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2017 Federal Circuit Yearbook

Patent Law Developments in the Federal Circuit

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Each year, the *Federal Circuit Yearbook* provides a concise, comprehensive review of every patent decision published by the U.S. Court of Appeals for the Federal Circuit during the preceding year. With the *Yearbook* in hand, readers may conveniently follow all recent patent law developments in the CAFC, presented in a manner that reduces specialized patent and technical jargon to a minimum.

Cases summarized in the *Yearbook* include the following, among many others:

Utility and Inventions Patentable: Panel majority and dissent clash over “abstract idea” analysis: panel majority urges “common law” approach of comparing subject claims to claims-at-issue in prior cases; dissent urges definition for “abstract idea.” See *Amdocs (Israel) Ltd. v. Openet Telecom, Inc. (Amdocs II)*, discussed at § 1:3.

Novelty and Statutory Bars: Federal Circuit panel majority: PTAB’s requirement to show “continuous” diligence from prior to the effective date of a reference to the patentee’s filing date held to be too exacting—but strong and persuasive dissent from Judge Schall. See *Perfect Surgical Techniques, Inc. v. Olympus America, Inc.*, discussed at § 2:6.

Nonobviousness: It is not necessary that the prior art be physically combinable to render a claimed invention to have been obvious, only that one of ordinary skill in the art would have been motivated to combine the teachings of the prior art. See *Allied Erecting and Dismantling Co. v. Genesis Attachments, LLC*, discussed at § 3:2.

Specification and Claims: Federal Circuit reiterates that failure to sufficiently disclose algorithms (“corresponding structure”) results in invalidity (except, perhaps, algorithms for solving fundamental equations, such as Ohm’s law). See *Alfred E. Mann Foundation for Scientific Research v. Cochlear Corp.*, discussed at § 4:3.

Interference and Priority of Invention: Emails communicating conception improperly excluded as hearsay. See *REG Synthetic Fuels, LLC v. Neste Oil Oyj*, discussed at § 5:1.

Claim Construction: Using “consisting of” in a *Markush* group creates a closed group excluding other group members. *Markush* group does not preclude mixtures of group members when specification plainly contemplates the same—limits presumption of *Abbott Labs. v. Baxter Pharm. Prods., Inc.* Dependent claim

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is invalid under section 112(4) where dependent claim adds member to Markush group that was excluded in parent claim. See *Multilayer Stretch Cling Film Holdings, Inc. v. Berry Plastics Corp.*, discussed at § 6:14.

Infringement: In a decision later reversed by the Supreme Court, Federal Circuit en banc concludes that *Quanta Computer* does not require a change to the holding in *Mallinckrodt* and that *Kirtsaeng* does not require a change to the holding in *Jazz Photo*. See *Lexmark International, Inc. v. Impression Products, Inc.*, discussed at § 7:4.

Inequitable Conduct: Non-disclosed evidence corroborating a witness's testimony regarding prior "in public use" or "on sale" activity meets materiality standard. See *Ohio Willow Wood Co. v. Alps South, LLC (OWW II)*, discussed at § 9:1.

Remedies: Federal Circuit remands for reconsideration of enhanced damages after *Seagate* standard was rejected by Supreme Court. Culpability is measured against the knowledge of the actor at the time of the challenged conduct. See *Halo Electronics, Inc. v. Pulse Electronics, Inc.*, discussed at § 10:2.

PTO Practice and Procedure: As a matter of first impression, the Federal Circuit concludes that "filed before the patenting" of an earlier application under section 120 includes when both acts, filing and patenting, occur on the same day. See *Immersion Corp. v. HTC Corp.*, discussed at § 11:5.

District Court Jurisdiction and Procedure: As a matter of first impression, Federal Circuit holds that Delaware has specific personal jurisdiction in a patent infringement action under 35 U.S.C. § 271(e)(2) over a generic drug manufacturer that has registered to do business in Delaware, has filed an ANDA seeking FDA approval to market a generic version of a patented drug, and that intends to market that generic version in Delaware if the FDA grants the ANDA. See *Acorda Therapeutics Inc. v. Mylan Pharmaceuticals Inc.*, discussed at § 12:1.

Appellate Court Jurisdiction and Practice: Federal Circuit reiterates that it has no jurisdiction to review PTAB's decision to institute an IPR, including whether suit is barred because of section 315(b). Federal Circuit, in dicta, suggests that there should be no bar under section 315(b) when the earlier suit was voluntarily dismissed without prejudice. See *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, discussed at § 13:7.

Ownership Agreements and Inventorship: Litigating foreign inventorship dispute does not preclude presumption of laches in the United States where there was a ten-year delay between knowledge of the alleged incorrect inventorship and when suit was filed. Foreign litigation may be a basis for rebutting presumption of laches, but mere initiation of foreign patent litigation and the existence of U.S. patents are not sufficient to notify a defendant that the plaintiff will eventually seek to assert its patent rights in the United States. See *Lismont v. Alexander Binzel Corp.*, discussed at § 14:2.

Design Patents: Where a design contains both functional and non-functional elements, the scope of the claim must be construed in order to identify the non-functional aspects of the design, but functional elements are not ignored. See *Sport Dimension, Inc. v. Coleman Co.*, discussed at § 15:1.