

# IP Cases: The Year in Review

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February 19, 2021



# *Supreme Court IP Cases Decided / Pending Since 2020 IP Summit*

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1. ***Allen v. Cooper*** (copyright)
2. ***Thryv v. Click-To-Call Technologies*** (patent)
3. ***Romag Fasteners v. Fossil*** (trademark)
4. ***Georgia v. Public.Resource.Org*** (copyright)
5. ***USPTO v. Booking.com*** (trademark)
6. ***Google v. Oracle*** (copyright)
7. ***Arthrex v. Smith & Nephew*** (patent)
8. ***Minerva v. Hologic*** (patent)

# *Top Circuit Court IP Cases Decided Since 2020 IP Summit*

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## Panel Decisions

1. ***Castillo v. G & M Realty*** (2d Cir.) (copyright)
2. ***Skidmore v. Led Zeppelin*** (9th Cir.) (copyright)
3. ***VIP Products v. Jack Daniel's*** (9th Cir.) (trademark)
4. ***In re Forney Industries*** (Fed. Cir.) (trademark)
5. ***Illumina v. Ariosa Diagnostics*** (Fed. Cir.) (patent)
6. ***Facebook v. Windy City*** (Fed. Cir.) (patent)
7. ***Ezaki Glico v. Lotte*** (3d Cir.) (trademark)
8. ***GlaxoSmithKline v. Teva*** (Fed. Cir.) (patent)

# *Allen v. Cooper*

140 S.Ct. 994 (March 23, 2020)

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- **Facts**

- Allen has copyright in video/images of shipwreck off the coast of North Carolina, which North Carolina used without permission
- Allen sued North Carolina for copyright infringement, arguing that Congress had permissibly abrogated state's sovereign immunity in the Copyright Remedy Clarification Act of 1990

- **Question Presented**

- Is Congress's attempt to abrogate sovereign immunity for copyright infringement justified by Article I Patent/Copyright Clause and/or by 14th Amendment?

# *Allen v. Cooper*

140 S.Ct. 994 (March 23, 2020)

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- **Significant Precedents**

- *Seminole Tribe* (1996): Congress could not abrogate immunity under Article I's Indian Commerce Clause (dicta: or any Article I power)
- *Florida Prepaid* (1999): Congress could not abrogate immunity from patent infringement under Article I's Patent/Copyright Clause, given *Seminole Tribe* (unbriefed/two sentences), and insufficient record to rely on 14th Amendment for abrogation
- *Katz* (2006): Congress could (and did) abrogate immunity under Article I's Bankruptcy Clause, and statement in *Seminole Tribe* to the contrary was dicta

# *Allen v. Cooper*

140 S.Ct. 994 (March 23, 2020)

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- **Supreme Court (Kagan, J.)**
  - Under *stare decisis*, *Florida Prepaid* governs this case.
    - Congress could not abrogate immunity from copyright infringement under Article I's Patent/Copyright Clause.
    - As with patent infringement, insufficient legislative record of intentional copyright infringement to rely on 14th Amendment for abrogation
  - *Katz* is limited to unique bankruptcy context.

# *Thryv, Inc. v. Click-to-Call Techs.*

140 S.Ct. 1367 (April 20, 2020)

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- **Facts**

- Click-to-Call’s predecessor served a complaint on Thryv’s predecessor for infringement of the ’836 patent in 2001
- The case was voluntarily dismissed “without prejudice” in 2003
- Click-to-Call acquired the ’836 patent and sued Thryv’s predecessor for infringement in May 2012
- Thryv’s predecessor filed an IPR petition in May 2013
- Click-to-Call argued that the IPR petition was barred by 35 U.S.C. § 315(b) and the 2001 complaint:
  - “An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is **served with a complaint** alleging infringement of the patent.”
- PTAB ruled that 2001 complaint did not trigger the § 315(b) bar because dismissed “without prejudice”

# *Thryv, Inc. v. Click-to-Call Techs.*

140 S.Ct. 1367 (April 20, 2020)

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- **Question Presented**

- Whether the PTAB’s decision about § 315(b) bar is reviewable on appeal of final decision in the face of § 314(d):
  - “The determination by the Director whether to institute an inter partes review ***under this section*** shall be final and nonappealable.”

- **Precedents**

- There is a “strong presumption in favor of judicial review.”
- **Supreme Court in *Cuozzo***: § 314(d) precludes review of institution decisions “where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.”
  - Held unreviewable a decision to institute against an attack that the IPR was instituted on grounds that the petition did not identify “with particularity” under § 312(a)(3).
- **Supreme Court in *SAS Institute***: “*Cuozzo* concluded that § 314(d) precludes judicial review ***only*** of the Director’s ‘initial determination’ under § 314(a) that ‘there is a “reasonable likelihood” that the claims are unpatentable on the grounds asserted.’”
  - Held reviewable a decision to institute on only some grounds (or was it a decision not to address all grounds once instituted?).



# *Thryv, Inc. v. Click-to-Call Techs.*

140 S.Ct. 1367 (April 20, 2020)

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- **Supreme Court (7-2) (Ginsburg, J.)**

- PTAB’s decision on § 315(b) is not reviewable
- *Cuozzo* governs here. Section 314(d) is not limited to “reasonable likelihood” decisions under § 314(a). *Cuozzo* itself involved a challenge based on § 312(a)(3). Statement in *SAS Institute* was “incomplete.” *SAS Institute* was reviewable because it was a decision by PTAB whether to proceed on all grounds *after* institution.

- **Gorsuch, J., dissenting (with Sotomayor)**

- *Cuozzo* only involved a “reasonable likelihood” decision under § 314(a) (albeit based on a challenge under § 312(a)(3)). *Cuozzo*’s statement about review in other situations was dicta, and *SAS Institute* clarified and so held; otherwise there could have been no review in *SAS Institute*. (Gorsuch authored *SAS Institute*.)

# *Romag Fasteners v. Fossil*

140 S.Ct. 1492 (April 23, 2020)

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- **Facts**

- Fossil sells handbags
- Romag sells magnetic snap fasteners under ROMAG mark
- Fossil agreed to instruct its Chinese manufacturer to purchase Romag fasteners for its handbags
- Fossil’s Chinese manufacturer bought counterfeit fasteners and used them in Fossil’s handbags
- Romag sued Fossil for trademark infringement
- Jury found infringement and that Romag had acted with “callous disregard” of Romag’s rights but was not “willful”

# *Romag Fasteners v. Fossil*

140 S.Ct. 1492 (April 23, 2020)

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- **Statute**

- 15 USC 1117(a) says that defendant's profits are available for a violation of section **1125(a)**
- Congress later added that defendant's profits are available for "a *willful* violation under section **1125(c)** [dilution]"
- Both are "subject to the principles of equity"

- **Question Presented**

- Is willfulness a requirement to be awarded a defendant's profits as a remedy for trademark infringement under 15 USC 1125(a)?
- There was a 6-6 circuit split on this issue

# Romag Fasteners v. Fossil

140 S.Ct. 1492 (April 23, 2020)

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- **Supreme Court (Gorsuch, J.)**

- A trademark defendant’s mental state is “a highly important consideration” in determining whether an award of [defendant’s] profits is appropriate” for trademark infringement, but willfulness is not an “inflexible precondition.”
- Plain language of the statute
  - Statute expressly requires willfulness to obtain profits or damages for a violation “under section 1125(c),” i.e., for trademark dilution, but does not require willfulness for “a violation under section 1125(a),” i.e., for trademark infringement.
  - It is “usually” improper to “read into statutes words that aren’t there,” and this reasoning is especially applicable “when Congress has (as here) included the term in question elsewhere in the very same statutory provision.”
- Other provisions in the Lanham Act
  - Many other provisions in the Lanham Act speak expressly about mental states and inferred that “[t]he absence of any such standard in the provision before us . . . seems all the more telling.”
- “Principles of Equity” do not require willfulness
  - The phrase “doesn’t readily bring to mind a substantive rule about *mens rea* from a discrete domain like trademark law” but “more naturally suggests fundamental rules that apply more systematically across claims and practice areas.”
  - On this record, “it’s far from clear whether trademark law historically required a showing of willfulness before allowing a profits remedy.”

- **Sotomayor, J., concurring**

- Profits hardly, if ever, awarded for innocent infringement

# *Georgia v. Public.Resource.Org*

140 S.Ct. 1498 (April 27, 2020)

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- **Facts**

- Georgia (through its Code Revision Commission) has a contract with Lexis to create “annotations” such as descriptions of decisions interpreting Georgia’s state code. Since it is a “work for hire,” Georgia owns the copyright.
- Those annotations are included along with the state code in the “Official Code of Georgia Annotated” (OCGA), “published under the authority of the State of Georgia”
- Public.Resource scanned the OCGA and posted it online
- Georgia sued for copyright infringement

- **Question Presented**

- Does Georgia have (and can it enforce) copyright in the annotations?

# *Georgia v. Public.Resource.Org*

140 S.Ct. 1498 (April 27, 2020)

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- **Significant Precedents**

- *Wheaton v. Peters* (1834): no copyright in **court’s opinions**
- *Banks v. Manchester* (1888): no copyright in **the products of the labor done by judicial officers in the discharge of their judicial duties**, including opinions, headnotes, and summaries
- *Callaghan v. Myers* (1888): “there is no ground of public policy on which a reporter who prepares a volume of law reports...can...be debarred from obtaining a copyright for the volume, which will cover **the matter which is the result of his intellectual labor.**”

# Georgia v. Public.Resource.Org

140 S.Ct. 1498 (April 27, 2020)

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- **Supreme Court (5-4) (Roberts, C.J.)**

- Held: any work produced by a judge or a legislator in the course of their judicial or legislative duties is not copyrightable, and the annotations in Georgia’s official code were produced by legislators in the course of their legislative duties.
  - Code Revision Commission is an arm of the Georgia legislature
  - Commission’s preparation of annotations is an act of “legislative authority”
  - Precedent reasons that judges / legislators acting in the course of their duties are not “authors”; although precedent may be inconsistent with modern day statutory interpretation, *stare decisis* governs

- **Thomas, J., dissenting**

- Precedent establishes only that “statutes and regulations cannot be copyrighted, but accompanying notes lacking legal force can be.”

- **Ginsburg, J., dissenting**

- Would have concluded that the annotations in this case were not created in the course of performing legislative duties

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# *USPTO v. Booking.com*

140 S.Ct. 2298 (June 30, 2020)

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- **Facts**

- Booking.com operates a website that allows customers to book travel and hotel accommodations
- USPTO refused to register booking.com as “generic”
- Booking.com sought review in federal district court
  - District court determined that consumers do not perceive the term “booking.com” to signify online hotel-reservation services as a class but rather as descriptive of such services available at that particular website.
  - District court also concluded that “booking.com” had acquired secondary meaning.
  - District court concluded that mark met requirements for registration.
- USPTO appealed. 4th Circuit affirmed.

- **Question(s) Presented**

- Whether adding “.com” to a generic term is always still generic, or whether genericness is a factual question of the “primary significance” of a term among consumers.



# USPTO v. Booking.com

140 S.Ct. 2298 (June 30, 2020)

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- **Supreme Court (8-1) (Ginsburg, J.)**
  - USPTO’s categorical rule is incorrect.
  - A “generic.com” mark is only generic for a class of goods or services ***if the term has that meaning to consumers.***
    - “[I]f ‘booking.com’ were generic, we might expect consumers to understand Travelocity—another such service—to be a ‘booking.com.’ We might similarly expect that a consumer, searching for a trusted source of online hotel-reservation services, could ask a frequent traveler to name her favorite ‘booking.com’ provider.”
    - Lower court determined that consumers do not perceive the term “booking.com” in this way but rather as descriptive of such services available at a particular website. In circumstances like this, a “generic.com” mark is not generic and can be eligible for federal trademark registration.
- **Sotomayor, J., concurring**
  - Surveys may not be a reliable way to assess a term’s meaning to consumers, but that question is not before the Court in this case
- **Breyer, J., dissenting**
  - The lower court’s determination of the meaning of “booking.com” to consumers (relying on surveys) is incorrect. “Literal use is not dispositive.”

# Google v. Oracle

(S.Ct., argued Oct. 7, 2020)

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- **Facts**

- Sun developed the Java “platform” for computer programming and released it in 1996.

- Oracle acquired Sun in 2010.

- Java has a number of ready-to-use programs to perform common computer functions, which are organized into groups called “packages.” These packages allow programmers to use the prewritten code to build certain functions into their own programs, rather than write their own code to perform those functions from scratch.

- Packages (166)

e.g., java.lang

- Classes

e.g., math

- Methods

e.g., max

- » **Declaring Code**

e.g., **public static int max(int x, int y)**

- » Implementing Code

# Google v. Oracle

(S.Ct., argued Oct. 7, 2020)

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- **Facts**

- Google developed the Android platform
- Google used the **declaring source code** for 37 of Java's 166 packages. Google believed that developers would want the same 37 sets of functionalities as found in Java, callable by the same names.
- Google copied the declaring source code (11,500 lines of code) from the 37 Java packages verbatim
- In doing so, Google copied the organization/taxonomy of all the names of methods, classes, and packages
- Google wrote its own implementing code; therefore, only 3% of the total code is the same as Java
- Google designed Android to be incompatible with the Java platform, so that apps written for one will not work on the other.

# Google v. Oracle

(S.Ct., argued Oct. 7, 2020)

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- **Procedure**

- In first trial, hung jury on the issue of “fair use”
- District court granted JMOL on copyrightability
  - declaring code in the 37 packages was not copyrightable under “merger doctrine” because “there is only one way to write it” and remain interoperable with Java
  - overall structure, sequence, and organization (“taxonomy”) is “a system or method of operation” and therefore not copyrightable under 17 USC 102(b)
- Federal Circuit reversed on copyrightability and remanded for new trial on “fair use”
- Google filed petition for certiorari on issue of copyrightability. Court asked for views of solicitor general, who recommended denying certiorari. Certiorari was denied.
- In second trial, jury found “fair use”
- Federal Circuit reversed, finding no “fair use” as MOL
- Cert. granted on both copyrightability and fair use

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# *Google v. Oracle*

(S.Ct., argued Oct. 7, 2020)

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- **Google Questions Presented**

1. Whether copyright protection extends to a software interface.
2. Whether, as the jury found, petitioner's use of a software interface in the context of creating a new computer program constitutes fair use.

- **Oracle Questions Presented**

1. Does the Copyright Act protect Oracle's computer source code that Google concedes was original and creative and that Oracle could have written in any number of ways to perform the same function?
2. Was the Court of Appeals correct in holding that it is not fair use as a matter of law for Google to copy Oracle's code into a competing commercial platform . . . , where Google could have written its own software platform without copying, and Google's copying substantially harmed the actual and potential markets for Oracle's copyrighted works?

# Google v. Oracle

(S.Ct., argued Oct. 7, 2020)

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- **Supreme Court Requested Additional Briefing**
  - What is the appropriate standard of review for a determination of fair use by a jury?
  - Did the Federal Circuit's *de novo* standard of review violate the Seventh Amendment?
  - **Google's Answer**
    - Fair use is a mixed question of law and fact. *Harper & Row*.
    - Oracle agreed to a jury trial on the mixed question, which makes the jury's verdict binding on the mixed question under FRCP 39(c)(2).
    - The standard of review is whether a reasonable jury could find fair use (the standard for review of factual findings on JMOL).
    - The Federal Circuit's *de novo* standard of review violated the Reexamination Clause of the Seventh Amendment.
  - **Oracle's Answer**
    - Fair use is a mixed question of law and fact, and the ultimate determination is a legal question reviewed *de novo*.

# *Arthrex v. Smith & Nephew*

(S.Ct. to be argued March 1, 2021)

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- **Appointments Clause**

- Principal Officers: must be appointed by President; confirmed by Senate
- “Inferior Officers”: can be appointed by Department Heads
- Appointments Clause ensures that individuals with significant authority are accountable to President and those directly responsible to him
- Appointments Clause provides structural protection against the President diffusing his accountability and from Congress dispensing power too freely

- **Are PTAB judges “principal officers” or “inferior officers”?**

- **Federal Circuit**

- PTO Director does not have power to review APJ’s IPR decisions
- PTO Director cannot remove APJs except “for such cause as will promote the efficiency of the service”
- “The lack of control over APJ decisions does not allow the President to ensure the laws are faithfully executed because ‘he cannot oversee the faithfulness of the officers who execute them.’”

# *Arthrex v. Smith & Nephew*

(S.Ct. to be argued March 1, 2021)

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- **Remedy – Severability of Provisions from AIA?**

- “[W]e conclude that the appropriate remedy to the constitutional violation is partial invalidation of the statutory [Title 5] limitations on the removal of APJs.” APJs now removable at will, without cause.
- Vacatur and remand for a new panel of APJs to rehear the case because decision made by a panel of APJs that were not constitutionally appointed at time of decision

- **Parties’ Positions**

- Arthrex (patentee): APJs are principal officers; CAFC’s severance remedy was incorrect and did not cure the constitutional problem; IPR regime should be struck down as a whole
- DOJ: APJs are inferior officers, not principal officers; if they are principal officers, CAFC’s remedy was appropriate
- S&N (accused infringer): APJs are inferior officers, not principal officers; if they are principal officers, remedy should be declaratory judgment or only as drastic as needed to address the problem



# *Minerva Surgical v. Hologic*

(S.Ct., cert. granted Jan. 8, 2021)

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- **Facts**

- Inventor filed provisional application in 1998 and assigned all patent rights to a company he founded, Novacept
- Novacept was acquired by Cytocyc in 2004, and Cytocyc was acquired by Hologic in 2007
- In 2008, inventor invented a new device, and Minerva, another company he founded, commercialized it
- In 2013, Hologic filed a continuation application to cover Minerva's new device; continuation patent issued
- In 2015, Hologic sued Minerva on continuation patent
- Minerva argued that continuation patent was invalid for lack of enablement / lack of written description (improper broadening)
- District court rejected invalidity defenses based on “assignor estoppel” and Federal Circuit affirmed

# *Minerva Surgical v. Hologic*

(S.Ct., cert. granted Jan. 8, 2021)

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- **Question Presented**

- “Whether a defendant in a patent infringement action who assigned the patent, or is in privity with an assignor of the patent, may have a defense of invalidity heard on the merits?”

- **Minerva’s Arguments**

- 35 U.S.C. § 282(b) states that invalidity is a “defense[] in **any** action involving the validity or infringement of a patent.”
- Assignor estoppel originated with lower courts, and Supreme Court decisions have only limited it or decided it was inapplicable
- At the very least, it should not apply to bar an improper broadening defense for claims submitted in a continuation after the assignment

- **Hologic’s Arguments**

- In fairness, an inventor should not be able to sell patent rights and then turn around and argue against the validity of those rights
- In 1924, the Supreme Court stated that the doctrine was “well settled,” analogous to estoppel by deed, and that it would “not . . . lightly disturb” the doctrine

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# *Castillo v. G & M Realty*

950 F.3d 155 (2d Cir. Feb. 21, 2020)

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- **Facts**

- Owner of dilapidated warehouse buildings hired Cohen to turn the warehouses into exhibition space for artists
- With Cohen as curator, artists filled walls with “aerosol art”; based on “elaborate system of norms,” some art was overpainted and some art was preserved permanently
- Site became known as “5Pointz” and attracted thousands of daily visitors and extensive media coverage
- Cohen and artists learned that Owner sought to demolish 5Points and build luxury apartments on site; sued under Visual Artists Rights Act of 1990 (VARA) to prevent demolition
- District court granted TRO, but denied prelim. injunction based on questions about “recognized stature” of art, which gives artist the right to prevent destruction under 17 U.S.C. § 106A(a)(3)(B)
- Owner whitewashed the art, then later demolished
- After a trial, court awarded statutory damages of \$150k for each of 45 works = \$6.75M

# Castillo v. G & M Realty

950 F.3d 155 (2d Cir. Feb. 21, 2020)

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- **Second Circuit**

- On appeal, Owner argued that “temporary” works could not meet the “recognized stature” requirement
  - “Although a work’s short lifespan means that there will be fewer opportunities for the work to be viewed and evaluated, the temporary nature of the art is not a bar to recognized stature.”
- Owner argued that artists should have expected their work to be destroyed because they were aware that the 5Pointz buildings might be torn down
  - If art could not be removed without being destroyed, then Owner was required to obtain “a written instrument ... that [was] signed by the owner of the building and the [artist] and that specific[d] that installation of the work may subject the work to destruction, distortion, mutilation, or other modification, by reason of its removal.” 17 U.S.C. § 113(d)(1)(B). No such instrument here.
  - If art could have been safely removed, then Owner was required to provide written notice of the planned demolition and to allow the artists 90 days to remove the work or to pay for its removal. 17 U.S.C. § 113(d)(2)(B). Also not done here.
- Statutory damages appropriate based on six factors

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# *Skidmore v. Led Zeppelin*

952 F.3d 1051 (9th Cir. Mar. 9, 2020) (en banc)

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- **Facts**

- Copyright in the song “Taurus” was registered in 1967 by depositing sheet music with the copyright office
- Plaintiff claims that Led Zeppelin copied 8 measures of “Taurus” in composing opening notes of “Stairway to Heaven”
- Jury verdict in favor of Led Zeppelin finding access to “Taurus” but that “Stairway” was “not substantially similar”
- A 3-judge panel vacated and remanded. The court took the case en banc and affirmed.

# *Skidmore v. Led Zeppelin*

952 F.3d 1051 (9th Cir. Mar. 9, 2020) (en banc)

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- **En Banc Ninth Circuit**

- “Taurus” is governed by 1909 Copyright Act. Under that Act, the sheet music deposited defines the copyrighted work, not sound recordings of “Taurus” from the era (with “further embellishments”)
- Overrules use of the “inverse ratio rule,” i.e., that less similarity is required when a high degree of access is shown. Therefore, district court did not err in not instructing the jury on this rule.
  - “Access does not obviate the requirement that the plaintiff must demonstrate that the defendant actually copied the work. By rejecting the inverse ratio rule, we are not suggesting that access cannot serve as circumstantial evidence of actual copying in all cases; access, however, in no way can prove substantial similarity.”

# VIP Products v. Jack Daniel's

953 F.3d 1170 (9th Cir. Mar. 31, 2020)

- **Facts**

- VIP sold the “Bad Spaniels Silly Squeaker” dog toy, which resembles a bottle of Jack Daniel’s Old No. 7 Black Label Tennessee Whiskey
- Jack Daniel’s bottle design is a registered trademark
- Jack Daniel’s demanded that VIP stop
- VIP sued for a DJ; Jack Daniels counterclaimed for trademark infringement and trademark dilution by tarnishment
- District court entered permanent injunction against VIP



# *VIP Products v. Jack Daniel's*

953 F.3d 1170 (9th Cir. Mar. 31, 2020)

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- **Ninth Circuit**

- “The district court correctly found Jack Daniel’s trade dress and bottle design are distinctive and aesthetically nonfunctional.”
- However, VIP’s First Amendment defense for trademark infringement may prevail
  - “When artistic expression is at issue, the likelihood of confusion test fails to account for the full weight of the public’s interest in free expression.”
  - The Lanham Act only applies to “expressive works” if the plaintiff establishes one of the two requirements in *Rogers v. Grimaldi*: either the accused infringer’s use of the mark (1) is not artistically relevant to the underlying work or (2) explicitly misleads consumers as to the source or content of the work.
  - Here the toy is an “expressive work” because it “communicates a humorous message.” Judgment vacated to apply *Rogers*.
- First Amendment precludes dilution by tarnishment
  - Since Jack Daniel’s trade dress and bottle design were used, at least in part, to convey a humorous message, no dilution as a matter of law because that message is “noncommercial” and protected by First Amendment



# *In re Forney Industries*

955 F.3d 940 (Fed. Cir. Apr. 8, 2020)

- **Facts**

- Forney sells products in packaging that has a common color scheme



- Forney sought to register the following proposed mark without showing “secondary meaning”:



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# *In re Forney Industries*

955 F.3d 940 (Fed. Cir. Apr. 8, 2020)

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- **Precedents**

- *Two Pesos*: (non-product-configuration) trade dress can be inherently distinctive
- *Qualitex*: product color can serve as mark, at least when there is a showing of acquired distinctiveness and it is not functional
- *Wal-Mart v. Samara*: product configuration cannot be inherently distinctive. “[In *Qualitex*], [w]e held that a color could be protected as a trademark, but only upon a showing of secondary meaning. . . . [D]esign, like color, is not inherently distinctive.”

- **TTAB**

- “[A] particular color on a product ***or its packaging*** . . . can never be inherently distinctive and may only be registered on a showing of acquired distinctiveness.”

- **Federal Circuit**

- “color marks can be inherently distinctive when used ***on product packaging***, depending upon the character of the color design.”

# *Illumina v. Ariosa Diagnostics*

967 F.3d 1319 (Fed. Cir. Aug. 3, 2020)

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- **Facts**

- Natural phenomenon: in a pregnant woman, fetal DNA is present in mother's blood. Method for detecting such DNA was held ineligible for patenting in *Ariosa*, 788 F.3d 1371 (Fed. Cir. 2015).
- Another natural phenomenon: most fetal DNA in blood is smaller (less base pairs) than maternal DNA in blood
- Claim: method for preparing DNA from a pregnant female useful for analyzing fetal chromosomal aberration, comprising (1) extracting DNA from blood; (2) selectively removing DNA fragments larger than 500/300 base pairs; (3) analyzing the fraction of DNA remaining.
- District court: claim is ineligible for patenting under § 101 because directed to a natural phenomenon

# *Illumina v. Ariosa Diagnostics*

967 F.3d 1319 (Fed. Cir. Aug. 3, 2020)

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- **Federal Circuit (Lourie & Moore)**

- “Under *Mayo*, we have consistently held diagnostic claims unpatentable as directed to ineligible subject matter.”
- “This is not a diagnostic case. And it is not a method of treatment case. It is a method of preparation case.”
- The claimed methods
  - “include physical process steps that change the composition of the mixture”
  - “increase the relative amount of fetal DNA as compared to maternal DNA in the sample”
  - “The size thresholds in the claims—500 base pairs in one] patent and 300 base pairs in the [other] patent—are not dictated by any natural phenomenon, particularly because the size distributions of fetal and maternal cell-free DNA overlap each other.... The claimed size thresholds are human-engineered parameters.”

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# *Ilumina v. Ariosa Diagnostics*

967 F.3d 1319 (Fed. Cir. Aug. 3, 2020)

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- **Reyna, J., dissenting**

- “[O]ur precedent ... looks to the ‘claimed advance’ for determining whether a claim is directed to patent ineligible subject matter.”
- “Here, the claimed advance is the inventors’ ‘surprising[]’ discovery of a natural phenomenon—that [fetal] DNA tends to be shorter than . . . maternal DNA in a mother’s bloodstream.” . . . The claimed advance is, therefore, the discovery of the natural phenomenon.”
- “[T]he Majority fails to adequately address the claimed advance inquiry.”
- “There is nothing in the patent itself to indicate that size selection based on 500 and 300 base pairs was an unconventional human engineered parameter or that this aspect of the invention is the claimed advance.”

# *Facebook v. Windy City*

973 F.3d 1321 (Fed. Cir. Sep. 4, 2020)

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- **Facts**

- In June 2015, Windy City sued Facebook in North Carolina for infringement of four patents. The patents collectively contain 830 claims.
- Facebook moved to transfer to N.D.Cal. The motion was granted in March 2016.
- N.D.Cal. required Windy City to identify its asserted claims by July 2016. Facebook moved to require Windy City to identify asserted claims by May 2016, but the court denied the motion.
- In June 2016, on last day to file IPR, Facebook filed four IPR petitions on some of claims in each of Windy City's patents.
- Windy City identified its asserted claims in October 2016, some of which Facebook had not challenged in its IPR petitions.
- Facebook prepared two more IPR petitions to cover all asserted claims and moved for “joinder” to instituted proceedings.
- The PTAB instituted new petitions, granted motions for “joinder,” and then terminated new proceedings in favor of pending ones.
- After final decisions in the IPRs, Windy City cross appealed on the “joinder” issue.

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# Facebook v. Windy City

973 F.3d 1321 (Fed. Cir. Sep. 4, 2020)

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- **Statutes**

- 35 U.S.C. § 315(b) prohibits institution if the IPR petition is filed more than a year after service of complaint. But “[t]he time limitation... shall not apply to a request for joinder under subsection (c).”
- 35 U.S.C. § 315(c): “If the Director institutes an [IPR], the Director, in his or her discretion, may join as a party to that [IPR] any person who properly files a petition...that the Director... determines warrants the institution of an [IPR].”

- **Federal Circuit**

- The joinder decision is separate from and subsequent to the institution decision, so it is appealable.
- 315(c) does not authorize the Director to join two proceedings together. That is the subject of 315(d), providing for “consolidation” (and not subject to time-bar exception).
- 315(c) does not authorize the Director to join a person to a proceeding in which that person is already a party (rejecting PTAB’s Precedential Opinion Panel decision in *Proppant*).
- 315(c) does not authorize a joined party to bring new issues into the joined proceeding.
- Vacated joinder decision (and decision on joined claims)

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# *Ezaki Glico v. Lotte*

2021 WL 253451 (3d Cir. Jan. 26, 2021)

- **Facts**

- Ezaki Glico has sold its “Pocky” product in the U.S. since 1978. It obtained federal registrations for its product configuration trade dress.
- Lotte has been selling its “Pepero” product in the U.S., which “looks remarkably like Pocky”
- Ezaki Glico sued Lotte for trade dress infringement
- District court granted summary judgment that the product configuration is functional.





# *Ezaki Glico v. Lotte*

2021 WL 253451 (3d Cir. Jan. 26, 2021)

- **Appeal**

- Ezaki Glico points to several alternative examples of partly-chocolate-coated snacks that do not look like Pocky.

- **Third Circuit**

- “Functional” means “useful,” not essential
- “We analyze functionality not at the level of the entire product or type of feature, but at the level of the particular design chosen for feature(s).”
- “[A] combination of functional and non-functional features can be protected as trade dress, so long as the non-functional features help make the overall design distinctive and identify its source.”
- Stick shape is functional because it makes the cookie “easy to hold” and edible “without having to open mouth wide.” Coating partly with chocolate is functional because it allows hands not to get messy.
- “[T]he existence of other workable designs is relevant evidence but not independently enough to make a design non-functional.”
- Affirmed.



# GlaxoSmithKline v. Teva

976 F.3d 1347 (Fed. Cir. Oct. 2, 2020), *to be reargued* Feb. 23, 2021

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## • Facts

- Around 1985, the FDA approved carvedilol (marketed as “Coreg”) for treatment of hypertension. The ’067 patent covering it would expire in 2007.
- In 1997, the FDA approved method of using carvedilol to treat congestive heart failure, covered by ’069 patent (expiring in 2015)
- In 2002, Teva filed ANDA for sale of carvedilol for hypertension and heart failure
  - Proposed to sell after expiration of ’067 patent in 2007
  - Certified that ’069 patent was invalid/not infringed.
- In 2003, FDA further approved carvedilol to treat left ventricular dysfunction following heart attack
- In 2004, Teva received “tentative approval” and issued a press release to that effect (touting use for hypertension **and** heart failure)
- Teva amended ANDA to carve out use for heart failure
- In 2007, Teva launched sale of generic carvedilol. Teva’s label stated that it can be used for hypertension and left ventricular dysfunction (and “to reduce cardiovascular mortality” in patients “**with or without...heart failure**”)
- In 2011, FDA required Teva to amend its label to be identical to Coreg’s. Therefore, Teva amended label to add use in treating heart failure.
- Teva’s press releases and marketing materials have stated that its product is “an AB rated generic of Coreg Tablets.”

# GlaxoSmithKline v. Teva

976 F.3d 1347 (Fed. Cir. Oct. 2, 2020), *to be reargued* Feb. 23, 2021

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- **District Court**

- GSK sued Teva for infringement (by inducement) of a reissue of the '069 patent (for treating heart failure)
- Teva argued no inducement from 2007-2011 since its label during that time did not promote use for heart failure (“skinny label”)
- GSK pointed to:
  - Testimony that cardiologists knew of the uses established for Coreg, including for heart failure
  - Teva’s press releases and catalogs stating that Teva’s product was an “AB-rated generic equivalent of Coreg”
  - Testimony that “AB rating” means “therapeutically interchangeable” and that doctors would understand this to include treatment for heart failure
  - Teva’s admissions that Teva expected that its product would be dispensed when doctors prescribed “Coreg” for heart failure
  - Teva’s old 2004 press release (still online) touting approval for “heart failure”
  - Expert testimony that pre-2011 label included those suffering from heart failure
- Jury found inducement and damages for 17% of sales
- District court granted JMOL because Teva was not the proximate cause of allegedly induced direct infringement; doctors’/pharmacists’ choices and other sources of information for doctors were proximate cause

# *GlaxoSmithKline v. Teva*

976 F.3d 1347 (Fed. Cir. Oct. 2, 2020), *to be reargued* Feb. 23, 2021

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- **Federal Circuit**

- Panel majority (Newman & Moore) reverses grant of JMOL. Holds that there was substantial evidence of inducement both before 2011 and after 2011
  - Reasonable jury could have reached verdict of inducement; ambiguous whether majority relied on pre-2011 label
  - District court employed “incorrect legal standard” for causation; “when provider of an identical product knows of and markets the same product for intended direct infringing activity, the criteria of inducement infringement are met”
- Chief Judge Prost dissents
  - No pre-2011 communication from Teva encouraged doctors to use carvedilol specifically for heart failure; specific intent is required.
  - Majority’s ruling guts Hatch-Waxman intended safe harbor for “skinny labels,” i.e., labels that only promote unpatented uses
  - Before and after 2011, doctors relied on info from other sources to prescribe carvedilol for heart failure

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# *GlaxoSmithKline v. Teva*

976 F.3d 1347 (Fed. Cir. Oct. 2, 2020), *to be reargued* Feb. 23, 2021

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- **More Federal Circuit**

- Teva filed petition for rehearing en banc
- Multiple amicus briefs filed in support
- On Feb. 9, 2021, the panel vacated its opinion and scheduled reargument for Feb. 23, 2021

# IP Cases: The Year in Review

David R. Todd

February 19, 2021

