




























WEGNER'S TOP TEN PATENT CASES

Rank	 = <i>Cert.</i> granted  = @ Federal Circuit  = S. Ct. CVSG order	 = Petition Stage  = @ Federal Circuit <i>en banc</i>  Major Impact Case
1   	<i>Impression Products v. Lexmark</i> ; CVSG Briefing ordered June 20, 2016 International Patent Exhaustion	
2  	<i>Samsung v. Apple</i> ; Design Patent Damages Argument October 11, 2016	
3 	<i>SCA Hygiene v. First Quality Baby Prods.</i> Laches, Federal Circuit case law	
4  	<i>Life v. Promega</i> ; Certiorari granted June 27, 2016 Active Inducement (§ 271(f)(1))	
5  	<i>Cooper v. Lee</i> ; Conference September 26, 2016 IPR Constitutionality (<i>see also</i> No. (6), below)	
6  	<i>MCM Portfolio v. Hewlett-Packard</i> (<i>see also</i> No. (5), above) IPR Constitutionality; Conference September 26, 2016	
7   	<i>SmithKline Beecham v. King Drug</i> – Antitrust “reverse payment” CVSG Briefing ordered June 6, 2016	
8 	<i>Helsinn Healthcare v. Teva Pharm.</i> ; Fed. Cir. briefing stage Whether <i>Metallizing Engineering</i> was overruled by statute	
9 	<i>Immersion Corp. v. HTC</i> ; petition due September 19, 2016 Section 120 Continuation Copendency Requirement	
10  	<i>In re Aqua Products</i> ; en banc art. Dec. 9, 2016 Ability to amend in post grant proceedings	
	<i>ClearCorrect v. ITC</i> ; cert. petition due August 26, 2016 (twice extended) ITC Jurisdiction over Electronic Signals as “Articles”	
PTAB	<i>Argentum</i> ; IPR Consolidation with Parallel Proceeding Pending at the Patent Trial and Appeal Board	

Wegner's Top Ten Patent Cases is available at “Wegner's Writings” via the Los Angeles Intell. Property Law Ass'n: www.laipla.net/category/wegners-writings/
Recommended Citation: Harold C. Wegner, *Top Ten Patent Cases* (August 17, 2016)

New! Prof. Dennis Crouch on his Patently O website now provides the most comprehensive Supreme Court patent case information , with links to the briefs, e.g., <http://patentlyo.com/patent/2016/05/pending-supreme-court-patent-cases-update.html>

 (1) Patent Exhaustion (*Kirtsaeng; Quanta Computer*)

Current case: *Impression Products, Inc. v. Lexmark International, Inc.*, Supreme Ct. No. 15-1189, petitioner challenges the denial of patent exhaustion at the Federal Circuit, *Lexmark Int'l, Inc. v. Impression Prods., Inc.*, 816 F.3d 721 (Fed. Cir. 2016)(en banc)(Taranto, J.).

Status: CVSG Briefing by the Solicitor General ordered June 20, 2016. (There is no time limit for the filing of his brief which is likely to happen near the end of 2016; an argument would be expected in 2017.)

Questions Presented: “The ‘patent exhaustion doctrine’—also known as the ‘first sale doctrine’—holds that ‘the initial authorized sale of a patented item terminates all patent rights to that item.’ *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617, 625 (2008). This case presents two questions of great practical significance regarding the scope of this doctrine on which the *en banc* Federal Circuit divided below:

“1. Whether a ‘conditional sale’ that transfers title to the patented item while specifying post-sale restrictions on the article’s use or resale avoids application of the patent exhaustion doctrine and therefore permits the enforcement of such post-sale restrictions through the patent law’s infringement remedy.

“2. Whether, in light of this Court’s holding in *Kirtsaeng v. John Wiley & Sons, Inc.*, 133 S. Ct. 1351, 1363 (2013), that the common law doctrine barring restraints on alienation that is the basis of exhaustion doctrine ‘makes no geographical distinctions,’ a sale of a patented article—authorized by the U.S. patentee—that takes place outside of the United States exhausts the U.S. patent rights in that article.”

Certiorari Fodder: The 90-Plus Page Majority Opinion and the Dissent
The lengthy majority opinion speaks for itself as to the strength *vel non* of its reasoning. There is plenty of red meat in the dissent, particularly as to the “exhaustion” issue.

A Case Destined for Supreme Court Review: Remarkably, the majority (Taranto, J., joined by Newman, Lourie, Moore, O'Malley, Reyna, Wallach, Chen, Stoll, JJ.), maintains its broad denial of exhaustion, distinguishing international intellectual property exhaustion in *Kirtsaeng v. John Wiley & Sons, Inc.*, 133 S. Ct. 1351 (2013), maintaining its denial of exhaustion in *Jazz Photo Corp. v. International Trade Comm'n*, 264 F.3d 1094 (Fed. Cir. 2001), and maintaining contractual restrictions to block exhaustion in the questionable *Mallinckrodt, Inc. v. Medipart, Inc.*, 976 F.2d 700 (Fed. Cir. 1992), and, particularly, distinguishing *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617 (2008).

Clearly, *certiorari* is never certain, but if ever a case called for grant of review, this case is it.

International Patent Exhaustion: Although the *Kirtsaeng* issue is the *second* Question Presented, this appears to have the greater appeal, given the sharp distinction between the Federal Circuit denial of international intellectual property exhaustion versus the Supreme Court grant of international intellectual property exhaustion in the context of copyright law.

Notwithstanding *Kirtsaeng*, the majority “adhere[s] to the holding of *Jazz Photo Corp. v. International Trade Comm'n*, 264 F.3d 1094 (Fed. Cir. 2001), that a U.S. patentee, merely by selling or authorizing the sale of a U.S.-patented article abroad, does not authorize the buyer to import the article and sell and use it in the United States, which are infringing acts in the absence of patentee-conferred authority.” Two members of the Court in dissent “would retain *Jazz Photo* insofar as it holds that a foreign sale does not in all circumstances lead to exhaustion of United States patent rights. But, in my view, a foreign sale does result in exhaustion if an authorized seller has not explicitly reserved the United States patent rights.” *Lexmark*, ___ F.3d at ___, slip op. at 101 (Dyk, J., joined by Hughes, J., dissenting).

Conditional Sales to Avoid Exhaustion: Notwithstanding *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617 (2008), the same majority “adhere[s] to [its] holding of *Mallinckrodt, Inc. v. Medipart, Inc.*, 976 F.2d 700 (Fed. Cir. 1992), that a patentee, when selling a patented article subject to a single-use/no-resale restriction that is lawful and clearly communicated to the purchaser, does not by that sale give the buyer, or downstream buyers, the resale/reuse authority that has been expressly denied. Such resale or reuse, when contrary to the known, lawful

limits on the authority conferred at the time of the original sale, remains unauthorized and therefore remains infringing conduct under the terms of § 271.” The same dissent “agree[s] with the government that *Mallinckrodt[, Inc. v. Medipart, Inc.]*, 976 F.2d 700 (Fed. Cir. 1992)], was wrong when decided, and in any event cannot be reconciled with the Supreme Court's recent decision in *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617 (2008). We exceed our role as a subordinate court by declining to follow the explicit domestic exhaustion rule announced by the Supreme Court.” *Lexmark*, ___ F.3d at ___, slip op. at 101 (Dyk, J., joined by Hughes, J., dissenting).

◆ (2) Design patent infringement; damages keyed to component

Current Case: *Samsung Electronics Co., Ltd. v. Apple Inc.*, No. 15-777 opinion below, *Apple Inc. v. Samsung Electronics Co., Ltd.*, 786 F.3d 983 (Fed. Cir. 2015)(Prost, C.J.), asks whether design patent damages should be limited to profits attributable to a component of a patented design, where the design is applied to only that component.

Status: Argument October 11, 2016.

Certiorari was granted March 21, 2016, but *only* as to the *second* Question Presented. The case will be briefed in the coming months with a Fall or early Winter argument and a decision in the Term that expires at the end of June 2017.

Questions Presented: “***The [Federal Circuit] held that a design-patent holder is entitled to an infringer's entire profits from sales of any product found to contain a patented design, without any regard to the design's contribution to that product's value or sales. The *** effect of [this holding] is to reward design patents far beyond the value of any inventive contribution. The questions presented are:

* * *

“2. Where a design patent is applied to only a component of a product, should an award of infringer's profits be limited to those profits attributable to the component?”

A Damages Pandora's Box for “Regular” Patents: If the Court determines that a particular feature of the patented design is responsible for the success of the infringing product and it accounts for, say, ten percent of the profits, what lesson

would a ruling limiting the design patentee to ten percent of the profits in *this* case have on “regular” patent infringement cases?

Opening the Door to Future Design Patent Grants of *Certiorari*: One reason why design patents have not been accepted for review by the Supreme Court is because the Court may have been reluctant to grant *certiorari* in an area of law unfamiliar to the members of the Court. This situation is now dramatically changed with *Samsung Electronics v. Apple* providing a “tutorial” to the Supreme Court on design patent law. What’s next?

Historic First Grant of *Certiorari* in a Design Patent Case: Never since the Evarts Act of 1891 gave the Court discretion whether to accept an appeal has the Court previously issued a merits decision on design patent law. The leading design patent case came a generation before the Evarts Act in *Gorham Co. v. White*, 81 U.S. (14 Wall.) 511 (1871), where an appeal could be taken directly from the trial court as a matter of right. (To be sure, discussion of design patent law is found in *dictum* in *Mazer v. Stein*, 347 U.S. 201, 215-16 (1954)(copyright case discussing design patents)(“ *Gorham Co. v. White*, 81 U.S. (14 Wall.) 511 (1871), interpret[s] the design patent law of 1842, 5 Stat. 544, granting a patent to anyone who by 'their own industry, genius, efforts, and expense, may have invented or produced any new and original design for a manufacture * * *.' A pattern for flat silver was there upheld. The intermediate and present law differs little. 'Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, * * *' subject generally to the provisions concerning patents for invention. § 171, 66 Stat. 805, 35 U.S.C.A. § 171.”)(footnote omitted).

Federal Circuit Activity in Design Patents: To be sure, the Federal Circuit has had a major *en banc* review of a design patent issue. See *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665 (Fed. Cir. 2008)(*en banc*)(Bryson, J.).

◆ (3) Laches, Federal Circuit case law

Current Case: *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, S.Ct. No. 15-927, *opinion below, LLC*, 807 F.3d 1311 (Fed. Cir. 2015)(en banc), asks whether Federal Circuit patent laches law consistent with the Supreme Court copyright laches case, *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S.Ct. 1962 (2014).

Status: *Certiorari* granted May 2, 2016. Merits briefing in the coming months with argument in the October 2016 Term, with a decision before the end of June 2017.

Split En Banc Opinion interpreting Petrella: The 6-5 *en banc* majority opinion split the court between a majority opinion of Prost, C.J. (joined by Newman, Lourie, Dyk, O'Malley, Reyna, JJ.), and an opinion by Hughes, J. (joined by Moore, Wallach, Taranto, Chen, JJ., concurring-in-part and dissenting-in-part).

The majority opinion explains that the en banc court was convened “to resolve whether, in light of the Supreme Court's recent decision in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962 (2014), laches remains a defense to legal relief in a patent infringement suit. We conclude that Congress codified a laches defense in 35 U.S.C. § 282(b)(1) that may bar legal remedies. Accordingly, we have no judicial authority to question the law's propriety. Whether Congress considered the quandary in *Petrella* is irrelevant—in the 1952 Patent Act, Congress settled that laches and a time limitation on the recovery of damages can coexist in patent law. We must respect that statutory law.”

Implications: No matter the outcome, *SCA Hygiene* is a black eye for the Federal Circuit as a court established to provide a uniform body of case law in the patent field. It reaches a conclusion as to laches that differs from *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S.Ct. 1962 (2014)(copyright law) and does so in badly split *en banc* decision with a six vote majority opinion (Prost, C.J., joined by Newman, Lourie, Dyk, O'Malley, Reyna, JJ.) balanced by a five vote minority opinion (Hughes, J., joined by Moore, Wallach, Taranto, Chen, JJ., concurring in part, dissenting in part).

The majority ruled that “laches remains a defense to legal relief in a patent infringement suit after *Petrella* [*v. Metro-Goldwyn-Mayer, Inc.*, 134 S.Ct. 1962

(2014)]. Laches bars legal relief, and courts must weigh the facts underlying laches in the *eBay* framework when considering an injunction. However, absent extraordinary circumstances, laches does not preclude an ongoing royalty.”

The dissent disagreed with “the majority [which] adopts a patent-specific approach to the equitable doctrine of laches. In doing so, the majority overlooks Congress’ intent and Supreme Court precedent, which demonstrate that laches is no defense to a claim for damages filed within the statutory limitations period established by 35 U.S.C. § 286.”

◆◆ (4) **“Active Inducement” to Infringe (§ 271(f)(1))**: “Whether the Federal Circuit erred in holding that supplying a single, commodity component of a multi-component invention from the United States is an infringing act under 35 U.S.C. § 271(f)(1) ***.”

Current Case: *Life Techs. Corp. v. Promega Corp.*, Supreme Court No. 14-1538, opinion below, *Promega Corp. v. Life Techs. Corp.*, 773 F.3d 1338 (Fed. Cir., 2014)(Chen, J.).

Status: Certiorari granted as to the second question June 27, 2016. The case will be briefed over the Spring and Summer; an oral argument would likely take place in late Fall or early Winter, with a merits decision before the end of June 2017.

Questions Presented: “1. Whether the Federal Circuit erred in holding that a single entity can ‘actively induce’ itself to infringe a patent under 35 U.S.C. § 271(f)(1).

“2. Whether the Federal Circuit erred in holding that supplying a single, commodity component of a multi-component invention from the United States is an infringing act under 35 U.S.C. § 271(f)(1), exposing the manufacturer to liability for all worldwide sales.”

CVSG Recommendation to Grant Review Limited to the Second Question:

The Solicitor General in his CVSG brief, filed May 11, 2016, recommends grant of review, but *only* as to the **second** *Question Presented*.

Prior Case Law: Contributory infringement was spawned more than 140 years ago in *Wallace v. Holmes*, 29 F.Cas. 74 (No. 17,100) (CC Conn.1871), as a court-fashioned way for a patentee to sue a third party who supplies a component of the patented invention to numerous third parties, because it would be impossible or next to impossible as a practical matter to sue each of the individual direct infringers. There has never been a prior appellate holding of active inducement other where a third party is induced to infringe.

Implications: This case represents yet another bold stroke by the Federal Circuit to expand the scope of American patent rights to cover extraterritorial activity.

  **(5) Constitutionality of IPR (public rights)**

Current Case: *Cooper v. Lee*, Supreme Court No. 15-955, presents a serious Constitutional direct or implicit challenge to post-grant review procedures at the Patent Office, *here*, in the context of Inter Partes Review.

Status: Conference September 26, 2016.

Amicus Speaks, the Greenspoon-Dhuey team: Complementing petitioner's brief from the pen of Robert P. Greenspoon, is the joint effort of two independent thinkers, practitioner-scholar Andrew J. Dhuey and Professor Adam Mossoff in their filing styled as the *Brief Of Professor Adam Mossoff as Amicus Curiae in Support of Petitioners* (keyed to the thoughtful academic work of the coauthor, Adam Mossoff, *Patents as Constitutional Private Property: The Historical Protection of Patents under the Takings Clause*, 87 B. U. L. Rev. 689 (2007); Adam Mossoff, *Exclusion and Exclusive Use in Patent Law*, 22 Harv. J. L. & Tech. 321 (2009)).

The Greenspoon-Dhuey team has taken on seemingly insurmountable challenges before, most notably their joint representation in *Lighting Ballast Control LLC v. Philips Elecs. N. Am. Corp.*, 744 F.3d 1272 (Fed. Cir., 2014)(en banc), that served as a prelude to the Supreme Court decision in *Teva Pharm. United States, Inc. v. Sandoz, Inc.*, 135 S.Ct. 831 (2015).

Question Presented: Nearly 30 years have passed since this Court last applied Article III Separation of Powers principles to declare the authority of Congress to empower an executive agency to adjudicate a private dispute. More recently in a non-agency context, in *Stern v. Marshall*, 131 S. Ct. 2594 (2011), Justice Scalia's concurring opinion questioned the "multifactors relied upon today [that] seem to have entered our [public rights] jurisprudence almost randomly." *Id.* at 2621 (Scalia, J., concurring). The two other *Stern* opinions (majority and dissent) have all members of this Court expressing dissatisfaction with the clarity of Article III public rights jurisprudence: either it "has not been entirely consistent," *id.* at 2611 (majority), or preceding cases "do not admit of easy synthesis." *Id.* at 2624 (dissent) (citation omitted). Congress continues to pass laws against this murky backdrop, risking inappropriate expansion of the administrative state.

"The question presented is whether 35 U.S.C. §318(b) violates Article III of the United States Constitution, to the extent that it empowers an executive agency tribunal to assert judicial power canceling private property rights amongst private parties embroiled in a private federal dispute of a type known in the common law courts of 1789, rather than merely issue an advisory opinion as an adjunct to a trial court."

A Unique United States Perspective: Grant of the petition coupled with a merits success by petitioner would cast the United States as odd man out amongst the major patent granting authorities of the world as, for example, a European Patent can be challenged in a vigorous patent office proceeding in the nine months following grant and a similar right is available in Japan.

Cuozzo Speed – Difference from Patent Litigation: After the briefing in this case was concluded, the Supreme Court decided *Cuozzo Speed Technologies, LLC v. Lee*, 136 S.Ct. 2131 (2016), on a different issue. In that case, the Court distinguished post-grant PTO proceedings from a regular litigation:

"[I]nter partes review is less like a judicial proceeding and more like a specialized agency proceeding. Parties that initiate the proceeding need not have a concrete stake in the outcome; indeed, they may lack constitutional standing. See [35 USC] §311(a); cf. *Consumer Watchdog v. Wisconsin Alumni Research Foundation*, 753 F. 3d 1258, 1261-1262 (Fed. Cir. 2014). As explained above, challengers need not remain in the proceeding; rather, the Patent Office may continue to conduct an inter partes review even after the adverse party has settled. §317(a). Moreover, as is the case here, the Patent Office may intervene in a later

judicial proceeding to defend its decision—even if the private challengers drop out. And the burden of proof in inter partes review is different than in the district courts: In inter partes review, the challenger (or the Patent Office) must establish unpatentability ‘by a preponderance of the evidence’; in district court, a challenger must prove invalidity by ‘clear and convincing evidence.’ Compare §316(e) with *Microsoft Corp. v. i4i Ltd. Partnership*, 564 U. S. 91, 95 (2011).

“Most importantly, these features, as well as inter partes review's predecessors, indicate that the purpose of the proceeding is not quite the same as the purpose of district court litigation. The proceeding involves what used to be called a *reexamination* (and, as noted above, a cousin of inter partes review, ex parte reexamination, 35 U. S. C. §302 *et seq.*, still bears that name). The name and accompanying procedures suggest that the proceeding offers a second look at an earlier administrative grant of a patent. Although Congress changed the name from ‘reexamination’ to ‘review,’ nothing convinces us that, in doing so, Congress wanted to change its basic purposes, namely, to reexamine an earlier agency decision. Thus, in addition to helping resolve concrete patent-related disputes among parties, inter partes review helps protect the public's ‘paramount interest in seeing that patent monopolies . . . are kept within their legitimate scope.’ *Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co.*, 324 U. S. 806, 816 (1945); see H. R. Rep., at 39-40 (Inter partes review is an ‘efficient system for challenging patents that should not have issued’).”

Cuozzo Speed, 136 U.S. at 2144.

“Death Squads” *Déjà vu*: The words of the former Chief Judge could yet come back to haunt the appellate court. In a 2003 rant, the former Chief Judge dubbed the Patent Trial and Appeal Board as being “patent death squads”. It has since been popular to characterize Federal Circuit invalidity jurisdiction over patents in IPR proceedings as decidedly anti-patentee. Some refer to cases with as few as one of *many claims* being invalidated as counting as invalidation of *the patent*, while at most modest attention has been given to the reality that many patent challengers are reluctant to use the IPR procedure unless they have a rock solid case.

  **(6) Constitutionality of IPR**

Current Case: In *MCM Portfolio LLC v. Hewlett-Packard Co.*, Supreme Court No. 15-1330, *opinion below*, ___ F.3d ___ (Fed. Cir. Dec. 2, 2015)(Dyk, J.), petitioner challenges Inter Partes Review as unconstitutional.

Status: Conference September 26, 2016.

Questions Presented: “1. Does IPR violate Article III of the Constitution?
“2. Does IPR violate the Seventh Amendment to the Constitution?”

Piggybacking Off Top Ten No. 8, Cooper v. Lee: The timing of this case is behind *Cooper v. Lee*. It is therefore likely that if *certiorari* is granted in *Cooper v. Lee* that this case will be held for a Conference following a merits decision in *Cooper v. Lee* (where, should petitioner in that case be successful on the merits, the court would grant, vacate and remand (GVR) in *MCM Portfolio*).

Goldstein on Patents: Petitioner is represented by the well known Supreme Court advocate, Thomas Goldstein, who has previously been lead counsel in patent cases, *F. Hoffmann-La Roche Ltd v. Empagran S.A.*, 542 U.S. 155 (2004), *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007).

From the Opinion Below: “The Seventh Amendment provides that, ‘[i]n Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved’ U.S. Const. amend. VII. The Supreme Court has stated that ‘the Seventh Amendment is generally inapplicable in administrative proceedings, where jury trials would be incompatible with the whole concept of administrative adjudication and would substantially interfere with [the agency's] role in the statutory scheme.’ *Curtis [v. Loether]*, 415 U.S. 189, 194 (1974),] upheld ‘congressional power to entrust enforcement of statutory rights to an administrative process or specialized court of equity free from the structures of the Seventh Amendment.’ *Id.* at 195. Similarly, the Court held in *Atlas Roofing Co., Inc. v. Occupational Safety & Health Review Commission*, 430 U.S. 442, 455 (1977), that ‘when Congress creates new statutory ‘public rights,’ it may assign their adjudication to an administrative agency with which a jury trial would be incompatible, without violating the Seventh Amendment's injunction that jury trial is to be ‘preserved’ in ‘suits at common law.’ Congress is not required by the

Seventh Amendment to choke the already crowded federal courts with new types of litigation or prevented from committing some new types of litigation to administrative agencies with special competence in the relevant field.’ *See also Tull v. United States*, 481 U.S. 412, 418 n.4 (1987) (‘[T]he Seventh Amendment is not applicable to administrative proceedings.’). Here, when Congress created the new statutory right to inter partes review, it did not violate the Seventh Amendment ***.” *MCM Portfolio LLC v. Hewlett-Packard Co.*, 812 F.3d 1284, 1292 (Fed. Cir.)(Dyk, J.).

 **No. (7) *SmithKline Beecham v. King Drug* – Antitrust**

In *SmithKline Beecham Corp. v. King Drug Co. of Florence, Inc.*, S.Ct. No. 15-1055, proceedings below, *King Drug Co. of Florence, Inc. v. SmithKline Beecham Corp.*, 791 F.3d 388 (3rd Cir. 2015)(Scirica, J.), petitioner challenges the application of *FTC v. Actavis* to an exclusive license.

Status: Awaiting Solicitor General’s CVSG brief responsive to the invitation by the Court on June 6, 2016.

Question Presented: “In *FTC v. Actavis*, 133 S.Ct. 2223 (2013), the Supreme Court held that a patentee who settles a patent challenge by making a ‘large’ and ‘unexplained’ reverse payment to the patent challenger is not protected by the antitrust immunity generally afforded to patentees.

“The question presented is:

“Whether the Third Circuit’s sweeping holding that a patentee’s grant of an exclusive license must undergo antitrust scrutiny by courts and juries – even though such license is specifically permitted under the patent law – is inconsistent with this Court’s decision in *Actavis* and decades of this Court’s earlier precedents.”

◆ (8) Secret Commercialization as Prior Art

Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc., Fed. Cir. 2016-1284
Whether the Leahy Smith America Invents Act overrules *Metallizing Engineering*.

Medicines Co. Side Show to the Helsinn Main Event: The full *en banc* Federal Circuit has gone ahead with a *Helsinn* “side show”, an *en banc* hearing in *Medicines Co. v. Hospira, Inc.*, 791 F.3d 1368 (Fed. Cir. 2015)(Hughes, J.), *vacated*, 805 F.3d 1357 (Fed.Cir. 2015)(order for en banc briefing)(argued May 5, 2016), where a sale would be negated as a statutory bar *if* the *Metallizing Engineering* case is good law. (*Medicines Co.* is dealt with *infra* under “Other Cases...”) There are numerous other fact patterns as well that can be imagined under *Metallizing Engineering* that are unjust and reach a bad public policy outcome if the law of *Metallizing Engineering* is followed.

Medicines Co. and other secret “on sale” statutory bar issues are thus subsidiary “side shows” to the main event, whether (as argued in *Helsinn*) the *Metallizing Engineering* case remains good law.

The Scholarship of Prof. Dmitry Karshedt: Federal Circuit opinions have invoked *Metallizing Engineering* as if it were unquestioned judicial wisdom. Undoubtedly, its author was *indeed* a leading patent scholar, perhaps on a par with the noted jurist from the early days of this country, the late Learned Hand. But, this case is not only out of date as to changed factual circumstances but of at most questionable value *apart from the issue as to whether the case was legislatively overruled as part of the Leahy Smith America Invents Act.*

The weakness of *Metallizing Engineering* is a theme in the *amici* filings of both the United States and The Naples Roundtable, Inc., each citing the scholarship of George Washington University Law School’s leading patent scholar, Dmitry Karshedt, *Did Learned Hand Get it Wrong? The Questionable Patent Forfeiture Rule of Metallizing Engineering*, 57 Villanova L. Rev. 261 (2012).

◆ (9) Section 120 Continuation Coadependency Requirement

Immersion Corp. v. HTC Corp. is the expected styling of a petition for *certiorari* to review the Federal Circuit decision, ___ F.3d ___ (Fed. Cir. June 21, 2016)(Taranto, J.), denying continuation coadependency for a new application filed on the last day of pendency of a parent application.

Status: A petition for writ of *certiorari* is due September 19, 2017.

Issue: Continuation applications are frequently filed on the very last day a parent patent application is pending (i.e., the day before the parent application is published as a patent). The question is whether the statutory requirement under Section 120 requires that the new application be “*filed before the patenting*” (as stated in 35 USC §120).

The Federal Circuit in the current opinion says that there *is* coadependency for purpose of continuation application status when the continuation is filed on the last day the parent is pending.

★◆ (10) Ability to Amend in Post Grant Proceedings

In *In re Aqua Products, Inc.*, Fed. Cir. 2015-1177, the Court has granted a petition for *en banc* reconsideration; it poses two questions to be briefed by the parties and any *amici* who wish to participate:

“(a) When the patent owner moves to amend its claims under 35 U.S.C. § 316d), may the PTO require the patent owner to bear the burden of persuasion, or a burden of production, regarding patentability of the amended claims as a condition of allowing them? Which burdens are permitted under 35 USC § 316(e)?

“(b) When the petitioner does not challenge the patentability of a proposed amended claim, or the Board thinks the challenge is inadequate, may the Board *sua sponte* raise patentability challenges to such a claim? If so, where would the burden of persuasion, or the burden of product, lie?”

Status: Oral argument December 9, 2016. A decision is expected at some point in 2017.

◆ ITC Jurisdiction over Electronic Signals as “Articles”

The ITC has jurisdiction to block importation over infringing “articles”: Is importation of an electronic signal importation of such an “article”?

Current Case: *Int'l Trade Comm'n v. ClearCorrect Operating, LLC*, App. No. 15A1262, is the expected petition for *certiorari* from the decision of the Federal Circuit, 810 F.3d 1283 (Fed. Cir. 2015)(Prost, J.), where the court reversed an ITC determination that “[t]he Tariff Act of 1930 provides the International Trade Commission [] with authority to remedy only those unfair acts that involve the importation of "articles" as described in 19 U.S.C. § 1337(a)[, interpreting] ‘articles’ [as] “include[ing] electronic transmission of digital data. . .”

Status: The deadline for filing a petition to the Supreme Court for grant of *certiorari* expires August 26, 2016 (twice extended). A decision whether to grant *certiorari* would be expected September 26, 2016, at the Opening Conference for the October 2016 Term.

The Great Dissenter, Déjà vu: Both in the panel decision and in the denial of rehearing en banc, The Great Dissenter, Circuit Judge Newman, issued remarkable dissents. This included, for example, the following statement in her dissent from denial of rehearing *en banc* that “[t]he court’s decision is inconsistent with decisions of the Supreme Court, the Federal Circuit, the Court of Customs and Patent Appeals, the Court of International Trade, the Tariff Commission, the Department of Labor, the Bureau of Customs and Border Protection, the Arms Control Export Act, and the Bipartisan Congressional Trade Priorities and Accountability Act.”

PTAB IPR Consolidation with Parallel Proceeding

Current case: *Argentum Pharms. LLC v. Research Corp. Techs.*, IPR2016-00204 (PTAB), presents an opportunity for the Office to consolidate — for the first time— an IPR with a pending ex parte reexamination of the same patent. The reexamination is Ex Parte Control. No. 90/013709.

Status: Pending at the PTAB.

In *Cuozzo Speed Techs. v. Lee*, 136 S.Ct. 2131 (2016) (Breyer, J.), the Supreme Court in justification of the PTO's "broadest reasonable interpretation" standard agreed with the USPTO that the possibility of "consolidation" of an IPR with an ex parte reexamination or reissue proceeding under 35 U.S.C. § 315(d) justifies using the same claim construction standard across Agency proceedings. Slip op. 20 (citing 77 Fed. Reg. 48697-48698).

IPR Consolidations to Date, None: As pointed out by the petitioner, "[t]he Government has not pointed to a single instance in which the Board has consolidated an IPR with a reexamination or reissue proceeding." *Cuozzo Br.* At 44.

About the Author



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