# HON. SHARON R. PROST: AN INDEPENDENT, MAJORITY VIEW[*]

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[*] This paper is an expansion of material based upon a longer paper, Harold C. Wegner, *The Patent Year in Review 2013-2014*, § I, *The New Prost Court, what Will Happen*, Los Angeles Intellectual Property Law Association, Annual Spring Seminar, Ojai Valley Inn, Ojai, California, June 6-8, 2014.

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*This version*: May 29, 2014, **ProstChiefJudgeMay29.pdf**

## I. OVERVIEW

The June session of the Federal Circuit commences this coming Monday morning. Concurrently, the Hon. Sharon R. Prost that same day assumes her new role as Chief Judge of this appellate body.

Chief Judge Prost will take an independent view of an experienced member of the Judiciary keyed to her thirteen years as a Circuit Judge. If past is prologue she will be a centrist on the Court with an independent voice in the major decisions of the Court between now and when she steps down from her new position as late as May 2021.

Based upon her extensive experience as a Circuit Judge with a heavy, daily dose of patent cases on her desk, the new Chief Judge has developed a high level of knowledge of patent law and developed an independent voice. She has come to define the center of the Court, while having a bold ability to craft new ground in patent law that has then become a majority view. A dramatic departure by the new Chief Judge from the views of her predecessor may be seen in the voting patterns in major *en banc* decisions of the past two years. *See* § II, *Lessons from the En Banc Opinions of the Court.*

The centrist new Chief Judge has also helped to define new principles of patent law which is illustrated by two important opinions of the Court which have become the mainstream view of the Federal Circuit. *See* § III, *Bold Judicial Initiatives.*

In *Datamize, LLC v. Plumtree Software, Inc*., 417 F.3d 1342 (Fed. Cir. 2005)(Prost, J.), the court has established a test for whether a claim meets the standards of 35 USC § 112(b) based upon whether the claim is "insolubly ambiguous", breaking new legal ground. *See* § III-A, *The Datamize "Insolubly Ambiguous" Test for § 112(b).*

In a further bold departure from precedent, the court in *Commil USA, LLC v. Cisco Sys., Inc.*, 720 F.3d 1361(Fed. Cir. 2013)(Prost, J), created a new defense to a charge of active inducement under 35 USC § 271(b): Whereas classically, active inducement required knowledge of the patent as an element to be found an active inducer, the new case law permits an accused active inducer to deny liability by establishing a belief that the patent is invalid. *See* § III-B, *Commil v. Cisco § 271(b) Scienter Requirement.*

## II. LESSONS FROM THE *EN BANC* OPINIONS OF THE COURT

This paper points to precisely how independent the voice of the new Chief Judge has been, *first,* from the standpoint of expressing a view different from that of her predecessor. *Secondly,* she has taken a viewpoint that helps define the center of the Court.

Manifestation of these these points is seen by a consideration of the *en banc* decisions of the Court over the past two years where there has been major dissension (as defined by patent decisions with at least three dissenting voices) as well as a departure by the new Chief Judge from her predecessor:

*Akamai Techs., Inc. v. Limelight Networks, Inc*., 692 F.3d 1301(Fed. Cir. 2012)(en banc)(per curiam) ( awaiting a June 2014 merits decision at the Supreme Court as *Limelight Networks, Inc. v. Akamai Techs., Inc.,* Supreme Court No. 12-786);

*Highmark, Inc. v. Allcare Health Mgmt. Sys.,* 701 F.3d 1351(Fed. Cir. 2012)(en banc)(den. pet. reh'g en banc)(per curiam), *reversed*, , __ U.S. __ (2014)(Sotomayor, J.);

*NSK Corp. v. United States ITC*, 542 Fed. Appx. 950 (Fed. Cir. 2013)(en banc)(Order den. reh'g en banc) (*certiorari* decision expected June 2, 2014);

*CLS Bank Int'l v. Alice Corp. Pty*, 717 F.3d 1269 (Fed. Cir. 2013)(en banc)(per curiam) ( awaiting a June 2014 merits decision at the Supreme Court as *Alice Corp. Pty. Ltd v. CLS Bank Intern.*, Supreme Court No. 13-298)*;*

*Fresenius USA, Inc. v. Baxter Int'l, Inc.,* 733 F.3d 1369 (Fed. Cir. 2013)(den. pet. reh'g en banc)(per curiam);

*Commil USA, LLC v. Cisco Sys., Inc.,* 720 F.3d 1361(Fed. Cir. 2013)(Prost, J)(awaiting an amicus filing from the Solicitor General from a call for the views of the Solicitor General (CVSG));

*Lighting Ballast Control LLC v. Philips Elecs. North Am. Corp.*, 744 F.3d 1272 (Fed. Cir. 2013)(en banc)(awaiting review in a subsequent case to be argued at the Supreme Court in the October 2014 Term, Supreme Court No. 13-854)

There are lessons from the recent *en banc* fractured opinions. The new Chief Judge has been in the majority in these cases, while her predecessor has generally been in the minority:

In the *Akamai* case the new Chief Judge was in the *per curiam* majority which reached a conclusion of infringement under 35 USC § 271(b) where the opposite conclusion had been reached by her predecessor on a theory limited to 35 USC § 271(a), *BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373 (Fed. Cir. 2007)(Rader, J.). The *Akamai en banc* majority included her predecessor (Rader, C.J., who now switched views as to the result) while there were separate opinions by Newman, J., dissenting; Linn, J., joined by Dyk, Prost, O'Malley, JJ., dissenting.

In the *Highmark* case, the new Chief Judge was part of the *en banc* majority on denial of rehearing en banc, while her predecessor joined in full or in part in two opinions, Moore, J., joined by Rader, C.J., O'Malley, Reyna, Wallach, JJ., dissenting from the denial of the petition for rehearing en banc; Reyna, J., joined by Moore, O'Malley, Wallach, JJ., and joined in part by Rader, C.J.

In *NSK v. ITC* the new Chief Judge was part of the majority denying rehearing en banc, while her predecessor was part of an opinion by Wallach, J., joined by Rader, C.J., Reyna, J., dissenting.

In *CLS Bank* the new Chief Judge was part of the *per curiam* majority while there were different opinions expressed by Rader, C.J., dissenting-in-part, joined by Linn, Moore, O'Malley, JJ.; Moore, J., joined by Rader, C.J., dissenting-in-part; Newman, J., dissenting-in-part; Linn, O'Malley, JJ., dissenting.

In *Fresenius* the new Chief Judge voted for denial of rehearing *en banc* in contrast to the opinion of O'Malley, J., joined by Rader, C.J., Wallach, JJ, dissenting; and a separate opinion by Newman, J., dissenting.

*Commil v. Cisco* included a dissent at the panel level (Newman, J.), followed by the new Chief Judge voting with the majority to deny rehearing en banc, opposed, here, by her several colleagues including her predecessor, 737 F.3d 699, 700 (Fed. Cir. 2013)((Reyna, J., joined by Rader, C.J., Newman, Lourie, Wallach, JJ., dissenting from den. rh'g en banc); *id.*, 737 F.3d at 703-04 (Newman, J., joined by Rader, C.J., Reyna, Wallach, JJ, dissenting from den' reh'g en banc).

In *Lighting Ballast* the new Chief Judge joined the majority opinion while her predecessor joined the opinion of O'Malley, J., joined by Rader, C.J., Reyna, Wallach, JJ., dissenting.

## III. BOLD JUDICIAL INITIATIVES

Two cases illustrate the independent voice of the new Chief Judge and how she has shaped the majority opinion of her Court.

### A. The *Datamize* "Insolubly Ambiguous" Test for § 112(b)

By the end of June in *Nautilus, Inc. v. Biosig Instruments, Inc.*, Supreme Court No. 13-369, there should be a merits decision at the Supreme Court that determines whether the test for indefiniteness under 35 USC § 112(b) of *Datamize, LLC v. Plumtree Software, Inc*., 417 F.3d 1342 (Fed. Cir. 2005)(Prost, J.), will stand or fall.

The *Datamize* test is quoted in the *Nautilus* opinion below: "A claim is indefinite only when it is 'not amenable to construction' or 'insolubly ambiguous.'" , *Biosig Instruments, Inc. v. Nautilus, Inc.*, 715 F.3d 891, 898 (Fed. Cir. 2013)(Wallach, J.)(quoting *Datamize*, 417 F.3d at 1347).

To be sure, the *Datamize* test uses language borrowed from *dictum* in *Exxon Research & Eng'g Co. v. United States*, 265 F.3d 1371 (Fed. Cir. 2001). But, the *holding* in *Exxon Research* is narrower: "If a claim is insolubly ambiguous, a*nd no narrowing construction can properly be adopted*, we have held the claim indefinite." *Exxon Research*, 265 F.3d at 1375 (emphasis added to show the holding of the case).

In turn, *Exxon Research* borrows from earlier case law. *See also id.*,citing *Athletic Alternatives, Inc. v. Prince Mfg., Inc.*, 73 F.3d 1573, 1581 (Fed. Cir. 1996), for the proposition that the "court chose the narrower of two equally plausible claim constructions in order to avoid invalidating the claim."

### B. *Commil v. Cisco* § 271(b) Scienter Requirement

*Commil v. Cisco* is a highly controversial opinion where the Supreme Court has called for the views of the Solicitor General whether to grant *certiorari*; after receiving the brief *amicus curiae* from the Solicitor General, then the Court will vote whether to accept this case for appeal.

The first *Question Presented* asks "[w]hether the Federal Circuit erred in holding that a defendant's belief that a patent is invalid is a defense to induced infringement under 35 U.S.C. § 271(b)."

As pointed out by a dissent tin *Commil:*

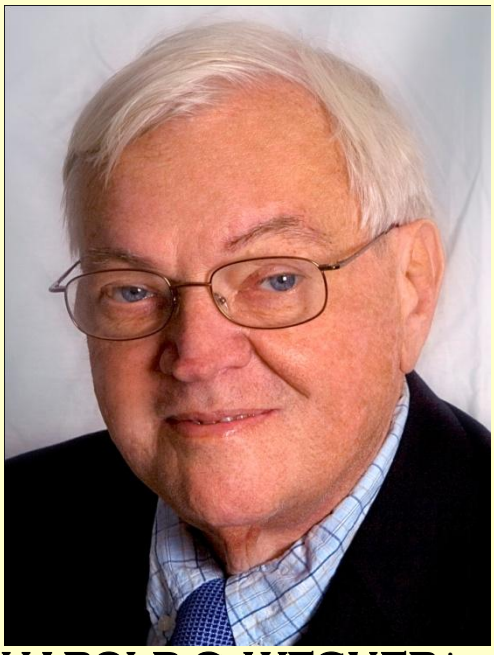
> The *Commil* majority established a substantive, precedential change in patent law by expressly 'hold[ing] that evidence of an accused inducer's good-faith belief of invalidity may negate the requisite intent for induced infringement'" Commil[,720 at 1368]. Its analysis may be summed by its expressed view that because '[i]t is axiomatic that one cannot infringe an invalid patent' there is 'no principled distinction between a good-faith belief of invalidity and a good-faith belief of non-infringement for the purpose of whether a defendant possessed the specific intent to induce infringement of a patent.' *Id*.
>
> By holding that a good faith belief in the invalidity of a patent may negate the requisite intent for induced infringement, the two-judge *Commil* majority created a new noninfringement defense to induced infringement that is premised on the accused infringer's belief of invalidity.

*Commil v. Cisco*, 737 F.3d 699, 700 (Fed. Cir. 2013)((Reyna, J., joined by Rader, C.J., Newman, Lourie, Wallach, JJ., dissenting from den. rh'g en banc) The quoted dissent builds upon the panel dissent which is dismissed by the new Chief Judge: "In dissent**,** Judge Newman does little more than construct a straw man and set him ablaze." *Commil*, 720 F.3d at 1368 n.1.

## IV. CONCLUSION

The patent community can anticipate a more unified Prost Court that nevertheless will be open to new theories. Under the statutory scheme for the Federal Courts, Chief Judge Prost is eligible to remain in her new position until May 21, 2021.

## *About the Author*



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Prof. Wegner's patent career commenced with service at the U.S. Department of Commerce as a Patent Examiner.

His academic involvement started with a three year period in Munich and Kyoto first as a *Wissenschaftliche Mitarbeiter* at what is today the Max Planck Institute for Innovation and Competition.

After living in Munich, he continued his comparative studies as a *Kenshuin* at the Kyoto University Law Faculty in collaboration with the late Dr. Zentaro Kitagawa.

After eight years on the adjunct faculty at the Georgetown University Law Center, Prof. Wegner commenced a twenty year affiliation with the George Washington University Law School; at GW he was Director of the Intellectual Property Law Program and Professor of Law. His involvement with other academic institutions has included service as a Visiting Professor at Tokyo University.

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