Northern District Practice Program

March 24, 2022

Selected 2021-2022 Patent Decisions[1]

I. Pleadings

A. *Bot M8 LLC v. Sony Corporation of America*, Case No. 2020-2218 (Fed. Cir. July 13, 2021)

The Federal Circuit affirmed the Northern District of California's dismissal of two patents for failure to state a plausible claim of infringement, reversed the District Court's dismissal of two other patents for insufficient infringement pleadings, affirmed that the fifth patent is invalid under § 101, and found no abuse of discretion in denying leave to file a second amended complaint and denying reconsideration. The Federal Circuit reiterated that "a plaintiff need not prove its case at the pleading stage" and a "plaintiff is not required to plead infringement on an element-by-element basis." Slip op. at 13. A "blanket element-by-element pleading standard for patent infringement" goes beyond the *Iqbal* and *Twombly* standard set forth by the Supreme Court. Slip op. at 13. The Federal Circuit affirmed dismissal where kitchen sink allegations revealed an "inconsistency that is fatal to its infringement case" (Slip op. at 16) and where Bot M8 pointed to different components without saying which satisfied a claim limitation requiring mutual authentication (Slip op. at 18).

B. *Celgene Corporation v. Mylan Pharmaceuticals Inc.*, Case No. 2021-1154 (Fed. Cir. Nov. 5, 2021)

The District of New Jersey dismissed the case against foreign entity Mylan N.V. for failure to state a claim, as Celgene's allegations that Mylan N.V. had "submitted" the ANDA were conclusory. The Federal Circuit affirmed. Mylan Pharmaceuticals Inc. (MPI) was the entity that signed and submitted the ANDA, not Mylan N.V. A chain of ownership whereby Mylan N.V. is the ultimate corporate parent of the other two defendants was not alone enough to state a claim against Mylan N.V. based on the ANDA submission. The Federal Circuit found that "[a]t most, Celgene's allegations amount to legal conclusions as to the defendants as a group—not to facts showing a plausible inference of liability as to Mylan N.V. For instance, nothing in the complaint suggests *how* Mylan N.V. is involved in the ANDA process, *how* it bypassed the corporate form to make MPI its alter ego, or the like." Slip op. at

[1] Section 101 and 112 cases are not covered in this document

25. The Court required plausible factual allegations that the foreign entity "actively involved in and directly benefited from the ANDA (including in the agent–principal sense)" or that the US entity was just the foreign entity's "alter ego in derogation of the corporate form." Slip op. at 24-25.

II. Personal Jurisdiction

A. *Trimble Inc., Innovative Software Engineering, LLC v. PerDiemCo LLC*, Case No. 2019-2164 (Fed. Cir. May 12, 2021)

At issue was whether the Northern District of California had specific personal jurisdiction over a declaratory judgment action filed by Trimble and ISE. The Federal Circuit concluded that personal jurisdiction existed in this case. "PerDiemCo's twenty-two communications over the course of about three months fall well outside the 'sufficient latitude' we sought to grant patentees 'to inform others of [their] patent rights without subjecting [themselves] to jurisdiction in a foreign forum' on the basis of three letters sent over a similar time period in *Red Wing*. [*Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1361-62 (Fed. Cir. 1998)]." Slip op. at 15. The Federal Circuit clarified that *Red Wing* "remains correctly decided with respect to the limited number of communications involved in that case. However, there is no general rule that demand letters can never create specific personal jurisdiction." Slip op. at 13-14. The Federal Circuit went on to examine five factors relating to whether exercising personal jurisdiction comports with fair play and substantial justice[2] and determined that personal jurisdiction in this case was not unreasonable.

III. Venue and Transfer

A. *In re Juniper Networks, Inc.*, Case No. 2021-160 (Fed. Cir. Sept. 24, 2021)

The Federal Circuit granted Juniper's petition for mandamus and directed the Western District of Texas to grant Juniper's motion to transfer to the Northern District of California, finding that the "district court clearly abused its discretion in finding that Juniper failed to make the requisite showing to call for transfer of this case to the Northern District of California." Slip op. at 7.

[2] The burden on the defendant, the forum state's interest in adjudicating the dispute, the plaintiffs' interest in obtaining convenient and effective relief, the interstate judicial system's interest in obtaining the most efficient resolution of controversies, and the shared interest of the several states in furthering fundamental substantive social policies. Slip op. at 16-18.

First, the Federal Circuit reiterated that "the relative convenience for and cost of attendance of witnesses between the two forums is probably the single most important factor in transfer analysis" and the District Court "clearly erred" when it did not give sufficient weight to witness convenience when Juniper identified 11 potential party witnesses located in the Northern District of California and plaintiff WSOU Investments identified only one party witness in the Western District of Texas. The Federal Circuit found that the assumption that Juniper would call few party witnesses to not be based on any evidence. The Court reiterated that it had "previously rejected the district court's reliance on the proposition that the convenience-to-the-witnesses factor is attenuated when the witnesses are employees of the party calling them" and "rejected the district court's categorical assumption that defendants are likely to call few if any of the proposed party witnesses or prior-art witnesses that are identified for purposes of supporting transfer motions." Slip op. at 8 (collecting cases).

Second, the Court stated that the events underlying the infringement claims occurred mainly in the Northern District of California and none took place in the Western District of Texas, so the Northern District had a greater localized interest. It did not find Juniper's Austin office, which was unconnected to the products accused of infringement, to establish a local interest comparable to the Northern District of California. Nor did the plaintiff's recent and "relatively insubstantial" presence in Waco, "largely tied to bringing lawsuits in that court," entitle it to significant weight. Slip op. at 10. Indeed, "little or no weight should be accorded to a party's recent and ephemeral presence in the transferor forum, such as by establishing an office in order to claim a presence in the district for purposes of litigation." Slip op. at 10.

Third, sources of proof favored transfer; "while electronic storage of documents makes them more widely accessible than was true in the past, that does not make the sources-of-proof factor irrelevant." Slip op. at 12.

Fourth, the Court found that just because no witness was expressly identified as unwilling to testify, that did not favor denial of transfer.

Finally, the Federal Circuit stated that "it is improper to assess the court congestion factor based on the fact that the Western District of Texas has employed an aggressive scheduling order for setting a trial date" and the court congestion factor is the "most speculative." Slip op. at 13-14.

B. *In re Netflix, Inc.*, Case No. 2022-110 (Fed. Cir. Jan. 19, 2022)

In this nonprecedential opinion, the Federal Circuit focused on the sources of proof and availability of witnesses factors to grant mandamus directing transfer from the Eastern District of Texas to the Northern District of California. The plaintiff's complaint based venue on the location of servers installed at ISPs under contracts with Netflix allowing local delivery of content to Netflix users. On sources of proof, Netflix provided a declaration that source code is in NDCA, its product and engineering teams are based in NDCA, documentation about research, design, and development of Netflix's streaming services are in NDCA, financial documentation is in NDCA, and primary corporate decisionmaking happens in NDCA. The specificity Netflix provided was sufficient, and there was no evidence to doubt that the documents and sources were relevant and material. The Federal Circuit stated that the District Court's requirement that Netflix "articulate the precise way that evidence supports its claim" was not required. Slip op. at 6. As to witnesses, the Court stated that Fifth Circuit law does not require transfer movants to show that the identified potential witnesses would provide important testimony. Further, it was an abuse of discretion to reject the significance of witnesses when untethered to the facts of the case – here, the District Court discounted prosecuting attorneys on the list of potential witnesses as "almost never testify[ing]" due to privilege and lack of relevant non-duplicative knowledge. Slip op. at 8. Netflix also identified many more third party witnesses in CA than in TX. And Netflix identified and explained the relevance of 21 potential employee witnesses in NDCA versus 7 identified by the plaintiff in EDTX without specificity about their relevance or materiality. Finally, "when other relevant factors weigh in favor or transfer or are neutral, then the speed of the transferee district court should not alone outweigh all of those other factors." Slip op. at 10.

C. *Celgene Corporation v. Mylan Pharmaceuticals Inc.*, Case No. 2021-1154 (Fed. Cir. Nov. 5, 2021)

In *Celgene*, the Federal Circuit held that domestic defendants Mylan Pharmaceuticals Inc. (MPI) and Mylan Inc. did not commit acts of infringement in New Jersey or have a regular and established place of business in New Jersey, where Celgene filed a Hatch-Waxman case. The Court declined to treat Hatch-Waxman cases differently from other cases.

It was undisputed that MPI and Mylan did not reside in the District of New Jersey. The question was whether they committed acts of infringement (i.e., submission of the ANDA) in New Jersey and

had a regular and established place of business there. As to the first, the Court reiterated that "for the purposes of the Hatch-Waxman Act, 'it is the submission of the ANDA, and only the submission, that constitutes an act of infringement in this context.' [*Valeant Pharms. N. Am. LLC v. Mylan Pharms. Inc.*, 978 F.3d 1374, 1381 (Fed. Cir. 2020)]. In so holding, we expressly rejected relying on the contemplated future conduct of the generic-drug sponsor. *Id.* at 1381-83." Slip op. at 9. The Federal Circuit distinguished the notice letter as separate from the infringing ANDA submission and is not considered "part of" the submission. Slip op. at 10-11. Thus, "[s]ending a paragraph IV notice letter does not fall within 'submitting' the ANDA under the meaning of *Valeant*." Slip op. at 12. Thus there was no infringing act in New Jersey.

As to the second, the Court focused on the third of three requirements to show a regular and established place of business: physical place in the district, regular and established place of business, and place of the defendant. The Court declined to accept Celgene's arguments pointing to, e.g., homes belonging to MPI or Mylan employees, employees who live in the state, a "handful" of business cards with New Jersey home addresses, two LinkedIn profiles, two small storage lockers rented by employees to store product samples, service of process possibilities, and an aggregate-place theory. Slip op. at 13-17. The Court also declined to accept that the physical New Jersey office of a now-defunct wholly owned subsidiary of MPI, Mylan Laboratories Inc. (MLI), could be imputed to MPI and Mylan for venue purposes. Slip op. at 17-20. Celgene had not demonstrated that MLI and MPI actually functioned as a single entity in all aspects of the business. Slip op. at 19. Affiliation or shared activities alone were insufficient. Slip op. at 22.

IV. Infringement

A. *GlaxoSmithKline LLC v. Teva Pharms. USA, Inc.*, Case Nos. 2018-1976, 2018-2023 (Fed. Cir. Aug. 5, 2021)

Plaintiff GSK's Coreg® product was approved for hypertension, congestive heart failure (CHF), and to reduce cardiovascular mortality in patients suffering from left ventricular dysfunction after a myocardial infarction (post-MI LVD). From 2008 to 2011, Teva's label for its generic included only the post-MI LVD indication and the hypertension indication (the "partial label" period). From 2011 until 2015, Teva's label included the CHF indication as well (the "full label" period). A District of Delaware jury found that Teva had induced infringement during both the

partial label period and the full label period, and the patent was not invalid. The District Court granted Teva JMOL of non-infringement because "GSK failed to prove that Teva's alleged inducement, as opposed to other factors, actually caused physicians to directly infringe by prescribing generic carvedilol for the treatment of mild to severe CHF." Slip op. at 9.

The Federal Circuit originally reinstated the verdict but then agreed to rehear the case. It found that "substantial evidence supports a jury finding that the patented use was on the generic label at all relevant times and that, therefore, Teva failed to carve out all patented indications." Slip op. at 10. As to the partial label period, the Court agreed with GSK that despite Teva having certified under 21 U.S.C. § 355(j)(2)(A)(viii) that it was purporting to carve out one heart failure indication (thereby making Teva's label a "skinny label") and having deleted the indication from the partial label, "substantial evidence supports the jury's finding that Teva induced doctors to infringe the method of use claimed in the '000 patent." Slip op. at 13. The Court noted that because the jury found infringement, it must assume that the jury decided that Teva had not effected a section viii carve-out of GSK's patented methods of use. Slip op. at 13. The evidence included Teva's partial label, expert testimony, product catalogs, advertising, marketing, and promotional activities, press releases, references for physicians, and testimony from Teva witnesses, all of which the Federal Circuit found the jury "could have relied on to find Teva intended to encourage, recommend, or promote infringement." Slip op. at 24, 32. Indeed, "when a product is sold with an infringing label or an infringing instruction manual, such a label is evidence of intent to induce infringement." Slip op. at 25. During the full label period, the Federal Circuit credited Teva press releases, websites, marketing materials, catalogs, Monthly Prescribing References, and expert testimony to conclude substantial evidence supported the jury finding.

As to causation, the Court concluded that the "jury had sufficient circumstantial evidence, in the form of labels, marketing materials, catalogs, press releases, and expert testimony, for it to conclude that Teva succeeded in influencing doctors to prescribe carvedilol for the infringing use." Slip op. at 37.

Chief Judge Prost dissented, arguing that Teva could not be liable for inducing infringement with a skinny label and expressing concern that the case law on induced infringement had "gone awry" and that the majority opinion created confusion for generics.

The Court denied a petition for *en banc* rehearing on February 11, 2022.

V. Estoppel

A. *Minerva Surgical, Inc. v. Hologic, Inc.*, Case No. 20-440 (S. Ct. June 29, 2021)

In *Minerva*, Csaba Truckai invented a device to treat abnormal uterine bleeding in the late 1990s and assigned his interest in the patent application and future continuations to Novacept, Inc., a company he founded. The Novacept patent portfolio made its way to Hologic, Inc. in 2007. In 2008, Truckai founded Minerva Surgical and developed an improved device to treat abnormal uterine bleeding, which unlike the Novacept invention does not remove any fluid during treatment. In 2013, Hologic filed a continuation application and drafted one of the claims to ostensibly cover Minerva's device. The patent issued in 2015, and Hologic thereafter sued Minerva for patent infringement. Hologic argued that Truckai and Minerva could not proffer an invalidity defense based on assignor estoppel. The District Court agreed and the Federal Circuit likewise applied the doctrine or assignor estoppel to prevent Minerva from arguing that the Hologic patent is invalid.

The Supreme Court declined to eliminate the doctrine of assignor estoppel and disagreed with Minerva's argument that the doctrine already had been eliminated. However, it cabined the Federal Circuit's application of assignor estoppel and clarified that "[a]ssignor estoppel applies when an invalidity defense in an infringement suit conflicts with an explicit or implicit representation made in assigning patent rights. But absent that kind of inconsistency, an invalidity defense raises no concern of fair dealing—so assignor estoppel has no place." Slip op. at 17. Thus, assignor estoppel does not apply, for example, where the claims in the issued patent are materially broader than those in an application when it was assigned. The Court vacated and remanded to the Federal Circuit to address whether Hologic's new claim was materially broader than the claims that Truckai originally assigned.

B. *California Institute of Technology v. Broadcom Limited, nka Broadcom Inc.*, Case Nos. 2020-2222, 2021-1527 (Fed. Cir. Feb. 4, 2022)

CalTech sued Broadcom and Apple in the Central District of California for infringement of three patents related to error correction in data transmission. The accused products were Broadcom Wi-Fi chips and Apple products incorporating those chips. The Federal Circuit affirmed the District Court's denial of JMOL on two of the patents and remanded for a new trial on

infringement of the third. It also affirmed the District Court's determination of no inequitable conduct. Judge Dyk dissented as to the infringement portions of the majority opinion.

Apple filed multiple IPR petitions. The PTAB concluded that Apple had not shown the claims were unpatentable. At trial, Apple and Broadcom sought to present different combinations of prior art than had been presented to the PTAB, which the District Court barred. The Federal Circuit discussed the holding in *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016) that IPR proceedings resulting in a final written decision "preclude[] petitioners from raising invalidity grounds in a civil action that they raised or reasonably could have raised during that inter partes review" under 35 U.S.C. § 315(e)(2) because "IPR does not begin until it is instituted" and therefore "[g]rounds raised in a petition (or that reasonably could have been raised in a petition) were necessarily not raised *during* the IPR" and "[o]nly the grounds actually at issue in the IPR were raised, or reasonably could have been raised in the IPR." Slip op. at 20. The Federal Circuit noted a split among district courts in application of *Shaw*, where some applied estoppel to all arguments that could have been raised in the petition while others applied it to the instituted IPR. Slip op. at 21-22. The Federal Circuit discussed the Supreme Court's opinion in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018) and held:

"Accordingly, we take this opportunity to overrule *Shaw* and clarify that estoppel applies not just to claims and grounds asserted in the petition and instituted for consideration by the Board, but to all claims and grounds not in the IPR but which reasonably could have been included in the petition. In a regime in which the Board must institute on all grounds asserted and the petition defines the IPR litigation, this interpretation is the only plausible reading of 'reasonably could have raised' and 'in the IPR' that gives any meaning to those words." Slip op. at 23-24.

Because Apple and Broadcom were aware of the prior art references they sought to raise in the District Court at the time of filing the IPR petitions, they reasonably could have been included in the petitions and therefore the IPR.

VI. Inequitable Conduct

A. *Belcher Pharmaceuticals, LLC v Hospira, Inc.*, Case No. 2020-1799 (Fed. Cir. Sept. 1, 2021)

The Federal Circuit upheld a finding of inequitable conduct by Belcher's Chief Science Officer. No direct evidence of deceptive intent was required, where the "single most reasonable inference is that Mr. Rubin possessed the specific intent to deceive the PTO when withholding" a prior art product that disclosed the critical pH range of 2.8 to 3.3. Slip op. at 15-16. Evidence in support of the finding of deceptive intent included prior knowledge of the prior art product, the individual's central role in FDA approval and patent prosecution where Belcher made contradictory arguments, and arguments to the patent examiner about the criticality of the 2.8 to 3.3 pH range despite knowing that the reference product for FDA purposes used the same range. Slip op. at 16.

VII. Damages

A. *California Institute of Technology v. Broadcom Limited, nka Broadcom Inc.*, Case Nos. 2020-2222, 2021-1527 (Fed. Cir. Feb. 4, 2022)

CalTech presented a two-tiered reasonable royalty model premised on the idea that a hypothetical negotiation with Broadcom in 2009 at the "chip level" would have occurred simultaneously with a hypothetical negotiation with Apple at the "device level." The Federal Circuit held this to be legally unsupportable and remanded for a new trial on damages.

The Court noted there was no "evidence that companies in the positions of Broadcom and Apple would engage in such separate negotiations and in the absence of additional facts that might justify separate and different treatment of the same chips at different levels of the supply chain, the mere fact that Broadcom and Apple are separate infringers alone does not support treating the same chips differently at different stages in the supply chain and does not justify submitting such a two-tier damage theory to the jury." Slip op. at 28.

The Court also affirmed the District Court's permissive jury instruction that a "sales cycle leading to design wins" could trigger a U.S. sale. Slip op. at 26-27.

B. *SRI Int'l, Inc. v. Cisco Sys., Inc.*, Case Nos. 2020-1685, 2020-1704 (Fed. Cir. Sept. 28, 2021)

A Delaware jury found that Cisco infringed the asserted patents, awarded a 3.5% reasonable royalty ($23.7m in compensatory damages), and found willful infringement. The Delaware Court awarded attorneys' fees and enhanced damages based on the jury's willfulness finding, doubling the damages award. The Federal

Circuit initially vacated and remanded on the issues of willful infringement, enhanced damages, and attorneys' fees. The District Court on remand granted JMOL of no willful infringement but granted the renewed motion for fees. The Federal Circuit found that substantial evidence supported the jury finding of willful infringement after May 8, 2012, the date Cisco had notice. It noted that the jury found "Cisco had no reasonable basis to believe that it did not infringe or that it had a reasonable defense to infringement" and that there was evidence that Cisco's invalidity defenses were unreasonable as its "only assertion of invalidity over the prior art was based on anticipation by a reference that was twice considered and twice rejected by the Patent Office." Slip op. at 6-7. Moreover, its non-infringement defenses were contradicted by the evidence or based on a reading of the claim construction that was not given by the District Court.

The Federal Circuit clarified that there was no heightened requirement for willful infringement, and the "wanton, malicious, and bad-faith" language from *Halo Electronics, Inc. v. Pulse Electronics, Inc.*, 136 S. Ct. 1923 (2016) referred to conduct warranting enhanced damages, not conduct warranting a finding of willfulness. Under *Halo*, willfulness required only deliberate or intentional infringement. Slip op. at 9-10. Substantial evidence supported the jury's willful infringement finding.

As to enhanced damages, those were appropriate "given Cisco's litigation conduct, its status as the world's largest networking company, its apparent disdain for SRI and its business model, and the fact that Cisco lost on all issues during summary judgment and trial, despite its formidable efforts to the contrary." Slip op. at 11.

VIII. Standing

A. *Apple Inc. v. Qualcomm Inc.*, Case No. 2020-1561 (Fed. Cir. Apr. 7, 2021)

Apple filed IPRs on two patents asserted by Qualcomm. The PTAB issued final written decisions holding the challenged claims patentable. Before filing the appeal at issue, Apple and Qualcomm entered into a worldwide settlement that involved a 6-year license agreement (including to the patents at issue) and moved to dismiss Qualcomm's district court case with prejudice. The Federal Circuit held that Apple did not have standing to appeal the PTAB's final written decisions.

First, as to Apple's ongoing payment obligations under the license agreement, the Federal Circuit stated that Apple's failure to argue or provide evidence that the validity of the two patents at issue

would affect its ongoing royalty obligations was "fatal to establishing standing." Slip op. at 7. Second, the Court found that any threat that Apple would be sued for infringing the two patents at issue after the license agreement expired was "too speculative to confer standing." Slip op. at 8. Third, the estoppel effects of 35 U.S.C. § 315 on future challenges to the validity of the two patents was not a sufficient basis to confer standing, particularly where Apple had not shown that it was likely to be engaging in activities that would give rise to a patent infringement suit post-license agreement.

B. *Omni MedSci, Inc. v. Apple Inc.*, Case Nos. 2020-1715, 2020-1716 (Fed. Cir. Aug. 2, 2021)

The dispute centered on whether the plaintiff's principal, a professor at the University of Michigan, owned the patents asserted against Apple or whether they were the property of the University of Michigan. The language at issue (paragraph 1 of Bylaw 3.10) stated: "Patents and copyrights issued or acquired as a result of or in connection with administration, research, or other educational activities conducted by members of the University staff and supported directly or indirectly (e.g., through the use of University resources or facilities) by funds administered by the University regardless of the source of such funds, and all royalties or other revenues derived therefrom *shall be the property of* the University." Slip op. at 2.

The Federal Circuit majority noted that "[o]n its face, paragraph 1 of bylaw 3.10 does not unambiguously constitute either a present automatic assignment or a promise to assign in the future. It does not say, for example, that the inventor "will assign" the patent rights—language that this court has previously held to constitute an agreement to assign rather than a present assignment. *See Arachnid, Inc. v. Merit Indus., Inc*., 939 F.2d 1574, 1580 (Fed. Cir. 1991). Nor does it say that the inventor "agrees to grant and does hereby grant" title to the patent—language that this court has previously held to constitute a present automatic assignment of a future interest. *See FilmTec Corp. v. Allied-Signal Inc*., 939 F.2d 1568, 1573 (Fed. Cir. 1991)." Slip op. at 7. The Court stated that this is "most naturally read as a statement of intended disposition and a promise of a potential future assignment, not as a present automatic transfer" (slip op. at 7) and noted that the "' shall be the property of' language here lacks [a] present-tense active verb" (slip op. at 10). The Court emphasized that its focus "is not on any magic words, but rather on the absence of an active verbal expression of present execution in paragraph 1 of bylaw 3.10. The absence of an active verbal expression of present execution is a

substantive indication that a present automatic assignment was not intended." Slip op. at 14.

Judge Newman dissented, both as a matter of contract interpretation and because it "overturns decades of unchallenged understanding and implementation of the University's employment agreement and policy documents." Slip op. dissent at 3. Judge Newman stated that the "[a]ccording to my colleagues, this fatal flaw in the University's documents could have been avoided simply by using the present tense 'is the property of the University' instead of the future tense 'shall be the property of the University.' However, these documents necessarily apply only to future inventions, for which the future tense is appropriate usage and affords clear understanding." Slip op. dissent at 8-9.

IX. Trial Practice

A. *Wi-LAN Inc. v. Sharp Electronics Corporation*, Case No. 2020-1041 (Fed. Cir. Apr. 6, 2021)

In *Wi-LAN*, the patents-in-suit were directed to displaying interlaced video on a noninterlaced monitor and dynamically adjusting bit rates of input audio and video data streams to obtain a combined multimedia data stream with an optimal bit rate. In order to make its case for infringement, Wi-LAN submitted source code printouts from third party chip manufacturers, along with declarations from employees of those third parties. Wi-LAN argued this was sufficient to establish the authenticity of the printed code excerpts and their admissibility. The District of Delaware held that the evidence was inadmissible and there was no genuine issue of material fact as to non-infringement, and it granted summary judgment of non-infringement. The Federal Circuit affirmed.

Wi-LAN argued first that the source code printout was a business record and admissible under the business records except to the hearsay rule. The Federal Circuit stated that "the declarations could not be used the authenticate the source code printout on the theory that the declarations were a proxy for trial testimony or themselves admissible as business records." Slip op. at 9. It stated that "declarations cannot be used [at summary judgment as a trial testimony proxy] unless the witness will be available to testify at trial" and in this case, there was no indication that the declarants would come to trial. Slip op. at 9. The Court also rejected Wi-LAN's argument that the declarations themselves were business records under Rule 803(6) as they were created and prepared for the purposes of litigation. Slip op. at 10. The Court further noted

that, even under the Third Circuit's minority interpretation of Rule 803(6), Sharp and Vizio had demonstrated a lack of trustworthiness in the source code. Slip op. at 11. Thus, the business record exception under Rule 803(6) did not apply.

The Federal Circuit also agreed with the district court that the source code printouts lacked indicia of trustworthiness and therefore was not admissible under Rule 901(b)(4).

Finally, the Court declined to allow Wi-LAN to use the source code printouts under Rule 703 because "expert reliance does not translate to admissibility" and "Wi-LAN did not establish that experts in the field 'reasonably rely on' unauthenticated source code." Slip op. at 13-14.

B. *Kyocera Senco Industrial Tools Inc., fka Kyocera Senco Brands Inc. v. International Trade Commission*, Case No. 20-1046 (Fed. Cir. Jan. 21, 2022)

This case relates to gas spring nailer products and whether they infringe patents generally related to linear fastener driving tools such as portable tools that drive staples, nails, and the like. The ALJ adopted respondent Koki's definition of a skilled artisan, which included "at least two years of experience in power nailer design." Complainant Kyocera did not contest this definition. Kyocera's technical expert did not have experience in power nailer design, and as a result the ALJ excluded his testimony on infringement under the doctrine of equivalents. Slip op. at 10.

The Federal Circuit noted that "[t]o offer expert testimony from the perspective of a skilled artisan in a patent case—like for claim construction, validity, or infringement—a witness must at least have ordinary skill in the art. Without that skill, the witness' opinions are neither relevant nor reliable." Slip op. at 11. This applies to both literal infringement and doctrine of equivalents. *Id.* It was an abuse of discretion for the ALJ to admit Kyocera's technical expert's testimony on any topic that requires analysis through the lens of one of ordinary skill in the art. Slip op. at 12-13.

X. PTAB Trials

A. *United States v. Arthrex, Inc.*, Case No. 19-1434 (S. Ct. June 21, 2021)

The issue presented was whether the authority of Administrative Patent Judges (APJs) to issue decisions on behalf of the Executive Branch is consistent with the Appointments Clause of the Constitution, which says that the President may be assisted in carrying out responsibilities for faithfully executing the laws by

nominated and Senate-confirmed officers, or by other officers whose work is directed and supervised by an office who has been nominated and confirmed by the Senate. APJs are appointed by the Secretary of Commerce. As the Supreme Court noted, "APJs have the power to render a final decision on behalf of the United States without any such review by their nominal superior or any other principal officer in the Executive Branch." Slip op. at 10. The Court held that the "unreviewable authority wielded by APJs during inter partes review is incompatible with their appointment by the Secretary to an inferior office." Slip op. at 18-19. The remedy, according to Justices Roberts, Alito, Kavanaugh, Barrett, and Breyer (in concurrence), is that final PTAB decisions are reviewable by the Director of the PTO, who is entitled to issue his or her own decisions upon that review. "To be clear, the Director need not review every decision of the PTAB. What matters is that the Director have the discretion to review decisions rendered by APJs. In this way, the President remains responsible for he exercise of executive power—and through him, the exercise of executive power remains accountable to the people." Slip op. at 23.

B. *Qualcomm Inc. v. Apple Inc.*, Case No. 20-1558 (Fed. Cir. Feb. 1, 2022)

At issue was whether applicant admitted prior art (AAPA) constitutes prior art for purposes of *inter partes* review under 35 U.S.C. § 311(b), which states that "[a] petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications." The Federal Circuit held that AAPA does not qualify, because the "patents or printed publications" must themselves be prior art to the challenged patent, which "excludes any descriptions of the prior art contained in the challenged patent." Slip op. at 10. The Court stated that "[g]iven Congress's use of language identical to § 301(a), and the judicial interpretations of that statute at the time the AIA was enacted, the logical extension is that the patents and printed publications referenced in § 311(b) must themselves be prior art to the challenged patent. In other words, § 311(b) does not permit AAPA in this case to be the basis of a ground in an *inter partes* review, because it is not contained in a document that is a prior art patent or prior art printed publication." Slip op. at 13. The Court did note, however, that AABA is permissible for use when assessing the obviousness of a patent's claims, such as to provide facts regarding the knowledge of one of ordinary skill in the art at the time of the invention. Slip op. at 13-15. Thus, AAPA may not be the *basis* of a ground in an IPR.