

PRESENTED AT

**The University of Texas School of Law
15th Annual Advanced Patent Law Institute**

March 12–13, 2020

**United States Patent and Trademark Office
Alexandria, Virginia**

2019 FEDERAL CIRCUIT YEAR IN REVIEW

J. Michael Jakes

Contact Information:

**J. Michael Jakes
Finnegan
Washington, DC**

**mike.jakes@finnegan.com
202.408.4045**

© Finnegan, Henderson, Farabow, Garrett & Dunner, LLP

This material originally appeared in the Federal Circuit IP Blog (FederalCircuitIPBlog.com).

Contributing Authors: Brandon T. Andersen, Marcus A.R. Childress, Nicholas J. Doyle, Alissa E. Green, Connor J. Hansen, Benjamin T. Hemmelgarn, Matthew J. Hlinka, Forrest A. Jones, Kathryn R. Judson, Katherine T. Leonard, Ruohan (Jack) Li, Y. Leon Lin, Ryan V. McDonnell, Charles W. Mitchell, Michelle (Yongyuan) Rice, Brad D. Richards, Regan J. Rundio, Amanda E. Stephenson, Michael Liu Su, Nishi A. Tavernier, Brooke M. Wilner, Chun Xu, Yieyie Yang

Editors: Elizabeth D. Ferrill, Sydney R. Kestle, Samhitha Muralidhar Medatia, Kevin D. Rodkey, Kara A. Specht

TABLE OF CONTENTS

I. PATENTABILITY	1
A. Patent Eligibility (35 U.S.C. § 101).....	1
1. Treatment Claims Reciting Specific and Unconventional Dosage Not Patent Ineligible	1
2. Claims Reciting Specific Method for Treating Specific Patients Found Patent Eligible.....	1
3. Trading Screen Displaying “Profits & Loss” Data Not Eligible for Patenting	2
4. Plausible, Specific Factual Allegations of Inventiveness Can Preclude Rule 12 Dismissal for Patent Ineligibility.....	2
5. Federal Circuit Voids Check Processing Patent’s Eligibility	3
6. Federal Circuit Required Resolution of Claim Construction Dispute Before Ruling on Patent Eligibility at Rule 12(c) Stage.....	3
7. Federal Federal Circuit Finds Method of Manufacturing Patent Ineligible	4
8. Federal Circuit Issues Eight Opinions Explaining the Decision Denying En Banc Review of Diagnostic Method Patent.....	4
B. Prior Art and On-Sale Bar (35 U.S.C. § 102).....	5
1. Jury’s Invalidity Determination Overturned Based on Lack of Evidence.....	5
2. Performing a Claimed Method for Compensation Triggers the On-Sale Bar, Even Where No Product Is Sold	5
C. Antedating Prior Art References.....	6
1. Third-Party Testing Does Not Disrupt “Diligent” Reduction to Practice.....	6
2. Developing Optional Feature Did Not Disrupt “Diligent” Reduction to Practice.....	6
D. Obviousness (35 U.S.C. § 103).....	7
1. Semiconductor Patents Upheld Where IPR Petitions Fail to Explain Why Modifications Would Be Successful.....	7

2. Federal Circuit Affirms Claim Construction and Obviousness of “Gamvatar” Patent	7
3. In “Unusual” Step, Federal Circuit Reverses PTAB Factual Finding on Proper Primary Reference.....	8
4. Hope Does Not Create a Reasonable Expectation of Success: Federal Circuit Reverses Obviousness Determination	8
5. Federal Circuit Reaffirms Inherency May Supply Missing Claim Limitation in Obviousness Analysis from a Combination of Prior Art Elements.....	9
6. Presumption of Nexus Improper When Product Includes Features Not Claimed in the Patent	10
E. Written Description (35 U.S.C. § 112(a)).....	10
1. Written Description Must Clearly and Unequivocally Disclose Broadened Claims in Reissue Patents.....	10
2. “Substantially Equivalent” Method of Obtaining Dissolution Profile Meets Written Description Requirement	11
F. Indefiniteness (35 U.S.C. § 112(b)).....	11
1. Claim Language “Lofty . . . Batting” Found Not Invalid on Indefiniteness Grounds	11
II. PATENT TRIAL AND APPEAL BOARD (PTAB).....	12
A. Real Party in Interest (RPI).....	12
1. RPI Relationships that Develop Before Institution Relevant to § 315 Time Bar	12
2. PTAB Did Not Err in Allowing Petitioner to Add Real Party in Interest Without Changing Petition’s Filing Date	12
B. PTAB Procedure	13
1. Federal Circuit Warns Against Conclusory Expert Testimony	13
2. IPR Petitioner’s Post-Institution Theories Differing from Those Raised in Petition May Be Disregarded.....	14
3. IPR of Pre-AIA Patents Does Not Run Afoul of the Takings Clause	14

4. Shifting Arguments Waived Question of Whether Imperfect Service Triggers the 35 U.S.C. § 315(b) IPR Time Bar	15
5. Arguments Raised for First Time at Oral Argument Not Waived When Responsive to New Arguments Raised by Petitioner in Reply Brief	15
C. Appeals from PTAB	16
1. 35 U.S.C. § 314(d) Prevents Appeal of PTAB’s Decision to Deny Institution Upon Reconsideration	16
2. Cross-Appeal Deadline Rule Is Not Jurisdictional	16
III. CLAIM CONSTRUCTION AND INFRINGEMENT	17
A. Claim Construction	17
1. “Wherein” Clauses May Be Limiting	17
2. Claim Language Could Limit Design Patent Where Specific Article of Manufacture Not Shown in Figures	17
B. Infringement Generally	18
1. <i>Omega Patents</i> Showcases the Need to Specifically Identify Prior Art and the Bases of Willful Infringement	18
2. For Claimed Methods of Manufacture, the Relevant Safe Harbor Inquiry Is Whether an Act of Manufacture Was for Uses Reasonably Related to Submitting Information to the FDA	18
3. Whether a Single Entity Practices a Claimed Process Is Immaterial to Infringement Under 35 U.S.C. § 271(g)	19
C. Doctrine of Equivalents and Prosecution History Estoppel	20
1. Federal Circuit Says Teva’s Planned Parkinson’s Patch Infringes UCB Patent Under Doctrine of Equivalents	20
2. Prosecution History Estoppel Leads to Dismissal of DOE Claim	20
3. The Tangential Exception to Prosecution History Estoppel Should Not Be Viewed Rigidly	21
4. Claim Amendment to Avoid Unrelated Prior Art Protein Is Unrelated to Codon-Randomized Versions of Protein-at-Issue and Do Not Trigger Prosecution History Estoppel Under the Tangential Exception	21

5. Federal Circuit Upholds Finding that Amendments Directly Related to Accused Equivalent Bars Doctrine of Equivalents Infringement	22
IV. REMEDIES.....	23
A. Attorney Fees (35 U.S.C. § 285).....	23
1. No Bright-Line Rule Regarding Proportionate Litigation in Exceptional Case Context	23
2. Deterrence of Future Abusive Litigation May Support Fee-Shifting Under 35 U.S.C. § 285	23
3. Federal Circuit Holds § 285 Applies to Exceptional Cases, Not Exceptional Portions of Cases	24
V. JURISDICTION AND PROCEDURE	24
A. Standing	24
1. No Standing on Appeal from Board Decision After Abandoning Product Development.....	24
2. Upon Determining Agreement Failed to Transfer All Substantial Rights to Plaintiff, District Court Required to Consider Whether Joinder of Original Patentee Was Feasible	25
B. Personal Jurisdiction	25
1. Certain Patent Activity Is Sufficient to Confer U.S. Jurisdiction over Foreign Entity	25
C. Sovereign Immunity.....	26
1. Bringing Infringement Suit Waives Sovereign Immunity to Defenses	26
2. State Sovereign Immunity Does Not Apply to IPR Challenges	26
D. Venue	27
1. State Sovereignty Does Not Grant State the Right to Sue in Improper Venue	27
E. Issue Preclusion	27
1. Voluntary Dismissal of Related Appeals Leads to Issue Preclusion	27

F. Federal Rules of Civil Procedure	28
1. The Federal Circuit Adopts a Liberal, Notice-Based Interpretation of the Relation Back Doctrine Under Rule 15(c)	28

TABLE OF CASES

<i>Ajinomoto Co. v. ITC</i> , 932 F.3d 1342 [No. 18-1590] (Fed. Cir. Aug. 6, 2019).....	21
<i>Allergan Sales, LLC v. Sandoz, Inc.</i> , 935 F.3d 1370 [No. 18-2207] (Fed. Cir. Aug. 29, 2019).....	17
<i>Am. Axle & Mfg., Inc. v. Neapco Holdings LLC</i> , 939 F. 3d 1355 [No. 18-1763] (Fed. Cir. Oct. 3, 2019).....	4
<i>Amgen Inc. v. Coherus Biosciences Inc.</i> , 931 F.3d 1154 [No. 18-1993] (Fed. Cir. July 29, 2019).....	20
<i>Amgen Inc. v. Hospira, Inc.</i> , 944 F.3d 1327 [No. 19-1067] (Fed. Cir. Dec. 16, 2019)	18
<i>Anza Tech., Inc. v. Mushkin, Inc.</i> , 934 F.3d 1359 [No. 19-1045] (Fed. Cir. Aug. 16, 2019).....	28
<i>Arctic Cat Inc. v. GEP Power Prods., Inc.</i> , 919 F.3d 1320 [No. 18-1520] (Fed. Cir. Mar. 26, 2019).....	6
<i>ATEN Int'l Co. v. Uniclass Tech. Co.</i> , 932 F.3d 1371 [No. 18-1606] (Fed. Cir. Aug. 6, 2019).....	5
<i>ATEN Int'l Co. v. Uniclass Tech. Co.</i> , 932 F.3d 1371 [No. 18-1922] (Fed. Cir. Aug. 6, 2019).....	23
<i>Athena Diagnostics, Inc. v. Mayo Collaborative Servs., LLC</i> , 927 F.3d 1333 [No. 17-2508] (Fed. Cir. July 3, 2019).....	4
<i>ATI Techs. ULC v. Iancu</i> , 920 F.3d 1362 [No. 16-2222] (Fed. Cir. Apr. 11, 2019)	6
<i>Bd. of Regents of the Univ. of Tex. Sys. v. Boston Sci. Corp.</i> , 936 F.3d 1365 [No. 18-1700] (Fed. Cir. Sept. 5, 2019).....	27
<i>BioDelivery Scis. Int'l, Inc. v. Aquestive Therapeutics, Inc.</i> , 935 F.3d 1362 [No. 19-1643] (Fed. Cir. Aug. 29, 2019).....	16
<i>Blackbird Tech LLC v. Health in Motion LLC</i> , 944 F.3d 910 [No. 18-2393] (Fed. Cir. Dec. 16, 2019)	23
<i>Campbell Soup Co. v. Gamon Plus, Inc.</i> , 939 F.3d 1335 [No. 18-2029] (Fed. Cir. Sep. 26, 2019).....	8
<i>Celgene Corp. v. Peter</i> , 931 F.3d 1342 [No. 18-1167] (Fed. Cir. July 30, 2019).....	14

<i>Cellspin Soft, Inc. v. Fitbit, Inc.</i> , 927 F.3d 1306 [No. 18-1817] (Fed. Cir. June. 25, 2019)	2
<i>Chamberlain Grp., Inc. v. One World Techs., Inc.</i> , 944 F.3d 919 [No. 18-2112] (Fed. Cir. Dec. 17, 2019)	15
<i>Curver Lux., SARL v. Home Expressions Inc.</i> , 938 F.3d 1334 [No. 18-2214] (Fed. Cir. Sep. 12, 2019).....	17
<i>Eli Lilly & Company v. Hospira, Inc.</i> , 933 F.3d 1320 [No. 18-2128] (Fed. Cir. Aug. 9, 2019).....	21
<i>Endo Pharms. Inc. v. Teva Pharms USA, Inc.</i> , 919 F.3d 1347 [No. 17-1240] (Fed. Cir. Mar. 28, 2019)	1
<i>Forum U.S. Inc., v. Flow Valve, LLC</i> , 926 F.3d 1346 [No. 18-1765] (Fed. Cir. Jun. 17, 2019)	10
<i>FOX Factory, Inc. v. SRAM, LLC</i> , 944 F.3d 1366 [No. 18-2024] (Fed. Cir. Dec. 18, 2019)	10
<i>Game & Tech. Co. v. Wargaming Grp. Ltd.</i> , 942 F.3d 1343 [No. 19-1171] (Fed. Cir. Nov. 19, 2019).....	15
<i>Genetic Veterinary Scis., Inc. v. Laboklin GMBH & Co.</i> , 933 F.3d 1302 [No. 18-2056] (Fed. Cir. Aug. 9, 2019).....	25
<i>Guangdong Alison Hi-Tech Co. v. ITC</i> , 936 F.3d 1353 [No. 18-2042] (Fed. Cir. Aug. 27, 2019).....	11
<i>Henny Penny Corp. v. Frymaster LLC</i> , 938 F.3d 1324 [No. 18-1596] (Fed. Cir. Sep. 12, 2019).....	14
<i>In Game & Tech. Co. v. Activision Blizzard Inc.</i> , 926 F.3d 1370 [No. 18-1981] (Fed. Cir. June 21, 2019)	7
<i>In re IPR Licensing, Inc.</i> , 942 F.3d 1363 [No. 18-1805] (Fed. Cir. Nov. 22, 2019).....	16
<i>Intellectual Ventures I LLC v. Trend Micro Inc.</i> , 944 F.3d 1380 [No. 19-1122] (Fed. Cir. Dec. 19, 2019)	24
<i>Lone Star Silicon Innovations LLC v. Nanya Tech. Corp.</i> , 925 F.3d 1225 [No. 18-1581] (Fed. Cir. May 30, 2019)	25
<i>Mayne Pharma Int'l Pty. Ltd. v. Merck Sharp & Dohme Corp.</i> , 927 F.3d 1232 [No. 18-1593] (Fed. Cir. June 21, 2019)	12

<i>Momenta Pharms., Inc. v. Bristol-Meyers Squibb Co.</i> , 915 F.3d 764 [No. 17-1694] (Fed. Cir. Feb. 7, 2019).....	24
<i>MyMail, Ltd. v. ooVoo, LLC</i> , 934 F.3d 1373 [No. 18-1758] (Fed. Cir. Aug. 16, 2019).....	3
<i>Nalpropion Pharms., Inc. v. Actavis Labs. FL, Inc.</i> , 934 F.3d 1344 [No. 18-1221] (Fed. Cir. Aug. 15, 2019).....	11
<i>Natural Alternatives Int'l, Inc. v. Creative Compounds, LLC</i> , 918 F.3d 1338 [No. 18-1295] (Fed. Cir. Mar. 15, 2019).....	1
<i>Omega Patents, LLC v. CalAmp Corp.</i> , 920 F.2d 1337 [No. 18-1309] (Fed. Cir. April 8, 2019)	18
<i>OSI Pharms., LLC v. Apotex Inc.</i> , 939 F.3d 1375 [No. 18-1925] (Fed. Cir. Oct. 4, 2019).....	8
<i>Papst Licensing GMBH & Co. v. Samsung Elecs. Am., Inc.</i> , 924 F.3d 1243 [No. 18-1777] (Fed. Cir. May 23, 2019)	27
<i>Persion Pharms. LLC v. Alvogen Malta Operations Ltd.</i> , 945 F.3d 1184 [No. 18-2361] (Fed. Cir. Dec. 27, 2019)	9
<i>Pharma Tech Sols. Inc. v. LifeScan Inc.</i> , 942 F.3d 1372 [No. 19-1163] (Fed. Cir. Nov. 22, 2019).....	22
<i>Power Integrations, Inc. v. Semiconductor Components Indus., LLC</i> , 926 F.3d 1306 [No. 18-1607] (Fed. Cir. June 13, 2019)	12
<i>Quest Integrity USA, LLC v. Cokebusters USA Inc.</i> , 924 F.3d 1220 [No. 17-2423] (Fed. Cir. May 21, 2019)	5
<i>Regents of the Univ. of Minn. v. LSI Corp.</i> , 926 F.3d 1327 [No. 18-1559] (Fed. Cir. June 14, 2019)	26
<i>Samsung Elecs. Co. v. Elm 3DS Innovations, LLC</i> , 925 F.3d 1373 [No. 17-2474] (Fed. Cir. June 12, 2019)	7
<i>Solutran, Inc. v. Elavon, Inc.</i> , 931 F.3d 1161 [No. 19-1345] (Fed. Cir. July 30, 2019).....	3
<i>Syngenta Crop Protection, LLC v. Willowood, LLC</i> , 944 F.3d 1344 [No. 18-1614] (Fed. Cir. Dec. 18, 2019)	19
<i>TQ Delta, LLC v. Cisco Sys., Inc.</i> , 942 F.3d 1352 [No. 18-1766] (Fed. Cir. Nov. 22, 2019).....	13

<i>Trading Tech. Int'l, Inc. v. IBG LLC</i> , 921 F.3d 1378 [No. 17-2323] (Fed. Cir. April 30, 2019)	2
<i>UCB Inc. v. Watson Labs., Inc.</i> , 927 F.3d 1272 [No. 18-1397] (Fed. Cir. June 24, 2019)	20
<i>Univ. of Fl. Research Found., Inc. v. General Electric Co.</i> , 916 F.3d 1363 [No. 18-1284] (Fed. Cir. Feb. 26, 2019).....	26

I. PATENTABILITY

A. Patent Eligibility (35 U.S.C. § 101)

1. Treatment Claims Reciting Specific and Unconventional Dosage Not Patent Ineligible

In *Natural Alternatives International, Inc. v. Creative Compounds, LLC*, 918 F.3d 1338 [No. 18-1295] (Fed. Cir. Mar. 15, 2019), the Federal Circuit reversed the district court's decision granting a motion for judgment on the pleadings, holding that claims in this case reciting methods of treatment were not directed to a natural law as the particular claims in this case require specific and unconventional dosage of a natural substance.

Natural Alternatives asserted several patents related to using a natural substance to “increase[e] the anaerobic working capacity of muscle and other tissues.” Creative Compounds moved for judgment on the pleadings, alleging that the asserted claims were directed to a natural law and were thus patent ineligible under § 101. The district court granted Creative Compounds' motion.

On appeal, the Federal Circuit disagreed. The panel found that, under Natural Alternatives' proposed claim construction, the claims-at-issue embody not only the benefit of natural substances, but also actual administration of the substances in the specific dosage and manner claimed. As such, the claims in this case are treatment claims and are patent eligible. In addition, the panel held that the district court erroneously granted the motion for judgment on the pleadings under § 101, when there was no basis to conclude that the claimed methods of treatment in this case were well-understood, routine, and conventional under step two of the *Mayo/Alice* analysis.

Judge Reyna concurred in part and dissented in part. He agreed with the panel's decision to remand the case, but disagreed with the claim construction that the panel used, suggesting that the district court in this case should have independently construed the claimed methods of treatment before deciding § 101 issues at the pleading stage. (Ruohan (Jack) Li)

2. Claims Reciting Specific Method for Treating Specific Patients Found Patent Eligible

In *Endo Pharmaceuticals Inc. v. Teva Pharmaceuticals USA, Inc.*, 919 F.3d 1347 [No. 17-1240] (Fed. Cir. Mar. 28, 2019), the Federal Circuit reversed a decision of invalidity under 35 U.S.C. § 101, holding instead that the method of treatment claims were patent eligible for claiming an application of a natural relationship and not the natural relationship itself.

Endo's asserted patent taught a method for adjusting the oxymorphone dose in patients with renal impairment. Actavis, a co-defendant in the case, moved to dismiss Endo's infringement claims, arguing that the claims were ineligible as directed to a natural law under 35 U.S.C. § 101. The district court dismissed after finding the claims ineligible using the two-step *Alice/Mayo* framework.

On appeal, the Federal Circuit held that the claims were not directed to a natural law because they required using the results of kidney function testing to adjust the oxymorphone dose administered. That is, the claims were “directed to a specific method of treatment for specific patients using a specific compound at specific doses to achieve a specific outcome.” The Court rounded out its analysis by comparing the claims to method claims from other cases (*CellzDirect*, *Ariosa*, *Mayo*) and found there was “no room for a different outcome”—the claims were directed to patent eligible subject matter. (Ryan V. McDonnell)

3. Trading Screen Displaying “Profits & Loss” Data Not Eligible for Patenting

In *Trading Technologies International, Inc. v. IBG LLC*, 921 F.3d 1378 [No. 17-2323] (Fed. Cir. April 30, 2019), the Federal Circuit affirmed the Board’s decision, holding that Trading Technologies’ U.S. Patent No. 7,783,556 was eligible for CBM review and the challenged claims were not patent eligible under 35 U.S.C. § 101.

The ’556 patent relates to displaying market information on a screen and generating values that are derivatives of price, including profit and loss information, and then displaying these values along an axis on the display. IBG and others filed for CBM review of the ’556 patent. The Board issued a final written decision finding the challenged claims are not patent eligible under § 101. Trading Technologies appealed.

On appeal, the Federal Circuit agreed that the ’556 patent was eligible for CBM review. The Court explained that the challenged claims were directed to a “business problem” to provide traders additional information, such as profit and loss data, on an existing trading screen. The Court held that this was not a technological solution because it “improv[ed] the trader, not the functioning of the computer.”

The Court also affirmed the Board’s conclusion that the claims were directed to an unpatentable abstract idea of calculating and displaying information that “is nothing more than ‘mere automation of manual processes using computers.’” The Court also held that the claims failed to recite an inventive concept because the claimed trading screen simply took the prior art trading screen and added profit and loss values along the axis. Accordingly, the Court concluded the claims were ineligible under § 101. (Marcus A.R. Childress)

4. Plausible, Specific Factual Allegations of Inventiveness Can Preclude Rule 12 Dismissal for Patent Ineligibility

In *Cellspin Soft, Inc. v. Fitbit, Inc.*, 927 F.3d 1306 [No. 18-1817] (Fed. Cir. June. 25, 2019), the Federal Circuit vacated and remanded the district court’s dismissal finding four patents ineligible under 35 U.S.C. § 101, instead holding that the patent owner’s plausible, specific factual allegations of inventiveness precluded Rule 12 dismissal.

Cellspin asserted four patents, generally related to connecting a data capture device to a mobile device to allow a user can automatically publish content to a website, against several defendants. The defendants moved to dismiss under Rule 12, arguing that all four patents were patent ineligible under § 101. The district court granted the motions, finding that the asserted claims were directed to the abstract idea of “acquiring, transferring, and publishing data” and did

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: 2019 Federal Circuit Year In Review

Also available as part of the eCourse

[2020 Advanced Patent Law \(USPTO\) eConference](#)

First appeared as part of the conference materials for the
15th Annual Advanced Patent Law Institute session

"A Year In Review: Recent Decisions from the Supreme Court and Federal Circuit"