View on our website.

# **GIBSON DUNN**

Appellate & Constitutional Law and Intellectual Property Update

November 18, 2024

# **Federal Circuit Update**

This edition of Gibson Dunn's Federal Circuit Update for October 2024 summarizes the current status of petitions pending before the Supreme Court and recent Federal Circuit decisions concerning willfulness, false advertising, claim construction, and doctrine of equivalents.

# **Federal Circuit News**

#### Noteworthy Petitions for a Writ of Certiorari:

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

<u>Edwards Lifesciences Corporation, et al., v. Meril Life Sciences Pvt. Ltd., et al.</u> (US No. 24-428): The question presented is "Whether, under Hatch-Waxman's safe harbor, an infringing act is 'solely for uses reasonably related' to the federal regulatory process, when the infringing act is performed for both regulatory and non-regulatory uses." A response is due November 15, 2024. We summarized the original panel opinion in our <u>March 2024 update</u>.

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

• The Court will consider the petitions in *Norwich Pharmaceuticals Inc. v. Salix Pharmaceuticals, Ltd.* (US No. 24-294) and *Zebra Technologies Corporation v. Intellectual Tech LLC* (US No. 24-114) at its November 15, 2024 conference.

#### Federal Circuit News:

On October 22, 2024, the Federal Circuit announced the inauguration of the Kara Fernandez Stoll American Inn of Court in Charlotte, North Carolina. The full article is <u>here</u>.

### **Upcoming Oral Argument Calendar**

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

# Key Case Summaries (October 2024)

*Provisur Technologies, Inc. v. Weber, Inc. et al.*, No. 23-1438 (Fed. Cir. Oct. 2, 2024): Provisur owns patents generally related to food-processing machinery. One patent relates to a fill and packaging apparatus for loading sliced food into packages. A jury found Weber willfully infringed and awarded Provisur damages. Weber filed post-trial motions on several issues, including moving for judgment as a matter of law (JMOL) on willfulness, which the district court denied.

The Federal Circuit (Moore, C.J., joined by Taranto and Checchi (district judge sitting by designation), JJ.) <u>affirmed-in-part, reversed-in-part, and remanded</u>. The Court explained that 35 U.S.C. § 298 prohibits patentees "from using the accused infringer's failure to obtain the advice of counsel as an element of proof that the accused infringer willfully infringed." The Court therefore determined that the district court erred in admitting evidence of the accused infringer's failure to obtain the advice of obtain the advice of counsel and should have granted Weber's JMOL on willfulness.

*Crocs, Inc. v. Effervescent, Inc. et al.*, No. 22-2160 (Fed. Cir. Oct. 3, 2024): Crocs sued several shoe distributors (collectively, "Dawgs") for patent infringement in 2006. In 2017, after lengthy litigation, Dawgs filed an amended counterclaim alleging that Crocs had misled consumers by advertising that the material from which its products are made was "patented," "exclusive," and "proprietary." The district court granted summary judgment to Crocs, holding that the terms "patented," "proprietary," and "exclusive" were claims of "inventorship" and were not directed to "the nature, characteristics, or qualities of Crocs' products" as required under the law for a false advertising claim.

The Federal Circuit (Reyna, J., joined by Cunningham and Albright (district judge sitting by designation), JJ.) <u>reversed</u>. The Federal Circuit noted that "Crocs admit[ted] that is was never granted a patent for Croslite." And when, like here, "a party falsely claims that it possesses a

patent on a product feature and advertises that product feature in a manner that causes consumers to be misled about the nature, characteristics, or qualities of its product," they could be subject to liability under Section 43(a) of the Lanham Act for false advertising.

**UTTO Inc. v. Metrotech Corp.**, No. 23-1435 (Fed. Cir. Oct. 18, 2024): UTTO sued Metrotech for infringing its patent directed to a process for detecting and identifying "buried assets," which are underground utility lines, in a way that reduces interference among buried assets. Metrotech sells an RTK-Pro locator device, which UTTO alleged infringes its patent. After three rounds of motions to dismiss under Rule 12(b)(6), the district court dismissed the case with prejudice. In doing so, the district court construed the claims in the UTTO patent as requiring that the "group of buried asset data points" be "two or more buried asset data points." The Metrotech device uses only one data point at a time.

The Federal Circuit (Taranto, J., joined by Prost and Hughes, JJ.) <u>vacated-in-part, affirmed-in-part, and remanded</u>. The Court stated that there was no categorical rule against engaging in claim construction at the motion to dismiss stage, and that not having a separate *Markman* set of proceedings is not procedural error. However, the Court determined that in this case, a fuller claim construction proceeding and analysis were required for why "group" should be "two or more." The Court therefore vacated the dismissal of UTTO's infringement claim and remanded for further claim construction proceedings.

*NexStep, Inc. v. Comcast Cable Communications, LLC*, No. 22-1815, 22-2005, 22-2113 (Fed. Cir. Oct. 24, 2024): NexStep sued Comcast for infringing patents related to audio data processing technology. A jury found no literal infringement of one of the patents but found infringement under the doctrine of equivalents. The district court set aside the verdict, granting JMOL of noninfringement due to a lack of evidence supporting the jury's finding.

The panel majority (Chen, J., joined by Taranto, J.) <u>affirmed</u>. The majority stressed that "courts must employ 'special vigilance' to avoid overbroad applications of the doctrine of equivalents," because "the doctrine of equivalents, when applied broadly, conflicts with the definitional and public-notice functions of the statutory claiming requirement." Thus, there are "specific evidentiary requirements necessary to prove infringement under the doctrine of equivalents," including "particularized testimony and linking argument." The majority determined that the expert failed to identify what particular elements are allegedly equivalent and failed to explain why the function, way, and result are substantially similar. As a result, the majority concluded that the testimony failed to provide the requisite particularized testimony and linking argument. The majority concluded that the understandable" technology as contrary to precedent and policy considerations.

Judge Reyna dissented on this issue and would have reversed the district court's grant of JMOL of noninfringement. First, Judge Reyna stated that the majority failed to apply the substantial evidence standard of review to the totality of the evidence presented and narrowly focused on testimony for NexStep's expert. Second, Judge Reyna expressed concern that the majority's reasoning imposes a rigid new rule requiring expert opinion testimony to prove infringement

under the doctrine of equivalents, which fails to account for the unique circumstances of each patent case.

The following Gibson Dunn lawyers assisted in preparing this update: Blaine Evanson, Jaysen Chung, Audrey Yang, Al Suarez, and Vivian Lu.

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding developments at the Federal Circuit. Please contact the Gibson Dunn lawyer with whom you usually work, any leader or member of the firm's <u>Appellate and Constitutional Law</u> or <u>Intellectual Property</u> practice groups, or the following authors:

<u>Blaine H. Evanson</u> – Orange County (+1 949.451.3805, <u>bevanson@gibsondunn.com</u>) <u>Audrey Yang</u> – Dallas (+1 214.698.3215, <u>ayang@gibsondunn.com</u>)

#### Appellate and Constitutional Law:

<u>Thomas H. Dupree Jr.</u> – Washington, D.C. (+1 202.955.8547, <u>tdupree@gibsondunn.com</u>) <u>Allyson N. Ho</u> – Dallas (+1 214.698.3233, <u>aho@gibsondunn.com</u>) <u>Julian W. Poon</u> – Los Angeles (+ 213.229.7758, <u>jpoon@gibsondunn.com</u>)

#### Intellectual Property:

<u>Kate Dominguez</u> – New York (+1 212.351.2338, <u>kdominguez@gibsondunn.com</u>) <u>Y. Ernest Hsin</u> – San Francisco (+1 415.393.8224, <u>ehsin@gibsondunn.com</u>) <u>Josh Krevitt</u> – New York (+1 212.351.4000, <u>jkrevitt@gibsondunn.com</u>) <u>Jane M. Love, Ph.D.</u> – New York (+1 212.351.3922, <u>jlove@gibsondunn.com</u>)

Attorney Advertising: These materials were prepared for general informational purposes only based on information available at the time of publication and are not intended as, do not constitute, and should not be relied upon as, legal advice or a legal opinion on any specific facts or circumstances. Gibson Dunn (and its affiliates, attorneys, and employees) shall not have any liability in connection with any use of these materials. The sharing of these materials does not establish an attorney-client relationship with the recipient and should not be relied upon as an alternative for advice from qualified counsel. Please note that facts and circumstances may vary, and prior results do not guarantee a similar outcome.

If you would prefer NOT to receive future emailings such as this from the firm, please reply to this email with "Unsubscribe" in the subject line.

If you would prefer to be removed from ALL of our email lists, please reply to this email with "Unsubscribe All" in the subject line. Thank you.

© 2024 Gibson, Dunn & Crutcher LLP. All rights reserved. For contact and other information, please visit our website.