Substantive defenses to assertions of infringement of a U.S. utility patent. Hyperlinks to hundreds of S. Ct., Fed. Cir. (mostly since 2004) and CCPA decisions, and a few BPAI/PTAB decisions. Developments since July 1, 2017, are highlighted. “FITF” = applies only to first-inventor-to-file regime patents. For other impacts of 2011 Leahy-Smith America Invents Act, search “AIA.” This training document is a running digest and commentary since 2004 on new decisions as they issue, with limited later editing. It is not designed to be complete, balanced, or even fully reliable. Citations omitted throughout. ("REDACTED" replaces internal training tips.) Feedback to patentdefenses@klarquist.com.

Sample Tips

1. FITF TIPS: Don’t Miss 9-Month-From-Issuance Deadline To File PGR Against FITF Patent: Petition for PGR of a FITF patent (e.g., child of asserted patent) must be filed within 9 months of issuance/re-issuance. 35 U.S.C. § 321(c). Any patent filed after March 15, 2013, might be an FITF patent.

2. TIPS: Do Not Assume “Continuation” Or Non-Provisional Claims Can Be Backdated: Do not assume that claims can be backdated to filing date of parent or provisional app. under Secs. 119/120, Research Corp. Tech. (Fed. Cir. 12/08/10), e.g., when conducting FITF analysis.

3. TIPS: Limit DJ Complaint To Non-Infringement: Asserting invalidity in DJ complaint bars DJ plaintiff from filing for AIA inter partes or post grant review, see 35 U.S.C. § 315(a)(1), 325(a)(1); GTNX (Fed. Cir. 06/16/15), but raising invalidity as defense to infringement counterclaim in the DJ action does not.

4. TIPS: Do More In Markman: Seek construction that “claim as a whole” is directed to abstract idea, Bilski v. Kappos (U.S. 06/28/2010) (101); claim covers multiple techniques (where Spec. enables or adequately describes only one), Eli Lilly (Fed. Cir. 09/01/10) (112(1/a)); claim language limits claimed method, etc. not just claimed environment, Advanced Software (Fed. Cir. 06/02/11) (271); claim language has no “patentable weight,” AstraZeneca (Fed. Cir. 11/01/10) (102/103); and/or is “indefinite,” Interval (Fed. Cir. 09/10/14) (112(2/b)).

First-to-File Regime Effective Date (FITF): “(n) Effective Date- (1) IN GENERAL- Except as otherwise provided in this section, the amendments made by this section shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act [Mar. 16, 2013], and shall apply to any application for patent, and to any patent issuing thereon, that contains or contained at any time--
(A) a claim to a claimed invention that has an effective filing date as defined in section 100(i) of title 35, United States Code, that is on or after the effective date described in this paragraph; or
(B) a specific reference under section 120, 121, or 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.

(2) INTERFERING PATENTS- The provisions of sections 102(g), 135, and 291 of title 35, United States Code, as in effect on the day before the effective date set forth in paragraph (1) of this subsection, shall apply to each claim of an application for patent, and any patent issued thereon, for which the amendments made by this section also apply, if such application or patent contains or contained at any time--
(A) a claim to an invention having an effective filing date as defined in section 100(i) of title 35, United States Code, that occurs before the effective date set forth in paragraph (1) of this subsection; or
(B) a specific reference under section 120, 121, or 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.” (AIA, § 3(n)). Cf. Biogen (Fed. Cir. 05/07/15) (“the effective date provisions in the AIA are far from a model of clarity;” applications filed before March 16, 2013, remain subject to interference proceedings, but pre-AIA § 146 (trial court) review was eliminated for interference proceedings declared after September 15, 2012.)
5. **TIPS: Consider Early Disclosure Of “No Direct Infringement” Grounds In View Of Commil USA and Octane Fitness**: Consider early, non-settlement letter to Plaintiff explaining why there is no direct infringement (to help negate scienter element of indirect infringement and/or willful infringement) and other defenses (to support attorney fees award).

6. **TIPS: Seek Admissions To Trigger i4i Jury Instruction**: Seek admissions in RFAs, expert depositions, etc., that our lead invalidity evidence “differs from that evaluated by the PTO” and/or “is materially new”—all issues the jury may be asked to consider, per i4i (U.S. 06/09/2011).

7. **TIPS: Take Advantage Of Skeletal Spec.**: Failure of Spec. to describe particular implementation of a claim-recited element or result can be used as admission that element or result was conventional, for a Sec. 101, 102 or 103 defense. Cf. In re Fox (CCPA 02/01/73) (claim elements not described in detail in the Spec. are presumed to be known to those of ordinary skill in the art).

8. **TIPS: Explore Immediate Redesign**: Promptly adopting safe redesign stops damages period, may cap past damages amount, and may defeat inducement intent under Ricoh (Fed. Cir. 12/23/08). Instructing customers how to avoid infringement also may avoid inducement intent. Id.

9. **TIPS: Cite 135 Years Of S. Ct. Warnings Of Risk Of Patents Impeding Innovation**: Balance presumption of validity with explanation of PUBLIC POLICIES LIMITING PATENTS.
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A. **PUBLIC POLICIES LIMITING PATENTS**

- **Imitation Is Necessary To Invention**: “Patent law reflects ‘a careful balance between the need to promote innovation’ through patent protection, and the importance of facilitating the ‘imitation and refinement through imitation’ that are ‘necessary to invention itself and the very lifeblood of a competitive economy.’” *Halo* (U.S. 06/13/2016).

- **The Court Has Carefully Guarded The Public’s Right To Use Unpatentable And Formerly Patented Inventions**: “This Court has carefully guarded that [patent-expiration] cut-off date, just as it has the patent laws’ subject-matter limits: In case after case, the Court has construed those laws to preclude measures that restrict free access to formerly patented, as well as unpatentable, inventions.” *Kimble* (U.S. 06/22/2015) (6-3).

- **Public Interest In Limiting Patents To Legitimate Scope**: “The public interest, of course, favors the maintenance of a well-functioning patent system. But the ‘public’ also has a ‘paramount interest in seeing that patent monopolies . . . are kept within their legitimate scope.’ *Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co.*, 324 U.S. 806, 816 (1945). A patentee ‘should not be . . . allowed to exact royalties for the use of an idea . . . that is beyond the scope of the patent monopoly granted.’ *Blonder-Tongue Laboratories, Inc. v. University of Ill. Foundation*, 402 U.S. 313, 349–350 (1971).” *Medtronic* (U.S. 01/22/2014) (patent owner has burden of persuasion in a licensee’s DJ action seeking to avoid royalty payments on certain products), rev’g, *Medtronic* (Fed. Cir. 09/18/12).

- **Patents Are A “Two-Edged Sword”**: “Patent protection is, after all, a two-edged sword. On the one hand, the promise of exclusive rights provides monetary incentives that lead to creation, invention, and discovery. On the other hand, that very exclusivity can impede the flow of information that might permit, indeed spur, invention, by, for example, raising the price of using the patented ideas once created, requiring potential users to conduct costly and time-consuming searches of existing patents and pending patent applications, and requiring the negotiation of complex licensing arrangements.” *Mayo Collaborative Serv. v. Prometheus Labs.* (U.S. 03/20/2012) (unanimous).

- **Patents On Obvious Combinations Harm Public**: “For over a half century, the Court has held that a ‘patent for a combination which only unites old elements with no change in their respective functions . . . obviously withdraws what is already known into the field of its monopoly and diminishes the resources available to skillful men.’ *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147, 152 (1950). This is a principal reason for declining to allow patents for what is obvious. . . . Granting patent protection to advances that would occur in the ordinary course without real innovation retards progress and may, in the case of patents combining previously known elements, deprive prior inventions of their value or utility.” *KSR* (U.S. 04/30/2007) (unanimous).

- **Clear Claiming Is Essential**: “The patent laws ‘promote the Progress of Science and useful Arts’ by rewarding innovation with a temporary monopoly. U.S. Const., Art. I, § 8, cl. 8. The monopoly is a property right; and like any property right, its boundaries should be clear. This clarity is essential to promote progress, because it enables efficient investment in innovation. A patent holder should know what he owns, and the public should know what he does not. For this reason, the patent laws require inventors to describe their work in ‘full, clear, concise, and exact terms,’ 35 U.S.C. § 112, as part of the delicate balance the law attempts to maintain between inventors, who rely on the promise of the law to bring the invention forth, and the public, which should be encouraged to pursue innovations, creations, and new ideas beyond the inventor’s exclusive rights. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150 (1989).” *Festo* (U.S. 05/28/2002) (unanimous) (but also noting shortcomings of language creates need for doctrine of equivalents).
• A Carefully Crafted Bargain: “...the patent system represents a carefully crafted bargain that encourages both the creation and the public disclosure of new and useful advances in technology, in return for an exclusive monopoly for a limited period of time. The balance between the interest in motivating innovation and enlightenment by rewarding invention with patent protection on the one hand, and the interest in avoiding monopolies that unnecessarily stifle competition on the other, has been a feature of the federal patent laws since their inception.” Pfaff (U.S. 11/10/1998) (unanimous).

• Patent System Has Three Purposes: “[W]e reviewed the purposes of the federal patent system. First, patent law seeks to foster and reward invention; second, it promotes disclosure of inventions to stimulate further innovation and to permit the public to practice the invention once the patent expires; third, the stringent requirements for patent protection seek to assure that ideas in the public domain remain there for the free use of the public.” Aronson (U.S. 02/28/1979) (patent law does not preclude contract requiring indefinite royalties on product incorporating invention is that subject of pending patent application, if a patent is not granted.)

• Patents Are Monopolies Which Must Be Kept Within Their Legitimate Scope: “Although recognizing the patent system’s desirable stimulus to invention, we have also viewed the patent as a monopoly which, although sanctioned by law, has the economic consequences attending other monopolies. A patent yielding returns for a device that fails to meet the congressionally imposed criteria of patentability is anomalous. This Court has observed: ‘A patent by its very nature is affected with a public interest. . . . [I]t is an exception to the general rule against monopolies and to the right to access to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope.” Blonder Tongue (U.S. 05/03/1971) (unanimous) (citations and fn omitted).

• Public Policy Encourages Challenges To Patents: “[T]he equities of the licensor do not weigh very heavily when they are balanced against the important public interest in permitting full and free competition in the use of ideas which are in reality a part of the public domain. Licensees may often be the only individuals with enough economic incentive to challenge the patentability of an inventor's discovery. If they are muzzled, the public may continually be required to pay tribute to would-be monopolists without need or justification.” Lear (U.S. 06/16/1969); see MCM Portfolio (Fed. Cir. 12/02/15) (IPR statute constitutional; Congress “saw powerful reasons to utilize the expertise of the PTO for an important public purpose—to correct the agency’s own errors in issuing patents in the first place.”)

• Prerequisites And Limitations On Patents Are “Strictly” Observed And Enforced: “But in rewarding useful invention, the ‘rights and welfare of the community must be fairly dealt with and effectually guarded.’ To that end the prerequisites to obtaining a patent are strictly observed, and when the patent has issued the limitations on its exercise are equally strictly enforced. To begin with, a genuine ‘invention’ or ‘discovery’ must be demonstrated ‘lest in the constant demand for new appliances the heavy hand of tribute be laid on each slight technological advance in an art.’ Once the patent issues, it is strictly construed, it cannot be used to secure any monopoly beyond that contained in the patent, the patentee’s control over the product when it leaves his hands is sharply limited, and the patent monopoly may not be used in disregard of the antitrust laws.” Sears, Roebuck & Co. (U.S. 03/09/1964) (citations omitted).

• Balancing Inducement To Invention Vs. Embarrassment Of A Private Monopoly: According to Thomas Jefferson, “the patent monopoly was not designed to secure to the inventor his natural right in his discoveries. Rather, it was a reward, an inducement, to bring forth new knowledge. The grant of an exclusive right to an invention was the creation of society—at odds with the inherent free nature of disclosed ideas—and was not to be freely given. Only
inventions and discoveries which furthered human knowledge, and were new and useful, justified
the special inducement of a limited private monopoly. Jefferson did not believe in granting patents
for small details, obvious improvements, or frivolous devices. His writings evidence his insistence
upon a high level of patentability. As a member of the patent board for several years, Jefferson
saw clearly the difficulty in ‘drawing a line between the things which are worth to the public the
embarrassment of an exclusive patent, and those which are not.’ … The inherent problem
was to develop some means of weeding out those inventions which would not be disclosed or
devised but for the inducement of a patent.” Graham (U.S. 02/21/1966).

- **Functional Patent Claims And Unclear Claims Impede Progress:** “The statutory
requirement of particularity and distinctness in claims is met only when they clearly distinguish
what is claimed from what went before in the art and clearly circumscribe what is foreclosed from
future enterprise. A zone of uncertainty which enterprise and experimentation may enter only at
the risk of infringement claims would discourage invention only a little less than unequivocal
foreclosure of the field.” United Carbon (U.S. 12/07/1942) (unanimous); accord Halliburton Oil
(U.S. 11/18/1946) (“unless frightened from the course of experimentation by broad functional
claims like these, inventive genius may evolve many more devices to accomplish the same
purpose.” “A patentee cannot obtain greater coverage by failing to describe his invention than by
describing it as the statute commands.”)

- **Patents Can Create A “Class Of Speculative Schemers”:** “The design of the patent laws is to
reward those who make some substantial discovery or invention, which adds to our knowledge and
makes a step in advance in the useful arts. Such inventors are worthy of all favor. It was never
the object of those laws to grant a monopoly for every trifling device, every shadow of
a shade of an idea, which would naturally and spontaneously occur to any skilled
mechanic or operator in the ordinary progress of manufactures. Such an indiscriminate
creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a
class of speculative schemers who make it their business to watch the advancing wave
of improvement, and gather its foam in the form of patented monopolies, which enable
them to lay a heavy tax upon the industry of the country, without contributing anything
to the real advancement of the arts. It embarrasses the honest pursuit of business with fears
and apprehensions of concealed liens and unknown liabilities to lawsuits and vexatious accountings
for profits made in good faith.” Atlantic Works (U.S. 1883) (unanimous).

- **TIPS:**
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**B. **UNDER-UTILIZED DEFENSES

- Below are nine under-utilized possible substantive defenses to a charge of patent infringement,
described herein. Some are well-established; others are theories.

- **TIPS:**
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**C. **CLAIM CONSTRUCTION

1. **Who Decides What When?**

- **BASICS: Who Decides What?:**
  - Trial Stage: “The construction of a patent, including terms of art within its claim, is
    exclusively within the province of the court,” not a jury. Markman (U.S. 04/23/1996), aff’g,
    Markman (Fed. Cir. 04/05/95) (en banc) (“in a case tried to a jury, the court has the power
    and obligation to construe as a matter of law the meaning of language used in the patent
claim.”); **Teva Pharm. II** (U.S. 01/20/2015) (7-2) (in construing a claim, “courts may have to resolve subsidiary factual disputes,” but “the ultimate question of construction will remain a legal question” even if “a factual finding may be nearly dispositive.”); **Winans** (U.S. 1854) (“construing the patent . . . is a question of law.”). “The presentation of expert testimony on the meaning of a claim term does not transform the question from one of law to one of fact.” **Lighting Ballast II** (Fed. Cir. 02/21/14) (en banc) (6-4) (rev’g trial court’s claim construction and reversing trial court’s holding that claim not indefinite), vacated ivo **Teva** (U.S. 01/26/2015), on remand **Lighting Ballast III** (Fed. Cir. 06/23/15) (aff’g trial court’s claim construction that claim term did not trigger Sec. 112(6/f) and claim is not indefinite). The construction of a patent claim is more akin to the construction of deeds and contracts than to the construction of a statute. **Teva Pharm. II** (U.S. 01/20/2015) (7-2).

Appellate Stage: Review is **de novo** except for fact findings, if any, regarding disputed extrinsic evidence, which facts the appellate court must accept unless clearly erroneous. **Teva Pharm. II** (U.S. 01/20/2015) (7-2) (in context of defense that claim language “molecular weight of 5 to 9 kilodaltons,” is indefinite: overturning Fed. Cir.’s long-standing purely “**de novo**” review of claim constructions (e.g., **Cybor** (Fed. Cir. 03/25/98) (en banc); **Lighting Ballast II** (Fed. Cir. 02/21/14) (en banc), vacated ivo **Teva** (U.S. 01/26/2015), on remand **Lighting Ballast III** (Fed. Cir. 06/23/15) (aff’g trial court’s claim construction that claim term did not trigger Sec. 112(6/f) and claim is not indefinite). When evidence is extrinsic to the patent and its prosecution history, such as “the background science or the meaning of a term in the relevant art during the relevant time period,” a trial court’s “subsidiary factual findings about that extrinsic evidence” “must be reviewed for clear error on appeal,” under Fed. R. Civ. P. 52(a)(6). **Teva Pharm. II** (U.S. 01/20/2015) (also mentioning “‘credibility judgments’ about witnesses.”) While the “ultimate conclusion about claim meaning in the context of th[e] patent,’ … is a legal question … what a person of ordinary skill would understand ‘vitamin B12’ to mean in different contexts is a question of fact.” **Eli Lilly** (Fed. Cir. 01/12/17) (aff’g “vitamin B12” not indefinite); **Apple VI** (Fed. Cir. 10/07/16) (en banc) (7-3) (“The Supreme Court made clear that the factual components [of claim construction] include `the background science or the meaning of a term in the relevant art during the relevant time period.’”)

Note: **Teva Pharm. Fact Dispute vs. Legal Conclusion**: The meaning of “molecular weight” in the claim depended in part on graphs in the Spec. The experts disputed whether a skilled artisan would understand that converting data from a chromatogram to molecular weight distribution curves like those in patent cause the peak on each curve to shift slightly. District court credited patent owner expert’s testimony and “based on that factual finding, the District Court reached the legal conclusion that figure 1 did not undermine Teva’s argument that molecular weight referred to the first method of calculation (peak average molecular weight).”

Note: Fed. Cir. Mostly Bypasses “Clear Error” Review. E.g. By Deeming Extrinsic Evidence Immaterial: See **Unwired Planet** (Fed. Cir. 11/21/16) (non-precedential) (although trial court discussed extrinsic evidence it made no reviewable factual findings regarding that evidence, so **de novo** review); **Wundaformer** (Fed. Cir. 02/16/17) (non-precedential) (**de novo** review because “the district court’s claim construction mentioned a subsidiary fact finding based on extrinsic evidence, but the district court’s construction did not rely on that extrinsic evidence.”); **Profectus** (Fed. Cir. 05/26/16) (dictionary definition of claim term “mountable” “does not inform the analysis. We see no reason to depart from the intrinsic record”); **Cardsoft** (Fed. Cir. 12/02/15) (remand from S. Ct.) (again rev’g trial court
construction of “virtual machine” as too broad; no deference because no fact finding based on extrinsic evidence; despite panel relying on prior case decisions defining the claim term; Avid Tech. (Fed. Cir. 01/29/16) (reviewing de novo because decision based on intrinsic record, “not on any evidence about extra-patent understandings of language or about other facts”). Post-Teva, Fed. Cir. disregards subsidiary fact findings, and reviews de novo, when it can construe claims based on intrinsic evidence alone. Microsoft (Proxyconn) (Fed. Cir. 06/16/15) (reviewing PTAB constructions de novo. “To the extent the Board considered extrinsic evidence when construing the claims, we need not consider the Board’s findings on that evidence because the intrinsic record is clear.”); Eidos Display (Fed. Cir. 03/10/15) (“because the meaning of the claim at issue is clear in view of the intrinsic record and undisputed facts, we also review [claim construction] de novo. To the extent the district court considered extrinsic evidence in its claim construction order or summary judgment order, that evidence is ultimately immaterial because the intrinsic record is clear.”); Shire Dev. II (Fed. Cir. 06/03/15) (despite district court having heard expert testimony, there is no indication district court made fact findings and “we review the district court’s constructions de novo, as the intrinsic evidence fully determines the proper constructions.”) But, it has also reviewed for clear error or substantial evidence findings based on extrinsic evidence. In re Nuvasive (Fed. Cir. 05/31/17) (non-precedential) (vacating obviousness decision for too broad construction; “the Board relied on expert testimony in reaching its claim construction, and we review its interpretation of that testimony, a factual matter, for reasonableness under the substantial evidence standard.”); E2Interactive (Fed. Cir. 05/11/17) (non-precedential) (aff’g PTAB broad construction based in part on “substantial evidence” review of findings based on extrinsic evidence); Lighting Ballast III (Fed. Cir. 06/23/15) characterizing as fact findings: (1) POSA understood term “voltage source means” “to connote a class of structures, namely a rectifier, or structure to rectify the AC power line into a DC voltage for the DC input terminals;” (2) POSA would understand that “rectifier is, at least in common uses, the only structure that would provide” the function recited after word “means”); Cephalon (Fed. Cir. 06/17/15) (non-precedential) (reviewing for clear error, and aff’g findings about “widely accepted” meaning of the claim term in technical field); Enzo II (Fed. Cir. 03/16/15) (2-1) (reversing broad construction; dictum that expert testimony regarding meaning of example in Spec. would trigger clear-error review.)

Note: “Substantial Evidence” Review Standard (From PTAB) vs. “Clear Error” Review Standard (From Trial Court): “Substantial evidence is something less than the weight of the evidence but more than a mere scintilla of evidence.’ It is `such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.” In re Nuvasive (Fed. Cir. 12/07/16). A “finding is `clearly erroneous’ when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed.” This standard plainly does not entitle a reviewing court to reverse the findings of the trier of fact simply because it is convinced that it would have decided the case differently. The reviewing court oversteps the bounds of its duty under Rule 52(a) if it undertakes to duplicate the role of the lower court. ‘In applying the clearly erroneous standard to the findings of a district court sitting without a jury, appellate courts must constantly have in mind that their function is not to decide factual issues de novo.’ If the district court’s account of the evidence is plausible in light of the record viewed in its entirety, the court of appeals may not reverse it even though convinced that had it been sitting as the trier of fact, it would have
weighed the evidence differently. Where there are two permissible views of the
evidence, the factfinder's choice between them cannot be clearly erroneous."

Anderson (U.S. 03/19/1985).

- Note: Fed. Cir. Sometimes Engages In Own “Extrinsic Evidence” Fact Finding: In
re LF Centennial (Fed. Cir. 06/29/16) (non-precedential) (rev'g PTAB BRI and
anticipation decision, in part on non-technical dictionary definition of "spine":
review PTAB's construction de novo where "not based on any outside-the-patent
understandings of technical language or other facts"); HBAC Matchmaker (Fed.
Cir. 05/31/16) (non-precedential) (rev'g narrow construction of "head-end system"
(not used in Spec.) as limited to television systems (as in all embodiments), relying
in large part on dictionary and other extrinsic evidence that trial court had not
cited, and noting that Spec. does not disclaim use with Internet).

- Note: Impact On Appeals From PTAB Similar: “Substantial evidence” standard will
apply wherever “clear error” would apply if appeal from district court. In re Cuozzo
(Fed. Cir. 02/04/15) (2-1) (“We review underlying factual determinations
concerning extrinsic evidence for substantial evidence and the ultimate
construction of the claim de novo.”; supporting “broadest reasonable
interpretation” standard in inter partes reviews), rehearing en banc denied (Fed.
Cir. 07/08/15) (6-5) (five Judges against applying “broadest reasonable
interpretation” in PTAB trials); new panel opinion (Fed. Cir. 07/08/15), aff'd on
other grounds (U.S. 06/20/2016) (aff'g PTO has authority to apply its “broadest
reasonable construction” standard in IPRs per statute's grant to PTO to issue rules
“governing inter partes review,” which is not limited to procedural rules; aff'g
statute bars review of PTO determination that petition presents “reasonable
likelihood” of success or objection grounded “in a statute closely related to that
decision to institute” IPR); but see Oracle (Fed. Cir. 03/20/15) (non-precedential)
("we need not consider whether Teva also changes our standard of review on
appeals from the Board.")

- **TIPS Re TEVA:**
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- **Trial Court Must Resolve Construction Dispute For The Jury:** Trial courts have a duty to
  inform jurors of the court's claim-construction rulings on all disputed claim terms and of the jury's
  obligation to adopt and apply the construction during deliberations. Sulzer Textil (Fed. Cir.
  12/09/03); NobelBiz (Fed. Cir. 07/19/17) (non-precedential) (2-1) (vacating jury verdict of
  infringement, and construing three disputed claim terms, and remanding for new trial; error to
  instruct jury that the claim terms had “plain and ordinary meaning” and allow experts to testify to
  the parties' different constructions: “the district court must provide a construction because ‘the
  parties disputed not the meaning of the words themselves, but the scope that should be
  encompassed by th[e] claim language.”"); O2 Micro (Fed. Cir. 04/03/08) (“When the parties raise
  an actual dispute regarding the proper scope of these claims, the court, not the jury, must resolve
  that dispute."); Eon (Fed. Cir. 02/29/16) (2-1) (rev'g denial of JMOL of no infringement; error to
  instruct jury to give terms “mobile” and “portable” their “plain and ordinary meaning” where there
  was an unresolved contested dispute over whether that meaning included “fixed or stationary
  products that are only theoretically capable of being moved”); Clare (Fed. Cir. 03/31/16) (rejecting
  argument that meaning was “readily apparent to a layperson”; district court properly resolved
  “fundamental dispute” between parties about meaning of term “external appearance”); Creative
  Internet (Fed. Cir. 04/22/11) (non-precedential) (“The district court's refusal to instruct the jury on
  the question whether the claim required all three elements to operate on the same message had
  the effect of leaving a critical question of claim construction to the jury. The court erred in leaving
a central question of claim construction to the jury over Yahoo!’s objection.”; Every Penny Counts (Fed. Cir. 04/30/09) (“The court’s obligation is to ensure that questions of the scope of the patent claims are not left to the jury.”) Court must give parties opportunity to be heard on proper claim construction. TNS Media (Fed. Cir. 09/16/15) (non-precedential) (vacating sua sponte construction of term used in parties’ stipulated construction). But see Nuance (Fed. Cir. 02/22/16) (no need to resolve parties’ dispute over meaning of an agreed construction); Summit 6 (Fed. Cir. 09/21/15) (court need not construe jury words “in common parlance” and no special meaning in the art); Finjan (Fed. Cir. 11/04/10) (where plaintiff argues “ordinary meaning” and defendant offers a construction that the trial court rejects in favor of “ordinary meaning,” and then defendant offers same construction at trial (to explain the “ordinary meaning”), O2 Micro does not govern: “By doing so, Defendants attempted to resurrect a claim construction that the district court already rejected, without offering a new definition. Restating a previously settled argument does not create an ‘actual dispute regarding the proper scope of the claims’ within the meaning of O2 Micro. In this situation, the district court was not obligated to provide additional guidance to the jury.”); ActiveVideo (Fed. Cir. 08/24/12) (rejecting argument that trial court violated O2 Micro: “The district court did not err in concluding that these terms have plain meanings that do not require additional construction.”); LifeNet (Fed. Cir. 09/16/16) (no O2 Micro issue where party failed to request district court to modify the claim construction to the one advocated on appeal). Cf. Homeland Housewares (Fed. Cir. 08/04/17) (2-1) (reversing anticipation decision; PTAB must construe claim disputed claim term before deciding no anticipation).

2. How Construed?

• May Revise Construction During Trial: Permissible to revise claim construction at trial, e.g., based on experts’ testimony about the technology. Pressure Prod. (Fed. Cir. 03/24/10).

• Trial Court Cannot Change Claim Construction Post Verdict: Post-verdict, court may make explicit what should have been obvious to the jury, but cannot change or add to the construction. Wi-LAN (Fed. Cir. 01/08/16) (reinstating jury verdict of invalidity); see Akamai Tech. V (Fed. Cir. 11/16/15) (party cannot seek narrower construction during jury instruction phase, after most of trial completed, having stipulated to construction during Markman stage).

• Give Non-Construed Claim Language Its Lay Meaning: “where the parties and the district court elect to provide the jury only with the claim language itself, and do not provide an interpretation of the language in the light of the specification and the prosecution history, …[t]he verdict must be tested by the charge actually given and by giving the ordinary meaning of the language of the jury instruction.” Hewlett-Packard (Fed. Cir. 08/07/03); Asetek I (Fed. Cir. 12/06/16), modified on other grounds, Asetek II (Fed. Cir. 04/03/17) (aff’g infringement judgment; quoting with approval Hewlett-Packard); Koninklijke Philips (Fed. Cir. 07/28/16) (non-precedential) (where court did not construe claim language, whether prior art discloses element is “a factual question left to the jury for resolution based on the ordinary meaning of the claims”); but see Ceats (Fed. Cir. 04/26/13) (non-precedential) (aff’g jury verdict of anticipation by analyzing how jury was permitted to understand unconstrued term “set” in view of the Spec.’s use of that term).

• Give Construction Language Its Lay Meaning?: Yes: Cordis (Fed. Cir. 09/28/11) (citing Hewlett-Packard for support); cf. Mformation Tech. (Fed. Cir. 08/22/14) (aff’g JMOL of no infringement based on trial court’s clarification of construction given to jury; citing Cordis with approval). No: Power-One (Fed. Cir. 03/30/10) (upholding claim construction as sufficiently precise because it would have been understood by one of ordinary skill in the art reading the Spec.).
to a person of ordinary skill in the art at the time of the invention, the district court must then
conduct a legal analysis: whether a skilled artisan would ascribe that same meaning to that term
in the context of the specific patent claim under review.”); on remand Teva Pharm. III (Fed. Cir.
06/18/15) (2-1) (“The meaning one of skill in the art would attribute to the term molecular weight
in light of its use in the claims, the disclosure in the specification, and the discussion of this term
in the prosecution history is a question of law;” accepting but discounting trial court finding that
statement in prosecution history was scientifically incorrect.) While the patent’s prosecution history
and dictionaries may be helpful, the Spec. is “the single best guide to the meaning of a disputed
[claim] term.” Phillips (Fed. Cir. 07/12/05) (en banc). Court may not rely on dictionary or treatise
to “contradict any definition found in or ascertained by a reading of the patent documents.” Id.
“Properly viewed, the ‘ordinary meaning’ of a claim term is its meaning to the ordinary artisan after
reading the entire patent.” Id.; Wasica Finance (Fed. Cir. 04/04/17) (aff’g PTAB’s broad Phillips
construction of expired claims: “If the intrinsic record supports several definitions of a term, the
term may be construed to encompass all such consistent meanings.”); United Video (Fed. Cir.
04/08/14) (non-precedential) (“The words of a claim are generally given their ordinary and
customary meaning, which is the meaning that a term would have to a person of ordinary skill in
the art after reviewing the intrinsic record at the time of the invention.”); Lexion Med. (Fed. Cir.
04/22/11) (“The customary meaning of a claim term is not determined in a vacuum and should be
harmonized, to the extent possible, with the intrinsic record, as understood within the technological
field of the invention.”); Kaneka (Fed. Cir. 06/10/15) (rejecting dictionary-definition construction
of claim term “sealed,” even though term not defined or used in Spec., because inconsistent with
all disclosed embodiments in Spec. and thus contrary to meaning ascertainable from Spec.);
Virginia Innovation (Fed. Cir. 06/09/15) (non-precedential) (vacating and remanding summary
judgment for more record evidence of how skilled artisans would have understood “what appears
to be a term with an established technical meaning in the art.”). Cf. King (U.S. 06/25/2015)
(declining to give the statutory phrase “the State that established the Exchange” its most natural
meaning”: “‘But oftentimes the ‘meaning—or ambiguity—of certain words or phrases may only
become evident when placed in context.’ So when deciding whether the language is plain, we
must read the words ‘in their context and with a view to their place in the overall statutory
scheme.’”); Towne (U.S. 1918) (“A word is not a crystal, transparent and unchanged, it is the skin
of a living thought and may vary greatly in color and content according to the circumstances and
the time in which it is used.”)

Unclear How Phillips Differs From “Broadest Reasonable Interpretation”: Fed. Cir. panels
insist that BRI standard in PTO and PTAB differs from Phillips construction, but have not clearly
defined how. Even under BRI, interpretation must be reasonable ivo the Spec., must consider the
prosecution history, “must be consistent with the one that those skilled in the art would reach”
and may not be “unreasonable under general claim construction principles.” Microsoft (Proxyconn)
(Fed. Cir. 06/16/15) (vacating PTAB’s BRI as too broad ivo Spec.); Intertainer (Fed. Cir. 09/26/16)
(non-precedential) (aff’g PTAB broad construction, relying heavily on the prosecution history.) But
BRI may be broader then the “correct construction.” PPC Broadband (2015-1361) (Fed. Cir.
02/22/16) (aff’g PTAB obviousness decision and broader BRI interpretation of “continuity member”
as needing only to make contact with two members to establish an electrical connection between
them, “rather than requiring consistent or continuous contact”) based on “some language” in Spec.
and some ordinary meanings of the term, despite that “correct construction” under Phillips would
have been narrower (requiring that members be always connected) based on another dictionary
definition and multiple statements in the Spec. and “fundamental purpose” of the invention). See
Cuozzo (U.S. 06/20/2016) (aff’g PTO has authority to apply its “broadest reasonable construction”
standard in IPRs, noting that it is different from Phillips, without addressing how it is different);
Veritas (Fed. Cir. 08/30/16) (aff’g PTAB construction, concluding “it would not be unreasonable for
a relevant skilled artisan to read the claims’ to have that scope).
• **TIP** Re Preserving Position On “Plain Meaning” Claim Construction Principles For En Banc Or Cert. Review:
  
  o REDACTED

a) **general canons of construction**

• **Seek Not to Render Any Claim Language Superfluous Or Redundant:** Akzo Nobel (Fed. Cir. 01/29/16) (aff’g trial court rejection of proposed construction of “pressurized collection vessel” that would render word “collection” “entirely superfluous …; such a result is disfavored”); TMI Products (Fed. Cir. 04/02/15) (non-precedential) (aff’g trial court rejection of proposed construction that would render other claim language redundant); but see Simpleair (Fed. Cir. 04/01/16) (rev’g trial court’s construction: “The preference for giving meaning to all terms, however, is not an inflexible rule that supersedes all other principles of claim construction.”)

• **Generally, Different Terms Have Different Meanings:** “Linguistic differentiation” “canon of construction: ‘the general assumption is that different terms have different meanings,’” but it is less applicable (or does not apply) to terms used in a preamble because the “purpose of a preamble is to set forth the general nature of the invention being claimed. It is generally not used as or intended to be a limiting factor in delineating boundaries of the scope of the invention as claimed.” PPC Broadband (2015-1364) (Fed. Cir. 02/22/16) (vacating PTAB BRI as too broad).

• **Generally, Same Term Has Same Meaning In Different Claims:** “The principle that the same phrase in different claims of the same patent should have the same meaning is a strong one, overcome only if ‘it is clear’ that the same phrase has different meanings in different claims.” In re Varma (Fed. Cir. 03/10/16) (rev’g PTAB interpretation).

• **Separately Listed Claim Elements Generally Are Distinct Parts Of Claimed Invention:** HTC (Fed. Cir. 07/17/17) (non-precedential) (aff’g PTAB BRI that two separate steps in method claim must be performed by two separate components; in part looking to apparatus claim (partly due to waiver): “the separate naming of two structures in the claim strongly implies that the named entities are not one and the same structure.”); Becton Dickinson (Fed. Cir. 07/29/10) (2-1) (rev’g infringement judgment; “Where a claim lists elements separately, ‘the clear implication of the claim language’ is that those elements are ‘distinct component[s]’ of the patented invention.”); Gaus (Fed. Cir. 04/01/04) (same).

• **Generally Should Cover All Embodiments:** absent disclaimer, if claims reasonably can be construed to cover all embodiments, they should be. Oatey (Fed. Cir. 01/30/08) (Newman, J.); similar point made in EchoStar (Fed. Cir. 01/31/08); Accent Packaging (Fed. Cir. 02/04/13) (narrower construction rev’d primarily because would exclude a preferred embodiment); Intellectual Ventures (Ericsson) (Fed. Cir. 05/08/17) (non-precedential) (aff’g PTAB’s broader construction (and obviousness decision), in part because narrower one would exclude preferred embodiment, which is “rarely” correct); but see Transperfect (Fed. Cir. 07/12/17) (non-precedential) (aff’g PTAB CBM finding of no written description support for claims; Spec. disclosed that hyperlink is translated and replaced by hyperlink pointing to translated page but claim recites translated page includes “said hyperlink,” which when activated obtains translated page, so not supported by Spec.); Bayer Cropscience (Fed. Cir. 09/03/13) (claim does not include sole embodiment; “it is hardly unknown for a patentee with an invention that could be protected to fail in securing such protection by bad choices in claim drafting.”) (Dictum). But, an unasserted or cancelled claim may defeat argument that asserted claim must cover (or be limited to) a specific embodiment: “courts must recognize that disclosed embodiments may be within the scope of other allowed but unasserted claims. Likewise, during prosecution, an applicant may have cancelled pending claims but not amended the specification to delete disclosure relevant only to the cancelled claims. In such cases, unasserted or cancelled claims may provide ‘probative evidence’ that an embodiment is not within the scope of an asserted claim.” PSN Illinois (Fed. Cir. 05/06/08)
• Construing to Preserve Validity [Disfavored]: Rejecting patent owner attempt to construe term more broadly than its well-accepted scientific meaning, in part because the broader construction would raise "grave doubts" of invalidity under Sec. 112(a). Bayer Cropscience (Fed. Cir. 09/03/13); Intellectual Ventures (Motorola) (Fed. Cir. 09/13/17) (aff'g denial of written description invalidity] MOL; in view of Spec. distinctions over prior art, "the proper result is not that claim 41 fails for lack of written description but that it should be construed 'in view of the specification' to be limited.'); Ruckus Wireless (Fed. Cir. 05/31/16) (2-1) ("If, after applying all other available tools of claim construction, a claim is ambiguous, it should be construed to preserve its validity. Because the specification makes no mention of wireless communications, construing the instant claims to encompass that subject matter would likely render the claims invalid for lack of written description."); Takeda (Fed. Cir. 02/20/14) (dictum: will adopt narrower meaning "'[w]here there is an equal choice between a broader and a narrower meaning of a claim, and there is an enabling disclosure that indicates that the applicant is at least entitled to a claim having the narrower meaning.'"); Howmedica (Fed. Cir. 05/12/16) (citing possible indefiniteness concern if did not limit claim-recited outcome to particular technique described in written description). Contra Hill-Rom (Fed. Cir. 06/27/14) (2-1) ("Courts should be cautious not to allow claim construction to morph into a mini-trial on validity. Claim terms should be given their plain and ordinary meaning to one of skill in the art at the relevant time and cannot be rewritten by the courts to save their validity."); Tempo (Fed. Cir. 02/10/14) ("the Board properly avoided the circularity inherent in any attempt to construe claims with an eye to preserving their validity, a doctrine of ‘limited utility,’” but also noting unlikely claim invalid as construed for lack of written description); see Atlas v. St. Jude (Fed. Cir. 10/29/15) (broader claim construction not shown to render claimed invention inoperable).

• Construction Reflecting Structure And Punctuation Of Claim: Each step in claim is "offset by semicolons. This punctuation choice strongly indicates that each step is separate and distinct. It would, therefore, be reasonable to conclude the fourth and fifth steps—the sending steps—are not …performed ‘in response to’ the same request found in the [third] ‘making . . . available’ step." In re Affinity Labs. (Fed. Cir. 05/05/17) (and “comprising” transition “signals that the breadth of [the claim] allows for additional steps interleaved between the recited steps.”)

• Effective Filing Date (Or Invention Date) Is Relevant Time Period: "The scientific meaning of ‘IFN-α’ evolved with new discoveries. Specifically, the scientific community learned that leukocytes produce more than a single interferon polypeptide. The term as used in the ’901 patent, however, did not and could not enlarge the scope of the patent to embrace technology arising after its filing. Rather the term ’IFN-α’ in the patent has a specialized meaning limited to the particular leukocyte interferon that Dr. Weissmann supported in his original application. In sum, this court must determine what the term meant at the time the patentee filed the ‘901 application.” Schering (Fed. Cir. 08/01/00).

b) role of other claims

• Claim Differentiation: “[T]he presence of a dependent claim that adds a particular limitation gives rise to a presumption that the limitation in question is not present in the independent claim.” Phillips (Fed. Cir. 07/12/05) (en banc). Under claim differentiation, there is an “especially strong” presumption that an independent claim does not require a limitation that is “the only meaningful difference” between that claim and its dependent claim; otherwise the dependent claim would be superfluous. Interdigital (Fed. Cir. 08/01/12) (2-1) (rev’g narrow construction); VirnetX (Fed. Cir. 09/16/14) (aff’g broad construction); SRI Int’l (Fed. Cir. 10/16/85) (en banc) ("It is settled law that
when a patent claim does not contain a certain limitation and another claim does, that limitation
cannot be read into the former claim in determining either validity or infringement."); see Cioffi
(Fed. Cir. 11/17/15) (non-precedential) (rev’g construction as rendering language in a dependent
claim superfluous, and claim differentiation not overcome by clear disavowal in prosecution). But,
“claim differentiation is not a rigid rule and it cannot overcome a construction required by the
prosecution history.” TecSec (Fed. Cir. 10/02/13) (aff’g narrow construction based on remarks in
prosecution); Cardsoft (Fed. Cir. 12/02/15) (cannot override clear meaning based on Spec. and
prosecution); Howmedica (Fed. Cir. 05/12/16) (same); Indacon (Fed. Cir. 06/06/16) (declining to
apply claim differentiation between independent claims “not otherwise identical in scope”); Atlas
(Medtronic) (Fed. Cir. 10/29/15) (rejecting claim differentiation argument based on other
independent claims); Interdigital (Fed. Cir. 02/18/15) (non-precedential) (“principles of claim
differentiation are often of limited use where … one is comparing two independent claims.”). The
doctrine of claim differentiation “is not as strong across related patents.” Clare (Fed. Cir.
03/31/16) (one patent reciting “substantially external appearance” (as conventional pickup truck)
does not mean other patent’s recitation of “external appearance” means identical appearance).

- Construing Independent Claim To Encompass What Is Claimed In Its Dependent Claim:
Assuming compliance with Sec. 112(4/d), an independent claim ought to be construed broadly
enough to encompass (permit) what is recited in its dependent claim. But see Enzo II (Fed. Cir.
03/16/15) (2-1) (first reading independent claim narrowly to require “indirect” detection and not
encompassing direct detection (where some dependent claims recited direct detection), and then:
“as claim 1 is limited to indirect detection by its own plain meaning, it would be inappropriate to
use the doctrine of claim differentiation to broaden claim 1 to include a limitation imported from a
dependent claim, such as direct detection.”)

c) role of specification

- Which Governs? The Claim Or The Invention Or Both?
  - Rader, J.: The Name Of The Game Is The Claim: “The concurrence-in-part and
dissent-in-part characterizes the specification as the ‘heart of the patent’ and, using
‘colloquial terms,’ states that ‘you should get what you disclose.’ This devalues the
importance of claim language in delimiting the scope of legal protection. ‘Claims define and
circumscribe, the written description discloses and teaches.’ To use a colloquial term coined
by Judge Rich, the name of the game is the claim. Indeed, unclaimed disclosures are
dedicated to the public.” Arlington Indus. (Fed. Cir. 01/20/11) (Rader, J.) (citations
omitted) (Lourie, J. dissenting in part); accord Retractable Tech. (Fed. Cir. 10/31/11)
(Moore, J. (joined by Rader, J.) dissent from denial of rehearing en banc) (“If the metes
and bounds of what the inventor claims extend beyond what he has invented or disclosed
in the specification, that is a problem of validity, not claim construction. It is not for the
court to tailor the claim language to the invention disclosed.”); Ancora (Fed. Cir. 03/03/14)
(rejecting indefiniteness defense: “the terms at issue have so clear an ordinary meaning
that a skilled artisan would not be looking for clarification in the specification.”); accord
Cioffi (Fed. Cir. 11/17/15) (non-precedential) (“if there is a well-understood meaning for a
term in the art, we do not allow a few inconsistent references in the specification to change
this meaning. This is because, if the terms at issue have ‘so clear an ordinary meaning[,] a
skilled artisan would not be looking for clarification in the specification.’”).

  - Moore, J.: Only Two Exceptions to Plain Meaning: There is “a ‘heavy presumption’
that claim terms carry their accustomed meaning in the relevant community at the relevant
time.” Home Diagnostics (Fed. Cir. 08/31/04); accord Azure (Fed. Cir. 11/06/14) (2-1)
(rev’g narrower construction). “We depart from the plain and ordinary meaning of claim
terms based on the specification in only two instances: lexicography and disavowal. The
standards for finding lexicography and disavowal are exacting.” Hill-Rom (Fed. Cir.
In order to disavow claim scope, the specification must make clear that the invention does not include a particular feature otherwise within the scope of the claim term.

Prior cases have established that a written description of the specification may include disclaimers of claimed claims. These disclaimers may serve as a basis for narrowing the claims or claims construction. In re Skedco, Inc., 217 F.3d 1373, 1372, 2000 WL 693194 (Fed. Cir.2000) (en banc) (affirming reversal of narrow construction by the PTO; the patentee had disclaimed any claim scope to a feature in the claims by the specification).

In re Skedco, Inc., 217 F.3d 1373, 1372, 2000 WL 693194 (Fed. Cir.2000) (en banc) (affirming reversal of narrow construction by the PTO; the patentee had disclaimed any claim scope to a feature in the claims by the specification).

The standard for disavowal is exacting, requiring clear and unequivocal evidence that the claimed invention includes or does not include a particular feature. See, e.g., In re Skedco, Inc., 217 F.3d 1373, 1372, 2000 WL 693194 (Fed. Cir.2000) (en banc) (affirming reversal of narrow construction by the PTO; the patentee had disclaimed any claim scope to a feature in the claims by the specification).
a meaning on an issue’ that it ‘leav[es] no genuine uncertainties on interpretive questions relevant to the case.’”); GPNE (Fed. Cir. 08/01/16) (Prost, C.J.) (aff’g narrow construction of “device” as being a pager in view of consistent disclosure in the Spec.; quoting “only meaning that matters” phrasing); Bose (Fed. Cir. 03/14/14) (non-precedential) (Clevenger, J.) (aff’g narrow construction based on usage in Spec., and claim amendments). Note: some in this line of cases arguably disregards that “plain meaning” determined only after reading patent.

S. Ct.; Plager, J.: Both Invention And Claim Language Limit Claim Scope: “An inventor is entitled to claim in a patent what he has invented, but no more. He can, however, claim less, to avoid prior art or for any other reason. Therefore, in construing a claim there are two limiting factors—what was invented, and what exactly was claimed.” MySpace (Fed. Cir. 03/02/12); U.S. v. Adams, 383 U.S. 39, 48-49 (1966) (“While the claims of a patent limit the invention, and specifications cannot be utilized to expand the patent monopoly, it is fundamental that claims are to be construed in the light of the specifications and both are to be read with a view to ascertaining the invention.”) (Citations omitted); McClain (U.S. 11/02/1891) (“The claim is the measure of his right to relief, and while the specification may be referred to to limit the claim, it can never be made available to expand it.”) But see U.S. Ethernet (Acer) (Fed. Cir. 04/25/16) (non-precedential) (aff’g broad construction and SJ of anticipation; statements in Spec. “purporting to define the invention are inapposite without language in the claims indicating a desire to claim the teachings disclosed,” where claim language indicates that capability touted in Spec. is not required, even if 9 of 10 experts construed the claim narrowly.)

Lourie, J.; Dyk, J., CJ Prost: Capture The Scope Of The Actual Invention: “In reviewing the intrinsic record to construe the claims, we strive to capture the scope of the actual invention, rather than strictly limit the scope of claims to disclosed embodiments or allow the claim language to become divorced from what the specification conveys is the invention.” Retractable Tech. (Fed. Cir. 07/08/11) (Lourie, J.); accord Core Wireless (Fed. Cir. 04/14/17) (Bryson, J.) (aff’g non-infringement verdict: “The problem with [the patent owner’s claim-constructed] theory is that the entire point of the invention is to enable the mobile station to make the channel selection decision in order to minimize traffic between the mobile station and the network;” citing to Abstract, summary of the invention, all embodiments, prosecution history, and extrinsic invention disclosure and inventor presentation); The Medicines Co. III (Fed. Cir. 04/06/17) (Dyk, J.) (rev’g trial court’s broader construction; restricting claim to specific process (and specific disclosed example thereof) for achieving claimed result, in part because Spec. “teaches efficient mixing as a necessary and sufficient condition for achieving batch consistency.” “Divorcing efficient mixing from the batches limitation would also have the impermissible result of ‘extend[ing] [Medicines’] monopoly beyond the invention’ disclosed, and potentially to the prior art.” “The patentee’s construction of ‘efficient mixing’ thus attempts to claim all solutions to the identified ‘impurities’ problem, without describing the entire range of solutions to that problem. Medicines’ construction is therefore not permissible.”); Micrografx (Fed. Cir. 11/29/16) (Dyk, J.) (non-precedential) (rev’g PTAB broad construction, based in part on Spec. description of “several technical advantages’ of the

2 U.S. v. Adams: One patent claim recited “1. A battery comprising a liquid container, a magnesium electropositive electrode inside the container and having an exterior terminal, a fused cuprous chloride electronegative electrode, and a terminal connected with said electronegative electrode.” The Court construed this claim as being limited to a water-activated battery—even though this claim did not mention water and other claims did mention water—in part because “a stated object of the invention was to provide a battery rendered serviceable by the mere addition of water.”
‘invention.’”); Ruckus Wireless (Fed. Cir. 05/31/16) (2-1) (construing “communications path” to be limited to wired path, because (1) title so limited, (2) Spec. reference to “invention” so limited, (3) Spec. statement of alternate embodiments so limited, (4) no evidence that ordinary meaning broader, (5) no showing that purpose of invention would evoke wireless in mind of skilled artisan, and (6) broader construction likely render claim invalid for lack of written description support); UltimatePointer (Fed. Cir. 03/01/16) (Lourie, J.) (“argument that a court may only deviate from the ordinary meaning when there is an explicit definition or disclaimer does not apply because the ordinary meaning of ‘handheld device,’ when read in the specific context of the specification of the ’729 patent, is limited to a direct-pointing device.”); Eon (Fed. Cir. 02/29/16) (Prost, J.) (2-1) (construing terms “portable” and “mobile” narrowly to be consistent with Spec.’s description of the invention); Sealant (Fed. Cir. 06/11/15) (Wallach, J.) (non-precedential) (hose “cooperating with” tire construed to require direct connection to tire because Spec. does not indicate any other way for hose to cooperate with the tire; with trial court’s broader construction “the patent would claim more than the patentee actually invented.”); World Class (Fed. Cir. 10/20/14) (claim ambiguous on face but only one interpretation consistent with disclosed invention); Gemalto (Fed. Cir. 06/19/14) (Dyk, J.) (aff’d narrow construction based on purpose of invention and distinctions over prior art: “Of course, ‘the claims cannot be of broader scope than the invention that is set forth in the specification.’”); Parallel Networks I (Fed. Cir. 01/16/13) (“Notwithstanding the potential breadth of the phrase ‘associated with,’ it is clear that the patent teaches an applet containing both the data and the functionality when the applet is generated.”); MarcTec (Fed. Cir. 01/03/12) (“Because the specification and prosecution history clearly refute MarcTec’s proposed claim construction, the district court did not err in finding that MarcTec’s infringement claims were objectively baseless” even though court’s construction “might render some language in [a dependent claim] superfluous.”; aff’d fees and expenses award against patent owner, of $4,683,653.03); Eon-Net (Fed. Cir. 07/29/11) (aff’d award of attorney fees and R. 11 sanctions based in large part on NPE plaintiff’s claim construction being contrary to description of the “invention” in the written description.); Lexington (Fed. Cir. 02/09/15) (non-precedential) (rev’d construction based on general dictionaries). But, this principle can be used to broaden claims as well. Papst Licensing (Fed. Cir. 02/02/15) (rev’d SJC of non-infringement, and rev’d five constructions, based in part on alleged restriction not being described as necessary to patent’s stated advance over the prior art: “We apply, in particular, the principle that ‘[t]he construction that stays true to the claim language and most naturally aligns with the patent’s description of the invention will be, in the end, the correct construction.’”); cf. Vasudevan Software (Fed. Cir. 04/03/15) (“plain and ordinary meaning” of term “disparate databases” leaves indeterminate how incompatible they must be; so need to look to prosecution history).

Plager, J.: Necessary To Limit Claim To Technique Described In Written Description To Resolve Uncertainty Over How Claimed Result Is Achieved: Claim to a socket assembly used in prosthetic hip implants recited recess and taper of a shell be “juxtaposed” and “placed at relative locations such that the effectiveness” of each is “maintained while in the presence of the other,” but “do not describe how to achieve this outcome.” CIP added this claim language along with description of (only) one way to achieve the claimed outcome. Necessary to limit claim language to that particular technique to resolve parties’ dispute as to meaning of otherwise unclear claim terms, despite some dependent claims reciting that technique. Howmedica (Fed. Cir. 05/12/16).

Does Court Always Need To Consider Spec. For Context?:

Yes: Phillips (Fed. Cir. 07/12/05) (en banc) seemed to answer this with an unmistakable Yes (“the ‘ordinary meaning’ of a claim term is its meaning to the ordinary artisan after
reading the entire patent”); accord *Markman* (U.S. 04/23/1996) (“the standard construction rule that a term can be defined only in a way that comports with the instrument as a whole”); *Secure Axcess* (Fed. Cir. 02/21/17) (patent does not claim a “covered business method”: “A claim in a patent does not live in isolation from the rest of the patent, as if it can be cut out of the document and read with Webster’s Dictionary at hand. Established patent doctrine requires that claims must be properly construed—that is, understood in light of the patent’s written description; that is a fundamental thesis in claim construction.”); *Cloud Farm* (Fed. Cir. 01/09/17) (non-precedential) (aff’g narrow construction of “seal” based on ordinary meaning in context of patent); *Profectus* (Fed. Cir. 05/26/16) (aff’g narrower construction of “mountable” as “having a feature for mounting” rather than “capable of mounting”; “the feature must be a standalone inherent feature in the device. It is not enough that the feature is ‘just a feature that could potentially render the frame or display capable of being mounted’”; “we first look to the actual words of the claims and then read them in view of the specification”); *Tristrata* (Fed. Cir. 12/04/14) (non-precedential) (aff’g narrow construction; important to consider written description before considering dictionaries); *Straight Path* (Fed. Cir. 11/25/15) (Dyk, J., dissenting) (even when claim appears clear on its face, the court must consult the specification); *Eon* (Fed. Cir. 02/29/16) (2-1) (reversing denial of JMOL of non-inf’t and giving narrow construction: “question is not whether there is a settled ordinary meaning of the terms in some abstract sense of the words”; “only meaning that matters in claim construction is the meaning in the context of the patent”); *Cloud Farm* (Fed. Cir. 01/09/17) (non-precedential) (“Because the claim language is not dispositive as to the meaning of the usage right limitation, we turn to the specification.”); *Cioffi* (Fed. Cir. 11/17/15) (non-precedential) (“if the terms at issue have ‘so clear an ordinary meaning[,] a skilled artisan would not be looking for clarification in the specification.’”); *Atlas* (Medtronic) (Fed. Cir. 10/29/15) (trial court wrong that claim had “decisive plain meaning,” and “contextual considerations point compellingly” against trial court’s construction; imprecision in claim language creates “need for context-based interpretation”); *Creative Integrated* (Fed. Cir. 06/03/13) (“The district court could have ended its analysis with the plain language”) (non-precedential); *VirnetX* (Fed. Cir. 09/16/14) (“there is no dispute that the word ‘secure’ does not have a plain and ordinary meaning in this context, and so must be defined by reference to the specification.”); see *3M Innovative* (Fed. Cir. 08/06/13) (first deciding “ordinary meaning,” “read to give full effect to the claim language,” and only then analyzing written description, for some claim terms); *Belden* (Fed. Cir. 04/17/15) (non-precedential) (aff’g Board construction: “the specification does not recite, much less define, ‘channels.’ The dictionaries thus provide an adequate starting point.”) Cf. *Lighting Ballast II* (Fed. Cir. 02/21/14) (en banc) (6-4) (“the meaning a person of ordinary skill in the art would give a term at the time of the filing of the patent application . . . is not a question of fact; it is the very inquiry which determines
the claim construction in nearly all cases. Claim terms are given their ordinary meaning to
one of skill in the art, unless the patent documents show that the patentee departed from
that meaning.”), vacated Teva (U.S. 01/26/2015), on remand Lighting Ballast III (Fed.
Cir. 06/23/15) (aff'g trial court’s claim construction that claim term did not trigger Sec.
112(f) and claim is not indefinite).

meaning is measured as of effective filing date, “the relevant specification for claim construction
purposes is that of the issued patent, not an early version of the specification that may have been
substantially altered throughout prosecution.” Sun Pharm. (Fed. Cir. 07/28/10) (CIP patent claims’
entitlement to earlier application’s filing date was undisputed); WI-LAN (Fed. Cir. 08/01/16)
(discussing patent owner (seeking broader claim construction) reliance on embodiment supposedly
disclosed in provisional but not disclosed in issued Spec.); MPHJ (Fed. Cir. 02/13/17) (2-1) (aff'g
PTAB’s broad construction that certain actions need not occur in single step; skilled artisan would
deed significant the removal of limiting (single step) language in provisional from the non-
provisional issued Spec. (dissent notes that provisional was incorporated by reference into issued
Spec.)).

• Spec. Description Of “Invention” Limiting Claim: TecSec (Fed. Cir. 08/18/16) (non-
precedential) (aff'g narrow construction based on Spec.: “'A file 'label' for purposes of this invention
means ...”); GNE (Fed. Cir. 08/01/16) (aff'g narrow construction based primarily on single
sentence in Detailed Description stating: “Thus, the invention provides a two-way paging system
which operates independently from a telephone system ...”); SimpleAir (Fed. Cir. 04/01/16) (rev'g
trial court’s construction: construing claim to conform to Spec.’s description of the “invention”);
UltimatePointer (Fed. Cir. 03/01/16) (aff'g “handheld device” limited to direct pointing device
because Spec. repeatedly extols direct pointing and repeatedly disparages indirect pointing devices,
and title of the Spec. referred to “direct pointing”); Indacon (Fed. Cir. 06/06/16) (aff'g narrow
construction of “custom link” that every instance of a word must include a link because claim term
had “no plain or established meaning to one of ordinary skill in the art” and, as such, “ordinarily
cannot be construed broader than the disclosure in the specification”); Tristrata (Fed. Cir.
12/04/14) (non-precedential) (aff'g narrow construction; statement “in accordance with this
invention” in “summary of the invention” is strong indication that limitation applies to invention not
just embodiment); VirnetX (Fed. Cir. 09/16/14) (“The fact that the Summary of the Invention gives
primacy to these attributes strongly indicates that the invention requires more than just data
security.”); AstraZeneca (Fed. Cir. 12/19/13) (non-precedential) (clear disclaimer where Abstract
and Detailed Description (referring to “present invention”) limited salts to six particular salts; and
claim differentiation cannot override that disclaimer); “While nothing on the face of the asserted
claims stated that the term ‘composite composition’ is limited to a mixture that is in pellet or linear
extrudate form, the specifications [statements about the invention] make clear that the term . . .
must be construed to be limited in that manner.” Andersen Corp. (Fed. Cir. 01/26/07); Verizon
(Fed. Cir. 09/26/07) (“Thus, in one aspect, the present invention relates to a localized
wireless gateway system. The gateway compresses and decompresses voice frequency
communication signals and sends and receives the compressed signals in packet form via the
network” -- “limited scope of claim reciting a localized wireless gateway system.”); accord Lydall
(Fed. Cir. 09/08/09) ("[the application's] consistent description of 'the present invention' as
including a three-layered batt makes clear that the claimed 'fibrous batt of fibers' must have three
layers, an insulating layer sandwiched between two binding layers.”); Catch Curve (Fed. Cir.
01/22/10) (non-precedential) (aff'g SJ of no infringement: “merely omitting [in a claim] a step in
a described process does not perforce expand the scope of the claim to encompass the use of
devices that are nothing like those described in the specification as integral to the invention.”); Trading
Techs. (Fed. Cir. 02/25/10) (“This reference to ‘the present invention’ [in the Spec.] strongly suggests that the claimed re-centering command requires a manual input, specifically, a
mouse click.”); Akamai Tech. I (Fed. Cir. 12/20/10) (narrow claim construction requiring a feature

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was compelled by patent’s description of the “invention” as including that feature, even if prosecution history suggested (which it did not) a broader construction (vacated by en banc order 04/21/11); Am. Calcar (Fed. Cir. 06/27/11) (based on statements in Spec., “the messages claimed ... have to be in a format of <vehicle-id>@<domain>.”); Retractable Tech. (Fed. Cir. 07/08/11) (although claims leave open possibility that “body” need not be one piece, “the specifications tell us otherwise” by reciting that “the invention” has single structure, distinguishing prior art on this basis, and disclosing only single-piece body) (2-1, Rader, J. dissenting); Eon-Net (Fed. Cir. 07/29/11) (aff’g narrow construction and award of fees against plaintiff, in part due to unreasonable claim construction position: “The written description repeatedly and consistently defines the invention as a system that processes information derived from hard copy documents.” And “because the written description clearly refutes Eon-Net’s claim construction, the district court did not clearly err in finding that Eon-Net pursued objectively baseless infringement claims.”); Marine Polymer (Fed. Cir. 03/15/12) (en banc, opinion of court, equally divided 5-5) (aff’g narrower construction based on description of “invention,” despite conflict with claim differentiation); Rembrandt Tech. (Fed. Cir. 09/13/12) (aff’g narrow construction based on “present invention” language) (non-precedential); Accentra (Fed. Cir. 01/04/13) (based on “present invention” language, “specification makes it clear that the automatic opening feature is central to the invention of that patent”) (non-precedential); Regents Univ. of Minn. (Fed. Cir. 06/03/13) (aff’g construction requiring a feature found in all embodiments and linked in Spec. to “present invention”); Luminara (Fed. Cir. 02/29/16) (Moore, J.) (rev’g preliminary injunction; by Spec. “teaching that the ‘present description’ solves the problems associated with the prior art candle devices because it is driven by ‘real but chaotic movements,’” patentee disclaimed devices that lack chaotic pivoting). But see Fenf (Fed. Cir. 02/06/15) (non-precedential) (term “present invention” used here to refer to individual embodiments not to limit scope of invention); AstraZeneca (Fed. Cir. 10/30/13) (non-precedential) (refusing to limit non-process claims to description of process “invention” in Spec.: “statements with respect to ‘the invention’ are ambiguous at best, given the three distinct types of inventions (processes, products, and methods of use) described in the specification”); Absolute Software (Fed. Cir. 10/11/11) (describing circumstances where Spec. tying feature to the “present invention” will not read the feature into the claim, e.g., where patent elsewhere refers to the feature as being optional); Creative Integrated (Fed. Cir. 06/03/13) (non-precedential) (“invention” language did not narrow claims where patent disclosed multiple different improvements, referring to each as the “invention”).

Spec. Showing Applicant Acting As Own Lexicographer: Rejecting ordinary meaning of claim term where that ordinary meaning would render self-contradictory the written description’s only statement using that claim term, and where “ordinary meaning” construction would render claim invalid for inoperability. AIA Eng’g (Fed. Cir. 08/31/11); Skinmedica (Fed. Cir. 08/23/13) (2-1) (Spec. redefined claim term and disclaimed its ordinary meaning; “In a specification, a patentee’s use of ‘i.e.’ signals an intent to define the word to which it refers.”) (Citation omitted); see also Rembrandt Wireless (Fed. Cir. 04/17/17) (“A patentee’s use of ‘i.e.,’ in the intrinsic record ... is often definitional.”); but see The Medicines Co. III (Fed. Cir. 04/06/17) (rejecting patent owner’s reliance on statement in Spec. as being definitional because it deviated from Spec.’s form defining other terms, namely “the defined term in quotation marks, followed by the terms ‘refers to’ or ‘as defined herein,’” and therefore lacked “clear expression of intent”); Los Angeles Biomedical (Fed. Cir. 02/28/17) (rejecting narrower construction: “If an applicant intends to ascribe a meaning to a claim term different from its ordinary meaning, he must ‘set out the different meaning in the specification in a manner sufficient to give one of ordinary skill in the art notice of the change from ordinary meaning.’”); Thormer (Fed. Cir. 02/01/12) (an “implied” redefinition must be so clear that it equates to an explicit one”); Butamax II (Fed. Cir. 02/18/14) (Spec.’s express definition of claim term did not clearly disclaim the term’s (broader) ordinary meaning), vacated and remanded ivo Teva (U.S. 01/26/15); Nestle (Fed. Cir. 05/09/17) (non-precedential) (vacating PTAB claim construction (“aseptic” means “aseptic to any applicable United States FDA standard, and in the

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absence of any such standard, aseptic assumes its ordinary meaning of free or freed from pathogenic microorganisms”) and non-obviousness decision, where Spec. defined term to mean “FDA level of aseptic”; one error was applying both lexicography and plain meaning at same time: “a claim term cannot mean different things simultaneously. A patentee cannot partially serve as a lexicographer for a claim term: either the specification includes a binding definition of that term by way of lexicography, or it is to be read consistent with the plain and ordinary meaning.).

• Spec. Using Claim Term As One Of Several Alternatives Or One Species Of A Broader Genus: Spec. using claim term as one example among several alternatives, or as a species of a genus, can limit that claim term to that species. Perfect Surgical (Fed. Cir. 11/15/16) (vacating PTAB invalidity finding; Spec. says that device “may be perforated or otherwise provided with passages”: this “separation of the terms perforated and passages with the disjunctive phrase ‘or otherwise’ makes clear that the patentee intended that the term ‘perforated’ is not the same as ‘passages.’ The patentee claimed only jaws that are ‘perforated’; this claim does not extend to passages.”); In re Nuvasive (Fed. Cir. 05/31/17) (non-precedential) (vacating PTAB construction of “lateral” as too broad, in part because Spec. distinguished “lateral” from “postero-lateral” and “antero-lateral”: Spec. “also distinguishes the ‘lateral’ approach depicted in Figure 1 from ‘postero-lateral’ and ‘antero-lateral’ approaches. (‘Moreover, although described and shown herein with reference to a generally lateral approach to a spinal surgical target site . . . , it will be appreciated that the retractor assembly 10 of the present invention may find use in any number of different surgical approaches, including generally posterior, generally postero-lateral, generally anterior and generally antero-lateral.’”).

• Spec. Having Single Embodiment Or Common Feature In All Embodiments: Claim scope sometimes properly limited to single disclosed embodiment. The Medicines Co. III (Fed. Cir. 04/06/17) (limiting claim element to single example disclosed, even though labeled “non-limiting”: “As the only embodiment of efficient mixing, Example 5 is ‘highly indicative of the scope of the claims’ and “it is the only description of efficient mixing in the patents in suit that casts light on what efficient mixing is.”) Analyzing proper construction where only one embodiment disclosed but claims broadened in later application to apparently claim more broadly than that embodiment: Saunders Grp. (Fed. Cir. 06/27/07); In re Abbott Diabetes (Fed. Cir. 09/28/12) (reexamination; broadest reasonable construction excludes use of external cables or wires, based on claims suggesting same, Spec. disparaging prior art use thereof, and all embodiments omitting external cables and wires.); Profoot (Fed. Cir. 10/26/16) (non-precedential) (aff’g narrow claim construction of coined term: “because the specification consistently and repeatedly discloses that the neutralizer includes the housing, protractor, and angularly adjustable plate components, the district court did not err in including them in its construction,” despite those elements having been expressly recited in parent claims); Interdigital (Fed. Cir. 02/18/15) (non-precedential) (narrow construction based on description of limitation of preferred embodiment where that was only embodiment and description expressly tied to purpose of the invention, despite limitation not repeated in summary of the invention); Amdocs I (Fed. Cir. 08/01/14) (limiting where claim step (“enhancing”) is performed based on Spec. touting advantages of performing step at that location, and therefore “the embodiments define the outer limits of the claim term”); Secure Web (Fed. Cir. 02/17/16) (Stoll, J.) (non-precedential) (limiting “security device” to stand-alone device separate from and external to microprocessor based on all embodiments showing that configuration and Spec. “touts the separate and stand-alone nature of the security device as an advantage”; two figures “depict the essence of the claimed invention rather than a preferred embodiment”).

• Spec. Caveats That Embodiments Are Not Limiting: E2Interactive (Fed. Cir. 05/11/17) (non-precedential) (aff’g PTAB broad construction and obviousness decision; “because the patent teaches that the ‘invention could be embodied in various ways,’ we conclude that the disclosed embodiments are exemplary only and are nonlimiting to the scope of” the claim element).
Spec. Using Claim Term Exclusively With Only One Of Spec.’s Multiple Embodiments:
Where Spec. describes multiple embodiments (here, single-piece and two-piece container) and
uses claim term (here “upper housing portion”) used exclusively with one of those embodiments,
that implicitly defines term to be limited to that (two-piece) embodiment. CSP Tech. (Fed. Cir.
03/22/16) (non-precedential).

Spec. Disparaging Prior Art: Intellectual Ventures (Motorola) (Fed. Cir. 09/13/17) (aff’g denial
of written description invalidity JMOL: Spec. distinctions over prior art narrow the claim scope so
no written description invalidity: Spec. excerpts “demonstrate that storing files ‘indefinitely’ on an
intervening computer is not part of the claimed invention. ... The proper result is not that claim 41
fails for lack of written description but that it should be construed ‘in view of the specification’ to
be limited.”). Spec. description of disadvantages of records, tapes, and CDs “amount to implied
disclaimer of those three media.” Sightsound (Fed. Cir. 12/15/15) (but not extending this disclaimer
to other removable media). “There is no doubt a high bar to finding disavowal of claim scope
through disparagement of the prior art in the specification.” Openwave (Fed. Cir. 12/15/15) (aff’g
disclaimer and narrow construction; Spec. “rife with remarks that disparage and, therefore, disclaim
mobile devices that incorporate computer modules.”); Tech. Patents (Fed. Cir. 10/17/12) (aff’g
construction of “initiates paging operations in another country in a predetermined order” as
requiring that order be created by receiving user, in view of Spec. criticizing prior art for not
allowing user to specify the order and “one of the primary purposes of the invention” was to allow
user to do that.)

Spec. Describing An Element As Necessary To Claimed Function (Does Not Necessarily
Limit Claim): Respironics (Fed. Cir. 07/29/16) (non-precedential) (vacating PTAB narrow
construction and no-anticipation decision) (“that an unclaimed element may be necessary for a
device to function as claimed does not, standing alone, allow courts to treat the unclaimed element
as a claim limitation.”); The Medicines Co. III (Fed. Cir. 04/06/17) (Dyk, J.) (rev’g trial court’s
broader construction; restricting claim to specific process (and specific disclosed example thereof)
for achieving claimed result, in part because Spec. “teaches efficient mixing as a necessary and
sufficient condition for achieving batch consistency.”)

Spec. Using Different Language To Describe Different Elements Suggests Separate
Concepts: Spec. describing different areas “using different terms” “suggest[s] that they are two
separate concepts.” Impulse Tech. (Fed. Cir. 12/07/16) (non-precedential) (aff’g construction of
“defined physical space” as “‘indoor or outdoor space having known size and/or boundaries,’
wherein the physical space is known prior to adaptation of the testing and training system’ and is
defined independently of the sensor viewing area.”) But, merely using different words in Spec. and
claims to describe same element does not necessarily connote a different meaning. Nichia (Fed.
Cir. 04/28/17) (“planar” means “in substantially the same plane” (lang. in Spec.).)

Impact Of Disclaimer In Application Incorporated By Reference: clear disclaimer in
incorporated patent may or may not act as a clear disclaimer in the host patent. X2Y (Fed. Cir.
07/07/14) (aff’g ITC judgment of no infringement); cf. Belden (Fed. Cir. 04/17/15) (claim
construction supported by statement in parent application incorporated by reference into patent,
which is part of the Spec. and the prosecution history).

d) role of prosecution history

Historic S. Ct. View Of Role Of Prosecution History; Strict Construction Against Added
Limitations: “‘Limitations imposed by the inventor, especially such as were introduced into an
application after it had been persistently rejected, must be strictly construed against the inventor
and in favor of the public, and looked upon as in the nature of disclaimers.” Hubbell (U.S.
10/22/1900) (aff’g narrow construction and non-infringement). “By the amendment, he recognized
and emphasized the difference between the two phrases and proclaimed his abandonment of all
that is embraced in that difference. The difference which he thus disclaimed must be regarded as
material, and since the amendment operates as a disclaimer of that difference it must be strictly construed against him. As the question is one of construction of the claim, it is immaterial whether the examiner was right or wrong in rejecting the claim as filed. It follows that what the patentee, by a strict construction of the claim, has disclaimed — conductors which are carried by the table but not embedded in it — cannot now be regained by recourse to the doctrine of equivalents.

"Exhibit Supply" (U.S. 02/02/1942) (citations omitted) “It is, of course, well settled that an invention is construed not only in the light of the claims, but also with reference to the file wrapper or prosecution history in the Patent Office. Claims as allowed must be read and interpreted with reference to rejected ones and to the state of the prior art; and claims that have been narrowed in order to obtain the issuance of a patent by distinguishing the prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent.” Graham (U.S. 02/21/1966); Vasudevan Software (Fed. Cir. 04/03/15) (prosecution history defined term when applicant said term “refers to . . .” and then relied on that definition to distinguish prior art). Prosecution history statements may inform claim construction even if do not constitute unmistakable disavowal. Northpeak (Fed. Cir. 12/28/16) (Clevenger, J.) (non-precedential) (aff’d narrow construction: even without prosecution disclaimer, prosecution may “inform the meaning of the claim language by demonstrating how the inventor understood the invention.”); Shire Dev. II (Fed. Cir. 06/03/15) (Hughes, J.) (remand decision: Shire Dev. I (Fed. Cir. 03/28/14) (rev’g overly broad construction), vacated and remanded i/o Teya (U.S. 01/26/2015)).

More Restrictive View Of Prosecution Disclaimer: “Beyond the notice function and reliance based aspects of a patent’s prosecution history, it ‘provides evidence of how the [PTO] and the inventor understood the patent.’” Biogen IDEC (Fed. Cir. 04/16/13) (2-1) (arguments in response to Examiner’s full-scope enablement rejection adopted the Examiner’s characterization of scope of enablement and constituted clear disclaimer of claim scope, and overcame “heavy presumption” that term has its full ordinary and customary meaning.). A prosecution disclaimer requires “clear and unambiguous disavowal of claim scope.” Saffran (Fed. Cir. 04/04/13) (2-1) (reasons for allowance and applicant arguments (“the device used is a sheet”) referred to the claimed invention using a “sheet” where claim referred to “device.”); MIT (Fed. Cir. 10/13/16) (aff’d no prosecution disclaimer excluding skin from “organ”; not “clear and unmistakable” where statements made regarding earlier, different claims); Technology Prop. (Fed. Cir. 03/03/17) (aff’d narrow construction: “The patentee’s disclaimer may not have been necessary, but its statements made to overcome Magar were clear and unmistakable”; but limiting the scope of a second disclaimer); Vederi (Fed. Cir. 03/14/14) (“no clear and unambiguous disavowal of spherical or curved images.”); CVSg (U.S. 01/12/15); Shire Dev. II (Fed. Cir. 06/03/15) (no unambiguous disavowal in prosecution history (because “Shire carefully characterized the prior art as not having separate matrices but never actually stated that the claimed invention does have separate matrices”) but still sheds light on correct construction.); Avid Tech. (Fed. Cir. 01/29/16) (vacating non-infringement; “the standard for justifying the conclusion [of prosecution disclaimer] is a high one”; “where the alleged disavowal is ambiguous, or even ‘amenable to multiple reasonable interpretations,’ we have declined to find prosecution disclaimer”; pros’n distinction over prior art susceptible of narrow reading).

Prosecution Disclaimers Affecting Patent Family: “[w]hen multiple patents derive from the same initial application, the prosecution history regarding a claim limitation in any patent that has issued applies with equal force to subsequently issued patents that contain the same claim limitation.” Gemalto (Fed. Cir. 06/19/14) (citation omitted); “prosecution history regarding a particular limitation in one patent is presumed to inform the later use of that same limitation in related patents, ‘unless otherwise compelled.’” Trading Techs. II (Fed. Cir. 08/30/13) (CIP new matter contradicted prosecution disclaimer in parent filing history).
• **Foreign Prosecution Statement:** Clear statement (that certain information is not transmitted) in later prosecution of Japanese counterpart patent application with claim identical to issued U.S. pat. claim in question, supports the claim construction. Apple (Fed. Cir. 04/25/14).

• **“Surrendering” Claim Scope:** In addition to “disclaimer,” argue “surrender” of claim scope. Schriber-Schroth (U.S. 12/09/1940) (“a claim in a patent as allowed must be read and interpreted with reference to claims that have been cancelled or rejected, and the claims allowed cannot by construction be read to cover what was thus eliminated from the patent.”); Graham (U.S. 1966) (“claims that have been narrowed in order to obtain the issuance of a patent by distinguishing the prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent”); Omega Eng’g (Fed. Cir. 2003) (“[W]here the patentee has unequivocally disavowed a certain meaning to obtain his patent, the doctrine of prosecution disclaimer attaches and narrows the ordinary meaning of the claim congruent with the scope of the surrender.”); Hakim (Fed. Cir. 02/23/07) (“an applicant cannot recapture claim scope that was surrendered or disclaimed.”); Gen. Elec. (Fed. Cir. 02/29/12) (“a possibly broader disclosure accompanied by an explicit narrow claim shows the inventor’s selection of the narrow claim scope. See 35 U.S.C. §112 ¶ 2.”)

• **Disclaimers Need Claim Hook, Unless Apply to Invention as a Whole:** Disclaimers need hook in claim language to limit scope of the claim: Specs. and prosecution history disclaimers (emphasizing step was done automatically) limit scope of claims reciting that step in claim, but do not limit claims directed to stage earlier than that step. Ormco (Fed. Cir. 08/24/07); but see Thorner (Fed. Cir. 02/01/12) (“The patentee is free to choose a broad term and expect to obtain the full scope of its plain and ordinary meaning unless the patentee explicitly redefines the term or disavows its full scope.”); Regents Univ. of Minn. (Fed. Cir. 06/03/13) (refusing patent owner attempt to apply prosecution history disclaimer to avoid prior art: a prosecution disclaimer applies to subsequent patent only if that patent contains “the same or closely related claim limitation;” “sole exception is when the disclaimer is directed to the scope of the invention as a whole, not a particular claim.”)

• **Disclaimers: Consider Prosecution as a Whole:** What would be a clear disclaimer when viewed in isolation, is not treated as a disclaimer when prosecution as a whole suggests that the applicant realized his error and didn’t repeat it after being corrected by Examiner. Ecolab (Fed. Cir. 06/09/09); Advanced Fiber (Fed. Cir. 04/03/12) (district court properly took patent owner “at its word” when its distinguished “present invention” from prior art reference, in reissue); Chicago Bd. (Fed. Cir. 05/07/12) (patent’s “repeated derogatory statements about” the traditional approach “reasonably may be viewed as a disavowal of that subject matter from the scope of the Patent’s claims.”) Patent owner’s narrow construction on appeal to Board does not constitute prosecution disclaimer Board must accept. In re Lockwood (Fed. Cir. 02/13/17) (non-precedential).

• **Prosecution History Narrowing Trumps Claim Differentiation:** Claim term “bonded” construed as “bonded by the application of heat,” despite dependent claim expressly adding that “heat” limitation, because applicant distinguished prior art for not using application of heat. MarcTec (Fed. Cir. 08/04/10) (non-precedential); MarcTec (Fed. Cir. 01/03/12) later appeal aff’g award of attorney fees and expert fees: “we agree with the district court that MarcTec’s proposed claim construction, which ignored the entirety of the specification and the prosecution history, and thus was unsupported by the intrinsic record, was frivolous and supports a finding of bad faith,” even though court’s construction “might render some language in [a dependent claim] superfluous.”)

• **Definition Post-Allowance May Define Claim Term:** Claim term construed to have narrow definition applicant gave it (using “i.e.”) in remarks accompanying adding term to claims post allowance, supposedly to “more precisely claim the subject matter.” Rembrandt Wireless (Fed. Cir. 04/17/17) (aff’g jury verdict of no invalidity).
• **Examiner’s Understanding Of Claim Meaning**: Roxane Labs. (Fed. Cir. 11/17/16) (non-precedential) (aff’g narrow construction based primarily on the Examiner’s apparent narrow understanding of the claim term).

• **Differences Between Ancestor And Issued Specification May Affect Construction**: Removal of language found in ancestor application may affect construction. Los Angeles Biomedical (Fed. Cir. 02/28/17) (removal of limitation recited in provisional claim reinforces that it is not required by issued claims); MPHJ (Fed. Cir. 02/13/17) (2-1) (aff’g PTAB’s broad construction that certain actions need not occur in single step; skilled artisan would deem significant the removal of limiting (single step) language in provisional from the non-provisional issued Spec. (dissent notes that provisional was incorporated by reference into issued Spec.)).

• **Construction In Reexamination**: “Because an examiner in reexamination can be considered one of ordinary skill in the art, his construction of the asserted claims carries significant weight.” St. Clair (Fed. Cir. 01/10/11) (non-precedential); Cooper Notification (Fed. Cir. 08/30/13) (non-precedential) (“the examiner’s reasons for differentiating [rejected and allowed claims], while not dispositive, can be helpful in determining the meaning of the claim terms”); but see 3M Innovative (Fed. Cir. 08/06/13) (refusing to adopt Reexamination Examiner’s construction: “we rest on the statements made by the patentee over conflicting statements of an examiner because it is the patentee’s words that define the claim.”)

• **Significance Of Pending Or Completed Reexamination or IPR**: “Statements made by a patent owner during an IPR proceeding can be relied on to support a finding of prosecution disclaimer during claim construction... Extending the prosecution disclaimer doctrine to IPR proceedings will ensure that claims are not argued one way in order to maintain their patentability and in a different way against accused infringers.” Aylus (Fed. Cir. 05/11/17) (aff’g non-infringement based on “clear and unmistakable disavowal of claim scope”; patent owner statements in preliminary response to IPR petition may be used in claim construction and to show disclaimer, even if made before institution). A trial court should monitor ongoing PTO reexamination proceedings to ascertain whether they impact construction of the claims. Procter & Gamble (Fed. Cir. 12/05/08); see Transperfect (Fed. Cir. 07/12/17) (non-precedential) (“TransPerfect’s argument before the PTO in a separate reexamination proceeding for the ’022 patent on the meaning of its claimed ‘said hyperlink’ limitation is particularly damaging to TransPerfect’s current position.”); Northpeak (Fed. Cir. 12/28/16) (non-precedential) (aff’g narrow construction based on arguments in reexamination: “Statements made during reexamination procedures before the PTO are part of the prosecution history.”); Flexiteek (Fed. Cir. 03/19/15) (non-precedential) (aff’g narrow construction based in part on patent owner’s expert’s declaration in completed reexamination); Krippelz (Fed. Cir. 01/27/12) (due to the completed reexamination prosecution history “the [claim] term ‘beam of light’ incorporates requirements concerning the shape and focal point of the reflector;” statements made by applicant and his expert declarant in reexamination proceeding “disclaimed lamps lacking these limitations” and “the limitations therefore became part of the properly-construed claims,” even though not mentioned in the Spec. or original prosecution) (rev’g (for anticipation) $56 million judgment); St. Clair (Fed. Cir. 01/10/11) (non-precedential) (“Because an examiner in reexamination can be considered one of ordinary skill in the art, his construction of the asserted claims carries significant weight.”); Realtime Data (Fed. Cir. 01/27/14) (non-precedential) (statements by patent owner’s expert in reexamination of different patent but with same Spec., supported narrower claim construction than suggested by patent’s Spec.)

• **Post-Judgment Developments In Reexamination May Be Considered On Appeal**: Fed. Cir. found absolute intervening rights based on PTO reexamination certificate issued after court judgment, citing its discretion to take such judicial notice. Marine Polymer (Fed. Cir. 09/26/11) (vacated and rehearing en banc granted (Fed. Cir. 01/20/12)).
e) role of prior art, experts, and extrinsic evidence

- **Use of Term In Prior Art:** *Am. Radio* (Fed. Cir. 08/22/14) (non-precedential) (primarily relying on usage of term in cited and uncited prior art to affirm narrow construction).

- **Expert Testimony Has Limited, Secondary Role:** See *Markman* (Fed. Cir. 04/05/95) (en banc) (“Extrinsic evidence … including expert and inventor testimony, dictionaries, and learned treatises … may be helpful to explain scientific principles, the meaning of technical terms, and terms of art that appear in the patent and prosecution history. Extrinsic evidence may demonstrate the state of the prior art at the time of the invention. It is useful ‘to show what was then old, to distinguish what was new, and to aid the court in the construction of the patent.’ *Brown v. Piper*, 91 U.S. 37, 41, 23 L.Ed. 200 (1875).”) Some of this evidence may trigger “clear error” standard of review on appeal, under *Teva Pharm. II* (U.S. 01/20/2015) (7-2). But see *U.S. Ethernet (Acer)* (Fed. Cir. 04/25/16) (non-precedential) (“experts ‘cannot be used to prove the proper or legal construction of any instrument of writing’”); *Speedtrack* (Fed. Cir. 04/16/13) (non-precedential) (need not consider extrinsic evidence where “intrinsic evidence provides sufficient guidance.”); *Indus. Tech.* (Fed. Cir. 06/23/14) (non-precedential) (“if, and only if, the intrinsic evidence does not establish the meaning of a claim, we can turn to the extrinsic evidence, e.g., inventor testimony, expert testimony, and learned treatises.”)

- **Expert Testimony That Spec. Defines Term:** *Power Integrations* (Fed. Cir. 03/26/13) (relying on unrebutted expert testimony that Spec. defines claim term in certain way).

- **Expert Testimony That Term Lacks Ordinary Meaning:** *Power Integrations* (Fed. Cir. 03/26/13) (expert: term not a term of art and would not have had a plain and ordinary meaning to one of skill in the art).

- **Resort To Extrinsic Evidence Improper When Meaning Clear From Intrinsic Evidence:** *Roxane Labs.* (Fed. Cir. 11/17/16) (non-precedential) (“Because the intrinsic record unambiguously and fully resolves the proper construction … resort to extrinsic evidence is unnecessary and improper.”)

- **Inventor’s Subjective Intent Irrelevant:** “[I]nventor testimony as to the inventor’s subjective intent is irrelevant to the issue of claim construction.” *Unwired Planet* (Fed. Cir. 11/21/16) (non-precedential).

- **TIP Re Use Of Expert Declaration:**
  - REDACTED

f) claim preamble

- **Determining Whether Preamble Is A Limitation:** “Generally, the preamble does not limit the claims. … However, a preamble may be limiting if: ‘it recites essential structure or steps’; claims ‘depend[,] on a particular disputed preamble phrase for antecedent basis’; the preamble ‘is essential to understand limitations or terms in the claim body’; the preamble ‘recit[es] additional structure or steps underscored as important by the specification’; or there was ‘clear reliance on the preamble during prosecution to distinguish the claimed invention from the prior art.’ … The reverse is also true. A preamble is not a claim limitation if the claim body ‘defines a structurally complete invention … and uses the preamble only to state a purpose or intended use for the invention.’ “Preamble language merely extolling benefits or features of the claimed invention does not limit the claim scope without clear reliance on those benefits or features as patentably significant.” *Georgetown Rail* (Fed. Cir. 08/01/17) (aff’g infringement and damages; preamble not limiting). E.g., *Unwired Planet* (Fed. Cir. 11/21/16) (non-precedential) (parties agreed claim indefinite if preamble (“an image having dimensions much larger than the dimension of the screen”) has patentable weight; it does: “[a]n image provides antecedent basis for ‘the image later in the claims, it also ‘recites
particular structure or steps that are highlighted as important by the specification.’”); Pacing Tech. (Fed. Cir. 02/18/15) (preamble provides antecedent basis for a term in body of claim and a phrase in body of a dependent claim). “A preamble may limit the claimed invention if it recites additional structure or steps that the specification underscores as important, or if it is clearly relied on during prosecution to distinguish the claimed invention from the prior art.” Rotatable Tech. (Fed. Cir. 06/27/14) (non-precedential) (“the ’978 patent’s title, abstract, background of the invention, summary of the invention, description of the drawings, detailed description, and all independent claims recite ‘selectively rotating.’”); TomTom (Fed. Cir. 06/19/15) (part of the preamble is limitation because it provides antecedent basis and part is not because merely an intended use); Novatek (Fed. Cir. 03/26/14) (non-precedential) (structural elements in preamble are limitations where provide antecedent basis for body of claim, referenced in Spec. as part of the “invention,” and cited in pros’n to distinguish prior art.); Proveris (Fed. Cir. 01/13/14) (preamble limitation; provides antecedent for claim body and recites features Spec. identifies in summary of the invention); Piggy Pushers (Fed. Cir. 11/08/13) (non-precedential) (preamble (reciting sock) a limitation because Spec. described invention as a sock, and distinguished it from a shoe). Factor arguing against treating a preamble element as a limitation is where body of the claim appears self-contained and preamble recites intended use. “Where a patentee defines a structurally complete invention in the claim body and uses the preamble only to state a purpose or intended use for the invention, the preamble is not a claim limitation.” Rowe (Fed. Cir. 04/21/97); see Howmedica (Fed. Cir. 02/06/16) (non-precedential) (aff’g PTAB that preamble not limiting); Apex Eyewear (Fed. Cir. 03/14/12) (preamble not limiting).

g) claim transition

- Meaning Of “Comprising”: When used as transition from preamble to body of claim, term “comprising” is presumed to be open-ended, allowing additional elements to be added to claim-recited elements, but this presumption does not extend within individual elements or apply when word “comprising” is used elsewhere in claim. Liberty Ammunition (Fed. Cir. 08/26/16) (despite term “including” introducing it, the claim element “intermediate opposite ends” excludes extending all of the way to the front end or to the rear end); Promega (Fed. Cir. 12/15/14) (“comprising” element here construed without dispute as open-ended and thus full scope of claim not enabled); In re Varma (Fed. Cir. 03/10/16) (rev’g PTAB interpretation; “comprising” transition “does not render each limitation or phrase within the claim open-ended”); Dippin’ Dots (Fed. Cir. 02/09/07) (“presumption raised by the term ‘comprising’ does not reach into each of the six steps to render every word and phrase therein open-ended.”); Moleculon (Fed. Cir. 05/16/86) (“comprising” in body of a claim has no special legal effect and must be construed per normal claim-construction rules).

- Meaning Of “Consisting Of”: “term of art” (defining Markush group) that “creates a very strong presumption” that element is “closed” and “exclude[s] any elements, steps, or ingredients not specified in the claim,” overcome only if intrinsic evidence “unmistakably manifest[s] an alternative meaning.” MultiLayer Stretch (Fed. Cir. 08/04/16) (2-1) (aff’g construction that “each layer being selected from the group consisting of” [list of resins] restricted layer to recited resins despite dependent claim limiting element to an unrecited resin. Also creates presumption excluding blends of the recited elements. Id. (but here this presumption overcome). But, “rare exception” exists for “aspects unrelated to the invention.” Shire Dev. III (Fed. Cir. 02/10/17) (reversing infringement finding; rare exception not triggered by element outside claim’s Markush group).

- Meaning Of “Consisting Essentially Of”: “scope of the claims can include those additional elements which do not materially affect the basic and novel characteristics of the claimed invention as specified in” the Spec., such as impurities. In re Hitachi (Fed. Cir. 03/17/15) (non-precedential) (based double patenting rejection on reading in impurities into the claims of the first patent); In re Herz (CCPA 07/22/76).
h) **method claims**

- **Method Step Requires Action (an Active Step):** "A process is defined as ‘an act, or a series of acts.’ Here, because the claims affirmatively recite the step of “oxidizing,” “oxidizing” cannot be interpreted as doing nothing, or to simply allow oxidation to occur on its own.” Kaneka (Fed. Cir. 06/10/15); see Zhejiang (Fed. Cir. 01/23/17) (non-precedential) (subsequent action on same patent, requiring trial judge to abide by same claim-construction.)

- **Order Of Steps:** As a general rule, the steps of a method are not ordinarily construed to require a particular order, unless “as a matter of logic or grammar, requires that the steps be performed in the order written, or the specification directly or implicitly requires an order of steps.” Mformation Tech. (Fed. Cir. 08/22/14) (aff’g an order-of-steps requirement, and on that basis, aff’g a JMOL of no infringement, overturning a $147 MM verdict) (citations omitted); Kaneka (Fed. Cir. 06/10/15) (claims require steps occur in order listed but later step may begin before earlier step completes).

Cf. Wi-LAN (Fed. Cir. 01/08/16) (aff’g no infringement based on ordering of two functional elements: “requires randomizing the modulated data symbols before combining them.”)

i) **non-method claims**

- **Construction Of Non-Method Claim Generally Not Include Process Limitations:** AstraZeneca (Fed. Cir. 10/30/13) (non-precedential) (refusing to construe composition claim as limited to process of making that composition); but see The Medicines Co. III (Fed. Cir. 04/06/17) (rev’g trial court’s broader construction; based in part on Spec.’s definition of “batches” as compounds made by same process, construing composition claim (“Pharmaceutical batches of a drug product comprising bivalirudin . . . wherein the batches have a pH adjusted by a base, said pH is about 5-6 when reconstituted in an aqueous solution for injection, and wherein the batches have a maximum impurity level of Asp9-bivalirudin that does not exceed about 0.6% as measured by HPLC”) as requiring “use of a process that achieves batch consistency,” and, specifically, “to require using the efficient mixing conditions of Example 5.”)

- **Structural Limitation vs. Product-By-Process Limitation:** Aff’g as a proper structural limitation, not a process limitation, construction of “disks” as “disks that, before being affixed, joined, or connected, exist separately as individual, physically distinct disks.” Regents Univ. of Minn. (Fed. Cir. 06/03/13). Limitation is structural not product-by-process and thus still infringement even though condition met by accused product only during manufacturing outside U.S.: “including a relatively resilient end edge portion which temporarily deflects and subsequently rebounds to snap-secure one of said glass piece front and rear edges in the glass piece edge-receiving channel.” Gemtron (Fed. Cir. 07/20/09); see Belden (Fed. Cir. 04/17/15) (non-precedential) (“a product claim does not automatically become a product-by-process claim simply because a limitation recites a process characteristic, like ‘twisted together.’”)

- **Programmed Processor Or Computer:** Alappat (Fed. Cir. 07/29/94) (en banc): “Alappat admits that claim 15 would read on a general purpose computer programmed to carry out the claimed invention, but argues that this alone also does not justify holding claim 15 unpatentable as directed to nonstatutory subject matter. We agree. We have held that such programming creates a new machine, because a general purpose computer in effect becomes a special purpose computer once it is programmed to perform particular functions pursuant to instructions from program software.” (Citations omitted); cite to WMS Gaming (Fed. Cir. 07/20/99): “The instructions of the software program that carry out the algorithm electrically change the general purpose computer by creating electrical paths within the device. These electrical paths create a special purpose machine for carrying out the particular algorithm.”

“Accordingly, the structure disclosed for the ‘means for assigning’ limitation of claim 1 of the Telnæs patent is a microprocessor programmed to perform the algorithm illustrated in Figure 6. In other words, the disclosed structure is a microprocessor programmed to assign a plurality of
single numbers to stop positions such that: 1) the number of single numbers exceeds the number
of stop positions; 2) each single number is assigned to only one stop position; 3) each stop position
is assigned at least one single number; and 4) at least one stop position is assigned more than one
single number.”

**TIPS:**

- REDACTED

**j) particular claim language**

- **Meaning Of “a”:** in “comprising” claims, “a” = “one or more”: “[t]his court has repeatedly
emphasized that an indefinite article ‘a’ or ‘an’ in patent parlance carries the meaning of ‘one or
more’ in open-ended claims containing the transitional phrase ‘comprising.’” *KJC Corp.* (Fed. Cir.
2000). That ‘a’ or ‘an’ can mean ‘one or more’ is best described as a rule, rather than merely as a
presumption or even a convention. The exceptions to this rule are extremely limited: a patentee
must ‘evinc[ ] a clear intent’ to limit ‘a’ or ‘an’ to ‘one.’ *Id.* The subsequent use of definite articles
‘the’ or ‘said’ in a claim to refer back to the same claim term does not change the general plural
rule, but simply reinvokes that non-singular meaning. An exception to the general rule that ‘a’ or
‘an’ means more than one only arises where the language of the claims themselves, the Spec., or
the prosecution history necessitate a departure from the rule. *See, e.g., Abtox* (Fed. Cir. 1997);
*Instiufom Techs.* (Fed. Cir. 1996).” *Baldwin Graphic* (Fed. Cir. 01/15/08); *01 Communiqué Lab*
(Fed. Cir. 07/31/12) (“comprising . . . a locator server computer” refers to one or more); *SanDisk*
(Fed. Cir. 10/09/12) (“comprising . . . operating memory cells within individual sectors with at least
a user data portion and an overhead portion”: “a” means one or more). But found “a” meant
singular, in *Enfish* (Fed. Cir. 05/12/16) (rev’g SJ of anticipation); *Tivo* (Fed. Cir. 01/31/08) (“The
pertinent claim language refers to ‘assemb[ing] said video and audio components into an MPEG
stream,’ which in context clearly indicates that two separate components are assembled into a
single stream, not that the video components are assembled into one stream and the audio
components into a second stream.”); *Harari* (Fed. Cir. 09/01/11) (“comprising ... accessing a
number of control gates and accessing a bit digit line, thereby activating a said number of memory
cells”: “a” means only one, based on claim language and written description); *In re Varma* (Fed.
Cir. 03/10/16) (rev’g PTAB interpretation; “For a dog owner to have ‘a dog that rolls over and
fetches sticks,’ it does not suffice that he have two dogs, each able to perform just one of the
tasks.”)

- **Meaning Of “about”:** No error construing “about” as “approximately” and not giving it a
numerical limitation where patent did not expressly or implicitly give it a different meaning. *Ferring*
(Fed. Cir. 08/22/14).

- **Meaning Of “adapted to”:** Phrase “adapted to” often means (and here means) “made to,”
“designed to,” or “configured to,” but sometimes is used “in a broader sense to mean ‘capable of
or ‘suitable for,’” *Aspex Eyewear* (Fed. Cir. 05/24/10); *In re Giannelli* (Fed. Cir. 01/13/14) (same;
rev’g PTAB obviousness rejection; claim required exercise-machine handles “adapted to” be pulled;
Spec. described structural features adapting handles to be pulled; prior art handles capable of
being pulled but designed to be pushed.); *In re Man Machine* (Fed. Cir. 06/19/16) (rev’g PTAB
broader construction of mere capability; “construe ‘adapted to be held by the human hand’ to mean
designed or made to be held by the human hand.”) Cf. *Intertainer* (Fed. Cir. 09/26/16) (non-
precedential) (aff’g PTAB broad construction: “the claims only require that the “link program” be
“adapted to” perform these functions, so it could also be programmed such that it only helps initiate
these functions, as opposed to performing these functions itself.”); *Profectus* (Fed. Cir. 05/26/16)
(aff’g narrower construction of “mountable” as “having a feature for mounting” rather than
“capable of mounting,” and aff’g SJ of no infringement because “no evidence that the
communication ports are developed as inherent features for mounting the devices on a wall or
tabletop.”)
• **Meaning Of “and”**: “And” means “and” unless Spec. compels disjunctive “or.” *Medgraph* (Fed. Cir. 12/13/16) (aff’g SJ of no infringement; discussing cases).

• **Meaning Of “at least one” Coupled With “and”**: claim element “means for storing at least one of a desired program start time, a desired program end time, a desired program service, and a desired program type,” construed “as meaning ‘at least one of each desired criterion; that is, at least one of a desired program start time, a desired program end time, a desired program service and a desired program type. The phrase does not mean one or more of the desired criteria but at a minimum one category thereof.’” *SuperGuide* (Fed. Cir. 02/12/04).

• **Meaning Of “at least one component of”**: “the phrase ‘at least one component of a signalling moiety’ indicates that the signalling moiety is composed of multiple parts as the term ‘component’ in and of itself indicates a multipart system. Thus, construing the phrase to allow for a single-component system, as the district court did here, would read out the phrase ‘component of a signalling moiety’ and would thus impermissibly broaden the claim.” *Enzo II* (Fed. Cir. 03/16/15) (2-1).

• **Meaning Of “plurality” Or “at least one” Coupled With “each”**: Claim recites “a plurality of heuristic modules configured to …, wherein: each heuristic module corresponds to … and employs…” Here, “each” does not modify “plurality.” Therefore, claim requires two or more such modules, and if more than two such modules exist, then all (not just two) such modules must have the recited features. *Apple II* (Fed. Cir. 10/11/12) (citing *ResQNet* (Fed. Cir. 10/16/03) (“each field” means all fields; “each of a plurality of fields” means “at least two, but not all.”))

• **Meaning of “said”**: “Said” is an “anaphoric phrase[,] referring to the initial antecedent phrase.” *Transperfect* (Fed. Cir. 07/12/17) (non-precedential) (aff’g PTAB CBM finding of no written description support for claims; “said” may refer to the antecedent even if claims also recited that the antecedent has been changed, but that is not required in these claims).

• **Meaning Of “substantially”**: Where claims, spec and prosecution history did not define “substantially pure,” court used common dictionary meaning of “largely but not wholly”: “largely but not wholly the para regioisomer of the intermediate of the structure shown, as compared to the meta isomer.” *Aventis Pharm.* (Fed. Cir. 05/20/13) (2-1); *Vederi* (Fed. Cir. 03/14/14) (rev’g construction of “substantially elevations” (in “the views being substantially elevations of the objects in the geographic area”) as “vertical flat (as opposed to curved or spherical) depictions of front or side views” as failing to give meaning to “substantially” as improperly excluding one of the embodiments; and rev’g SJ of no infringement), CVSG (U.S. 01/12/15).

3. **Content And Form Of A Claim Construction**

• **Four Forms Of Construction**: Claim constructions may take any of the following forms: (traditional) MUST be/include/have; NEED NOT be/include/have; MUST NOT be/include/have; MAY be/include/have.
  - MUST Construction: “the claimed ‘lipophilic component’ must contain, at a minimum, a pharmaceutically acceptable lipophilic substance capable of dissolving ciclosporin, and that is a non-surfactant excipient” *Novartis Pharm.* (Fed. Cir. 2004).
  - **Smith & Nephew** (Fed. Cir. 06/20/11) (non-precedential) (“Thus, the **graft connection element includes at least** a sling member.”); *Indacon* (Fed. Cir. 06/06/16) (construing “custom link” to mean that “each instance of the term in the plurality of files [i]s identified and displayed as a link to a file chosen by the user”). OK to import a required numerical range into a claim that does not expressly contain such limitation where “the specification contains no varied usage or ambiguity” of the claim language other than in a context requiring the specified numerical range. *Amazin’ Raisins* (Fed. Cir. 10/31/08) (non-precedential).
NEED NOT Construction: Chaffen (Fed. Cir. 06/23/17) (non-precedential) ("continuously [draw; drawn; drawing]’ means ‘[dispense; dispensed; dispensing] in an ongoing fashion, as long as sewage effluent flows through the venturi chamber.’ But the flow of chlorine need not be uniform or uninterrupted."); Technology Prop., (Fed. Cir. 03/03/17) (‘an ‘entire oscillator’ is one that does not require a command input to change the clock frequency.’); Fenf (Fed. Cir. 02/06/15) (non-precedential) ("Based on the intrinsic evidence, we understand the plain and ordinary meaning of "separators" in claim 35 in the context of the '675 patent to be "structural features that can be placed between toes." For the sake of clarity, we note that separators may be, but are not necessarily, formed of an elastic or elastomeric material."); Rambus (Fed. Cir. 09/24/13) (aff’g Board: “external clock signal only requires the clock to be periodic during the data input phases, as opposed to being periodic for all system operations.”); Edwards Life Sci., (Fed. Cir. 11/13/12) (approving instruction that “the term ‘cylindrical’ as used in the patent in this case does not require the presence of a perfect geometric cylinder.”); IGT v. Bally Gaming (Fed. Cir. 10/06/11) (aff’g construction: “A 'pay command,' an instruction related to payment, need not cause payment to be effected ‘automatically.’"); Retractable Tech. (Fed. Cir. 07/08/11) (aff’g construction that “the claimed ‘retainer member’ and ‘needle holder’ limitations need not be two separate parts.”) “...the method does not require any determination of a starting point for application of the blood sample to the matrix.” Home Diagnostics (Fed. Cir. 2004): “In sum, the claims do not expressly require pressure jackets, and Medrad points to no clear disavowal of claim scope in either the written description or the prosecution history. In fact, the prosecution history indicates that the asserted claims were added to cover devices that lacked pressure jackets. For those reasons, we conclude that the district court erred in construing the claims at issue to require pressure jackets.” Liebel-Flarsheim (Fed. Cir. 2004): “Accordingly, we conclude that the scope of the asserted claims should not be limited to the expression of exogenous DNA.” Amgen (Fed. Cir. 2003): “...does not limit the disputed phrases to any particular type of technology or specify a particular type of signal format, such as analog or digital.” SuperGuide (Fed. Cir. 2004).

MUST NOT Construction: Intellectual Ventures (Motorola) (Fed. Cir. 09/13/17) ("'send[ing]' and 'receiv[ing]' limitations of claim 41 should be construed to exclude long-term or permanent storage."); Cronos (Fed. Cir. 08/17/17) (non-precedential) ("the district court correctly construed the terms 'item code' and 'identifying code,' within the context of the '110 patent, to be distinct from 'user-discernable information' such that item codes and identifying codes do not contain any user-discernable information."); Duke Univ. (Fed. Cir. 04/25/17) (non-precedential) (rev’g PTAB construction and anticipation finding; claim language “the [hGAA] is a precursor” means it is “exclusively a precursor” not a mixture of precursor and non-precursor, partly in view of the Spec.); TMC Fuel Injection (Fed. Cir. 03/27/17) (non-precedential) (“the asserted claims exclude the use of any pressure regulator from the fuel system.”); D’Agostino (Fed. Cir. 12/22/16) (“The single-merchant limitation thus requires, simply, that, when the transaction code is requested, the request limits the number of authorized merchants to one but does not then identify the merchant, such identification occurring only later.”); Roxane Labs. (Fed. Cir. 11/17/16) (non-precedential) (“'size 00' in the … patent means standard, nonelongated size 00, and ...the limitation 'size 00 or less' thus excludes the larger elongated size 00 capsules from the scope of the claims.”); Liberty Ammunition (Fed. Cir. 08/16/16) (“construe the term ‘intermediate opposite ends’ to mean ‘the interface is positioned between the front end and the rear end of the projectile body such that the interface does not extend all of the way to the front end or to the rear end of the projectile.’”); WI-LAN (Fed. Cir. 08/01/16) (“specified connection excludes embodiments where an intermediary node can maintain only one specified connection.”); Openwave (Fed. Cir. 12/15/15) (aff’g construction: “a
‘mobile device’ is ‘a portable wireless two-way communication device that does not contain a computer module’ and that ‘this construction does not read out embodiments including microcontrollers.’); Belden (Fed. Cir. 11/05/15) (aff'g PTAB IPR anticipation decision; patent owner did not seek construction of “cable” to exclude cable component (quad) which is subject of prior art reference); Augme Tech. (Fed. Cir. 06/20/14) (aff'g construction of “embedded” to mean “written into the HTML code of the web page,” and trial court explanation that this construction “expressly excluded ‘a code module that is retrieved via external linking,’ i.e., code not actually in the web page HTML, but separately retrieved after the web page download.”); Apple (Fed. Cir. 04/25/14) (aff'g construction that claim's “transmit overflow sequence number” is ‘never transmitted,” in part because such transmission would defeat invention’s purpose and in part based on foreign prosecution disclaimer after U.S. pat. issued); Chicago Bd. II (Fed. Cir. 04/07/14) (approving construction: “An automated exchange is a system for executing trades of financial instruments that is fully computerized, such that it does not include matching or allocating through the use of open outcry. Conversely, a system for executing trades of financial instruments that includes matching or allocating through the use of open outcry is not an automated exchange.”); Bose (Fed. Cir. 03/14/14) (non-precedential) (“interface unit,” “interface device,” and “interface module” construed as “singularly physical, not defined on paper as different pieces of separate devices.”); Skinmedica (Fed. Cir. 08/23/13) (2-1) (aff'g construction of “culturing . . . cells in three-dimensions” as “growing . . . cells in three dimensions (excluding growing in monolayers or on microcarrier beads).”); BASF Argo (Fed. Cir. 03/20/13) (non-precedential) (“correctly construed the claims . . . to exclude treatments which require application of insecticide ‘without loopholes around a building, under a building, and both around a building and under a building.’”); Joy MM Delaware (Fed. Cir. 11/08/12) (non-precedential) (“the term ‘indentations’ as used in claim 2 expressly excludes ‘holes.’” Aff'g construction limiting term to structures “into which something can be inserted, but through which it cannot pass.”) In re Abbott Diabetes (Fed. Cir. 09/28/12) (reexamination; “under the broadest reasonable construction, ‘electrochemical sensor’ is properly interpreted to mean a discrete electrochemical sensor devoid of external connection cables or wires to connect to a sensor control unit”); Kinetic (Fed. Cir. 08/13/12) (“tissue damage to the surface of the body, including the epithelial and subcutaneous layers, and excluding fistulae and pus pockets.”); Star Sci. (Fed. Cir. 08/26/11) (claim not indefinite; construed as “controlling one or more of humidity, temperature and airflow in the curing barn, in a manner different from conventional curing, in order to substantially prevent the formation of TSNAs.”); Privacash (Fed. Cir. 08/11/11) (“bearer cards are those that cannot be canceled or deactivated.”) (Non-precedential); ImageCube (Fed. Cir. 06/20/11) (non-precedential) (trial court “correctly construed the term ‘components’ to exclude metallurgical phases of a single alloy.”); iLight Techs. (Fed. Cir. 04/20/10) (non-precedential) (based on prosecution history disclaimer, “the jury should have been instructed that the claimed invention did not include ‘hollow’ structure for the waveguide and that, in order to infringe, structure in the accused Fallon products corresponding to the waveguide could not be ‘hollow.’”); Trading Techs. (Fed. Cir. 02/25/10) (“static” means “a display of prices comprising price levels that do not change positions unless a manual recentering command is received.”) (See Trading Techs. (Fed. Cir. 04/04/16) (non-precedential) (aff'g SJ of non-infringement under earlier case's construction, because products that automatically recenter after pre-set delay)); Vita-Mix (Fed. Cir. 09/16/09) (aff'g construction of limitation “but not including a method of stirring to disperse, dislodge, or break-up an air pocket after it has begun to form.”); RFID Tracker (Fed. Cir. 08/18/09) (non-precedential) (aff'g construction that “an interrogator/reader includes a field generator and a receiver, but not a transmitter.”); Realsource (Fed. Cir. 6/23/08) (non-precedential) (aff'g construction of “ID information"
as “encrypted data, excluding the card number, stored on the debit card in the form of merchant ID, store ID, or terminal ID.”; Allvoice Computing (Fed. Cir. 10/12/07) (“this court construes ‘form[ing] link data’ as the formation of the data structure in volatile memory, excluding operations to update or maintain link accuracy.”); Abraxis (Fed. Cir. 2006) (“the proper construction of ‘edetate’ is EDTA and derivatives of EDTA, such as salts, but not including structural analogs.”); “the limitation in claims 2 and 11 requiring that the bottom side merge with the bottom edge of the central portion of the front wall excludes the possibility that the bottom side also merges with the top edge.”; “fentanyl that is in a form that can pass through the skin excluding solutions of fentanyl citrate.” Alza (Fed. Cir. 12/10/04); Spectrum Intl., Inc. v. Sterilite Corp., 164 F.3d 1372, 1380 (Fed. Cir. 1998); “...the return electrode is not to contact the body at all during the performance of the claimed method.” Arthrocare Corp. v. Smith & Nephew, Inc., 406 F.3d 1365, 1376 (Fed. Cir. 2005); “the claimed ‘lipophilic component’ must contain, at a minimum, a pharmaceutically acceptable lipophilic substance capable of dissolving ciclosporin, and that is a non-surfactant excipient” Novartis Pharm. (Fed. Cir. 2004). But see Cohesive Tech. (Fed. Cir. 10/07/08) (“Although it is appropriate for a court to consider the accused device when determining what aspect of the claim should be construed, it is not appropriate for the court to construe a claim solely to exclude the accused device.”) E.g., a “must not” type of construction supports a “specific exclusion” bar to DOE. Augme Tech. (Fed. Cir. 06/20/14) (linked code in Web page cannot be substantially same as “embedded code” because construction of “embedded code” specifically excludes linked code; aff’g SJ of no DOE).

- MAY Construction: Hitachi Metals (Fed. Cir. 07/06/17) (non-precedential) (aff’g PTAB anticipation finding and “construction of ‘rapid cooling method’ as not excluding ‘super rapid cooling’”); Bamberg (Fed. Cir. 03/07/16) (aff’g PTAB decision of no written description support for count; the BRI “includes within its scope a white layer that melts at temperatures both above and below 220°C.”); Openwave (Fed. Cir. 12/15/15) (aff’g construction: “a ‘mobile device’ is a portable wireless two-way communication device that does not contain a computer module’ and that ‘this construction does not read out embodiments including microcontrollers.’”) “The district court’s claim construction of ‘full surface contact’ is affirmed with the clarification that the definition includes the cohesive failure depicted in Figure 23.” 3M Innovative (Fed. Cir. 08/06/13); “Software on a locator server computer that: (1) receives ...; (2) determines ...; (3) creates ... and (4) creates ... The locator server computer may comprise one or more computers, and the location facility may be distributed among one or more location server computers.” O1 Communiqué Lab (Fed. Cir. 07/31/12); aff’g “The district court construed ‘rigid’ so that it did not ‘exclude’ polymeric particles (as opposed to the monomeric particles referred to in the preferred embodiment of the ’874 patent.’” Cohesive Tech. (Fed. Cir. 10/07/08); “the proper construction of ‘edetate’ is EDTA and derivatives of EDTA, such as salts, but not including structural analogs.” Abraxis (Fed. Cir. 2006); “The claim scope thus does not preclude preparatory steps in advance of step (a), including growth of E. coli at a temperature outside the step (a) range.” Invitrogen (Fed. Cir. 2003); “Thus, this court finds that the term ’intermediary’ can embrace magnetic substances, albeit only if the additional term requirement of ‘alternating polarity’ allows for it.” Intamin (Fed. Cir. 04/18/07); “…claims 1 and 5 must also encompass aluminum with up to about 10% silicon” AK Steel (Fed. Cir. 2003).

- Construing Claims As A Whole: The purpose of claim construction is not to create a mini dictionary. It is to explain to the jury precisely and clearly the dividing line between what technology or action is literally covered by a patent claim versus what is not. Sometimes, this requires construing the claim as a whole. E.g., Power Mosfet Techs., LLC v. Siemens AG, 378 F.3d 1396, 1404 (Fed. Cir. 2004) (“The terms in the Special Master Report were construed in isolation, and at
no other time did the district court or the Special Master construe the claims as a whole."); id. at 1410 (This “limited construction left substantial ambiguity as to the meaning of the claims as a whole.”); id. at 1412 (“A construction of the claims as a whole would have been beneficial to the litigants.”) Cf. Avid Tech. (Fed. Cir. 01/29/16) (questioning trial court failure to construe a claim term ivq of “the aim of claim construction—to give the finder of fact an understandable interpretation of claim scope to apply to the accused systems.”); Alice Corp. (U.S. 06/19/2014) (“Viewed as a whole, petitioner’s method claims simply recite the concept of intermediated settlement as performed by a generic computer.”); Cf. King (U.S. 06/25/2015) (“Our duty, after all, is ‘to construe statutes, not isolated provisions.’”)

- **Construing Relationship Between Claim Elements**: Error for trial court not to instruct jury on disputed issue of whether three elements in an apparatus claim processed the same message. Creative Internet (Fed. Cir. 04/22/11) (non-precedential). See HTC (Fed. Cir. 07/17/17) (non-precedential) (ruled that separate steps in a method must be performed by separate components is a “conclusion about the scope” of the claim and thus a claim-construction ruling); Becton Dickinson (Fed. Cir. 07/29/10) (2-1) (error for district court construe claim as not requiring the recited spring means to be a distinct structural element from the recited hinged arm).

- **Construction May Specify Result Achieved**: “the term ‘flow restrictor’ should be construed as ‘a structure that serves to restrict the rate of flow sufficiently to prevent a hazardous situation.’” Praxair (Fed. Cir. 09/29/08); but not if construction would make infringement of apparatus claim turn on use to which apparatus is put. Paragon Solutions (Fed. Cir. 05/22/09) (“Construing a non-functional term in an apparatus claim in a way that makes direct infringement turn on the use to which an accused apparatus is later put confuses rather than clarifies, frustrates the ability of both the patentee and potential infringers to ascertain the propriety of particular activities, and is inconsistent with the notice function central to the patent system.”)

- **Claim Language May Limit Claimed Environment Not Claimed Subject Matter**: Claim language may limit claim’s environment only and not the claimed method, apparatus, etc. Compare Advanced Software (Fed. Cir. 06/02/11) (steps recited in preamble of method claim and system claim (reciting how a financial instrument was formed) are limitations of the claim, but “limit only the claimed environment, not the claimed method or system,” and thus did not need to be performed or used by the accused infringer); HTC IPCom I (Fed. Cir. 01/30/12) (rev’g hybrid-claim indefiniteness judgment, finding alleged method steps in apparatus claim “merely describe the network environment in which the mobile station must be used.”); and Univ. of Pitt. (04/10/14) (non-precedential) (rev’g damage award based on larger system’s sales where claim recited that larger system only as an intended use, not part of the claimed apparatus) with Intellectual Ventures (Motorola) (Fed. Cir. 09/13/17) (2-1) (rev’g denial of JMOL of no direct infringement; no substantial evidence that phone users (as opposed to the MMS centers operated by wireless carriers) benefitted from (received even knew to request) the claim authenticated delivery reports: “wherein the authenticating device is configured to: generate a delivery report that indicates a delivery event and a time of the delivery event.” Patent owner did not argue that “wherein” clause described environment only.); Koninklijke Philips (Fed. Cir. 07/28/16) (non-precedential) (device maker does not directly infringe apparatus claims because claims recite that that device is “in electrical communication with the exterior of a patient” not “configured to be placed in ….”); Nazomi (Fed. Cir. 01/10/14) (claim requires specific, non-generic functions requiring combination of software and hardware to perform, not just hardware whose intended use environment includes software). See Helferich (Fed. Cir. 02/10/15) (“where a defendant’s practice of a claimed invention presupposes that other persons engage in additional conduct, we have said that the additional conduct is part of ‘the environment’ in which the claim is practiced, and not something the defendant need engage in for infringement to be found.”)

- **Claim Language May Restrict Characteristic Of An Element Rather Than Be Method Step**: LifeNet (Fed. Cir. 09/16/16) (no divided infringement defense for method or apparatus claim:
“non-removal limitation [“said one or more plasticizers are not removed from said internal matrix of said plasticized soft tissue graft prior to transplantation into a human”] clarifies that the recited plasticizer has not been removed and ... it need not ever be removed. This limitation is met without action by a third party. It is satisfied by the gift from the moment it is manufactured unless and until the plasticizer is removed from the internal matrix before transplantation.”); Summit 6 (Fed. Cir. 09/21/15) (“being provided to” is not a step of the method but rather a characteristic of the parameters: “pre-processing said digital content at said client device in accordance with one or more preprocessing parameters, said one or more preprocessing parameters being provided to said client device from a device separate from said client device.”)

- Court May Enforce Construction By Precluding Evidence Or Argument Suggesting A Different Construction: Because it “avoided possible jury confusion” stemming from the parties’ introduction of terms outside the District Court’s claim construction, not an abuse of discretion to bar expert from arguing “arguing that ‘mere association’ between the content and the usage rights is enough to meet the requirement that the usage rights be ‘attached’ to the content.”; ContentGuard (Apple) (Fed. Cir. 07/12/17) (non-precedential).

4. Relationship To Certain Defenses

- Determining Claim “Indefiniteness” Is Part Of Duty To Construe Claims: “A determination of claim indefiniteness is a legal conclusion that is drawn from the court’s performance of its duty as the construer of patent claims.” Datamize (Fed. Cir. 08/05/05); Ernie Ball (Fed. Cir. 01/24/13) (non-precedential) (invalidating claims for indefiniteness, even though not specifically argued below, as part of duty to construe claims).

- Construction Can Establish Sec. 112(1/ a) Invalidity Defenses: E.g., where Spec. mentions two alternatives but enables only one, a construction including both alternatives will establish invalidity. Auto. Techs. Int’l (Fed. Cir. 09/06/07) (claims’ “sensor” was construed to cover both mechanical and electronic sensors, but disclosure enabled only mechanical sensors so claims invalid). Where claims’ particle-size limitations were construed broadly to cover either pre-formulation or post-formulation particle size, written-description invalidity affirmed because Spec. did not show possession of invention of controlling particle size post formulation. Eli Lilly (Fed. Cir. 09/01/10).

- Claim Construction Governs Proofs Need For Establishing Date Of Invention: Intellectual Ventures (Motorola) (Fed. Cir. 05/31/17) (non-precedential) (vacating PTAB unpatentability decision based on reference patent owner tried to predate by showing an earlier date of invention; PTAB erred by requiring patent owner corroboration of a feature that PTAB refused to include in its claim construction).

- TIPS Re Claim Construction And 112(6/f):
  - REDACTED

- TIPS: Do More in Markman:
  - REDACTED

5. 112(6/ f)3 Claim Language

- BASICS: “An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described

3 AIA: Sec. 112, ¶¶ 1-6 are now Sec. 112(a)-(f) for applications filed on or after Sept. 16, 2012. Pub. L. No. 112-29, § 4(c), (e).
in the specification and equivalents thereof.” 35 U.S.C. § 112(6/f). Even if raised in the context of an “indefiniteness” SJ motion, “the issue of whether a claim term is governed by § 112 ¶ 6 is a claim construction issue.” Lighting Ballast III (Fed. Cir. 06/23/15) (challenger who lost indefiniteness argument in Markman proceedings did not waive it by not raising it again in JMOL motion or objecting to jury instructions). Congress “struck a balance in allowing patentees to express a claim limitation by reciting a function to be performed rather than by reciting structure for performing that function, while placing specific constraints on how such a limitation is to be construed, namely, by restricting the scope of coverage to only the structure, materials, or acts described in the specification as corresponding to the claimed function and equivalents thereof.” Williamson (Fed. Cir. 06/16/15) (en banc portion). May not treat a “means-plus-function limitation in [a] patentability analysis as if it were a purely functional limitation.” IPCom (HTC II (IPCom)) (Fed. Cir. 07/07/17) (vacating PTAB reexamination decision for PTAB’s failure to identify algorithm in Spec. corresponding to claim-recited function, after PTAB rejected patent owner’s proposed algorithm). In part, this provides a provisional safe haven from functional-claiming “indefiniteness,” if Spec. satisfies its requirements. But, claims invoking this provision often are invalid for not being particular and distinct, for failure of the patent to disclose the required structure. (See “Particular And Distinct Claims (aka Indefiniteness)” (D.8) below.)

**a) whether 112(6/f) treatment invoked**

- *Williamson: “Purely Functional,” “Black Box,” Or “Generic Placeholder” Claim Elements*
  - **Trigger Sec. 112(6/f) Construction; “Definite,” “Particular,” And “Sufficient” Structure Avoids Sec. 112(6/f) Construction:** Word “means” creates presumption that Sec. 112(6/f) is invoked and absence of word “means” creates presumption that it is not. But, overruling Fed. Cir. case law since 2004, latter, reverse presumption is not “strong.” Rather, “the essential inquiry is not merely the presence or absence of the word ‘means’ but whether the words of the claim are understood by persons of ordinary skill in the art to have a sufficiently definite meaning as the name for structure” or “or else recites ‘function without reciting sufficient structure for performing that function.” Williamson (Fed. Cir. 06/16/15) (en banc portion). “We also overrule the strict requirement of ‘a showing that the limitation essentially is devoid of anything that can be construed as structure.’” Williamson (Fed. Cir. 06/16/15) (en banc portion). Coined term that is “simply an abstraction that describes the function being performed” is not sufficient structure to avoid invoking Sec. 112(6/f), Advanced Ground Info. (Fed. Cir. 07/28/16) (“symbol generator” for the generation of symbols). “To determine whether a claim recites sufficient structure, ‘it is sufficient if the claim term is used in common parlance or by persons of skill in the pertinent art to designate structure, even if the term covers a broad class of structures and even if the term identifies the structures by their function,’” Skky (Fed. Cir. 06/07/17) (aff’g PTAB obviousness decision; “wireless device means” does not invoke Sec. 112/6 because “the full term recites structure, not functionality; the claims do not recite a function or functions for the wireless device means to perform, and ‘wireless device’ is ‘used in common parlance . . . to designate structure’” despite Examiner saying it invoked Sec. 112/6, despite IPR petition asserting the same, and despite word “means” triggering presumption of triggering Sec. 112/6) (quoting TecSec (Fed. Cir. 10/02/13)).
  - **Post-Williamson, Claims Using “Means”: Shperix** (Fed. Cir. 07/25/17) (non-precedential) (aff’g PTAB obviousness decision; “processor means at the handset for displaying keyed alphanumeric data on the screen and concurrently transmitting the alphanumeric data and commands to the base station” triggers 112(6(f))); Skky (Fed. Cir. 06/07/17) (“wireless device means” does not invoke Sec. 112/6 because “the full term recites structure, not functionality; the claims do not recite a function or functions for the wireless device means to perform, and ‘wireless device’ is ‘used in common parlance . . . to designate structure’”); Lighting Ballast III (Fed. Cir. 06/23/15) (aff’g, based on clear error review of fact finding, judgment that “means” element does not trigger Sec 112(6/f), based on expert and inventor testimony that POSA “would understand the claimed ‘voltage source means’ to
correspond to a rectifier, which converts alternating current (“AC”) to direct current (“DC”), or other structure capable of supplying usable voltage to the device.” “The limitations convey a defined structure to one of ordinary skill in the art.”

- **Post-Williamson, Claims Not Using “Means”:** Advanced Ground Info. (Fed. Cir. 07/28/16) (aff’g indefiniteness; “symbol generator [e.g., “a symbol generator connected to [a] CPU and [a] database for generating symbols on [a] touch screen display screen”] invokes the application of § 112, ¶ 6 because it fails to describe a sufficient structure and otherwise recites abstract elements ‘for’ causing actions, or elements ‘that can’ perform functions, even though terms “symbol” and “generator” were known in the field); Media Rights (Fed. Cir. 09/04/15) (“compliance mechanism” triggers Sec. 112(6/f): not commonly known in art as name for a particular structure and Spec. describes it only by its functions, connections and optional “functional components,” not in specific structural terms); Williamson (Fed. Cir. 06/16/15) (panel portion) (aff’g “indefiniteness”; claim element does trigger Sec. 112(6/f): “a distributed learning control module for receiving communications transmitted between the presenter and the audience member computer systems and for relaying the communications to an intended receiving computer system and for coordinating the operation of the streaming data module,” because uses format of “means” element and replaces “means” with “nonce word” “module” which, like “means,” is a “generic,” “black box” “description for software or hardware that performs a specified function,” and the written description’s description of the element “fails to impart any structural significance” to the term.”)

- **Now-Overruled Case Law On Triggering Sec. 112(6/f):** There is a “strong” “presumption” that a claim term other than “means” does not invoke Sec. 112(6/f). Lighting World (Fed. Cir. 09/03/04); Robert Bosch (Fed. Cir. 10/14/14) (presumption overcome for “program recognition device” and “program loading device” because “device” is non-structural nonce word and other terms in phrase are purely functional and neither Spec. nor dependent claims defined or described in structural terms). When “means” is not used, test is whether the claim term is used in the pertinent art “to designate structure, even if the term covers a broad class of structures and even if the term identifies the structures by their function.” Mass. Inst. of Tech. & Elecs. for Imaging (Fed. Cir. 09/13/06); Williamson (Fed. Cir. 11/05/14) (2-1) (“a distributed learning control module for…” not Sec. 112(6/f): “module” has dictionary meanings connoting hardware or software structure in the computer arts; context in claims and Spec. suggest structure), vacated, Williamson (Fed. Cir. en banc order 06/16/15), Williamson (Fed. Cir. 06/16/15) (panel portion) (different result: language does trigger Sec. 112(6/f) and claim is indefinite); EnOcean (Fed. Cir. 01/31/14) (“signal receiver for receiving” does not trigger 112/6, as term “receiver” is understood in the art; rev’g BPAI); Power Integrations (Fed. Cir. 03/26/13) (“soft start circuit,” with recited input, output and straightforward function, connotes “sufficiently definite structure”). But see Apple (Fed. Cir. 04/25/14) (2-1) (claim term “heuristics,” construed in light of Spec., provides sufficient structure; when “means” is not used: to determine whether claim is in means-plus-function format “we must construe the claim limitation to decide if it connotes ‘sufficiently definite structure’ to a person of ordinary skill in the art, which requires us to consider the specification (among other evidence).”)

- **For A Claim Element To Trigger Sec. 112(6/f), Claim Must Recite Function That The Element Performs:** Skky (Fed. Cir. 06/07/17) (aff’g PTAB obviousness decision; “wireless device means” does not invoke Sec. 112/6 because “the full term recites structure, not functionality; the claims do not recite a function or functions for the wireless device means to perform, and ‘wireless device’ is ‘used in common parlance . . . to designate structure’”).

- **Reciting Or Implying That Function Is Computer Or Processor Implemented Is Not Enough To Connote Definite Structure:** Each of Williamson (Fed. Cir. 06/16/15) (functions
require “a special purpose computer”), Media Rights (Fed. Cir. 09/04/15) (“these functions are
computer-implemented functions”), and Advanced Ground Info., (Fed. Cir. 07/28/16), involved
claims reciting computer or processor implemented software functions yet were deemed to trigger
Sec. 112(6/f) construction.

- **Reciting Connections To Or Interactions With Other Elements May Not Be Sufficient To
  Recite Or Connote Definite Structure:** Each of Williamson (Fed. Cir. 06/16/15) (“distributed
learning control module” element received communications from one element and relayed them to
another), Media Rights (Fed. Cir. 09/04/15) (“compliance mechanism” was “coupled to” three other
elements in the claim; “Nothing in the written description … adds sufficiently to the meaning of the
term’s structure; it only describes the term’s function and interaction with other parts in the
system.”), and Advanced Ground Info., (Fed. Cir. 07/28/16) (“a symbol generator connected to said
CPU and said database for generating symbols on said touch display screen;” “symbol generator
in said CPU that can generate symbols…”), involved claim elements recited in claims and/or Spec.
as being connected to, part of, or interacting with, other claim elements, but those recitations did
not sufficient to recite or connote the required definite structure.

- **Preponderance Burden Of Production To Overcome Presumptions For Or Against
  Invocation Of Sec. 112(6/f):** Burden of production to overcome rebuttable presumption created
by use or non-use of “means” “must be met by a preponderance of the evidence.” Apex (Fed. Cir.
04/02/03); Advanced Ground Info., (Fed. Cir. 07/28/16) (aff’g indefiniteness; where claim does not
use “means,” “the challenger must establish by a preponderance of the evidence that the claims
are to be governed by § 112, ¶ 6.”)

- **(Pre-Williamson) Rebutting 112(6/f) Presumption Created By “Means”:** Use of “means”
triggers rebuttable presumption that 112(6/f) is invoked. “Sufficient structure exists [to rebut that
presumption] when the claim language specifies the exact structure that performs the functions in
question without need to resort to other portions of the specification or extrinsic evidence for an
adequate understanding of the structure.” Trimed (Fed. Cir. 01/29/08); but see Inventio AG (Fed.
Cir. 06/15/11) (the claim “must ‘specify’ the exact structure that performs the functions in
question,’” but noting that “where the claims recite the term ‘means,’ we have considered the
written description to inform the analysis of whether the claim recites sufficiently definite structure
to overcome the presumption.”) (citation omitted). See Chicago Bd., (Fed. Cir. 05/07/12) (“system
memory means” is means-plus-function element (dictum); corresponding structure is “system
memory.”); TecSec (Fed. Cir. 10/02/13) (“system memory means” for storing data, and “digital
memory means,” do not invoke § 112, ¶ 6, the latter in part because claim recites no function [but
citing case law (Lighting World) on different issue (whether term other than “means” invokes Sec.
112(6/f))]; Lighting Ballast I (Fed. Cir. 01/02/13) (112/6 element: “voltage source means providing
a constant or variable magnitude DC voltage between the DC input terminals,” rejecting expert
testimony for failure to show “voltage source” was “used synonymously with a defined class of
structures at the time the invention was made”) (non-precedential), vacated en banc (Fed. Cir.
03/15/13) (to revisit Cybor), reinstated (Fed. Cir. 02/21/14), vacated ivo Teva (U.S. 01/26/2015),
on remand Lighting Ballast III (Fed. Cir. 06/23/15) aff’g trial court’s claim construction that claim
term did not trigger Sec. 112(6/f) and claim is not indefinite).

- **(Pre-Williamson) When 112(6/f) Triggered Without Using Word “Means”:** There is a
“strong presumption” that a claim term other than “means” does not invoke Sec. 112(6/f). Inventio
AG (Fed. Cir. 06/15/11) (“modernizing device” and “computing unit” in these claims do not trigger
Sec. 112(6/f)) (distinguished in Robert Bosch (Fed. Cir. 10/14/14)). A claim term does not trigger
Sec. 112(6/f), if it suggests structure, even if not a specific structure. See Lighting World (Fed. Cir.
09/03/04) (“Thus, while it is true that the term ‘connector assembly’ does not bring to mind a
particular structure, that point is not dispositive. What is important is whether the term is one that
is understood to describe structure, as opposed to a term that is simply a nonce word or a verbal
construct that is not recognized as the name of structure and is simply a substitute for the term
‘means for.’”); Mass. Inst. of Tech. & Elecs. for Imaging (Fed. Cir. 09/13/06) (“it is sufficient if the claim term is used in common parlance or by persons of skill in the pertinent art to designate structure, even if the term covers a broad class of structures and even if the term identifies the structures by their function.”); Baran (Fed. Cir. 08/12/10) (“The relevant inquiry is whether the [claim] term at issue is purely functional.”) In determining whether claim term suggests structure, court should look to intrinsic and perhaps extrinsic evidence same as any other construction. Inventio AG (Fed. Cir. 06/15/11); Powell (Fed. Cir. 11/14/11) (“dust collection structure” is not 112(6/f) element: “the written description identifies several prior art patents that disclose various types of dust collection structures.”); Flo Healthcare (Fed. Cir. 10/23/12) (“a height adjustment mechanism for altering the height of the horizontal tray” does not invoke 112(6/f): “the noun “adjustment,” ... has a reasonably well-understood meaning as a name for a structure”); Mas-Hamilton (Fed. Cir. 09/10/98) (“lever moving element” and “movable link member” trigger 112(6/f)).

Method Claims May Include “Means Plus Function” Elements: Method claims may recite elements triggering Sec. 112(6/f) treatment. E.g., Media Rights (Fed. Cir. 09/04/15) (aff’g judgment of indefiniteness on the pleadings (filed and argued during Markman proceedings); “compliance mechanism” in method claim’s step “activating a compliance mechanism” triggers Sec. 112(6/f)); Saffran (Fed. Cir. 04/04/13) (both method and device claims recited a “release means for ...”)

Step Plus Function: “The word ‘means’ clearly refers to the generic description of an apparatus element, and the implementation of such a concept is obviously by structure or material. We interpret the term ‘steps’ to refer to the generic description of elements of a process, and the term ‘acts’ to refer to the implementation of such steps.” “The paragraph is implicated only when steps plus function without acts are present.” Overall result of method is not same as function of an individual step: “Performing a series of steps inherently produces a result, in this case the removal of water vapor from the analyte slug, but a statement in a preamble of a result that necessarily follows from performing a series of steps does not convert each of those steps into step-plus-function clauses.” O.I. Corp. v. Tekmar Co., 115 F.3d 1576, 1582-83 (Fed. Cir. 1997) (despite parallelism with apparatus claims, following step is not in step plus function format: “‘the step[s] of ... passing the analyte slug through a passage’” because the step of “passing” is “not individually associated in the claim with functions performed by the” step). Absence of “step for” language creates presumption that method step does not trigger Sec. 112(6/f). Generation II (Fed. Cir. 08/15/01). Use of “step for” triggers presumption of Sec. 112(f/6) treatment, and even then claim must not recite acts in support of that step. Mascio (Fed. Cir. 08/28/02) (rev’g trial court’s treatment of claim steps as Sec. 112(f/6) step.). “Where a method claim does not contain the term ‘step[s] for,’ a limitation of that claim cannot be construed as a step-plus-function limitation without a showing that the limitation contains no act.” Id. “In general terms, the ‘underlying function’ of a method claim element corresponds to what that element ultimately accomplishes in relationship to what the other elements of the claim and the claim as a whole accomplish. ‘Acts,’ on the other hand, correspond to how the function is accomplished. ... If a claim element recites only an underlying function without acts for performing it, then § 112, ¶ 6 applies even without express step-plus-function language.” Seal-Flex (Fed. Cir. 04/01/99) (Rader, J. concurring). Cf. Lemley, Software Patents and the Return of Functional Claiming (Wisc. Law Review 10/12/12) (“The intent of this statute was to allow functional claiming only when it was limited to particular implementations of that function, not when it encompassed all feasible ways of achieving the goal.”).

• TIPS:
  
  • REDACTED
b) construction of 112(6/ f) claim element

- Corresponding Structure Must Be Clearly Linked In Spec. To The Claim-Recited Function: Spec. must disclose the structure and clearly link it to the claimed function. Medtronic (Fed. Cir. 04/20/01) (structure must be clearly linked to claimed function, e.g., in Spec., dependent claims, or prosecution history); MobileMedia (Fed. Cir. 03/17/15) (rev'g infringement judgment based on too-broad interpretation of corresponding structure); Cloud Farm (Fed. Cir. 01/09/17) (non-precedential) (aff'g indefiniteness for lack of corresponding structure in Spec.); Telcordia (Fed. Cir. 07/06/10) (linking disclosure sufficient in view of supporting expert testimony and presumption of validity).

- Corresponding Structure Is Only That Portion Of Structure Necessary To The Claimed Function: The corresponding structure is only that part of the disclosed structure necessary to performing that claimed function. John Mezzalingua Assocs. (Fed. Cir. 04/28/11) (non-precedential); Univ. of Pitt. (Fed. Cir. 04/10/14) (corresponding algorithm is only what is necessary to perform the function, here two-step algorithm described in the background, not more detailed optional implementations later in Spec.).

- “Structure” Need Not Be Physical And May Be An Algorithm: “The ‘structure’ of computer software is understood through, for example, an outline of an algorithm, a flowchart, or a specific set of instructions or rules.” Apple (Fed. Cir. 04/25/14) (2-1) (in context of overcoming presumption that claim element “heuristics” is not a means-plus-function element); Business Objects (Fed. Cir. 01/06/05) (corresponding structure may be an algorithm). See Apple V (Fed. Cir. 02/26/16) (in part because hardware “alone, does nothing without software instructions telling it what to do,” the district court correctly included software as part of the corresponding structure for “means for transmission.”), reinstated Apple VI (Fed. Cir. 10/07/16) (en banc) (7-3).

- Corresponding Structure Encompasses Each Embodiment Disclosed And Linked In Spec., Even If Only Briefly Mentioned: 112(6/ f) element embraces each embodiment corresponding to the claimed function, even if an embodiment is only briefly mentioned. Versa (Fed. Cir. 12/14/04) (a one sentence mention of an alternative embodiment is enough to make that an alternative structural counterpart to a means plus function element). But, does not include structures disclosed not in the Spec. but rather only in prior art listed in the patent Spec. Pressure Prod. (Fed. Cir. 03/24/10).

- Spec. Must Identify The Corresponding Structure Not Merely Reference It Generically Or State That Known Or Conventional Ways May Be Used: “A bare statement that known techniques or methods can be used does not disclose structure.” Biomeding (Fed. Cir. 06/18/07); see Twin Peaks (Fed. Cir. 05/26/17) (non-precedential) (aff'g indefiniteness; distinguishing enablement from requirement of specifying the corresponding structure: “by engaging in functional claiming under § 112 ¶ 6, a patentee is entering into the bargain of limiting its open-ended functional claim term to what is disclosed and their equivalents, which may not be coextensive with the full enabled scope”); Triton Tech (Fed. Cir. 06/13/14) (Spec. stated that the claim-recited numerical integration function is performed in a “conventional manner”); Saffran (Fed. Cir. 04/04/13) (corresponding structure limited to “hydrolyzable bonds,” not more generic “chemical bonds and linkages.”) (2-1) (rev’g judgment of infringement); Default Proof (Fed. Cir. 06/16/05) (“This duty to link or associate structure to function is the quid pro quo for the convenience of employing § 112, ¶ 6.”); Med. Instrumentation (Fed. Cir. 09/22/03) (that PHOSITA would know of structure which could perform the function is insufficient, the Spec. must disclose the structure); Mettler-Toledo (Fed. Cir. 02/08/12) (where patent discloses a single embodiment (multiple slope integrating A/D converter), the corresponding structure is limited to that embodiment even if generic devices were known in the art for performing such function and there is a reference in abstract to such a generic device (A/D converter), as that reference was not linked to the claimed
function) (aff’g SJ of non-infringement); Bennett Marine (Fed. Cir. 09/19/13) (non-precedential) (only one embodiment disclosed even though shown more generically in one figure).

- **Corresponding Structure May Be Incorporated By Reference To A U.S. App.:** but not via incorporation by reference to a non-patent publication. Otto Bock (Fed. Cir. 02/18/14) (non-precedential).

- **Not a Human:** “a human being cannot constitute a ‘means’” within the scope of § 112, ¶ 6.” Voter Verified (Fed. Cir. 11/05/12).

- **112(6/f) Construction And Computers/Processors:** see discussion below under Indefiniteness (e.g., “Aristocrat”).
  - **TIPS:**
    - REDACTED

- **“Structure” Cannot Be Purely Functional (E.g., Any Circuit That Performs The Function):** Identifying structure as “any circuit that performs the claim function” is “no more specific than defining” the means “in purely functional terms” which is “prohibited.” Tomita I (Fed. Cir. 12/08/14) (non-precedential) (rev’g district court claim construction).

- **Scope Of Structural Equivalents:** when the specifics of the disclosed structure are unimportant to the claimed invention, the scope of structural equivalents may be broader. Uniloc (Fed. Cir. 01/04/11) (rev’g JMOL of no infringement).

  **c) relationship to claim differentiation**

- **112(6/f) vs. Claim Differentiation:** That dependent claim expressly recites the structures identified in the court’s construction of the 112(6/f) limitation does not argue against that construction, because the 112(6/f) limitation is still broader than the dependent claim because it also embraces structural equivalents to those structures. Pressure Prod. (Fed. Cir. 03/24/10).

- **The Opposite Of Claim Differentiation Applies:** Where a dependent claim recites that the means-plus-function element comprises a particular structure, that supports a construction that such structure is the “corresponding structure” for that element. Medtronic (Fed. Cir. 04/20/01).

**6. No Patentable Weight**

- **Many Types Of Claim Language Have No Patentable Weight When Comparing Claim To Prior Art:** Sometimes claim language, even when it recites something new and non-obvious, has “no patentable weight,” or “no patentable consequence” (AstraZeneca (Fed. Cir. 11/01/10)) albeit it may or may not be a limitation for infringement purposes. E.g.: a preamble, a whereby or thereby clause, “printed matter,” intended result, intended use, new intended use of an old capability, “a newly discovered fact about the association between [an old product’s] components or functions”; process portion of a product-by-process claim, source or process limitations in claim to an old product, input signals in a circuit claim, and non-functional descriptive material in a method or non-method claim. But see Mayo (U.S. 03/20/2012) (“But §§102 and 103 say nothing about treating laws of nature as if they were part of the prior art when applying those sections. Cf. Diehr; 450 U.S., at 188 (patent claims ‘must be considered as a whole’).”); In re Jasinski (Fed. Cir. 02/15/13) (non-precedential) (rev’g BPAI refusal to give language patentable weight where the language “refer[s] to the ‘essence of the invention’”). Consider seeking such a ruling as part of Markman (e.g., “this claim language limits the claim but has no patentable weight”).

- **AIA:** the Act uses this “no patentable weight” concept: “for purposes of evaluating an invention under section 102 or 103,” “any strategy for reducing, avoiding or deferring tax liability” “shall be deemed insufficient to differentiate a claimed invention from the prior art.” (Sec. 14(a)).
BPAI Precedential And Informative Decisions Re No Patentable Weight: In re Schulhauser (PTAB 04/28/16) (precedential) (under broadest reasonable interpretation, steps triggered only if a condition precedent is met (“triggering an alarm state if the electrocardiac signal data is not within the threshold electrocardiac criteria; determining the current activity level of the subject from the activity level data if the electrocardiac signal data is within the threshold electrocardiac criteria”) need not be performed, such that an obviousness ground need not address those conditional steps; citing Cybersettle and Appler for parallel rule in infringement analyses);

In re Nehls, No. 2007-1823, 2008 WL 258370, *10 (BPAI Jan. 28, 2008) (precedential) (expanded panel) (“There is no evidence that SEQ ID NOs 9-1008 functionally affect the process of comparing a target sequence to a database by changing the efficiency or accuracy or any other characteristic of the comparison. Rather, the SEQ ID NOs are merely information being manipulated by a computer; …”); In re Curry, 84 USPQ2d 1272 (BPAI 2005) (“Informative Opinion”), aff’d (Fed. Cir. Appeal No. 2006-1003, June 12, 2006) (“Common situations involving nonfunctional descriptive material are: … - a computer that differs from the prior art solely with respect to nonfunctional descriptive material that cannot alter how the machine functions (i.e., the descriptive material does not reconfigure the computer), or - a process that differs from the prior art only with respect to nonfunctional descriptive material that cannot alter how the process steps are to be performed to achieve the utility of the invention.”)

Distinct From Whether Language Qualifies As Limitation For Infringement Purposes: a related issue is whether the claim language constitutes a limitation for infringement purposes. E.g., functional language in an apparatus claim (at least when in the preamble) is a limitation only where “the language describes something about the structure of the apparatus rather than merely listing its intended or preferred uses.” Textron (Fed. Cir. 09/07/12) (non-precedential).

Closely Related Doctrine: Admitted Inherency: A claimed property “is not an additional requirement imposed by the claims” where patent discloses that it is “a property necessarily present” where other claim limitations are present. Alcon Res. (Fed. Cir. 08/08/12) (quoting In re Kubin (Fed. Cir. 04/03/09)); cf. Par Pharm. (Fed. Cir. 12/03/14) (vacating obviousness judgment where no finding that claimed effects were “necessarily present” or the “natural result” of claimed steps.)

Markman Position May Waive “No Patentable Weight” Or “Inherency” Argument: Mytee Prod. (Fed. Cir. 09/02/11) (non-precedential) (“Mytee waived any inherency arguments when it proposed a functional definition for a structural limitation.”)

TIPS: Unified Theory Of No Patentable Weight:

a) preamble

Preamble Statement Of Intended Use Not A Limitation (Anticipation): Preamble language, in article of manufacture claim, “for permitting a user to write thereon without the use of a marking implement,” not a limitation because mere statement of intended use and not clearly relied upon in prosecution history to distinguish over prior art. “[T]hat a structural term in the preamble is part of the claim does not mean that the preamble’s statement of purpose or other description is also part of the claim.” Marrin (Fed. Cir. 03/22/10) (claims anticipated); Outdry (Fed. Cir. 06/16/17) (aff’g PTAB obviousness decision; preamble (“A process for waterproofing leather”) “is simply a statement of intended use, not a separate claim limitation” and need not be disclosed in prior art reference).

Result May Differ In Infringement Litigation vs. Before PTO (Anticipation): In re Taylor (Fed. Cir. 06/14/12) (non-precedential) (aff’g PTO ruling that preamble not limiting, and distinguishing prior cases as arising in infringement litigation context.)
• **Preamble Use Of Label For Invention As A Whole Not A Limitation (Infringement):** Reciting “a label for the invention as a whole” (“photoselective vaporization of tissue”) rather than an essential structure or step, is not limiting in infringement analysis. *Am. Med.* (Fed. Cir. 09/13/10).

b) **printed matter and instructions on use**

• **Printed Matter:** *In re Bryan* (Fed. Cir. 03/31/09) (non-precedential) (aff’g obviousness rejection of claim to a “game board and game,” “the printed matter does not depend on the game’s structural elements, and the game’s structural elements do not depend on the printed matter.”); *In re Xiao* (Fed. Cir. 10/12/11) (non-precedential) (aff’g Board obviousness ruling based on ruling that wild-card position label on combination lock (which user could associate as part of a memorable word) has no patentable weight: “The claimed lock’s function turns solely on the physical alignment among tumbler rings, regardless of what may be printed at each position or how an individual user subjectively perceives any particular position label. In short, the presence or identity of a given position label has no bearing on the lock’s ultimate function, and the claimed device can be used in the same way and for the same purposes with or without wild-card position labels.” Information “useful and intelligible only to the human mind” has no patentable weight.) But see *In re DiStefano* (Fed. Cir. 12/17/15) (rev’g PTAB determination that claim element (“selecting a first element from a database including web assets authored by third party authors and web assets provided to the user interface or outside the user interface by the user”) constitutes “printed matter.”)

• “**Printed Matter**” Without Functional Or Structural Relationship To Physical Substrate Has No Patentable Weight: “A limitation is printed matter only if it claims the content of information... [It] must be matter claimed for what it communicates.” *In re DiStefano* (Fed. Cir. 12/17/15) (rev’g PTAB determination that claim element (“selecting a first element from a database including web assets authored by third party authors and web assets provided to the user interface or outside the user interface by the user”) lacks patentable weight: “Although the selected web assets can and likely do communicate some information, the content of the information is not claimed. And where the information came from, its ‘origin,’ is not part of the informational content at all.”).

• **Novel Instructional Limitation Cannot Avoid Anticipation Where It Lacks Functional Relationship With Rest Of Claimed “Invention”:** “Printed matter” case law applies to method claims as well as product claims. Where “an instructional limitation” (“informing the patient that taking metaxalone with food will increase the drug’s bioavailability”) is added to an old method, it cannot avoid invalidity unless it has a “new and unobvious functional relationship” with the known method. “This relationship, however, is not functional. Informing a patient about the benefits of a drug **in no way transforms the process of taking the drug with food.** Irrespective of whether the patient is informed about the benefits, the actual method, taking metaxalone with food, is the same. In other words, the ‘informing’ limitation ‘in no way depends on the [method], and the [method] does not depend on the [‘informing’ limitation].’”) *King Pharm.* (Fed. Cir. 08/02/10) (citing In re Ngai, 367 F.3d 1336, 1339 (Fed. Cir. 2004) (per curium)); accord *In re Kao* (Fed. Cir. 05/13/11) ("no functional relationship" between the administering and informing steps). Cf. *Warsaw I* (Fed. Cir. 03/02/15) (rejecting convoyed sales lost profits because related products not "functionally related to the patented product, in part because they would work as well without the patented technology.")

• **Drug Label:** “as in Ngai the claimed instructions here are not entitled to patentable weight. The instructions in no way function with the drug to create a new, unobvious product. Removing the instructions from the claimed kit does not change the ability of the drug to treat respiratory diseases.” *AstraZeneca* (Fed. Cir. 11/01/10).
c) **non-functional descriptive material**

- **Non-Functional Information Has No Patentable Weight:** “Here, the descriptive material (SEQ ID NOs) recited in the claims is not functional material like the data structures in Lowry. There is no evidence that SEQ ID NOs 9-1008 functionally affect the process of comparing a target sequence to a database by changing the efficiency or accuracy or any other characteristic of the comparison. Rather, the SEQ ID NOs are merely information being manipulated by a computer; the SEQ ID NOs are inputs used by a computer program that calculates the degree of similarity between a target sequence and each of the sequences in a database. The specific SEQ ID NOs recited in the claims do not affect how the method of the prior art is performed – the method is carried out the same way regardless of which specific sequences are included in the database. The recited sequences are not functionally related to the computer system carrying out the comparison because the computer compares a target sequence to a database the same way regardless of whether the database includes any of SEQ ID NOs 9-1008: the SEQ ID NOs and the computer do not depend on each other for their function. ... The claimed computer system requires the recited SEQ ID NOs, but not every claim limitation suffices to distinguish a claimed invention from the prior art. In this case, we conclude that the particular SEQ ID NOs recited in claim 13 do not patentably distinguish the claimed computer system from a prior art system that is otherwise identical.” In re Nehls, (BPAI Jan. 28, 2008) (precedential) (expanded panel) (footnotes omitted)

- **Intended use**

  - **Intended Use:** “[T]he grant of a patent on a composition or machine cannot be predicated on a new use of that machine or composition... As a matter of claim drafting, therefore, the discoverer of a new use must protect his discovery by means of process or method claims and not product claims.” In re Hack (CCPA 1957). See In re Dillon (Fed. Cir. 11/09/90) (en banc) (“composition claims on appeal are not structurally or physically distinguishable from the prior art compositions by virtue of the recitation of their newly-discovered use.”); In re Chudik (Fed. Cir. 8/25/17) (non-precedential) (aff’g anticipation rejection of app. claims; “The patentability of an apparatus claim ‘depends on the claimed structure, not on the use or purpose of that structure.’” Claim to a “a humeral implant comprising a humeral surface component having a non-articular surface configured for long-lasting fixation of the implant on a humeral head and no stem,” anticipated by glenoid implant); In re Anderson (Fed. Cir. 10/13/16) (non-precedential) (aff’g Examiner obviousness finding; claim language that data is transmitted “for use by motorists in determining a route of travel” is not limiting because it is “a statement of intended use” and “does not add a structural limitation to the claimed system or method.”)

  - **New Intended Use Of An Old Capability:** “Schreiber’s contention that his structure will be used to dispense popcorn does not have patentable weight if the structure is already known, regardless of whether it has ever been used in any way in connection with popcorn.” “The examiner and the Board both addressed the question whether the functional limitations of Schreiber’s claim gave it patentable weight and concluded that they did not, because those limitations were found to be inherent in the Harz prior art reference.” In re Schreiber (Fed. Cir. 1997) (dispensing top for popcorn), distinguished in Mytee Prod., (Fed. Cir. 09/02/11) (non-precedential), in Bettcher (Fed. Cir. 10/03/11) (2-1) (claim required more capability than may have been inherent in prior art device.), and in In re Chudik (Fed. Cir. 01/09/17) (non-precedential) (rev’g anticipation rejection, no substantial evidence that reference taught the functional limitation).
e) **wherein and whereby clauses**

- **Wherein And Whereby Clauses Have No Patentable Weight Where Merely State Intended Result:** *Minton* (Fed. Cir. 07/29/03) (aff’d S.J. of invalidity for “on sale” bar: “A whereby clause in a method claim is not given weight when it simply expresses the intended result of a process step positively recited.”); *MPHJ* (Fed. Cir. 02/13/17) (O’Malley, J., dissenting) (in analyzing anticipation of system claim, “the “wherein” limitation at issue is conditional; it explains that a specific protocol is used *when one of* said external destinations is email application software. Under the broadest reasonable interpretation of claim 1, the limitations in the “wherein” clause would not apply because email application software is not required to be the external destination in all embodiments.”); cf. *Hoffer* (Fed. Cir. 04/22/05) (“when the “whereby” clause states a condition that is material to patentability, it cannot be ignored in order to change the substance of the invention”).

f) **intended result**

- **Intended Result Has No Patentable Weight:** *Roche* (Fed. Cir. 07/09/08) (“in a stabilizing amount” is an intended result and not a claim limitation for infringement purposes; in a composition claim); but see *Los Angeles Biomedical* (Fed. Cir. 02/28/17) (emphasized language (“’arresting or regressing the [penile] fibrosis, wherein the PDE-5 inhibitor is administered at a dosage up to 1.5 mg/kg/day for not less than 45 days’”) is not mere intended result without patentable weight because part of separate step of the method not a preamble (although that is “not dispositive”), and it demands efficacy not otherwise found in the claim language).

h) **process portion of product-by-process claim**

- **Process Limitation Has No Patentable Weight Unless Imparts Structural Difference:** “For product-by-process claims, that which anticipates if earlier does not necessarily infringe if later.” *Amgen* (Fed. Cir. 09/15/09); *In re Pond* (Fed. Cir. 01/18/12) (non-precedential) (“a product-by-process claim does not add a patentable distinction when the claimed product is the same as the cited art’s product.”). But, “there is an exception to this general rule that the process by which the product is made is irrelevant. As we recognized in *Amgen*, if the process by which a product is made imparts ‘structural and functional differences’ distinguishing the claimed product from the prior art, then those differences ‘are relevant as evidence of no anticipation’ although they ‘are not explicitly part of the claim.’” *Greenliant* (Fed. Cir. 08/22/12); *Purdue Pharma* (Fed. Cir. 02/01/16) (limitation that element be “derived from” a particular source was a process limitation, not a structural or functional limitation, because “source of the 14-hydroxy has no effect on its structure or its removal through hydrogenation,” and therefore could not distinguish prior art in obviousness determination). “For validity purposes, the ‘invention’ in a product-by-process claim is the product.” *The Medicines Co. II* (Fed. Cir. 07/11/16) (en banc).

i) **optional, conditional steps**

- **Optional And Conditional Steps Have No Patentable Weight:** *In re Johnston* (Fed. Cir. 01/30/06) (aff’g anticipation: “optional elements [“may be”] do not narrow the claim because they
can always be omitted.”); In re Schulhauser (PTAB 04/28/16) (precedential) (under broadest reasonable interpretation, steps triggered only if a condition precedent is met need not be performed, such that an obviousness ground need not address those conditional steps; citing Cybersettle and Apelera for parallel rule in infringement analyses); cf. MPHJ (Fed. Cir. 02/13/17) (O’Malley, J., dissenting) (in analyzing anticipation of system claim, “the “wherein” limitation at issue is conditional; it explains that a specific protocol is used when one of said external destinations is email application software. Under the broadest reasonable interpretation of claim 1, the limitations in the “wherein” clause would not apply because email application software is not required to be the external destination in all embodiments.”)

j) input signals in a circuit

- Input Signals In A Circuit Claim: “In fact, Translogic admits, as is proper for a structural circuit, that the input variables (i.e., signals) are not part of the claimed invention.” In re Translogic Tech. (Fed. Cir. 2007).

k) theory of operation

- Newly Discovered Association Between An Old Product And Its Function: “nothing material to anticipation is added,” in a product claim, by claim language “weight concentration ratio correlating to the quality of fabric safety of the product solution selected with the range of damaging to abated damage to cotton-safe” because “a newly discovered fact about the association between [an old product’s] components or functions” “does not alter what the product is or even does.” In re Taylor (Fed. Cir. 11/06/15).

D. NON-INFRINGEMENT

- Marking Patent Number Or Paying Royalties Is Evidence of Infringement: Marking a product with a patent number or paying patent-license royalties on a product does not estop party (e.g., former licensee) from denying infringement, but is a non-binding “extrajudicial admission that the product falls within the patent claims.” Frolow (Fed. Cir. 03/15/13).

- Part Foreign: All Steps Of Claimed Method Must Be Performed In U.S. But Part Of Claimed System May Be Outside U.S.: If some steps of a claimed method are performed outside the U.S., there is no infringement. However, use of a system that is partially located in a foreign country might infringe a system claim. NTP (Fed. Cir. 08/02/05).

- Patent Owner Has Burden Of Proving “Infringement” When DJ Licensee Challenges Coverage Of Claim: Rev’d Fed. Cir.: patent owner bears burden of persuasion where “a patent licensee paying royalties into an escrow account under a patent licensing agreement seeks a declaratory judgment that some of its products are not covered by or do not infringe the patent, and that it therefore does not owe royalties for those products.” Medtronic (U.S. 01/22/2014), rev’d, Medtronic (Fed. Cir. 09/18/12).

TIPS:

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1. Literal And Reverse Doc. Equivalents

- BASICS: To literally infringe a patent, the accused system, method, etc. must include each limitation of a claim. E.g., Southwall (Fed. Cir. 05/10/95) (“A literal infringement analysis requires two separate steps. First, the asserted claims must be interpreted by the court as a matter of law to determine their meaning and scope. In the second step, the trier of fact determines whether the claims as thus construed read on the accused product. To establish literal infringement, every limitation set forth in a claim must be found in an accused product, exactly. Infringement, both
literal and under the doctrine of equivalents, is an issue of fact.”) “Merely producing [the] same result [as the claimed method] in a different way does not suffice.” *Microsoft (Geotag)* (Fed. Cir. 04/01/16) (aff’g SJ no literal infringement). Actions infringe, not articles. *Suprema II* (Fed. Cir. 08/10/15) (en banc, 6-4).

- **Complying With A Standard May Be Enough To Show Infringement:** “If a district court construes the claims and finds that the reach of the claims includes any device that practices [an industry] standard, then this can be sufficient for a finding of infringement.” *Fujitsu* (Fed. Cir. 09/20/10); cf. *JVC Kenwood* (Fed. Cir. 08/10/15) (cannot base infringement on compliance with standards where patents are essential patents licensed to users of standard-compliant products).

- **Sometimes Designer’s Purpose For A Particular Feature Is Relevant To Literal Infringement?:** Compare *Profectus* (Fed. Cir. 05/26/16) (2-1) (“mountable” construed as “having a feature for mounting” rather than “capable of mounting,” and aff’g SJ of no infringement because “no evidence that the communication ports are developed as inherent features for mounting the devices on a wall or tabletop” and “the accused devices were conceived apart from external accessories like docking stations” which could be used to mount them) with *Profectus* (Fed. Cir. 05/26/16) (Moore, J., dissenting op.) (“Apparatus claims ‘recite features of an apparatus either structurally or functionally.’ Intent behind a product design is not an element of direct infringement for an apparatus claim.”)

- **Practicing The Prior Art Is Not A Defense To Literal Infringement:** The “‘practicing the prior art defense typically refers to the situation where an accused infringer compares the accused infringing behavior to the prior art in an attempt to prove that its conduct is . . . noninfringing . . . because the accused conduct is simply practicing the prior art.’ We have made it ‘unequivocally clear . . . that there is no practicing the prior art defense to literal infringement.’ Therefore, parties are prohibited from arguing that a plaintiff ‘must prove . . . that . . . the accused devices embody all the limitations in the asserted claims, and in addition, [that the] accused devices must not be an adoption of the combined teachings of the prior art.’” *ContentGuard (Google)* (Fed. Cir. 07/12/17) (non-precedential) (aff’g denial of new trial).

**a) 112(6/f) element**

- **112/(6/f) Literal Infringement:** Relevant structure in accused device must perform identical claim-recited function “and be identical or equivalent” to corresponding structure in patent, e.g., perform claimed function “in substantially the same way to achieve substantially the same result as the structure in the written description.” *JVW Enterprises* (Fed. Cir. 10/03/05); *Pennwalt* (Fed. Cir. 11/06/87) (en banc) (must perform identical function). “We apply ‘two articulations of the test for equivalence,’ the function-way-result test and the insubstantial difference test.” *Tomita II* (Fed. Cir. 03/17/17) (non-precedential) (aff’g judgment of no structural equivalence based on both tests: “evaluating whether the accused product possesses something of significance that is not found in the corresponding structure of the subject patent is precisely what the District Court was required to assess.”)

- **112(6/f) Equivalents: Determining ‘Way’ Patent’s Disclosed Structure Performs Function:** “a court cannot require as part of the ‘way’ analysis functions that were not properly identified during claim construction. This does not mean, however, that aspects of the claimed invention beyond those stated in the means-plus-function limitation are necessarily irrelevant to the ‘way’ in which the disclosed structure works.” *Applied Med.* (Fed. Cir. 02/24/09) (non-precedential) (aff’d denial of new trial after jury verdict of no infringement); cf. *Mylan* (Fed. Cir. 05/19/17) (modifying preliminary injunction to be based on only one of three patents: substituted chemical compound (manganese dioxide) may perform function in different “way” than claimed compound (silver oxide) in process-of-compound-preparation claims, even though those differences related to unclaimed aspects).
b) **product-by-process claim**

- **Product-By-Process Claims: Non-Structural And Non-Functional Process Limits Claims**
  - **For Infringement But Not For Anticipation or Obviousness**: “Process terms in product-by-process claims serve as limitations in determining infringement.” [Abbott Labs.](Fed. Cir. 05/18/09) *(en banc in part)* (overruling Scripps Clinic) (Abbott Labs. claim: “X which is obtainable by [method]”) (but not addressing whether the recited process steps must be performed in U.S.).
  - But, process terms in product-by-process claim cannot distinguish prior art, unless impart novel structure: “For product-by-process claims, that which anticipates if earlier does not necessarily infringe if later.” [Amgen](Fed. Cir. 09/15/09); [In re Pond](Fed. Cir. 01/18/12) (non-precedential) (“a product-by-process claim does not add a patentable distinction when the claimed product is the same as the cited art’s product.”); [Purdue Pharma](Fed. Cir. 02/01/16) (limitation that element be “derived from” a particular source was a process limitation, not a structural or functional limitation, because “source of the 14-hydroxy has no effect on its structure or its removal through hydrogenation,” and therefore could not distinguish prior art in obviousness determination). “For validity purposes, the ‘invention’ in a product-by-process claim is the product.” [The Medicines Co. II](Fed. Cir. 07/11/16) *(en banc)*.

- **Reverse DOE (RDOE):** Although rarely used, “Reverse DOE” (or “equivalents in reverse”) might avoid SJ of “infringement” even if there is “literal infringement,” and thus get us to trial. [Graver Tank](U.S. 05/29/1950) (“where a device is so far changed in principle from a patented article that it performs the same or a similar function in a substantially different way, but nevertheless falls within the literal words of the claim, the doctrine of equivalents may be used to restrict the claim and defeat the patentee's action for infringement.”); [Warner-Jenkinson](U.S. 03/03/1997) (unanimous) (“This is an application of the doctrine of equivalents in a restrictive role, narrowing the application of broad literal claim elements. We recognized this type of role for the doctrine of equivalents in Graver Tank.”); [SRI Int'l](Fed. Cir. 10/16/85) *(en banc)* (rev'g SJ of no infringement under RDOE, ivo genuine disputes of fact, where undisputed that apparatus claim “reads directly, unequivocally, and word-for-word on [accused] structure.”); [Roche Palo Alto](Fed. Cir. 07/09/08) (“non-infringement under the reverse doctrine of equivalents is a question of fact;” Court affirmed rejection of RDOE defense because Apotex failed to support the supposed “principle” of the invention, or “equitable scope of the claims” with appropriate references to “the specification, prosecution history, and the prior art.”)

- **Proving Literal Infringement Shifts Burden Of Production To Accused To Prove Non-Infringement:** Proving “literal infringement” does not prove infringement; it merely shifts the burden of production to the accused infringer, who “may undertake the burden of going forward to establish the fact of non-infringement under the reverse doctrine of equivalents.” [SRI Int'l](Fed. Cir. 10/16/85) *(en banc)*.

- **TIPS:**
  - REDACTED

2. **Equivalents**

- **BASICS:** If an accused system/process does not literally meet a claim element, but has an equivalent thereto, there may be infringement under the Doctrine of Equivalents (DOE). Equivalents analysis is applied to each claim element separately, not to claim as a whole. [Warner-Jenkinson](U.S. 03/03/1997) (unanimous). Equivalents is evaluated from perspective of a person having ordinary skill in the art (PHOSITA) at time of the alleged infringement, and intent is irrelevant. [Warner-Jenkinson](U.S. 03/03/1997) (“If the essential predicate of the doctrine of equivalents is the notion of identity between a patented invention and its equivalent, there is no
basis for treating an infringing equivalent any differently from a device that infringes the express

terms of the patent. Application of the doctrine of equivalents, therefore, is akin to determining

literal infringement, and neither requires proof of intent.

**Formulation:** “This court applies two articulations of the test for equivalence. Under the

insubstantial differences test, ‘[a]n element in the accused device is equivalent to a claim limitation

if the only differences between the two are insubstantial.’ Alternatively, under the function-way-

result test, an element in the accused device is equivalent to a claim limitation if it ‘performs

substantially the same function in substantially the same way to obtain substantially the same

result.’” *Voda* (Fed. Cir. 08/18/08) (aff’g jury verdict of equivalents infringement). One DOE

formulation is whether the claim element and accused structure/step perform substantially the

same claim-recited function (*Applied Med.* (Fed. Cir. 05/15/06)) in substantially the same way, to

achieve substantially the same result. *Graver Tank* (U.S. 05/29/1950) (aff’g equivalents

infringement where accused welding-flux composition used silicate of manganese instead of claim-

recited silicate of an alkaline earth metal, but prior art and experts showed that manganese silicates

had been used in welding fluxes and the two were substantially identical in operation and result.);

*Machine Co.* (U.S. 1878); *Tomita II* (Fed. Cir. 03/17/17) (non-precedential) (aff’g judgment of no

structural equivalence to means-plus-function element). “An analysis of the role played by each

element in the context of the specific patent claim will ... inform the inquiry as to whether a

substitute element matches the function, way, and result of the claimed element, or whether the

substitute element plays a role substantially different from the claimed element.” *Warner-Jenkinson*

(U.S. 03/03/1997); *Intendis* (Fed. Cir. 05/16/16) (aff’g finding of DOE infnm.: accused isopropyl

myristate performed substantially the same function as the claimed triglyceride and lecithin);

*VirnetX* (Fed. Cir. 09/16/14) (rev’g jury verdict of DOE; security here not equivalent to encryption).

Spec. may or may not evidence the claim element’s function, way or result, in the claimed

composition, and court may look to understanding of a skilled artisan (here, the defendant’s

representations to the FDA in its ANDA). *Intendis* (Fed. Cir. 05/16/16). The substantial differences

test may be more appropriate for non-mechanical cases than the function-way-result test, because

“a compound may appear to be equivalent under the FWR test, but not under the substantiality of

the differences test.” *Mylan* (Fed. Cir. 05/19/17) (comparing both tests in analyzing whether silver

oxide and manganese dioxide are “equivalent” in patents claiming methods for preparing a

chemical compound, and noting that when compounds are expressly named in claims, “an

infringement analysis must not take lightly [their] specific recitation.” “The Supreme Court was

surely correct in stating that non-mechanical cases may not be well-suited to consideration under

the FWR test. That seems to be particularly true in the chemical arts.”).

**Interchangeability:** The known interchangeability between claimed and accused elements at the

time of infringement (not when the patent was issued), can be strong evidence of equivalency.

*Graver Tank* (U.S. 05/29/1950).

**Equivalent To PHOSITA:** Failure to show equivalents from perspective of PHOSITA entitled

accused to JMOL of no infringement. *Lighting World* (Fed. Cir. 09/03/04).

**Changing Order Of Steps May Be Equivalent, or Not:** *Cadence Pharm.* (Fed. Cir. 03/23/15)

(aff’g DOE infringement where claimed method first dissolved an active ingredient to form a

solution and then deoxygenated the solution, whereas accused process first deoxygenates a solvent

and only then adds an active ingredient.); *Wi-LAN* (Fed. Cir. 01/08/16) (changed order of

processing led to mathematically identical result but saved 20 transistors out of a few hundred for

relevant functionality, which is substantial evidence for jury verdict of no DOE.)

**Patent On Accused Device Does Not Increase DOE Burden To Clear And Convincing

Evidence:** *Siemens Med.* (Fed. Cir. 02/24/11), *rehearing denied* (Fed. Cir. 06/07/11) (with

opinions).
a) **required evidence**

- **Patentee Must Provide Particularized Expert Testimony And Linking Argument:** “A patentee must... provide particularized testimony ["of a person of ordinary skill in the art, typically a qualified expert"] and linking argument as to the ‘insubstantiality of the differences’ between the claimed invention and the accused device or process, or with respect to the function, way, result test when such evidence is presented to support a finding of infringement under the doctrine of equivalents. Such evidence must be presented on a limitation-by-limitation basis. Generalized testimony as to the overall similarity between the claims and the accused infringer’s product or process will not suffice.” *Aquatex Indus.* (Fed. Cir. 02/27/07) (aff’g SJ of no DOE where patent owner submitted only lawyer argument and deposition testimony on how product worked); *Advanced Steel* (Fed. Cir. 11/12/15) (aff’g SJ of no DOE where expert’s “substantially the same way” analysis pointed to satisfaction of only other claim elements); *Paice* (Fed. Cir. 10/18/07) (testimony sufficient); *Amgen* (Fed. Cir. 09/15/09) (evidence insufficient); *Eastcott* (Fed. Cir. 06/04/14) (non-precedential) (aff’g SJ of no DOE where affidavit conclusory); *Gemalto* (Fed. Cir. 06/19/14) (aff’g SJ of no DOE where testimony not particularized).

- **Sources Of Evidence Of Function-Way-Result:** To determine the function, way, result of a claimed element, look to the claim and the patent, but if they are silent, look to evidence from those skilled in the art (e.g., as to advantages of the accused design). *Stumbo* (Fed. Cir. 11/28/07).

b) **matter of law restrictions**

- **Restrictions:** There are several “matter of law” legal restrictions on DOE, making this defense ripe for SJ, including:
  
  - **Spec. Disavows:** DOE may not recapture subject matter disavowed in the written description. *AstraZeneca* (Fed. Cir. 09/30/04); *Paice* (Fed. Cir. 10/18/07) (finding no disavowal in patent’s criticism of the prior art); *Cordis* (Fed. Cir. 01/07/08) (finding no disavowal in PH’s explicit definition of meaning of a claim term, that was already implied in the patent); *Lexion* (Fed. Cir. 08/28/08) (non-precedential) (finding no PHE disclaimer because “disputed statements in the prosecution history are subject to multiple reasonable interpretations, they do not constitute the clear and unmistakable surrender required to trigger prosecution disclaimer.”); *Sunbeam Prod.* (Fed. Cir. 12/15/10) (“The specification... explains what is not the claimed invention, and because that explanation excludes the accused bearings from falling within the reach of the patent, those devices cannot infringe under the doctrine of equivalents.”) (non-precedential).
  
  - **Claim (As Construed) Specifically Excludes:** DOE may not capture what claim (or its construction) “specifically excludes.” “Specific exclusion” bars DOE “where the patentee seeks to encompass a structural feature that is the opposite of, or inconsistent with, the recited limitation.” *Augme Tech.* (Fed. Cir. 06/20/14) (linked code in Web page cannot be substantially same as “embedded code” because construction of “embedded code” specifically excludes linked code; aff’g SJ of no DOE); *Enzo III* (Fed. Cir. 08/02/17) (non-precedential) (aff’g sum. jud. of no equivalents infringement by “direct” detection based on earlier panel’s construction expressly excluding direct detection from scope of claim); *Southco* (Fed. Cir. 04/10/15) (non-precedential) (parts not directly attached cannot be equivalent to claimed structure requiring direct attachment, as that is “the very thing that the construction excludes.”); *Decisioning* (Fed. Cir. 05/07/08) (“Decisioning is precluded from asserting that those systems infringe under the doctrine of equivalents, as doing so would vitiate an element of the claims — i.e., ‘remote interface’ as construed.”); *Dolly* (Fed. Cir. 02/08/94) (rev’g equivalents infringement decision; “the concept of equivalency cannot embrace a structure that is specifically excluded from the scope of the claims.”)
Vitiation Of Claim Element (As Construed): DOE may not effectively eliminate (vitiate) any claim element in its entirety. Hilton Davis II (Fed. Cir. 06/12/97) (en banc) (no vitiation); Power Integrations (Fed. Cir. 12/12/16) (rev’g jury verdict of equivalents; finding a single feedback signal equivalent to claimed two “distinct” feedback signals would vitiate that element where it was the alleged improvement over the prior art); Trading Techs. (Fed. Cir. 02/25/10) (“this rule empowers a court to perform again the standard ‘insubstantial variation’ test for equivalency, but this time as a question of law. Claim vitiation applies when there is a ‘clear, substantial difference or a difference in kind’ between the claim limitation and the accused product.”); Akzo Nobel (Fed. Cir. 01/29/16) (vitiation applies if equivalence theory “renders a claim limitation inconsequential or ineffective”); Impulse Tech. (Fed. Cir. 12/07/16) (non-precedential) (“The accused hardcoded values, which are abstract, mathematical constructs coding for a physical space that is known only after adaptation of the system, and the claimed “defined physical space,” known prior to adaptation of the system, are essentially the antithesis of one another. Thus, no reasonable jury could conclude that they are equivalents.”). Cf. Deere & Co. (Fed. Cir. 12/04/12) (“Courts should be cautious not to shortcut this inquiry by identifying a ‘binary’ choice in which an element is either present or ‘not present.’”); Epos Tech. (Fed. Cir. 09/05/14) (same). There is no separate vitiation exception to DOE. Brilliant Instruments (Fed. Cir. 02/20/13) (2-1) (rev’g S.j of no equivalents (based on vitiation theory); vitiation is merely a finding of no equivalents); accord Warsaw I (Fed. Cir. 03/02/15) (aff’g jury verdict of DOE: “jury could find that two enclosing prongs capable of lateral movement and pivoting was equivalent to three enclosing prongs, two of which were capable of lateral movement and pivoting”); Charles Machine (Fed. Cir. 07/26/13). But see Cadence Pharm. (Fed. Cir. 03/23/15) (aff’g DOE infringement; “Vitiation’ is not an exception or threshold determination that forecloses resort to the doctrine of equivalents, but is instead a legal conclusion of a lack of equivalence based on the evidence presented and the theory of equivalence asserted”; citing many cases for this).

Prosecution History Estoppel (see below).

Public Dedication (see below).

Ensnarement Of Prior Art (Wilson Sporting Goods) (i.e., scope sought to be reached under DOE, viewed as a hypothetical claim, must be patentable). Detailed, post-KSR analysis aff’g trial court finding that DOE hypothetical claim did not ensnare the prior art. Depuy Spine (Fed. Cir. 06/01/09). “An accused infringer seeking to avoid infringement under the doctrine of equivalents on this basis bears the burden of ‘presenting prior art which shows that the asserted range of equivalence would encompass the prior art,’” but the patentee bears the ultimate burden of persuasion to show that its claims do not cover the prior art.” Energy Transport (Fed. Cir. 10/12/12). But see Gemalto (Fed. Cir. 06/19/14) (aff’g S.j of no DOE where proposed scope of DOE would ensnare prior art microprocessors). “Hypothetical claims extend the actual claim to literally recite the accused product.” Intendis (Fed. Cir. 05/16/16) (aff’g finding of DOE and rejecting defendant’s proposed hypothetical claim as too broad). Hypothetical claim may not narrow the actual claim in any respect. Streamfeeder (Fed. Cir. 04/20/99).

Literal claim already captures equivalents: Qualitative measures (e.g., “about”) may bar DOE. In context of this patent, word “about” before a numerical limitation “brought what would otherwise be equivalents of a limitation into the literal scope of the claim, [so] the doctrine of equivalents is unavailable to further broaden the scope of the claim.” Cohesive Tech. (Fed. Cir. 10/07/08); cf. Adams Respiratory (Fed. Cir. 08/05/10) (doctrine of equivalents may apply to numerical ranges, even those stating “at least __”); Pozen (Fed. Cir. 09/28/12) (aff’g DOE infringement; although “substantially all” is qualitative, its...
construction based on the Spec. was quantitative (“at least 90%”) so DOE available, and
85% level infringed under DOE).

That accused feature was foreseeable at the time of the application is not a bar on DOE. Ring &
Pinion (Fed. Cir. 02/19/14). Legal restrictions on DOE are for the Court to decide (e.g., on SJ or
J.MOL) not the jury, even if have underlying factual inquiries and need to consider expert testimony
and other evidence. Depuy Spine (Fed. Cir. 06/01/09) (ensnarement issue).

**prosecution history estoppel**

• **Basics**: Actions before the PTO might bar the patent owner from using DOE to capture the
accused technology. The issue normally is whether an amendment (voluntary or not) or argument
surrendered originally claimed subject matter, for reasons related to patentability. Argument-based
estoppel arises when the applicant makes an argument evincing a “clear and unmistakable
surrender” of subject matter. Spectrum Pharm. (Fed. Cir. 10/02/15). The standard “Festo” (Festo
(U.S. 05/28/2002) (unanimous), Festo (Fed. Cir. 09/26/03) (en banc)) analysis for amendments is
as follows:

  o first, did the amendment narrow the literal scope of a claim? Cf. EMD Millipore (Fed. Cir.
    09/29/14) (finding PHE; amendment broadened and narrowed, creating presumption of
    estoppel).

  o if yes, and no reason is stated in the prosecution history (PH) for the narrowing
    amendment, there is a rebuttable presumption that it was made for a substantial reason
    related to patentability, and thus PHE applies. Cf. Warner-Jenkinson (U.S. 03/03/1997)
    (“place the burden on the patent holder to establish the reason for an amendment required
during patent prosecution”)

    ▪ to overcome this presumption, the patent owner can rely solely on evidence in the
      PH record.

  o if estoppel applies, there is a rebuttable presumption that PHE completely bars application
    of DOE as to amended claim limitations (i.e., that all territory between the original claim
    limitation and the amended claim limitation is off limits for DOE (Norian (Fed. Cir.
    12/06/05)).

    ▪ the patent owner may show, however, that it did not surrender the particular
      equivalent in question by showing that at the time of the amendment, one skilled
      in the art could not reasonably have been expected to draft a claim that literally
      encompassed the alleged equivalent.

    ▪ this may be established by showing that: (1) the alleged equivalent would have
      been “unforeseeable” at the time of the claim amendment; (2) the objective
      rationale (as shown in the prosecution history) underlying the amendment bore
      no more than a “tangential relation” to the alleged equivalent; or (3) there was
      “some other reason” (e.g., shortcomings of language) why the patentee could not
      reasonably be expected to have literally claimed the alleged equivalent. This third
      “excuse” may not be used if the alleged equivalent was in the prior art. See
      Honeywell (Fed. Cir. 04/18/08) (extended discussion of foreseeability and
tangential relation, rejecting both and upholding J.MOL no infringement);
      Integrated Tech. I (Fed. Cir. 11/04/13) (PH estoppel not rebutted).

    ▪ this rebuttal-of-presumption issue presents a question of law for the Court.

• **Claim Preamble Defines Field Of Invention For Foreseeability Analysis**: where claim
recited “Pharmaceutical compositions … comprising conjugated estrogens …,” the alleged
equivalent “need only to have been known in the field of pharmaceutical compositions” not that it be known to be suitable for use with conjugated estrogens. Duramed Pharm. (Fed. Cir. 07/21/11).

- **Bar May Arise From Rewriting “Objected To” Dependent Claims:** Narrowing may be found from cancelling a broad claim: “the rewriting of dependent claims into independent form coupled with the cancellation of the original independent claims creates a presumption of prosecution history estoppel.” Honeywell (Fed. Cir. 06/02/04) (en banc); Felix (Fed. Cir. 04/10/09).

- **If Presented As Separate Arguments, Each Distinction Over Prior Art (In PTO) Forms Its Own Estoppel:** PODS (Fed. Cir. 04/27/07).

- **Presumption Of Estoppel Attaches Even If Amendment Unsuccessful:** Felix (Fed. Cir. 04/10/09).

- **Bar Rebutted Because Amendment Tangential To Equivalent:** Festo bar rebutted where rationale underlying the narrowing amendment bears “no more than a tangential relation to the equivalent in question.” Insituform (Fed. Cir. 10/04/04); Dakocytonation Calif. (Fed. Cir. 02/28/08) (rev’g SJ, finding presumption rebutted under tangential relation argument); Funai (Fed. Cir. 09/01/10) (aff’g that claim term merely tangential to prosecution).

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### d) dedication to public

- **BASICS:** There are several ways in which a patent (or its expiration) may dedicate subject matter to the public, immunizing it from a charge of patent infringement, or from a charge of “equivalents” infringement. (Patents filed after June 8, 1995, expire 20 years after earliest non-provisional U.S. or PCT priority application they cite. 35 USC 154(a)(2) (“ending 20 years from the date on which the application for the patent was filed in the United States or, if the application contains a specific reference to an earlier filed application or applications under section 120, 121, 365(c), or 386(c), from the date on which the earliest such application was filed.”).)

- **Disclosure Without Claiming Dedicates To The Public:** Sontag Chain Stores (U.S. 05/20/1940) (“It is now accepted doctrine that ‘the claim of a specific device or combination, and an omission to claim other devices or combinations apparent on the face of the patent, are, in law, a dedication to the public of that which is not claimed.’ This legal effect of the patent cannot be revoked unless the patentee surrenders it and proves that the specification was framed by real inadvertence, accident, or mistake. . . .‘”); Johnson (Fed. Cir. en banc, 03/28/02) (“when a patent drafter discloses but declines to claim subject matter, as in this case, this action dedicates that unclaimed subject matter to the public.”). But, claiming that subject matter in co-pending application likely avoids such dedication to the public. See Suffolk (U.S. Dec. 1865) (no abandonment of claimed invention A, where applicant filed first app. claiming A, then filed second co-pending app. claiming A + B, not claiming A alone, and then first filed app. issued later with claim to just A.); Johnson (Fed. Cir. 03/28/02) (en banc), Miller/Mahn/Sontag S. Ct. cases.

- **Disclosure Of Alternative To Claimed Feature Or Embodiment Bars DOE Reaching The Alternative (“Disclosure-Dedication Doctrine”):** A patent disclosing an embodiment or feature (as being in the prior art and/or as being an embodiment of the “invention”) without claiming it precludes coverage of that feature under DOE, even if claimed in a continuation. Johnson & Johnston (Fed. Cir. 03/28/02) (en banc) (but can be claimed in a continuation patent); CSP Tech. (Fed. Cir. 03/22/16) (non-precedential) (aff’g SJ of no DOE, after first limiting claim to one of two embodiments, holding that disclosure of unclaimed second embodiment barred DOE, noting that continuation patent omitted the narrowing claim term); PSC (Fed. Cir. 01/20/04) (“Because PSC dedicated plastic clips to the public by explicitly claiming only clips made of metal while specifically disclosing that the prior art included clips made of plastic, we affirm [SJ of non-infringement].”);
Zircon (Fed. Cir. 10/05/11) (non-precedential) (Spec. disclosed two embodiments; claims recited first and defendant used second; SJ of no infringement affirmed). Intent not to claim the disclosed alternative is irrelevant, and issue is a matter of law. Toro (Fed. Cir. 09/13/04). Also applies to disclosure of (unclaimed) alternative in a priority application that was omitted from the patent’s application. Abbott Labs. (Fed. Cir. 05/18/09). But, disclosure must expressly or implicitly identify unclaimed embodiment as alternative to claimed embodiment. CSP Tech. (Fed. Cir. 03/22/16) (non-precedential); SanDisk (Fed. Cir. 10/09/12) (rev’g trial court disclosure-dedication based judgment of no DOE as to two claim limitations: the alternative must be disclosed with specificity and the patent must identify it as an alternative to the claimed approach).

- Disclosure Dedication Rules Extends to Subject Matter Disclosed As Prior Art: PSC (Fed. Cir. 01/20/04): includes subject matter disclosed as prior art, but not claimed.

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- Expired Patent Dedicates To The Public: U.S. patent law gives a right to copy and use certain inventions. Bonito Boats (U.S. 02/21/1989) (“For almost 100 years it has been well established that in the case of an expired patent, the federal patent laws do create a federal right to ‘copy and to use.’ Sears and Compco extended that rule to potentially patentable ideas which are fully exposed to the public.”) A device which was described in an expired patent (even if a third-party’s expired patent) cannot infringe. Scott Paper (U.S. 11/13/1945) (“the patent laws preclude the patentee of an expired patent and all others … from recapturing any part of the former patent monopoly; for those laws dedicate to all the public the ideas and inventions embodied in an expired patent. They do not contemplate that anyone by contract or any form of private arrangement may withheld from the public the use of an invention for which the public has paid by its grant of a monopoly and which has been appropriated to the use of all.”) (Not distinguished, yet, by Fed. Cir. on this issue); Kimble (U.S. 06/22/2015) (6-3) (“Scott Paper—the decision on which Brulotte primarily relied—remains good law.”); Singer (U.S. 05/18/1896) (“It is self-evident that on the expiration of a patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property. It is upon this condition that the patent is granted. It follows, as a matter of course, that on the termination of the patent there passes to the public the right to make the machine in the form in which it was constructed during the patent”) (cited with approval in Abbvie (Fed. Cir. 08/21/14) (double patenting)); Elmer (Fed. Cir. 10/10/95) (in trade dress context: “once the ‘994 patent expires, the public will be entitled to practice the invention claimed in the patent.”) (citing Bonito Boats (U.S. 02/21/1989) and Kellogg Co. v. Nat’l Biscuit Co., 305 U.S. 111, 59 S. Ct. 109, 83 L. Ed. 73 (1938)); Gilead (Fed. Cir. 04/22/14) (2-1) (double-patenting case; citing many cases for: “it is a bedrock principle of our patent system that when a patent expires, the public is free to use not only the same invention claimed in the expired patent but also obvious or patentably indistinct modifications of that invention.”); Kimble (U.S. 06/22/2015) (6-3) (“Congress had made a judgment: that the day after a patent lapses, the formerly protected invention must be available to all for free;” “when the patent expires, the patentee’s prerogatives expire too, and the right to make or use the article, free from all restriction, passes to the public,” citing Sears Roebuck (U.S. 03/09/1964)); In re Roslin Institute (Fed. Cir. 05/08/14) (citing Sears Roebuck (U.S. 03/09/1964): “when the patent expires the monopoly created by it expires, too, and the right to make the article—including the right to make it in precisely the shape it carried when patented—passes to the public.”)). Cf. Golan (U.S. 01/18/2012) (upholding statute restoring copyright protection to foreign works that had been in the public domain for certain reasons: the Constitution does not prohibit laws that give copyright or patent protection to works that had been in the public domain.)

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e) **relationship to 112(6/f)**

- **DOE vs. 112(6/f) Structural Equivalents**: Comparison of Sec. 112(6/f) structural equivalents to DOE equivalents, explained: *Frank’s Casing* (Fed. Cir. 11/30/04); and in *Minks* (Fed. Cir. 10/17/08). 112(6/f) equivalents evaluated as of time of issuance; DOE equivalence evaluated at time of infringement; and 112(6/f) equivalents requires same function; DOE allows equivalent function. *Ring & Pinion* (Fed. Cir. 02/19/14) (no foreseeability exception applies to DOE for a means-plus-function element or any other element).

- **DOE on 112(6/f) Element**: Aff’g no infringement where accused product’s function not equivalent to function in means plus function element. *Pennwalt* (Fed. Cir. 11/06/87) (en banc) (must perform identical function).

- **TIPS**: REDACTED

3. **271(a) (Direct) Infringement Of Any Type Of Claim**

- **Strict Liability Offense**: A defendant’s “mental state is irrelevant. Direct infringement is a strict-liability offense.” *Commil USA* (U.S. 05/26/2015), on remand *Commil II* (Fed. Cir. 12/28/15) (no direct infringement).

- **Some Accused Actions Done With Authority**: Sec. 271(a) requires acts done “without authority.” Unclear who has burden on this issue. Where first three steps of claimed method were performed by patent owner’s subsidiary, there was authority and thus no infringement. *Monsanto* (Fed. Cir. 10/04/07).

- **Restrictions On Personal Liability Of Corporate Officers For Direct Infringement**: To prove that a company’s officers are personally liable for direct infringement that the officers commit in the name of the corporation, patentee must prove that the corporation is illegitimate or “is the officers’ ‘alter ego.’” *Wordtech Sys.* (Fed. Cir. 06/16/10) (but they may be liable for inducement infringement regardless of whether appropriate to pierce the corporate veil.); but see *Global Traffic* (Fed. Cir. 06/04/15) (non-precedential) (suggesting that *Wordtech* meant only that corporate owners or officers “cannot be found derivatively liable for the corporation’s infringement without piercing the corporate veil.”)

4. **271(a) (Direct) Infringement Of Method Claim**

- **BASICS**: A method patent claim is not infringed unless all the steps are carried out because the rights it confers “extend only to the claimed combination of elements, and no further.” Where multiple actors perform the claimed steps: “Section 271(a) is not limited solely to principal-agent relationships, contractual arrangements, and joint enterprise, as the vacated panel decision held. Rather, to determine direct infringement, we consider whether all method steps can be attributed to a single entity.” *Akamai Tech. IV* (Fed. Cir. 08/13/15) (en banc) (per curiam) (rev’g J MOL of no infringement). See *Limelight* (U.S. 06/02/2014) (“The Federal Circuit held in Muniauction that a method’s steps have not all been performed as claimed by the patent unless they are all attributable to the same defendant, either because the defendant actually performed those steps or because he directed or controlled others who performed them.”; assuming without deciding that this holding is correct). “A process is nothing more than the sequence of actions of which it is comprised,” and “consists of doing something, and therefore has to be carried out or performed. In contrast, software is not itself a sequence of actions, but rather it is a set of instructions that directs hardware to perform a sequence of actions.” *Ricoh* (Fed. Cir. 12/23/08).
a) **use of claimed method**

- **Method Claim Directly Infringed Only By Performing Steps Of That Method**: A method claim confers rights in a particular claimed set of steps (elements) not any particular element. “Method claims are only infringed when the claimed process is performed, not by the sale of an apparatus that is capable of infringing use.” *Ormco* (Fed. Cir. 2006) (citations omitted); accord *Ericsson* (Fed. Cir. 12/04/14) (citing many decisions). Thus, where a patent claimed a method in which a dental appliance is replaced at 2 to 20 day intervals, the Federal Circuit “reject[ed] the district court’s holding that the ‘intervals’ limitation of this claim merely requires that the devices be ‘capable of’ being replaced within a 2 to 20 day interval. . . . [Under U.S. Patent Law,] this claim requires that the devices actually be replaced within the specified period.” Id. See *NTP* (Fed. Cir. 2005); *E-Pass Techs.* (Fed. Cir. 2007). “We hold that a party that sells or offers to sell software containing instructions to perform a patented method does not infringe the patent under § 271(a).” *Ricoh* (Fed. Cir. 12/23/08); accord *Ericsson* (Fed. Cir. 12/04/14) (“there is a difference between the instructions contained in software and the process within the meaning of § 271(a).”) “The law is unequivocal that the sale of equipment to perform a process is not a sale of the process within the meaning of 271(a).” *Joy Techs. Inc. v. Flakt, Inc.*, 6 F.3d 770, 773 (Fed. Cir. 1993). Cf. *Cardiac Pacemakers* (Fed. Cir. 08/19/09) (*en banc*) (the “components of the process are the steps of the process,” and supplying an intangible step is a physical impossibility.). Must prove use, e.g., not merely assume that defendant-manufacturer must have tested its product in U.S. *Meyer Intell Prop* (Fed. Cir. 08/15/12) (rev’g SJ of infringement).

- **But, Providing Tool That When Activated Automatically Performs A Step May Constitute Performing That Step, If Tool Supplier Also Performs A Step Of The Method (aka “SiRF Infringement”)**: Without citing above precedent, a panel held that a chip manufacturer directly infringed a method claim, one step of which was performed on an end-user’s device, because the step was performed using the manufacturer’s chip and software, after the user activated certain features of the software: “SiRF infringes as its devices and software *dictate the performance of* the ‘processing’ and ‘representing’ steps. Once the technology is enabled, SiRF’s SiRFstarIII chip and software, designed and built by SiRF, **automatically perform the disputed steps** of the claims at issue because the SiRFstarIII chips are programmed by SiRF to use the InstantFix ephemeris data automatically if it has been transmitted to the remote device. Neither SiRF’s customers (the equipment manufacturers and software developers) nor the end users of the GPS receivers can modify the use of the EE files by SiRF’s software or the functionality of the SiRFstarIII chip. Once the GPS receiver is enabled and ready to process the data, **only SiRF’s actions are involved in ‘processing’ or ‘representing’ the data.** SiRF performs all of the claim limitations . . ., and therefore directly infringes the asserted claims.” The panel did not discuss whether the accused chips had non-infringing uses. *SiRF Tech.* (Fed. Cir. 04/12/10). But see *Koninklijke Philips* (Fed. Cir. 07/28/16) (non-precedential) (refusing to extend SiRF to situation where device automatically performs method but only when under control of the customer, distinguishing SiRF as case where device supplier performed some of the steps of the method); *Ericsson* (Fed. Cir. 12/04/14) (distinguishing SiRF as case where device supplier performed some of the steps of the method, and its device automatically performed the rest.) [Consider Seeking S. Ct. Review.]

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- **Using Product Made With Patented Method May “Use” Method**: At least in context of 28 U.S.C. § 1498, where process was begun outside U.S. and product imported and used in U.S.: “the product resulting from the practice, which embodies the patented process, was imported into, or
used in, the United States. Therefore the process has been ‘used’ without a license or lawful right.”

Zoltek II (Fed. Cir. 03/14/12). But see Limelight (U.S. 06/02/2014).

- **Computer Simulation Of Product Operation May Use Claimed Method:** Carnegie Mellon (Fed. Cir. 08/04/15) (practiced claimed method by running computer simulation of an under-development chip on signals produced by hard drive).

- **Method Claim Directed To Set Of Actions Over Time:** “A ‘method’ in a claim . . . is a ‘process,’ and ‘method’ and ‘process’ have a clear, settled meaning: a set of actions, necessarily taken over time.” Nassau Precision (Fed. Cir. 06/06/14) (non-precedential) (claim directed to a method of designing a product, not manufacturing process nor the product having a particular design [note: no discussion of Sec. 101]).

- **A Method Claim May Recite A Contingent Step And It Need Not Be Performed If Its Condition Is Not Satisfied:** “It is of course true that method steps may be contingent. If the condition for performing a contingent step is not satisfied, the performance recited by the step need not be carried out in order for the claimed method to be performed.” Cybersettle (Fed. Cir. 07/24/07) (non-precedential) (method steps here not contingent so had to be performed for infringement); Applera (Fed. Cir. 03/25/10) (non-precedential) (step “(c) conditional and need not be performed if result achieved with steps (a) and (b): “(c) repeating steps (a) and (b) until the sequence of nucleotides is determined.”). Cf. In re Schulhauser (PTAB 04/28/16) (precedential) (under broadest reasonable interpretation, steps triggered only if a condition precedent is met need not be performed, such that an obviousness ground need not address those conditional steps; citing Cybersettle and Applera for parallel rule in infringement analyses).

b) **offer to sell a method**

- **Offer To Sell A Method?:** “A party that sells or offers to sell software containing instructions to perform a patented method does not infringe the patent under § 271(a).” Ricoh (Fed. Cir. 12/23/08) (but not deciding whether it is possible to sell or offer to sell a method); see NTP (Fed. Cir. 08/02/05) (“Congress has consistently expressed the view that it understands infringement of method claims under section 271(a) to be limited to use” but “we need not and do not hold that method claims may not be infringed under the ‘sells’ and ‘offers to sell’ prongs of section 271(a).”). But, patent owners may cite Quanta in their favor on this issue. In ruling that the sale of certain components of a combination exhausts patent claims directed to a method of using that combination, S. Ct. stated: “It is true that a patented method may not be sold in the same way as an article or device, but methods nonetheless may be ‘embodied’ in a product, the sale of which exhausts patent rights.” Quanta (U.S. 06/09/2008).

  o **TIPS:**
    - REDACTED

5. **271(a) (Direct) Infringement Of Non-Method Claim**

- **BASICS:** To make or sell in the U.S. the “patented invention” where the claim is directed to a combination, the accused must make or sell in the U.S. the combination, for the patent is on “the assembled or functioning whole, not on the separate parts.” Deepsouth Packing (U.S. 05/30/1972) (in context of exporting the parts for assembly abroad). “For product claims, whenever the product is made, used, or sold, there is always a direct infringer. . . . [T]he party that adds the final element to the combination ‘makes’ the infringing product and thus is liable for direct infringement.” Akamai Tech. II (Fed. Cir. 08/31/2012) (en banc), rev’d on other grounds, Limelight (U.S. 06/02/2014) (citing Deepsouth with approval; and the Patent “Act’s cornerstone principle that patentees have a right only to the set of elements claimed in their patents and nothing further.”). Cf. Bowman (U.S. 05/13/2013) (farmer who planted a self-replicating seed “made” the new seed: “In all this,
the bean surely figured. But it was Bowman, and not the bean, who controlled the reproduction (unto the eighth generation) of Monsanto’s patented invention.”

a) “makes” claimed invention

- Meaning Of “Make” And “Manufacture”: “Assembling the components of an invention is an infringing act of making the invention.” Lifetime (Fed. Cir. 09/07/17) (rev’g Iqbal/Twombly dismissal of complaint; sufficient to allege that defendant’s agent installed a seal component onto an RV where claim recited the combination of the RV and seal); Cross Medical (Fed. Cir. 09/30/05) (rev’g sum. jud. of infringement; genuine dispute as to whether surgeons during surgery contact the bone with a particular member, which contact would make the claimed combination).

“‘Manufacture,’ … is ‘the production of articles for use from raw or prepared materials by giving to these materials new forms, qualities, properties, or combinations, whether by hand-labor or by machinery.’” American Fruit Growers (U.S. 03/02/1931) (quoted with approval in Samsung (U.S. 12/06/2016) (reversing Fed. Cir. restriction of term “article of manufacture” to article sold separately, in design patent damages statute.).

- Permissible “Repair” And “Kin To Repair” (E.g., Modifications To Improve Usefulness) Vs. Forbidden “Reconstruction” Of Authorized Patented Combination: A “combination patent covers only the totality of the elements in the claim and that no element, separately viewed, is within the grant.” Aro Mfg. I (U.S. 02/27/1961) (6-3) (replacing worn fabric top of a convertible car (which car had been licensed by patent owner) does not directly infringe claim to combination of the flexible top, automobile body structure, folding bow structure, sealing strip, and a wiping arm); Wilbur-Ellis (U.S. 06/08/1964) (no “making” infringement where second-hand purchaser of patent owner authorized (and not spent) fish packing machine, resized several parts of the patented combination so that it could repack into larger cans: “the size of cans serviced by the machine was no part of the invention; nor were characteristics of size, location, shape and construction of the six elements in question patented. Petitioners in adapting the old machines to a related use were doing more than repair in the customary sense; but what they did was kin to repair for it bore on the useful capacity of the old combination”). “Maintenance of the ‘use of the whole’ of the patented combination through replacement of a spent, unpatented element does not constitute reconstruction.” Id. “Mere replacement of individual unpatented parts, one at a time, whether of the same part repeatedly or different parts successively, is no more than the lawful right of the owner to repair his property.” “Although there is no right to ‘rebuild’ a patented combination, the entity ‘exists’ notwithstanding the fact that destruction or impairment of one of its elements renders it inoperable; and that, accordingly, replacement of that worn-out essential part is permissible restoration of the machine to the original use for which it was bought. The Court explained that it is ‘the use of the whole’ of the combination which a purchaser buys, and that repair or replacement of the worn-out, damaged or destroyed part is but an exercise of the right ‘to give duration to that which he owns, or has a right to use as a whole.’ The distilled essence of the Wilson case was stated by Judge Learned Hand … ‘The [patent] monopolist cannot prevent those to whom he sells from . . . reconditioning articles worn by use, unless they in fact make a new article.’”) Aro Mfg. I (U.S. 02/27/1961). Owner of patented combination may prematurely repair it by replacing an unpatented component before it is spent. Kendall (Fed. Cir. 06/04/96). Improving the usefulness of the patented combination is akin to “repair” and permissible. Hewlett-Packard (Fed. Cir. 08/12/97). “A reconstruction occurs after the patented combination, as a whole, has been spent, when ‘the material of the combination ceases to exist.’” Hewlett-Packard (Fed. Cir. 08/12/97) (aff’g sum. jud. of no infringement; buying new unspent ink cartridge designed to be non-refillable to be refillable, and then reselling them as refillable ink cartridges, is more akin to permissible repair than to impermissible reconstruction).

- “Repair” Is An Affirmative Defense On Which Alleged Infringer Has Burden: Repair is an affirmative defense to a claim of infringement, in the nature of an implied license, and the party raising the affirmative defense has the burden of establishing it by a preponderance of the
evidence. Jazz Photo (Fed. Cir. 08/21/01) (permissible repair of authorized cameras: “(1) removing the cardboard cover, (2) cutting open the plastic casing, (3) inserting new film and a container to receive the film, (4) replacing the winding wheel for certain cameras, (5) replacing the battery for flash cameras, (6) resetting the counter, (7) resealing the outer case, and (8) adding a new cardboard cover.”)

○ **TIPS:**

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- **Software Provider Does Not “Make” Claimed System Requiring Software To Be Loaded On Computer:** One “makes” a claimed system by combining all of its elements (in the U.S.). “The customer, not Qwest, completes the system by providing the ‘personal computer data processing means’ and installing the client software.” Centillion Data (Fed. Cir. 01/20/11).

- **Device With Claimed Structures And Capabilities Directly Infringes Even Without The Software Needed To Activate And Use That Accused Functionality:** “An apparatus claim directed to a computer that is claimed in functional terms is nonetheless infringed so long as the product is designed ‘in such a way as to enable a user of that [product] to utilize the function . . . without having to modify [the product].’ Fantasy Sports Props., Inc. v. Sportsline.com, Inc., 287 F.3d 1108, 1118 (Fed. Cir. 2002). Where, as here, a product includes the structural means for performing a claimed function, it can still infringe ‘separate and apart’ from the operating system that is needed to use the product.” Silicon Graphics (Fed. Cir. 06/04/10). “[W]hen the asserted claims recite capability, our case law supports finding infringement by a ‘reasonably capable’ accused device on a case-by-case basis particularly where, as here, there is evidence that the accused device is actually used in an infringement manner and can be so used without significant alterations.” Ericsson (Fed. Cir. 12/04/14) (aff’g infringement; claim recited “a processor for arranging information for transmission . . . which identifies a type of payload information.”). But see Nazomi (Fed. Cir. 01/10/14) (purchase and installation of optional software needed for the accused function would constitute a “modification” of the accused products, and thus no infringement without that software installed; discussing multiple cases on this issue).

○ **Same (At Least Sometimes) For Accused Software Not Combined With Hardware Needed To Activate Or Use Its Accused Functionality:** Citing Fantasy Sports with approval: “The software, although not in and of itself a computer for playing fantasy football games, infringed so long as a user could activate the functions programmed into a piece of software . . . only [by] activating means that are already present in the underlying software.’ Id. at 1118. ‘In other words, an infringing software must include the ‘means for scoring . . . bonus points’ regardless whether that means is activated or utilized in any way.’ Id.” Silicon Graphics (Fed. Cir. 06/04/10). But see Centillion Data (Fed. Cir. 01/20/11) (distinguishing Fantasy Sports).

○ **Same For Binary Code That Is “Locked” And Inaccessible To Client/User Without Buying A Key:** System and media claims infringed by software including recited functionality, even though that code was “locked” and inaccessible without the user purchasing a decryption key. Panel equates inaccessible code on disk to a “structure,” such as an engine that’s turned off: “Thus, it is undisputed that software for performing the claimed functions existed in the products when sold—in the same way that an automobile engine for propulsion exists in a car even when the car is turned off.” Finjan (Fed. Cir. 11/04/10); see Versata I (Fed. Cir. 05/03/13) (aff’g direct infringement of CRM claim, where plaintiff’s expert had configured software to use patented invention: expert had merely “configur[ed] the inherent functions of SAP’s software” and “activated functions already present in the software”; no mention of Deepsouth).
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b) “uses” claimed invention

- Use Of “System” Claims Requires Control And Benefit From Each And Every Element Of The System: To prove an infringing ‘use’ of a system under § 271(a), a patentee must demonstrate ‘use’—that is, ‘control’ and ‘benefit’—of the claimed system by an accused direct infringer... [T]o use a system, a person must control (even if indirectly) and benefit from each claimed component... [R]equires the patentee to demonstrate that the direct infringer obtained ‘benefit’ from each and every element of the claimed system. In addition, the direct or indirect control required ‘is the ability to place the system as a whole into service.’” Intellectual Ventures (Motorola) (Fed. Cir. 09/13/17) (2-1) (rev’g denial of JMOL of no direct infringement; no substantial evidence that phone users (as opposed to the MMS centers operated by wireless carriers) benefitted from (received or even knew how to request) the claimed authentication delivery reports: “wherein the authenticating device is configured to: generate a delivery report that indicates a delivery event and a time of the delivery event.” This is not “a situation where a customer simply elects not to take advantage of a known and available functionality.”

- This Standard May Not Apply To Multi-Component “Device” Claims: Intellectual Ventures (Motorola) (Fed. Cir. 09/13/17) (parties treated claim reciting “device configured to” as if it were a “system” claim under Centillion; not deciding correct standard had parties not so agreed.)

- Customer Directly Infringed Distributed-System Claim Reciting Local And Remote Elements (By Causing Use Of All Its Elements), But Service Provider Did Not: Claim directed to electronic billing system with back-office and local personal computer elements. Defendant provided PC application software to subscribing customers for access to some features of the service. “We hold that to ‘use’ a system for purposes of infringement, a party must put [“each and every ... element of”] the invention into service, i.e., control [“the ability to place the system as a whole into service,” not physical possession or control] the system as a whole and obtain benefit from it.” Customers used the system by making queries and/or by subscribing, causing the back-end system to perform processing and to respond: “but for the customer’s actions, the entire system would never have been put into service.” But service provider did not use the system: “it never puts into service the personal computer data processing means. Supplying the software for the customer to use is not the same as using the system.” Centillion Data (Fed. Cir. 01/20/11); Georgetown Rail (Fed. Cir. 08/01/17) (aff’g “use” infringement of system claim; claim recited a light sensor, an optical receiver, and a processor for analyzing recorded images per claim-recited algorithm; defendant collected data and shipped it on disk to third-party in Europe to analyze and return results. Analogous to Centillion, where defendant “collects and gathers data by its system platform on the front-end. Then, [it] sends the gathered information to a back-end third-party company with instructions to process and analyze the information. The fact that the transmission from the front-end to the back-end in this case involves ‘physically remov[ing] the hard drives with data ... and ship[ping] them overseas to Rail Vision [Europe Ltd.]’ is of no consequence.”)

- Infringement By “Use” Requires All Elements: Fantasy Sports considered only whether the district court should have considered whether the defendant directly infringed...
because “it housed all of the necessary software on its servers.” “This does not equate to a holding that in order to prove ‘use’ of a patented invention, a patent owner must only show that the accused infringer makes software available... the entire system is not used until a customer loads software on its personal computer and processes data.” Centillion Data (Fed. Cir. 01/20/11).

- **Service Provider Directly Infringes (By Use) Claim Directed To User-Remote Station In A Distributed Environment:** Where claim “focuses exclusively on” a remote station but also “defines the environment in which that... station must function,” including reciting a local station having certain recited functionality, a party using the remote station (but not directly the local station) directly infringes (solely, not jointly) the claim through such use of the station in that environment. “That other parties are necessary to complete the environment in which the claimed element functions does not necessarily divide the infringement between the necessary parties.” Uniloc (Fed. Cir. 01/04/11). Cf. Advanced Software (Fed. Cir. 06/02/11) (steps recited in preamble of method claim and system claim (reciting how a financial instrument was formed) are limitations of the claim, but “limit only the claimed environment, not the claimed method or system,” and thus did not need to be performed or used by the accused infringer).

- **Sec. 271(a) “Use” Not Met By Mere Display Of Accused Device:** Infringing “use” under Sec. 271(a) requires that the thing accused actually be “put into action or service;” merely displaying device is not necessarily “use” under Sec. 271(a). Med. Solutions (Fed. Cir. 09/09/08).

- **Use Of Partly Foreign System:** “Use” of patented combination may occur in U.S. even if not all “components” of the patented system are in the U.S. NTP (Fed. Cir. 08/02/05) (Blackberry case: “The use of a claimed system under section 271(a) is the place at which the system as a whole is put into service, i.e., the place where control of the system is exercised and beneficial use of the system obtained.”).

- **TIPS:**
  - REDACTED

  c) **“sells” claimed invention**

- **Charging For Use Of System May Constitute Sale:** In re Cygnus Telecomms. (Fed. Cir. 08/19/08) (aff’g district court ruling that because patent owner had “charged users of the 386 system for the calls they made using that system, he engaged in a ‘sale’ of the service within the meaning of section 102(b)”).

- **Factors Determining Whether Sale Inside Or Outside U.S.:** In view of strong policy against extraterritorial liability: “when substantial activities of a sales transaction, including the final formation of a contract for sale encompassing all essential terms as well as the delivery and performance under that sales contract, occur entirely outside the United States, pricing and contracting negotiations in the United States alone do not constitute or transform those extraterritorial activities into a sale within the United States for purposes of § 271(a).” Halo I (Fed. Cir. 10/22/14). But the Federal Circuit has not defined a test for this determination. Carnegie Mellon (Fed. Cir. 08/04/15) (method claims infringed in U.S. development of custom-designed chips; vacating part of damages award and remanding for determination of whether chips made, delivered and used outside U.S. were “sold” in U.S. for damages-determination purposes: “standards... do not pinpoint a single universally applicable fact that determines the answer, and it is not even settled whether a sale can have more than one location.”)

  d) **“offers to sell” claimed invention**

- **Location Of Contemplated Sale Determines Location Of Offer For Sale:** “The focus should not be on the location of the offer, but rather the location of the future sale that would occur
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pursuant to the offer.” Transocean (Fed. Cir. 08/18/10) (finding offer to sell to be in U.S.); Halo I (Fed. Cir. 10/22/14) (no offer to sell in U.S. where negotiations in U.S. contemplated sale outside U.S.).

- Post-Offer Or Post-Sale Modifications Cannot Avoid Infringement: If one offers for sale or enters contract for sale of a product having an infringing design, that is an act of infringement even if the product is modified before delivery to not infringe. Transocean (Fed. Cir. 08/18/10) (schematics attached to the contract).

- Advertisement Generally Not An Offer For Sale: General advertisement, not sent to particular customers, stating a price floor (“starting at only $1400”), showing use of the product, was only a solicitation of an offer to purchase, not an offer for sale. Smith (Fed. Cir. 08/22/16) (non-precedential) (rev’g denial of JMOL of no infringement).

6. 271(a) (Direct) Multi-Actor (Divided; Joint) Infringement

- Divided (Multi-Actor; Joint) Direct Infringement: Second Actor’s Step(s) May Be Attributed To First Actor Even If Second Actor Not Agent Of, Or Under Contractual Obligation To, Or In Joint Enterprise With, First Actor: “The single-entity rule”: “Direct infringement under § 271(a) occurs where all steps of a claimed method are performed by or attributable to a single entity,... Section 271(a) is not limited solely to principal-agent relationships, contractual arrangements, and joint enterprise [as the vacated panel and other panels held.] Rather, to determine direct infringement, we consider whether all method steps can be attributed to a single entity.” Akamai Tech. IV (Fed. Cir. 08/13/15) (en banc) (per curiam) (rev’g JMOL of no infringement) v.o “substantial evidence demonstrating that Limelight conditions its customers’ use of its content delivery network upon its customers’ performance of the tagging and serving steps, and that Limelight establishes the manner or timing of its customers’ performance”). A party is liable for another’s performance of method step if (1) “it acts through an agent (applying traditional agency principles),” (2) it “contracts with another to perform one or more steps of a claimed method,” (3) “the actors form a joint enterprise,” or (4) it “conditions participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method and establishes the manner or timing of that performance;” which are questions of fact. Id. (applying general principles of vicarious liability, and citing Grokster (U.S. 06/27/2005) (copyright case; dictum: “a vicarious liability theory... allows imposition of liability when the defendant profits directly from the infringement and has a right and ability to supervise the direct infringer, even if the defendant initially lacks knowledge of the infringement”; one “infringes vicariously by profiting from direct infringement while declining to exercise a right to stop or limit it”) (rev’g Akamai Tech. III (Fed. Cir. 05/13/15) (2-1) (Sec. 271(a) “includes only the principles of vicarious liability, as embodied in the single entity rule,” not common law “joint tortfeasor” liability as urged by dissent). “A joint enterprise requires proof of four elements: (1) an agreement, express or implied, among the members of the group; (2) a common purpose to be carried out by the group; (3) a community of pecuniary interest in that purpose, among the members; and (4) an equal right to a voice in the

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4 One claim:

“19. A content delivery service, comprising:
replicating a set of page objects across a wide area network of content servers managed by a domain other than a content provider domain;
for a given page normally served from the content provider domain, tagging the embedded objects of the page so that requests for the page objects resolve to the domain instead of the content provider domain;
responsive to a request for the given page received at the content provider domain, serving the given page from the content provider domain; and
serving at least one embedded object of the given page from a given content server in the domain instead of from the content provider domain.”
direction of the enterprise, which gives an equal right of control.” Akamai Tech. IV (Fed. Cir. 08/13/15) (en banc) (per curiam) (citing Restatement (Second) of Torts § 491 cmt. C). See Lyda (Fed. Cir. 09/30/16) (aff’g dismissal under Iqbal / Twombly: “A claim of joint infringement thus requires pleading facts sufficient to allow a reasonable inference that all steps of the claimed method are performed and either (1) one party exercises the requisite ‘direction or control’ over the others’ performance or (2) the actors form a joint enterprise such that performance of every step is attributable to the controlling party.”); Mankes (Fed. Cir. 04/22/16) (vacating judgment on pleadings on divided infringement ivo Akamai Tech. IV changing standard).

- Conditioning Use Of Service On Performance Of A Step and Establishing Manner Or Timing Of That Performance: Conditioning use: Under service contract: “if Limelight’s customers wish to use Limelight’s product, they must tag and serve content.” Establishing Manner/Timing: “Limelight’s customers do not merely take Limelight’s guidance and act independently on their own.” Limelight assists customers in the installation and initialization by supplying customer-specific information and engineering, technical assistance, and installation guidelines. Akamai Tech. IV (Fed. Cir. 08/13/15) (en banc); Eli Lilly (Fed. Cir. 01/12/17) (aff’g inducement by pharmaceutical companies (through their proposed labels) of multi-actor infringement; patients’ self-administration of folic acid (one of the method’s steps) is attributable to physician who performs remaining steps and directs patients to perform this important step, and conditions treatment on this step, and prescribes amount to take and how often); Medgraph (Fed. Cir. 12/13/16) (aff’g SJ of no inducement because no multi-actor direct infringement where use of system not conditioned on doctors or patients performing all steps of claimed method).

- Pre-Akamai Tech. IV Cases: See Muniauction (Fed. Cir. 07/14/08) (“where the actions of multiple parties combine to perform every step of a claimed method, the claim is directly infringed only if one party exercises ‘control or direction’ over the entire process such that every step is attributable to the controlling party, i.e., the ‘mastermind.’” None of these questions is “relevant” to whether party controlling the action system controls claim step taken by the bidder: “Consider whether the parties are acting jointly or together in relation to the electronic auction process. Are they aware of each other’s existence and interacting with each other in relation to the electronic auction process? Is there one party teaching, instructing, or facilitating the other party’s participation in the electronic auction process?”); BMC Resources (Fed. Cir. 09/20/07) (“the standard requiring control or direction for a finding of joint infringement may in some circumstances allow parties to enter into arms-length agreements to avoid infringement.”); Move (Fed. Cir. 03/04/13) (user performs claim step of selecting area on map; although uses web site, the web site operator does not control those selections, so no divided direct infringement); Aristocrat Tech. (Fed. Cir. 03/13/13) (aff’g SJ of no direct joint infringement; player of gambling machine not agent of the casino operator providing the machine, but vacating judgment of no induced infringement). Travel Sentry (Fed. Cir. 11/05/12) (aff’g SJ of no direct infringement because no direction or control as to two steps of the method) (non-precedential); McKesson Tech. (Fed. Cir. 04/12/11) (2-1) (No direct infringement where patients perform one step of (client-server) claim otherwise performed by doctor; actions of patients were voluntary and cannot “be said to represent the vicarious actions of their doctors.”) Joint tortfeasor liability is covered by Sec. 271(b), (c) so court should not expand reach of Sec. 271(a) under common law “joint tortfeasor” principles. Also, unlike other torts, patentee can define the boundaries of his or her exclusive rights.); Golden Hour (Fed. Cir. 08/09/10) (no multi-actor infringement of method claims or system claims where “two companies formed a strategic partnership, enabled their two programs to work together, and collaborated to sell the two programs as a unit,” because insufficient evidence of control or direction of one company by the other.) (Overruled to extent inconsistent with Akamai Tech. IV (Fed. Cir. 08/13/15) (en banc)).
Divided (Multi-Actor) Infringement Theory Not Needed: “This is not a situation where a method claim specifies performance of a step by a third party, or in which a third party actually performs some of the designated steps, and thus control or direction of the performance of that step by the accused infringer is required.” SiRF Tech. (Fed. Cir. 04/12/10).

No Divided (Multi-Actor) Infringement Of Non-Method Claims?: Panels divided. Compare Akamai Tech. III (Fed. Cir. 05/13/15) (2-1) (apparatus claims do not raise issue of divided infringement because “whoever combines the last element of an apparatus necessarily, individually, ‘makes’ the invention. Thus, in the case of an apparatus claim, there is always a single entity directly infringing the patent.”), vacated Akamai Tech. IV (Fed. Cir. 08/13/15) (en banc), with Centillion Data (Fed. Cir. 01/20/11) (providing software and technical assistance to customers does not make customer and service provider vicariously liable for “use” or “make” direct infringement of system claim) and Golden Hour (Fed. Cir. 08/09/10) (applying BMC principles to a “system” claim (“A computerized integrated data management system comprising ... first module ... second module ...”), with no acknowledgement that those prior cases had dealt with method claims) (overruled to extent inconsistent with Akamai Tech. IV (Fed. Cir. 08/13/15) (en banc)). See Lyda (Fed. Cir. 09/30/16) (“Our cases have applied joint infringement to method claims and not system claims,” but treating claim as method claim because recites same steps as method claims, despite preamble referring to “system”).

Note: But, this line of cases does not answer the subsidiary question (see above discussion of SiRF Tech. (Fed. Cir. 04/12/10)) of who performs a step achieved by a machine (e.g., a computer being used by an end-user, running instructions written by a software vendor, on a processor made by a hardware vendor).

7. 271(a) (Direct) Infringement To Support Indirect Infringement

BASICS: Unlike Sec. 271(f), for someone to be liable for indirect infringement under Secs. 271(b) or 271(c), someone needs to be liable for direct infringement under Sec. 271(a). Limelight (U.S. 06/02/2014) (rev’g contrary Fed. Cir. ruling). Both contributory and inducement infringement require an underlying act of direct infringement. In re Bill of Lading (Fed. Cir. 06/07/12).

Need Specific Instance Of Direct Infringement Unless Necessarily Infringes: To prove direct infringement by users of an accused device, patentee must “either point to specific instances of direct infringement or show that the accused device necessarily infringes the patent in suit.” Acco Brands (Fed. Cir. 09/12/07); accord Fujitsu (Fed. Cir. 09/20/10) (aff’g SJ of no contributory or inducement infringement because no showing of direct infringement by customers; distinguishing Ricoh and Vita-Mix). Mirror Worlds (Fed. Cir. 09/04/12) (aff’d J MOL overturning large damages’ award; manuals showing steps of method in isolation do not establish direct infringement basis for inducement). But, need only a single instance of direct infringement. Lucent Tech. (Fed. Cir. 9/11/09).

Need Showing Accused Code Portion Was Executed: J MOL of no indirect infringement affirmed for lack of sufficient evidence that the accused code portion (which would practice the claimed method) ever actually ran. Lucent Tech. (Fed. Cir. 09/25/08).

Capable Of Being Configured In Infringing Manner Insufficient: Where claim requires a particular configuration, not merely capability, then infringement requires product to be so configured. Ball Aerosol (Fed. Cir. 02/09/09) (“BASC’s reliance on cases that found infringement by accused products that were reasonably capable of operating in an infringing manner is misplaced, since that line of cases is relevant only to claim language that specifies that the claim is drawn to capability.”)
• **Circumstantial Evidence Can Be Sufficient**: Direct infringement may be shown by circumstantial evidence. *Power Integrations* (Fed. Cir. 12/12/16) (sufficient: “circumstantial evidence of inducement (e.g., advertisements, user manuals) directed to a class of direct infringers (e.g., customers, end users) without requiring hard proof that any individual third-party direct infringer was actually persuaded to infringe by that material.”); *O2 Micro* (Fed. Cir. 11/18/11) (non-precedential); cf. *Largan Precision* (Fed. Cir. 04/27/16) (non-precedential) (aff’g SJ of no inducement because no evidence accused lens incorporated into any Apple product sold in U.S.). Accused indirect infringer’s product manual describing use of a product in an infringing manner is sufficient circumstantial evidence of direct infringement of a method claim where the product cannot be used any other way. *Symantec* (Fed. Cir. 04/11/08); *Toshiba* (Fed. Cir. 06/11/12) (rev’g SJ of no inducement infringement; “where an alleged infringer designs a product for use in an infringing way and instructs users to use the product in an infringing way, there is sufficient evidence for a jury to find direct infringement,” even if there is a non-infringing mode of use too); *Convolve I* (Fed. Cir. 07/01/13) (non-precedential) (rev’g SJ; circumstantial evidence of direct infringement sufficient). Infringement verdict supported (“just barely”) by evidence of extensive sales + expert opined that others likely used + instructions on how to use in accused way. *Lucent Tech.* (Fed. Cir. 09/11/09) (citing Moleculon, and distinguishing Acco Brands and E-Pass).

  - *Note*: this issue addresses whether accused **device** has non-infringing uses, unlike current law on contributory infringement, which asks (oddly) whether accused **feature** of accused device has substantial non-infringing uses.

• **TIPS:**

  - REDACTED

8. **Indirect Infringement Requires Knowledge Of Patent**

  - **Secs. 271(b) And (c) Require Knowledge Of The Patent**: A party cannot indirectly infringe a patent without knowledge of it. *Global-Tech* (U.S. 05/31/2011); *Bose* (Fed. Cir. 03/14/14) (non-precedential) (aff’g SJ of no inducement for period before knowledge of the patent, but rev’g SJ for later periods). Evidence of actual pre-suit knowledge of the patent can be circumstantial. *SynQor* (Fed. Cir. 03/13/13) (aff’g jury verdict of inducement: (1) each defendant had plaintiff’s products or datasheets marked with earlier patent to which patents in suit claim priority, (2) expert opined that defendants tried hard to imitate plaintiff’s products and that would have led them to patents in suit, (3) some defendants admitted monitoring plaintiff’s patents, (4) one possessed one of the patents, pre suit). “The requirement that the alleged infringer knew or should have known his actions would induce actual infringement necessarily includes the requirement that he or she knew of the patent. See *Golden Blount* (Fed. Cir. 02/15/06) (citing *Manville* and explaining that the inducing infringement standard was satisfied “because it is undisputed that [the alleged infringer] had notice of the patent.”).” *DSU Med.* (Fed. Cir. 12/13/06) (en banc).

  - **Employee Knowledge May Be Imputed To Employer**: *Lifetime* (Fed. Cir. 09/07/17) (rev’g *Iqbal Twombly* dismissal of complaint for indirect infringement; pleading that two employees of patent owner left to join the defendant and had knowledge of the patent and its scope, made it plausible that the corporate defendant had knowledge of the patent).  

  - **TIPS:**

  - REDACTED

9. **271(b) (Inducement) Infringement**

  - **BASICS**: “Whoever actually induces infringement of a patent shall be liable as an infringer.” 35 U.S.C. § 271(b). “The term ‘induce’ means ‘[t]o lead on; to influence; to prevail on; to move by persuasion or influence.’ Webster’s New International Dictionary 1269 (2d ed. 1945). The addition
of the adverb ‘actively’ suggests that the inducement must involve the taking of affirmative steps to bring about the desired result, see id., at 27.” Global-Tech (U.S. 05/31/2011). Restricting the standard of DSU Med. (Fed. Cir. 12/13/06) (en banc), Global-Tech (U.S. 05/31/2011) requires for inducement a showing that the accused actually intended to cause the actions that are directly infringing and knew that those induced acts constitute patent infringement. Accord Commil USA (U.S. 05/26/2015) (rejecting U.S. Gov't argument that Global-Tech did not clearly so rule.) Knowing that “the acts might infringe,” e.g., under a different claim construction than the defendant’s reasonable reading of the claims, is not enough: “It requires proof the defendant knew the acts were infringing. And [Global-Tech] was clear in rejecting any lesser mental state as the standard.” Id. Mere knowledge of the acts alleged to constitute infringement is not enough. The Cleveland Clinic (Fed. Cir. 06/16/17) (aff’g denial of motion to amend to assert inducement; testing service had no connection with doctors who may prescribe lipid lowering drugs based on results of test); Ferguson (Fed. Cir. 12/04/03); Microsoft (Fed. Cir. 04/04/14) (“To prove inducement of infringement, unlike direct infringement, the patentee must show that the accused inducer took an affirmative act to encourage infringement with the knowledge that the induced acts constitute patent infringement.”) There must be a direct infringement for there to be Sec. 271(b) liability. Limelight (U.S. 06/02/2014) (9-0) (rev’g Fed. Cir. ruling that a party can be liable for inducing infringement of a method claim under Sec. 271(b) even if no one has directly infringed if “(1) it knew of [the] patent, (2) it induced the performance of the steps of the method claimed in the patent [that it did not itself perform], and (3) those steps were performed.” Akamai Tech. II (Fed. Cir. 08/31/12) (en banc)); Lucent Tech. (Fed. Cir. 09/11/09). See Kyocera (Fed. Cir. 10/14/08) (“[P]roviding customers with the system determination software, training them on implementation of their mobile devices, providing software and firmware updates, offering customer support, furnishing promotional and technical documents for the accused MSM chipsets, and recommending that its customers implement battery saving features” shows intent to cause the acts that produced infringement but is not enough to prove a specific intent to cause infringement under DSU.)

- **Reaches Foreign Actions Which Induce Direct Infringement In U.S.:** BASF Agro (Fed. Cir. 05/31/12) (contempt of injunction against inducing infringement: “where a foreign party, with the requisite knowledge and intent, employs extraterritorial means to actively induce acts of direct infringement that occur within the United States, such conduct is not categorically exempt from redress under § 271(b).”).

- **Liability Attaches Before The Induced Direct Infringement:** “Liability for inducement ... attaches as of the time of the inducing activity, provided that direct infringement eventually occurs.” Suprema II (Fed. Cir. 08/10/15) (en banc, 6-4).

- **Corporate Officer May Be Liable For Inducing Infringement:** “Officers of an allegedly infringing corporation can be held personally liable for actively inducing infringement under 35 U.S.C. § 271(b) only if they ‘knew or should have known [their] actions would induce actual infringements.’ Manville Sales (Fed. Cir. 1990). Pre-issuance activities alone cannot establish inducement to infringe. See Nat’l Presto Indus. (Fed. Cir. 02/12/96). “Corporate officers who actively assist with their corporation’s infringement may be personally liable for inducing infringement regardless of whether the circumstances are such that a court should disregard the corporate entity and pierce the corporate veil.” Global Traffic (Fed. Cir. 06/04/15) (non-precedential) (aff’g judgment against corporate officer for inducing company customer’s infringement).

  a) **communication to direct infringer**

- **Actual Inducement Of Direct Infringement (Successful Communication) Required:** There must be “successful communication between the alleged inducer and the third-party direct infringer” to actually induce the third party to directly infringe. Power Integrations (Fed. Cir.
• **To Prove Intent, Do Not Need To Show Inducer Communicated Its Affirmative Acts To Direct Infringer:** For purposes of proving intent, no need to show that inducer communicated its affirmative acts (e.g., programming firmware to have infringing use) to alleged direct infringer. *Ricoh* (Fed. Cir. 12/23/08).

### b) Knowledge of Infringement

- **Global-Tech Narrows Reach of Inducement Liability:**
  
  - “we now hold that induced infringement under §271(b) requires knowledge that the induced acts constitute patent infringement.” *Global-Tech Appliances, Inc. v. SEB SA* (U.S. 05/31/2011) (aff’g inducement verdict where defendant copied patented product and did not tell that to its clearance counsel); *Power Integrations* (Fed. Cir. 12/12/16) (patent owner “was required to prove that: (1) a third party directly infringed the asserted claims …; (2) Fairchild induced those infringing acts; and (3) Fairchild knew the acts it induced constituted infringement.”); *Commil I* (Fed. Cir. 06/25/13) (granting new trial on inducement on account of erroneous “knew or should have known that its actions would induce actual infringement” jury instruction.); *vacated on other grounds* (U.S. 05/26/2015) (Knowing that “the acts might infringe,” e.g., under a different claim construction than the defendant’s reasonable reading of the claims, is not enough: “It requires proof the defendant knew the acts were infringing.”); *Superior Indus.* (Fed. Cir. 11/27/12) (aff’g dismissal of claims of indirect infringement); *Lifetime* (Fed. Cir. 09/07/17) (rev’g *Iqbal Twombly* dismissal of complaint for indirect infringement where patent owner pled that defendant had knowledge of the patent, its scope, and the products covered thereby (by hiring patent owner employees), thereafter assisted in or directed the installation of exactly the same type of seal as the one described in the patent onto an RV, had never before made or sold these particular seals, and the seals have no noninfringing use.).

  - Reasoning: to maintain consistency with *Aro II* holding that contributory infringement requires knowledge of the patent and its infringement.

  - Actual knowledge may be proven under “the doctrine of willful blindness”: “(1) the defendant must subjectively believe that there is a high probability that a fact exists and (2) the defendant must take deliberate actions to avoid learning of that fact.” See *Unwired Planet* (Fed. Cir. 07/22/16) (vacating §5 of no indirect infringement; that non-infringement defense is objectively strong is not sufficient basis on which to grant summary judgment on knowledge element of indirect infringement); *Warsaw II* (Fed. Cir. 06/03/16) (on remand ivo *Commil*: approving jury instruction: “the alleged infringer knew or was willfully blind to the fact that the induced acts constituted patent infringement of at least one patent claim”’); *Suprema III* (Fed. Cir. 09/14/15) (substantial evidence supports willful blindness (for inducement liability): as part of market study infringer had studied related patent of same assignee that incorporated by reference application that issued (earlier) as the infringed patent, and was well-aware of patent owner’s product, and failed to obtain advice of counsel that would have found the asserted (pre-AIA) patent); *Info-Hold* (Fed. Cir. 04/24/15) (rev’g §5 of no inducement; genuine dispute of material fact regarding willful blindness to infringement where patent owner explained patent coverage to defendant who said it would look again at patent but no evidence that it did.)

  - Rejects Fed. Cir. standard of “deliberate indifference to a known risk that a patent exists.” (*SEB, S.A.* (Fed. Cir. 02/05/10)); cf. *Smith & Nephew* (Fed. Cir. 01/16/13) (rev’g JMOL that had overturned $85 MM jury verdict of inducement where defendant designed product before learning of patent, wrote use instructions...
(paralleling claimed method) after learning of patent, did not compare claims to
its product, and testified to belief that product worked in different manner) (non-
precedential) (2-1).

• “a willfully blind defendant is one who takes deliberate actions to avoid confirming
a high probability of wrongdoing and who can almost be said to have actually
known the critical facts. … By contrast, a reckless defendant is one who merely
knows of a substantial and unjustified risk of such wrongdoing.”

• No need to protect “parties who actively encourage others to violate patent rights
and who take deliberate steps to remain ignorant of those rights despite a high
probability that the rights exist and are being infringed.”

° Not deciding whether willful blindness is sufficient to prove knowledge of the induced acts
that constitute infringement.

• Reasonable Belief That Use Is Not Infringing May Support Lack of Intent: Evidence
sufficient to show that defendant’s personnel reasonably believed that its actions were non-
infringing, supports finding that defendant lacked the required intent to induce infringement. Ecolab
(Fed. Cir. 06/09/09).

• Belief That Use Practices Prior Art May Evidence Lack Of Intent: Even though practicing
the prior art is no defense to patent infringement, a “defendant’s belief that it can freely practice
inventions found in the public domain” may support a finding of no specific intent to induce
infringement. Kinetic Concepts (Fed. Cir. 02/02/09). Jury could base no-inducement finding on
evidence that defendant thought its formulation was in the prior art and did not infringe the
Ecolab (Fed. Cir. 06/09/09).

• Belief That Patent Is Invalid Does Not Negate Inducement Intent: “[B]elief in invalidity is
no defense to a claim of induced infringement.” “[I]nvalidity is not a defense to infringement, it is
a defense to liability. And because of that fact, a belief as to invalidity cannot negate the scienter
required for induced infringement.” Commil USA (U.S. 05/26/2015) (6-2), vacating Commil I (Fed.
Cir. 06/25/13) (2-1); cf. Univ. of Pitt. (Fed. Cir. 04/10/14) (rev’g SJ of objective prong of willful
infringement, based on invalidity defense that was not objectively unreasonable).

• No Need To Show Prevalence Of Direct Infringement To Show Intent To Induce: No
need to show prevalence of patients following physicians’ directives to perform one of the steps of
the claimed methods where show physicians’ intent to induce patients to take that step. Eli Lilly
(Fed. Cir. 01/12/17) (aff’g inducement of multi-actor infringement).

• TIPS:

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c) relevance of litigation defenses

• (Post Commil) Objective Unreasonableness Of Non-Infringement Defense—Under
Court’s Actual Claim Constructions—Is Substantial Evidence Of Knowledge Or Willful
Blindness To Infringement: “To show the intent to induce infringement, it is sufficient that the
plaintiff establish that a defendant’s asserted belief in non-infringement was unreasonable.”
Warsaw II (Fed. Cir. 06/03/16) (on remand ivo Commil: jury could reasonably conclude that
defendant knew or was willfully blind to fact of infringement based on “substantial evidence that
[its] infringement position was objectively unreasonable,” and jury will not be permitted to hear
evidence of or reasonableness of the claim-construction position on which the non-infringement
defense supposedly was based. Here, defendant had proposed “plain meaning.”) But see Commil
USA (U.S. 05/26/2015) (“even if the defendant reads the patent’s claims differently from the
plaintiff, and that reading is reasonable, he would still be liable because he knew the acts might
infringe. *Global-Tech* requires more. It requires proof the defendant knew the acts were infringing.”); *Koninklijke Philips* (Fed. Cir. 07/28/16) (non-precedential) (jury verdict of no contributory infringement supported for two patents by defendant’s “belief in non-infringement, based on its reasonable claim construction argument,” even though court rejected that construction).

- **TIPS:**
  - JMOL Of Non-Infringement Does Not Necessarily Negate Inducement Intent To Infringe: During period where trial court JMOL of non-infringement had not yet been reversed by Fed. Cir., whether defendant had requisite knowledge that induced acts constitute infringement was a question of fact for the jury. *Smith & Nephew* (Fed. Cir. 03/18/15) (non-precedential) (“the district court’s ruling [JMOL of non-infringement] and pronouncement could, at most, create a factual question, not an entitlement to a no-knowledge finding as a matter of law.”)

  - **d) relevance of clearance opinion**

  - (Partly Pre *Global-Tech*) Stick And Carrot Reasons To Get A “No Direct Infringement” Clearance Opinion: Under *Commil USA* (U.S. 05/26/2015) (6-2), a clearance opinion that the induced acts would not directly infringe the claims, should be relevant. A clearance opinion can help defend against an inducement charge. *Broadcom* (Fed. Cir. 9/24/08) (“Because opinion-of-counsel evidence, along with other factors, may reflect whether the accused infringer ‘knew or should have known’ that its actions would cause another to directly infringe, we hold that such evidence remains relevant to the second prong of the intent analysis.”); *Bettcher* (Fed. Cir. 10/03/11) (patent attorney testimony at trial about his clearance opinion supported jury verdict of no inducement intent). But also need “proof of good-faith reliance” on the opinion, not just its possession. *Bose* (Fed. Cir. 03/14/14) (non-precedential). Conversely, jury may be instructed that absence of a clearance opinion is a factor favoring finding of specific intent to induce infringement. *Id.* See *Suprema III* (Fed. Cir. 09/14/15) (“We do not hold that an opinion of counsel is required to avoid a finding of induced infringement. The failure to obtain an opinion of counsel is merely one fact of many that may be considered in the assessment of willful blindness.”)

  - Clearance Opinion May Protect Officer From Personal Liability: Micro Chemical brought this suit two days after the patent issued, at which time Mr. Hummel took reasonable steps to avoid infringement. Among other things, Mr. Hummel sought and relied on the advice of counsel in redesigning the accused machines. The undisputed facts do not establish the knowledge necessary to find inducement to infringe. The district court appropriately granted summary judgment finding Mr. Hummel not personally liable for inducing Lextron’s infringement.” *Micro Chemical* (Fed. Cir. 10/06/99).

    - **AIA:** Failure to obtain or present to court/jury advice of counsel re the asserted patent “may not be used to prove that the accused infringer willfully infringed the patent or that the infringer intended to induce infringement of the patent.” (Sec. 17) 35 USC § 298 (AIA). {Per 2013 AIA Technical Corrections, applies to any civil action commenced on or after Jan. 14, 2013. Possibly also applies to any patent issued after 09/17/12, per AIA Sec. 35?}

  - **e) relevance of non-infringing uses**

    - (Pre *Global-Tech*) Designer Of Product With Infringing-Use-Only, Separable Component (Or Software Instructions) Not Entitled To SJ On Intent: “To the extent that the drives do contain components which are in fact separable from those used to implement noninfringing functions, and to the extent that the components do not in fact have a purpose other than the performance of infringing functions under normal use conditions, such evidence would create a material issue of fact regarding [the designer-manufacturer’s] intent that its drives be
used to infringe [the patents] which could not be decided on summary judgment.” *Ricoh* (Fed. Cir. 12/23/08). And, software instructions may constitute the separable component. *Id.*

- **Designing Or Manufacturing Infringing-Use-Only Separable Software Instructions May Be Sufficient To Show Specific Intent:** “QSI’s role as the designer and manufacturer of the optical drives in question may evidence an intent sufficiently specific to support a finding of inducement. As indicated above, Water Technologies inferred a specific intent to cause infringement from a defendant’s knowledge of the patent and control over the design or manufacturing of the product used for direct infringement. 850 F.2d at 668–69. Moreover, Grokster recognized that providing instruction on how to engage in an infringing use ‘show[s] an affirmative intent that the product be used to infringe.’ 545 U.S. at 936. In this case, QSI has incorporated into its optical drives software that instructs the hardware to perform a series of steps. Ricoh asserts that the only function of certain software components is to instruct the drives to perform its patented methods. … Ricoh thus argues that QSI’s specific intent that the ’552 and ’755 patents be infringed is shown by this affirmative act of incorporating components whose sole purpose is to cause the drives to operate in a manner that infringes the ’552 and ’755 patents under normal circumstances. To the extent that the drives do contain components which are in fact separable from those used to implement noninfringing functions, and to the extent that the components do not in fact have a purpose other than the performance of infringing functions under normal use conditions, such evidence would create a material issue of fact regarding QSI’s intent that its drives be used to infringe the ’552 and ’755 patents, which could not be decided on summary judgment.” *Ricoh* (Fed. Cir. 12/23/08).

  - But No Intent Shown If Defendant Could Have Believed Instructions’ Technique Was Not Infringing: “The original product instructions do not evidence a specific intent to encourage infringement, since they teach a stirring action which Basic could have reasonably believed was non-infringing.” *Vita-Mix* (Fed. Cir. 09/16/09) (good case to limit expansion of *Ricoh*).

- **Instructions Teaching A Non-Infringing Use Cannot Show Intent Even If Instructions May Lead To Infringing Use:** “The amended product instructions teach an undisputedly non-infringing use, evidencing intent to discourage infringement. Thus, Basic’s product instructions provide no basis on which Vita-Mix can rely to infer specific intent to encourage infringement.” *Vita-Mix* (Fed. Cir. 09/16/09); see *Takeda Pharm.* (Fed. Cir. 05/06/15) (2-1) (no probability of success in proving inducement because the drug label does not “encourage, recommend, or promote infringement;” and does not inevitably lead to infringement; defendant ‘must have knowingly aided and abetted’ direct infringement.”)

- **May Induce Even If Has Substantial Non-Infringing Use:** “the existence of a substantial non-infringing use does not preclude a finding of inducement.” *Toshiba* (Fed. Cir. 06/11/12) (rev’g SJ of no inducement infringement). “A label that instructed users to follow the instructions in an infringing manner was sufficient even though some users would not follow the instructions [and] … even though the product … had substantial noninfringing uses. Conversely, ‘vague’ instructions that require one to ‘look outside the label to understand the alleged implicit encouragement’ do not, without more, induce infringement.” *Eli Lilly* (Fed. Cir. 01/12/17) (aff’g inducement of multiactor infringement).

- **Knowledge Of Infringing Uses Not Dispositive:** *Dynacore* (Fed. Cir. 03/31/04/4) (“The mere sale of a product capable of substantial non-infringing uses does not constitute indirect infringement of a patent.”); accord *Takeda Pharm.*, (Fed. Cir. 05/06/15) (mere knowledge of infringing uses and that doctors may recommend the drug for an infringing use, coupled with a vague label that does not “inevitably” lead to infringing use, is insufficient; defendant ‘must have knowingly aided and abetted’ direct infringement.”) That is so even if the seller knows that its multi-use product is sometimes used in an infringing manner; such knowledge being “legally
irrelevant.” Warner-Lambert (Fed. Cir. 2003). But see Ricoh (Fed. Cir. 12/23/08) (if has separable, infringing-use only component, and designer/manufacturer is defendant, that defeats S(j) on intent issue for defendant.).

f) relevance of instructions to users

- Lack Of Specific Instructions On How To Use Accused Feature May Negate Specific Intent: “Assume also that the company selling the software doesn’t provide specific instructions on how to use the five features, thus taking potential liability outside the realm of § 271(b).” Lucent Tech., (Fed. Cir. 09/11/09) (dicta). But, same decision aff’g jury verdict of inducement finding that expert opinion that infringer intended infringement, was enough.

- Proposed Drug Label Helps Evidence Specific Intent: Sufficient evidence of specific intent found against party submitting ANDA application, with label language required by an unappealed FDA ruling, “because [the party] included instructions in its proposed label that will cause at least some users to infringe the asserted method claims [and] despite being aware of the infringement problem presented by the proposed label, [it] nonetheless proceeded with its plans to distribute its generic drug product.” AstraZeneca (Fed. Cir. 11/01/10); accord Eli Lilly (Fed. Cir. 07/29/11) (non-precedential) (“the sale of a product specifically labeled for use in a patented method constitutes inducement to infringe that patent”).

g) relevance of efforts to avoid infringement

- (Pre Global-Tech) Failure To Remove “Infringing Feature” Is Relevant To Intent: “Grokster recognized that a failure to remove or diminish infringing features of a distributed product is relevant to a party’s intent that those features be used for direct infringement.” Ricoh (Fed. Cir. 12/23/08).

- (Pre Global-Tech) Failure Post-Suit To Redesign Or Give Customers Instructions On How To Avoid Infringement, Is Factor Showing Specific Intent: “concedes that it ‘worked closely with its customers to develop and support the accused products, and that Qualcomm did not make changes to those products or give its customers [instructions regarding how to avoid infringement] after this lawsuit was filed.’” Broadcom (Fed. Cir. 9/24/08).

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10. 271(c) (Contributory) Infringement

- BASICS: “Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.” 35 U.S.C. § 271(c). As this is a “contributory” liability doctrine, there must be a direct infringement for there to be Sec. 271(c) liability.

a) knowledge of infringement

- Must Know Patent Is Infringed By The Combination: At very least, the accused must know of the patent to be liable for its contributory infringement: “§271(c) requires knowledge of the existence of the patent that is infringed.” Global-Tech (U.S. 05/31/2011) (calling this “§ 271(c)’s intent requirement.”). But, statute implies more: “knowing the same to be especially made or especially adapted for use in an infringement of such patent,” suggesting that accused party must know there is an infringement. And, S. Ct. has held that statute requires knowledge of
infringement: “On this question a majority of the Court is of the view that § 271(c) does require a showing that the alleged contributory infringer knew that the combination for which his component was especially designed was both patented and infringing.” Aro Mfg. (Aro II) (U.S. 06/08/1964); “In Aro II, a majority held that a violator of §271(c) must know ‘that the combination for which his component was especially designed was both patented and infringing,’ 377 U.S., at 488, and as we explain below, that conclusion compels this same knowledge for liability under §271(b).” Global-Tech (U.S. 05/31/2011); see Life Tech. (Promega) (U.S. 02/22/2017) (Global-Tech “substantially equat[ed] the intent requirements for §§ 271(b) and 271(c)”; accord Akamai Tech. III (Fed. Cir. 05/13/15) (2-1) (“§ 271(c) also entails causing customers to act as they did and intending the acts and/or results.”), vacated Akamai Tech. IV (Fed. Cir. 08/13/15) (en banc); Commil USA (U.S. 05/26/2015) (“contributory infringement requires knowledge of the patent in suit and knowledge of patent infringement.”). “Contributory infringement requires ‘only proof of a defendant’s knowledge, not intent, that his activity cause infringement.” Lifetime (Fed. Cir. 09/07/17).

b) “offers to sell or sells”

• Service Is Not A Sale: merely providing a service, without selling the alleged component, does not trigger Sec. 271(c) liability. PharmaStem Therapeutics (Fed. Cir. 07/09/07); The Cleveland Clinic (Fed. Cir. 06/16/17) (aff’d denial of motion to amend to add contributory infringement; report provided by testing service is not a “material and apparatus”).

c) “component”, “material or apparatus”

• Installation Disk Might Not Be A “Component”: Without mentioning Sec. 271(c), the Sup. Ct. in AT&T (U.S. 04/30/2007) addressed but did not resolve whether an installation disk that is temporarily inserted into a computer but need not remain in the computer for it to work, could constitute a “component” under Sec. 271(f). A three-J justice concurrence said No and a four-J justice plurality said it need not decide the issue.

• Component, Apparatus Or Material Must Be Physical?: We’ve successfully argued that what is sold, etc. must be physical, not mere intangible information. In view of Ricoh (Fed. Cir. 12/23/08) severely limiting the most common defense to contributory infringement, this argument becomes more important. But, Lucent Tech. (Fed. Cir. 09/11/09) rejected position that AT&T (U.S. 04/30/2007) bars finding software to be “material or apparatus” under Sec. 271(c), and i4i (Fed. Cir. 03/10/10), aff’d on other grounds (U.S. 06/09/2011) ignored this argument.

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d) “material part of the invention”

• Quanta Perhaps Put Teeth Into Sec. 271(c)’s “A Material Part Of The Invention”: In ruling that the sale of certain components of a combination exhausts patent claims directed to a method of using that combination, the S. Ct. perhaps construed the Sec. 271(c) phrase “a material part of the invention” narrowly, to mean that the component includes “all of the inventive aspects of” the claimed “invention”: “Like the Univis lens blanks, the Intel Products constitute a material part of the patented invention and all but completely practice the patent. Here, as in Univis, the incomplete article substantially embodies the patent because the only step necessary to practice the patent is the application of common processes or the addition of standard parts. Everything inventive about each patent is embodied in the Intel Products... The Intel Products embody the essential features of the LGE Patents because they carry out all the inventive processes when combined, according to their design, with standard components.” Quanta (U.S. 06/09/2008).
e) **substantial non-infringing use**

- **“Substantial” Non-Infringing Use**: The law is unsettled on meaning of “substantial.” Any reasonable use is a substantial use, even if not commercially viable. “Non-infringing uses are substantial when they are not unusual, far-fetched, illusory, impractical, occasional, aberrant, or experimental.” *Vita-Mix* (Fed. Cir. 09/16/09); accord *In re Bill of Lading* (Fed. Cir. 06/07/12) (“That practicing the patented method may be the most logical or useful purpose for Appellees’ products does not render the alternative uses ‘unusual, far-fetched, illusory, impractical, occasional, aberrant, or experimental.’”); *Toshiba* (Fed. Cir. 06/11/12) (aff’g S of no contributory infringement). But see *i4i* (Fed. Cir. 03/10/10) (upholding verdict of contributory infringement despite three non-infringing ways of using the accused code, based on evidence that those uses would deprive user of the intended benefit of the accused feature), aff’d on other grounds (U.S. 06/09/2011).

- **Non-Infringing Uses Expansive In Some Other Contexts**: in implied license context, Fed. Cir. took expansive view of non-infringing uses in *Glass Equipment* (Fed. Cir. 04/05/99) (need not be commercially viable, only reasonable).

- **May Need To Show Actual Non-Infringing Use**: may need to prove actual non-infringing uses, see *Mentor H/S*, 244 F.3d 1365 (Fed. Cir. 2001) (rev’g JOM of no contributory and no inducement).

- **Unauthorized Uses Of FDA-Regulated Drug Are Not Substantial Uses**: even though doctors are allowed to prescribe for other uses, and do so. *Eli Lilly* (Fed. Cir. 07/29/11) (non-precedential).

- **Plaintiff Need Show Only That Distinct And Separate “Component” Has No Substantial Non-Infringing Use**: Labeling it “an important, and previously unresolved, question,“ 2-1 panel held that contributory infringement arises where sold devices (optical disc drives) “contain hardware or software components that have no substantial noninfringing use other than to practice [the] claimed methods,” even though device has other hardware and embedded software module that cannot be used to infringe—distinguishing *Hodosh* (Fed. Cir. 11/25/87) and relying on *Grokster* (U.S. 06/27/2005) (“one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.”) *Ricoh* (Fed. Cir. 12/23/08). May apply only if the “infringing” component is “distinct” and “separable” from other components. See *Koninklijke Philips* (Fed. Cir. 07/28/16) (non-precedential) (rev’g jury verdict of no contributory infringement; “no reasonable jury could find disabling of this critical self-test feature to be anything but a separate and distinct mode of operation for the defibrillator devices.”; “we have generally been fairly liberal in finding the accused components separate.”); *Lucent Tech.* (Fed. Cir. 09/11/09) (endorsed Ricoh and rejected reliance on Hodosh, ruling that “date picker” tool in Microsoft Outlook had no non-infringing use, and jury could presume that Microsoft included the feature with intent that it be used, citing Grokster); *i4i* (Fed. Cir. 03/10/10) (because accused XML editor was omitted from some versions of Word, it could be deemed “separate and distinct” and be the subject of the jury’s substantial non-infringing uses inquiry), aff’d on other grounds (U.S. 06/09/2011); accord *Fujitsu* (Fed. Cir. 09/20/10) (even though accused feature by default is deactivated, it has no substantial non-infringing uses). [Consider Seeking S. Ct. Review.]

  - **Distinguishing Ricoh**: “The accused blenders’ ball and socket joint, interrupted ribbing, and rubber o-ring are not merely additional, separable features of the device ... these features are defining features of the device, are directly related to the use of the stir stick, and are useful only if the stir stick is used to stir the contents of the pitcher and push the ingredients into the blades.” *Vita-Mix* (Fed. Cir. 09/16/09); *In re Bill of Lading* (Fed. Cir. 06/07/12) (“Where the product is equally capable of, and interchangeably capable of both infringing and substantial non-infringing uses, a claim for contributory infringement does not lie.”; distinguishing Ricoh; and aff’g R. 12(b)(6) dismissal because complaint exhibits showed non-infringing uses.)
1. TIPS:

- REDACTED

11. **Sec. 271(e)(2) Infringement**

- **BASICS:** “(2) It shall be an act of infringement to submit - (A) an application under section 505(j) of the Federal Food, Drug, and Cosmetic Act or described in section 505(b)(2) of such Act for a drug claimed in a patent or the use of which is claimed in a patent, or (B) an application under section 512 of such Act or under [21 U.S.C. 151-58] for a drug or veterinary biological product which is not primarily manufactured using recombinant DNA, recombinant RNA, hybridoma technology, or other processes involving site specific genetic manipulation techniques and which is claimed in a patent or the use of which is claimed in a patent, if the purpose of such submission is to obtain approval under such Act to engage in the commercial manufacture, use, or sale of a drug or veterinary biological product claimed in a patent or the use of which is claimed in a patent before the expiration of such patent.” See Eli Lilly (U.S. 06/18/1990) (explaining Hatch-Waxman Act statutory scheme creating this “highly artificial act of infringement”); Caraco Pharm. (U.S. 04/17/2012) (explaining NDA-ANDA statutory scheme, and authorizing generic’s counterclaim to challenge incorrect “use code” in NDA); FTC v. Actavis (U.S. 06/17/2013) (explaining statutory scheme, and holding that reverse settlement payments may violate antitrust laws under a rule-of-reason analysis); Takeda Pharm. (Fed. Cir. 05/06/15) (aff’d denial of preliminary injunction based on inducement; explaining ANDA and “paper NDA” statutory schemes). The term “the use” in § 271(e)(2)(A) means “the use listed in the ANDA.” Warner-Lambert (Fed. Cir. 01/16/03); Bayer Schering (Fed. Cir. 04/16/12) (ANDA does not infringe where FDA approved use is not the narrow use to which the patent’s method claims are directed). Filing ANDA “only constituted a technical act of infringement for jurisdictional purposes,” so court must consider amended ANDA and product likely to be sold. Ferring [Watson] (Fed. Cir. 08/22/14) (rev’g bench-trial judgment of infringement). Cf. Amgen (Fed. Cir. 07/21/15) (explaining Biosimilar Price Competition and Innovation Act (BPCIA) statutory scheme governing biosimilars and abbreviated biologics license applications.) and Amgen (Fed. Cir. 07/05/16 (same), each vacated in part and reversed in part. Sandoz (06/12/2017) (requirement that applicant provide its application and manufacturing information to manufacturer of the biologic is not enforceable by injunction under federal law but remands to Fed. Cir. to determine whether available under state law; applicant may give notice of intent to commercialize before obtaining a license from the FDA).

- If ANDA Does Not Compel Infringement Or Non-Infringement, Look To Likely Product: If ANDA specifies an infringing product then there is infringement. Sunovion (Fed. Cir. 09/26/13). But, if ANDA (or amended ANDA) does not compel or rule out infringement, then patentee has burden to prove that alleged infringer will likely market an infringing product pursuant to an approved ANDA. Ferring [Appotex] (Fed. Cir. 08/22/14); Ferring [Watson] (Fed. Cir. 08/22/14). See generally Tyco (Fed. Cir. 08/06/14) (patent owner may allege infringement under section 271(e)(2)(A) if has evidence that the commercial ANDA product will infringe, even though the hypothetical product specified in the ANDA could not infringe.)

- Generic Can Avoid 271(e)(2) Infringement By Excluding Patented Uses: “the Act allows generic manufacturers to limit the scope of regulatory approval they seek—and thereby forego Paragraph IV certification and a § 271(e)(2) infringement suit—by excluding patented indications from their ANDAs.” AstraZeneca (Fed. Cir. 02/09/12). But, if the patent covers a step that will necessarily occur on the way to the generic’s indicated use, even if that step is not an FDA-approved use, there may be infringement. Braintree Labs. (non-precedential) (Fed. Cir. 05/05/17).

12. **Sec. 271(e)(1) “Safe Haven”**

- **BASICS:** “It shall not be an act of infringement to make, use, offer to sell, or sell within the United States or import into the United States a patented invention … solely for uses reasonably related
to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs or veterinary biological products.” 35 U.S.C. § 271(e)(1). See Shire (Fed. Cir. 09/24/15) (rev’g judgment of inducement; safe harbor protects supplier of active pharmaceutical ingredient used by ANDA filer to prepare its ANDA.) Safe haven applies to “development of information for regulatory approval of generic counterparts of patented products,” but not “routine” information reported to the FDA after marketing approval has been obtained. Classen-Biogen (Fed. Cir. 08/31/11); Momenta Pharm I (Fed. Cir. 11/10/15) (“routine quality control testing of each batch” “as part of the postapproval, commercial production process” is not protected by safe harbor; despite suggesting otherwise at prel'y injunction stage: Momenta Pharm I (Fed. Cir. 08/03/12) (preliminary injunction vacated; safe harbor applies to testing, post ANDA approval, to create records maintained by manufacturer per FDA requirements for maintaining approval); but see Classen-Elan (Fed. Cir. 05/13/15) (safe harbor includes post-approval studies submitted in support of a label change); cf. Merck (U.S. 06/15/2005) (safe haven “extends to all uses of patented inventions that are reasonably related to the development and submission of any information under the FDCA.”) “Subsequent disclosure or use of information obtained from an exempt clinical study, even for purposes other than regulatory approval, does not repeal that exemption of the clinical study, provided that the subsequent disclosure or use is itself not an act of infringement of the asserted claims.” Classen-Elan (Fed. Cir. 05/13/15).

13. **Sec. 271(f) Infringement**

• **BASICS:** “(1) Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer. (2) Whoever without authority supplies or causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial non-infringing
use, where such component is uncombined in whole or in part, knowing that such component is
so made or adapted and intending that such component will be combined outside of the United
States in a manner that would infringe the patent if such combination occurred within the United
States, shall be liable as an infringer.” 35 U.S.C. § 271(f).

a) “component”

Intangible Information (e.g., Software Code In The Abstract) Is Not A “[Combinable]
Component” Under Sec. 271(f): Intangible software information, or “software in the abstract
detached from any medium” as distinct from a physical copy of software, is not a “combinable
component” under Sec. 271(f) (assuming that the “patented invention” is tangible). Thus, exporting
master disks or electronic transmissions of software (as distinct from exporting “installation copies”
designed to be inserted into the foreign computers) does not trigger Sec. 271(f) liability. AT&T
(U.S. 04/30/2007). This extends to “design tools,” i.e., “anything containing design information,
e.g., a schematic, template, or prototype” or blueprint. See Life Tech. (Promega) (U.S. 02/22/2017)
(7-0) (“The holding in [AT&T (U.S. 04/30/2007)] turned not on the number of components
involved, but rather on whether the software at issue was a component at all.”)

“Component” May Or May Not Refer To Element Of Patent Claim: We do not consider
how to identify the ‘components’ of a patent or whether and how that inquiry relates to the
elements of a patent claim.” Life Tech. (Promega) (U.S. 02/22/2017) (7-0).

Status Of Installation Disk Unsettled: S. Ct. in AT&T (U.S. 04/30/07) mentioned but did not
resolve whether exporting installation disks, or transmitting code directly to end user computer,
would trigger Sec. 271(f) liability, with three-Justice concurrence saying No and four-Justice
plurality saying it need not decide the issue.

Sec. 271(f) Does Not Apply To Method Claims: The “components of the process are the steps
of the process,” and supplying an intangible step is a physical impossibility. Cardiac Pacemakers
(Fed. Cir. 08/19/09) (en banc) (overruling Union Carbide (Fed. Cir. 10/03/05).)

b) sec. 271(f)(1)

Exporting A Single Component Is Not Enough Under Sec. 271(f)(1): “We hold that the
phrase ‘substantial portion” in 35 U.S.C. § 271(f)(1) has a quantitative, not a qualitative, meaning.
We hold further that § 271(f)(1) does not cover the supply of a single component of a
multicomponent invention.” Life Tech. (Promega) (U.S. 02/22/2017) (7-0) (although statute’s
phrase “substantial portion” is “ambiguous,” the neighboring terms (“all,” “portion” and “of the
components of the patented invention”) and the structure of Sec. 271(f)(1) and (2) support only a
quantitative interpretation of the phrase, and that plural components are necessary), rev’g
Promega (Fed. Cir. 12/15/14) (2-0 on this issue, not reached by the dissent) (a single component
may qualify as “all or a substantial portion of the components of a patented invention,” where it is
important or essential. Component was staple-article component (Taq polymerase enzyme) of five-
element combination). “We do not today define how close to ‘all’ of the components ‘a substantial
portion’ must be.” Life Tech. (Promega) (U.S. 02/22/2017).

Do Not Need To Induce A Third Party: The statutory language “actively induce the
combination” merely requires causing the combination, not inducing a third party to make the
combination. Promega (Fed. Cir. 12/15/14) (2-1 on this issue) (rev’g JMOL of no Sec. 271(f)(1)
infringement, where defendant exported one component of a kit and its UK subsidiary assembled
rest of the kit outside U.S. for worldwide sales).

Does Sec. 271(f) Require Knowledge That Combination Infringes?: Declined to decide
whether “actively induce” requires knowledge that there would be infringement if combined
domestically. Westerngeco (Fed. Cir. 07/02/15) (aff’g infringement under Sec. 271(f)(2) instead.)
c)  **sec. 271(f)(2)**

- **Domestic Activities Only - No Foreign “Infringement” Required:** Under Sec. 271(f)(2) (and probably also under (f)(1)), there is no need to show any activity outside the U.S. (e.g., actual assembly into the patented combination). Cf. *Promega* (Fed. Cir. 12/15/14) (“Congress’ chosen language [in Sec. 271(f)(1)] assigns liability to LifeTech’s conduct within the United States, based on its extraterritorial effect.”) Sec. 271(f) no more reaches foreign uses of patented inventions than does Sec. 271(a). Cf. *Westerngeco* (Fed. Cir. 07/02/15) (2-1) (rev’g award of lost profits based on foreign uses of system combined and used abroad from components exported from U.S., in view of the “presumption against extraterritoriality”) (3-judge dissent from en banc rehearing denial (10/30/15) (citing copyright law’s “predicate-act doctrine, which posits that a plaintiff may collect damages from foreign violations of the Copyright Act so long as the foreign conduct stems from a domestic infringement”).

- **Similar To Contributory Infringement, But Broader:** While this Section borrows terminology from Sec. 271(c), it does not (at least under (f)(2)) require that a final patented assembly be assembled. See *Life Tech. (Promega)* (U.S. 02/22/2017) (raising but not deciding whether intent requirements for sections 271(f)(1) and (2) differ.)

14.  **Sec. 271(g) Infringement**

- **BASIS:** “Whoever without authority imports into the United States or offers to sell, sells, or uses within the United States a product which is made by a process patented in the United States shall be liable as an infringer, if the importation, offer to sell, sale, or use of the product occurs during the term of such process patent. In an action for infringement of a process patent, no remedy may be granted for infringement on account of the noncommercial use or retail sale of a product unless there is no adequate remedy under this title for infringement on account of the importation or other use, offer to sell, or sale of that product. A product which is made by a patented process will, for purposes of this title, not be considered to be so made after: (1) it is materially changed by subsequent processes; or (2) it becomes a trivial and nonessential component of another product.” 35 U.S.C. § 271(g); see also id. § 154(a)(1); *Zoltek II* (Fed. Cir. 03/14/12) (explaining purpose and legislative history). Must compare imported product to product that would be produced by claimed processes, and look to patent to measure whether differences are material. *Amgen* (Fed. Cir. 09/15/09) (aff’g jury verdict that changes not material).

- **Title 19 (ITC) Has Similar Provision:** Barring “importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee of articles that . . . are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent.” 19 U.S.C. § 1337(a)(1)(B)(ii). Exceptions do not apply to ITC proceedings. *Kinik* (Fed. Cir. 05/13/04) (but not considering impact of GATT treaty 1998 national treatment rules). The safe harbor provided by Sec. 271(e)(1) does apply in ITC to import of products made by patented process. *Amgen* (Fed. Cir. 04/30/09).

  - **TIPS:**
    - REDACTED

a)  **“a product”**

- **Information Is Not A Product Under Sec. 271(g).** *Bayer* (Fed. Cir. 08/22/03) (“in order for a product to have been ‘made by a process patented in the United States’ it must have been a physical article that was ‘manufactured’ and ... the production of information is not covered.”); cf. *Clearcorrect* (Fed. Cir. 11/10/15) (2-1) (citing *Bayer* with approval as consistent with holding that
“articles” in ITC Sec. 337 statute is limited to tangible, material things, not intangibles), rehearing en banc denied (Fed. Cir. 03/31/16) (Newman, J. dissenting).

b) “made by a patented process”

- **Testing And Quality Control Is Not Making A Product**: “Make” in Sec. 271(g) has its ordinary meaning, namely, like “manufacture,” the “creation or bringing into existence of something” and “extends to the creation or transformation of a product, such as by synthesizing, combining components, or giving raw materials new properties.” But, does not extend “to methods of testing a final product or intermediate substance to ensure that the intended product or substance has in fact been made” or has certain qualities. **Momenta Pharm II** (Fed. Cir. 11/10/15) (2-1) (aff’g SJ of no Sec. 271(g) infringement; patented method generates information about products that have already been made without transforming them).

c) **sec. 295 shifting burden of proof**

- **Burden May Shift To Accused To Prove Non-Infringement**: When infringement alleged under Sec. 271(g), if court “finds-(1) that a substantial likelihood exists that the product was made by the patented process, and (2) that the plaintiff has made a reasonable effort to determine the process actually used in the production of the product and was unable so to determine, the product shall be presumed to have been so made, and the burden of establishing that the product was not made by the process shall be on the party asserting that it was not so made.” 35 U.S.C. § 295; see **Creative Compounds** (Fed. Cir. 06/24/11) (aff’g SJ of infringement where defendant failed to provide documentation on its foreign supplier’s manufacturing process).

d) **sec. 287(b) restriction on damages**

- **Special Restrictions on Damages**: Infringer accused under 271(g), may be exempt from pre-suit damages unless that infringer “(A) practiced the patented process; (B) owns or controls, or is owned or controlled by, the person who practiced the patented process; or (C) had knowledge before the infringement that a patented process was used to make the product . . . .” 35 U.S.C. § 287(b).

15. **Reissue/ Reexam/ IPR/ PGR: Relation Back; Intervening Rights**

a) abatement

- **BASICS: REISSUE MAY ABATE PRE-REISSUE LIABILITY (Sec. 252, 1st ¶)**: Reissue surrenders original patent so original patent cannot be infringed once it is reissued; “the original claims are dead.” **Seattle Box I** (Fed. Cir. 03/26/84). “Cancelled claims [are] void ab initio” and “suits based on cancelled claims must be dismissed.” **Fresenius** (Fed. Cir. 07/02/13) (long discussion of legislative history and case law on this point) (2-1); cf. **Target Training** (Fed. Cir. 04/22/16) (non-precedential) (aff’g dismissal of action as moot where all issued claims cancelled in reexamination and new claims added in reexamination not added to the action); **Delorme Publishing** (Fed. Cir. 11/12/15) (implying that claims invalidated in court are not void ab initio; refusing to overturn ITC contempt order despite later judgment of patent invalidity: “ePlus is inapplicable here because ePlus involved the Patent Office’s cancellation of claims, which voids claims ‘ab initio.’”). But, reissue claim has retroactive effect from the original patent grant if it is not substantively changed from a claim in the original patent. See 35 U.S.C. § 252, ¶ 1 (“in so far as the claims of the original and reissued patents are substantially identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are substantially identical with the original patent, shall constitute a continuation thereof and have effect continuously from the date of the original
BASICS: RXN. CERTIFICATE MAY ABATE PRE-RXN. CERTIF. LIABILITY: Reexamination statute (e.g., 35 U.S.C. § 307(b)) read to adopt all of Sec. 252 including 1st para. re. relation back to original grant. Kaufman (Fed. Cir. 12/16/86) (Rich, J.); Fortel (Fed. Cir. 08/11/87). See R+L Carriers (Fed. Cir. 09/17/15) (reexamination claims not substantially identical to patent's claims where language added to claim to narrow it to avoid a prior art reference); but see Convolve II (Fed. Cir. 02/10/16) (rev'g "intervening rights" judgment because limitation added in reexamination was already part of claim as properly interpreted under Phillips in view of the original prosecution history in particular, despite Reexamination Examiner view that limitation was not required under "broadest reasonable interpretation"). Statute, however, states that reexamination certificates are treated in same manner for "amended or new" claims in the reexamined patent, and only for persons who qualify for intervening rights. Reexamination does not surrender the original patent and "claims that emerge from reexamination do not create a new cause of action that did not exist before." Aspex Eyewear (Fed. Cir. 03/14/12). “Congress expected reexamination to take place concurrent with litigation, and that cancellation of claims during reexamination would be binding in concurrent infringement litigation." Fresenius (Fed. Cir. 07/02/13) (ex parte reexamination, initiated three years after filing Dj suit, extinguished $23.5 MM damages judgment, because appeal re post-verdict royalty award was still pending, so no executable judgment had entered) (2-1), en banc denied (over four dissenting ops.). (Fed. Cir. 11/05/13).

b) intervening rights

BASICS: INTERVENING RIGHTS (Sec. 252, 2nd ¶): Sec. 252, ¶ 2 provides “intervening rights” for new or amended claims, i.e., when none of the infringed claims of the reissue patent were present in the original patent. Seattle Box I (Fed. Cir. 03/26/84). First sentence of Sec. 252, ¶ 2 provides “absolute intervening rights” for “the specific thing” made, purchased, offered to sell, sold, imported or used, before the grant of the reissue patent. BIC Leisure (Fed. Cir. 08/04/93); Shockley (Fed. Cir. 05/09/01) (“This ‘specific thing’ terminology suggests that the tangible article was in existence before the reissue date.”). Second sentence of Sec. 252, ¶ 2 provides “equitable intervening rights”: Court in its discretion may allow continued making, selling, etc. of things for which “substantial preparation was made before the grant of the reissue” “under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.” Id.; Seattle Box II (Fed. Cir. 03/20/85); Shockley (Fed. Cir. 05/09/01) (trial court within its discretion to deny equitable intervening rights to a willful infringer). Reexamination certificates treated in same manner, per 35 U.S.C. § 307(b), but only for “amended or new” claims in the reexamined patent. See Marine Polymer (Fed. Cir. 03/15/12) (en banc, opinion of court, 6-4). An affirmative defense. Underwater Devices (Fed. Cir. 09/23/83).

Arguments During Reexamination Cannot Create Intervening Rights If Words Of The Claim Are Not Amended: Statute requires that claim be “amended or new,” so even if arguments narrow scope of the claim, that cannot create intervening rights. Marine Polymer (Fed. Cir. 03/15/12) (en banc, opinion of court, 6-4) (dicta).
AIA: Amended or new claim added by inter partes review or post grant review “shall have the same effect as that specified in section 252 for reissued patents on the right of any person who made, purchased, or used within the United States, or imported into the United States, anything patented by such proposed amended or new claim, or who made substantial preparation therefor, before the issuance of a certificate.” 35 USC §§ 318(c), 328(c) (AIA).

c) “substantially identical” claim scope

- Factors To Consider To Detect “Substantive Change”: Question of law. Laitram II (Fed. Cir. 12/18/98); but see Laitram I (Fed. Cir. 01/30/92) (rev’g SJ in view of material fact disputes raised by expert declaration). There is no per se rule that claim amendments made after a prior art rejection constitute a substantive change, although they normally are. Laitram I (Fed. Cir. 01/30/92); Laitram II (Fed. Cir. 12/18/98) (“Although it is difficult to conceive of many situations in which the scope of a rejected claim that became allowable when amended is not substantively changed by the amendment, we arrive at our conclusion, not through any “per se rule,” but in light of an overall examination of the written description, the prosecution history and the language of the respective claims.”) “It is necessary to analyze the claims of the original and the reexamined patents in light of the particular facts, including the prior art, the prosecution history, other claims, and any other pertinent information.” Laitram I (Fed. Cir. 01/30/92). “An amendment that clarifies the text of the claim or makes it more definite without affecting its scope is generally viewed as identical for the purpose of § 252.” Bloom Engineering (Fed. Cir. 11/21/97) (citations omitted) (adding underscored words to claim, “injecting a stream of gas separate from the combustion air stream into said flue gas stream,” was substantive change because it excluded an injected gas stream that includes combustion air, and was necessary in order to distinguish newly cited prior art.); see Minco (Fed. Cir. 09/10/96) (replacing “furnace” with “housing” did not substantively change claim scope).

- “Substantive Change” Standard Also Applied to Intervening Rights: Although only 1st para. of Sec. 252 refers to “substantially identical,” the 2nd para. has been read to have same trigger. See Marine Polymer (Fed. Cir. 03/15/12) (en banc, opinion of court, 6-4) (“Intervening rights do not accrue, however, where the accused product or activity infringes a claim that existed in the original patent and remains ‘without substantive change’ after reissue.”)

d) relationship to pending litigation

- Reexam Cancellation Of Claims Prior To Mandate Ending Litigation, Extinguishes Cause Of Action: Action was on second appeal re stayed judgment of damages and post-verdict damages of $23.5 MM, liability having been decided on earlier Fed. Cir. appeal, when PTO cancelled claims (of expired patent) per Fed. Cir. aff’g PTO ex parte Reexamination ruling. That cancellation of claims extinguished infringement cause of action and mooted the litigation despite earlier Fed. Cir. mandate aff’g infringement liability. Although under claim preclusion “the cancellation of a patent’s claims cannot be used to reopen a final damages judgment ending a suit based on those claims,” here there was no “final judgment” for claim preclusion purposes. While district court’s liability judgment was “final for purposes of appeal, and that judgment might have been given preclusive effect in another infringement case between these parties, it was not sufficiently final to preclude application of the intervening final judgment” in the reexamination proceeding, because mandate ending the litigation had not yet issued. Fresenius (Fed. Cir. 07/02/13) (2-1, Newman, J. dissenting).

- Intervening Rights May Arise Post Judgment (Maybe): Marine Polymer (Fed. Cir. 09/26/11) (post judgment reexamination certificate) (vacated and rehearing en banc granted (Fed. Cir. 01/20/12)); see Marine Polymer (Fed. Cir. 03/15/12) (en banc, opinion of court, 6-4)
• Intervening Rights May Arise Even If Reissue Merely Adds A Narrower Claim: Allowing reissue that merely added a dependent claim, noting that intervening rights may apply. In re Tanaka (Fed. Cir. 04/15/11).

• PTAB Final Written Decision Of Unpatentability Does Not Extinguish Patent Or Make It Invalid: Only a Patent Office cancellation of the patent at the expiration of all appeals extinguishes the patent. In re 337-TA-945 (Cisco v. Arista Networks) (ITC Comm’n 08/16/17) (refusing to terminate remedial order against Arista imports despite final written decision that the claims are unpatentable).

• TIPS:
  o REDACTED

E. INVALIDITY

• PTO Does Or Does Not Have Rulemaking Authority Over Substantive Patentability Standards?: Congress gave PTO authority to decide whether to apply “broadest reasonable interpretation” of claims in IPR proceedings, but did not grant “the PTO power to interpret substantive statutory ‘patentability’ standards.” In re Cuozzo (Fed. Cir. 07/08/15) (2-1) (this point was added in new opinion), aff’d on other grounds (U.S. 06/20/2016) (IPR statute’s grant to PTO to issue rules “governing inter partes review,” is not limited to procedural rules, and thus includes claim-construction standard).

1. Presumptions And Burdens

• Presumption of Validity: “A patent shall be presumed valid. Each claim of a patent (whether in independent, dependent, or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.” 35 USC 282. This presumption “is a ‘common core of thought and truth’ reflected in this Court’s precedents for a century. Radio Corp. of America v. Radio Engineering Laboratories, Inc., 293 U. S. 1, 8 (1934).” Commil USA (U.S. 05/26/2015).

• “Clear and Convincing Evidence” Standard of Proof: Standard of proof for patent invalidity is “clear and convincing” evidence. S. Ct. rejected contentions that “a defendant in an infringement action need only persuade the jury of an invalidity defense by a preponderance of the evidence” and that “a preponderance standard must apply at least when an invalidity defense rests on evidence that was never considered by the PTO in the examination process.” i4i (U.S. 06/09/2011). Accord Commil USA (05/26/2015) (referring to the clear and convincing standard as a “high bar.”).

  o But, Jury Most Often Should Be Instructed That Evidence Is New And To Consider Whether It Is Material: although we have no occasion to endorse any particular formulation, we note that a jury instruction on the effect of new evidence can, and when requested, most often should be given. When warranted, the jury may be instructed to consider that it has heard evidence that the PTO had no opportunity to evaluate before granting the patent. When it is disputed whether the evidence presented to the jury differs from that evaluated by the PTO, the jury may be instructed to consider that question. In either case, the jury may be instructed to evaluate whether the evidence before it is materially new, and if so, to consider that fact when determining whether an invalidity defense has been proved by clear and convincing evidence.” i4i (U.S. 06/09/2011) (dictum; such an instruction waived here); see also In re NTP (Fed. Cir. 08/01/11) (“As Congress acknowledged, examiners have limited time to review each application and cannot be expected to fully address every possible issue before them.”); Stone Strong (Fed. Cir. 10/17/11) (non-precedential) (citing
i4i in holding claims obvious as a matter of law); cf. Mintz (Fed. Cir. 05/30/12) (vacating SJ of obviousness, noting that art applied by D. Ct. had been considered by PTO). Cf. Shire (Fed. Cir. 09/24/15) (aff'g SJ of non-obviousness; added burden of overcoming deference to examiner where asserted reference listed on face of patent); Cadence Pharm. (Fed. Cir. 03/23/15) (citing Examiner’s initial rejection of claims on same combination now argued by challenger, as a factor contributing to challenger’s “difficult burden” on appeal to overturn non-obviousness judgment).

- **“Enhanced Burden” To Show Invalidity With Prior Art Considered By The Patent Office, But Still Only “Clear And Convincing Evidence” Needed:** A “party challenging validity shoulders an enhanced burden if the invalidity argument relies on the same prior art considered during examination,” but this means only that “persuading a fact finder that an expert agency is incorrect on a proposition is likely to be a greater forensic challenge to the advocate than showing the proposition to be incorrect in the absence of a contrary expert-agency determination,” not that there is a higher burden that “clear and convincing evidence.” Intercontinental Great Brands (Fed. Cir. 09/07/17) (2-1) (aff'g sum. jud. obviousness).

  - **TIPS:**
    - REDACTED

- **Burden of Production May, Or May Not, Shift to Patentee:** Although challenger always has burden of persuasion, if it meets its burden of production by making prima facie showing of invalidity, that shifts burden of production to patentee to rebut that showing. Novo Nordisk (Fed. Cir. 06/18/13) (aff’g bench trial judgment of obviousness) (2-1); but see In re Magnum Oil (Fed. Cir. 07/25/16) (“prima facie” case applies in prosecution context, not “adjudicatory context of an IPR”).

  2. **Assignor Estoppel**

- **Assignor Estoppel:** Equitable remedy barring assignor of patent, or one in privity with assignor, from challenging validity of patent if sued for infringement. Mag Aerospace (Fed. Cir. 03/23/16) (aff’g SJ that defendant estopped because it hired a named inventor on asserted patent to help develop the accused system, despite that employee’s negligible financial interest in the defendant); Mentor Graphics (Fed. Cir. 03/16/17) (aff’g application of assignor estoppel; Fed. Cir. already rejected argument that Lear (U.S. 06/16/1969) abolished assignor estoppel), rehearing denied (Fed. Cir. 09/01/17) (Moore, J., concurring op. (2 judges) (Lear does not overrule Westinghouse; “The question of privity and the extent to which assignor estoppel ought to prohibit a future employer of the inventor/assignor from challenging the validity of the patent is an interesting one not raised by the parties on appeal in this case”)); see generally Shamrock Tech. (Fed. Cir. 05/04/90) (discussing equitable factors for privity determination, and applying assignor estoppel to inequitable conduct); IGT (Fed. Cir. 05/12/16) (non-precedential) (expressly not deciding whether applies to PTAB proceedings); Athena Automation (PTAB 10/25/13) (precedential) (assignor estoppel does not apply to IPRs).

  3. **Person Having Ordinary Skill In The Art (“PHOSITA”)**

- **Factors In Determining Level Of Ordinary Skill In The Art:** include (1) educational level and any specialties of the applicants; (2) type of problems encountered in the art; (3) prior art solutions to those problems; (4) rapidity with which innovations are made; (5) sophistication of the technology; (6) educational level and any specialties of active workers in the field; (7) nature of any testing described in patent (and skills required of those doing such testing). Daiichi Sankyo (Fed. Cir. 07/11/07) (non-precedential) (rev’g trial court’s finding of no obviousness based on error in identifying the PHOSITA). Cf. George M. Martin (Fed. Cir. 08/20/10) (invention year later than
patent’s reduction to practice date, coupled with other close prior art, was evidence of simultaneous
invention showing level of ordinary skill in the art).

- **Skeletal Spec. Can Be Deemed Admission Of Knowledge And Abilities Of Skilled Artisan:**
  Absence of detailed descriptions in the Spec. can be deemed admission about level of skill in the
  art. Cf. *In re Fox*, 471 F.2d 1405, 1407 (CCPA 1973) (claim elements which are not described in
detail in the Spec. are presumed to be known to those of ordinary skill in the art); *In re Epstein*,
32 F.3d 1559, 1568 (Fed. Cir. 1994) (citing *In re Fox* with approval: “we find that the disclosure of
appellant’s system fails to provide the same detailed information concerning the claimed invention.
In the absence of such a specific description, we assume that anyone desiring to carry out such
computerized warehousing and inventory control systems would know of the equipment and
techniques to be used.”) See *Software Rights* (Fed. Cir. 09/09/16) (2-1) (non-precedential) (rev’g
PTAB non-anticipation finding, in part because Spec. describes step allegedly missing from
reference “as ‘simple’ or routine”); *In re Hill-Rom* (Fed. Cir. 12/02/15) (non-precedential) (PTAB
obviousness finding supported by Spec. not describing that “any significant modifications required”
to allow combination of elements to work).

- **Although Level Of Skill Can Be Low, Person Should Possess Common Sense:** *Perfect Web*
  (Fed. Cir. 12/02/09).

- **Named Inventors Ordinarily One Of Skill In The Art:** noting “the rare case in which an
  inventor is not” one of ordinary skill in the art, and that such status ordinarily qualifies one to testify
  as an expert. *Byrne* (Fed. Cir. 11/18/11) (non-precedential).

- **References Outside Those Asserted As Anticipatory Or Part Obviousness Combination
  Can Evidence State Of The Art:** “Art can legitimately serve to document the knowledge that
  skilled artisans would bring to bear in reading the prior art identified as producing obviousness.”
  *Ariosa* (Fed. Cir. 11/16/15) (vacating PTAB IPR decision of non-obviousness). See *Genzyme* (Fed.
  Cir. 06/14/16) (aff’g PTAB obviousness determination: “failure to make explicit findings regarding
  the level of skill in the art does not constitute reversible error when “the prior art itself reflects an
  appropriate level and a need for testimony is not shown.”)

- **Not Necessarily Error To Fail To Making Findings As To Level Of Skill In The Art:** While
  preferable that fact finder specify level of skill in the art, failure to do so not reversible error “where
  the prior art itself reflects an appropriate level and a need for testimony is not shown.”” *Rudolph
  Tech.*, (Fed. Cir. 12/22/16) (non-precedential) (aff’g in part PTO obviousness determination).
  o **TIPS Re PHOSITA:**
  - REDACTED

4. **Patent-Eligible Subject Matter (Sec. 101)**

- **BASICS:** “Whoever invents or discovers any new and useful process, machine, manufacture, or
  composition of matter, or any new and useful improvement thereof, may obtain a patent therefor,

5 Outdated Line Of Older Decisions Following Research Corp. Tech.:
  o **Must Be Manifestly Abstract:** Sec. 101 is “only a threshold test,” and Sec. 112 also addresses
  abstractness, so “this court also will not presume to define ‘abstract’ beyond the recognition that this
  disqualifying characteristic should exhibit itself so manifestly as to override the broad statutory categories
  of eligible subject matter and the statutory context that directs primary attention on the patentability criteria
  of the rest of the Patent Act.” *Research Corp. Tech.*, (Fed. Cir. 12/08/10) (Rader, J.); accord
  *Ultramercial II* (Fed. Cir. 06/21/13) (Rader, J.) (Lourie, J. concurring in result) (claimed 10-step method of distributing
media products over Internet for free if consumer submits to viewing an advertisement) (quoting Research Corp. repeatedly with approval; “rare” that patent suit can be dismissed at pleadings stage under Sec. 101; Sec. 101 “rife with underlying factual issues;” Sec. 101 is “coarse” filter; “merely a threshold check;” an abstract idea is one that “is not concrete;” satisfies Sec. 101 if “in addition to the abstract idea, the claim recites added limitations which are essential to the invention;” claims here do not simply claim “idea that advertising can serve as currency;” Figures show that “claim is not to some disembodied abstract idea;” not “manifestly abstract”), vacated (U.S. 06/30/14); see Ultramercial III (Fed. Cir. 11/14/14) (claim patent ineligible); CLS Bank (Fed. Cir. 07/09/12) (“this court holds that when—after taking all of the claim recitations into consideration—it is not manifestly evident that a claim is directed to a patent ineligible abstract idea, that claim must not be deemed for that reason to be inadequate under § 101.”), vacated for rehearing en banc (Fed. Cir. 10/09/12), aff’d per curiam (Fed. Cir. 05/10/13) (en banc; seven opinions) (no opinion mentions “manifest”), aff’d, Alice Corp. (U.S. 06/19/14); Classen (Fed. Cir. 08/31/11) (Newman, J.) (quoting above with approval, and citing Bilski rejection of categorical tests as support for position that “exclusions from patent-eligibility should be applied ‘narrowly’”); Dealertrack (Fed. Cir. 01/20/12) (holding claims invalid but citing RCT with approval on this point; “coarse eligibility filter;” “any invention within the broad statutory categories of § 101 that is made by man, not directed to a law of nature or physical phenomenon, and not so manifestly abstract as to preempt a fundamental concept or idea is patent eligible.”); but see Mayo (U.S. 03/20/2012) (unanimous) (rejecting U.S. Gov’t argument that Sec. 102, 103 and 112 should instead perform this screening function, as “not consistent with prior law”). CyberSource (Fed. Cir. 08/16/11) (invalidating claims without saying “manifestly” abstract); MySpace (Fed. Cir. 03/02/12) (Mayer, J., dissenting opinion, eloquently rejecting “coarse filter” approach.); compare (pre-Mayo) Ass’n for Molecular (Fed. Cir. 07/29/11) (“the claim is not so ‘manifestly abstract’ as to claim only a scientific principle, and not a patent-eligible process,” citing Research Corp. Tech.), vacated and remanded (U.S. 03/26/2012) with (post-Mayo) Ass’n for Molecular II (Fed. Cir. 08/16/12) (no mention of “manifestly abstract” or Research Corp. Tech.), rev’d in part on other grounds, Ass’n for Molecular (Myriad) (U.S. 06/13/2013) (addressing only composition claims).

- **If Patent’s “Invention” Is Not Abstract, Then Neither Are Its Claims:** If patent’s “invention” is eligible, then so are its claims: “Moreover, because the inventions claimed in the ‘310 and ‘228 patents are directed to patent-eligible subject matter, the process claims at issue, which claim aspects and applications of the same subject matter, are also patent-eligible.” Panel quoted Spec. and language from non-asserted claims to support conclusion that the “invention” was not abstract. Research Corp. Tech. (Fed. Cir. 12/08/10) (Rader, J.); but see Mayo (U.S. 03/20/2012) (unanimous) (“Our conclusion rests upon an examination of the particular claims before us in light of the Court’s precedents”); Fuzzysharp (Fed. Cir. 11/04/11) (non-precedential) (Research Corp. Tech. “did not change the long-standing rule that each claim must be limited to patentable subject matter”); Ass’n for Molecular II (Fed. Cir. 08/16/12) (rejecting patent owner’s attempt to rely on some physical steps because they were not recited in the claim, and not noting that the Spec. described use of computer software to do the claimed step), rev’d in part on other grounds, Ass’n for Molecular (Myriad) (U.S. 06/13/2013) (addressing only composition claims); CyberSource (Fed. Cir. 08/16/11) (invalidating claims; dismissing Spec.’s reference to a database because the claim “does not cover the initial creation of the database”); Dealertrack (Fed. Cir. 01/20/12) (“The fact that certain algorithms are disclosed in the specification does not change the outcome. In considering patent eligibility under § 101, one must focus on the claims. This is because a claim may ‘preempt’ only that which the claims encompass …”)

- **(Dictum) Inventions With Specific Applications To Technologies In Marketplace Unlikely To Be Abstract:** “The invention presents functional and palpable applications in the field of computer technology.” “Inventions with specific applications or improvements to technologies in the marketplace are not likely to be so abstract that they override the statutory language and framework of the Patent Act.”
subject to the conditions and requirements of this title.” 35 U.S.C. § 101. Sec. 101 “challenges constitute validity and patentability challenges.” Versata II (Fed. Cir. 07/09/15) (PTAB may cancel claims in CBM under Sec. 101). “The Court has long held that this provision contains an important implicit exception. '[L]aws of nature, natural phenomena, and abstract ideas’ are not patentable.” Mayo (U.S. 03/20/2012) (unanimous); Alice Corp. (U.S. 06/19/2014) (Thomas, J.) (unanimous). This exclusion includes mathematical formulas and algorithms, Bilski v. Kappos (U.S. 06/28/2010), and mental processes, Benson (U.S. 11/20/1972) (method “can be done mentally”). The abstract-ideas category is not confined to “preexisting, fundamental truth[s]” that “exist[t] in principle apart from any human action.” Alice Corp. (U.S. 06/19/2014) (claims directed to “the abstract idea of intermediated settlement,” a fundamental economic practice). Ultramercial III (Lorie, J.) (Mayer, J., Concurring Op.) (Fed. Cir. 11/14/14) (aff’g motion to dismiss for ineligibility, despite previously finding claims eligible both pre-Mayo and again post-Mayo but pre-Alice); see Mortgage Grader (Fed. Cir. 01/20/16) (Stark, J.) (citing about-face in Ultramercial III as demonstrating “that a § 101 defense previously lacking in merit may be meritorious after Alice”). But see DDR Holdings (Fed. Cir. 12/05/14) (Chen, J.) (Mayer, J., Dissenting Op.) (2-1) (aff’g rejection of Sec. 101 invalidity.

Research Corp. Tech. (Fed. Cir. 12/08/10) (Rader, J.). Accord Ultramercial II (Fed. Cir. 06/21/13) (Rader, J. plurality op.) (claim is patent eligible if “cover[s] an application of an abstract idea”), vacated (U.S. 06/30/14); see Ultramercial III (Fed. Cir. 11/14/14) (claim patent ineligible); CLS Bank (Fed. Cir. 05/10/13) (en banc) (Rader, J. 4-judg op.: “The claims do not claim only an abstract concept without limitations that tie it to a practical application.”), aff’d, Alice Corp. (U.S. 06/19/14); Classen (Fed. Cir. 08/31/11) (quoting this language with approval to support that “commercial application of the technology is relevant to deciding whether an invention is so abstract as to negate §101 subject matter”); Bancorp (Fed. Cir. 07/26/12) (distinguishing CLS Bank in part because it required “a very specific application”); but see Mayo (U.S. 03/20/2012) (unanimous) (“The patents before us concern the use of thiopurine drugs in the treatment of autoimmune diseases, such as Crohn’s disease and ulcerative colitis.”); Fort Prop. (Fed. Cir. 02/27/12) (“the claims in Bilski were tied to the physical world through at least two tangible means: commodities and money” and “the claimed algorithm in Flook also had ties to the physical world (i.e., the invention involved the ‘catalytic chemical conversion of hydrocarbons’”) CyberSource (Fed. Cir. 08/16/11) (invalidating claims without mentioning this issue; noting that Flook “rejected the notion that the recitation of a practical application for the calculation could alone make the invention patentable.”).

DDR Holdings Claim:

“19. A system useful in an outsource provider serving web pages offering commercial opportunities, the system comprising:

(a) a computer store containing data, for each of a plurality of first web pages, defining a plurality of visually perceptible elements, which visually perceptible elements correspond to the plurality of first web pages;

(i) wherein each of the first web pages belongs to one of a plurality of web page owners;

(ii) wherein each of the first web pages displays at least one active link associated with a commerce object associated with a buying opportunity of a selected one of a plurality of merchants; and

(iii) wherein the selected merchant, the outsource provider, and the owner of the first web page displaying the associated link are each third parties with respect to one other;

(b) a computer server at the outsource provider, which computer server is coupled to the computer store and programmed to:

(i) receive from the web browser of a computer user a signal indicating activation of one of the links displayed by one of the first web pages;

(ii) automatically identify as the source page the one of the first web pages on which the link has been activated;

(iii) in response to identification of the source page, automatically retrieve the stored data corresponding to the source page; and
defense, distinguishing Alice, Ultramercial III, buySAFE, Accenture, Bancorp: claims do not “recite a commonplace business method aimed at processing business information, applying a known business process to the particular technological environment of the Internet, or creating or altering contractual relations using generic computer functions and conventional network operations.”) “Under step one of Mayo/Alice, the claims are considered in their entirety to ascertain whether their character as a whole is directed to excluded subject matter.” Internet Patents (Fed. Cir. 06/23/15).

- Sec. 101 Exclusions Are General Legal Rules Applicable To All Fields: Mayo (U.S. 03/20/2012) (unanimous) (declining to adopt increased protection for discoveries of diagnostic laws of nature). But see DDR Holdings (Fed. Cir. 12/05/14) (2-1) (claims different than earlier cases “because they do not merely recite the performance of some business practice known from the pre-Internet world along with the requirement to perform it on the Internet. Instead, the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.”)


(iv) using the data retrieved, automatically generate and transmit to the web browser a second web page that displays:
(A) information associated with the commerce object associated with the link that has been activated, and
(B) the plurality of visually perceptible elements visually corresponding to the source page.”

Rejected Claim 8 in Benson:
The method of converting signals from binary coded decimal form into binary which comprises the steps of
(1) storing the binary coded decimal signals in a reentrant shift register,
(2) shifting the signals to the right by at least three places, until there is a binary `1' in the second position of said register,
(3) masking out said binary `1' in said second position of said register,
(4) adding a binary `1' to the first position of said register,
(5) shifting the signals to the left by two positions,
(6) adding a `1' to said first position, and
(7) shifting the signals to the right by at least three positions in preparation for a succeeding binary `1' in the second position of said register.

Rejected Claim 1 in Flook:
1. A method for updating the value of at least one alarm limit on at least one process variable involved in a process comprising the catalytic chemical conversion of hydrocarbons wherein said alarm limit has a current value of “Bo + K” wherein Bo is the current alarm base and K is a predetermined alarm offset which comprises:
(1) Determining the present value of said process variable, said present value being defined as PVL;
(2) Determining a new alarm base B1, using the following equation: “B1=Bo(1.0-F) + PVL(F)” where F is a predetermined number greater than zero and less than 1.0;
(3) Determining an updated alarm limit which is defined as B1 + K; and thereafter
(4) Adjusting said alarm limit to said updated alarm limit value.

Allowed Claim 1 in Diehr [application issued as USP 4,344,142 (Spec.: Prior art did not measure that actual temperature inside the mold. “Thermocouples, or other temperature-detecting devices, located directly within the mold cavity may read the temperature at the surface where the molding compound touches the mold, so that it actually gets the temperature of the material at that surface.”)]:
1. A method of operating a rubber-molding press for precision molded compounds with the aid of a digital
(unanimous) (relying primarily on these three precedents); CLS Bank (Fed. Cir. 05/10/13) (en banc
two opinions collectively joined by 9 of 10 judges refer to S. Ct. rulings as “guideposts”), aff’d,
Alice Corp. (U.S. 06/19/14); Fort Prop. (Fed. Cir. 02/27/12) (“Four seminal Supreme Court
precedents provide guidance regarding when an invention qualifies as a patent-eligible process as
opposed to an abstract idea.”); Synopsys (Mentor) II (Fed. Cir. 10/17/16) (rejecting patent owner
argument that claims eligible because claim technique designed for use on computer and different
than how human would perform same action, because that was true also in Benson); Bancorp
(Fed. Cir. 07/26/12) (“for purposes of § 101 there is no material difference between the claims
invalidated in Bilski and those at issue here.”)

• “Article Of Manufacture” Includes Components Made By Hand Or Machine, Of Multi-
Component Product: In design patent damages provision (35 USC § 289 (“Whoever during the
term of a patent for a design, without license of the owner, (1) applies the patented design, or any
colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or
exposes for sale any article of manufacture to which such design or colorable imitation has been
applied shall be liable to the owner to the extent of his total profit, ...”), “article of manufacture”
has a “broad meaning” of “simply a thing made by hand or machine” and “broad enough to
encompass both a product sold to a consumer as well as a component of that product,” and “this
restriction of term to article sold separately; quoting: “Manufacture,’ ...is ‘the production of articles
for use from raw or prepared materials by giving to these materials new forms, qualities, properties,
or combinations, whether by hand-labor or by machinery.’” American Fruit Growers (U.S.
03/02/1931).)

• Claim Encompassing Both Eligible And Ineligible Subject Matter Is Ineligible: If “a claim
covers ‘both statutory and non-statutory embodiments,’ it is not eligible for patenting.” Mentor
Graphics (Fed. Cir. 03/16/17) (citing M.P.E.P.).

• Proper To Consider Only Representative Claims Where Others Are Substantially
Similar: where the claims “are substantially similar and linked to the same’ law of nature,
analyzing representative claims is proper.” The Cleveland Clinic (Fed. Cir. 06/16/17) (aff’g grant of
motion to dismiss for invalidity under Sec. 101).

• AIA: “No patent may issue on a claim directed to or encompassing a human organism.” (Sec. 33)
{Effective for any patent application filed or after 09/16/11}. Consider using “directed to or
encompassing” language rather than just “directed to.” Cf. Mayo (U.S. 03/20/2012) (“The laws of

computer, comprising:

providing said computer with a data base for said press including at least, natural logarithm conversion
data (ln), the activation energy constant (C) unique to each batch of said compound being molded,
and a constant (x) dependent upon the geometry of the particular mold of the press,
initiating an interval timer in said computer upon the closure of the press for monitoring the elapsed time
of said closure,
constantly determining the temperature (Z) of the mold at a location closely adjacent to the mold cavity in
the press during molding,
constantly providing the computer with the temperature (Z),
repetitively calculating in the computer, at frequent intervals during each cure, the Arrhenius equation for
reaction time during the cure, which is ln v=CZ+x where v is the total required cure time,
repetitively comparing in the computer at said frequent intervals during the cure each said calculation of
the total required cure time calculated with the Arrhenius equation and said elapsed time, and
opening the press automatically when a said comparison indicates equivalence.
nature at issue here are narrow laws that may have limited applications, but the patent claims that embody them nonetheless implicate this concern.

- **TIPS: Abstractness Exclusion In A Nutshell:**
  - REDACTED

- **TIPS: Apt Lingo For Claiming An Abstraction:**
  - REDACTED

- **TIPS: What Claims Including An Abstract Idea Have Best Chance of Surviving An Abstractness Exclusion Challenge?:**
  - REDACTED

a) **Alice step one**

- **First Step Of Mayo/ Alice Analysis: Claim Directed To Or Embody An Abstract Idea, Etc.?:**
  
  First, is the claim “directed to” a patent-ineligible concept, i.e., laws of nature, natural phenomena, and abstract ideas? **Alice Corp.** (U.S. 06/19/14); **Mayo** (U.S. 03/20/2012) (“The laws of nature at issue here are narrow laws that may have limited applications, but the patent claims that embody them nonetheless implicate this concern”); see **Ariosa Diagnostics** (Fed. Cir. 12/02/15) (Lourie, J., Concurring Op. denial of en banc rehearing) (disagreeing with Mayo) (“Abstract steps are, axiomatically, the opposite of tangible steps; that which is not tangible is abstract.” “abstract ideas are essentially mental steps; they are not tangible even if they are written down or programmed into a physical machine.”); **Amdocs II (Openet)** (Fed. Cir. 11/01/16) (2-1) (rev’g invalidity judgment on pleadings; “there is [no] single, succinct, usable definition or test” of “abstract idea” so decisions take common law approach of comparing claims to those in earlier decisions); but see **Amdocs II (Openet)** (Fed. Cir. 11/01/16) (2-1) (Reyna, J., dissenting in part) (“inventive concept” need not be tangible: “A software program is a digital machine. Like a physical machine, a digital machine is made of specific parts that interact with one another to achieve a specific result in a specific way.”)

  - Directed to Abstract Idea:

<table>
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<th>Post-Alice Ineligibility Decision</th>
<th>“Abstract Idea” To Which Claims Directed</th>
<th>Ruling</th>
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<tbody>
<tr>
<td>Return Mail (Fed. Cir. 08/28/17) (Prost, C.J.)</td>
<td>“relaying mailing address data.”</td>
<td>aff’g PTAB CBM FWD claims unpatentable 3 claims</td>
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<tr>
<td>Audatex (Fed. Cir. 07/27/17) (Prost, C.J.) (non-precedential)</td>
<td>“providing a vehicle valuation through the collection and use of vehicle information”</td>
<td>aff’g PTAB CBM FWD substitute claims unpatentable 60 claims</td>
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<td>Prism Tech. (Fed. Cir. 06/23/17) (Prost, C.J.) (non-precedential)</td>
<td>“providing restricted access to resources”</td>
<td>rev’g denial of R. 50(b) invalidity 18 claims</td>
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<td>“Abstract Idea” To Which Claims Directed</td>
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<tr>
<td><strong>Credit Acceptance</strong> (Fed. Cir. 06/09/17)</td>
<td>“processing an application for financing a purchase”</td>
<td>aff’g PTAB CBM FWD unpatentable 23 claims</td>
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<tr>
<td><em>(Dyk, J.)</em></td>
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<tr>
<td><strong>EasyWeb</strong> (Fed. Cir. 05/12/17)</td>
<td>“receiving, authenticating, and publishing data”</td>
<td>aff’g R. 56 invalidity 7 claims [at least]</td>
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<td><em>(Hughes, J.) (non-precedential)</em></td>
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<tr>
<td><strong>RecogniCorp</strong> (Fed. Cir. 04/28/17)</td>
<td>“encoding and decoding image data;” “Morse code, ordering food at a fast food restaurant via a numbering system, and Paul Revere’s ‘one if by land, two if by sea’ signaling system all exemplify encoding at one end and decoding at the other end.”</td>
<td>aff’g R. 12(c) 37 claims</td>
</tr>
<tr>
<td><em>(Reyna, J.)</em></td>
<td></td>
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<tr>
<td><strong>West View</strong> (Fed. Cir. 04/19/17)</td>
<td>“receiving or collecting data queries, analyzing the data query, retrieving and processing the information constituting a response to the initial data query, and generating a visual or audio response to the initial data query”</td>
<td>aff’g R. 12(c) 81 claims</td>
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<tr>
<td><em>(Wallach, J.) (non-precedential)</em></td>
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<tr>
<td><strong>Coffelt</strong> (Fed. Cir. 03/15/17)</td>
<td>“calculating and comparing regions in space”</td>
<td>aff’g R. 12(b)(6) 6 claims</td>
</tr>
<tr>
<td><em>(per curiam) (non-precedential)</em></td>
<td></td>
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<tr>
<td><strong>Clarilologic</strong> (Fed. Cir. 03/15/17)</td>
<td>“gathering financial information of potential borrowers;” “a method for collection, analysis, and generation of information reports, where the claims are not limited to how the collected information is analyzed or reformed, is the height of abstraction.”</td>
<td>aff’g R. 56 invalidity 18 claims</td>
</tr>
<tr>
<td><em>(Reyna, J.) (non-precedential)</em></td>
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<tr>
<td><strong>In re Salwan</strong> (Fed. Cir. 03/13/17)</td>
<td>“billing insurance companies and organizing patient health information”</td>
<td>aff’g PTAB rejection of ex parte appln. claims 42 claims</td>
</tr>
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<td><em>(per curiam) (non-precedential)</em></td>
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<tr>
<td><strong>Intellectual Ventures (Erie Indemnity)</strong></td>
<td>[first patent:] “creating an index and using that index to search for and retrieve data;” “using XML tags—as opposed to other kinds of tags—to build an index;”</td>
<td>aff’g R. 12(b)(6) 77 claims</td>
</tr>
<tr>
<td><em>(Fed. Cir. 03/07/17) (Prost, C.J.)</em></td>
<td>[second patent:] “remotely accessing user specific information”</td>
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<tr>
<td><strong>Intellectual Ventures (Capital One)</strong> (Fed. Cir. 03/07/17) (Prost, C.J.)</td>
<td>“collecting, displaying, and manipulating data of particular documents”</td>
<td>aff’g R. 56 invalidity 29 claims</td>
</tr>
<tr>
<td><strong>Smartflash</strong> (Fed. Cir. 03/01/17) (Prost, C.J.) (non-precedential)</td>
<td>“conditioning and controlling access to data based on payment.”</td>
<td>rev’g denial R. 50(b)(b) invalidity 4 claims</td>
</tr>
<tr>
<td><strong>Evolutionary Intelligence</strong> (Fed. Cir. 02/17/17) (Lourie, J.) (non-precedential)</td>
<td>“selecting and sorting information by user interest or subject matter, a longstanding activity of libraries and other human enterprises”</td>
<td>aff’g R. 12(b)(6) 39 claims</td>
</tr>
<tr>
<td><strong>Apple (Ameranth)</strong> (Fed. Cir. 11/29/16) (Reyna, J.)</td>
<td>“certain functionality—here, the ability to generate menus with certain features;” “generating menus on a computer, or generating a second menu from a first menu and sending the second menu to another location;” “taking orders from restaurant customers on a computer”</td>
<td>aff’g PTAB CBM unpatentability 27 claims; rev’g patentability 9 claims 36 claims</td>
</tr>
<tr>
<td><strong>Tranxition</strong> (Fed. Cir. 11/16/16) (Prost, C.J.) (non-precedential)</td>
<td>“migration, or transitioning, of settings” [claim recited automatic migration of computer settings from one computer to another]</td>
<td>aff’g R. 56 invalidity 81 claims</td>
</tr>
<tr>
<td><strong>Synopsys (Mentor) II</strong> (Fed. Cir. 10/17/16) (Chen, J.)</td>
<td>“translating a functional description of a logic circuit into a hardware component description of the logic circuit” [Unlike the challenger’s “articulation of the abstract idea, which largely restates [claim] in different words, we believe our definition more accurately captures the ‘basic thrust’ of the Asserted Claims.”]</td>
<td>aff’g R. 56 invalidity 16 claims</td>
</tr>
<tr>
<td><strong>FairWarning</strong> (Fed. Cir. 10/11/16) (Stoll, J.)</td>
<td>“analyzing records of human activity to detect suspicious behavior”</td>
<td>aff’g R. 12(b)(6) 17 claims</td>
</tr>
<tr>
<td><strong>Intellectual Ventures (Symantec)</strong> (Fed. Cir. 09/30/16) (Dyk, J.)</td>
<td>“receiving e-mail (and other data file) identifiers, characterizing e-mail based on the identifiers, and communicating the characterization—in other words, filtering files/e-mail;” “the screening of messages by corporate organizations—in the context of electronic</td>
<td>aff’g R. 56 and R. 52(c) invalidity 12 claims; rev’g denial R. 52(c) invalidity 1 claim 13 claims</td>
</tr>
<tr>
<td>Post-Alice Ineligibility Decision</td>
<td>“Abstract Idea” To Which Claims Directed</td>
<td>Ruling</td>
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<tr>
<td>communications;”</td>
<td>providing out-of-region access to regional broadcast content”</td>
<td>aff’g R. 12(b)(6) 21 claims</td>
</tr>
<tr>
<td>virus screening”</td>
<td>delivering user-selected media content to portable devices”; “customizing a user interface”</td>
<td>aff’g R. 12(c) 20 claims</td>
</tr>
<tr>
<td>Affinity Labs (Direct TV) (Fed. Cir. 09/23/16) (Bryson, J.)</td>
<td>“storing, gathering, and analyzing data”</td>
<td>aff’g R. 12(b)(6) 115 claims</td>
</tr>
<tr>
<td>Electric Power (Fed. Cir. 08/01/16) (Taranto, J.)</td>
<td>“collecting information, analyzing it, and displaying certain results of the collection and analysis”</td>
<td>aff’g R. 56 invalidity 16 claims</td>
</tr>
<tr>
<td>LendingTree (Fed. Cir. 07/25/16) (Schall, J.) (non-precedential)</td>
<td>“a loan-application clearinghouse or, more simply, coordinating loans”</td>
<td>rev’g denial R. 56 invalidity 11 claims [Note: one claim had 11 steps and 361 words]</td>
</tr>
<tr>
<td>Shortridge (Fed. Cir. 07/13/16) (non-precedential) (per curiam)</td>
<td>“cataloging labor data”</td>
<td>aff’g R. 12(c) 24 claims</td>
</tr>
<tr>
<td>TLI Commc’ns (Fed. Cir. 05/17/16) (Hughes, J.)</td>
<td>“classifying and storing digital images in an organized manner”</td>
<td>aff’g R. 12(b)(6) 5 claims [at least]</td>
</tr>
<tr>
<td>In re Brown (Fed. Cir. 04/22/16) (per curiam) (non-precedential)</td>
<td>“assigning hair designs to balance head shape”</td>
<td>aff’g PTAB rejection ex parte appln. 13 claims</td>
</tr>
<tr>
<td>In re Smith (Fed. Cir. 03/10/16) (Stoll, J.)</td>
<td>“rules for conducting a wagering game”</td>
<td>aff’g PTAB rejection ex parte appln. 18 claims</td>
</tr>
<tr>
<td>Mortgage Grader (Fed. Cir. 01/20/16) (Stark, J.)</td>
<td>“anonymous loan shopping”</td>
<td>aff’g R. 56 invalidity 4 claims</td>
</tr>
<tr>
<td>Vehicle Intelligence (Fed. Cir. 12/28/15) (per curiam) (non-precedential)</td>
<td>“testing operators of any kind of moving equipment for any kind of physical or mental impairment;” “using an unspecified ‘expert system’ running”</td>
<td>aff’g R. 12(c) 10 claims</td>
</tr>
<tr>
<td>Post-Alice Ineligibility Decision</td>
<td>“Abstract Idea” To Which Claims Directed</td>
<td>Ruling</td>
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<td>----------------------------------</td>
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</tbody>
</table>
| **Versata II**
(Fed. Cir. 07/09/15) (Plager, J.) | “determining a price, using organizational and product group hierarchies”
[method, system\(^{10}\) and CRM claims] | aff’g PTAB CBM FWD unpatentability 4 claims |
| **Intellectual Ventures**
(Capital One)
(Fed. Cir. 07/06/15) (Dyk, J.) | “tracking financial transactions to determine whether they exceed a pre-set spending limit (i.e., budgeting);”
“customizing information based on . . . information known about the user” | aff’g R. 56 invalidity 20 claims |
| **Internet Patents**
(Fed. Cir. 06/23/15) (Newman, J.) | “retaining information in the navigation of online forms”\(^{11}\) | aff’g R. 12(b)(6) 8 claims |
| **OIP Tech.**
(Fed. Cir. 06/11/15) (Hughes, J.) (Mayer, J., Concurring Op.) | “offer-based price optimization” | aff’g R. 12(b)(6) 4 claims [at least] |

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\(^{10}\) **Versata System Claim:**
29. An apparatus for determining a price of a product offered to a purchasing organization comprising:
   a processor;
   a memory coupled to the processor, wherein the memory includes computer program instructions capable of:
   retrieving from a data source pricing information that is (i) applicable to the purchasing organization and (ii) from one or more identified organizational groups, within a hierarchy of organizational groups, of which the purchasing organization is a member;
   retrieving from the data source pricing information that is (i) applicable to the product and (ii) from one or more identified product groups, within a hierarchy of product groups, of which the product is a member; and
   receiving the price of the product determined using pricing information applicable to the one or more identified organizational groups and the one or more identified product groups according to the hierarchy of product groups and the hierarchy of organizational groups.

\(^{11}\) **Internet Patents Claim:**
“1. A method of providing an intelligent user interface to an on-line application comprising the steps of:
   furnishing a plurality of icons on a web page displayed to a user of a web browser, wherein each of said icons is a hyperlink to a dynamically generated on-line application form set, and wherein said web browser comprises Back and Forward navigation functionalities;
   displaying said dynamically generated on-line application form set in response to the activation of said hyperlink, wherein said dynamically generated on-line application form set comprises a state determined by at least one user input; and
   maintaining said state upon the activation of another of said icons, wherein said maintaining allows use of said Back and Forward navigation functionalities without loss of said state.”
<table>
<thead>
<tr>
<th>Post-Alice Ineligibility Decision</th>
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<th>Ruling</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Content Extraction</strong>&lt;br&gt;(Fed. Cir. 12/23/14)&lt;br&gt;(Chen, J.)</td>
<td>“1) collecting data, 2) recognizing certain data within the collected data set, and 3) storing that recognized data in a memory”</td>
<td>aff’g R. 12(b)(6) 242 claims</td>
</tr>
<tr>
<td><strong>In re BRCA1- and BRCA2-Based Hereditary Cancer Test Patent Litig.</strong>&lt;br&gt;(Fed. Cir. 12/17/14)&lt;br&gt;(Dyk, J.)</td>
<td>“comparing BRCA sequences and determining the existence of alterations”</td>
<td>aff’g denial prelim. injunc. 2 claims</td>
</tr>
<tr>
<td><strong>Ultramercial III</strong>&lt;br&gt;(Fed. Cir. 11/14/14)&lt;br&gt;(Lourie, J.) (Mayer, J., Concurring Op.)</td>
<td>“receiving copyrighted media, selecting an ad, offering the media in exchange for watching the selected ad, displaying the ad, allowing the consumer access to the media, and receiving payment from the sponsor of the ad;” “showing an advertisement before delivering free content”</td>
<td>aff’g R. 12(b)(6) [having previously held claims eligible pre-Mayo and again post-Mayo but pre-Alice] 16 claims</td>
</tr>
<tr>
<td><strong>buySAFE</strong>&lt;br&gt;(Fed. Cir. 09/03/14)&lt;br&gt;(Taranto, J.)</td>
<td>“creating a contractual relationship—a ‘transaction performance guaranty.’”</td>
<td>aff’g R. 12(c) invalidity 4 claims</td>
</tr>
<tr>
<td><strong>Planet Bingo</strong>&lt;br&gt;(Fed. Cir. 08/26/14)&lt;br&gt;(Hughes, J.) (non-precedential)</td>
<td>“managing a bingo game while allowing a player to repeatedly play the same sets of numbers in multiple sessions;” “solv[ing a] tampering problem and also minimiz[ing] other security risks’ during bingo ticket purchases”</td>
<td>aff’g R. 56 invalidity 52 claims</td>
</tr>
<tr>
<td><strong>Digitel</strong>&lt;br&gt;(Fed. Cir. 07/11/14)&lt;br&gt;(Reyna, J.)</td>
<td>“a process of organizing information through mathematical correlations and is not tied to a specific structure or machine”</td>
<td>aff’g R. 56 invalidity 19 claims</td>
</tr>
<tr>
<td><strong>Alice Corp.</strong>&lt;br&gt;(U.S. 06/19/2014)&lt;br&gt;(Thomas, J.)</td>
<td>“intermediated settlement”</td>
<td>aff’g R. 56 invalidity 208 claims</td>
</tr>
</tbody>
</table>

1. Not Directed to Abstract Idea or Law of Nature: **Visual Memory** (Fed. Cir. 08/15/17) (2-1)<br>(Stoll, J.) (rev’g R. 12(b)(6) dismissal; claims are directed to “configuring the memory system based on the type of processor connected to the memory system” (and “the use of programmable operational characteristics that are configurable based on the type of processor,” which is a technology improvement, and are not directed to the abstract idea identified by the trial court and dissent, “categorical data storage.”); **Thales Visionix** (Fed. Cir. 03/08/17) (rev’g 101 invalidity judgment on the pleadings: “claims are not merely directed to the abstract idea of using ‘mathematical equations for determining the relative position of a moving object to a moving reference frame,’ [but rather] to systems and methods that use inertial sensors in a non-conventional manner to reduce errors in
measuring the relative position and orientation of a moving object on a moving reference
frame."); Trading Techs. (Fed. Cir. 01/18/17) (Newman, J.) (non-precedential) (aff’g denial
of JMOL; representative claim\(^2\) directed to “a specific, structured graphical user
interface paired with a prescribed functionality directly related to the graphical user interface’s
structure that is addressed to and resolves a specifically identified problem in the prior
state of the art,” and had no “pre-electronic trading analog,” and recites more than
“setting, displaying, and selecting’ data or information that is visible on the [graphical user
interface].”); Rapid Litig. Mgmt. (Fed. Cir. 07/05/16) (Prost, CJ) (rev’g SJ of patent-
ineligibility: “the claims are simply not directed to the ability of hepatocytes to survive
multiple freeze-thaw cycles. Rather, the claims … are directed to a new and useful
laboratory technique for preserving hepatocytes. This type of constructive process, carried
out by an artisan to achieve ‘a new and useful end,’ is precisely the type of claim that is
eligible for patenting.” We have “found claims ‘directed to’ a patent-ineligible concept when
they amounted to nothing more than observing or identifying the ineligible concept
itself.”); Enfish (Fed. Cir. 05/12/16) (rev’g SJ of patent-ineligibility: claims not directed to
an abstract idea; “directed to an improvement in the functioning of a computer,” a self-
referential table for a database) [see Bascom Global (Fed. Cir. 06/27/16) (Chen, J.) (“The
Enfish claims, understood in light of their specific limitations, were unambiguously directed
to an improvement in computer capabilities.”)]; McRO (Fed. Cir. 09/13/16) (reframing Step
One as: “look to whether the claims in these patents focus on a specific means or method
that improves the relevant technology or are instead directed to a result or effect that itself
is the abstract idea and merely invoke generic processes and machinery.”) See generally
Amdocs II (Openet) (Fed. Cir. 11/01/16) (2-1) (rev’g invalidity judgment on pleadings;
“there is [no] single, succinct, usable definition or test” of “abstract idea” so decisions take
common law approach of comparing claims to those in earlier decisions).

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\(^2\) Trading Techs. Claim:

1. A method for displaying market information relating to and facilitating trading of a commodity being traded
in an electronic exchange having an inside market with a highest bid price and a lowest ask price on a graphical
user interface, the method comprising:

- dynamically displaying a first indicator in one of a plurality of locations in a bid display region, each location in
  the bid display region corresponding to a price level along a common static price axis, the first indicator
  representing quantity associated with at least one order to buy the commodity at the highest bid price currently
  available in the market;
- dynamically displaying a second indicator in one of a plurality of locations in an ask display region, each location
  in the ask display region corresponding to a price level along the common static price axis, the second indicator
  representing quantity associated with at least one order to sell the commodity at the highest bid price currently
  available in the market;
- displaying the bid and ask display regions in relation to fixed price levels positioned along the common static
  price axis such that when the inside market changes, the price levels along the common static price axis do not
  move and at least one of the first and second indicators moves in the bid or ask display regions relative to the
  common static price axis;
- displaying an order entry region comprising a plurality of locations for receiving commands to send trade orders,
  each location corresponding to a price level along the common static price axis; and
- in response to a selection of a particular location of the order entry region by a single action of a user input
device, setting a plurality of parameters for a trade order relating to the commodity and sending the trade
order to the electronic exchange.
“Directed To” Requires More Than “Involves”: “The first step of the inquiry is a meaningful one, i.e., that a substantial class of claims are not directed to a patent-ineligible concept. The ‘directed to’ inquiry, therefore, cannot simply ask whether the claims involve a patent-ineligible concept.” Instead consider whether “‘their character as a whole is directed to excluded subject matter’” or consider “‘the focus of the claimed advance over the prior art.’” Enfish (Fed. Cir. 05/12/16); Visual Memory (Fed. Cir. 08/15/17) (Stoll, J.) (rev’g R. 12(b)(6) dismissal; claims directed to technological improvement even though an abstract idea “underlies” the claims); Affinity Labs (Direct TV) (Fed. Cir. 09/23/16) (evaluate “‘the focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.”); Rapid Litig. Mgmt. (Fed. Cir. 07/05/16) (Prost, CJ) (rev’g SJ of patent-ineligibility: claims are directed to “new and improved technique, for producing a tangible and useful result,” “not simply an observation or detection of the ability of hepatocytes to survive multiple freeze-thaw cycles.”)

Limitations Inherent to Idea Are Part Of The Idea: Claim limitations “inherent” in the abstract idea are treated as part of the abstract idea. Versata II (Fed. Cir. 07/09/15) (“The limitations are either inherent in the abstract idea of determining a price using organization and product group hierarchies—e.g., arranging the hierarchies—or conventional and well-known limitations involving a computer—e.g., storing pricing information.”); see Ultramercial III (Fed. Cir. 11/14/14) (aff’g R. 12(b)(6) dismissal; “this ordered combination of [eleven] steps recites an abstraction—an idea, having no particular concrete or tangible form. The process of receiving copyrighted media, selecting an ad, offering the media in exchange for watching the selected ad, displaying the ad, allowing the consumer access to the media, and receiving payment from the sponsor of the ad all describe an abstract idea, devoid of a concrete or tangible application... the concept embodied by the majority of the limitations describes only the abstract idea of showing an advertisement before delivering free content.”)

**Ultramercial Claim:**

1. A method for distribution of products over the Internet via a facilitator, said method comprising the steps of:
   a first step of receiving, from a content provider, media products that are covered by intellectual-property rights protection and are available for purchase, wherein each said media product being comprised of at least one of text data, music data, and video data;
   a second step of selecting a sponsor message to be associated with the media product, said sponsor message being selected from a plurality of sponsor messages, said second step including accessing an activity log to verify that the total number of times which the sponsor message has been previously presented is less than the number of transaction cycles contracted by the sponsor of the sponsor message;
   a third step of providing the media product for sale at an Internet website;
   a fourth step of restricting general public access to said media product;
   a fifth step of offering to a consumer access to the media product without charge to the consumer on the precondition that the consumer views the sponsor message;
   a sixth step of receiving from the consumer a request to view the sponsor message, wherein the consumer submits said request in response to being offered access to the media product;
   a seventh step of, in response to receiving the request from the consumer, facilitating the display of a sponsor message to the consumer;
   an eighth step of, if the sponsor message is not an interactive message, allowing said consumer access to said media product after said step of facilitating the display of said sponsor message;
   a ninth step of, if the sponsor message is an interactive message, presenting at least one query to the consumer
A Combination Of Abstract Ideas Is An Abstract Idea: RecogniCorp (Fed. Cir. 04/28/17) ("Adding one abstract idea (math) to another abstract idea (encoding and decoding) does not render the claim nonabstract."); Electric Power (Fed. Cir. 08/01/16) ("the claims are clearly focused on the combination of those abstract-idea processes ... They are therefore directed to an abstract idea.")

Step One Must Be Tethered To Language Of The Claims: First step must be tethered to the language of the claims and not over-generalize the claims. Enfish (Fed. Cir. 05/12/16) (rejecting challenger’s alleged abstract idea theory: “describing the claims at such a high level of abstraction and untethered from the language of the claims all but ensures that the exceptions to § 101 swallow the rule.”); McRO (Fed. Cir. 09/13/16) ("the claims are limited to rules with specific characteristics” not just any rules as held by district court). May look to how Spec. describes the “present invention” in identifying what the claims focus on. Id.; Amdocs II (Openet) (Fed. Cir. 11/01/16) (2-1) (in addition to the approved claim constructions, “we examine the claims in light of the written description.”; relying on elements recited in Spec. “necessarily” incorporated by claims.)

Generic Tangible Elements Do Not Defeat Claim Being Directed To An Abstract Idea: The Cleveland Clinic (Fed. Cir. 06/16/17) (step one analysis: Specs. “confirm that known testing methods could be used to detect MPO, and that there were commercially available testing kits for MPO detection.”); TLI Commcns (Fed. Cir. 05/17/16) (Spec. “makes clear that the recited physical components [“telephone unit,” “server”] merely provide a generic environment in which to carry out the abstract idea”); LendingTree (Fed. Cir. 07/25/16) (Schall, J.) (non-precedential) (rev’g denial of SJ of invalidity; claims “merely provide a generic, technological environment (i.e., computers and the Internet) in which to carry out the abstract idea.”)

If Step One Determination Of What Claims Are “Directed To” Is A “Close Call,” Defer Consideration Of Narrowing Limitations To Step Two: Bascom Global (Fed. Cir. 06/27/16) (Chen, J.) (Where case “presents a ‘close call[ ] about how to characterize what the claims are directed to,’ and ‘the claims and their specific limitations do not readily lend themselves to a step-one finding that they are directed to a nonabstract idea,’ we “defer our consideration of the specific claim limitations’ narrowing effect for step two.”)

b) improvement to computer or machine functionality

Relevant To Step One (And Step Two) Whether Claim Directed To Improvement To Computer Functionality: Under Enfish (Fed. Cir. 05/12/16), “a relevant inquiry at step one is ‘to ask whether the claims are directed to an improvement to computer functionality versus being directed to an abstract idea.’ We contrasted claims ‘directed to an improvement in the functioning of a computer’ with claims ‘simply adding conventional computer components to well-known business practices,’ or claims reciting ‘use of an abstract mathematical formula on any general purpose computer,’ or ‘a purely conventional computer implementation of a mathematical formula,’ or ‘generalized steps to be performed on a computer using conventional computer activity.’ See Visual Memory (Fed. Cir. 08/15/17) (2-1) (Stoll, J.) (rev’g R. 12(b)(6) dismissal; claims “directed to an improved computer memory system” that outperforms and is more efficient than prior memories as described in the Spec.; “we must articulate with specificity what the claims are directed to, and ‘ask whether the claims are directed to an improvement to computer functionality and allowing said consumer access to said media product after receiving a response to said at least one query; a tenth step of recording the transaction event to the activity log, said tenth step including updating the total number of times the sponsor message has been presented; and an eleventh step of receiving payment from the sponsor of the sponsor message displayed.”
versus being directed to an abstract idea.”); *McRO* (Fed. Cir. 09/13/16) (under Step One holding claims directed to “specific means or method that improves the relevant technology”); *Trading Techs.* (Fed. Cir. 01/18/17) (non-precedential) (aff’g denial of JMOl of patent invalidity under § 101: methods and system of displaying information were patent eligible; the claims did not “simply claim displaying information on a graphical user interface” but instead “require a specific, structured graphical user interface paired with a prescribed functionality directly related to the graphical user interface’s structure that is addressed to and resolves a specifically identified problem in the prior state of the art.” “Ineligible claims generally lack steps or limitations specific to solution of a problem, or improvement in the functioning of technology.”); *Transxition* (Fed. Cir. 11/16/16) (non-precedential) (aff’g § 101 invalidity: “For claims solely implemented on a computer, we have previously found it ‘relevant to ask whether the claims are directed to an improvement to computer functionality versus being directed to an abstract idea.’”; claim recited automating the migration of settings and configuration data between two computers; “the claim is not directed to an improvement to computer functionality. There is nothing in the claim to suggest that, once settings have been transitioned, the target computer will be any more efficient.”); *Bascom Global* (Fed. Cir. 06/27/16) (Chen, J.) (rev’g dismissal order, under step two: “claiming a technology-based solution (not an abstract-idea-based solution implemented with generic technical components in a conventional way) to filter content on the Internet that overcomes existing problems with other Internet filtering systems. By taking a prior art filter solution (one-size-fits-all filter at the ISP server) and making it more dynamic and efficient (providing individualized filtering at the ISP server), the claimed invention represents a ‘software-based invention[ ] that improve[s] the performance of the computer system itself.’”) See *Thales Visionix* (Fed. Cir. 03/08/17) (rev’g § 101 invalidity judgment on the pleadings: “In terms of the modern day Alice test, the *Diehr* claims were directed to an improvement in the rubber curing process, not a mathematical formula.”)

- **Idea Using Computer Or Other Technology As A Tool Is Not Same As Improving The Computer Or Technology:** *Return Mail* (Fed. Cir. 08/28/17) (claimed inventions “do not improve the functioning of the computer or barcode system itself. Instead, they apply those functionalities in the context of processing returned mail.”); *Intellectual Ventures (Symantec)* (Fed. Cir. 09/30/16) (2-1 on this issue) (filtering e-mail abstract; distinguishing *Bascom*); cf. *Synopsys (Mentor) II* (Fed. Cir. 10/17/16) (claims “cannot be characterized as an improvement in a computer as a tool” because “the claims do not call for the involvement of a computer.”); *Intellectual Ventures (Symantec)* (Fed. Cir. 09/30/16) (“unlike the claims at issue in *Enfish*, which involved a ‘specific type of data structure designed to improve the way a computer stores and retrieves data in memory,’ [the claim here] does not improve or change the way a computer functions”); *TJI Commc’ns* (Fed. Cir. 05/17/16) (aff’g mtn. to dismiss: “the focus” of the Spec. “and of the claims was not on an improved telephone unit or an improved server,” rather, the telephone unit is “merely a conduit for the abstract idea.”); *Electric Power* (Fed. Cir. 08/01/16) (aff’g § 101 invalidity; distinguishing “computer-functionality improvements” from “uses of existing computers as tools in aid of processes focused on ‘abstract ideas’” “In *Enfish*, we applied the distinction to reject the § 101 challenge at stage one because the claims at issue focused not on asserted advances in uses to which existing computer capabilities could be put, but on a specific improvement—a particular database technique—in how computers could carry out one of their basic functions of storage and retrieval of data...” “the focus of the claims is not on such an improvement in computers as tools, but on certain independently abstract ideas that use computers as tools.”); *Smartflash* (Fed. Cir. 03/01/17) (non-precedential) (“claims here invoke computers merely as tools to execute fundamental economic practices.”)

- **Merely Automating What Before Was Done Manually Is Insufficient:** “Mere automation of manual processes using generic computers does not constitute a patentable improvement in computer technology.” *Credit Acceptance* (Fed. Cir. 06/09/17) ("merely ‘configuring’ generic computers in order to ‘supplant and enhance’ an otherwise abstract manual process is precisely the sort of invention that the *Alice* Court deemed ineligible for patenting"); *OIP Tech.* (Fed. Cir.
c) categories of patent-ineligible subject matter

- **Intangible Information Is Abstract:** Information in non-tangible form (“data in its ethereal, non-physical form”) does not fall under any of the categories of eligible subject matter is not patent eligible. *Digitech* (Fed. Cir. 07/11/14) (Reyna, J.) (aff’g SJ of invalidity under Sec. 101 of claims directed to a collection of information); *Allvoice* (Fed. Cir. 05/22/15) (O’Malley, J.) (non-precedential) (aff’g SJ of invalidity; claims reciting “speech-recognition interface” comprising various “means” elements “do not recite a process or tangible or physical object and, thus, do not fall within any of the categories of eligible subject matter” because, as construed by the patent owner, they “merely claim software instructions without any hardware limitations” and court refuses to imply any tangible medium into claims that recite none.).

- **Collecting, Analyzing, Classifying, Organizing, Filtering, Storing, Manipulating And Displaying Information (Data) Are Abstract:** “Information as such is an intangible. Accordingly, we have treated collecting information, including when limited to particular content (which does not change its character as information), as within the realm of abstract ideas. In a similar vein, we have treated analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, as essentially mental processes within the abstract-idea category. And we have recognized that merely presenting the results of abstract processes of collecting and analyzing information, without more (such as identifying a particular tool for presentation), is abstract as an ancillary part of such collection and analysis. Here, the claims are clearly focused on the combination of those abstract-idea processes. The advance they purport to make is a process of gathering and analyzing information of a specified content, then displaying the results, and not any particular assertedly inventive technology for performing those functions. They are therefore directed to an abstract idea.” *Electric Power* (Fed. Cir. 08/01/16) (Taranto, J.) (aff’g SJ of invalidity); *Credit Acceptance* (Fed. Cir. 06/09/17) (“data processing to facilitate financing is a patent-ineligible abstract concept.”); *West View* (Fed. Cir. 04/19/17) (non-precedential) (aff’g judgment on pleadings of 101 invalidity of 81 claims in 7 pats.; claims directed to an abstract idea because they “do not go beyond receiving or collecting data queries, analyzing the data query, retrieving and processing the information constituting a response to the initial data query, and generating a visual or audio response to the initial data query,” and not improvement to computer functionality itself); *Intellectual Ventures (Erie Indemnity)* (Fed. Cir. 03/07/17) (“We have previously held other patent claims ineligible for reciting similar abstract concepts that merely collect, classify, or otherwise filter data…[T]he claimed creation of an index used to search and retrieve information stored in a database is similarly abstract.”); *Intellectual Ventures (Capital One)* (Fed. Cir. 03/07/17) (“claims are, at their core, directed to the abstract idea of collecting, displaying, and manipulating data.”); *FairWarning* (Fed. Cir. 10/11/16) (patent “is directed to or drawn to the concept of analyzing records of human activity to detect suspicious behavior”; “the practices of collecting, analyzing, and displaying data, with nothing more, are practices “whose implicit exclusion from § 101 undergirds the information-based category of abstract ideas.””); *TDE Petroleum* (Fed. Cir. 08/15/16) (non-precedential) (claims directed to “the abstract idea of storing, gathering, and analyzing data”); *TLI Commc’ns* (Fed. Cir. 05/17/16) (Hughes, J.) (aff’g mtn. to dismiss: “claims are directed to the abstract idea of classifying and storing digital images in an organized manner”); *Content Extraction* (Fed. Cir. 12/23/14) (Chen, J.) (claims “drawn to the abstract idea of 1) collecting data, 2) recognizing certain data within the collected data set, and 3) storing that recognized data in a memory.”); *Return Mail* (Fed. Cir. 08/28/17) (aff’g PTAB 101 unpatentability; claim reciting “receiving from a sender a plurality of mail items,” “identifying undeliverable mail items,” “decoding . . . encoded data,” “creating output data,” and “determining if the sender wants a corrected address,” are analogous to those in *Content Extraction*); “Digitech
Mental Process” Is Ineligible “Abstract Idea”: A “mental process” (all steps can be performed in mind or with aid of pencil of paper) is an abstract idea. “Phenomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.” And monopolization of those tools through the grant of a patent might tend to impede innovation more than it would tend to promote it.” Mayo (U.S. 03/20/2012) (unanimous). In Benson, “the Supreme Court appeared to endorse the view that methods which can be performed mentally, or which are the equivalent of human mental work, are unpatentable abstract ideas.” CyberSource (Fed. Cir. 08/16/11) (invalidating “method” and “computer readable medium” claims as being directed to a “mental process” “which can be performed entirely in the human mind” or “by a human using a pen and paper,” without use of a computer); accord Return Mail (Fed. Cir. 08/28/17) (“Encoding and decoding mail recipient information—including whether the sender wants a corrected address—are processes that can, and have been, performed in the human mind. The claims here simply recite that existing business practice with the benefit of generic computing technology.”); Coffelt (Fed. Cir. 03/15/17) (non-precedential) (aff’g dismissal of complaint: “calculating a particular steradian region of space” “is a purely arithmetic exercise” and “nothing more than a mathematical algorithm that could be implemented using a pen and paper.”); Synopsis (Mentor) II (Fed. Cir. 10/17/16) (aff’g SJ of invalidity; “claims are directed to an abstract mental process and contain no inventive concept. The claims are therefore invalid.” “the method can be performed mentally or with pencil and paper”); Mortgage Grader (Fed. Cir. 01/20/16) (“The series of steps covered by the asserted claims… could all be performed by humans without a computer.”); Versata II (Fed. Cir. 07/09/15) (“Courts have examined claims that required the use of a computer and still found that the underlying, patent-ineligible invention could be performed via pen and paper or in a person’s mind.”); Intellectual Ventures (Capital One) (Fed. Cir. 07/06/15) (“the budgeting calculations at issue here are unpatentable because they ‘could still be made using a pencil and paper’ with a simple notification device, even in real time as expenditures were being made.”); Cyberfone (Fed. Cir. 02/26/14) (non-precedential) (aff’g SJ of invalidity; “methods that can be performed in the human mind alone are not eligible for patent protection,” citing CyberSource); Smartgene (Fed. Cir. 01/24/14) (non-precedential) (aff’g SJ of invalidity; CyberSource rested on “Supreme Court decisions indicating that section 101 covers neither “mental processes”—associated with or as part of a category of “abstract ideas”—nor processes that merely invoke a computer and its basic functionality for implementing such mental processes, without specifying even arguably new physical components or specifying processes defined other than by the mentally performable steps.”); Ass’n for Molecular II (Fed. Cir. 08/16/12) (the S. Ct. has considered the exceptions to patent eligibility as “precluding the patenting of mental processes”), rev’d in part on other grounds, Ass’n for Molecular (Myriad) (U.S. 06/13/2013) (addressing only composition claims). Mental process untied to another category of statutory subject matter not eligible for patenting “even when a practical application [is] claimed.” In re Comiskey (Fed. Cir. 01/13/09) (arbitration method) (replacing earlier 09/20/07 decision); Planet Bingo (Fed. Cir. 08/26/14) (non-precedential) (“managing the game of bingo ‘consists solely of mental steps which can be carried out by a human using pen and paper.’… Like the claims at issue in Benson, not only can these steps be ‘carried out in existing computers long in use,’ but they also can be ‘done mentally.’”; aff’g invalidity under Alice framework); accord In re Bilski (Fed. Cir. 10/30/08), aff’d on other grounds, Bilski v. Kappos (U.S. 06/28/2010). But, including a mental step does not make patentable method unpatentable. CyberSource (Fed. Cir. 08/16/11).
subtotals after each successive operation.” See Synopsys (Mentor) II (Fed. Cir. 10/17/16) (Benson recognized that claimed method “had been designed for use on a computer” and “varie[d] the ordinary arithmetic steps a human would use” but nonetheless held the claimed method, which “[c]ould be performed without a computer,” patent-ineligible.);
Tranxition (Fed. Cir. 11/16/16) (non-precedential) (no “inventive concept”; “it is not relevant that a human may perform a task differently from a computer.”)

Comparing And Analyzing DNA Sequences Not Patent Eligible: “This claim thus recites nothing more than the abstract mental steps necessary to compare two different nucleotide sequences: one looks at the first position in a first sequence; determines the nucleotide sequence at that first position; looks at the first position in a second sequence; determines the nucleotide sequence at that first position; determines if the nucleotide at the first position in the first sequence and the first position in the second sequence are the same or different, wherein the latter indicates an alteration; and repeats the process for the next position.” Ass’n for Molecular II (Fed. Cir. 08/16/12), rev’d in part on other grounds, Ass’n for Molecular (Myriad) (U.S. 06/13/2013) (addressing only composition claims); In re BRCA1- and BRCA2-Based Hereditary Cancer Test Patent Litig. (Fed. Cir. 12/17/14) (methods patent-ineligible: comparison of wildtype genetic sequences “correspond to the first step of Alice” in view of breadth of comparisons they cover; and specific recited comparison techniques “were the well-understood, routine, and conventional techniques that a scientist would have thought of when instructed to compare two gene sequences.”) (addressing other claims from same patent as Ass’n for Molecular II) But see Rapid Mgmt. (Fed. Cir. 07/05/16) (Prost, CJ) (rev’g SJ of patent-ineligibility: “claims are like thousands of others that recite processes to achieve a desired outcome, e.g., methods of producing things, or methods of treating disease.”)

• Mathematical Algorithms Are Abstract Ideas: Mathematical algorithms are unpatentable abstract ideas. Benson (U.S. 11/20/1972) (“A procedure for solving a given type of mathematical problem is known as an ‘algorithm.’ The procedures set forth in the present claims are of that kind; that is to say, they are a generalized formulation for programs to solve mathematical problems of converting one form of numerical representation to another.”); Bilski v. Kappos (U.S. 06/28/2010) (citing Benson and Flook); Digitech (Fed. Cir. 07/11/14) (“Without additional limitations, a process that employs mathematical algorithms to manipulate existing information to generate additional information is not patent eligible.”). “It is of no moment that the algorithm is not expressed in terms of a mathematical formula. Words used in a claim operating on data to solve a problem can serve the same purpose as a formula.” In re Grams (Fed. Cir. 11/03/89) (“mathematical algorithms join the list of non-patentable subject matter not within the scope of section 101;” most steps in claim “analyze that data to ascertain the existence and identity of an abnormality, and possible causes thereof. In that regard, [they] are in essence a mathematical algorithm, in that they represent [a] procedure for solving a given type of mathematical problem.”) But see McRO (Fed. Cir. 09/13/16) (approving under Step One claimed method gathering mathematical rules and other abstract information and using them to calculate other abstract information for use in an automated character animation process, without analyzing whether claims directed to a mathematical algorithm as argued by the defendants.)

• Logical Structures And Processes Provided By Software—Not Defined By Reference to Physical Components—Not Necessarily Abstract: “Software can make non-abstract improvements to computer technology.” “That the improvement is not defined by reference to ‘physical’ components does not doom the claims. To hold otherwise risks resurrecting a bright-line machine-or-transformation test, or creating a categorical ban on software patents. Much of the advancement made in computer technology consists of improvements to software that, by their very nature, may not be defined by particular physical features but rather by logical structures and
processes. We do not see in Bilski or Alice, or our cases, an exclusion to patenting this large field of technological progress." Enfish (Fed. Cir. 05/12/16) (rev’g SJ of patent-ineligibility)14.

- **Contractual Relations Are Abstract Ideas:** Arrangements involving contractual relations, which are intangible entities, are an abstract idea, under Bilski and Alice. buySAFE (Fed. Cir. 09/03/14) (2-0) (aff’g judgment on the pleadings).

- **Results and Effects (Without Reciting How They Are Achieved) Are Abstract Ideas:** “A patent is not good for an effect, or the result of a certain process” because such patents “would prohibit all other persons from making the same thing by any means whatsoever.” Le Roy v. Tatham, 55 U.S. 156, 175 (1853). Internet Patents (Fed. Cir. 06/23/15) (Newman, J.) (aff’g mtn. to dismiss and Sec. 101 invalidity: “the character of the claimed invention is an abstract idea: the idea of retaining information in the navigation of online forms”); “IPC’s proposed interpretation of “maintaining state” describes the effect or result dissociated from any method by which maintaining the state is accomplished upon the activation of an icon.”) Cf. Credit Acceptance (Fed. Cir. 06/09/17) (“the claims do not provide details as to any non-conventional software for enhancing the financing process”); Intellectual Ventures (Erie Indemnity) (Fed. Cir. 03/07/17) (step two analysis: [first patent:] “merely using XML tags—as opposed to other kinds of tags—to build an index is still abstract. The claims are not focused on how usage of the XML tags alters the database in a way that leads to an improvement in the technology of computer databases, as in Enfish.”); [second patent:] “The claimed mobile interface is so lacking in implementation details that it amounts to merely a generic component (software, hardware, or firmware) that permits the performance of the abstract idea, i.e., to retrieve”). “Without an explanation of the ‘mechanism’ for 'how the result is accomplished,' this purported feature of the invention cannot supply an inventive concept.”); Intellectual Ventures (Capital One) (Fed. Cir. 03/07/17) (aff’g 101 invalidity; step two analysis: “the claim language here provides only a result-oriented solution, with insufficient detail for how a computer accomplishes it. Our law demands more.”); Amdocs II (Openet) (Fed. Cir. 11/01/16) (2-1) (Reyna, J., dissenting in part) (long discussion; arguing that the specific means may be software and need not be tangible).

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14 **Enfish System Claim:**

“A data storage and retrieval system for a computer memory, comprising:

means for configuring said memory according to a logical table said logical table including: ...

and means for indexing data stored in said table.”

“The district court construed the “means for configuring” language as requiring a four-step algorithm:

1. Create, in a computer memory, a logical table ...
2. Assign each row and column an object identification number ...
3. For each column, store information about that column in one or more rows, rendering the table self-referential, the appending, to the logical table, of new columns that are available for immediate use being possible through the creation of new column definition records.
4. In one or more cells defined by the intersection of the rows and columns, store and access data ....”

**Enfish Method Claim:**

“A method for storing and retrieving data in a computer memory, comprising the steps of:

configuring said memory according to a logical table, said logical table including:

a plurality of logical rows, each said logical row including an object identification number (OID) to identify each said logical row, each said logical row corresponding to a record of information;

a plurality of logical columns intersecting said plurality of logical rows to define a plurality of logical cells, each said logical column including an OID to identify each said logical column; and

wherein at least one of said logical rows has an OID equal to the OID to a corresponding one of said logical columns, and at least one of said logical rows includes logical column information defining each of said logical columns.
• Reciting Functions And Desired Results Without A Way To Implement Indicates Claim Is Drawn To Abstract Idea: Apple (Ameranth) (Fed. Cir. 11/29/16) (aff’g PTAB CBM 101 unpatentability determination and rev’g 101 patentability on some claims: “patents claim systems including menus with particular features. They do not claim a particular way of programming or designing the software to create menus that have these features, but instead merely claim the resulting systems. Essentially, the claims are directed to certain functionality—here, the ability to generate menus with certain features.”; relying on absence of disclosure in the Spec. as to how result achieved: “the linked orders claim limitation calls for the desired result of associating a customer’s order with said customer, and does not attempt to claim any method for achieving that result” and Spec. “refers to the use of handwriting and voice capture technologies without providing how these elements were to be technologically implemented”); Affinity Labs (Amazon) (Fed. Cir. 09/23/16) (“The patent, however, does not disclose any particular mechanism for wirelessly streaming content to a handheld device. ... The purely functional nature of the claim confirms that it is directed to an abstract idea, not to a concrete embodiment of that idea.”); Affinity Labs (Direct TV) (Fed. Cir. 09/23/16) (“There is nothing in claim 1 that is directed to how to implement out-of-region broadcasting on a cellular telephone. Rather, the claim is drawn to the idea itself.”); Internet Patents (Fed. Cir. 06/23/15) (Newman, J.) (“the end result of ‘maintaining the state’ is described as the innovation over the prior art,” but “claim 1 contains no restriction on how the result is accomplished. The mechanism for maintaining the state is not described, although this is stated to be the essential innovation.” “IPC’s proposed interpretation of “maintaining state” describes the effect or result dissociated from any method by which maintaining the state is accomplished upon the activation of an icon.”) But see Visual Memory (Fed. Cir. 08/15/17) (2-1) (Stoll, J.) (rev’g R. 12(b)(6) dismissal; rejecting dissent’s position that claims directed to a result without specifying how achieved: “both the specification and the claims expressly state that this improved memory system is achieved by configuring a programmable operational characteristic of a cache memory based on the type of processor connected to the memory system.”)

• Transitory, Propagating Signal Not Patent Eligible, If Not Limited To Particular Physical Form: Although physical, a transitory, propagating signal does not fall within one of the four statutory classes of patentable subject matter under Sec. 101, if a particular physical form is not specified. In re Nuijten (Fed. Cir. 09/20/07) (“A signal with embedded supplemental data, the signal being encoded in accordance with a given encoding process and selected samples of the signal representing the supplemental data, and at least one of the samples preceding the selected samples is different from the sample corresponding to the given encoding process.”); Mentor Graphics (Fed. Cir. 03/16/17) (aff’g indefiniteness; Spec. defined a “machine-readable medium” as including “carrier waves.”); In re Mewherter (PTAB 05/08/13) (precedential in part) (rejecting “machine readable storage medium” claim under Sec. 101 because Spec. did not exclude transitory carrier waves and “storage” (under broadest reasonable interpretation) does not exclude such transitory signals because “data can be copied and held by a transitory recording medium, albeit temporarily, for future recovery.”) See Allvoice (Fed. Cir. 05/22/15) (non-precedential) (claims reciting “speech-recognition interface” comprising various “means” elements “do not recite a process or tangible or physical object and, thus, do not fall within any of the categories of eligible subject matter” because, as construed by the patent owner, they “merely claim software instructions without any hardware limitations” and court refuses to imply any tangible medium into claims that recite none.)

• Business Model Not Patentable: claimed “business model for an intangible marketing company” is not a machine or other category of patentable subject matter. In re Ferguson (Fed. Cir. 03/06/09).

• Non-Method Claims Must Recite Something Physical Or Tangible; But Must Method Claim?: “For all categories except process claims, the eligible subject matter must exist in some physical or tangible form.” Digitech (Fed. Cir. 07/11/14) (aff’g SJ of invalidity under Sec. 101 of
claims directed to a collection of information). But see Cochrane (U.S. 1876) (“A process is a mode of treatment of certain materials to produce a given result. It is an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing. If new and useful, it is just as patentable as is a piece of machinery.”); buySAFE (Fed. Cir. 09/03/14) (2-0) (“the provision also excludes the subject matter of certain claims that by their terms read on a human-made physical thing (“machine, manufacture, or composition of matter”) or a human-controlled series of physical acts (“process”) … Such a claim falls outside section 101 if (a) it is “directed to” matter in one of the three excluded categories and (b) “the additional elements” do not supply an “inventive concept” in the physical realm of things and acts—a “new and useful application” of the ineligible matter in the physical realm—that ensures that the patent is on something “significantly more than” the ineligible matter itself.”)

- **TIPS:**
  - REDACTED

- **Isolated DNA Molecules Are Not Patent Eligible, But Synthetic cDNA Are:** “Genes and the information they encode are not patent eligible under §101 simply because they have been isolated from the surrounding genetic material.” “It found an important and useful gene, but groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the §101 inquiry.” “Myriad did not create anything. . . . separating that gene from its surrounding genetic material is not an act of invention.” That isolated DNA gene is a nonnaturally occurring molecule does not save claims because claims focus on the genetic information encoded rather than being “expressed in terms of chemical composition.” Others therefore cannot avoid claims by, e.g., adding one additional nucleotide pair. Ass’n for Molecular (Myriad) (U.S. 06/13/2013), rev’g in part, Ass’n for Molecular II (Fed. Cir. 08/16/12) (“the claims cover molecules that are markedly different—have a distinctive chemical structure and identity—from those found in nature.” Isolated DNA is not “purified” natural DNA; rather it “has been cleaved (i.e., had covalent bonds in its backbone chemically severed)). “A DNA structure with a function similar to that found in nature can only be patent eligible as a composition of matter if it has a unique structure, different from anything found in nature.” In re BRCA1- and BRCA2-Based Hereditary Cancer Test Patent Litig. (Fed. Cir. 12/17/14) (patent-ineligible: claims directed to “primers, which are ‘short, synthetic, single-stranded DNA molecule[s] that bind[] specifically to . . . intended target nucleotide sequence[s].’” “it makes no difference that the identified gene sequences are synthetically replicated.”) “Where claims of a method patent are directed to an application that starts and ends with a naturally occurring phenomenon, the patent fails to disclose patent eligible subject matter if the methods themselves are conventional, routine and well understood applications in the art.” Ariosa (Fed. Cir. 06/12/15) (aff’g SJ of section 101 invalidity; claims recited “amplifying cffDNA contained in a sample of plasma or serum from a pregnant female, detecting paternally inherited cffDNA, and making diagnoses based thereon”).

- **Genetically Identical Clone Not Patent Eligible:** In re Roslin Institute (Fed. Cir. 05/08/14) (Dyk, J.) (genetic clone not patent eligible: “Dolly’s genetic identity to her donor parent renders her unpatentable;” “the claims do not describe clones that have markedly different characteristics from the donor animals of which they are copies”).

- **But cDNA Molecules Are Patent Eligible:** “Creation of a cDNA sequence from mRNA results in an exons-only molecule that is not naturally occurring.” “The lab technician unquestionably creates something new when cDNA is made,” and it therefore is not a product of nature. Ass’n for Molecular (Myriad) (U.S. 06/13/2013), aff’g in part, Ass’n for Molecular II (Fed. Cir. 08/16/12).

- **Screening Using Transformed Cells Is Patent Eligible:** “Claim 20 recites a method that comprises the steps of (1) growing host cells transformed with an altered BRCA1 gene in the presence or absence of a potential cancer therapeutic, (2) determining the growth rate of the host cells with or without the potential therapeutic, and (3) comparing the growth rate of the host cells.
Claim 20 thus recites a screening method premised on the use of “transformed” host cells that are not naturally occurring. Ass’n for Molecular II (Fed. Cir. 08/16/12), rev’d in part on other grounds, Ass’n for Molecular (Myriad) (U.S. 06/13/2013) (addressing only composition claims); but see Mayo (U.S. 03/20/2012) (unanimous).

d) McRO

- **The McRO Decision:** McRO (Fed. Cir. 09/13/16) [Consider Seeking S. Ct. Review] (rev’g invalidity judgment on the pleadings) upheld claimed methods\(^{15}\) “automatically animating lip synchronization and facial expression of three-dimensional characters comprising” obtaining certain rules and information and generating output information in part by “evaluating” the input information against the rules, and then “applying” the output data “to produce lip synchronization and facial expression control of said animated characters.” Previously, human animators, using computers, would create that output data without using rules. The panel construed the claims as limited to “specific, limited mathematical rules” having a specific characteristic and ruled that this particular type of “unconventional rules” allegedly improved both the speed and the reliability of the animation process. The court held that the claim is focused on a specific asserted improvement in computer animation, i.e., the automatic use of rules of a particular type.” The decision upheld the claims under Step One, that the special rules were not used previously by animators, automated tasks not previously performed by animators, provided an improvement to the existing technological process, and did not preempt “all processes for achieving automated lip-synchronization of 3-D characters” or “all techniques for automating 3-D animation that rely on rules.” While the resulting “sequence of synchronized, animated characters … may not be tangible, there is nothing that requires a method ‘be tied to a machine or transform an article’ to be patentable.” The concern underlying the exceptions to § 101 is not tangibility, but preemption.” “The claim uses the limited rules in a process specifically designed to achieve an improved technological result in conventional industry practice. [The claim], therefore, is not directed to an abstract idea.” Accord FairWarning (Fed. Cir. 10/11/16) (“The claimed rules in McRO transformed a traditionally subjective process performed by human artists into a mathematically automated process executed on computers.” “the traditional process and newly claimed method stood in contrast: while both produced a similar result, i.e., realistic animations of facial movements accompanying speech, the two practices produced those results in fundamentally different ways”).

- **TIPS: Responding To McRO (Fed. Cir. 09/13/16)**

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\(^{15}\) **Representative ****McRO Claim Held Patent Eligible:**

- USP Claim 1: “1. A method for automatically animating lip synchronization and facial expression of three-dimensional characters comprising:
  - **obtaining a first set of rules** that define output morph weight set stream as a function of phoneme sequence and time of said phoneme sequence;
  - **obtaining a timed data file** of phonemes having a plurality of sub-sequences;
  - **generating an intermediate stream of output morph weight sets** and a plurality of transition parameters between two adjacent morph weight sets by evaluating said plurality of sub-sequences against said first set of rules;
  - **generating a final stream of output morph weight sets at a desired frame rate** from said intermediate stream of output morph weight sets and said plurality of transition parameters; and
  - **applying said final stream of output morph weight sets to a sequence of animated characters to produce lip synchronization and facial expression control of said animated characters.”
Second Step of Mayo/Alice Analysis: Non-Abstract (Physical) Elements = Inventive Concept In Application Of The Idea?: Second, “we consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application. We have described step two of this analysis as a search for an ‘inventive concept’—i.e., an element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Alice Corp.* (U.S. 06/19/2014) (citations omitted) (using a computer “to create and maintain ‘shadow’ accounts amounts to electronic recordkeeping — one of the most basic functions of a computer.” “The same is true with respect to the use of a computer to obtain data, adjust account balances, and issue automated instructions; all of these computer functions are ‘well-understood, routine, conventional activity[ies]’ previously known to the industry.”); *Mayo* (U.S. 03/20/2012) (discussing *Flook*: the other claim limitations “were all ‘well known,’ to the point where, putting the formula to the side, there was no ‘inventive concept’ in the claimed application of the formula.”). “The introduction of a computer into the claims does not alter the analysis at *Mayo* step two.” Id.

- No “Inventive Concept”: *Return Mail* (Fed. Cir. 08/28/17) (additional steps reciting particular types or uses of data “amount to a basic logic determination of what to do given a user’s preferences,” akin to additional steps in *Ultranational*); *Audatex* (Fed. Cir. 07/27/17) (non-precedential) (aff’g PTAB decision substitute claims unpatentable under Sec. 101; “no more than … ‘perfectly conventional’ generic computer components employed in a customary manner: ‘a web site,” “web pages,” “a client computer,” “an electronic communication network,” “a database,” “a web server,” “a valuation server” and “active server pages” (ASPs).); *Prism Tech.* (Fed. Cir. 06/23/17) (non-precedential) (rev’g denial of JMOL of invalidity under step two; patents “themselves demonstrate the conventional nature of these hardware identifiers.”); *Intellectual Ventures (Erie Indemnity)* (Fed. Cir. 03/07/17) (“While limiting the index to XML tags certainly narrows the scope of the claims, in this instance, it is simply akin to limiting an abstract idea to one field of use or adding token post solution components that do not convert the otherwise ineligible concept into an inventive concept.”); *Intellectual Ventures (Capital One)* (Fed. Cir. 03/07/17) (aff’g SJ of 101 invalidity; “merely describe the functions of the abstract idea itself, without particularity.”); *Smartflash* (Fed. Cir. 03/01/17) (non-precedential) (rev’g trial court denial of JMOL: “storing payment data on the data carrier; ‘transmitting payment validation data to the data access terminal and having the terminal retrieve the digital content from the data supplier in response,’ and ‘writing on the data carrier ‘access rules’ that are dependent on the amount of payment,’” are routine computer activities: “merely storing, transmitting, retrieving, and writing data to implement an abstract idea on a computer does not ‘transform the nature of the claim’ into a patent-eligible application.”); *Synopsys (Mentor) II* (Fed. Cir. 10/17/16) (“given that the claims are for a mental process, assignment conditions, which merely aid in mental translation as opposed to computer efficacy, are not an inventive concept”); *TDE Petroleum* (Fed. Cir. 08/15/16) (non-precedential) (no inventive concept in “storing state values, receiving sensor data, validating sensor data, or determining a state based on sensor data” (collected from an oil well drill); claims “recite the what of the invention, but none of the how that is necessary to turn the abstract idea into a patent-eligible application”); *Electric Power* (Fed. Cir. 08/01/16) (no “inventive concept in application of that abstract idea”: claims “specify what information in the power-grid field it is desirable to gather, analyze, and display, including in ‘real time’; but they do not include any requirement for performing the claimed functions … by use of anything but entirely conventional, generic technology. The claims therefore do not state an arguably inventive concept in the realm of application of the information-based abstract ideas.”); *Shortridge* (Fed. Cir. 07/13/16) (non-precedential) (aff’g R. 12(c)
judgment; relational database conventional); **TLI Commc’ns** (Fed. Cir. 05/17/16) (in view of Spec.’s “abstract functional descriptions” of these tangible components, “the recited physical components behave exactly as expected according to their ordinary use,” and thus “recitation of a ‘telephone unit,’ a ‘server’, an ‘image analysis unit,’ and a ‘control unit’ fail to add an inventive concept sufficient to bring the abstract idea into the realm of patentability”); **In re Smith** (Fed. Cir. 03/10/16) (aff’g PTAB 101 rejection of app. claims; “shuffling and dealing a standard deck of cards are ‘purely conventional’ activities”); **Versata II** (Fed. Cir. 07/09/15) (“The steps in Versata’s claims (e.g., arranging, storing, retrieving, sorting, eliminating, determinig) are conventional, routine, and well-known.”); **Internet Patents** (Fed. Cir. 06/23/15) (“Determination of what is an inventive concept favors inquiries analogous to those undertaken for determination of patentable invention, for a known idea, or one that is routine and conventional, is not inventive in patent terms, as the Court found in *Bilski, Mayo, and Alice.*”); relying on admission in Spec. of elements being conventional); **OIP Tech.** (Fed. Cir. 06/11/15) (aff’g motion to dismiss; invalid because “claims no more than an abstract idea coupled with routine data-gathering steps and conventional computer activity”); **In re BRCA1- and BRCA2-Based Hereditary Cancer Test Patent Litig.** (Fed. Cir. 12/17/14) (“we next ask whether the remaining elements, either in isolation or combination with the other non-patent-ineligible elements, are sufficient to ‘transform the nature of the claim’ into a patent-eligible application.”); **Ultramercial III** (Fed. Cir. 11/14/14) (“Adding routine additional steps such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet does not transform an otherwise abstract idea into patent-eligible subject matter.”; claims recited “providing the media product for sale at an Internet website”); **Content Extraction** (Fed. Cir. 12/23/14) (aff’g grant of motion to dismiss: “no ‘inventive concept’ in [claim’s] use of a generic scanner and computer to perform well-understood, routine, and conventional activities commonly used in industry”); **Affinity Labs (Direct TV)** (Fed. Cir. 09/23/16) (claims invalid: “The specificity of the technical solution provided by the claims in *BASCOM* stands in sharp contrast to the absence of any such specific technical solution in the claims” here).

“Inventive Concept”: See **Trading Techs.** (Fed. Cir. 01/18/17) (non-precedential) (aff’g district court’s identification of “static price index as an inventive concept that allows traders to more efficiently and accurately place trades using this electronic trading system”); **Amdocs II (Openet)** (Fed. Cir. 11/01/16) (2-1) (rev’g Sec. 101 invalidity judgment; claims reciting correlating two network accounting records to enhance the first record “are much closer to those in *BASCOM* and DDR Holdings than those in *Digitech, Content Extraction*, and *In re TLI Commc’ns.*” Because “enhance” construed to require processing of the records close to their sources which improves operation by distributing load); **Rapid Litig. Mgmt.** (Fed. Cir. 07/05/16) (Prost, CJ) (rev’g SJ of patent-ineligibility: even though freezing and thawing were well known, “a process of preserving hepatocytes by repeating those steps was itself far from routine and conventional.” “Repeating a step that the art taught should be performed only once can hardly be considered routine or conventional. This is true even though it was the inventor’s discovery of something natural that led them to do so.”); **Bascom Global** (Fed. Cir. 06/27/16) (Chen, J.) (vacating R. 12 dismissal: claimed “inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces;” here, this cannot be said as a matter of law to have been conventional or generic: “the installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user”); **DDR Holdings** (Fed. Cir. 12/05/14) (2-1) (distinguishing Ultramercial; claims recite steps altering conventional behavior when link clicked).

“Inventive Concept” Must Be In Physical Realm: The “inventive concept” must be “in the physical realm of things and acts—a ‘new and useful application’ of the ineligible matter in
the physical realm...” buySAFE (Fed. Cir. 09/03/14); see Genetic Tech. (Fed. Cir. 04/08/16)
(“The term ‘to detect the allele’... is a mental process step, one that provides claim 1 with
a purpose but does not create the requisite inventive concept, because it merely sets forth
a routine comparison that can be performed by the human mind.”).

“Inventive Concept” Must Be Recited In Claims Not Just Spec.: “To save a patent at step
two, an inventive concept must be evident in the claims.” RecogniCorp (Fed. Cir. 04/28/17)
(no inventive concept). Details in Spec. but not in claim are irrelevant to this analysis.
Accenture (Fed. Cir. 09/05/13) (2-1); Intellectual Ventures (Symantec) (Fed. Cir. 09/30/16)
(“district court erred in relying on technological details set forth in the patent’s specification
and not set forth in the claims to find an inventive concept.”); but see Amdocs II (Openet)
(Fed. Cir. 11/01/16) (relying on distributed architecture described in Spec. but not
recited in claims or any claim construction, concluding claims necessarily depend on it);
Ariosa (Fed. Cir. 06/12/15) (relying on Spec.’s description of invention to bolster conclusion
that claims are directed to a natural phenomenon, and on Spec. and prosecution history
as showing that method steps were conventional, routine steps).

Technological Environment/Data Gathering/Insignificant Post-Solution Activities Are
Inadequate: Prohibition against patenting abstract ideas “cannot be circumvented by
attempting to limit the use of the formula to a particular technological environment” or
adding “insignificant post-solution activity.” Alice Corp. (U.S. 06/19/2014) (“Stating an
abstract idea while adding the words ‘apply it with a computer’” simply limits claim to a
particular technological environment); accord Mayo (U.S. 03/20/2012) (unanimous) (step
of “administering a drug providing 6-thioguanine to a subject having said immune-
mediated gastrointestinal disorder” “simply refers to the relevant [pre-existing] audience”
of doctors, and the abstractness exclusion cannot be circumvented by limiting claim to “a
particular technological environment.”); Flook (U.S. 06/22/1978) (rejecting argument that
“specific ‘post-solution’ activity—the adjustment of the alarm limit to the figure computed
according to the formula” saves the claim: “The notion that post-solution activity, no matter
how conventional or obvious in itself, can transform an unpatentable principle into a
patentable process exalts form over substance. A competent draftsman could attach some
form of post-solution activity to almost any mathematical formula; the Pythagorean
theorem would not have been patentable, or partially patentable, because a patent
application contained a final step indicating that the formula, when solved, could be
usefully applied to existing surveying techniques.”); Intellectual Ventures (Capital One)
(Fed. Cir. 03/07/17) (“recitation of XML documents specifically, does little more than
restrict the invention’s field of use. Such limitations do not render an otherwise abstract
concept any less abstract.”); Apple (Ameranth) (Fed. Cir. 11/29/16) (rev’g part of PTAB
CBM 101 patentability determination: insignificant post-solution activity: linking of orders
to customers); Electric Power (Fed. Cir. 08/01/16) (“merely selecting information, by
content or source, for collection, analysis, and display does nothing significant to
differentiate a process from ordinary mental processes”); TLI Commc’ns (Fed. Cir.
05/17/16) (“although the claims limit the abstract idea to a particular environment—a
mobile telephone system—that does not make the claims any less abstract for the step 1
analysis”); In re Brown (Fed. Cir. 04/22/16) (non-precedential) (using scissors to cut hair
according to determined pattern is insignificant post-solution activity; “amounts to ‘apply
it’ [the abstract idea of determining a hair style]”); Vehicle Intelligence (Fed. Cir. 12/28/15
(non-precedential) (aff’g invalidity renewed R. 12(c) motion, post claim construction,
because “claims cover only abstract ideas coupled with routine data-gathering steps and
conventional computer activity.”); Internet Patents (Fed. Cir. 06/23/15) (dependent claims
“do not add an inventive concept, for they represent merely generic data collection steps
or siting the ineligible concept in a particular technological environment.”); Ultramercial III
(Fed. Cir. 11/14/14) (“steps of consulting and updating an activity log represent
insignificant ‘data-gathering steps,’ and thus add nothing of practical significance to the underlying abstract idea.”; Ass’n for Molecular II (Fed. Cir. 08/16/12) (“Limiting the comparison to just the BRCA4 genes or ... to just the identification of particular alterations, fails to render the claimed process patent-eligible.”), rev’d in part on other grounds, Ass’n for Molecular (Myriad) (U.S. 06/13/2013) (addressing only composition claims).16 Cf. In re Abele, 684 F.2d 902 (CCPA 1982) (applying since-rejected standard; the claim-rected steps were part of a conventional CAT-scan process and thus are not merely “data gathering steps ... dictated by the algorithm.”)

- Elements Inherent In Abstract Idea Do Not Satisfy Step Two: “The use of metafiles to build the claimed index is yet another natural consequence of carrying out the abstract idea in a computing environment and is, therefore, also insufficient to transform a patent-ineligible abstract idea into a patent-eligible invention.” Intellectual Ventures (Erie Indemnity) (Fed. Cir. 03/07/17); Versata II (Fed. Cir. 07/09/15) (“The limitations are either inherent in the abstract idea of determining a price using organization and product group hierarchies—e.g., arranging the hierarchies—or conventional and well-known limitations involving a computer—e.g., storing pricing information.”).

- Novelty Of Algorithm Does Not Satisfy Step Two: Coffelt (Fed. Cir. 03/15/17) (non-precedential) (“The novelty of the algorithm, however, does not determine whether the claim recites an inventive concept. Instead, the inventive concept must ‘transform’ the patent ineligible algorithm into a ‘patent-eligible application’ of the algorithm, and do so by more than merely implementing the algorithm on a generic computer.”)

- Note: The Second Step Is Not Reached If Claim Has No Additional Elements: Digitech (Fed. Cir. 07/11/14) (aff’g SJ of invalidity under Sec. 101 of claims directed to a collection of information; didn’t need to reach Alice/Mayo second step because claim not limited to an image processor: “We therefore need not decide whether tying the method to an image processor would lead us to conclude that the claims are directed to patent eligible subject matter in accordance with the Supreme Court’s Mayo test.”).

- Combining Law Of Nature, Abstract Idea, Etc. With Conventional Steps Or Functions Is Not Patent Eligible: Claims reciting an “abstract idea” or specific law of nature invalid because the additional steps recited in claim (implementing on a generic computer (Alice); administering drug and determining result (Mayo)) merely limit claim to particular technological environment, or

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16 Sample Myriad “Method” Claims Not Patent Eligible:
- USP 5,709,999 Claim 1: “A method for detecting a germline alteration in a BRCA1 gene, said alteration selected from the group consisting of the alterations set forth in Tables 12A, 14, 18 or 19 in a human which comprises analyzing a sequence of a BRCA1 gene or BRCA1 RNA from a human sample or analyzing a sequence of BRCA1 cDNA made from mRNA from said human sample with the proviso that said germline alteration is not a deletion of 4 nucleotides corresponding to base numbers 4184-4187 of SEQ ID NO:1.”
- USP 5,710,001 Claim 1: “1. A method for screening a tumor sample from a human subject for a somatic alteration in a BRCA1 gene in said tumor which comprises gene comparing a first sequence selected from the group consisting of a BRCA1 gene from said tumor sample, BRCA1 RNA from said tumor sample and BRCA1 cDNA made from mRNA from said tumor sample with a second sequence selected from the group consisting of BRCA1 gene from a nontumor sample of said subject, BRCA1 RNA from said nontumor sample and BRCA1 cDNA made from mRNA from said nontumor sample, wherein a difference in the sequence of the BRCA1 gene, BRCA1 RNA or BRCA1 cDNA from said tumor sample from the sequence of the BRCA1 gene, BRCA1 RNA or BRCA1 cDNA from said nontumor sample indicates a somatic alteration in the BRCA1 gene in said tumor sample.”
require “well-understood, routine, conventional activity previously engaged in by scientists who work in the field” (Mayo), i.e., “conventional” (Alice), or “conventional or obvious” (Mayo) activity or function. Mayo (U.S. 03/20/2012) (unanimous); Alice Corp. (U.S. 06/19/2014) (unanimous). Thus, there is no “inventive concept” in the remainder of the claim. Mayo (U.S. 03/20/2012); accord Alice Corp. (U.S. 06/19/14). Such a claim would effectively claim the law of nature or abstract idea itself and improperly tie up (preempt) its future use. Alice Corp. (U.S. 06/19/14); Mayo (U.S. 03/20/2012). See Apple (Ameranth) (Fed. Cir. 11/29/16) (aff’g PTAB CBM 101 unpatentability: citing admissions in specification to support finding that elements cited under step two are merely conventional computer elements and insignificant post-solution activities); Electric Power (Fed. Cir. 08/01/16) (Taranto, J.) (aff’g SJ of invalidity: “Though lengthy and numerous, the claims do not go beyond requiring the collection, analysis, and display of available information in a particular field, stating those functions in general terms, without limiting them to technical means for performing the functions that are arguably an advance over conventional computer and network technology. The claims, defining a desirable information-based result and not limited to inventive means of achieving the result, fail under § 101.”) But see McRO (Fed. Cir. 09/13/16) (Reyna, J.)

17 Administering A Drug To A Subject: S. Ct. unanimously overturned Fed. Cir., and affirmed SJ of invalidity of this claim under Sec. 101:
“1. A method of optimizing therapeutic efficacy for treatment of an immune-mediated gastrointestinal disorder, comprising:
(a) administering a drug providing 6-thioguanine to a subject having said immune-mediated gastrointestinal disorder; and
(b) determining the level of 6-thioguanine in said subject having said immune-mediated gastrointestinal disorder,
wherein the level of 6-thioguanine less than about 230 pmol per 8.times.10.sup.8 red blood cells indicates a need to increase the amount of said drug subsequently administered to said subject and
wherein the level of 6-thioguanine greater than about 400 pmol per 8.times.10.sup.8 red blood cells indicates a need to decrease the amount of said drug subsequently administered to said subject.”

18 Electric Power Group Claim:
- Representative claim has 395 words and 7 steps:
  12. A method of detecting events on an interconnected electric power grid in real time over a wide area and automatically analyzing the events on the interconnected electric power grid, the method comprising:
  receiving a plurality of data streams, each of the data streams comprising sub-second, time stamped synchronized phasor measurements wherein the measurements in each stream are collected in real time at geographically distinct points over the wide area of the interconnected electric power grid, the wide area comprising at least two elements from among control areas, transmission companies, utilities, regional reliability coordinators, and reliability jurisdictions;
  receiving data from other power system data sources, the other power system data sources comprising at least one of transmission maps, power plant locations, EMS/SCADA systems;
  receiving data from a plurality of non-grid data sources;
  detecting and analyzing events in real-time from the plurality of data streams from the wide area based on at least one of limits, sensitivities and rates of change for one or more measurements from the data streams and dynamic stability metrics derived from analysis of the measurements from the data streams including at least one of frequency instability, voltages, power flows, phase angles, damping, and oscillation modes, derived from the phasor measurements and the other power system data sources in which the metrics are indicative of events, grid stress, and/or grid instability, over the wide area;
  displaying the event analysis results and diagnoses of events and associated ones of the metrics from different categories of data and the derived metrics in visuals, tables, charts, or combinations thereof, the data comprising at least one of monitoring data, tracking data, historical data, prediction data, and summary data;
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(rev’g Sec. 101 invalidity judgment on pleadings: claimed method “using unconventional rules” not
directed to an abstract idea, in part because doesn’t preempt all techniques in the field and thus is
not “directed to a result or effect.”)

- **Generic Computer Implementation Of An Abstract Idea Is Not Patent Eligible:** Whether
drafted as method, system or medium claim, implementing an abstract idea on a “generic computer
to perform generic computer functions” is not patent eligible. *Alice Corp.* (U.S. 06/19/2014)
(unanimous) (hold “the claims at issue are drawn to the abstract idea of intermediated settlement,
and that merely requiring generic computer implementation fails to transform that abstract idea
into a patent-eligible invention.”; not enough to use “some unspecified, generic computer.”) “If a
patent uses generic computer components to implement an invention, it fails to recite an inventive
concept under *Alice* step two.” *West View* (Fed. Cir. 04/19/17) (non-precedential) (a claim recited
“a microphone,” ‘one or more processors,’ a ‘touch-screen input and display device,’ a ‘speech
synthesis apparatus’ with ‘at least one speaker,’ an ‘input apparatus,’ and a ‘computer program’
that receives the user’s input and generates an audible or visual result.”)

- **Generic/Conventional Includes “Basic” Functions/Steps And Preexisting Computers:**

  - Computer elements are “conventional” (or generic) if function performed is a basic function
    of the computer, such as electronic recordkeeping, obtaining data, adjusting account
    balances, and issuing automated instructions. *Alice Corp.* (U.S. 06/19/14). Also
    “conventional” if, per *Benson* (U.S. 11/20/1972), “the process could be ‘carried out in
    existing computers long in use.’” *Id.* This applies equally to generic, functional “hardware”
in system claims: “what petitioner characterizes as specific hardware—a ‘data processing
system’ with a ‘communications controller’ and ‘data storage unit,’…”—is purely functional
and generic” that nearly every computer will include. *Id.* “That a computer ‘necessarily
exist[s] in the physical, rather than purely conceptual, realm, is beside the point.” *Id.*
(citation omitted). Accord *Mayo* (U.S. 03/20/2012) (unanimous) (summarizing *Flook*
“Moreover, [t]he chemical processes involved in catalytic conversion of hydrocarbons[,] ...
. . . the practice of monitoring the chemical process variables, the use of alarm limits to
trigger alarms, the notion that alarm limit values must be recomputed and readjusted, and
the use of computers for “automatic monitoring-alarming”’” were all ‘well known,’ to the
point where, putting the formula to the side, there was no ‘inventive concept’ in the claimed

.. displaying concurrent visualization of measurements from the data streams and the dynamic stability metrics
directed to the wide area of the interconnected electric power grid;
accumulating and updating the measurements from the data streams and the dynamic stability metrics, grid
data, and non-grid data in real time as to wide area and local area portions of the interconnected electric power
grid; and
deriving a composite indicator of reliability that is an indicator of power grid vulnerability and is derived from a
combination of one or more real time measurements or computations of measurements from the data streams
and the dynamic stability metrics covering the wide area as well as non-power grid data received from the non-
grid data source.
application of the formula.”); Intellectual Ventures (Symantec) (Fed. Cir. 09/30/16) (“But the inquiry is not whether conventional computers already apply, for example, well-known business concepts like hedging or intermediated settlement. Rather, we determine whether each step does no more than require a generic computer to perform generic computer functions.”); Electric Power (Fed. Cir. 08/01/16) (“nothing in the patent contains any suggestion that the displays needed for that purpose are anything but readily available.”); Mortgage Grader (Fed. Cir. 01/01/16) (“the claims ‘add’ only generic computer components such as an ‘interface,’ ‘network,’ and ‘database.’ These generic computer components do not satisfy the inventive concept requirement.”); Intellectual Ventures (Capital One) (Fed. Cir. 07/06/15) (database, user profile, and communication “are all generic computer elements”; “interactive interface” is generic element as broadly construed by patentee; the fact that the web site returns the pre-designed ad more quickly than a newspaper could send the user a location-specific advertisement insert does not confer patent eligibility”); OIP Tech. (Fed. Cir. 06/11/15) (“relying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a claim patent eligible”); buySAFE (Fed. Cir. 09/03/14) (2-0) (applying Alice to affirm judgment on the pleadings of Sec. 101 invalidity, of claimed computerized method for guaranteeing a party’s performance of its online transaction); Planet Bingo (Fed. Cir. 08/26/14) (Hughes, J.) (non-precedential) (aff’g SJ of invalidity; claims recited “a generic computer implementation of the covered abstract idea” where they recited a computer with a CPU, a memory, input and output terminal, a printer, video screen, and a program enabling steps of managing a game of bingo).

That A Computer Is Necessary To Performing The Method Does Not Matter: “As stipulated, the claimed method requires the use of a computer to create electronic records, track multiple transactions, and issue simultaneous instructions; in other words, [t]he computer is itself the intermediary.” Alice Corp. (U.S. 06/19/14).

Pre-Alice: Fed. Cir. Divided, Especially On Computer-System Claims: En banc Fed. Cir. issued per curiam ruling accompanied by six opinions and one “additional reflections,” none garnering majority support. CLS Bank (Fed. Cir. 05/10/13) (en banc) (5-5 split on whether system claims invalid under Sec. 101 (therefore affirmed trial court invalidity ruling), aff’d, Alice Corp. (U.S. 06/19/14). Seven of 10 judges agreed that the method and CRM claims are invalid under Sec. 101, but 2 of those 7 merely deferred to patent owner’s concession that CRM claims rose or fell with method claims, cert. granted (U.S. 12/06/2013). Disagreed on (1) meaning of Prometheus opinion’s reference to “inventive concept;” (2) significance of computer limitations in a claim, (3) what constituted the abstract idea in the claims, (4) meaning of the machine-or-transformation clue to patent eligibility, and (5) breadth, and benefit/harm caused by, the abstractness exception to patent eligibility. At least nine judges agreed that (1) CRM claim rises or falls with counterpart method claim, (2) breadth of the abstract idea is not the issue, (3) pre-emption of the abstract idea is a central consideration, and (4) a field-of-use restriction is insufficient to save a claim. Accenture (Fed. Cir. 09/05/13) (2-1) (aff’g SJ of invalidity of system claim (“A system for generating tasks to be performed in an insurance organization, the system comprising: an insurance transaction database for storing ...; a task library database for storing ...; a client component ... configured for ...; and a server component ... including an event processor, a task engine and a task assistant; wherein ...”), where counterpart method claim invalidity not appealed: no meaningful limitations on the abstract idea).

buySAFE Claim: panel summarized as: “(1) a computer operated by the provider of a safe transaction service receives a request for a performance guarantee for an “online commercial transaction”; (2) the computer processes the request by underwriting the requesting party in order to provide the transaction guarantee service; and (3) the computer offers, via a “computer network,” a transaction guaranty that binds to the transaction upon the closing of the transaction.
That The Idea Has No Practical Use Outside A Computer Implementation Does Not Matter: 

**Mayo** (U.S. 03/20/2012) (unanimous) (Benson “held that simply implementing a mathematical principle on a physical machine, namely a computer, was not a patentable application of that principle. For the mathematical formula had ‘no substantial practical application except in connection with a digital computer.’ Hence the claim (like the claims before us) was overly broad; it did not differ significantly from a claim that just said ‘apply the algorithm.’”)

But Invention’s Ability To Run On A General-Purpose Computer Is Not Dispositive: Claims directed to an improvement in functioning of a computer are patent-eligible, unlike claims “adding conventional computer components to well-known business practices,” or “use of an abstract mathematical formula on any general purpose computer,” or “generalized steps to be performed on a computer using conventional computer activity.” **Enfish** (Fed. Cir. 05/12/16).

“Technical Effect” Test? Must Improve Functioning Of Computer Or Another Technology?: 

S. Ct. gave just two examples of where adding a computer to an abstract idea might satisfy Sec. 101: “The method claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field.” **Alice Corp.** (U.S. 06/19/2014) (unanimous). (citing to **Diehr** (U.S. 03/03/1981) and U.S. Amicus Brief). “The claims in **Diehr** were patent eligible because they improved an existing technological process, not because they were implemented on a computer.” Id. See **Amdocs II (Openet)** (Fed. Cir. 11/01/16) (claims “an unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases)”; **McRO** (Fed. Cir. 09/13/16) (approving claim under Step One: “The claim uses the limited rules in a process specifically designed to achieve an improved technological result in conventional industry practice” and “therefore, is not directed to an abstract idea.”); **Enfish** (Fed. Cir. 05/12/16) (rev’g SJ of patent eligibility based on Alice step One; claims “directed to an improvement in the functioning of a computer” and “a specific improvement to the way computers operate” and “a specific type of data structure designed to improve the way a computer stores and retrieves data in memory” and “a specific implementation of a solution to a problem in the software arts,” i.e., a self-referential table for a database, which Spec. says provides faster searching, more effective storage and smaller memory requirements, and more flexible configuring than the conventional relational database); **TLI Commc’ns** (Fed. Cir. 05/17/16) (aff’g mtn. to dismiss: “the focus” of the Spec. “and of the claims was not on an improved telephone unit or an improved server,” rather, the telephone unit is “merely a conduit for the abstract idea.”); **Carnegie Mellon** (Fed. Cir. 08/04/15) (Taranto, J.) (dictum: no authority cited “finding inelegibility of an unconventional method, like CMU’s, for improving a physical process by overcoming limitations in physical devices—discerning more accurately what is on a physical recording medium from what a read head has sensed.”); **Versata II** (Fed. Cir. 07/09/15) (“Examination of the claims—as a whole and in terms of each claim’s limitations—reveals that the claims are not directed to improving computer performance and do not recite any such benefit. The claims are directed to price determination and merely use a computer to improve the performance of that determination—not the performance of a computer.”); **buySAFE** (Fed. Cir. 09/03/14) (2-0) (quoting this portion of Alice); **I/P Engine** (Fed. Cir. 08/15/14) (Mayer, J., Concurring Op., Chen, J., Dissenting Op.) (Alice adopted a “technological effects” test).

Advantage Over Alternatives Is Not Test For An “Inventive Concept”: “Providing a distinct advantage over alternatives is not the test for eligibility.” **Smartflash** (Fed. Cir. 03/01/17) (non-precedential) (generic computer components do not transform the claim into a patent-eligible invention).
Alleged Technological Improvement Must Be Recited In Claim: Supposed improvement to technology must be recited in the claim. Apple (Ameranth) (Fed. Cir. 11/29/16) (aff'd PTAB CBM 101 unpatentability: “The difficulty of the programming details for this functionality is immaterial because these details are not recited in the actual claims.”); Versata II (Fed. Cir. 07/09/15) (“these supposed benefits are not recited in the claims at issue”; “the claims at issue do not recite any improvement in computer technology”); Planet Bingo (Fed. Cir. 08/26/14) (non-precedential) (rejecting argument that computer program handled millions of numbers because claimed invention did not require that); Return Mail (Fed. Cir. 08/28/17) (refusing to consider in step two features not recited in claim).

TIPS:

- idea's breadth immaterial

f) idea's breadth immaterial

- S. Ct.: Sec. 101 Exclusions Are A “Bright-Line Prohibition” Applying To Specific And Narrow Laws Of Nature, Etc. As Well As Broad Ones: The abstract idea, mental process, mathematical formula, etc. might be quite specific and narrow, as in the Benson, Flook and Bilski claims. “The particular laws of nature that its patent claims embody are narrow and specific” “but the patent claims that embody them nonetheless implicate this concern” that patent laws not inhibit future innovation. Mayo (U.S. 03/20/2012) (unanimous) (“our cases have not distinguished among different laws of nature according to whether or not the principles they embody are sufficiently narrow. See, e.g., Flook, 437 U.S. 584 (holding narrow mathematical formula unpatentable)… And so the cases have endorsed a bright-line prohibition against patenting laws of nature, mathematical formulas and the like, which serves as a somewhat more easily administered proxy for the underlying ‘building-block’ concern.”); see Ariosa (Fed. Cir. 06/12/15) (rejecting argument that narrowness of method avoids section 101 invalidity); buySAFE (Fed. Cir. 09/03/14) (2-0) (“the exclusion applies if a claim involves a natural law or phenomenon or abstract idea, even if the particular natural law or phenomenon or abstract idea at issue is narrow.”); Ultramercial III (Fed. Cir. 11/14/14) (identifying combination of six claim-recited steps as describing an abstract idea); CLS Bank (Fed. Cir. 05/10/13) (en banc) (agreement on this point: Lourie, J. 5-judge concurring op.: “broad claims do not necessarily raise § 101 preemption concerns, and seemingly narrower claims are not necessarily exempt.”; Rader, J. 4-judge op.: “It is not the breadth or narrowness of the abstract idea that is relevant, but whether the claim covers every practical application of that abstract idea.”), aff'd, Alice Corp. (U.S. 06/19/14). But see Trading Techs. (Fed. Cir. 01/18/17) (non-precedential) (“This threshold level of eligibility is often usefully explored by way of the substantive statutory criteria of patentability, for an invention that is new, useful and unobvious is more readily distinguished from the generalized knowledge that characterizes ineligible subject matter.”)

g) idea's novelty immaterial

- Novelty Of Steps Added To The Abstract Idea (Step Two) Is A Consideration; But Not Novelty Of The Abstract Idea Itself (Step One): Under S. Ct. precedents, not even a novel or newly discovered abstract idea or law of nature is patent eligible. Claimed natural law in Mayo was not previously known: “those in the field did not know the precise correlations between metabolite levels and likely harm or ineffectiveness. The patent claims at issue here set forth processes embodying researchers’ findings that identified these correlations with some precision.” Mayo (U.S. 03/20/2012) (“even though rewarding with patents those who discover new laws of nature and the like might well encourage their discovery, those laws and principles, considered generally, are ‘the basic tools of scientific and technological work.’”). E.g., Diehr did not suggest that the additional steps there “were in context obvious, already in use, or purely conventional.” Id. “In evaluating the significance of additional steps, the §101 patent-eligibility
inquiry and, say, the §102 novelty inquiry might sometimes overlap. But that need not always be
so.” Id. Here, “the steps in the claimed processes (apart from the natural laws themselves)
involve well-understood, routine, conventional activity previously engaged in by researchers in the
field.” Mayo (U.S. 03/20/2012) (unanimous). Flook (U.S. 06/22/1978) (“Indeed, the novelty of the
mathematical algorithm is not a determining factor at all. Whether the algorithm was in fact known
or unknown at the time of the claimed invention, ... it is treated as though it were a familiar part
of the prior art.”) “Laws of nature, natural phenomena, and abstract ideas [are patent ineligible]
no matter how [g]roundbreaking, innovative, or even brilliant.” buySAFE (Fed. Cir. 09/03/14) (2-
0) (quoting Ass’n for Molecular (Myriad)); Synopsys (Mentor) II (Fed. Cir. 10/17/16) (“a claim for a
new abstract idea is still an abstract idea. The search for a § 101 inventive concept is thus distinct
from demonstrating § 102 novelty.”); Return Mail (Fed. Cir. 08/28/17) (not inconsistent for PTAB
to conclude that claims satisfy Section 102 and 103 but not 101); Affinity Labs (Amazon) (Fed. Cir.
09/23/16) (“But the eligibility finding does not turn on the lack of novelty of the claim; it turns on
the fact that the claim is drawn to any embodiment of an abstract idea.”); Genetic Tech. (Fed. Cir.
04/08/16) (“The inventive concept necessary at step two of the Mayo/Alice analysis cannot be
furnished by the unpatentable law of nature (or natural phenomenon or abstract idea) itself. ...
instead, the application must provide something inventive, beyond mere ‘well-understood, routine,
conventional activity.’”); Ariosa (Fed. Cir. 06/12/15) (claims invalid despite inventors having
“revolutionized prenatal care” with their method for detecting small amounts of paternally
inherited cffDNA in maternal plasma or serum (that used to be discarded) to determine fetal
characteristics); Ultramercial III (Fed. Cir. 11/14/14) (rejecting patent owner argument that
abstract ideas remain patent-eligible “as long as they are new ideas, not previously well known,
and not routine activity,” “[A]ny novelty in implementation of the idea is a factor to be considered
only in the second step of the Alice analysis.”); PerkinElmer (Fed. Cir. 11/20/12) (non-precedential)
(“Even assuming it is new or even inventive, this ‘two markers are better than one’ concept is still
a mental step or abstract idea, i.e., it is ineligible subject matter.”); See Ariosa Diagnostics (Fed.
12/02/15) (Lourie, J., Concurring Op. denial of en banc rehearing) (disagreeing with Mayo) (“it is
undisputed that before this invention, the amplification and detection of cffDNA from maternal
blood, and use of these methods for prenatal diagnoses, were not routine and conventional. But
applying Mayo, we are unfortunately obliged to divorce the additional steps from the
asserted natural phenomenon to arrive at a conclusion that they add nothing innovative to the
process.”); id. (Dyk, J., Concurring Op.) (disagreeing with Mayo but not Alice) (“Mayo states that
the inventive concept necessary for eligibility must come in the application analyzed at step two,
rather than from the discovery of the law of nature itself.”); “Alice also holds that inventive concept
must be found at step two of the framework.” But see Trading Techs. (Fed. Cir. 01/18/17) (non-
precedential) (“[T]he graphical user interface system of these two patents is not an idea that has
long existed, the threshold criterion of an abstract idea and ineligible concept, as the court
(the patent must ‘amount to significantly more in practice than a patent upon the [ineligible concept
itself]'”). “An invention that is new, useful and unobvious is more readily distinguished from the
generalized knowledge that characterizes ineligible subject matter.”) (Note: this “threshold
criterion” point is contrary to above decisions, including Mayo, and not supported by quote from
Mayo concerning step two).

• But, Many Decisions Focus On Lack Of Novelty Of The Abstract Idea: That an idea has
been used in other fields helps show the idea’s value is independent of any particular physical
implementation, confirming that the idea is abstract. But many decisions focus on the lack of
novelty of the idea as if that is a requirement under Alice and without explaining why it is relevant.

E.g., FairWarning (Fed. Cir. 10/11/16) (claims’ rules are “the same questions (though perhaps
phrased with different words) that humans in analogous situations detecting fraud have asked for
decades”); Intellectual Ventures (Symantec) (Fed. Cir. 09/30/16) (filtering email was abstract
because “it was long-prevalent practice for people receiving paper mail to look at an envelope and
discard certain letters, without opening them, from sources from which they did not wish to receive mail based on characteristics of the mail." Also: claim “involves an idea that originated in the computer era—computer virus screening. But the idea of virus screening was nonetheless well known when the ’610 patent was filed.” But same decision says: “Indeed, [t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.”); Intellectual Ventures (Capital One) (Fed. Cir. 07/06/15) (“At step one of the Alice framework, it is often useful to determine the breadth of the claims in order to determine whether the claims extend to cover a ‘fundamental . . . practice long prevalent in our system.’”); looking at combination of abstract idea and added elements in step two: “we ask whether the remaining elements, either in isolation or combination with the non-patent-ineligible elements, are sufficient to ‘transform the nature of the claim’ into a patent-eligible application.”); Internet Patents (Fed. Cir. 06/23/15) (Newman, J.) (conflating steps one and two: “Courts have found guidance in deciding whether the allegedly abstract idea (or other excluded category) is indeed known, conventional, and routine, or contains an inventive concept, by drawing on the rules of patentability.”)

h) idea’s utility immaterial

- Usefulness Of The Idea Is Immaterial: Potential utility of an idea is immaterial to whether it is abstract. Genetic Tech. (Fed. Cir. 04/08/16) (“GTG’s attempts to distinguish this case on the ground that the method of claim 1 is useful have no basis in case law or in logic.”); see Ass’n for Molecular (Myriad) (U.S. 06/13/2013) (characterizing the discovery of the BRCA1 and BRCA2 genes as “important and useful”); Flook (U.S. 06/22/1978) (“novel and useful” formula designed to more accurately trigger alarms on potentially dangerous chemical reactions). But see Rapid Litig. Mgmt. (Fed. Cir. 07/05/16) (Prost, CJ) (rev’g SJ of patent-ineligibility: “This type of constructive process, carried out by an artisan to achieve ‘a new and useful end,’ is precisely the type of claim that is eligible for patenting.”) But see Trading Techs. (Fed. Cir. 01/18/17) (non-precedential). (“This threshold level of eligibility is often usefully explored by way of the substantive statutory criteria of patentability, for an invention that is new, useful and unobvious is more readily distinguished from the generalized knowledge that characterizes ineligible subject matter.”)

i) preemption of idea

- Preemption (Monopolization) Of Abstract Idea In Some Field Is The Concern But Not The Test: “Allowing petitioners to patent risk hedging would pre-empt use of this approach in all fields, and would effectively grant a monopoly over an abstract idea.” Bilski v. Kappos (U.S. 06/28/2010) (Bilski claims here). Accord Mayo (U.S. 03/20/2012) (unanimous) (claims that would “monopolize” or preempt a law of nature are invalid under Sec. 101); Benson (U.S. 11/20/1972) (“The mathematical formula involved here has no substantial practical application except in connection with a digital computer, which means that, if the judgment below is affirmed, the patent would wholly preempt the mathematical formula and, in practical effect, would be a patent of the algorithm itself.”); cf. Return Mail (Fed. Cir. 08/28/17) (“Arguments about the lack of preemption risk cannot save claims that are deemed to only be directed to patent ineligible subject matter.”); Bascom Global (Fed. Cir. 06/27/16) (Chen, J.) (vacating dismissal order: claims “do not preempt the use of the abstract idea of filtering content on the Internet or on generic computer components performing conventional activities. The claims carve out a specific location for the filtering system (a remote ISP server) and require the filtering system to give users the ability to customize filtering for their individual network accounts.”); Genetic Tech. (Fed. Cir. 04/08/16) (claim “broadly covers essentially all applications, via standard experimental techniques, of the law of linkage disequilibrium to the problem of detecting coding sequences of DNA.”); Vehicle Intelligence (Fed. Cir. 12/28/15) (non-precedential) (“while assessing the preemptive effect of a claim helps to inform the Mayo/Alice two-step analysis, the mere existence of a non-preempted use of an abstract idea
does not prove that a claim is drawn to patent-eligible subject matter); Intellectual Ventures (Capital One) (Fed. Cir. 07/06/15) (“An abstract idea does not become nonabstract by limiting the invention to a particular field of use or technological environment, such as the Internet.”); In re BRCA1- and BRCA2-Based Hereditary Cancer Test Patent Litig. (Fed. Cir. 12/17/14) (“The preemptive nature of the claims is not ameliorated even if we accept Myriad’s argument that other methods of comparison exist. If the combination of certain routine steps were patent eligible, so too would different combinations of other routine steps.”); Ariosa (Fed. Cir. 06/12/15) (“that the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract”); Dealertrack (Fed. Cir. 01/20/12) (“the claims are invalid as being directed to an abstract idea preemptive of a fundamental concept or idea that would foreclose innovation in this area.”) But see McRO (Fed. Cir. 09/13/16) (as part of Step One, analyzing whether claims preempt use of all types of rules rather than the particular type of rules to which the claims are directed).

j) **machine-or-transformation “test”**

- S. Ct.: Machine-or-Transformation “Test” Is “Clue” Relevant Only To Step Two of Mayo/Alice: Bilski v. Kappos (U.S. 06/28/2010) endorsed but demoted particular-machine-or-transformation test22: “This Court’s precedents establish that the machine-or-transformation

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21 Dealertrack Claim:
“1. A computer aided method of managing a credit application, the method comprising the steps of:
[A] receiving credit application data from a remote application entry and display device;
[B] selectively forwarding the credit application data to remote funding source terminal devices;
[C] forwarding funding decision data from at least one of the remote funding source terminal devices to the remote application entry and display device;
[D] wherein the selectively forwarding the credit application data step further comprises: …”

“The claims are silent as to how a computer aids the method, the extent to which a computer aids the method, or the significance of a computer to the performance of the method. The undefined phrase ‘computer aided’ is no less abstract than the idea of a clearinghouse itself. Because the computer here ‘can be programmed to perform very different tasks in very different ways,’ Aristocrat, 521 F.3d at 1333, it does not ‘play a significant part in permitting the claimed method to be performed.’ CyberSource, slip op. at 19 (citing SiRF Tech., 601 F.3d at 1333). Simply adding a ‘computer aided’ limitation to a claim covering an abstract concept, without more, is insufficient to render the claim patent eligible.” Dealertrack (Fed. Cir. 01/20/12).

22 Federal Circuit’s En Banc In re Bilski Particular Machine-Transformation-Preemption “Test”: The only way a patent claim reciting an abstract idea/mental process/law of nature can avoid preempting all uses of that idea in violation of Sec. 101 is for the claim to also require (1) some particular machine, or (2) some particular transformation of a particular article, that would not be required by all practical applications or uses of the abstract idea, etc. In re Bilski (Fed. Cir. 10/30/08) (en banc) 22, aff’d on other grounds, Bilski v. Kappos (U.S. 06/28/2010) (denoting this test to an “important clue.”) Collecting and organizing data does not meet the transformation prong. CyberSource (Fed. Cir. 08/16/11); cf. Benson (U.S. 11/20/1972) (claimed conversion of numbers from binary coded decimal to pure binary could compress the data, e.g., “decimal 53 is represented as 0101 0011 in BCD, because decimal 5 is equal to binary 0101 and decimal 3 is equivalent to binary 0011. In pure binary notation, however, decimal 53 equals binary 110101.”)
test is a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under §101. The machine-or-transformation test is not the sole test for deciding whether an invention is a patent-eligible ‘process.’” See Mayo (U.S. 03/20/2012) (unanimous) (even if claim did satisfy transformation prong, it is invalid under “law of nature” exclusion); cf. buySAFE (Fed. Cir. 09/03/14) (2-0) (aff’g Sec. 101 invalidity under Alice without mentioning machine or transformation test); Fuzzysharp (Fed. Cir. 11/04/11) (non-precedential) (agreeing that claims failed machine or transformation test but vacating ruling invalidating claims under Sec. 101 and remanding for further claim construction). Machine-or-transformation “test” “can provide a ‘useful clue’ in the second step of the Alice framework.” Ultramercial III (Fed. Cir. 11/14/14) (did not “tie the claims to a novel machine,” and “manipulations of ‘public or private legal obligations or relationships, business risks, or other such abstractions cannot meet the test because they are not physical objects or substances, and they are not representative of physical objects or substances.”). S. Ct. rejected Fed. Cir. reliance on “transforming the human body by administering a thiopurine drug” under the “particular transformation” clue: “[this] transformation[, however, is irrelevant. As we have pointed out, the ‘administering’ step simply helps to pick out the group of individuals who are likely interested in applying the law of nature.” Mayo (U.S. 03/20/2012).

- **Pre-Alice Fed. Cir. Divide On Meaning Of “Particular Machine”:** CLS Bank (Fed. Cir. 05/10/13) (en banc) (disagreement on meaning of this principle: Lourie, J. 5-judge concurring op.: not using “particular machine” rubric, but making similar point: “the system claims recite a handful of computer components in generic, functional terms that would encompass any device capable of

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- **Visual Depiction Of Data Representing Physical Articles:** Under a since-rejected standard, CCPA approved below-quoted claim 6 after interpreting “X-ray attenuation data” as requiring that “an X-ray beam is produced by a CAT scanner, passed through an object, and detected upon its exit. Only after these steps have been completed is the algorithm performed, and the resultant modified data displayed in the required format.” In re Abele, 684 F.2d 902 (CCPA 1982). The production, detection and display steps are part of a conventional CAT-scan process and thus are not merely “data gathering steps … dictated by the algorithm.” Id. Claim 5, in contrast, “presents no more than the calculation of a number and display of the result, albeit in a particular format.” Id. En banc Fed. Cir. approved this split result, but emphasized that a particular physical article was being depicted: “This data clearly represented physical and tangible objects, namely the structure of bones, organs, and other body tissues. Thus, the transformation of that raw data into a particular visual depiction of a physical object on a display was sufficient to render that more narrowly-claimed process patent-eligible. In re Bilski (Fed. Cir. 10/30/08) (en banc). “So long as the claimed process is limited to a practical application of a fundamental principle to transform specific data, and the claim is limited to a visual depiction that represents specific physical objects or substances, there is no danger that the scope of the claim would wholly pre-empt all uses of the principle.” Id.

Allowed claim 6 and rejected claim 5 in In re Abele:

5. A method of displaying data in a field comprising the steps of calculating the difference between the local value of the data at a data point in the field and the average value of the data in a region of the field which surrounds said point for each point in said field, and displaying the value of said difference as a signed gray scale at a point in a picture which corresponds to said data point.

6. The method of claim 5 wherein said data is X-ray attenuation data produced in a two dimensional field by a computed tomography scanner.

- **Other Tests Remain Rejected:** Fed. Cir.’s past tests (application of algorithm to physical elements or steps; producing useful, concrete and tangible results) (rejected by en banc court), not endorsed. Five Justices in Concurring Opinions criticize “useful, concrete and tangible results” test.
performing the same ubiquitous calculation, storage, and connectivity functions required by the
method claims.”); (Moore, J. 4-judge op.: stripping “particular” from “particular machine” prong:
“As the Supreme Court recognized in Bilski, whether a claim is tied to a machine is “an important
and useful tool” for assessing that it is directed to patent eligible subject matter.”), aff’d, Alice
Corp. (U.S. 06/19/14); Cyberfone (Fed. Cir. 02/26/14) (non-precedential) (“the ‘telephone’ recited
in claim 1 is not a specific machine” in part because could be any type of telephone).

k) non-method claims

• CRM Claims And System Claims Just As Easy To Invalidate Under Sec. 101 As
Corresponding Method Claim: Computer system and CRM claims “fail for substantially the same
reasons...because...add nothing of substance to the underlying abstract idea.” Alice Corp. (U.S.
06/19/2014) (also noting that patent owner had conceded that the CRM and method claims rose
or fell together.); Internet Patents (Fed. Cir. 06/23/15) (summarily aff’g invalidity of CRM and
system claims after analysis of method claims: “The statement that the method is performed by
computer does not satisfy the test of ‘inventive concept.’”)

• Patent Owner’s Burden To Show “Functional” Manufacture Or Apparatus Claim Not
Truly Drawn To Underlying Method: Even when claim literally is directed to an article of
manufacture or machine, court looks to “the underlying invention” for Sec. 101 purposes. Where
such a claim has a “broad” and “functionally-defined” nature, it is the patent owner’s “burden” to
demonstrate that the claim is truly drawn to a specific apparatus “distinct from other apparatus(es]
capable of performing the identical functions.” CyberSource (Fed. Cir. 08/16/11) (following In re
Abele, 684 F.2d 902 (CCPA 1982)23, invalidating CRM claim24 as being directed to same method as

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23  **Apparatus Claim in In re Abele:**

“7. Apparatus for displaying data values representative of values at data points in a two dimensional field
comprising:

- means for calculating the differences between the local values at each data point and the average value at data
points in a limited region of said field surrounding each said data point, and

- means for displaying the value of said differences as signed gray scale values at points in a picture which
 correspond to said data points.”

- **CCPA Always Sat En Banc:** Note, “[t]he CCPA’s later decisions control because that court always sat en
banc.” In re Gosteli, 872 F.2d 1008, 1011 (Fed. Cir. 1989). And, that CCPA precedent cannot be overruled by
a panel of the Fed. Cir.: “we deem it fitting, necessary, and proper to adopt an established body of law as
precedent. That body of law represented by the holdings of the Court of Claims and the Court of Customs and
Patent Appeals announced before the close of business on September 30, 1982 is... herewith adopted by this
court sitting in banc. ... . The present adoption does not affect the power of this court, sitting in banc, to
overrule an earlier holding with appropriate explication of the factors compelling removal of that holding as
precedent. If conflict appears among precedents, in any field of law, it may be resolved by the court in banc in
an appropriate case.” South Corp. (Fed. Cir. 10/28/82) (en banc).

24  **CRM Claim Directed To “Mental Process”:**

2. A computer readable medium containing program instructions for detecting fraud in a credit card transaction
between a consumer and a merchant over the Internet, wherein execution of the program instructions by one
or more processors of a computer system causes the one or more processors to carry out the steps of:

a) obtaining credit card information relating to the transactions from the consumer; and
b) verifying the credit card information based upon ...

wherein execution of the program instructions by one or more processors of a computer system causes that
one or more processors to carry out the further steps of;
invalidated method claim: “it is clear that the invention underlying both claims 2 and 3 is a method for detecting credit card fraud, not a manufacture for storing computer-readable information.”); cf. 
**Bancorp** (Fed. Cir. 07/26/12) (system and medium claims here equivalent to method claims; invalid under 101).

I) **when decided?**

- **Question Of Law Suitable For Summary Judgment, Or Decision On Pleadings, But May Contain Factual Issues:** Whether patent claims are “drawn to patent-eligible subject matter under § 101 is a threshold inquiry” and “an issue of law.” In re **Bilski** (Fed. Cir. 10/30/08) (en banc), aff’d, **Bilski v. Kappos** (U.S. 06/28/2010); see **Flook** (U.S. 06/22/1978) (“The obligation to determine what type of discovery is sought to be patented must precede the determination of whether that discovery is, in fact, new or obvious.”); **Return Mail** (Fed. Cir. 08/28/17) (“§ 101 subject matter eligibility is a ‘threshold test’ that typically precedes the novelty or obviousness inquiry.”) “There is no requirement that the district court engage in claim construction before deciding § 101 eligibility.” **Cyberfone** (Fed. Cir. 02/26/14) (non-precedential) (aff’g SJ of invalidity); **The Cleveland Clinic** (Fed. Cir. 06/16/17) (appropriate to grant motion to dismiss with no claim construction or discovery where patent owner proposed no claim construction or expert testimony that would change the analysis); **Genetic Tech.** (Fed. Cir. 04/08/16) (Dyk, J.) (aff’g mot. dismiss: “We have repeatedly recognized that in many cases it is possible and proper to determine patent eligibility under 35 U.S.C. § 101 on a Rule 12(b)(6) motion.”) The issue “may contain underlying factual issues.” **Accenture** (Fed. Cir. 09/05/13) (2-1). Expert declarations will not necessarily establish a disputed issue of fact. **Mortgage Grader** (Fed. Cir. 01/20/16) (no genuine issue of fact when defendant’s expert provided “non-material historical information” adding “little if anything to the … specification” and plaintiff’s expert declared that patents “require use of a computer”). See **Smartflash** (Fed. Cir. 03/01/17) (non-precedential) (trial court denied summary judgment of Sec. 101 invalidity, then jury verdict in favor of patent owner and trial court denied Sec. 101 JMOL; Fed. Cir. reversed, holding claims invalid under **Alice**); **FairWarning** (Fed. Cir. 10/11/16) (rejecting patent owner argument that trial court dismissal of complaint decided facts; “We have repeatedly recognized that in many cases it is possible and proper to determine patent eligibility under 35 U.S.C. § 101 on a Rule 12(b)(6) motion.”); **Affinity Labs (Amazon)** (Fed. Cir. 09/23/16) (“While Affinity criticizes the magistrate’s making factual findings on a motion for judgment on the pleadings, the practice of taking note of fundamental economic concepts and technological developments in this context is well supported by our precedents.”) But see **Trading Techs.** (Fed. Cir. 01/18/17) (non-precedential). (“This threshold level of eligibility is often usefully explored by way of the substantive statutory criteria of patentability, for an invention that is new, useful and unobvious is more readily distinguished from the generalized knowledge that characterizes ineligible subject matter.” “Applying an overview of this evolving jurisprudence, the public interest in innovative advance is best served when close questions of eligibility are considered along with the understanding flowing from review of the patentability criteria of novelty, unobviousness, and enablement, for when these classical criteria are evaluated, the issue of subject matter eligibility is placed in the context of the patent-based incentive to technologic progress.”)

- **Sec. 101 Invalidity Is Not A Last Resort:** Relying on Secs. 102, 103 and 112 in lieu of Sec. 101 “would make the ‘law of nature’ exception to §101 patentability a dead letter. The approach is

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[a] obtaining information about other transactions that have utilized an Internet address that is identified with the credit card transaction;
[b] constructing a map of credit card numbers based upon the other trans-actions; and
[c] utilizing the map of credit card numbers to determine if the credit card transaction is valid. **CyberSource** (Fed. Cir. 08/16/11).
therefore not consistent with prior law. The relevant cases rest their holdings upon section 101, not later sections.” Mayo (U.S. 03/20/2012) (unanimous).

5. **Utility (Sec. 101)**

- **BASICS:** Section 101 requires a “new and useful” process, etc. Claimed inventions must have “substantial utility” and “specific benefit exist[ing] in currently available form.” Brenner (U.S. 03/21/1966) (“But a patent is not a hunting license. It is not a reward for the search, but compensation for its successful conclusion.”) “Require[ ] a claimed invention to have a specific and substantial utility to satisfy § 101. … To satisfy the ‘substantial’ utility requirement, an asserted use must show that that claimed invention has a significant and presently available benefit to the public… An asserted use must also show that that claimed invention can be used to provide a well-defined and particular benefit to the public.” In re Fisher (Fed. Cir. 09/07/05) (aff’g rejection of claims for lack of utility). Cannot patent mere research proposal, idea with hypothetical uses, or mere object of scientific research. In re ’318 Patent (Fed. Cir. 09/25/09). Rarely, is this a successful defense in an infringement suit. See generally MPEP 2107.1.

6. **Regards As The Invention (Sec. 112(2/b))**

- **BASICS:** “The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the inventor or a joint inventor regards as the invention.” 35 U.S.C. § 112(2/b). “Where it would be apparent to one of skill in the art, based on the specification, that the invention set forth in a claim is not what the patentee regarded as his invention, we must hold that claim invalid under § 112, paragraph 2.” Allen (Fed. Cir. 08/01/02) (claim invalid where recites structure contrary to that described in Spec., even though mistake in claim was obvious); Juxtacomm-Texas (Fed. Cir. 09/30/13) (non-precedential) (aff’g invalidity based on trial court’s op., citing Allen). Applicant’s subjective intent is not measure of what application regarded as the invention; rather, it’s an objective reading of the application’s disclosure. Solomon (Fed. Cir. 06/30/00). This is not part of Sec. 120 effective-filing date requirement.

- **TIPS:**
  - REDACTED

7. **Particular And Distinct Claims (aka Indefiniteness) (Sec. 112(2/b)) - Other Than Sec. 112(6/f)**

- **BASICS:** “The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the inventor or a joint inventor regards as the invention.” 35 U.S.C. § 112(2/b). S. Ct. has rejected the Fed. Cir.’s “amenable to construction” and “insolubly ambiguous” test (which Fed. Cir. had adopted in 2001) as not even “probative of the essential inquiry,” mandating instead a “reasonable certainty” and “clear notice” standard: “We conclude that the Federal Circuit’s formulation, which tolerates some ambiguous claims but not others, does not satisfy the statute’s definiteness requirement. In place of the ‘insolubly ambiguous’ standard, we hold that a patent is invalid for indefiniteness if its claims, read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.” Nautilus (U.S. 06/02/2014) (9-0) (Klarquist’s S. Ct. argument 04/28/2014), on remand, Nautilus III (Fed. Cir. 04/27/15) (again rev’g SJ of indefiniteness); see Dow Chem. II (Fed. Cir. 08/28/15) (“there can be no serious question that Nautilus changed the law of indefiniteness. This was indeed the very purpose of the Nautilus decision.”) “To tolerate imprecision just short of that rendering a claim ‘insolubly ambiguous’ would diminish the definiteness requirement’s public-notice function and foster the innovation-discouraging ‘zone of uncertainty.’” Id. Presumption of validity does not alter degree of
clarity required by the statute. Id. See White (U.S. 11/15/1886) ("The claim is a statutory requirement, prescribed for the very purpose of making the patentee define precisely what his invention is ... "); Festo (U.S. 05/25/2002) ("clarity is essential to promote progress"). Not part of Sec. 120. Question of law. Cf. Nautilus (U.S. 06/02/2014) (expressly not deciding "whether factual findings subsidiary to the ultimate issue of definiteness trigger the clear-and-convincing evidence standard and, relatedly, whether deference is due to the PTO's resolution of disputed issues of fact.") See generally Cuozzo (U.S. 06/20/2016) (rejecting claims under "broadest reasonable construction" standard "helps ensure precision while avoiding overly broad claims, and thereby helps prevent a patent from tying up too much knowledge, while helping members of the public draw useful information from the disclosed invention and better understand the lawful limits of the claim."). Cf. King (U.S. 06/25/2015) ("the meaning of that [statutory] phrase ['established by the State'] may not be as clear as it appears when read out of context."); even though "Petitioners' arguments about the plain meaning of Section 36B are strong," "Section 36B can fairly be read consistent with what we see as Congress's plan, and that is the reading we adopt.").

- "Clarity and Precision," "Reasonable Certainty" And "Clear Notice" Required, But Not "Absolute Precision": "Cognizant of the competing concerns, we read §112, ¶ 2 to require that a patent's claims, viewed in light of the specification and prosecution history, inform those skilled in the art about the scope of the invention with reasonable certainty. The definiteness requirement, so understood, mandates clarity, while recognizing that absolute precision is unattainable. The standard we adopt accords with opinions of this Court stating that 'the certainty which the law requires in patents is not greater than is reasonable, having regard to their subject-matter.' Minerals Separation, Ltd. v. Hyde, 242 U.S. 261, 270 (1916). See also United Carbon, 317 U.S., at 236 ('claims must be reasonably clear-cut'); Markman, 517 U.S., at 389 (claim construction calls for ‘the necessarily sophisticated analysis of the whole document,’ and may turn on evaluations of expert testimony.)." Nautilus (U.S. 06/02/2014) (referring to “the statute’s clarity and precision demand"). Permits ‘some modicum of uncertainty.’ Id. "A patent must be precise enough to afford clear notice of what is claimed, thereby “appris[ing] the public of what is still open to them,” in a manner that avoids “[a] zone of uncertainty which enterprise and experimentation may enter only at the risk of infringement claims.” Id. (citations omitted); see Liberty Ammunition (Fed. Cir. 08/26/16) (Spec. saves term of degree from indefiniteness: “Terms of degree are problematic if their baseline is unclear to those of ordinary skill in the art. We especially take caution when presented with terms of degree following the Supreme Court’s decision in Nautilus."); Dow Chem. II (Fed. Cir. 08/28/15) ("Nautilus emphasizes the definiteness requirement’s public-notice function."); Fon (Fed. Cir. 05/06/15) (Nautilus ‘warned against ‘diminish[ing] the definiteness requirement’s public-notice function and foster[ing] the innovation-discouraging zone of uncertainty against which this Court has warned.’); cf. Akamai Tech. III (Fed. Cir. 05/13/15) (2-1) ("the patentee specifically defines the boundaries of his or her exclusive rights in the claims appended to the patent and provides notice thereby to the public so that it can avoid infringement."); vacated Akamai Tech. IV (Fed. Cir. 08/13/15) (en banc).

- Nautilus Rejects Claim-Construction-First, Post Hoc Approach: Measured from viewpoint of person of skill in the art at the time the patent was filed: “It cannot be sufficient that a court can ascribe some meaning to a patent’s claims; the definiteness inquiry trains on the understanding of a skilled artisan at the time of the patent application, not that of a court viewing matters post hoc.” Nautilus (U.S. 06/02/2014); but see Nautilus III (Fed. Cir. 04/27/15) (on remand) (engaging in claim construction based in part on reexamination and not addressing conflicting clues in original intrinsic evidence). This rejects Fed. Cir.’s hindsight, crystal-ball approach of first construing the claim and then asking if claim so-construed provided sufficient notice. But this distinction between claim construction and “indefiniteness” was not mentioned in Teva Pharm. II (U.S. 01/20/2015) (7-2) (overturning Fed. Cir.’s long-standing purely “de novo” review of claim constructions; in context of argument that claim language “molecular weight of 5 to 9 kilodaltons,” is indefinite.); on remand Teva Pharm. III (Fed. Cir. 06/18/15) (2-1) (basing indefiniteness holding in part on
later prosecutions of two continuations in which Examiners said claim term indefinite, and applicant responded by defining the term in two different ways in the two prosecutions; rejecting argument that post-issuance prosecution cannot invalidate a patent: “A statement made during prosecution of related patents may be properly considered in construing a term common to those patents, regardless of whether the statement pre- or post-dates the issuance of the particular patent at issue.”

- **Disconnect With Disclosure May Support Indefiniteness:** MPEP 2173.03 re inconsistencies in Spec. rendering claims indefinite; e.g. Spec. says “may” where purpose requires “must”; Purechoice (Fed. Cir. 06/02/09) (non-precedential) (claim terms not used or explained in Spec. and appear inconsistent with embodiments in Spec.)

- **Lack Of Antecedent Basis Not Necessarily Invalidating:** Energizer Holdings (Fed. Cir. 01/25/06) (claim not indefinite just because claim term lacks antecedent basis).

- **“Standard” Measured In Context Of Specific Embodiment Of Claimed Invention:** Claim construed to require “standard” goods and services not invalid for indefiniteness: “Of course a person wishing to practice the invention will not know the exact terms of the ‘good or service’ until the specific market or network is chosen. Upon that choice, however, the ‘good or service’ comes into clear focus.” Source Search (Fed. Cir. 12/07/09).

- **Won’t Change Construction To Avoid Indefiniteness:** “we do not redraft claims to contradict their plain language in order to avoid a nonsensical result.” Haemonetics (Fed. Cir. 06/02/10); Source Vagabond (Fed. Cir. 06/05/14) (aff’g R. 11 sanctions ivp patent owner’s frivolous claim construction position, even if correct construction renders claim nonsensical.)

- **Level Of Skill In The Art Relevant:** “the level of ordinary skill in the art plays an important role in an indefiniteness analysis.” Tinnus Enter. (Fed. Cir. 01/24/17) (aff’g preliminary injunction; claim reciting filling balloon until “substantially filled” with water; “plain error” review of indefiniteness because challenger did not object to Magistrate Judge’s recommendation of no indefiniteness; “We find it difficult to believe that a person with an associate’s degree in a science or engineering discipline who had read the specification and relevant prosecution history would be unable to determine with reasonable certainty when a water balloon is “substantially filled.”)

- **Some Parallels With “Void For Vagueness” Due Process Principle:** Although statutory particular-and-distinct claiming mandate may be stricter, the void-for-vagueness principle has some parallel considerations. “A fundamental principle in our legal system is that laws which regulate persons or entities must give fair notice of conduct that is forbidden or required. See Connally v. General Constr. Co., 269 U.S. 385, 391, 46 S. Ct. 126, 70 L.Ed. 322 (1926) (“[A] statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application, violates the first essential of due process of law”); Papachristou v. Jacksonville, 405 U.S. 156, 162, 92 S. Ct. 839, 31 L.Ed.2d 110 (1972) (“Living under a rule of law entails various suppositions, one of which is that `[all persons] are entitled to be informed as to what the State commands or forbids’” (quoting Lanzetta v. New Jersey, 306 U.S. 451, 453, 59 S. Ct. 618, 83 L.Ed. 888 (1939) (alteration in original))). This requirement of clarity in regulation is essential to the protections provided by the Due Process Clause of the Fifth Amendment. See United States v. Williams, 553 U.S. 285, 304, 128 S. Ct. 1830, 170 L.Ed.2d 650 (2008). It requires the invalidation of laws that are impermissively vague. A conviction or punishment fails to comply with due process if the statute or regulation under which it is obtained “fails to provide a person of ordinary intelligence fair notice of what is prohibited, or is so standardless that it authorizes or encourages seriously discriminatory enforcement.” Ibid. As this Court has explained, a regulation is not vague because it may at times be difficult to prove an incriminating fact but rather because it is unclear as to what fact must be proved. See id., at 306, 128 S. Ct. 1830. Even when speech is not at issue, the void for vagueness doctrine addresses at least two connected but discrete due
process concerns: first, that regulated parties should know what is required of them so they may act accordingly; second, precision and guidance are necessary so that those enforcing the law do not act in an arbitrary or discriminatory way. See Grayned v. City of Rockford, 408 U.S. 104, 108-109, 92 S. Ct. 2294, 33 L.Ed.2d 222 (1972). When speech is involved, rigorous adherence to those requirements is necessary to ensure that ambiguity does not chill protected speech.” FCC v. Fox (U.S. 06/21/2012).

- **Some Parallels To Statutory Construction:** In interpreting Patent Act, S. Ct. has considered ability of market participants to determine how to avoid liability: “How are courts—or, for that matter, market participants attempting to avoid liability—to determine the relative importance of the components of an invention?” Life Tech. (Promega) (U.S. 02/22/2017) (7-0) (rejecting a proposed “qualitative” interpretation of “substantial portion of the components of a patented invention” in Sec. 271(f)(1).)

- **Now-Overruled “Amenable to Construction” Or “Insolubly Ambiguous” Test:** “If a claim is amenable to construction, even though the task may be formidable and the conclusion may be one over which reasonable persons will disagree, the claim is not indefinite.” Aero (Fed. Cir. 10/02/06) (internal quotations omitted); IGT v. Bally Gaming (Fed. Cir. 10/06/11); Teva Pharm I (Fed. Cir. 07/26/13) (ambiguity insoluble because prosecution history statements in different patents in family self-contradictory), vacated on other grounds, Teva Pharm. II (U.S. 01/20/2015) (7-2). A construed claim may be indefinite, Nautilus (Fed. Cir. 04/26/13) (rev’g SJ of invalidity), vacated on other grounds (U.S. 06/02/2014). Intrinsic evidence may describe experimentation necessary to determine claim scope. Nautilus (Fed. Cir. 04/26/13) (electrodes in “spaced relationship” sufficiently particular, in view of intrinsic evidence in reexamination describing testing to determine if an electrodes configuration achieves its claim-recited function), vacated (U.S. 06/02/2014).

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a) **post- Nautilus decisions**

- **Courts Have Found Claim Indefinite Under Nautilus After Finding Same Claim Definite**
  - Pre-Nautilus: Dow Chem. Co. v. Nova Chem. Corp. (Canada), 803 F.3d 620, 623 (Fed. Cir. 2015);

- **Finding “Indefiniteness” Post Nautilus:** In re Walter (Fed. Cir. 08/21/17) (non-precedential) (aff’g PTAB rejection of amended claims in ex parte Reexam; term “block-like” support indefinite term of degree with no objective boundaries in intrinsic evidence); Trusted Knight (Fed. Cir. 03/07/17) (non-precedential) (aff’g indefiniteness of two claim phrases; italicized lang. in “a process of ... in response to the software key logging through the API stack to an internet communication” indefinite “because it is unclear what in response to the software key logging’ requires,” and it “does not appris[e] the public of what is still open to them.”); Unwired Planet (Fed. Cir. 11/21/16) (non-precedential) (parties agreed claim indefinite if preamble (“an image having dimensions much larger than the dimension of the screen”) has patentable weight, which it does); GE Lighting (Fed. Cir. 10/27/16) (non-precedential) (aff’g term “elongated” in “a thermally conductive elongated core having a first end in thermal communication with the conductive spreader”), construed to mean “extending in length,” indefinite; no “objective boundaries” for this term of degree; where applicant in prosecution distinguished some prior art as not “elongated,” and provides no dimensions in the Spec. [but reversing another indefiniteness ruling]); Icon Health (Fed. Cir. 08/08/16) (non-precedential) (aff’g judgment of indefiniteness of three claim terms (“in-band,” “out-of-band,” and “relationship”) based in part on expert citing multiple prior art references showing that “those skilled in the art understand that the terms ‘in-
band’ and ‘out-of-band’ are relative terms, and only have meaning in a given context with a defined reference’); Dow Chem. II (Fed. Cir. 08/28/15) (on appeal of $30.9 Million supplemental damages award, holding claims indefinite under Nautilus—despite having held them definite on earlier appeal in same case (awarding $61.7 Million for earlier time period)—because intrinsic evidence provided no guidance as to which of four possible ways of measuring slope of a curve (with possibly different results) governs the claim’s slope limitation (“a slope of strain hardening coefficient greater than or equal to 1.3”), despite expert testimony that skilled artisan could determine a technique to use), en banc denied (Fed. Cir. 12/17/15) (concurring opinions of 7 Judges) (infringer has burden of proving indefiniteness with clear and convincing evidence and findings of fact are entitled to deference; and knowledge of someone skilled in the art may be pertinent to indefiniteness); Teva Pharm. III (Fed. Cir. 06/18/15) (2-1) (remand from S. Ct.) (again rev’g trial court and again holding claims invalid for “indefiniteness” based on claim term “molecular weight of about 5 to 9 kilodaltons,” despite accepting trial court fact findings, where “molecular weight” can be measured in three different ways to get different results, Spec. does not define which measurement applies); Interval (Fed. Cir. 09/10/14) (aff’g indefiniteness of display “in an unobtrusive manner that does not distract a user” as “highly subjective” and with only a “hazy relationship” with the written description; claims must provide “objective boundaries”); accord Dow Chem. I (Fed. Cir. 08/28/15) (quoting Interval with approval: “Thus, contrary to our earlier approach, under Nautilus, [t]he claims, when read in light of the specification and the prosecution history, must provide objective boundaries for those of skill in the art.”) See also Koninklijke Philips (Fed. Cir. 07/28/16) (non-precedential) (vacating finding of no indefiniteness where jury instructed under “insolubly ambiguous” standard: “While we have not clarified the relationship between ‘insolubly ambiguous’ and ‘reasonably certain,’ it must be admitted that the ‘insolubly ambiguous’ standard is a harder threshold to meet than the post-Nautilus standard.”)

- Rejecting “Indefiniteness” Post Nautilus. One-E-Way (Fed. Cir. 06/12/17) (2-1) (rev’g ITC indefiniteness decision; “virtually free from interference” not indefinite); Mentor Graphics (Fed. Cir. 03/16/17) (rev’g holding of indefiniteness: based on Spec.’s examples and explanation of function, “a skilled artisan would understand ‘near’ requires the HDL code and its corresponding circuit analysis to be displayed in a manner that physically associates the two,” in claim step “displaying said characteristics associated with those said final circuit’s nets and parts that correspond directly with said initial circuit’s nets and parts near said portions of said synthesis source text file that created said corresponding initial circuit parts and nets.”); Tinnus Enter. (Fed. Cir. 01/24/17) (aff’g preliminary injunction; claim reciting filling balloon until “substantially filled” with water; “plain error” review of indefiniteness because challenger did not object to Magistrate Judge’s recommendation of no indefiniteness; claims teach that balloons are “substantially filled” if they detach after shaking); Eli Lilly (Fed. Cir. 01/12/17) (aff’g “vitamin B12” not indefinite: even though used in two ways in Spec.; trial court finding that term has clear meaning in claims’ context when prescribed in medical field, not clear error); Sonix Tech. (Fed. Cir. 01/05/17) (rev’g sum. jud. of indefiniteness of “visually negligible” [in “the image includes a graphical indicator that is visually negligible and is affixed on the surface of the object”]: although may be a term of degree, “visually negligible” involves what can be seen by the normal human eye which “provides an objective baseline through which to interpret the claims,” not purely subjective opinion. Spec. describes criteria to consider, gives two specific numerically defined examples, and describes preferred techniques for achieving desired result. No one in two reexaminations had difficulty with the term. The challenger’s invalidity contentions identified 28 terms as indefinite but not “visually negligible,” and it asked court to give term its “ordinary meaning.” “The examiner’s knowing allowance of claims based on the term ..., plus the acceptance of the term by both parties’ experts, force us to the conclusion that the term ‘visually negligible’ is not indefinite.”); GE Lighting (Fed. Cir. 10/27/16) (non-precedential) (rev’g finding that “to heat sink” is indefinite; it means any transfer of heat); Cox Cmmns. (Fed. Cir. 09/23/16) (rev’g S) of indefiniteness: Nautilus addresses certainty in scope of the claims, not individual claim terms, and here “the sole source of indefiniteness that Cox
complains of, ‘processing system,’ plays no discernable role in defining the scope of the [method]
claims”); Simpleair (Fed. Cir. 04/01/16) (first rev’g trial court’s construction of term and then,
briefly, finding it definite); Akzo (Fed. Cir. 01/29/16) (aff’g determination at Markman of no
indefiniteness, no “clear error” in fact finding based on expert declaration that POSA would know
to measure viscosity at room temperature; and Spec. made clear another alleged lack of clarity in
the claim.) Ethicon (Fed. Cir. 08/07/15) (rev’g Sj of indefiniteness; claims, Spec. and unrefuted
expert testimony clearly showed how POSA would measure claim-recited pressures, and
distinguishing Honeywell; Nautilus III (Fed. Cir. 04/27/15)) (on remand) (copying and pasting
much of its original panel opinion rev’g Sj of indefiniteness, and perhaps ridiculing the S. Ct.’s
“reasonable certainty” standard: “The Court has accordingly modified the standard by which lower
courts examine allegedly ambiguous claims; we may now steer by the bright star of ‘reasonable
certainty,’ rather than the unreliable compass of ‘insoluble ambiguity.’”); Apple (Fed. Cir. 05/18/15)
(“substantially centered” on the display” sufficiently precise in view of patent owner’s expert
testimony and embodiment in Spec.); Eidos Display (Fed. Cir. 03/10/15) (rev’g Sj of indefiniteness:
Spec. makes clear that “a contact hole for source wiring and gate wiring connection terminals”
means a separate hole for each terminal); Warsaw I (Fed. Cir. 03/02/15) (claim recited implant
dimensions relative to size of vertebrae; not indefinite as parties stipulated average dimensions of
vertebrae well known); Lexington (Fed. Cir. 02/09/15) (non-precedential) (rev’g R. 12(c) judgment
of indefiniteness of open-ended Markush limitation (“said substrate is selected from the group
comprising group III-V, group IV, …”): “intrinsic record is reasonably definite in indicating what the
claim covers because the specification lays out a considerable list of exemplary substrates” and
thus “the reasonably ascertainable meaning of the contested claim language is that the substrate
must contain one or more of the enumerated members of the claimed group”); DDR Holdings (Fed.
Cir. 12/05/14) (aff’g rejection of indefiniteness defense: “‘look and feel’ is not a facially subjective
term” but rather “had an established meaning in the art by the relevant timeframe” as shown by
challenger’s use of the term and admissions at trial). Cf. Ancora (Fed. Cir. 03/03/14) (aff’g rejection
of indefiniteness defense; citing Nautilus cert. pending; “the claim language and the prosecution
history leave no reasonable uncertainty about the boundaries of the terms at issue, even
considering certain aspects of the specification [referring to a hard disk as an example of “volatile
memory”] that could engender confusion when read in isolation.”); accord Cioffi (Fed. Cir.
11/17/15) (non-precedential) (rev’g construction that “critical file” include “critical user file” which
parties agreed would render term indefinite: “if there is a well-understood meaning for a term in
the art, we do not allow a few inconsistent references in the specification to change this meaning.
This is because, if the terms at issue have “so clear an ordinary meaning[,] a skilled artisan would
not be looking for clarification in the specification.”)

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b) **ambiguous claims**

  • **Ambiguous Claims Prohibited:** Nautilus (U.S. 06/02/2014) indirectly but plainly prohibits
ambiguous claims: “the Federal Circuit’s formulation, which tolerates some ambiguous claims but
not others, does not satisfy the statute’s definiteness requirement;” “eliminating that temptation
[to inject ambiguity into claims] is in order.” Nautilus (U.S. 06/02/2014). Cf. Markman (Fed. Cir.
04/05/95) (en banc) (“This statutory language has as its purpose the avoidance of the kind of
ambiguity that allows introduction of extrinsic evidence in the contract law analogy.”) Cf. Teva
Pharm. III (Fed. Cir. 06/18/15) (2-1) (remand from S. Ct.) (facts found by trial court “do not resolve
the ambiguity in the Group I claim about the intended molecular weight measure”); Media Rights
(Fed. Cir. 09/04/15) (aff’g indefiniteness judgment on the pleadings (based on term triggering Sec.
112(6/f)): “Notably, a claim is indefinite if its language ‘might mean several different things and no
informed and confident choice is available among the contending definitions.’”); Interval (Fed. Cir.
09/10/14) (claims are indefinite when “might mean several different things” and “no informed
and confident choice is available among the contending definitions’” (quoting Nautilus (U.S. 06/02/2014) quoting a trial court decision.); In re Packard (Fed. Cir. 05/06/14) (“As the statutory language of ‘particular[ity]’ and ‘distinct[ness]’ indicates, claims are required to be cast in clear— as opposed to ambiguous, vague, indefinite—terms;” but “this requirement is not a demand for unreasonable precision.”) Cf. King (U.S. 06/25/2015) (“The upshot of all this is that the phrase ‘an Exchange established by the State under [42 U. S. C. §18031]’ is properly viewed as ambiguous. The phrase may be limited in its reach to State Exchanges. But it is also possible that the phrase refers to all Exchanges—both State and Federal—at least for purposes of the tax credits.”) Then rejecting one of the permissible interpretations as inconsistent with purpose of the statute.)

Fed. Cir. Earlier Endorsed Stricter Standard in USPTO: In re Packard (Fed. Cir. 05/06/14) (“when the USPTO has initially issued a well-grounded rejection that identifies ways in which language in a claim is ambiguous, vague, incoherent, opaque, or otherwise unclear in describing and defining the claimed invention, and thereafter the applicant fails to provide a satisfactory response, the USPTO can properly reject the claim as failing to meet the statutory requirements of § 112(b).”)

USPTO Decisions And Position: In re McAward (PTAB 08/25/17) (precedential) (in ex parte prosecution, “claims are required to be cast in clear-as opposed to ambiguous, vague, indefinite-terms.” “the Office’s approach effectively results in a lower threshold for ambiguity than a court’s.” “The Board's precedential decision in Miyazaki, which remains Board precedent, provides an example in which the Board affirmed an indefiniteness rejection of a claim containing words or phrases whose meanings were unclear, i.e., the approach approved in Packard. The instant decision reaffirms, after the Supreme Court's decision in [Nautilus], the USPTO's long-standing approach to indefiniteness and the reasons for this approach.”); In re Miyazaki (BPAI 11/19/08) (precedential) (“we hold that if a claim is amenable to two or more plausible claim constructions, the USPTO is justified in” rejecting the claim as indefinite.); Tinnus Enterprises (Fed. Cir. No. 17-1726 Doc. 39) (08/29/17) (USPTO brief arguing that Nautilus permits some ambiguity but In re Packard standard does not: “Thus, for example, a claim that is reasonably amenable to two different constructions would be rejected as indefinite during prosecution under the Packard approach even if a skilled artisan could be reasonably certain which of the constructions was intended. Ideally, the relevant public should be able to read a patent claim and know what they are excluded from without having to resolve any ambiguity.”).

Treatment Of Ambiguity In Statutes And Contracts: Possibly analogize to ambiguity under “step one” of Chevron (U.S. 06/25/1984) (“if the statute is silent or ambiguous with respect to the specific issue, the question for the court is whether the agency's answer is based on a permissible construction of the statute.”), or ambiguity of a contract sufficient to bring in extrinsic evidence, Personalized Media (Fed. Cir. 12/22/15) (non-precedential) (under Delaware law, “a contract is ambiguous if it is subject to two different reasonable interpretations.”) Cf. Life Tech. (Promega) (U.S. 02/22/2017) (7-0) (resolving ambiguity in Sec. 271(f)(1) to determine how word “substantial” “is most reasonably read”: “The Patent Act itself does not define the term ‘substantial,’” and so we turn to its ordinary meaning. Here we find little help. All agree the term is ambiguous and, taken in isolation, might refer to an important portion or to a large portion.”)

c) unclear how to test for compliance

Test For Compliance Unspecified In Patent: Where patent fails to specify which of available alternative tests to use for measuring compliance with a claim limitation, and different tests can have different results, the claims are indefinite. Honeywell (Fed. Cir. 08/26/03); Teva Pharm. III (Fed. Cir. 06/18/15) (2-1) (remand from S. Ct.) (again revg trial court and again holding claims invalid for “indefiniteness” based on claim term “molecular weight of about 5 to 9 kilodaltons,” despite accepting trial court fact findings, where “molecular weight” can be measured in three
different ways to get different results, Spec. does not define which measurement applies.; Dow Chem. II (Fed. Cir. 08/28/15) (claims previously held definite now held indefinite iv Nautilus “altering the standard for indefiniteness,” so reversing award of $30.9 Million supplemental damages) (overturning in part Dow Chem. I (Fed. Cir. 01/24/12) (non-precedential) (“slope of strain hardening coefficient” not indefinite, even though was not a term of art and drawing promised by Spec. to help illustrate where to measure this slope, was missing from the patent app., aff’g $61.7 Million damages award)); Amgen (Fed. Cir. 01/06/03) (where claim required a difference but “patent failed to identify a single standard by which the ‘difference’ could be measured,” and different standards would produce different results, claim is indefinite because “such ambiguity in claim scope is at the heart of the definiteness requirement.”). But see Wellman (Fed. Cir. 04/29/11) (distinguishing Honeywell and rev’g SJ of indefiniteness).

d) requiring forward-looking assessments of likely future results

- No Reasonable Certainty Where Infringement Turns On Future Results: Claim recited “wherein the batches have a maximum impurity level of Asp9-bivalirudin that does not exceed about 0.6%,” a level of impurity prior art compounds often but not consistently satisfied. Patent owner proposed construction: “the batches limitation is satisfied whenever an accused infringer consistently produces batches having Asp9 levels below 0.6 percent, and that the claims do not require the use of a particular process that achieves batch consistency.” Rejected as “unworkable,” because for ongoing commercial process, “this approach cannot provide ‘reasonable certainty’ regarding the scope of the asserted claims.” (citing Nautilus). “Proof of infringement would necessitate forward-looking assessments of whether an accused infringer’s production of future or ‘potential’ batches would be likely to generate Asp9 levels greater than ‘about 0.6%.’ To illustrate, if a defendant using the same compounding process produced fifty batches each having an Asp9 level below 0.6 percent, each of those fifty batches would infringe. But the defendant would not know whether any of the batches infringed until all fifty batches had been produced because if even one of those batches was determined to have an Asp9 level higher than 0.6 percent, none of the batches would infringe.” The Medicines Co. III (Fed. Cir. 04/06/17) (rev’g trial court’s infringement ruling).

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e) terms of degree

- Terms Of Degree Subject To An “Exacting ‘Objective Boundaries’ Standard: “Terms of degree are not ‘inherently indefinite’ in light of [Nautilus], [but] we have recognized that claims having terms of degree will fail for indefiniteness unless they ‘provide objective boundaries for those of skill in the art’ when read in light of the specification and the prosecution history,” citing “the exacting ‘objective boundaries’ standard from Interval.” Liberty Ammunition (Fed. Cir. 08/26/16) (claim term “reduced area of contact” would have been indefinite under trial court’s (erroneous) construction (“the area of contact between the interface and the rifling of the firearm is less than that of a traditional jacketed lead bullet of calibers .17 through .50 BMG”) because “a multitude of candidates for the conventional baseline projectile would remain for each caliber within that range”); In re Walter (Fed. Cir. 08/21/17) (non-precedential) (“block-like” “is a term of degree without any accompanying guidance in the intrinsic record for determining its scope. The term ostensibly covers a range of shapes that are sufficiently ‘like’ a ‘block’ and excludes those that are not. But nothing in the intrinsic record offers ‘objective boundaries’ for ascertaining whether a given shape falls into either category.”); One-E-Way (Fed. Cir. 06/12/17) (2-1) (rev’g ITC indefiniteness decision; despite no express definition in Spec. and no extrinsic evidence of ordinary meaning, “virtually free from interference” means “prevents one user from eavesdropping on another,” in
view of Spec. emphasizing need for private listening free from interference and in view of
prosecution history of parent patent, and is not indefinite in “a module adapted to reproduce said
generated audio output, said audio having been wirelessly transmitted from said portable audio
source virtually free from interference from device transmitted signals operating in the portable
wireless digital audio system spectrum.” “For the purposes of definiteness, the term is not required
to have a technical measure of the amount of interference.”); cf. One-E-Way (Fed. Cir. 06/12/17)
(Prost, C.J., dissenting) (“The majority runs afoul of the Supreme Court’s warning against ‘viewing
matters post hoc’ to ‘ascribe some meaning to a patent’s claims.’”); 3Form (Fed. Cir. 02/02/17)
(non-precedential) (claim term not indefinite when construed as “[t]he appearance of an object in
a relatively uncompressed or natural state, even if not perfectly natural or uncompressed”); Sonix
Tech. (Fed. Cir. 01/05/17) (rev’g sum. jud. of indefiniteness of “visually negligible” [in “the image
includes a graphical indicator that is visually negligible and is affixed on the surface of the object”];
although may be a term of degree, “visually negligible” involves what can be seen by the normal
human eye which “provides an objective baseline through which to interpret the claims,” not purely
subjective opinion.); GE Lighting (Fed. Cir. 10/27/16) (non-precedential) (aff’g term “elongated”
in “a thermally conductive elongated core having a first end in thermal communication with the
conductive spreader”), construed to mean “extending in length,” indefinite; no “objective
boundaries” for this term of degree; where applicant in prosecution distinguished some prior art
as not “elongated,” and provides no dimensions in the Spec.; for claims with term of degree “to be
definite, the patent must provide that additional information in the form of ‘objective boundaries.’”);
Icon Health (Fed. Cir. 08/08/16) (non-precedential) (aff’g judgment of indefiniteness of three claim
terms (“in-band,” “out-of-band,” and “relationship”) based in part on expert citing multiple prior
art references showing that “those skilled in the art understand that the terms ‘in-band’ and ‘out-
of-band’ are relative terms, and only have meaning in a given context with a defined reference”);
Interval (Fed. Cir. 09/10/14) (aff’g indefiniteness of display “in an unobtrusive manner that does
not distract a user” as “highly subjective” and with only a “hazy relationship” with the written
description; claims must provide “objective boundaries”).

• Word Of Degree Sufficiently Definite Where Positive And Negative Examples Were
  Given: [pre-Nautilus] Word of degree “readily” in “said wax guard being readily installed and
  replaced by a user,” not indefinite where patent gave example of design that satisfied this claim
  requirement and an example that did not. Hearing Components (Fed. Cir. 04/01/10); Deere & Co.
  (Fed. Cir. 12/04/12) (neither “substantially planar” nor “easily wash off” renders claims indefinite,
in view of clarifying language in Spec. and prosecution history); Accentra (Fed. Cir. 01/04/13) (non-
precedential) (rev’g SJ of invalidity; no words of degree may be sufficiently clear, as in Eibel
Process, here refusing to “post hoc” adopt a single “e.g.,” example as the “exclusive definition of
a facially subjective claim term”).

f) functional (and result) claims

• Functional Language Not Per Se Objectionable, But Purely Functional Language Or
  Point-Of-Novelty Functional Language Prohibited: The word “functional” generally refers to
recitations of what something does rather than what it is. But, the word “functional” alone is
imprecise as sometimes facially functional language imparts definite structure by operation of law
(e.g., Sec. 112(6/f)) or by its accepted meaning in the art (e.g., “screwdriver”). Therefore,
“functional” language is not per se objectionable. But, what is objectionable is any “functional”
claim language that does not comply with Sec. 112(6/f) (see below) that is either purely functional
(i.e., recites a “result” of overall device/method not a structure-imparting “function” of an element
and not a “way” of achieving the result), or is functional at the purported point of novelty. In part,
such language is objectionable because it fails to “particularly point out and distinctly claim” a
method, machine, etc. This is an area where the Fed. Cir. (pre-Williamson) sometimes deviated from the S. Ct., but USPTO follows S. Ct.

S. Ct.: “The vice of a functional claim exists not only when a claim is ‘wholly’ functional, if that is ever true, but also when the inventor is painstaking when he recites what has already been seen, and then uses conveniently functional language at the exact point of novelty. A limited use of terms of effect or result, which accurately define the essential qualities of a product to one skilled in the art, may in some instances be permissible and even desirable, but a characteristic essential to novelty may not be distinguished from the old art solely by its tendency to remedy the problems in the art met by the patent.” Gen. Elec. (U.S. 05/16/1938) (claim recited “that the grains must be of such size and contour as to prevent substantial sagging and offsetting” during a commercially useful life for the lamp.); United Carbon (U.S. 12/07/1942) (rejecting claims describing product by its function/result, including one reciting “a pellet of approximately one-sixteenth of an inch in diameter and formed of a porous mass of substantially pure carbon black” (cited with approval in Markman (U.S. 04/23/1996)); Halliburton Oil (U.S. 11/18/1946) (element: “‘means associated with said pressure responsive device for tuning said receiving means to the frequency of echoes from the tubing collars of said tubing section to clearly distinguish the echoes of said couplings from each other,’” “The language of the claim . . . describes this most crucial element in the “new” combination in terms of what it will do rather than in terms of its own physical characteristics or its arrangement in the new combination apparatus. We have held that a claim with such a description of a product is invalid.”; “[U]nless frightened from the course of experimentation by broad functional claims like these, inventive genius may evolve many more devices to accomplish the same purpose.”) Cf. White (U.S. 11/15/1886) (“the object of an invention is a very different thing from the invention itself. The object may be accomplished in many ways; the invention shows one way.”)

USPTO: A claim may not contain a “purely functional claim element” with no limitation of structure, whether or not at the point of novelty, unless it triggers Sec. 112, ¶ 6. In re Miyazaki (BPAI 11/19/08) (precedential) (“the claimed ‘sheet feeding area operable to feed …’ is a purely functional recitation with no limitation of structure” and thus unpatentable for lack of definiteness and lack of enablement); cf. In re Catlin (BPAI 02/03/09) (precedential) (if step “providing, at a merchant’s web site, means for a consumer to participate in an earning activity to earn value from a merchant” did not invoke Sec. 112(6/f), then “the step simply recites purely functional language and would impermissibly cover every conceivable act for achieving the claimed result, and the scope of the claimed step would not be enabled.”)

Fed. Cir.: Congress “struck a balance in allowing patentees to express a claim limitation by reciting a function to be performed rather than by reciting structure for performing that function, while placing specific constraints on how such a limitation is to be construed, namely, by restricting the scope of coverage to only the structure, materials, or acts described in the specification as corresponding to the claimed function and equivalents thereof.” Williamson (Fed. Cir. 06/16/15) (en banc portion); Williamson (Fed. Cir. 06/16/15) (Reyna, J. concurrence) (Halliburton Oil’s arguable rejection of functional claiming generally “merits attention.”); Amdocs II (Openet) (Fed. Cir. 11/01/16) (2-1) (discussing Sec. 101: “the Supreme Court [in Halliburton Oil] outlawed such broad ‘ends’ or function claiming as inconsistent with the purposes of the Patent Statute. Congress, however, a few years later softened the rule.”); Ergo Licensing (Fed. Cir. 03/26/12) (explaining sec. 112(6/f): “Failure to specify the corresponding structure in the specification amounts to impermissible pure functional claiming.”; “Requiring disclosure of an algorithm properly defines the scope of the claim and prevents pure
functional claiming.”); Greenberg (Fed. Cir. 08/08/96) (“Congress permitted the use of purely functional language in claims, but it limited the breadth of such claim language by restricting its scope to the structure disclosed in the specification and equivalents thereof.”)

But see Nautilus (Fed. Cir. 04/26/13) (distinguishing Halliburton Oil: “the claimed apparatus has inherent parameters where the ‘spaced relationship’ cannot be larger than the width of a user's hand. Additionally, it has been shown that skilled artisans can readily ascertain the bounds of the ‘spaced relationship’ through tests using standard equipment.”), vacated on other grounds (U.S. 06/02/2014), on remand, Nautilus III (Fed. Cir. 04/27/15) (on remand) (a claim term may be defined in purely functional terms). Patent owner proposing construction of claim term at point of novelty (here, “fragile gel”) as covering, in effect, any and all means so long as they perform the recited functions, increases chance of indefiniteness ruling. Halliburton Energy (Fed. Cir. 01/25/08) (method of using a ‘fragile gel’ drilling fluid); but see The Medicines Co. III (Fed. Cir. 04/06/17) (Dyk, J.) (restricting results claim language to a particular disclosed process to achieve the result: “Although functional limitations in patent claims are not per se objectionable even when the means-plus-function format is not invoked, they cannot be ‘so broad that [they] cause[] the claim to have a potential scope of protection beyond that which is justified by the specification disclosure.’”); Cox Cmns. (Fed. Cir. 09/23/16) (rev’d S.J.) of indefiniteness based on term “processing system” in method claims: “claims are not per se indefinite merely because they contain functional language;” “here, functional language promotes definiteness because it helps bound the scope of the claims by specifying the operations that the “processing system” must undertake. All of the asserted claims are method claims, so it makes sense to define the inventive method as a series of functions.”); Star Sci. (Fed. Cir. 08/26/11) (claim not indefinite; construed as “controlling one or more of humidity, temperature and airflow in the curing barn, in a manner different from conventional curing, in order to substantially prevent the formation of TSNA’s.”).

- Failure To Define Clear Distinction Over Prior Art: “Whether the patent expressly or at least clearly differentiates itself from specific prior art … is an important consideration in the definiteness inquiry.” Halliburton Energy (Fed. Cir. 01/25/08); General Electric (05/16/1938) (a vice of functional claiming occurs “when the inventor is painstaking when he recites what has already been seen, and then uses conveniently functional language at the exact point of novelty.”)


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- coined terms

- Coined Terms Require A Precise Definition: JT Eaton (Fed. Cir. 02/07/97) (applicant duty to define coined terms with precision (“a term unknown to those of ordinary skill in the art at the time the patent application was filed. It thus fell to the applicants, as a duty, to provide a precise definition”); but not finding it indefinite or discussing indefiniteness but instead construing claim in view of prosecution history); but see 3M Innovative (Fed. Cir. 08/06/13) (claim's phrase not known to PHOSITA: “Given that one of skill in the art is informed by the claim disclosures, it is unnecessary to limit the plain language based on unclear statements in the specification and prosecution history.”)
h) **hybrid claims**

- **Hybrid Claim Directed To Thing And Method Of Using Thing, Is Indefinite:** Claim is indefinite if it claims both a system and a method of using the system. *IPXL Holdings* (Fed. Cir. 11/21/05) (“wherein ... the user uses”); accord *H-W Tech.* (Fed. Cir. 07/11/14) (aff’g SJ of indefiniteness of CRM claim reciting method steps “where said user ...”); *In re Katz* (Fed. Cir. 02/18/11) (invalidating system claim reciting “interface means for providing automated voice messages...to certain of said individual callers, wherein said individual callers digitally enter data”); *Rembrandt Data* (Fed. Cir. 04/18/11) (aff’g invalidity for indefiniteness of apparatus claim that recited several means elements and ended with step “transmitting the trellis encoded frames,” refusing to redraft the elements into a means element); *Nassau Precision* (Fed. Cir. 06/06/14) (non-precedential) (dictum citing *IPXL* with approval); cf. *LifeNet* (Fed. Cir. 09/16/16) (following “negative” “functional” language defines a property of an element, not a method step: “said one or more plasticizers are not removed from said internal matrix ... prior to transplantation”); *UltimatePointer* (Fed. Cir. 03/01/16) (rev’g indefiniteness judgment; limitation clearly recites capability of the structure not activity of a user: “device including: an image sensor, said image sensor generating data”); *Microprocessor Enhancement* (Fed. Cir. 04/01/08) (following language is functional, not a method step invalidating the claim: “a pipeline processor for executing instructions comprising..., fetching means for fetching source operands specified by said operand specifiers; operating means for performing the operation specified by said opcode...”); *HTC IPCom* (Fed. Cir. 01/30/12) (rev’g hybrid-claim indefiniteness judgment; alleged method steps merely recited environment for the claimed device; claims used “preamble-within-a-preamble” format); *Nautilus* (Fed. Cir. 04/26/13) (claim not a hybrid, vacated on other grounds (U.S. 06/02/2014);

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i) **correction of errors in claim**

- **Trial Court May Correct Some Obvious Errors In A Claim:** A trial court can correct a patent claim “only if (1) the correction is not subject to reasonable debate based on consideration of the claim language and the specification and (2) the prosecution history does not suggest a different interpretation of the claims.” *Novo Indus.* (Fed. Cir. 12/05/03); *Trusted Knight* (Fed. Cir. 03/07/17) (non-precedential) (aff’g indefiniteness because specific correction of typographical error in claim [missing verb between “hook” and “inserted” in ‘a process of passing the encrypted data to a 3-ring level where a hook inserted by a hook-based key logger,’] is “subject to reasonable debate.”). Error must be evident on face of the patent without looking at the prosecution history. *H-W Tech.* (Fed. Cir. 07/11/14) (aff’g SJ of refusal to correct error, refusal to permit suit on uncorrected claim, and that certificate of correction did not apply retroactively). Error may be corrected even if multiple
corrections are reasonable, if claim would have same scope and meaning to person of skill in the
art under each of those corrections. **CBT Flint** (Fed. Cir. 08/10/11).

j) **who decides what when**

- **May Be Decided As Part Of Claim Construction:** “A determination of claim indefiniteness is a
legal conclusion that is drawn from the court’s performance of its duty as the construer of patent
claims.” **Datamize** (Fed. Cir. 08/05/05); **Ernie Ball** (Fed. Cir. 01/24/13) (non-precedential)
(invalidating claims for indefiniteness, even though not specifically argued below, as part of duty
to construe claims).

- **Impact Of Teva And FRCP 52 On Appellate Review Of “Indefiniteness” Summary
Judgment Rulings:** Fed. Cir. has stated that trial courts find facts when deciding “indefiniteness”
summary judgment motions and therefore **Teva Pharm. II** (U.S. 01/20/2015) applies and “we
review these subsidiary factual determinations for clear error.” **Eon** (Fed. Cir. 05/06/15) (aff’g Sj
of Sec. 112(6/f)-based “indefiniteness;” trial court had Markman hearing; Sj hearing, and took
expert testimony); **Nautilus III** (Fed. Cir. 04/27/15) (but relying on only purportedly intrinsic
evidence); **Eidos Display** (Fed. Cir. 03/10/15) (same); cf. **Cox Crmns.** (Fed. Cir. 09/23/16) (rev’g
Sj of indefiniteness; challenger must prove any facts by clear and convincing evidence); **Media
Rights** (Fed. Cir. 09/04/15) (aff’g indefiniteness judgment on the pleadings: “Because the
indefiniteness issue in this case is intertwined with claim construction, we review any factual
determinations for clear error.”); cf. **Icon Health** (Fed. Cir. 08/08/16) (non-precedential) (aff’g
indefiniteness determination on Markman proceeding; applying clear error review to trial court fact
finding based on extrinsic evidence of prior art uses of challenged claim language); **Akzo** (Fed. Cir.
01/29/16) (aff’g determination at Markman of no indefiniteness, on “clear error” review of fact
finding based in part on extrinsic evidence; “indefiniteness is a question of law that we review de
novo, subject to a determination of underlying facts.”) (citation omitted). [Consider Seeking S. Ct.
Review.]

- **TIPS:**
  - INTERNAL COHERENCE OF PATENT, CONTEXTUAL MEANING OF CLAIM LANGUAGE, SUBJECTIVITY OF
  CLAIM LANGUAGE, ALL REVIEWED **DE NOVO:** Even if expert opines on it, “the internal coherence
  and context assessment of the patent, and whether it conveys claim meaning with reasonable
  certainty, are questions of law” as are “conclusions of subjectivity and lack of an objective
  standard.” **Sonix Tech.** (Fed. Cir. 01/05/17) (rev’g sum. jud. of indefiniteness; to trigger “clear
  error” review requires actual fact finding).

8. **Particular And Distinct Claims**
(aka **Indefiniteness**) (Sec. 112(2/b) – Sec. 112(6/f))

- **Invalid If Means-Plus-Function Claim Element Without Disclosure Of Corresponding
Structure:** “If one employs means-plus-function language in a claim, one must set forth in the
specification an adequate disclosure showing what is meant by that language. If an applicant fails
to set forth an adequate disclosure, the applicant has in effect failed to particularly point out and
distinctly claim the invention as required by the second paragraph of section 112.” **In re Donaldson
** (Fed. Cir. 02/14/94) (en banc) (Sec. 112(6/f) applies to ex parte USPTO examination.) “To satisfy
the definiteness requirement, a means-plus-function claim requires sufficient disclosure of the
underlying structure. That task lies with the patentee.” **Alfred E. Mann Foundation** (Fed. Cir.
11/18/16) (2-1) (aff’g bench trial finding of indefiniteness, but only as to two of three claims trial
court found indefinite, reciting “means for generating data indicative of the audio signal”).
“[S]tructure disclosed in the specification is ‘corresponding’ structure only if the specification or
prosecution history clearly links or associates that structure to the function recited in the claim.
This duty to link or associate structure to function is the *quid pro quo* for the convenience of employing § 112, ¶ 6.” *Cloud Farm* (Fed. Cir. 01/09/17) (non-precedential) (aff’g indefiniteness for lack of corresponding structure in Spec. for three “means plus function” elements). A means-plus-function element with arguably no linked and specific corresponding structure in the written description is the best candidate for invalidity for lack of particular and distinct claims. E.g., claim reciting “control means for automatically operating said valving” was invalid where only references in disclosure to “control means” were “a box labeled ‘Control’ [in drawing] and a statement that the regeneration process of the invention ‘may be controlled automatically by known differential pressure, valving and control equipment.’” “A bare statement that known techniques or methods can be used does not disclose structure.” *Biomedino* (Fed. Cir. 06/18/07); accord *Media Rights* (Fed. Cir. 09/04/15) (aff’g judgment on the pleadings; no disclosure of structure, specifically an algorithm, for performing two of the four functions of claim-recited “compliance mechanism”); *Williamson* (Fed. Cir. 06/16/15) (panel part) (aff’g “indefiniteness”; “specification does not set forth an algorithm for performing the claimed functions”); *Robert Bosch* (Fed. Cir. 10/14/14) (aff’g invalidity for indefiniteness where “program recognition device” and “program loading device” triggered 112(6/f) and lacked corresponding structure in Spec., despite expert declaration); *Triton Tech* (Fed. Cir. 06/13/14) (aff’g SJ); Spec. stated that the claim-recited numerical integration function is performed in a “conventional manner”); *Function Media* (Fed. Cir. 02/13/13) (aff’g SJ of indefiniteness; patent includes no disclosure of how the program performs the transmitting function); *Ergo Licensing* (Fed. Cir. 03/26/12) (disclosure of control device with memory is insufficient structure to support claimed means for “controlling the adjusting means,” where expert showed that there were multiple different types of control devices in the art). But see *Enfish* (Fed. Cir. 05/12/16) (that disclosed “algorithm relies, in part, on techniques known to a person of skill in the art does not render the composite algorithm insufficient”); *ElCommerce.com* (Fed. Cir. 02/24/14) (2-1) (vacating SJ of invalidity; Spec. descriptions of acts and functions performed was sufficient where uncontested that person of skill in the art would have understood how to implement without undue experimentation), vacated (Fed. Cir. 06/06/14).

- **That Spec. Enables Artisan To Perform Claim-Recited Function May Not Disclose Required Corresponding Structure**: *Williamson* (Fed. Cir. 06/16/15) (en banc portion) (“the fact that one of skill in the art could program a computer to perform the recited functions cannot create structure where none otherwise is disclosed.”); *Blackboard* (Fed. Cir. 07/27/09) (“That argument, however, conflates the definiteness requirement of section 112, paragraphs 2 and 6, and the enablement requirement of section 112, paragraph 1. The fact that an ordinarily skilled artisan might be able to design a program to create an access control list based on the system users' predetermined roles goes to enablement. The question before us is whether the specification contains a sufficiently precise description of the “corresponding structure” to satisfy section 112, paragraph 6, not whether a person of skill in the art could devise some means to carry out the recited function.”)

- **Indefiniteness Based On “Means” Element**: *Twin Peaks* (Fed. Cir. 05/26/17) (non-precedential) (aff’g indefiniteness of “means for” and “mechanism for” elements; patent owner “pieces together disparate portions of the specification to conjure up a corresponding structure.”); *Cloud Farm* (Fed. Cir. 01/09/17) (non-precedential) (aff’g lack of corresponding structure for three “means plus function” elements); *Alfred E. Mann Foundation* (Fed. Cir. 11/18/16) (2-1) (claims indefinite because Spec. did “not disclose where the logarithmic conversion function takes place and because the logarithmic conversion function could be implemented through multiple logarithmic algorithms, none of which the specification describes”; but another claim’s “means plus function” element is not indefinite); *Default Proof Credit Card* (Fed. Cir. 06/16/05) (claims are invalid for indefiniteness because the Spec. includes no structure corresponding to a means plus function limitation); cf. *Rembrandt Data* (Fed. Cir. 04/18/11) (rev’g SJ of indefiniteness because expert testimony created genuine issue of material fact on whether patent disclosed algorithm for performing the recited function); *Lighting Ballast I* (Fed. Cir. 01/02/13) (invalid for Spec. failure to
refer to any structure capable of performing the recited function of: “voltage source means providing a constant or variable magnitude DC voltage between the DC input terminals,” rejecting expert testimony”) (non-precedential), vacated en banc (Fed. Cir. 03/15/13) (to revisit Cybor), reinstated (Fed. Cir. 02/21/14), vacated into Teva (U.S. 01/26/15), on remand Lighting Ballast III (Fed. Cir. 06/23/15) (aff’d trial court’s claim construction that claim term did not trigger Sec. 112(6/f) and claim is not indefinite).

- **Programmed Processors And Algorithms:** Compare Aristocrat Tech. (Fed. Cir. 02/22/08) (non-precedential) (rev’d § indefiniteness; remanding for fact determinations on level of skill in art and whether sufficient corresponding structures and algorithms were disclosed to one of ordinary skill) with Aristocrat Tech (Fed. Cir. 03/28/08) (aff’d § indefiniteness where sole Spec. disclosure of “control means” was that persons of ordinary skill would know how “to introduce the methodology on any standard microprocessor base [sic] gaming machine by means of appropriate programming.” long discussion of WMS Gaming line of case law); Encyclopaedia Britannica (Fed. Cir. 12/04/09) (non-precedential) (Spec. must disclose the algorithm that performed the recited function no matter how simple that function is); Brown (Fed. Cir. 05/07/10) (claim indefinite for lack of disclosed algorithm corresponding to “means for processing” even though Examiner suggested the claim language) (non-precedential); Dealertrack (Fed. Cir. 01/20/12) (“the appropriate structure must include the algorithms disclosed in the specification that ‘implement[] and control[] credit application processing and routing.’”, but where Spec. discloses alternative algorithms, only one (or its equivalent) need be met by accused structure).

- **Clear and Convincing Evidence:** A lack of disclosure of structure adequate to perform recited function must be shown by clear and convincing evidence. Chicago Bd. II (Fed. Cir. 04/07/14) (rev’d § of indefiniteness, based on sufficient disclosure of algorithm for computer); TecSec (Fed. Cir. 10/02/13) (sufficient disclosure of algorithms); Creative Integrated (Fed. Cir. 06/03/13) (non-precedential); Aerotel (Fed. Cir. 07/26/11) (non-precedential).

- **Function Performed By Computer Or Processor:** Failure to disclose an algorithm (i.e., a step-by-step procedure) practiced by software renders claim indefinite. Cloud Farm (Fed. Cir. 01/09/17) (non-precedential) (“Instead of offering the algorithm itself, this table merely offers the output of the algorithm. Nowhere in the patent offers a step-by-step procedure of how to arrive at the outputs disclosed in the table. In other words, the patent offers the ends but not the means, which is not sufficient for structure.”); Advanced Ground Info. (Fed. Cir. 07/28/16) (aff’d indefiniteness; insufficient structure disclosed for “signal generator” where disclosed general-purpose computer and suggested the “medium through which the symbols are generated,” namely a map database and database of locations); Net MoneyIn (Fed. Cir. 10/20/08) (“[A] means-plus-function claim element for which the only disclosed structure is a general purpose computer is invalid if the specification fails to disclose an algorithm for performing the claimed function.”) “Simply disclosing a black box that performs the recited function is not a sufficient explanation of the algorithm required to render the means-plus-function term definite.” Augme Tech. (Fed. Cir. 06/20/14) (disclosing inputs to and outputs from “code assembler instructions” does not disclose an algorithm for how the claimed assembly function is performed; aff’d § of indefiniteness); Triton Tech (Fed. Cir. 06/13/14) (aff’d § of indefiniteness; multiple different algorithms were known for performing the numerical integration function, but Spec. disclosed no particular algorithm, instead saying function is performed in a “conventional manner”); Ibormeith (Fed. Cir. 10/22/13) (aff’d § of indefiniteness: “A description of an algorithm that places no limitations on how values are calculated, combined, or weighted is insufficient to make the bounds of the claim understandable.”); HTC IPCom I (Fed. Cir. 01/30/12) (“The necessity of an algorithm has been well established at least since WMS Gaming, a 1999 case.”); Finisar (Fed. Cir. 04/18/08) (may describe the
system “in any understandable terms including as a mathematical formula, in prose, or as a flow chart, or in any other manner that provides sufficient structure”); Dealertrack (Fed. Cir. 01/20/12) (dependent claims that added function to be performed by the means element (“central processing means computer program ... further provides for tracking pending credit applications”), indefinite because no algorithm disclosed for that function). A description that merely recites the function without describing how it is achieved, does not provide sufficient “structure.” Blackboard (Fed. Cir. 07/27/09); accord Eon (Fed. Cir. 05/06/15) (aff’g SJ of invalidity; WMS Gaming correct despite reliance on since-overruled Alappat; “the disclosure of a general purpose computer or a microprocessor as corresponding structure for a software function does nothing to limit the scope of the claim and “avoid pure functional claiming.”); Stamps.com (Fed. Cir. 06/15/11) (non-precedential); In re Aoyama (Fed. Cir. 08/29/11) (aff’g PTO indefiniteness rejection where flowchart (and description) “fails to describe, even at a high level, how a computer could be programmed to produce the structure that provides the results described in the boxes.”); cf. Typhoon Touch (Fed. Cir. 11/04/11) (rev’g invalidity ruling on this ground, “it suffices if the specification recites in prose the algorithm to be implemented by the programmer; “means for cross-referencing” not indefinite where Spec. discloses that the function “entails the steps of data entry, then storage of data in memory, then the search in a library of responses, then the determination if a match exists, and then reporting action if a match is found,” and “no evidence that a programmer of ordinary skill in the field would not understand how to implement this function.”); HTC IPCom I (Fed. Cir. 01/30/12) (Spec. need not literally disclose the corresponding structure (here a processor and transceiver) if person skilled in the art would understand that the disclosed device “would have to contain” those structures); EPlus (Fed. Cir. 11/21/12) (“There is no instruction for using a particular piece of hardware, employing a specific source code, or following a particular algorithm. There is therefore nothing in the specification to help cabin the scope of the functional language in the means for processing element.”)

Processor And Transceiver = General-Purpose Computer: HTC IPCom I (Fed. Cir. 01/30/12) (dictum; because argument waived) (“The processor and transceiver amount to nothing more than a general-purpose computer,” and thus an algorithm needed to be disclosed as well); see IPCom (HTC II (IPCom)) (Fed. Cir. 07/07/17) (faulting PTAB for not identifying corresponding structure in Spec).

But, Basic Functions Of A General-Purpose Computer Do Not Need Disclosure Of Special Structure/Algorithm: a “means for” “processing,” or “receiving,” or “storing” in effect recites a general-purpose computer, not “specific functions” requiring “special programming,” i.e., “a particular function not disclosed simply by a reference to a general purpose computer;” WMS Gaming and Aristocrat “involved specific functions that would need to be implemented by programming a general purpose computer to convert it into a special purpose computer capable of performing those specified functions.” In re Katz (Fed. Cir. 02/18/11) (but rejecting other claims reciting special functions, for indefiniteness); cf. Eon (Fed. Cir. 05/06/15) (aff’g SJ of invalidity; Katz’s “narrow exception” to the algorithm rule” does not apply to any functions other than basic functions of a computer: “‘special programming’ does not denote a level of complexity ...; ‘special programming’ includes any functionality that is not ‘coextensive’ with a microprocessor or general purpose computer”); Ergo Licensing (Fed. Cir. 03/26/12) (Katz “a narrow exception”); Noah Sys. (Fed. Cir. 04/09/12)) (“The acts of ‘entering’ ‘deleting’ ‘reviewing’ and ‘adjusting’ financial transaction data . . . are specialized functions which cannot be accomplished absent specialized programming.”); Driessen (Fed. Cir. 02/10/16) (non-precedential) (aff’g indefiniteness judgment: no disclosed structure for function of “storing and retrieving a record on or in a physical medium;” general purpose computer insufficient).
• Only If Spec. Discloses Some Algorithm For Performing Entire Claimed Function Need Court Consider Person Of Skill In The Art?: Court is “required to consider patentee’s argument and evidence regarding what one skilled in the art would understand from the specification before determining whether the claim was indefinite,” only if patent discloses some algorithm for performing the entirety of the claim-recited function. Noah Sys. (Fed. Cir. 04/09/12) (aff’g SJ of invalidity; algorithm disclosed was for performing only part of the function so no need to consider expert testimony); accord Eon (Fed. Cir. 05/06/15), Contra ElCommerce.com (Fed. Cir. 02/24/14) (2-1) (vacating SJ of invalidity; trial court erred by not requiring expert testimony or other evidence of whether person of skill in the art would have found sufficient structure and acts in the Spec.), vacated (Fed. Cir. 06/06/14).

• Consider Whether Claim With 112(6/f) Element Is For “A Combination”: “An element in a claim for a combination may be expressed as a means ….” See In re Hyatt (Fed. Cir. 06/03/83) (Rich, J.) (claim with single element, which element is a means element, is invalid under Sec. 112(1/a) not Sec. 112(2/b)) (note: this invalidity bucket is questionable).

• Conceding That Term Does Not Trigger 112(6/f) Concedes Not Purely Functional: Cox Cmmns. (Fed. Cir. 09/23/16) (rev’g SJ of indefiniteness based on term “processing system” in method claims: by admitting that “processing system” does not trigger Sec. 112(6/f), challenger admitted not “pure functional claiming”). [Consider Seeking S. Ct. Review.]

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9. Written Description (Sec. 112(1/ a))

• BASICS: “The specification shall contain a written description of the invention, …” 35 U.S.C. § 112(1/a). To support a claim, a Spec. must describe the claimed subject matter. “The test requires an objective inquiry into the four corners of the specification from the perspective of a person of ordinary skill in the art. Based on that inquiry, the specification must describe an invention understandable to that skilled artisan and show that the inventor actually invented the invention claimed.” Ariad Pharm. (Fed. Cir. 03/22/10) (en banc); Transperfect (Fed. Cir. 07/12/17) (non-precedential) (aff’g PTAB CBM finding of no written description support for claims; PTAB “correctly found that a person of ordinary skill in the art would not have understood that the inventors ... possessed and described a plug-in that could perform a translation without using replacement hyperlinks.”); Cisco (Fed. Cir. 05/10/17) (rev’g PTAB finding of sufficient written description for claims attempted to be added in reexamination; Spec. did not “meet the quid pro quo required by the written description requirement” because the feature claimed was “a technically difficult solution that the [Spec.] does not solve, let alone contemplate or suggest as a goal or desired result.”). “The written description requirement requires possession as shown in the specification, not as shown by prior experimental work.” Allergan (Fed. Cir. 08/04/15) (sufficient written description in Spec.) “The scope of Centocor’s right to exclude cannot ‘over-reach the scope of [its] contribution to the field of art as described in the patent specification.’” Centocor (Fed. Cir. 02/23/11). This validity requirement also is an effective-filing date requirement under 35 U.S.C. § 120 (see below). Cited in PowerOasis: Janice M. Mueller, Patent Misuse Through the Capture of Industry Standards, 17 Berkeley Tech. L.J. 623, 638 (2002) (“The [written description] requirement operates as a timing mechanism to ensure fair play in the presentation of claims after the original filing date and to guard against manipulation of that process by the patent applicant.”).

• Written Description Analogous To “Blaze Marks”: “It is an old custom in the woods to mark trails by making blaze marks on the trees. It is no help in finding a trail or in finding one's way through the woods where the trails have disappeared — or have not yet been made, which is more like the case here — to be confronted simply by a large number of unmarked trees. Appellants are pointing to trees. We are looking for blaze marks which single out particular trees. We see none.”
In re Ruschig, 379 F.2d 990, 995 (CCPA 1967) (aff'g written description rejection of application claims). See Purdue Pharma (Fed. Cir. 10/25/00) ("One cannot disclose a forest in the original application, and then later pick a tree out of the forest and say here is my invention. In order to satisfy the written description requirement, the blaze marks directing the skilled artisan to that tree must be in the originally filed disclosure.")

- **Written Description Disclosure Requirements:** The disclosure of the claimed subject matter must be:
  - express or necessarily present (inherent), Tronzo (Fed. Cir. 1998); see Yeda (Fed. Cir. 09/20/16) (aff'g claim to a protein supported by ancestor's disclosure of partial N-terminus sequence unique to that protein: "Under the doctrine of inherent disclosure, when a specification describes an invention that has certain undisclosed yet inherent properties, that specification serves as adequate written description to support a subsequent patent application that explicitly recites the invention's inherent properties."); Allergan (Fed. Cir. 08/04/15) (claimed property inherent in formulation that was expressly disclosed);
  - complete, Lockwood, 107 F.3d at 1572 ("One shows that one is ‘in possession’ of the invention by describing the invention, with all its claimed limitations..."),
  - unambiguous, Hyatt, 146 F.3d 1348, 1352 (Fed. Cir. 1998),
  - specific, Purdue Pharma, 230 F.3d 1320, 1322 (Fed. Cir. 2000), and
  - as broad as (full scope of) the claim, Gentry Gallery, 134 F.3d 1473, 1478-80 (Fed. Cir. 1998).

- **Must Be Sufficiently Detailed:** The Spec. must describe the claimed invention in sufficient detail so that PHOSITA can recognize what is claimed. "The appearance of mere indistinct words in a specification or a claim, even an original claim, does not necessarily satisfy that requirement." Univ. of Rochester (Fed. Cir. 02/13/04) (Extensive discussion of written description requirement and its history. Aff'g SJ of invalidity under written description requirement. "The patent’s [method] claims all require a COX-2-selective compound, but no COX-2-selective compound is disclosed in the patent, and it is undisputed that there was no pre-existing awareness in the art of any compound having COX-2-selective activity." The italicized part of this summary of the holding may dilute its usefulness as precedent.)

- **Disclosure Rendering Claimed Invention Obvious Is Insufficient:** The claimed subject matter must be disclosed in the Spec.; it is not good enough for the claimed subject matter to be obvious in view of the Spec.’s disclosure. Ariad Pharm. (Fed. Cir. 03/22/10) (en banc); Purdue Pharma (Fed. Cir. 06/13/17) (non-precedential) (aff'g PTAB written-description unpatentability determination in interference; "To the extent that Purdue contends that a person of skill in the art would isolate and combine aspects from various embodiments in the specifications (including patents incorporated by reference involving a different drug) to obtain the claimed invention, Purdue relies upon the wrong test."); Rivera (Fed. Cir. 05/23/17) (Spec. “does not teach a container with an integrated filter, and so, does not provide written description support for such a container, even if that type of container might be rendered obvious by the specification."); Los Angeles Biomedical (Fed. Cir. 02/28/17) (aff'g PTAB decision claim not supported by provisional: “proof of priority requires written description disclosure in the parent application, not simply information and inferences drawn from uncited references"); In re Huston (Fed. Cir. 10/17/02) (aff'g claims not entitled to parent date; disclosing enough to make claim obvious insufficient).

- **Future Technology:** Future technology encompassed by a claim need not be enabled, but it must be described in the application to satisfy the written description requirement: “The jury may have found that the 1984 application does not provide any support for the new matter, chimeric antibodies, claimed in the ’561 patent. Because chimeric antibody technology did not even exist at
the time of the 1984 filing, the record conclusively supports that the Chiron scientists did not possess and disclose this technology in the February 1984 filing.” Chiron (Fed. Cir. 03/30/04) (Series of CIPs filed. Last application defined claim term “monoclonal antibody” to include chimeric and humanized antibodies. Prior applications did not enable (and/or did not disclose) use of chimeric antibodies. Thus, claims not entitled to earlier applications’ filing dates, and thus anticipated by intervening prior art. Affirmed denial of JMOL seeking to overturn jury verdict of invalidity.)

- **Negative Limitations:** Claim limitation excluding something is supported by Spec. describing a reason to exclude that element. Santarus (Fed. Cir. 09/04/12) (rev’g written description invalidity); but see Inphi (Fed. Cir. 11/13/15) (aff’g PTAB that negative claim limitation (excluding three types of chips) supported by written description: per MPEP, “If alternative elements are positively recited in the specification, they may be explicitly excluded in the claims.”; if Spec. does not foreclose the negative limitation.)

- **Claim Language Need Not Be Used in Spec. in haec verba:** Blue Calypso (Fed. Cir. 03/01/16) (rev’g PTAB decision of written description invalidity).

- **Cannot Fix Claims:** Court will not rewrite unambiguously illogical claims to cure disconnect between claims and written description. Energizer (Fed. Cir. 04/21/08) (aff’g ITC written description invalidity determination) (non-precedential); Chef Am. (Fed. Cir. 02/20/04) (“heating the resulting batter-coated dough to a temperature in the range of about 400° F. to 850° F” “means what it says (the dough is to be heated ‘to’ the designated temperature range),” rejecting argument that the claim only specifies the temperature at which the dough is to be heated, even though as claimed, “it would be burned to a crisp”); cf. Alcon Res. (Fed. Cir. 08/08/12) (“Courts do not rewrite the claims to narrow them for the patentee to cover only the valid portion.” (prior art invalidity context)).

- **Prior Art May Help Demonstrate Written Description Support:** descriptions in patent coupled with well-known knowledge in the art sufficiently disclosed the claimed subject matter. Streck (Fed. Cir. 01/10/12) (aff’g SJ in favor of patent owner).

- **Must Determine What Disclosure Meant At The Time Of The Invention:** May consider post-filing publications only to the extent they evidence understanding at or before the filing date under consideration. Stanford Univ. (Fed. Cir. 06/27/17) (vacating decision in interference that an alleged priority application lacked written description support for claim).

a) **which disclosure governs**

- **Treating Ancestor Application As If It Issued As The Patent:** The Federal Circuit generally treats as the subject of the Sec. 112 invalidity analysis the ancestor application whose filing date the patent owner seeks as the patent’s effective filing date. E.g., Ariad Pharm. (Fed. Cir. 03/22/10) (en banc) (“a written description analysis occurs ‘as of the filing date sought’”); Synthes (Fed. Cir. 10/29/13) (aff’g jury verdict of written description invalidity, based on disclosure of original German-lang. PCT app.); Novozymes (Fed. Cir. 07/22/13) (“claims added during prosecution must find support sufficient to satisfy § 112 in the written description of the original priority application.” Claims invalid due to insufficient disclosure in provisional application followed by series of continuations); Centocor (Fed. Cir. 02/23/11) (overturning $1.67 Billion damages award; inadequate disclosure in ancestor application (to which the patent owner claimed “priority,” and jury agreed in special verdict) that was followed by two CIPs, a continuation, and a divisional that issued as the patent in suit). (This approach has support in some CCPA precedent on enablement (see below).) But, a literal reading of Sections 112 and 120, suggests that the written-description-invalidity analysis applies only to the actual application that issued as the patent, not ancestor applications which instead are analyzed for entitlement to claim backdating under Section 120. The Federal Circuit once made this distinction. Reiffin v. Microsoft, 214 F.3d 1342 (Fed. Cir. 2000); see
Trading Techs. II (Fed. Cir. 08/30/13) (granting SJ of WD support based on the CIP app. without
discussing effective-filing-date sought). So, for now, best to assert both invalidity under Sec. 112
and lack of entitlement to filing date under Sec. 120, when challenging ancestor application
support.

- Note: Enablement Measured As Of Sought Effective Filing Date: Application
  (continuation of divisional of two CIPs) “should have been tested for compliance with §
  112, first paragraph, ‘as though filed on the date of the prior application’ to which the
  patent applicant claim priority under Sec. 120, on claim-by-claim basis, even when claim
  actually not entitled to that date. In re Hogan (CCPA 07/28/77); see Plant Genetic (Fed.
  Cir. 02/20/03) (“Enablement is determined as of the effective filing date of the patent”
  (citing In re Hogan); effective filing date here undisputed)

- Post-Filing Drawings Cannot Supplement the Disclosure: “Drawings submitted after the
  filing date of the application may not be used (i) to overcome any insufficiency of the specification
due to lack of an enabling disclosure or otherwise inadequate disclosure therein, or (ii) to
  supplement the original disclosure thereof for the purpose of interpretation of the scope of any

b) support “full scope” of claim

- Disclosure Must Support Full Scope Of Claim: Rivera (Fed. Cir. 05/23/17) (aff’n ITC invalidity
decision: Spec. “consistently describes an invention in which the ‘pod’ [containing coffee] and the
  receptacle or container are distinct components. Thus, ... written description support for broad
  claims covering a receptacle with integrated filter such as ... accused products ... is lacking.”);
  Gentry Gallery, 134 F.3d 1473, 1478-80 (Fed. Cir. 1998); see Atlantic Research (Fed. Cir. 10/06/11)
  (claims invalid because they “exceed in scope the subject matter that [applicant] chose to disclose
to the public in the written description.”); Festo (U.S. 05/28/2002) (“What is claimed by the patent
  application must be the same as what is disclosed in the specification; otherwise the patent should
  not issue.” (quoted with approval in Abbvie (Fed. Cir. 07/01/14) (aff’g denial of J MOL; jury verdict
  invalidity under written description requirement)); O’Reilly (U.S. 1853) (“cannot claim what he has
  not described and indeed had not invented, and therefore could not describe when he obtained his
  patent”; claims by inventor of telegraph to “use of ... electro-magnetism, however developed for
  making or printing intelligible characters ... at any distances” invalid. “The evil is the same if he
  claims more than he has invented, although no other person has invented it before him. He
  prevents others from attempting to improve upon the manner and process which he has described
  in his specification — and may deter the public from using it, even if discovered. He can lawfully
  claim only what he has invented and described, and if he claims more his patent is void.” ((partially
  quoted with approval in Abbvie (Fed. Cir. 07/01/14)); cf. Ruckus Wireless (Fed. Cir. 05/31/16) (2-
  1) (construing “communications path” to be limited to wired path, in part to avoid written-
  description invalidity, quoting Gentry Gallery: “a claim ‘may be no broader than the supporting
disclosure’.”)); Rozbicki (Fed. Cir. 11/14/14) (non-precedential) (interference party failed to
  preserve written-description “full scope” argument when argued only that Spec. failed to disclose
  a certain embodiment); Honeywell (Fed. Cir. 02/18/10) (rev’g written description invalidity; original
disclosure not limited to CRT displays).

c) omission of non-optional element

- Claim Omitting Non-Optional Element Or Encompassing Excluded Element May Be Too
  Broad To Have Written Description Support: “A description can be broadened by removing
  limitations.” Anascape (Fed. Cir. 04/13/10) (CIP added “new matter” by removing limitations
  required in parent application.) Sometimes (e.g., Lockwood (Fed. Cir. 03/04/97)) a claim fails this
  written description requirement by adding an element not disclosed in the Spec., in which case the
  claim does not “read on” the Spec. Other times, however, a claim does “read on” the Spec. but still
is not supported by the Spec., because the claim omits an element required by the Spec. E.g.,
Tronzo (Fed. Cir. 10/19/98); Gentry Gallery (Fed. Cir. 01/27/98); Lizardtech (Fed. Cir. 10/04/05);
Bamberg (Fed. Cir. 03/07/16) (aff’g PTAB decision of no written description support for count;
citing Tronzo with approval; BRI based on other party’s disclosure includes white layers that melt
below or above 220°C, but disclosure “does not possess a white layer that melts below 220°C
because it specifically distinguished white layers that melt below 220°C as producing an ‘undesired”
result.”); ICU Med. (Fed. Cir. 03/13/09) (aff’g SJ of written-description invalidity; disclosure of
medical valve embodiments with spike did not support claims broad enough to cover both spike
and spikeless designs; to be valid, claim must include a spike because “a person of skill in the art
would not understand the inventor … to have invented a spikeless medical valve.”), Anascape (Fed.
Cir. 04/13/10) (rev’g denial of JMOL that upheld jury verdict backdating claim, where issued claims
are broader than six degrees-of-freedom single input member invention in parent app. per parent
app.’s claims, summary of the object, drawings, etc.), Research Corp. Tech. (Fed. Cir. 12/08/10)
(parent application limited “invention” to a blue noise mask, so claims in later-filed continuation
applications (with same written description) not requiring a blue noise mask were not supported
by (and not entitled to filing date of) that parent application); Atlantic Research (Fed. Cir. 10/06/11)
(aff’g SJ of invalidity for lack of written description where claims added on reissue required only
one attachment point, but Spec. disclosed that having two attachment points was a “critical
feature[]” and “describes an invention that is supported by both the barrel nut and attachment to
the upper receiver via a receiver sleeve.”); Shimano (Fed. Cir. 04/29/13) (non-precedential) (aff’g
Board WD rejection: “Because the disclosure in the specification of the structure of the extended
pawl was very detailed, and because the reason for the extended portion being narrower than the
other portions of the pawl was explicitly identified, the effect of the amendment to the claim
language was to extend the reach of that claim to structures not described in the specification,
without any disclosure as to how those modified structures would perform the function designated
for them by the patent.”); Mukherjee (Fed. Cir. 02/15/07) (non-precedential) (affirming Board
rejecting claims for omitting an essential, non-optional element from Spec.) Cf. Carnegie Mellon
(Fed. Cir. 09/08/08) (holding that disclosure of species did not describe claimed genus: “the patents
teach that the specific gene sequence for the expression of DNA polymerase I or nick-translation
activity is a critical aspect of the invention.”); Consolidated Elec. Light (U.S. 11/11/1895) (claim
covering use of any textile material in incandescent light bulb invalid as not supported by disclosure
using carbonized paper). But see Revolution Eyewear (Fed. Cir. 04/29/09) (aff’g rejection of written
description defense; a claim need not address each problem with the prior art identified in the
Spec.: even where “the problems addressed by the invention are related, …[i]nventors can frame
their claims to address one problem or several, and the written description requirement will be
satisfied as to each claim as long as the description conveys that the inventor was in possession of
the invention recited in that claim.”); Scriptpro II (Fed. Cir. 08/15/16) (rev’g SJ of invalidity;
disclosed invention not limited to requiring particular feature (sorting containers by patient-
identifying information), despite focusing on it, as shown in part by the originally filed claims;
distinguishing Gentry Gallery and ICU Medical); Scriptpro I (Fed. Cir. 08/06/14) (non-precedential)
(rev’g SJ of written description invalidity, finding genuine dispute whether omitted element was
essential, “A specification can adequately communicate to a skilled artisan that the patentee
invented not just the combination of all identified features but combinations of only some of those
features (subcombinations)—which may achieve stated purposes even without omitted features.”)

Note: No Separate “Essential Elements” Test: E.g., Carnegie Mellon (Fed. Cir.
09/08/08) (Gentry Gallery did not create an “essential elements” test).

But Claims Need Not Include Invention’s Solution To Each Problem Described In Spec:
Revolution Eyewear (Fed. Cir. 04/29/09) (aff’g rejection of written description defense; a claim
need not address each problem with the prior art identified in the Spec.: even where “the problems
addressed by the invention are related …[i]nventors can frame their claims to address one problem
or several, and the written description requirement will be satisfied as to each claim as long as the
Crown Packaging (Fed. Cir. 04/01/11) (2-1, Dyk, J. dissenting) (rev’g SJ of written description invalidity, and distinguishing Tronzo and LizardTech and ICU Med.; where Spec. discloses multiple solutions to multiple problems and does not require that they be used in combination, as shown in part by original claims as filed, “[i]nventors can frame their claims to address one problem or several.”); accord Scriptpro II (Fed. Cir. 08/15/16) (rev’g SJ of invalidity; feature not required by all purposes identified in the specification; distinguishing Gentry Gallery and ICU Medical; Cordis (Fed. Cir. 06/29/06) (non-precedential) (rejecting reliance on Tronzo where Spec. disclosed two distinct problems and solutions and claims were directed to only one: “nothing in the patent suggests that the benefits of undulating sections are tied in any way to ring stents” and evidence showed that “the undulating longitudinal structures … could ‘clearly’ be used in conjunction with non-ring stents”). See AstraZeneca (Fed. Cir. 10/30/13) (non-precedential) (claim construction context: “statements with respect to ‘the invention’ are ambiguous at best, given the three distinct types of inventions (processes, products, and methods of use) described in the specification”); Zoltec III (Fed. Cir. 02/19/16) (rev’g written description invalidity; timely reissue claim may omit well-described and well-known preliminary step even though it broadens who may infringe).

• Claims May Instead Be Construed Narrowly To Avoid Written Description Disconnect:

  Intellectual Ventures (Motorola) (Fed. Cir. 09/13/17) (aff’g denial of written description invalidity JMOl; Spec. distinctions over prior art narrow the claim scope so no written description invalidity: Spec. excerpts “demonstrate that storing files ‘indefinitely’ on an intervening computer is not part of the claimed invention. … The proper result is not that claim 41 fails for lack of written description but that it should be construed ‘in view of the specification’ to be limited.”); C.R. Bard (Fed. Cir. 09/30/98) (“it is incorrect to construe the claims contrary to the specification, and then to hold the claims invalid because they are contrary to the specification. [T]he claims are construed in accordance with the rest of the specification of which they are a part, and not contrary to it.”)

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d) original claims

• Original Claims May Lack Written Description Support: Even a claim filed with the original application may lack written-description support: “[The claims’] principal function, therefore, is to provide notice of the boundaries of the right to exclude and to define limits; it is not to describe the invention, although their original language contributes to the description and in certain cases satisfies it. Claims define and circumscribe, the written description discloses and teaches,” Ariad Pharm, (Fed. Cir. 03/22/10) (en banc). But see Mentor Graphics (Fed. Cir. 03/16/17) (rev’g written description invalidity judgment; allegedly unsupported claim language was precisely in original claims as filed, which original claims here “raise none of the genus/species concerns that have caused us to question whether originally filed claims satisfy written description.”)

e) functional claims

• “Functional Claims” Require Disclosure Of How Achieved: “The written description requirement also ensures that when a patent claims a genus by its function or result, the specification recites sufficient materials to accomplish that function—a problem that is particularly acute in the biological arts…. Such claims merely recite a description of the problem to be solved while claiming all solutions to it and … cover any compound later actually invented and determined to fall within the claim’s functional boundaries—leaving it to the pharmaceutical industry to complete an unfinished invention.” Ariad Pharm, (Fed. Cir. 03/22/10) (en banc). Cf. Vasudevan Software (Fed. Cir. 04/03/15) (rev’g SJ of no written description where genuinely disputed facts on whether Spec. disclosed how to achieve claimed result); GlaxoSmithKline (Fed. Cir. 02/24/14)
Functional Genus Claim: A generic (genus) claim using functional language to define its boundaries, e.g., claiming a desired result, requires the Spec. to “demonstrate that the applicant has made a generic invention that achieves the claimed result and do so by showing that the applicant has invented species sufficient to support a claim to the functionally-defined genus.”

- **Functional Genus Claim**: A generic (genus) claim using functional language to define its boundaries, e.g., claiming a desired result, requires the Spec. to “demonstrate that the applicant has made a generic invention that achieves the claimed result and do so by showing that the applicant has invented species sufficient to support a claim to the functionally-defined genus.”

Ariad Pharm. (Fed. Cir. 03/22/10) (en banc); Abbvie (Fed. Cir. 07/01/14) (“must adequately describe representative antibodies to reflect the structural diversity of the claimed genus”); Pfizer (Fed. Cir. 02/06/14) (non-precedential) (“For claims to a chemical compound, an application satisfies the written description requirement when it details ‘relevant identifying characteristics’ such that the compound can be distinguished from other compounds.”)

**f) genus claims**

- **Species (or Sub-Genus) May Or May Not Support Genus**: Where performance of non-disclosed species is unpredictable, then disclosed species may not support genus claim. Bilstad (Fed. Cir. 10/07/04) (surveys cases); Billups-Rothenberg (Fed. Cir. 04/29/11) (aff'g SJ of written description invalidity of claim to method for identifying genus of unknown genetic mutations); Carnegie Mellon (Fed. Cir. 09/08/08) (“To satisfy the written description requirement in the case of a chemical or biotechnological genus, more than a statement of the genus is normally required. One must show that one has possession, as described in the application, of sufficient species to show that he or she invented and disclosed the totality of the genus.”); Boston Sci. (Fed. Cir. 06/07/11) (aff'g SJ of inadequate written description of later-claimed genus of macrocyclic lactone analogs of rapamycin, where no analogs were disclosed in the Spec., only a small number of analogs were known in the art but the claims cover tens of thousands of possible analogs, and art was unpredictable and nascent; thus no “blaze marks” that claimed sub-genus might be of special interest); In re Alonso (Fed. Cir. 10/30/08) (Extensive discussion, rejecting biotechnology claim.); Trading Techs. (Fed. Cir. 02/25/10) (“one of ordinary skill in the art would have known about other forms of ‘single action’ such as a double-click or pressing a key. Considering the undisputed knowledge of those skilled in the art, disclosure of a species in this case provides sufficient written description support for a later filed claim directed to a very similar and understandable genus.”) See generally Ariad Pharm. (Fed. Cir. 03/22/10) (en banc); Hynix Semiconductor (Fed. Cir. 05/13/11) (single species may suffice to describe genus constituting two species).

- **Must Describe Some Way Of Performing Claimed Method**: broadly claiming a genus of method of regulating certain gene requires a description of some particular mechanism for achieving that result. Ariad Pharm. (Fed. Cir. 03/22/10) (en banc) (rev'g denial of JMOL of jury verdict finding no written description).

- **Disclose Genus, Claim Sub-Genus Or Species**: Disclosing a genus (analogs of rapamycin) does not adequately describe claim to a narrower sub-genus (macrocyclic triene analogs of rapamycin) where “nothing in the [Spec.] indicates that the claimed triene analogs might be of special interest,” i.e., “no blaze marks” to that sub-genus. Boston Sci. (Fed. Cir. 06/07/11); Progressive Casualty (Fed. Cir. 08/24/15) (non-precedential) (aff'g PTAB decision that claims not entitled to parent's filing date where parent disclosed producing a rating factor but claims recited a specific example of such a rating factor); Novozymes (Fed. Cir. 07/22/13) (discussing several “disclose genus”/“claim species” precedents; aff'g J MOL of invalidity, after $18 million jury verdict. Priority app. disclosed seven possible parent enzymes, 33 promising amino acid positions for mutations, and 40 possible mutations. These possibilities expressly disclosed each limitation of the claim, namely (1) a parent BSG alpha-amylase enzyme; (2) a substitution at the S239 amino acid position; and (3) increased thermostability at 90°C, pH 4.5, and 5 ppm calcium. But, did not satisfy written description because “Taking each claim—as we must—as an integrated whole rather than as a collection of independent limitations, one searches the 2000 application in vain for the disclosure of even a single species
that falls within the claims or for any ‘blaze marks’ that would lead an ordinarily skilled investigator toward such a species among a slew of competing possibilities.”

**g) relationship to enablement**

- **Overlap With Enablement Requirement:** While there is some overlap between the written description and enablement requirements (Lizardtech (Fed. Cir. 10/04/05) ("Those two requirements usually rise and fall together.")), there are differences. Sec. 112 “contains two separate description requirements: a ‘written description [i] of the invention, and [ii] of the manner and process of making and using [the invention].’” Ariad Pharm. (Fed. Cir. 03/22/10) (*en banc*). If one of these defenses seems viable, typically assert both.

- **TIPS:**
  - REDACTED

## 10. Enablement (Sec. 112(1/a))

- **BASICS:** “The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, ...” 35 U.S.C. § 112(1/a). Enablement requires that the disclosure teach PHOSITA to make or carry out (use) the claimed invention without undue experimentation, including disclosing a practical utility for the invention. Rasmusson (Fed. Cir. 06/27/05); see Edwards Life Sci. (Fed. Cir. 11/13/12) (approving a jury instruction on enablement, and aff’g rejection of enablement defense despite stent/valve not being developed sufficiently for use in humans). “A considerable amount of experimentation is permissible, if it is merely routine, or if the specification in question provides a reasonable amount of guidance.” Cephalon (Fed. Cir. 02/14/13) (rev’g bench trial judgment of non-enablement, rejecting expert’s testimony as unsubstantiated, and explaining meaning of “undue” experimentation). The Spec. must enable the “full scope” of the claim. Promega (Fed. Cir. 12/15/14) (rev’g denial of SJ of non-enablement of open-ended claim in unpredictable field whose full scope was not enabled). But, this does not require that each conceivable embodiment within the claim be enabled. “That is not to say that the specification itself must necessarily describe how to make and use every possible variant of the claimed invention, for the artisan’s knowledge of the prior art and routine experimentation can often fill gaps, interpolate between embodiments, and perhaps even extrapolate beyond the disclosed embodiments, depending upon the predictability of the art.” AK Steel (Fed. Cir. 2003).” Chiron (Fed. Cir. 03/30/04). In Sec. 112(1/a), so part of Sec. 120.

- **Patent Applicants’ Failure To Implement Disclosed Technique Is Strong Evidence Of Non-Enablement:** “If an inventor attempts but fails to enable his invention in a commercial product that purports to be an embodiment of the patented invention, that is strong evidence that the patent specification lacks enablement.” Ormco (Fed. Cir. 08/24/07) (aff’g SJ of no enablement); Convolve I (Fed. Cir. 07/01/13) (non-precedential) (aff’g SJ of no full-scope enablement based on inventor testimony that it took him nine years to fully implement the invention in disk drives). But, Spec. need not enable most efficient commercial embodiment. Transocean (Fed. Cir. 08/18/10) (rev’g SJ of invalidity for non-enablement). Explore in discovery.

- **Nascent Technology Must Be Enabled:** Chiron (Fed. Cir. 03/30/04) distinguishes between routine technology and future technology (neither of which need to be enabled in the Spec.) vs. nascent technology (which must be enabled with “specific and useful teaching”).

- **Must Enable Making The Claim-Recited New Compounds Used For Treatment:** “To establish enablement of a claim whereby new chemical compounds are provided for use to treat disease, the application must enable production or synthesis of the new compounds.” Storer (Fed. Cir. 06/21/17) (aff’g PTAB interference decision; applying Wands factors, including named
inventor's post filing efforts toward reduction to practice; provisional application did not enable count).

- Summary Judgment Prospects: This is a question of law (based on facts) and SJ has been granted often. E.g., Wyeth (Fed. Cir. 06/26/13) (aff'g SJ of no full-scope enablement, based on patent owner’s proposed claim construction, where Spec. “discloses only a starting point for further iterative research in an unpredictable and poorly understood field.”); Magsil (Fed. Cir. 08/14/12); Auto. Techs. Int'l (Fed. Cir. 09/06/07) (claims’ recited sensor covered mechanical and electronic sensors; disclosure had long discussion of mechanical, but short mention of electrical; full scope not enabled.); Ormco (Fed. Cir. 08/24/07) (claims require purely automatic operation, not enabled in Spec.); Sitrick (Fed. Cir. 02/01/08) (broad claims covered both movies and video games, but patents did not teach how to implement the claimed “invention” in the context of movies); cf. Streck (Fed. Cir. 01/10/12) (aff'g SJ of sufficient enablement: “Unlike the situation in Automotive Tech., where the electronic sensors differed in structure and operation from mechanical sensors, here, there was unrebutted evidence that true reticulocytes and Ryan’s reticulocyte analogs ‘work in exactly the same way in a hematology control, and are virtually indistinguishable, even to one skilled in the art.’”)

- “Following The Steps Set Forth In The Spec.”: This aspect of Nat’l Recovery (Fed. Cir. 02/04/99) is promising for seeking SJ on an enablement defense: “If, by following the steps set forth in the specification, one of ordinary skill in the art is not able to replicate the claimed invention without undue experimentation, the claim has not been enabled as required by 112, paragraph 1.” To extent patent owner argues that PHOSITA could have reached the claimed result, the challenger can respond: “only by deviating from the steps recited in the Spec.”

- Prosecution History May Establish Unpredictable Field: Applicant arguments in prosecution distinguishing specific claimed combinations from prior art helped establish lack of full-scope of enablement of claims construed to encompass non-disclosed combinations. Promega (Fed. Cir. 12/15/14).


a) which disclosure governs

b) enable “full scope” of claim

- Full-Scope Enablement An “Important Doctrine”: “This important doctrine prevents both inadequate disclosure of an invention and overbroad claiming that might otherwise attempt to cover more than was actually invented. Thus, a patentee chooses broad claim language at the peril of losing any claim that cannot be enabled across its full scope of coverage.” Patent owner asserted that the open-ended element in claims of causing a “change in the resistance by at ‘least 10%’ covered performance gains “up to infinity.” “In sum, this field of art has advanced vastly after the filing of the claimed invention. The specification containing these broad claims, however, does not contain sufficient disclosure to present even a remote possibility that an ordinarily skilled artisan could have achieved the modern dimensions of this art. Thus, the specification enabled a marginal advance over the prior art, but did not enable at the time of filing a tunnel junction of resistive changes reaching even up to 20%, let alone the more recent achievements above 600%.” Magsil (Fed. Cir. 08/14/12) (aff’g SJ of invalidity for lack of full-scope enablement); Sitrick (Fed. Cir. 02/01/08) (Aff’g SJ of non-enablement: “Because the asserted claims are broad enough to cover both movies and video games, the patents must enable both embodiments.”); Alcon Res. (Fed. Cir. 02/04/08).
Cir. 08/08/12) (in context of construing claim: “When you claim a concentration range of 0.0001-5% w/v (as claim 2), you can’t simply disavow the invalid portion and keep the valid portion of the claim. If everything up to 0.001% w/v is admittedly not enabled, then the entire claim is invalid.”); Creative Kingdoms (Fed. Cir. 12/19/14) (non-precedential) (“Here, the novelty of the asserted claims includes the use of sensors in combination, and the scope of the asserted claims includes both mechanical and electronic sensors. But the two specifications contain no guidance as to how electronic sensors … can be substituted or added to detect different motions, as required by the asserted claims.”) But see Alcon Res. (Fed. Cir. 03/18/14) (rev’g full-scope enablement invalidity judgment, for failure to make required threshold showing that some experimentation is necessary to practice the claimed methods, as opposed to optimizing their results).

- **Full-Scope Enablement (or Written Description) Defense Effectively Can Be Won In Claim Construction:** At patent owner’s urging, Fed. Cir. construed claims not to be limited to an injector with a pressure jacket, but Spec. enabled only injector with a pressure jacket, so full scope of claim not enabled. Liebel-Flarsheim (Fed. Cir. 03/22/07); cf. Synthes (Fed. Cir. 10/29/13) (2-1) (claim construed broadly at plaintiff’s urging, to cover “openings” in an implant, but Spec. disclosed only grooves not slots or channels: aff’d jury verdict claim invalid for lack of written description support); Magsil (Fed. Cir. 08/14/12) (patent owner “advocated for a broad construction of this claim term” that covered large performance gains over prior art; “MagSil’s difficulty in enabling the asserted claims is a problem of its own making.”); Alza (Fed. Cir. 04/26/10) (claimed methods for treating ADHD using a methylphenidate (“MPH”) drug dosage form whose release rate ascends over an extended period of time. Series of apps. included CIP, continuation and provisional. Ancestor app. mentioned non- osmotic and osmotic embodiments but enabled only the latter. Patent owner obtained construction covering both embodiments. Claims therefore invalid for lack of enablement. “Enablement is determined as of the effective filing date of the patent’s application.”); Promega (Fed. Cir. 12/15/14) (undisputed claim construction encompassed not only recited reaction but any other larger, more complex multiplex reaction; citing MagSil with approval); Convolve I (Fed. Cir. 07/01/13) (non-precedential) (aff’g SJ of no full-scope enablement; “claims purport to cover inputs into any and all physical systems, including disk drives”). Cf. Graver Tank (U.S. 02/28/1949) (claim reciting “metallic silicates” invalid where only nine metallic silicates had been disclosed in Spec. and proved operative, and no basis for construing claims to be limited to those nine).

- **Open-Ended Limitations:** open-ended claim limitations, such as “at least …,” particularly when reciting some alleged performance improvement, are well-suited to a full-scope enablement challenge. Magsil (Fed. Cir. 08/14/12) (claim recited causing a “change in the resistance by at least 10%,”); Promega (Fed. Cir. 12/15/14) (claim element “comprising” a combination of three specific elements construed to be open-ended and thus encompassed larger, more complex combinations not enabled by Spec.).

- **Purely Functional (Desired Result) Limitations:** USPTO will reject for lack of enablement a claim reciting a “purely functional claim element” with no limitation of structure, whether or not at the point of novelty, unless it triggers Sec. 112, ¶ 6. In re Miyazaki (BPAI 11/19/08) (precedential) (“the claimed ‘sheet feeding area operable to feed …’ is a purely functional recitation with no limitation of structure” and thus unpatentable for lack of definiteness and lack of enablement).

c) **undue experimentation**

- **Undue Experimentation (Wands Factors):** “determination of whether the requisite amount of experimentation is undue may include consideration of: (1) the quantity of experimentation necessary, (2) the amount of direction or guidance presented, (3) the presence or absence of working examples, (4) the nature of the invention, (5) the state of the prior art, (6) the relative skill of those in the art, (7) the predictability or unpredictability of the art, and (8) the breadth of
the claims.” Elan (Fed. Cir. 10/02/03) (citing In re Wands). But need not address each factor. In re Hillis (Fed. Cir. 05/21/12) (aff’g PTO non-enablement rejection). First challenger must show that some experimentation would be necessary to practice the claimed invention. Alcon Res. (Fed. Cir. 03/18/14) (“After the challenger has put forward evidence that some experimentation is needed to practice the patented claim, the factors set forth in Wands then provide the factual considerations that a court may consider when determining whether the amount of that experimentation is either ‘undue’ or sufficiently routine such that an ordinarily skilled artisan would reasonably be expected to carry it out.”); Vasudevan Software (Fed. Cir. 04/03/15) (rev’g SJ of no enablement where some Wands factors genuinely disputed; difficulty developing commercially acceptable embodiment not dispositive).

d) teaching away

• Teaching Away May Show Non-Enablement: If a Spec. teaches away from a substantial portion of the claim, there is no enablement. AK Steel (Fed. Cir. 09/23/03). But see Callicrate (Fed. Cir. 10/31/05) (a disclosure in background section sufficient for enablement even though the patent criticized it, stating “disparaging remarks in a background section or remarks characterizing the prior art as less effective do not remove those disclosures as enabling references.”)

11. Best Mode (Sec. 112(1/a))

• AIA: Best mode stricken from Secs. 119(e)(1), 120, 282. So best mode no longer a basis for invalidity, unenforceability, or non-entitlement to effective filing date (Sec. 15) {effective for cases

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26 BASI CS: “The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.” 35 U.S.C. § 112(1/a) (and therefore part of Sec. 120’s effective-filing date requirements). There is a two-part test: (1) whether any inventor subjectively possessed a best mode of practicing the claimed invention, and if so (2) whether the Spec. adequately discloses that mode. E.g., Green Edge (Fed. Cir. 09/07/10). “A best mode violation requires intentional concealment.” Ateliers (Fed. Cir. 05/21/13) (2-1; dissent noting conflicting Federal Circuit panel and CCPA precedents). An “inventor” need not have a best mode.

- Best Mode Analysis: Explore best mode of unnamed possible inventors.
- Best Mode: “Known ways of performing a known operation cannot be deemed intentionally concealed absent evidence of intent to deliberately withhold that information.” High Concrete (Fed. Cir. 07/29/04) (rev’g SJ of best mode violation; distinguishing cases where “best mode” discovered by applicants through trial and error); cf. Joy MM Delaware (Fed. Cir. 11/08/12) (non-precedential) (“An inventor does not conceal the best mode of an invention by disclosing only one of many modes for enabling a claim element when all of the other undisclosed modes are already well-known substitutes in the art. One of ordinary skill in the art would not need to be reminded of those substitutes to practice the best mode of the invention.”)
- Must Disclose Best Mode Of Claimed Invention, Not Just Its Innovative Aspects: must disclose identity of preferred starting material for claimed process. Ajinomoto (Fed. Cir. 03/08/10).
- Don’t Need To Disclose Something Artisan Would Have Determined From Implementing Disclosure: “Because harmonization—a process known to skilled artisans—would produce the optimal dew points, the specification need not disclose them to enable skilled artisans to practice the best mode.” Eurand (Fed. Cir. 04/16/12).
- No Need To Update Best Mode In Non-Provisional If Claims Entitled To Provisional’s Effective Filing Date: where claims are entitled to provisional application’s filing date, no need to disclose best mode developed after the provisional application was filed. Star Sci. (Fed. Cir. 08/26/11) (no analysis).
filed on or after 09/16/11}. “[T]he failure to disclose the best mode shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable.” 35 U.S.C. § 282(b)(3)(A).

- **AIA: TIPS:**
  - REDACTED

### 12. Effective Filing Date; Right Of Priority (Secs. 100 AIA (FITF)) 119, 120, 365

- **BASICS:** A “priority application” must “support” the claim with enablement and written description, but not with Sec. 112(2/b)’s “regards as the invention” claiming requirement. “An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application.” 35 U.S.C. § 120 (pre-AIA); see also § 119. Each intermediate application needed to maintain unbroken chain of continuity must satisfy each requirement of Sec. 120 (even before Sec. 120’s 1999 amendment made this explicit). Los Angeles Biomedical (Fed. Cir. 02/28/17) (aff’g PTAB decision claim not supported by provisional: “proof of priority requires written description disclosure in the parent application, not simply information and inferences drawn from uncited references”); Encyclopaedia Britannica (Fed. Cir. 06/18/10); Medtronic (Fed. Cir. 01/22/14) (“each intermediate application must recite every intervening application before it all the way back to” the sought-after effective filing date application.)

  - **AIA:** best mode stricken from effective-filing-date requirements under Sec. 120 and 119(e)(1) (getting date of provisional app.). (Sec. 15) {effective for cases filed on or after 09/16/11}
  - **AIA (FITF):** 35 USC 100(i)(1) (AIA) (“The term `effective filing date' for a claimed invention in a patent or application for patent means--(A) if subparagraph (B) does not apply, the actual filing date of the patent or the application for the patent containing a claim to the invention; or (B) the filing date of the earliest application for which the patent or application is entitled, as to such invention, to a right of priority under section 119, 365(a), or 365(b) or to the benefit of an earlier filing date under section 120, 121, or 365(c).”)
  - **AIA (FITF):** “Section 120 of title 35, United States Code, is amended by striking `which is filed by an inventor or inventors named' and inserting `which names an inventor or joint inventor'. This amendment does not apply to FITI patents or applications. Therefore, assignee-filed applications are not entitled to benefit under Sec. 120, under literal language of the statute.

- **Sec. 120 And Best Mode:** Patent was not entitled to foreign priority date because foreign application did not disclose the best mode (a preferred length of a sheath); because the priority date was lost, the patent was anticipated by the inventor’s own article. Go Med. (Fed. Cir. 10/27/06).

- **TIPS:**
  - REDACTED
“Fundamental Fairness”: “This court is mindful that continuing applications, such as Affymetrix’s application here, can only receive the benefit of an earlier-filed parent application if that parent fully supports the claims. If not supported in the parent application, fundamental fairness requires that claims to new matter receive, at best, the filing date of the continuing application.” Agilent (Fed. Cir. 06/04/09) (interference context; no single embodiment had each claim limitation).

Must Maintain Unbroken Chain Of Disclosure: For a patent claim to be backdated to filing date of an earlier application, each application leading back to that earlier application must have disclosed the later-claimed “invention,” and the chain of co-pendency must be unbroken. Zenon Envtl. (Fed. Cir. 11/07/07) (invalidating patent due to a break in the chain of disclosure); In re Reiffin (Fed. Cir. 07/27/09) (non-precedential) (cannot in reexamination correct a break in chain of disclosure); Tech. Licensing (Fed. Cir. 10/10/08) (“the issue is whether a person skilled in the art would understand from the earlier application alone, without consulting the new matter in the [CIP], that the inventor had possession of the claim[] when the [ancestor] application was filed”); Lockwood (Fed. Cir. 03/04/97) (“In order to gain the benefit of the filing date of an earlier application under 35 U.S.C. § 120, each application in the chain leading back to the earlier application must comply with the written description requirement of 35 U.S.C. § 112.”) See also Fleetwood Mac, The Chain, on Rumours (1976) (“I can still hear you saying you would never break the chain.”)

Sec. 120 Question Of Law?: “Entitlement to priority under 120 is a matter of law, and receives plenary review on appeal.” In re Daniels, 144 F.3d 1452, 1455 (Fed. Cir. 1998). But sole case cited by In re Daniels does not support this conclusion. “Determination of a patent’s priority date is purely a question of law if the facts underlying that determination are undisputed.” Medtronic (Fed. Cir. 01/22/14) (aff’g sum. jud. of invalidity over ancestor published apps. where priority continuity was broken so not entitled to ancestor filing dates).


Patent Owner May Be Estopped From Backdating Claims: Estopped where patent applicant had successfully argued to PTO that its published ancestor application did not disclose an element in the issued claim. Bradford (Fed. Cir. 04/29/10).

a) “filed before”

“Filed Before”?: Filing On Date Of Issuance Does Not Break Chain: “An application for patent for an invention disclosed ... in an application previously filed in the United States, or as provided by section 363 of this title, ... shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application ...” 35 USC § 120. Although contrary construction is plausible, more than 50 years history of court and PTO approval of same-day continuations, and widespread reliance thereon, and failure of the statute to refer to “day” or “date,” supports PTO position that a day is not the correct unit of measure for “before” and allowing same-day continuations under Sec. 120. Immersion (Fed. Cir. 06/21/16). This also applies to Sec. 121 (“if the divisional application is filed before the issuance of the patent on the other application”), but not to provisional applications under Sec. 119(e) (“if the application for patent ... is filed not later than 12 months after the date on which the provisional application was filed.”)

b) patent owner’s burden

Patent Owner May Have Burden Of Production (“Going Forward With Evidence”): Burden of persuasion remains on patent challenger. But, “when neither the PTO nor the Board has previously considered priority, there is simply no reason to presume that claims in a CIP application
are entitled to the effective-filing date of an earlier filed application.” In these situations, the burden is on the patent owner “to come forward with evidence to prove entitlement to claim priority to an earlier filing date.” PowerOasis (Fed. Cir. 04/11/08) (Parent disclosed user/customer interface only on vending machine; CIP added embodiments where user interface was on customer’s laptop; claim construed ivo CIP disclosure to mean customer interface covered either location; as a result, claims not entitled to parent filing date, and, on SJ, were invalid for anticipation.). This burden of production includes “presenting persuasive argument” as well as evidence. Tech. Licensing (Fed. Cir. 10/10/08) (“[Once challenger meets burden of going forward with evidence that reference is prior art if patent filing date is it’s effective filing date] At that point TLC has the burden of going forward with evidence either that the prior art does not actually anticipate, or, as was attempted in this case, that it is not prior art because the asserted claim is entitled to the benefit of a filing date prior to the alleged prior art. See id. This requires TLC to show not only the existence of the earlier application, but why the written description in the earlier application supports the claim. In the context of the allegedly anticipating Elantec prior art, that means producing sufficient evidence and argument to show that an ancestor to the ‘250 patent, with a filing date prior to the Elantec date, contains a written description that supports all the limitations of claim 33, the claim being asserted. Assuming then that TLC’s evidence and argument in support of the earlier filing date is now before the court, the burden of going forward again shifts to the proponent of the invalidity defense, Gennum, to convince the court that TLC is not entitled to the earlier filing date. ‘Convince’ is the operative word, because if the court is not persuaded by clear and convincing evidence that Gennum is correct, Gennum has failed to carry its ultimate burden of persuasion, and its defense of invalidity, based on anticipation by the Elantec art, fails.”) Accord In re Katz (Fed. Cir. 02/18/11) (“Once an accused infringer establishes obviousness by clear and convincing evidence, the burden shifts to the patentee to prove priority over the invalidating prior art.”); see Dynamic Drinkware (Fed. Cir. 09/04/15) (aff’g IPR petitioner failed to satisfy its burden of production to establish reference entitled to its provisional filing date once patent owner showed that invention was reduced to practice before the reference’s actual filing date); Cordance (Fed. Cir. 09/23/11) (aff’g JMOL that claims not entitled to grandparent’s filing date, because patent owner failed to link claims to earlier disclosure (no mention of burden)). Even when application is a continuation, if challenger meets burden of production identifying an invalidating intervening prior art reference, then patent owner has burden of production of entitlement to ancestor application’s filing date. Research Corp. Tech. (Fed. Cir. 12/08/10); see In re NTP (Fed. Cir. 08/01/11) (series of “continuation” applications: “for a patent’s claims to be entitled to an earlier priority date, the patentee must demonstrate that the claims meet the requirements of 35 U.S.C. § 120;” rejecting argument that Examiner must have implicitly decided the effective filing date issue); In re Magnum Oil (Fed. Cir. 07/25/16) (dictum: “a patent challenger has the burden of producing evidence to support a conclusion of unpatentability under § 102 or § 103, but a patentee bears the burden of establishing that its claimed invention is entitled to an earlier priority date than an asserted prior art reference.”); but see Cummins-Allison (Fed. Cir. 05/25/12) (non-precedential) (reinstating jury verdict that claims entitled to continuation parent’s filing date, without mentioning this burden-shifting issue.)

• TIPS:
  ○ REDACTED

13. “Invention” Date (Sec. 102 (g))

• BASICS: “Invention date” is important primarily in two contexts: (1) a patent applicant’s “invention date” may antedate certain prior art (e.g., Sec. 102(a) or 102(e) references), e.g., Perfect Surgical (Fed. Cir. 11/15/16) (2-1) (vacating PTAB finding that applicant lacked reasonable diligence toward constructive reduction to practice), and (2) another’s invention as of a particular “invention date” may qualify as prior art, under 102(g). “Invention date” is the date of reduction to practice of the claimed invention, extended as far back toward conception as continuous diligence can take it: “A
person shall be entitled to a patent unless-- ... before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.” 35 U.S.C. § 102(g) (pre-AIA); Tyco Healthcare (Fed. Cir. 12/04/14) (aff’g finding of prior invention based on drawings and building a prototype coupled with diligence to constructive reduction to practice). Mere delay is not enough to prove suppression or concealment. Flex-Rest (Fed. Cir. 07/13/06). Excessive delay may bar first inventor from relying on early reduction to practice but not from relying on later, resumed activity antedating second inventor’s work. Paulik (Fed. Cir. 04/22/85) (en banc). Patent owner has burden of production to prove date of invention before putative prior art. Allergan (Fed. Cir. 06/10/14) (documents did not corroborate oral testimony of conception date). Question of law based on subsidiary fact findings. Alexsam (Fed. Cir. 06/16/15) (non-precedential) (rev’g jury verdict of no Sec. 102(g) anticipation; prior art reduced to practice before patent filing date and patent owner did not meet burden of production to show earlier invention).

- **AIA:** Changes everything on this subject for patents governed by it. (See following row.)

- **Date Of Invention Measured Against As-Construed Claimed Invention:** Intellectual Ventures (Motorola) (Fed. Cir. 05/31/17) (non-precedential) (vacating PTAB unpatentability decision based on reference patent owner tried to predate by showing an earlier date of invention; PTAB erred by requiring patent owner corroboration of a feature that PTAB refused to include in its claim construction).

- **Proof Of Conception:** “Conception is the formation, in the mind of the inventor, of ‘a definite and permanent idea of the complete and operative invention. The idea must be ‘so clearly defined in the inventor’s mind that only ordinary skill would be necessary to reduce the invention to practice, without extensive research or experimentation.’” Stamps.com (Fed. Cir. 06/15/11) (patentee failed to sufficiently corroborate alleged conception before Sec. 102(a) reference) (non-precedential). “‘An idea is definite and permanent when the inventor has a specific, settled idea, a particular solution to the problem at hand, not just a general goal or research plan he hopes to pursue.’” Dawson (Fed. Cir. 03/25/13) (aff’g BPAI decision that conception not proven). “‘Conception requires that the inventor know how his ‘definite and permanent idea of the complete and operative invention . . . is hereafter to be applied in practice,’ i.e., the inventor must have ‘possess[ed] an operative method of making [the invention].’” Id. (citations omitted). Accord In re Steed (Fed. Cir. 10/01/15) (aff’g PTAB ruling of no showing of conception before prior art’s date). “To establish prior invention, the party asserting it must prove that it appreciated what it had made. The prior inventor does not need to know everything about how or why its invention worked. Nor must it conceive of its invention using the same words as the patentee would later use to claim it.” Teva Pharm. (Fed. Cir. 12/01/11) (aff’g SJ of invalidity under § 102(g)(2)). “‘Conception must be proved by corroborating evidence which shows that the inventor disclosed to others his ‘completed thought expressed in such clear terms as to enable those skilled in the art’ to make the invention.’” Reg Synthetic (Fed. Cir. 11/08/16) (rev’g PTAB; patent owner proved earlier invention to pre-date asserted Sec. 102(e) reference; relying on emails with third party and rejecting hearsay objection); Intellectual Ventures (Motorola) (Fed. Cir. 05/31/17) (non-precedential) (PTAB erred in imposing too strict a standard for evidence of corroboration; “focus must be whether the totality of the evidence makes the inventor’s testimony credible.” “Documents created shortly after the critical date and even undated documents may be relevant to corroborate an inventor’s testimony.”)

- **Actual Reduction To Practice:** “In order to establish an actual reduction to practice, the inventor must prove that: (1) he constructed an embodiment or performed a process that met all the limitations of the [claim]; and (2) he determined that the invention would work for its intended purpose.” Taskett (Fed. Cir. 09/26/03) (does not require “viable commercial embodiment.”);
Cooper (Fed. Cir. 1998) (same, for interference count); Alexsam (Fed. Cir. 06/16/15) (non-precedential) (rev’g jury verdict of no Sec. 102(g) anticipation, based on successful, non-public pilot testing). The intended purpose need not be explicitly included in the claim. Streck (Fed. Cir. 10/16/11) (interference context) (see Streck (Fed. Cir. 01/10/12) (companion infringement suit)). Sufficiency of testing to show an invention works for its intended purpose is question of fact. Id. For another’s reduction to practice to inure to benefit of inventor requires only that the inventor authorized that reduction to practice, not that the inventor requested it or even knew of it. Solvay II (Fed. Cir. 02/12/14) (2-1). Embodiment must include all elements of a claim not just an equivalent element. Alexsam (Fed. Cir. 06/16/15) (non-precedential).

**Diligence:** “A patent owner need not prove the inventor continuously exercised reasonable diligence throughout the critical period; it must show there was reasonably continuous diligence.”

Perfect Surgical (Fed. Cir. 11/15/16) (2-1) (vacating PTAB finding that applicant (attempting to antedate a reference) lacked reasonable diligence over about a 3-month period toward constructive reduction to practice: “the point of the diligence analysis is not to scour the patent owner’s corroborating evidence in search of intervals of time where the patent owner has failed to substantiate some sort of activity. It is to assure that, in light of the evidence as a whole, ‘the invention was not abandoned or unreasonably delayed.’”). See Brown (Fed. Cir. 02/02/06) (discussion of evidence needed to prove diligence); Garmin (PTAB (IPR) 11/13/13) (insufficient showing of reasonably continuous activity to show diligence); In re Enhanced Security (Fed. Cir. 01/13/14) (aff’g Board finding of insufficient showing of diligence over four-month period it took to file patent application).

**In This Country:** Under § 102(g)(2), where invention made abroad, date invention was disclosed in U.S. is the date of conception in this country. Disclosure need not be in writing, but must be “specific enough to encompass the ‘complete and operative’ invention.” Amkor Tech. (Fed. Cir. 08/22/12).

**TIPS:**

- REDACTED

14. **(FITF) U.S. Patents/ Published Apps Qualifying As Prior Art (§ 102(a)(2) (AIA))**

**BASICS (FITF):** U.S. patents and published applications qualify as prior art if they name “another inventor” and have an earlier effective filing date than claimed invention, 35 USC 102(a)(2) (AIA)\(^\text{27}\), unless their disclosure was obtained from inventor, or first publicly disclosed by inventor, or was owned by owner of claimed invention not later than effective filing date of claimed invention. 35 USC 102(b)(2) (AIA)\(^\text{28}\). Note: even references with effective filing date more than a year before patent’s effective filing date may be avoided as prior art if an exception applies.

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\(^{27}\) For another’s reduction to practice to inure to benefit of inventor requires only that the inventor authorized that reduction to practice, not that the inventor requested it or even knew of it.

\(^{28}\) Disclosure shall not be prior art to a claimed invention under subsection (a)(2) if--

(A) the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor;

(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter.
15. (FITF) Other Prior Art (§ 102(a)(1) (AIA))

- **BASICS (FITF):** Prior art expanded to include foreign public use, foreign on sale, and inventions “otherwise available to the public” before effective filing date of the claimed invention. 35 USC 102(a)(1) (AIA)\(^8\), unless that disclosure was made 1 year or less before effective filing date and (A) was made by inventor or one who obtained disclosed subject matter from inventor, or (B) had earlier been publicly disclosed by inventor or one who obtained disclosed subject matter from inventor. 35 USC 102(b)(1) (AIA)\(^4\).

- **TIPS (FITF):**
  - REDACTED

16. On Sale Bar

- **BASICS:** Entitled to patent unless “the invention was ... on sale in this country, more than one year prior to the date of the application for patent in the United States.” 35 USC 102(b)(pre-AIA). **Pfaff** (U.S. 11/10/1998) (overturning Fed. Cir.’s “totality of the circumstances” test) two-pronged test: “invention” (1) is subject of commercial offer for sale and (2) is ready for patenting (“reduction to practice” or “the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention”). “A primary rationale of the on-sale bar is that publicly offering a product for sale that embodies the claimed invention places it in the public domain, regardless of when or whether actual delivery occurs.” **Helsinn** (Fed. Cir. 05/01/17). Others need not know that the product offered embodies the claimed invention. Id.

- **Offer Withdrawn Before Conception Is Not An Offer For Sale:** “An invention cannot be offered for sale until its conception date. Hence, if an offer for sale is made and retracted prior to conception, there has been no offer for sale of the invention. In contrast, if an offer for sale is extended and remains open, a subsequent conception will cause it to become an offer for sale of the invention as of the conception date.” **August Tech.** (Fed. Cir. 08/22/11).

- **FITF:** Changes this defense for patents subject to it. Entitled to patent unless “(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.” 35 USC 102(a)(1) (FITF): “(a) Novelty; Prior Art.- A person shall be entitled to a patent unless—(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.”

35 USC 102(b)(1) (FITF): “1. DISCLOSURES MADE 1 YEAR OR LESS BEFORE THE EFFECTIVE FILING DATE OF THE CLAIMED INVENTION- A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if—
A. the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or
B. the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.”

\(^8\) 35 USC 102(a)(1) (FITF)

\(^4\) 35 USC 102(b)(1) (FITF)
102(a)(1)(AIA). “The AIA did not change the statutory meaning of ‘on sale’ in the circumstances involved here.” Helsinn (Fed. Cir. 05/01/17) (rev’g bench-trial judgment of no on sale bar of both pre-AIA and FITF claims; pre-critical date patent owner entered exclusive distributor and requirements supply agreement with distributor agreeing to supply two doses (one claimed) of the claimed drug product at a specified minimum price, but could terminate if FDA did not approve either dose, which agreement was made public except for price and precise doses).

a) ready for patenting

• Ready For Patenting: The invention need not be ready for patenting at the time the alleged offer is made, just prior to the critical date. August Tech. (Fed. Cir. 08/22/11). See Honeywell (Fed. Cir. 06/02/04) (en banc) (substantial evidence supports jury verdict that invention not ready for patenting).

• Reduction To Practice (For On Sale): Testing “must show that the invention works for its intended purpose ‘beyond a probability of failure’ but not ‘beyond a possibility of failure.’” Helsinn (Fed. Cir. 05/01/17) (claimed invention was reduced to practice despite lack of completion of Phase III trials; approval by FDA is more exacting standard).

b) commercial offer for sale

• Commercial Offer for Sale: “To be ‘on sale’ under § 102(b), a product must be the subject of a commercial sale or offer for sale, and that a commercial sale is one that bears the general hallmarks of a sale pursuant to Section 2-106 of the Uniform Commercial Code.” The Medicines Co. II (Fed. Cir. 07/11/16) (en banc) (no commercial sale where patent owner paid supplier $347,500 to manufacture batches (worth over $20 million) of claimed drug product embodiments, identified as commercial units, for use to convince FDA that commercial product met approved specifications, but was invoiced as manufacturing services and title to the pharmaceutical batches did not change hands, and batches placed in quarantine pending FDA approval to sell (which came after critical date)). It must be “commercially marketed.” Id. Although not dispositive, “the passage of title is a helpful indicator of whether a product is ‘on sale,’ as it suggests when the inventor gives up its interest and control over the product.” Id. The UCC “does not have ‘talismanic significance’”; e.g., charging a fee to use a patented machine may place it “on sale” despite no passage of title. The offer must be such that “the other party could make [it] into a binding contract by simple acceptance.” Group One (Fed. Cir. 06/15/01); Helsinn (Fed. Cir. 05/01/17) (rev’g bench-trial judgment of no on sale bar of both pre-AIA and FITF claims; contract “unambiguously contemplated the sale by [patent owner] of [distributor’s] requirements of the claimed invention,” despite condition precedent requiring FDA regulatory approval of dose, and despite only one of the doses being claimed); Merck & Cie (Fed. Cir. 05/13/16) (rev’g finding of no on sale bar: detailed offer (“providing essential price, delivery, and payment terms”) sent to single party in direct response to its request to purchase specified amount of specified product “contained all the required elements to qualify as a commercial offer for sale,” despite never being consummated). The offer must be to sell an embodiment of the invention as distinct from offering to sell patent rights to the invention. Offer may be by a foreign entity directed to someone in U.S.; offer to buy is not an offer to sell; and question of law based on underlying facts. The Medicines Co. II (Fed. Cir. 07/11/16) (en banc); Hamilton Beach (Fed. Cir. 08/14/13) (aff’g SJ of on-sale bar based on foreign supplier’s pre-critical-date offer for sale to the patent owner) (2-1); Southern Snow (Fed. Cir. 06/30/14) (non-precedential) (rev’g refusal to enter JMOL of on sale bar). Cf. Milo & Gabby (Fed. Cir. 05/23/17) (non-precedential) (no “sale” by Amazon for purposes of copyright infringement: “Though FAC System shipped its product to an Amazon warehouse for storage and Amazon boxed up and shipped the product when a sale was consummated on the website, Amazon never held title to the accused products.”)
• **Charging For Use Of System 102(b) On Sale**: aff'g district court ruling that because patent owner had “charged users of the 386 system for the calls they made using that system, he engaged in a ‘sale’ of the service within the meaning of section 102(b) even if he did not make a profit on the transactions.” *In re Cygnus Telecomms.* (Fed. Cir. 08/19/08).

• **Neither Contract Manufacturing For An Inventor Nor Resulting Stockpiling Of Inventory Is A Commercial Sale**: “A contract manufacturer’s sale to the inventor of manufacturing services where neither title to the embodiments nor the right to market the same passes to the supplier does not constitute an invalidating sale under § 102(b)” because it “does not constitute a ‘commercial sale’ of the invention.” *The Medicines Co.* II (Fed. Cir. 07/11/16) (en banc) (product and product-by-process claims; not on sale where, among other things, only manufacturing services were sold to the inventor at a price about 1% of market value of the products, inventor maintained control of the invention, as shown by the retention of title to the embodiments, and transaction was confidential). Stockpiling of “invention” embodiments by purchaser of manufacturing services is not commercialization under § 102(b) because “the on-sale bar is triggered by actual commercial marketing of the invention, not preparation for potential or eventual marketing.” *Id.*

• **Delivery Of Custom Software Not A Sale**: Not on sale where inventor hires programmer to develop and deliver custom software for an hourly programming fee. *Trading Techs.* (Fed. Cir. 02/25/10).

• **Existence Of Sale Or Offer May Be Secret** *(FITF changes, probably)*: Applies to offer for sale by patent applicant or by a third party, even if confidential (secret) offer for sale. *In re Caveney* (Fed. Cir. 05/08/85) (aff'g PTO rejection of claims: rejecting contention that sales offer “kept secret from the trade” cannot be an on sale; “An exception to this general rule [on sale before critical date bars claim] exists where a patented method is kept secret and remains secret after a sale of the unpatented product of the method. Such a sale prior to the critical date is a bar if engaged in by the patentee or patent applicant, but not if engaged in by another. [But] here the claimed invention was disclosed to the purchaser.”); *Helsinn* (Fed. Cir. 05/01/17) (citing *In re Caveney* and other cases with approval on this point; which cases were “concerned entirely with whether the existence of a sale or offer was public”).

*FITF: Existence Of Sale Or Offer [Probably] Must Be Public*: “after the AIA, if the existence of the sale is public, the details of the invention need not be publicly disclosed in the terms of sale.” *Helsinn* (Fed. Cir. 05/01/17) (existence of sale public). See *Pennock* (U.S. 1829) (“If an inventor should be permitted to hold back from the knowledge of the public the secrets of his invention; if he should for a long period of years retain the monopoly, and make, and sell his invention publicly, and thus gather the whole profits of it, relying upon his superior skill and knowledge of the structure; and then, and then only, when the danger of competition should force him to secure the exclusive right, he should be allowed to take out a patent, and thus exclude the public from any farther use than what should be derived under it during his fourteen years; it would materially retard the progress of science and the useful arts, and give a premium to those who should be least prompt to communicate their discoveries.”)

• **On Sale Activity Need Not Publicly Disclose Claimed Invention** *(FITF also)*: Rejecting “suggestion [that in AIA (FITF)] Congress required that the details of the claimed invention be publicly disclosed before the on-sale bar is triggered. Requiring such disclosure as a condition of the on-sale bar would work a foundational change in the theory of the statutory on-sale bar... If Congress intended to work such a sweeping change to our on-sale bar jurisprudence and ‘wished to repeal . . . [these prior] cases legislatively, it would do so by clear language.’”) *Helsinn* (Fed. Cir. 05/01/17) (redacted contract made public, disclosed claimed invention except for the doses).
d) method claims

• **Three Ways To Put “Method” On Sale**: Either make a commercial offer to perform the patented method (even if the performance itself occurred after the critical date) or before the critical date in fact perform the patented method for a promise of future compensation. Plumtree (Fed. Cir. 12/18/06); cf. Minton (Fed. Cir. 07/29/03) (the patent applicant leasing “a fully operational computer program implementing and thus embodying the claimed method,” enabling lessee to practice the claimed invention, put method on sale). Or, before the critical date offer for sale a product made by the patented method, D.L. Auld (Fed. Cir. 08/15/83), unless that sale fails to make the method public, In re Caveney (Fed. Cir. 05/08/85); cf. The Medicines Co. II (Fed. Cir. 07/11/16) (en banc) (distinguishing Plumtree, D.L. Auld as concerning method claims not product-by-process or product claims, because “the literal subject matter of [method] claims is incapable of being sold.”).

• **Does Quanta Add Another Way To Put “Method” On Sale?**: In ruling that the sale of certain components of a combination exhausts patent claims directed to a method of using that combination, S. Ct. stated: “It is true that a patented method may not be sold in the same way as an article or device, but methods nonetheless may be ‘embodied’ in a product, the sale of which exhausts patent rights.” Quanta (U.S. 06/09/2008) (Similarly: “Aro described combination patents as ‘covering’ only the totality of the elements in the claim [so] that no element, separately viewed, is within the grant.’ 365 U.S., at 344; see also Mercoid Corp. v. Mid-Continent Investment Co., 320 U.S. 661, 667–668 (1944) (noting that, in a combination patent, ‘the combination is the invention and it is distinct from any’ of its elements). Aro’s warning that no element can be viewed as central to or equivalent to the invention is specific to the context in which the combination itself is the only inventive aspect of the patent. In this case, the inventive part of the patent is not the fact that memory and buses are combined with a microprocessor or chipset; rather, it is included in the design of the Intel Products themselves and the way these products access the memory or bus.”). One might argue that an offer to sell a component whose sale would exhaust a method claim, is an “on sale” activity barring that method claim. Also consider analogizing to SiRF Tech. (Fed. Cir. 04/12/10) (providing the hardware/firmware functionality = performing the method under 271(a)).

• **TIPS:**
  
  o REDACTED

17. Public Use Bar

• **BASICS**: For a pre-critical-date use to invalidate a claim, (1) the invention must be “ready for patenting” (see Pfaff (U.S. 11/10/1998)) and (2) the use must have been a public use. Invitrogen (Fed. Cir. 10/05/05); Dey (Fed. Cir. 05/20/13) (rev’g SJ of public use bar, but not entering SJ of no bar, even though clinical study subjects did not sign confidentiality agreements) (“we ask ‘whether the purported use: (1) was accessible to the public; or (2) was commercially exploited.’”) There are two public use categories: (1) a commercial use by the applicants (even if confidential); and (2) a non-confidential use by anyone. Dey (Fed. Cir. 05/20/13) (“secret or confidential third-party uses do not invalidate later-filed patents”); Delano (Fed. Cir. 01/09/15) (aff’g no public use of patented plants where patent owner’s employee gave plants to third parties telling them to keep them private and third parties knew employee was not authorized to provide the unreleased plants). Need not be used for its intended purpose. Rather, inquiry is “whether the inventor himself has made a use of his invention which is ‘public’ because it was given to a member of the public without restriction,” but “all aspects of the claimed invention must be disclosed.” Pronova (Fed. Cir. 09/12/13) (shipping sample of pharmaceutical to a doctor with description of product, and without restriction on use, was a public use). Some precedent exists for extending “public use” bar to “obvious variants” without full-scale obviousness analysis. Clock Spring (Fed. Cir. 03/25/09)
("We have held that the public use bar applies to obvious variants of the demonstrated public use.")

- **FITF:** Changes the defense for patents subject to it. See *Helsinn* (Fed. Cir. 05/01/17) (expressly declining to address whether overrules case law on "secret" public uses).

- **Commercial Use Category Of “Public Use”**: "[A] secret, purposely hidden use of a patented process more than one year before an applicant’s filing date precludes the issuance of the patent when it is the applicant who so used the claimed invention and did so to his commercial advantage." *Woodland* (Fed. Cir. 07/10/98). In *Invitrogen* (Fed. Cir. 10/05/05), the Federal Circuit seemingly limited the “commercial” uses to situations where the invention is used in an actual product or in making an actual product for which compensation is received, not just using it to gain some other advantage, such as developing products for future use.

- **Requires Use, Not Merely Display Of Embodiment:** Providing keyboard to investors but not using it with a computer, is not a “public use.” *Motionless Keyboard* (Fed. Cir. 05/29/07).

- **The Second Public Use Prong Is Similar To Old Totality Of Circumstances Test:** Unlike the on sale bar, the public use bar still uses a test similar to the old “totality of the circumstances”: "the test for the public use prong includes the consideration of evidence relevant to experimentation, as well as, *inter alia*, the nature of the activity that occurred in public; public access to the use; confidentiality obligations imposed on members of the public who observed the use; and commercial exploitation." *Invitrogen* (Fed. Cir. 10/05/05); *Dey* (Fed. Cir. 05/20/13) (although "we do not ask for an ‘enablement-type inquiry’ under section 102(b), a court still must decide whether the ‘claimed features of the patents [were placed] in the public’s possession.’"). This test is in addition to the “ready for patenting” requirement. *Id.*

18. **Experimental Sale Or Use**

- **BASICS:** A patent applicant is permitted pre critical date offers and uses for experimental purposes. "The use of an invention by the inventor himself, or of any other person under his direction, by way of experiment, and in order to bring the invention to perfection, has never been regarded as such a [barring public] use." *Elizabeth v. Am. Nicholson Pavement Co.*, 97 U.S. 126, 134 (1877); *Atlanta Attachment* (Fed. Cir. 02/21/08) (offer to sell commercial quantities defeats any experimental use argument; sale/use to determine if product satisfies a customer’s purposes is not experimental sale/use); *Allen* (Fed. Cir. 08/01/02) (13 factors that might be considered).

- **“Experimental” Is Not Separate Issue:** "It is incorrect to impose on the patent owner ... the burden of proving that a ‘public use’ was ‘experimental.’ These are not two separable issues. It is incorrect to ask: ‘Was it public use?’ and then, ‘Was it experimental?’ Rather, the court is faced with a single issue: Was it public use under § 102(b)? ... This does not mean, of course, that the challenger has the burden of proving that the use is not experimental. Nor does it mean that the patent owner is relieved of explanation. It means that if a *prima facie* case is made of public use, the patent owner must be able to point to or must come forward with convincing evidence to counter that showing." *TP Labs.* (Fed. Cir. 01/04/84).

- **Cut Off By Reduction To Practice?:** The en banc Fed. Cir. vacated panel decision and refused to reach amici assertion that reduction-to-practice does not cut-off experimental use. *The Medicines Co. II* (Fed. Cir. 07/11/16) (en banc). "Several of this Court’s early decisions stating that an invention is not complete until it has been reduced to practice are best understood as indicating that the invention’s reduction to practice demonstrated that the concept was no longer in an experimental phase." *Pfaff* (U.S. 11/10/1998). "[E]xperimental use cannot negate a public use when it is shown that the invention was reduced to practice before the experimental use.” *In Re Omeprazole Patent Litig.* (Fed. Cir. 08/20/08); *Clock Spring* (Fed. Cir. 03/25/09). No experimental use after inventor aware that the invention has been reduced to practice.
• **Testing Must Be Of Claimed Features:** Where, e.g., a compound is claimed with no limitation as to a particular use, testing efficacy for that use does not negate a public use bar (i.e., is not an “experimental use”). *SmithKline* (Fed. Cir. 04/23/04).

• **This Applies To Applicants, Not Third Parties:** Remember that “experimental use/sale” does not rebut a public use or on sale by a third party unrelated to the applicant/inventor. See *New Railhead Mfg. v. Vermeer Mfg.*, 298 F.3d 1290, 1298 (Fed. Cir. 2002) (invalid due to use by party not controlled by applicant); *In re Caveny*, 761 F. 2d. 671, 675-76 (Fed. Cir. 1985) (invalid due to offer for sale between separate entities).

  o **TIPS:**
    
    • REDACTED

19. **Prior Art**

• **TIPS:**
  
  o **REDACTED**

a) **third-party on sale/public use**

• **FLTR:** Changes this subject for patents subject to it.

• **Factors For Evaluating Sufficiency Of Evidence Of Third-Party Prior Public Use, On Sale, Invention:** “Those factors include: (1) delay between event and trial, (2) interest of witness, (3) contradiction or impeachment, (4) corroboration, (5) witnesses’ familiarity with details of alleged prior structure, (6) improbability of prior use considering state of the art, (7) impact of the invention on the industry, and (8) relationship between witness and alleged prior user.” *Juicy Whip* (Fed. Cir. 06/07/02); *Transweb* (Fed. Cir. 02/10/16) (aff’g jury verdict of public use invalidity: accused infringer’s testimony that he handed out samples of particular type of product at an industry expo pre critical date, sufficiently corroborated even if not every element of that testimony was corroborated); *Ohio Willow Wood* (Fed. Cir. 11/15/13) (explaining “rule of reason” factors for corroborating prior art; see *Ceats* (Fed. Cir. 04/26/13) (non-precedential) (testimony corroborated by contemporaneous documents and video; aff’g jury verdict of anticipation). “Corroboration is generally a question left to the jury.” *Koninklijke Philips* (Fed. Cir. 07/28/16) (non-precedential) (vacating exclusion of prior art evidence).

• **Method Claim: Third-Party On-Sale:** Third-party sale of device that was capable of performing claimed method, but was not designed to do so, is not “on sale” bar to the method claim. *Poly-Am.* (Fed. Cir. 09/14/04).

• **Patent Owner’s Evidence Against Prior Use Needs No Corroboration:** Evidence offered by patent owner that product on sale before critical date lacked elements of the claim, need not be corroborated. *i4i* (Fed. Cir. 03/10/10), **affirmed on other grounds** (U.S. 06/09/2011).

• **TIPS:**
  
  o **REDACTED**

b) **“printed publication” (102(a), (b))**

• **BASICS:** Reference must be sufficiently accessible to those skilled and interested in the art so that exercising reasonable diligence they would have been able to learn of its existence and potential relevance and access it. *Suffolk Tech.* (Fed. Cir. 05/27/14) (aff’g SJ of anticipation over a UseNet posting); *In re Lister* (Fed. Cir. 09/22/09); *In re Enhanced Security* (Fed. Cir. 01/13/14) (2-1) (manual for product with dozen customers and available on request was sufficiently accessible). “A printed publication need not be easily searchable after publication if it was sufficiently disseminated.
at the time of its publication.” Suffolk Tech. (Fed. Cir. 05/27/14) (UseNet posting was a printed publication even though not indexed or searchable, where posted within an organized hierarchy of newsgroups, “dialogue with the intended audience was the entire purpose of the newsgroup postings,” and it elicited six responses). Whether qualifies as a printed publication is a legal conclusion based on factual determinations. Blue Calypso (Fed. Cir. 03/01/16).

- **Public Accessibility: Online or Computer Database Access:** In re Lister (Fed. Cir. 09/22/09) (a manuscript in the Copyright Office (in 1994) whose title was searchable via key words in a Westlaw database of Copyright Office records was publicly accessible as of the date it was entered in that database, even though one had to travel to the Copyright Office to inspect the manuscript and could not copy it.); SRI (Fed. Cir. 01/08/08) (addressing case law on public accessibility in context of paper e-mailed for peer review and placed on FTP server).

- **Paper On Web May Or May Not Qualify As Publication:** Compare Blue Calypso (Fed. Cir. 03/01/16) (aff’g PTAB decision that paper available via hyperlink on graduate student’s web page on University web site was not publicly accessible; “no evidence that the ordinarily skilled artisan would know of Dr. Ratsimor’s personal webpage or its web address,” or that search engine search would have led to this paper, and related published article did not cite to this paper.) with Voter Verified (Fed. Cir. 11/05/12) (article searchable on well-known web site was publication even if not indexed by search engine).

- **One-Time Handouts May Be “Publication”:** A document handed out to a few people without restriction, e.g., at a trade show, can be a “publication.” Typeright (Fed. Cir. 07/06/04).

- **Foreign File History May Be “Publication”:** Foreign file history, with drawings cancelled from the application before it issued as a patent, qualified as a publication even though no evidence that it was copied by anyone. Bruckelmyer (Fed. Cir. 04/20/06) (as disclosure was enabling, “the only question that remains for us to answer is whether a person of ordinary skill in the art interested in the subject matter of the patents in suit and exercising reasonable diligence would have been able to locate” the application.)

- **A Document May Be Published By Display Even If Not Distributed:** A slide presentation displayed at an industry meeting and at a University, for total of three days, without any confidentiality notice was a printed publication even though no copies were distributed or indexed. In re Klopfenstein (Fed. Cir. 08/18/04).

- **A Non-Enabling Publication May Be Enabled By A Foreign Sale?** In a plant patent case, Fed. Cir. ruled: “Evidence of the foreign sale of a claimed reproducible plant variety may enable an otherwise non-enabled printed publication disclosing that plant, thereby creating a § 102(b) bar.” In re Elsner (Fed. Cir. 08/16/04) (but, added dictum that ruling would be different in a utility patent case.)

- **Public Accessibility-Foreign File History:** Bruckelmyer (Fed. Cir. 04/20/06) (drawings in an application in a foreign file history was a “publicly accessible” printed publications).

- **Public Accessibility: Disseminated Copies:** Cordis (Fed. Cir. 03/31/09) (not prior art where patent applicant gave monograph to two companies as part of commercialization effort but with reasonable expectation that it would be kept confidential, even though one agreement disclaimed legal obligation to keep confidential); Kyocera (Fed. Cir. 10/14/08) (standard Spec. sufficiently disseminated and available to public to qualify as publication).

- **Public Accessibility-Library Access:** reference cataloged in Norwegian library under “computer networks” and “communication protocols” was publicly accessible where challenged patent was entitled “Mobile Data Network Description” and problem patent purported to solve was the transmission of data to mobile computers, even though the claims were limited to “e-mail.” In re NTP (Seven Appeals) (Fed. Cir. 08/01/11).
c) 102(e) prior art

- **Basics**: Sec. 102(e) (pre-AIA/FITF): “the invention was described in — (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for the purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.” In determining whether reference was “by another,” the question is “whether the portions of the reference relied on as prior art, and the subject matter of the claims in question, represent the work of a common inventive entity.” Emerachem (Fed. Cir. 06/15/17) (although corroboration not always required, here, uncorroborated, conclusory declaration (by an inventor of subject application and overlapping-inventors prior art application) that cited portion was commonly invented, insufficient to refute prior invention “by another.”).

- **FITF**: Changes this subject for patents subject to it.

- **Which Pre-AIA Version Of Sec. 102(e) Applies?**: See PTO Examination Guidelines re which version of Sec. 102(e) applies (pre Nov. 29, 2000 or not).

- **Under 102(e), Reference Patent’s Ancestor Application’s Disclosure Is What Matters And it Must Support Reference Patent’s Claims**: Effective filing date in the U.S. is the operative prior-art date of the reference regardless of any foreign priority date under Sec. 119. In re Hilmer (CCPA 04/28/66). “A reference patent is only entitled to claim the benefit of the filing date of its provisional application if the disclosure of the provisional application provides support for the claims in the reference patent in compliance with § 112, ¶ 1.” Dynamic Drinkware (Fed. Cir. 09/04/15) (IPR petitioner compared reference’s provisional’s disclosure to challenged patent’s claims but failed to compare it to reference’s own claims so failed its burden of production to show reference entitled to provisional’s filing date). When a patent qualifies as prior art under Sec. 102(e), it’s only prior art for what was originally disclosed in its original application as filed, which may be a provisional app., In re Giacomini (Fed. Cir. 07/07/10), Apple (Fed. Cir. 08/07/13) (pat. reference’s provisional app. had sufficient disclosure for issued pat.), Dynamic Drinkware (Fed. Cir. 09/04/15) (aff’g IPR petitioner failed to satisfy its burden of production to establish reference entitled to its provisional filing date).

- **Sec. 102(e) Art Is Prior Art For Sec. 103 Also**: Is prior art for Sec. 103 purposes too. Hazeltine (U.S. 12/08/1965). Whether reference qualifies as prior art under Sec. 103 is question of law reviewed de novo. Emerachem (Fed. Cir. 06/15/17) (aff’g PTAB determination that patent owner did not prove earlier date of invention).

- **Sec. 102(e) Prior Art Excluded From Sec. 103 Prior Art If Challenged Patent’s Filing Date Is On Or After Nov. 29, 1999**: “The amendment made by this section shall apply to any application for patent filed on or after the date of the enactment of this Act.”


d) applicants’ “publications”/ disclosures

- **FITF**: Changes this subject for patents subject to it.

- **“Estoppel” On Reference Enabling**: More difficult to argue that applicant’s own allegedly prior art reference is not enabling when it’s a version of the applicants’ disclosure in the patent application. See SRI (Fed. Cir. 01/08/08).

- **TIPS:**
  - REDACTED
e) **patent owner’s other patents**

- **TIPS:**
  - REDACTED

f) **prior invention (102(g)) [by one of the co-inventors]**

- **BASICS:** Under limited circumstances, one co-inventor’s prior work (“invention”) can invalidate a claim to a joint invention. “A person shall be entitled to a patent unless—...before such person’s invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it....” 35 U.S.C. § 102(g)(2) (pre-AIA). “Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.” Id. at § 103(c).
  - [Note: Sec. 102(e) exclusion applies only if challenged patent filed on or after Nov. 29, 1999]. But, pre-AIA, post-invention assignment cannot satisfy common ownership requirement. Indus. Tech. (Fed. Cir. 01/29/16) (non-precendental).
  - **FITF:** Changes this subject for patents governed by it.
  - **Applicable to Non-FITF Patents And Some FITF Patents:** Applies to non-FITF patents and also applies to FITF patents if they also have or had a claim with, or reference an application which had, an effective filing date before March 15, 2013. See Pub. L. 112–29, § 3(n), Sept. 16, 2011, 125 Stat. 293.

- **Joint Research Can Be Included:** “For purposes of this subsection, subject matter developed by another person and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person if—(A) the claimed invention was made by or on behalf of parties to a joint research agreement that was in effect on or before the date the claimed invention was made; (B) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and (C) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.” Id. § 103(c).

g) **prior invention (102(g)) [by third party]**

- **BASICS:** Must show that a prior inventor either was first to reduce invention to practice or conceived of the invention first and was diligent in reducing it to practice, all in the U.S., and challenger must rebut any showing that prior inventor had abandoned, suppressed, or concealed the invention. Fox Grp. (Fed. Cir. 11/28/12) (aff’g SJ of invalidity under 102(g); prior inventor need not prove conception if it proves prior reduction to practice) (note: opinion contains some errors describing the law). Corroborating evidence of alleged prior invention “is a flexible, rule-of-reason demand for independent evidence that, as a whole, makes credible the testimony of the purported prior inventor with regard to conception and reduction to practice of the invention as claimed.” Fleming (Fed. Cir. 12/24/14) (aff’g jury verdict of invalidity; finding no abandonment despite 3 year 2 month delay from actual reduction to practice to filing of the application). Lack of abandonment may be shown by showing that an embodiment of the invention was marketed or sold, or that the invention was described in a publicly disseminated document. Fox Grp. (Fed. Cir. 11/28/12). Abandonment, suppression, and concealment can be inferred from unreasonable delay in making the invention publicly known. Activities abroad can avoid abandonment, suppression, concealment. Sec. 102(g) prior art qualifies as Sec. 103 prior art also, as of its date of conception. Tyco Healthcare (Fed. Cir. 12/04/14). See generally Woodland Trust v. Flowertree Nursery, Inc., 148 F.3d 1368 (Fed. Cir. 1998); Sandt Tech. Ltd. v. Resco Met. & Plas. Corp., 264 F.3d 1344 (Fed. Cir. 2001).
Even “Secret” Sec. 102(g) Prior Art Is Prior Art For Sec. 103 (When Sec. 103(c) Exception Does Not Apply): Even if not known to inventor or the art, and even if not reduced to practice before inventor’s conception, Sec. 102(g) prior art is prior art for purpose of Sec. 103, as of its invention date. Tyco Healthcare (Fed. Cir. 12/04/14) (rev’g trial court).

Prior Copying/Use In U.S. Insufficient To Establish Prior Invention Under Sec. 102(g)(2): Sec. 102(g)(2) requires that an “inventor” make the invention in U.S., so is not satisfied by someone reproducing in the U.S. an idea she obtained from another who conceived it abroad. Solvay I (Fed. Cir. 10/13/10) (Honeywell engineers not inventors because derived invention from Russian engineers). But, statute is satisfied by foreign-conceived invention that is reduced to practice in U.S. by or on behalf of the inventor. Solvay II (Fed. Cir. 02/12/14) (2-1) (Russian engineers were inventors because Honeywell engineers worked on their behalf).

TIPS:

h) derivation from others (102(f))

BASICS: “To prove derivation under § 102(f), ‘the party asserting invalidity must prove both prior conception of the invention by another and communication of that conception to the patentee’ by clear and convincing evidence. Gambro (Fed. Cir. 04/08/97). The communication must be sufficient to enable one of ordinary skill in the art to make the patented invention. Id. at 1578, 42 USPQ2d at 1382-83.” Eaton (Fed. Cir. 03/27/03). Communicating a different idea which would render the claimed invention obvious is not sufficient. Gambro (Fed. Cir. 04/08/97). Confidential disclosures may qualify as Sec. 102(f) art to be combined with other art under Sec. 103. OddzOn (Fed. Cir. 1997). Cumberland Pharm. (Fed. Cir. 01/26/17) (aff’g no derivation where FDA merely provided a general research suggestion: “ultimate question of whether a patentee derived an invention from another is one of fact, the determination of whether there was a prior conception is a question of law, which is based upon subsidiary factual findings.”)

FITF: Changes this defense for patents subject to it.

FITF: patent applicant’s deadline for petitioning PTO to institute a derivation proceeding against a patent/application with an earlier effective filing date, is, as interpreted by PTO, one year from earliest issuance or publication/issuance of respondent’s application/patent with claim that is same or substantially same as petitioner’s application’s claim. (28 USC 135 (AIA))

FITF: patent owner’s deadline for filing civil action for derivation is one year from “date of the issuance of the first patent containing a claim to the allegedly derived invention and naming an individual alleged to have derived such invention as the inventor or joint inventor.” 35 USC 291 (AIA).

TIP (FITF):

i) “known or used by others” in U.S. (102(a))

BASICS: “A person shall be entitled to a patent unless — (a) the invention was known or used by others in this country, … before the invention thereof by the applicant for patent.” Sec. 102(a). “Means knowledge or use which is accessible to the public.” Carella (Fed. Cir. 12/12/86). “The nonsecret use of a claimed process in the usual course of producing articles for commercial purposes is a public use.” W.L. Gore (Fed. Cir. 11/14/83).
j) admitted prior art

- **Admitted Art In Patent:** [IP Engine](Fed. Cir. 08/15/14) (non-precedential) (2-1) (reversing $30 Million verdict; finding obviousness as matter of law based in part on patent’s admission of what was “conventional” in prior art); [Constant v. Advanced Micro-Devices Inc.](http://www.casd.uscourts.gov/cases/3c676458-1143-449f-8607-45202aad1a7d), 848 F.2d 1560, 1570 (Fed. Cir. 1988) (“A statement in a patent that something is in the prior art is binding on the applicant and patentee for determinations of anticipation and obviousness.”).

k) overcoming putative prior art

- **Showing Putative Prior Art Derived From Inventor:** Without needing to show earlier date of invention (e.g., reduction to practice or diligence), patent applicant may overcome putative prior art (if not statutory bar) by showing applicant earlier conceived the invention and the reference derived the invention from the applicant. [In re DeBaun](CCPA 08/27/82). “One’s own work is not prior art under § 102(a) even though it has been disclosed to the public in a manner or form which otherwise would fall under § 102(a).” [In re Katz](CCPA 08/27/82). May overcome putative Sec. 102(a) prior art if show that the prior reference’s disclosure was the named inventor’s work and hers alone. [Allergan](Fed. Cir. 06/10/14). Same applies to overcoming Sec. 102(e) prior art to extent applicant’s invention disclosed but not claimed in the putative Sec. 102(e) reference. [In re Mathews](CCPA 04/10/69); [http://patents.ame.nd.edu/mpep/21/2136.05.html](http://patents.ame.nd.edu/mpep/21/2136.05.html). If applicant’s invention is claimed in the putative Sec. 102(e) references, then Sec. 102(g) priority of invention analysis governs.

- **Antedating Putative Prior Art:** May overcome (antedate) Sec. 102(a), 102(e), or 102(g) prior art by showing earlier date of invention (see above), or entitlement to earlier domestic or foreign priority date under Sec. 119 or 120. See [In re Wertheim](CCPA 08/26/76). “For purposes of antedating a prior art reference, the evidence of prior invention may be sufficient if it demonstrates obviousness of the claimed invention.” [Garmin](PTAB (IPR) 11/13/13).

20. **Anticipation (Sec. 102)**

- **BASICS:** “A prior art reference anticipates a patent’s claim ... when the four corners of [that] ... document describe every element of the claimed invention, either expressly or inherently, such that a [PHOSITA] could practice the invention without undue experimentation.” [VirnetX](Fed. Cir. 12/09/16) (non-precedential) (2-1) (aff’g PTAB anticipation determination). Must be based on a single prior art reference that contains an enabling disclosure of each and every element of the claim, arranged as in the claim. [35 U.S.C. § 102](pre-AIA). “It is not sufficient to constitute an anticipation that the device relied upon might, by modification, be made to accomplish the function performed by the patent in question, if it were not designed by its maker, nor adapted, nor actually used, for the performance of such functions.” [Topliff](U.S. 05/02/1892). A prior art reference’s disclosure is tested in essentially the same manner as a Spec. under the “written description” requirement (i.e., it may be explicit or inherent). [Schering](Fed. Cir. 08/01/03) ("inherent anticipation does not require that a person of ordinary skill in the art at the time would have recognized the inherent disclosure"). Extrinsic evidence may be considered to prove what’s disclosed inherently in the single reference. [Parkervision](Fed. Cir. 07/31/15) (non-precedential) (rev’g denial of JMOL of anticipation; unfuted expert testimony showed what was “implicit” in reference’s circuit operation). If technology is complex expert testimony may be required to show anticipation. [Synopsys (Mentor)](Fed. Cir. 02/10/16) (dictum). That reference teaches away from claimed invention is irrelevant to anticipation. [Clearvalue](Fed. Cir. 02/17/12) (rev’g denial of J MOL motion arguing anticipation). Anticipation and what a reference discloses are questions of fact but whether a reference is enabling is a question of law based on underlying factual inquiries. [In re NTP (Seven Appeals)](Fed. Cir. 08/01/11) See generally [DDR Holdings](Fed. Cir. 12/05/14) (rev’g jury verdict of no anticipation); [Minerals Separation](U.S. 02/24/1930) (earlier patent’s teaching was a general one which anticipated claims of asserted patent).
Reference Teaches Whatever Skilled Artisan Would “Reasonably Understand Or Infer” From It, But Not What It Merely Suggests Or Makes Obvious: “The Board was correct in characterizing the dispositive question regarding anticipation as whether one skilled in the art would reasonably understand or infer from the [reference’s] that” an element had the feature required by the later claim. In re Baxter Travenol (Fed. Cir. 12/31/91); Eli Lilly (Fed. Cir. 02/28/17) (aff’g PTAB rejection of anticipation: reference must disclose not merely suggest claim limitation; “a fair reading of” of prior art “is that it refers to daily administration for at least three days, and more if the erectile dysfunction persists. That does not disclose the treatment of penile fibrosis for at least 45 days, particularly in light of the fact that the only daily dosing done in Whitaker lasted for at most three weeks.”); AstraZeneca (Fed. Cir. 11/01/10) (“In the context of anticipation, the question is not whether a prior art reference ‘suggests’ the claimed subject matter.”)

Ambiguous Disclosure Does Not Anticipate: “Anticipation requires that a single reference ‘describe the claimed invention with sufficient precision and detail to establish that the subject matter existed in the prior art.’ For this reason, it has long been understood that ambiguous references do not, as a matter of law, anticipate a claim.” Wasica Finance (Fed. Cir. 04/04/17) (aff’g PTAB determination of no anticipation); In re Turlay (CCPA 07/25/62) (“It is well established that an anticipation rejection cannot be predicated on an ambiguous reference.”). See Wi-Lan (Fed. Cir. 01/17/17) (2-1) (non- precedential) (rev’g sum. jud. of anticipation; reference’s disclosure ambiguous).

Must Disclose Claimed Combination Of Elements, Not Just All Claim Elements, But That Combination Need Not Be Express: “We thus hold that unless a reference discloses within the four corners of the document not only all of the limitations claimed but also all of the limitations arranged or combined in the same way as recited in the claim, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102.” Net MoneyIn (Fed. Cir. 10/20/08) (rev’g anticipation by reference disclosing all claim limitations but in two alternative protocols neither of which had all claim limitations); accord In re Chudik (Fed. Cir. 03/27/17) (rev’g PTAB anticipation rejection: “a prior art reference anticipates a claim only if it discloses all the elements ‘in the same form and order as in the claim.’”); Therasense (Fed. Cir. 01/25/10) (rejecting contrary jury instruction) (reinstated en banc); SynQor (Fed. Cir. 03/13/13) (even if reference “discloses each discrete element of each claim,” it “does not disclose those elements arranged as required by the claim.”); but see Blue Calypso (Fed. Cir. 03/01/16) (aff’g CBM anticipation decision; “skilled artisan would ‘at once envisage’ the combination of two of the disclosed tools” shown separated in the reference; sufficient if “reference teaches that the disclosed components or functionalities may be combined”); Kennametal (Fed. Cir. 03/25/15) (“a reference can anticipate a claim even if it ‘does’ not expressly spell out’ all the limitations arranged or combined as in the claim, if a person of skill in the art, reading the reference, would ‘at once envisage’ the claimed arrangement or combination.”) cf. Nidec Motor (Fed. Cir. 03/14/17) (rev’g PTAB anticipation finding; distinguishing Kennametal: “Kennametal does not stand for the proposition that a reference missing a limitation can anticipate a claim if a skilled artisan viewing the reference would ‘at once envisage’ the missing limitation. Rather, Kennametal addresses whether the disclosure of a limited number of combination possibilities discloses one of the possible combinations.”); Trustees of Columbia (Fed. Cir. 07/17/15) (non-precedential) (aff’g PTAB obviousness holding: paragraphs disclosing the two elements being adjacent teaches utility of using elements together); Purdue Pharma (Fed. Cir. 02/01/16) (aff’g anticipation; “an anticipating reference ‘must clearly and unequivocally disclose the claimed compound or direct those skilled in the art to the compound without any need for picking, choosing, and combining various disclosures not directly related to each other by the teachings of the cited reference.””).

Limitations Must Be Arranged Or Combined In Same Way As In Claim: All claim limitations must be arranged in reference as in the claim. Sanofi-Synthelabo (Fed. Cir. 12/12/08);
limitations must be “arranged or combined in the same way as in the claim.” Net MoneyIn (Fed. Cir. 10/20/08).

• **Claim Requiring Certain Information To Be Always Indicated Not Anticipated By Sometimes Indicating That Information:** “The mere fact that a certain thing may result from a given set of circumstances is not sufficient to show anticipation where the claim, as here, requires more.” Synopsis (Mentor) I (Fed. Cir. 02/10/16).

• **Anticipation of Claim with Negative Limitation:** “an ‘optional inclusion’ of a feature in the prior art anticipates a claim that excludes the feature.” Prolitec (Fed. Cir. 12/04/15).

• **Claims Are Part Of The Disclosure Of A Prior Art Patent:** A prior art patent’s broad claim not requiring a particular limitation helps show that the patent’s disclosure is not so limited, and claim differentiation may show that the limitation is not required. Therasense (Fed. Cir. 01/25/10) (reinstated en banc); In re AT&T (Fed. Cir. 05/10/17) (aff’g PTAB anticipation finding; reference disclosed both broadly and more narrowly (in a preferred embodiment) as shown by reference’s broad claim 1 and narrower dependent claim).

• **Anticipating Disclosure May Be In Drawings Alone:** “Description for the purposes of anticipation can be by drawings alone as well as by words.” Google (Intellectual Ventures II LLC) (Fed. Cir. 07/10/17) (non-precedential) (remanding to PTAB to explain no-anticipation finding).

• **Allegation Of Infringement Sufficient To Establish Anticipation (If Accused Product Shown To Be Prior Art):** Patent owner’s allegation that accused products (shown to be prior art) meets the alleged infringer’s burden to prove that the prior art infringes. Vanmoor (Fed. Cir. 03/07/00) (aff’g on sale bar invalidity sum. jud., despite the defendants having denied infringement).

  a) **inherent disclosure**

• **Inherent Anticipation Requires That Unstated Limitation Necessarily Be Present:** “Anticipation by inherent disclosure is appropriate only when the reference discloses prior art that must necessarily include the unstated limitation.” Transclean (Fed. Cir. 05/21/02) (no inherent anticipation despite possibility that limitation of equalizing flow rates would be met under some circumstances); 3Form (Fed. Cir. 02/02/17) (non-precedential) (aff’g inherent anticipation based in part on expert’s test using prior art reference method); U.S. Water Services (Fed. Cir. 12/15/16) (vacating SJ of inherency anticipation; whether feature necessarily present genuinely disputed). “The mere fact that a certain thing may result from a given set of circumstances is not sufficient.” White (Fed. Cir. 02/19/16) (non-precedential) (aff’g PTAB decision that reference inherently disclosed that cover was totally removable from container because did not disclose a stop and disclosed that user determined how far to peel back the cover.) “[T]here are strict requirements before a finding of inherent anticipation is made. Indeed, inevitability is at the heart of inherency.” Howmedica (Fed. Cir. 02/26/16) (non-precedential) (aff’g PTAB finding of inherency based on declarant’s reproduction of prior art).

• **Discovering Property Of Prior Art Not Enough:** Under the principle of inherent anticipation, “The general principle that a newly-discovered property of the prior art cannot support a patent on that same art is not avoided if the patentee explicitly claims that property.” Abbott Labs (Fed. Cir. 11/09/06); In re Montgomery (Fed. Cir. 05/08/12) (2-1) (“result is only inherent if it inevitably flows from the prior art disclosure;” aff’g BPAI anticipation rejection).

• **Patent May Admit That Claim-Recited Property Is Inherent In Prior Art:** “[e]ven if no prior art of record explicitly discusses the [limitation], the [patent applicant’s] application itself instructs that [the limitation] is not an additional requirement imposed by the claims on the [claimed invention], but rather a property necessarily present in the [claimed invention].” Alcon Res, (Fed. Cir. 08/08/12) (quoting In re Kubin (Fed. Cir. 04/03/09)) (claim language “does not
impose any additional requirement” because patent states that the property is necessarily present at the claimed concentrations.)

b)  **genus - species**

- **Disclosing Genus (e.g., Broader Range) May Or May Not Anticipate Claimed Species (e.g., Narrower Range):** Disclosing a broader genus does not necessarily disclose all species within that genus. *ArcelorMittal* (Fed. Cir. 11/30/12) (“when a prior art reference discloses a ‘definite and limited class’ of suitable members within a general formula, it may be read to disclose each member of that class”). *Compare Shire* (Fed. Cir. 09/24/15) (aff’g SJ of non-obviousness; reference disclosed “thousands of possible compounds” and 30 specific examples, none of which was claimed compound; did not disclose a “definite and limited class” including claimed composition); *Atofina* (Fed. Cir. 03/23/06) (reference disclosing temperature range of 100°-500°C did not anticipate claimed range of 330° - 400°C, which range patent said was critical); *Osram Sylvania* (Fed. Cir. 12/13/12) (rev’g SJ; genuinely disputed whether genus prior art disclosure “approximately 1 torr or less” anticipates claimed species “less than 0.5 torr” range); and *In re Stepan* (Fed. Cir. 08/25/17) (2-1) (vacating 103 rejection of app. claims; PTO did not meet its burden to make *prima facie* showing that claimed element of “achieving a cloud point above 70°C” would have been obvious from reference teaching cloud point should be above 60°C) with *VirnetX* (Fed. Cir. 12/09/16) (non-precedential) (2-1) (aff’g PTAB anticipation determination that disclosure of the genus “computer” encompasses the claimed “notebook computer” species, despite lack of expert testimony on the point); *Warner Chilcott* (Fed. Cir. 03/18/16) (non-precedential) (aff’g 103 invalidity; reference disclosed range including claimed amount and that amount not critical where Spec. disclosed varying values) *Clearvalue* (Fed. Cir. 02/17/12) (reference disclosing alkalinity of 150 ppm or less anticipated claim reciting alkalinity of 50 ppm or less: no allegation of criticality in narrower range or any evidence that the chemical process works differently across the broader range). But, disclosing a list of enabled species does disclose each member of that list. *In re Gleave* (Fed. Cir. 03/26/09); *Ineos* (Fed. Cir. 04/16/15) (a claimed range is anticipated by disclosure of a point within that range; a reference disclosing a range is not disclosure of the endpoints of that range; disclosure of a range anticipates only “if it describes the claimed range with sufficient specificity such that a reasonable fact finder could conclude that there is no reasonable difference in how the invention operates over the ranges.”) Where reference discloses genus the issue is “whether the genus was of such a defined and limited class that one of ordinary skill in the art could ‘at once envisage’ each member of the genus,” but where reference discloses numerous species the issue is whether the number disclosed “was so large that the [claimed] combination would not be immediately apparent to one of ordinary skill in the art.” *WM Wrigley* (Fed. Cir. 06/22/12); *Kennametal* (Fed. Cir. 03/25/15) (substantial evidence supports anticipation). *Ineos* (Fed. Cir. 04/16/15) (aff’g SJ of anticipation where prior art range broader than claimed range; patent owner “has not established that any of these properties [that the Spec. attributes to the claimed element range] would differ if the range from the prior art … patent is substituted for the range of limitation.”)

c)  **method claims**

- **Part-Time Performance Of Method Sufficient:** Just as part-time performance of a method is infringement, part-time performance of a method (by a prior art teaching) is anticipation. “It does not matter that the use of alphabetical order for locations would not always result in farther-over-nearer ordering. It is enough that the combination would sometimes perform all the method steps, including farther-over-nearer ordering.” *Unwired Planet* (Fed. Cir. 11/15/16) (combination of art listed search results alphabetically which would sometimes satisfy claim-recited output of further service provider ahead of nearer service provider); *cf. Power Integrations* (Fed. Cir. 12/12/16) (overturning jury verdict of no anticipation; reference met claimed functional element of apparatus claim during start up so irrelevant not met during normal operation).
• **Anticipation Of Method Claim With Contingent (Conditional) Steps (If-Then/If-Then-Else)**: Perhaps rely on this non-precedential dictum and argue that an anticipatory reference need not disclose a contingent step and need disclose only one branch of an if-then-else pair of alternative steps: “It is of course true that method steps may be contingent. If the condition for performing a contingent step is not satisfied, the performance recited by the step need not be carried out in order for the claimed method to be performed.” Cybersettle (Fed. Cir. 07/24/07) (non-precedential); see Schumer (Fed. Cir. 10/22/02) (method claim infringed; the method step: “receiving a definition of a second coordinate system for the digitizer, which second coordinate system allows specification of points specified in the digitizer’s coordinate system but is not congruent with the digitizer’s coordinate system because one of the following elements is different from the digitizer’s coordinate system: location of the point of origin, or angle of rotation, or scale...” “is performed if any of the three features of a coordinate system is translated, and thus, infringement occurs if any one of these translations is performed.”); Brown (Fed. Cir. 09/18/01) (apparatus claim anticipated by reference that used only two-digit representations, where recited “a(t) least one database file stored in the memory containing records with year-date data with years being represented by at least one of two-digit, three-digit, or four-digit year-date representations.”) See MPHJ (Fed. Cir. 02/13/17) (O’Malley, J., dissenting) (in analyzing anticipation of system claim, “the “wherein” limitation at issue is conditional; it explains that a specific protocol is used when one of said external destinations is email application software. Under the broadest reasonable interpretation of claim 1, the limitations in the “wherein” clause would not apply because email application software is not required to be the external destination in all embodiments.”)

d) **apparatus claims**

• **Apparatus Claim Needs Structural Novelty**: Apparatus claims must distinguish prior art based on structure, not just function, and not differences in the material worked upon, In re Otto, 312 F2d 937 (CCPA 1963), or the manner of intended use, In re Casey, 370 F.2d 576 (CCPA 1967) (per MPEP 2115): “an apparatus claim recited ‘[a] taping machine comprising a supporting structure, a brush attached to said supporting structure, said brush being formed with projecting bristles which terminate in free ends to collectively define a surface to which adhesive tape will detachably adhere, and means for providing relative motion between said brush and said supporting structure while said adhesive tape is adhered to said surface.’ An obviousness rejection was made over a reference to Kienzle which taught a machine for perforating sheets. The court upheld the rejection stating that ‘the references in claim 1 to adhesive tape handling do not expressly or impliedly require any particular structure in addition to that of Kienzle.’ The perforating device had the structure of the taping device as claimed, the difference was in the use of the device, and ‘the manner or method in which such machine is to be utilized is not germane to the issue of patentability of the machine itself.’” See MPEP 2114 and 2115. In re Chudik (Fed. Cir. 8/25/17) (non-precedential) (aff’g anticipation rejection of app. claims: “The patentability of an apparatus claim ‘depends on the claimed structure, not on the use or purpose of that structure.’” Claim to a “a humeral implant comprising a humeral surface component having a non-articular surface configured for long-lasting fixation of the implant on a humeral head and no stem,” anticipated by glenoid implant). But see In re Rehrig (Fed. Cir. 01/30/12) (non-precedential) (rejecting BPAI construction that “construed top frame as a structure that is merely ‘capable of being used’ on top of a pallet of goods to stabilize them;” instead holding that “a top frame must be a structure placed on top of a layer of objects”; and rev’g BPAI anticipation holding based on reference that did not disclose that “structural limitation that a top frame must be used on top of a pallet of goods”).

e) **reference enabling**

• **Patent Prior Art Is Presumed Enabling**: A U.S. patent reference is presumed to be enabling. Impax (Fed. Cir. 10/3/08) (presumption rebutted); Amgen (Fed. Cir. 03/03/03) (both claimed and
unclaimed subject matter in a patent presumed enabling); cf. In re Antor Media (Fed. Cir. 07/27/12) (during patent prosecution, Examiner may presume that non-patent prior art publication is enabling unless shown otherwise); In re Morsa I (Fed. Cir. 04/05/13) (but patent applicant does not necessarily need expert testimony to shift burden back to PTO.); In re Morsa II (Fed. Cir. 10/19/15) (2-1) (aff‘g PTAB holding that reference was enabling).

- **Reference Itself May Establish That It Is Enabling:** In re NTP (Seven Appeals) (Fed. Cir. 08/01/11) (“The Telenor reference itself provides the necessary evidence to satisfy this requirement.”)

- **Combining PHOSITA’s Knowledge Is OK For Enablement:** A claim can be anticipated by a prior art reference so long as its teachings combined with the knowledge of a PHOSITA would cause the PHOSITA to consider the reference to enable the claimed “invention.” Iovate (Fed. Cir. 11/19/09).

- **No Need To Disclose Utility Or Efficacy:** To anticipate a method claim, a reference needs to enable use of the claimed method, but otherwise a reference need not disclose utility of the claimed “invention” to anticipate the claim. In re Gleave (Fed. Cir. 03/26/09); Duke Univ. (Fed. Cir. 04/25/17) (non-precedential) (aff‘g PTAB anticipation decision; “proof of efficacy or an actual reduction to practice … is not required for a reference to be an anticipation of … method of treatment claims.”)

- **Accidental Disclosure May Anticipate:** Where a drawing clearly discloses the claimed invention, it does not matter if rest of the reference shows that such disclosure was accidental. Plasmart (Fed. Cir. 05/22/12) (non-precedential).

- **Others’ Inability To Reproduce Reference’s Results Is Evidence That It Is Not Enabling:** Bard Peripheral I (Fed. Cir. 02/10/12) (aff‘g jury verdict of no anticipation).

- **No Need That Reference’s Approach Be Practical At Time Of Prior Art:** Prior art reference inherently disclosed system “effective to” (per asserted claims) achieve claimed result, even though not practical at the time of the reference. Leggett & Platt (Fed. Cir. 08/21/08).

**f) single reference**

- **Related Spec. May Or May Not Constitute A Single Reference At Least In Part:** Compare Kyocera (Fed. Cir. 10/14/08) (different parts of overall standard are not single reference despite cross references: “the incorporating document must identify the incorporated document with detailed particularity, clearly indicating the specific material for incorporation.”) with Vicor (Fed. Cir. 03/13/15) (non-precedential) (treated as same single reference as to at least part of the description: one prior art patent incorporated by reference another, co-owned patent, calling it “related”; parts of drawings identical and parts of descriptions nearly verbatim; incorporating patent description referenced drawing item number appearing only in incorporated patent).

- **Associated Product Functionality May Be Used To Explain Teaching Of A Publication:** Although panel did not discuss this point, it cited evidence about functionality of the electronic parts catalog when finding anticipation by a promotional publication describing that system. Orion (Fed. Cir. 05/17/10) (rev‘g denial of J MOL).

**g) expert testimony**

- **Requirements For Anticipation Testimony:** “Typically, testimony concerning anticipation must be testimony from one skilled in the art and must identify each claim element, state the witnesses’ interpretation of the claim element, and explain in detail how each claim element is disclosed in the prior art reference. The testimony is insufficient if it is merely conclusory.” Koito Mfg. (Fed. Cir. 08/23/04) (rev‘g denial of J MOL against jury anticipation finding, because expert did not single out the asserted reference and compare to the claims) (citation omitted).
• Conclusory Expert Testimony Cannot Defeat Anticipation: Krippelz (Fed. Cir. 01/27/12) (rev'g $56 judgment and denial of JMOL of anticipation; conclusory expert testimony insufficient to support jury's verdict).

• Expert Testimony May Be Undermined By Hindsight: An expert's experiment to show that a prior art reference inherently led to a certain result, may be undermined by the expert having first read the patent in suit suggesting an approach to achieving that result. Glaxo (Fed. Cir. 07/27/04).

h) relationship to written description support

• Anticipation Is Asymmetric With Sec. 112 Support: The same text can anticipate a claim without supporting it under Sec. 112. The text (e.g., published foreign counterpart) might, e.g., describe and enable an embodiment within the scope of the claim, but not describe and/or enable the full scope of the claim as required by Sec. 112. “But whether the [under-reexamination] patent's 'at least one-half the height' limitation reads on a full-size expeller such as the one disclosed by [the prior art reference] is a different analysis from whether the parent's disclosure of a full-size expeller meets the written description requirement.” In re Meyer Mfg. (Fed. Cir. 12/17/10) (non-precedential); In re Morsa II (Fed. Cir. 10/19/15) (2-I) (aff'g PTAB holding that prior art was enabling; need enable only an embodiment within the claim).

• Disclosure May Anticipate Claim Without Supporting It: See, e.g., Lockwood v. Am. Airlines, Inc., 107 F.3d 1565, 1572 (Fed. Cir. 1997) (patent claims anticipated by foreign counterpart to an ancestor patent because claimed invention was distinct from invention disclosed in Spec.); Chester v. Miller, 906 F.2d 1574 (Fed. Cir. 1990) (patent claims held anticipated by a published parent patent application, even though those claims were not supported by that parent disclosure under Section 112); Rasmusson (Fed. Cir. 06/27/05) (a reference may be enabling for anticipation purposes without being enabling for Sec. 112 support purposes; “a prior art reference need not demonstrate utility in order to serve as an anticipating reference under section 102”); In re Lukach, 442 F.2d 967 (CCPA 1971) (publication of a British counterpart to a grandparent patent application anticipated claims even though those claims were not supported under Section 112 by that grandparent application). See Vas-Cath Inc. v. Mahurkar, 935 F.2d 1555, 1562 (Fed. Cir. 1991) (“The CCPA also recognized a subtle distinction between a written description adequate to support a claim under § 112 and a written description sufficient to anticipate its subject matter under § 102(b). The difference between “claim-supporting disclosures” and “claim-anticipating disclosures” was dispositive in In re Lukach, 442 F.2d 967 (CCPA 1971), where the court held that a U.S. “grandparent” application did not sufficiently describe the later-claimed invention, but that the appellant's intervening British application, a counterpart to the U.S. application, anticipated the claimed subject matter. As the court pointed out, “the description of a single embodiment of broadly claimed subject matter constitutes a description of the invention for anticipation purposes ..., whereas the same information in a specification might not alone be enough to provide a description of that invention for purposes of adequate disclosure....” 1d., at 970 (citations omitted.).”) Cf. Encyclopaedia Britannica (Fed. Cir. 06/18/10) (claims anticipated by published foreign counterpart patent application where chain of continuity broken by failure of intermediate application, as filed or amended, to refer to antecedent application in chain.); Medtronic (Fed. Cir. 01/22/14) (same).

• TIPS:
  o REDACTED

21. Obviousness (Sec. 103)

• BASICS: Obviousness: Sec. 103(a): “A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary
skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
manner in which the invention was made.” Sec. 103 “was intended merely as a codification of
judicial precedents embracing the Hotchkiss condition [“that a patentable invention evidence more
ingenuity and skill than that possessed by an ordinary mechanic acquainted with the business”].
with congressional directions that inquiries into the obviousness of the subject matter sought to be
patented are a prerequisite to patentability.” Graham (U.S. 02/21/1966). Obviousness is a legal
conclusion based on underlying factual inquiries: (1) scope and content of the prior art; (2) level
of ordinary skill in the prior art; (3) differences between the claimed invention and the prior art;
and (4) objective evidence of nonobviousness (aka “secondary considerations”) (e.g., failure of
others, long felt need, commercial success). Court should “display the needed effort to place itself
into the mindset of the hypothetical person of ordinary skill in the art considering prior-art
knowledge without hindsight use of the patent claims as a guide.” Progressive Casualty (Fed. Cir.
08/24/15) (non-precedential) (aff’g PTAB obviousness decision while faulting it for being cursory.)
Assume that skilled artisan “had knowledge of all prior art in the ‘field of endeavor’ relevant to the
claim. Where prior art falls outside that field, it should still be considered if it is reasonably pertinent
to the particular problem with which the inventor was involved.” In re Shaneour (Fed. Cir.
01/08/15) (non-precedential); In re Singhal (Fed. Cir. 03/10/15) (non-precedential) (“scope of the
field of endeavor is a factual determination based on the scope of the application’s written
description and claims”). Old standard: A combination of old elements is obvious unless there is
some non-trivial synergistic effect from the combination. Sakraida v. AG Pro, Inc., 425 U.S. 273,
281-282 (1976).

**Sec. 103 Is Applied To Give Effect To The Constitutional Restriction On Patent Grants:**
“Innovation, advancement, and things which add to the sum of useful knowledge are inherent
requisites in a patent system which by constitutional command must ‘promote the Progress of . . .
useful Arts.’ This is the *standard* expressed in the Constitution and it may not be ignored. And it is
in this light that patent validity ‘requires reference to a standard written into the Constitution.’….It
is the duty of the Commissioner of Patents and of the courts in the administration of the patent
system to give effect to the constitutional standard by appropriate application, in each case, of the
statutory scheme of the Congress.” Graham (U.S. 02/21/1966) (declaring two patents invalid for
obviousness.)

**Obviousness Under KSR:** Sup. Ct. restated the law of obviousness in KSR (U.S. 04/30/2007),
aff’g trial court SJ of obviousness:

- **Flexible Approach to Motivation:** Rejects “rigid approach” of Fed. Cir.’s original formulation
of its “TSM” test requiring some Teaching, Suggestion or Motivation to combine the prior
art references, but not rejecting principle of the TSM test (i.e., “identify a reason that would
have prompted a person of ordinary skill in the relevant art in the way” recited in the
claim).

- **PHOSITA Has Ordinary Creativity; Is Expected To Take Inferences And Creative Steps:** “A
person of ordinary skill is also a person of ordinary creativity, not an automaton;” PHOSITA
would not ignore a prior art reference simply because it was designed to solve a different
problem; “the analysis need not seek out precise teachings directed to the specific subject
matter of the challenged claims, for a court can take account of the inferences and creative
steps that a person of ordinary skill in the art would employ.” See In re Ethicon (Fed. Cir.
01/03/17) (2-1) (aff’g PTAB obviousness ruling: “The normal desire of artisans to improve
upon what is already generally known can provide the motivation to optimize variables
such as the percentage of a known polymer for use in a known device.”); Classco (Fed.
Cir. 09/22/16) (aff’g PTAB obviousness finding: “KSR does not require that a combination
only unite old elements without changing their respective functions... The rationale of KSR
does not support ClassCo’s theory that a person of ordinary skill can only perform
combinations of a puzzle element A with a perfectly fitting puzzle element B.”)
Test?: Court “Must Ask” Whether PHOSITA Would Have Seen A Benefit From The Claimed Combination: “a court must ask whether the improvement is more than the predictable use of prior art elements according to their established functions;” “proper question to have asked was whether a pedal designer of ordinary skill, facing the wide range of needs created by developments in the field of endeavor, would have seen a benefit to upgrading Asano [closest reference] with a sensor.” Cf. Belden (Fed. Cir. 11/05/15) (aff’g PTAB IPR decision of obviousness; does not “suffice[] for obviousness that a variation of the prior art would predictably work, but requires consideration of whether, in light of factors such as ‘design incentives and other market forces,’ the hypothetical skilled artisan would recognize the potential benefits and pursue the variation.”)

Test?: Was There Any Reason To Make The Claimed Combination (And A Reasonable Expectation Of Success From Doing So): the court should “determine whether there was an apparent reason to combine the known elements in the fashion claimed.” Cf. E.I. Dupont (Fed. Cir. 08/19/16) (non-precedential) (aff’g SJ obviousness; “the legally proper question is whether the thermal process would be a suitable option in some respects, not necessarily in every respect”; “the prior art teaches significant benefits of both digital imaging and thermal development over their counterparts, providing a reason for a person of ordinary skill to combine them in one sequential process.”); Intelligent Bio-Syst. (Fed. Cir. 03/09/15) (aff’g PTAB non-obviousness for petition’s failure to show that skilled artisan would believe secondary reference satisfied demand made in primary reference); Purdue Pharma (Fed. Cir. 03/24/16) (non-precedential) (aff’g PTAB non-obviousness decision; challenger failed to show that adding features from second reference “would have been reasonably expected to lead to a dosage form that satisfies the other limitations of the” claims); Spectrum Pharm. (Fed. Cir. 10/02/15) (aff’g substantially pure mixture obvious from 50/50 prior art mixture, knowledge that one isomer provided the benefit, and prior art pure mixture, and lack of unexpected results); Nantkwest (Fed. Cir. 05/03/17) (non-precedential) (2-1) (aff’g obviousness sum. jud.) (reviewing ex parte PTO app.); relying on statements in Spec. about prior art to support expectation of success; post-filing failure of prior art approach irrelevant to determining expectation of success from prior art); Innovention Toys II (Fed. Cir. 04/29/15) (aff’g jury verdict of no motivation to combine: “More fundamentally, the testimony gives little reason that a person of ordinary skill in the art—with [the two references] hanging somewhere on the figurative wall of pertinent art, …—would have defined a problem to be solved in such a way as to provide a motivation to pick out those references for combination.”); Bristol-Myers (Fed. Cir. 06/12/14) (“must demonstrate ‘by clear and convincing evidence that a skilled artisan would have been motivated to combine the teachings of the prior art references to achieve the claimed invention, and that the skilled artisan would have had a reasonable expectation of success from doing so.’”); Institut Pasteur (Fed. Cir. 12/30/13) (“whether a person of ordinary skill in the art would, at the relevant time, have had a ‘reasonable expectation of success’ in pursuing the possibility that turns out to succeed and is claimed;” rev’g BPAI obviousness finding); In re Stepan (Fed. Cir. 08/25/17) (2-1) (vacating 103 rejection of app. claims; factfinder must explain why it would have been “routine optimization” to select and adjust elements of prior art to achieve claimed invention).

Must Show Skilled Artisan Would Have Selected These Particular References, And Then Combined Their Elements: “Too often the obviousness analysis is framed as an inquiry into whether a person of skill, with two (and only two) references sitting on the table in front of him, would have been motivated to combine (or, in Kohler’s view, could have combined) the references in a way that renders the claimed invention obvious. The real question is whether that skilled artisan would have plucked one reference out of the sea of prior art (Phipps) and combined it with conventional coolant elements to address some need present in the field (the need for low-carbon monoxide emission marine gen-sets).
Whether a skilled artisan would be motivated to make a combination includes whether he would select particular references in order to combine their elements. WBI P (Fed. Cir. 07/19/16) (aff’g denial of JMOL of nonobviousness; heavily relying on objective indicia); cf. Endo Pharm. (Fed. Cir. 10/14/16) (non-precedential) (aff’g judgment of non-obviousness in part due to existence of tremendous number of possible compositions to combine with lead reference).

Test?: PHOSITA Assumed To Start With Closest Reference (if reason existed to improve it): Designers had reason to make pre-existing pedals work with the new engines. “For a designer starting with Asano, the question was where to attach the sensor. The consequent legal question, then, is whether a pedal designer of ordinary skill starting with Asano would have found it obvious to put the sensor on a fixed pivot point.”

Combination Obvious If PHOSITA Would Recognize Technique Would Improve Similar Device In Same Way, But Not Obvious If Actual Application Beyond Ordinary Skill: “if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.” See Unwired Planet (Fed. Cir. 11/15/16) (aff’g PTAB obviousness; “For the technique’s use to be obvious, the skilled artisan need only be able to recognize, based on her background knowledge, its potential to improve the device and be able to apply the technique.”); MobileMedia (Fed. Cir. 03/17/15) (aff’g non-obviousness verdict, based on expert testimony that integrating prior art microprocessor to control the camera of a prior art mobile phone “in the manner required by the asserted claims would be beyond the technical ability of a skilled artisan.”)

Market Demand Or Design Need May Motivate The Claimed Combination: Often “market demand, rather than scientific literature, will drive design trends;” “when there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options within his or her technical grasp;” here “marketplace … created a strong incentive to convert mechanical pedals to electronic pedals, and the prior art taught a number of methods for achieving this advance.”

PHOSITA Not Limited To Problem Addressed By The Patent: Error to “look only to the problem that the patentee was trying to solve,” instead, “any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.” See Nike (Fed. Cir. 02/11/16) (aff’g PTAB finding of motivation to combine 1939 design for knitting helmets with reference for knitting shoe uppers because each serves same purpose of efficiently creating knitted articles and “a skilled artisan interested in Nishida’s preference to minimize waste in the production process would have logically consulted the well-known practice of flat-knitting, which eliminates the cutting process altogether.”)

“Obvious To Try” Sometimes = Obvious: Claim may be proven obvious merely by proving that it was “obvious to try” the claimed combination, where there is design need or market pressure to solve a problem and a finite number of identified, predictable solutions.

Synonyms For “Obvious”: A “predictable variation,” “advances that would occur in the ordinary course without real innovation,” “the product … of ordinary skill and common sense,” “the results of ordinary innovation.”

“Likely To Be Obvious”: Combination of prior art elements “according to known methods” if yields predictable results.

Teaching Away: “When the prior art teaches away from combining certain known elements, discovery of a successful means of combining them is more likely to be nonobvious.” Here,
The patent owner’s expert declaration did not indicate that the Asano was “so flawed that there was no reason to upgrade it, or pedals like it, to be compatible with modern engines.”

- **Sum. Jud. Of Obviousness:** Where content of the prior art, scope of the patent claim, and level of skill in the art are not in material dispute, and “the obviousness of the claim is apparent in light of these factors, summary judgment is appropriate.” [Elsewhere opinion refers to the secondary considerations].

- **"Obvious To Try" Sometimes ≠ Obvious:** Two types of “obvious to try” situations do not render claim obvious: (1) obvious to try blindly varying all parameters without guidance from prior art or reasonable expectation of success, or (2) obvious to try exploring a new technology or general approach with only general guidance from the prior art. **In re Kubin** (Fed. Cir. 04/03/09) (aff’g BPAI ruling invalidating claims to cDNA encoding human NAIL protein); accord **In re Stepan** (Fed. Cir. 08/25/17) (2-1) (vacating 103 rejection of app. claims, “[T]o have a reasonable expectation of success, one must be motivated to do more than merely to vary all parameters or try each of numerous possible choices until one possibly arrived at a successful result.”); **Eurand** (In re Cyclobenzaprine) (Fed. Cir. 04/16/12) (rev’g obviousness judgment from a bench trial); **Bayer Schering** (Fed. Cir. 08/05/09) (prior art presented a finite number of identified, predictable solutions); **Nantkwest** (Fed. Cir. 05/03/17) (non-precedential) (2-1) (aff’g obviousness; only two types of immune cells known to have antitumor efficacy.)

- **Prior Art References Need To Be Enabling For Anticipation, But Not For Obviousness:** One advantage of an obviousness defense is that a prior art reference may contribute to the finding of obviousness even if it is not itself enabling. **Amgen** (Fed. Cir. 01/06/03) (“Under [Sec.] 103, however, a reference need not be enabled; it qualifies as a prior art, regardless, for whatever is disclosed therein.”); accord **ABT Sys.** (Fed. Cir. 08/19/15) (inoperative device is prior art for all that it teaches); **I/P Engine** (Fed. Cir. 08/15/14) (non-precedential) (2-1) (reversing $30 Million verdict; finding obviousness as matter of law); **George M. Martin** (Fed. Cir. 08/20/10); **Metso Minerals** (Fed. Cir. 05/14/13) (non-published) (“A prior art reference does not need to be fully functional to qualify as prior art; indeed, a prior art reference ‘need not work’ and may even be ‘inoperative.’”) But, “the cited prior art as a whole must enable one skilled in the art to make and use the apparatus or method.” **Therasense** (Fed. Cir. 01/25/10) (reinstated en banc).

- **Common Sense and Common Background Knowledge:** “Common sense has long been recognized to inform the analysis of obviousness if explained with sufficient reasoning.” **Perfect Web** (Fed. Cir. 12/02/09). Background prior art references (including ones not part of the proposed obviousness combination) may be the most reliable evidence of what is common sense and common knowledge in the field. **Randall** (Fed. Cir. 10/30/13). See **I/P Engine** (Fed. Cir. 08/15/14) (non-precedential) (2-1) (reversing $30 Million verdict; finding obviousness as matter of law; “very basic logic dictates that a user’s search query can provide highly pertinent information in evaluating the overall relevance of search results.”) “The prior art must be viewed in the context of what was generally known in the art at the time of the invention.” **In re Taylor Made** (Fed. Cir. 09/30/14) (non-precedential) (vacating PTAB upholding of claims as non-obvious, in an inter partes reexamination, relying in part on evidence submitted by patent owner to support its BRI of claim term). “Caveats” to using common sense: (1) “typically invoked to provide a known motivation to combine, not to supply a missing claim limitation”; (2) should only be used to supply missing limitation that is “unusually simple and the technology particularly straightforward”; (3) “cannot be used as a wholesale substitute for reasoned analysis and evidentiary support, especially when dealing with a limitation missing from the prior art references specified.” **In re Van OS** (Fed. Cir. 01/03/17) (vacating PTAB obviousness ruling for failure to provide explicit and clear reasons why it would have been “intuitive” to combine the references’ teachings in claimed manner; Newman, J. would have reversed not vacated).
• **Physical Substitution Of Element From One Reference To Another Not Required:** May combine references’ teachings even if could not physically substitute their respective elements. *In re Mouttet* (Fed. Cir. 06/26/12); *MCM Portfolio* (Fed. Cir. 12/02/15) (aff’g PTAB obviousness decision). “To justify combining reference teachings in support of a rejection it is not necessary that a device shown in one reference can be physically inserted into the device shown in the other. The test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art.” *In re Keller* (CCPA 02/12/81); *In re Etter* (Fed. Cir. 02/27/85) (*en banc*) (“assertions that Azure cannot be incorporated in Ambrosio are basically irrelevant, the criterion being not whether the references could be physically combined but whether the claimed inventions are rendered obvious by the teachings of the prior art as a whole.”)

• **Combinations That Defeat Prior Art’s Principle of Operation, Or Render It Inoperable For Its Intended Purpose, Are Unlikely:** “Combinations that change the ‘basic principles under which the [prior art] was designed to operate,’ or that render the prior art ‘inoperable for its intended purpose,’ may fail to support a conclusion of obviousness.” *Plas-Pak Indus.* (Fed. Cir. 01/27/15) (non-precedential) (aff’g PTAB non-obviousness decision; relying in part on the prior art patent’s statements re its “invention.”); *In re Schweickert* (Fed. Cir. 01/26/17) (non-precedential) (vacating PTAB obviousness ruling for lack of substantial evidence; substitution would defeat purpose of primary reference’s system, solve no problem in primary reference, add unwanted cost and complexity, and be difficult to implement); *Trivascular* (Fed. Cir. 02/05/16) (aff’d IPR non-obviousness decision; no motivation to combine references where that “substitution would destroy the basic objective of” a key feature of one of the prior art designs). But see *In re Zhang* (Fed. Cir. 06/17/16) (non-precedential) (“While a prior art reference may indicate that a particular combination is undesirable for its own purposes, the reference can nevertheless teach that combination if it remains suitable for the claimed invention.”)

• **Obviousness May Be Based On A Single Reference:** May be based on one reference or a combination of references. *In re Stepan* (Fed. Cir. 08/25/17) (2-1) (vacating 103 rejection of app. claims over a single reference; “whether a rejection is based on combining disclosures from multiple references, combining multiple embodiments from a single reference, or selecting from large lists of elements in a single reference, there must be a motivation to make the combination and a reasonable expectation that such a combination would be successful, otherwise a skilled artisan would not arrive at the claimed combination.”); *Arendi* (Fed. Cir. 08/10/16) (rev’g PTAB obviousness finding based on single reference that lacked one important, non-peripheral element); *Belden* (Fed. Cir. 11/05/15) (aff’d PTAB IPR decision of obviousness over a single prior art reference).

• **Obviousness Protects Public So Accused Infringer Not Estopped By Seeking Similar Patent:** “Obviousness protects the public at large, not a particular infringer, and one is not estopped from asserting the invalidity of a patent by the fact that one has previously made an attempt to procure a patent for substantially the same invention. . . . The fact that Master Lock claimed that its external seal was novel bears no evidentiary significance.” *Wyers* (Fed. Cir. 07/22/10).

• **Need Show Obviousness Of Only One Embodiment Within Scope Of Claim:** Need show obviousness of any (some) embodiment within claimed genus. *Allergan* (Fed. Cir. 06/10/14) (rev’g non-obviousness for failure to analyze reasonable expectation of success, or commercial success, ivo full scope of claim); *MobileMedia* (Fed. Cir. 03/17/15) (rev’g verdict of non-obviousness where patent owner expert testimony limited to specific application (cellphone) not required by the claim).
• **Unpredictable Arts: Higher Hurdle To Show Obviousness:** “To the extent an art is unpredictable, as the chemical arts often are, KSR’s focus on these ‘identified, predictable solutions’ may present a difficult hurdle because potential solutions are less likely to be genuinely predictable.” *Eisai* (Fed. Cir. 07/21/08).

• **Identifying “Lead Compound” In Prior Art:** “When a patent claims a chemical compound, a prima facie case of obviousness ... frequently turns on the structural similarities and differences between the compounds claimed and those in the prior art. Proof of obviousness based on structural similarity requires clear and convincing evidence that a medicinal chemist of ordinary skill would have been motivated to select and then to modify a prior art compound (e.g., a lead compound) to arrive at a claimed compound with a reasonable expectation that the new compound would have similar or improved properties compared with the old.” *Daiichi Sankyo* (Fed. Cir. 09/09/10). Although a *prima facie* case of obviousness for a chemical compound generally begins by identifying a lead compound in the prior art for prior art, but the prior art need not point to only a single lead compound for further development efforts. *Altana Pharma* (Fed. Cir. 05/14/09) (aff’d denial of preliminary injunction). Accord *Otsuka Pharm* (Fed. Cir. 05/07/12) (aff’d non-obviousness judgment).

• **Adapting Existing Electronic Process To Web/Internet Commonplace In May, 1998:** See *Muniauction* (Fed. Cir. 07/14/08) (finding claimed combination obvious relying in part on speech evidence suggesting “the effects of demands known to the design community or present in the marketplace”; and finding that “adapting existing electronic processes to incorporate modern internet and web browser technology was similarly commonplace at the time the patent application was filed [May 29, 1998].”); *Soverain* (Fed. Cir. 01/22/13) (Internet-based claims invalid over CompuServe Mall art).

• **Deviating From Market Pressure Or Design Need Or Commonsense Path Likely Innovative:** “when design need and market pressure may dictate a commonsensical path using a finite number of identified predictable solutions to one of ordinary skill, deviations from that path are likely products of innovation.” *Unigene* (Fed. Cir. 08/25/11) (aff’d S) of non-obviousness, citing ANDA requirements for bioequivalence as a design need and market pressure, but one that did not lead to the claimed invention).

• **Limited Number Of Combinations Of Known Elements:** *Acco Brands* (Fed. Cir. 02/22/16) (rev’g PTAB: Examiner made prima facie showing of obviousness where motivation to combine and only two ways to combine prior art elements and one fell within the claims.)

• **In Vitro Success May Or May Not Make In Vivo Success Reasonably Expected:** “whether the skilled artisan can extrapolate in vivo success from in vitro results is highly fact-specific.” *Nantkwest* (Fed. Cir. 05/03/17) (non-precedential) (2-1).

• **Obvious Subject Matter Is Part Of The “Public Domain”:** “A ‘patent for a combination which only unites old elements with no change in their respective functions ... obviously withdraws what is already known into the field of its monopoly and diminishes the resources available to skillful men.’ This is a principal reason for declining to allow patents for what is obvious. ... Granting patent protection to advances that would occur in the ordinary course without real innovation retards progress and may, in the case of patents combining previously known elements, deprive prior inventions of their value or utility.” *KSR* (U.S. 04/30/2007) (unanimous). “Obvious variants of prior art references are themselves part of the public domain.” *Intercontinental Great Brands* (Fed. Cir. 09/07/17) (2-1) (aff’d sum. jud. obviousness); *In re Wiseman* (CCPA 04/06/79) (“A patent on such a structure would remove from the public that which is in the public domain by virtue of its inclusion in, or obviousness from, the prior art.”).

• **TIIPS:**
  o REDACTED

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a) analogous art

• Tests For Analogous Art: Only analogous prior art is considered in obviousness analysis. Circuit Check (Fed. Cir. 07/28/15) (rev’g J MOL and reinstating jury verdict of non-obviousness, because references not analogous art.) “Two separate tests define the scope of analogous art: (1) whether the art is from the same field of endeavor, regardless of the problem addressed, and (2) if the reference is not within the field of the inventor’s endeavor, whether the reference still is reasonably pertinent to the particular problem with which the inventor is involved.” Innovention Toys I (Fed. Cir. 03/21/11) (rev’g SJ of non-obviousness), see Innovention Toys II (Fed. Cir. 04/29/15) (aff’g jury verdict of non-obviousness); Unwired Planet (Fed. Cir. 11/15/16) (reference analogous where in same field of interface design and its focus (graphical user interfaces) overlapped with patent’s focus (interfaces for location-based services)); In re Natural Alternatives (Fed. Cir. 08/31/16) (non-precedential) (rev’g PTAB obviousness determination in reexamination for failure to show art (using DSBM as ballast for the purpose of balancing tires) was analogous to claimed invention (using DSBM as part of a mixture to decease road surfaces)); In re Clay (Fed. Cir. 06/10/92) (different fields of endeavor: the storage of refined liquid hydrocarbons (at ambient conditions in a human-made storage tank) vs. the extraction of crude petroleum); In re Dillon (Fed. Cir. 11/09/90) (en banc); cf. Sci. Plastic (Fed. Cir. 09/10/14) (2-1) 34 discussing precedents and aff’g PTAB decision that references were analogous; claims directed to sealing a flash chromatography cartridge to be used in low pressure liquid chromatography but secondary reference primarily directed to sealing a beverage container); In re Klein (Fed. Cir. 06/06/11) (inventor considering problem of making a nectar feeder with a movable divider to prepare different ratios of sugar and water would not have been motivated to consider references dealing with separation of solid objects or references that lack a movable divider); K-TEC (Fed. Cir. 09/06/12) (affirm SJ art not analogous). Even if a reference constitutes “common knowledge” of humankind or of skilled artisans, a reference is reasonably pertinent only “when it logically would have commended itself to an inventor’s attention in considering his problem.” Circuit Check (Fed. Cir. 07/28/15) (substantial evidence that a person of ordinary skill in the art “would not have thought about” rock carvings, engraved signage, or a particular machining technique “in considering how to mark interface plates” used in testing printed circuit boards).

• Analogous Art: Field of The Invention Is Relevant: stated “field of the invention” encompassed the reference argued to be non-analogous, as did the applicant’s expert’s testimony about the experience of one of skill in the art. In re Index Sys. (Fed. Cir. 08/11/14) (aff’g PTAB obviousness rejection) (non-precedential); B.E. Tech. (Fed. Cir. 11/17/16) (non-precedential) (aff’g PTAB obviousness; relying on patent’s title and abstract for determining broad scope of its field of the invention); but see Apple VI (Fed. Cir. 10/07/16) (en banc) (7-3) (overturning panel decision [Apple V (Fed. Cir. 02/26/16)] which had relied on reference being within patent’s stated field of the invention; substantial evidence supported implied jury finding of no motivation to combine elements “from a wall-mounted touchscreen for home appliances and a smartphone, particularly in view of the ‘pocket dialing’ problem specific to mobile devices that Apple’s invention sought to address.”); cf. Securus Techs. (Fed. Cir. 07/14/17) (non-precedential) (aff’g PTAB non-obviousness decision; no motivation to combine shown where no explanation provided why one would combine reference about telephone features in corporate setting with reference about telephone features in prison setting).

b) what a reference teaches

• Reference Teaches What It “Fairly Suggests” As Well As Expressly Teaches: In Sec. 103 analysis, a “reference must be considered not only for what it expressly teaches, but also for what it fairly suggests.” In re Rhoads (Fed. Cir. 05/04/16) (non-precedential) (aff’g PTAB 103 rejection of application claim).
Inherent Disclosures Often Inappropriate To Rely Upon In An Obviousness Analysis:

“Use of inherency in the context of obviousness must be carefully circumscribed because ‘[t]hat which may be inherent is not necessarily known’ and that which is unknown cannot be obvious. What is important regarding properties that may be inherent, but unknown, is whether they are unexpected.” Honeywell (Fed. Cir. 08/01/17) (rev’g PTAB nobviousness decision in IP Reexam). “A party must ... meet a high standard in order to rely on inherency to establish the existence of a claim limitation in the prior art in an obviousness analysis—the limitation at issue necessarily must be present, or the natural result of the combination of elements explicitly disclosed by the prior art.” Knauf Insulation (Fed. Cir. 02/27/17) (non-precedential) (aff’g PTAB obviousness decision); Southwire (Fed. Cir. 09/08/17) (aff’g PTAB obviousness decision; error to rely on inherent disclosure of claimed result because that result was not necessarily present in reference, but harmless error); Millennium Pharm, (Fed. Cir. 07/17/17) (rev’g obviousness judgment; error to find inherency where claimed subject matter is “natural result” of the path the inventor took, because sec. 103 provides that “(p)atentability shall not be negatived by the manner in which the invention was made.”)

c) teaching away

“Teaching Away” Test: “‘A reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the applicant.’” In re Chaganti (Fed. Cir. 01/27/14) (non-precedential) (no teaching away here); see Millennium Pharm, (Fed. Cir. 07/17/17) (rev’g obviousness judgment; “a person of ordinary skill would have avoided creating an ester with mannitol because several different esters, each with different chemical and possibly biological properties, could have formed.”); In re Hubbell (Fed. Cir. 04/07/16) (non-precedential) (aff’g PTAB that statement of preference does not teach away because it “does not ‘criticize, discredit, or otherwise discourage’ investigation into the invention claimed.”); Meieresonne (Fed. Cir. 03/07/17) (aff’g PTAB obviousness; criticizing text abstracts as cursory does not teach away from combination of text abstracts and graphical previews); In re Urbansk (Fed. Cir. 01/08/16) (aff’g PTAB obviousness: “In cases involving mechanical device or apparatus claims, we have held that ‘[i]f references taken in combination would produce a ‘seemingly inoperative device’, . . . such references teach away from the combination and thus cannot serve as predicates for a prima facie case of obviousness.’”; but here secondary reference provided motivation to pursue the desirable properties it taught, even if meant foregoing the benefit taught by primary reference); Dome (Fed. Cir. 09/03/15) (reexamination; trial court finding of no teaching away not clearly erroneous where one reference described problems with particular approach but other references disclosed ways of overcoming that problem); Allergan (Fed. Cir. 08/04/15) (prior art taught away by teaching that claimed amount of ingredient would be ineffective and would have side effects); Gator Tail (Fed. Cir 06/22/15) (non-precedential) (prior art teaching that prior design configuration was inferior does not teach away from that design).

Must Consider Prior Art As A Whole To Determine If It Teaches Away: When evaluating whether prior art teaches away from claimed combination, must consider prior art as a whole, including later prior art references that resolve doubts raised by earlier references. Merck (Fed. Cir. 12/17/15) (aff’g PTAB determination of motivation to combine and obviousness.).

Pricing Relevant To Teaching Away: Andersen (Fed. Cir. 11/19/08) (non-precedential) (remanding SJ of obviousness due to fact question whether significant differences in cost would have discouraged (i.e., taught away) PHOSITA from combining references).

Teaching Away May Be Indirect: “‘Teaching away’ does not require that the prior art foresaw the specific invention that was later made, and warned against taking that path.” Spectralytics (Fed. Cir. 06/13/11) (teaching away a question of fact; here all prior machines solved problem in a similar way, different than invention’s technique); but see In re Mouttet (Fed. Cir. 06/26/12)
(aff'd BPAI conclusion that reference did not teach away from using electrical circuits where reference noted “fundamental difference” between electrical and optical circuits and advantages of the latter.)

- **Problems Identified In Art Taught Away From Claimed Solution**: the art taught that a single round of freezing caused severe damage to the cells and the patent owner’s expert testified that persons of skill in the art would expect that a second round of freezing (as claimed) would cause even more damage *Celsius in Vitro* (Fed. Cir. 01/09/12) (preliminary injunction affirmed).

  d) **motivation to combine or modify art**

- **Desire To Create Better Product Motivates Combination**: See *Randall* (Fed. Cir. 10/30/13) (“By narrowly focusing on the four prior-art references cited by the Examiner and ignoring the additional record evidence Randall cited to demonstrate the knowledge and perspective of one of ordinary skill in the art, the Board failed to account for critical background information that could easily explain why an ordinarily skilled artisan would have been motivated to combine or modify the cited references to arrive at the claimed inventions.”); *Stauffer* (Fed. Cir. 07/24/08) (non-precedential) (Claim directed at a device for recording caller ID information immediately after receipt of first ring and printing caller ID information was obvious over a reference that discloses a telephone interface with caller ID capability combined with a reference that states that caller ID information is transmitted between the first two rings. **PHOSITA would be motivated to combine these references in order to create a product that prints caller ID information more quickly**.). See *In re Nuvisage* (Fed. Cir. 12/07/16) (vacating PTAB 103 determination for failure to state “a reason why a PHOSITA would have combined the prior art references,” such as minimizing waste or allowing for a greater degree of movement (citing precedents), “that had a foundation in the prior art.”)

- **Reason Exists To Combine Reference Using An Element With Another Reference Disclosing Improvement To That Element**: *Senju Pharm.* (Fed. Cir. 03/20/15) (aff’d obviousness judgment ivo multiple references). This is so even if second reference had some different goals. *Slot Speaker* (Fed. Cir. 02/17/17) (non-precedential) (artisan “would not have ignored Sadaie’s teachings on the use of sound damping materials on its sidewalls to absorb unwanted soundwaves just because Sadaie discloses that its material also absorbs pressure.”)

- **Motivation May Be Different Than What Motivated Patent Applicants**: *Alcon Res.* (Fed. Cir. 08/08/12) (even though prior art taught away from what patent identifies as motivation for combination, art taught another motivation for that same combination; rev’g (on some claims) bench trial judgment of non-obviousness); *Outdry* (Fed. Cir. 06/16/17) (aff’g PTAB obviousness decision; “need not be the same motivation articulated in the patent for making the claimed combination.”)

- **“Would Have Been Motivated To” Make The Combination Not Just “Could Have Combined”**: “Obviousness concerns whether a skilled artisan not only could have made but would have been motivated to make the combinations or modifications of prior art to arrive at the claimed invention.” *Belden* (Fed. Cir. 11/05/15) (aff’g PTAB IPR decision of obviousness over a single prior art reference); see *Metalcraft* (Fed. Cir. 02/16/17) (affirming preliminary injunction: “Without any explanation as to how or why the references would be combined to arrive at the claimed invention, we are left with only hindsight bias.”).

- **If Rely On Problem For Motivation, Must Show, Without Hindsight, PHOSITA Would Have Recognized The Problem**: “This statement of the problem represents a form of prohibited reliance on hindsight. The district court has used the invention to define the problem that the invention solves. Often the inventive contribution lies in defining the problem in a new revelatory way. ... I instead, PCM must prove by clear and convincing evidence that a person of ordinary skill in the meat encasement arts at the time of the invention would have recognized the adherence
problem recognized by the inventors and found it obvious to produce the meat encasement structure disclosed in the ’148 patent to solve that problem.” Mintz (Fed. Cir. 05/30/12) (vacating SJ of obviousness); Purdue Pharma (Fed. Cir. 03/24/16) (non-precedential) (aff’g PTAB non-obviousness decision; to extent challenger relies on problem to be solved to supply reason to combine prior art, challenger must show that “the problem was known in the art or that [its] formulation of the problem was derived directly from the prior art, rather than from the challenged claims.”); Novartis (Fed. Cir. 05/21/15) (non-precedential) (aff’g judgment of no obviousness because “the prior art does not unambiguously identify oxidative degradation to be a known problem with rivastigmine,” so no motivation to solve that problem by adding an antioxidant); Leo Pharm. (Fed. Cir. 08/12/13) (“an invention can often be the recognition of a problem itself,” rev’g BPAI obviousness finding); Purdue Pharma (Fed. Cir. 02/01/16) (discovering non-obvious problem can evidence that solution is non-obvious, but not here because solution did not require discovering the identified problem); Insite Vision (Fed. Cir. 04/09/15) (in considering motivation in the obviousness analysis, the problem examined is itself a finding of fact, and is not necessarily the specific problem solved by the invention.); In Re Omeprazole Patent Litig. (Fed. Cir. 08/20/08) (recognizing problem supported non-obviousness).

• Also Consider Demotivations: Hitachi Metals (Fed. Cir. 07/06/17) (non-precedential) (aff’g PTAB “factual determination that a skilled artisan would not have been demotivated by the potential reduction in yield”).

• Post-KSR “Flexible” TSM Test: “The TSM test, flexibly applied, merely assures that the obviousness test proceeds on the basis of evidence – teachings, suggestions (a tellingly broad term), or motivations (an equally broad term) – that arise before the time of invention as the statute requires. As KSR requires, those teachings, suggestions, or motivations need not always be written references but may be found within the knowledge and creativity of ordinarily skilled artisans.” Ortho-McNeil (Fed. Cir. 03/31/08).

• Combining Different Embodiments In Same Or Related References: Paice (Fed. Cir. 03/07/17) (non-precedential) (aff’g PTAB obviousness; combination of one strategy in one related paper with another strategy from which it was derived is “predictable variation” that does not “require a leap of inventiveness.”); Boston Sci. Scimed (Fed. Cir. 01/15/09) (rev’g trial court denial of JMOL against jury verdict of non-obviousness: “Combining two embodiments disclosed adjacent to each other in a prior art patent does not require a leap of inventiveness.”).

• That References Are In Same Field Is Insufficient: merely showing that two references are in same field is insufficient to show motivation to combine. Securus Techs. (Fed. Cir. 07/14/17) (non-precedential) (aff’g PTAB non-obviousness decision).

e) reasonable expectation of success

• Need Not Show Absolute Certainty Or Predictability Of Success: Soft Gel (Fed. Cir. 07/26/17) (aff’g PTAB obviousness decision; need only be a reasonable expectation of success, not absolute predictability; a supplemental study to confirm what is expected “does not imply lack of awareness of the likely result”); Par Pharm. (Fed. Cir. 12/03/14) (a “reasonable expectation of success” does not require absolute certainty of success).

• Insufficient To Show The Absence Of An Expectation Of Failure: A lack of predictability (and thus absence of an expectation of failure) shows an absence of a reasonable expectation of success. Honeywell (Fed. Cir. 08/01/17) (rev’g PTAB obviousness decision in IP Reexam; error of law to base obviousness on reasoning that unpredictability would have led skilled artisan to conduct routine testing to arrive at optimal result.)

• Spec. Disclosing That Well-Established Procedures Used To Make Combination May Help Show Reasonable Expectation Of Success: Trustees of Columbia (Fed. Cir. 07/17/15) (non-precedential) (reasonable expectation of success supported by each step of procedure to
prepare combination being within skill of PHOSITA and Spec. said “well-established procedures”
are used without providing “additional guidance with respect to chemical procedures.”

f) the manner in which the invention was made

• That Routine Testing Led Or Could Have Led To Claimed Invention Does Not Show
  Obviousness: Under last sentence of sec. 103(a), “routine experimentation does not necessarily
  preclude patentability.” Honeywell (Fed. Cir. 08/01/17) (rev’g PTAB obviousness decision in IP
  Reexam; rejecting reasoning that lack of predictability of results would have led to routine testing
  and led to claimed invention.)

• objective indicia aka secondary considerations
  
  • BASICS: “Under 103, the scope and content of the prior art are to be determined; differences
    between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill
    in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the
    subject matter is determined. Such secondary considerations as commercial success, long felt but
    unsolved needs, failure of others, etc., might be utilized to give light to the circumstances
    surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or
    nonobviousness, these inquiries may have relevancy.” Graham (U.S. 02/21/1966). Also: skepticism
    of others, licensing, unexpected results, praise of experts, copying. Millennium Pharm., (Fed. Cir.
    07/17/17) (rev’g obviousness; unexpected results, long-felt but unsolved need, and commercial
    success rebut obviousness); Circuit Check (Fed. Cir. 07/28/15) (rev’g JMOL and reinstating jury
    verdict of obviousness based in part on substantial evidence of “copying, long-felt need, commercial
    success, skepticism, and unexpected results”); Transocean (Fed. Cir. 11/15/12) (seven objective
    indicia of non-obviousness overcame prima facie showing of obviousness (sufficiently to support
    jury verdict of nonobviousness) where Fed. Cir. had previously held that two references taught
    each claim limitation and provided motivation for their combination); Intercontinental Great Brands
    (Fed. Cir. 09/07/17) (2-1) (aff’g sum. jud. obviousness, despite strong objective indicia of non-
    obviousness).

• Objective Indicia Of Non-Obviousness Is An Integral Part Of The Analysis Which Must
  Always Be Considered Before Reaching Conclusion On Obviousness. “Objective evidence
  of nonobviousness, i.e. ‘indicia’ of Graham v. John Deere, may in a given case be entitled to more
  weight or less, depending on its nature and its relationship to the invention’s merits; it may be the
  most pertinent, probative and revealing evidence available to aid in reaching a conclusion on the
  obvious/nonobvious issue. It should, when present always be considered as an integral part of the
  analysis.” W.L. Gore (Fed. Cir. 11/14/83); Apple VI (Fed. Cir. 10/07/16) (en banc) (7-3) (substantial
  evidence supported findings of industry praise, copying, commercial success, and long-felt need:
  “determination of whether a patent claim is invalid as obvious under § 103 requires consideration
  of all four Graham factors, and it is error to reach a conclusion of obviousness until all those factors
  are considered.”); WBLP (Fed. Cir. 07/19/16) (aff’g denial of JMOL of obviousness; heavily relying
  on objective indicia: “evidence of secondary considerations may often be the most probative and
  cogent evidence in the record”); Nike (Fed. Cir. 02/11/16) (vacating PTAB decision that substitute
  claims not shown non-obvious, for PTAB failure to address evidence of secondary considerations);
  Transocean (Fed. Cir. 08/18/10) (rev’g sum. jud. of obviousness for failure to consider objective
  evidence of non-obviousness); Plantronics (Fed. Cir. 07/31/13) (same); Eurand (In re
  Cyclobenzaprine) (Fed. Cir. 04/16/12) (faulting district court for first finding obviousness and then
  considering whether objective indicia rebutted obviousness; explaining importance of objective
  indicia to combat hindsight); Mintz (Fed. Cir. 05/30/12) (long discussion of dangers of hindsight
  and importance of considering objective evidence to combat it, vacating SJ of obviousness); Apple
  (Fed. Cir. 08/07/13) (vacating ITC obviousness finding for failure to consider secondary
  considerations); InTouch (Fed. Cir. 05/09/14) (where ‘an expert purports to testify, not just to
  certain factual components underlying the obviousness inquiry, but to the ultimate question of
obviousness, the expert must consider all factors relevant to that ultimate question,” including objective indicia). But see Intercontinental Great Brands (Fed. Cir. 09/07/17) (2-1) (objective indicia must be considered before drawing the ultimate obviousness conclusion but need not be evaluated before drawing a conclusion about whether a reasonable jury could find that a relevant skilled artisan had a motivation to combine the prior art.); Intercontinental Great Brands (Fed. Cir. 09/07/17) (Reyna, J., dissenting) (“For too long, this court has turned a blind eye to what I consider to be a grave concern: the application of a prima facie test that necessarily achieves a legal determination of obviousness prior to full and fair consideration of evidence of objective indicia of non-obviousness.”)

- Patent Owner Has Burden Of Production On Objective Indicia?: Patent owner “‘has the burden of going forward with’ evidence tending to rebut a challenger’s obviousness case,” and thus has burden of showing objective indicia. Enova (Fed. Cir. 09/06/17) (non-precedential) (aff’g PTAB IPR obviousness decision); but see Intercontinental Great Brands (Fed. Cir. 09/07/17) (Reyna, J., dissenting) (“the burden of persuasion should not shift from the challenger to the patent holder after a legal determination of obviousness has already been made.”)

- Long-Felt But Unmet Need: “whether there is a ‘long-felt need is analyzed as of the date of an articulated identified problem and evidence of efforts to solve that problem.’” WBIP (Fed. Cir. 07/19/16) (aff’g denial of JMOL of obviousness, relying heavily on substantial evidence of objective indicia). “A patent owner may establish a long-felt but unmet need without presenting evidence of failure of others.” In re Depomed (Fed. Cir. 02/21/17) (non-precedential) (aff’g PTAB obviousness decision).

- Contemporaneous Development Is Objective Indicia Of Obviousness And Can Rebut Secondary Considerations Of Non-Obviousness: When potential prior art turns out to be too late to qualify as prior art, it still may be useful as evidence of contemporaneous independent development. This is relevant both as evidence of the level of skill in the art, and also to show that any long-felt need solved by the “invention” had already been solved by another. Cf. Trustees of Columbia (Fed. Cir. 07/17/15) (non-precedential) (independent “simultaneous invention demonstrates what others in the field actually accomplished.”); George M. Martin (Fed. Cir. 08/20/10) (invention year later than patent’s reduction to practice date, coupled with other close prior art, was evidence of simultaneous invention showing level of ordinary skill in the art and that “the claimed apparatus was the product only of ordinary mechanical or engineering skill.”).

- Copying: “Copying requires the replication of a specific product.” Iron Grip (Fed. Cir. 12/14/04); accord Wyers (Fed. Cir. 07/22/10); see Enova (Fed. Cir. 09/06/17) (non-precedential) (knowledge of patent and admission of infringement not enough to show copying as part of obviousness analysis); Transocean (Fed. Cir. 11/15/12) (substantial evidence supports copying finding where infringer was aware of patents and patent owner’s products embodying the patents while it designed its accused product, and decided to incorporate the patent’s improvement over prior art because believe patents invalid).

- Patent Spec. Can Provide Evidence Of Unexpected Results: Specific examples in patent Spec. can provide evidence of unexpected results (no discussion of whether hearsay). Süd-Chemie (Fed. Cir. 01/30/09).

h) nexus to claimed invention

- Secondary Indicia Must Have Nexus To Described-Claimed “Invention”: To be relevant, alleged commercial success (and other secondary indicia) must have nexus to claimed invention, South Alabama (Fed. Cir. 12/17/15) (licenses may show “recognition and acceptance” of claimed subject matter even if licensee’s product not shown to have nexus to claimed invention), and must be shown to
(1) have been caused by some advance both claimed and described in the patent, and absent from the closest art. Cf. Apple Vi (Fed. Cir. 10/07/16) (en banc) (7-3) (substantial evidence of nexus; survey evidence that customers would be less likely to purchase device without the slide-to-unlock feature and would pay less for products without it; “There could be a long-felt need for what might be considered a relatively small improvement over the prior art”); Novartis (Torrent) (Fed. Cir. 04/12/17) (aff'g PTAB obviousness decision: “In evaluating whether the requisite nexus exists, the identified objective indicia must be directed to what was not known in the prior art—including patents and publications—which may well be the novel combination or arrangement of known individual elements;” rejecting argument that “as a matter of law, a feature that is known in the art but not actually available to the market—i.e., in commerce—cannot be used to disprove [a patent owner’s] attempts to establish a nexus based on that claimed feature.”); Classco (Fed. Cir. 09/21/16) (aff'g obviousness, but PTAB should have given “some weight [to industry praise], taking into account the degree of the connection between the features presented in evidence and the elements recited in the claims,” where claims broader than praised features); In re Natural Alternatives (Fed. Cir. 08/31/16) (non-precedential) (rev'g PTAB finding of lack of nexus; obviousness determination in reexamination); Graftech (Fed. Cir. 06/17/16) (non-precedential) (aff'g PTAB obviousness decision: no nexus of commercial success to claimed invention); Ethicon (Fed. Cir. 01/13/16) (aff'g PTAB obviousness; substantial evidence that alleged infringer’s commercial success primarily due to feature in prior art not to the claimed combination of elements); Merck (Fed. Cir. 12/17/15) (“Where objective indicia ‘result[ ] from something other than what is both claimed and novel in the claim, there is no nexus to the merits of the claimed invention.’”); South Alabama (Fed. Cir. 12/17/15) (no nexus where accused product has active ingredients not recited in claims, and industry praise primarily due to ingredient in prior art and thus “not adequately tied to the novel features of the claimed invention”); Sightsound (Fed. Cir. 12/15/15) (aff'g PTAB obviousness decision; patent owner must show “the sales were a direct result of the unique characteristics of the claimed invention”); Trustees of Columbia (Fed. Cir. 07/17/15) (non-precedential) (“‘When a patentee can demonstrate commercial success, … and that the successful product is the invention disclosed and claimed in the patent, it is presumed that the commercial success is due to the patented invention.’”; “unexpected results ‘must be shown to be unexpected compared with the closest prior art.’”); Bristol-Myers (Fed. Cir. 06/12/14) (“To be particularly probative, evidence of unexpected results must establish that there is a difference between the results obtained and those of the closest prior art, and that the difference would not have been expected by one of ordinary skill in the art at the time of the invention.”); rehearing denied (Fed. Cir. 10/20/14) (multiple opinions); Cadence Pharm. (Fed. Cir. 03/23/15) (commercial success of a product made by method outside literal claim scope is “not per se irrelevant” where difference in method is insubstantial); but see WBI P (Fed. Cir. 07/19/16) (“proof of nexus is not limited to only when objective evidence is tied to the supposedly ‘new’ feature(s).”);

(2) tie invention to what drives sales, not simply regulatory approval. AstraZeneca (Fed. Cir. 05/07/15) (non-precedential) (“Whether or not there is a nexus between the novel features of the patented product and the commercial success must be evaluated in terms of what is driving sales, not what is allowing the product to reach the shelf in the first place.”); and

(3) not be attributable to improvements or modifications made by others. Cf. In re Magna (Fed. Cir. 05/07/15) (non-precedential) (skepticism must relate to technical infeasibility or manufacturing uncertainty, not economic reasons). But, “where the marketed product is coextensive with the claimed features, then the court should presume that commercial success of the product is due to the patented invention.” Gator Tail (Fed. Cir. 06/22/15)

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(non-precedential) (discounting of commercial success was harmless error because patent owner showed only number of units sold, not market share).

4. (4) not be attributable to other economic reasons. Cubist Pharma (Fed. Cir. 11/12/15) (aff’g obviousness; Lilly had no incentive to investigate later-claimed formulation because it was selling $400-500MM/yr. of leading drug on the market).

TIPS:

- Nexus Is Presumed If Tied To Specific Product Described And Claimed In Patent: WBIP (Fed. Cir. 07/19/16) (rebuttable presumption applies for all objective indicia; substantial evidence of nexus); PPC Broadband (2015-1361) (Fed. Cir. 02/22/16) (vacating PTAB IPR obviousness decision; when product includes “the invention disclosed and claimed in the patent,” we presume that any commercial success of these…is due to the patented invention” even if product includes unclaimed features too).

- No Presumption Of Nexus Where Product Covered By Two Patents: product covered by patent owner’s prior art patent and patent in suit. Therasense (Fed. Cir. 01/25/10) (reinstated en banc).

- Require Nexus To Claimed Combination: In re DBC (Fed. Cir. 11/03/08) (no showing success due to patented combination rather than one of its ingredients).

- Secondary Considerations Need Nexus To Full Scope Of Claim: MPEP 716.03(a): “Objective evidence of nonobviousness including commercial success must be commensurate in scope with the claims. In re Tiffin, 448 F.2d 791, 171 USPQ 294 (CCPA 1971) (evidence showing commercial success of thermoplastic foam ‘cups’ used in vending machines was not commensurate in scope with claims directed to thermoplastic foam ‘containers’ broadly).” Allergan (Fed. Cir. 06/10/14) (rev’g non-obviousness for failure to analyze reasonable expectation of success, or commercial success, ivo full scope of claim). But, evidence need only be reasonably commensurate with claims; don't need evidence for each embodiment within claim, if can show that unexpected results or commercial success would apply to other embodiments as well. In re Kao (Fed. Cir. 05/13/11).

- (Maybe Not) If Nexus Is To Patent-Ineligible Subject Matter, Then I relevant?: Panel so held in In re Comiskey (Fed. Cir. 09/20/07), but then withdrawn by panel Jan. 13, 2009, after en banc order.

- Secondary Considerations Need Nexus To Disclosed (And Claimed) Technology: MPEP 716.03(a): “To be pertinent to the issue of nonobviousness, the commercial success of devices falling within the claims of the patent must flow from the functions and advantages disclosed or inherent in the description in the specification. Furthermore, the success of an embodiment within the claims may not be attributable to improvements or modifications made by others. In re Vamco Machine & Tool, Inc., 752 F.2d 1564, 224 USPQ 617 (Fed. Cir. 1985).” In re Vamco (the commercial success of a machine ‘claimed’ may be due entirely to improvements or modifications made by others to the invention disclosed in a patent. Such success, we are holding, is not pertinent to the non-obviousness of the invention disclosed.); In re Affinity Labs (Fed. Cir. 05/05/17) (aff’g PTAB obviousness decision; allegation that $25 billion industry developed around technology claimed by patent unsupported by showing of nexus).

- Copying Requires Nexus To Claimed Invention: although defendant did copy patent owner’s product, evidence was that each party routinely copied the other’s products, rather than show that defendant copied on account of the novel combination of elements. WM Wrigley (Fed. Cir. 06/22/12) (aff’g SJ of obviousness); Pregis (Fed. Cir. 12/06/12) (no nexus of copying to claimed features).
• **Licenses Lack Nexus If Not Entered Due To Merits Of Claimed Invention**: patent applicant failed to provide evidence that licensing program was successful “because of the merits of the claimed invention,” rather than due to business decisions to avoid litigation, or prior business relationships, or other economic reasons. *In re Antor Media* (Fed. Cir. 07/27/12); *In re Cree* (Fed. Cir. 03/21/16) (aff’g PTAB 103 unpatentability; no showing of nexus of licenses to merits of claimed invention; “it is often ‘cheaper to take licenses than to defend infringement suits.’”); *Soverain* (Fed. Cir. 01/22/13) (commercial success did not support non-obviousness where licensing program unsuccessful except for post-suit settlements and licensees of patent owner’s software abandoned that software.); *In re Affinity Labs* (Fed. Cir. 05/05/17) (evidence of licensing accorded little weight when licensing agreements and their circumstances not in record).

• **Success, etc. of Prior Art Helps Rebut Objective Considerations**: *Ohio Willow Wood* (Fed. Cir. 11/15/13) (success, copying, etc. of patented device discounted where “these factors equally apply to the prior art SSSL device.”)

i) **admissions and omissions supporting obviousness**

• **Lack Of Detail In Patent Implies Known To PHOSITA**: *In re Fox*, 471 F.2d 1405, 1407 (CCPA 1973) (claim elements which are not described in detail in the patent Spec. are presumed to be known to those of ordinary skill in the art); *In re Epstein*, 32 F.3d 1559, 1568 (Fed. Cir. 1994) (citing *In re Fox* with approval: “we find that the disclosure of appellant’s system fails to provide the same detailed information concerning the claimed invention. In the absence of such a specific description, we assume that anyone desiring to carry out such computerized warehousing and inventory control systems would know of the equipment and techniques to be used.”) See *Trustees of Columbia* (Fed. Cir. 07/17/15) (non-precedential) (reasonable expectation of success supported by patent saying “well-established procedures” were used without providing “additional guidance with respect to chemical procedures”; and rejecting argument that prior art non-enabling because patent did not disclose what the prior art supposedly lacked); *In re Morsa II* (Fed. Cir. 10/19/15) (2-1) (PTAB properly relied on application’s statements regarding what skilled artisans knew, in determining that prior art reference was enabling: “considering that the PMA reference discloses each claim limitation, and that the application’s specification indicates that a person of ordinary skill in the art is capable of programming the invention, the Board’s conclusion that the PMA reference is enabling is correct.”) “There is a crucial difference between using the patent’s specification for filling in gaps in the prior art, and using it to determine the knowledge of a person of ordinary skill in the art.” *In re Morsa II* (Fed. Cir. 10/19/15) (2-1).

• **Patent Applicant Arguments Re Enablement May Help Prove Obviousness**: Prosecution argument “that one skilled in the art would be able to manipulate the processes and formulations of the [prior art] by other methods to obtain the claimed pharmacokinetic parameters of the present invention by routine experimentation.” is a characterization of the “predictability and skill in the art” that “provides further evidence that it would have been a routine and obvious design choice” to make the alleged combination of prior art. *Sciele Pharma* (Fed. Cir. 07/02/12) (vacating grant of preliminary injunction).

• **Use Of Standard Techniques To Isolate Claimed Gene Sequence Is Relevant To Obviousness**: “Kubin and Goodwin cannot represent to the public [in the patent] that their claimed gene sequence can be derived and isolated by ‘standard biochemical methods’ discussed in a well-known manual on cloning techniques, while at the same time discounting the relevance of that very manual to the obviousness of their claims.” *In re Kubin* (Fed. Cir. 04/03/09).

j) **genus - species**

• **Genus May Render Species Or Sub-Genus Obvious**: “Species are unpatentable when prior art disclosures describe the genus containing those species such that a person of ordinary skill in the art would be able to envision every member of the class.” *Abbvie* (Fed. Cir. 08/21/14) (double
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patenting case). “Where there is a range disclosed in the prior art, and the claimed invention falls within that range, the burden of production falls upon the patentee to come forward with evidence that (1) the prior art taught away from the claimed invention; (2) there were new and unexpected results relative to the prior art; or (3) there are other pertinent secondary considerations.”

_Galderma_ (Fed. Cir. 12/11/13) (rev’g bench-trial non-obviousness judgment); _Prometheus_ (Fed. Cir. 11/10/15) (aff’g Sj of obviousness of claim directed to treating sub-species of genus of patients claimed in prior art patent); but see _Allergan_ (Fed. Cir. 08/04/15) (aff’g judgment of non-obviousness; even if ranges disclosed in prior art reference were narrow enough to shift burden of production to patent owner, claimed ranges of two ingredients “could and did materially and unpredictably alter the property of the claimed formulation.”)

- **Claimed Range Within Broader Range Disclosed In Prior Art Reference:** There is a “presumption of obviousness” where claimed invention falls within a range disclosed in prior art, rebuttable “either by a showing that the prior art taught away from the invention or by a showing of new and unexpected results relative to the prior art.” _Tyco Healthcare_ (Fed. Cir. 06/22/11) (aff’g Sj of obviousness); cf. _Genetics Inst._ (Fed. Cir. 08/23/11) (aff’g judgment of non-obviousness, in interfering patents action, in view of (1) structural differences between the claimed proteins, (2) failure to identify “some reason that would have prompted a researcher to modify the prior art compounds in a particular manner to arrive at the claimed compounds,” (3) prior art taught away from the claimed compound, (4) prior art range encompassed 68,000 protein variants, (5) unexpected results, even though not appreciated pre filing and not 100% commensurate with scope of claim.) To overcome prima facie obviousness of claim with range overlapping prior art range, with unexpected results, applicants “need to show unexpected results for the entire claimed range.” _In re Patel_ (Fed. Cir. 07/16/14) (non-precedential) (aff’g PTAB rejection). See _Allergan_ (Fed. Cir. 08/04/15) (aff’g judgment of non-obviousness based on unexpected results and teaching away.)

- **Claimed Range Close To Prior Art Range Not Sufficient For Prima Facie Obviousness:** no prima facie obviousness where prior art range approaches claimed range without overlapping, absent teaching in prior art that the end points of the prior art range are approximate, or can be flexibly applied. _In re Patel_ (Fed. Cir. 07/16/14) (non-precedential) (rev’g PTAB rejection).

**k) method claims**

- **Where Reference Expressly Discloses Claimed Method, Burden May Shift (In PTO) To Patent Owner To Show Claim-Recited Function Not Achieved By Reference:** Where “‘all process limitations . . . are expressly disclosed by [the prior art reference], except for the functionally expressed [limitation at issue],’ the PTO can require an applicant ‘to prove that the subject matter shown to be in the prior art does not possess the characteristic relied on.’” _Southwire_ (Fed. Cir. 09/08/17) (aff’g PTAB obviousness decision; “mere quantification of the results of a known process” is not patentable).

**l) obvious as a matter of law**

- **Obvious As Matter Of Law:** Selected post _KSR_ cases finding obviousness as matter of law: _Intercontinental Great Brands_ (Fed. Cir. 09/07/17) (2-1) (aff’g sum. jud. obviousness and citing post-KSR Fed. Cir. decisions granting and denying sum. jud. under sec. 103); _ABT Sys._ (Fed. Cir. 08/19/15) (rev’g denial of JMOL; one reference rendered claims “nearly obvious” and combination of references was obvious); _Warner Chilcott_ (Fed. Cir. 11/18/14) (non-precedential) (combining six references; lack of certainty not defeat obviousness where reasonable expectation of success); _Hoffmann-La Roche_ (Fed. Cir. 04/11/14) (aff’d Sj; reasonable expectation of success; no teaching away); _Metso Minerals_ (Fed. Cir. 05/14/13) (non-precedential) (rev’g jury verdict (infected by erroneous jury instruction) of non-obviousness); _Bayer Healthcare_ (Fed. Cir. 04/16/13) (rev’g trial court Sj of no obviousness, in ANDA context); _Soverain_ (Fed. Cir. 01/22/13) (all claims invalid;
rev'g trial court pre-verdict JMOL of non-obviousness; **Inventio** (Fed. Cir. 11/27/12) (non-precedential); rev'g trial court denial of JMOL after jury verdict of non-obviousness; **WM Wrigley** (Fed. Cir. 06/22/12) (aff'g SJ of obviousness despite evidence of copying and commercial success, in part for failure to show nexus); **Stone Strong** (Fed. Cir. 10/17/11) (non-precedential) (rev'g judgment post bench trial); **Cimline** (Fed. Cir. 03/02/11) (non-precedential) (rev'g denial of SJ of obviousness and holding as matter of law that claims are invalid for obviousness, despite lack of cross motion seeking such judgment); **Tokaj** (Fed. Cir. 01/31/11) (aff'g SJ of obviousness of claims to safety utility lighters); **Western Union** (Fed. Cir. 12/07/10) (rev'g $16.5 Million jury verdict (and denial of JMOL), finding commonsense and commonplace to replace facsimile with electronic terminal, and to move from network to Internet (TCP/IP)); **George M. Martin** (Fed. Cir. 08/20/10) (aff'g JMOL of obviousness); **Wyers** (Fed. Cir. 07/22/10) (rev'g trial court denial of JMOL to defendant, re patent concerning design of car-trailer hitch pin locks); **Dow Jones** (Fed. Cir. 05/28/10) (aff'g SJ of obviousness, combining dynamic HTML art with non-Web based functionality); **Ecolab** (Fed. Cir. 06/09/09) (rev'g denial of JMOL of jury verdict of non-obviousness); **Ball Aerosol** (Fed. Cir. 02/09/09) (rev'g SJ of non-obviousness and denial of SJ of obviousness); **Friskit** (Fed. Cir. 01/12/09) (non-precedential) (aff'g SJ of obviousness despite evidence of copying, where trial court had denied SJ initially but then granted SJ after KSR); **Boston Sci. Scimed** (Fed. Cir. 01/15/09) (rev'g trial court denial of JMOL against jury verdict of non-obviousness: “Combining two embodiments disclosed adjacent to each other in a prior art patent does not require a leap of inventiveness.”); **Tokyo Keiso** (Fed. Cir. 01/09/09) (non-precedential); **Sundance** (Fed. Cir. 12/24/08) (rev'g trial court JMOL of non-obviousness); **Asyst Tech.** (Fed. Cir. 10/10/08) (aff'g JMOL of obviousness overturning jury verdict of non-obviousness); **Agrizap** (Fed. Cir. 03/28/08) (rev'g jury verdict of non-obviousness despite strong secondary indicia of non-obviousness, as combination of old elements with predictable results); **Daiichi Sankyo** (Fed. Cir. 09/12/07); **Aventis Pharm.** (Fed. Cir. 09/11/07); **Ormco** (Fed. Cir. 08/24/07); **In re Trans Texas Holdings Corp.** (Fed. Cir. 08/22/07). But see **Commonwealth Sci.** (Fed. Cir. 09/19/08) (rev'g SJ of non-obviousness due to material fact disputes, including regarding motivation to combine references). Cf. **Duramed** (Fed. Cir. 03/25/11) (rev'g SJ of non-obviousness and noting that record supported a SJ of obviousness had it been requested).

**Post-KSR, SJ Or JMOL Often Appropriate Despite Conflicting Expert Testimony:** “KSR and our later cases establish that the legal determination of obviousness may include recourse to logic, judgment, and common sense, in lieu of expert testimony. . . . Thus, in appropriate cases, the ultimate inference as to the existence of a motivation to combine references may boil down to a question of ‘common sense,’ appropriate for resolution on summary judgment or JMOL.” **Wyers** (Fed. Cir. 07/22/10). See Bob Dylan, **Subterranean Homesick Blues** (1965) (“You don't need a weather man to know which way the wind blows.”); cf. **Alexsam** (Fed. Cir. 05/20/13) (aff't jury verdict of no obviousness where challenger presented no expert opinion on motivation to combine complex references); **ActiveVideo** (Fed. Cir. 08/24/12) (aff'g pre-verdict JMOL of no obviousness where challenger's expert's testimony was generic and conclusory); but see **Ivera Med.** (Fed. Cir. 09/08/15) (rev'g SJ of obviousness ivo declarations of expert and a prior art reference's inventor citing conventional wisdom point away from claimed invention); **Outside the Box** (Fed. Cir. 09/21/12) (remanding judgment of obviousness, due to wrongful exclusion of expert testimony); **Mintz** (Fed. Cir. 05/30/12) (“mere recitation of the words ‘common sense’ without any support adds nothing to the obviousness equation.”); **InTouch** (Fed. Cir. 05/09/14) (rev'g jury verdict of obviousness ivo expert failure to identify sufficient motivations to combine prior references, focus on the relevant time frame, and consider objective evidence of nonobviousness). Cf. **Belden** (Fed. Cir. 11/05/15) (aff'g PTAB IPR decision of obviousness despite lack of expert declaration with petition, in “simple” mechanical case, in part because PTAB Board members may have technical expertise).
22. **Sec. 135 Repose**

- **BASICS:** A statute of repose. “(1) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted. (2) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an application published under Sec. 122(b) of this title may be made in an application filed after the application is published only if the claim is made before 1 year after the date on which the application is published.” 35 U.S.C. § 135(b) (pre-AIA). Whether the application was filed after the publication, depends on the effective filing date of the application under Sec. 120. **Loughlin** (Fed. Cir. 07/11/12).

- **Applicable to Non-FITF Patents And Some FITF Patents:** Applies to non-FITF patents and also applies to FITF patents if they also have or had a claim with, or reference an application which had, an effective filing date before March 15, 2013. See Pub. L. 112–29, § 3(n), Sept. 16, 2011, 125 Stat. 293.

- **135(b) Not Just For Interferences:** In re McGrew, 120 F.3d 1236 (Fed. Cir. 1997) (“The application of section 135(b) is not limited to inter partes interference proceedings but may be used, in accordance with its literal terms, as a basis for ex parte rejections.”) But consider whether Aristocrat Tech. (Fed. Cir. 09/22/08) bars 135(b) as invalidity basis.

- **135(b): Entitlement To Earlier Claim:** “Whether claim 7 [added more than one year after earlier patent issued] is obvious in view of original claims 1-6 is not germane to the question of whether claim 7 is entitled to the earlier effective date of claims 1-6 for purposes of the one-year bar of 35 U.S.C. § 135(b). To establish entitlement to the earlier effective date of existing claims for purposes of the one-year bar of 35 U.S.C. § 135(b), a party must show that the later filed claim does not differ from an earlier claim in any ‘material limitation.’ Corbett v. Chisholm, 568 F.2d 759, 765-66, 196 USPQ 337, 343 (CCPA 1977).” In re Berger (Fed. Cir. 01/29/02). A claim may relate back, to avoid Sec. 135(b), even if the party intentionally delayed prosecution and declaration of an interference. In re Commonwealth Scientific (Fed. Cir. 11/20/15) (non-precedential) (rev’g PTAB interpretation of the statute, in an interference). Whether there is sufficient identity between pre- and post-critical date claims depends solely on a comparison of the pre- and post- critical date claims and not on a comparison to the count copied from the other party. Pre-critical date claim may have been cancelled and need not have been patentable. Adair (Fed. Cir. 02/07/12). Even where no single prior claim is the same as the claim in question, this prior claim requirement is satisfied by a collection of prior claims, each directed to the same essential invention, where they demonstrate that the pre-critical date claims do not differ materially from the post-critical date claims. **Pioneer Hi-Bred** (Fed. Cir. 02/28/12).

- **TIPS:**
  - REDACTED

23. **Double Patenting**

a) **same invention**

- **BASICS:** Same Invention Double Patenting: Sec. 101 prohibits an applicant from receiving multiple patents on the same invention. If one of the claims could be literally infringed without literally infringing the other, then not “same invention” double patenting. In re Vogel (CCPA 03/05/1970). Matter of law defense.
b) **non-statutory**

- **Obviousness-Type (Non-Statutory) Double Patenting**: Prohibits issuance of claims in a second patent on invention essentially the same as that claimed in a first issued patent. “Grounded in the text of” Sec. 101 and still needed despite 20-year terms from effective filing date. *Abbvie* (Fed. Cir. 08/21/14) (aff’g double patenting invalidity where continuation patent did not claim parent’s effective filing date and thus expired years later, and claimed an obvious species of the parent’s claimed genus; and citing patent-term adjustments under Sec. 154(b) as another circumstance where double patenting needed). Where later patent was filed later or on same day as the first patent, court will apply a one-way test: is the second patent’s claim patentably distinct from the issued claim? But, if first-filed application issues later than later filed app. through no fault of applicant, two-way test applies and claim is invalid only if each claim is not patentably distinct over the other. *In re Basell Poliolefine Italia* (Fed. Cir. 11/13/08); *In re Fallaux* (Fed. Cir. 05/06/09) (delay not fault of PTO). “A patent that issues after but expires before another patent [may] qualify as a double patenting reference for that other patent.” *Gilead* (Fed. Cir. 04/22/14) (2-1) (earlier issued patent expired later because had different priority date; the principle that a patent’s expiration allows the public to practice the invention “is violated when a patent expires and the public is nevertheless barred from practicing obvious modifications of the invention claimed in that patent because the inventor holds another later-expiring patent with claims for obvious modifications of the invention.”). Also matter of law. Applies where patents/applications have at least one inventor in common (even if never had a common assignee) and/or have a common assignee. *In re Hubbell* (Fed. Cir. 03/07/13) (2-1) (aff’g rejection of genus claims where prior issued (but not prior art) patent with some overlapping inventors claimed species). Terminal disclaimer overcomes obviousness double patenting only if patents/applications are commonly owned. *Id.* May not use earlier patent as prior art but may rely on earlier patent regarding unexpected results and other considerations related to obviousness. *Abbvie* (Fed. Cir. 08/21/14) (“a later expiring patent is not patentably distinct from an earlier expiring patent if it merely claims a disclosed utility of the earlier claimed invention.”)

- **Filing Multiple CIPs Triggers One-Way Test For Double Patenting**: ... because PTO not solely responsible for delay in issuance. *Smith & Nephew* (Fed. Cir. 12/02/09).

- **Not Same Test As Sec. 103 Obviousness**: Although KSR makes it more likely to win a double patenting defense, there are differences, including: Obviousness compares claimed subject matter to the prior art; non-statutory double patenting compares claims in an earlier patent to claims in a later patent or application (but in construing scope of the earlier claim, court may look at earlier patent’s Spec.). *Eli Lilly* (Fed. Cir. 08/24/12) (both consider objective indicia); *In re Hitachi* (Fed. Cir. 03/17/15) (non-precedential) (Spec. may be consulted for claim construction and for determining what would be obvious variation). Cf. *Tas* (Fed. Cir. 09/29/15) (non-precedential) (aff’g declaration of interference where respective claims recite “result limitations that are a consequence of” method step recited in respective claims).

- **Claiming Use Of Compound Disclosed In Earlier Patent Claiming That Compound**: “Obviousness-type double patenting encompasses any use for a compound that is disclosed in the specification of an earlier patent claiming the compound and is later claimed as a method of using that compound.” *Sun Pharm.* (Fed. Cir. 07/28/10); cf. *Eli Lilly* (Fed. Cir. 08/24/12) (distinguishing Sun Pharm. where prior patent claimed intermediate used in producing what is claimed in later patent).

  - **Relevance Of Written Description To Double Patenting**: Four Fed. Cir. judges would have reheard this issue *en banc*, arguing that written description is irrelevant to double patenting. *Sun Pharm. Order* (Fed. Cir. 11/01/10).

- **Double Patenting And KSR**: a claim to an active pharmaceutical ingredient is invalidated by an earlier claim to a three-element composition that included the active compound; omitting the
known elements would have been obvious under KSR. In re Metoprolol Succinate Patent Litig. (Fed. Cir. 07/23/07) (citing with approval).

- **Patent On Product And Patent On Method Of Making Product**: patentably distinct (and thus no obviousness-type double patenting) if materially different process existed—at time of filing the second application—for making the product. Takeda (Fed. Cir. 04/10/09). But, if patent owner relies on different process available post effective filing date, that opens door to alleged infringer to also look to double-patenting-obviousness evidence post effective filing date. Amgen (Fed. Cir. 09/15/09).

- **Perhaps Not Apply To Patents Sharing Only One Common “Inventor”**: In re Fallaux (Fed. Cir. 05/06/09) (taking no position on MPEP provision applying double patenting rejection where only one common inventor). Cf. In re Hubbell (Fed. Cir. 03/07/13) (2-1) (Applies where patents/applications have at least one inventor in common (even if never had a common assignee) and/or have a common assignee).

- **Two “Comprising” Claims Reciting Different Subcombinations But Encompassing Same Combination**: ABC was old. Spec. disclosed improvements X and Y and XY together. First patent’s claim recited ABCX, in a comprising claim. Second app., with same applicant, claimed ABCY and ABCXY. As each claim covered effectively ABCY, it violated non-statutory double patenting. In re Schneller (CCPA 06/27/1968); accord In re Metoprolol (Fed. Cir. 07/23/07). [Note: USPTO limits Schneller to its facts.]

- **Terminal Disclaimer Must Be Filed Before Earlier Patent Expires**: although terminal disclaimer may be filed during litigation and even after double patenting found, it must be filed before first patent expires, to be effective. Boehringer (Fed. Cir. 01/25/10).

- **Terminal Disclaimer May Revive, Even After Issuance**: Even post-issuance, a terminal disclaimer will prospectively revive a patent found invalid for double-patenting. Perricone (Fed. Cir. 12/20/05) (noting that terminal disclaimer can prospectively overcome double patenting invalidity, but refusing to determine the retrospective effect).

**c) safe harbor for “divisionals”**

- **Divisionals**: 35 USC 121 “safe harbor” protects divisional applications (only to extent required by a PTO restriction requirement) from double patenting invalidity. Bristol-Myers (Fed. Cir. 03/17/04) (Vacating denial of SJ that Sec. 121 bars the asserted double patenting defense. “Bristol-Myers is entitled to invoke the [Sec. 121] statutory prohibition against the use of the ‘707 patent ‘as a reference’ against the divisional application that resulted in the ‘927 patent only if the divisional application was filed as a result of a restriction requirement and is consonant with that restriction requirement.” Here, the earlier restriction requirement was not repeated in the later continuation application and thus Sec. 121 does not protect the patent owner.). It does not protect CIPs, Pfizer (Fed. Cir. 03/07/08), or a reissue on an application originally filed as a CIP with new matter even if later “corrected” to be called a “divisional”, G.D. Searle (Fed. Cir. 06/23/15), or continuations, unless they descend from an application designated as a “divisional,” Amgen (Fed. Cir. 09/15/09).

It does protect a divisional of a divisional, even one claiming multiple “inventions” that the restriction requirement had found to be distinct and there was no restriction requirement repeated in the first divisional. Boehringer (Fed. Cir. 01/25/10) (rehearing en banc denied, with dissenting opinion (05/07/10)). Sec. 121 consonance requirement “requires that the challenged patent, the reference patent, and the patent in which the restriction requirement was imposed (the restricted patent) do not claim any of the same inventions identified by the examiner.” St. Jude Med. (Fed. Cir. 09/11/13) (consonance lacking, but fact specific). Challenged and referenced patent must derive from the same (perhaps reinstated or otherwise continued) restriction requirement. G.D. Searle (Fed. Cir. 06/23/15).
24. **Broadening Reissue, Reexam.**
**IPR Or PGR (Secs. 251, 305, 314, 316, 326)**

- **BASICS:** "No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent." 35 U.S.C. § 251. Claim-by-claim analysis. **Arcelormittal II** (Fed. Cir. 05/12/15) (all but two reissue claims invalid for broadening). Generally, a reissue is available to correct an error made by the patentee. Any claim sought in a reissue filed after two years from the grant of the original patent is invalid if broader than the original claim. Reexamination may not broaden claim. Id. at §§ 305, 314. A continuing reissue application may add broadened claims after the two-year limit even if those broadened claims are unrelated to the broadened claims filed within the two-year limit. In re Staats (Fed. Cir. 03/05/12). "Whether amendments made during reissue enlarge the scope of the claim, and therefore violate § 251, is a matter of claim construction, which we review de novo, while giving deference to subsidiary factual determinations." **Arcelormittal II** (Fed. Cir. 05/12/15) (citing Teva).

- **AIA:** No amended claim in IPR or PGR may enlarge scope of the claims. 35 USC 316(d), 326(d) (AIA).

- **Claim Is Broadened If It Covers Something Different:** "A claim of a reissue application is broader in scope than the original claims if it contains within its scope any conceivable apparatus or process which would not have infringed the original patent. A reissue claim that is broader in any respect is considered to be broader than the original claims even though it may be narrower in other respects." **Tillotson, Ltd. v. Walbro Corp.**, 831 F.2d 1033, 1037 n.2 (Fed. Cir. 1987); accord **Arcelormittal II** (Fed. Cir. 05/12/15) (independent claim broadened, even without being amended, by addition of dependent claim with range broader than original claim had earlier been construed to cover); In re Cuozzo (Fed. Cir. 02/04/15) (2-1) (applying same test to inter partes review), rehearing en banc denied (Fed. Cir. 07/08/15) (6-5); new panel opinion (Fed. Cir. 07/08/15), aff'd on other grounds (U.S. 06/20/2016); In re Reiffin (Fed. Cir. 07/27/09); see also Brady Constr. (Fed. Cir. 08/15/08) (non-precedential) (invalidating reissue claim that required (among other things) a stud having at least one hole (but having no restriction that the hole be pre-existing) where original claim required pre-existing hole); In re Bennett (Fed. Cir. 06/28/85) (en banc) ("‘Conveyor means’ is broader in scope than ‘a continuously running, in operation, conveyor belt’.")

25. **Inventorship (Secs. 102(f), 256)**

- **BASICS:** "A person shall be entitled to a patent unless - … he did not himself invent the subject matter sought to be patented …." 35 U.S.C. § 102(f) (pre-AIA). "’Conception is the touchstone to determining inventorship.’ [Conception] is ‘the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention, as it is hereafter to be applied in practice.’” **Univ. Colo.**, (Fed. Cir. 09/03/03). To be joint inventors, there needs to be collaboration or concerted effort. 35 U.S.C. § 256 permits correction of inventorship errors under certain circumstances. Inventorship is a question of law, but proof of inventorship by unnamed inventor requires clear and convincing evidence. **Gen. Elec.** (Fed. Cir. 05/08/14). Reputational injury from being omitted as named inventor may convey standing. **Shukh** (Fed. Cir. 10/02/15) (vacating SJ of no standing.)

- **AIA:** No longer need to show lack of deceptive intent, to correct inventorship. 35 USC 256 (AIA) (effective for proceedings commenced on or after Sept. 16, 2012.)

- **Heavy Burden To Show Non-Joinder or Mis-Joinder:** ‘There is a presumption that the inventors named on an issued patent are correct, so nonjoinder of inventors must be proven by
facts supported by clear and convincing evidence. (‘The burden of showing misjoinder or nonjoinder of inventors is a heavy one.’); “What is required is ‘corroborating evidence of a contemporaneous disclosure that would enable one skilled in the art to make the invention.’” Univ. Colo. (Fed. Cir. 09/03/03); Meng (Fed. Cir. 04/05/16) (non-precedential) (“heavy” burden not met); Eli Lilly (Fed. Cir. 07/20/04); Bard Peripheral I (Fed. Cir. 02/10/12) (a party providing physical samples, some of which embodied invention, not sufficient to contribute in a significant manner to second party’s conception where first party did not then appreciate the invention or communicate to second party the key factor for creating successful product; aff’g jury verdict of no improper inventorship.); Bard Peripheral III (Fed. Cir. 01/13/15) (defense based on alleged joint inventorship not reasonable); Beriont II (Fed. Cir. 02/04/15) (no corroboration of testimony to support misjoinder).

- **Conception Of Method Of Making Compound May Suffice To Contribute To Conception:** “Where the method [of making a compound] requires more than the exercise of ordinary skill, … the discovery of that method is as much a contribution to the compound as the discovery of the compound itself. … conception of a compound requires knowledge of both the chemical structure of the compound and an operative method of making it. Accordingly, this court holds that a putative inventor who envisioned the structure of a novel genus of chemical compounds and contributes the method of making that genus contributes to the conception of that genus.” Falana (Fed. Cir. 01/23/12).

- **Inventorship And Means Elements:** Contributor of any disclosed means of a means plus function element is a joint inventor as to that claim, Ethicon (Fed. Cir. 1998).

- **Joint Inventorship:** “A group of co-inventors must collaborate and work together to collectively have a definite and permanent idea of the complete invention.” Vanderbilt (Fed. Cir. 04/07/10) (aff’g judgment that unnamed contributors were not joint inventors). “[T]o be a joint inventor, an individual must make a contribution to the conception of the claimed invention that is not insignificant in quality, when that contribution is measured against the dimension of the full invention.” Fina Oil (Fed. Cir. 1997). This requires more than merely exercising ordinary skill in the art—“a person will not be a co-inventor if he or she does no more than explain to the real inventors concepts that are well known [in] the current state of the art.” Id. “Finally, an alleged co-inventor’s testimony cannot, standing alone, provide clear and convincing evidence.” Caterpillar (Fed. Cir. 10/28/04) (upholding the inventive entities named on three patents); accord Cardiaq (Fed. Cir. 09/01/17) (non-precedential) (aff’g judgment based on advisory jury verdict adding unnamed co-inventors to patent; alleged co-inventor must make a contribution to conception of at least one claim “that is not insignificant in quality, when that contribution is measured against the dimension of the full invention.” “Not enough to merely explain well-known concepts and/or the current state of the art.” But explaining non-public, secret Sec. 102(e) prior art may be enough.); Tavory (Fed. Cir. 10/27/08) (non-precedential); Nartron (Fed. Cir. 03/05/09) (one suggesting the sole element added by a dependent claim was not co-inventor where that element was in the prior art, adding it to this invention was within ordinary skill in the art, and contribution of that element “was insignificant when measured against the full dimension of the invention.”)

- **TIPS:**
  - REDACTED

26. **Oath Defect**

- **Incorporation By Reference:** Each applicant is supposed to read the application before signing the oath. If the patent incorporates anything by reference, explore (e.g., in deposition of the “inventor”) whether the incorporated material was provided to, or read by, the applicant(s). But, this may not be a defense under Aristocrat Tech. (Fed. Cir. 09/22/08) (“sections 133 and 371 ...
provide none of the signals that Congress has given in other circumstances to indicate that these sections provide a defense to an accused infringer.”)

27. Other Defects

- **Some Defects Are Not Invalidity Defenses**: Aristocrat Tech. (Fed. Cir. 09/22/08) (improper revival of an abandoned application is not a basis for patent invalidity; distinguishing Sec. 185 “shall be invalid” language).

- **Improper Filing In Foreign Country**: Improper filing in foreign country without required foreign filing license. (35 USC 185 (“shall be invalid, unless the failure to procure such license was through error, and the patent does not disclose subject matter within the scope of section 181.”)

- **Improper Incorporation By Reference**: “To incorporate material by reference, the host document must identify with detailed particularity what specific material it incorporates and clearly indicate where that material is found in the various documents.” Zenon (Fed. Cir. 11/07/07) (series of six apps.; 6th anticipated by 1st; because intervening apps. changed disclosure in part by failure of an attempted incorporation by reference.) Cf. Husky Injection (Fed. Cir. 09/23/16) (rev’g PTAB finding of insufficient particularity of incorporation of two statements combined: “The tie-bar nuts can be secured . . . by any appropriate mechanism, such as the pineapple and toothed-ring mechanism described in [Choi].“ [and] ‘All cross-referenced patents and application[s] referred to in this specification are hereby incorporated by reference.”); Callaway (Fed. Cir. 08/14/09) (rev’g § of no anticipation, as matter of law prior art reference did incorporate by reference another reference’s teaching); compare Harari (Fed. Cir. 09/01/11) (entire co-pending application was incorporated by reference (by “the disclosures of the two applications are hereby incorporate[d] by reference”)) with Hollmer (same case) (Fed. Cir. 06/07/12) (attempted incorporation too ambiguous: “when the ultimate question implicates the understanding of a person of ordinary skill, such as determining whether the written description requirement is satisfied, construing claims, or evaluating the teachings of a prior art reference, we have reviewed the incorporation statements from the person of ordinary skill vantage point”); Dealertrack (Fed. Cir. 01/20/12) (incorporation of a patent application includes amendments to that application (at least those that occurred before the incorporating application was filed)); Modine Mfg. (Fed. Cir. 02/05/96) (rejecting a claim construction argument based on definition found in incorporated patent: “Incorporation by reference, however, does not convert the invention of the incorporated patent into the invention of the host patent.”)

- **Improper Certificate Of Correction Of Applicant’s Minor Mistake**: Cubist Pharm. (Fed. Cir. 11/12/15) (“heavy burden” to invalidate certificate of correction not met.)

- **Incorrect “Small Entity” Verification**

F. INEQUITABLE CONDUCT; UNCLEAN HANDS

1. **Therasense**

- **Therasense En Banc** (Fed. Cir. 05/25/11):
  - Rewrites and restricts inequitable conduct doctrine. See Transweb (Fed. Cir. 02/10/16) (aff’g judgment of inequitable conduct for delayed disclosure followed by deceptive assertion by inventor and in-house attorney, in response to rejection of all claims for obviousness over third party’s public-use of samples, that applicant had received the samples under confidentiality agreement); Am. Calcar (Fed. Cir. 09/26/14) (aff’g judgment of inequitable conduct under Therasense; applicant withheld owner’s manual and
photographs his company possessed of prior art system he disclosed to PTO as being prior  
art, and which disclosed supposedly novel feature); Apotex (Fed. Cir. 08/15/14) (aff‘g  
inequitable conduct judgment based on series of misstatements and failures to disclose);  
Aventis Pharma (Fed. Cir. 04/09/12) (aff‘g inequitable conduct judgment, applying  
Therasense; invention derived from withheld reference); Santarus (Fed. Cir. 09/04/12)  
(aff‘g no deceptive intent despite trial judge comment that applicant’s explanation for non-  
disclosure “strained credibility”); 1st Media (Fed. Cir. 09/13/12) (rev‘g bench trial finding of  
deliberate decision to withhold with deceptive intent, despite adverse credibility finding  
and presumed knowledge of materiality); Novo Nordisk (Fed. Cir. 06/18/13) (rev‘g bench-  
trial judgment of inequitable conduct, no clear and convincing evidence of “but for”  
materiality of information omitted from declaration submitted to PTO); Network Signatures  
(Fed. Cir. 09/24/13) (2-1) (rev‘g inequitable conduct SJ; checking “unintentional” box on  
late-maintenance-fee form not shown to be with deceptive intent, despite intentional  
decision to abandon); Ohio Willow Wood I (Fed. Cir. 11/15/13) (rev‘g SJ of no inequitable  
conduct; finding genuine disputes of material fact re materiality and intent); Ohio Willow  
Wood II (Fed. Cir. 02/19/16) (aff‘g judgment (on remand) of inequitable conduct: withheld  
evidence corroborating public use where patent owner successfully argued to Board that  
there was no corroborating evidence.).  

New Inequitable Conduct Doctrine: 

- Specific Intent (Conscious Decision) To Deceive PTO: “must prove that the  
patentee acted with the specific intent to deceive the PTO;” if non-disclosure: “that  
the applicant knew of the reference, knew that it was material, and made a  
deliberate decision to withhold it;” i.e., made a “conscious decision not to disclose  
them in order to deceive the PTO.” See Intercontinental Great Brands (Fed. Cir.  
09/07/17) (Fed. Cir. 09/07/17) (aff‘g sum. jud. of no intent where patent owner  
failed to note that language is reference likely was a misprint; “the intent  
requirement is demanding.”); Regeneron (Fed. Cir. 07/27/17) (2-1) (aff‘g  
inequitable conduct; “an inference of intent to deceive is appropriate where the  
applicant engages in ‘a pattern of lack of candor,’ including where the applicant  
repeatedly makes factual representations ‘contrary to the true information he had  
in his possession.’”)  

- Deceitful intent not proven by (1) showing “should have known” of  
materiality, (2) lack of evidence of good faith, or (3) where another  
reasonable inference exists.  

- Materiality Generally But-For: “as a general matter, the materiality required ... is  
but-for materiality ...[i.e.,] if the PTO would not have allowed a claim had it been  
aware of the undisclosed prior art,” applying broadest reasonable construction and  
preponderance of evidence standard. See Regeneron (Fed. Cir. 07/27/17) (2-1)  
(aff‘g inequitable conduct; apply broadest reasonable constructon and  
preponderance of evidence standard to determine materiality; “Determining but-  
for materiality requires that the court place itself in the shoes of a [reasonable]  
patent examiner and determine whether, had the reference(s) been before the  
examiner at the time, the claims of the patent would have still issued.”); Am. Calcar  
(Fed. Cir. 09/26/14); U.S. Water Services (Fed. Cir. 12/15/16) (aff‘g SJ of no  
materiality of withheld materials from litigation).{Implies it must be an issued  
claim}  

- Exception Where Affirmative, Egregious Misconduct: “When the patentee  
has engaged in affirmative acts of egregious misconduct, such as  
the filing of an unmistakably false affidavit, the misconduct is material.”

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Exception does not apply to omission of information. See Intellect Wireless (Fed. Cir. 10/09/13) (aff’d IC judgment; “the materiality prong of inequitable conduct is met when an applicant files a false affidavit and fails to cure the misconduct” by expressly identifying the misrepresentation and stating the correct facts, openly).

PTO R. 56 Materiality Test Does Not Apply

- No Sliding Scale: intent and materiality are not balanced.
  - Policy Reasons For The Change: “While honesty at the PTO is essential, low standards for intent and materiality have inadvertently led to many unintended consequences, among them, increased adjudication cost and complexity, reduced likelihood of settlement, burdened courts, strained PTO resources, increased PTO backlog, and impaired patent quality. This court now tightens the standards for finding both intent and materiality in order to redirect a doctrine that has been overused to the detriment of the public.”
  - Separate Unclean Hands Defense: per S. Ct., applies to “particularly egregious misconduct, including perjury, the manufacture of false evidence, and the suppression of evidence” + “deliberately planned and carefully executed scheme[s] to defraud’ not only the PTO but also the courts,” and sole remedy is dismissal of case. No need to show materiality. See Precision, 324 U.S. at 816-20, 65 S. Ct. 993; Hazel-Atlas, 322 U.S. at 240, 64 S. Ct. 997; Keystone, 290 U.S. at 243, 54 S. Ct. 146; but see Regeneron (Fed. Cir. 07/27/17) (2-1) (unclean hands “is not a source of power to punish” so post-prosecution misconduct cannot render patent unenforceable.)

- Needs To Be Material To At Least One Issued Claim: “Inequitable conduct regarding any single claim renders the entire patent unenforceable.” Therasense (Fed. Cir. 05/25/11) (en banc); Regeneron (Fed. Cir. 07/27/17) (2-1); but see Am. Calcar (Fed. Cir. 06/27/11) (“On remand, the district court should determine whether the PTO would not have granted the Search patents but for Calcar’s failure to disclose the 96RL information.”)

- Cumulative References Are Not Material: Regeneron (Fed. Cir. 07/27/17) (2-1) (aff’g inequitable conduct based on withholding of four but-for-material references; “a reference is not but-for material, however, if it is merely cumulative. A reference is cumulative when it ‘teaches no more than what a reasonable examiner would consider to be taught by the prior art already before the PTO.’”)

- Deception Re Petition To Make Special Does Not Meet But For Test: Failing to update PTO that circumstances justifying petition to make special no longer exist are not inequitable conduct, even with deceptive intent, because it “obviously fails the but-for materiality standard and is not the type of unequivocal act, ‘such as the filing of an unmistakably false affidavit,’ that would rise to the level of ‘affirmative egregious misconduct.”’ Powell (Fed. Cir. 11/14/11).

- Adverse Inference Of Deceptive Intent May Be Imposed As Sanction For Litigation Misconduct: As a sanction for litigation misconduct, part of which “obfuscated its prosecution misconduct,” a court may infer that the withholding of but-for-material references was with an intent to deceive the Patent Office. Regeneron (Fed. Cir. 07/27/17) (2-1) (Plaintiff repeatedly “chose tactics over substance” and used “sword and shield tactics to protect [the patent attorneys’] thoughts regarding disclosure of the Withheld References to the PTO.” Plaintiff’s litigation misconduct included refusing to break down infringement contentions element by element; asserting that no terms required construction; producing on eve of deposition of outside prosecution counsel a previously withheld (as privileged) memo. written by that attorney; making seriously incorrect argument that the memo. was not privileged so did not waive privilege; in response to court order to produce all related materials, providing incomplete materials without describing its own filter for selecting materials to provide; submitting trial affidavits of direct
testimony from witnesses for whom it had withheld as privileged multiple documents on same subjects as privileged; withholding non-privileged documents as privileged, etc.)

- **AIA: Supplemental Examination:** Patent owner may institute to correct any error affecting patentability in original prosecution, but will not immunize patentability from inequitable conduct already pled with particularity in a civil action. 35 USC 257 (AIA).
  
  - **TIPS:**
    - REDACTED

2. **Likely Survives Therasense**

- **Beyond Inventors And Prosecutors Who Has Duty Of Candor?** One has “substantive[] involve[ment] in the preparation or prosecution” of an application, and thus a duty of candor under 37 CFR § 1.56(c)(3), if “the involvement relates to the content of the application or decisions related thereto, and … is not wholly administrative or secretarial in nature.” “The district court may properly consider a variety of factors, such as an individual’s position within the company, role in developing or marketing the patented idea, contact with the inventors or prosecutors, and representations to the PTO in deciding whether that individual is ‘substantively involved’ ….” *Avid* (Fed. Cir. 04/27/10).

- **Material: Relationship Of Declarants:** *Ferring* (Fed. Cir. 02/15/06): SJ affirmed because of breach of duty to disclose declarants’ relationship to patentee.

- **Tie Goes To The Applicant:** *Scanner Tech.* (Fed. Cir. 06/19/08): “All reasonable inferences must be drawn from the evidence, and a judgment then rendered on the evidence as informed by the range of reasonable inferences.” Rev’g IC finding based on allegedly false statements in petition to make special, where favorable inference on meaning of challenged statements to PTO is as equally reasonable as the trial court’s unfavorable inference on its meaning. *Accord Ariad Pharm.* (Fed. Cir. 04/03/09) (failure to prove that deceptive intent was the better explanation for the withholding of material information).

- **Deceptive Misnaming Of Inventors:** Aff’g inequitable conduct, where applicant knew he was not the inventor and fabricated evidence at trial. *Advanced Magnetic* (Fed. Cir. 06/11/10).

- **Cautioning Trial Courts Against Lightly Finding Inequitable Conduct:** *Star Sci.* (Fed. Cir. 08/25/08); *Pressure Prod.* (Fed. Cir. 03/24/10).

- **TIPS:**
  - REDACTED

3. **Pleading Requirements**

- **Plead With Specificity:** To meet the requirements of Rule 9(b), “the pleading must identify the specific who, what, when, where, and how of the material misrepresentation or omission committed before the PTO” and must “include sufficient allegations of underlying facts from which a court may reasonably infer that a specific individual (1) knew of the withheld material information or of the falsity of the material misrepresentation, and (2) withheld or misrepresented this information with a specific intent to deceive the PTO.” *Exergen* (Fed. Cir. 08/04/09).

4. **Effect Of Finding Inequitable Conduct**

- **May Taint Continuation Patents:** Inequitable conduct as to any claim renders all claims of patent unenforceable. *Kingsdown Med.* (Fed. Cir. 12/21/88) (en banc). If a party engages in inequitable conduct with respect to certain claims, that may taint later continuation patents if the subject matter is related and there is an “immediate and necessary relation” between the
inequitable conduct and the equity the patent owner seeks. 

More likely to taint continuation patents than divisional patents.

G. OWNERSHIP/STANDING

- **BASICS:** "A patentee shall have remedy by civil action for infringement of his patent." 35 U.S.C. § 281. Question of law reviewed *de novo*. *Diamond Coating* (Fed. Cir. 05/17/16) (aff'd no standing).

- Plaintiff must show both constitutional standing and prudential standing. Constitutional standing requires that "the plaintiff must have suffered or be imminently threatened with a concrete and particularized 'injury in fact' that is fairly traceable to the challenged action of the defendant and likely to be redressed by a favorable judicial decision." *Lexmark (Static Control)* (U.S. 03/25/2014) (Lanham Act false advertising action); *Phigenix* (Fed. Cir. 01/09/17) (dismissing for lack of constitutional standing PTAB petitioner's appeal). "To establish injury in fact in a case, a plaintiff must show that he or she suffered an invasion of a legally protected interest" that is "concrete and particularized" and "actual or imminent, not conjectural or hypothetical." *Spokeo* (U.S. 05/16/2016). "A 'concrete' injury must be 'de facto'; that is, it must actually exist," but it may be intangible. A procedural violation of a statute may or may constitute concrete injury. *Id.* See *Morrow* (Fed. Cir. 09/19/07) (long discussion). Patent owner or exclusive licensee has constitutional standing, but patent owner usually joins exclusive licensee to satisfy "prudential standing" concerns. *Morrow* (Fed. Cir. 09/19/07) ("joining the legal title holder only satisfies prudential standing requirements. It cannot cure constitutional standing deficiencies."). "If an exclusive licensee does not hold all substantial rights to the patent, ... it lacks standing to maintain an infringement suit" without joining the patent owner. *Keranos* (Fed. Cir. 08/13/15) (aff'd proper standing of exclusive licensee where all substantial rights assigned post patent expiration). Alleged patent owner must prove that it has legal title to the patent. *MHL Tek* (Fed. Cir. 08/10/11). "To create an assignment, a contract must transfer: (1) the entire exclusive patent right, (2) an undivided interest in the patent rights, or (3) the entire exclusive right within any geographical region of the United States." *Diamond Coating* (Fed. Cir. 05/17/16) (no assignment of all substantial rights where original patent owner retains a right to make, use and sell patented products, plaintiff's rights to license or enforce are restricted, and plaintiff did not obtain right to practice the patent). Dismissal for lack of standing normally without prejudice unless, e.g., plainly unlikely can be cured. *National Oilwell* (Fed. Cir. 01/25/17) (non-precedential) (dismissed with prejudice and fees awarded for period beginning when plaintiff refused to produce document that showed it lacked of ownership of the patent).

- **Consider Mootness Even If Patent Owner Had Standing When Sued:** "Standing under Article III, section 2, clause 1 of the United States Constitution is reviewable at all stages of a proceeding, but it is a requirement that must be satisfied when the case is filed or brought. Mootness, by contrast, while sometimes colloquially referred to as standing, is the requirement, also under Article III, that the plaintiff have a personal stake in the case or controversy throughout the action." *Walker Digital* (Fed. Cir. 12/30/14) (2-1) (Case: 13-1520 Document: 105-2) (aff'd dismissal with prejudice; patent owner assigned asserted patents to another, settling defendant via unambiguous language in settlement agreement extending transferred patents to continuations of named patents); *Arcelormittal III* (Fed. Cir. 05/16/17) (2-1) (not moot because “at no time before the court entered summary judgment did ArcelorMittal unconditionally assure Defendants and their customers that it would never assert” the patent claims against them.")

- **No Requirement To Decide Inventorship When Deciding Standing:** As improper inventorship can be pled as an invalidity defense under Sec. 102(f), a court need not decide whether the named inventors are the true inventors, when deciding a standing challenge. *Drone Tech.* (Fed. Cir. 09/29/16) (aff'd denial of standing challenge).

- **Non-Exclusive Licensee With No Right To Exclude Others Cannot Join The Lawsuit:** “If the party has not received an express or implied promise of exclusivity under the patent, *i.e.,* the
right to exclude others from making, using, or selling the patented invention, the party has a "bare license," and has received only the patentee's promise that that party will not be sued for infringement... The grant of a bare license to sell an invention in a specified territory, even if it is the only license granted by the patentee, does not provide standing without the grant of a right to exclude others." Rite-Hite (Fed. Cir. 06/15/95) (en banc) (reversing for lack of standing damages awarded to patent owner's independent sales organizations with exclusive sales territories).

- **TIPS:**
  - REDACTED

1. **Assignments**
   - **BASICS:** Although an assignment must be in writing, 35 U.S.C. § 261, ownership can be transferred by other means not requiring a writing, such as through intestate succession laws. Sky Tech. (Fed. Cir. 08/20/09); see Vapor Point (Fed. Cir. 08/10/16) (O'Malley, J., Concurring) (recommending court overrule precedent suggesting in-writing requirement can be superseded under state law). Exclusive license with right to sue need not be in writing. Bard Peripheral III (Fed. Cir. 01/13/15). Written assignment or document memorializing prior assignment must be made pre-suit. Bard Peripheral III (Fed. Cir. 01/13/15). Post-complaint "nunc pro tunc assignments are not sufficient to confer retroactive standing" under Sec. 281, even if preceded supplemental or amended complaint. Alps South (Fed. Cir. 06/05/15) (although patent owner can be added post-complaint to cure standing defect); but see Sealant (Fed. Cir. 06/11/15) (non-precedential) (standing is claim-by-claim and need exist at time claim first made in the action).
   - **Equitable vs. Legal Title:** A party with legal title to a patent has standing to sue even if it may not have equitable title and, conversely, a party with equitable title but no legal title lacks standing. The issue normally arises where someone agrees to assign patent rights in future inventions, but fails to actually assign them. If one uses “does hereby grant [or “assign”]” (rights in any future inventions to the assignee) language, then legal title will pass by operation of law once the invention comes into existence. Preston (Fed. Cir. 07/10/12); Filmtec (Fed. Cir. 07/22/91) (assignment of rights in an invention made prior to the existence of the invention is an assignment of an expectant interest conveying equitable title to the assignee which, “once the invention is made and an application for patent is filed,” conveys legal title to the assignee and the assignor has nothing left to assign). But, “will be assigned” or “agree to assign” language transfers only equitable title, not legal title. Speedplay (Fed. Cir. 03/01/00); Stanford (Fed. Cir. 09/30/09) (defendant, not plaintiff, had legal title), aff’d on other grounds, Bd. of Tr. of the Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc. (U.S. 06/06/2011) (but three Justices question Fed. Cir. distinction between “agree to assign” and “hereby assign”); SiRF Tech. (Fed. Cir. 04/12/10) (recording in PTO an assignment from inventor to the plaintiff shifts burden of proof (production?) to challenger to challenge that assignment by, e.g., proving earlier assignment by inventor to another company); Abraxis (Fed. Cir. 11/09/10) (promise to assign was not present assignment, and attempt to cure retroactively failed), rehearing en banc denied (03/14/11); Gellman (Fed. Cir. 11/30/11) (non-precedential) (“this court has consistently required that present assignments of future rights expressly undertake the assigning act at the time of the agreement, and not leave it to some future date.”)
   - **Bayh-Dole Act Does Not Assign Inventors' Rights To Their Federally Funded Employers:** It is a “basic principle of patent law that inventors own their inventions.” Bayh-Dole Act does not deprive inventors of their interest in federally funded inventions. Sec. 201(e)’s “any invention of the contractor” does not refer to all inventions of the contractor’s employees, but rather to “those owned by or belonging to the contractor.” “The Bayh-Dole Act does not confer title to federally funded inventions on contractors or authorize contractors to unilaterally take title to those inventions; it simply assures contractors that they may keep title to whatever it is they already
have.” Bd. of Tr. of the Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc. (U.S. 06/06/2011).

- **State Law Governs Interpretation Of Contract Purportedly Assigning Invention**: Abbott Point (Fed. Cir. 01/13/12) (aff’g plaintiff did not own patent). But see Intellectual Ventures (Erie Indemnity) (Fed. Cir. 03/07/17) (aff’g dismissal for lack of standing; “whether a patent assignment clause creates an automatic assignment or merely an obligation to assign” is a question of federal law).

2. **Constitutional Standing**

- **Party With Any Exclusionary Right In Patent Is Exclusive Licensee And Has Constitutional Standing If The Accused Are Alleged To Violate That Right**: “The touchstone of constitutional standing . . . is whether a party can establish that it has an exclusionary right in a patent that, if violated by another, would cause the party holding the exclusionary right to suffer legal injury.” One qualifies as an exclusive licensee if “it holds any of the exclusionary rights that accompany a patent.” Exclusive licensee has constitutional standing even if its license is subject to pre-existing licenses (not to the accused) “but also to future licenses that may be granted only to parties other than the accused.” WiAV Solutions (Fed. Cir. 12/22/10) (long background discussion of “constitutional standing” (vs. “prudential standing”) fundamentals). See generally Bank of America (U.S. 05/01/2017) (to “demonstrate constitutional standing … the plaintiff must show an ‘injury in fact’ that is ‘fairly traceable’ to the defendant’s conduct and ‘that is likely to be redressed by a favorable judicial decision.’”)

- **Exclusive License: Owner’s Retained, Non-Illusory Right To Sue Infringers Decisive**: “The nature and scope of the licensor’s retained right to sue accused infringers is the most important factor in determining whether an exclusive license transfers sufficient rights to render the licensee the owner of the patent.” Alfred E. Mann Found. For Sci. Research (Fed. Cir. 05/14/10) (patent owner has standing even though right to sue is secondary to exclusive licensee’s and exclusive licensee has a right to grant restricted sub-licenses); accord Luminara (Fed. Cir. 02/29/16) (Licensor’s retained right to practice patents and share in proceeds of litigation or licensing are not “individually or cumulatively … substantial enough to preclude [exclusive licensee] from bringing suit in its name alone.” Also finding title, maintenance fee responsibility, and right to notice of litigation and licensing insufficiently substantial retained rights to make patent owner indispensable party or deny exclusive licensee of standing); Alps South (Fed. Cir. 06/05/15) (no standing to sue without patent owner where exclusive license limited to a field of use, and licensee could not settle without patent owner consent, and patent owner retained right to sue if licensee did not within six months); Delano Farms (Fed. Cir. 08/24/11). “To be an exclusive licensee for standing purposes, a party must have received, not only the right to practice the invention within a given territory, but also the patentee’s express or implied promise that others shall be excluded from practicing the invention within that territory as well.” Rite-Hite (Fed. Cir. 06/15/95) (en banc).

- **Exclusive License Limited To Particular Field Insufficient**: “Clear rule” that an exclusive licensee does not have standing to sue without patent owner if exclusive license limited to a particular field. Alps South (Fed. Cir. 06/05/15).

- **Party Retaining Any Right To Sue Normally Is Indispensable Party**: “As a prudential principle, an exclusive licensee having fewer than all substantial patent rights possesses standing under the Patent Act as long as it sues in the name of, and jointly with, the patent owner and meets the Lujan requirements. This principle holds true except in extraordinary circumstances, such as where the infringer is the patentee and cannot sue itself.” Intellectual Prop. Dev. (Fed. Cir. 05/07/01). Exclusive licensee did not qualify as “patentee” with power to sue without joining the patent owner where patent owner retained right to file infringement suit if licensee refused, and retained other rights. AsymmetRx (Fed. Cir. 09/18/09).
• Patent Owner Must Be Joined When Exclusive Licensee Has Field Of Use Restriction:
  Patent owner is a necessary party to a DJ action against exclusive licensee in a restricted field of use. A123 Sys. (Fed. Cir. 11/10/10).

3. Co-Ownership Of Patent

• Co-Owners Must Consent To Join Suit: Must join all legal-title co-owners of the patent as plaintiffs. Waterman (U.S. 02/02/1891); Israel Bio-Engineering (01/29/07) (“a co-owner acting alone will lack standing”). Typically co-owner can resist such joinder notwithstanding FRCP 19(a), unless has granted exclusive license to the plaintiff or has waived right not to join. STC.UNM (Fed. Cir. 06/06/14) (2-1) (“the right of a patent co-owner to impede an infringement suit brought by another co-owner is a substantive right that trumps the procedural rule for involuntary joinder under Rule 19(a)”); aff’g lack of standing, rehearing en banc denied (6-4) (09/17/14). Each co-owner (legal title) of a patent must consent to join a suit enforcing the patent. DDB Tech. (Fed. Cir. 2008) (exceptions to rule that a co-owner cannot be involuntarily joined are (1) an exclusive licensee may join the patent owner as an involuntary plaintiff in an infringement suit, and (2) a co-owner who, by agreement, waives his right to refuse to join suit, may be forced to join an infringement suit); Ethicon (Fed. Cir. 02/03/98) (dismissing suit where co-owner refused to join); Schering (Fed. Cir. 01/08/97) (“one co-owner has the right to impede the other co-owner’s ability to sue infringers by refusing to voluntarily join in such a suit.”)

• Co-Owner Can Grant License Under Patent Without Consent Of Or Recourse By Other Owner: “Each co-owner of a United States patent is ordinarily free to make, use, offer to sell, and sell the patented invention without regard to the wishes of any other co-owner. Each co-owner’s ownership rights carry with them the right to license others, a right that also does not require the consent of any other co-owner.” Schering (Fed. Cir. 01/08/97) (but, absent agreement to the contrary, a co-owner cannot grant a release of another co-owner’s right to accrued damages). Look for possible co-owners and try to bargain with them for a covenant not to sue.

H. LICENSE/EXHAUSTION

• BASICS: There is no infringement if the accused activity is licensed or otherwise authorized by the patent owner or its agent. Cf. 35 U.S.C. § 271(a) (“whoever without authority” performs certain acts “infringes”). This authority may constitute an implied license, which may depend on patent owner intent. Nor is there infringement if the patent owner has exhausted its patent rights in the allegedly infringing item: “the initial authorized sale of a patented item terminates all patent rights to that item.” Quanta (U.S. 06/09/2008); Motion Picture (U.S. 04/09/1917) (under the patent statute, “the right to vend is exhausted by a single, unconditional sale, the article sold being thereby carried outside the monopoly of the patent law and rendered free of every restriction which the vendor may attempt to put upon it,” and a patent owner may not “send its machines forth into the channels of trade of the country subject to conditions as to use or royalty to be paid thereafter at the discretion of such patent owner.”); Impression Products (U.S. 05/30/2017) (“a patentee's decision to sell a product exhausts all of its patent rights in that item, regardless of any restrictions the patentee purports to impose or the location of the sale”), rev’d, Lexmark (Fed. Cir. 02/12/16) (en banc) (10-2) (“The doctrine of patent exhaustion (or ‘first sale’ doctrine) addresses the circumstances in which a sale of a patented article (or an article sufficiently embodying a patent), when the sale is made or authorized by the patentee, confers on the buyer the ‘authority’ to engage in acts involving the article, such as resale, that are infringing acts in the absence of such authority. . . . [Under this doctrine] a patentee-made or patentee-authorized sale of a patented article (without distinction) [is treated] as presumptively granting ‘authority’ to the purchaser to use it and resell it.”) Also, a patent-owner-authorized sale (or authorization to sell), in U.S., of an article substantially embodying patented invention, exhausts patent rights as to post-sale uses/dispositions of that article, under exhaustion (aka “first-sale”) doctrine. Quanta (U.S. 06/09/2008). Parties’ intent with respect to post-sale uses is irrelevant to exhaustion. Transcore
Authorization granted before owning the patent is not sufficient. *Honeywell* (Fed. Cir. 04/08/09). Exhaustion is an affirmative defense. *Keurig* (Fed. Cir. 10/17/13).

**Exhaustion Restricts A Patent Owner’s Rights In Order To Avoid Restraints On Trade:**

“Exhaustion does not arise because of the parties’ expectations about how sales transfer patent rights … Exhaustion occurs because, in a sale, the patentee elects to give up title to an item in exchange for payment. Allowing patent rights to stick remora [suckerfish]-like to that item as it flows through the market would violate the principle against restraints on alienation. Exhaustion does not depend on whether the patentee receives a premium for selling in the United States, or the type of rights that buyers expect to receive. As a result, restrictions and location are irrelevant; what matters is the patentee’s decision to make a sale.” *Impression Products* (U.S. 05/30/2017), rev’g, *Lexmark* (Fed. Cir. 02/12/16) (en banc) (10-2) “Congress has not altered patent exhaustion at all; it remains an unwritten limit on the scope of the patentee’s monopoly.” Id. “The exhaustion doctrine is not a presumption about the authority that comes along with a sale; it is instead a limit on ‘the scope of the patentee’s rights.’” *Impression Products* (U.S. 05/30/2017).

**Exhaustion; First Sale Doctrine**

- **Exhaustion Is Triggered (Now) By Conditional Sales Restricting Reuse/Resale, Even If Customer Violates Those Restrictions:** “The patent laws do not include the right to ‘restrain[ ] . . . further alienation’ after an initial sale; such conditions have been ‘hateful to the law from Lord Coke’s day to ours’ and are ‘obnoxious to the public interest.’” *Impression Products* (U.S. 05/30/2017) (8-0) (exhaustion blocks patent infringement suit against company buying used (and patented) printer cartridges from consumers; the express “single-use/no-resale restrictions in Lexmark’s contracts with customers [of printer cartridges] may have been clear and enforceable under contract law, but they do not entitle Lexmark to retain patent rights in an item that it has elected to sell.” “Once sold, the Return Program cartridges passed outside of the patent monopoly, and whatever rights Lexmark retained are a matter of the contracts with its purchasers, not the patent law.”), rev’g, *Lexmark* (Fed. Cir. 02/12/16) (en banc) (10-2) (“[A] patentee, when selling a patented article subject to a single-use/no-resale restriction that is lawful [e.g., not patent misuse] and clearly communicated to the purchaser, does not by that sale give the buyer, or downstream buyers, the resale/reuse authority that has been expressly denied [so no exhaustion] . . . [A] patentee may preserve its § 271 rights when itself selling a patented article, through clearly communicated, otherwise-lawful restrictions, as it may do when contracting out the manufacturing and sale.”); approving *Mallinckrodt* (Fed. Cir. 09/24/92) (“If the sale of the [product] was validly conditioned under the applicable law such as the law governing sales and licenses, and if the restriction on reuse was within the scope of the patent grant or otherwise justified, then violation of the restriction may be remedied by action for patent infringement.”).

- **Exhaustion Is Triggered (Now) By Authorized Sales By Licensee So Long As Licensee Complied With Restrictions In License Agreement, Even If Customer Violates Those Restrictions:** “Once a patentee decides to sell—whether on its own or through a licensee—that sale exhausts its patent rights, regardless of any post-sale restrictions the patentee purports to impose, either directly or through a license.” *Impression Products* (U.S. 05/30/2017). “A license may require the licensee to impose a restriction on purchasers, like the license limiting the computer manufacturer to selling for non-commercial use by individuals. But if the licensee does so—by, perhaps, having each customer sign a contract promising not to use the computers in business—the sale nonetheless exhausts all patent rights in the item sold. The purchasers might not comply with the restriction, but the only recourse for the licensee is through contract law, just as if the patentee itself sold the item with a restriction.” *Impression Products* (U.S. 05/30/2017)
(distinguishing General Talking Pictures (U.S. 05/02/1938) as meaning only “if a patentee has not given authority for a licensee to make a sale, that sale cannot exhaust the patentee’s rights.”).

- Note: To the extent licensing software or another product does not pass title to the product it may not exhaust the patent right. Cf. Impression Products (U.S. 05/30/2017) (“Patent exhaustion reflects the principle that, when an item passes into commerce, it should not be shaded by a legal cloud on title as it moves through the marketplace. But a license is not about passing title to a product, it is about changing the contours of the patentee’s monopoly: The patentee agrees not to exclude a licensee from making or selling the patented invention, expanding the club of authorized producers and sellers.”)

- Exhaustion Is Triggered (Now) By Authorized Sales Anywhere In World: “An authorized sale outside the United States, just as one within the United States, exhausts all rights under the Patent Act.” Impression Products (U.S. 05/30/2017) (7-1) (in part relying on Kirtsaeng (U.S. 03/19/2013) (copyright’s first sale doctrine applies to foreign sales also): “differentiating the patent exhaustion and copyright first sale doctrines would make little theoretical or practical sense”; distinguishing Boesch (U.S. 03/03/1890) as merely holding that “a sale abroad does not exhaust a patentee’s rights when the patentee had nothing to do with the transaction”), rev’g, Lexmark (Fed. Cir. 02/12/16) (en banc) (10-2) (“[A] U.S. patentee, merely by selling or authorizing the sale of a U.S.-patented article abroad, does not authorize the buyer to import the article and sell and use it in the United States, which are infringing acts in the absence of patentee-conferred authority. . . . [T]here is no legal rule that U.S. rights are waived, either conclusively or presumptively, simply by virtue of a foreign sale, either made or authorized by a U.S. patentee. . . . A patentee cannot reasonably be treated as receiving that reward from sales in foreign markets, and exhaustion has long been keyed to the idea that the patentee has received its U.S. reward.”; approving Jazz Photo Corp. v. International Trade Commission, 264 F.3d 1094 (Fed. Cir. 2001) and Ninestar (Fed. Cir. 02/08/12) (this rule not altered by Quanta). See Kirtsaeng (U.S. 03/19/2013) (books published abroad included notices prohibiting their import into U.S.).) Cf. Lifescan (Fed. Cir. 11/04/13) (2-1) (citing Kirtsaeng on a different point and analogizing patent exhaustion to copyright’s first sale doctrine). Foreign sale may support an express or implied license. Lexmark (Fed. Cir. 02/12/16) (en banc) (10-2), rev’d (U.S. 05/30/2017) (on other grounds).

- Exhaustion Does Not Require a Sale: “in the case of an authorized and unconditional transfer of title, the absence of consideration is no barrier to the application of patent exhaustion principles.” Lifescan (Fed. Cir. 11/04/13) (2-1) (patentee gave most of its meters away for free, hoping to sell test strips for use in the meters).

- Covenant Not To Sue (For Sales) Triggers Exhaustion: “[A]n unconditional covenant not to sue authorizes sales by the covenantee for purposes of patent exhaustion. . . . [and] the parties’ intent with respect to downstream customers is of no moment.” Transcore (Fed. Cir. 04/08/09) (exhaustion extended to a broader (blocking) patent acquired after the covenant not to sue was granted, via implied license and “legal estoppel” doctrine); cf. Gen. Protecht (Fed. Cir. 07/08/11) (a covenant not to sue that certain products infringe certain patents impliedly licenses later continuation patents, even if they have narrower claims, as to those particular products, absent a clear indication of mutual intent to the contrary). Subsidiary’s sales “authorized” where its parent had received right to grant it a sub-license even when did not formally do that until later. High Point Sarl (Fed. Cir. 02/18/16 (non-precedential). But see Endo Pharm. (Fed. Cir. 03/31/14) (2-1) (asserting narrow view of Transcore; no implied license or legal estoppel where newly acquired patents had same priority date as licensed pats. but were not continuations thereof, and implied license disclaimed).

- Exhaustion From Authorized Sale Of “Component” Used In Patented Method: The patent-owner authorized sale of a component of a combination exhausts patent claims directed to a method of using that combination, if that component includes all of the inventive aspects of the
patented method and the component’s “features partially practicing the patent” have no reasonable (substantial?) non-infringing use: "The authorized sale of an article that substantially embodies a patent exhausts the patent holder's rights and prevents the patent holder from invoking patent law to control post sale use of the article. Here, LGE licensed Intel to practice any of its patents and to sell products practicing those patents. Intel's microprocessors and chipsets substantially embodied the LGE Patents because they had no reasonable noninfringing use and included all the inventive aspects of the patented methods. Nothing in the License Agreement limited Intel’s ability to sell its products practicing the LGE Patents. Intel’s authorized sale to Quanta thus took its products outside the scope of the patent monopoly, and as a result, LGE can no longer assert its patent rights against Quanta.”

**Non-Infringing Uses Must Be Intended Uses:** “Alternative uses are relevant to the exhaustion inquiry under Quanta only if they are both ‘reasonable and intended’ by the patentee or its authorized licensee.” Lifescan (Fed. Cir. 11/04/13) (2-1) (exhaustion of method-of-use claims as a matter of law; patentee's distributed blood-glucose meters “control' and ‘carry out' the inventive functions described in the method claims;' patentee intended its meters be used with test strips using the patented method); accord Helferich (Fed. Cir. 02/10/15).

**“Inventive Aspects” Inquiry May Analyze Validity of Another Patent:** “if one item in the patented combination is either unpatented or if the patent on it is invalid, and the inventive concept resides in a second item, then the sale of the second item exhausts a product patent in the combination.” Lifescan (Fed. Cir. 11/04/13) (2-1) (describing old S. Ct. case).

**“Substantial Embodiment” Test Bypassed If Item Sold is Patented:** The “substantial embodiment” test (i.e., “method claims are exhausted by an authorized sale of an item that substantially embodies the method if the item (1) has no reasonable noninfringing use and (2) includes all inventive aspects of the claimed method”) applies only if sold item itself is unpatented. Keurig (Fed. Cir. 10/17/13) (aff'g SJ of exhaustion; exhaustion determined on patent-by-patent not claim-by-claim basis. Unconditional sale of patented coffee brewer exhausted entire patent, including method-of-use claims for particular way of using those brewers, even though not only way of using them, so no infringement by seller of competing cartridges for use in that brewer).

**Exhaustion Does Not Necessarily Extend To Patentably Distinct But Complementary Invention In Same Patent (or Patent Family) Usable With Licensed Products:** “The doctrine has never applied unless, at a minimum, the patentee’s allegations of infringement, whether direct or indirect, entail infringement of the asserted claims by authorized acquirers—either because they are parties accused of infringement or because they are the ones allegedly committing the direct infringement required by the indirect infringement charged against other parties. Here, as noted, that is not so, because infringement of the content claims has not been asserted or shown to require that handset acquirers are practicing those claims.” Helferich (Fed. Cir. 02/10/15) (long discussion; rev'g SJ of exhaustion: Licenses to handset makers under claims directed to handsets and certain uses thereof do not (vis-à-vis content providers accused of direct infringement by delivering content to handsets) exhaust method and system claims (some in same patents as handset claims and all based on same original Spec. as handset claims) directed to...
content delivery to handsets, regardless of practical effects on value of handsets and their license, where (1) content claims patentably distinct (some divisionals; no terminal disclaimers) from licensed handset claims, (2) no contention that handset possessors (“authorized acquirers”) practice any of the steps of the content claims or put into service the claimed systems, (3) no showing that only reasonable use of content claims is with handsets that practice licensed handset claims, and (4) no contention that defendants are inducing or contributing to authorized acquirers’ infringement of the claims asserted against defendants.) Dictum in Morgan (U.S. 03/19/1894) “indicated that, even though an authorized buyer of product X was free of the patent owner’s patent on that product, the buyer could not, by virtue of his purchase, prevent the patent owner from enforcing his patent as to product Y, even though Y was specifically designed to be used with X and, at a minimum, made X more useful than it otherwise would be and, indeed, was essential to X’s utility.”

- **Exhaustion Does Not Extend To Progeny Of Self-Replicating Seed**: Authorized sale of patented seed gave purchasers right to use that seed, but not right to replicate (make) a second-generation patented seed: “the exhaustion doctrine does not enable Bowman to make additional patented soybeans without Monsanto’s permission (either express or implied) . . . Bowman planted Monsanto’s patented soybeans solely to make and market replicas of them, thus depriving the company of the reward patent law provides for the sale of each article. Patent exhaustion provides no haven for that conduct” Bowman (U.S. 05/13/2013) (unanimous), aff’g, Monsanto (Fed. Cir. 09/21/11) (because seeds could be used for feed, replanting was not their “only reasonable and intended use” under Quanta.)

- **Licensee’s Failure To Pay Royalties Does Not Negate Authorization Of Its Sales**: Licensee’s sale was still authorized even if it later failed to make timely royalty payment, so exhaustion applies to those sales. Tessara (Fed. Cir. 05/23/11).

- **“First Sale Doctrine”: Does Not Apply To Sales By Patent Owner Made Before It Owned Patent**: “first sale doctrine” does not apply where initial patent owner (Allied) merged into the plaintiff (Honeywell) after Honeywell had sold components of the patent invention to the defendant. Honeywell (Fed. Cir. 05/25/10).

- **TIPS:**
  - REDACTED

2. **Implied License**

- **Implied License From Authorized Sale Of Product**: A patentee-authorized sale of products grants an implied license to a claim if the products have “no noninfringing uses” and “the circumstances of the sale . . . ‘plainly indicate that the grant of a license should be inferred.’” An express disclaimer of a license bars such an inference. LG Elec. (Fed. Cir. 07/07/06); Helferich (Fed. Cir. 02/10/15) (license to handset makers disclaimed any implied license to content providers); see also Laserdynamics (Fed. Cir. 08/30/12) (license implied to defendant under “have made” license grant to third party, rejecting “sham transaction” argument on the facts).

- **Implied License For All Foreseeable Uses**: Hewlett-Packard (Fed. Cir. 08/12/97) (generally, selling a product without restriction grants the buyer an implied license under the seller’s patents for “any uses of the product to which the parties might reasonably contemplate the product will be put.”)

- **License To Make, Use, Sell Includes License To Have Made**: “The right to ‘make, use, and sell’ a product inherently includes the right to have it made by a third party, absent a clear indication of intent to the contrary.” Corebrace (Fed. Cir. 05/22/09) (despite explicit disavowal of right to sublicense).
• Later Formed Subsidiaries Covered By Prior License: Where patentee “agrees to grant and
does hereby grant” license to company “and its Subsidiaries,” later formed subsidiaries are
licensees. Imation (Fed. Cir. 11/03/09).

• License Extends To Later-Issued Reissue Patents: “allowing the patent holder to sue on
subsequent patents, when those later patents contain the same inventive subject matter that was
licensed, risks derogating rights for which the licensee had paid consideration,” whether reissue or
continuation. Intel (Fed. Cir. 12/17/12).

3. Shop Right

• Shop Right: employer has right to use invention in its business (but not sell products incorporating
it) when employee created invention using employer’s resources. Beriont I (Fed. Cir. 08/06/13)
(non-precedential).

• TIPS:
  o REDACTED

I. ACQUIESCENCE

• Rarely Applicable: The concept is self-explanatory, and rarely applicable.

J. LACHES, ESTOPPEL, WAIVER, SEC. 273 PRI OR COMMERCIAL USE

1. Laches

• BASICS: Laches: “Laches cannot be interposed as a defense against damages where the
infringement occurred within the [six-year pre-suit] period prescribed by § 286,” even if
infringement began before that six-year period. SCA Hygiene III (U.S. 03/21/2017) (7-1) (relying
on Petrella, Sec. 286, common-law rule, and “presumption that Congress legislates against the
background of general common-law principles”), vacating, SCA Hygiene II (Fed. Cir. 09/18/15) (en
banc) (6-5) (Patent Act “codified a laches defense” and laches “may bar legal remedies” despite
Sec. 286’s six-year limitation on pre-suit patent damages) and SCA Hygiene (Fed. Cir. 09/17/14)
(aff’g SJ of laches; suit filed 6 yrs., 9 mos. after first written charge of infringement, patent owner
unreasonably delayed filing suit post reexamination, and defendant would not have increased its
capital expenditures had suit been filed earlier). “To successfully invoke laches, a defendant must
prove that the plaintiff delayed filing suit an unreasonable and inexcusable length of time after the
plaintiff knew or reasonably should have known of its claim against the defendant and that the
delay resulted in material prejudice [either economic or evidentiary] to the defendant. Once those
factual premises are established, the court weighs the equities in order to assess whether laches
should apply to bar those damages that accrued prior to suit…. Economic prejudice arises when a
defendant suffers the loss of monetary investments or incurs damages [but not merely increased
damages for patent infringement] that likely would have been prevented by earlier suit. A nexus
must be shown between the patentee’s delay in filing suit and the expenditures; the alleged
infringer must change his position ‘because of and as a result of the delay.’ … (‘...the infringer
must prove that the change in economic position would not have occurred had the patentee sued
earlier.’).” State Contracting (Fed. Cir. 10/07/03) (citing Aukerman (Fed. Cir. 05/19/92) (en banc)
(rev’g SJ of laches and equitable estoppel)). The knowledge required has been compared to the
Rule 11 standard for asserting infringement. Ultimax (Fed. Cir. 12/03/09). Alleged economic
prejudice must be material; if, for example, the allegation of economic prejudice relates only to
indirect infringement, then there is no support for upholding a laches defense to alleged direct
infringement. Vita-Mix (Fed. Cir. 09/16/09). A delay greater than six years gives rise to “a
presumption that the delay is unreasonable, inexcusable, and prejudicial,” shifting the burden of
production to the patent owner, and an intervening reexamination does not toll that six-year period.
SCA Hygiene (Fed. Cir. 09/17/14), vacated on other grounds, SCA Hygiene III (U.S. 03/21/2017) (7-1). Even if elements met laches court must weigh equities and exercise its discretion. Carnegie Mellon (Fed. Cir. 08/04/15) (aff’g rejection of laches defense despite threshold requirements being met by six-year delay and some evidentiary (but no economic) prejudice, because of the defendant’s “blatant and prolonged copying” of the patented invention, even though copying did not cause the delay.) Laches also applies to suits to correct inventorship. Lismont (Fed. Cir. 02/16/16) (aff’g SJ of laches due to delay more than six years after patent issued with knowledge of challenged claim of inventorship). When asserting laches, consider also asserting failure to mitigate damages. Note that laches may not bar assertion of affirmative defenses. Stanford (Fed. Cir. 9/30/09) (permitting ownership defense, citing California law), aff’d on other grounds, Bd. of Tr. of the Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc. (U.S. 06/06/2011).

SCA Hygiene Follows Petrella Precluding Laches As Defense to Pre-Suit Damages Within Six-Year Window Of Sec. 286: S. Ct. ruled that Copyright Statute’s 3-year statute of limitations (which runs separately from each violation) bars reliance on laches as bar to legal relief or, absent extraordinary circumstances, equitable relief, during that 3-year window. Petrella (U.S. 05/19/2014) (“this Court has cautioned against invoking laches to bar legal relief”; “the dissent has come up with no case in which this Court has approved the application of laches to bar a claim for damages brought within the time allowed by a federal statute of limitations.”). S. Ct. then extended the legal remedies part of this ruling to patent cases. SCA Hygiene III (U.S. 03/21/2017) (7-1) (“By the logic of Petrella, we infer that this provision [35 U.S.C. 286] represents a judgment by Congress that a patentee may recover damages for any infringement committed within six years of the filing of the claim.”), vacating, SCA Hygiene II (Fed. Cir. 09/18/15) (en banc) (6-5).

Laches Now May Bar Ongoing Injunction, But Subject To eBay Equitable Considerations: Many facts relevant to laches are relevant to eBay’s balance of the hardships and irreparable injury factors. SCA Hygiene II (Fed. Cir. 09/18/15) (en banc) (unanimous on this issue) (“We … reject Aukerman’s bright line rule regarding the interplay between laches and injunctive relief”) [vacated on other grounds, SCA Hygiene III (U.S. 03/21/2017) (7-1)], modifying Aukerman (Fed. Cir. 05/19/92) (en banc) (“Laches bars relief on a patentee's claim only with respect to damages accrued prior to suit.”) “Delay in exercising a patent right, without more, does not mean that the patentee has abandoned its right to its invention. Rather, the patentee has abandoned its right to collect damages during the delay. Equitable estoppel, on the other hand, is different—the patentee has granted a license to use the invention that extends throughout the life of the patent.” Id., cert. granted (U.S. 05/02/2016).

Laches Now May Bar Ongoing Royalty (But Unlikely): “Laches will only foreclose an ongoing royalty in extraordinary circumstances.” SCA Hygiene II (Fed. Cir. 09/18/15) (en banc) (unanimous on this issue) [vacated on other grounds, SCA Hygiene III (U.S. 03/21/2017) (7-1)], modifying Aukerman (Fed. Cir. 05/19/92) (en banc) (“Laches bars relief on a patentee's claim only with respect to damages accrued prior to suit.”) “Delay in exercising a patent right, without more, does not mean that the patentee has abandoned its right to its invention. Rather, the patentee has abandoned its right to collect damages during the delay. Equitable estoppel, on the other hand, is different—the patentee has granted a license to use the invention that extends throughout the life of the patent.” Id., cert. granted (U.S. 05/02/2016).

Relying On Clearance Opinion Factors Against Laches: “Shure knew about the patents in suit long before suit was filed, and the court permissibly found that Shure had relied on noninfringement opinions of counsel, such that it would not have acted differently if it had been sued earlier.” Hearing Components (Fed. Cir. 04/01/10).

TIPS:

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2. **Legal Estoppel**

- **Legal Estoppel**: “Legal estoppel refers to a narrow[] category of conduct encompassing scenarios where a patentee has licensed or assigned a right, received consideration, and then sought to derogate from the right granted.” *Transcore* (Fed. Cir. 04/08/09) (legal estoppel blocks assertion of later-issued broader patent to extent abrogates rights granted by covenant not to sue under earlier patent.) “A license or a covenant not to sue enumerating specific patents may legally estop the patentee from asserting continuations of the licensed patents in the absence of mutual intent to the contrary.” *Endo Pharm.* (Fed. Cir. 03/31/14) (2-1) (taking narrow view of *Transcore*; legal estoppel does not extend to patents asserting priority to same provisional appln. as licensed patent, but not continuations of licensed patent, where license disavowed implied licenses).

3. **Equitable Estoppel**

- **Equitable Estoppel**: A party raising equitable estoppel as a defense must prove, by a preponderance of the evidence, three elements: (1) The [patentee], who usually must have knowledge of the true facts, communicates something in a misleading way, either by words, conduct or silence. (2) The [accused infringer] relies upon that communication. (3) And the [accused infringer] would be harmed materially if the [patentee] is later permitted to assert any claim inconsistent with his earlier conduct. *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1041 (Fed. Cir. 1992) (*en banc*).” *Vanderlande* (Fed. Cir. 05/03/04); *High Point SARL* (Fed. Cir. 04/05/16) (aff’g holding of equitable estoppel: “(1) the patentee, through misleading conduct (or silence), leads the alleged infringer to reasonably infer that the patentee does not intend to enforce its patent against the alleged infringer; (2) the alleged infringer relies on that conduct; and (3) the alleged infringer will be materially prejudiced if the patentee is allowed to proceed with its claim.”) “There is a difference between prejudice that results from a patentee’s alleged misrepresentation and prejudice caused by reliance upon it. Although the former is sufficient to show a nexus for laches, the latter is required to show reliance for equitable estoppel.” *SCA Hygiene* (Fed. Cir. 09/17/14) (vacating SJ of equitable estoppel where genuine dispute on whether patent owner’s silence after initial exchange of letters was misleading, and on reliance), reinstated *SCA Hygiene II* (Fed. Cir. 09/18/15) (en banc) (unanimous on this issue) (adopting panel’s reasoning), vacated on other grounds, *SCA Hygiene III* (U.S. 03/21/2017) (7-1).

- **Equitable Estoppel**: Aff’g ITC “infringement” finding. Patent owner warned the defendant that it was infringing, so failure to file suit earlier did not amount to equitable estoppel.

- **Equitable Estoppel**: Aff’g SJ of equitable estoppel where patent owner wrote the defendant identifying a number of patents, including the two later in suit, saying defendant may be infringing them, then followed up with detailed infringement allegations on two patents (but not those in suit), and then after the defendant responded that it did not infringe any valid claim, there was three years of silence before suit filed. *Aspex Eyewear* (Fed. Cir. 05/24/10).

- **Equitable Estoppel Protects Privities**: “equitable estoppel applies to successors-in-interest where privity has been established.” *Radio Sys.* (Fed. Cir. 03/06/13) (aff’g SJ of equitable estoppel due to four years of silence as to first cease and desist letter, but rev’g as to later issued continuation-in-part patent.)
• **Equitable Estoppel Binds Successors:** “The effect of equitable estoppel is ‘a license to use the invention that extends throughout the life of the patent.’ That effect can arise when a predecessor’s conduct is imputed to its successors-in-interest.” High Point SARL (Fed. Cir. 04/05/16) (aff’g SJ of equitable estoppel against NPE assignee based on commercial conduct of earlier assignees vis-à-vis the alleged infringer).

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4. **Waiver**

• **Waiver:** Explore whether the patent owner waived its right to enforce its patent rights under a “true” (intentional) or “implied” waiver theory. Waiver applies where clear and convincing evidence shows that the patent owner either “with full knowledge of the material facts, intentionally relinquished its rights to enforce the [ ] patents or that its conduct was so inconsistent with an intent to enforce its rights as to induce a reasonable belief that such right has been relinquished.” Qualcomm (Fed. Cir. 12/01/08) (patents unenforceable (for waiver) against certain products where patent owner “intentionally organized a plan to shield” its patents from a standards body where patent owner knew it had a duty of disclosure).

5. **Sec. 273**

• **Sec. 273 (“Prior Commercial Use”):** Read it, and then forget it. It rarely will be useful! (Reportedly, as of 09/15/15, it has never been successfully asserted in its 19-year history.)
  o **AIA:** Establishes limited defense if the accused commercially used the accused subject matter early enough. AIA broadens Sec. 273 to any commercial process or machine, manufacture or composition of matter used in a commercial process (not just method of conducting business, as before), in U.S., but the asserted commercial use (internal or not) must have occurred at least a year before the earlier of the claimed invention’s effective-filing-date or disclosure to the public by the inventor or one who obtained it from inventor. Clear and convincing evidence burden of proof. If lose infringement and lose this defense without demonstrating reasonable basis, “the court shall find the case exceptional for the purpose of awarding attorney fees.” Several exceptions and limitations (including: good faith use not derived from patent owner, personal defense, limited to claims covering subject matter triggering the defense, lost prospectively if use abandoned, inapplicable to University claimed inventions). 35 USC 273 (AIA) {AIA version effective for patents issued after 09/16/11}.

K. **MISUSE**

• **BASICS:** The most promising patent misuse case law is old Supreme Court law. E.g., it is patent misuse to insist that licensee pay percentage of sales of all its products including those that do not infringe. Zenith Radio (U.S. 05/19/1969), and “a patentee’s use of a royalty agreement that projects beyond the expiration date of the patent is unlawful per se.” Brulotte (U.S. 11/16/1964) (sales agreement required annual patent license royalty payments for use of machine and restrictions on use and sale of the machine (sold at a fixed price) extending undiminished past expiration of last patent on the machine); Kimble (U.S. 06/22/2015) (6-3) (based on stare decisis, upholding Brulotte: patent owner sold patent for lump sum plus ongoing royalties on sales with no expiration; license entitled to end payments at end of patent’s term: “a patent holder cannot charge royalties for the use of his invention after its patent term has expired”); cf. AstraZeneca (Fed. Cir. 04/07/15) (patent damages cannot be based on post-expiration actions). The Federal Circuit confirmed its hostility to patent misuse, and arguably restricted it to acts already found by the S. Ct. to constitute patent misuse, in Prince (Fed. Cir. 08/30/10) (en banc) (“patent misuse is a judge-made doctrine
that is in derogation of statutory patent rights against infringement, this court has not applied the doctrine of patent misuse expansively.”) One question is what has survived in light of Sec. 271(d): “No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized another to perform acts which if performed without his consent would constitute contributory infringement of the patent; (3) sought to enforce his patent rights against infringement or contributory infringement; (4) refused to license or use any rights to the patent; or (5) conditioned the license of any rights to the patent or the sale of the patented product on the acquisition of a license to rights in another patent or purchase of a separate product, unless, in view of the circumstances, the patent owner has market power in the relevant market for the patent or patented product on which the license or sale is conditioned.” See Lexmark (Fed. Cir. 02/12/16) (en banc) (10-2) (“Congress, by adopting § 271(d), sharply limited the patent-misuse doctrine in response to that line of authority [culminating in Mercoid].”), cert. granted (U.S. 12/02/2016) (on other grounds).

• Patent Misuse Rare: Novo Nordisk (Fed. Cir. 04/14/10) (“Because the judicial doctrine of patent misuse creates an unusual circumstance where an infringer can escape the consequences of its infringing conduct because the victim of that tort may have used its patent rights to gain an unfair competitive advantage against an unrelated third party, this court examines such allegations with particularity. For instance, the doctrine may apply where the patentee’s misconduct toward unrelated parties amounted to unfair market benefits beyond the scope of the patent. In any event, in this case, the district court, apparently recognizing the rarity of this situation, expressly declined to address the doctrine of patent misuse.”), rev’d on other grounds (U.S. 04/17/2012).

• Patent Misuse Frozen?: “While proof of an antitrust violation shows that the patentee has committed wrongful conduct having anticompetitive effects, that does not establish misuse of the patent in suit unless the conduct in question restricts the use of that patent and does so in one of the specific ways that have been held to be outside the otherwise broad scope of the patent grant.” Princo (Fed. Cir. 08/30/10) (en banc).

○ Actavis Rejects Princo Rationale: S. Ct. rejected 11th Cir. and Fed. Cir. (In re Ciprofloxacin Hydrochloride Antitrust Litig. (Fed. Cir. 10/15/08)) position that because any anticompetitive effects are within the exclusionary potential of a patent, reverse settlement payments (paying possible infringer to settle invalidity challenge and stay off market for some period) are immune from antitrust liability: “Whether a particular restraint lies ‘beyond the limits of the patent monopoly’ is a conclusion that flows from that analysis and not, as THE CHIEF JUSTICE suggests, its starting point.” “If the basic reason is a desire to maintain and to share patent-generated monopoly profits, then, in the absence of some other justification, the antitrust laws are likely to forbid the arrangement.” FTC v. Actavis (U.S. 06/17/2013). Although S. Ct. does not mention patent misuse, this holding rejects core basis for Princo: “Such an agreement would not have the effect of increasing the physical or temporal scope of the patent in suit, and it therefore would not fall within the rationale of the patent misuse doctrine as explicated by the Supreme Court and this court.” Princo (Fed. Cir. 08/30/10) (en banc).


• “The Key Inquiry” Is “Leverage”: “The key inquiry under the patent misuse doctrine is whether, by imposing the condition [on licenses or sales] in question, the patentee has impermissibly broadened the physical or temporal scope of the patent grant and has done so in a manner that has anticompetitive effects.” “What patent misuse is about, in short, is ‘patent leverage,’ i.e., the use of the patent power to impose over-broad conditions on the use of the patent in suit that are
not within the reach of the monopoly granted by the Government.” Princo (Fed. Cir. 08/30/10) (en banc); Sanofi-Aventis (Fed. Cir. 10/18/11) (rejecting patent misuse theory: lying to the FTC to get approval for a settlement agreement “in no way broadened the scope of the ’265 patent grant,” in part because the FTC discovered the deception.)

- **Package Licensing Not Per Se Misuse:** in applying rule that package licensing essential patents together is not misuse per se, “a blocking patent is one that at the time of the license an objective manufacturer would believe reasonably might be necessary to practice the technology at issue.” Princo (Fed. Cir. 04/20/09) (re. Philips and Sony agreement on standard for CD), reinstated in pertinent part, Princo (Fed. Cir. 08/30/10) (en banc); accord Automatic Radio (U.S. 06/05/1950) (not patent misuse to license right to use pool of patents and require royalties based on sale of products even if those products don’t use the licensed patents).

- **Agreement To Suppress Competing Technology, Not Patent Misuse:** Not patent misuse where horizontal competitors (1) agreed that certain patent would not be licensed in a manner allowing its development as competitive technology, and (2) that patent’s technology was a potentially workable alternative technology to the parties’ technology. Princo (Fed. Cir. 08/30/10) (en banc) (“Philips is not imposing restrictive conditions on the use of the Raaymakers patents to enlarge the physical or temporal scope of those patents. . . . [A] horizontal agreement restricting the availability of Sony’s Lagadec patent would not constitute misuse of Philips’s Raaymakers patents.”)

- **Misuse From Incorrect Allegation Of Contributory Infringement?:** Consider arguing allegation of contributory infrm. is misuse because accused product has substantial non-infringing uses; and research how Plaintiff might purge such misuse.

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## L. INCREASED DAMAGES; NON-WILLFULNESS

- **BASICS:** “The court may increase the damages up to three times the amount found or assessed.” 35 U. S. C. § 284. Increased damages awards “should generally be reserved for cases of egregious misconduct” but need not follow from a finding of egregious willful misconduct, and are governed by preponderance of the evidence standard, and abuse-of-discretion review. Halo (U.S. 06/13/2016) (rejecting Seagate two-part test for awarding increased damages, “clear and convincing evidence” burden of proof, and tripartite standard of review). “Awards of enhanced damages . . . are not to be meted out in a typical infringement case, but are instead designed as a “punitive” or “vindictive” sanction for egregious infringement behavior. The sort of conduct warranting enhanced damages has been variously described in our cases as willful, wanton, malicious, bad-faith, deliberate, consciously wrongful, flagrant, or—indeed—characteristic of a pirate.” Id. “Subjective willfulness of a patent infringer, intentional or knowing, may warrant enhanced damages, without regard to whether his infringement was objectively reckless.” Id. Objective recklessness is not required in every case as that would shield one “who intentionally infringes another’s patent—with no doubts about its validity or any notion of a defense—for no purpose other than to steal the patentee’s business.” Id.

### 1. Willfulness

- **Role Of Objectively Reasonable Defense To Infringement, Under Halo:** See WBIP (Fed. Cir. 07/19/16) (“Proof of an objectively reasonable litigation-inspired defense to infringement is no longer a defense to willful infringement.”) Objective reasonableness is still, however, “one of the relevant factors” for court to consider when exercising its discretion. WesternGeco II (Fed. Cir. 09/21/16) (on remand from S. Ct.; vacating and remanding willfulness determination). “[C]ulpability is generally measured against the knowledge of the actor at the time of the
challenged conduct.” Halo (U.S. 06/13/2016), on remand Halo II (Fed. Cir. 08/05/16) (on remand, district court “in assessing the culpability ... should consider, as one factor in its analysis, what [infringer] knew or had reason to know at the time of the infringement of the ... patents”); on remand Stryker II (09/12/16) (aff’g non-appealed jury finding of willfulness and remanding to district court to determine enhanced damages and attorney fees).

- **Failure To Seek Preliminary Injunction Does Not Bar Willfulness Finding:** “There is ‘no rigid rule’ that a patentee must seek a preliminary injunction in order to seek enhanced damages.” Mentor Graphics (Fed. Cir. 03/16/17) (vacating trial court exclusion of evidence of willfulness).

- **Whether Behavior Is Pre-Suit Is Measured By The Patent Owner’s Pleading Asserting Infringement:** Where infringer files DJ action followed by patent owner counterclaim for infringement, the latter determines whether the infringer’s actions were pre-suit. Mentor Graphics (Fed. Cir. 03/16/17) (vacating trial court exclusion of evidence of willfulness).

2. **Pre-Halo Willfulness And Increased Damages**

- **Increased Damages And Willfulness From Seagate To Halo:** Prior to Halo (U.S. 06/13/2016) (rejecting Seagate two-part test for awarding increased damages), Fed. Cir. held that (1) subjective willfulness be decided by jury in a jury trial, (2) a finding of no willfulness or bad faith bars an award of increased damages, (3) a finding of willfulness normally will lead to an increase in damages, and (4) a failure to have a timely opinion of counsel may lead to a finding of willfulness (if infringement is found, of course). Halo (U.S. 06/13/2016) overruled the en banc Federal Circuit, in In re Seagate Tech., (Fed. Cir. 08/20/07), which in turn had overruled Underwater Devices and its affirmative duty of due care to avoid infringement, and held that:
  - “proof of willful infringement permitting enhanced damages requires at least a showing of objective recklessness.”
  - “to establish willful infringement, a patentee must show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent.” See Global Traffic (Fed. Cir. 06/04/15) (non-precedential) (post-Commil USA) (“requires analysis of all of the infringing’s non-infringement and invalidity defenses, even if those defenses were developed for litigation”; rev’g willfulness finding because the “defenses during litigation were objectively reasonable”); Carnegie Mellon (Fed. Cir. 08/04/15) (rev’g willfulness, on de novo review of objective reasonableness prong, despite “blatant and prolonged copying of” the inventions and despite invalidity defense being developed only post complaint and presented only at summary judgment and not at trial, because “there was enough uncertainty about what [reference asserted for obviousness defense discloses and what CMU’s claims require that we cannot say that the defenses were objectively unreasonable.”), en banc review petition held in abeyance pending Halo/Stryker S. Ct. decision (Fed. Cir. 11/17/15); Innovation Toys II (Fed. Cir. 04/29/15) (rev’g willfulness judgment based on “substantial, objectively reasonable, though ultimately rejected, defense” of obviousness, “no matter how irresponsible it was in actually considering the scope or validity of patent rights that it knew” the patent owner was seeking and later knew it had gained), vacated Innovation Toys III (Fed. Cir. 08/05/16) (non-precedential) (ivo Halo, remanding to trial court to exercise discretion; jury verdict established willful misconduct); Halo I (Fed. Cir. 10/22/14) (aff’g no objective recklessness based on reasonable albeit unsuccessful obviousness defense developed post-suit, despite notice of patents long before suit), vacated Halo (U.S. 06/13/2016); Bard Peripheral III (Fed. Cir. 01/13/15) (2-1) (aff’g willfulness in “an unusual case” despite dissenting op. in prior opinion on defendant’s joint-inventorship, non-joiner defense; “objective recklessness will not be found where
the accused infringer has raised a ‘substantial question’ as to the validity or noninfringement of the patent.”); SSL Serv. (Fed. Cir. 10/14/14) (aff’g willfulness finding, failed to show invalidity in ex parte Reexamination, and most limitations not challenged as missing in accused product); but see Halo I (Fed. Cir. 10/22/14) (concurring op., asking en banc court to reconsider Seagate standard, requirement for clear and convincing evidence, and presenting willfulness to the jury, i.e., Octane Fitness), cert. granted (U.S. 10/19/2015).

- “The state of mind of the accused infringer is not relevant to this objective inquiry.” See Global Traffic (Fed. Cir. 06/04/15) (non-precedential) (“The infringer’s knowledge of the patent is irrelevant to the first Seagate prong.”)
- “If this threshold objective standard is satisfied, the patentee must also demonstrate that this objectively-defined risk . . . was either known or so obvious that it should have been known to the accused infringer.”

- “there is no affirmative obligation to obtain opinion of counsel”
- Pre Halo (U.S. 06/13/2016), some Fed. Cir. judges identified the following willfulness and damages-enhancement issues (and others later resolved by S. Ct.) as ones that should be revisited, partly i.e., S. Ct. decisions regarding attorney fee awards Halo Elec. (Fed. Cir. 03/23/15) (2-judge concurring op. and 2-judge dissenting op. on decision denying en banc rehearing), vacated,

  - “whether willfulness should remain a necessary condition for enhancement under § 284’s ‘may’ language”
  - “Should a judge or jury decide willfulness, in full or in part?”. . .; “whether § 284 requires a decision on enhanced damages to be made by the court, rather than the jury.” See WBIP (Fed. Cir. 07/19/16) (aff’g increase of damages by 50%; Halo did not overturn precedent that jury decides factual aspects of willfulness, but willfulness verdict does not require enhancement).

- Subjective vs. Objective In Different Contexts: 800 Adept (Fed. Cir. 08/29/08) (tortuous interference context: “This ‘bad faith’ standard has objective and subjective components. . . . The objective component requires a showing that the infringement allegations are ‘objectively baseless.’ . . . Absent a showing that the infringement allegations are objectively baseless, it is unnecessary to reach the question of the patentee’s intent. See id. Infringement allegations are objectively baseless if ‘no reasonable litigant could realistically expect success on the merits.” Dominant Semiconductors (Fed. Cir. 04/23/08) (extended discussion of subjective vs. objective bad faith in context of sham litigation/infringement allegations).

- Pre-Halo: Post-Filing Activity Normally Cannot Be Sole Basis For Willfulness: “A patentee who does not attempt to stop an accused infringer’s activities [by moving for preliminary injunction] should not be allowed to accrue enhanced damages based solely on the infringer’s post-filing conduct. Similarly, if a patentee attempts to secure injunctive relief but fails, it is likely the infringement did not rise to the level of recklessness.” In re Seagate Tech., (Fed. Cir. 08/20/07) (en banc); cf. Powell (Fed. Cir. 11/14/11) (aff’g willfulness finding despite denial of preliminary injunction, where trial court properly changed its claim construction after denying preliminary injunction); cf. Aqua Shield (Fed. Cir. 12/22/14) (vacating judgment of no willfulness, despite denial of preliminary injunction).

- Pre-Halo: Favorable Court Ruling Is An Indication Of No Willfulness: Safeco (U.S. 06/04/2007) (where civil defendant (not a patent case) violated a statute based on its reasonable but incorrect reading of the statute, one factor against willfulness is that “its reading has a foundation in the statutory text, and a sufficiently convincing justification to have persuaded the
District Court to adopt it and rule in Safeco’s favor.”) But see Smith & Nephew (Fed. Cir. 03/18/15) (non-precedential) (despite trial court JMOL of non-infringement, defendant not entitled as a matter of law to judgment of no knowing inducement of infringement.)

- **Pre-Halo: Reasonable Claim Construction Dispute Can Lead To A Finding Of No Willfulness:** “Because ‘rigid’ was susceptible to a reasonable construction under which Waters’s products did not infringe, there was not an objectively high likelihood that Waters’s actions constituted infringement. See Seagate, 497 F.3d at 1371.” Cohesive Techs. (Fed. Cir. 10/07/08); accord Uniloc (Fed. Cir. 01/04/11) (aff’g JMOL of no willfulness, in part because infringement of a “means plus function” element is complex factually); Advanced Fiber (Fed. Cir. 04/03/12) (aff’g SJ of no willfulness despite vacating SJ of no infringement because objectively reasonable defense). Cf. Heien (U.S. 12/15/2014) (officer’s mistaken understanding that statute required two working brake lights was wrong but objectively reasonable based on statute’s language.)

- **Pre-Halo: Copying Relevant To Subjective Willfulness:** “evidence of copying in a case of direct infringement is relevant only to Seagate’s second prong.” Depuy Spine (Fed. Cir. 06/01/09).

- **Pre-Halo: Prompt Redesign May Show Not Objectively Reckless:** “Redesign efforts and complete removal of infringing products in a span of a few months suggest that eSpeed was not objectively reckless.” Trading Techs. (Fed. Cir. 02/25/10); Transocean (Fed. Cir. 08/18/10) (aff’g SJ of no willfulness where defendant modified design post sale).

- **Difficult To Use Post-Issuance PTO Proceedings To Defeat Willful Infringement:** While trial courts are reluctant to confuse jury with interim status of a pending reexam request, defendants should continue to argue that a reexam (or PTAB trial) grant or favorable office action or decision is highly probative of no willfulness. This should be an even stronger argument under AIA inter partes reexam threshold standard of “reasonable likelihood” that petitioner will prevail on at least one claim. (Sec. 6). Cf. Univ. of Pitt. (Fed. Cir. 04/10/14) (rev’g SJ of objective prong of willful infringement; initial rejection of claims in Reexam over a prior art reference, “while not of substantial weight,” lent “some credibility” to argument that invalidity defense on that reference “was not objectively unreasonable when the PTO went so far as to issue an initial rejection of the claims,” even though PTO eventually allowed claims over that reference); contra VirnetX (Fed. Cir. 09/16/14) (not an abuse of discretion to exclude first-office-action rejections in an inter partes reexamination, on inducement); SynQor (Fed. Cir. 03/13/13) (no abuse of discretion to exclude evidence of first rejections of claims in pending reexamination, on inducement apparently.); SSL Serv. (Fed. Cir. 10/14/14) (no abuse of discretion to prevent evidence of early success in Reexamination and non-attorney testimony of belief in non-infringement); see Bose (Fed. Cir. 03/14/14) (non-precedential) (rev’g SJ of no intent despite clearance opinion that relied on same art that later was applied in Reexam to reject the claims).

- **Careful Selling Off Inventory:** Do not allow client to sell off inventory after receiving a cease and desist letter, without explaining what happened to Wal-Mart: “Moreover, while Wal-Mart claims that most of its sales were made prior to receiving the cease and desist letter, there is evidence that Wal-Mart continued to sell off its remaining inventory even after it had learned of its possible infringement. Based on this evidence, the district court’s finding of willful infringement was not clearly erroneous.” Golight (Fed. Cir. 01/20/04) (aff’g award of damages higher than Wal-Mart’s profits, and willfulness, and attorney’s fees; Wal-Mart did not know of the patent until the suit was filed; and received cursory assurances from manufacturer of no infringement. It sold off its inventory after the suit was filed. Bench trial willfulness finding, and award of attorneys’ fees, affirmed.); but see Calico Brand (Fed. Cir. 07/18/13) (non-published) (aff’g JMOL rejecting jury finding of willfulness; when learned of infringement, accused immediately demanded assurances from supplier that the products did not infringe and returned products when didn’t get those assurances, but did sell down inventory while awaiting the assurances.)
3. **Opinion Of Counsel**

- **BASICS**: “[D]efenses prepared for a trial are not equivalent to the competent legal opinion of non-infringement or invalidity which qualify as ‘due care’ before undertaking any potentially infringing activity.” *Crystal Semiconductor* (Fed. Cir. 03/07/01). The factors Fed. Cir. has considered in determining competency are many.
  - **AIA**: Failure to obtain or present to court/jury advice of counsel re the asserted patent “may not be used to prove that the accused infringer willfully infringed the patent or that the infringer intended to induce infringement of the patent.” (Sec. 17) 35 USC § 298 (AIA). (Per 2013 AIA Technical Corrections, applies to any civil action commenced on or after Jan. 14, 2013. Possibly also applies to any patent issued after 09/17/12, per AIA Sec. 35?)
- **Lack Of Opinion No Longer Creates Adverse Inference**: Pre-Seagate, the en banc Federal Circuit ruled in *Knorr-Bremse* (Fed. Cir. 09/13/04):
  - “no adverse inference [or evidentiary presumption] that an opinion of counsel was or would have been unfavorable flows from an alleged infringer’s failure to obtain or produce an exculpatory opinion of counsel.”
  - the existence of a substantial defense to infringement is a factor in determining willfulness, but is not per se sufficient to defeat liability for willful infringement.
  - it would not decide “whether the trier of fact, particularly a jury, can or should be told whether or not counsel was consulted (albeit without any inference as to the nature of the advice received) as part of the totality of the circumstances relevant to the question of willful infringement.”
- **But (Pre Seagate At Least) Relying On Incompetent Opinion May Create Adverse Inference**: If an opinion is relied on, its competence (or incompetence) can be considered by the court. Incompetence of the opinion can be considered even though not presenting an opinion at all can’t be used to draw an inference that the opinion would have been adverse. See *Golden Blount* (Fed. Cir. 02/15/06).
- **(Pre-Halo) Opinion Of Counsel May Or May Not Defeat Willfulness**: compare *Lexion* (Fed. Cir. 08/28/08) (non-precedential) (“We do not think it was objectively reckless for Northgate to obtain and rely on the opinion of counsel, which had predicted a favorable outcome in view of the renewed motion for JMOL then pending before the district court.”) with *Bard Peripheral I* (Fed. Cir. 02/10/12) (aff’d jury verdict of willful infringement despite opinion letter that patent was invalid: opinion relied on same art that the PTO had considered and was by same firm that had litigated and lost interference proceeding on this patent; and aff’d doubling of $185.6MM damages award to total of $371.2MM, plus $19MM in attorney fees.), vacated in part *Bard Peripheral II* (Fed. Cir. 06/14/12) (holding that objective prong is a question of law based on underlying mixed questions of law and fact and subject to *de novo* review, and remanding to trial court to decide issue as a matter of law., see *Bard Peripheral III* (Fed. Cir. 01/13/15) (2-1) (aff’g willfulness in “an unusual case”).

- **TIPS**: REDACTED
4. Waiver Of Privilege

- Waiver Of Privilege From Asserting Reliance On Counsel’s Advice Is Broad, But Normally Does Not Extend To Trial Counsel’s Communications:
  - **EchoStar**: “When an alleged infringer asserts its advice-of-counsel defense regarding willful infringement of a particular patent, it waives its immunity for any document or opinion that embodies or discusses a communication to or from it concerning whether that patent is valid, enforceable, and infringed by the accused. This waiver of both the attorney-client privilege and the work-product immunity includes not only any letters, memorandum, conversation, or the like between the attorney [whether or not the attorney authoring the clearance opinion] and his or her client, but also includes, when appropriate, any documents [whether or not communicated to the client] referencing a communication between attorney and client.” *EchoStar* (Fed. Cir. 05/01/06).
  - **Seagate**: “We hold, as a general proposition, that asserting the advice of counsel defense and disclosing opinions of opinion counsel do not constitute waiver of the attorney-client privilege [or work product immunity] for communications with trial counsel. We do not purport to set out an absolute rule. Instead, trial courts remain free to exercise their discretion in unique circumstances to extend waiver to trial counsel, such as if a party or counsel engages in chicanery.” *In re Seagate Tech.* (Fed. Cir. 08/20/07) (*en banc*). Cf. Fed. R. Evid. 502 (2008) (restricting scope of intentional waiver during litigation, by fairness balancing); *Wt-Lan* (Fed. Cir. 07/13/12) (*9th* Cir. would likewise restrict scope of waiver arising from intentional disclosures outside of litigation, by fairness balancing).

5. Who Decides Willfulness Or Misconduct

- **Pre-Halo**: Objective Prong: For Court {OR} For Court Not Jury Where Based On Matter-Of-Law Issue Or Defense; Otherwise For Jury: If court determines that infringer’s reliance on a defense was not objectively reckless, it “cannot send the question of willfulness to the jury, since proving the objective prong is a predicate to consideration of the subjective prong.” *Powell* (Fed. Cir. 11/14/11); see *Global Traffic* (Fed. Cir. 06/04/15) (non-precedential) (“the first question is for the court; the second is for the jury.”); *Bard Peripheral II* (Fed. Cir. 06/14/12) (“the ultimate legal question of whether a reasonable person would have considered there to be a high likelihood of infringement of a valid patent should always be decided as a matter of law by the judge,” and review is *de novo*); *Stryker* (Fed. Cir. 03/23/15) (revised opinion after panel rehearing granted) (aff’d verdict and judgment of liability of infringement of three patents (two found infringed on SJ) but rev’g willful infringement because the claim constructions, non-infringement, and obviousness defenses “were not objectively unreasonable, and, therefore, it did not act recklessly;” “objective recklessness, even though ‘predicated on underlying mixed questions of law and fact, is best decided by the judge as a question of law …’”), *cert. granted* (U.S. 10/19/2015) (Question Presented: “Has the Federal Circuit improperly abrogated the plain meaning of 35 U.S.C. § 284 by forbidding any award of enhanced damages unless there is a finding of willfulness under a rigid, two-part test, when this Court recently rejected an analogous framework imposed on 35 U.S.C. § 285, the statute providing for attorneys’ fee awards in exceptional cases?”; “Does a district court have discretion under 35 U.S.C. § 284 to award enhanced damages where an infringer intentionally copied a direct competitor’s patented invention, knew the invention was covered by multiple patents, and made no attempt to avoid infringing the patents on that invention?”); *Harris* (Fed. Cir. 01/17/13) (no deference to jury on objective prong) (non-precedential).

- **TIPS:**
  - **REDACTED**
6. **Enhancement of Damages**

- **“Read” Factors Court May Consider In Exercising Its Discretion To Enhance Damages:**
  
  “(1) whether the infringer deliberately copied the ideas or design of another; (2) whether the infringer, when he knew of the other's patent protection, investigated the scope of the patent and formed a good-faith belief that it was invalid or that it was not infringed; (3) the infringer’s behavior as a party to the litigation; … (4) Defendant's size and financial condition; (5) Closeness of the case; (6) Duration of defendant's misconduct; (7) Remedial action by the defendant; (8) Defendant's motivation for harm; (9) Whether defendant attempted to conceal its misconduct.” Read (Fed. Cir. 07/10/92) (citations omitted).

- **Enhanced Damages For Post-Verdict Actions Without Pre-Verdict Willfulness:** Even where willfulness not alleged in action, trial court may enhance its supplemental damages award for willful post-verdict infringement. SynQor (Fed. Cir. 03/13/13).

- **(pre-Halo) Failure To Obtain Clearance Opinion Still Factor In Enhancing Damages:**
  
  “Seagate did not change the application of the Read factors with respect to enhancement of damages when willful infringement under §285 is found.” Spectralytics (Fed. Cir. 06/13/11); Georgetown Rail (Fed. Cir. 08/01/17) (aff'g award of enhanced damages based on trial court's application of the Read factors).

M. **DAMAGES AND OTHER MONETARY REMEDIES**

- **BASICS:** “Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court. … the court may increase the damages up to three times the amount found or assessed.” 35 U.S.C. § 284.

  “‘Damages adequate to compensate’ means ‘full compensation for any ‘any damages’ [the patent owner] suffered as a result of the infringement.’ [i.e.] the statutory measure of damages is ‘the difference between [the patent owner’s] pecuniary condition after the infringement, and what his condition would have been if the infringement had not occurred.’” Mentor Graphics (Fed. Cir. 03/16/17) (aff'g award of $36.4 MM in lost profits on lost sales), rehearing denied (Fed. Cir. 09/01/17) (10-2) (two opinions on damages). “The ‘but for’ damages the patentee must establish in patent law … are an answer to a simply stated question: ‘[H]ad the Infringer not infringed, what would the Patent Holder-Licensee have made?’” Id. “The remedy of damages seeks to compensate the victim for its loss, whereas the remedy of an accounting, which Congress abolished in the patent context in 1946, sought disgorgement of ill-gotten profits.” SCA Hygiene III (U.S. 03/21/2017) (7-1). An “accounting” within the meaning of 28 USC § 1292(c)(2) (allowing appeal from judgment that is final except for an accounting) may include a trial on damages (and a determination of willfulness). Robert Bosch (Fed. Cir. 06/14/13) (en banc).

- **284 Expansive; Permits Various Types of Damages:** statutory language is expansive; damages are not limited to lost profits, established royalty and reasonable royalty.

  - Mars (Fed. Cir. 06/02/08).
  - A patentee may recover mixed damages: A patentee can sometimes get a mixed award of lost profits for some infringing activities and reasonable royalty for other infringing activities.

  - Siemens Med. (Fed. Cir. 02/24/11) (remanding for trial court to determine reasonable royalty for units where lost profits were not proven).

- **Burden of Proof:** For reasonable royalty, a patentee has the burden to prove the amount of damage. Dow Chem. (Fed. Cir. 09/05/03); Info-Hold (Fed. Cir. 04/24/15). For lost profits, a patentee has the burden to prove both the fact of damage and the amount. Rite-Hite (Fed. Cir. 06/15/95)
1. **Limitations On Damages**

   a) **time limitation on damages**

   - **BASICS:** Under 35 U.S.C. § 286, the patentee cannot recover for any infringement committed more than 6 years prior to the filing of the complaint. For purposes of precluding application of laches to bar legal remedies during this six-year window, Sec. 286 is no different than a statute of limitations. *SCA Hygiene III* (U.S. 03/21/2017) (7-1) ("Laches cannot be interposed as a defense against damages where the infringement occurred within the [six-year pre-suit] period prescribed by § 286").

   - **Equitable Tolling May (Or May Not) Extend Six-Year Damages Period:** "a nonjurisdictional federal statute of limitations is normally subject to a 'rebuttable presumption' in favor of equitable tolling... A 'petitioner' is 'entitled to equitable tolling' only if he shows '(1) that he has been pursuing his rights diligently, and (2) that some extraordinary circumstance stood in his way' and prevented timely filing." *Holland* (U.S. 06/14/2010); see *Calif. Public Employees* (06/26/2017) (a statute of repose is not subject to equitable tolling).

b) **sec. 287 marking; notice of claim; impact on damages**

   - **BASICS:** “Patentees, and persons making, offering for sale, or selling within the United States any patented article for or under them, or importing any patented article into the United States, may give notice to the public that the same is patented, either by fixing thereon the word ‘patent’ or the abbreviation ‘pat.’, together with the number of the patent, or when, from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.” 35 U.S.C. § 287(a) (emphasis added). “The marking statute serves to protect the public. [It] protects the public’s ability to exploit an unmarked product’s features without liability for damages until a patentee provides either constructive notice through marking or actual notice... [It] ‘serves three related purposes: 1) helping to avoid innocent infringement; 2) encouraging patentees to give notice to the public that the article is patented; and 3) aiding the public to identify whether an article is patented.’” *Rembrandt Wireless* (Fed. Cir. 04/17/17) (vacating denial of JMOL ivo licensee’s failure to mark products covered by a patent claim, despite patent owner’s disclaimer of that claim a few days post complaint).

   - **Marking:**

     - **AIA:** authorizes “virtual marking”: marking on product “patent” and “address of a posting on the Internet” accessible without charge “that associates the patented article with” the patent number. 35 USC 287(a) (AIA) {effective on 09/16/11, to pending cases}.

     - **Product Capable Of Being Marked:** Rule of reason analysis. *Global Traffic* (Fed. Cir. 06/04/15) (non-precedential) (aff’t jury verdict that marking packaging of a multi-component system was sufficient; “court should evaluate the specific character of the article at issue,” which is an issue of fact, not just whether space exists for patent number).

     - **Substantially Continuous Marking:** Once begun, marking must be substantially consistent and continuous to satisfy this statute. *American Medical* (Fed. Cir. 10/04/93) (“a delay between issuance of the patent and compliance with the marking provisions of section 287(a) will not prevent recovery of damages after the date that marking has begun. We caution, however, that once marking has begun, it must be substantially consistent

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and continuous in order for the party to avail itself of the constructive notice provisions of the statute."). A “rule of reason” applies to substantial marking by the patent’s licensees. Maxwell (Fed. Cir. 06/11/96) (sufficient where retailer marked 95% of patent product); Funai (Fed. Cir. 09/01/10) (jury permitted to find constructive notice despite 12% of units (those sold by OEMs) not marked).

- **May Be Claim-by-Claim Or Patent-by-Patent Consequences**: Panel declined to decide “a novel legal issue not squarely addressed by our past decisions”: whether failure to mark patent owner’s (or licensee’s) product practicing a single claim restricts damages period for that claim alone or for entire patent. Rembrandt Wireless (Fed. Cir. 04/17/17).
- **Later Disclaimer Of Patent Claim Does Not Retroactively Dissolve Requirement To Mark Or Avoid Consequences Of Failing To Mark**: While “a disclaimer relinquishes the rights of the patent owner, we have never held that the patent owner’s disclaimer relinquishes the rights of the public.” Rembrandt Wireless (Fed. Cir. 04/17/17) (vacating denial of JMOL on licensee’s failure to mark products covered by a patent claim, despite patent owner’s disclaimer of that claim a few days post complaint).
- **Patent Owner Has Burden Of Pleading And Proving Marking**: The patent owner has the burden of pleading and proving compliance with Sec. 287, by it and its licensees. Maxwell (Fed. Cir. 06/11/96); Nike (Fed. Cir. 03/12/98) (“The patentee bears the burden of proving compliance [with the marking statute] by a preponderance of evidence.”) However, the patent owner can meet the pleading requirement simply by alleging that the accused infringer’s alleged infringement was willful. Sentry Protection (Fed. Cir. 3/11/05). And, alleged infringer may have burden of production to show that unmarked product was patented article. See article.
- **Marking Requirement Extends To Express And Implied Licensees**: “Licensees ... and other authorized parties, such as [the licensee’s] manufacturers, must also comply” with substantial marking requirement. Maxwell (Fed. Cir. 06/11/96). It also extends to customers of the patent owner who receive one element of the patented combination from the patent owner with installation instructions on how to assemble the patented combination, and thus are impliedly licensed by the patent owner. Amsted (Fed. Cir. 04/18/94).

- **Notice Of Infringement**: The notice of infringement must be a specific (but perhaps qualified) charge of infringement communicated to the accused by the patentee. But when patent correctly identifies the current assignee, notice may come from the party responsible for licensing and enforcing the patent (even though not the patent’s owner). U.S. Philips (Fed. Cir. 11/02/07). Effect of notice may extend to other models and products related to those identified in the notice. Funai (Fed. Cir. 09/01/10).
- **Charge May Be Qualified**: Charging that a specific design of product would infringe an identified patent may suffice; it’s not required that the patent owner have discovered an actual infringement. Minks (Fed. Cir. 10/17/08).
- **Method Claims**: Sec. 287’s marking requirement does not apply to patents with only method claims. Where a patent contains both method and non-method claims, then Sec. 287 will apply (i.e., no pre-marking/notice damages) only if the patent owner has alleged infringement of one or more of the non-method claims. Crown Packaging (Fed. Cir. 03/17/09); American Medical (Fed. Cir. 10/04/93) (“The reason that the marking statute does not apply to method claims is that, ordinarily, where the patent claims are directed to only a method or process there is nothing to mark. Where the patent contains both apparatus and method claims, however, to the extent that there is a tangible item to mark by which notice of the asserted method claims can be given, a party is obliged to do so if it intends to avail itself of the constructive notice provisions of section...
Sec. 287 Does Not Delay Infringement Or Hypothetical Negotiation Date: A failure to mark may delay the start date for damages to accrue, but it does not change the date of first infringement. Power Integrations (Fed. Cir. 03/26/13) (“must assess damages for post-notice infringement relative to market conditions at the point in time when infringement began”). Thus, failure to mark does not change the date for the hypothetical negotiation for “reasonable royalty” purposes.

Pre-Notice Infringement May Be Admissible On Calculating Post-Notice Damages: “To the extent an infringer’s pre-notice infringement erodes the market price of a patented product, that price erosion is relevant in determining for each post-notice act of infringement what the patentee would have made but for the infringement.” Power Integrations (Fed. Cir. 03/26/13).

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c) indirect-infringement damages limited to extent of direct infringement

Indirect Infringement Damages Limited To Extent Of Direct Infringement: Where sale of accused product constitutes contributory infringement, damages can be assessed only for those units that led to an actual direct infringement. Golden Blount (Fed. Cir. 02/15/06) (“There can be no cognizable lost sale on which to base a damages award under the patent laws without an act of infringement to warrant it.”). Plaintiff is entitled to damages for infringement of a method claim for only “those devices that actually performed the patented method during the relevant infringement period.” Cardiac Pacemakers (Fed. Cir. 08/19/09).

... Or Not (When Determining Reasonable Royalty): “We have never laid down any rigid requirement that damages in all circumstances be limited to specific instances of infringement proven with direct evidence. Such a strict requirement could create a hypothetical negotiation far-removed from what parties regularly do during real-world licensing negotiations.” But, “the damages award ought to be correlated, in some respect, to the extent the infringing method is used by consumers. This is so because this is what the parties to the hypothetical negotiation would have considered.” Lucent Tech. (Fed. Cir. 09/11/09) (rev’g lump-sum reasonable royalty award for lack of substantial evidence).

TIPS:
  o REDACTED

d) apportionment

Apportionment: Compensation For Economic Harm Caused By Infringement Of The Claimed Invention; Applies To Reasonable Royalty And? Lost Profits Recoveries: “When a patent is for an improvement, and not for an entirely new machine or contrivance, the patentee must show in what particulars his improvement has added to the usefulness of the machine or contrivance. He must separate its results distinctly from those of the other parts, so that the benefits derived from it may be distinctly seen and appreciated. ... The patentee ... must in every case give evidence tending to separate or apportion the defendant’s profits and the patentee’s damages between the patented feature and the unpatented features, and such evidence must be reliable and tangible, and not conjectural or speculative; or he must show, by equally reliable and satisfactory evidence, that the profits and damages are to be calculated on the whole machine, for the reason that the entire value of the whole machine, as a marketable article, is properly and
legally attributable to the patented feature.” 

Garretson (U.S. 03/24/1884) (aff’g denial of lost profits from lost sales (and denial of defendant’s profits) to patentee for failure to prove apportionment or entire market value); AstraZeneca (Fed. Cir. 04/07/15) (reasonable royalty sought: “When a patent covers the infringing product as a whole, and the claims recite both conventional elements and unconventional elements, the court must determine how to account for the relative value of the patentee’s invention in comparison to the value of the conventional elements recited in the claim, standing alone.”); Ericsson (Fed. Cir. 12/04/14) (reasonable royalty sought: “The essential requirement is that the ultimate reasonable royalty award must be based on the incremental value that the patented invention adds to the end product.”) “A patentee must take care to seek only those damages attributable to the infringing features.”VirnetX (Fed. Cir. 09/16/14) (vacating reasonable royalty award of $368,160,000; quoting Garretson). “The trial court must carefully proof of damages to the claimed invention’s footprint in the market place. See, e.g., Grain Processing Corp. v. American Maize-Prods. Co., 185 F.3d 1341, 1350 (Fed. Cir. 1999) (‘To prevent the hypothetical from lapsing into pure speculation, this court requires sound economic proof of the nature of the market and likely outcomes with infringement factored out of the economic picture.’).” ResQNet.com (Fed. Cir. 02/05/10) (reasonable royalty sought); accord Uniloc (Fed. Cir. 01/04/11) (long discussion; royalty sought); but see AstraZeneca (Fed. Cir. 04/07/15) (distinguishing part of Grain Processing as being inapplicable to a reasonable royalty analysis: “The reasonable royalty analysis does not look to what would have happened absent the infringing product, but to what the parties would have agreed upon as a reasonable royalty on the sales made by the infringer.”); Rite-Hite (Fed. Cir. 06/15/95) (aff’g award of lost profits based on but-for and proximate (foreseeable) causation w/o any discussion of apportionment, to make the patent owner whole, where patent’s owner’s product not patented). See generally Bank of America (U.S. 05/01/2017) (in tort actions and statutory causes of action sounding in tort, foreseeability of the damage to the plaintiff is insufficient; “proximate cause ‘generally bars suits for alleged harm that is ‘too remote’ from the defendant’s unlawful conduct.’”) 

- **No Apportionment Required Where Claim Recites Entire Combination:** Univ. of Pitt. (04/10/14) (non-precedential) (dependent claim added in reexamination added “beam generator” component so no need to apportion out revenues attributed to the component).

- **TIPS:**

  - \[\text{REDACTED}\]

  - **e)** **limits re: extraterritorial reach (foreign activities)**

  - **Presumption Against Extraterritorial Reach Prohibits Damages On Purely Foreign Conduct Caused By U.S. Infringements:** Presumption against extraterritorial reach of U.S. patent laws “applies not just to identifying the conduct that will be deemed infringing but also to assessing the damages that are to be imposed for domestic liability-creating conduct.” Carnegie Mellon (Fed. Cir. 08/04/15). Even where foreign-made, delivered, and sold products are “strongly enough tied to” U.S. infringing activity “as a causation matter to have been part of the hypothetical-negotiation agreement,” they cannot be part of the damages calculation: “Where a physical product is being employed to measure damages for the infringing use of patented methods, we conclude, territorality is satisfied when and only when any one of those domestic actions [make, use, sell, or import] for that unit (e.g., sale) is proved to be present, even if others of the listed activities for that unit (e.g., making, using, taking place abroad.” Id. The damages-measuring action need not itself be an infringing action. Id. (remanding for determination of whether chips made, delivered and used outside U.S., but custom designed inside U.S., were “sold” in U.S.). Not entitled to damages from the infringer’s foreign sales even if those sales were foreseeable result of U.S. infringing activity. Power Integrations (Fed. Cir. 03/26/13); WesternGeco (Fed. Cir. 07/02/15) (2-1) (long dissent) (rev’g award of lost profits based on patentee’s failure to win contracts for surveying for oil in seas outside U.S., lost due to infringer’s (Sec. 271(f)(2)-infringing) export of
components to foreign competitors of patent owner, as U.S. patent laws do not reach foreign uses); reinstated with new dissent WesternGeco II (Fed. Cir. 09/21/16), CVSG (U.S. 05/30/2017) (Question Presented: “Whether the court of appeals erred in holding that lost profits arising from prohibited combinations occurring outside of the United States are categorically unavailable in cases where patent infringement is proven under 35 U.S.C. § 271(f.)”) See generally RJR Nabisco (U.S. 06/20/2016) (“a canon of statutory construction known as the presumption against extraterritoriality: Absent clearly expressed congressional intent to the contrary, federal laws will be construed to have only domestic application.” “At the first step, we ask whether the presumption against extraterritoriality has been rebutted — that is, whether the statute gives a clear, affirmative indication that it applies extraterritorially. We must ask this question regardless of whether the statute in question regulates conduct, affords relief, or merely confers jurisdiction. If the statute is not extraterritorial, then at the second step we determine whether the case involves a domestic application of the statute, and we do this by looking to the statute's ‘focus.’ If the conduct relevant to the statute's focus occurred in the United States, then the case involves a permissible domestic application even if other conduct occurred abroad; but if the conduct relevant to the focus occurred in a foreign country, then the case involves an impermissible extraterritorial application regardless of any other conduct that occurred in U.S. territory.”)

f) failure to mitigate damages

- Failure to Mitigate Damages: Part of the “general theory of damages,” is that “a victim has a duty ‘to use such means as are reasonable under the circumstances to avoid or minimize the damages’ that result from violations of” a the statute. …If the victim could have avoided harm, no liability should be found against the employer who had taken reasonable care, and if damages could reasonably have been mitigated no award against a liable employer should reward a plaintiff for what her own efforts could have avoided.” Faragher (U.S. 06/26/1998) (creating partial affirmative defense for employer’s vicarious liability for a supervisor harassing an employee). E.g., failure to mark, laying in wait to allow damages to increase, failing to take a clear position on scope of claims or changing one’s position, keeping secret an already licensed supplier of the patented technology, failure to offer a FRAND license when obligated to do, etc. “It is entirely appropriate for a defendant to assert a defense of failure to mitigate damages when considering what amount of compensation is appropriate for Plaintiff, the injured party in this action. Such a defense may rarely be relevant in a patent infringement case, but it is not inappropriate.” IMX v. E-Loan, 1-09-cv-20965 (S.D. Fla. November 1, 2010, Order) (denying dismissal of this affirmative defense in a patent infringement suit). But see Romag Fasteners, Inc. v. Fossil, Inc. 29 F. Supp. 3d 85 (D. Conn. 2014) (rejecting this theory when “reasonable royalty” sought). “Under California law, ‘[a] plaintiff has a duty to mitigate damages and cannot recover losses it could have avoided through reasonable efforts.’ Thrifty-Tel, Inc. v. Bezenek, 54 Cal. Rptr. 2d 468, 474 (Ct. App. 1996) [trespass to chattels case for hacking phone system; plaintiff failed to call child’s parent].” Bank of Stockton (9th Cir. 02/14/10). Interplan Architects, Inc. v. C.L. Thomas, Inc., No. 4:08-cv-03181, 2010 U.S. Dist. LEXIS 114306, at *147-48 (S.D. Tex. Oct. 27, 2010) (failure to mitigate damages is recognized as a defense in a copyright infringement case). Highly likely needs to be pled as an affirmative defense. See also Microsoft (9th Cir. 07/30/15) (awarding expenses incurred taking reasonable mitigation efforts to minimize damages from a breach of contract); see generally SCA Hygiene III (U.S. 03/21/2017) (7-1) (“[p]atent law is governed by the same common-law principles, methods of statutory interpretation, and procedural rules as other areas of civil litigation.”); Mentor Graphics (Fed. Cir. 03/16/17) (“Compensatory damages are a staple across most every area of law. And compensatory damages under the patent statute, which calls for damages adequate to compensate the plaintiff for its loss due to the defendant’s infringement, should be treated no differently than the compensatory damages in other fields of law.”), re-hearing denied (Fed. Cir. 09/01/17) (10-2).

- Reasons to Assert Failure To Mitigate In Addition to Laches: It’s law not equity so goes to jury not judge. Jury instruction describing plaintiff’s “duty” can have positive impact. With laches,
even if prove delay + prejudice the judge still weighs the equities. With failure to mitigate damages in the case, chances are better that judge will allow jury to hear laches for an advisory verdict. Substantial differences between their elements. Increased damages for prolonged infringement is not considered economic prejudice for laches. Failure to mitigate damages does not require showing of “prejudice” per se. Failure to mitigate damages is broader than delay. E.g., here’s an Ill. Model jury instruction: “In fixing the amount of money which will reasonably and fairly compensate the plaintiff, you are to consider that a person whose [property] [business] is damaged must exercise ordinary care to minimize existing damages and to prevent further damage. Damages proximately caused by a failure to exercise such care cannot be recovered.”

g) “benefit rule” in mitigation of damages

- “Benefit Rule”: “Where the defendant's tortious conduct has caused harm to the plaintiff or to his property and in so doing has conferred upon the plaintiff a special benefit to the interest which was harmed, the value of the benefit conferred is considered in mitigation of damages, where this is equitable.” RESTATEMENT (SECOND) OF TORTS § 920 (1979); accord Lee v. Lee, 47 S.W.3d 767, 777 (Tex. App.—Houston [14th Dist.] 2001, pet. denied).

2. Lost Profits

- BASICS: Patent owner must establish by a preponderance of the evidence that “but for the infringement” he would have earned the profits he asserts were lost. The patent owner need not sell patented products in order to lose profits from infringing competition. Can include virtually any type of lost profits so long as the but-for test is met and the loss was reasonably foreseeable. Some examples include: past and future lost sales, lost profits on made sales due to price erosion, reduced royalties from licenses, diminution of business goodwill, and impairment of growth. See Akamai Tech. V (Fed. Cir. 11/16/15) (reinstating jury verdict of approximately $40 million in lost profits, $1.4 million in reasonable royalty damages, and $4 million in price erosion damages.) The patentee may even recover for lost sales of unpatented collateral products typically sold with its product competing with the infringer’s product, and “derivative” sales, or unpatented products typically sold after sale of competing products. See generally Beatrice Foods (Fed. Cir. 02/27/90) (en banc) (aff’d award of lost profits where defendant destroyed evidence of sales).

- “But For” World May Account For Different Actions By Infringer As Well As Customers:
  “A fair and accurate reconstruction of the ‘but for’ market also must take into account, where relevant, alternative actions the infringer foreseeably would have undertaken had he not infringed.” Grain Processing (Fed. Cir. 08/04/99); cf. AstraZeneca (Fed. Cir. 04/07/15) (aff’d reasonable royalty of 50% of infringer’s gross margins, based in part on finding that had infringer obtained a license “it would have had ‘a golden opportunity to take significant market share away from both other generic manufacturers and perhaps even branded PPIs by launching at a lower price,’” and patent owner had good reason to fear that would greatly harm its business (even though infringer did not lower prices ivo its risk of being held to infringe.)

- Can’t Claim Somebody Else’s Lost Profits: The plaintiff can only recover its own lost profits, not the lost profits of a related corporation that would not have inexorably flowed to it. In Poly-Am, (Fed. Cir. 09/14/04), the court did not allow the patentee to recover lost profits of a non-exclusive licensee sister corporation (but can recover lost royalties); accord Warsaw I (Fed. Cir. 03/02/15) (patent owner denied recovery of royalties it would have earned from related companies had they not lost sales to the infringer); Spine Solutions (Fed. Cir. 09/09/10) (seller of product lacked standing). Same for wholly-owned subsidiary. Mars (Fed. Cir. 06/02/08).

- Can Recover For Unpatented Components That Function Together With Patented Components: If the patent claims cover only a smaller component or feature of an overall product, the patent owner may still be able to base lost profits on the overall product—including unpatented components—under the “entire market value rule.” But this can only be done if (1) the
patent-related feature is the basis for customer demand and (2) the unpatented components/features function together with the patented components/features. Good case for patent owners, denying JMOL to defendant: “Denso argues that the jury could not have reasonably found that (1) the patented and unpatented components comprised a single functional unit and (2) the basis for the customer demand was the method of balancing the fan inside the assembly. Denso’s damage expert testified that the motors used with the radiator and condenser assemblies required fans. Denso did not sell these assemblies without fans. Denso’s internal documents stress, moreover, that the performance and price of the entire system were paramount to its customers. This evidence amply supports the finding that the assemblies were a single functional unit. In addition, the evidence shows that customers wanted fans that were balanced to a certain specification and once Denso abandoned the patented method, it could not meet the 2.0 gm-cm balance specification. Denso argues that its customers did not care how the fans in the assemblies were balanced. However, after Denso changed its specification, one customer complained and required Denso to rebalance the fans. From this evidence, the jury could have reasonably concluded that the demand for the entire assembly depended on the patented invention.” Tec Air (Fed. Cir. 09/30/99); cf. Depuy Spine (Fed. Cir. 06/01/09) (rev’g jury award of lost profits on functionally unrelated, unpatented products sold by patent owner); Funai (Fed. Cir. 09/01/10) (aff’g lost profits award, based on evidence that benefits of the invention were basis for customer demand); Ferguson (Fed. Cir. 12/04/03) (vacating trial court lost profits award where one patent was found to be infringed but not a second asserted patent, because the court “failed to distinguish the allocation of profits that would have been made ‘but for’ the infringement … with the profits that could fairly be allocated to customer demand related to the features embodying the [non-infringed] patent.”)

- Convoyed Sales: “To be entitled to lost profits for convoyed sales, the related products ... must be functionally related to the patented product and losses must be reasonably foreseeable. Being sold together merely for ‘convenience or business advantage’ is not enough. If the convoyed sale has a use independent of the patented device, that suggests a non-functional relationship.” Warsaw I (Fed. Cir. 03/02/15) (no evidence that rods and screws for holding the implant and vertebrae in place “had no independent function—that is, that they would not work as well in other surgeries not involving the patented technologies.”); Am_ Seating (Fed. Cir. 01/29/08): aff’g JMOL overturning award of lost profits on collateral sales of bus/train passenger seats, for infringement of patent on wheelchair restraint system.

a) lost sales

- BASICS: “To collect lost profits [from lost sales], a ‘patentee must show ‘a reasonable probability that ‘but for’ the infringing activity, the patentee would have made the infringer’s sales.’ This is done by determining what profits the patentee would have made absent the infringing product. This analysis must be supported by ‘sound economic proof of the nature of the market and likely outcomes with infringement factored out of the economic picture.’” Akamai Tech. V (Fed. Cir. 11/16/15); see Rite-Hite (Fed. Cir. 06/15/95) (en banc) (aff’g award of lost profits from lost sales of non-patented device competing with infringing device (but not non-competitive convoyed items): “if a particular injury was or should have been reasonably foreseeable by an infringing competitor in the relevant market, broadly defined, that injury is generally compensable absent a persuasive reason to the contrary.”) Most commonly use either the two-supplier market test, or the Panduit but-for test.

- Panduit: Under the Panduit test (Panduit Corp. v. Stahlin Bros. Fibre Works, Inc., 575 F.2d 1152 (6th Cir. 1978)), the patentee must show: (1) demand for the patented product; (2) absence of an acceptable; non-infringing substitute; (3) the patentee’s manufacturing and marketing capability to exploit the demand; and (4) the amount of profits the patentee would have made. “Damages under Panduit are not easy to prove... A patentee cannot obtain lost profits unless it and only it could have made the sale—there are no non-infringing alternatives or, put differently, the customer
would not have purchased the product without the infringing feature.” Mentor Graphics (Fed. Cir. 03/16/17) (aff’g award of $36.4 MM in lost profits), rehearing denied (Fed. Cir. 09/01/17) (10-2);
Georgetown Rail (Fed. Cir. 08/01/17) (aff’g lost profits under Panduit).

- **Demanded Product Need Not Be Patented If It Competes With Infringing Product:** First factor may be met by showing demand for patentee’s non-patented product that “directly competes” with the infringing product, and need not tie that demand to any particular limitation in the claims. Presidio (Fed. Cir. 12/19/12); Georgetown Rail (Fed. Cir. 08/01/17) (aff’g infringement and damages; “the proper inquiry asks whether demand existed in the marketplace for the patented product, i.e., a product ‘covered by the patent in suit or that directly competes with the infringing device.’”).

- **Don’t Conflate First Panduit Factor With Second:** First Panduit factor does not require showing demand for a particular feature recited in claim; rather, all need show is demand for product covered by the claim. Depuy Spine (Fed. Cir. 06/01/09).

- **Patent Owner Establishing Panduit Factors Need Not Further Apportion Its Lost Profits To The Patented Features:** While apportionment “is necessary in both reasonable royalty and lost profits analysis,” “when the Panduit factors are met, they incorporate into their very analysis the value properly attributed to the patented feature.” Panduit factors one and two (“demand for the product as a whole and the absence of non-infringing alternatives”) “together, requiring patentees to prove demand for the product as a whole and the absence of non-infringing alternatives ties lost profit damages to specific claim limitations and ensures that damages are commensurate with the value of the patented features.” Mentor Graphics (Fed. Cir. 03/16/17) (aff’g award of $36.4 MM in lost profits in two-supplier market for sales to single customer (Intel)), rehearing denied (Fed. Cir. 09/01/17) (10-2) (Stoll, J., concurring op. (6 judges) (“because the Panduit factors are satisfied”: “Whether one views this in terms of what imbues value to the ultimate combination of features or what is a driver of demand for those combined features, the result is the same: the apportionment required by Garretson is satisfied.”); (Dyk, J., dissenting op. (2 judges) (consumer demand and but-for causation is not apportionment and is not enough to satisfy the entire market value rule.))

- **Demand For The Patented Product (A Good Reason For An Early Re-Design):** The patentee must show that the patented feature is a motivation for purchase. Calico Brand (Fed. Cir. 07/18/13) (non-precedential) (rev’g jury award of last profits; no showing of “demand for the patented safety mechanism” as distinct from demand for lighter product as a whole (note: claims recite “a lighter comprising …”), and no showing, in view of non-infringing alternatives, that patentee would have made sales but for infringement). The patentee might use the defendant’s advertising and continued use of the accused features (in the face of liability risk) to show this.

- **Non-Infringing Substitute (Another Good Reason For An Early Re-Design):** Turns on purchaser motivation: “if purchasers are motivated to purchase because of particular features available . . . from the patented product, products without such features—even if otherwise competing in the marketplace—would not be acceptable noninfringing substitutes.” Smith & Nephew (Fed. Cir. 03/18/15) (non-precedential) (2-1 on this issue). Object “is to identify what products those [customers] who actually [decided to buy] [the infringing products] would have bought if” infringer had not sold that product. Id. Typically excludes alternatives to the patented product “with disparately different prices or significantly different characteristics.” Id. An infringer can rebut a request for lost profits by showing that an acceptable alternative was readily designable given current technology, even though the alternative had never been made before. This suggests that where an accused infringer can show an easy design-around using current technology, lost profits could be foreclosed. A convincing way to show this would be to quickly implement the
redesign with current technology and then sell it to show it is acceptable. Often easier said than done.

- **Non-Infringing Substitute Need Not Have Been On Market:** An infringer may rebut a request for lost profits by showing that an acceptable alternative readily designable given current technology, even though the alternative had never been made before. *Grain Processing* (Fed. Cir. 08/04/99) (affirmed the district court’s denial of lost profits based on the infringer’s argument and evidence that all of the materials to make the alternative were available and that the infringer possessed all of the necessary equipment, know-how, and experience to make the alternative with only a few weeks of design work.) Alleged Infringer has the burden of proof. *Depuy Spine* (Fed. Cir. 06/01/09) (applying second Panduit factor, citing *Grain Processing*); *SynQor* (Fed. Cir. 03/13/13) (no abuse of discretion excluding belatedly produced evidence of alleged non-infringing alternative that was not on market during damages period).

- **Incremental Income:** The amount of lost profits is revenue minus incremental costs. Courts don’t consider “fixed” costs, but courts should consider large capital expenditures if they are needed to ramp up production.

- **Market-Share Approach:** Appropriate to reconstruct “but for” “by segmenting the market and determining [patent owner’s] lost profits based on its market share” in each market. *Ericsson* (Fed. Cir. 12/09/03). Accord *Smith & Nephew* (Fed. Cir. 03/18/15).

- **Two Supplier Market Test:** It is typically considered reasonable to infer that the patentee would have made the infringer’s sales but for infringement when the patentee and infringer are the only market suppliers.

- **Patent Owner Need Not Have Sold Any Units During Damages Period:** Where patent owner had success selling product before damages period and tried but failed to sell product during the damages window, due to the infringer’s destroying its market, that satisfies “demand for the patented product” element. *Versata I* (Fed. Cir. 05/01/13) (aff’g $260 MM lost profits and $85 MM reasonable royalty).

- **Determining Lost Sales When Infringer’s Price Half Of Patent Owner’s Price:** The infringer’s price being half of the patent owner’s price does not necessarily put the competitors into different market segments. *Akamai Tech. V* (Fed. Cir. 11/16/15) (aff’g trial court’s allowance of damages expert testimony that patent owner would have made about 75% of the infringer’s sales).

b) **reduced prices/price erosion**

- **BASICS:** This is often referred to as “price erosion,” and the patentee must show that but for the infringement the patentee would have been able to charge higher prices. Put another way, the patentee must show that the infringement caused an erosion of the prices it was able to charge.

- **Higher Prices Means Fewer Sales:** In addition to showing that prices were not eroded, try to show that the patentee would have sold fewer units at the higher prices under the general law of supply and demand. At the very least, this is good cross-examination material if the patentee’s expert did not expressly consider the resultant lower sales.

- **TIPS:**
  - REDACTED

3. **Lost Royalties**

- **BASICS:** The patentee may be able to show that but for the infringement it would have received higher royalty rates from its licensees.
• **This Is Not A Reasonable Royalty Analysis:** The patentee must still meet the but-for test. Try to show that there is a lack of demand for the patented feature or that there are non-infringing substitutes that would have kept the royalty rates low, or even made it unnecessary for anyone to get a license.

4. **Established Royalty**

• **BASICS:** An established royalty establishes the measure of damages, without separately considering what a “reasonable royalty” is. “When the patentee has consistently licensed others to engage in conduct comparable to the defendant’s at a uniform royalty, that royalty is taken as established and indicates the terms upon which the patentee would have licensed the defendant’s use of the invention.” *Monsanto* (Fed. Cir. 05/24/07) (rejecting infringer’s argument for an established royalty rate). “Royalties paid by related parties have little probative value as to the patent’s value.” *Warsaw I* (Fed. Cir. 03/02/15).

• **License To Non-Competitor Less Relevant:** royalty rate between inventor and his family does not conclusively establish royalty rate for license to a competitor. *Minks* (Fed. Cir. 10/17/08).

• **Established Royalties Are Rare:** An established royalty is typically only present if there are many arms-length licenses with the same rate. However, actual licenses are still considered as part of the *Georgia Pacific* factors (Factor 1), and can be very persuasive in showing what a reasonable royalty would be.

5. **Reasonable Royalty**

• **BASICS:** Patent damages cannot be less than a “reasonable royalty.” “A reasonable royalty compensates the owner not for the damage he suffered, but for the value of what was taken.” *Warsaw I* (Fed. Cir. 03/02/15). “The reasonable royalty theory of damages … seeks to compensate the patentee not for lost sales caused by the infringement, but for its lost opportunity to obtain a reasonable royalty that the infringer would have been willing to pay if it had been barred from infringing… [T]he district court was required to assess Astra’s injury not according to the number of sales Astra may have lost to Apotex, but according to what Astra could have insisted on as compensation for licensing its patents to Apotex as of the beginning of Apotex’s infringement.” *AstraZeneca* (Fed. Cir. 04/07/15) (aff’g award of 50% of infringer’s gross margins on its generic, leaving a profit margin of 36%; detailed discussion of supporting facts). A reasonable royalty is typically determined by multiplying the amount of products sold by a rate, but other methods, such as lump sums, are allowable too. *Carnegie Mellon* (Fed. Cir. 08/04/15) (aff’g running royalty of 50 cents/chip, rejecting objection that existing licenses were lump sum; “hypothetical negotiation would have employed the number of units sold to measure the value of the method’s domestic use.”) In determining the royalty, courts typically consider the non-exhaustive list of factors in the *Georgia-Pacific* case. “This court does not endorse *Georgia-Pacific* as setting forth a test for royalty calculations, but only as a list of admissible factors informing a reliable economic analysis.” *Energy Transp.* (Fed. Cir. 10/12/12); but see *Ericsson* (Fed. Cir. 12/04/14) (error to instruct jury on a *Georgia-Pacific* factor that does not apply in particular case; several factors do not apply in RAND-royalty context); *Microsoft* (9th Cir. 07/30/15) (aff’g breach of contract damages award (compensating Microsoft for its mitigation costs of defending injunction suits and relocating its distribution center out of Germany) for failure to offer third-party beneficiary of RAND commitment to an SSO, a license even close to RAND rates and for seeking an injunction; factor 15 and other *Georgia-Pacific* factors may be modified in RAND context). Experts need not address *Georgia Pacific* factors but if they do, “expert witnesses should concentrate on fully analyzing the applicable factors, not cursorily reciting all fifteen.” *Whitservice* (Fed. Cir. 08/07/12).

• **The Court Must Determine A Reasonable Royalty Even If Plaintiff Does Not Submit Evidence On It:** The patentee can still get damages, even if it fails to show lost profits and fails to submit evidence of what a reasonable royalty will be. While it is typically the patentee’s burden...
to show damages, the court must determine what a reasonable royalty amount is even if the patentee does not present evidence such as expert testimony of the amount. Dow Chem., (Fed. Cir. 09/05/03); Info-Hold (Fed. Cir. 04/24/15) (rev'g SJ of no reasonable royalty after aff'g exclusion of damages expert). So a defendant should submit evidence of what a reasonable royalty would be even if the patentee does not.

- **Reasonable Royalty Amount Is Floor, Not Ceiling, For Damages**: “the damages award based on a reasonable royalty rate is only the floor, not the exact amount. This rationale is well supported by the statutory language, see 35 U.S.C. § 284 (requiring that the court ‘award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty’), and our case law, see, e.g., Rite-Hite (Fed. Cir. 1995) (en banc); Del Mar Avionics (Fed. Cir. 1987) (stating that the purpose of § 284 “is not to provide a simple accounting method, but to set a floor below which the courts are not authorized to go’”). Revolution Eyewear (Fed. Cir. 04/29/09) (aff’d jury’s damages verdict).

- **Royalty May Exceed Patent Owner’s Expected Profit**: “Damages to the patent holder cannot simply be calculated in all cases by determining ‘the difference between his pecuniary condition after the infringement, and what his condition would have been if the infringement had not occurred.’” (Quoting Yale Lock Mfg. Co. v. Sargent, 117 U.S. 536, 552 (1885)). Powell (Fed. Cir. 11/14/11) (aff’d damages higher than patent owner’s expected profit from selling units to the infringer). See Aqua Shield (Fed. Cir. 12/22/14) (error to treat defendant’s actual profits as a royalty cap). Damages expert testified that royalty would be $98/unit despite accused Word selling for as low as $97/unit, by starting with third-party “benchmark” product having similar feature (which sold for $499/unit), applying Microsoft profit margin of 76.6% to that, then applying 25% “rule,” then applying Georgia-Pacific factors, even though “Microsoft’s infringing custom XML editor was found to be ‘merely one of thousands of features’ within Word.” i4i (Fed. Cir. 03/10/10) (but might be distinguishable on ground that the defendant had not moved for JMOL on damages), affirmed on other grounds (U.S. 06/09/2011).

- **Cost and Ease of Design Around Relevant, but Not a Cap (Grain Processing)**: AstraZeneca (Fed. Cir. 04/07/15) (“reasonable royalty damages are [not] capped at the cost of implementing the cheapest available, acceptable, noninfringing alternative.”) Mars (Fed. Cir. 06/02/08). “If avoiding the patent would be difficult, expensive, and time-consuming, the amount the infringer would be willing to pay for a license is likely to be greater.” “A price for a hypothetical license may appropriately be based on consideration of the ‘costs and availability of non-infringing alternatives’ and the potential infringer’s ‘cost savings.’” Prism Tech. (Fed. Cir. 03/06/17) (aff’d $30 MM reasonable royalty award: “Sprint would have chosen to build its own backhaul network in the absence of a license.”).

- **Courts Generally Consider 15 (Non-Exclusive) Georgia-Pacific Factors**: “A comprehensive list of evidentiary facts relevant, in general, to the determination of the amount of a reasonable royalty for a patent license may be drawn from a conspectus of the leading cases. The following are some of the factors mutatis mutandis seemingly more pertinent to the issue herein: (1) the royalties received by the patentee for the licensing of the patent in suit, proving or tending to prove an established royalty; (2) the rates paid by the licensee for the use of other patents comparable to the patent in suit; (3) the nature and scope of the license, as exclusive or non-exclusive; or as restricted or nonrestricted in terms of territory or with respect to whom the manufactured product may be sold; (4) the licensor’s established policy and marketing program to maintain his or her patent monopoly by not licensing others to use the invention or by granting licenses under special conditions designed to preserve that monopoly; (5) the commercial relationship between the licensor and licensee, such as whether they are competitors in the same territory in the same line of business; or whether they are inventor and promoter; (6) the effect of selling the patented specialty in promoting sales or other products of the licensee; that existing value of the invention to the licensor as a generator of sales of his or her nonpatented items; and the extent of such
derivative or convoyed sales; (7) the duration of the patent and the term of the license; (8) the established profitability of the product made under the patent; its commercial success; and its current popularity; (9) the utility and advantages of the patent property over the old modes or devices, if any, that had been used for working out similar results; (10) the nature of the patented invention; the character of the commercial embodiment of it as owned and produced by the licensor; and the benefits to those who have used the invention; (11) the extent to which the infringer has made use of the invention; and any evidence probative of the value of that use; (12) the portion of the profit or of the selling price that may be customary in the particular business or in comparable businesses to allow for the use of the invention or analogous inventions; (13) the portion of the realizable profit that should be credited to the invention as distinguished from nonpatented elements, the manufacturing process, business risks, or significant features or improvements added by the infringer; (14) the opinion testimony of qualified experts; and (15) the amount that the licensor (such as the patentee) and a licensee (such as the infringer) would have agreed upon (at the time the infringement began) if both had been reasonably and voluntarily trying to reach an agreement; that is, the amount which a prudent licensee— who desired, as a business proposition, to obtain a license to manufacture and sell a particular article embodying the patented invention—would have been willing to pay as a royalty and yet be able to make a reasonable profit and which amount would have been acceptable by a prudent patentee who was willing to grant a license." Georgia-Pacific Corp. v. United States Plywood Corp., 318 F. Supp. 1116 (S.D.N.Y. 1970).

- **Reasonable Royalty For Standard Essential Patents:** “First, the patented feature must be apportioned from all of the unpatented features reflected in the standard. Second, the patentee’s royalty must be premised on the value of the patented feature, not any value added by the standard’s adoption of the patented technology.” Ericsson (Fed. Cir. 12/04/14) (vacating jury award based on prejudicial error in jury instructions). “[D]istrict courts must make clear to the jury that any royalty award must be based on the incremental value of the invention, not the value of the standard as a whole or any increased value the patented feature gains from its inclusion in the standard but need not be instructed on patent hold-up or royalty stacking unless evidence presented in the record.” Id. Commonwealth Scientific (Fed. Cir. 12/03/15) (principles in Ericsson apply to SEP patents even if not subject to RAND obligation; vacating damages award and remanding for trial court to consider effects of standardization when evaluating Georgia-Pacific factors and relevance of the parties’ license offers.)

a) **hypothetical negotiation**

- **Hypothetical Negotiation:** Courts often focus on the last Georgia-Pacific factor: the amount that a willing licensor and willing licensee would have agreed to as a royalty at the time infringement began. “A key inquiry in the analysis is what it would have been worth to the defendant, as it saw things at the time, to obtain the authority to use the patented technology, considering the benefits it would expect to receive from using the technology and the alternatives it might have pursued.” Carnegie Mellon (Fed. Cir. 08/04/15). “There are multiple reasonable methods for calculating a royalty, and directly estimating the value a consumer places on the infringing feature is not a requirement of admissibility.” See Apple (Fed. Cir. 04/25/14) (rev’g trial court exclusion of expert’s damages opinion under Daubert). “In hypothetical-negotiation terms, the core economic question is what the infringer, in a hypothetical preinfringement negotiation under hypothetical conditions, would have anticipated the profit-making potential of use of the patented technology to be, compared to using noninfringing alternatives. If a potential user of the patented technology would expect to earn X profits in the future without using the patented technology, and X + Y profits by using the patented technology, it would seem, as a prima facie matter, economically irrational to pay more than Y as a royalty—paying more would produce a loss compared to forgoing use of the patented technology.” Aqua Shield (Fed. Cir. 12/22/14) (but court must consider that defendant typically would raise its price to account for royalty payment).
Hypothetical Negotiation At Date Of First Direct Infringement Not First Indirect Liability: “In the context of active inducement of infringement, a hypothetical negotiation is deemed to take place on the date of the first direct infringement traceable to [the defendant’s] first instance of inducement conduct.” Laserdynamics (Fed. Cir. 08/30/12).

Court May Consider Some Post-Negotiation Evidence: Fromson (Fed. Cir. 08/04/88) (“The methodology encompasses fantasy and flexibility; fantasy because it requires a court to imagine what warring parties would have agreed to as willing negotiators; flexibility because it speaks of negotiations as of the time infringement began, yet permits and often requires a court to look to events and facts that occurred thereafter and that could not have been known to or predicted by the hypothesized negotiators.”) See Sinclair (U.S. 05/29/1933) (permitting discovery into extent of use of patented invention in support of action for damages for failure to assign patent on improvement: “Experience is then available to correct uncertain prophecy. Here is a book of wisdom that courts may not neglect.”)

Hypothetical Negotiation May Grant Rights Infringer Later Does Not Use: Even though infringer delivered a non-infringing design after offering an infringing design, the parties would have negotiated a grant of unfettered license rights so reasonable royalty may be based on such a grant. Transocean (Fed. Cir. 11/15/12).

Patent Owner May Rationally Consider In Negotiation Its Per-Unit Profit Margin, And Potential Lost Profits Of Its Related Companies: “patent owner in a hypothetical negotiation would rationally consider not only its own potential losses from licensing but those of parent, sister, or similarly related companies.” Asetek I (Fed. Cir. 12/06/16), modified on other grounds, Asetek II (Fed. Cir. 04/03/17) (aff’g 14.5% reasonable royalty damages award based in part on the patent owner’s profit margin: “Negotiating for a per-unit payment equal to its per-unit profit can be a logical approach for a patent owner that is uncertain of how many sales might be lost by granting the license at issue or is just using its own experience to place a value on the right to use the technology at issue.”)

b) royalty base; entire market value rule

The Royalty Must Be Limited To An Appropriate Portion Of A Product’s Revenue Unless The “Entire Market Value” Rule Is Applied . . . Or Not: “It is generally required that royalties be based not on the entire product, but instead on the ‘smallest salable patent-practicing unit.’ The entire market value rule is a narrow exception to this general rule. If it can be shown that the patented feature drives the demand for an entire multi-component product, a patentee may be awarded damages as a percentage of revenues or profits attributable to the entire product.” Difficulty in assessing value of patented component (not sold by defendant alone) does not create a necessity exception to the rule. Laserdynamics (Fed. Cir. 08/30/12) (citation omitted); VirnetX (Fed. Cir. 09/16/14) (“[a] patentee may assess damages based on the entire market value of the accused product only where the patented feature creates the basis for customer demand or substantially creates the value of the component parts;” vacating reasonable-royalty award); Commonwealth Scientific (Fed. Cir. 12/03/15) (“the smallest salable patent-practicing unit principle states that a damages model cannot reliably apportion from a royalty base without that base being the smallest salable patent-practicing unit,” but does not apply where reasonable royalty based on parties’ license offers); but see AstraZeneca (Fed. Cir. 04/07/15) (“entire market value rule” not applicable where patents cover the infringing pharmaceutical as a whole, even though earlier patents on the active ingredient had expired). Traditional “EMV” rule analysis requires a patentee to limit or apportion the revenue associated with the patented feature, unless the patentee can prove that “the patent-related feature is the ‘basis for customer demand,’” Rite-Hite (Fed. Cir. 06/15/95) (en banc). “Not enough to merely show that the [patented feature] is viewed as valuable, important, or even essential.” Laserdynamics (Fed. Cir. 08/30/12) (EMV not met where “no evidence that this feature alone motivates consumers to purchase a laptop computer, such
that the value of the entire computer can be attributed to the patented” method); VirnetX (Fed. Cir. 09/16/14). But, one Federal Circuit panel accepted a limiting of either the royalty base or the royalty rate to accomplish appropriate apportionment. Lucent Tech. (Fed. Cir. 09/11/09).

- Running Royalty Base Can Be Revenues/ Sales Price Of Larger Product Even If Patented Invention Does Not Provide Demand For That Product: After finding that the patented invention was “not the reason consumers purchase Outlook” and thus “the entire market value rule” did not apply, Fed. Cir. panel nevertheless then held that “the base used in a running royalty calculation can always be the value of the entire commercial embodiment, as long as the magnitude of the rate is within an acceptable range (as determined by the evidence). … There is nothing inherently wrong with using the market value of the entire product, especially when there is no established market value for the infringing component or feature, so long as the multiplier accounts for the proportion of the base represented by the infringing component or feature.” Lucent Tech. (Fed. Cir. 09/11/09) (rev’g lump-sum reasonable royalty award for lack of substantial evidence).

- Rejected By Later Panel: Rejecting patent owner’s [plain] reading of this portion of Lucent Tech.: “The Supreme Court and this court’s precedents do not allow consideration of the entire market value of accused products for minor patent improvements simply by asserting a low enough royalty rate.” Uniloc (Fed. Cir. 01/04/11) (aff’g grant of new trial based in part on improper citation to entire revenues of accused software title; entire market value of accused products “cannot help but skew the damages horizon for the jury, regardless of the contribution of the patented component to this revenue.”); VirnetX (Fed. Cir. 09/16/14) (“Where the smallest salable unit is, in fact, a multi-component product containing several non-infringing features with no relation to the patented feature …, the patentee must do more to estimate what portion of the value of that product is attributable to the patented technology. To hold otherwise would permit the entire market value exception to swallow the rule of apportionment;” “VirnetX should have identified a patent practicing feature with a sufficiently close relation to the claimed functionality”); Laserdynamics (Fed. Cir. 08/30/12) (“the requirement to prove that the patented feature drives demand for the entire product may not be avoided by the use of a very small royalty rate.”)

- Request Cautionary Jury Instruction Re. Apportionment: “when licenses based on the value of a multi-component product are admitted, or even referenced in expert testimony, the court should give a cautionary instruction regarding the limited purposes for which such testimony is proffered if the accused infringer requests the instruction. The court should also ensure that the instructions fully explain the need to apportion the ultimate royalty award to the incremental value of the patented feature from the overall product.” Ericsson (Fed. Cir. 12/04/14) (Georgia-Pacific factors insufficient to warn about need to apportion).

- Cite Casual Nexus Cases As Well: Irreparable Harm: Accused Feature Must Cause The Harm: To show irreparable harm, patent owner seeking preliminary injunction must show (typically) that the patented feature drives the demand for the product. Apple I (Fed. Cir. 05/14/12) (preliminary injunction context) (but noting exception where infringement will render patentee’s product obsolete); Apple III (Fed. Cir. 11/18/13) (“causal nexus” requirement applies to permanent injunction analysis also, as it distinguishes “between irreparable harm caused by patent infringement and irreparable harm caused by otherwise lawful competition;” but misapplied here by trial court). “The causal nexus requirement is not satisfied simply because removing an allegedly infringing component would leave a particular feature, application, or device less valued or inoperable.” Apple II (Fed. Cir. 10/11/12) (rev’g grant of preliminary injunction: “[where] the accused product would sell almost as well without incorporating the patented feature
... even if the competitive injury that results from selling the accused device is substantial, the harm that flows from the alleged infringement (the only harm that should count) is not.”

- **Royalty Base May Include Non-Infringing Units Where Defendant Cannot Segregate Infringing From Non-Infringing Units**: Damages award affirmed where some of defendant’s units were permissibly repaired (non-infringing) but some were impermissibly remanufactured (infringing), and defendant’s expert testified about convoyed sales, that hypothetical license would have included both infringing and non-infringing units in the royalty base, and that the negotiated royalty rate would have changed inversely to royalty-base changes. *Fujifilm* (Fed. Cir. 05/27/10); cf. *AstraZeneca* (Fed. Cir. 04/07/15) (high reasonable royalty award based in part on infringer’s expectation that infringing sales would increase its sales of other products as well).

- **Error To Admit Revenues From Product With Unpatented Components**: “One way in which the error of an improperly admitted entire market value rule theory manifests itself is in the disclosure of the revenues earned by the accused infringer associated with a complete product rather than the patented component only.” *Laserdynamics* (Fed. Cir. 03/13/13) (no abuse of discretion to allow evidence of end-product sales revenue where not used to justify damages figure but to argue that price elasticity of demand for the component would be high because represent a small fraction of the end price.) An “important evidentiary principle” associated with the EMVR “rule” is that when the entire value of a machine is not attributable to the patented feature, “courts must insist on a more realistic starting point [than the value of the entire machine] for the royalty calculations by juries—often, the smallest salable unit and, at times, even less.” *Ericsson* (Fed. Cir. 12/04/14) (but refusing to exclude evidence of licenses whose royalty was based on price of entire machine).

- **Royalty Base Does Not Include Environment Outside Claimed Apparatus**: *Univ. of Pitt.* (04/10/14) (non-precedential) (rev’g damage award based on larger system’s sales where claim recited that larger system only as an intended use, not part of the claimed apparatus).

- **Does Quanta Help Move Royalty Base Upstream?**: *Quanta* (U.S. 06/09/2008) increases instances where upstream “component” sales exhaust patent rights, and thus presumably favors alleged infringers arguing that the hypothetical license negotiation would have been with the “component” supplier and would have presumed that royalty base is that supplier’s revenues, not (possibly higher) revenues of downstream entities.

### c) **Royalty Rate**

- **License (and Settlement) Agreement (Georgia-Pacific Factor 1-3)**
  - Form of Earlier Licenses Are Relevant: “Actual licenses to the patents-in-suit are probative not only of the proper amount of a reasonable royalty, but also of the proper form of the royalty structure,” but history of lump-sum licenses does not preclude a running royalty. *Laserdynamics* (Fed. Cir. 08/30/12).
  - Need To Tie Other License Agmts. To Instant Case: Patent owner has burden of proving “that the licenses [in evidence] were sufficiently comparable to support the lump-sum damages award.” *Lucent Tech.* (Fed. Cir. 09/11/09) (rev’g jury Verdict award of lump-sum royalty for lack of substantial evidence). “The first Georgia-Pacific factor, ..., must consider licenses that are commensurate with what the defendant has appropriated. If not, a prevailing plaintiff would be free to inflate the reasonable royalty analysis with conveniently selected licenses without an economic or other link to the technology in question.” *ResQNet* (Fed. Cir. 02/05/10) (vacating bench-trial damages award where plaintiff’s expert inflated the rate by relying in part on the patent owner’s unrelated licenses on marketing and other services, despite no rebuttal expert testimony); *Wordtech Sys.* (Fed. Cir. 06/16/10) (remanding for new trial on damages where patentee presented...
insufficient evidence under Georgia-Pacific, e.g., failed to show amount of expected sales under prior lump-sum licenses); Whitserve (Fed. Cir. 08/07/12) (royalty rate based on proposed license offer by patent owner was conjecture and therefore not probative; overturning jury verdict of damages as unsupported); EPlus (Fed. Cir. 11/21/12) (not abuse of discretion to exclude patent owner’s damages expert (and damages case) where expert relied on license agreements obtained during litigation, included lump-sums received for multiple patents and cross-licensing deals, and expert ignored the settlements that produced smaller rates.); but see ActiveVideo (Fed. Cir. 08/24/12) (whether license agreements were sufficiently comparable went to weight not admissibility); VirnetX (Fed. Cir. 09/16/14) (not abuse of discretion here to admit evidence of license agreements on patents or related technology).

- **Settlement (License) Agreements May Or May Not Be More Prejudicial Than Probative:** “[A] payment of any sum in settlement of a claim for an alleged infringement cannot be taken as a standard to measure the value of the improvements patented, in determining the damages sustained by the owners of the patent in other cases of infringement. Many considerations other than the value of the improvements patented may induce the payment in such cases. The avoidance of the risk and expense of litigation will always be a potential motive for a settlement” Rude v. Westcott, 130 U.S. 152, 164 (1889). Laserdynamics (Fed. Cir. 08/30/12) (citing Rude; abuse of discretion to admit into evidence outlier settlement agreement reached on eve of trial). But see Prism Tech. (Fed. Cir. 03/06/17) (aff’g $30 MM reasonable royalty award; not abuse of discretion to admit settlement agreement with AT&T settled during earlier trial at close of evidence (along with lower settlement agreements Sprint offered into evidence); requires “particularized evaluation of probativeness and prejudice;” distinguishing Rude as “established royalty” case.); Rembrandt Wireless (Fed. Cir. 04/17/17) (allowing expert reliance on settlement agreements with former co-defendant on same patents in suit).

- **No Settlement Privilege Absolutely Barring Discovery Of Settlement Negotiations:** In re MSTG (Fed. Cir. 04/09/12) (but district court has discretion to block such discovery).

- **History Between Parties Matters (Georgia-Pacific Factor 4, 5):** Affirmed award of 29.2% reas. royalty (equal to patent owner’s profit margin) in view of contentious relationship between the parties. Mitutoyo (Fed. Cir. 09/05/07).

- **(Extent Of Use By Infringer) Includes Putting Feature In Software Even If Rarely Used (Georgia-Pacific Factor 11):** Accused functionality in software was rarely used. “Factor 11 looks to ‘how often a patented invention has been used by infringers.’ [citation omitted] Here, the accused direct infringers are Defendants, not their customers. Because Defendants included proactive scanning on every accused product, their ‘use’ encompassed all of their sales, regardless of customer activation.” Finjan (Fed. Cir. 11/04/10). See Summit 6 (Fed. Cir. 09/21/15) (factor 11 supports expert’s reliance on percentage of infringer’s customers who used infringing feature in the reasonable royalty calculation).

- **Expected Use Of Invention Is Relevant To Lump Sum Royalty (Georgia-Pacific Factor 11):** “Parties agreeing to a lump-sum royalty agreement may, during the license negotiation, consider the expected or estimated usage (or, for devices, production) of a given invention, assuming proof is presented to support the expectation, because the more frequently most inventions are used, the more valuable they generally are and therefore the larger the lump-sum payment. Conversely, a minimally used feature, with all else being equal, will usually command a lower lump-sum payment.” Lucent Tech., (Fed. Cir. 09/11/09) (rev’g Jury Verdict award of lump-sum royalty for lack of substantial evidence).
Consider Whether Non-Infringing Features Provide Consumer Demand/Profit/Value (Georgia-Pacific Factor 13): “We find it inconceivable to conclude, based on the present record, that the use of one small feature, the date-picker, constitutes a substantial portion of the value of Outlook... the infringing use of Outlook’s date-picker feature is a minor aspect of a much larger software program and that the portion of the profit that can be credited to the infringing use of the date-picker tool is exceedingly small.” Lucent Tech. (Fed. Cir. 09/11/09) (rev’g lump-sum reasonable royalty award for lack of substantial evidence); but see AstraZeneca (Fed. Cir. 04/07/15) (“improper to assume that a conventional element cannot be rendered more valuable by its use in combination with an invention; “the question is how much new value is created by the novel combination, beyond the value conferred by the conventional elements alone.”)

Incremental Value Of Invention May Be Based On Price Differential Between Products With And Without Accused Feature (Georgia-Pacific Factor 13): Rembrandt Wireless (Fed. Cir. 04/17/17) (aff’g refusal to exclude expert reasonable-royalty rate testimony based on higher price infringer paid for TI chip with accused functionality versus TI chip without that functionality.)

d) rejected reasonable royalties methodologies

25% “Rule” (and 50% Nash Bargaining Solution) Is Wrong And Inadmissible: “[T]here must be a basis in fact to associate the royalty rates used in prior licenses to the particular hypothetical negotiation at issue in the case. The 25 percent rule of thumb as an abstract and largely theoretical construct fails to satisfy this fundamental requirement.” “This court now holds as a matter of Federal Circuit law that the 25 percent rule of thumb is a fundamentally flawed tool for determining a baseline royalty rate in a hypothetical negotiation. Evidence relying on the 25 percent rule of thumb is thus inadmissible under Daubert and the Federal Rules of Evidence, because it fails to tie a reasonable royalty base to the facts of the case at issue.” Uniloc (Fed. Cir. 01/04/11); VirnetX (Fed. Cir. 09/16/14) (rejecting as “rule of thumb” 50% split of incremental profits from use of patented feature as starting point based on Nash Bargaining Solution, without evidence justifying that its premises are supported by specific facts of this case); cf. Energy Transp. (Fed. Cir. 10/12/12) (expert’s improper reliance on 25% “rule” did not require a new trial here).

6. Supplemental Damages

Court May Award Supplemental Damages For Gap Before Verdict Date: “The jury instruction and jury verdict forms should make clear the period for which the jury is supposed to determine damages. If that period ends before the date of the jury verdict, the district court may award supplemental damages in light of that gap period.” Warsaw (Fed. Cir. 03/02/15); SynQor (Fed. Cir. 03/13/13) (amount of supplemental damages following jury verdict “is a matter committed to the sound discretion of the district court," and may or may require new jury trial).

TIPS:

7. Prejudgment Interest

Prejudgment Interest: Prejudgment interest is a form of compensatory damages, i.e., “actual damages.” Sanofi-Aventis (Fed. Cir. 10/18/11). Neither bad faith nor an exceptional case is required for a court to award prejudgment interest. General Motors (U.S. 05/24/1983) (“underlying purpose of the provision strongly suggests that prejudgment interest should ordinarily be awarded where necessary to afford the plaintiff full compensation for the infringement,” but “it may be appropriate to limit prejudgment interest, or perhaps even deny it altogether, where the patent owner has been responsible for undue delay in prosecuting the lawsuit.”).
8. **Provisional Rights:**
   **Pre-Issuance Reasonable Royalty (154(d))**

   - **BASICS:** Right to reasonable royalty from any person who, during the period (no matter how long) from publication of the application to its issuance, makes, uses, offers for sale, or sells in the U.S., or imports into the U.S., the invention as claimed in the published application, or if claims a process, uses, offers for sale, or sells in the U.S., or imports into the U.S., products made by that process; if (1) action brought not later than 6 years after the patent issued, (2) person had actual notice of that published application, and (3) “the invention as claimed in the patent is substantially identical to the invention as claimed in the published patent application.” 35 U.S.C. § 154(d). See Rosebud (Fed. Cir. 02/09/16) (aff’g SJ of no “actual notice”: “actual notice” requires actual knowledge of the published app. itself not merely constructive knowledge (e.g., based on knowledge of ancestor app.), but, unlike Sec. 287(a), does not require an affirmative notification by the published applicant); Innovention Toys II (Fed. Cir. 04/29/15) (non-precedential) (aff’g jury verdict of pre-issuance reasonable royalty, at least some issued claim had same scope as a published application claim despite word differences in the claims.)

   - **TIPS:**
      - REDACTED

9. **Post-Judgment Royalties**

   - **BASICS:** “There are several types of relief for ongoing infringement that a court can consider: (1) it can grant an injunction; (2) it can order the parties to attempt to negotiate terms for future use of the invention; (3) it can grant an ongoing royalty; or (4) it can exercise its discretion to conclude that no forward-looking relief is appropriate in the circumstances.” Whitserve (Fed. Cir. 08/07/12). Where defendant sought lump-sum royalty and jury wrote “lump sum” on verdict form, district court has discretion to treat damages as award through life of the patent and deny ongoing royalties. Summit 6 (Fed. Cir. 09/21/15); see Prism Tech. (Fed. Cir. 03/06/17) (aff’g refusal to award ongoing royalties where reasonable to find that jury award of $30 MM was based on a paid-up license fee and included future infringements).

   - **Jury’s Royalty Award Does Not Cap Post-Injunction Damages During Stay Of An Injunction (“Sunset Royalty”):** Post-injunction damages award “should take into account the change in the parties’ bargaining positions, and the resulting change in economic circumstances, resulting from the determination of liability—for example, the infringer’s likelihood of success on appeal, the infringer’s ability to immediately comply with the injunction, the parties’ reasonable expectations if the stay was entered by consent or stipulation, etc.—as well as the evidence and arguments found material to the granting of the injunction and the stay.” Amado (Fed. Cir. 02/26/08); see ActiveVideo (Fed. Cir. 08/24/12) (aff’g “sunset royalty” during stay of injunction, of 60% of infringer’s incremental profit per subscriber per month).

   - **Jury’s Royalty Award Does Not Cap Post-Judgment “Ongoing Royalty” (Where No Injunction Granted):** Bard Peripheral I (Fed. Cir. 02/10/12) (jury awarded 10% reasonable royalty; court awarded ongoing royalty of 12.5% to 20%, depending on product); ActiveVideo (Fed. Cir. 08/24/12) (analysis similar but not identical to “sunset royalty” analysis). No right to jury trial on this equitable remedy. Paice (Fed. Cir. 10/18/07).

   - **Ongoing Royalty May Exceed Infringer’s Profits:** Requiring infringer to raise its price “may be the only way to adequately compensate the patentee for the use of its technology.” Douglas Dynamics (Fed. Cir. 05/21/13).

   - **Court Should Award Post-Judgment Damages Up To Entry Of The Injunction:** Trial court must award damages (as an accounting) for post-judgment infringements up to entry of an
injunction. Finjan (Fed. Cir. 11/04/10); Power Integrations (Fed. Cir. 03/26/13) (right to post-verdict accounting not waived).

- **Entitled To Post-Verdict Royalty For Repair Parts:** “A damages award for pre-verdict sales of the infringing product does not fully compensate the patentee because it fails to account for post-verdict sales of repair parts. ... The district court was within its discretion to impose a royalty on those sales of disposable products in order to fully compensate Baxter for the infringement.” Fresenius (Fed. Cir. 09/10/09).

### N. INJUNCTIVE RELIEF

#### 1. Preliminary Injunction

- **Basics:** “A plaintiff seeking a preliminary injunction must establish that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the public interest.” Apple I (Fed. Cir. 05/14/12) (Bryson, J.). “An accused infringer can defeat a showing of likelihood of success on the merits by demonstrating a substantial question of validity or infringement.” Trebro (Fed. Cir. 04/09/14) (Rader, J.) (vacating denial of preliminary injunction to consider balance of equities and public interest; likely irreparable harm where “direct competitor is able to sell an infringing product in the small, niche sod harvester market,” even though patent owner not practicing the patent). “A preliminary injunction is ‘an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief.’” Id. Challenger has burden of producing evidence of invalidity but “vulnerability is the issue at the preliminary injunction stage, while validity is the issue at trial.” Tinnus Enter. (Fed. Cir. 01/24/17) (aff’g grant of preliminary injunction notwithstanding PTAB final written decision (post Fed. Cir. argument) that claims are indefinite (where defendant did not challenge Magistrate Judge’s finding of no indefiniteness)). M-I LLC (Fed. Cir. 09/24/15) (non-precedential) (aff’g preliminary injunction in two-competitor market). Apple III (Fed. Cir. 11/18/13) (vacating denial of permanent injunction against Samsung phones and tablets); Broadcom (Fed. Cir. 09/24/08) (aff’g injunction, with sunset provision); see AstraZeneca (Fed. Cir. 11/01/10) (aff’g a preliminary injunction against an ANDA application).

- **Delay Bringing Suit And Seeking Preliminary Injunction May Or May Not Suggest No Irreparable Harm, And May Be Factor Against Permanent Injunction:** “Delay in bringing an infringement action and seeking a preliminary injunction are factors that could suggest that the patentee is not irreparably harmed by the infringement.” Apple I (Fed. Cir. 05/14/12) (aff’g denial of preliminary injunction, in part due to four-year delay). There “may well be reasons for the patent owner’s” postponing suit and not seeking preliminary injunction that do not suggest lack of irreparable harm, “for example, the competitive threat may initially be small, or the merits may be much better presented through full litigation than through abbreviated preliminary-injunction proceedings. But Genband has not justified a per se rule making the patent owner’s choices about when to sue and whether to seek interim relief legally irrelevant.” Genband (Fed. Cir. 07/10/17) (vacating denial of permanent injunction). “While we have held that delay in seeking an injunction is a factor to be considered in determining whether to issue a preliminary injunction, we have never held that failure to seek a preliminary injunction must be considered as a factor weighing against a court’s issuance of a permanent injunction.” Mytee Prod. (Fed. Cir. 09/02/11) (non-precedential) (aff’g permanent injunction).

#### 2. Equitable Principles Governing Injunctions

- **Basics:** No presumption that a permanent injunction should be granted to successful patent owner. “According to well-established principles of equity, a plaintiff seeking a permanent injunction must satisfy a four-factor test before a court may grant such relief. A plaintiff must demonstrate: (1) that it has suffered an irreparable injury; (2) that remedies available at law, such
as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.” eBay (U.S. 05/15/2006); cf. Apple IV (Fed. Cir. 12/16/15) (2-1) [modifying and replacing Apple IV (Fed. Cir. 09/17/15) (2-1)] (vacating denial of permanent injunction; “the right to maintain exclusivity—a hallmark and crucial guarantee of patent rights deriving from the Constitution itself—is important.”; “the public interest nearly always weighs in favor of protecting property rights in the absence of countervailing factors, especially when the patentee practices his inventions”); Trebro (Fed. Cir. 04/09/14) (Rader, J.) (vacating denial of permanent injunction); Presidio (Fed. Cir 12/19/12) (Rader, J.) (vacating denial of permanent injunction, even though patentee did not practice patent, where patentee and infringer products directly competed and patentee unwilling to license); Celsis in Vitro (Fed. Cir. 01/09/12) (aff’g preliminary injunction); Spanson (Fed. Cir. 12/21/10) (“eBay does not apply to Commission remedy determinations under Section 337.”) Most injunctions are granted where patent owner practices the patented invention. Celgard (Fed. Cir. 08/12/15) (non-precedential). See Gupta, Kirti and Kesan, Jay P., Studying the Impact of eBay on Injunctive Relief in Patent Cases (July 10, 2015).

- **No Presumption Of Irreparable Harm**: “eBay jettisoned the presumption of irreparable harm as it applies to determining the appropriateness of injunctive relief.” Robert Bosch (Fed. Cir. 10/12/11) (but rev’g as abuse of discretion denial of permanent injunction where parties competed, plaintiff had lost market share from the infringement, and defendant could not satisfy judgment); Nichia (Fed. Cir. 04/28/17) (aff’g denial of permanent injunction, where no meaningful competition between parties, patent owner had licensed major competitors, no past irreparable harm shown, and multiple low-cost non-infringing alternatives available on account of patent owner’s licensing policies).

- **Past Licensing Typically Argues Against Irreparable Harm But Not Always And Not Dispositive**: A patent owner who licenses, but does not practice, a patented invention still may qualify for a permanent injunction. eBay (U.S. 05/15/2006) (rejecting categorical rule that past licensing bars injunctive relief: “some patent holders, such as university researchers or self-made inventors, might reasonably prefer to license their patents, rather than undertake efforts to secure the financing necessary to bring their works to market themselves.”); Nichia (Fed. Cir. 04/28/17) (aff’g denial of permanent injunction; “while evidence of licensing activities cannot establish a lack of irreparable harm per se, that evidence can carry weight in the irreparable-harm inquiry.”); Celgard (Fed. Cir. 08/12/15) (non-precedential) (no irreparable harm to alleged infringer’s former supplier of unpatented component used in allegedly infringing method, in part because supplier previously had impliedly licensed the infringer to use that method); Acumed (Fed. Cir. 12/30/08) (lost market share supports permanent injunction, despite patent owner’s previous licenses to two competitors: past licenses are a factor but “the identity of the past licensees, the experience in the market since the licenses were granted, and the identity of the new infringer all may affect the district court’s discretionary decision concerning whether a reasonable royalty from an infringer constitutes damages adequate to compensate for the infringement”); Apple III (Fed. Cir. 11/18/13) (past licensing does not bar permanent injunction; trial court needs to compare circumstances of prior licenses to current infringement situation); ActiveVideo (Fed. Cir. 08/24/12) (vacating permanent injunction, where companies not competitors, harm “clearly quantifiable” and patentee had actively licensed the patent, and remanding for ongoing royalty determination). Although licensing by a non-practicing patent owner weighs against preliminary injunction, a patent owner who is commercializing the invention may be irreparably harmed by infringement despite having licensed others. Abbott Labs. (Fed. Cir. 10/21/08). Just one factor for trial court to consider in its discretion. Acumed (Fed. Cir. 12/30/08) (aff’g injunction despite “close case”).

- **Irreparable Harm: “Some Causal Nexus” Between Accused Feature And The Harm is Required, Namely Infringing Feature Must Be “A” Substantial Driver Of Demand Of
Accused Product: “It has been clear since at least [Apple III (Fed. Cir. 11/18/13)] that a standard of the less demanding variety—as an interpretation of “drive demand,” a standard based on “a driver” as opposed to “the driver,” applied in the multi-consumer, multi-feature context—is the governing one for what suffices to meet the causation component of the requirement of irreparable injury, i.e., that the injury asserted to be irreparable be injury from the defendant’s use of infringing features. ... The standard prescribed by Apple III and Apple IV, as appropriate to the multi-purchaser, multi-component context, lies between the unduly stringent ‘sole reason’ standard we rejected in Apple III and Apple IV and the unduly lax ‘insubstantial connection’ standard we rejected in Apple II. The standards seek to reflect ‘general tort principles of causation,’ Apple III, 735 F.3d at 1361, and to make proof of causal nexus practical ‘from an evidentiary standpoint,’ Apple IV, 809 F.3d at 641, in a multipurchaser, multi-component setting.” Genband (Fed. Cir. 07/10/17) (vacating denial of permanent injunction to a competitor because unclear if trial court applied a “the driver” standard). To show irreparable harm, one must show that the infringement caused the lost sales (or other market-based injury) and thus (typically) must show that the patented feature drives the demand for the product. Apple (Motorola) (Fed. Cir. 04/25/14) (aff’g denial of an injunction; “in order to rely on lost market share and downstream sales to show irreparable harm, Apple must provide more than evidence showing merely that Motorola is taking market share from Apple. Rather, Apple must be able to show a causal nexus between the inclusion of the allegedly infringing features in Motorola's phones and the alleged harm to Apple.”) (2-1); see Apple IV (Fed. Cir. 12/16/15) (2-1) [modifying and replacing Apple IV (Fed. Cir. 09/17/15) (2-1)] (vacating denial of permanent injunction: causal nexus requirement is independent of the scope of the proposed injunction and “just means that there must be proof that the infringement causes the harm;” here shown by evidence of copying, Samsung’s stated beliefs in the importance of the patented features as a driver of sales, a survey and other evidence that carriers and users preferred phones with these features.) There is no irreparable harm if sales would be lost even if the offending feature were absent from the accused product. Apple I (Fed. Cir. 05/14/12) (“To show irreparable harm, it is necessary to show that the infringement caused harm in the first place. Sales lost to an infringing product cannot irreparably harm a patentee if consumers buy that product for reasons other than the patented feature. If the patented feature does not drive the demand for the product, sales would be lost even if the offending feature were absent from the accused product. Thus, a likelihood of irreparable harm cannot be shown if sales would be lost regardless of the infringing conduct.”); preliminary injunction context; but noting exception where infringement will render patentee's product obsolete). “The causal nexus requirement is not satisfied simply because removing an allegedly infringing component would leave a particular feature, application, or device less valued or inoperable.” Apple II (Fed. Cir. 10/11/12) (rev’g grant of preliminary injunction: “[where] the accused product would sell almost as well without incorporating the patented feature ... , even if the competitive injury that results from selling the accused device is substantial, the harm that flows from the alleged infringement (the only harm that should count) is not.”) But, need not show that patented feature “is the one and only reason for consumer demand”; rather, “must show some connection between the patented feature and demand for Samsung’s products.” Apple III (Fed. Cir. 11/18/13) (vacating denial of permanent injunction, citing survey evidence that patented feature significantly increased price consumers would be willing to pay); Apple IV (Fed. Cir. 12/16/15) (2-1) [modifying and replacing Apple IV (Fed. Cir. 09/17/15) (2-1)] (vacating denial of permanent injunction against features of smart phone and tablet; “causal nexus” is a “flexible analysis;” showing that patented feature “is one of several features that cause consumers to make their purchasing decisions,” weighs in favor of granting an injunction even though Apple did not establish that these features were “the exclusive driver of customer demand.”). But see Broadcom (Fed. Cir. 10/07/13) (Rader, J.) (aff’g permanent injunction, distinguishing Apple I as not being a “design wins” market with limited number of customers in which design approval leads to incumbency, and as being a preliminary injunction context). See Celgard (Fed. Cir. 08/12/15) (non-precedential) (no irreparable harm to alleged infringer’s former supplier of unpatented component used in allegedly infringing method, in part because patent owner’s harm is due to infringer’s

- **Multiple Infringed Patents May Support Irreparable Harm:** “Infringement of multiple patents by a single device may strengthen a patentee’s argument for an injunction by, for example, supporting its argument that the infringed features drive consumer demand or are causing irreparable harm.” Apple (Motorola) (Fed. Cir. 04/25/14); accord Apple III (Fed. Cir. 11/18/13).

- **Potential Lost Market Share Strong Factor Supporting Irreparable Harm:** While no presumption that potential loss of market share will be irreparable, “competitors change the marketplace. Years after infringement has begun, it may be impossible to restore a patentee’s exclusive position by an award of damages and a permanent injunction. Customers may have established relationships with infringers. The market is rarely the same when a market of multiple sellers is suddenly converted to one with a single seller by legal fiat. Requiring purchasers to pay higher prices after years of paying lower prices to infringers is not a reliable business option.” Polymer Tech. (Fed. Cir. 12/23/96) (pre-eBay); Broadcom (Fed. Cir. 10/07/13) (Rader, J.) (“Broadcom lost market share as a result of Emulex’s competition — a clear measure of competition and harm.”); Presidio (Fed. Cir 12/19/12) (Rader, J.) (vacating denial of permanent injunction, even though patentee did not practice patent, where patentee and infringer products directly competed and patentee unwilling to license) (a finding that infringing sales caused patent owner to lose sales “squarely supports a finding of irreparable harm”); Merial Ltd. (Fed. Cir. 05/21/12) (aff’g permanent injunction based on likely “considerable lost market share and price erosion,” “particularly in view of evidence that Velcera’s marketing strategy was geared specifically to target Frontline Plus by touting PetArmor Plus as a cheaper but otherwise equal alternative.”); Robert Bosch (Fed. Cir. 10/12/11) (“lost market share, lost business opportunities, and price erosion” here constitute irreparable harm justifying permanent injunction); i4i (Fed. Cir. 03/10/10) (past loss of market share supports grant of permanent injunction), affirmed on other grounds (U.S. 06/09/2011); Acumed (Fed. Cir. 12/30/08) (lost market share supports permanent injunction, despite patent owner’s previous licenses to two competitors); Abbott Labs. (Fed. Cir. 10/21/08) (likely loss market share and revenues from entry of another generic supports irreparable harm and preliminary injunction).

- **But Probably Subject To Casual Nexus Requirement:** Apple (Motorola) (Fed. Cir. 04/25/14) (aff’g denial of an injunction; patent owner must show that loss of market share is caused by the alleged infringement) (2-1); Apple III (Fed. Cir. 11/18/13) (“if, on remand, Apple cannot demonstrate that demand for Samsung's products is driven by the infringing features, then Apple's reliance on lost market share and downstream sales to demonstrate the inadequacy of damages will be substantially undermined.”)

- **But Customer’s Lost Market Share May Not Constitue Irreparable Harm:** ActiveVideo (Fed. Cir. 08/24/12) (where patent owner’s customer, not patent owner, competed with infringer, the customer’s loss of market share led to decreased license fees to patent owner, which is not irreparable harm).

- **The Irreparable Harm May Be Past Harm:** “Past harm to a patentee’s market share, revenues, and brand recognition is relevant for determining whether the patentee “has suffered an irreparable injury.” i4i (Fed. Cir. 03/10/10), affirmed on other grounds (U.S. 06/09/2011); accord O2 Micro (Fed. Cir. 11/18/11) (non-precedential) (inadequacy of legal remedy supported by lack of defendant assets in U.S.). Litigation costs are not irreparable harm. ActiveVideo (Fed. Cir. 08/24/12).

- **Harm Pre-Dating Issuance Of Patent May Show Irreparable Harm:** “consumer confusion, harm to reputation, and loss of goodwill [and price erosion] pre-dating the patent” may be relevant.
to showing such harm post issuance.  **Tinnus Enter**, (Fed. Cir. 01/24/17) (aff’g preliminary injunction).

- **Irreparable Harm Must To Be Plaintiff**: Showing irreparable harm to patent owner’s exclusive licensee is not enough.  **Voda** (Fed. Cir. 08/18/08).

- **Damages Theory Inconsistent With Future Injunction**: Where damages theory is based on assumption of future sales, that is strong factor against an injunction.  **Innogenetics** (Fed. Cir. 01/17/08).

- **Irreparable Harm May Be Harm To Exclusivity and Reputation as an Innovator, Perhaps**: Rev’d refusal to grant permanent injunction against lower-price competitor’s infringement, despite no evidence of loss of sales or market share, citing harm to the patent owner’s reputation for innovation, and harm to “exclusivity … an intangible asset that is part of a company’s reputation,” and loss of “some of its [product’s] distinctiveness and market lure.”  **Douglas Dynamics** (Fed. Cir. 05/21/13) (Rader, J.) (2-1); see **Apple IV** (Fed. Cir. 12/16/15) (2-1) [modifying and replacing **Apple IV** (Fed. Cir. 09/17/15) (2-1)] (Reyna, J. concurrence) (discussing Douglas Dynamics with approval).

- **Monetary Relief Inadequate Remedy Where Difficult To Quantify Monetary Harm**.  **Apple IV** (Fed. Cir. 12/16/12) (2-1) [modifying and replacing **Apple IV** (Fed. Cir. 09/17/15) (2-1)] (vacating denial of permanent injunction; lost sales difficult to quantify “due to the ‘ecosystem effect’—that is, the effect the sale of a single product can have on downstream sales of accessories, computers, software applications, and future smartphones and tablets.”); accord  **Metalcraft** (Fed. Cir. 02/16/17) (affirming preliminary injunction based in part on trial court finding that ‘it is impossible to quantify the damages caused by the loss of a potentially lifelong customer.’)

- **FRAND Obligation Does Not Per Se Bar Injunctive Relief**: “An injunction may be justified where an infringer unilaterally refuses a FRAND royalty or unreasonably delays negotiations to the same effect.”  **Apple (Motorola)** (Fed. Cir. 04/25/14) (aff’g denial of an injunction) (2-1).

- **Short Remaining Life Of Patent Is Not Factor Against Injunction**: “The fact that the patent has only one year to run is not a factor in favor of Ireco in the balance of equities. Patent rights do not peter out as the end of the patent term, usually 17 years, is approached.”  **Atlas Powder** (Fed. Cir. 09/23/85).

- **Cited Art May Defeat Preliminary Injunction Especially If Patent Granted Before KSR**: Art considered by PTO might raise substantial question of patentability, particularly because patent issued before KSR “changed the state of obviousness law.”  **Automated Merchandising** (Fed. Cir. 12/16/09) (non-precedential).

- **Reconsider If Fewer Claims Survive Appeal**: Grant of permanent injunction remanded for reconsideration where number of valid and infringed claims is reduced on appeal.  **Fresenius** (Fed. Cir. 09/10/09).

- **TIPS**:  
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### 3. Scope Of Injunction

- **BASICS**: Court “may grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by patent, on such terms as the court deems reasonable.”  35 U.S.C. § 283. Improper to enjoin foreign sales of infringing units already exported, where little risk they will be imported.  **Spine Solutions** (Fed. Cir. 09/09/10). Where infringement caused by one add-in module of larger software offering, defendant should not be enjoined from activities as to non-accused parts of the offering.  **Versata I** (Fed. Cir. 05/01/13).
May Prohibit Infringement By Devices “Not More Than Colorably Different” From Adjudicated Devices: Patent infringement injunctions may prohibit “infringement of the patent by the adjudicated devices and infringement by devices not more than colorably different from the adjudicated devices.” United Construction (Fed. Cir. 12/15/16) (aff’g default judgment and scope of injunction).

Enjoining Non-Party From Independent Actions: A party not adjudged to be liable may be enjoined if it “either abet the [liable party], or [] be legally identified with him.” Asetek I (Fed. Cir. 12/06/16) (2-1), modified on other grounds, Asetek II (Fed. Cir. 04/03/17) (3-0) (vacating injunction and remanding for fact-intensive inquiry into whether supplier sufficiently “legally identified” with adjudicated infringer, including “the nature of the exclusivity relationship between the firms (e.g., its scope, its terminability); trademarks and other aspects of the two companies’ relations at relevant times; the origins of CMI and its relationship to Cooler Master; the details of and intent behind changes in the companies’ relations, particularly since liability was found in this case; and the companies’ relationship in the conduct of this litigation, in which products made by Cooler Master and carrying its brand name are at stake, both before and after Cooler Master was dismissed.”)

4. Contempt Of Injunction

BASICS: Contempt finding requires clear and convincing evidence that newly accused product (1) “is not more than colorably different from the product found to infringe” and (2) “the newly accused product actually infringes.” Colorable difference analysis must focus on differences between specific features accused and found in the initial proceeding as causing infringement vs. their modifications in the new product, including whether those modifications were innovative or obvious. TiVo (Fed. Cir. 04/20/11) (en banc) (aff’g part of contempt finding and award of $90 million in sanctions); see BASF Agro (Fed. Cir. 05/31/12) (contempt of a default judgment, with a new product); NCube (Fed. Cir. 10/10/13) (aff’g no contempt). May not assert invalidity in contempt proceeding even if there is a new claim construction. Proveris (Fed. Cir. 01/13/14).

Reversing 1985 Fed. Cir. Precedent (KSM): not necessary to make “no colorable differences” finding before holding contempt proceedings. Rather, need only detailed allegations of the alleged violation. TiVo (Fed. Cir. 04/20/11) (en banc).

- Time to challenge overbreadth of injunction, and vagueness (if based on a strained reading) is when appealing original judgment, not at contempt stage. TiVo (Fed. Cir. 04/20/11) (en banc).

- Good faith belief in non-infringement is a factor in assessing penalties, but is not a defense to contempt. TiVo (Fed. Cir. 04/20/11) (en banc).

Civil Contempt Sanctions Must Be Set Aside When Injunction Must Be Set Aside: Cancellation of claim per reexamination required that non-final injunction and civil contempt sanctions be set aside. EPlus (Fed. Cir. 07/25/14) (2-1) (noting different rule applies to criminal intent), en banc rehearing denied (Fed. Cir. 06/18/15) (6-4); ePlus (Fed. Cir. 06/18/15) (revised maj. Op.); but see Delorme Publishing (Fed. Cir. 11/12/15) (2-1) (distinguishing ePlus; later invalidation of claims does not erase ITC’s civil penalty for contempt of final consent order prohibiting infringement of those claims until they are invalidated or expire.)

O. ITC REMEDIES

BASICS: ITC investigates and precludes certain “unlawful” trade practices. These include: “(1)(B) The importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of articles that—(i) infringe a valid and enforceable United States patent or a valid and enforceable United States copyright registered under title 17; or (ii) are made, produced, processed, or mined under, or by means of, a process
covered by the claims of a valid and enforceable United States patent.” But, this provision applies only if there is a domestic industry, both as a technical matter, i.e., “(2) only if an industry in the United States, relating to the articles protected by the patent, … exists or is in the process of being established;” and as an economic matter: “(3) For purposes of paragraph (2), an industry in the United States shall be considered to exist if there is in the United States, with respect to the articles protected by the patent, copyright, trademark, mask work, or design concerned—(A) significant investment in plant and equipment; (B) significant employment of labor or capital; or (C) substantial investment in its exploitation, including engineering, research and development, or licensing.” 19 U.S.C. § 1337(a). “Section 337 is an enforcement statute enacted by Congress to stop at the border the entry of goods, i.e., articles, that are involved in unfair trade practices.”

Suprema II (Fed. Cir. 08/10/15) (en banc, 6-4). “Proof of quantifiable harm is not an element of liability, and monetary damages are not available as relief.” Id.

“Articles” Do Not Include Electronic Transmission of Digital Data: The term “articles’ means ‘material things,’” a “tangible thing,” “not intangibles,” and although electrons have mass, commonsense shows that “there is a fundamental difference between electronic transmissions and ‘material things.’” Clearcorrect (Fed. Cir. 11/10/15) (2-1) (ITC jurisdiction is limited to unfair acts involving the importation of “articles” so it has no jurisdiction to issue cease and desist order based on electronic transmissions [not using thumb drives or similar physical media] of “‘digital models, digital data and treatment plans, expressed as digital data sets, which are virtual three-dimensional models of the desired positions of the patients' teeth at various stages of orthodontic treatment’ ('digital models'), from Pakistan to the United States.”), rehearing en banc denied (Fed. Cir. 03/31/16) (Newman, J. dissenting).

ITC May Exclude Products Not Infringing At Time Of Importation, But Some Of Which Had Induced Direct Infringement When Used: Statute bars import of “articles that infringe,” 19 U.S.C. § 1337(a)(1)(C). This does not require articles to be infringing at time of importation, but rather “covers goods that were used by an importer to directly infringe post-importation as a result of the seller’s inducement” (also phrased as “importation of goods that, after importation, are used by the importer to directly infringe at the inducement of the goods’ seller.”) Suprema II (Fed. Cir. 08/10/15) (en banc, 6-4) (based on Chevron deference to ITC interpretation of ambiguous statute; limited exclusion order barred all of respondent’s fingerprint scanners (subject to importer’s certification of non-infringing use) even though scanners had substantial non-infringing uses and were not accompanied by instructions causing an infringing use; method claim had been directly infringed by customer combining imported scanner with computer running software customer had domestically developed using SDK provided by importer with scanner), rev’g, Suprema I (Fed. Cir. 12/13/13) (2-1) (alleged direct infringement (allegedly induced by the importer) takes place only when the imported scanners, which have substantial non-infringing uses, are combined by software developer with domestically developed software after the scanners are imported). See Suprema III (Fed. Cir. 09/14/15) (aff’g finding of violation and exclusion order based on inducing direct infringement of claimed method for capturing and processing a fingerprint image).

Domestic Industry Requirement And Non-Practicing-Entity Complainants: ITC complainant must establish the existence of a domestic industry. Lelo (Fed. Cir. 05/11/15) (element not proven; qualitative factors (e.g., that domestic components “crucial”) insufficient; need quantitative proofs); Microsoft (Fed. Cir. 10/03/13) (element not proven); Motorola (Fed. Cir. 12/16/13) (element proven). This may be satisfied by “substantial investment in [the patent’s] exploitation, including … licensing” (§ 1337(a)(3)(C)) but those licensing activities must relate specifically to “articles protected by the patent” and “must pertain to products that are covered by the patent that is being asserted.” InterDigital (Fed. Cir. 01/10/13) (does not require manufacture of a patented product); accord LSI Corp. (Fed. Cir. 03/20/15) (non-precedential). Also, the licensing
program must “encourage adoption and development of articles that incorporate [the] patented technology” and not mere financial gain through litigation, Motiva (Fed. Cir. 05/13/13). Domestic industry must exist at time of filing. Motiva.

• **Remedy - Exclusion/ Cease & Desist Order**: ITC does not award monetary damages or restitution. ITC typically grants a limited exclusion order pursuant to 19 U.S.C. § 1337(d) excluding entry into U.S. goods infringing specified claims of the patent, when imported by the respondent or its related companies or agents. If have commercially significant inventories of the accused goods, then ITC typically grants a cease and desist order pursuant to 19 U.S.C. § 1337(f) prohibiting the respondent or its related companies or agents from engaging in the importation, sale for importation, marketing, and/or advertising, distribution, offering for sale, sale, sale after importation, or other transfer within the United States of the infringing goods in the U.S. (but allows their export). Delorme Publishing (Fed. Cir. 11/12/15) (aff'g ITC civil penalty of ~ $6.2MM (determined based on six EPROM factors) for contempt of cease and desist order based on respondent’s importation of non-infringing components, assembly in U.S. into finished devices, and sale with instructions to use in infringing manner, despite claims later being declared invalid). Less common, but ITC may grant a “general exclusion” order applicable to everyone, if it finds that such is “necessary to prevent circumvention of an exclusion order limited to products of named persons; or there is a pattern of violation of this section and it is difficult to identify the source of infringing products.” ITC has no authority to grant a limited exclusion order against downstream products manufactured by non-respondents just because they include infringing components of respondents. Kyocera Wireless (Fed. Cir. 10/14/08). eBay does not apply to ITC remedy determinations. Spansion (Fed. Cir. 12/21/10).

• **ITC Determinations Have Had No Preclusive Effect, But That Will Be Revisited**: “Decisions of the ITC involving patent issues have no preclusive effect in other forums.” LSI Corp. (Fed. Cir. 03/20/15) (non-precedential) (citing Texas Instruments (Fed. Cir. 07/19/96) (denying ITC decisions issue preclusion effect, relying on 1974 Senate Report (“Commission’s findings neither purport to be, nor can they be, regarded as binding interpretations of the U.S. patent laws in particular factual contexts. Therefore, it seems clear that any disposition of a Commission action by a Federal Court should not have res judicata or collateral estoppel effect in cases before such courts.”))). But, surely this will be revisited in view of B&B Hardware (U.S. 03/24/2015) (issue preclusion “will apply except when a statutory purpose to the contrary is evident.”)

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• **Factors For Awarding Civil Penalty For Violation Of ITC Exclusion Or Cease And Desist Order**: “(1) the good or bad faith of the respondent; (2) any injury due to the infringement; (3) the respondent's ability to pay the assessed penalty; (4) the extent to which the respondent benefitted from its violations; (5) the need to vindicate the authority of the Commission; and (6) the public interest.” Ninestar (Fed. Cir. 02/08/12).

• **Civil Penalty Constitutional**: 19 U.S.C. §1337(f)(2) authorizing ITC to impose civil penalty “for each day on which an importation of articles, or their sale, occurs in violation of the order of not more than the greater of $100,000 or twice the domestic value of the articles entered or sold on such day in violation of the order,” is constitutional. Ninestar (Fed. Cir. 02/08/12) (aff’g penalty of $11.1 Million) (egregious facts).

P. **COURT OF FEDERAL CLAIMS**

• **BASICS**: Federal government contractors are immune from liability for at least some acts of patent infringement: “Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United

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States in the United States Court of Federal Claims for the recovery of his reasonable and entire compensation for such use and manufacture. . . . For the purposes of this section, the use or manufacture of an invention described in and covered by a patent of the United States by a contractor, a subcontractor, or any person, firm, or corporation for the Government and with the authorization or consent of the Government, shall be construed as use or manufacture for the United States.” 28 U.S.C. § 1498. See generally Return Mail (Fed. Cir. 08/28/17) (2-1) (1498 action triggers CBM standing because it is a suit for patent infringement for these purposes, even though CBM estoppel does not apply to 1498 actions); Astornet (Fed. Cir. 09/17/15) (aff’g dismissal of suits alleging indirect infringement where TSA was the alleged direct infringer); Zoltek II (Fed. Cir. 03/14/12) (en banc) (long discussion of statute’s history and purpose); Iris (Fed. Cir. 10/21/14) (aff’g dismissal; airline checking passport is done for U.S.).

- **Section 1498 Extends To Sec. 271(g) Infringements:** Section 1498 not limited to Sec. 271(a) infringement; it extends to infringement of method claims under Section 271(g) by methods begun outside U.S. producing products imported into U.S. Zoltek II (Fed. Cir. 03/14/12) (en banc, in part) (overruling 2005 and 2006 panel rulings limiting Sec. 1498 to Sec. 271(a) infringements).

- **Consider Pleading This Defense In Answer:** Always consider if client’s accused product, etc. has been provided to United States. If so, plead that court has no jurisdiction over those units (although Fed. Cir. has ruled § 1498 is not jurisdictional) and that defendant has no liability for those units.

**Q. ISSUE AND CLAIM PRECLUSION; KESSLER DOCTRINE**

1. **Claim Preclusion**

   - *“Claim Preclusion” Principles:* Bars “the relitigation of a claim, or cause of action, or any possible defense to the cause of action which is ended by a judgment of the court;” “bars both claims that were brought as well as those that could have been brought,” including infringement claims on specific patent claims that were dismissed without prejudice with parties’ consent, before the judgment was entered. Applies even if consent judgment. Brain Life (Fed. Cir. 03/24/14) (applying 9th Cir. law). A “judgment’s preclusive effect is generally immediate, notwithstanding any appeal.” Coleman (U.S. 05/18/2015); SSIH (Fed. Cir. 07/15/83) (pendency of appeal has no effect on finality of a judgment of invalidity).

   - **Same Claim Of Infringement? (Different Time Periods; Different Accused Products):**
     “The doctrine of claim preclusion does not apply as between the claims for the first and second damages periods. It is well-established that, as to claims for continuing conduct after the complaint is filed, each period constitutes a separate claim.” Dow Chem. II (Fed. Cir. 08/28/15) (on appeal from $30.9 Million supplemental damages award, holding invalid for indefiniteness, under intervening Nautilus decision, claims Fed. Cir. had held definite on earlier appeal in same case aff’g award of $61.7 Million for earlier time period). Being dismissed from action with prejudice does not preclude later being subject to injunction in same action prohibiting future infringements, “even if all the conduct is alleged to be unlawful for the same reason.” Asetek I (Fed. Cir. 12/06/16), modified on other grounds, Asetek II (Fed. Cir. 04/03/17). Compare Roche Palo Alto (Fed. Cir. 07/09/08) (infringement claim in a second suit is same claim in an earlier suit if the accused products are “essentially the same”; i.e., “where the differences between them are merely ‘colorable’ or ‘unrelated to the limitations in the claim of the patent.’”) with Aspex Eyewear (Fed. Cir. 03/14/12) (claim preclusion does not apply to particular products made and sold after the first suit (or during the first suit if not added to that suit), even if substantially similar to those in first action. It’s a new claim. In view of “the normal rule that the products at issue in a patent suit are those in existence at the time the suit is filed”: “While a party may seek to pursue claims that accrue during the pendency of a lawsuit adjudicated in that lawsuit, the party is not required to do so, and res judicata will not be applied to such accruing claims if the party elects not to have them
included in the action.”) *Mentor Graphics* (Fed. Cir. 03/16/17) (rev’g sum. jud. of claim preclusion
where licensee terminated its license and was counterclaimed for post-termination infringements:
“Exactly like *Aspex Eyewear* and *Brain Life*, Mentor’s infringement allegations are based on alleged
acts of infringement that occurred after the Mentor/EVE license terminated and were not part of
the previous lawsuit. Claim preclusion does not bar these allegations because Mentor could not
have previously brought them.” Distinguishing precedents addressing whether “a defendant could
re-raise validity challenges in a subsequent action.”)

- **Stipulated Dismissal With Prejudice**: Can be basis for claim preclusion but not issue preclusion.
  *Levi Strauss* (Fed. Cir. 06/18/13).

- **Judgment Not Resolving Remedies Is Not Sufficiently Final For Claim Preclusion**: Fed.
  Cir. mandate aff’g liability but remanding on remedy issues not sufficiently final to preclude
  application of intervening judgment cancelling claims per a Reexamination. *Fresenius* (Fed. Cir.
  07/02/13) (2-1).

- **Claim Splitting**: “a party may not split a cause of action into separate grounds of recovery and
  raise the separate grounds in successive lawsuits; instead, a party must raise in a single lawsuit all
  the grounds of recovery arising from a single transaction or series of transactions that can be
  brought together.” *Mars* (Fed. Cir. 06/26/95).

- **Same Claim? (Reexamination Claim)**: res judicata (claim preclusion) prohibits “claim splitting,”
  and thus prohibits second suit on claims added in reexamination which are substantially identical
to claims in original patent already litigated. Unlike reissue claims, “claims that emerge from
reexamination do not create a new cause of action that did not exist before.” *Aspex Eyewear* (Fed.
  Cir. 03/14/12). “Claims that emerge from reexamination do not in and of themselves create a new
cause of action that did not exist before” because a reexamined patent is the original patent, not
a new patent, just examined an additional time. *Senju Pharm* (Fed. Cir. 03/31/14) (2-1) (cannot
sue on same patent twice; suit asserting amended and new claims added in Rxn. (against same
product) barred under claim preclusion by invalidity judgment on originally issued claims in first
suit); but see *Target Training* (Fed. Cir. 04/22/16) (non-precedential) (dictum distinguishing *Senju;
dismissal of suit as being moot ibo all issued claims being cancelled in reexamination, is not a
judgment on the merits triggering claim preclusion).

- **Same Claim? (Patent Infringement vs. Trademark Infringement)**: patent infringement
  claim based on sale of product not same claim as earlier trademark infringement claim based on
  mark used in advertising of same product. *Superior Indus.* (Fed. Cir. 11/27/12).

2. **Issue Preclusion**

- **Issue Preclusion—Generally**: “The Restatement explains that subject to certain well-known
  exceptions, the general rule is that ‘[w]hen an issue of fact or law is actually litigated and
determined by a valid and final judgment, and the determination is essential to the judgment, the
determination is conclusive in a subsequent action between the parties, whether on the same or a
different claim.’ Restatement (Second) of Judgments §27, p. 250 (1980); see also id., §28, at 273
listing exceptions such as whether appellate review was available or whether there were
‘differences in the quality or extensiveness of the procedures followed.’” *B&B Hardware* (U.S.
03/24/2015); see *Rembrandt* (Fed. Cir. 02/25/16) (non-precedential) (aff’g non-infringement but
refusing to reach invalidity decision and noting that it will have no issue preclusive effect as being
unnecessary to the judgment); *Yufa* (Fed. Cir. 11/05/15) (non-precedential) (aff’g SJ issue
preclusion barred infringement claim). Minor variations in factors considered in applying same legal
standard (e.g., likelihood of confusion) do not bar issue preclusion. Id. (nor does immaterial
differences in the marks being addressed). “Absent a contrary indication, Congress presumptively
intends that an agency’s determination ... has preclusive effect.” Id. (but not deciding whether
unconstitutional.)
• **Issue Preclusion (and Law of the Case)—Change In Law Exception**: “Three conditions must be satisfied to reopen a previous decision under the change of law exception for both law of the case and issue preclusion. First, the governing law must have been altered. Second, the decision sought to be reopened must have applied the old law. Third, the change in law must compel a different result under the facts of the particular case.” Dow Chem. II (Fed. Cir. 08/28/15) (claims previously held definite now held indefinite ivo Nautilus “altering the standard for indefiniteness,” so reversing award of $30.9 Million supplemental damages). Intervening change in the law may occur while case on appeal but must occur before the case reaches final judgment.

• **Issue Preclusion (Collateral Estoppel): Same Issue**: Soverain (Victoria’s Secret) (Fed. Cir. 02/12/15) (obviousness invalidation of dependent claim, while this case was on appeal, is issue preclusion against independent claim; as is obviousness invalidation of independent claim where dependent claim merely limits network to the Internet, as that does not “materially alter the question of invalidity.”); E.Digital (Fed. Cir. 11/19/14) (construction of claim term in earlier action presents “identical issue” when that term remains unamended in reexamination claim asserted in later suit, and reexamination did not consider that claim term, but not when term appears in unrelated patent asserted by same patent owner); Ohio Willow Wood (Fed. Cir. 11/15/13) (aff’g SJ of issue preclusion against patent owner where “the differences between the unadjudicated patent claims and adjudicated patent claims do not materially alter the question of invalidity.”); Aspex Eyewear (Fed. Cir. 04/19/13) (infringement issue is same despite some different patent claims being asserted, where products are materially identical and every claim asserted in second suit has same term that was basis for non-infringement in first suit against different defendant); Allergan (Sandoz) (Fed. Cir. 03/17/17) (non-precedential) (aff’g that invalidation of claims of parent patent and other continuations of parent present same issue of obviousness as claims of later issued and now-asserted continuation patent); Furnace Brook (Fed. Cir. 07/22/11) (applying regional circuit law, aff’g SJ of issue preclusion) (non-precedential).

• **No Issue Preclusion If Issue Was Not Necessarily Decided Or Not Necessary to Judgment In Prior Proceeding**: must show that the litigated issue was “actually determined in the prior proceeding’ and was a ‘critical and necessary part of the decision in the prior proceeding.” TecSec (Fed. Cir. 10/02/13) (no issue preclusion from R. 36 affirmance of judgment with two independent grounds) (citations omitted); Phil-Insul (Fed. Cir. 04/17/17) (aff’g issue preclusion on both claim constructions and non-infringement where pat. owner lost DOE infringement of independent claim in earlier suit based on two claim constructions; as each construction was necessary for non-infringement of some accused products, each necessarily was aff’d by the R. 36 affirmance w/o opin.; distinguishing TecSec); United Access (Fed. Cir. 02/12/15) (long discussion of S. Ct. precedents; issue preclusion reversed because not certain that same issue was decided in prior case: general verdict of non-infringement, JMOL denied because jury reasonably could have found non-infringement on either of two grounds; this case: only one of those grounds applicable; “the court’s JMOL ruling in the EarthLink case was simply a decision that a rational jury could reasonably have found non-infringement based on either of two theories. The JMOL ruling did not hold that the jury had, in fact, decided in favor of EarthLink on both of those grounds”); Nissim (Fed. Cir. 03/14/14) (non-precedential) (dictum: issue preclusion unlikely in part because denial of SJ was not necessary to the outcome of the suit—the withdrawal of jurisdiction to enforce settlement agreements).

• **Issue Preclusion: Finality Of Earlier Ruling**: Decided under regional circuit law. Compare Intellectual Ventures (Capital One) (Fed. Cir. 03/07/17) (aff’g issue preclusion, under 4th Cir. law, based on partial summary judgment of Sec. 101 invalidity in a different case) with Vardon Golf (Fed. Cir. 06/21/02) (under 7th Cir. law, partial summary judgment is not final).

• **Issue Preclusion: Full And Fair Chance To Litigate**: “Determining whether a patentee has had a full and fair chance to litigate the validity of his patent in an earlier case is, of necessity, not a simple matter. In addition to the considerations of choice of forum and incentive to litigate
mentioned above, certain other factors immediately emerge. For example, if the issue is nonobviousness, appropriate inquiries would be whether the first validity determination purported to employ the standards announced in *Graham v. John Deere Co.*, supra; whether the opinions filed by the District Court and the reviewing court, if any, indicate that the prior case was one of those relatively rare instances where the courts wholly failed to grasp the technical subject matter and issues in suit; and whether, without fault of his own, the patentee was deprived of crucial evidence or witnesses in the first litigation. But as so often is the case, no one set of facts, no one collection of words or phrases, will provide an automatic formula for proper rulings on estoppel pleas. In the end, decision will necessarily rest on the trial courts' sense of justice and equity.”

**Interference Board Ruling Not Final (For Issue Preclusion) While Sec. 146 Review Proceeding Pending:** not final because trial court can make *de novo* determinations of fact. *Abbvie* (Fed. Cir. 07/01/14).

**Invalidate Judgment Precludes Patent Owner From Asserting Patent:** *Blonder Tongue* (U.S. 05/03/1971) (unanimous), overturning *Triplett* (U.S. 03/30/1936) (invalidity determination in a suit in a different circuit against different defendants does not estop the patent owner on issue of invalidity).

**Fed. Cir. Affirming Invalidity Precludes Action Also On Appeal:** *U.S. Ethernet (Texas Instmt.)* (Fed. Cir. 04/25/16) (non-precedential) (EDTX had overturned damages judgment on pre-patent jury verdict, based on post-judgment SJ of anticipation in NDCA); *Mendenhall* (Fed. Cir. 06/08/94) (2-1) (Fed. Cir. first affirmed bifurcated “not invalid” decision in first case; then in second case affirmed invalidity judgment; then on appeal in first case from infringement and damages decision, “collateral estoppel” effect of Fed. Cir. affirming invalidity requires reversal of judgment in first case).

**Fed. Cir. Affirming Invalidity In One Case Supports Vacating Already-Affirmed Final Judgment Of “Not Invalid” In Another Case:** Where asserted claims invalidated under Sec. 101 by Fed. Cir. in action against T-Mobile, trial court granted Sprint’s FRCP 60(b) motion for relief from $30 MM judgment even though judgment had already been affirmed by Fed. Cir. and even though Sprint had not asserted Sec. 101 defense at trial. See *Prism Tech. LLC v. Sprint Spectrum LP*, No. 8:12CV123 (D. Neb. Aug. 8, 2017); see also *Prism Tech. LLC v. Sprint Spectrum LP*, No. 16-1456 (Fed. Cir. July 25, 2018) (Order refusing to recall mandate but inviting trial court to consider *Mendenhall*).

**TIPS:**

- REDACTED

### 3. **Kessler Doctrine**

**Kessler Doctrine; Post-Judgment Acts of Infringement:** Claim preclusion does not extend to post-judgment acts of infringement, whether or not same or different product. *Brain Life* (Fed. Cir. 03/24/14) (applying 9th Cir. law); *Mentor Graphics* (Fed. Cir. 03/16/17) (same; distinguishing *Foster* (Fed. Cir. 09/27/91) (claim preclusion barring invalidity challenge extends to later accused product if “essentially the same” as product determined to infringe)). But, *Kessler* (U.S. 05/13/1907) doctrine does bar allegation of infringement against materially same products post judgment (even where issue preclusion does not apply): “Simply, by virtue of gaining a final judgment of noninfringement in the first suit—where all of the claims were or could have been asserted against Elekt—a the accused devices acquired a status as noninfringing devices, and Brain Life is barred from asserting that they infringe the same patent claims a second time.” *Brain Life* (Fed. Cir. 03/24/14) (applying 9th Cir. law). *Kessler* is a necessary supplement to claim and issue preclusion; it grants a “limited trade right” that attaches to the product itself” and “bars a patent infringement action against a customer of a seller who has previously prevailed against the
patentee because of invalidity or noninfringement of the patent.” Speedtrack (Fed. Cir. 06/30/15) (aff’g SJ of no equivalents infringement where accused product was not materially different from one found not to literally infringe in suit against a different user of that product; rejecting argument that Kessler right assertable only by product supplier not its customers.) Cf. Rubber Tire (U.S. 02/24/1914) (“It is a right which attaches to its product — to a particular thing — as an article of lawful commerce, and it continues only so long as the commodity to which the right applies retains its separate identity. If that commodity is combined with other things in the process of the manufacture of a new commodity, the trade right in the original part as an article of commerce is necessarily gone. So that when other persons become manufacturers on their own behalf, assembling the various elements and uniting them so as to produce the patented invention — a new article — it is manifest that the respondent cannot insist upon their being protected from suit for infringement by reason merely of its right to make and sell, and the fact of its having made and sold, some component part of that article.”) But see Mentor Graphics (Fed. Cir. 03/16/17) (Kessler doctrine does not apply to a defendant who takes a license, leading to dismissal of the suit with prejudice but who not adjudicated as an infringer, and then who later terminates its license and is sued for post-termination infringements).

R. OTHER DEFENSES

1. Prosecution History Laches

• Prosecution Laches: Consider prosecution laches if the patentee prolonged the period of prosecution. Symbol Techs. (Fed. Cir. 09/09/05) (see order amending opinion).
• Prosecution Laches Requires Intervening Rights Of Defendant Or Public: D. Ct. found prosecution laches based on “eleven continuation applications [initial app. filed in 1982], ten abandonments, and no substantive prosecution for nearly a decade,” after initial rejection for lack of utility. Fed. Cir. rev’d. “[A]n accused infringer must show evidence of intervening rights, i.e., that either the accused infringer or others invested in, worked on, or used the claimed technology during the period of delay.” Cancer Research (Fed. Cir. 11/09/10) (5 of 10 Fed. Cir. judges would have granted rehearing en banc to rule that intervening rights is not required: Cancer Research (Fed. Cir. 02/28/11)).

2. Reissue Recapture Rule

• Reissue Recapture: “a patentee’s reissue claims are invalid when the patentee broadens the scope of a claim in reissue to cover subject matter that he surrendered during prosecution of the original claims.... a patentee may violate the rule against recapture by claiming subject matter in a reissue patent that the patentee surrendered while prosecuting a related patent application.” MBO Labs. (Fed. Cir. 04/12/10) (aff’g invalidity of reissue claims attempting to recapture subject matter surrendered during prosecution of an ancestor application; extended discussion of test and reason for reissue-recapture rule); Greenliant (Fed. Cir. 08/22/12) (reissue claims invalid for recapture where omitted a product-by-process limitation that had been argued in original prosecution to impart structural differences); cf. AIA Eng’g (Fed. Cir. 08/31/11) (rev’g SJ of invalidity); Cubist Pharm. (Fed. Cir. 11/12/15) (aff’g no violation of recapture rule, in part because claims were withdrawn in response to indefiniteness rejection not prior art).

• Some Recapturing Permitted: May avoid rule against recapture if reissue claims “materially narrow” the claims relative to original claims in manner that relates to the subject matter surrendered during the original prosecution, so that they do not recapture entire or substantially entire scope of what was surrendered. In re Youman (Fed. Cir. 05/08/12) (2-1) (confusing discussion); In re Mostafazadeh (Fed. Cir. 05/03/11) (aff’g PTO rejection of reissue application claims under rule against recapture: “the recapture rule is violated when a limitation added during prosecution is eliminated entirely, even if other narrowing limitations are added to the claim. If the
added limitation is modified but not eliminated, the claims must be materially narrowed relative to the surrendered subject matter such that the surrendered subject matter is not entirely or substantially recaptured.”)

3. **Reissue/Reexamination Defects**

- **Improper Purpose For Reexamination Claim Amendment** 
  Southwestern Bell (Fed. Cir. 05/27/08) (non-precedential).

- **(Pre-AIA) Reissue Requires Error Without Deceptive Intent**: Proof of deceptive intent must be as rigorous as in context of inequitable conduct. AstraZeneca (Fed. Cir. 12/14/12).

- **Filing Terminal Disclaimer (So That Patent Not Enforceable When Not Co-Owned) Was Not “Error” Correctable By Reissue**: There is “no deficient understanding behind a choice” (suggesting an “error”) when applicant files terminal disclaimer where it does not deny knowing that patent and application were separately owned. In re Dinsmore (Fed. Cir. 06/10/14); cf. Fleming (Fed. Cir. 12/24/14) (reissue-suitable error when applicant “failed to appreciate the full scope of his invention and the inadequacy of the original claims for properly capturing the full scope.”)

- **May Not Merely Add Narrower Claim As a Hedge Against Possible Invalidity Of Issued Claims**: In re Tanaka (BPAI 12/09/09) (reissue requires that patent is partially inoperative).

- **“Original Patent Requirement”: Reissue Must Be For “Same Invention” As Disclosed In Original Patent**: “it is not enough that an invention might have been claimed in the original patent because it was suggested or indicated in the specification.” 315 U.S. at 676. Rather, the Spec. must clearly and unequivocally disclose the newly claimed invention as a separate invention. Antares (Fed. Cir. 11/17/14) (declaring patent invalid on appeal from preliminary injunction denial, citing U.S. Indus. Chem. (U.S. 03/30/1942).)

4. **Improper Claim Structure Under Sec. 112(4/d)**

- **Panel Conflict on Sec. 112(4/d)**: “A dependent claim that contradicts, rather than narrows, the claim from which it depends is invalid.” MultiLayer Stretch (Fed. Cir. 08/04/16) (2-1) (aff’g invalidity under Sec. 112(4/d) of dependent claim that specified a resin not contained in closed Markush group of independent claim). Compare Monsanto (Fed. Cir. 10/04/07) (a claim referring to another claim is in dependent form and subject to Section 112(4/d) only if it incorporates the limitations (e.g., steps) of that referenced claim and further limits that claim, such that it can be infringed only by infringing the referenced claim) with Pfizer (Fed. Cir. 08/02/06) (a claim purporting to be dependent form but not complying with Sec. 112(4/d) is invalid).

5. **Improper Adjustment Or Extension Of Patent Term**

- **Improper Term Extension or Adjustment Is An Affirmative Defense**: “Invalidity of the extension of a patent term or any portion thereof under section 154 (b) or 156 because of the material failure—(1) by the applicant for the extension, or (2) by the Director, to comply with the requirements of such section shall be a defense in any action involving the infringement of a patent during the period of the extension of its term and shall be pleaded. A due diligence determination under section 156 (d)(2) is not subject to review in such an action.” 35 U.S.C. 282(c). See generally Pfizer (Fed. Cir. 01/22/16) (2-1) (aff’g judgment approving PTO adjustment calculation).

- **Cannot Challenge Term Adjustment Before Patent Granted**: “(B) The determination of a patent term adjustment under this subsection shall not be subject to appeal or challenge by a third party prior to the grant of the patent.” 35 U.S.C. 154(b)(4)(B).
6. **Cross-Appeal Rule**

- **Cross-Appeal Rule:** Where patent owner appeals from judgment of no-infringement and “not invalid,” the patent challenger must cross appeal the “not invalid” judgment or else forfeit right to challenge validity on remand, even if claims construed more broadly on appeal. *Lazare Kaplan* (Fed. Cir. 04/19/13) (2-1) (“a party must file a cross-appeal if, although successful in the overall outcome in the district court, the party seeks, on appeal, to lessen the rights of its adversary or to enlarge its own rights.”)

7. **Mandate Rule**

- **Mandate Rule:** Mandate rule “forecloses reconsideration of issues implicitly or explicitly decided on appeal.’ For an issue to be implicitly decided, it must be ‘decided by necessary implication.’ Moreover, in interpreting this court’s mandate, ‘both the letter and the spirit of the mandate must be considered.” *TecSec* (Fed. Cir. 10/02/13) (mandate rule did not preclude contesting claim constructions from earlier suit that led to R. 36 affirmance) (citations omitted) (2-1); *Retractable* (Fed. Cir. 07/07/14) (where Fed. Cir. had rev’d infringement as to one of two products jury found infringing but not remanded for a new trial on damages, the failure to appeal damages award prejudiced, under mandate rule, a new trial or reduction on remand of the damages awarded by the jury); *Smith & Nephew* (Fed. Cir. 03/18/15) (non-precedential) (mandate rule does not preclude deciding on remand issue (here, lost profits) that neither trial court (because it was moot) nor appellate court reached on prior appeal). A court “may only deviate from a decision in a prior appeal if ‘extraordinary circumstances’ exist.” *Arcelormittal II* (Fed. Cir. 05/12/15) (PTO reissue allowed dependent claim with broader scope than Fed. Cir.’s prior construction of the independent claim: not an extraordinary-circumstances exception to mandate rule, so trial court bound by prior case construction; hence reissue’s independent claim invalid for broadening.)

8. **State Immunity**

- **BASICS:** State cannot be sued for patent infringement absent its consent. Eleventh Amendment immunity of States cannot be abrogated by Congress unless Congress finds that State fails to provide adequate remedies to patent owners for infringement. *Florida Prepaid* (U.S. 06/23/1999). “The ‘test for determining whether a [s]tate has waived its immunity from federal-court jurisdiction is a stringent one’ [and] ‘a waiver of sovereign immunity ‘must be unequivocally expressed.’” *Peralta* (Fed. Cir. 12/09/16) (non-precedential) (aff’g dismissal of complaint). “However, under the *Ex Parte Young* doctrine, a patent owner may sue State officials who personally engage in patent infringement, for prospective injunctive relief, only. *Pennington Seed* (Fed. Cir. 08/09/06). And patent owner may sue state officials for acting in their individual capacities to infringe a patent. *Peralta* (Fed. Cir. 12/09/16).

9. **Spoliation**

- **Spoliation:** “[S]poliation refers to the destruction or material alteration of evidence or to the failure to preserve property for another’s use as evidence in pending or reasonably foreseeable litigation.” Litigation may be reasonably foreseeable even if it is not immediate or certain, and depends on contingencies that are reasonably foreseeable to occur. *Hynix Semiconductor* (Fed. Cir. 05/13/11); *Micron Tech.* (Fed. Cir. 05/13/11) (aff’g Rambus committed spoliation, but remanding sanction of dismissal for determination of whether Rambus “intended to impair the ability of the potential defendant to defend itself”).

10. **Lack Of Personal Jurisdiction**

- **Not Covered.**
11. Improper Venue

- Not Covered.

TIPS: REDEACTED

S. SANCTIONS AND FEES AGAINST PATENT OWNER

- BASICS: “The court in exceptional cases may award reasonable attorney fees to the prevailing party.” 35 USC § 285. “We hold that an ‘exceptional’ case is simply one that stands out from others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated. District courts may determine whether a case is ‘exceptional’ in the case-by-case exercise of their discretion, considering the totality of the circumstances.” Octane Fitness (U.S. 04/29/2014) (overturning “rigid and mechanical formulation” Fed. Cir. had adopted in 2005, that case is “exceptional” only “when there has been some material inappropriate conduct,” or when the litigation is both “brought in subjective bad faith” and “objectively baseless.”); Icon Health (Fed. Cir. 08/25/17) (non-precedential) (aff’g over $1.6MM fee award (which district court granted on remand post Octane Fitness when had denied fees pre Octane Fitness) based on weak claim construction positions, patentee’s litigation conduct intended to raise defendant’s costs, patentee’s insufficient pre-suit analysis, patentee’s non-commercialization of asserted patent and suit being merely for royalties supporting district court’s conclusion that fees were needed to deter further meritless suits); Parallel Networks II (Fed. Cir. 07/05/17) (aff’g denial of fees; prior panel decision did not make infringement implausible); Checkpoint Systems (Fed. Cir. 06/05/17) (rev’g award of fees; “The legislative purpose behind § 285 is to prevent a party from suffering a ‘gross injustice’”); Nova Chem. (Fed. Cir. 05/11/17) (aff’g award of fees where suit was objectively baseless although not brought in bad faith); Univ. of Utah (Fed. Cir. 03/23/17) (aff’g denial of award of attorney fees in inventorship dispute); Bayer Cropscience (Fed. Cir. 03/17/17) (aff’g award of fees against patent owner and licensor, where its interpretation of the license agreement was implausible and contradicted by its own witnesses and statements, it failed to do sufficient due diligence, and filed frivolous preliminary injunction motion in midst of targeted discovery which would debunk its claim); Angioscore (Fed. Cir. 11/08/16) (non-precedential) (aff’g denial of fees award in part because patent owner had defeated a non-infringement summary judgment motion); Large Audience (Fed. Cir. 10/20/16) (non-precedential) (vacating J. Real fees award; rejecting reliance on cancellation of claims in reexamination ivo different standard of proof and different claim construction, although “reexamination rejection of asserted claims may be relevant to an assertion of frivolousness in some cases”); Lumen View (Fed. Cir. 01/22/16) (aff’g exceptional case finding: “allegations of infringement were ill-supported, particularly in light of the parties’ communications and the [patent owner’s own] proposed claim constructions, and thus the lawsuit appears to have been baseless.”); Integrated Tech. II (Fed. Cir. 10/21/15) (non-precedential) (aff’g finding of exceptional case despite plaintiff winning only part of case); Gaymar (Fed. Cir. 06/25/15) (aff’g judgment that losing patentee’s position not objectively baseless; rejecting factors relevant to subjective prong only; misconduct of movant a factor under totality of the circumstances, but sloppy lawyering is not misconduct); Biax Corp. (Fed. Cir. 02/24/15) (non-precedential) (rev’g fees award against patent owner where trial court’s claim construction remained ambiguous until it awarded SJ and thus infringement assertion was not objectively unreasonable); Homeland (Fed. Cir. 09/08/14) (non-precedential) (aff’g award of attorneys’ fees against patent owner ivo failure to produce evidence of infringement before the SJ ruling and repeated filing of unsolicited papers). May award fees “in the rare case in which a party’s unreasonable conduct—while not necessarily
independently sanctionable—is nonetheless so ‘exceptional’ as to justify an award of fees.” Octane Fitness (U.S. 04/29/2014). Court can consider same factors as in Copyright Act fees determination.

Preponderance of the evidence. Id. (overturning Fed. Cir. “clear and convincing evidence” standard); OPlus Tech., (Fed. Cir. 04/10/15) (vacating denial of fees; overturn of “clear and convincing evidence” standard “lowers considerably the standard for awarding fees.”) S. Ct. did not revoke discretion of a district court to deny fee awards even in exceptional cases. Icon Health (Fed. Cir. 08/26/14) (Octane Fitness remand) (non-precedential). S. Ct. did not overturn Fed. Cir.’s precedents (including Monolithic (Fed. Cir. 08/13/13) (patentee misrepresented date of key evidence, and tried to mask false testimony); MarcTec (Fed. Cir. 01/03/12) (patentee misrepresented law of claim construction and the court’s constructions); Eon-Net (Fed. Cir. 07/29/11) (patentee lodged incomplete and misleading extrinsic evidence) for basing exceptional-case determination on unreasonable and vexatious litigation tactics. SFA Sys. (Fed. Cir. 07/10/15) (aff’g denial of attorney fees).

• Inequitable Conduct Finding Supports Exceptional Case Finding: “Prevailing on a claim of inequitable conduct often makes a case ‘exceptional,’ leading potentially to an award of attorneys’ fees.” Therasense (Fed. Cir. 05/25/11) (en banc); Brasseler (Fed. Cir. 10/09/01) (aff’g award of attorney fees to defendant (who had already won case on “on sale bar”) based primarily on patent owner’s inequitable conduct in failing to disclose “on sale bar” evidence to PTO).

• Failure To Consider Allegedly Anticipatory Prior Art Supports Exceptional Case Finding: Patent owner’s failure to assess prior art presented by defendant as allegedly anticipating the claims, supports an exceptional case finding. Rothchild (Fed. Cir. 06/05/17) (rev’g refusal to award fees, based on vexatious litigation against others and lack of supporting evidence for patent owner’s allegations of good faith).

• Surviving Summary Judgment, Or Absence Of Sum. Jud. Motion, Is Factor Against Exceptional Case Finding: “Absent misrepresentation to the court, a party is entitled to rely on a court’s denial of summary judgment and JMOL . . . as an indication that the party’s claims were objectively reasonable and suitable for resolution at trial.” Checkpoint Systems (Fed. Cir. 06/05/17) (rev’g award of fees against patent owner who lost on all issues at jury trial). See Prism Tech. (Fed. Cir. 06/23/17) (non-precedential) (challenger’s failure to move for sum. jud. of non-infringement belies contention that infringement allegation was exceptional).

• Court Exercises Discretion In View Of The Totality Of The Circumstances: S. Ct. quoted Fogerty v. Fantasy, Inc., 510 U. S. 517 (1994) (copyright fees award) non-exclusive list of factors trial court may consider: “frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence.” Octane Fitness (U.S. 04/29/2014); cf. Lumen View (Fed. Cir. 01/22/16) (deterrence may be a factor in determining whether to award fees but not in setting the amount of fees).

• Deferential Review: “Appellate court should review all aspects of a district court’s § 285 determination for abuse of discretion.” Highmark (U.S. 04/29/2014) (rejcting Fed. Cir. standard of de novo review). “A district court abuses its discretion when its ruling rests on an erroneous legal conclusion or on a clearly erroneous assessment of the evidence. The court also abuses its discretion when it makes a ‘clear error of judgment in weighing relevant factors.’” AdjustaCam (Fed. Cir. 07/05/17) (rev’g trial court denial of attorney fees award; new trial judge on remand deferred to retired judge who had previously denied fees award, rather than “independently evaluate the evidence in view of the Supreme Court’s intervening precedent, which changed the standard by which § 285 motions are to be evaluated,” weak “suit became baseless after” Markman order, repeated use of last-minute supplemental declarations, including new expert declaration served day of expert’s deposition, and “asserted nuisance-value damages against many defendants, settled with them for widely varied royalty rates.”). Although a trial court’s error law
assessing the merits may constitute an abuse of discretion, the appellate court need not decide
whether the trial court’s decision on the merits was correct. SFA Sys. (Fed. Cir. 07/10/15) (aff’g
denial of attorney fees). The Octane Fitness deferential standard applies “both ways”: “discretion
is entitled to a district court’s findings that § 285 attorney’s fees are not applicable, as much as
discretion is owed to findings that they are applicable.” Site Update (Fed. Cir. 02/01/16) (non-
precedential) (aff’g denial of fees where “reasonable minds may differ”).

- **No Right To Jury Trial:** An award of fees under section 285 is an equitable remedy and there is
  no right to a jury trial, even on state-of-mind issues. AIA America (Fed. Cir. 08/10/17) (aff’g award
  of $3.9 Million in fees on account of fraudulent scheme by patent owner).

- **Fees For Appeal Stage:** Fed. R. App. Proc. 38 (“If a court of appeals determines that an appeal
  is frivolous, it may, after a separately filed motion or notice from the court and reasonable
  opportunity to respond, award just damages and single or double costs to the appellee.”); Walker
  (Fed. Cir. 01/06/17) (aff’g award of sanction against party who continued litigation post settlement;
  and awarding fees and double costs on appeal, amounting to $51,801.88, against appellant and
  its counsel in view of appellant’s “bent to mischaracterize clear authority and to draw illogical
  conclusions from the law and facts.”); Therasense (Fed. Cir. 03/12/14) (2-1) (aff’g denial of fees
  for appeal stage); Icon Health (Fed. Cir. 08/25/17) (non-precedential) (aff’g district court’s denial
  on remand of fees on appeal stage).

- **Fed. Cir. Cases Overruled In Part By Octane Fitness:** “Absent litigation misconduct or
  misconduct in securing the patent, a case is exceptional under § 285 if (1) the litigation is brought
  in subjective bad faith, and (2) the litigation is objectively baseless.’ Similar to the evaluation under
  Rule 11, for litigation to be objectively baseless, the allegations “must be such that no reasonable
  litigant could reasonably expect success on the merits.” Raylon (Fed. Cir. 12/07/12) (citations
  omitted); Monolithic (Fed. Cir. 08/13/13) (aff’g award of $8,419,429 attorney fees based on
  fabrication of evidence; need not show bad faith or baseless litigation if litigation misconduct
  shown); but see Octane Fitness (U.S. 10/01/2013) (granting cert. to review Fed. Cir.’s 2-part test
  for exceptional case determination against a patent owner). ‘Subjective bad faith only requires
  proof that the ‘lack of objective foundation for the claim ‘was either known or so obvious that it
  should have been known’ by the party asserting the claim,’’ in view of totality of the circumstances.
  Kilopass (Fed. Cir. 12/26/13) (vacating denial of fees, for failure to adequately consider objective
  evidence that patentee should have known infringement claim had no basis. Also, suggesting that
  but for earlier panel rulings, this panel might hold that objective baselessness is enough for trial
  court to have discretion to award fees and clear and convincing evidence standard should not
  apply).

1. **Prevailing Party**

- **Need Not Win Each Claim, Or Any Substantive Ruling, To Be Prevailing Party:** Governed
  by Fed. Cir. law. Need not prevail on all claims. Requires “(1) that the party ‘received at least some
  relief on the merits,’ and (2) ‘that relief must materially alter the legal relationship between the
  parties by modifying one party’s behavior in a way that ‘directly benefits’ the opposing party.” SSL
  Serv. (Fed. Cir. 10/14/14) (patent owner who obtained damages on one patent but lost (non-
  infringement) on second patent was prevailing party); Pragmaticus (Fed. Cir. 07/31/15) (non-
  precedential) (need not have won any substantive decision; defendant is prevailing party where
  case dismissed with prejudice in view of post-complaint licenses to defendant’s vendors, and
  dismissal interpreted as a covenant not to sue for any activities prior to the motion to dismiss).

2. **Amount Of Fees Award**

- **Sometimes Can Recover Fees From Parallel PTO Proceeding:** At least where PTO
  proceeding in effect substitutes for district court litigation, the prevailing party may recover fees
  expended in the PTO proceeding. PPG Indus. (Fed. Cir. 03/03/88) (over defendant’s objection,
action stayed pending contested reissue proceeding with plaintiff agreeing to be bound by result; defendant then prevailed in that proceeding).

- **Lodestar Presumptively Is Reasonable Amount Of Fees**: Amount of reasonable fees is Lodestar (reasonable hourly rates times reasonable amount of hours worked on comparable case). Determination of the amount of fees cannot be based on deterrence or punitive purpose. Lumen View (Fed. Cir. 01/22/16) (vacating doubling of lodestar for insufficient analysis; few situations where deviation from lodestar is permitted); cf. Large Audience (Fed. Cir. 10/20/16) (non-precedential) (explaining lodestar and flagging unreasonable billings by partners).

- **Awards Under Inherent Authority To Sanction Bad Faith Conduct, Are Limited To Fees Incurred Due To That Conduct**: When exercising “a federal court’s inherent authority to sanction a litigant for bad-faith conduct by ordering it to pay the other side’s legal fees,” “such an order is limited to the fees the innocent party ... would not have incurred but for the bad faith.” Goodyear Tire (U.S. 04/18/2017).

- **Deferential Review**: District court has the “discretion to determine the amount of a fee award”; declining to examine “minutia” of fee award. Icon Health (Fed. Cir. 08/25/17) (non-precedential).

3. **Rule 11 Sanctions**

- **Rule 11 Objective “No Reasonable Litigant” Standard**: Violation of Rule 11 is purely objective standard, in 5th Cir. “There is a threshold below which a claim construction is ‘so unreasonable that no reasonable litigant could believe it would succeed.’” Raylon (Fed. Cir. 12/07/12) (rev’d denial of R. 11 sanctions, based on patent owner’s frivolous claim construction positions); Enon-Net (Fed. Cir. 07/29/11) (aff’d award of attorney fees and R. 11 sanctions based in large part on NPE plaintiff’s claim construction being contrary to description of the “invention” in the written description); Taurus IP (Fed. Cir. 08/09/13) (aff’d award of attorneys’ fees against Mr. Spangenberg company: “no reasonable litigant in Taurus’s position could have expected a finding that a web surfer accessing the accused external websites satisfied the requirement for a ‘user,’ as recited” in the claim); Source Vagabond (Fed. Cir. 06/05/14) (aff’d R. 11 sanctions based on patent owner’s frivolous claim construction position, even if correct construction rendered claim nonsensical).

- **TIPS:**
  - REDACTED

T. **COUNTER-ATTACKS**

- **Walker Process Antitrust Counterclaim Based On Fraudulently Procured Patent**: “Maintenance and enforcement of a patent obtained by fraud on the Patent Office” may be the basis of an action under § 2 of the Sherman Act, and subject to a treble damage claim. Walker Process Equip. v. Food Mach. & Chem. Corp., 382 U.S. 172, 173-74 (1965) (rev’d motion to dismiss; fraud was alleged failure of patent owner to disclose its own public use before the critical date). Must show patent obtained by “knowing and willful fraud,” maintained and enforced with knowledge of the fraudulent procurement, and all other elements of a Sherman Act monopolization or attempted monopolization claim. Id. See Giuliano (Fed. Cir. 07/27/17) (non-precedential) (aff’d sum. jud. against Walker Process claim; no genuine issue on intent element of fraud; “must evidence a clear intent to deceive the examiner”); Transweb (Fed. Cir. 02/10/16) (aff’d judgment of antitrust violation and treble damages and attorney fees award against patent owner). “After Therasense, the showing required for proving inequitable conduct and the showing required for proving the fraud component of Walker Process liability may be nearly identical.” Id. Fees incurred in defending the patent infringement suit constitute an injury in fact and an “antitrust injury” that shall be trebled. Id. “The other elements’ necessary to establish an attempted monopolization claim are: ‘(1) that the defendant has engaged in predatory or anticompetitive conduct with (2) a specific
intent to monopolize and (3) a dangerous probability of achieving monopoly power.’ In determining
the dangerous probability of achieving monopoly power for element (3), the courts look at ‘the
relevant market and the defendant’s ability to lessen or destroy competition in that market.’” 1d.
But see Giuliano (Fed. Cir. 07/27/17) (non-precedential) (higher burden for fraud than for
inequitable conduct.)

**HandGards Antitrust Counterclaim Based on Sham Litigation:** Baseless patent litigation
may lead to antitrust liability if the other elements of an antitrust claim are met, including using
the litigation as an anticompetitive weapon to directly interfere with a competitor’s business
relationships. Handgards, Inc. v. Ethicon, Inc., 601 F.2d 986 (9th Cir. 1979). “First, the lawsuit
must be objectively baseless in the sense that no reasonable litigant could realistically expect
success on the merits. If an objective litigant could conclude that the suit is reasonably calculated
to elicit a favorable outcome, the suit is immunized under Noerr; and an antitrust claim premised
on the sham exception must fail. Only if challenged litigation is objectively meritless may a court
examine the litigant’s subjective motivation. Under this second part of our definition of sham, the
court should focus on whether the baseless lawsuit conceals an attempt to interfere directly with
the business relationships of a competitor; through the use of the governmental process-as
opposed to the outcome of that process-as an anti-competitive weapon.” Professional Real Estate
Investors (U.S. 05/03/1993).

**Patentability Challenges In The Patent Office:** Since 1980, Congress has established
procedures for issued U.S. patents to be challenged before the Patent Office and perhaps cancelled.
One may target patents via ex parte reexamination, post-grant review (PGR), inter partes review
(IPR), or (until Sept. 16, 2020) “covered business method review” (CBMR) PGR. The scope of
CBMRs has recently been narrowed. Secure Axcess (Fed. Cir. 02/21/17) (2-1) (rejecting PTAB
interpretation of CBMR scope: although the “‘practice, administration, or management of a financial
product or service’ phrase … is not limited to the financial services industry, but reaches a wide
range of sales and similar transactional activity,” it does not reach activities “incidental to a financial
activity,” and a claim must, properly construed, require such financial practice, etc., not simply be
one that could be used in such activity.), rehearing en banc denied (w/ several opinions) (Fed. Cir.
06/06/17) (6-5); Versata II (Fed. Cir. 07/09/15) (approving PTAB interpretation of CBMR scope
and applying Sec. 101 in CBMR proceeding), Smartflash (Fed. Cir. 07/30/15) (non-precedential)
(staying one pre-trial action ivo granted CBMRs but aff’g refusal to stay another action that had
already been tried on liability and awaiting a damages retrial; CBMRs designed as alternative to
litigation ivo contraction of patent eligibility of business methods from State Street to Bilski).

Note: S. Ct. Is Reviewing Constitutionality Of IPRs Under Article III And Seventh
Amendment Of The U.S. Const.; In 1898, the S. Ct. held, in the context of patent reissue
proceedings, that “the only authority competent to set a patent aside, or to annul it, or to
correct it for any reason whatever, is vested in the courts of the United States, and not in
the department which issued the patent.” McCormick Harvesting Mach. Co. v. C. Aultman
& Co., 169 U.S. 606, 609 (1898) (rejection of original claims in reissue proceeding (in which
original patent was not surrendered) cannot invalidate those claims in original patent: “to
attempt to cancel a patent upon an application for reissue when the first patent is
considered invalid by the examiner would be to deprive the applicant of his property
without due process of law, and would be in fact an invasion of the judicial branch of the
government by the executive.”). But, the Federal Circuit has read that decision as being
based on the statutory provisions governing reissuences in 1898 and not the Constitution,
most recently in upholding the constitutionality of IPR proceedings. MCM Portfolio (Fed.
Cir. 12/02/15) (IPR statute constitutional; Congress “saw powerful reasons to utilize the
expertise of the PTO for an important public purpose—to correct the agency’s own errors
in issuing patents in the first place.”); see Cascades Projection (Fed. Cir. 05/11/17) (denial
of hearing en banc) (10-2) (Reyna, J., dissenting) (“McCormick is the law of the land”)

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But now that question is before the Supreme Court. Oil States Energy Services (U.S. 06/12/2017) (granting cert. on first Question Presented only: “Whether inter partes review—an adversarial process used by the Patent and Trademark Office (PTO) to analyze the validity of existing patents—violates the Constitution by extinguishing private property rights through a non-Article III forum without a jury.”)

- The U.S. opposed cert. on the grounds that (1) patent rights are public rights not private rights as they exist only by virtue of statute and are integrally related to a federal government regulatory scheme and thus Congress may authorize their adjudication in non-Article III tribunals, under the “public rights exception,” Stern (U.S. 06/23/2011) (5-4) (rejecting application of public rights exception to bankruptcy court adjudicating state claims; “The Court has continued, however, to limit the exception to cases in which the claim at issue derives from a federal regulatory scheme, or in which resolution of the claim by an expert government agency is deemed essential to a limited regulatory objective within the agency’s authority. In other words, it is still the case that what makes a right ‘public’ rather than private is that the right is integrally related to particular federal government action.”), (2) McCormick was based on statutory grounds not constitutional grounds, (3) the Seventh Amendment applies only if the matter must be adjudicated in an Article III court, and (4) no damages are sought in IPR proceedings so no right to a jury trial attaches. (Federal Respondents’ Brief in Opposition) (04/28/17).

- The petitioner responded that (1) patent rights are private property rights and thus not public rights, (2) patent invalidation was the subject of a suit at the common law, or in equity, and thus is outside the public rights exception, (3) the patent system is not a “public regulatory scheme” of the type contemplated in “public rights exception” precedents, and (4) the S. Ct. has held that only courts can revoke patent rights, in McCormick: (Petitioner’s Reply) (05/15/17).

- It seems likely that the S. Ct. will uphold IPR proceedings. While the S. Ct. granting cert. on a patent issue normally leads to rejection of the Fed. Cir. position, here the grant of cert. may be explained instead by the Court’s wish to clarify the public rights doctrine. And, given the view of at least four Justices that the “public rights exception” should be applied pragmatically, and the likely view of a majority of Justices that the patent system needs an efficient expert mechanism for invalidating unworthy patents, the Court likely will uphold IPR proceedings.

  - First, Judge (now Justice) Gorsuch has authored an opinion noting the “potluck” quality of the S. Ct.’s precedents on this public rights exception. In re Renewable Energy Corp. (10th Cir. 07/10/15).

  - Second, in 2011, the four dissenters (Justices Breyer, Ginsburg, Sotomayor, and Kagan) in Stern (U.S. 06/23/2011) argued for a pragmatic view of the public rights exception, which here would support the USPTO’s authority to cancel issued patents in IPR proceedings. Stern (U.S. 06/23/2011) (Breyer, J., dissenting) (under recent decisions’ “more pragmatic approach to the constitutional question,” “we must determine through an examination of certain relevant factors whether that delegation constitutes a significant encroachment by the Legislative or Executive Branches of Government upon the realm of authority that Article III reserves for exercise by the Judicial Branch of Government. Those factors include (1) the nature of the claim to be adjudicated; (2) the nature of the non-Article III tribunal; (3) the extent to which Article III courts exercise control over the proceeding; (4) the presence or absence of the parties’ consent; and (5) the nature and importance of the legislative purpose served by the grant of adjudicatory authority to a tribunal with judges who lack Article III’s tenure and compensation protections. The presence of ‘private rights’ does not automatically determine the outcome of the question but requires a more “searching” examination of the relevant factors.”)

  - Third, Justice Thomas recently expressed interest in this public rights exception in the context of TTAB proceedings. B&B Hardware (03/24/2015) (Thomas, J., dissenting)
(questioning whether TTAB determination of likelihood of confusion in opposition proceeding can preclude Article III courts: “The majority does not address the distinction between private rights and public rights or the nature of the power exercised by an administrative agency when adjudicating facts in private-rights disputes. And it fails to consider whether applying administrative preclusion to a core factual determination in a private-rights dispute comports with the separation of powers.”).

- The S. Ct.’s decision is unlikely to extend to ITC proceedings, in part because those proceedings do not lead to cancellation of a patent.

**TIPS:** Always Consider Possible Counter-Attacks: E.g.:

- **REDACTED**