

**FEDERAL CIRCUIT SUMMARY FOR WEEK AUGUST 18, 2023****One-E-Way, Inc. v. Apple Inc, No. 2022-2020 (August 14, 2023) (nonprecedential); Patent Nos. 10,129,627; 10,468,047****Key point(s):**

- An agreed-upon claim construction does not necessarily result in agreement about the meaning of the words in the agreed-upon construction

**Facts/Background:** Apple’s Beats and AirPods headphones utilize Bluetooth technology to transmit a unique code to establish a connection with a pairing device. One-E-Way asserted Apple products infringe the ‘627 patent. During the litigation, the parties agreed to construe “unique user code” as a “fixed code (bit sequence) specifically associated with one user of a device(s).” However, the parties disputed the interpretation and application of the stipulated construction.

Apple filed a motion for summary judgment of non-infringement on the ground that Apple’s products utilize a code not unique to the user, but rather to the Bluetooth device. The district court agreed with Apple’s assessment and granted summary judgment. One-E-Way appealed.

**Holding:** Affirmed. One-E-Way argued the district court unduly narrowly interpreted the construction to require additional, unclaimed features. Apple responded that the district court correctly interpreted the construction under the plain meaning of the term. The Federal Circuit treated the “construction-of-the-construction” as a form of claim construction — looking for the ordinary meaning rather than a contract-like interpretation that would have looked more toward discerning the intent of the parties. The Federal Circuit considered the “plain and ordinary meaning of the agreed-upon construction” and concluded that it required a more direct link to a user. Furthermore, the prosecution history supported this understanding of “one user of a device.” The Federal Circuit therefore affirmed the district court’s grant of summary judgment of noninfringement.

**FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING AUGUST 18, 2023****Fleet Engineers, Inc., v. Mudguard Technologies, LLC, No. 2022-2001, 2022-2076 (August 15, 2023) (nonprecedential); Patent No. 8,146,949; RE44,755****Key point(s):**

- A district court's refusal to allow testimony from a witness who was not identified until after discovery closed is not an abuse of discretion.
- A motion for judgment as a matter of law (JMOL) is not appropriate for overturning a jury's findings of fact.

**Facts/Background:** Fleet Engineers, Inc. ("Fleet") develops, manufactures, and sells products for the trucking industry. Tarun Surti ("Surti"), president of Mudguard Technologies, LLC ("Mudguard"), owns a mud flap patent on which this lawsuit is focused. The '949 patent reissued as the '755 patent. The '755 patent relates to a "mud flap for preventing spray from the wheel of a vehicle on a wet roadway from impairing the vision of drivers of other vehicles." Surti and Fleet have been involved in a decade of litigation and a prior appeal involving the '755 patent.

Fleet filed a complaint for a declaratory judgment of non-infringement and a declaratory judgment of patent invalidity. Surti answered on Mudguard's behalf and filed counterclaims for patent infringement. During the hearing, Surti presented a new "late" witness to refute the evidence presented by Fleet. The court excluded the new witness and granted Fleet's JMOL.

**Holding:** Affirmed. Surti asserted that the decision excluding certain evidence from trial constituted an abuse of discretion Mudguard [or Surti] failed to disclose the identities of several witnesses until years after the close of discovery and the potential witness testimony did not appear to be relevant to the asserted claims of patent infringement. The Federal Circuit held it was not an abuse of discretion for the court to exclude those witnesses.

Fleet asserted that the district court erred in not granting JMOL in its favor over Surti's claims of direct infringement. The district court correctly identified that the claims do not require "all" water and debris be completely blocked from passing through the mudflap. The question of whether a sufficient amount of water and debris was prevented from passing through the mudflap such that they infringed the '755 patent was a question of fact for the jury. Fleet's arguments on appeal amounted to a mere disagreement with the jury's findings. Such disagreement is insufficient to overturn a jury verdict that was supported by substantial evidence.

**FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING AUGUST 18, 2023****Bad Elf, LLC, v. Flex Ltd., No. 2022-1839 (August 14, 2023) (nonprecedential)****Key point(s):**

- Third-party registrations can be used to show that a mark is conceptually weak.

**Facts/Background:**

Bad Elf filed an intent-to-use trademark application seeking to register the mark FLEX for "Global positioning system (GPS) apparatus/receivers in International Class 9; and GPS navigation services in International Class 39." Flex opposed the registration on the grounds of priority and likelihood of confusion with Flex's three registered marks, FLEX, FLEX (stylized), and FLEX PULSE.

Before the TTAB, Bad Elf pointed to usage of the "flex" name by a range of other companies to show that Flex's hold on the word "flex" was relatively weak and could accommodate some rivals. In particular, Bad Elf submitted twelve third-party uses of marks that included the word "flex." The TTAB acknowledge the submission but did not give it any weight in the conceptual strength analysis, explaining that "[a]lthough we find that the relevant consumers are likely to exercise some degree of care, this is outweighed by the strong similarity and identical nature of the marks, the relatedness of the goods and services, and overlapping established, likely-to-continue channels of trade" and found a likelihood of confusion and sustained the opposition. Bad Elf appealed.

**Holding:** Affirmed in part, vacated in part and remanded.

Likelihood of confusion is a question of law based on underlying factual findings. If the third-party marks and opposer's marks are identical, as here, then the opposer's marks and the applicant's marks are compared to see if they are identical or non-identical for identical goods or services. The parties agreed that the marks are the same but the goods and services are not identical. However, the Board found the services covered by each party's FLEX mark to be "complementary." The Board treated the strength of Flex's PULSE mark the same as the Flex mark itself. The Board claimed to give the evidence probative value but ultimately did not give it any weight in the conceptual strength analysis. The Federal Circuit disagreed, explaining "[i]t is inconsistent to give evidence of third-party registrations probative value, but then find that the evidence in no way weakens opposer's marks. Having determined that the evidence was probative, the Board erred in failing to give it weight in the strength analysis. Because the Board erred in its analysis of the strength of Flex's marks. The case was remanded to the Board to reconsider the conceptual and commercial strength of Flex's marks and reweigh the DuPont factors in light of this opinion and Spireon.

**FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING AUGUST 18, 2023****Steuben Foods, Inc., v. Katherine K. Vidal, No. 2022-1083 (August 16, 2023) (nonprecedential); Patent No. 6,945,013****Key point(s):**

- Claim construction for terms must be consistent with how those terms are recognized.

**Facts/Background:** Steuben Foods, Inc. owns the '013 patent directed to methods for "aseptically bottling aseptically sterilized foodstuffs." Nestle filed an *inter partes* review challenging claims 18, 19, and 20 of the '013 patent.

The Board issued a final written decision finding the challenged claims not unpatentable as obvious. In a first appeal, the Federal Circuit vacated the Board's decision for applying an incorrect claim construction of the term "aseptic." Specifically, the appellate court held that "aseptic" as used in the '013 patent is consistent with the U.S. Food and Drug Administration's definition of "commercial sterility." Neither the parties nor the Board proposed this construction during the IPR, so the appellate court remanded the case for the Board to apply the correct construction.

On remand, Steuben requested an opportunity for additional briefing under the new claim construction. The Board denied this request, reasoning that Steuben was on notice of the court's construction of "aseptic" and that the Federal Circuit's construction resolved arguments Steuben had presented. The Board then issued its final written decision, concluding that claims 18 and 19 were unpatentable as obvious while claim 20 was patentable. Steuben appealed the obviousness determination as to claims 18 and 19.

**Holding:** Affirmed. Steuben's challenges pertained to the requirement, found in both claims 18 and 19, that the claimed methods "aseptically disinfect the bottles at a rate greater than 100 bottles per minute." Steuben argued that the Board failed to make any findings that the prior art disclosed or rendered obvious sterilizing bottles to meet the FDA's commercial sterility requirements. Steuben also argued that the Board relied on conclusory testimony regarding the sterilization rate being taught by the prior art. The Federal Circuit disagreed, holding that the Board had supported its findings with substantial evidence that the prior art renders obvious sterilizing bottles to meet the FDA's requirements for commercial sterility at the claimed rate.

**FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING AUGUST 18, 2023****In re Universal Electronics, Inc., No. 2022-1716 (August 15, 2023) (nonprecedential); Application Nos. 12/645,037 and 16/279,095****Key point(s):**

- A court's element by element approach to rejecting the claims is valid when said approach is embedded in prosecution history.

**Facts/Background:** UEI's two applications share the same specification. They generally relate to a system and method for providing improved user input functionality on a controlling device configured to control various appliances like TVs and set top boxes.

The Examiner issued a Final Office Action rejecting claims 1, 5–8, 11, 13–18, 20–21, and 23–25 from the '037 application as obvious over various combinations of Fisher and Dresti. UEI appealed to the Board. In its Answer, the Examiner applied more than one prior art reference to the features in a single claim limitation. The patentee argued that these features of the limitation should be treated in its entirety by a single reference. The Board, in affirming the Examiner, rejected UEI's argument that a skilled artisan would not have modified Fisher based on Dresti's teachings to arrive at the claimed limitation.

The Examiner issued a Final Office Action rejecting claims 1–6 and 8–11 of the '095 application as obvious over various combinations of Fisher and Meijer. UEI appealed to the Board. In its Answer, the Examiner also countered UEI's argument that a skilled artisan would not have been motivated to combine Fisher with Meijer because Fisher "already has a capability of commanding an appliance." The Board rejected UEI's arguments that relied on "attacking Fisher individually," explaining that the Examiner's rejection was "based on the combined teachings and suggestions of Fisher and Meijer."

UEI appealed.

**Holding:** Affirmed. UEI argued on appeal that for both applications, the Board and the Examiner failed to show that the prior art references teach certain claimed subject matter; and failed to articulate a reason with a rational underpinning for why a skilled artisan would have combined the references. The Federal Circuit found the arguments unpersuasive, concluding that the proposed *combination* of references, rather than one of the individual references, discloses the disputed claim limitation.

**FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING AUGUST 18, 2023****Universal Electronics, Inc. v. Roku, 2021-1992, 2021-1993, 2021-1994 (August 18, 2023) (nonprecedential); Patent Nos. 7,589,642; 8,004,389; 9,911,325****Key point(s):**

- Disclaimer of a legal right must be explicit.

**Facts/Background:** Roku petitioned for inter partes review of the '642, '389, and '325 Patents, owned by Universal Electronics, Inc. ("UEI"). The Board found most claims of the three patents invalid, while holding Roku had failed to establish invalidity of one claim in both the '389 Patent and the '325 Patent.

The Board construed four disputed terms and found that the prior art taught the terms as construed. UEI argued that the term "generating a key code" was limited during prosecution by an express disclaimer. The Board, however, concluded that an effective disclaimer did not occur that limited the scope of the term. The Board also found claims unpatentable in view of a combination of references, reasoning that a POSITA would be motivated to combine known wireless transmission technology with known modulation techniques to meet the claim. UEI appealed the Board's final written decision. Roku did not cross-appeal.

**Holding:** Affirmed. On appeal, UEI alleged that the Board incorrectly construed four terms, asserting the claims were valid over the prior art if the proper construction was applied. Additionally, UEI alleged that the Board erred in finding that a POSITA would be motivated to combine known wireless transmission technology with known modulation techniques. The Federal Circuit held that the Board's construction of the disputed terms were supported by substantial evidence. UEI argued that one disputed term, "generating a key code" excluded "translating" or "converting" a received key code into another format. Incidentally, these two allegedly excluded interpretations were disclosed by the prior art. UEI argued before the Board that meaning of "generating a key code" was limited during prosecution by an express disclaimer. On appeal, UEI continued to argue that the term was limited during prosecution, but never explicitly argued or identified a disclaimer that would avoid construing the claim under plain and ordinary meaning. The Federal Circuit noted that disclaimer of a legal right must be clear and explicit. Therefore, the Federal Circuit found the construction of generating a key code was supported by substantial evidence. The Federal Circuit also held the other disputed constructions were supported by substantial evidence.

The Federal Circuit dispatched UEI's motivation-to-combine argument, finding that the Board's conclusion was supported by the content of the references, the expert testimony, and the law.



**FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING AUGUST 18, 2023**

**Incept LLC, v. Palette Life Sciences Inc., 2021-2063, 2021-2065 (August 16, 2023) (precedential) (3-0) (Newman concurring and dissenting in part) Patent Nos. 8,257,723; 7,744,913**

**Key point(s):**

- Teaching away requires that the reference criticize, discredit, or discourage investigation into the claimed invention.
- Free samples and replacements do not demonstrate commercial success.

**Facts/Background:** Incept owns the '723 Patent and '913 Patent which relate to a method of treating prostate cancer that introduces a degradable filler material between the radiation target and other tissue to reduce the amount of radiation received by the non-target tissue. Palette Life Sciences, Inc. ("Palette") petitioned for *inter partes* review of both patents. One reference, Wallace (U.S. Pat. No. 6,624,245) disclosed a gel that could be injected into a patient's body. This gel could be used as a space filler during radiation procedures. The Board held claims of the '723 Patent and the '913 Patent unpatentable as anticipated or obvious in view of the Wallace-based grounds. Incept appealed.

**Holding:** Affirmed. The Federal Circuit found no legal error in the Board's anticipation analysis. The Board did not pick and choose different teaching from Wallace to meet the claim. Instead, Wallace described compositions with the claimed characteristics used for the same tissue displacement purpose. The Federal Circuit also dismissed Incept's argument that Wallace did not meet the "filler is removable by biodegradation in the patient" limitation. Incept argued that Wallace taught that the gel did not readily biodegrade because Wallace disclosed that the gel was "essentially nondegradable in vivo over a period of at least several months" and that the gel was "not readily degradable." The Federal Circuit concluded that the Board could reasonably read these states as not being contradictory. Furthermore, the Board did not adopt a narrow construction of biodegradability term and the gel disclosed by Wallace did eventually degrade.

The Federal Circuit also upheld Board's obviousness conclusions. Incept argued that Wallace taught away from biodegradable compositions. Teaching away requires the reference include a teaching that criticizes, discredits, or discourages investigation into claimed invention. The Federal Circuit concluded that Wallace failed to include the requisite teaching to support teaching away.

Additionally, Incept argued that the Board's commercial success analysis was incorrect. Incept provided the Board a table showing that the number of units shipped increased over a period of years. But, Incept did not provide a breakdown of the number of units sold versus the number of free samples and replacements. The Board could not distinguish if the increase in units shipped was attributable to products shipped or to free samples or replacements. The Federal Circuit upheld the Board's conclusion that the evidence of commercial success was insufficient because the record does not clearly show that the increase in shipped units is attributable to increased sales.