

## FEDERAL CIRCUIT UPDATE (MAY 2021)

To Our Clients and Friends:

This edition of Gibson Dunn’s Federal Circuit Update summarizes a new petition for certiorari in a case originating in the Federal Circuit concerning anticipation of method-of-treatment claims. It also discusses recent Federal Circuit decisions concerning assignment agreements, personal jurisdiction, and more Western District of Texas venue issues.

### Federal Circuit News

#### Supreme Court:

This month, the Supreme Court did not add any new cases originating at the Federal Circuit. *United States v. Arthrex, Inc.* (U.S. Nos. 19-1434, 19-1452, 19-1458) and *Minerva Surgical Inc. v. Hologic Inc.* (U.S. No. 20-440) are still pending. Decisions in both cases are expected this month.

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

A newly filed certiorari petition challenges the Federal Circuit’s longstanding approach to anticipation in the context of recombinant biological products (*see Amgen Inc. v. Hoffman-La Roche Ltd.*, 580 F.3d 1340 (Fed. Cir. 2009)):

*Biogen MA Inc. v. EMD Serono, Inc.* (U.S. No. 20-1604): “Whether courts may disregard the express claim term ‘recombinant’ so as to render a method-of-treatment patent anticipated—and thus invalid—in light of prior-art treatments that used the naturally occurring human protein, where it is undisputed that the recombinant protein was not used in the prior art?” Gibson Dunn partners Mark A. Perry, Wayne M. Barsky, and Timothy P. Best represented Serono in the Federal Circuit.

Other updates include:

On May 3, in *American Axle & Manufacturing, Inc. v. Neapco Holdings LLC* (U.S. No. 20-891), concerning patent eligibility under 35 U.S.C. § 101, the Court invited the Acting Solicitor General to file a brief expressing the views of the United States.

On May 25, the Court requested a response in *PersonalWeb Technologies, LLC v. Patreon, Inc.* (U.S. No. 20-1394), which concerns the *Kessler* doctrine.

The petition in *Warsaw Orthopedic v. Sasso* (U.S. No. 20-1284) concerning state versus federal court jurisdiction is still pending. The petition in *Sandoz v. Immunex* (U.S. No. 20-1110), which concerns

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obviousness-type double patenting, was denied. The petition in *Ariosa Diagnostics, Inc. v. Illumina, Inc.* (U.S. No. 20-892), concerning patent eligibility under 35 U.S.C. § 101, was dismissed by the parties.

## **Other Federal Circuit News:**

On May 22, 2021, the Honorable Kimberly A. Moore assumed the duties of Chief Circuit Judge of the Federal Circuit.

## **Upcoming Oral Argument Calendar**

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

Live streaming audio is available on the Federal Circuit's new [YouTube channel](#). Connection information is posted on the court's [website](#).

## **Key Case Summaries (May 2021)**

***Trimble Inc. v. PerDiemCo LLC*** (Fed. Cir. No. 19-2164): Trimble appealed a district court's order finding that it lacked personal jurisdiction over PerDiemCo in Trimble's declaratory judgment noninfringement action. Over the course of several months, PerDiemCo (a Texas company whose only employee worked in Washington, D.C.) communicated with Trimble (a Delaware company headquartered in California) twenty-two times about Trimble's alleged infringement of PerDiemCo's assigned patents. Trimble then filed a declaratory judgment action in the Northern District of California seeking a declaration of noninfringement. The district court dismissed the case for lack of jurisdiction under *Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1361 (Fed. Cir. 1998), which stated that “[a] patentee should not subject itself to personal jurisdiction in a forum solely by informing a party who happens to be located there of suspected infringement” because “[g]rounding personal jurisdiction on such contacts alone would not comport with principles of fairness.”

The Federal Circuit (Dyk, J., joined by Newman, J. and Hughes, J.) reversed and remanded. The court found that “[t]hree subsequent developments have clarified the scope of *Red Wing*”: (1) “the Supreme Court cases following *Red Wing* have made clear that the analysis of personal jurisdiction cannot rest on special patent policies”; (2) “the Supreme Court has held that communications sent into a state may create specific personal jurisdiction, depending on the nature and scope of such communications”; and (3) “the Supreme Court’s recent decision in [*Ford Motor Co. v. Mont. Eighth Jud. Dist. Ct.*, 141 S. Ct. 1017, 1024 (2021)] has established that a broad set of a defendant’s contacts with a forum [is] relevant to the minimum contacts analysis.” The court concluded that, under these three principles, *Red Wing* remains correctly decided on its facts due to the limited number of communications in that case. But the court held that exercising personal jurisdiction over PerDiemCo here would comport with due process because PerDiemCo’s communications with Trimble were “far more extensive than those in *Red Wing*” and went beyond solely informing Trimble of suspected infringement. As such, the five-factor balancing test from *Burger King Corp. v. Rudzewicz*, 471 U.S. 462 (1985), and *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286 (1980), was satisfied.

# GIBSON DUNN

***Bio-Rad Laboratories, Inc. v. ITC*** (Fed. Cir. No. 20-1785): Bio-Rad appealed a final determination of the International Trade Commissions finding that Bio-Rad was not a co-owner of three patents directed to methods for tagging small DNA segments in microfluidics using droplets asserted against it in a complaint by 10X Genomics Inc. Two of the inventors of the asserted patents previously worked for Bio-Rad before leaving and starting 10X. Although the applications that led to the asserted patents were filed after those inventors departed Bio-Rad, Bio-Rad asserted that those inventors developed “ideas” that contributed to the inventions described in the asserted patents while still employed by Bio-Rad. Because the inventors were contractually obligated to assign their ideas to it, Bio-Rad argued that it could not be liable for infringement because it co-owned the asserted patents. The ALJ rejected that argument, and found that Bio-Rad infringed all three of the asserted patents. The Commission agreed and Bio-Rad appealed.

The Federal Circuit (Taranto, J., joined by Chen, J. and Stoll, J.) affirmed. The court held that substantial evidence supported the Commission’s finding that Bio-Rad infringed all three of the asserted patents, rejecting each of Bio-Rad’s arguments challenging that finding. The court also rejected Bio-Rad’s indefiniteness and lack of domestic industry arguments. Lastly, the court held that the Commission correctly determined that Bio-Rad did not have any ownership interest in the asserted patents. The court held that substantial evidence supported the Commission’s finding that the co-inventors’ work while employed at Bio-Rad amounted to no more than general ideas and concepts known in the art. The court explained that work that “might one day turn out to contribute significantly to a later patentable invention” is not itself intellectual property, which “does not exist until at least conception of” a patentable invention. Accordingly, the court rejected Bio-Rad’s co-ownership argument, explaining that Bio-Rad’s assignment agreement was limited to “intellectual property” that was invented during an employee’s employment period with Bio-Rad, and no such invention occurred with respect to the asserted patents until after the co-inventors left Bio-Rad’s employ.

***In Re Bose Corp.*** (Fed. Cir. No. 21-145) (nonprecedential): Bose Corporation petitioned for a writ of mandamus directing the United States District Court for the Western District of Texas to stay all non-venue-related proceedings until the district court resolves Bose’s pending motion to dismiss or transfer.

The panel (Dyk, J., joined by Lourie, J. and Reyna, J.) denied the petition, explaining that, under the district court’s March 23, 2021 standing order, the district court would not conduct a Markman hearing until after resolution of Bose’s pending motion to dismiss or transfer the case. The Court expected the district court to “promptly” decide Bose’s motion.

***In Re Western Digital Technologies, Inc.*** (Fed. Cir. No. 21-137) (nonprecedential): Western Digital (“WDT”) petitioned for a writ of mandamus instructing Judge Albright in the Western District of Texas to transfer the patent infringement case to the Northern District of California. The district court had found the Western District of Texas more convenient because it could compel the testimony of non-party witnesses, the Western District had a local interest, and that the Northern District had a more congested docket.

The panel (Prost, C.J., joined by O’Malley, J. and Wallach, J.) denied the petition and determined that WDT had not met the demanding standard for mandamus relief. The panel noted that the district court

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incorrectly overstated the burden on WDT to show transfer is more convenient as “heavy” and “significant,” and that they “may have evaluated some of the factors differently.” The panel did not find that the district court’s ultimate conclusion amounted to a clear abuse of discretion.



*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 alert:*

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