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IP Newsflash

10.22.15

FEDERAL CIRCUIT CASES

Federal Circuit Affirms PTO Finding that Claims of Morsa Patent Application are Anticipated by Press Release Reference

On October 19, 2015, the Federal Circuit affirmed a finding of the Patent Trial and Appeal Board (PTAB) that certain claims of U.S. Patent Application No. 60/211,228 (the '228 Application) are anticipated by a publication entitled Peter Martin Associates Press Release. This case marked the second time the court reviewed the board's rejection of the '228 Application. In the first case, the court remanded the board's rejection because the board had not fully addressed whether the prior art was enabling. On remand, the board determined the prior art reference was enabling and again rejected the claims. Upon review, the Federal Circuit held the board properly determined the prior art reference was enabling because it contained sufficient information to teach a skilled artisan, at the time, how to make or carry out the claimed invention without undue experimentation.

The pertinent claims of the '228 Application are directed to a benefit information match mechanism. In comparing the claims of the '228 Application to the prior art reference, the court found that each of the four limitations map directly to the reference. The court further found the specification of the '228 Application disclosed that a skilled artisan at the time would have understood how to use central processing units and memories to process requests for benefit information, and that the system claimed in the patent could be implemented by any programmer of ordinary skill using commercially available tools. Because the reference disclosed the claim limitations and the specification indicated that one of ordinary skill would be capable of programming the invention, the court held the board correctly concluded the reference was enabling.

Chief Judge Prost wrote for a majority of the panel. Judge Newman issued a dissenting opinion in which she challenged the determinations of the majority as confusing "the laws of anticipation and obviousness and the role of enablement as applied to prior art references." In particular, Judge Newman stated that it was improper for the board to take "Official Notice" of matter not disclosed in the prior art and equally improper for the majority to fill the gaps in the Board's decision by relying on disclosures in the '228 Application.

In re: Steve Morsa, Case No. 2015-1107 (Fed. Cir. Oct. 19, 2015).

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PATENT TRIAL AND APPEAL BOARD

Defendants' Obviousness Defense Objectively Reasonable, Despite PTAB's Denial of Institution of *Inter Partes* Review

On October 15, 2015, the District Court for the Western District of Wisconsin granted Apple's judgment as a matter of law (JMOL) that it did not willfully infringe plaintiff's computer processing patent. The court found that Apple's obviousness defense was objectively reasonably, and therefore, weighed against a showing that Apple acted despite an objectively high likelihood that its actions constituted infringement of a valid patent.
Apple's obviousness defense was based on the fact that all of the individual claim elements were known in the prior art. The only question left for resolution was whether one of ordinary skill would have combined the various elements. In its opinion, the court noted that "[t]he Federal Circuit routinely finds that the objective prong of the willful infringement claim is not met where the defendant's obviousness claim rests on the combination of known elements."

Prior to the jury trial, Apple had filed an *Inter Partes* Review petition, arguing that the asserted claims were

obvious. The PTAB, however, denied institution, holding that there was not a reasonable likelihood that Apple would prevail with respect to at least one of the challenged claims. Likewise, the jury rejected Apple's obviousness defense at trial.

During JMOL briefing, Plaintiff argued that the PTAB's denial precluded Apple from arguing that its obviousness defense was objectively reasonable, because the PTAB's "reasonable likelihood" standard is lower than the "clear and convincing evidence" standard to prove invalidity in district court. The court, however, rejected this argument, noting that the "PTAB did not consider whether this defense was objectively reasonable or raised a substantial question." Although Apple's defense was ultimately unsuccessful, the court, nonetheless, found that it raised a substantial question as to the validity of the asserted patent, and therefore foreclosed plaintiff's claim of willfulness.

Wisconsin Alumni Research Found. v. Apple Inc., No. 3-14-cv-00062 (W.D. Wis. October 15, 2015)

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