GIBSON DUNN

Federal Circuit Update (January 2023)

Client Alert | February 7, 2023

This edition of Gibson Dunn's Federal Circuit Update summarizes two new petitions for certiorari from cases originating in the Federal Circuit. We address proposed amendments to the Federal Circuit's Rules. We also discuss recent Federal Circuit decisions concerning interference proceedings and personal jurisdiction of foreign defendants.

Federal Circuit News

***Supreme Court*:**

As we summarized in our December 2022 update, the Supreme Court has granted certiorari in ***Amgen Inc. v. Sanofi*** (U.S. No. 21-757). Oral argument has not yet been scheduled.

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

There are two new, potentially impactful petitions currently before the Supreme Court:

- ***Novartis Pharmaceuticals Corp. v. HEC Pharm Co., Ltd.*** (US No. 22-671): "1. Whether 28 U.S.C. § 46 and principles of sound judicial administration preclude a court of appeals from adding a new judge to form a new panel and redecide a case after an original three-judge panel has already decided the case and entered its judgment. Whether 35 U.S.C. § 112 should be interpreted consistent with its plain text as requiring that a patent specification contain a 'written description of the invention' in a form that need only be understandable to 'any person skilled in the art,' or whether the court of appeals properly read in a heightened requirement that allows it to deem the specification inadequate on *de novo* review and displaces the perspective of a person skilled in the art." The response is due February 21, 2023. Gibson Dunn partners Thomas G. Hungar, Jacob T. Spencer, Jane M. Love, and Robert Trenchard are counsel for Novartis.

- ***Arthrex, Inc. v. Smith & Nephew, Inc.*** (US No. 22-639): "Whether the Commissioner for Patents' exercise of the Director's authority pursuant to an internal agency delegation violated the Federal Vacancies Reform Act." The response is due February 9, 2023.

Also, as we summarized in our December 2022 update, there are several petitions pending before the Court from cases originating from the Federal Circuit. The petitions in ***Interactive Wearables, LLC v. Polar Electro Oy*** (US No. 21-1281) and ***Tropp v. Travel Sentry, Inc.*** (US No. 22-22) are still pending the views of the Solicitor General. A response has been filed in ***Jump Rope Systems, LLC v. Coulter Ventures, LLC*** (US No. 22-298).

Federal Circuit Practice Update

Proposed Amendments to Federal Circuit Rules. On January 20, 2023, the Federal Circuit proposed several amendments to its Rules of Practice and Practice Notes to the Rules, including amending the definition of "legal holiday" to include the day after

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Thanksgiving (Rule 26(a)(1)) and requiring service of a paper copy of each brief and appendix on opposing principal counsel (Rules 30(a)(3) and 31(b)). Also, new Federal Circuit Rule 34(e)(3) has been proposed, requiring all arguing counsel to have a copy of each brief and appendix in the case "close at hand" during oral argument. All the amendments may be found here. Public comments must be received on or before February 21, 2023 to FederalCircuitRules@cafc.uscourts.gov. If adopted, the amendments would take effect on March 1, 2023.

Upcoming Oral Argument Calendar

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

Key Case Summaries (January 2023)

***Dionex Softron GmbH v. Agilent Technologies, Inc.*,** No. 21-2372 (Fed. Cir. Jan. 6, 2023): The Patent Trial and Appeal Board ("Board") instituted an interference proceeding between Dionex and Agilent that the parties contrived when Dionex copied Agilent's patent claims verbatim into its own patent application. The Board awarded priority to Agilent, concluding under the rule of reason that the testimony of one of the two inventors regarding actual reduction to practice in the form of a successful prototype had been sufficiently corroborated by two of his co-workers.

The Federal Circuit (Stark, J., joined by Reyna and Chen, JJ.) affirmed. Dionex argued that the Board erred by failing to draw a negative inference against Agilent on the basis that the second of the two inventors did not testify. The Court disagreed, holding there is no *per se* requirement to draw a negative inference in this situation. It was within the Board's discretion to determine whether a negative inference should apply under the totality of the evidence, and the Court determined that the Board did not abuse its discretion in deciding not to draw a negative inference here.

***In re Google LLC*,** No. 22-1012 (Fed. Cir. Jan. 9, 2023): Google filed a patent application related to filtering the results of an internet search based upon a "predetermined threshold value" that is "determined based on a number of words included in the search query." The examiner finally rejected the claims as obvious over the combination of two references, and Google appealed to the Board. The Board adopted the examiner's findings, agreeing with the examiner that it would have been obvious to modify the first reference to take into account the query length taught by the second reference.

The Federal Circuit (Moore, C.J., joined by Lourie and Prost, JJ.) vacated and remanded for further proceedings. On appeal, the PTO argued that the Board's decision should be affirmed because there were only two ways to predictably modify the first reference to incorporate the query length taught by the second reference, and both would have been obvious to try. The Federal Circuit rejected the argument, however, on the basis that the PTO's arguments did not actually reflect the Board's reasoning or findings. The Federal Circuit held that although the Board had concluded that modifying the first reference to take into account query length would have been obvious, the Board failed to discuss *how* such a modification would be accomplished. In the absence of these specific findings by the Board, the Court would not adopt the PTO's fact-based arguments in the first instance on appeal.

***In re Stingray IP Solutions, LLC*,** No. 23-102 (Fed. Cir. Jan. 9, 2023): Stringray sued three foreign-entity defendants (collectively, "TP-Link") in the Eastern District of Texas. The district court determined that personal jurisdiction was not proper in Texas under Federal Rule of Civil Procedure 4(k)(2),[1] because TP-Link consented to suit in California, and transferred the cases to the Central District of California. Stringray filed for mandamus relief seeking to undo the district court's transfer.

The Federal Circuit (Stark, J., joined by Lourie and Taranto, JJ.) granted the petition and

vacated the transfer order. The Federal Circuit acknowledged that district courts were deeply split on how to interpret Rule 4(k)(2) and concluded that a defendant may not avoid application of Rule 4(k)(2) by unilaterally consenting to suit in a preferred jurisdiction. The Federal Circuit therefore vacated the district court's transfer order and remanded for the district court to determine whether Rule 4(k)(2), under the proper interpretation, applies in this case. After making that determination, the district court may then consider whether transfer under § 1404(a) would be appropriate.

Grace Instrument Industries, LLC v. Chandler Instruments Company, LLC**,** No. 21-2370 (Fed. Cir. Jan. 12, 2023): Grace sued Chandler for infringing a patent related to drilling oil wells. During claim construction, the district court construed the term "enlarged chamber" as indefinite.

The Federal Circuit (Chen, J., joined by Cunningham and Stark, JJ.) vacated the district court's opinion with respect to "enlarged chamber" and remanded for further proceedings. The Court determined that the patent's specification gave guidance on the term's meaning, and thus, the district court erred in relying on dictionary definitions of "enlarged" rather than the intrinsic record. The Court determined that it could not resolve the indefiniteness question based on the current record, however, and remanded for further fact finding.

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[1] Rule 4(k)(2) states that "serving a summons or filing a waiver of service establishes personal jurisdiction over a defendant if the defendant is not subject to jurisdiction in any state's courts of general jurisdiction." Fed. R. Civ. P. 4(k)(2).

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 or the authors of this update:

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