Patent Case Law Updates – November 2021

Oct 29 2021

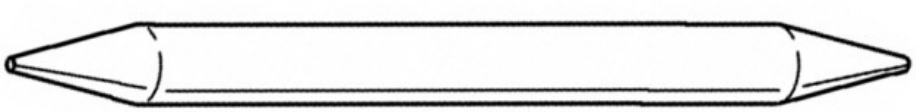
Practice Area: Patents & Intellectual Property

***In re SurgiSil, LLP*, No. 2020-1940, 2021 WL 4515275 (Fed. Cir. Oct. 4, 2021)**

Crucial Concept:

- Design patent claim language may limit the assertible claim scope to the specifically enumerated article of manufacture

SurgiSil appealed a decision of the Patent Trial and Appeal Board affirming an Examiner's rejection of SurgiSil's design patent application (No. 29/491,550). The '550 application claims an "ornamental design for a lip implant as shown and described." The Examiner rejected SurgiSil's design patent claim as anticipated by an art tool sold by art material supply company Dick Blick (hereinafter "Blick"):



SurgiSil's "Lip Implant"

Dick Blick's "Gray Paper Stump"

The Board affirmed the Examiner's rejection, and rejected SurgiSil's argument that because a lip implant and the Blick art tool were "very different" articles of manufacture, Blick could not anticipate SurgiSil's design patent claim. The Board reasoned, "whether a reference is analogous art is irrelevant to whether that reference anticipates" (citing *In re Schreiber*, 128 F.3d 1473, 1478 (Fed. Cir. 1997)).

The Federal Circuit reversed, relying first on the language of 35 U.S.C. § 171(a): "[w]hoever invents any new, original and ornamental design *for an article of manufacture*;" secondarily on the Court's own previous opinion in which it limited the scope of the design patent claim to "the particular article of manufacture identified in the claim" (*see Curver Luxembourg, SARL v. Home Expressions, Inc.*,938 F.3d 1334, 1336 (Fed. Cir. 2019)); and finally on the USPTO's own examination guidelines, which state: "[d]esign is inseparable from the article to which it is applied and cannot exist alone" (*see* MPEP § 1502).

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***SRI Int'l, Inc. v. Cisco Sys., Inc.*, No. 2020-1685, 2021 WL 4434231 (Fed. Cir. Sept. 28, 2021)**

Crucial Concept:

- The proper standard for willful patent infringement is "deliberate or intentional infringement"

The Federal Circuit has corrected itself as to the proper standard for willful patent infringement. After a jury found Cisco liable for willful patent infringement and awarded SRI more than $23M in damages in 2016, a U.S. District Judge doubled those damages, and Cisco appealed to the Federal Circuit on both the finding of willful infringement and the enhanced damages and attorney fees granted by the District Court. The Federal Circuit vacated and remanded on both issues, and notably stated Cisco's conduct did not rise "to the level of wanton, malicious, and bad-faith behavior *required for willful infringement*" (emphasis added). Accordingly, on remand, the District Court applied this stringent standard, and found enhanced damages to be unwarranted. SRI appealed.

With the case in front of the Federal Circuit again, the Court took the opportunity clarify its position on a willful infringement standard:

To eliminate the confusion created by our reference to the language "wanton, malicious, and bad-faith" in *Halo,* we clarify that it was not our intent to create a heightened requirement for willful infringement…. As we said in *Eko Brands*, "[u]nder *Halo*, the concept of 'willfulness' requires a jury to find no more than deliberate or intentional infringement."

(citing *Eko Brands, LLC v. Adrian Rivera Maynez Enters., Inc.*, 946 F.3d 1367, 1378 (Fed. Cir. 2020)) (*see also Halo Elecs., Inc. v. Pulse Elecs., Inc.,* 579 U.S. 93 (2016)). The Federal Circuit ultimately reinstated the jury verdict of willfulness and the District Court's award of double-damages, and affirmed the award of attorney fees.

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One to Watch...

American Axle & Mfg., Inc. v. Neapco Holdings LLC
Case No. 2018-1763 - U.S. Supreme Court

After the Federal Circuit recently affirmed its July 31, 2020 opinion that claims directed to a method for manufacturing drive shafts constitutes unpatentable subject matter under 35 U.S.C. § 101, American Axle filed a petition for certiorari with the U.S. Supreme Court.

On May 3, 2021 the Supreme Court called for views of the Solicitor General. If the Solicitor General provides his brief before the end of this year, and the Supreme Court ultimately grants certiorari, the case may be decided as early as mid-2022. The issues presented in the case are:

1. What is the appropriate standard for determining whether a patent claim is "directed to" a patent-ineligible concept under step 1 of the Court's two-step framework for determining whether an invention is eligible for patenting under 35 U.S.C. § 101?
2. Is patent eligibility (at each step of the Court's two-step framework) 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?