




APRIL 17, 2023

USPTO UPDATES

MPEP Changes to Election Practice in Markush Groups

BY RICHARD D. KELLY



Without a notice or comment period required by the Administrative Procedures Act (APA) the USPTO on March 3, 2023, modified the MPEP Chapter 800 relating to restrictions and double patenting including § 803.02 relating to election of species in claims with Markush groups. This revision was made effective July 22, 2022. On October 22, 2022 the USPTO requested comments on several topics including its restriction practice for Markush groups found in MPEP § 803.02. See Fed. Reg. <https://www.regulations.gov/document/PTO-P-2022-0025-0001>, at page 60133. After two extensions of the due date for comments were due February 28, 2023, less than 3 days later the USPTO published its MPEP revisions which included significant changes to the Markush practice. Thus, foreclosing any possible comments on them even though the changes were effective 3 months before the request for comments was printed.

The changes to Markush practice were not minor and affected the rights of applicants to obtain claims to what they regarded as their invention, see 35 U.S.C. §112(b). The major changes to the Manual are with changes highlighted in bold and underlining in our post [here](#).

JPO UPDATES



JPO Website

BY KASUMI KANETAKA

The Japan Patent Office has recently updated “The JPO Key Features,” a **section** of its website that introduces the benefits of filing applications in Japan for global business development. Various pictures and figures of the JPO Key **Features** mainly show the faster examinations of patent, design patent, and trademark applications at the JPO, encourage enhancing a mix of IP, introduce the Patent

Prosecution Highway program, and describe the new Design Registration System. See our post [here](#).

FEDERAL CIRCUIT UPDATES

[Chief Judge Moore Files Complaint Against Judge](#)

[Newman](#)

BY DON McPHAIL

Although it has not yet been officially confirmed by the Court, there is news that Chief Judge Kimberly Moore has filed a complaint against Judge Pauline Newman under the Judicial Conduct and Disability Act, contending that Judge Newman is no longer fit to perform her duties. The principal reason is said to be the amount of time that Judge Newman takes to prepare her opinions. The Chief Judge has removed Judge Newman from panels in May and June.

Judge Newman has reportedly engaged counsel to defend her against the Chief Judge's charges.

[Intel Corporation v. Pact XPP Schweiz AG, No. 2022-1037 \(March 13, 2023\) \(Newman, Prost*, Hughes\)](#)

BY DON McPHAIL

In a case from the Patent Trial & Appeal Board, the panel addressed the issue of motivation to combine in an obviousness analysis, particularly the "known-technique" rationale.

During the proceedings at the PTAB, the petitioner had relied on two references to support its challenge of the patent claims as obvious. The PTAB, however, rejected petitioner's motivation to combine argument, the "known-technique" rationale, stating that if one reference already addressed a particular problem through the use of known techniques similar to that of the second reference, then a POSA would not regard the second reference's technique to be an obvious improvement to the primary reference.

In rejecting the PTAB's analysis, the panel, in an opinion by Judge Prost, noted that the facts that both references addressed the same problem and that the technique disclosed by the secondary reference was a known way to address that problem was a sound reason to combine the two references. That is, where a known technique has been used to improve one device, then a POSA would recognize that the same known technique could improve similar devices in the same way.

The panel therefore reversed the PTAB's decision and remanded the case for further proceedings.

[Apple Inc. v. Vidal, No. 2022-1249 \(March 13, 2023\) \(Lourie, Taranto*, Stoll\)](#)

BY DON McPHAIL

In an opinion by Judge Taranto, the panel reviewed the dismissal of a challenge to the Director's application of the *NHK-Fintiv* "rule" for discretionary denials of *inter partes* review challenges based on co-pending district court litigation.

Apple (and others) had brought suit in the district court under the APA to challenge the Director's instructions to the PTAB about application of the *NHK-Fintiv* "rule" being improper because the Director had not employed notice-and-comment rulemaking procedures. The district court, however, dismissed Apple's challenge on the grounds that the Director's instructions were unreviewable based on the statutory prohibition on judicial review of institution decisions.

The panel, however, determined that the dismissal of Apple's challenge to the Director's instruction was not an attempt to circumscribe the prohibition on judicial review of institution decisions. Rather, the panel noted that Apple's challenge to the Director's instructions was

separate and distinct from a challenge to the substance of the institution decision. The panel therefore reversed.

[Ironburg Inventions v. Valve Corp., CAFC Appeal No. 2021-2296 \(April 3, 2023\) \(Lourie, Clevenger, and Stark*\)](#)

BY ERIC SCHWEIBENZ

In an opinion written by Judge Stark, the Federal Circuit (CAFC) affirmed the Western District of Washington's (WDWA) finding of willful infringement, claim construction, and denial of enhanced damages, but vacated and remanded the finding of the AIA's estoppel provision for *inter partes* review (IPR) proceedings.

By way of background, Ironburg's complaint accused Valve's Steam Controller of infringing U.S. Patent No. 8,641,525, which is directed to a handheld controller for a video game console. Valve filed an IPR petition, which was partially instituted. Before trial, the WDWA determined that Valve was estopped from asserting the grounds that were not instituted or not asserted. The jury found willful infringement and denied Ironburg's motion for enhanced damages.

Regarding indefiniteness, the CAFC affirmed the WDWA's finding that the challenged claims were not indefinite because the patent provides sufficient guidance for a person of ordinary skill in the art (POSITA) as to the scope of the claims.

With respect to infringement, the CAFC affirmed the jury's finding of willful infringement based on Valve's receipt of pre-suit notice and failure to design-around, but rejected enhanced damages because there was no evidence of copying.

As to the WDWA's finding of estoppel with respect to the invalidity grounds discovered later through a third-party IPR petition, the CAFC held that the WDWA improperly placed the burden of proof on Valve to show that it could not reasonably have raised the non-petitioned grounds in its petition. Rather, the CAFC determined that the burden should have been placed on Ironburg because the patent owner is the one seeking to benefit from the estoppel defense. Moreover, the CAFC clarified the meaning, for the first time, of the AIA's estoppel provision for IPRs, which provides that patent challengers can't argue in district court that a patent is invalid on grounds that they "raised or reasonably could have raised" in the review. The CAFC determined that reasonably could have been raised earlier is one that "a skilled searcher conducting a diligent search" would have been expected to discover.

AI UPDATES

[The United States Copyright Office Issues Policy Statement on Works Which Contain Material Generated by Artificial Intelligence](#)

BY EVAN SMITH

The U.S. Copyright Office has clarified its examination and registration practices for works that were produced with the assistance of artificial intelligence ("AI"), in a policy statement titled "Copyright Registration Guidance: Works Containing Material Generated by Artificial Intelligence." This statement addresses the registration eligibility and application requirements for creative works that were generated by humans working in concert with AI. In the Office's view, only material produced by human creativity can be the subject of copyright protections since the term "author" is human specific. To learn more details about this Statement and its impact on AI-related copyright protection, please see our post on the AI Patent Blog [here](#).



LIFE SCIENCES UPDATES



[Apple v. Vidal - A Warning Shot?](#)

BY RICHARD D. KELLY

In *Apple v. Vidal*, appeal no. 2022-1249, March 13, 2013 the Federal Circuit fired a warning shot at the USPTO for its failure to proceed under the Administrative Procedures Act in instituting the *Fintiv* instructions. While the Federal Circuit affirmed the dismissal of the instructions as being contrary to the statute and arbitrary and capricious, it reversed the lower court's decision dismissing Apple's challenge to the instructions as having been improperly issued

because they were not promulgated through notice-and-comment rulemaking under 5 U.S.C. §553. The Federal Circuit remanded this to the district court to determine whether the Director's instructions had been improperly issued without the notice and comment rule making. It seems probable that Apple will succeed but it may be pyrrhic victory if the USPTO proceeds with formal rule making. The USPTO would be wise to proceed by that route since the *Apple* decision may encourage more challenges to the USPTO's practice of avoiding the APA act by issuing guidance documents rather than follow the procedures of the Administrative Procedures Act. Under the APA the USPTO should use formal rule making when issuing prospective guidance affecting the public such as recent changes to the restriction/election practice and the .docx initiative. In formal rule making the USPTO must consider the economic impact of its rules on the public – something it does not consider in its guidance documents. An additional target may be the Patent Eligibility Guidance which the examiners use to reject claims. The guidance has both prospective effects and impacts the public.

[Beware of Displaying New Products at Trade Shows](#)

BY RICHARD D. KELLY

Minerva Surgical, Inc. sued Hologic, Inc. and Cytoc Surgical Products, LLC in the District of Delaware for infringement of U.S. Patent No. 9,186,208. After discovery, the district court granted summary judgment that the asserted claims were anticipated under the public use bar of pre-AIA 35 U.S.C. § 102(b). Minerva appealed. The Court of Appeals for the Federal Circuit (the Court) affirmed.

The Court agreed that the patented technology was "in public use" because, before the critical date, Minerva disclosed fifteen devices having the patented technology at a public event, the industry's "Super Bowl." Minerva's disclosure of these devices spanned several days and included Minerva showcasing them at a booth, in meetings with interested parties, and in a technical presentation. Minerva did not disclose the devices under any confidentiality obligations, despite the commercial nature of the event. Also, at the time of the public use, the technology was "ready for patenting," as Minerva had created working prototypes and enabling technical documents describing the claimed technology. Read more [here](#).

[Paragraph IV Notice Need Not Assert All Defenses](#)

BY RICHARD D. KELLY

In *Bausch Health Ireland v. Mylan Pharms.* N.D. WV., 1:22CV20 Bausch moved for judgment of infringement on the pleadings under Rule 12(c) to prevent Mylan's launch of its generic equivalent to Bausch's drug Trulance[®] for treating chronic idiopathic constipation and irritable bowel syndrome with constipation. Bausch's motion was predicated on the failure of Mylan to assert in its Paragraph IV notice (PIV) non-infringement of two claims of the asserted patents. Bausch also moved to strike Mylan's affirmative defenses under Rule 12(f). In its answer Mylan denied infringement of all asserted claims. Read more [here](#).

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