

Federal Circuit Update (June 2023)

Client Alert | July 6, 2023

This edition of Gibson Dunn's Federal Circuit Update summarizes the current status of several petitions pending before the Supreme Court, provides an update on a proceeding by the Judicial Council of the Federal Circuit, and summarizes recent Federal Circuit decisions concerning secondary considerations, inventorship, inherency, and enablement.

Federal Circuit News

Noteworthy Petitions for a Writ of Certiorari:

A new potentially impactful petition was filed before the Supreme Court in June 2023:

- **Killian v. Vidal** (US No. 22-1220): The petition raises the questions (1) whether the Federal Circuit's "departures of the Supreme Court's *Alice/Mayo* jurisprudence . . . enabled the USPTO to violate the" Administrative Procedure Act ("APA") and the Due Process Clause of the Fifth Amendment; and (2) whether the exceptions created by Article III courts to 35 U.S.C. § 101 exceeds the courts' constitutional authority.

As we summarized in our [May 2023](#) update, there are several other petitions pending before the Supreme Court. We provide an update below:

- In **CareDx Inc. v. Natera, Inc.** (US No. 22-1066), after the respondents waived their right to file a response, retired Federal Circuit Judge Paul R. Michel and Professor John F. Duffy filed an *amici curiae* brief in support of Petitioners. The Court thereafter requested a response, which is now due on July 31, 2023.
- The Court denied the petitions in **Nike, Inc. v. Adidas AG** (US No. 22-927) and **NST Global, LLC v. Sig Sauer Inc.** (US No. 22-1001). A response has been filed in **Ingenio, Inc. v. Click-to-Call Technologies, LP** (US No. 22-873).

Noteworthy Federal Circuit En Banc Petitions:

On June 30, 2023, the Federal Circuit [granted](#) the en banc petition filed in **LKQ Corp. v. GM Global Technology Operations LLC**, No. 21-2348 (Fed. Cir. June 30, 2023). The Court requested that the parties file new briefs to address questions related to the obviousness inquiry for design patents.

Other Federal Circuit News:

Release of Materials in Ongoing Judicial Investigation. As we summarized in our [May 2023](#) update, there is an ongoing proceeding by the Judicial Council of the Federal Circuit under the Judicial Conduct and Disability Act and the implementing Rules involving Judge Pauline Newman. Last month, the Court approved and released public versions of all prior orders of the Special Committee and the Judicial Council, as well as Judge Newman's letter responses to date. On June 20, 2023, the Court released additional materials in the ongoing investigation. The orders may be accessed [here](#).

Upcoming Oral Argument Calendar

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The list of upcoming arguments at the Federal Circuit is available on the court's [website](#).

Key Case Summaries (June 2023)

Yita LLC v. MacNeil IP LLC, No. 22-1383 (Fed. Cir. June 6, 2023): The Patent Trial and Appeal Board ("Board") determined as part of an *inter partes* review ("IPR") that the challenged claims of one of MacNeil's patents directed to constructing a vehicle floor tray based on digital scans would not have been obvious. Despite determining that the claims would have been obvious over the asserted prior art, the Board found MacNeil's evidence of secondary considerations "compelling" enough to overcome this determination of obviousness.

The Federal Circuit (Taranto, J., joined by Chen and Stoll, JJ.) [reversed](#). The Court stated that under the Court's precedent, objective evidence of nonobviousness lacks a nexus to the claimed invention if the evidence exclusively relates to a "known" feature in the prior art. The Court held that the Board therefore erred in concluding that because the feature was not "*well known*" in the prior art, that MacNeil's secondary considerations evidence was sufficient to overcome its prior art based obviousness determination.

Blue Gentian, LLC v. Tristar Products, Inc., Nos. 21-2316, 21-2317 (Fed. Cir. June 9, 2023): Blue Gentian sued Tristar for infringement of its patents generally related to an expandable hose. Tristar counterclaimed that each of the asserted patents were invalid for failing to name a co-inventor, Gary Ragner. The district court agreed and concluded that Mr. Ragner contributed three key features of the invention and should have been named an inventor on the patents.

The Federal Circuit (Prost, J., joined by Chen and Stark, JJ.) [affirmed](#). The Court first rejected Blue Gentian's argument that the district court erred by not engaging in claim construction, holding that there must be a material dispute about claim scope to require claim construction prior to an inventorship determination. Here, Blue Gentian failed to identify "a dispute about claim scope that was material, or even related to, inventorship." Additionally, because the patent owner argued during prosecution that the three key features at issue distinguished the invention over the prior art, the Court held that it follows that these features are not insignificant in quality and amounted to a significant contribution to conception that met the requirements needed to be considered a joint inventor.

Parus Holdings, Inc., v. Google LLC, Nos. 2022-1269, 2022-1270 (Fed. Cir. June 12, 2023): Google filed an IPR petition concerning Parus's patents directed to an interactive voice system that allowed a user to request information from a voice web browser. Google asserted that certain claims of these patents would have been obvious over a number of prior art references, including Kovatch. Parus argued that Kovatch did not qualify as prior art because the claimed inventions were conceived of and reduced to practice before the earliest possible priority date for Kovatch. In support of its arguments, Parus submitted over 1,400 pages of material, but only cited small portions of that material in its briefs without meaningful explanation. The Board declined to consider these arguments because Parus failed to comply with 37 C.F.R. § 42.6(a)(3), which prohibits incorporation by reference.

The Federal Circuit (Lourie, J., joined by Bryson and Reyna, JJ.) [affirmed](#). The Court held that the Board did not violate the APA. The Board had determined that Parus failed to cite to the relevant record evidence with specificity and explain the significance of the produced materials in its briefing, and incorporated its arguments by reference in violation of 37 C.F.R. § 42.6(a)(3), and thus, the Court determined that the Board's disregard of Parus's arguments cannot be an abuse of discretion.

In re Couvaras, No. 22-1489 (Fed. Cir. June 14, 2023): The pending claims of the patent application at issue are directed to a method of increasing prostacyclin release to improve

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vasodilation, which decreases blood pressure. The increased prostacyclin is achieved by co-administering two well-known antihypertensive agents. The examiner finally rejected the claims finding that the claimed results of the compounds' administration naturally flowed from administration of the known antihypertensive agents. Courvaras then appealed to the Board. The Board agreed with the examiner and found that the increase in prostacyclin release was "inherent in the obvious administration of the two known antihypertension agents."

The Federal Circuit (Lourie, J., joined by Dyk and Stoll, JJ.) [affirmed](#). Courvaras argued that even if the recited mechanism of action (the increased release of prostacyclin) was inherent, the Board erred in dismissing it as having no patentable weight, because the mechanism was unexpected. The Court rejected this argument holding that "[r]eciting the mechanism for known compounds to yield a known result cannot overcome a prima facie case of obviousness, even if the nature of that mechanism is unexpected."

Medytox v. Galderma, No. 22-1165 (Fed. Cir. June 27, 2023): Galderma filed a post-grant petition of Medytox's patent directed to a method for treating frown lines using an animal-protein-free botulinum toxin composition, which allegedly displayed an increased sustained effect compared to BOTOX®. Medytox filed a motion to amend seeking to cancel the challenged claims and file substitute claims. In a final written decision, the Board found in part that the substitute claims were unpatentable for lack of enablement, because the specification only disclosed three responder rates: 52%, 61%, and 62%, and a skilled artisan would not have been able to achieve higher responder rates included in the claimed ranges without undue experimentation.

The Federal Circuit (Reyna, J., joined by Dyk and Stark, JJ.) [affirmed](#). Citing the Supreme Court's recent opinion in *Amgen Inc. v. Sanofi*, 143 S. Ct. 1243 (2023), the Federal Circuit determined that the Board did not err in concluding that the substitute claims were not enabled because a skilled artisan would not have been able to achieve responder rates higher than the limited examples disclosed in the specification.

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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