

Federal Circuit Update

This edition of Gibson Dunn's Federal Circuit Update for September 2024 summarizes the current status of petitions pending before the Supreme Court and recent Federal Circuit decisions concerning the level of skill of a person of ordinary skill in the art, patent eligibility under 35 U.S.C. § 101, indefiniteness, and the party presentation principle.

Federal Circuit News

Noteworthy Petitions for a Writ of Certiorari:

There was a potentially impactful petition filed before the Supreme Court in September 2024:

Norwich Pharmaceuticals Inc. v. Salix Pharmaceuticals, Ltd. (US No. 24-294): The
question presented is "[w]hether 35 U.S.C. § 271(e)(4)(A) requires courts to issue
injunctive orders that are broader in scope than the underlying infringement, thereby
delaying FDA approval of generic drug applications for indications that have not been
found to infringe any valid patent."

We provide an update below of the petitions pending before the Supreme Court, some of which were summarized in our <u>August 2024 update</u>:

• In **Zebra Technologies Corporation v. Intellectual Tech LLC** (US No. 24-114), the Court requested a response to the petition, which is due October 16, 2024. The question presented is "[w]hether a party has Article III standing to assert a claim for patent

infringement against an accused infringer who has the ability to obtain a license from a third party."

The Court denied the petitions in *United Therapeutics Corp. v. Liquidia Technologies, Inc.* (US No. 23-1298), *Chestek PLLC v. Vidal* (US No. 23-1217), and *Cellect LLC v. Vidal* (US No. 23-1231).

Federal Circuit En Banc Petitions:

EcoFactor, Inc. v. Google LLC, No. 2023-1101 (Fed. Cir. Sept. 25, 2024): The Federal Circuit granted Google's petition for rehearing en banc as to the admissibility of EcoFactor's damages expert assigning a per-unit royalty rate to the three licenses in evidence.

We summarized the original panel opinion in our <u>June 2024 update</u>.

Upcoming Oral Argument Calendar

The list of upcoming arguments at the Federal Circuit is available on the court's website.

Key Case Summaries (September 2024)

Osseo Imaging, LLC v. Planmeca USA Inc., No. 2023-1627 (Fed. Cir. Sept. 4, 2024): Osseo sued Planmeca for infringing patents directed to orthopedic imaging systems that use X-ray techniques to create tomographic and/or densitometric models of a scanned object. After a jury verdict of infringement and no invalidity, Planmeca moved for judgment as a matter of law of invalidity and noninfringement asserting, inter alia, that Osseo's technical expert, Dr. Kia, did not qualify as a person of ordinary skill in the art as of the alleged date of invention, because Dr. Kia did not attain the requisite three to five years of diagnostic imaging experience until nearly ten years after the time of the invention. The district court denied Planmeca's motion, explaining there was no requirement that an expert attain his or her expertise prior to a patent's effective date, and concluding that the jury was free to credit Dr. Kia's testimony in reaching its conclusions on infringement.

The Federal Circuit (Stoll, J., joined by Dyk and Clevenger, JJ.) <u>affirmed</u>. The Court first noted the unusual procedural posture of Planmeca's challenge of Dr. Kia's expert testimony—Planmeca did not file a *Daubert* motion or appeal the denial of a motion to exclude Dr. Kia's testimony or denial of an objection to that testimony at trial, but instead asserts that Dr. Kia's testimony cannot constitute substantial evidence supporting the jury's verdict of infringement. The Court then declined to add a temporal requirement, and instead held that an expert "need not have acquired that skill level prior to the time of invention to be able to testify *from the vantage point* of a person of ordinary skill in the art" and "can acquire the necessary skill level later and develop an understanding of what a person of ordinary skill knew at the time of the invention."

Contour IP Holding LLC v. GoPro, Inc., Nos. 2022-1654, 2022-1691 (Fed. Cir. Sept. 9, 2024): Contour sued GoPro for patent infringement of several of GoPro's patents directed to "portable, point of view ('POV')" video camera technology. Specifically, they disclose a "'handsfree, POV action sports video camera' that is 'configured for remote image acquisition control and viewing." The district court granted GoPro's summary judgment motion on the basis that the claims were patent ineligible under 35 U.S.C. § 101. Under Alice step one, the court determined that a representative claim "was directed to the abstract idea of 'creating and transmitting video (at two different resolutions) and adjusting the video's settings remotely." At Alice step two, the court said the claim "recites only functional, results-oriented language with 'no indication that the physical components are behaving in any way other than their basic, generic tasks."

The Federal Circuit (Prost, J. joined by Schall and Reyna, JJ.) <u>reversed</u>. The Court held that the claims "require specific, technological means—parallel data stream recording with the low-quality recording wirelessly transferred to a remote device—that in turn provide a technological improvement to the real time viewing capabilities of a POV camera's recordings on a remote device." The Court further explained that the "claims are directed to a technological solution to a technological problem," that enables the claimed POV camera to "operate differently than it otherwise could." The Court held that the claims therefore recite patent-eligible subject matter at *Alice* step one, and there was thus no need to proceed to *Alice* step two.

Vascular Solutions LLC et al. v. Medtronic, Inc. et al., No. 2024-1398 (Fed. Cir. Sept. 16, 2024): Vascular sued Medtronic for infringing its patents directed to a "coaxial guide catheter that is deliverable through standard guide catheters by utilizing a guidewire rail segment to permit delivery without blocking use of the guide catheter." The district court construed the phrase "substantially rigid portion/segment" as recited in all the asserted claims as indefinite and concluded the claims were therefore invalid. The parties stipulated to final judgment based on that determination.

The Federal Circuit (Mazzant, J. (district judge sitting by designation), joined by Moore, C.J., and Prost, J.) <u>vacated and remanded</u>. The Court first determined that the district court erred in finding that one set of claims were "mutually exclusive" from another set of claims because the first set of claims place a claimed "side opening" *within* the substantially rigid portion whereas the second set of claims place the side opening *distal* to the substantially rigid portion. The Court explained that the analysis of indefiniteness must be performed on a claim-by-claim basis, and thus, the boundary of "substantially rigid portion/segment" does not have to be consistent across all the claims. The Court acknowledged, however, that while the claim term should be construed consistently within the same claim or across other claims of the same patent, that construction may be a "functional construction" that does not specify the boundary of the "substantially rigid portion."

Astellas Pharma, Inc. v. Sandoz Inc., et al., Nos. 2023-2032, 2023-2063, 2023-2089 (Fed. Cir. Sept. 18, 2024): Astellas sued Sandoz for infringing its patent directed to a sustained-release pharmaceutical composition for mirabegron, after Sandoz submitted an ANDA to sell and market generic versions of Astellas's drug, Myrbetriq. Following the bench trial on issues of infringement and validity under 35 U.S.C. § 112, the district court *sua sponte* held that the asserted claims were ineligible under 35 U.S.C. § 101. The district court determined that in defending its patent against Sandoz's Section 112 defenses, Astellas had stated that the "inventive concept" in the

claims was the discovery of the correct "dissolution rate" to avoid adverse food effects associated with taking the drug, and that therefore Astellas had conceded its patent was ineligible as directed to a natural law.

The Federal Circuit (Lourie, J., joined by Prost and Reyna, J.J.) <u>vacated and remanded</u>. The principle of party presentation states that courts rely on the parties to frame the issues for decision and assign to the courts the role of neutral arbiter of matters the parties present. The Court held that the district court abused its discretion by violating the principle of party presentation in holding the claims ineligible under Section 101—a ground not raised by Sandoz. The Court explained that the presumption of validity applies equally to all grounds of validity. Accordingly, to the extent the district court believed that patent eligibility under Section 101 was a threshold inquiry and should be "treated any differently than validity under §§ 102, 103, and 112 for purposes of the party presentation principle, that was error." The Court then declined Astellas's request to reassign the matter to a new judge on remand, finding that although statements made by the district court evidenced a "personal frustration with the pharmaceutical industry as a whole," it did not amount to "extraordinary circumstances" that would indicate that the judge could not impartially address the outstanding issues on remand.

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