

IP Cases: The Year in Review

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February 18, 2022



Supreme Court IP Cases Decided / Pending Since 2021 IP Summit

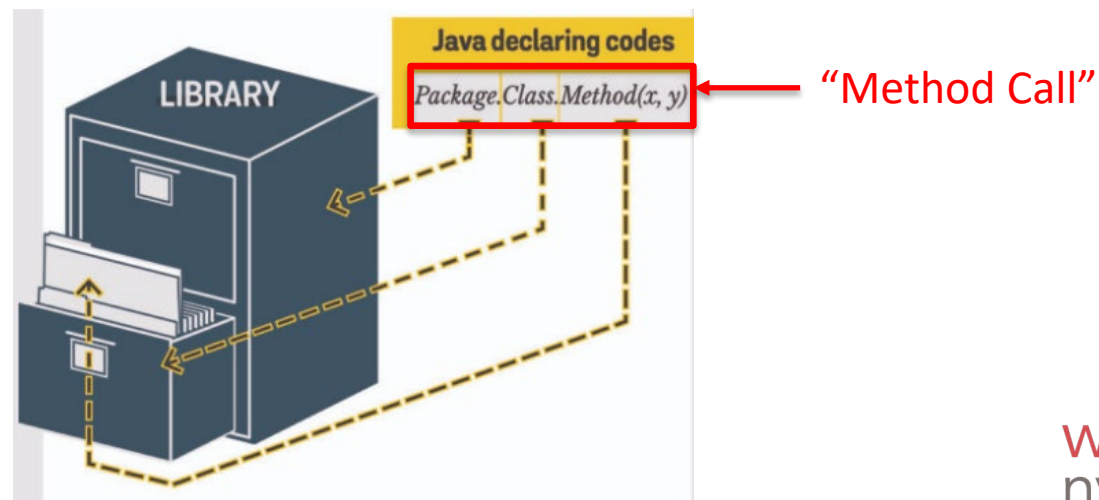
1. ***Google v. Oracle*** (copyright)
2. ***United States v. Arthrex*** (patent)
3. ***Minerva v. Hologic*** (patent)
4. ***Unicolors Inc. v. H&M*** (copyright)
5. ***American Axle v. Neapco*** (patent) (CVSG)
6. ***PersonalWeb v. Patreon*** (patent) (CVSG)
7. ***Olaf Sööt Design, LLC v. Daktronics, Inc*** (patent) (CVSG)

Google v. Oracle

141 S.Ct. 1183 (Apr. 5, 2021)

- **Facts**

- JAVA's API (library of prewritten code)
 - “**implementing code**”: tells computer how to execute a specific task
 - (very long—may be hundreds of lines long for a single task)
 - “**method calls**”: written commands that correspond to a specific task and call up the relevant implementing code
 - “**declaring code**”: provides both the name and location for each task
 - **Declaring code is how it locates the implementing code triggered by the method call**



Google v. Oracle

141 S.Ct. 1183 (Apr. 5, 2021)

- **Facts**

- Google developed the Android platform
- Google attempted to negotiate a license with Oracle (owner of JAVA API)
- Google copied verbatim 37 packages (out of 166) of declaring code
 - It wrote the rest of its declaring code and all of its own implementing code
- Google copied the **organization/taxonomy** of JAVA task library
- Oracle sued Google for copyright infringement; Google claimed (1) that the API packages are not copyrightable and (2) “fair use”

Google v. Oracle

141 S.Ct. 1183 (Apr. 5, 2021)

- **Fair Use: 17 U.S.C. § 107**

- “[T]he **fair use** of a copyrighted work, ... for purposes such as criticism, comment, news reporting, teaching ... scholarship, or research, **is not an infringement of copyright.**”
- Four Factors:
 - “(1) the **purpose and character** of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
 - “(2) the **nature** of the copyrighted work;
 - “(3) the **amount and substantiality** of the portion used in relation to the copyrighted work as a whole; and
 - “(4) the **effect** of the use upon the potential **market for or value of** the copyrighted work.”

Google v. Oracle

141 S.Ct. 1183 (Apr. 5, 2021)

- **District Court**

- Held: JAVA's 37 API packages are not copyrightable

- **Federal Circuit**

- Held that (1) Oracle's declaring code is copyrightable and (2) Google's use did not constitute fair use
 - "There is nothing fair about taking a copyrighted work **verbatim** and using it for the **same purpose and function** as the original in a competing platform."

- **Question Presented**

- Was Google's copying—specifically its use of the declaring code and organizational structure for 37 packages—of Java's API, a "fair use"?

Google v. Oracle

141 S.Ct. 1183 (Apr. 5, 2021)

- **Supreme Court (Breyer)**

- Factor 1: “the **nature** of the copyrighted work”
 - The **innovation is in the implementing code, not the declaring code**:
 - “[the declaring code] is **functional** in nature...[and] its use is **inherently bound together with uncopyrightable ideas** (general task division and organization) and new creative expression (Google’s implementing code)”
 - “[T]he **declaring code** is, if copyrightable at all, **further** than are most computer programs (such as the implementing code) **from the core** of copyright”
- **Weights in favor of fair use**

Google v. Oracle

141 S.Ct. 1183 (Apr. 5, 2021)

- **Supreme Court (Breyer)**

- Factor 2: “**Purpose** and **character** of the Use”

- Consider (1) whether the use was “transformative”; and (2) commerciality
 - (1) “Google’s use...**seeks to create new products**...a highly creative and innovative tool for a **smartphone environment**” [Java was created for desktop and laptop computers]
 - It copied **only as much as needed** to adapt JAVA to “**smartphone** programs” and only as much as needed to “allow programmers to call upon those tasks **without discarding a portion of a familiar programming language and learning a new one**”
 - (2) Commercial use does not necessarily tip the scale in favor of finding no fair use...“particularly in light of the inherently **transformative** role that the [copying] played in the new Android system”
 - **Favors fair use, even though commercial, because transformative**

Google v. Oracle

141 S.Ct. 1183 (Apr. 5, 2021)

- **Supreme Court (Breyer)**

- Factor 3: “**Amount** and **Substantiality** of the Portion Used”

- Depends on the denominator:

- Declaring code in isolation → quantitative amount would be large

- » Google copied 11,500 lines of code. Those lines of code **amount to virtually all the declaring code needed** to call up hundreds of different tasks

- All code in the Java API → quantitative amount is small

- » The total set of Java API computer code, **including implementing code**, amounted to 2.86 million lines, of which the copied lines were only **0.4 percent**

- Correct Approach: take into account the several million lines that Google did not copy

- **Weighs in favor of fair use**

Google v. Oracle

141 S.Ct. 1183 (Apr. 5, 2021)

- **Supreme Court (Breyer)**

- Factor 4: **Market Effects**

- (1) likely amount of loss→ jury found that Sun was **poorly positioned to succeed in the mobile phone market**, even without Google's copying
 - (2) Source of Android's profitability → **third parties' (programmers') investment** in Java programs, rather than Sun's investment in creating the Java API
 - Copyright Act doesn't seek to protect third parties' investment in learning a created work
 - (3) Risk of harm to the public→ **given programmers' investment in learning Java API**, enforcement would make Java's declaring code a **lock limiting the future creativity of new programs** and Oracle alone would hold the key

- **Favors finding of fair use**

- HELD: Google's copying of JAVA's declaring code constituted fair use

Google v. Oracle

141 S.Ct. 1183 (Apr. 5, 2021)

- **Dissent (Thomas*, Alito)**

- Factor 1 ([nature](#)): declaring code is **user facing** (developers can't see implementing code—it conveys no expression), and designed to be intuitive
- Factor 2 ([market effects](#)):
 - (1) Google eliminated the reason manufacturers were willing to pay to install the Java platform (Oracle had to give Amazon a 97.5% discount on its existing license fee);
 - (2) Google interfered with opportunities for Oracle to license to developers of smartphone OS's
 - (3) little public harm in enforcing copyright → Apple and Microsoft created mobile OS's without using Oracle's declaring code

Google v. Oracle

141 S.Ct. 1183 (Apr. 5, 2021)

- **Dissent (Thomas, Alito)**

- Factor 3 (**purpose** and **character**):
 - (1) overwhelming **commercial** nature of copying → in 2015 alone Google earned \$18 billion from Android
 - (2) Google’s repurposing of Java code **from larger computers to smaller ones is not transformative** → copied only to “avoid the drudgery in working up something fresh” and used it for exactly the same purpose
- Factor 4 (**Amount** and **substantiality** of portion used):
 - (1) Google copied the “**heart or focal point**” of Oracle’s work → The declaring code is what attracted programmers to the Java platform and why Google was so interested in that code
 - (2) the copying was “**verbatim**,” which weighs against fair use
 - (3) the proper **denominator** is declaring code, not all code

United States v. Arthrex

141 S.Ct. 1970 (June 21, 2021)

- **Facts**

- Arthrex appealed from an IPR decision finding its claims were anticipated
- It made a Constitutional argument that APJs are principal officers and therefore their appointment by the Secretary of Commerce is unconstitutional

- **Appointments Clause**

- Defines
 - “Principal Officers”: must be appointed by President, confirmed by Senate
 - “Inferior Officers”: can be appointed by Department Heads

United States v. Arthrex

141 S.Ct. 1970 (June 21, 2021)

- **Federal Circuit**

- APJs are “principal officers”
 - PTO Director does not have power to review APJ’s IPR decisions
 - PTO Director cannot remove APJs at will—only “for such cause as will promote the efficiency of the service”
- Remedy: invalidated the tenure protections for APJs → prospectively “renders them inferior rather than principal officers”
- vacated and remanded for rehearing before a new panel of APJs

- **Question Presented**

- Whether the authority of Administrative Patent Judges (APJs) to issue decisions on behalf of the Executive Branch is consistent with the Appointments Clause of the Constitution

United States v. Arthrex

141 S.Ct. 1970 (June 21, 2021)

- **Supreme Court—Parts I, II (CJ Roberts*, Alito, Gorsuch, Kavanaugh, Barrett)**
 - APJs: “Principal” vs. “Inferior” Officers
 - “Congress provided that APJs would be appointed as **inferior officers**, by the Secretary of Commerce as head of a department”
 - Conclude: APJs act as “principal officers” when deciding IPRs
 - Unconstitutional: No principal officer at any level within the Executive Branch “direct[s] and supervise[s]” the work of APJs in issuing decision on patentability
 - Review outside Article II—here, an appeal to the Federal Circuit—cannot provide the necessary supervision
 - HELD: the unreviewable authority wielded by APJs during IPR is incompatible with their appointment by the Secretary to an inferior office

United States v. Arthrex

141 S.Ct. 1970 (June 21, 2021)

- **Supreme Court, Part III—Remedy (CJ Roberts*, Alito, Kavanaugh, Barrett)**
 - Severability of 35 U.S.C. § 6(c): rendered inoperative to the extent that it prevents the Director from reviewing final decisions by APJs
 - The **Director may review final PTAB decisions** and, upon review, may issue decisions himself on behalf of the Board
 - § 6(c) **otherwise remains operative** as to the other members of the PTAB
 - Remand to the Acting Director to decide whether to rehear the petition filed

United States v. Arthrex

141 S.Ct. 1970 (June 21, 2021)

- **J. Thomas (dissent) (Breyer, Sotomayor, Kagan as to Parts I, II)**
 - (1) Court boils down “inferior officer” status to the agency’s process for reviewing decisions (despite “broad oversight” by Director)
 - (2) Court created a new separation-of-powers law
 - Appts. Clause challenges→(i) what sort of officer and (ii) whether appointment complies
 - no such thing as “inferior-officer power” or “principal-officer power”
- **J. Gorsuch (concurring in part, dissenting in part) [*Joins Parts I and II, but dissents from Part III (severability)*]**
 - Not for the Court to choose a remedy→ Need direction from **Congress** because it involves a **policy choice** (not a matter of statutory interpretation)
- **J. Breyer (concurring with judgment in part, dissenting in part) (Sotomayor, Kagan)**
 - Joins Thomas’s dissent (Parts I, II) and adds two considerations:
 - (1) Appts. Clause grants Congress discretion in establishing and empowering federal officers
 - (2) The Court should use a functional examination of the offices and duties in question rather than a judicial-rules-based approach

Minerva Surgical v. Hologic

141 S.Ct. 2298 (June 29, 2021)

• **Facts**

- Inventor filed provisional application in 1998 and assigned all patent rights to a company he founded, Novacept
 - Novacept was acquired by **Hologic** in 2007
- In 2008, inventor invented a new device, which **Minerva**, another company he founded, commercialized
- In 2013, Hologic filed a continuation application with broader claims that cover Minerva's new device
- In 2015, Hologic sued Minerva on continuation patent
- Minerva argued that continuation patent was invalid for lack of enablement/ lack of written description (improper broadening)
- District court rejected invalidity defenses based on “**assignor estoppel**” and Federal Circuit affirmed

Minerva Surgical v. Hologic

141 S.Ct. 2298 (June 29, 2021)

- **Question Presented**

- “Whether to discard th[e] century-old [assignor estoppel]”

- **Precedent**

- *Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.*, 266 U.S. 342 (1924)
 - Court’s first case to deal with Assignor estoppel
 - Court endorsed the equitable doctrine by analogizing to **estoppel by deed**
 - Court clarified that the doctrine has limits
 - Court left for another day what other limits were: e.g., if a patent application was assigned—then the rights were “**inchoate**” (not certainly defined)
 - “**claims might be ‘enlarge[d]’ at ‘the instance of the assignee’ beyond what the inventor had put forward**”

Minerva Surgical v. Hologic

141 S.Ct. 2298 (June 29, 2021)

- **Minerva's Arguments**

- 35 U.S.C. § 282(b) states that invalidity is a “defense[] in **any** action involving the validity or infringement of a patent”
- Assignor estoppel originated with lower courts, and Supreme Court decisions have only limited it or decided it was inapplicable
- At the very least, it should not apply to claims submitted in a **continuation after the assignment**

- **Hologic's Arguments**

- In fairness, an inventor should not be able to sell patent rights and then turn around and argue against the validity of those rights
- In *Westinghouse*, the Supreme Court stated that the doctrine was “well settled” and that it would “not...lightly disturb” the doctrine

Minerva Surgical v. Hologic

141 S.Ct. 2298 (June 29, 2021)

- **Supreme Court (Kagan)**

- Assignor estoppel is alive and well (has not been rendered “defunct”)
 - Congress did not repudiate the doctrine in the Patent Act of 1952 because it was **“well-settled” common-law background**
 - Court’s post-*Westinghouse* cases (*Scott Paper* and *Lear*) did not “eviscerate” the doctrine, but merely **“police[d]” its boundaries**

Minerva Surgical v. Hologic

141 S.Ct. 2298 (June 29, 2021)

- **Supreme Court (Kagan)**

- Here: new claim(s) in continuation patent may be “**materially broader**” than those at the time of assignment
 - *Westinghouse* → If so, **assignor did not warrant the new claims’ validity**
 - “The limits of the assignor’s estoppel go **only so far as, and not beyond, what he represented in assigning the patent application**”
- HELD: estoppel applies when, but **only** when, the assignor’s claim of invalidity **contradicts explicit or implicit representations** he made in assigning the patent
 - Where there is **no inconsistency in the assignor’s positions**, there is no estoppel
- Remand for Fed. Circuit to determine whether the new claims are “materially broader” than the original claims

Minerva Surgical v. Hologic

141 S.Ct. 2298 (June 29, 2021)

- **Alito (dissent)**
 - Court can't decide this case without deciding whether *Westinghouse* should be overruled
 - Judge-made law → “not one word in the patent statutes supports assignor estoppel”
- **Barrett (dissent) (Thomas, Gorsuch)**
 - *Westinghouse* interpreted the Patent Act of 1870—need to decide whether the doctrine carried over into the Patent Act of 1952
 - One of two ways: (1) Congress ratified *Westinghouse* when it reenacted the assignment provision in 1952; or (2) well-settled common-law backdrop against which Congress legislated in 1951
 - Both fail—doctrine far from well-settled when 1952 Patent Act was enacted, and Act describes patent rights as “personal property” (unravels “estoppel by deed” analogy)

Unicolors v. H & M

(S.Ct., argued Nov. 8, 2021)

- **Copyright Act**

- In 2008, Congress codified the judge-made doctrine of “**fraud on the Copyright Office**”: An accused infringer could not defeat an infringement suit on the basis of an **innocent mistake** in the copyright registration
 - § 411(b)(1) provides that “**inaccurate information**” is not a basis for challenging a registration’s validity unless the inaccuracy “was included...with **knowledge that it was inaccurate**” and “would have caused the Register of Copyrights to refuse registration”

Unicolors v. H & M

(S.Ct., argued Nov. 8, 2021)

- **Facts**

- January 2011: Unicolors presented its collection of **31 fabric designs** to its sales team and placed the designs in its showroom for “public viewing”
- **9 of the designs** were not placed in the showroom—“**confined**”—in order to reserve them for certain customers who had rights of first refusal
- February 2011: Unicolors copyrighted the collection of 31 designs under one registration
- Unicolors sued H&M for copyright infringement
- A unanimous jury found that H&M willfully copied Unicolors’ copyrighted fabric design:



Unicolors v. H & M

(S.Ct., argued Nov. 8, 2021)

- **Facts**

- After the jury verdict, H&M filed a post-trial motion challenging the validity of Unicolors' copyright registration because the **mixture of confined/non-confined fabrics** should not have been registered in the same registration
 - Relevant Regulation: a single registration form is permissible for a collection of “**self-contained works**, that are included in the **same unit of publication**...” 37 C.F.R. § 202.3(4)
- As of 2011, the Copyright Office had offered **no meaningful guidance** about how to apply the term “**same unit of publication**”

- **District Court**

- Denied H&M's post-trial motion

Unicolors v. H & M

(S.Ct., argued Nov. 8, 2021)

- **Ninth Circuit**

- Reversed:

- [1] Found an “inaccuracy” because of the “single-unit publication” requirement—must be “**distributed to the public as a unit**”
 - citing a newer edition of the Compendium of Copyright Office Practices that **post-dated Unicolors’ application and registration**
 - [2] “[T]he **knowledge inquiry** is not whether Unicolors knew that including a mixture of confined and non-confined designs would **run afoul of the single-unit registration requirements**; the inquiry is merely whether Unicolors knew [the **underlying facts**] that certain designs included in the registration were confined and, therefore, were each published separately to exclusive customers.

- **Question Presented**

- Whether that “knowledge” element precludes a challenge to a registration where the inaccuracy resulted from the applicant’s **good-faith misunderstanding of a principle of copyright law?**

Unicolors v. H & M

(S.Ct., argued Nov. 8, 2021)

- **Unicolors' Arguments**

- The excusable “inaccurate information” in the § 411 safe harbor encompasses **both mistakes of fact and law**
 - Supported by: statutory interpretation, the common-law backdrop, and Congress’s intentions in codifying the judge-made doctrine of “fraud on the Copyright Office”
- Ninth Circuit drew an unprecedented distinction between fact/law as to which types of mistakes are protected by § 411
- The maxim that ‘ignorance of the law is no defense’ would slice the fact/law distinction differently than did the Ninth Circuit:
 - Not a defense: “I can’t be liable because I didn’t know that it is against the law to register works that weren’t published together on the same registration.”
 - Reasonable defense: “I can’t be liable because I didn’t know that keeping some of the works back from the showroom meant that they weren’t ‘published’ as a ‘single unit’ and thus I lacked the required mens rea for breaking the law.”

Unicolors v. H & M

(S.Ct., argued Nov. 8, 2021)

- **H&M's Arguments**

- Unicolors is a “prolific **copyright troll** who has sued virtually every major clothing retailer in America” and has 4,500 copyright registrations
- Unicolors’ question presented is not properly before the Court
 - The Ninth Circuit **did not address** the significance of any “**good-faith misunderstanding**” of the law, because it was not asked to do so
 - The question the courts below decided: Does Section § 411 require intent to deceive?
 - The Ninth Circuit did not hold that legal errors always fall outside § 411’s knowledge requirement
- § 411 should not be limited to actual knowledge (vs. constructive knowledge)—It is well settled that statutes imposing a “knowledge” standard **do not excuse mistakes of law**

- **SG**

- Agreed with Unicolors

American Axle v. Neapco

(S.Ct., CVSG invited May 3, 2021)

- **Facts**

- American Axle patented a process for making a quieter automobile driveshaft using “tuned liners”—tuned to the frequency of the driveshaft vibration
- Record evidence includes emails within Neapco, distributing American Axle’s patent and saying their “[c]urrent focus [s]hould be understanding” American Axle’s invention because “they have solved the issue with an extremely low cost solution”
- Neapco began manufacturing driveshafts allegedly using American Axle’s patented manufacturing process

- **District Court**

- Granted Neapco’s motion for summary judgment, finding the asserted claims invalid under § 101 as directed to “applications of Hooke’s law with the result of friction damping”

American Axle v. Neapco

(S.Ct., CVSG invited May 3, 2021)

- **Federal Circuit on panel rehearing**

- Majority (Dyk*, Taranto): claim is directed to Hooke’s Law and “nothing more”
 - “[T]he **claim itself**...must go beyond stating a functional result; it **must identify “how” that functional result is achieved**”
- Judge Moore (dissent): majority created a new test for step 1—“**Nothing More test**”—which imbues § 101 with the enabling disclosure requirement of § 112 to create a new defense, “Enablement on Steroids”
 - The blended 101/112 test **converts fact questions into legal ones**

American Axle v. Neapco

(S.Ct., CVSG invited May 3, 2021)

- **Federal Circuit denial of rehearing *en banc* (6-6)**
 - Judge Dyk (joined by Taranto, Wallach): concurring in denial of rehearing
 - Chief Judge Prost and Judge Hughes concurred in the denial without opinion, and Judge Lourie dissented without opinion
 - Judge Chen (joined by Wallach): concurred in denial—majority’s opinion was a straight-forward application of the “*O’Reilly* test”
 - Judge Newman (joined by Moore, O’Malley, Reyna, and Stoll): dissented from denial—new spin on § 101→any claims that might “draw on scientific principles” are “barred ‘at the threshold’”
 - Judge Stoll (joined by Newman, Moore, O’Malley, and Reyna): dissented from denial—majority opinion does not square with *O’Reilly*; and it potentially created a “heightened enablement requirement”
 - Judge O’Malley (joined by Newman, Moore, and Stoll): dissented from denial—“the ‘nothing more’ test presents factual questions”

American Axle v. Neapco

(S.Ct., CVSG invited May 3, 2021)

- **Questions Presented (American Axle)**

- (1) What is the appropriate standard for determining whether a patent claim is “**directed to**” a patent-ineligible concept under step 1 of the Court’s two-step framework for determining whether an invention is eligible for patenting under 35 U.S.C. § 101?
 - The Federal Circuit imbued Section 101 with the enablement requirement of Section 112 and now requires patent claims to sufficiently teach how to make and use the invention
- (2) Is patent eligibility (at each step of the Court’s two-step framework) a **question of law** for the court based on the scope of the claims or a **question of fact** for the jury based on the state of art at the time of the patent?
 - The 112-like inquiry, as well as the “Nothing More test,” raise questions of fact that should be decided by a jury

PersonalWeb v. Patreon

(S.Ct., CVSG invited Oct. 4, 2021)

- The “**Kessler Doctrine**”

- The Court has recognized two types of preclusion:
 - Claim preclusion: prevents parties from raising **issues that could have been raised** and decided in a prior action—even if they were not actually litigated
 - Issue preclusion: precludes a party from relitigating an **issue actually decided** in a prior case and necessary to the judgment
- *Kessler v. Eldred*, 206 U.S. 285 (1907)
 - Eldred sued Kessler for infringement of its patent for an electric lighter
 - Trial court found that Kessler’s lighter did not infringe
 - Years later, Eldred sued one of Kessler’s **customers** for infringing the same patent by using the same lighters
 - Issue and claim preclusion did not apply
 - The Court held that the prior judgment gave the **manufacturer itself** “the right to sell his wares freely, without hindrance” from Eldred and “by bringing a suit against one of Kessler’s customers, Eldred has **violated the right of Kessler**” himself
 - Cited by Federal Circuit in 2014, *Brain Life v. Elekta*, as “the *Kessler Doctrine*”

PersonalWeb v. Patreon

(S.Ct., CVSG invited Oct. 4, 2021)

- **Facts**

- PersonalWeb holds patents for data management technology
- In 2011: PersonalWeb sued Amazon, but **voluntarily dismissed the suit with prejudice** because the potential damages rendered the suit uneconomical
- In 2018: PersonalWeb then sued Amazon customers that used Amazon's allegedly infringing product
- Amazon intervened and sought a declaratory judgment that the 2014 voluntary dismissal with prejudice precluded the claims

- **District Court**

- Granted summary judgment to Amazon because the Federal Circuit's *Kessler* Doctrine barred the suit

- **Federal Circuit**

- “The *Kessler* Doctrine... ‘fills the gap’ left by claim and issue preclusion”
- Rejected PersonalWeb's argument that *Kessler* requires an **actual adjudication** of non-infringement
- “Under [*Kessler*], the **stipulated dismissal with prejudice** conferred upon Amazon a limited **trade right** to continue producing, using, and selling Amazon['s] [product] **without further harassment** from PersonalWeb, either directly or through suits against Amazon's customers for using that product”

PersonalWeb v. Patreon

(S.Ct., CVSG invited Oct. 4, 2021)

- **Questions Presented (PersonalWeb)**

- (1) Whether the Federal Circuit correctly interpreted *Kessler* to create a **freestanding preclusion doctrine** that may apply even when claim and issue preclusion do not
- (2) Whether the Federal Circuit properly extended its *Kessler* doctrine to cases where the prior judgment was a **voluntary dismissal**

- **Question Presented (Patreon)**

- (1) whether the Federal Circuit properly interpreted *Kessler* as a bar on suits against customers for use of the same articles that were the subject of the prior judgment, rather than a mere application of non-mutual issue preclusion
- (2) whether *Kessler* should be overruled, despite *stare decisis*, when Congress has never revised the Patent Act to overrule *Kessler*, and when its rule is necessary to prevent the kind of vexatious litigation in which the district court found Petitioner to have engaged; and
- (3) whether *Kessler* applies to judgments of voluntary dismissal **with prejudice**, which this Court has long held to have the **same preclusive effect** as an adjudication on the merits of a claim

Olaf Sööt Design, LLC v. Daktronics, Inc

(S.Ct., CVSG invited Jan. 10, 2022)

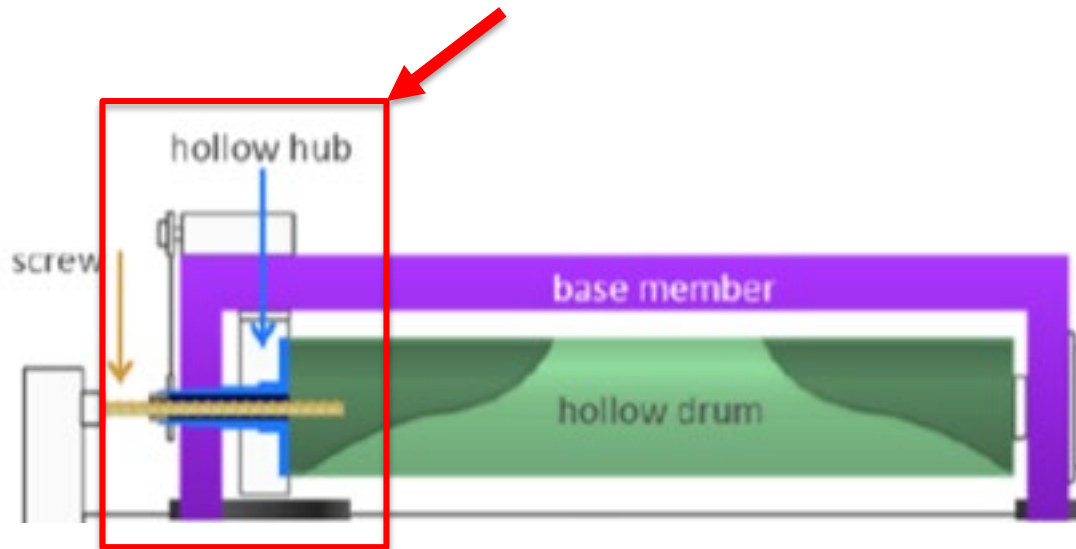
- **Relevant Precedent**

- *O2 Micro v. Beyond Innovation Technology Co., Ltd.*, 521 F.3d 1351, 1357 (Fed. Cir. 2008)
 - If there is a dispute about the scope of a term it must be resolved by the court before trial
 - *Markman v. Westview Instruments*, 517 U.S. 370 (1996): “the construction of a patent, including terms of art within its claim, is exclusively within the province of the court”
 - District court had concluded the disputed claim term had a “well understood definition”
 - Fed. Circuit held: “[b]y failing to construe th[e] term, the **district court left the jury free to consider these arguments**”—district court must provide construction because “the parties disputed not the meaning of the words themselves, but the **scope** that should be encompassed by th[e] claim language”

Olaf Sööt Design, LLC v. Daktronics, Inc

(S.Ct., CVSG invited Jan. 10, 2022)

Facts



- After *Markman* hearing, the district court assigned “plain and ordinary meaning” to the terms “hollow drum” and “hollow hub”
- But all through trial, the parties **continued to dispute whether the “plain and ordinary meaning”** defined the “hollow drum” and “hollow hub” as two separate components, or whether the “hub” is part of the “drum”
- Jury found infringement under doctrine of equivalents
- After trial, district court denied Daktronics renewed motion for JML because: “the jury relied **on ample evidence that the hollow drum and the hollow hub are not separate entities**” [claim construction]

Olaf Sööt Design, LLC v. Daktronics, Inc

(S.Ct., CVSG invited Jan. 10, 2022)

- **Federal Circuit**

- Found an “*O2 Micro* problem”—district court should have construed the disputed claim term **prior to trial** because parties **continued to dispute** the term all through the trial, **making claim construction arguments to the jury**
- Reviewed the district court’s construction that it made after trial (in denying Daktronics renewed motion for JML) and reversed the claim construction
- Held: no infringement as a matter of law under the doctrine of claim vitiation

Olaf Sööt Design, LLC v. Daktronics, Inc

(S.Ct., CVSG invited Jan. 10, 2022)

- **Questions Presented (Olaf Sööt)**

- Whether the Seventh Amendment allows the Federal Circuit to reverse a jury verdict based on a *sua sponte* new claim construction of a term the district court concluded was not a term of art and construed to have its plain and ordinary meaning; where the Federal Circuit's *sua sponte* claim construction essentially recasts a specific infringement factual question, previously decided by the jury, as a claim construction issue, to be decided *de novo* by the appellate court
 - *O2 Micro* allows the Federal Circuit to turn factual determinations by a jury under plain and ordinary meaning constructions, into purported claim scope determinations for *de novo* review by appellate courts

- **Daktronics**

- The Federal Circuit properly overturned the jury verdict where the jury was left to construe the disputed element in contravention of this Court's *Markman* decision

Top Circuit Court IP Cases Decided Since 2021 IP Summit

Panel Decisions

1. ***Ohio State v. Redbubble*** (6th Cir.) (trademark)
2. ***Yu v. Apple*** (Fed. Cir.) (patent)
3. ***GlaxoSmithKline v. Teva*** (Fed. Cir.) (patent)
4. ***Hetronic Int'l v. Hetronic Germany*** (10th Cir.) (trademark)
5. ***Andy Warhol Foundation v. Goldsmith*** (2d Cir.) (copyright)
6. ***SRI v. Cisco*** (Fed. Cir.) (patent)
7. ***In re Surgisil*** (Fed. Cir.) (design patent)
8. ***Mobility Workx v. Unified Patent*** (Fed. Cir.) (patent)
9. ***California Inst. of Technology v. Broadcom*** (Fed. Cir.) (patent)

Ohio State v. Redbubble

989 F.3d 435 (6th Cir. Feb. 25, 2021)

- **Facts**

- Redbubble operates an online marketplace
- Independent artists, not employed by Redbubble, upload images onto Redbubble's website. The website places those images onto images of stock products. Consumers scroll through images of those products and place an order for a customized item.
- When there is an order, Redbubble contacts the artist and arranges for the manufacturing and shipping of the product to be done by independent third parties.
- Redbubble never takes title to any product shown on its website.
- Redbubble does not design, manufacture, or handle the products.
- Products arrive in Redbubble packaging and contain Redbubble tags.
- Redbubble's website displays and takes orders for hats/shirts bearing OSU trademark; those hats/shirts have Redbubble tags
- Is Redbubble liable for direct trademark infringement?

Ohio State v. Redbubble

989 F.3d 435 (6th Cir. Feb. 25, 2021)

- **Sixth Circuit**

- “A retailer who sells products directly to a customer at a brick-and-mortar store is indisputably a seller to whom the Lanham Act applies.”
- “An online marketplace like eBay that clearly indicates to consumers that they are purchasing goods from third-party sellers is not.”
- “One key distinction between a direct seller who ‘uses’ a trademark under the [Lanham] Act and a mere facilitator of sales who does not is the degree to which the party represents itself, rather than a third-party vendor, as the seller.”

Ohio State v. Redbubble

989 F.3d 435 (6th Cir. Feb. 25, 2021)

- **Sixth Circuit**

- “Here, ...it appears that products ordered on Redbubble’s website do not yet exist, come into being only when ordered through Redbubble, and are delivered in Redbubble packaging with Redbubble tags.”
- “Although Redbubble utilizes a third-party to manufacture goods sold on its site, the degree of control and involvement exercised by Redbubble over the manufacturing, quality control, and delivery of goods to consumers is relevant to an assessment of whether the offending goods can fairly be tied to Redbubble for the purpose of liability.”
- “The district court erred in affirmatively placing Redbubble on the passive end of the liability spectrum.... The record below lacks sufficient development of the facts to affirmatively decide this issue.”
- Summary judgment for Redbubble was improper.

Yu v. Apple

1 F.4th 1040 (Fed. Cir. June 11, 2021)

- **Facts**

- Claim 1:

- An improved digital camera, comprising:

- a first and a second image sensor ***closely positioned with respect to a common plane***, said second image sensor ***sensitive to a full region of visible color spectrum***;

- two lenses...

- said first image sensor producing a first image and said second image sensor producing a second image;

- an analog-to-digital converting circuitry coupled to said first and said second image sensor and digitizing said first and said second intensity images to produce a first digital image and a second digital image;

- an image memory...

- a digital image processor...producing ***a resultant digital image from said first digital image enhanced with said second digital image.***

Yu v. Apple

1 F.4th 1040 (Fed. Cir. June 11, 2021)

- **Federal Circuit Majority (Prost & Taranto)**

- *Alice* Step 1

- "We have approached the Step 1 directed to inquiry by asking what the patent asserts to be the focus of the claimed advance over the prior art."
 - "Each time the specification of the '289 patent suggests that a particular configuration is the asserted advance over the prior art, it does so in a four-lens, four-image-sensor configuration...."
 - What happens if actual advance over prior art is not addressed in the specification?

Yu v. Apple

1 F.4th 1040 (Fed. Cir. June 11, 2021)

- **Federal Circuit Majority (Prost & Taranto)**

- *Alice* Step 1

- “Only conventional camera components are recited to effectuate the resulting ‘enhanced’ image”
 - Patent Owner’s briefing disputes that all components (or at least all claim limitations) are “conventional.” See highlighted claim elements. Resolved on 12(b)(6) motion.
 - Claim is “directed to the abstract idea of taking two pictures...and using one picture to enhance the other”

Yu v. Apple

1 F.4th 1040 (Fed. Cir. June 11, 2021)

- **Federal Circuit Majority (Prost & Taranto)**
 - *Alice* Step 2
 - “[C]laim 1 does not include an inventive concept sufficient to transform the claimed abstract idea into a patent-eligible invention...[b]ecause claim 1 is recited at a high level of generality and merely invokes well-understood, routine, conventional components to apply the abstract idea identified above.”
 - Patent Owner’s briefing disputes that all components (or at least all claim limitations) are “conventional.” Resolved on 12(b)(6) motion.

Yu v. Apple

1 F.4th 1040 (Fed. Cir. June 11, 2021)

- **Judge Newman, dissenting**

- “[T]he majority...holds that the [claimed] camera is an abstract idea because the camera’s components were well-known and conventional and perform only their basic functions.”
- “The [claimed] camera...may or may not ultimately satisfy all the substantive requirements of patentability.... However, that does not convert a mechanical/electronic device into an abstract idea.”
- “Section 101 ineligibility does not arise simply because a device embodies minor and predictable differences from the prior art, as the majority holds.” (citing *Diehr*)
- “In the current state of Section 101 jurisprudence, inconsistency and unpredictability of adjudication have destabilized technologic development in important fields of commerce. ...The case before us enlarges this instability in all fields.”

GlaxoSmithKline v. Teva

7 F.4th 1320 (Fed. Cir. Aug. 5, 2021)

- **Facts**

- The FDA has approved carvedilol (marketed as “Coreg”) for treatment of (1) **hypertension**, (2) **congestive heart failure**, and (3) **left ventricular dysfunction (“LVD”)** following heart attack.
- GSK owned patent that covered use for **hypertension** (now expired)
- In 2004, Teva received “tentative approval” for ANDA and issued a press release to that effect (touting **all three uses**) and kept the press release on its website
- In 2007, USPTO issued notice of allowance for reissued GSK patent covering use for **congestive heart failure**; after expiration of hypertension patent, GSK told the FDA that only the “congestive heart failure” use on its label was patented
- Teva amended ANDA (and label) to carve out use for heart failure (probably because reissue application allowed)
- Teva launched sale of generic carvedilol. Teva’s “skinny label” stated that it can be used for **hypertension** and **LVD** (in patients “***with or without...heart failure***”)

GlaxoSmithKline v. Teva

7 F.4th 1320 (Fed. Cir. Aug. 5, 2021)

- **District Court**

- GSK sued Teva for infringement (by inducement) of the reissue patent (for treating heart failure)
- Teva argued no inducement from 2007-2011 since its label during that time did not promote use for heart failure (“skinny label”)
- GSK pointed to:
 - Expert testimony that “LVD” indication on Teva’s label fell within broadest claims of ’069 reissue patent, even though GSK had told the FDA that only the “congestive heart failure” indication was covered by a patent
 - 2004 press release (had stayed on website) touting “tentative approval” for all three indications, including “congestive heart failure”
 - 2007 press release (had stayed on website) touting “approval” to market “generic version” and expert testimony that it would have indicated to doctors that they could use Teva’s product “for all indications”
- Jury found inducement for both partial-label period and full-label period and awarded damages for 17% of Teva’s sales
- District court granted JMOL because Teva was not the proximate cause of allegedly induced direct infringement; doctors’/pharmacists’ choices and other sources of information for doctors were proximate cause

GlaxoSmithKline v. Teva

7 F.4th 1320 (Fed. Cir. Aug. 5, 2021)

- **Federal Circuit**

- In October 2020, panel majority (Newman & Moore) reversed grant of JMOL. Held that there was substantial evidence of inducement, even before 2011
 - Reasonable jury could have reached verdict of inducement; ambiguous whether majority relied on pre-2011 “skinny label”
- Chief Judge Prost dissented
 - No pre-2011 communication from Teva encouraged doctors to use carvedilol specifically for heart failure; specific intent is required.
 - Majority’s ruling guts Hatch-Waxman intended safe harbor for “skinny labels,” i.e., labels that only promote unpatented uses
 - Before and after 2011, doctors relied on info from other sources to prescribe carvedilol for heart failure
- Teva filed petition for rehearing en banc
- Multiple amicus briefs filed (concern about “skinny labels”)
- On Feb. 9, 2021, the panel vacated its opinion and scheduled reargument

GlaxoSmithKline v. Teva

7 F.4th 1320 (Fed. Cir. Aug. 5, 2021)

- **August 5, 2021 Opinion**

- Again reversed grant of JMOL
- “GSK provided substantial evidence that Teva’s pre-2011 partial label instructed the method of use claimed in the [reissue] patent....”
 - LVD indication and associated expert testimony
 - “Whether treating post-MI LVD patients with symptomatic heart failure with carvedilol was within the scope of the claims was a fact question . . . for the jury, not this court or the district court, to resolve.”
- “In this case, we must presume the jury found that Teva sold carvedilol with a label that instructed physicians to use it in an infringing manner. Our precedent has consistently held that, when a product is sold with an infringing label or an infringing instruction manual, such a label is evidence of intent to induce infringement.”

GlaxoSmithKline v. Teva

7 F.4th 1320 (Fed. Cir. Aug. 5, 2021)

- **August 5, 2021 Opinion**

- Jury rejected Teva’s arguments about significance of GSK’s submissions to the FDA
 - FDA is not the arbiter of patent infringement issues
 - ANDA applicants obligated to analyze patents
 - Equitable estoppel theory available on remand
- “intent is...a question of fact, and this record contained substantial evidence from which the jury could find Teva intended to infringe despite GSK’s representation to the FDA.”
 - Label
 - 2004 press release and associated expert testimony
 - 2007 press release and associated expert testimony
- Causation can be inferred from label, press releases encouraging infringing use and evidence that doctors read labels

GlaxoSmithKline v. Teva

7 F.4th 1320 (Fed. Cir. Aug. 5, 2021)

- **Judge Prost's Dissent**

- “while we give the verdict winner the benefit of ‘every favorable and reasonable inference,’ the operative word here is ‘reasonable.’ Indeed, ‘only all reasonable’ inferences need be drawn in GSK’s favor, not ‘all possible inferences.’”
- “if too many inferences must be strung together to support the verdict, the verdict is likely unsupportable”
- “inferring intentional encouragement to infringe a method—from a label that has intentionally omitted everything that the brand said covers that method—is a lot to ask of a reasonable factfinder”

GlaxoSmithKline v. Teva

7 F.4th 1320 (Fed. Cir. Aug. 5, 2021)

- **Takeaways**

- What we already knew, reinforced:
 - Winning a jury verdict at trial makes a big difference on appeal because of the “substantial evidence” standard of review
 - Chief Judge Moore is a stickler for deferential review of jury verdicts, Judge Prost less so; what’s “reasonable” to one is not “reasonable” to another
 - Labels / Instructions for use can be circumstantial evidence of intent to cause the acts that constitute direct infringement
- Generics cannot rely on brand name’s representations to FDA about patent coverage; must be careful when attempting to craft “skinny label”
- Documents posted on a website years before patent issuance can be used as evidence of inducement if they are not removed before patent issuance
- According to majority, statement of “generic equivalence” by itself (w/o, e.g., label) is not enough to show inducement

Hetronic Int'l v. Hetronic Germany

10 F.4th 1016 (10th Cir. Aug. 24, 2021)

- **Facts**

- Hetronic Int'l is a U.S. company that makes remote controls for heavy duty construction equipment
- Hetronic Germany (and other defendants) are foreign companies. They used to distribute plaintiff's products in Europe; they started making their own products and selling in Europe using Hetronic brand
- Hetronic Int'l sued in U.S. Jury awarded about \$100 million in trademark infringement damages, and court issued worldwide injunction
- Proper to sue in U.S. under Lanham Act?

Hetronic Int'l v. Hetronic Germany

10 F.4th 1016 (10th Cir. Aug. 24, 2021)

- **Tenth Circuit**

- Extraterritorial effect of Lanham Act analyzed differently in the various regional circuits
- Tenth Circuit's Framework:
 1. “[W]hen the defendant is an American citizen, ...the Lanham Act reaches that defendants’ extraterritorial conduct even when the effect on U.S. commerce isn’t substantial.”
 2. “[W]hen a plaintiff seeks to recover under the Lanham Act against a foreign national, ...the plaintiff must show that the defendant’s conduct has a substantial effect on U.S. commerce.”
 3. “[I]f a plaintiff successfully shows that a foreign defendant's conduct has had a substantial effect on U.S. commerce, courts should also consider whether extraterritorial application of the Lanham Act would create a conflict with trademark rights established under the relevant foreign law.”

Hetronic Int'l v. Hetronic Germany

10 F.4th 1016 (10th Cir. Aug. 24, 2021)

- **Tenth Circuit**

- Tenth Circuit's Analysis:

1. All defendants here were foreign nationals.
2. Substantial Effect on U.S. Commerce
 - a. Although defendants made their sales in Europe, many millions of dollars worth of products (albeit only 3% of defendants' sales) found their way into the United States, causing confusion.
 - b. Defendants' sales in Europe cost plaintiff in U.S. tens of millions of dollars in lost sales; those lost revenues would have flowed into the U.S. economy but for defendants' trademark infringement.
3. No argument that extraterritorial application of the Lanham Act would create a conflict with trademark rights established under the relevant foreign law.

- Lanham Act applies to all of defendants' conduct

Andy Warhol Foundation v. Goldsmith

11 F.4th 26 (2d Cir. Aug. 24, 2021)

- **Facts**

- Goldsmith took photograph of Prince in her studio in 1981
- In 1984, Goldsmith's agent licensed Vanity Fair to have an artist create a work based on the photo



Andy Warhol Foundation v. Goldsmith

11 F.4th 26 (2d Cir. Aug. 24, 2021)

- **Facts**

- Vanity Fair commissioned Andy Warhol to create the work based on the photo
- Warhol's work appeared in November 1984 issue:

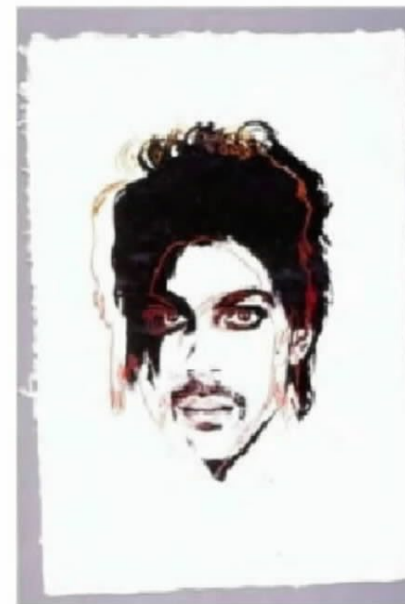
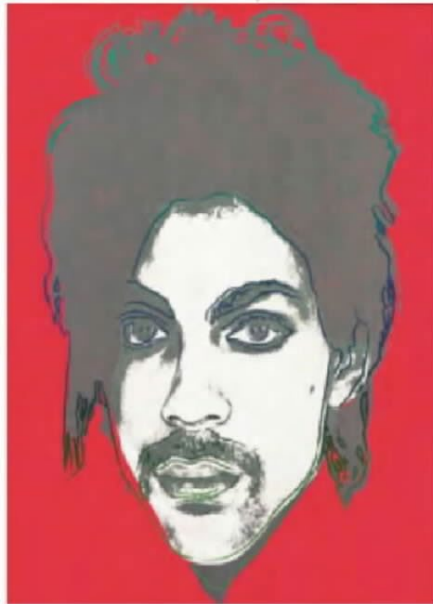


Andy Warhol Foundation v. Goldsmith

11 F.4th 26 (2d Cir. Aug. 24, 2021)

- **Facts**

- Unbeknownst to Goldsmith, Warhol also created 15 additional works, including the following images:



Andy Warhol Foundation v. Goldsmith

11 F.4th 26 (2d Cir. Aug. 24, 2021)

- **Facts**

- In 2016, Goldsmith found out about Warhol's work and claimed infringement
- Andy Warhol Foundation sued for a declaratory judgment of non-infringement; Goldsmith counterclaimed for infringement
- District court granted summary judgment of fair use, mainly based on determination that work was “transformative”

Andy Warhol Foundation v. Goldsmith

11 F.4th 26 (2d Cir. Aug. 24, 2021)

- **Second Circuit**

- “[A]n overly liberal standard of transformativeness...risks crowding out statutory protections for derivative works.”
- “[W]here a secondary work does not obviously comment on or relate back to the original or use the original for a purpose other than that for which it was created, the bare assertion of a ‘higher or different artistic use’ is insufficient to render a work transformative. Rather, the secondary work itself must reasonably be perceived as embodying a distinct artistic purpose, one that conveys a new meaning or message separate from its source material.”
- Here, “the Prince Series is not ‘transformative’ within the meaning of the first [fair use] factor.”
- “[T]here can be no meaningful dispute that the overarching purpose and function of the two works at issue here is identical...in the narrow but essential sense that they are portraits of the same person.”

Andy Warhol Foundation v. Goldsmith

11 F.4th 26 (2d Cir. Aug. 24, 2021)

- **Second Circuit**

- Factor 2: Nature of the copyrighted work
 - unpublished and creative
- Factor 3: Amount and substantiality of the use
 - “the Prince Series borrows significantly from the Goldsmith Photograph, both quantitatively and qualitatively.”
- Factor 4: Effect of the Use on the Market for the Original
 - primary markets don’t overlap but Prince Series poses a threat to Goldsmith’s licensing market
- “[The] defense of fair use fails as a matter of law.”

SRI v. Cisco

14 F.4th 1323 (Fed. Cir. Sep. 28, 2021)

- **Facts**

- SRI sued Cisco in Delaware
- Jury found infringement and awarded \$23M in damages
- Jury also found that infringement was willful
- District court awarded SRI its attorney fees and doubled the damages award
- In 1st appeal, Federal Circuit vacated and remanded
 - Jury's verdict of willful infringement before May 8, 2012 was not supported by substantial evidence because Cisco did not know of SRI's patents until after that date
 - Remand for JMOL of willfulness after May 8, 2012: **“conduct [rising] to the level of wanton, malicious, and bad-faith behavior” (citing *Halo v. Pulse* (S.Ct. 2016))**
 - Remand on enhanced damages and attorney fees because predicated on finding of willfulness

SRI v. Cisco

14 F.4th 1323 (Fed. Cir. Sep. 28, 2021)

- **Facts**

- On remand

- Court granted JMOL of no willfulness after May 8, 2012 based on standard of “**conduct [rising] to the level of wanton, malicious, and bad-faith behavior**”
 - Court denied motion to reinstate enhanced damages because of its grant of JMOL on willfulness
 - Court still found case “exceptional” and awarded attorney fees

- In 2nd appeal

- “To eliminate the confusion created by our reference to the language ‘wanton, malicious, and bad-faith’ in *Halo*, **we clarify that it was not our intent to create a heightened requirement for willful infringement.** Indeed, that sentence from *Halo* refers to ‘conduct warranting enhanced damages,’ not conduct warranting a finding of willfulness.”
 - “Under the proper test for willfulness, ... substantial evidence supports the jury's willful infringement finding”
 - “Because we reinstate the jury's willfulness verdict, we likewise restore the district court's award of double damages.”
 - No abuse of discretion in awarding attorney fees

In re SurgiSil

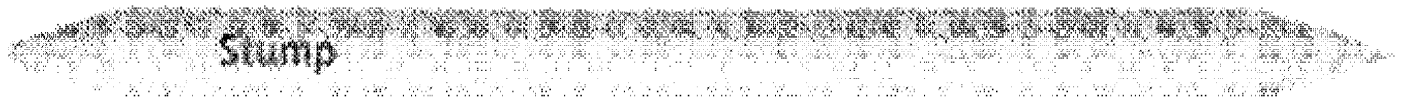
14 F.4th 1380 (Fed. Cir. Oct. 4, 2021)

- **Facts**

- Surgisil filed application for design patent, claiming “an ornamental design for *a lip implant* as shown and described”:



- The examiner rejected the claim as being anticipated by the Blick catalog, disclosing an art tool called a “stump” “for smoothing and blending large areas of pastel or charcoal”:



In re SurgiSil

14 F.4th 1380 (Fed. Cir. Oct. 4, 2021)

- **PTAB**

- The PTAB affirmed: “it is appropriate to ignore the identification of the article of manufacture in the claim language.” “[T]he fact that Blick is directed to an art supply stump, rather than a lip implant, is irrelevant to whether Blick anticipates the claimed design.”
 - *In re Glavas*, 230 F.2d 447, 450 (CCPA 1956) (dicta): “It is true that the use to which an article is to be put has no bearing on its patentability as a design and that ***if the prior art discloses any article of substantially the same appearance as that of an applicant, it is immaterial what the use of such article is.***”

In re SurgiSil

14 F.4th 1380 (Fed. Cir. Oct. 4, 2021)

- **Federal Circuit**

- “A design claim is limited to the article of manufacture identified in the claim; it does not broadly cover a design in the abstract.”
- “Accordingly, in *Curver* [938 F.3d 1334 (Fed. Cir. 2019)], we held that the claim at issue was limited to the particular article of manufacture identified in the claim, i.e., a chair.”
 - Figures illustrated a surface pattern disembodied from any article of manufacture, but title and claim of design patent referred to a chair
 - Court concluded that basket using surface pattern did not infringe
- “Here, the claim identifies a lip implant.... As such, the claim is limited to lip implants and does not cover other articles of manufacture.”
- “There is no dispute that Blick discloses an art tool rather than a lip implant.” Examiner/PTAB reversed.
- Holding that intended uses for an article have patentable weight for design patents?

Mobility Workx v. Unified Patents

15 F.4th 1146 (Fed. Cir. Oct. 13, 2021)

- **Facts**

- Mobility owns the '417 patent
- Mobility sued T-Mobile and Verizon in E.D. Tex.
- Unified Patents filed an IPR petition on 7 claims
- PTAB issued final written decision that 5 claims unpatentable, 2 claims were patentable
- Mobility argues on appeal that there is a Due Process violation because PTAB judges “have an impermissible financial interest in instituting AIA proceedings”
 - Arg No. 1: Chief APJ, Deputy Chief APJ, and Vice Chief APJ oversee fiscal planning and expenditures for PTAB; PTAB gets more fees if IPRs are instituted
 - Arg No. 2: APJs get greater performance bonuses and salary increases if IPRs are instituted

Mobility Workx v. Unified Patents

15 F.4th 1146 (Fed. Cir. Oct. 13, 2021)

- **Federal Circuit Majority (Dyk & Schall)**

- Arg. No. 1:

- Chief APJ, Deputy Chief APJ, and Vice Chief APJ assist the Director by preparing budget requests and executing the operating budget, but the Director has responsibility for USPTO's budgetary request.
 - More fundamentally, Congress is the one that appropriates funds to the PTO / PTAB
 - A similar challenge was rejected with respect to *ex parte* reexamination proceedings

- Arg. No. 2:

- “Even though an APJ will earn decisional units for a follow-on merits decision if he or she issues a decision instituting an AIA proceeding, there has been no showing that APJs institute AIA proceedings to earn sufficient decisional units to qualify for a bonus.”
 - “[E]ven if there were an incentive to institute AIA proceedings to earn decisional units, any interest APJs have in instituting AIA proceedings to earn decisional units would be too remote to constitute a due process violation.”

California Institute of Tech. v. Broadcom

2022 WL 333669 (Fed. Cir. Feb. 4, 2022)

- **Facts**

- CalTech sued Broadcom and Apple for infringement of three patents (accused Broadcom chips used in Apple devices)
- Apple filed multiple IPR petitions
- The PTAB issued final written decisions in the IPRs concluding that Apple had failed to show unpatentability
- In the district court, Apple and Broadcom argued obviousness over additional combinations of prior art not asserted in the IPRs
- CalTech moved for summary judgment of no invalidity based on IPR estoppel

California Institute of Tech. v. Broadcom

2022 WL 333669 (Fed. Cir. Feb. 4, 2022)

- **35 USC 315(e)(2) & *Shaw***

- 35 USC 315(e)(2): “The petitioner in an inter partes review of a claim in a patent...that results in a final written decision...may not assert...that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.”
- In pre-SAS partial institution days, Federal Circuit’s *Shaw* decision held that IPR estoppel would not bar petitioner from arguing a non-instituted ground in district court because an IPR “does not begin until it is instituted” and therefore could not have been raised “during” the IPR.
- This reasoning caused some district courts to conclude that estoppel only applied to grounds addressed “during” the IPR, even though statute also precludes grounds that “reasonably could have been raised”

California Institute of Tech. v. Broadcom

2022 WL 333669 (Fed. Cir. Feb. 4, 2022)

- **Federal Circuit**

- “[T]he Supreme Court’s decision in *SAS* makes clear that *Shaw* . . . cannot be sustained. . . . Accordingly, we take this opportunity to overrule *Shaw* and clarify that estoppel applies not just to claims and grounds asserted in the petition and instituted for consideration by the Board, but to all claims and grounds not in the IPR but which reasonably could have been included in the petition.”
- Since Apple and Broadcom were aware of the new prior art used in district court when Apple filed its IPR petitions, arguments based on that prior art “reasonably could have been raised” in the petitions and summary judgment of IPR estoppel affirmed.

IP Cases: The Year in Review

David R. Todd
Angela L. Silvers
February 18, 2022

