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# IP Newsflash



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## FEDERAL CIRCUIT CASES

### Federal Circuit Throws Out \$2 Million Award to Nvidia and Sony

Despite the Supreme Court's *Octane Fitness* decision making it easier to award attorneys' fees, the Federal Circuit has overturned a sanctions ruling against Biax Corp., a patent holding company that is now bankrupt. Earlier this week, the three-judge panel said that district judge Philip Brimmer of the district of Colorado had wrongly ordered Biax in 2013 to pay about \$2 million in attorneys' fees to defendants Nvidia Corp. and Sony Corp. after losing its patent case against them.

Biax initiated the lawsuit by suing Nvidia, graphics chipmaker, and Sony in 2009 for infringement of two patents. Judge Brimmer dismissed the case in 2012 but granted defendants' request to force Biax to pay their attorneys' fees. Biax subsequently filed for Chapter 11 bankruptcy protection. Judge Brimmer ruled at the time that Biax had shown bad faith in pressing forward with its case even though his claim construction left open no possibility for infringement, making the case exceptional. Last year, the Supreme Court issued two cases—*Octane Fitness v. Icon Health & Fitness* and *Highmark v. Allcare*—which relaxed the standard for finding a case exceptional. Although Judge Brimmer made his ruling under a higher bar for fee shifting, the Federal Circuit stated that Biax rightfully pursued its lawsuit due to uncertainty in Judge Brimmer's Markman order, and the sanctions could not stand even under the easier standard outlined by the Supreme Court decisions.

The Federal Circuit found that defendants did not prove the case was "objectively baseless" or that it was brought in bad faith. The court stated that "[b]ecause neither the expert testimony nor the claim construction orders foreclosed Biax's position and there was nothing unreasonable about Biax's infringement position, the basis for the district court's award of fees no longer exists." The Federal Circuit ultimately found that "even applying the deferential standard of review under Highmark, the district court's fee award must be set aside."

*Biax Corp v. Nvidia Corp.*, No. 13-1649 (Fed. Cir. Feb. 24, 2015).

- Author: [Rehan M. Safiullah](#)

## DISTRICT COURT CASES

### Claims Directed to a Network Resource Allocation Method Found Patent Eligible

A Delaware district court has issued mixed rulings on motions for summary judgment of invalidity under section 101. Plaintiff Intellectual Ventures sued Motorola in 2011, alleging infringement of six patents. The case proceeded to trial last year, but resulted in a mistrial owing to a hung jury. Earlier this year, the court allowed the parties to brief issues relating to patent ineligibility in light of recent case law. Motorola moved for judgment of invalidity under section 101 of two of IV's asserted patents. The court granted Motorola summary judgment on a patent relating to a method for distributing software updates to user computers. The court found that the claims were directed to an abstract idea and would preempt the field of computerized software updates, thereby monopolizing the idea.

The court however denied Motorola's motion with respect to IV's patent directed at content-based allocation of network bandwidth and system resources. The court agreed that such resource allocation was an abstract idea but found that the claims tied the method to a wireless network over which the base station connected to customer computers. IV's expert had opined that the invention "schedules the flow of information on the network according to the claimed method as opposed to how it would otherwise proceed." This, the court held, is "necessarily rooted in computer technology and solves a problem specifically arising in the realm of computer networks." The court reasoned the claims were directed to the "inventive concept" of using packet headers to allocate bandwidth, even though they did not recite implementation details such as how the packet headers would be used to accomplish the allocation. The court pointed to the dependent claims as providing additional specificity on packet-centric protocols and packet types to be used with the invention. The court concluded that because the claims specified "how interactions with the network are manipulated to yield a desired result," they were directed to patent-eligible subject matter under *Alice*, and the more recent federal circuit decision in *DDR Holdings*.

*Intellectual Ventures I LLC et al v. Motorola Mobility LLC*, No. 1-11-cv-00908 (DED Feb. 24, 2015) (Robinson, J.).

- Author: [Ifi Ahmed](#)

## PATENT TRIAL AND APPEAL BOARD

## Proposed Constructions of New Claim Terms Required for a Motion to Amend a Claim

On February 12, the Patent Trial and Appeal Board (PTAB) denied a patent owner's motion to amend a claim in an *inter partes* review. Because the cited prior art likely invalidated the reviewed claim, the patent owner, Interface, Inc., attempted to amend the claim and add new claim terms to circumvent the prior art. But when a patent owner proposes to amend or substitute a claim, the patent owner must also propose constructions for the new claim terms. Despite this requirement, Interface failed to provide constructions for the new claim terms in its proposed amended claim. The PTAB determined that "[w]ithout a reasonable construction of this alleged new claim feature in proposed claim 15, patent owner does not provide adequate information for us to determine whether patent owner's proposed substitute claim is patentable over the prior art generally." Ultimately, the PTAB found Interface failed to meet its burden to prove the patentability of the proposed substitute claim.

*Tandus Flooring, Inc. v. Interface, Inc.*, IPR2013-00527 (PTAB Feb. 12, 2015).

- Author: [Jamie Duncan](#)

## PTAB Finds Biopharmaceutical Claim Unpatentable Following IPR

In a February 23, 2015 final written decision following an *inter partes* review, the PTAB determined that a claim relating to enzyme-replacement therapy for patients with Pompe disease was unpatentable. The challenged claim, which was the sole claim in the Genzyme Therapeutic Products patent, recited a method for treating Pompe disease comprising the intravenous administration of human GAA enzyme on a biweekly basis. The board found that the prior art disclosed intravenous administration of GAA for patients with Pompe disease, but did not expressly disclose the "biweekly" limitation. According to the board, the "key question" in the obviousness analysis was "whether the biweekly administration of GAA to a patient with Pompe disease was nothing more than the result of routine optimization that would have been obvious to one of ordinary skill in the art." The board reasoned that the only thing that remained to be achieved over the prior art was calculating the biweekly dosing schedule for the administration of GAA. Because the execution of clinical trials to arrive at the appropriate dosage regimen would be "routine" to a person of ordinary skill in the art, the board determined that the claim was obvious, absent objective evidence of nonobviousness.

After reaching the same conclusion under a second, similar ground asserted by the petitioner, the board reviewed the patent owner's objective evidence of nonobviousness, and concluded that it failed to show that the claim was not obvious. The board observed that, for such evidence to have merit, there must be a nexus between the objective evidence and a "novel element in the claim," as opposed to something in the prior art. The only novel element of the challenged claim, according to the patent owner, was the biweekly dosing schedule. Because none of the objective evidence presented by the patent owner was tied to the dosing schedule, the board concluded that it failed to show that the challenged claim was not obvious.

*BioMarin Pharm. Inc. v. Genzyme Therapeutic Prods. LP*, Case IPR2013-00534 (PTAB Feb. 23, 2015).

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