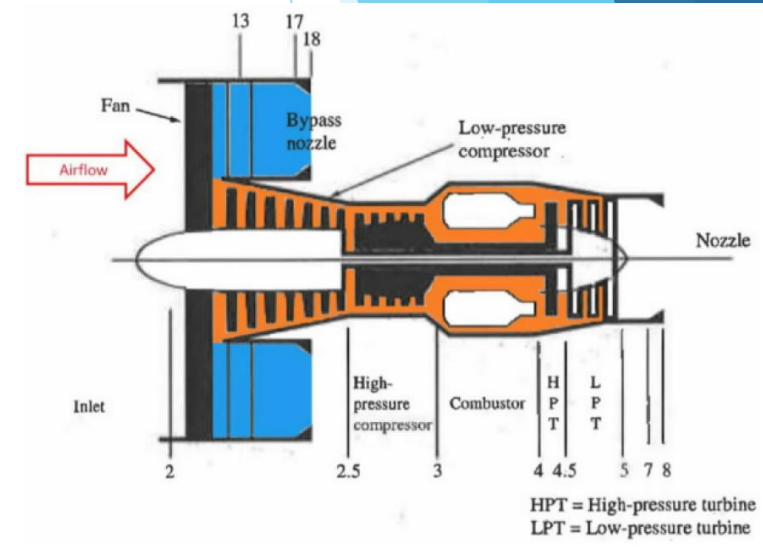
- ▶ *In re Board of Trustees of [Stanford] University*, 991 F.3d 1245 (Fed. Cir. Mar. 2021)
 - ▶ PTO/PTAB rejected patent application for haplotype phasing techniques to genetically tailor treatments, ruling the claims to be merely directed to abstract mathematical calculations and statistical modeling
 - ▶ Fed. Cir. affirmed 101 ineligibility and the PTAB's 2-step *Alice* analysis
 - ▶ Receiving data, doing calculations using the data, and storing and providing results is “routine”
 - ▶ Claims directed to treatments lacked specific patients, compounds, doses, or resulting outcomes
- ▶ *In re Board of Trustees of [Stanford] University*, 989 F.3d 1367 (Fed. Cir. Mar. 2021) (same)
- ▶ *Yu v. Samsung Electronics Co.*, 1 F.4th 1040 (Fed. Cir. June 2021)
 - ▶ Rule 12(b)(6) motion to dismiss multi-lens patent due to patent ineligibility under 101 affirmed
 - ▶ *Alice* Step 1: abstract idea; *Alice* Step 2: no transformative inventive concept
- ▶ *Personal Web Techs. LLC v. Google LLC*, 8 F.4th 1310 (Fed. Cir. Aug. 2021)
 - ▶ Rule 12(c) judgment on the pleadings of ineligible subject matter under 35 USC 101 affirmed
 - ▶ Generating, comparing, and managing data using content-based identifiers = abstract

2021 Fed. Cir. Cases – Estoppel, etc.

- ▶ *Hyatt v. Hirshfeld*, 998 F.3d 1347 (Fed. Cir. June 2021)
 - ▶ 35 USC 145 claim against PTO/PTAB - PTO can assert prosecution laches defense
- ▶ *Uniloc 2017 LLC v. Facebook Inc.*, 989 F.3d 1018 (Fed. Cir. Mar. 2021)
 - ▶ Apple/FB IPR → FB/LG IPR. Only one bite at the Apple. Or is there?
- ▶ *SynQor, Inc. v. Vicor Corp.*, 988 F.3d 1341 (Fed. Cir. Feb. 2021)
 - ▶ Common law issue preclusion can apply to IPR proceedings
- ▶ *In re Google Tech. Holdings LLC*, 980 F.3d 858 (Fed. Cir. Nov. 2020)
 - ▶ One will forfeit (not waive) arguments not made to PTAB when appealing rejections
- ▶ (See also *Minerva v. Hologic* (S.Ct.))

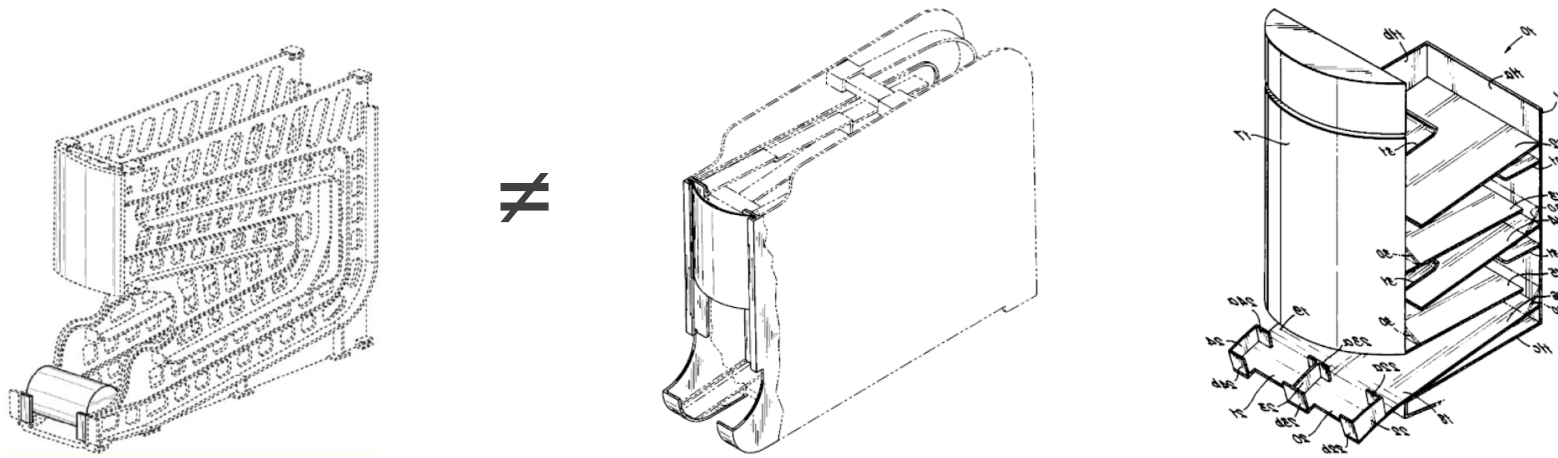
2021 Fed. Cir. Cases –Invalidity

- ▶ *Chemours Co. v. Daikin Indus.*, 4 F.4th 1370 (Fed. Cir. July 2021)
 - ▶ Teaching away via secondary characteristics; commercial success
- ▶ *Raytheon Techs. v. General Electric*, 983 F.3d 1334 (Fed. Cir. Dec. 2020)
 - ▶ Teaching away requires more than a general preference for an alternative
 - ▶ “potential infringement liability” can be enough for Fed. Cir. standing
- ▶ *Raytheon Techs. v. General Electric*, 993 F.3d 1374 (Fed. Cir. April 2021)
 - ▶ Prior art was not enabling because its “futuristic turbine engine” relied on “nonexistent composite materials”
- ▶ *Amgen Inc. v. Sanofi*, 987 F.3d 1080 (Fed. Cir. Feb. 2021)
 - ▶ Undue experimentation = no enablement



2021 Fed. Cir. Cases — Design Patents

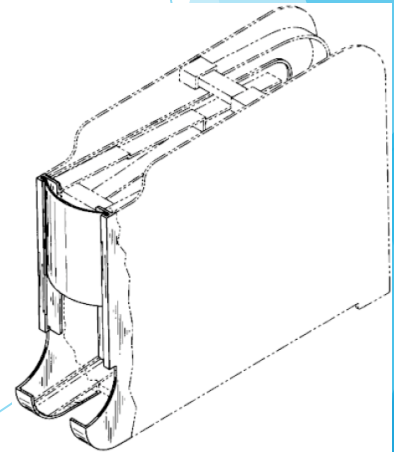
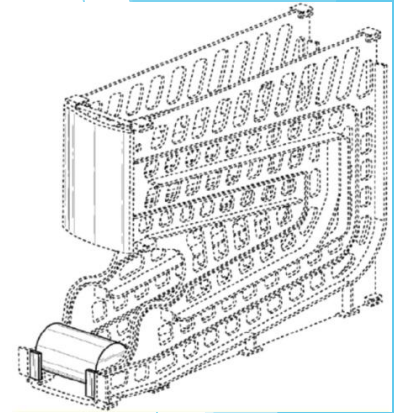
- ▶ *Campbell Soup Co. v. Gamon Plus, Inc.*, 10 F.4th 1268 (Fed. Cir. Aug. 2021) (*Campbell Soup II*)
- ▶ First, *Campbell Soup Co. v. Gamon Plus, Inc.*, 939 F.3d 1335 (Fed. Cir. 2019) (*Campbell Soup I*):



2021 Fed. Cir. Cases — Design Patents

▶ *Campbell Soup II*

- ▶ PTAB again found no obviousness; this the PTAB relied on objective indicia of non-obviousness:
 - ▶ Commercial success (via Gamon's sales to Campbell)
 - ▶ Campbell's praise of (and commercial success using) Gamon's product
 - ▶ Campbell's copying of the device
 - ▶ Finally, the PTAB found a nexus between the above indicia and the claimed design
- ▶ Fed. Cir. reversed for no nexus between the indicia and claimed design
 - ▶ Claimed design is NOT coextensive, so no presumption of nexus
 - ▶ The PTAB's objective indicia are not the "direct result of the unique characteristics of the claimed invention"



2021 Fed. Cir. Cases – Contracts and Transactions

- ▶ *Omni MedSci, Inc. v. Apple Inc.*, 7 F.4th 1148 (Fed. Cir. 2021)
 - ▶ Standing: “Shall be owned/transferred” = intent, not automatic transfer
- ▶ *Whitewater West Indus. v. Alleshouse*, 981 F.3d 1045 (Fed. Cir. 2020)
 - ▶ California Code prevents Whitewater from enforcing Alleshouse to assign to them post-departure patent applications, thus agreement invalid
 - ▶ Employers can’t impair post-employment liberties of former employees
- ▶ *Bio-Rad Labs. v. ITC*, 966 F.3d 1302 (Fed. Cir. Apr. 2021)
 - ▶ Two inventors left Bio-Rad, founded 10X Genomics, and filed patent apps
 - ▶ Contractually obligated to assign all rights that arose during employment
 - ▶ CAFC found, however, that Bio-Rad only showed the inventors were in possession of “ideas” at too high a level of generality regarding a known issue

2021 Patent Law — Looking Forward

- ▶ The article of manufacture patentability requirement in design patent law
 - ▶ “Request for Information: The Article of Manufacture Requirement”
 - ▶ (Fed. Reg. Notice: 85 FR 83063; Dkt: PTO-C-2020-0068)
 - ▶ From Dec. 2020 through Feb. 2021, PTO took comments on this issue
 - ▶ Primarily directed to “AoM” applicability to GUI designs; but also opened up the question more generally
 - ▶ 19 comment submissions, from law professor groups (2); attorney organizations (4: IPO, AIPLA, INTA, and FICPI); tech-industry associations (3: CCIA, EFF, and Engine); companies (3: LKQ, Volvo, and Apple); law firms and attorneys (6); and an individual inventor (1). Most took the position that “digital imagery” should be a patentable AoM
 - ▶ Three comments addressed AoM more broadly. Two comments (one from six design law professors, one by LKQ Corp.) advocated for a reinvigorated AoM requirement, reversing its erosion over the past 4 decades (e.g., since *In re Zahn*, 617 F.2d 261 (C.C.P.A. 1980), authorized patents on design “fragments” and incomplete articles of manufacture)
 - ▶ The other broad comment (by a patent attorney) advocated for the complete removal of AoM as a condition for design patent eligibility and an untethering of designs from a specific article or application

2021 Patent Law — Looking Forward

- ▶ Artificial Intelligence as Inventors?
 - ▶ “Request for Comments on Intellectual Property Protection for Artificial Intelligence Innovation” (Fed. Reg. Notice: 84 FR 58141; Dkt: PTO-C-2019-0038)
 - ▶ During the last two months of 2019, PTO took comments on this issue
 - ▶ *Thaler v. Hirshfeld*, 2021 WL 3934803 (E.D. Va. Sept. 2021)
 - ▶ Thaler: APA claim that PTO acted in an “arbitrary and capricious” manner “not in accordance with the law” in denying an application for an “AI-generated” invention
 - ▶ Fed. Cir. has previously held that only “natural persons” can be inventors (and states and corporations are *not* “natural persons”)
 - ▶ The D. Court found, even without *Skidmore* deference, the USPTO conclusion is correct because the statutory language is clear
 - ▶ The case was recently appealed to the Fed. Cir. (by Mr. Thaler, not his AI, DABUS)

Questions?

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