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Key Patent Developments of 2023

WHITE PAPER | By Kelsey I. Nix, Hope C. Garber and David R. Ortiz

In a noteworthy year for patent law, the U.S. Supreme Court and the U.S. Court of Appeals for the Federal Circuit issued several decisions that will shape the patent landscape and the Federal Rules of Evidence governing expert testimony were amended. The topics of the key cases included procedure in *inter partes* review proceedings before the Patent Trial and Appellate Board, the enablement requirement, the calculation of patent term adjustments, the public use bar and the prosecution laches defense to infringement claims. In addition, the UK High Court of Justice issued a pair of decisions adjudicating the rate of a fair, reasonable and non-discriminatory license ("FRAND") for standard essential patents.

This White Paper summarizes and explains some of the most significant patent law decisions of 2023. These decisions have meaningful implications for patent owners, defendants and patent practitioners alike.

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Invalidity Defenses

U.S. SUPREME COURT HOLDS THAT A PATENT MUST "ENABLE" THE FULL SCOPE OF ITS CLAIMS IN THE CONTEXT OF CHOLESTEROL-LOWERING ANTIBODIES

Amgen Inc. v. Sanofi, 143 S.Ct. 1243 (2023)

The U.S. Supreme Court struck down broad patent claims covering a genus of antibodies in May of this year, reaffirming in a 9-0 decision that a patent must "enable" the full scope of its claims.[1] Amgen, Inc. (Amgen), a biopharmaceutical company, had developed cholesterol-lowering antibody drugs and had obtained two patents. Amgen then sued competitor Sanofi, which had produced similar antibodies for lowering cholesterol. Amgen alleged that its broad genus claims covered Sanofi's particular antibodies, although Amgen's patents did not specifically disclose the sequences in Sanofi's accused product.

The Delaware district court found Amgen's patent claims invalid because the patents did not enable a person of ordinary skill in the art (POSITA) to make and use their full scope under 35 U.S.C. § 102(a). Amgen appealed, and the Court of Appeals for the Federal Circuit affirmed. The Supreme Court unanimously affirmed the lower court rulings.

PCSK9 is a naturally occurring protein that tends to increase the amount of bad LDL cholesterol in the blood. Amgen's antibodies reduce LDL cholesterol by binding to and interfering with the PCSK9 protein. Amgen's patents disclosed, and enabled POSITAs to recreate, 26 specific antibody sequences—26 keys that fit the right keyhole on PCSK9—and thus reduce LDL cholesterol.

But Amgen's genus claims encompassed millions of antibodies—much broader than the 26 specific antibodies that Amgen disclosed. In other words, Amgen claimed not just 26 keys, but all possible keys that fit the PCSK9 keyhole.

The Supreme Court begins by emphasizing the patent "bargain."[2] The patent system is rooted in a *quid pro quo* between the inventor and the public. In exchange for teaching the world how to make and use an invention, the inventor gets an exclusive right to monopolize it for a time. The enablement requirement of patents is thus baked into the basic bargain: enablement is the *quid*, and the grant of a patent is the *quo*.

The Court then explains that the enablement doctrine has remained consistent throughout American patent history, changing little as other requirements have come and gone.[3] Instead of discussing and applying the body of recent enablement caselaw, the Court reaches back to the greatest hits of the nineteenth century, analogizing monoclonal antibodies to Morse's telegraph

and Edison's light bulb. "While the technologies in these older cases may seem a world away from the antibody treatments of today, the decisions are no less instructive for it."

The Court summarizes the patent statute's enablement requirement:

> If a patent claims an entire class of processes, machines, manufactures, or compositions of matter, the patent's specification must enable a person skilled in the art to make and use the entire class. In other words, the specification must enable the full scope of the invention as defined by its claims. The more one claims, the more one must enable.[4]

But the Court leaves some room for claiming a genus. The genus can be enabled by disclosing "some general quality running through the class that gives it a peculiar fitness for the particular purpose."[5] The Court also underscores that leaving a "reasonable amount of experimentation" for the POSITA does not defeat enablement. Of course, "reasonable" is a variable yardstick: "[w]hat is reasonable in any case will depend on the nature of the invention and the underlying art."[6]

With this analytical framework, the Supreme Court concluded that "Amgen has failed to enable all that it has claimed, even allowing for a reasonable degree of experimentation."[7] The Court also dismissed Amgen's "roadmap" and "conservative substitution" arguments, finding that they constituted only "research assignments" that left too much work to trial and error. "That is not enablement," and does not justify excluding competitors who do the work of "painstaking" experimentation.[8]

Amgen did not change existing patent law, but is still a significant decision. Technology-practicing entities defending against infringement suits should be aware that the path to attack the enablement of genus claims has been more clearly lit. On the other side, patentees should be prepared to defend the enablement of their genus claims on the facts, as the legal standard has again been sanctioned.

IN A CASE OF FIRST IMPRESSION, FEDERAL CIRCUIT HOLDS THAT OBVIOUSNESS-TYPE DOUBLE PATENTING ANALYSIS FOR A PATENT THAT HAS RECEIVED A "PATENT TERM ADJUSTMENT" IS BASED ON THE EXPIRATION DATE AFTER ADJUSTMENT

***In re: Cellect, LLC*, 81 F.4th 1216 (Fed. Cir. 2023)**

By statute, patents have a 20-year term from the application filing date. However, the default 20-year term can be extended for "patent term ***adjustment***" if the USPTO fails to examine an application and issue a patent in a timely fashion—in short, processing delays that are no fault of

the petitioner.[9] Another way to extend the term is "patent term ***extension***" if a patent applies to a product or method that is subject to regulatory review before commercialization (e.g., FDA review).[10] Like "patent term adjustment," "patent term extension" reflects the common-sense idea that a patent holder should not lose out on the effective term of a patent that is delayed through no fault of their own. This summary will refer to patent term adjustment as "PTA" and patent term extension as "PTE."

Obviousness-type double patenting is a judicial doctrine arising from the idea that a single invention should only receive a single patent.[11] The point of this doctrine is to "prevent[] an inventor from claiming a second patent for claims that are not patentability distinct from the claims of a first patent."[12] If the "claims of a later-expiring patent would have been obvious over the claims of an earlier-expiring patent owned by the same party," generally the "later-expiring claims are invalid."[13] The key, of course, is what expiration dates to use in analyzing two patents for obviousness-type double patenting.

Although normally straightforward, deciding what expiration dates to use becomes more complex when patents have received PTA and PTE because of USPTO processing delays (PTA) or pre-commercialization regulatory review (PTE). Under Federal Circuit precedent, obviousness-type double patenting analysis for a patent that has received PTE was "based on the expiration date . . . ***before*** the PTE is added, so long as the extended patent is otherwise valid without the extension."[14] At issue in *In re: Cellect* was whether the same should be true when conducting obviousness-type double patenting analysis for a patent that has received PTA. This was an issue of first impression for the Federal Circuit.

The Federal Circuit answered "no". It reasoned that PTA and PTE have their "own independent framework established through . . . independent statutory schema," and therefore that a different rule should be applied for patents that have received PTA.[15] PTA, according to the Federal Circuit, is intended to extend the patent term because of USPTO processing delays, whereas PTE is intended to extend the patent term due to regulatory delays.[16] The Federal Circuit gleaned in the PTA statute—35 U.S.C. § 154(b)—Congress's intent that "no patent (or claim) may be extended beyond the disclaimed expiration date" when "a terminal disclaimer has been entered in a patent subject to PTA."[17] Thus, terminal disclaimers could be used to avoid the invalidation of patents claiming obvious inventions, obviating any need to use the judicially created doctrine of obviousness-type double patenting to override the PTA statute.[18] So, the court held, obviousness-type double patenting analysis for a patent that has received PTA must be based on the expiration date of the patent ***after*** PTA has been added.[19]

Turning to the facts of the case, Cellect owned several patents, each of which concerned devices comprising image sensors (e.g., phones).[20] These patents were related to each other and to an earlier patent, and each would have expired on the same day based on that earlier patent -- except for the fact that they had received different dates based on PTA because of USPTO processing delays.[21] Cellect sued Samsung for infringement, and Samsung argued that the asserted patents were invalid for obviousness-type double patenting.[22] Whether Samsung's

position was correct depended on whether to use the expiration dates ***before*** PTA was added (in which case Cellect would prevail) or ***after*** PTA was added (in which case Samsung would prevail). Having decided that the latter was correct, the court affirmed Samsung's win and invalidated the asserted patents.

Some commentators have noted that the *In re: Cellect* decision will likely produce more invalidity attacks for double patenting.[23] No doubt *In re: Cellect* will not be the last case to address the interplay between PTA, PTE and obviousness-type double patenting.[24] Indeed, Cellect has petitioned the Federal Circuit for *en banc* review. Several amici have filed supporting briefs, and the Federal Circuit requested a response from the USPTO. A decision on the petition is expected early next year.

FEDERAL CIRCUIT AFFIRMS INVALIDITY OF PATENT UNDER PUBLIC USE BAR FOR SURGICAL DEVICE THAT WAS DEMONSTRATED AT INDUSTRY CONFERENCE

***Minerva Surgical, Inc. v. Hologic, Inc.*, 59 F.4th 1371 (Fed. Cir. 2023)**

A medical manufacturing company's patent was invalidated because the company publicly demonstrated a fully-functional version of its device at an industry conference nearly two years before seeking patent protection.

In 2008, Minerva Surgical, Inc. began developing a device for performing endometrial ablation procedures to treat abnormal uterine bleeding.[25] By November 2009, Minerva had settled on a design that used different types of stainless steel in differing thicknesses for the inner and outer elements of the device frame.[26] The dual composition resulted in greater flexibility and better ability to conform to patients' anatomies.[27] The design was memorialized in CAD (computer aided design) drawings and other entries in a laboratory notebook.[28]

In November 2009, Minerva participated in a surgical conference, referred to by the device's inventor as "the Super Bowl" of the industry.[29] At the conference, Minerva demonstrated 15 fully functional devices at its booth, where it received positive feedback about the device's flexibility, and the Chairman of its Medical Advisory Board gave a presentation touting the device's ability to conform to patients' anatomies.[30] Further, a brochure published the day after the conference specifically identified the composition of the device's frame.[31]

Minerva finally applied for a patent for the device three years later in November 2012, claiming a priority date of November 7, 2011.[32]

Minerva eventually sued Hologic, Inc. and Cytyc Surgical Products, LLC, alleging that the defendants infringed the claim governing the different properties of the inner and outer elements

of the device frame.[33] The district court granted summary judgment for the defendants that the asserted patent claim was invalid under the public use bar of 35 U.S.C. § 102.[34] The Federal Circuit affirmed.[35]

Under the applicable version of the public use bar, an invention is not patentable if it was "in public use . . . in this country, more than one year prior to the date of the application for patent in the United States."[36] (Note that because Minerva's patent filing predated the 2011 passage of the Leahy-Smith America Invents Act ("AIA"), it is governed by a previous version of § 102.) The AIA moved the public use bar to subsection § 102(a)(1) and removed the "in this country" limitation. The differences are immaterial to the outcome of this case.

As the court explained, § 102's public use bar applies if "before the critical date, the invention is (1) in public use and (2) ready for patenting."[37] The critical date for Minerva's patent was November 7, 2010—one year before the claimed priority.[38]

Here, Minerva's device was "in public use" based on the demonstrations at the industry conference, where sophisticated industry members were allowed "to scrutinize the invention enough to recognize and understand the [] technology Minerva later sought to patent" and see how it operated without being subject to any confidentiality restrictions.[39] Importantly, the device shown at the conference disclosed the specific claim at issue—the dual composition of the device frame.[40] Indeed, Minerva itself touted that feature and several observers commented on it.[41]

Minerva's device was "ready for patenting" for two independent reasons. First, Minerva had "reduced the invention to practice" in that it had working prototypes.[42] That Minerva may have still been refining the device made no difference.[43] Second, Minerva had documentation, including the CAD drawings and detailed descriptions in the lab notebook, that was "sufficiently specific to enable a person skilled in the art to practice the invention" of the asserted claim.[44]

Ultimately, Minerva publicly shared its invention in final, or near final, form over one year before it sought patent protection. Its patent was therefore invalid under the public use bar.

Inter Partes Review Procedure

FEDERAL CIRCUIT VACATES PTAB DECISIONS IN SEPARATE IPR PROCEEDINGS BASED ON MOTIVATION TO COMBINE AND THE PETITIONER'S RIGHT TO RESPOND TO PATENTEE'S ARGUMENTS

Axonics, Inc. v. Medtronic, Inc., 73 F.4th 950, 75 F.4th 1374 (Fed. Cir. 2020)

Medical device maker Medtronic sued Axonics Inc. for patent infringement. In response, Axonics petitioned for *inter partes* review ("IPR") at the Patent Trial and Appellate Board ("PTAB"), seeking a determination on the patentability of various claims asserted by Medtronic. The PTAB sided with Medtronic. But in a pair of opinions issued this summer, the Federal Circuit reversed, giving Axonics a redo before the PTAB.

The first opinion involved Medtronic's device for stimulating nerves. More specifically, it involved the patent claims for an implantable lead with multiple electrodes on one end to stimulate nerves and a series of tines on the other end to anchor the lead.[45] Axonics argued the claims were unpatentable for obviousness because, among other reasons, a relevant artisan would have been motivated to combine the teachings of two sources of prior art: (1) a paper by Young describing a clinical study of an implantable lead with a single electrode anchored by a series of tines to stimulate the trigeminal nerve and (2) a patent belonging to Gerber describing an implantable lead with four electrodes to stimulate the sacral nerve, which may include an anchoring mechanism.[46] With respect to the number of electrodes, Young stated that the neurostimulator used in the study "could be improved" by adding additional electrodes.[47] Taken together, Axonics argued, Young and Gerber address the problem of "adequately stimulating the nerves," meaning using multiple electrodes, "while limiting electrode migration," meaning using an adequate anchoring system, which is precisely what Medtronic's patent addresses.[48] The PTAB disagreed with Axonics and upheld Medtronic's patent claims.[49]

The Federal Circuit reversed, describing the PTAB's decision as "doubly infected by error."[50] First, the PTAB erred in concluding that a relevant artisan would have no motivation to combine the Young and Gerber references because there was no space in the trigeminal nerve region to accommodate more electrodes. The Federal Circuit explained that "the proper inquiry is whether the relevant artisan would be motivated to make the combination to arrive at the claims' actual limitations, which are not limited to the trigeminal-nerve context."[51] In other words, space constraints may have prevented the combination in the trigeminal-nerve context but that did not bar relevant artisans from combining the references for other nerve-stimulation contexts covered by Medtronic's claims.[52]

Second, the PTAB erred by defining the relevant art as implantable leads for *the sacral nerve region*. *Id.* at 957. The Federal Circuit held that, in defining the relevant art, the PTAB (1) improperly looked to the "Field of Invention" paragraph in Medtronic's patent, which described sacral nerve stimulation as an example of the invention's application, rather than (2) the claims themselves, which are not limited to any nerve region.[53]

The second opinion involved an external device to charge the implantable electric lead once it is under the skin.[54] Axonics again argued that the claims were unpatentable as obvious over prior art.[55] Specifically, in its IPR petition, Axonics argued that prior art disclosed the claims' key specification that the external device would vary its power output based on some input of the

implanted device.[56] The parties and the Board agreed that no term required express construction, and IPR was initiated. *Id.* at 1378. But then, in its response, Medtronic argued for the first time that the claim was not foreclosed by prior art because it required *two* inputs from the implanted device, as opposed to just one, as Axonics had argued was disclosed by the prior art. *Id.* at 1378–79.

In reply, Axonics argued that the prior art disclosed Medtronic's new construction, as well, and submitted a supplemental expert report to support that argument.[57] The PTAB refused to consider Axonic's argument and evidence offered in reply on the ground that it offered an "entirely new rationale" to challenge the patentability of the claims.[58]

The Federal Circuit reversed, holding that "where a patent owner in an IPR first proposes a claim construction in a patent owner response, a petitioner must be given the opportunity in its reply to argue and present evidence of anticipation or obviousness under the new construction, at least where it relies on the same embodiments for each invalidity ground as were relied on in the petition."[59] To hold otherwise would encourage sandbagging by the patent holder by creating incentives to hold their strongest claim construction until the response.[60]

Axonics will now repeat the IPR process for the patent claims at issue in both of these opinions.

SHOWDOWN OVER HAND-HELD VIDEO GAME CONTROLLER IS OPPORTUNITY FOR THE FEDERAL CIRCUIT TO CLARIFY THE IPR ESTOPPEL DOCTRINE

***Ironburg Inventions, LTD. v. Valve Corp.*, 64 F.4th 1274 (Fed. Cir. 2023)**

Valve Corporation ("Valve") is a prominent video game company. Valve was developing a hand-held video game controller for use with P.C. games in 2015. Ironburg Inventions Ltd. ("Ironburg") applied for and obtained a patent on a hand-held video game controller. After the patent issued, Ironburg notified Valve that it believed Valve's publicly disclosed prototype controllers infringed the patent. Valve disagreed and began selling its controller. Ironburg then sued Valve in December 2015 for infringement.[61]

Valve defended the infringement lawsuit by filing a petition with the U.S. Patent and Trademark Office ("USPTO") to institute *inter partes* review ("IPR") of the patent. An IPR is an adversarial proceeding before the USPTO to review the patentability of claims in a patent that has already been issued. Valve argued five grounds that the patent claims were invalid. The USPTO instituted IPR proceedings on three of the grounds, but not for the remaining two. In September 2017, the USPTO ruled in Valve's favor, cancelling several claims in Ironburg's patent. Valve did not reapply to seek IPR of the two non-instituted grounds, as an intervening U.S. Supreme Court decision would have permitted.[62]

Ironburg's infringement case was now ready for trial. Seeking to limit the number of invalidity arguments that Valve could raise at trial, Ironburg moved the court to apply the doctrine of "IPR estoppel" and to preclude Valve from arguing invalidity based on (1) the two non-instituted grounds (2) as well as other grounds raised by a third party's IPR petition concerning the same patent. The court agreed with Ironburg and—after a jury trial that proceeded virtually because of the COVID-19 pandemic—Ironburg won a verdict awarding over $4 million in damages. After trial, Valve sought a new trial and Ironburg sought more damages, but the court denied all motions. The parties both appealed.[63]

On appeal, the U.S. Court of Appeals for the Federal Circuit considered several issues including (1) whether there was sufficient evidence to support the jury's verdict that Valve's infringement was willful and (2) the standards for the doctrine of IPR estoppel (the only issue on which the Federal Circuit did not affirm the trial court). The Federal Circuit agreed with the trial court that IPR estoppel prevented Valve from raising invalidity arguments at trial based on the two non-instituted grounds in its petition. However, the Federal Court ruled that the trial court erred by preventing Valve from raising additional invalidity arguments based on grounds raised by the third party in the separate IPR proceeding and remanded as to that issue.[64]

The Federal Circuit's analysis began with the statute that is the source of the IPR estoppel doctrine:

> (2) Civil actions and other proceedings.
>
> The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on *any ground* that the petitioner *raised or reasonably could have raised* ***during that inter partes review***.

35 U.S.C. § 315(e)(2)(emphasis added).[65]

Applying the statute was straightforward. The trial court was correct to preclude Valve from raising the two non-instituted grounds at trial because Valve did in fact raise them in its IPR petition. And, the Federal Circuit reasoned, under recent U.S. Supreme Court decisions, Valve could have—but failed to—ask a second time for the USPTO to institute IPR proceedings on these two grounds. So, Valve was correctly precluded from raising them at trial and getting a third bite at the appeal.[66]

As to the additional grounds raised by the third party against Ironburg's patent, the Federal Circuit had a tougher task. But, primarily, the Federal Circuit clarified that the trial court erred by

implicitly putting the burden on Valve to show that it could not have reasonably raised those grounds in its IPR petition. Requiring Valve to prove that negative was error and conflicted with 35 U.S.C. § 315(e)(2).[67]

Specifically, the Federal Circuit formally adopted the so-called "skilled searcher" standard, which several federal district courts have applied to this prong of 35 U.S.C. § 315(e)(2). Under this standard, grounds could have reasonably been raised in an IPR petition if a "skilled searcher conducting a diligent search reasonably ***could have been expected to discover***" those grounds. The Federal Circuit agreed with Valve and several district court opinions that put the burden of proof on the patent owner (i.e., Ironburg) as the proponent of the IPR estoppel argument. As the Federal Circuit reasoned, IPR estoppel is an affirmative defense, and a party raising an affirmative defense generally bears the burden of proof.[68]

Accordingly, the Federal Circuit vacated the trial court's ruling as to the grounds raised by the third party and remanded for further proceedings, including limited discovery and possibly trial on that issue. Ironburg's and Valve's battle therefore continues for another day.[69]

The opinion—along with a spirited dissent—raises and considers several issues, including indefiniteness, expert witness testimony, willful infringement and enhanced damages, all in the context of a multi-million dollar jury verdict in a fast-paced and competitive industry (video gaming). But its primary significance is its clarification of the burden of proof and standard for IPR estoppel arguments, and specifically, its (1) adoption of the "skilled searcher" standard and (2) holding that the proponent of IPR estoppel (i.e., the patent owner) bears the burden of proof.

IN CASE OF FIRST IMPRESSION, FEDERAL CIRCUIT UPHOLDS PTAB'S "LATE" FINAL DECISION IN IPR PROCEEDING

***Purdue Pharma L.P. et al. v. Collegium Pharma., Inc.*, 2023 WL 8043047 (Fed. Cir. Nov. 21, 2023)**

In September 2017, Purdue sued Collegium Pharmaceutical, Inc. for infringing newly-issued U.S. Patent No. 9,693,961.[70] The patent is directed to deterring "abuse of opioid analgesics by the inclusion of at least one aversive agent in the dosage form."[71] In March 2018, Collegium petitioned the Patent Trial and Appeal Board ("PTAB") to initiate a post-grant review ("PGR") of several claims in the 961 patent. Collegium argued that the claims lacked sufficient written descriptions that were specific enough for patentability.[72] The PTAB instituted PGR proceedings, which it had to complete within one year by statute.[73]

Purdue declared bankruptcy in 2019. The bankruptcy filing automatically stayed other proceedings to which Purdue was a party.[74] As a result, the PTAB stayed its PGR proceedings.

Eventually, in 2020, the bankruptcy court lifted the automatic stay as to the PGR proceedings, but, by that time, the PTAB's one-year statutory deadline (plus a 6-month extension) had run.[75]

Purdue moved the PTAB to terminate the PGR proceeding on September 11, 2020, arguing that the PTAB's failure to complete the proceedings by the one-year statutory deadline divested the PTAB of authority.[76] The PTAB disagreed with that procedural argument and went on to hold that the challenged patent claims were unpatentable for the reasons raised by Collegium.[77] Purdue appealed both rulings to the Federal Circuit.

Addressing the procedural question of whether the PTAB's failure to render a decision within the statutory deadline divested the PTAB of authority, the Federal Circuit noted that this was an issue of first impression.[78] The Federal Circuit reasoned that U.S. Supreme Court precedent held that, if a statute "does not specify a consequence for non-compliance with statutory timing provisions, the federal courts will not in the ordinary course impose their own coercive sanction."[79] Because the statute at issue—35 U.S.C. § 326(a)(11)—said nothing about what happens if the PTAB failed to render its decision before the statutory deadline, the Federal Circuit rejected Purdue's argument.[80] Turning to the legislative history, the Federal Circuit observed that it would be illogical to conclude that Congress—which, after all, told the PTAB to issue a final ruling in PGR proceedings—would intend for the PTAB *not* to issue a final ruling after one year.[81] As the court put it: "Congress had a clear intent to make patent review expeditious, which was reflected in the deadline in section 326(a)(11). But the importance of the deadline does not support denying authority after the deadline passes."[82] Moreover, as the Court pointed out, in the event that the PTAB failed to meet a statutory deadline, the "appropriate remedy is mandamus."[83]

In short, the Federal Circuit held that the PTAB's "failure to comply with the statutory deadline does not deprive it of authority thereafter to issue a final written decision" in PGR proceedings.[84]

The Federal Circuit then turned to the PTAB's substantive decision finding that the patent lacked a sufficient written description. The U.S. patent code requires that a written description must "clearly allow persons of ordinary skill in the art to recognize that the inventor invented what is claimed."[85]The Federal Circuit upheld the PTAB's determination that the claims at issue failed to satisfy that standard.[86] As the court put it, there were "insufficient blaze marks" to convey to persons of ordinary skill in the art how the compounds at issue were gelling agents.[87]

Other Defenses – Prosecution Laches Bar

NORTHERN DISTRICT OF CALIFORNIA THROWS OUT SONOS'S $32.5 MILLION JURY VERDICT AGAINST GOOGLE WITH POTENTIALLY NOVEL APPLICATION OF PROSECUTION LACHES DEFENSE

Sonos, Inc. v. Google LLC, Nos. C 20-06754 WHA, C 21-07559 WHA, 2023 WL 6542320 (N.D. Cal. Oct. 6, 2023)

A Northern District of California jury awarded $32.5 million in May 2023 on Sonos's claim that Google infringed its patent for a system to link smart speakers in multiple rooms.[88] But in October, the tide turned in Google's favor when Judge Alsup ruled that the patent in suit was unenforceable under the equitable doctrine of prosecution laches.[89] Prosecution laches is an affirmative defense that applies when the patentee caused the patent's issuance to be unreasonably and inexcusably delayed.[90] Although the doctrine is a century old,[91] Judge Alsup's reliance on it is novel because it is the first time prosecution laches has been applied to a patent issued after 1995 – when patent terms in the United States changed from 17-years-from-issuance to 20-years-from-filing, reducing the patentee's incentive to delay issuance.[92]

Proving prosecution laches is a high bar. The accused infringer must show: "(1) the patent holder's delay in prosecution was unreasonable and inexcusable under the totality of circumstances; and (2) the accused infringer suffered prejudice attributable to the delay."[93] Absent express guidance from the Federal Circuit on the burden of proof, Judge Alsup required Google to prove these elements by clear and convincing evidence.[94]

Google met that high bar. Sonos claimed priority to a 2006 provisional application, which it kept alive through a "daisy chain of continuation applications" until 2019, when it finally applied for the patent in suit.[95] The 13-year delay was unreasonable.[96] In the meantime, Google invested in and released products that practiced the claimed invention.[97] Significantly, Sonos improperly amended its 2019 application to add new matter, so Google could not have known of Sonos's asserted invention because it wasn't previously disclosed.[98] For this reason, the 2019 patent was (1) not only unenforceable under the doctrine of prosecution laches but was also (2) invalid as anticipated by Google's products themselves.

Judge Alsup minced no words in ruling that Sonos had unreasonably and inexcusably delayed the issuance of its patent to Google's prejudice:

> This was not a case of an inventor leading the industry to something new. This was a case of the industry leading with something new and, only then, an inventor coming out of the woodwork to say that he had come up with the idea first —***wringing fresh claims to read on a competitor's products from an ancient application***.[99]
>
> He concluded his opinion with similarly harsh commentary:
>
> It is wrong that our patent system was used in this way. With its constitutional underpinnings, this system is intended to promote and protect innovation. Here, by contrast, it was used to ***punish an innovator and to enrich a pretender*** by

> delay and sleight of hand. It has taken a full trial to learn this sad fact, but, at long last, a measure of justice is done.[100]

In finding for Google, Judge Alsup rejected Sonos's argument that the doctrine of prosecution laches does not apply to post-1995 patents.[101] Recall that before 1995, patent terms lasted 17 years from the date of issuance, rather than the current measure of 20 years from the date of filing.[102] Under the old regime, patentees could delay issuance to ensure their patent term fell when their invention was commercially valuable.[103] According to Sonos, the doctrine of prosecution laches was meant to prevent that pre-1995 practice and therefore has outlived its utility.[104] As support, Sonos pointed to the fact that the Federal Circuit has never applied prosecution laches in a case involving a patent originally filed after 1995.[105] Judge Alsup agreed with Sonos's observation but responded that the Federal Circuit has never alluded to any sort of temporal limitation on the doctrine.[106]

The continuing vitality of the prosecution laches defense is likely to figure prominently in Sonos's appeal, which is currently pending in the Federal Circuit. To be sure, prosecution laches is a fact-specific doctrine and Judge Alsup concludes that Sonos's conduct is particularly egregious. However, whatever opinion the Federal Circuit ultimately issues could have repercussions for the practice of filing continuation applications.

Damages

FEDERAL CIRCUIT VACATES ONE OF THE LARGEST JURY PATENT AWARDS IN U.S. HISTORY IN APPEAL FROM TRIAL BETWEEN VLSI AND INTEL OVER MICROPROCESSORS

***VLSI Tech. LLC v. Intel Corp.*, 2023 WL 8360083 (Fed. Cir. Dec. 4, 2023)**

VLSI Technology, LLC sued Intel Corporation for alleged infringement of two patents -- U.S. Patent No. 7,523,373 (the '373 Patent) and U.S. Patent No. 7,725,759 (the '759 Patent) -- concerning microprocessor systems.[107] The case was tried in the U.S. District Court for the Western District of Texas, and the jury awarded VLSI approximately $2.2 billion dollars in damages.

Intel appealed. On December 4, 2023, the U.S. Court of Appeals for the Federal Circuit reversed the jury's verdict that Intel had infringed the '759 Patent, wiping out $675 million dollars in damages. The Federal Circuit affirmed the verdict of infringement as to the '373 patent, but vacated the jury's award of $1.5 billion dollars in damages and remanded for a new trial.[108]

As to the '759 Patent, Intel argued on appeal that there was insufficient evidence of infringement under the doctrine of equivalents.[109] On this point, the Federal Circuit agreed. The court

reasoned that the doctrine of equivalents is a narrow exception to normal patent infringement standards, meant for situations where parties could avoid infringement by substituting a component or step in a patent with some equivalent. The Federal Circuit emphasized that this doctrine is "exceptional" and requires "specificity and completeness of proof."[110] Applying these well-established standards to VLSI's proffered expert testimony, the Federal Circuit found that testimony missed the mark. Specifically, the court criticized the key testimony as "insufficient" and lacking a "meaningful explanation" of the relevant technological features in the microprocessors at issue.[111] As a result, the Federal Circuit reversed the jury's verdict of infringement under the doctrine of equivalents as to the '759 patent, thereby wiping away some $675 million dollars in damages.[112]

As to the '373 Patent, the Federal Circuit's decision considered two challenges that Intel raised to the jury's verdict of literal infringement.[113] First, Intel argued that VLSI's expert testimony concerning certain technical features of the microprocessors at issue was insufficient to support the verdict of infringement. The Federal Circuit rejected this argument, concluding that "substantial evidence supports the jury's verdict in favor of VLSI" as to the '373 Patent.[114] Intel also raised an argument about claim construction, but the Federal Circuit held that Intel's failure to seek claim construction on the point at issue meant that the court would "defer to the jury's view of the claim element unless that view is contrary to the only reasonable view of the claim element."[115] Thus, the Federal Circuit affirmed the jury's verdict of infringement as to the '373 Patent.

The Federal Circuit then turned to the damages analysis for the '373 Patent. The jury had accepted VLSI's damages theory and awarded $1.5 billion dollars. That was a "lump-sum life-of-patent reasonable royalty award designed to compensate for the use made of the invention by the infringer."[116] Under this approach, the "value of what was taken—the value of the use of the patented technology—measures the royalty."[117]

The Federal Circuit then parsed out VLSI's damages methodology. VLSI's damages theory tried to "identify the incremental value over non-infringing alternatives added to Intel's accused products by use of the asserted patents and the share of that value that Intel and VLSI would have agreed Intel would pay in a start-of-infringement hypothetical negotiation."[118] VLSI's damages theory had four steps. First, one of VLSI's experts testing showed that "us[ing] the '373 patent technology" resulted in "power savings" of 5.45%, and a second expert testified that the power savings translated by a "one-to-one ratio" to "a 5.45% speed benefit" for Intel's microprocessors.[119] Second, using a regression model, a third VLSI expert calculated that "each 1% improvement in speed was associated with a 0.764% increase in [microprocessor] price."[120] Third, VLSI calculated the incremental revenue attributable to the use of the '373 patent by "multipl[ying] the 5.45% speed benefit, by the 0.764% price benefit, by the total infringing revenues" for the Intel microprocessors. That yielded a number of $2.1 billion in incremental revenues "attributable to use of the '373 patent technology"[121] Finally, VLSI's expert calculated what Intel and VLSI contributed to the microprocessors—23.8% and 76.2%, respectively, of total

revenue—and multiplied that by total incremental revenues to arrive at $1,611,609,964 in total damages to VLSI.[122] The jury rounded down and awarded VLSI $1.5 billion.

On appeal, however, the Federal Circuit held that the damages award could not stand because VLSI's damages expert made a "readily identifiable error" in estimating the power savings attributable to the patented technology.[123] Specifically, VLSI's damages expert mixed data from two different microprocessor "sleep states" with "significant[ly]" different residency data, although only one of the sleep states used the accused processor function.[124] Thus, the power savings test results were not reliable.[125] Because the power savings data were foundational to VLSI's entire damages theory, the court set aside the damages award and remanded for a new trial on damages.[126]

Accordingly, the battle will continue concerning the proper measure of damages for the infringement of the '373 Patent.

U.K. HIGH COURT OF JUSTICE SETS FRAND RATES FOR LENOVO'S USE OF STANDARD ESSENTIAL TELECOMMUNICATIONS PATENTS

InterDigital Technology Corp. v. Lenovo Group Limited, [2023] EWHC 539 (Pat) (16 Mar. 2023)

In a 225-page March decision, the UK High Court of Justice ordered Lenovo to pay Interdigital Inc. a $138.7 million lump sum license fee for patented telecommunications technology deployed in Lenovo's mobile devices from 2007 through 2023.[127] At issue was InterDigital's portfolio of patents that have been declared standard essential patents ("SEPs") for the 2G, 4G, 3G and 5G mobile device technology standards set by the European Telecommunications Standards Institute ("ETSI"). Under ETSI policy, the patent holder commits to granting irrevocable licenses for SEPs on terms that are "fair, reasonable and non-discriminatory" ("FRAND").[128] The implementers must either take the license or be treated as infringers.

The dispute has a long history. The parties began licensing discussions in 2008, but failed to reach an agreement in over a decade of intermittent negotiating.[129] Ultimately, they ended up in litigation in the UK, the US and China.[130] The UK action, filed by InterDigital in 2019, was split into six trials: five technical trials to adjudge the validity of certain of the patents at issue and the subsequent FRAND trial.[131]

In the FRAND trial both sides submitted expert testimony comparing Lenovo to other InterDigital licensees. The inquiry was complicated by Lenovo's many years of unlicensed sales and by InterDigital's practice of offering non-uniform discounts on royalty rates to licensees.[132] The court had to consider how past sales and the applicable limitation period should influence the FRAND determination, if at all.[133] In an infringement action, InterDigital's ability to collect damages on

past sales would be limited by the applicable statute of limitations (at most 6 years, depending on the jurisdiction).[134] But the court determined that to be treated as a willing licensee, rather than an infringer, an implementer must pay royalties on all past sales, regardless of the limitation period.[135] To hold otherwise would allow an implementer to benefit from delay in reaching a license agreement. In other words, the court concluded that the setting of FRAND terms should not be influenced by the limitations period.[136] In practice, though, InterDigital offered discounts to other licensees on the royalties for past sales, both to account for the difficulty InterDigital would have in recovering those amounts otherwise and to incentivize implementers to enter into license agreements.[137] In addition, InterDigital offered discounts based on other factors, too, such as volume.[138] The court determined that, apart from discounts on lump sum payments meant to reflect the time-value of money, InterDigital's practice discriminated against smaller licensees with less bargaining power and was inconsistent with FRAND principles.[139] The court thus had to make adjustments in setting FRAND rates for the license to Lenovo.[140]

In addition to the comparables, InterDigital also offered a hedonic regression analysis to support its proposed FRAND rates.[141] The court rejected that analysis as experimental and instead relied on the comparables, focusing on the one comparable (of 27) that both sides agreed was relevant.[142]

InterDigital also asked the court to determine whether Lenovo was a willing licensee or an infringer, based on the long period of time during which Lenovo refused to enter a license.[143] The court determined that, at times, Lenovo did not act as a willing licensee.[144] But InterDigital did not act as a willing licensor, either, in that it offered supra-FRAND rates and failed to provide Lenovo with adequate information to assess the rates it had offered.[145] Ultimately, the court awarded a $138.7 million lump sum licensing fee for 2007 through 2023, though it allowed Lenovo to elect whether to accept that license or proceed as an infringer.[146] Lenovo elected to accept the license.[147] This was a significant win for Lenovo, given InterDigital's final offer had been for a $337 million lump sum.[148] In addition, in June the court awarded $42.6 million in interest to InterDigital .[149] The parties are each appealing various aspects of the judgment.

Over the course of the lengthy opinion, the court offered the following guidance on FRAND principles:

- "It is not FRAND nor is a licensor acting as a willing licensor if it refuses to provide the information necessary for a willing licensee to evaluate an offer which has been made."[150]

- "[I]t would not be FRAND, for example, for a small new entrant to the market to have to pay a higher royalty rate than an established large entity. . . . In my judgment, the FRAND rate ought to be generally nondiscriminatory in that it is determined primarily by reference to the value of the patents being licensed and has the result that all licensees who need the same kind of license will be charged the same kind of rate."[151]

- "When a mobile phone, tablet or computer uses 3G, 4G or 5G technology covered by SEPs, the royalties payable should not depend on the price of the phone (or tablet or computer), which reflects many other features (e.g., screen size, processor power and other features) which are unrelated to the licensed technology even if dependent on it, as well as the status of the brand of phone or tablet – Apple being the paradigm example of a brand able to command substantial price premiums. Accordingly, in terms of SEP licensing, each unit should be viewed as a functional unit, functioning using the relevant generation(s) of the technology."[152]

- "I have concluded that a willing licensee will pay in respect of all past units. Specifically, I do not consider that a willing licensee would seek to avoid making payments of FRAND royalties by taking advantage of one or more national limitation periods."[153]

- "I have concluded that discounts which reflect the time value of money (e.g., accelerated receipt of royalties, the advantage to the SEP licensor of receiving a lump sum and so forth) are entirely fair and consistent with FRAND. Any other discounts (i.e., which do not reflect the time value of money) . . . contribute to the discrimination against smaller licensees."[154]

U.K. HIGH COURT OF JUSTICE TACKLES THE COMPLEX ISSUE OF LICENSING STANDARDS FOR PATENTS ESSENTIAL TO INDUSTRY AND TECHNICAL STANDARDS IN SHOWDOWN BETWEEN TELECOMMUNICATION GIANTS OPTIS AND APPLE

***Optis Cellular Tech. LLC et al. v. Apple Retail UK Ltd. et al.*, [2023] EWHC 1095 (Ch) (10 May 2023)**

Two months after the *InterDigital* decision, *supra*, a different judge of the U.K. High Court of Justice issued a second FRAND decision in *Optis v. Apple*. This 285-page judgment set a FRAND license for a portfolio of SEPs for a 4G cellular technology standard .[155] The context and background in which the case arose involve cellular technology, a linchpin to our modern world and economy. For that technology to work, the "infrastructure, equipment and devices produced by competing manufacturers need to communicate and inter-operate with one another…."[156]

International standards organizations work to develop technical "standards" or protocols in many industries "whereby the multiple and complex interfaces between the equipment concerned and the hardware and software that it contains can work" in modern telecommunication devices.[157] This technology is developed and held by entities with portfolios of relevant patents—called "standard essential patents," or SEPs. The holders declare their patents that might be used in a telecommunications standard to various standard setting organizations—in this case, primarily

the European Telecommunications Standards Institute ("ETSI"). ETSI and other standard setting organizations require that SEP holders license these patents to companies—like Apple—that develop and sell standard compliant devices like cellular phones. The FRAND question that courts have struggled with for years is how to set a fair, reasonable and non-discriminatory rate for such licenses when there might be tens of patent owners and hundreds of patents that are essential to a particular technology standard.[158]

In this case, Optis acquired a portfolio of SEPs from a third party, Unwired Planet.[159] Unwired Planet had already been in discussions with Apple about what a FRAND license to those SEPs (along with other patents) would be.[160] In 2015, Apple offered a $25 million dollar lump-sum payment for Unwired Planet's SEP patents (valuing the others as worthless).[161] After Optis acquired the portfolio, discussions between Optis and Apple began in 2016 and 2017.[162] While we refer readers to the decision for a full recitation of the negotiations, the parties were unable to agree on FRAND terms. [163] In February 2019, Optis commenced litigation in the United Kingdom against Apple.[164]

After several trials, the court issued its judgment on May 10, 2023. Although the decision was heavily redacted to remove the parties' confidential business information, the thrust of the court's analysis is instructive. There are many noteworthy aspects of this judgment, but, given its length, we will summarize some of the judge's most pertinent conclusions:

- While the judge noted that courts typically determine the FRAND rate by looking at comparable licenses, he had concerns about that approach here because the comparables submitted by Apple and Optis failed to "provide a reliable guide to a market rate" because they had to be "unpacked in a manner that imports as many subjectivities as it eliminates."[165] But, ultimately, he concluded that the comparables were "in fact the only real evidence that I have to determine the FRAND Question."[166]

- The judge concluded that the "touchstones are fairness and reasonableness."[167] As the judge stated, the FRAND question is: "What price would obtain in a competitive market?" Because of the monopolistic nature of SEP portfolios, he reasoned, the market here was unable to produce that price, thereby requiring litigation and judicial intervention.[168]

- As to the "value of the Standard to the Implementer [i.e., Apple]," the judge reasoned that value could be "reflected in a price based on *ad valorem*, per unit or lump sum rates."[169] After rejecting an expert's argument that an *ad valorem* rate is required to appropriately award the SEP owner,[170] the judge concluded that his task was to price "the value to Apple of the Portfolio" held by Optis.[171] To do that, he decided to use a lump-sum basis.[172]

- While the details were redacted, the judge made clear that (1) he was only considering a license to Optis's portfolio; (2) he intended this lump-sum license to cover any future

products innovated by Apple, such as a hypothetical "Apple car;" (3) the license was both forward and backward looking; and (4) he was taking account of other proceedings concerning the portfolio.[173]

- Ultimately, the judge granted Apple a worldwide, paid-up, 4G multiple-standard license "for any and all future products that might infringe the patents in Optis's Portfolio."[174] In exchange, the judge held that "an annual license rate to the Portfolio that is FRAND [would be] US $5.13 [million]." The judge considered five years to be a reasonable length of time and, therefore, concluded that "Apple should pay, up front, and with no discount for accelerated payment, the sum of US $25.65 [million] to Optis."[175]

* * *

The decisions in *InterDigital* and *Optis* are instructive as to the factors and analysis underlying a FRAND determination. However, both decisions are fact-specific and—as to *Optis* in particular—heavily redacted. This might limit their impact on FRAND case law going forward. That said, a key takeaway for future litigants, implementers and holders of SEPs is that both judges emphasized the importance of comparables as probative evidence in the FRAND licensing analysis. The decisions also highlight the benefits of prioritizing negotiated FRAND agreements rather than litigation in the courts. It will remain to be seen whether and to what extent US courts rely on the principles and analyses in these UK decisions in setting FRAND rates in future cases.

Expert Opinion Testimony

AMENDMENTS TO FEDERAL RULE OF EVIDENCE 702 TAKE EFFECT, CLARIFYING COURT'S GATEKEEPER ROLE IN DETERMINING ADMISSIBILITY OF EXPERT EVIDENCE

In patent litigation, both sides regularly employ technical and economic experts to testify on their behalf. And both sides routinely challenge the admissibility of the opposing expert's opinions in pre-trial "*Daubert* motions." *See Daubert v. Merrell Dow Pharm., Inc.*, 509 U.S. 579 (1993). Those expert opinions are likely to face increased scrutiny from district court judges under the amendments to Federal Rule of Evidence 702 that took effect on December 1, 2023.

Rule 702 governs the admissibility of expert opinions. It requires—and always has required—judges to act as gatekeepers to protect juries from unsupported and unreliable expert testimony. *Daubert* posited a non-exhaustive five-part test for the reliability of expert opinions under Rule 702: (1-3) whether the expert's technique or theory can or has been tested, subject to peer review, and has been generally accepted in the scientific community, (4) the rate of error of the technique or theory, and (5) the existence and maintenance of standards or controls.

Notwithstanding *Daubert* and its progeny, the Advisory Committee on Evidence Rules observed that judges often were abdicating their gatekeeper role. Specifically, the Advisory Committee grew concerned that "many courts have declared that the reliability requirements set forth in Rule 702(b) and (d)—that the expert has relied on sufficient facts or data and has reliably applied a reliable methodology—are ***questions of weight and not admissibility***, and more broadly that expert testimony is ***presumed to be admissible***."[176] As the Committee Note to the amended Rule explains, "[t]hese rulings are an incorrect application" of the Rules of Evidence.[177]

In an effort to align judicial practice with the stringencies of Rule 702, the Advisory Committee proposed two changes to the Rule's text. The changes are not substantive, rather they are meant to "clarify" and "emphasize" the standard that applies to the threshold admissibility inquiry for expert opinion.[178] The changes are shown below, with new language underlined and omitted language stricken-through:

> **Rule 702. Testimony by Expert Witnesses**
>
> A witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise if the proponent demonstrates to the court that it is more likely than not that:
>
> (a) the expert's scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue;
>
> (b) the testimony is based on sufficient facts or data;
>
> (c) the testimony is the product of reliable principles and methods; and
>
> (d) ~~the expert has reliably applied~~ expert's opinion reflects a reliable application of the principles and methods to the facts of the case.

The first change is to make explicit that the proponent has the burden to show that the proffered expert testimony satisfies the criteria set forth in the Rule by a preponderance of the evidence (rather than the challenger demonstrating that the testimony does not meet the criteria). Again, this is not a new requirement. It has always been the case under Rule 104(a) that the court "must decide any preliminary question about whether a witness is qualified" based on a preponderance of the evidence standard.[179] The choice to restate the Rule 104(a) standard expressly in Rule 702 is to emphasize the threshold nature of the admissibility inquiry; only after admissibility is established by a preponderance of the evidence do questions of weight kick in.[180]

The second change is to add an explicit reference to the "expert's opinion" to the requirement that the expert must apply reliable principles and methods. Rule 702 has always contemplated that "expert opinion must stay within the bounds of what can be concluded from a reliable application of the expert's basis and methodology" to be admissible.[181] Yet courts were too often treating this as a matter of weight. As the Advisory Committee commented when it proposed this change, "[t]he language of the amendment more clearly empowers the court to pass judgment on the conclusion that the expert has drawn from the methodology."[182]

It bears repeating that the Amendment to Rule 702 works no substantive change in the law. Indeed, when the Amendment was a mere proposal, the Fourth Circuit commented that it "clearly echoes the existing law on the issue."[183] But if it accomplishes its purpose, the Amendment should result in a change in practice as courts step into their gatekeeping role with more vigor.

CONCLUSIONS

With new pronouncements from the Supreme Court, the Federal Circuit and the UK High Court of Justice, as well as an updated evidentiary rule on expert testimony, 2023 was a consequential year for patent law. These developments will influence cases for years to come:

- ***Amgen Inc. v. Sanofi*, 143 S.Ct. 1243 (2023):** U.S. Supreme Court holds that a patent must "enable" the full scope of its claims in the context of cholesterol-lowering antibodies.

- ***In re: Cellect, LLC*, 81 F.4th 1216 (Fed. Cir. 2023):** The Federal Circuit confronted issue of first impression in holding that obviousness-type double patenting analysis for a patent that has received a "patent term adjustment" is based on the expiration date after adjustment.

- ***Minerva Surgical, Inc. v. Hologic, Inc.*, 59 F.4th 1371 (Fed. Cir. 2023):** The Federal Circuit affirmed invalidity of patent under public use bar for surgical device that was demonstrated at industry conference in detail and without any confidentiality restrictions.

- ***Axonics, Inc. v. Medtronic, Inc.*, 73 F.4th 950, 75 F.4th 1374 (Fed. Cir. 2020):** The Federal Circuit vacated PTAB decisions in separate IPR proceedings based on motivation to combine and the petitioner's right to respond to patentee's arguments.

- ***Ironburg Inventions, LTD. v. Valve Corp.*, 64 F.4th 1274 (Fed. Cir. 2023):** The Federal Circuit clarified the scope and nature of the IPR estoppel doctrine in a showdown over handheld video game controllers.

- ***Purdue Pharma L.P. et al. v. Collegium Pharma., Inc.*, 2023 WL 8043047 (Fed. Cir. Nov. 21, 2023):** In another case of first impression, the Federal Circuit decided that the PTAB, by failing to render a decision within the statutory timeframe, did not lose jurisdiction to render that decision at all.

- ***Sonos, Inc. v. Google LLC*, Nos. C 20-06754 WHA, C 21-07559 WHA, 2023 WL 6542320 (N.D. Cal. Oct. 6, 2023):** The Federal district court in California throws out Sonos's $32.5 million jury verdict against Google with potentially novel application of prosecution laches defense based on unreasonable 13-year delay in moving forward with patent application.

- ***VLSI Tech. LLC v. Intel Corp.*, 2023 WL 8360083 (Fed. Cir. Dec. 4, 2023):** The Federal Circuit reverses judgment of infringement as to one microprocessor patent and, for second patent, vacates the judgment and remands for a new trial on damages because VLSI's expert failed to properly apportion value of the patented feature in opining on a reasonable royalty.

- ***InterDigital Technology Corp. v. Lenovo Group Limited*, [2023] EWHC 539 (Pat) (16 Mar. 2023):** The U.K. High Court of Justice sets FRAND rates for Lenovo's use of SEPs for a telecommunications standard in an analysis that emphasized the use of comparables as probative evidence of a FRAND licensing rate as well as the behavior of SEP holders and implementers.

- ***Optis Cellular Tech. LLC et al. v. Apple Retail UK Ltd. et al.*, [2023] EWHC 1095 (Ch) (10 May 2023):** The U.K. High Court of Justice issues an opinion concerning FRAND licensing rates for cellular technology held by Texas-based Optis, which is engaged in a drawn-out litigation battle with Apple, awarding Optis approximately $5 million per year for 5-year paid-up license.

- **Fed. R. Evid. 702:** Amendments to Federal Rule of Evidence 702 take effect, clarifying the court's gatekeeper role in determining admissibility of expert evidence and likely prompting increased scrutiny by federal district judges of proposed expert opinions.

If you have questions related to this *White Paper*, please contact Kelsey I. Nix, Co-Chair of Smith Anderson's IP Litigation Practice, Hope Garber, David Ortiz or the Smith Anderson lawyer with whom you currently work.

End Notes

[1] *Amgen Inc. v. Sanofi*, 143 S. Ct. 1243 (2023).
[2] *Id.* at 1251.
[3] The enablement requirement is now found in 35 U.S.C. §112.
[4] *Amgen*, 143 S. Ct. at 1251 (emphasis added).
[5] *Id.* (internal citations and quotations omitted).
[6] *Id.* at 1255.
[7] *Id.* at 1256.
[8] *Id.* at 1256–57.
[9] 35 U.S.C. § 154.
[10] 35 U.S.C. § 156.
[11] *In re: Cellect, LLC*, 81 F.4th 1216, 1226 (Fed. Cir. 2023); *see also* 35 U.S.C. § 101.
[12] *Id.*
[13] *Id.*
[14] *Id.* at 1227.
[15] *Id.*
[16] *Id.*
[17] *Id.* at 1228–29.
[18] *Id.* at 1229.
[19] *Id.*
[20] *Id.* at 1219.
[21] *Id.*
[22] *Id.* at 1220.
[23] *See Federal Circuit Puts More Patents at Risk of Double-Patenting Ax*, Ryan Davis, Law360, http://www.law360.com/articles/1717094/print?section=appellate (last accessed November 3, 2023).
[24] The Federal Circuit also addressed other issues, including equitable considerations in the context of obviousness-type double patenting analysis. *See In re: Cellect*, 81 F.4th at 1229–31.
[25] *Minerva Surgical, Inc. v. Hologic, Inc.*, 59 F.4th 1371, 1373, 1375 (Fed. Cir. 2023).
[26] *Id.* at 1375–76.
[27] *Id.*
[28] *Id.*
[29] *Id.* at 1376.
[30] *Id.* at 1376, 1378.
[31] *Id.* at 1376.
[32] *Id.* at 1373.
[33] *Id.* at 1374–75.
[34] *Id.* at 1375.
[35] *Id.* at 1382.
[36] *Id.* at 1377 (citing Pre-AIA 35 U.S.C. § 102(b)).
[37] *Id.* (alterations omitted) (quoting *Polara Eng'g Inc. v. Campbell Co.*, 894 F.3d 1339, 1348 (Fed. Cir. 2018)).
[38] *Id.* at 1377 n.2.
[39] *Id.* at 1378–79.
[40] *Id.* at 1380.
[41] *Id.* at 1379–80.
[42] *Id.* at 1380–81.
[43] *Id.* at 1381.
[44] *Id.*
[45] *Axonics, Inc. v. Medtronic, Inc.*, 73 F.4th 950, 952–53 (Fed. Cir. 2023).
[46] *Id.* at 954.
[47] *Id.*
[48] *Id.* at 955.
[49] *Id.* at 955–56.
[50] *Id.* at 957.
[51] *Id.*

[52] *Id.* at 957–58.
[53] *Id.* at 958–59.
[54] *Axonics, Inc. v. Medtronic, Inc.*, 75 F.4th 1374, 1376–77 (Fed. Cir. 2023).
[55] *Id.* at 1376.
[56] *Id.* at 1378.
[57] *Id.* at 1379.
[58] *Id.*
[59] *Id.* at 1384.
[60] *Id.*
[61] *See Ironburg Inventions, LTD. v. Valve Corp.*, 64 F.4th 1274, 1280–81 (Fed. Cir. 2023).
[62] *See id.*
[63] *See id.*
[64] *See id.* at 1296–1300.
[65] *Id.* at 1296–97.
[66] *Id.* at 1297.
[67] *Id.* at 1297–98.
[68] *Id.* at 1297–99.
[69] *Id.* at 1299–1300.
[70] *Id.*
[71] *Purdue Pharma L.P. et al. v. Collegium Pharma., Inc.*, 2023 WL 8043047, at *1 (Fed. Cir. Nov. 21, 2023) (quotation omitted).
[72] *Id.*
[73] *Id.*
[74] *Id.* at *2.
[75] *Id.*
[76] *Id.*
[77] *Id.*
[78] *Id.* at *3.
[79] *Id.* (quoting *United States v. James Daniel Good Real Prop.*, 510 U.S. 43, 63 (1993)).
[80] *Id.*; *see also* 35 U.S.C. § 326(a)(11).
[81] *Id.* at *5.
[82] *Id.*
[83] *Id.* at *5–6.
[84] *Id.* at *6.
[85] *Id.* (alteration omitted) (quoting *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc)).
[86] *Id.* at *6–7.
[87] *Id.* at *7.
[88] *Sonos, Inc. v. Google LLC*, Nos. C 20-06754 WHA, C 21-07559 WHA, 2023 WL 6542320, at *15 (N.D. Cal. Oct. 6, 2023).
[89] *Id.* at *1.
[90] *Id.* at *16.
[91] *Id.* at *17 (discussing *Woodbridge v. United States*, 263 U.S. 50 (1923) and *Webster Electric Co. v. Splitdorf Electrical Co.*, 264 U.S. 463 (1924)).
[92] *Id.* at *19–20.
[93] *Id.* at *16 (citing *Cancer Rsch. Tech. Ltd. V. Barr Lab'ys, Inc.*, 625 F.3d 724, 729 (Fed. Cir. 2010)).
[94] *Id.* at *16.
[95] *Id.* at *11; *see also id.* at *27.
[96] *Id.* at *16–18.
[97] *Id.* at *18.
[98] *Id.* at *18, 20–27.
[99] *Id.* at *1 (emphasis added).
[100] *Id.* at *30 (emphasis added).
[101] *Id.* at *19–20.
[102] *Id.* at *19.
[103] *Id.*
[104] *Id.*
[105] *Id.*
[106] *Id.*
[107] *VLSI Tech. LLC v. Intel Corp.*, --- F.4th ---, 2023 WL 8360083, at *1 (Fed. Cir. Dec. 4, 2023).
[108] *Id.* at *1, *4.

[109] *Id.*
[110] *Id.* at *6.
[111] *Id.* at *6–7.
[112] *Id.* at *8.
[113] *Id.* at *4–5.
[114] *Id.* at *5.
[115] *Id.*
[116] *Id.* (cleaned up and quoting 35 U.S.C. § 284).
[117] *Id.* (quoting *Aqua Shield v. Inter Pool Cover Team*, 774 F.3d 766, 770 (Fed. Cir. 2014)).
[118] *Id.* at *9.
[119] *Id.*
[120] *Id.*
[121] *Id.*
[122] *Id.* at *10.
[123] *Id.*
[124] *Id.* at *10–11.
[125] *Id.* at *10.
[126] *Id.* at *11.
[127] *InterDigital Technology Corp. v. Lenovo Group Limited*, [2023] EWHC 539 (Pat) (16 Mar. 2023)
[128] *Id.* at [170].
[129] *Id.* at [154].
[130] *Id.* at [156]–[158].
[131] *Id.* at [4].
[132] *Id.* at [430]. [458]–[519].
[133] *Id.* at [520]–[535].
[134] *Id.* at [431]–[433].
[135] *Id.* at [456], [529].
[136] *Id.* at [455]–[456].
[137] *Id.* at [454]–[457].
[138] *Id.* at [458], [508].
[139] *Id.* at [519].
[140] *See, e.g.*, *id.* at [645], [661].
[141] *Id.* at [840].
[142] *Id.* at [662], [778], [878]–[885].
[143] *Id.* at [7].
[144] *Id.* at [931].
[145] *Id.* at [928], [932].
[146] *Id.* at [944], [947].
[147] *Id.* at [957].
[148] *Id.* at [22], [946].
[149] *Interdigital Technology Corporation v Lenovo Group Limited* [2023] EWHC 1578 (Pat) (27 June 2023).
[150] [2023] EWHC 539 [202] (Pat).
[151] *Id.* at [244] (quoting *Unwired Planet International Ltd v Huawei Technologies (UK) Ltd* [2017] EWHC 711 at [175] (Pat)).
[152] *Id.* at [247].
[153] *Id.* at [529].
[154] *Id.* at [519].
[155] *Optis Cellular Tech. LLC et al. v. Apple Retail UK Ltd.*, [2023] EWHC 1095 (Ch) (10 May 2023).
[156] *Id.* at [7].
[157] *Id.* at [11].
[158] *See id.* at [424] (explaining FRAND concept).
[159] *Id.* at [323].
[160] *Id.*; *see also id.* at [338].
[161] *Id.* at [338].
[162] *Id.* at [324].
[163] *Id.* at [345, 347].
[164] *Id.* at [351, 352].
[165] *Id.* at [425].
[166] *Id.* at [442]; *see also id.* at [455].
[167] *Id.* at [439].

[168] *Id.* at [445].
[169] *Id.* at [452].
[170] *Id.* at [452].
[171] *Id.* at [454].
[172] *Id.* at [475].
[173] *Id.* at [489].
[174] *Id.* at [496].
[175] *Id.* at [498].
[176] Advisory Committee on Evidence Rules, Report to Standing Committee at 6 (May 15, 2022), available for download at https://www.uscourts.gov/rules-policies/archives/committee-reports/advisory-committee-evidence-rules-may-2022 (emphasis added).
[177] Rule 702 advisory committee's note to 2023 amendment.
[178] *Id.*
[179] Fed. R. Evid. 104(a); *see also* Rule 702 advisory committee's note to 2023 amendment (citing Fed. R. Evid. 104(a), *Bourjaily v. United States*, 483 U.S. 171, 175 (1987), and *Huddleston v. United States*, 485 U.S. 681, 687 n.5 (1988)).
[180] Rule 702 advisory committee's note to 2023 amendment ("The Committee concluded that emphasizing the preponderance standard in Rule 702 specifically was made necessary by the courts that have failed to apply correctly the reliability requirements of that rule.").
[181] *Id.*
[182] Advisory Committee on Evidence Rules, Report to Standing Committee at 6 (May 15, 2022), available for download at https://www.uscourts.gov/rules-policies/archives/committee-reports/advisory-committee-evidence-rules-may-2022.
[183] *Sardis v. Overhead Door Corp.*, 10 F.4th 268, 284 (4th Cir. 2021).