GIBSON DUNN

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FEDERAL CIRCUIT UPDATE (SEPTEMBER 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, additional materials released from the ongoing investigation by the Judicial Council of the Federal Circuit, and recent Federal Circuit decisions concerning motions to amend before the Patent Trial and Appeal Board, obviousness, and enablement.

Federal Circuit News

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

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

- ***VirnetX Inc. v. Mangrove Partners Master Fund, Ltd.*** (US No. 23-315): The questions presented are:

(1) "Whether the Federal Circuit erred in upholding joinder of a party under 35 U.S.C. §315(c), where the joined party did not "properly file[] a petition" for *inter partes* review within the statutory time limit."

(2) "Whether the Commissioner's exercise of the Director's review authority pursuant to an internal agency delegation violated the Federal Vacancies Reform Act."

As we summarized in our August 2023 update, there are a few other petitions pending before the Supreme Court.

- In ***Intel Corp. v. Vidal*** (US No. 23-135), the Court granted an extension for the response, which is now due October 16, 2023. Three *amici curiae* briefs have been filed.

- In ***HIP, Inc. v. Hormel Foods Corp.*** (US No. 23-185), the response brief was filed on September 28, 2023.

- The Court denied the petitions in ***Killian v. Vidal*** (US No. 22-1220), ***Ingenio, Inc. v. Click-to-Call Technologies, LP*** (US No. 22-873), and ***CareDx Inc. v. Natera, Inc.*** (US No. 22-1066).

Other Federal Circuit News:

Report and Recommendation in Judicial Investigation. As we summarized in our August 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. On September 20,

2023, the Special Committee released additional materials in the investigation. The materials may be accessed here.

Upcoming Oral Argument Calendar

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

Key Case Summaries (September 2023)

Sisvel International S.A. v. Sierra Wireless, Inc., No. 22-1387 (Fed. Cir. Sept. 1, 2023): Sierra filed a petition for *inter partes* review asserting that certain claims of Sisvel's patents related to mobile phone technology were invalid as anticipated and/or obvious over certain prior art. The Patent Trial and Appeal Board ("Board") determined that all challenged claims were invalid and rejected Sisvel's motion to amend because the amendments would improperly enlarge the scope of the claims.

The Federal Circuit (Stark, J., joined by Prost and Reyna, JJ.) affirmed. The Court agreed that Sisvel's proposed substitute claims would have impermissibly enlarged claim scope. Sisvel argued on appeal that, when considered as a whole, the substitute claims were narrower in scope than the original claims. The Federal Circuit rejected this argument, explaining that if a substitute claim is broader "in any respect," it is considered broader than the original claim "even though it may be narrower in other respects."

Netflix, Inc. v. DivX, LLC, No. 22-1138 (Fed. Cir. Sept. 11, 2023): Netflix filed a petition for *inter partes* review asserting that certain claims of DivX's patent, which relates to encoding and decoding multimedia files, were invalid as obvious. DivX argued in its patent owner response that one of the prior art references, Kaku, was not analogous prior art. The Board agreed with DivX that Netflix had not met its burden of establishing that Kaku was analogous prior art, in part, because Netflix had failed to identify the relevant field of endeavor.

The Federal Circuit (Stoll, J., joined by Hughes and Stark, JJ.) vacated and remanded. The Court determined that Netflix had articulated two alternative theories concerning the relevant field of endeavor, and that the Board erred in requiring Netflix to explicitly use the words "field of endeavor" when referring to them. The Court stated that it was "reluctant to affirm the Board's factual finding" in this circumstance because it "rest[ed] on a failure to identify a field of endeavor rather than a clear analysis of why Kaku is not, in fact, directed to the same field of endeavor." The Court therefore remanded to the Board to decide the question of whether the patent and Kaku were in the same field of endeavor.

Elekta Ltd. v. ZAP Surgical Systems, Inc., No. 21-1985 (Fed. Cir. Sept. 21, 2023): ZAP filed a petition for *inter partes* review of Elekta's patent describing a method and apparatus for treating a patient using ionizing radiation. The patent claimed a linear accelerator mounted on a pair of concentric rings to deliver a beam of ionized radiation to a targeted area. The Board instituted review and determined all challenged claims were unpatentable as obvious, rejecting Elekta's arguments that a skilled artisan would not have been motivated to combine an imaging device with a radiation device.

The Federal Circuit (Reyna, J., joined by Stoll and Stark, J.J.) affirmed. The Court found that substantial evidence, including the patentee's statements in the prosecution history about whether imaging devices were relevant art, supported the Board's findings that a skilled artisan would have been motivated to combine imaging systems with radiation-delivery systems. The Court rejected Elekta's argument that the Board committed legal error by failing to expressly articulate any findings on reasonable expectation of success. Specifically, the Court held that "the Board made no error in addressing the issues of motivation to combine and reasonable expectation of success in the same blended manner that Elekta chose to present those very issues." The Court held that "an implicit finding on reasonable expectation of success" was acceptable as long as the Court could "reasonably discern" an implicit finding by the Board on reasonable expectation of success.

Baxalta Incorporated v. Genentech, Inc., No. 22-1461 (Fed. Cir. Sept. 20, 2023): Baxalta sued Genentech alleging that Genentech's Hemlibra® product infringes Baxalta's patent directed to a means of treating Hemophilia A, which is a blood clotting disorder. Baxalta's patent relied on functional language to claim all isolated antibodies capable of binding to certain enzymes that promote blood coagulation. Sitting by designation in the District of Delaware, Judge Dyk determined that the patent did not enable the full claim scope, rending the claims invalid under Section 112.

The Federal Circuit (Moore, CJ, joined by Clevenger and Chen, JJ) affirmed. The Court noted that the inventors used "trial and error" amino acid substitution to identify 11 antibody sequences disclosed in the patent. The patent taught that this well-known substitution technique could also be used by others to find more antibodies meeting the claims from among millions of potential candidates. Following the Supreme Court's ruling in *Amgen v. Sanofi*, 598 U.S. 594 (2023), the Court held that this failed to enable the full scope of the claims. As the Court explained, the patent did not disclose "any common structural (or other) feature delineating which antibodies" would meet the claims. Instead, the patent simply directed artisans "to make antibodies and test them," leaving the public "no better equipped to make … claimed antibodies than the inventors were when they set out." The Court held that this "roadmap" for "painstaking experimentation" did not enable the patent.

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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