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2013 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: Claims drawn to an investment tool held drawn to patent-ineligible subject matter: adding a “computer” limitation does not per se save claims if computer does not “play a significant part in permitting the claimed method to be performed.” See *Fort Properties, Inc. v. American Master Lease LLC*, discussed at § 1:5.

Novelty and Statutory Bars: Prior art disclosure of a genus anticipates the species where species limitation is not urged as being critical and one of ordinary skill in the art would expect the process to operate the same over the range of the genus. See *ClearValue, Inc. v. Pearl River Polymers, Inc.*, discussed at § 2:3.

Nonobviousness: Discovery of an optimum value of a result-effective variable in a known process is ordinarily within the skill of the art. Where the general conditions of a claim are disclosed in the prior art, it is not inventive to discover the optimum or workable ranges by routine experimentation. A prima facie case of obviousness may be rebutted where the results of optimizing a variable that was known to be result-effective are unexpectedly good. See *In re Applied Materials, Inc.*, discussed at § 3:1.

Specification and Claims: Patent on prosthetic heart valve was enabled although pre-filing-date experiments were only on pigs. See *Edwards Lifesciences AG v. CoreValve, Inc.*, discussed at § 4:2.

Interference and Priority of Invention: Both before and after enactment of the American Inventors Protection Act of 1999, the inventor of an invention of foreign origin may rely on the date that the invention was disclosed in the United States as a conception date for priority purposes. That disclosure need not necessarily be in writing. See *Amkor Technology, Inc. v. U.S. International Trade Commission*, discussed at § 5:2.

Claim Construction: A district court erred in finding that the “corresponding structure” for “central processing means” was “a mainframe, super-mini or minicomputer system and a database.” “Corresponding structure” must include any disclosed algorithms; if disclosed algorithms do not perform the claimed function, the claims are invalid as being indefinite. See *Dealertrack, Inc. v. Huber*, discussed at § 6:5.

Infringement: A slim en banc majority of the Federal Circuit reaffirmed the existing law of direct infringement, that is, “party must commit all the acts necessary to infringe the patent, either personally or vicariously. . . . In the context of a method claim, that means the accused infringer must perform all the steps of the claimed method, either personally or through another acting under his direction or control,” but concluded that induced infringement may be shown if (1) the party knew of the

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subject patent, (2) that party induced performance of the claimed method steps, and (3) those method steps were performed, although not necessarily by one entity. See *Akamai Technologies, Inc. v. Limelight Networks, Inc.* and *McKesson Technologies, Inc. v. Epic Systems Corp.*, discussed at § 7:1.

Prosecution History Estoppel: Recapture estoppel may arise through argument alone: an applicant is bound by the arguments made regardless of the technical correctness of those arguments. See *Greenliant Systems, Inc. v. Xicor LLC*, discussed at § 8:1.

Inequitable Conduct: Nondisclosure of litigation involving a related patent does not meet the threshold for materiality when validity is not at issue. See *Outside the Box Innovations, LLC v. Travel Caddy, Inc.*, discussed at § 9:3.

Remedies: Objectively unreasonable claim construction may lead to Rule 11 sanctions and declaration as an exceptional case under section 285 for an award of attorneys' fees. See *Raylon, LLC v. Complus Data Innovations, Inc.*, discussed at § 10:17.

PTO Practice and Procedure: Federal Circuit panel majority says that PTO may, during reexamination, reach a conclusion contrary to the federal courts. See *In re Baxter International, Inc.*, discussed at § 11:2.

District Court Jurisdiction and Procedure: As a matter of first impression, Federal Circuit concludes that a writ of mandamus is appropriate to contest a district court's denial of a motion to sever and transfer venue. The issue is one of Federal Circuit law, and the court adopts "rules" governing district court's discretion in addressing motions to sever and transfer—"rules" that may or may not be applicable to new section 299. See *In re EMC Corp.*, discussed at § 12:10.

Appellate Court Jurisdiction and Practice: A party may not introduce new claim construction arguments on appeal or alter the scope of the claim construction positions it took below. See *Digital-Vending Services International, LLC v. University of Phoenix, Inc.*, discussed at § 13:2.

Ownership Agreements and Inventorship: 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. But that does not necessarily mean that the inventor of a method of making a genus of compounds is a co-inventor of all species within that genus. See *Falana v. Kent State University*, discussed at § 14:2.

Design Patents: In assessing obviousness of a design patent, the primary reference must present the same visual impression as the patented design. See *Apple, Inc. v. Samsung Electronics Co.*, discussed at § 15:1.

Miscellaneous: The Administrative Procedure Act does not provide a vehicle for allowing third parties to sue the PTO to prevent issuance of a patent. See *Pregis Corp. v. Kappos*, discussed at § 16:7.