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IP Newsflash



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FEDERAL CIRCUIT CASES

Newsgroup Post Held to be A Printed Publication and Anticipatory Prior Art

On May 27, 2014, the Federal Circuit affirmed a decision granting summary judgment of invalidity by the Eastern District of Virginia holding that a nearly 20-year-old post in an online newsgroup was a printed publication and therefore constituted prior art that anticipated the claims of the asserted patent. The 1995 post, authored by a college student, appeared on a message board about computer programming in response to a question about how to perform a function that was described in the patent-in-suit. The appellant argued that the message board post was too difficult for one of ordinary skill to locate, the intended audience for the post did not encompass those of ordinary skill in the art, and the post was not sufficiently publicly accessible to be considered a printed publication because it was not indexed and not searchable. The Federal Circuit, however, held that those of ordinary skill in the art were using such newsgroups because "at the time, only people with access to a university or corporate computer could use newsgroups, a subset of people more likely to be skilled in the art." The Federal Circuit further held that a printed publication need not be easily searchable to serve as a prior art reference, only that the publication be sufficiently disseminated. The message board post elicited responses from other newsgroup members, and the Federal Circuit held that the post was sufficiently disseminated to those of ordinary skill in the art to be publicly accessible. Accordingly, the decision granting summary judgment of invalidity was affirmed.

Suffolk Techs., LLC, v. AOL Inc. et al., Case no. 2013-1392 (Fed. Cir. May 27, 2014) [Prost (opinion), Rader, Chen]

- Author: [David Vondle](#)

Attorney Argument, Without Record Evidence, Fails to Support Obviousness

A divided Federal Circuit affirmed a decision by the U.S. Patent and Trademark Office (USPTO) in an *inter partes* reexamination that a patent covering a hearing-aid device with detachable connections was not obvious. HIMPP's obviousness case rested, in part, on an attorney argument that the detachable-connection limitation would have been obvious to a person of ordinary skill in the art. Importantly, HIMPP presented no record evidence in support of this argument. The USPTO declined to accept this assertion without record evidence in support and found the patent valid.

On appeal, HIMPP argued that the USPTO's failure to consider HIMPP's argument that certain claim elements were known in the prior art was contradictory to *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 415-22 (2007), where the Supreme Court admonished the Federal Circuit for taking a rigid approach for determining obviousness based on record evidence without considering "the knowledge, creativity, and common sense" of one of skill in the art. The Federal Circuit rejected this argument, finding that HIMPP needed to support its obviousness assertion with more than mere conclusory statements and failed to "point to any evidence on the record." The Court further remarked that the USPTO cannot accept general conclusions about what is known in the art without documentary support, because to do so would create a slippery slope that would allow rejections to be made that were unsupported by any evidence.

Judge Dyk dissented, arguing that the majority's approach was inconsistent with *KSR*, which, in his opinion, allows examiners to rely on their knowledge and common sense in reviewing applications.

K/S HIMPP v. Hear-Wear Technologies, LLC, 2013-1549 (Fed. Cir. May 27, 2014) [Lourie (opinion), Dyk (dissenting), Wallach]

- Author: [Angela Verrecchio](#)

DISTRICT COURT CASES

District Court Denies Defendant's Motion for Attorneys' Fees Under the *Highmark* Standard

A Delaware court has denied defendant's motion for attorneys' fees under 35 U.S.C. § 285 following summary judgment of invalidity on all of the asserted claims. Plaintiff EON Corp. IP Holdings sued FLO TV and others on U.S. Patent No. 5,663,757 relating to a television program communication network. Following a *Markman* hearing, the court found eight computer-implemented, means-plus-function terms in the '757 patent claims indefinite and later granted summary judgment of invalidity. FLO TV moved for a finding of an exceptional case and attorneys' fees. Evaluating the motion under the Supreme Court's recent *Highmark* decision, the court found that neither the substantive strength of EON's position nor the manner in which it had litigated the case warranted a finding of an exceptional case. The court noted that, even though it eventually agreed with the defendants on indefiniteness, the decision was not an easy one, requiring a supplemental evidentiary hearing and supplemental briefing; nor

was the court convinced by FLO TV's argument that EON should have either dropped the case or entered into a settlement earlier, given that any potential recovery from FLO TV would be dwarfed by the costs of litigation. The court noted that it had bifurcated liability and damages in the case, and FLO TV's arguments about potential recovery were merely speculative. Moreover, the court found that EON was allowed to pursue a *de minimis* infringement claim. "It cannot be the case that a plaintiff may be subjected to monetary sanctions for failing to drop a case against a defendant if the cost of litigation exceeds the potential recovery," the court wrote. Given that there was no evidence in the record of a settlement offer from FLO TV, the court concluded that this was not a case where a party's approach to settlement was so unreasonable as to justify finding of an exceptional case.

EON Corp. IP Holdings LLC v. FLO TV Inc., No. 1-10-cv-00812 (D. Del. May 27, 2014) [Andrews, J.]

- Author: [Ifi Ahmed](#)

PATENT TRIAL AND APPEAL BOARD

For the First Time, The Patent Trial and Appeal Board Allows Live Testimony in an *Inter Partes* Review

For the first time, the Patent Trial and Appeal Board granted a patent owner's motion to present live testimony at an IPR oral hearing. The patent owner requested that the live testimony of the named inventor be presented at the final hearing. In granting the motion, the Board emphasized that it does not envision live testimony becoming the norm and that live testimony will be granted on a case-by-case basis. The Board identified two factors that it will consider when determining whether to allow live testimony:

1. The importance of the witness's testimony to the case (i.e., whether it may be case-dispositive) and
2. Whether the live testimony is from a fact witness.

If live testimony is allowed, the testimony will be limited to cross-examination and redirect. The witness's previously submitted declaration will serve as the direct testimony. The Board reasoned that it was allowing live testimony in this case because the named inventor was the sole inventor on the patent in the current proceeding and a related proceeding involving the same parties and technology. The inventor was the petitioner's principal fact witness because of the declaration he submitted in both cases attempting to antedate the only two references relied on by the petitioner in its challenge to patentability. The Board concluded that the inventor's testimony was key and may be case-dispositive.

K-40 Elecs., LLC v. Escort, Inc., IPR2013-00203 (PTAB May 21, 2014) [Giannetti (opinion); Perry; Ward]

- Author: [Ashley Brown](#)

Late-Filed Terminal Disclaimer Could not be used to Avoid Broadest Reasonable Interpretation Standard in IPR

Under the new post-grant proceedings created by the America Invents Act of 2011 (AIA), unexpired patents are given their broadest reasonable interpretation (BRI) in light of the specification. On April 1, 2014, after all matters in an *inter partes* review (IPR) proceeding titled *Amkor Technology, Inc. v. Tessera, Inc.*, IPR2013-00242, had been fully briefed, discovery had been concluded, and oral argument was scheduled for May 21, 2014, Tessera filed a terminal disclaimer disclaiming the remainder of the patent term and asked the Board to interpret the challenged claims, not under the BRI standard but as a district court would according to *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (*en banc*). Citing its authority under 37 C.F.R. § 42.7(b), the Board *sua sponte* ordered that the terminal disclaimer filed in the patent owner's application for the challenged patent be held in abeyance and that the challenged claims in the instant proceeding continue to be given their broadest reasonable interpretation. The Court cited the resources expended by the parties since the initiation of the *inter partes* review, the failure of the patent owner to file a terminal disclaimer during the course of reexamination and the potential for abuse if the patent owner's actions were permitted. "The only remaining task is the oral hearing, during which the parties may not make new arguments. It is not feasible, at this late stage of the proceeding, to change the standard by which the challenged claims will be interpreted, since all of the arguments and evidence we have before us have applied the broadest reasonable interpretation standard. We are persuaded that the most appropriate course of action, given the late stage and particular facts of this proceeding, is to hold the terminal disclaimer in abeyance until the conclusion of the proceeding. Doing so will ensure that this proceeding is completed in a timely and efficient manner that is fair to both parties."

Amkor Technology, Inc., v. Tessera, Inc., IPR2013000242 (PTAB May 22, 2014) [Arbes (opinion); Turner; DeFranco]

- Author: [Marwan Elrakabawy](#)

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