

**FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING MAY 8, 2020****Uber Technologies, Inc. v. X One, Inc., No. 2019-1164 (May 5, 2020) (precedential) (3-0); Patent No. 8,798,593****Key point(s):**

- If there are a finite number of identified, predictable solutions, a POSITA has good reason to pursue the known options.
- The fact that a combination was obvious to try might show that it was obvious under § 103.

**Facts/Background:** Uber filed a petition for *inter partes* review, asserting that claims 1, 2, 5, 9, and 19 of the ‘593 patent were obvious in view of Japanese Unexamined Patent Application Publication No. 2002-10321 (“Okubo”) in combination with Japanese Unexamined Patent Application Publication No. 2002-352388 (“Konishi”). The ‘593 patent relates to exchanging location information between mobile devices, such that each user can see where the other user(s) are on a map. The claims recite, in part, obtaining locations, plotting them on a map, and “transmit[ting] the map with plotted locations to the first individual.” That is, the ‘593 patent requires “server-side” plotting of the locations, as opposed to terminal-side plotting. Okubo and Konishi similarly involve transmission of location information, where Okubo involves terminal-side plotting and Konishi describes server-side plotting. The Board found the claims were not unpatentable as obvious, because combining the references “represents impermissible hindsight,” and would be a “wholesale modification to Okubo.” The Board was unconvinced that one of ordinary skill would seek out a design choice for combination with Okubo. The Board did not consider the remaining limitations. Uber appealed.

**Holding:** Reversed and remanded. The ultimate determination on obviousness is a legal determination that is reviewed *de novo*, and any underlying factual findings are reviewed for substantial evidence. Uber argued on appeal that the Board legally erred because server-side plotting and terminal-side plotting were both well-known design choices in the prior art, and that it would have been obvious to substitute one for another. The Federal Circuit agreed. The Supreme Court has set forth an expansive and flexible approach to the question of obviousness. With respect to design choices and predictable variations, the Federal Circuit explained that if a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability. In addition, if there are a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options, likely rendering the variations obvious. Here, the record reflects only two possible methods of plotting the locations: server-side plotting and terminal-side plotting. Both design choices were undisputedly known in the prior art. Thus, it would have been obvious to substitute server-side plotting for terminal-side plotting, and the limitation was obvious. The Federal Circuit remanded to allow the Board to address the remaining limitations of the claims.

**In re Apple, Inc., No. 2020-115 (April 22, 2020, unsealed May 5, 2020) (nonprecedential) ; Patent No. 8,380,244**

**Key point(s):**

- A writ of mandamus reversing the denial of transfer under §1404(a) is proper only when the denial is patently erroneous and requires the petitioner to establish that the district court’s decision amounted to a failure to meaningfully consider the merits of the motion.

**Facts/Background:** In 2011, Apple and Maxell’s parent, Hitachi, entered a Confidentiality Agreement (“NDA”) during discussions regarding the possible acquisition of certain patents then owned by Hitachi. That agreement *inter alia* provided that disputes relating to the agreement would be resolved in California and that interpretation of the agreement would be governed by California law. In 2019, Maxell sued Apple for patent infringement in the Eastern District of Texas. In its complaint, Maxell alleged willful infringement of ten patents, in part on a letter Hitachi sent to Apple in 2013, while its discussions with Apple were still ongoing. Apple contended that the letter was protected under the NDA. Maxell disagreed. Because this dispute involved the interpretation and application of the NDA, Apple filed a motion to transfer the case to California. The district court denied Apple’s motion. The court found that the NDA did not control the outcome of the case, nor was it central to Apple’s licensing defense, which arose from a separate agreement. Thus, the forum selection clause did not compel transfer, and the traditional factors under 28 U.S.C. §1404(a) favored keeping the case in Texas. Apple filed a petition for a writ of mandamus from the Federal Circuit.

**Holding:** Petition denied. The Federal Circuit held the district court did not abuse its discretion in concluding the forum selection clause in the NDA did not compel transfer. No party contended that the NDA controls the outcome of Maxell’s claims against Apple. No party asserted a breach of the NDA. The district court properly concluded that the confidentiality obligations arising under the NDA were not the same as the licensing discussions on which Apple based its licensing defense. The Federal Circuit also held there was no “mandamus-worthy” error in the district court’s conclusion that the traditional § 1404(a) transfer factors did not weigh clearly in favor of transfer.

**Caterpillar Paving Products Inc. v. Wirtgen America, Inc., Joseph Vogel AG, No. 2020-1261 (May 6, 2020) (precedential) (3-0); Patent No. 9,045,871**

**Key point(s):**

- The *Arthrex* decision that Administrative Patent Judge (APJ) appointment provisions in the AIA were unconstitutional is expressly limited to cases where a final written decision was issued before the panel members became constitutional.

**Facts/Background:** Wirtgen petitioned for *inter partes* review of the ‘871 patent, owned by Caterpillar. The Board instituted review on November 14, 2018. On July 30, 2019, the Board held a hearing on the merits in the IPR. Subsequent to initiating the review and conducting the hearing, but before issuing a final written decision, the Federal Circuit decided *Arthrex*. In *Arthrex*, the Federal Circuit held that the APJ appointment provisions of the AIA were unconstitutional, because the APJs were not “inferior officers.” Instead, they were “principal officers,” which require appointment by the President and confirmation by the Senate. To render the APJs constitutional, the Federal Circuit severed protections stating that the APJs could be removed only “for cause.” In view of *Arthrex*, several final written decisions in other IPRs have been vacated and remanded.

Subsequent to the *Arthrex* decision, the Board issued a final written decision in the Wirtgen IPR, invalidating all challenged claims. Caterpillar moved to vacate and remand for a new hearing, arguing that *Arthrex* demanded that its final written decision be similarly vacated.

**Holding:** Denied. Caterpillar contended that, because the IPR was instituted and the hearing was conducted by unconstitutional APJs, the final decision should be vacated. Iancu and Wirtgen responded that the judges were constitutionally appointed as of the date *Arthrex* issued, prior to the final written decision in this case, and thus that no remand was required. Caterpillar argued that, even if the panel members became constitutional prior to the final written decision, this would “not cure a year’s worth of constitutional violations influencing the Board’s thinking and conclusions.” The Federal Circuit disagreed, holding that the court in *Arthrex* “considered and rejected that argument, expressly limiting its holding ‘to those cases where final written decisions were issued.’” Because the APJs became constitutionally appointed as of the implementation of the severance in *Arthrex*, IPR decisions issued after that date (October 21, 2019) were not rendered by unconstitutional panels, and do not require remand.

**Dionex Softron GmbH v. Agilent Techs., Inc. No. 2019-1888 (May 6, 2020)**  
**(nonprecedential); Application No. 14/454,577 and Patent No. 9,435,773**

**Key point(s):**

- When a party challenges written description support for an interference count or the copied claim, the originating disclosure provides the meaning of the pertinent claim language.
- When copied claims that are the subject of an interference proceeding are found indefinite and unpatentable, the applicant lacks standing to continue the interference proceeding.

**Facts/Background:** Agilent owns the ‘773 patent, which is directed to a sample injector for use in high performance liquid chromatography. In 2014, Dionex filed the ‘577 application, which is also directed to sample injectors for use in high performance liquid chromatography. Dionex copied claims from the ‘773 patent to trigger an interference. Agilent filed a motion for judgment in the PTAB, arguing that the copied claims were indefinite. Agilent’s indefiniteness arguments were based on its position that the two independent claims in question were means-plus-function claims and that the specification of the Dionex ‘577 patent did not recite the requisite corresponding structure. Dionex argued that one of the independent claims was not functional and that there was sufficient corresponding structure in the specification to support the other. The PTAB found the claims were governed by §112(f) and indefinite and entered judgment against Dionex. Dionex appealed.

**Holding:** Affirmed. The Federal Circuit agreed with the PTAB that both the “control unit” limitation of claim 21 and the “controlling” limitation of claim 39 are subject to 35 U.S.C. §112(f). The disputed terms both require switching a valve between different positions, which necessarily requires movement of the valve.

Dionex conceded that application claim 21 was subject to §112(f), but argued that the general-purpose computing device disclosed in the specification provided the requisite corresponding structure. The Federal Circuit disagreed. In construing the copied claim language, the PTAB properly looked at the disclosure of the Agilent ‘773 patent. The ‘773 patent discloses a gearbox, motor controller, encoder, and CPU as the corresponding structure. The Dionex application failed to disclose a gearbox, motor controller, or encoder. Thus, the PTAB did not err in concluding that application claim 21 was indefinite. The Federal Circuit also rejected Dionex’s argument that the “controlling” limitation of application claim 39 was not subject to §112(f). Dionex contended that the claim sufficiently recited specific acts for performing the function of controlling the valve. However, Agilent’s expert testified that the term “controlling” would not connote acts to a person of skill sufficient to perform the recited function. The PTAB thus correctly concluded that application claim 39 was indefinite for the same reason application claim 21 was indefinite. Because the PTAB properly found Dionex’s application claims were indefinite and, hence, unpatentable, Dionex lacked standing to continue the interference.

**Boston Scientific SciMed, Inc. v. Iancu, No. 2018-2005 (April 27, 2020, unsealed May 6, 2020) (nonprecedential); Patent No. 8,992,608**

**Key point(s):**

- If two inconsistent conclusions may be reasonably drawn from the evidence of record, the PTAB's decision to favor one conclusion over the other is the epitome of a decision that must be sustained upon review for substantial evidence.
- A reasonable expectation of success requirement for obviousness does not necessitate an absolute certainty for success.

**Facts/Background:** Edwards Lifesciences sought and the PTAB granted *inter partes* review of certain claims of Boston Scientific's '608 patent. The '608 patent is directed at methods and an apparatus for endovascularly replacing a patient's heart valve. To address the risk of paravalvular leakage, the '608 patent discloses a "fabric seal" that, when used, "bunches up to create fabric flaps and pockets that extend into spaces formed by the native valve leaflets," which created a seal around the replacement valve and helped prevent blood leakage. The PTAB relied on two prior art references in concluding the challenged claims were obvious. Spenser disclosed a heart valve that used a fabric cuff to prevent paravalvular leakage. Elliott disclosed a stent graft with a skirt or skirts hat could conform to irregularities and/or vessel wall displacement in order to minimize leaks around the prosthesis. In combination, Spenser and Elliot taught every limitation of the challenge claims. The PTAB further found that a person of skill would have been motivated to combine Spenser and Elliot with a reasonable expectation of success. Accordingly, the PTAB found the challenged claims were unpatentable as obvious. Boston Scientific appealed. The USPTO stepped in as an intervenor in the appeal when Edwards Lifesciences dropped out after settling a separate patent litigation with Boston Scientific.

**Holding:** Affirmed. Obviousness is a question of law based on underlying questions of fact. The Federal Circuit reviews factual findings by the PTAB for substantial evidence and its legal conclusions *de novo*. If two inconsistent conclusions may be reasonably drawn from the evidence of record, the PTAB's decision to favor one conclusion over the other is the epitome of a decision that must be sustained upon review for substantial evidence.

Boston Scientific argued that the PTAB relied on improper hindsight in its motivation to combine and reasonable expectation of success analyses. The Federal Circuit, however, concluded substantial evidence supported the PTAB's decision. Paravalvular leakage was a well-known problem in prosthetic valves prior to the 2004 priority date of the '608 patent. These problems were addressed by the prior art with varying degrees of success. It also was well known to look to stent graft technology in forming external covers on transcatheter heart valves. Elliot itself suggested that its fabric skirt had broader applicability, including "implantable prosthes[es]" with "radially-expandable tubular bod[ies]" generally. When a technique has been used to improve one device and a person of skill would recognize that it would improve similar devices in the same way, using the technique is obvious. A person of skill also would have a reasonable expectation of success in the combination due to the prior commercial availability and successful use of stent grafts using fabric skirts. A reasonable expectation of success requirement for obviousness does not necessitate an absolute certainty for success.

**Donghee America, Inc. v. Plastic Omnium Advanced Innovation and Research. No. 2019-1733 (May 7, 2020) (nonprecedential); Patent No. 9,399,326**

**Key point(s):**

- A claim limitation must be construed in the context of the claim in which it appears.

**Facts/Background:** Plastic Omnium owns the '326 patent, which is directed to a process for fastening certain accessories inside of a plastic fuel tank during manufacturing. The relevant method, stake-fastening, involves fastening an accessory directly to the inside of a fuel tank by inserting a protrusion formed from the plastic of the tank wall. The claimed method does not involve either piercing the outer wall of the tank (which might cause leaks) or reheating the wall once the tank is sealed (which, among other things, results in inefficient manufacture). Donghee filed a petition for IPR. The PTAB's final decision found that Donghee proved all but two challenged claims (claim 1 & dependent claim 13) unpatentable. The final limitation of Claim 1 is "closing the multilayer plastic fuel tank with the stake-fastened accessory therein." The PTAB construed this limitation as requiring that the accessory be stake-fastened to the fuel tank wall before the tank is closed. Based on this construction, the PTAB concluded the prior art did not teach the "closing" limitation. Donghee appealed.

**Holding:** Affirmed. The Federal Circuit reviews the PTAB's claim construction *de novo* and any underlying factual findings for substantial evidence. The parties agreed that the broadest reasonable interpretation standard applied in this case. Donghee argued that the broadest reasonable interpretation required only that (1) the tank is closed and (2) there is an accessory inside the closed tank that will attach to the finished tank wall via stake-fastening," not that the accessory actually be attached to the wall before tank closure. Thus, it was Donghee's position that the "closing limitation" is met as long as when the tank is being closed (and even when it is fully closed), it contains an accessory that is capable of being stake-fastened and will later be stake-fastened.

The Federal Circuit concluded that Donghee's proposed construction was unreasonably broad. It failed to take into account the context of the claim as a whole. Read in the context of the entire claim, the modifier "stake-fastened" was best read as in the past tense, *i.e.*, to refer to what has already occurred at that time. Indeed, the addition of the term "stake-fastened" in this particular limitation, itself a limitation about the temporally defined step of "closing," points to understanding the phrase as using the past participle of "stake-fasten"—it describes an accessory that has already been fastened to the tank wall. In addition, the specification distinguished the claimed invention from stake-fastening methods in which stake-fastening occurs in an already-manufactured tank. Donghee pointed to language in the specification that referred to an "advantageous" embodiment, which described the stake-fastening as occurring at the time the tank is molded. Thus, Donghee argued, the specification shows at least one embodiment in which stake-fastening occurs at least simultaneously with (as opposed to before) tank closure. The Federal Circuit agreed with the PTAB that this passage (which incorporated a foreign application by reference) did not show an embodiment in which stake-fastening has not yet occurred upon closing of the tank. Rather, it shows attaching accessories during  mold  closure, which is not the same as (and occurs before)  tank  closure. Thus, the passage to which Donghee pointed did not supply an embodiment that must be covered by claim language but is outside the PTAB's construction.

**Eagle Pharmaceuticals Inc. v. Slayback Pharma LLC, No. 2019-1924 (May 8, 2020) (precedential) (3-0); Patent Nos. 9,265,831; 9,572,796; 9,572,797; 10,010,533**

**Key point(s):**

- When a patent discloses but does not claim alternatives, the unclaimed alternatives are dedicated to the public and cannot be recaptured via the doctrine of equivalents.
- A party cannot manufacture a factual dispute using expert testimony when the patents themselves provide sufficient context to decide the legal issue.

**Facts/Background:** Slayback filed an ANDA covering a generic version of Eagle’s brand name bendamustine pharmaceutical product, BELRAPZO. Eagle then sued Slayback, asserting infringement of four patents covering BELRAPZO. In relevant part, the claims recite “a pharmaceutically acceptable fluid comprising a mixture of polyethylene glycol and propylene glycol.” Rather than propylene glycol (PG), Slayback’s product uses ethanol, which Eagle contended was covered under the doctrine of equivalents. Slayback filed a motion for judgment on the pleadings, arguing that, because the patents specify ethanol as an alternative to PG but claim PG rather than ethanol, ethanol had been dedicated to the public. Thus, Eagle was barred from claiming infringement under the doctrine of equivalents. In response, Eagle argued that the patents do not disclose ethanol as an alternative to PG for the claimed embodiments, but rather disclose three distinct categories of formulations, each having separate ingredients and working in different ways. Eagle also introduced expert testimony to this effect, which the district court declined to consider. The district court then granted Slayback’s motion for judgment of non-infringement on the pleadings. Eagle appealed.

**Holding:** Affirmed. The Federal Circuit first explained that, under the doctrine of equivalents, an accused product that does not literally infringe may nonetheless be found to infringe if there is equivalence between the elements of the accused product and the claimed elements of the patented invention. However, the disclosure-dedication doctrine can bar application of the doctrine of equivalents, particularly when the specification discloses the unclaimed matter as an alternative to the relevant claim limitation. That was the case here. Although Eagle argued that ethanol was described in relation to other (unclaimed) embodiments, the specifications clearly disclosed ethanol, without qualification, as an alternative “pharmaceutically acceptable fluid.” The Federal Circuit rejected Eagle’s argument that the ethanol embodiments worked via a differing mechanism to the claimed PG fluid. The claim limitation has only one stated purpose: that the fluid be “pharmaceutically acceptable.” Because ethanol was disclosed as “pharmaceutically acceptable,” Eagle was barred from including it under the doctrine of equivalents. Eagle also challenged the district court’s refusal to consider the expert testimony. The Federal Circuit noted that courts have discretion to consider evidence outside the complaint, and held that the district court did not abuse this discretion. The Federal Circuit found no error in the district court’s finding that the expert testimony was merely an attempt to manufacture a factual dispute, and that the patents themselves provided sufficient context to decide the legal issue at hand.

**Essity Hygiene and Health AB v. Cascades Canada ULC, Tarzana Enterprises, LLC, Nos. 2019-1736 and 2019-1741 (May 8, 2020) (non-precedential); Patent Nos. 8,597,761 and 9,320,372**

**Key point(s):**

- When a reference states that a description relates “non-limitingly” to an exemplary embodiment, the teachings of the reference are not limited to that example.

**Facts/Background:** Cascades Canada and Tarzana (collectively, “Cascades”) filed petitions for *inter partes* review for the ‘761 and ‘372 patents, arguing they were anticipated by U.S. Patent No. 6,602,575 (“Grosriez”), and/or rendered obvious by U.S. Patent Publication No. 2005/0058807 (“Hochtritt”), either alone or in combination with Grosriez. The ‘761 and ‘372 patents claim napkins with an “offset fold” that “causes a napkin’s panels to be asymmetrical,” where the napkins are stacked such that sheets of adjacent napkins are interlaced. The Board found that Grosriez discloses two alternative napkins: one with equal panels, and one with asymmetrical panels. Grosriez then notes that “[t]he remainder of the description will relate, non-limitingly, to a supple sheet 36 folded in four [equal parts].” Essity argued that, because Grosriez described only the interlaced embodiments with respect to this symmetrical napkin, it did not teach or suggest interlacing asymmetrical napkins. The Board found that this disclosure was expressly “non-limiting[],” and that one of ordinary skill would understand Grosriez also disclosed intertwining napkins having panels of differing dimensions. Based on this, the Board found that all challenged claims were unpatentable. Essity appealed.

**Holding:** Affirmed. The Federal Circuit held that the Board correctly found that Grosriez discloses alternative napkins, one with symmetrical panels and one with asymmetrical panels. The Federal Circuit further held that the interlaced embodiments, which were discussed with reference to symmetric napkins, applied equally to asymmetric napkins. Because Grosriez explicitly noted that these embodiments were “non-limiting,” one of ordinary skill would not find that the interlaced embodiments were limited to symmetric napkins. The Federal Circuit rejected Essity’s remaining arguments that the obviousness findings were “tainted” by the misreading of Grosriez and affirmed the Board’s decision.

**Essity Professional Hygiene North America LLC v. Cascades Canada ULC, No. 2019-1742 (May 8, 2020) (non-precedential); Patent No. 8,273,443**

**Key point(s):**

- Explaining why a party's arguments are not persuasive does not constitute improper burden shifting to the party.
- The mere age of prior references is not persuasive of the non-obviousness of the combination of their teachings, absent evidence that, notwithstanding knowledge of the references, the art tried and failed to solve the problem.

**Facts/Background:** Cascades filed a petition for *inter partes* review of the '443 patent, arguing it is obvious over U.S. Patent No. 1,290,801 (Teall) in view of U.S. Patent No. 1,430,709 (Wheeler). The claims at issue in the '443 patent recite a stack of interfolded napkins, where each napkin in the stack is "oriented oppositely from each preceding and each subsequent napkin" within the stack. The Board found that Teall did not teach the oppositely oriented interleaving, but that such interleaving was taught by Wheeler. Based on this, the Board concluded that Cascades had persuasively demonstrated that oppositely orienting the napkins of Teall would provide a known, predictable result and, thus, that the claims were rendered obvious. Essity appealed.

**Holding:** Affirmed. Essity did not dispute that each of the limitations were disclosed in the prior art, but alleged two errors in the Board's decision: (1) that the Board erroneously shifted the burden to Essity, requiring it to disprove motivation to combine, and (2) that the Board failed to consider objective evidence of non-obviousness. With respect to the first argument, Essity argued that the Board's statements refuting Essity's evidence relating to motivation to combine constituted an impermissible burden shift. The Federal Circuit disagreed, noting that the Board is required to provide a reasoned basis for its decision in order to permit this court to exercise their duty to review the Board's decision. Addressing and rejecting arguments advanced by the patentee does not constitute a burden shift. With respect to the second argument, Essity simply argued that the age of the references (nearly a century old) was objective evidence that the combination was not obvious. However, the Federal Circuit explained that the age of a reference, alone, is insufficient to show non-obviousness unless there is also evidence that others with knowledge of the references have tried and failed to solve the problem. Because Essity provided no such evidence, the Federal Circuit rejected this argument and affirmed the findings of unpatentability.

**In re Jobin. No. 2020-1067 (May 8, 2020) (nonprecedential); Application No. 12/523,427****Key point(s):**

- Claims directed to methods of organizing human activity are a hallmark of claims directed to abstract ideas.
- If the claims at issue are directed to a patent ineligible concept, the court must 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.

**Facts/Background:** The ‘427 application is directed to methods and systems for developing “products, advertisements, games, and other realizations” using an improved crowd-sourcing tool. The examiner rejected all pending claims under 35 U.S.C. § 101. Jobin appealed and the PTAB affirmed-in-part, finding the examiner properly rejected all the independent claims at issue. Applying the two-step *Alice* framework, the PTAB found that, aside from the recited online system, data structure, server, and user devices, all the remaining limitations recite an abstract idea based on methods of organizing human activity and mental processes. The PTAB also found that the additional claim elements reciting an online collaborative content management system, data structure, server, and user devices do not “integrate the abstract idea into a practical application when reading the claim as a whole. The PTAB also was not persuaded that these elements indicate any improvement in the computer or its components’ functionality or efficiency, or otherwise change the way that the device functions. In sum, the PTAB found no inventive concept beyond the abstract idea. Jobin appealed.

**Holding:** Affirmed. Under *Alice*, if the claims at issue are directed to a patent ineligible concept, the court must 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. Jobin argued that the PTAB ignored the “built-in capabilities” pertaining to timing and measurement and improved data structure model. Jobin further argued that the PTAB overgeneralized and mischaracterized claim limitations. The Federal Circuit opined that, despite the claims’ use of expansive language and recitation of servers and databases, at bottom, the rejected claims were directed to the collection, organization, grouping, and storage of data using techniques such as conducting a survey or crowdsourcing. The PTAB correctly concluded that the claims were directed to a method of organizing human activity – a hallmark of claims directed to abstract ideas. The recited server and database are merely tools used for organizing human activity, and are not an improvement to computer technology. Thus, the claims did not present any specific asserted improvement in computer capabilities. Nor did the rejected claims impose any meaningful limit on the method of collection, organization, grouping, and storage of data. Rather, they recited generic technology for implementing the claimed abstract idea. Thus, the PTAB correctly concluded that, considered individually or as an ordered combination, the additional elements did not transform the claim into a patent eligible application of the abstract idea.