GIBSON DUNN

Federal Circuit Update (December 2023)

January 10, 2024

Click for PDF

This edition of Gibson Dunn's Federal Circuit Update for December 2023 summarizes the current status of a couple petitions pending before the Supreme Court, and recent Federal Circuit decisions vacating a $1.5 billion damages award, interpreting infringement of method of use patents under the Hatch-Waxman Act, and reviewing claim constructions in an *inter partes* review.

Federal Circuit News

Noteworthy Petitions for a Writ of Certiorari: As we summarized in our November 2023 update, there are a few petitions pending before the Supreme Court. We provide an update below:

- In ***VirnetX Inc. v. Mangrove Partners Master Fund, Ltd.*** (US No. 23-315), the respondents filed their briefs in opposition on December 27, 2023. An *amicus curiae* brief has been filed by the Cato Institute.
- The Court denied the petition in ***Intel Corp. v. Vidal*** (US No. 23-135).

Upcoming Oral Argument Calendar

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

Key Case Summaries (December 2023)

VLSI Technology LLC v. Intel Corp., No. 22-1906 (Fed. Cir. Dec. 4, 2023): VLSI sued Intel for patent infringement of two patents: one directed to computer memory and another directed to managing clock speed in an electronic device. The jury found infringement of both patents, but for the clock speed patent, the finding of infringement was based only on the doctrine of equivalents. The jury awarded $1.5 billion in damages for the memory patent and $675 million for the clock speed patent.

The Federal Circuit (Taranto, J., joined by Lourie and Dyk, JJ.) affirmed-in-part, reversed-in-part, vacated-in-part, and remanded. The Court first affirmed the judgment of infringement for the memory patent reasoning that the jury's verdict was based on substantial evidence. However, for the clock speed patent, where the finding of infringement was based on a doctrine of equivalents theory, the Court determined that VLSI's expert's testimony contained "no meaningful explanation of why the way in which the request is made is substantially the same as what the claim prescribes" and that it was "not enough . . . to say that the different functionality-location placements were a 'design choice.'" Instead, the expert should have addressed "whether the difference in the way the functionalities are actually allocated between the devices is an insubstantial one." Having affirmed the finding of infringement for the memory patent, the Court then reviewed the $1.5 billion awarded by the jury. The Court found error in VLSI's calculations of the power savings it attributed to Intel's infringement because VLSI's damages expert used inputs "not from use of infringing functionality." The Court therefore vacated the damages award and remanded for a new trial on damages.

H. Lundbeck A/S v. Lupin Ltd., Nos. 22-1194, 22-1208, 22-1246 (Fed. Cir. Dec. 7, 2023): Antidepressants are known to cause sexual dysfunction and cognitive impairment.

Related People

Blaine H. Evanson

Audrey Yang

Evan Kratzer

Michelle J. Zhu

However, clinical studies concluded that Trintellix®, a drug that treats major depressive disorder ("MDD"), had less adverse effects on sexual dysfunction and cognitive impairment as compared to other antidepressants. Lundbeck and Takeda (plaintiffs) hold patents, which are listed in the FDA's Orange Book, for methods of treatment using Trintellix® in patients who have depression and sexually related adverse events as well as cognitive impairment. Takeda also holds the approved New Drug Application ("NDA") for the use of Trintellix to treat MDD. Defendants submitted Abbreviated New Drug Applications ("ANDAs") for the use of a generic version of Trintellix® to treat MDD. Plaintiffs brought suit under the Hatch-Waxman Act seeking to enjoin defendants from marketing the generic version of Trintellix® until after the expiration of plaintiffs' Orange Book patents. Following a bench trial, the district court held that the ANDAs did not amount to infringement of these patents. The Federal Circuit (Dyk, J., joined by Prost and Hughes, JJ.) affirmed. The Court explained that under 35 U.S.C. § 271(e)(2)(A), "actions for infringement of method of use patents . . . are limited to patents that claim an indication of the drug for which indication the applicant is seeking approval." Here, defendants were not seeking approval for an indication claimed by the two patents (sexually related adverse effects or cognitive impairment), but solely sought approval to market the drug for treatment of MDD. ***ParkerVision, Inc. v. Vidal***, No. 22-1548 (Fed. Cir. Dec. 15, 2023): Intel filed an *inter partes* review ("IPR") petition against ParkerVision's patent directed to the use of frequency translation technology on wireless local area networks. ParkerVision proposed a construction for "storage element" for the first time in its patent owner response, but the Board adopted Intel's claim construction that it raised in its reply and determined that the claim was unpatentable as obvious. The Federal Circuit (Chen, J., joined by Prost and Wallach, JJ.) affirmed, concluding that the Board correctly adopted Intel's construction because it correctly tracked the lexicography provided in the specification. The Court also concluded that the Board did not err in considering arguments Intel raised for the first time in its reply, which appropriately responded to ParkerVision's new claim construction and how the prior art discloses the challenged claims under that new construction.

The following Gibson Dunn attorneys assisted in preparing this update: Blaine Evanson, Audrey Yang, Evan Kratzer, and Michelle Zhu. 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 Appellate and Constitutional Law or Intellectual Property practice groups, or the following authors: Blaine H. Evanson – Orange County (+1 949.451.3805, bevanson@gibsondunn.com) Audrey Yang – Dallas (+1 214.698.3215, ayang@gibsondunn.com) **Appellate and Constitutional Law:** Thomas H. Dupree Jr. – Washington, D.C. (+1 202.955.8547, tdupree@gibsondunn.com) Allyson N. Ho – Dallas (+1 214.698.3233, aho@gibsondunn.com) Julian W. Poon – Los Angeles (+ 213.229.7758, jpoon@gibsondunn.com) **Intellectual Property:** Kate Dominguez – New York (+1 212.351.2338, kdominguez@gibsondunn.com) Y. Ernest Hsin – San Francisco (+1 415.393.8224, ehsin@gibsondunn.com) Josh Krevitt – New York (+1 212.351.4000, jkrevitt@gibsondunn.com) Jane M. Love, Ph.D. – New York (+1 212.351.3922, jlove@gibsondunn.com)

Related Capabilities

Appellate and Constitutional Law

GIBSON DUNN

Intellectual Property

FDA and Health Care

Life Sciences