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FEDERAL CIRCUIT UPDATE (APRIL 2023)

To Our Clients and Friends:

This edition of Gibson Dunn’s Federal Circuit Update summarizes the current status of several petitions pending before the Supreme Court, addresses a proceeding by the Judicial Council of the Federal Circuit, and summarizes recent Federal Circuit decisions concerning indefiniteness, inherency, obviousness, enablement, and patent-eligibility.

Federal Circuit News

Supreme Court:

As we summarized in our [March 2023](#) update, on March 27, 2023, the United States Supreme Court heard oral argument in *Amgen Inc. v. Sanofi* (U.S. No. 21-757) on enablement under 35 U.S.C. § 112. A decision in this case is expected by the end of June.

Noteworthy Petitions for a Writ of Certiorari:

This month, there is a new potentially impactful petition pending before the Supreme Court:

- *NST Global, LLC v. Sig Sauer Inc.* (US No. 22-1001): The petition raises questions regarding whether the Patent Trial and Appeal Board’s (“Board’s”) decision to *sua sponte* construe a patent’s preambles as limiting violates certain statutory and constitutional rights of the patentee, and whether the Federal Circuit’s practice of Federal Circuit Rule 36, which provides for summary affirmance without opinion, violates “constitutional guarantees, statutory protections under 35 U.S.C. § 144, and undermines public trust in the judicial system.” The response is due on May 15, 2023.

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

- The Court is considering petitions in *Avery Dennison Corp. v. ADASA, Inc.* (US No. 22-822), *Nike, Inc. v. Adidas AG et al.* (US No. 22-927), and *Ingenio, Inc. v. Click-to-Call Technologies, LP* (US No. 22-873). After the respondents in these cases waived their right to file a response, the Court requested responses in all three cases. The responses are due May 2, 2023, May 18, 2023, and May 26, 2023, respectively.
- The petitions in *Arthrex, Inc. v. Smith & Nephew, Inc.* (US No. 22-639), *Interactive Wearables, LLC v. Polar Electro Oy* (US No. 21-1281), and *Tropp v. Travel Sentry, Inc.* (US No. 22-22)

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are still pending. In *Arthrex*, a response was filed on April 12, 2023, and a reply was filed on April 28, 2023. The Solicitor General submitted its views in *Interactive Wearables* and *Tropp*, and the Court will consider these petitions during its May 11, 2023 conference.

- The Court denied the petitions in *Thaler v. Vidal* (US No. 22-919) and *Novartis Pharmaceuticals Corp. v. HEC Pharm Co., Ltd.* (US No. 22-671).

Other Federal Circuit News:

Judicial Council of the Federal Circuit Proceeding. On April 14, 2023, the Judicial Council of the Federal Circuit released a statement confirming that a proceeding under the Judicial Conduct and Disability Act and the implementing Rules had been initiated naming Judge Pauline Newman as the subject judge. The full statement may be found [here](#).

Upcoming Oral Argument Calendar

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

Key Case Summaries (April 2023)

Ironburg Inventions Ltd. v. Valve Corp., Nos. 21-2296, 21-2297, 22-1070 (Fed. Cir. Apr. 3, 2023): Ironburg sued Valve for infringing its video game controller patent. The case was tried before a jury over Zoom, and the jury returned a verdict finding that Valve willfully infringed certain claims of Ironburg's patent. On appeal, Valve argued that the district court erred in concluding that the "elongate member" and "substantially the full distance between the top edge and the bottom edge" were not indefinite.

The majority (Stark, J., joined by Lourie, J.) **affirmed** on the indefiniteness issues and vacated and remanded on another issue. The majority reasoned that "elongate member," which means a member that is longer than it is wide, was not indefinite even though it lacked objective guidance as to "how much longer than wider the member must be." Despite the lack of "numerical precision," the specification disclosed that the purpose of the elongate shape was to provide users of varying hand sizes the ability to engage the paddles in a comfortable position. The majority therefore concluded that a person of skill in the art could ascertain with reasonable certainty the scope of the claims. For similar reasons, the majority concluded that "substantially the full distance between the top edge and the bottom edge" was not indefinite.

Judge Clevenger dissented. In his view, an ordinary artisan "desiring to produce a non-infringing handheld controller" would need to know "*where* along the top edge to start the measurement, and *where* along the bottom edge to complete the measurement" to ascertain the "full distance" as recited in the claims. While the specification provides guidance for the top edge, because that is where the controls are mounted, there is no guidance for the bottom edge.

Arbutus Biopharma Corporation v. Modernatx, Inc., No. 20-1183 (Fed. Cir. Apr. 11, 2023): The Board determined that Arbutus's U.S. Patent No. 9,404,127 directed to stable nucleic acid-lipid particles

(“SNALP”) that have a non-lamellar structure and related methods was anticipated by another Arbutus patent, U.S. Patent No. 8,058,069. In particular, the Board found that the limitation reciting a non-lamellar morphology (the “morphology limitation”) is inherently disclosed by the ‘069 patent as a consequence of the composition of the disclosed SNALP and the method used to produce it.

The Federal Circuit (Reyna, J., joined by Schall and Chen, JJ.) affirmed. Because there was no dispute that the ‘069 patent did not explicitly teach the morphology limitation, the Court focused on whether the limitation was inherently disclosed and found no error in the Board’s conclusion that it was. In doing so, the Court rejected Arbutus’s argument that there is only a “probability” that the morphology limitation would result from controlling several variations of formulations and processes. Instead, it found that there are a “limited number of tools”—five formulations and two processes—that a person skilled in the art would follow that would result in a composition with the “inherent morphological property.”

Sanderling Management Ltd. v. Snap Inc., No. 21-2173 (Fed. Cir. Apr. 12, 2023): Sanderling sued Snap for infringing a patent directed to a method for distribution of dynamic digital promotional content. The district court granted Snap’s motion to dismiss because the patent claimed patent-ineligible subject matter under 35 U.S.C. § 101.

The Federal Circuit (Stark, J., joined by Chen and Cunningham, JJ.) affirmed. The Court concluded that the district court did not err by resolving the motion to dismiss without first undertaking claim construction. “If claims are directed to ineligible (or eligible) subject matter under all plausible constructions, then the court need not engage in claim construction before resolving a Section 101 motion.” The Court agreed with the district court that the claims were directed to the abstract idea “‘of providing information—in this case, a processing function—based on meeting a condition,’ e.g., matching a GPS location indication with a geographic location,” with no inventive concept.

UCB, Inc. v. Actavis Labs. UT, Inc., No. 21-1924 (Fed. Cir. Apr. 12, 2023): UCB developed and marketed Nupro[®], a transdermal rotigotine patch to treat Parkinson’s. Nupro[®] used a drug-to-stabilizer ratio of 9:2, within the range of 9:1.5 to 9:5 claimed in UCB’s initial Nupro[®] patents. But in commercialization, the 9:2 ratio proved unstable. UCB reformulated to a ratio of 9:4 and was granted U.S. Patent No. 10,130,589, which claimed a range of 9:4 to 9:6. UCB then asserted the ‘589 patent in a Hatch-Waxman action against Actavis. Third Circuit Judge Kent Jordan, sitting as the trial judge by designation, held the asserted claims of the ‘589 patent to be invalid as anticipated and obvious over UCB’s earlier patents, which disclosed an overlapping range.

The Federal Circuit (Stoll, J., joined by Moore, C.J., and Chen, J.) affirmed on obviousness grounds only. The Court noted that UCB’s prior patents did not expressly disclose “a point” within the claimed range of 9:1.5 to 9:5 that fell within the newly claimed range of 9:4 to 9:6. As the Court explained, the disclosure of a range does not disclose points within the range. Nor is it sufficient that a skilled artisan might readily “envisage” points within the range. Instead, an overlapping range anticipates only if it describes the claimed range with “sufficient specificity” such that “there is no reasonable difference in how the invention operates over the ranges.” The Court thus determined that the district court misapplied the law on anticipation. But, as the Court noted, it need not resolve the issue of anticipation because an

overlapping range creates a “presumption of obviousness,” and because the patentee failed to rebut that presumption, the Court upheld invalidity on that basis.

FS.com Inc. v. International Trade Commission (No. 22-1228) (Fed. Cir. Apr. 20, 2023): Corning filed a complaint with the International Trade Commission (“ITC”) alleging that FS was violating 19 U.S.C. § 1337 (“Section 337”) by importing high-density fiber optic equipment (commonly used in data centers) that infringed four of Corning’s patents. The administrative law judge (“ALJ”) determined FS violated Section 337 finding, in part, that certain claims were infringed, and rejecting FS’s invalidity challenges, including that certain claims were not enabled. The ITC declined to review the ALJ’s enablement determination and adopted the ALJ’s analysis.

The Federal Circuit (Moore, C.J., joined by Prost and Hughes, JJ.) affirmed. The claims at issue recited a fiber optic density of “at least” 98 or 144 fiber optic connections per U space. FS argued that these open-ended density ranges were not enabled because the specification only enables up to 144 fiber optic connections per U space and that the ITC erred in concluding that some inherent upper limit exists. The Court determined that the ITC properly construed these claims as covering only connection densities up to about 144 connections per U space in light of the specification and expert testimony that densities substantially above that were technologically infeasible.



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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