

UPDATE ON PATENT-RELATED CASES IN COMPUTERS AND ELECTRONICS

Karishma Jiva Cartwright, Timothy T. Hsieh & Saurabh Vishnubhakat*

Abstract: This paper provides an overview of patent cases relating to computer and electronics technology that were not taken up by the Supreme Court during the October 2022 term. As of this writing, the Supreme Court has not granted certiorari in any patent-related cases for its October 2021 Term. The Court has, however, called for the views of the Solicitor General in four cases, indicating higher interest and raising the possibility that one or more of these cases may appear on the Court's merits docket for the October 2022 Term. Additionally, though the Court denied certiorari in *Baxter v. Becton, Dickinson*, the briefing included a request by the Court for response to the petition, also an indicator of higher interest. Finally, some recent developments at the Federal Circuit warrant attention as well.

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* Karishma Jiva Cartwright, Pierce Atwood LLP, United States; Timothy T. Hsieh, Oklahoma City University School of Law, United States; Saurabh Vishnubhakat, Texas A&M University, United States.

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I. PATENTABILITY ISSUES

The first two cases of interest involve substantive requirements for patentability, including the subject-matter eligibility doctrine and the written description requirement as it applies to means-plus-function claims. This section discusses each in turn.

A. Patent-Eligible Subject Matter

The first case of interest is *American Axle & Manufacturing, Inc. v. Neapco Holdings LLC, et al.*,² which presents a question of patent-eligible subject matter under 35 U.S.C. § 101. The two primary issues at stake in this case are: (1) what standard determines whether a patent claim is “directed to” a patent-ineligible concept under step 1 of the Supreme Court's two-step *Alice/Mayo* framework for determining whether an invention is eligible for patenting under 35 U.S.C. § 101; and (2) whether patent eligibility (at each step of the Court's two-step *Alice/Mayo* framework) is a question of law for the court based on the scope of the claims or a question of fact for the jury based on the state of art at the time of the patent.³ The petition for a writ of certiorari in this case was filed on December 28, 2020, and so far, amicus briefs from the New York Intellectual Property Law Association, the Alliance of U.S. Startups & Inventors, the Chicago Patent Attorneys, the New York City Bar Association, Law Professors Jeffrey A. Lefstin and Peter Menell, Ameranth, Inc., Jeremy C. Doerre, the Biotechnology Innovation Organization and the Association of University Technology Managers (AUTM), U.S. Senator Thom Tillis, The Honorable Paul R. Michel and The Honorable David J. Kappos, and the Houston Intellectual Property Law Association have been filed.⁴ Respondents Neapco Holdings LLC, et al., filed their opposition brief on March 31, 2021 and Petitioner American Axle & Manufacturing, Inc. filed their reply brief on April 12, 2021. A call for the views of the Solicitor General (CVSG) was issued on May 3, 2021, and on May 24, 2022, the United States filed their amicus brief, with the Solicitor General recommending granting review due to believing that the U.S. Court of Appeals for the Federal Circuit “erred in reading this Court's precedents to dictate a

¹ Disclosure: Professor Vishnubhakat was an amicus curiae in the *Baxter* case in support of certiorari as to the second question presented.

² Petition for a Writ of Certiorari, No. 20-891 (Sup. Ct., Dec. 28, 2020).

³ SCOTUSblog, *American Axle & Manufacturing Inc. v. Neapco Holdings LLC*, <https://www.scotusblog.com/case-files/cases/american-axle-manufacturing-inc-v-neapco-holdings-llc/> (last accessed Mar. 20, 2023).

⁴ *Id.*

contrary conclusion.”⁵ The government’s brief also remarks that “the splintered separate opinions at the panel and rehearing stages illustrate [that] the Federal Circuit is deeply divided over the proper application of this Court’s framework [for subject matter eligibility under 35 U.S.C. § 101], and the content of that framework is central here.”⁶ However, on June 30, 2022, the U.S. Supreme Court denied *certiorari* to hear the case.⁷ Many commenters were ultimately disappointed with this decision, due to how this now “leaves it up to Congress and the U.S. Patent and Trademark Office (USPTO) to restore any semblance of clarity on U.S. patent eligibility for now.”⁸

On October 3, 2019, the Federal Circuit affirmed the grant of a summary judgment from the U.S. District Court for the District of Delaware (Chief Judge Leonard Stark), finding ineligible under 35 U.S.C. § 101 American Axle’s patent claims directed to a method for manufacturing driveline propeller shafts that “attenuat[e]...vibrations transmitted through a shaft assembly” in order to make the shafts less noisy upon operation.⁹ Judge Dyk wrote the majority opinion joined by Judge Taranto, while (now Chief) Judge Moore wrote a dissent. The majority applied the two-step *Alice/Mayo* framework and in the first step, found that the claims were “directed to the utilization of a natural law (here, Hooke’s law [$F=kx$] and possibly other natural laws)” because they were “an application of a natural law (Hooke’s law) to a complex system without the benefit of instructions on how to do so.”¹⁰ In step two, the Federal Circuit concluded that “the claims did not recite an inventive concept or identify more than conventional pre- and post-solution activity.”¹¹ Namely, “nothing in the claims qualifie[d] as an ‘inventive concept’ to transform the claims into patent eligible matter.”¹² Judge Moore’s dissent asserted that the majority focused more on enablement than patent eligibility and conflated the two steps of the *Alice/Mayo* test, ignoring questions of fact at step two regarding whether the claims contained an

⁵ Eileen McDermott, *IP Watchdog, Solicitor General Tells SCOTUS CAFC Got it Wrong in American Axle, Recommends Granting*, <https://www.ipwatchdog.com/2022/05/24/solicitor-general-tells-scotus-cafc-got-wrong-american-axle-recommends-granting/id=149248/> (last accessed Mar. 20, 2023) (quoting Brief for the United States as Amicus Curiae, p. 9, *Am. Axle & Mfg., Inc. v. Neapco Holdings LLC*, No. 20-891, https://www.supremecourt.gov/DocketPDF/20/20-891/226156/20220524150114156_20-891%20-%20American%20Axle%20CVSG.pdf) (“American (“American Axle Amicus Brief”)”).

⁶ *Id.* (citing American Axle Amicus Brief at 21).

⁷ Blake Brittain, *U.S. Supreme Court rejects American Axle case on patent eligibility*, <https://www.reuters.com/legal/litigation/us-supreme-court-rejects-american-axle-case-patent-eligibility-2022-06-30/> (last accessed Mar. 20, 2023).

⁸ Eileen McDermott, *American Axle Denied: Patent Stakeholders Sound Off on SCOTUS’ Refusal to Deal with Eligibility*, <https://www.ipwatchdog.com/2022/07/04/american-axle-denied-patent-stakeholders-sound-off-scotus-refusal-deal-eligibility/id=149955/> (last accessed Mar. 20, 2023).

⁹ *Am. Axle & Mfg., Inc. v. Neapco Holdings LLC*, 939 F.3d 1355, 1355-58 (Fed. Cir. 2019) reh’g granted, opinion withdrawn, 966 F.3d 1294 (Fed. Cir. 2020), and opinion modified and superseded on reh’g, 967 F.3d 1285 (Fed. Cir. 2020); Sarah M.D. Luff, Lexology, *Upcoming Issues of Patent Eligibility in 2022: American Axle v. Neapco*, <https://www.lexology.com/library/detail.aspx?g=5f57d915-49df-4073-9a2f-132816b72047> (last accessed Mar. 20, 2023).

¹⁰ *Am. Axle*, 939 F.3d at 1366; Baker Botts Client Updates, American Axle Petitions the US Supreme Court to Provide Clarity and Guidance on Section 101 Jurisprudence, <https://www.bakerbotts.com/thought-leadership/publications/2021/june/american-axle-petitions-the-us-supreme-court-to-provide-clarity-and-guidance> (providing the “[$F=kx$]” annotation).

¹¹ Alissa E. Green, *Federal Circuit Finds Method of Manufacturing Patent Ineligible*, Finnegan Federal Circuit IP Blog, <https://www.finnegan.com/en/insights/blogs/federal-circuit-ip/federal-circuit-finds-method-of-manufacturing-patent-ineligible.html>

¹² *Am. Axle*, 939 F.3d at 1367.

inventive concept.¹³

American Axle subsequently petitioned for panel rehearing and an *en banc* rehearing,¹⁴ which was denied by the Federal Circuit in a 6-6 split spanning five opinions and hundreds of opinion pages.¹⁵ However the Federal Circuit eventually granted a panel rehearing, withdrew its previous opinion, and issued a modified opinion on July 31, 2020.¹⁶ In its modified opinion, the Federal Circuit held that the same claims were patent ineligible under Section 101 because they were directed just to Hooke’s law – “a natural law, and nothing more.”¹⁷

In its certiorari petition to the United States Supreme Court, American Axle argues five main points:

1. The Federal Circuit has pushed Section 101 well beyond its gatekeeping function to invalidate industrial manufacturing processes historically eligible for patent protection.
2. The Federal Circuit’s improper expansion of the non-textual exceptions to Section 101 is in conflict with this Court’s precedent and the patent statutes.¹⁸
3. The entire patent system is calling for guidance from the Court.¹⁹

¹³ Green, *supra* n. 11 (citing Am. Axle, 939 F.3d at 1368-75).

¹⁴ Baker Botts, *supra* n. 10, citing Am. Axle & Mfg., Inc. v. Neapco Holdings LLC, 966 F.3d 1294, 1295 (Fed. Cir. 2020); Am. Axle & Mfg., Inc. v. Neapco Holdings LLC, 966 F.3d 1347, 1348 (Fed. Cir. 2020).

¹⁵ Baker Botts, *supra* n. 10, citing Am. Axle & Mfg., 966 F.3d at 1295; Am. Axle & Mfg., 966 F.3d at 1348; Dani Cass, Law360, Patent Cases to Watch in 2022, <https://www.law360.com/articles/1444784>.

¹⁶ *Id.*

¹⁷ Baker Botts, *supra* n. 10, citing Am. Axle & Mfg., Inc. v. Neapco Holdings LLC, 967 F.3d 1285, 1297 (Fed. Cir. 2020).

¹⁸ “With regards to the second point, American Axle’s position largely mirrors those from the dissenting opinions at the Federal Circuit, arguing that what is being termed the ‘Nothing More’ test sets forth a “new blended 101/112 defense.” According to American Axle, the Federal Circuit imbued Section 101 with the enablement requirement of Section 112 by requiring that patent claims that do not sufficiently teach “how to make and use the claimed invention,” but instead “invoke[] a patent ineligible concept, and nothing more, to achieve the claimed result,” are directed to a patent ineligible concept. American Axle reiterated Judge Moore’s dissent, stating that “the majority’s Nothing More test, like the great American work *The Raven* from which it is surely borrowing, will, as in the poem, lead to insanity.” Baker Botts, *supra* n. 5 (citations omitted).

¹⁹ “With regards to American Axle’s third argument, the petition explains that the entire patent system—from current and former Federal Circuit judges to current and former directors of the USPTO and the Solicitor General of the United States—agree that Section 101 is a problem that must be addressed. Relaying Judge Moore’s own words, American Axle observed that the Federal Circuit has “struggled to consistently apply the judicially created exceptions to this broad statutory grant of eligibility, slowly creating a panel-dependent body of law,” and, in this case, is ‘bitterly divided.’ Indeed, in an amicus brief filed, in part, by Former Chief Judge of the Federal Circuit Paul Michel, Judge Michel stated that: In my view, recent [Section 101] cases are unclear, inconsistent with one another and confusing. I myself cannot reconcile the cases. That applies equally to Supreme Court and Federal Circuit cases. Nor can I predict outcomes in individual cases with any confidence since the law keeps changing year after year. If I, as a judge with 22 years of experience deciding patent cases on the Federal Circuit’s bench, cannot predict outcomes based on case law, how can we expect patent examiners, trial judges, inventors and investors to do so?”. *Id.* (citations omitted).

4. The Court (not Congress) can and should resolve the confusion and uncertainty surrounding the Court’s judicially-created exceptions.
5. This case presents the ideal vehicle for the Court to provide much-needed guidance on Section 101.²⁰

Therefore, the divided and hotly contested Federal Circuit views, the conflict with pre-existing Supreme Court and Federal Circuit Section 101 cases and the numerous filed amicus briefs makes this case a much-anticipated case for all followers of patent law, especially those interested in subject matter eligibility jurisprudence.²¹

B. Means-Plus-Function Claiming

Meanwhile, the Federal Circuit this March decided *Dyfan LLC v. Target Corp.*,²² which addressed whether the claim limitations “code”/“application” and “systems” should be construed as means-plus-function limitations under § 112(f). The case is now before the entire court on a petition for *en banc* rehearing and has attracted significant interest—notably a supporting amicus brief by nearly two dozen professors of intellectual property law.²³ The district court had held the claims invalid as indefinite under § 112(b) based on a finding that the limitations are means-plus-function limitations, and then finding that the specification fails to disclose corresponding structure. On appeal, the Federal Circuit reversed the district court’s findings based on a conclusion that the disputed claim limitations are not drafted in means-plus-function format.

Dyfan involved patents on location-based triggers in mobile devices, and they disclose a communications system that provides users with information tailored to their preferences based on their physical presence, such as among different stores within a shopping center. The disputed claim limitations were (1) “code”/“application” and (2) “system.” Appellee Target argued that these should be construed as means-plus-function limitations, but the district court held that § 112(f) applied to “code”/“application” and assigned a “special purpose computer function” as the corresponding structure. However, the district court found no “algorithm for the claimed special-purpose computer-implemented function” in the specification and concluded that the relevant claims were indefinite for failing to disclose corresponding structure. Meanwhile, the “system” limitations were held subject to § 112(f) because they recited purely functional language without sufficient structure.” The court held that it was unclear which of the recited components perform the specified function and thus

²⁰ Petition for Writ of Certiorari at 17-39, *Am. Axle & Mfg.*, No. 20-891.

²¹ “While the Solicitor General has yet to file a brief explaining the views of the United States in this case, in Section 101 briefing filed in two other recent cases on certiorari before the Supreme Court, the Solicitor General agreed that Section 101 jurisprudence required greater clarity but that those cases were not an appropriate vehicle for bringing such clarity. In one brief, the Solicitor General stated that “[t]he Court should await a case in which lower courts’ confusion about the proper application of Section 101 and this Court’s precedents makes a practical difference. American Axle explained in its petition that the Court need not wait any longer for the appropriate case, because this case “presents both the substantive and procedural questions plaguing the lower courts.” Baker Botts *supra* n. 5.

²² 28 F.4th 1360 (Fed. Cir. 2022).

²³ Brief Amici Curiae of Intellectual Property Professors in Support of Rehearing En Banc, *Dyfan, LLC v. Target Corp.*, No. 21-1725 (Fed. Cir., May 16, 2022), available at <https://drive.google.com/file/d/11J-DhTwJ2YqEHgOTS8RieRsDSpJURxO3W/>

concluded the relevant claims were indefinite for lack of corresponding structure.

The Federal Circuit followed a two-step means-plus-function analysis. First, one must determine whether a claim limitation is drafted in means-plus-function format. If yes, then one must determine what structure, if any, is disclosed in the specification corresponding to the claimed function. For the first step, one should consider whether the claim includes the term “means,” whether the claim terms are understood by a person having ordinary skill in the art to have sufficiently definite meaning as the name for structure, and intrinsic evidence such as the claims themselves and the prosecution history as well as extrinsic evidence such as dictionary definitions.

Conversely, if claim does not recite “means,” then the disputer bears the burden of demonstrating by a preponderance of the evidence that the disputed limitation fails to recite sufficiently definite structure. A single specific structure is not needed, and a class of structures may be sufficient to avoid invoking § 112(f). The court gave examples of certain terms from its own prior case law. As to the term “circuit,” a person having ordinary skill in the art would believe that the term recites sufficiently definite structure, relying on a dictionary definition, thus not invoking § 112(f).²⁴ As to the term “user identification module,” there was no indication of structure for performing the claimed function.²⁵

The Federal Circuit considered only the first step and concluded that the disputed limitations do not invoke § 112(f) as they connote structure understood by a person having ordinary skill in the art. As to extrinsic evidence, Target’s expert had testified, unrebutted, that “application” is a term of art that a person having ordinary skill in the art would have understood as a computer program intended to provide some service to a user. The expert also testified that a person having ordinary skill in the art would understand that “code” is a bunch of software instructions. The court explained that the structure of software code is defined in part by its function—something that is not true of mechanical inventions—allowing us to look beyond the initial “code” or “application” term to the functional language to see if a person having ordinary skill in the art would have understood definite structure. Here, the claim at issue required code that was configured to be implemented on a mobile device (1) to display information through the mobile device display, then (2) to receive information through a wireless communications protocol, and finally (3) to display visual information based on the information received. The expert testified that either a developer or a person having ordinary skill in the art could use off-the-shelf software to implement these functions. Accordingly, the court concluded that a person having ordinary skill in the art would have understood “code”/ “application” limitations to connote structure.

Meanwhile, as to the “system” limitation, the Federal Circuit explained that this term was defined in a wherein clause and referred back, via antecedent basis, to the term “system” as recited in the preamble. This, the court said, did not recite “means”—and Target did not satisfy its burden. The court found that the claim specifies the components in the system that perform the recited function—the system comprises “a building” having “a first (and second) broadcast short-range communications unit,” “code” and “at least one server.” The “wherein” clause did not explicitly refer to the

²⁴ Apex Inc. v. Raritan Comput., Inc., 325 F.3d 1364 (Fed. Cir. 2003)

²⁵ Rain Computing Inc. v. Samsung Electronics America, Inc., 989 F.3d 1002 (Fed. Cir. 2021).

previously recited “code,” but it did refer to the specific functions that are introduced in the “code” limitations. The court did note that in a vacuum, the term “system” may be a nonce term, but concluded that on these facts, the claim language defined the “system” to include specified structure.

II. PROCEDURAL ISSUES

The next two cases of interest pertain to procedural issues: one is preclusion under the *Kessler* doctrine, and the other is appellate review of claim construction and jury decision-making. This section discusses each in turn.

A. Preclusion under Kessler

As to the first, in *PersonalWeb Technologies, LLC v. Patreon, Inc., et al.*,²⁶ the two main issues are: (1) whether the U.S. Court of Appeals for the Federal Circuit correctly interpreted *Kessler v. Eldred* to create a freestanding preclusion doctrine that may apply even when claim and issue preclusion do not; and (2) whether the Federal Circuit properly extended its *Kessler* doctrine to cases in which the prior judgment was a voluntary dismissal.²⁷ The petition for a writ of certiorari in this case was filed on April 2, 2021. Respondents Patreon Inc. et al. filed their Brief on August 23, 2021 with Petitioner PersonalWeb Technologies, LLC filing their Brief on September 3, 2021 (with a Supplemental Brief filed by Petitioner on April 21, 2022) and the only non-government amicus brief that was filed was one from CFL Technologies on May 6, 2021. An amicus brief from the United States was also filed on April 8, 2022 after the CVSG issued on October 4, 2021.²⁸

On June 17, 2020, the Federal Circuit in *PersonalWeb Technologies, LLC v. Patreon, Inc., et al.* affirmed, in an unanimous majority opinion by Judge Bryson, that a decision by a district court (Judge Freeman in the U.S. District Court of the Northern District of California) to dismiss eight cases was proper due to claim preclusion and the *Kessler* doctrine – a rule barring a patent infringement lawsuit against the customer of a seller who had previously prevailed against a patentee in an earlier patent infringement suit stemming from the case of *Kessler v. Eldred*, 206 U.S. 285 (1907).²⁹ Law 360’s Jasmin Jackson provides an excellent summary of the case and its developments stemming from patent holding company PersonalWeb Technologies’ (“PersonalWeb”) initial filing of suits against Amazon.com and its subsidiaries in the U.S. District Court for the Eastern District of Texas in December of 2011.³⁰

In 2014, after the Eastern District of Texas issued its claim construction order, PersonalWeb then voluntarily dismissed its cases, which were then dismissed with

²⁶ Petition for a Writ of Certiorari, No. 20-1394 (Sup. Ct., Apr. 2, 2021).

²⁷ SCOTUSblog, *PersonalWeb Technologies, LLC v. Patreon Inc.*, <https://www.scotusblog.com/case-files/cases/personalweb-technologies-llc-v-patreon-inc/> (last accessed Mar. 20, 2023).

²⁸ *Id.*

²⁹ *PersonalWeb Tech., LLC v. Patreon, Inc., et al.*, No. 2019-1918 (Fed. Cir. June 17, 2020), Slip Op. at 14-15, https://cafc.uscourts.gov/sites/default/files/opinions-orders/19-1918.OPINION.6-17-2020_1605082.pdf; Dennis Crouch, <https://patentlyo.com/patent/2021/10/preclusion-customer-lawsuits.html> (last accessed Mar. 20, 2023).

³⁰ *PersonalWeb Tech.*, slip op. at 7; Jasmin Jackson, *Justices Won’t Take Up Fed. Circ. Rule On Follow-Up IP Suits*, Law 360, <https://www.law360.com/articles/1493590> (last accessed Mar. 20, 2023).

prejudice in an order before the court entered final judgment.³¹ In January of 2018, PersonalWeb filed nearly 50 new infringement lawsuits against Amazon’s customers such as Patreon Inc. and BuzzFeed Inc.³² Amazon filed a declaratory judgment action based on the prior Eastern District of Texas cases filed and dismissed, and the Judicial Panel for Multidistrict Litigation consolidated PersonalWeb’s filed Amazon customer cases and Amazon’s declaratory judgment action, and assigned those consolidated cases to Judge Freeman in the Northern District of California for pre-trial proceedings.³³ Amazon then moved for summary judgment in its declaratory judgment action and partial summary judgment in PersonalWeb’s infringement action against the video game streaming platform Twitch, and the Northern District of California granted that motion in part, also concluding that its ruling disposed of eight customer cases, which were then dismissed by the district court.³⁴

PersonalWeb appealed the dismissal of those eight suits to the Federal Circuit, who agreed with the Northern District of California and ruled on June 17, 2020 that those suits were precluded by the *Kessler* doctrine because that rule prohibits patent infringement lawsuits against customers of a party that had prevailed in related litigation.³⁵

Hence, PersonalWeb petitioned the Court to review the Federal Circuit’s decision on the two issues described above, claiming that the Federal Circuit incorrectly applied the 114-year-old *Kessler* decision because the doctrine from that case should not have been applied due to how the lawsuit against Amazon was voluntarily dismissed earlier (in the Eastern District of Texas filing).³⁶ In their Response Brief, the Respondents argued that PersonalWeb was attempting to wrongfully overturn a precedent that was valid for over a century, and that PersonalWeb also lodged “objectively unreasonable infringement claims”.³⁷ Moreover, in response to the CVSG, even though Solicitor General Elizabeth B. Prelogar said in the Government’s April 2022 Brief that the Federal Circuit misapplied the *Kessler* doctrine, she still advised the Court not to review the Federal Circuit’s ruling because doing so would not “affect the ultimate disposition of [the] petitioner’s suits.”³⁸ In a Supplemental Brief dated April 21, 2022, PersonalWeb asked the Court to ignore the recommendations made in Prelogar’s brief, stating that they “downplay[ed]” the importance of the Federal Circuit’s alleged erroneous ruling.³⁹ Solicitor General Prelogar’s advice proved to be effective, as the nation’s highest Court acted on it and declined to hear the case in an order list issued on May 16, 2022.

³¹ *PersonalWeb Tech.*, slip op. at 11; Jackson, *supra* n. 30.

³² *Id.*

³³ *PersonalWeb Tech.*, slip op. at 11-12.

³⁴ *Id.* at 13-14; Jackson, *supra* n. 30.

³⁵ *PersonalWeb Tech.*, slip op. at 15-25.

³⁶ Jackson, *supra* n. 30.

³⁷ *Id.*

³⁸ *Id.* (citing Brief for U.S. as Amicus Curiae at 9, https://patentlyo.com/media/2022/05/202204081-44608169_20-139420PersonalWeb20-20CVSG20-20final1.pdf).

³⁹ Jackson, *supra* n. 30 (citing Suppl. Brief for Petitioner at 4 & 7, https://www.supremecourt.gov/DocketPDF/20/20-1394/221605/20220421133754786_PersonalWeb%20Supp%20Br%20-%20efile.pdf).

B. Appellate Review of Patent Jury Verdicts

As to the second, in *Olaf Sööt Design, LLC v. Daktronics, Inc., et al.*,⁴⁰ the issue is whether the Seventh Amendment allows the U.S. Court of Appeals for the Federal Circuit to reverse a jury verdict based on a *sua sponte* new claim construction of a term the district court concluded was not a term of art and construed to have its plain and ordinary meaning; where the Federal Circuit’s *sua sponte* claim construction essentially recasts a specific infringement factual question, previously decided by the jury, as a claim construction issue, to be decided *de novo* by the appellate court.⁴¹ The petition for a writ of certiorari in this case was filed on September 16, 2021, Respondents Daktronics, Inc. et al. filed their Brief on November 12, 2021, Petitioner Olaf Sööt Design, LLC fled their Reply Brief on November 29, 2021, and an amicus brief from the United States government was filed on May 11, 2022 after the CVSG issued on January 10, 2022.⁴²

The patent at issue in this case is directed to “a theater winch for moving scenery and lighting by winding and unwinding cables, which are attached to the scenery, around a drum.”⁴³ The construed claim limitation at issue comes from claim 27 (the only claim at issue on appeal) and is element (h), which recites “(h) said hollow hub and hollow drum being sized such that the screw can move into the hollow hub to allow the hollow drum to receive the screw as the cable unwinds from or winds up on the drum as the object moves to its respective down or up position”.⁴⁴ The District Court did not construe element (h) and failed to resolve the parties’ dispute as to the meaning of the claim, which the Federal Circuit found as a violation of the holding in *O2 Micro International Ltd. v. Beyond Innovation Technology Co.*, stating that “[w]hen the parties present a fundamental dispute regarding the scope of a claim term, it is the court’s duty to resolve it” – otherwise, a legal question will be “improperly submitted to the jury.”⁴⁵ As a result, the Federal Circuit construed element (h) to mean that “the hollow hub is not a component of the drum” to conclude that the allegedly infringing product did not infringe claim 27 either literally or under the doctrine of equivalents.⁴⁶

III. INSTITUTIONAL ISSUES

The last two cases of interest pertain to issues of institutional structure: one involves constitutional standing under Article III, and the other involves statutory limits on *inter partes* review as well as the court-agency separation of powers. This section discusses each in turn.

A. Standing to Appeal Inter Partes Review

⁴⁰ Petition for a Writ of Certiorari, No. 21-438 (Sup. Ct., Sept. 16, 2021).

⁴¹ SCOTUSblog, *Olaf Sööt Design, LLC v. Daktronics, Inc.*, <https://www.scotusblog.com/case-files/cases/olaf-soot-design-llc-v-daktronics-inc/> (last accessed Mar. 20, 2023).

⁴² *Id.*

⁴³ *Olaf Sööt Design, LLC v. Daktronics, Inc.* (Fed. Cir. Jan. 7, 2021), Nos. 2020-1009, 2020-1034, Slip Op. at 2, https://cafc.uscourts.gov/opinions-orders/20-1009.opinion.1-7-2021_1713728.pdf.

⁴⁴ *Id.* at 5.

⁴⁵ *Id.* at 6 (citing 521 F.3d 1351, 1362 (Fed. Cir. 2008)).

⁴⁶ *Olaf Sööt Design*, slip. op. at 8-11.

As to the first, in *Apple Inc. v. Qualcomm Inc.*,⁴⁷ the controversy involves standing for an unsuccessful petitioner in *inter partes* review to appeal the PTAB's final written decision to the Federal Circuit. The question presented is whether a licensee has Article III standing to challenge the validity of a patent covered by a license agreement that covers multiple patents.⁴⁸ The petition for a writ of certiorari in this case was filed on November 17, 2021, Respondent Qualcomm Incorporated filed their Brief on January 19, 2022, Petitioner Apple Inc. filed their Reply Brief on February 1, 2022, and amicus briefs were filed by Engine Advocacy et al., Senator Patrick Leahy and Congressman Darrell Issa, Unified Patents LLC, and Thales. Finally, the CVSG issued on February 22, 2022.⁴⁹

On April 7, 2021, the Federal Circuit ruled, in an opinion authored by (now Chief) Judge Moore, that Apple lacked Article III standing to sue Qualcomm over *Inter Partes* review ("IPR") final written decisions regarding Qualcomm's patents due to a six-year settlement agreement involving all litigation between the two companies that was entered into just before they were about to commence a long-awaited antitrust suit in a San Diego federal court.⁵⁰ In response to Apple's argument that the Court's decision in *MedImmune v. Genentech*, 529 U.S. 118, 120 (2007), dictating that ongoing payment obligations as a condition for certain rights established standing regardless of the patent involved, Judge Moore stated that "Apple has not alleged that the validity of the patents at issue will affect its contract rights (i.e., its ongoing royalty obligations)" and that this "failure is fatal to establishing standing under the reasoning of *MedImmune*, whether we analyze Apple's evidence for injury in fact or redressability."⁵¹

Apple petitioned the Court on November 17, 2021, urging the Court to overturn the Federal Circuit's mistaken rejection of its arguments that it had standing to appeal IPR decision upholding Qualcomm's patents due to the companies' aforementioned six-year licensing/settlement deal.⁵² In its cert petition, Apple argued that the Federal Circuit's decision "unjustifiably confines *MedImmune*'s critical holding to single-patent licenses, while inexplicably decreeing a different standing rule for portfolio licensing" and urges the Court to take up its appeal because the Federal Circuit's holding was an "obvious end-run" around the *MedImmune* case's failure to make such a distinction between those two types of licenses.⁵³ Apple further argues that the Federal Circuit's decision "would thus undermine important public interests in encouraging challenges to questionable patents, particularly by licensees," and that "The Federal Circuit's restrictive approach to standing also undermines the public policy of ensuring that settlement of litigation does not unfairly deprive patent challengers of the ability to

⁴⁷ Petition for a Writ of Certiorari, No. 21-746 (Sup. Ct., Sept. 3, 2021).

⁴⁸ SCOTUSblog, *Apple Inc. v. Qualcomm Inc.*, <https://www.scotusblog.com/case-files/cases/apple-inc-v-qualcomm-incorporated/> (last accessed Mar. 20, 2023).

⁴⁹ *Id.*

⁵⁰ *Apple Inc. v. Qualcomm Inc.*, No. 2020-1642, https://cafc.uscourts.gov/sites/default/files/opinions-orders/20-1561.OPINION.4-7-2021_1759839.pdf, Slip. Op. at 2-3; Andrew Karpan, *Justices Press SG For Take On Apple-Qualcomm Patent Row*, Law360, <https://www.law360.com/articles/1467067/justices-press-sg-for-take-on-apple-qualcomm-patent-row> (last accessed Mar. 20, 2023).

⁵¹ *Apple*, slip op. at 7; Tiffany Hu, *Fed. Circ. Says Qualcomm Deal Dooms Apple's PTAB Appeal*, <https://www.law360.com/articles/1372942> (last accessed Mar. 20, 2023).

⁵² Tiffany Hu, *Apple Tells Justices It Has Standing In Qualcomm Patent Fight*, <https://www.law360.com/articles/1442462/apple-tells-justices-it-has-standing-in-qualcomm-patent-fight> (last accessed Mar. 20, 2023).

⁵³ *Id.*

demonstrate patent invalidity.”⁵⁴

Most recently, on February 22, 2022, the Court issued its CVSG, and in response to Apple’s arguments above, Qualcomm contended that Apple has failed to present any concrete evidence it would suffer any concrete harm from the continued existence of the two patents it challenged their IPRs.⁵⁵ Qualcomm potentially has a lot riding on the outcome of this case, since the company tells investors that “10% or more” of the company’s \$33.6 billion in revenue last year came from its deals with Apple. The case has also attracted attention from the likes of Senator Leahy and the French Aerospace Giant the Thales Group in the form of amicus briefs, so it is another much-watched-and-anticipated potential Supreme Court case involving patent law.

B. PTAB Trials and the Court-Agency Separation of Powers

As to the second, in *Baxter Corp. Englewood v. Becton, Dickinson & Co.*,⁵⁶ the issues were the permissible scope of expert evidence in *inter partes* review and the applicability of the ordinary remand rule to resolving contested patentability questions on appeal from the PTAB. Following the respondent’s initial waiver of its right to respond, the Supreme Court issued a request for response, signaling at least potential interest in the case, as a practical matter, extending the deadline for amici to weigh in on the cert-worthiness of the petition. The Court ultimately denied certiorari on April 5, with Justice Alito taking no part in considering or deciding on the petition.

If granted, *Baxter* would have been the Supreme Court’s seventh PTAB-related case in as many years, starting with *Cuozzo v. Lee*⁵⁷ in 2016 and continuing most recently with *United States v. Arthrex*⁵⁸ in 2021. The statutory design of AIA trial proceedings in the PTAB provide for *inter partes* review to challenge patents without restrictions on technology area (as covered business method review did) and without regard for whether the patent was issued under the first-inventor-to-file provisions of the AIA (as post-grant review does).⁵⁹ However, *inter partes* review does limit the available statutory grounds and prior-art evidence on which challenges can be made: “A petitioner in an *inter partes* review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.”⁶⁰

This foregrounded the first dispute in *Baxter*, on whether it was appropriate to allow petitioners to rely on expert testimony “to fill in gaps in the prior art” when challenging patent claims.⁶¹ Indeed, there was a dispute in the briefing over whether this was even a fair characterization of the PTAB’s permissiveness—or, for example, whether the Board was allowing petitioners to use expert testimony merely in

⁵⁴ *Id.*

⁵⁵ Karpan, *supra* n. 50.

⁵⁶ Petition for a Writ of Certiorari, No. 21-819 (Sup. Ct., Nov. 30, 2021).

⁵⁷ 136 S. Ct. 2131 (2016).

⁵⁸ 141 S. Ct. 1970 (2021).

⁵⁹ 35 U.S.C. § 311(a).

⁶⁰ *Id.* § 311(b).

⁶¹ Petition for a Writ of Certiorari, *supra* note 56, at i.

illustrating or interpreting the content of prior art that was otherwise admissible.⁶²

The second dispute in *Baxter* was whether the Federal Circuit was right in “resolving contested issues of patentability on appeal from Board decisions—rather than remanding those issues for the agency to decide in the first instance—violates the ‘ordinary remand rule.’”⁶³ This, too, was a disputed characterization. *Baxter* argued to apply the *Chenery* doctrine that “a reviewing court, in dealing with a determination or judgment which an administrative agency alone is authorized to make, must judge the propriety of such action solely by the grounds invoked by the agency.”⁶⁴

On this view, the Federal Circuit’s resolution of an issue such as obviousness on any grounds other than what the PTAB had decided in the first instance, would violate the separation of powers. *Becton, Dickinson* argued in response that the Federal Circuit “unquestionably has the power to review the Board’s decision to assess its compliance with governing legal standards de novo and its underlying factual determinations for substantial evidence.”⁶⁵ *Becton, Dickinson* added the particular question of obviousness is ultimately a “legal determination that a court is competent to make.”⁶⁶ Though the denial of certiorari limits the impact of the *Baxter* case, the issues raised remain highly salient to administrative litigation in the PTAB.

CONCLUSION

The cases discussed here reflect only the most visible recent judicial developments in patent law. Other cases, particularly among the Federal Circuit’s recent reported decisions, have also addressed a range of important issues within the context of patents directed to inventions in the computers and electronics space. These issues include, among others, written description and indefiniteness,⁶⁷ claim construction and obviousness,⁶⁸ the effective scope of prosecution disclaimer for claim construction,⁶⁹ effect of claim construction on damages and the admissibility of expert testimony on damages arising from a term license,⁷⁰ and construing the word “and” to mean “or”⁷¹—within the context of patent directed to computers and electronics-related inventions. Beyond the high-profile pending cases that we have addressed, we encourage the reader to stay apprised of these further precedential panel opinions as well.

⁶² Brief in Opposition, *Baxter Corp. Englewood v. Becton, Dickinson & Co.* 1–2, No. 21-819 (Sup. Ct., Mar. 18, 2021).

⁶³ Petition for a Writ of Certiorari, *supra* note 56, at i.

⁶⁴ *Id.* at 26 (citing *SEC v. Chenery Corp.*, 332 U.S. 194, 196 (1947)).

⁶⁵ Brief in Opposition, *supra* note 62 (citing *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1371 (2018)) (internal quotations omitted).

⁶⁶ *Id.* at 3, 21 (citing *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 427 (2007)).

⁶⁷ *Fleming v. Cirrus Design Corp.*, 28 F.4th 1214 (Fed. Cir. 2022) (on appeal from PTAB determinations about claims amended during *inter partes* review).

⁶⁸ *Quanergy Systems, Inc. v. Velodyne Lidar USA, Inc.*, 24 F.4th 1406 (Fed. Cir. 2022) (also on appeal from *inter partes* review).

⁶⁹ *Genuine Enabling Technology LLC v. Nintendo Co., Ltd.*, 29 F.4th 1365 (Fed. Cir. 2022) (on appeal from district court claim construction and summary judgment of non-infringement).

⁷⁰ *Apple Inc. v. Wi-LAN Inc.*, 25 F.4th 960 (Fed. Cir. 2022) (on cross-appeals from renewed trial followed by denial of a motion for judgment of no damages).

⁷¹ *Michael Kaufman v. Microsoft Corp.*, No. 21-1634 (Fed. Cir. 2022) (on appeal from district court claim construction and infringement)