

IPWATCHDOG PATENT MASTERS™ 2025

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“LATEST DEVELOPMENTS”

**Chief Judge Susan G. Braden (Ret.)
United States Court of Federal Claims**

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Our Panel will discuss the latest patent decisions of the U.S. Court of Appeals for the Federal Circuit which has exclusive appellate jurisdiction of patent disputes filed in the U.S. District Courts, the United States Court of Federal Claims, the U.S.P.T.O. Patent Trial, and Appeal Board (PTAB), and the U.S. International Trade Commission (ITC). By way of background, in 2024, 30% of the CAFC’s patent decisions were precedential; and approximately 30% were Rule 36 summary affirmances. The remaining 40% were non-precedential decisions or orders.

Rule 36 challenges – ParkerVision v. TCL, SCOTUS denied cert March 2025.

In 2025, through May 15, the CAFC issued 114 patent opinions, 45 of which were precedential (39.4%).

Our Panel also will opine about the odds of patent reform legislation reintroduced in the 119th Congress and related China security issues, tariffs (which appear to have a shelf life, less than Wonder Bread), and questions of interest to our early morning highly caffeinated audience.

UNITED STATES DISTRICT COURT CASES

In 2024, the U.S. Court of Appeals for the Federal Circuit affirmed 70% of District Court decisions, most of which upheld decisions that the patent at issue was ineligible.

- **Fed. R. Civ. P. 12 (b)** allows a defendant to file a motion to dismiss before filing an Answer. A motion to dismiss can allege that: 1.) the Complaint was not properly served; 2.) the venue is improper; 3.) plaintiff is not the owner of the patent and therefore lacks standing to pursue the infringement claim; 4.) the Complaint fails to allege sufficient facts to establish a plausible infringement claim. *See Twombly v. Bell Atlantic*, 550 U.S. 544 (2007); 5.) the Complaint fails to allege an infringement claim that is supported by factual allegations. *See Iqbal v. Ashcroft*, 556 U.S.7 (2009). 6.) the patent at issue is not valid *i.e.*, the patent concerns subject matter that is not “eligible” under 35 U.S.C. Sec. 101.

In *Alice v. CLS Bank*, 583 U.S. 208 (2014) the defendant bank filed a motion for a declaratory judgment that the claims at issue were invalid, unenforceable, or not infringed, instead of a motion to dismiss. Plaintiff counterclaimed alleging infringement. Neither the CAFC, which held the claims were ineligible for patent protection because they were “directed to” an abstract idea, nor the U.S. Supreme Court, which affirmed, cared about the fact the motion was not filed under 12(b)(1). The matter of subject matter eligibility continues to be a “hot topic.”

Recent CAFC Cases Concerning Fed. R. Civ. P. 12 (b)

AI Visualize, Inc. v. Nuance Commc’ns, Inc., 97 F.4th 1371 (Fed. Cir. 2024) (Moore, Reyna, Hughes): The CAFC affirmed a pleadings-stage invalidation of patents directed to storing, processing, and viewing large medical scans over the internet. The claims failed *Alice* step one because they merely recited “the steps of obtaining, manipulating, and displaying data ... claimed at a high level of generality.” And the claims failed at *Alice* step two because they “involved nothing more than the abstract idea itself or conventional computer components.”

Beteiro, LLC v. DraftKings Inc., 104 F.4th 1350 (Fed. Cir. 2024) (Dyk, Prost, Stark): The CAFC affirmed a district court pleadings-stage invalidation of several mobile gambling patents. At *Alice* step one, the asserted claims were “directed to the abstract idea of ‘exchanging information concerning a bet and allowing or disallowing the bet based on where the user is located.’” Therefore, they exhibited four “features that are well-settled indicators of abstractness”: (i) they recited generic steps related to the detection, processing, and transmission of information; (ii) they were drafted using “result-focused functional language”; (iii) they were similar to claims found ineligible in previous cases, insofar as they related to “methods of providing particularized information to individuals based on their location”; (iv) they were analogous to “longstanding

‘real-world’ (‘brick and mortar’) activities.” As for *Alice* step two, the CAFC held that the claims lacked an inventive concept because they simply described the execution of the abstract idea with generic computer components.

Miller Mendel, Inc. v. City of Anna, Tex., 107 F.4th 1345 (Fed. Cir. 2024) (Moore, Stoll, Cunningham): The CAFC affirmed a pleadings-stage invalidation of patent claims on a software system for managing background investigations. The CAFC held that the claims were “directed to the abstract idea of performing a background check” and lacked an inventive concept requiring nothing more than “conventional computer and network components operating according to their ordinary functions.” The decision also clarified that district courts have jurisdiction only to invalidate claims actually asserted by the patentee. (*side note: Miller Mendel appealed to SCOTUS arguing it was deprived of a fair trial due to Newman’s absence on the court – petition denied in November*).

Mobile Acuity Ltd. v. Blippar Ltd., 110 F.4th 1280 (Fed. Cir. 2024) (Lourie, Bryson, Stark): The Federal Circuit (“CAFC”) affirmed a pleadings-stage invalidation of patents directed to storing and presenting information associated with particular images. The claims were directed to an abstract idea at *Alice* step one because they “consist[ed] solely of result-oriented, functional language and omit[ted] any specific requirements as to how these steps of information manipulation are performed.” And they failed *Alice* step two because the inventive concept asserted by the patentee was merely a restatement of the abstract idea itself—“comparing images and displaying information based on the comparison.” In the course of its analysis, the CAFC clarified the burdens of proof and production related to representative claims. The patent challenger bears the initial burden to show that a given claim or claims is representative; the burden then shifts to the patentee to make a “non-frivolous argument.” otherwise. The ultimate burden of proof re. “representativeness” always remains with the patent challenger.

In *Janssen Pharms., Inc. v. Teva Pharms, USA, Inc.*, 97 F. 4th 915 (Fed. Circ. 2024) (Dyk, Prost, Hughes): At trial, Plaintiff sued for patent infringement after the Defendant sought FDA approval for a generic. The defendant stipulated to infringement but challenged the claims as obvious and indefinite. The district court found Defendant failed to establish invalidity on either basis. The CAFC, however, held that the district court erred by improperly requiring Defendant to show what a skilled artisan would do regarding the claimed dosing regimen for the general population when the claims covered only a single patient and the district court also read a requirement into the claims. In addition, the district court’s obviousness analysis was “erroneously rigid” as it focused on express statements of each prior art reference individually, without fully assessing the teachings in total. The district court also erred in finding the prior art taught away from the claims. And the district court did not explain the significance it assigned to objective indicia of nonobviousness

within its overall obviousness assessment. The CAFC, however, affirmed the district court's ruling that the claims were not indefinite.

Amarin Pharma Inc., v. Hikma Pharma, U.S.A., 104 F. 4th 1370 (Fed. Cir. 2024) (Moore, Lourie, Albright): CAFC reversed district court holding that the complaint's allegations did not plausibly show that defendant intended to actively induce infringement. Instead, the CAFC concluded the totality of allegations, taken as true at this stage of the litigation, plausibly made out a claim for induced infringement, *i.e.*, there were questions of fact not proper for a motion to dismiss.

- **Motion For Summary Judgment** (Fed. R. Civ. P. 56 (“the movant must show there is no material fact at issue and it is entitled to judgment as matter of law.”)). Typical subject matter for summary judgment are based on the undisputed facts: (a) at least one limitation is missing; (b) one or more claims are invalid or ineligible per the *Markman* hearing opinion or otherwise.

Recent CAFC Cases Concerning Fed. R. Civ. P. 56

Luv'n Care, Ltd. v. Laurain, 98 F. 4th 1081 (Fed. Cir. 2024) (Ranya, Hughes, Stark): Plaintiff filed an unfair competition claim; Defendant counterclaimed for patent infringement. The district court granted summary judgment finding the patent was invalid, but determined after a subsequent bench trial that the Defendant did not engage in inequitable conduct during patent prosecution by misrepresenting prior art and withholding art from the patent examiner. Defendant's conduct, however, rose to unclean hands. As to inequitable conduct, the CAFC held the district court incorrectly analyzed both materiality and deceptive intent. As to materiality, the district court failed to determine whether Defendant's misrepresentations about prior art rose to the level of “affirmative egregious misconduct” and Defendant's misrepresentations to the examiner were not deemed “material.” The CAFC held the proper test is whether the examiner's decisions may have differed, if Defendant accurately described the prior art. Regarding deceptive intent, the CAFC held the district court erred by focusing on the inventor's and patent agent's individual acts of misconduct in isolation, without addressing the collective weight of the evidence as a whole. As to unclean hands, the CAFC, however, affirmed the district court barring relief. Specifically, Defendant's failure to disclose related patent applications relevant to claim construction, during discovery, attempting to block Plaintiff from obtaining the inventor's prior art searches, and evasive and misleading testimony during depositions and at trial was deemed “offensive to the integrity of the court.”

Broadband iTV, Inc. v. Amazon.com, Inc., 113 F.4th 1359 (Fed. Cir. 2024) (Dyk, Reyna, Stark): The CAFC affirmed summary judgment holding claims directed to electronic program guides for a television were patent ineligible. The claims failed Alice step one as they were directed to the collection, organization, and display of information, and also failed Alice step two because they recited only generic and conventional components. In this case, certain claims also required using a user's viewing history data to recommend categories of video content. The CAFC characterized

those claims as “directed to a type of ‘targeted advertising’ which [the court has] repeatedly found abstract.”

Contour IP Holding LLC v. GoPro, Inc., 113 F.4th 1373 (Fed. Cir. 2024) (Prost, Schall, Reyna): The CAFC reversed a summary judgment ruling that patents related to portable point-of-view video cameras were ineligible. The asserted claims recited a camera configured simultaneously to generate video recordings in two formats—one low-quality format for real-time transmission to the user’s mobile phone and one high-quality format stored on the camera for later viewing. The CAFC concluded that this feature “provide[d] a technological improvement to the real time viewing capabilities of the POV camera’s recordings on a remote device,” so claims “directed to a specific means that improves the relevant technology”—were not an abstract idea.

Recent Antisuit Injunction Case.

Telefonaktiebolaget LM Ericsson v. Lenovo (United States) Inc., 120 F.4th 864 (Fed. Cir. 2024) (Lourie, Prost, Reyna): In this case, both parties were members of the European Telecommunications Standards Institute which determines what patents are “essential” to comply with 5G wireless-communication standards to ensure interoperability. As such, both were required to grant patent licenses on fair, reasonable, and non-discriminatory (FRAND) terms and conditions. They were unable to reach global cross-licenses. So, Ericsson sued in district court alleging Lenovo infringed four 5 standard essential patents, breached its FRAND commitment, and requested a declaration that Ericsson complied with its FRAND obligations re cross-licensing and for a determination of a FRAND rate for a global cross-license between the parties. In response, Lenovo sued Ericsson in the UK seeking a determination of FRAND terms for a global license between the parties. Ericsson responded by filing suit in Columbia and Brazil alleging Lenovo infringed Columbian and Brazilian patents and secured injunctions against Lenovo in both countries. Thereafter, Lenovo added counterclaims in the U.S. case and requested an antisuit injunction, which the district court denied reasoning that the domestic suit was not “dispositive” of the foreign action because it would not result in a global cross- license or resolve foreign infringement issues. In addition, the ETSI FRAND commitment precluded Ericsson from requesting SEP-based injunctive relief before it met its obligation to negotiate a license in good faith. Since the district court ruled that it had not, Ericsson was precluded from pursuing SEP injunctive relief. But if it had, the district court could enforce the global cross-license Ericsson asked for in its Complaint. On appeal, the CAFC endorsed the three-part test in *Microsoft Corp. v. Motorola, Inc.*, 696 F. 3d 872 (9th Cir. 2012) requiring: 1) the parties and issues must be the same in the domestic and foreign suits and the domestic suit will be dispositive of the foreign suit to be enjoined; 2) whether one of the antisuit injunction factors applies; and 3) whether the antisuit injunction’s impact on comity is “tolerable.” On appeal, the CAFC reversed and remanded the

district court’s denial of Lenovo’s motion for an antisuit injunction holding that the “dispositive” requirement can be met even though a foreign antisuit injunction would resolve only a foreign injunction (and not the entire proceeding); and even though the relevant resolutions depends on the potential that one party’s view of the facts or law prevails in the domestic suit.”

Recent CAFC Damages Case.

EcoFactor, Inc. v. Google LLC, 104 F. 4th 243 (Fed. Cir. 2024) (Lourie, Reyna, Prost) (Prost dissenting in-part): Google appealed a jury verdict and \$20 million in damages. The majority upheld the district court finding genuine issues of material fact on patent validity, substantial evidence of infringement, and admissible expert testimony supporting the damages award. The dissent determined the district court abused its discretion in allowing the expert to derive a per unit royalty rate from three prior EcoFactor settlement agreements and failing to apportion the patented technology’s value from other licensed patents. [See *en banc* below]

Recent *En Banc* Cases.

In 2024, the CAFC heard the first case in over five years *en banc*. In *LKQ Corp v. GM Global Technology Operations LLC*, 102 F. 4th 1280 (Fed. Cir. 2024 (*en banc*)), the CAFC held that “flexible approach “ in *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007) re obviousness should apply to design patents, *i.e.*, 1) the scope and content of the prior art, 2) the differences between the prior art and the claimed invention, 3) the level of ordinary skill in the art, and 4) any secondary considerations of non-obviousness. But the CAFC left open what would constitute analogous art for design patents and what secondary considerations of non-obviousness will be relevant for design patents.

Google LLC. v. EcoFactor, Inc., 115 F. 4th 1380 (Fed.Cir.2024) (*per curium*): CAFC vacated the panel decision above and granted Google’s petition for an *en banc* rehearing, but limited argument to whether the district court properly applied Fed. R. Ev. 702 and the Supreme Court’s decision in *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993) in permitting damage testimony from EcoFactor’s expert. After Google filed its opening brief, the CAFC published a precedential order directing EcoFactor to disregard Google’s argument that EcoFactor’s expert’s proposed royalty rate should be excluded as not being reliably apportioned.

The sole issue to be addressed is whether the expert properly applied a running royalty amount from the lump sum agreements.

EcoFactor, Inc.v. Google LLC, Case. No. 2023-1101 (May 21, 2025) (en banc)

(*Moore, Lourie, Dyk, Prost, Taranto, Chen, Hughes, and Stoll*); (*Reyna concurring-in-part and dissenting- in- part, in which Stark joins*); (*Stark concurring-in-part and dissenting-in-part, in which Reyna joins*).

The *en banc* majority held that the district court abused his discretion in admitting the expert’s damage testimony relying on comparable licensing agreements, because the contract alone did not

state the licensees agreed to a per-unit royalty as it was not based on sales and therefore could not be a royalty. In doing so, the majority discarded EchoFactor's CEO to that effect as not being disinterested. The majority panel further observed that it was an abuse of discretion for the district court to fail to give a rationale for ruling the expert's testimony was admissible and denying Google a new trial on damages. The case was remanded for a new trial on damages.

The *en banc* majority rationalized:” [This] analysis does not usurp the province of the jury, nor does it involve this court deciding disputes of fact..., instead this was not a case where the relevant evidence can reasonably support competing conclusions.” Where the relevant evidence is contrary to a critical fact on which the expert relied (*i.e.*, that EcoFactor and its licensees agreed to an \$X/unit rate reasonable royalty) , the district court fails to fulfill its responsibility as gatekeeper by allowing the expert to testify at trial.”

In Renya's view, the CAFC improperly posed the issue as one of contract interpretation, which exceeded the briefing order, but also the expert opinion was supported by other evidence which the majority ignored :” lay[ing] bare that the *en banc* majority has chosen to believe one version of facts over the other.” Renya also criticized the *en banc* majority for ordering a new trial as Google did not meet its burden to show the expert's testimony affected its underlying rights.

In Stark's view, the CAFC opinion undermined the discretion of the district courts and would be misinterpreted as “constraining damage experts in a manner not called for by either Rule 702 or Daubert. “today's decision only governs when an expert's testimony is undoubtably contrary to a critical fact upon which the expert relies. “ Stark suggested that the trial court's record could have been clearer about why he denied a new trial on damages, but decided the issue was one of credibility that is a jury determination.

ALTERNATIVE *FORA* TO DISTRICT COURTS

USPTO - Patent Trial and Appeal Board (PTAB) proceedings.

In 2024, the U.S. Court of Appeals for the Federal Circuit affirmed 77% of appeals from the PTAB.

- It is increasingly common for a defendant to file a PTAB proceeding and a motion to stay in a District Court. Most District Courts will stay a case once a petition is instituted, particularly where a case has not proceeded to 12 (b) motions.
- A Post Grant Review (“PGR”) must be filed within 9 months after a patent is granted and may challenge any ground of patentability. An *inter partes* review (“IPR”) may be filed 9 months after a patent is granted but must be filed within 12 months of being served with any complaint alleging infringement in a U.S. District Court or after a PGR has been terminated but is limited to prior art challenges (other patents or printed publications.)
- The standard of review for either a PGR or IPR is a “reasonable likelihood” that the petitioner will prevail at least as to one challenged claim. IPRs have more limited discovery than a PGR. And the PGR petitioner must show that it is “more likely than not that at least one challenged claim is unpatentable.

Note: An *ex parte* re-examination is a different option where anyone can request an anonymous re-examination at any time during the life of a patent, but the patent owner is the only party that can participate in the process. The petitioner must demonstrate there is a substantial new issue of patentability, which is a lower standard than the IPR or PGR standards.

Recent CAFC Decisions on Appeal from the PTAB.

2024

Google LLC v. EcoFactor, Inc., 92 F. 4th 1049 (Fed. Cir. 2024) (Reyna, Taranto, Stark) – CAFC concluded the PTAB implicitly construed the claim at issue because the “outcome of the analysis established the scope (*e.g.*, boundaries) and meaning of the patented subject matter. Interestingly, the panel noted that what was important is the analysis, not at what point the analysis occurred. Nevertheless, the CAFC reversed PTAB’s claim construction as the intrinsic evidence supported a broader claim construction and noted that “we normally do not interpret claim terms in a way that excludes embodiments disclosed in the specification.” The case was remanded for further proceedings applying the correct construction. [For subsequent district court, CAFC, and *en banc* decisions see below.]

RAI Strategic Holdings, Inc. v. Phillip Morris Products S.A., 92 F. 4th 1085 (Fed. Cir. 2024)(Chen, Stoll, Cunningham): The CAFC vacated a Post Grant Review before the PTAB challenging the validity of an e-cigarette patent claim as to the “heating member’s” length as invalid for lack of

written description because the ruling was not supported by “substantial evidence,” noting that the written-description inquiry is “highly factual and dependent on the nature of the invention and the amount of knowledge imparted to those skilled in the art by the disclosure.”

Pfizer Inc. v. Sanofi Pasteur Inc., 94 F.4th 1341 (Fed. Cir. 2024) (Lourie, Bryson, Stark): The PTAB found Pfizer’s claimed immunogenic compositions for use in the pneumonia vaccines were unpatentable as obvious and denied Pfizer’s motion to amend the claims. The CAFC agreed with Pfizer that the application of the result-effective-variable doctrine was appropriate to apply to rebut a presumption of obviousness, but it could only be applied where the prior art ranges did not overlap with the claimed range. A “routine–optimization analysis” requires consideration of whether there was a motivation, with a reasonable expectation of success to “bridge any gaps in the prior art to arrive at the claimed invention.” In any event, substantial evidence supported the PTAB’s obviousness findings. Pfizer also challenged the PTAB’s denial of 3 motions to amend. The CAFC affirmed two of the PTAB’s ineligible claim findings but vacated the PTAB’s denial as to two others. Finally, the CAFC rejected Pfizer’s argument that the standard for Director review were not lawful as they were not subject to notice and comment but instead were posted on a Q&A portion of the USPTO’s website and then changed several times. The CAFC ruled that even if this was a violation of the APA , Pfizer did not establish any prejudice.

Dragon Intellectual Property LLC v. DISH Network, LLC, 101 F. 4th 1366 (Fed. Circ. 2024) (Moore, Stoll, Bencivengo): In this case, the district court proceeded with claim construction despite the fact that defendant filed an IPR. After the claim construction, the parties stipulated that defendant’s accused products did not infringe and a final judgment of non-infringement was entered. Meanwhile, the PTAB held all the asserted claims were unpatentable. The CAFC affirmed the PTAB and dismissed an appeal of the district court’s judgment as moot. The district court then awarded attorneys fees for the district court case, but not the IPR. Next, cross appeals were filed. As to Plaintiff’s appeal, the CAFC held “clear prosecution history disclaimer” precluded a finding of infringement and public information of noninfringement was known to Plaintiff. To make matters worse, Plaintiff continued litigating after being put on notice of the “objective baselessness” of its allegations. The CAFC also affirmed an “exceptionality finding” as supported by the district court’s independent analysis of the weakness of the infringement claims. As for Defendant’s appeal, the CAFC held that 35 USC Sec 285’s reference to “cases” does not include IPRs, so fees for that proceeding were not recoverable. (The Bencivengo dissent determined that the IPR was a substitute for district court litigation on validity and Defendants would not have had to incur IPR fees if they had not been sued in the first place.)

Platinum Optics Tech, Inc. v. Viavi Sols. Inc., 111 F.4th 1378 (Fed. Cir. 2024) (Moore, Taranto, Cecchi): Plaintiff filed an inter partes review and two patent infringement cases in district court. In both proceedings, the patent infringement claims were dismissed with prejudice. When the IPR was challenged on appeal, the CAFC held the Plaintiff did not have Article III standing to appeal because it failed to establish it suffered “injury in fact. “

ParkerVision, Inc. v. Qualcomm Inc., 116 F. 4th 1345 (Fed. Cir. 2024) (Lourie, Mayer, Stark): The issue on appeal was the collateral estoppel effect of an infringement suit and an IPR. Plaintiff filed two district court cases against Qualcomm which, in turn, filed multiple IPRs. In 2017, the PTAB found apparatus claims unpatentable in view of prior art, but did not find the method claims unpatentable. In 2018, the CAFC affirmed. Subsequently, the District Court case resumed, where Qualcomm filed a motion to exclude expert testimony re. the validity of Qualcomm’s patent method claims as barred by collateral estoppel because the apparatus and method claims shared limitations the PTAB found were prior art. The District Court agreed. During the second appeal at the CAFC, it held that a factual finding underlying an unpatentability decision in a IPR proceeding does not collaterally bar a patentee from making validity arguments re. separate related claims in a district court case. Notably, in the IPR proceeding, Qualcomm’s burden of proof was a preponderance of evidence, but in the District Court “invalidity contentions must meet a higher burden: clear and convincing evidence.” Therefore, the higher evidentiary burden in district court likely will prevent the application of collateral estoppel arising from PTAB findings.

Novartis Pharms. Corp. v. MSN Pharms., Inc., Nos. 2024-2211, 2024-2212, 2024 WL 4969281 (Fed. Cir. Dec. 4, 2024) (Lourie, Prost, Reyna) In 2019, MSN filed an ANDA for Entresto. Novartis sued. The district court construed “an amorphous solid form of a compound” to mean a solid form of a compound in which the amorphous form of the compound predominates; an amorphous solid form is mutually exclusive from a crystalline solid form, but not necessarily mutually exclusive from a partially crystalline form. On July 24, 2024, the FDA granted final approval of MSN’s ANDA, which MSN claims includes crystalline TVS, or “Form-S.” Novartis moved for a preliminary injunction to stop MSN’s launch. The district court concluded that Novartis did not meet its burden to show likelihood of success in proving that MSN’s ANDA product contained amorphous TVS and that it would suffer irreparable harm absent an injunction. Novartis appealed and the CAFC affirmed, agreeing with the district court that Novartis did not persuasively show that it was likely to succeed in proving that MSN’s ANDA products contain amorphous TVS. “At bottom, Novartis's arguments on appeal ask us to reconsider and reweigh this highly factual evidence anew. We decline to do so.”

2025

HD Silicon Solutions LLC v. Microchip Technology Inc., Case No. 23-1397 (Fed. Cir. Feb. 6, 2025) (Lourie, Stoll, Cunningham) During a 2022 *inter partes* review, the PTAB determined that all but one of the 17 challenged patent claims were unpatentable as obvious in light of a prior patent and other secondary prior art. The patent owner appealed, arguing that the PTAB’s

obviousness finding was dependent on an incorrect construction. The CAFC affirmed the PTAB's obviousness determination even though it improperly construed a claim term, but found the error harmless in the context of the prior art.

Sierra Wireless ULC, et al, v. Sisvel, S.p.A., Nos. 2023-1059,-1085,1089,-1125 (Fed. Cir. March 10, 2025) (Moore, Schall, Taranto) In a divided IPR petition, the CAFC turned first to Sisvel's cross appeal agreeing that the PTAB erroneously misconstrued two limitations as conditional and its finding of unpatentability was not supported by substantial evidence. The CAFC, however, decided not to reach the PTAB's determination that the dependent claims were unpatentable because it abused its discretion by relying on Sisvel's expert without finding he was a "ordinary skilled artisan." The case was vacated -in- part and remanded-in part for a determination regarding the qualifications of the expert.

Qualcomm Inc. v. Apple Inc., et al., Nos. 2023-1208,-1209 (Fed. Cir. Apr. 23, 2025) (Reyna, Lourie, and Prost). Apple filed two IPR petitions challenging the patentability of claims related to integrated circuit devices using multiple power supplies. Both petitions presented the same grounds of unpatentability with which the PTAB concurred. Qualcomm appealed. The CAFC began by addressing Apple's argument that Qualcomm's appeal was barred from judicial review under 35 U.S.C. § 314(d), which states that the Director's decision whether to institute an IPR "shall be final and nonappealable." The CAFC held, however, that Qualcomm's appeal is reviewable because it "does not challenge the Board's 'threshold' decision to institute the IPRs," but instead "challenges the Board's determination of unpatentability[.]" As to Qualcomm's argument that the PTAB erred in its interpretation of § 311(b), the CAFC agreed, holding that "the Board's interpretation of § 311(b) contravened the plain meaning of the statute." The court explained that "because the basis can only include prior art consisting of patents or printed publications, and because applicant-admitted prior art (AAPA) is not a prior art patent or printed publication ... , it follows that the plain meaning of § 311(b) does not permit the basis to include AAPA. . .the Board should have determined that the challenged claims are not unpatentable."

Estoppel Effect of PTAB Decisions.

Kroy IP Holdings, LLC v. Groupon, Inc., No. 23-1359 (Fed. Cir. Feb. 10, 2025) (Renya, Prost, Taranto). Kroy IP Holdings, LLC, is a non-practicing entity that owns and licenses patents related to online incentive and rewards programs. Groupon, Inc., operates an e-commerce marketplace that offers discounted goods and services and allows businesses to create promotional deals and reward programs for customers. In 2017, Kroy sued Groupon in the U.S. District Court for the District of Delaware, alleging infringement of 13 claims on its online incentive program patent. In response, Groupon filed two IPR petitions challenging 21 claims of the patent. The PTAB

instituted a review and found all challenged claims unpatentable In April 2020. Kroy appealed and the CAFC affirmed under Rule 36 in 2021. Following the IPR proceedings, Kroy amended its district court complaint in 2022, asserting 14 new claims from the '660 patent, which had not been previously challenged in the IPR. Groupon moved to dismiss arguing that collateral estoppel barred Kroy from litigating the newly asserted claims because they were not materially different from the invalidated claims. The district court granted Groupon's motion, finding that the Board's prior findings on the unpatentable claims precluded assertion of the new claims. Kroy appealed. The CAFC, however, reversed the district court's application of collateral estoppel, holding that an IPR determination of unpatentability under the preponderance of the evidence standard does not automatically bar assertion of different claims in a district court, where invalidity must be proven by clear and convincing evidence. The CAFC cited *ParkerVision, Inc. v. Qualcomm Inc.*, 116 F.4th 1345, 1360–61 (Fed. Cir. 2024) and *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138 (2015), emphasizing that collateral estoppel generally does not apply when the second proceeding involves a different legal standard. The CAFC, however, noted that collateral estoppel is subject to exceptions, including when the second action applies a different burden of proof as in *Grogan v. Garner*, 498 U.S. 279, 284–85 (1991). The CAFC reversed and remanded the case for further proceedings.

Ingenico Inc. v. IOENGINE, LLC, No. 2023-1367 (Fed. Cir. May 7, 2025) (Hughes, Dyk, Prost)

In March 2018, IOENGINE sued PayPal Holdings Inc. in the U.S. District Court for the District of Delaware for infringement. In response, Ingenico, the supplier of PayPal's accused devices, filed a declaratory judgment action against IOENGINE and also petitioned for an IPR, challenging the asserted claims of IOENGINE's patents. The PTAB found most of the challenged claims were unpatentable, but some survived. In July 2022, a jury trial commenced on the surviving claims. At trial, Ingenico asserted an invalidity theory based on prior art involving a USB device, known as the DiskOnKey, and its associated Firmware Upgrader software that was sold in the early 2000s by M-Systems Flash Disk Pioneers Ltd. Ingenico argued that the Firmware Upgrader was "in public use" or "on sale" before the critical date under § 102(b) or "known or used by others" under § 102(a). Ingenico introduced evidence of a July 2002 email from M-Systems that launched the Firmware Upgrader, a press release announcing its availability, a website download page, and expert testimony supporting how one would have used the upgrade software. The jury found that the claims-at-issue were infringed but invalid as anticipated and obvious. The district court, Circuit Judge Bryson, sitting by designation, entered judgment for Ingenico. IOENGINE filed a renewed motion for judgment as a matter of law under Fed. R. Civ. P. 50(b) or for a new trial under Fed. R. Civ. P. 59(a). The district court denied IOENGINE's motions.

IOENGINE appealed on three grounds: 1) Whether inter partes review (IPR) estoppel should have precluded Ingenico from introducing an invalidity argument at trial based on the Firm Upgrader where Ingenico used printed publications at trial to argue that the Firm Upgrader was known or used by others, on sale, or in public use; 2) Whether there was sufficient evidence of a product being "in public use" under 35 USC § 102(b) where, according to IOENGINE, the only evidence was that the product was available for download, not that anyone ever actually downloaded and

used it; and 3) Whether the jury instructions on conception and diligence, public use, and on sale bar were legally erroneous with prejudicial effect. The CAFC affirmed because substantial evidence supported the jury verdict, and because the district court did not abuse its discretion in denying a new trial in connection with these issues, the Federal Circuit affirmed.

Significantly, the CAFC rejected IOENGINE’s argument that Ingenico should have been estopped under § 315(e)(2) because “the Firmware Upgrader was entirely cumulative and substantively identical to the Readme instructions and screenshots—which, according to IOENGINE, are printed publications that reasonably could have been raised during the IPR.” In doing so, the CAFC focused on the meaning of “ground” in § 315(e)(2), which had generated different views in the district courts-- to mean a legal theory of invalidity (e.g., anticipation based on a printed publication), not the mere reuse of prior art documents. The court further explained that, under 35 USC § 311(b), the scope of an IPR is limited to “a ground that could be raised under section 102 or 103,” which “makes clear that grounds are the theories of invalidity available to challenge a claim under §§ 102 or 103. The court also noted that a petitioner is further limited to invalidity challenges based on “prior art consisting of patents or printed publications.” And “[b]y design, a petitioner has no opportunity to challenge that the claimed invention was known or used by others, on sale, or in public use at IPR.”

The CAFC explained how this interpretation is consistent with its recent prior decision in *Qualcomm Inc. v. Apple Inc.*, No. 23-1208, 2025 WL 1174161 (Fed. Cir. Apr. 23, 2025), where the applicant admitted that prior art could form the basis of an IPR “ground” if it is used in combination with one or more patents or printed publications. There the CAFC interpreted 311(b) to “mean[] that ‘the basis’ of an IPR ground asserting unpatentability can ‘only’ include ‘prior art consisting of patents or printed publications’” and held “because the basis can only include prior art consisting of patents or printed publications, and because AAPA is not a prior art patent or printed publication . . . it follows that the plain meaning of § 311(b) does not permit the basis to include AAPA.” The court further also noted “an IPR petition may rely on AAPA for certain uses, so long as the AAPA is not the basis of a ground in violation of § 311(b).” In sum, the CAFC explained that *Qualcomm II* supports its “interpretation that grounds are the theories of invalidity available to challenge a claim under 35 U.S.C. §§ 102 and 103, which are limited in an IPR to asserting that the claimed invention was patented or described in a printed publication (or would have been obvious only on the basis of prior art patents or printed publications).” Therefore, “[i]f prior art that is not a patent or printed publication, such as AAPA, was used in combination with patents or printed publications such that the ‘basis’ of the ground included AAPA, the petitioner would no longer be asserting a ground that the claimed invention was patented or described in a printed publication.” As such, “IPR estoppel does not preclude a petitioner from asserting that a

claimed invention was known or used by others, on sale, or in public use in district court” as “[t]hese are different grounds that could not be raised during an IPR.”

In this case, the CAFC held that IPR estoppel did not preclude Ingenico from relying on the DiskOnKey System with related printed publications at trial to prove the claimed invention was known or used by others, on sale, or in public use because those “grounds” were not available in IPR. And, because the jury returned a general verdict finding the claims invalid as anticipated and obvious, the CAFC did not reach whether substantial evidence also supported a jury verdict that the Firmware Upgrader was “on sale” under pre-AIA § 102(b) or “known or used by others...before the invention” under pre-AIA § 102(a).

INTERNATIONAL TRADE COMMISSION

In 2024, the U.S. Court of Appeals for the Federal Circuit affirmed 77% of appeals from the ITC.

- **The International Trade Commission** is a federal agency that serves as an additional potential forum for IP litigation (primarily patent). Damages are not available. The only remedy is an exclusionary order that covers items being imported into the country. The ITC is not bound by *eBay* and is relatively fast and less expensive than litigating in the district courts or the PTAB, If a case is also filed in a District Court case, it is likely it will be stayed until the ITC proceeding is concluded.

Recent ITC Cases.

Roku, Inc. v. Int'l Trade Comm'n, 90 F. 4th 1367 (Fed. Circ. 2024) (Dyk, Hughes, Stoll): This case concerned software installed on domestic industry Samsung TVs. The ITC found the economic prong of the domestic industry requirement was satisfied based on the Complainant's investment in engineering and R&D in the software. The Respondent argued the ITC failed to require allocation of investment to a specific domestic industry. The CAFC rejected holding "a complainant can satisfy the economic prong ... based on expenditures related to a subset of a product, if the patent(s) at issue only involve that subject."

Zircon Corp. v. Int'l Trade Comm'n, 101 F. 4th 817 (Fed. 2024) (Lourie, Bryson, Stark) concerned the domestic industry requirement for ITC jurisdiction. Complainant alleged investments in US plants and equipment, labor, capital, and exploitation of the asserted patents satisfied the domestic industry requirement. Although the ITC could not determine how much Complainant invested with respect to each of the asserted patents, the CAFC affirmed, ruling that the domestic industry investments do not need to be broken down on a patent-by-patent basis, but aggregating expenditures for groups of patents is permissible but only when all products are protected by the same patents.

Celanese Int'l Corp. v. Int'l Trade Comm'n., 111 F. 4th 1338 (Fed. 2024) (Reyna, Mayer, Cunningham): The CAFC affirmed an ITC determination in that Celanese's prior sales triggered the on-sale bar because it was not overturned by the American Invents Act. The "on-sale bar" applies when the patentee commercially exploits a process by public sales before the "critical [patent filing] date," even if the patented process was secret. (*SCOTUS denied cert April 2025*).

Lashify, Inc. v. Int'l Trade Comm'n, 130 F. 4th 948 (Fed. Cir. 2025) (Prost, Taranto, Chin): The ITC decision affirmed the ALJ's determination that the "economic prong" was not satisfied to support a violation of 19 U.S.C. Sec. 1337 because "it is well settled that sales and marketing activities alone cannot satisfy the domestic industry requirement" where expenses related to "warehousing, quality control, and distribution" were typically incurred by importers. The dissent concluded that the economic prong was satisfied because Lashify had "significant employment of labor or capital." The ITC also affirmed the ALJ's determination that the "technical prong was satisfied," because Lashify's products did not meet a "heat fused" claim limitation and Lashify's products did not practice the claims of the patent at issue. The CAFC affirmed the ITC's "technical prong" determination, but CAFC vacated the ITC's "economic prong" analysis, contrary to *Schaper Manufacturing Co. v. U.S. Int'l Trade Comm'n*, 717 F.2d 1368 (Fed. Cir. 1983), instead holding that an American company that manufactures entirely abroad but only performs distribution, warehousing, quality control, sales, and marketing in the U.S, may nevertheless satisfy the "domestic industry" prong *i.e.*, the "significant employment of labor and capital" by "showing employment of a large amount of stock of accumulated goods or of a significant amount of human activity for producing goods or providing the services in demand in an economy. There is no requirement that a 'stock of accumulated goods' be manufactured domestically. There is no exclusion from labor when human activity employed for sales, marketing warehousing, quality control, or distribution which are common aspects of providing goods and services."

The case was remanded to the ITC for a determination of whether there was "significant employment of labor or capital" regarding two design patents, specifically requiring the ITC to "count Lashify's employment of labor and capital even when they are used in sales, marketing, warehousing, quality control, or distribution, and ... must make a factual finding of whether those qualifying expenses are significant or substantial based on 'a holistic view of all relevant considerations.'

On May 21, 2025, the ITC filed a 19 page Combined Petition for a Hearing *En Banc* and Rehearing *En Banc* on 2 bases: 1) whether the statutory language (19 U.S.C. § 1337 (a)(2) and (a) (3)(B) require that "labor or capital" include only labor or capital that establishes an 'industry,' consistent with the plain language and purpose to provide trade relief to only US industries, or does the statute require inclusion of all labor or capital? ; 2) Did the panel read the terms labor and capital in isolation without regard to the whole text and overall statutory scheme...rendering the statutory term 'industry' meaningless?

The ITC contends this appeal poses "a question of exceptional importance—whether 'labor or capital' includes only labor or capital that establishes an 'industry.'"