Akin Gump
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FEDERAL CIRCUIT CASES

Akin Gump Wins Section 101 Motion to Dismiss Invalidity 887 Patent Claims

Following Supreme Court precedent set forth in *Alice Corp. Pty. Ltd. v. CLS Bank International*, Judge Sleet in the District of Delaware granted a motion to dismiss and invalidated 887 patent claims under Section 101 as covering "the abstract concept of assigning prices to financial products and services without meaningfully narrowing the scope of coverage." The *Money Suite Company v. 21st Century Insurance, et. al*, No. 1:13-cv-01748, Order on Motion to Dismiss, Dkt. No. 30 at 4-5 (D. Del. Jan. 27, 2015). The court agreed with defendants that the invention disclosed in the asserted patent was nothing more than a fundamental economic or conventional business practice. Plaintiff argued that the patent was valid because a court in another jurisdiction had construed the claims in a different litigation. The court rejected this argument and noted that "the ability of another judge to construe the claim terms does not alter the court's view that the overriding concept is abstract." Id. at 5. The court also found that although the claims "recite slightly more than 'wholly generic computer implementation' language, [such as a 'front-end network gateway'], "the difference is merely one of degree and not one of kind." Id. at 9. Indeed, "[t]he use of a front-end network gateway does not place meaningful limitations on the scope of the [] patent, resulting in disproportionate monopolization." Id. at 11. Because the claims covered nothing more than the abstract concept of providing quotes for financial products, the court invalidated all 887 patent claims under 35 U.S.C. § 101.

Money Suite Company v. Metlife Inc., No. 1:13-cv-01748, Order on Motion to Dismiss, Dkt. No. 30 at 4-5 (D. Del. Jan. 27, 2015).

- *Author:* Kellie Johnson

Akin Gump Achieves Second Successful Summary Judgment Order Against Adaptix, Invalidating Claims

Akin Gump obtained a second victory on summary judgment for HTC and AT&T in a patent infringement case against Adaptix, Inc. After previously finding that the defendants did not directly infringe the asserted claims, Magistrate Judge Grewal of the Northern District of California also found that multiple of those asserted claims were invalid because the claims were indefinite.

The Adaptix patents describe a method of channel, or subcarrier, selection for use in wireless networks. The patents further describe a "cluster" as at least one subcarrier. The defendants argued on summary judgment that multiple claims with the phrase "each cluster" were invalid as indefinite because one of ordinary skill in the art cannot determine which "subcarriers" in the preceding claim limitations belong to "each cluster."

In its January 23, 2015 order, the Northern District of California court invalidated multiple claims with the phrase "each cluster." The court noted that "each cluster" could refer to multiple combinations of subcarriers, and even the plaintiff's expert could not settle on the meaning of the phrase. The court agreed with a prior order from Magistrate Judge Craven of the Eastern District of Texas that also found the term indefinite and recommended that summary judgment of invalidity be granted.

Adaptix, Inc. v. AT&T Mobility LLC, et al., C.A. 5:13-cv-01778, Doc. No. 408 (N.D. Cal., Jan. 23, 2015).

- *Author*: Michael Reeder

Supreme Court Holds that Trademark "Tacking" Is a Jury Question

Under the "tacking" doctrine, trademark users are able to modify their trademarks in certain ways and still have the new, modified mark claim a priority date based on the older mark. On January 21, the Supreme Court unanimously held that whether a trademark user can benefit from tacking is a fact question for the jury.

Petitioner Hana Financial sued Hana Bank for infringement of its Hana Financial mark. Hana Bank sought to avoid infringement by tacking together its long, historical use of a variety of company names and logos that include the word Hana. The jury returned a verdict of no infringement and the court denied petitioner's motion for judgment as a matter of law. On appeal, the 9th Circuit affirmed the lower court's decision, but recognized that there was a circuit split as to whether judges or juries should decide the tacking question.

The Supreme Court resolved this split by holding that tacking is an issue to be resolved by a jury. The test for applying the tacking doctrine is whether the original mark and the modified mark "create the same, continuing commercial impression" such that consumers would consider the two marks to be the same. The Supreme Court analogized this test to other jury issues—including ones outside of the trademark context—that rely on the views and understanding of an ordinary person. Nevertheless, the court held open the possibility that under the right factual circumstances, summary judgment and judgment as a matter of law may be appropriate.

Hana Financial, Inc. v. Hana Bank, No. 13-1211, 2015 WL 248559 (U.S. Jan. 21 2015).

- *Author*: Andy Rosbrook

Federal Circuit Affirms Summary Judgment of Non-Infringement for Particle Detector Patents

On Monday, January 26, 2015, a panel for the Court of Appeals for the Federal Circuit (CAFC) affirmed the Northern District of California's grant of summary determination of non-infringement for defendant TSI Inc. (TSI) in a dispute over a particle detector patent. The patent at issue is U.S. Patent No. 6,346,983, which is directed to methods and apparatuses for counting and measuring particles illuminated by a light beam. Claim six of the asserted patent is illustrative, reciting an apparatus that projects light on a sample of particles, detects the light that is scattered by the sample, and converts the detected scattered light into a digital voltage signal that is indicative of the particle size.

TSI distinguished the accused products by asserting that claim six requires a system that converts a light detector's output into a digital voltage signal without comparing the light detector's output to a predetermined reference voltage. While claim six of the originally issued patent did not recite any language or negative limitations regarding a reference voltage, the patent was subject to a reexamination proceeding where claim six was modified to include the limitation: "without using a reference voltage to convert each voltage value signals." That limitation is echoed by the patent's specification, which distinguishes the technique of using a reference voltage as a problematic prior art method—since it results in an insufficient signal-to-noise ratio, thereby limiting the device's sensitivity—that the patent was meant to overcome. Because the court found that TSI's accused devices utilize a reference voltage in converting the light signals into a digital voltage signal, it affirmed the district court's grant of summary judgment of non-infringement.

Notably, last year the CAFC affirmed a district court ruling that Lockheed Martin did not infringe the same patent asserted here against TSI. Also, remarkably, the CAFC's opinion here cited to *Cybor Corp. v. FAS Techs., Inc.,* 138 F.3d 1448, 1456 (Fed. Cir. 1998) (*en banc*) for the proposition that claim construction is a question of law that reviewed de novo – even though Cybor was overturned just last week by the United States Supreme Court in *Teva v. Sandoz,* No. 13-854, slip op. (U.S. Jan. 20, 2015), which holds that factual conclusions that underpin claim construction rulings are no longer reviewed *de novo* but rather for clear error (i.e., claim constructions are now to be given deference on appeal).

Yufa v. TSI, Inc., No. 2015-1063, slip op. (Fed. Cir. Jan. 26, 2015).

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