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Last Month at the Federal Circuit

February 2015



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[Appealed from E.D. Cal., Judge Haddon]

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Abbreviations

AIA	America Invents Act
ALJ	Administrative Law Judge
ANDA	Abbreviated New Drug Application
APA	Administrative Procedures Act
APJ	Administrative Patent Judge
Board	Patent Trial and Appeal Board (formerly the Board of Patent Appeals and Interferences)
Commissioner	Commissioner of Patents and Trademarks
CIP	Continuation-in-Part
DJ	Declaratory Judgment
DOE	Doctrine of Equivalents
FDA	Food and Drug Administration
IDS	Information Disclosure Statement
ITC	International Trade Commission
JMOL	Judgment as a Matter of Law
MPEP	Manual of Patent Examining Procedure
NDA	New Drug Application
PCT	Patent Cooperation Treaty
PTO	United States Patent and Trademark Office
SJ	Summary Judgment
TTAB	Trademark Trial and Appeal Board

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Secret Third-Party Use Does Not Constitute a Public Use

Rachel L. Erdman

Judges: Prost, Bryson (author), Hughes

[Appealed from E.D. Cal., Judge Haddon]

In *Delano Farms Co. v. California Table Grape Commission*, No. 14-1030 (Fed. Cir. Jan. 9, 2015), the Federal Circuit affirmed the district court's finding that a secret third-party use did not constitute an invalidating public use under the public use bar of 35 U.S.C. § 102(b).

The U.S. Department of Agriculture ("USDA") owns two plant patents—U.S. Patent Nos. PP16,229 ("the '229 patent") and PP16,284 ("the '284 patent")—that claim table grape varieties. The California Table Grape Commission ("Commission") is the exclusive licensee of both plant patents, and the Commission sublicenses the patents to grape growers in California. Plaintiffs, a group of California grape growers, sued the USDA and the Commission, challenging the validity and enforceability of the patents, and arguing that the two grape varieties were in public use more than one year before the applications for the patents were filed, and that the plant patents are thus invalid under the public use bar of 35 U.S.C. § 102(b). Following a bench trial, the district court held that the actions of two individuals who obtained the two plant varieties from an unauthorized source and cultivated them in their own fields did not constitute an invalidating public use. Plaintiffs appealed.

"The question in a case such as this one is thus whether the actions taken by the inventor (or, as in this case, a third party) create a reasonable belief as to the invention's public availability." Slip op. at 7.

On appeal, the Federal Circuit affirmed the district court's finding that a secret third-party use did not constitute an invaliding public use. The Court considered "whether the actions taken by the inventor (or, as in this case, a third party) create a reasonable belief as to the invention's public availability." Slip op. at 7. The Court identified three factors to guide its analysis: "the nature of the activity that occurred in public; the public access to and knowledge of the public use; [and] whether there was any confidentiality obligation imposed on persons who observed the use." *Id.* at 7-8 (alteration in original) (quoting *Bernhardt, L.L.C. v. Collezione Europa USA, Inc.*, 386 F.3d 1371, 1379 (Fed. Cir. 2004)). The analysis, the Court stated, "is similar when the allegedly public use is performed by an unaffiliated third party rather than the inventor." *Id.* at 8.

Turning to the facts of the case, the Court relied on the district court's factual findings to conclude that no public use of the unreleased varieties occurred. First, the Court rejected Plaintiffs' argument that the individuals' provision and subsequent cultivation of the unreleased plant varieties were "without limitation or restriction, or injunction of secrecy." *Id.* at 9. The Court held that Plaintiffs' arguments were "squarely

contrary to the district court's findings of fact." *Id.* The Court found that the district court's findings "clearly establish[ed] . . . that both [individuals] knew that they were not authorized to have the plants and that they needed to conceal their possession of the plants." *Id.* at 10. Further, the Court found that an explicit confidentiality agreement was not required to show non-public use. Instead, the Court stated that it evaluated "whether there were 'circumstances creating a similar expectation of secrecy.'" *Id.* (quoting *Invitrogen Corp. v. Biocrest Mfg., L.P.*, 424 F.3d 1374, 1382 (Fed. Cir. 2005)).

The Court also found the facts of the case to be "wholly different" from the Supreme Court's decision in *Egbert v. Lippmann*, 104 U.S. 333 (1881), "where the inventor himself gave the invention to a third party with no understanding or expectation that the third party would maintain secrecy." Slip op. at 10-11. The Court stated that, unlike in *Egbert*, each individual in the case "sought to maintain control of the plants he obtained," keeping his possession "confidential and non-public." *Id.*

The Court next addressed whether the individuals' disclosure of the existence of the unreleased plant varieties to another third party demonstrated a lack of confidentiality sufficient to constitute a public use. In doing so, the Court considered the circumstances under which the disclosure occurred and found that the nature of the disclosure "weigh[ed] against the application of the public use bar." *Id.* at 11. The Court pointed to similar cases, finding no public use where disclosure was to "friends and colleagues" with "a general understanding of confidentiality." *Id.* (quoting *Am. Seating Co. v. USSC Grp., Inc.*, 514 F.3d 1262, 1267-68 (Fed. Cir. 2008)). Similarly, the Court highlighted that public use did not apply where "access was tightly controlled," "there was an industry-wide understanding [of confidentiality]," "a breach of confidence could have serious consequences for an attendee," and "there was no effective means for the attendees to divulge the designs they viewed." *Id.* at 11 (alteration in original) (quoting *Bernhardt*, 386 F.3d at 1380-81). The Court relied on the district court's finding that the disclosure of the plant varieties' existence to a friend and business partner did not qualify as a public use where there existed incentives to keep the disclosures secret, which created an environment of confidentiality, and each maintained tight control over who knew about the unreleased plant varieties and their use.

Finally, the Court rejected appellant's argument that "the lack of secrecy with which the [individuals] cultivated the unreleased varieties mandates a finding of public use." *Id.* at 12. The Court relied on the district court's finding that "grape varieties cannot be reliably identified simply by viewing the growing vines alone." *Id.* The Court also relied on the fact that the varieties were unlabeled, and no member of the public other than the individuals involved recognized the unreleased varieties. The Court recited its reasoning from *Dey, L.P. v. Sunovion Pharmaceuticals, Inc.*, 715 F.3d 1351, 1359 (Fed. Cir. 2013), in which it found that "a reasonable jury could conclude that if members of the public are not informed of, and cannot readily discern, the claimed features of the invention in the allegedly invalidating prior art, the public has not been put in possession of those features." Slip op. at 12.

Having affirmed the district court's determination that no public use occurred, the Court declined to address "whether use of invention by one who has misappropriated that invention (or obtained it through other improper means) can ever qualify as an invalidating public use." *Id.* at 13.

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Finding of Willfulness Upheld Because Joint Inventorship Defense Was Not Objectively Reasonable

*Kumiko Kitaoka**

Judges: Prost (author), Newman (dissenting), Hughes (concurring)
[Appealed from D. Ariz., Judge Murguia]

In *Bard Peripheral Vascular, Inc. v. W.L. Gore & Associates, Inc.*, No. 14-1114 (Fed. Cir. Jan. 13, 2015), the Federal Circuit affirmed the district court's decision that the plaintiffs—Bard Peripheral Vascular, Inc. ("BPV") and Dr. David Goldfarb—had standing to sue, and upheld the district court's finding that W.L. Gore & Associates, Inc. ("Gore") willfully infringed U.S. Patent No. 6,436,135 ("the '135 patent").

The '135 patent discloses prosthetic vascular grafts that are made of highly expanded polytetrafluoroethylene ("ePTFE"). The ePTFE material was made of solid nodes of PTFE connected by thin PTFE fibrils. The distance between the nodes is referred to as the fibril length, and this distance is described as important to the suitability of the ePTFE material for use as a vascular graft. In 1980, Goldfarb entered into a license agreement with C.R. Bard, Inc. ("Bard Inc.") concerning the '135 patent application and any patents that subsequently issued. In 1996, Bard Inc. acquired IMPRA, which subsequently became a wholly owned subsidiary, BPV. Bard Inc. transferred its interest in the license agreement to BPV in September 1996.

In 2003, BPV and Goldfarb filed suit against Gore for infringement of the '135 patent. A jury found the '135 patent valid and that Gore willfully infringed. In 2010, the district court denied Gore's motions for JMOL, and this decision was upheld by the Federal Circuit in *Bard Peripheral Vascular, Inc. v. W.L. Gore & Assocs., Inc.*, 670 F.3d 1171, 1193 (Fed. Cir. 2012) ("*Bard I*"). The Federal Circuit, sitting en banc, denied review but granted rehearing for the sole purpose of allowing the panel to revise the portion of its opinion addressing willfulness. The panel subsequently vacated the parts of its opinion discussing willfulness and allowing enhanced damages and attorneys' fees. *Bard Peripheral Vascular, Inc. v. W.L. Gore & Assocs., Inc.*, 682 F.3d 1003, 1005 (Fed. Cir. 2012) ("*Bard II*"). The panel also held that the objective determination of recklessness—as it pertains to the threshold determination of willfulness—is best decided by the district court as a question of law that is subject to de novo review on appeal. On remand, the district court found that Gore could not have "realistically expected" its defenses to succeed" and denied Gore's JMOL on willful infringement. Slip op. at 4 (quoting *Bard Peripheral Vascular, Inc. v. W.L. Gore & Assocs., Inc.*, No. 03-0597, 2013 WL 5670909, at *12 (D. Ariz. Oct. 17, 2013)). Gore appealed.

On appeal, the Federal Circuit first considered whether Goldfarb and BPV had standing to sue. The Court rejected Gore's arguments that Goldfarb lacked standing because he had virtually assigned his rights to Bard Inc. and that BPV lacked standing because Bard Inc. had not properly transferred its rights. The Court found that Gore previously raised this standing argument before the district court—prior to its appeal in *Bard I*—and that Gore had not claimed there was any material difference between its present argument and the argument it raised before the district court. Stating it had no reason to assume that the *Bard I* panel did not weigh standing, the Court concluded it was bound by the prior panel's

determination that the plaintiffs had standing and the district court had jurisdiction. While the Court acknowledged that there are exceptional circumstances in which a panel may not adhere to a previous panel's decision in a prior appeal, it indicated that no such circumstances were present in this case. Reviewing the district court's findings de novo, the Court explained that "Gore's argument hinges on the absence of a written instrument transferring to BPV what it contends was the virtual assignment from Goldfarb to Bard Inc." *Id.* at 7. The Court concluded that, in 1997, there was a memorialized transfer of the exclusive license from Goldfarb and Bard Inc. to BPV's predecessor and thus agreed with the district court that the 1997 agreement settled BPV's right to sue at the time of the complaint.

Next, the Court turned to whether the district court properly denied Gore's JMOL reversing willful infringement. The Court focused its de novo review of the district court's findings on the issue of inventorship. The Court explained that Gore's argument was based on the fact that its employee, Peter Cooper, supplied the ePTFE tubing that Goldfarb used for his successful vascular graft. The Court noted the heavy burden of showing misjoinder or nonjoinder of inventors and that it must be proved by clear and convincing evidence. The Court further explained that "the two questions for objectively assessing Gore's defense are (1) what constitutes the 'definite and permanent idea' of the invention at issue and (2) whether Cooper and Goldfarb acted in concert to jointly arrive at that idea." *Id.* at 13.

At the outset, the Court stated that the specified dimensions of fibril length are essential for successful grafts and are the key limitation of the '135 patent. In prior appeals, *Cooper v. Goldfarb*, 240 F.3d 1378 (Fed. Cir. 2001) ("*Cooper II*"); *Cooper v. Goldfarb*, 154 F.3d 1321 (Fed. Cir. 1998) ("*Cooper I*"), the Court had found that Cooper had conceived of the invention first, before Goldfarb reduced the invention to practice. But the Court found that Cooper had not conceived the fibril length limitation before providing the lot of ePTFE to Goldfarb. The Court agreed with the district court that Cooper had minimal contact with Goldfarb—the first inventor who reduced the invention to practice—on the subject of the fibril length limitation. Thus, based on the records in *Cooper I* and *II*, the Court held that "Cooper and Goldfarb did not collaborate, communicate, nor in any way jointly arrive at the recognition that fibril length was significant for graft success." Slip op. at 15. The Court concluded, "Goldfarb arrived at conception on his own, and, thus, his reduction to practice did not inure to Cooper." *Id.*

Explaining that prior proceedings shaped what defenses Gore could raise, the Court stated that Gore was left with an exceptionally circumscribed scope of reasonable defense. The Court opined that "to have stood a reasonable chance of prevailing on this issue, Gore needed to raise new evidence or theories that were not considered in *Cooper I* and *II*." *Id.* The Court agreed with the prior panel that "Gore's argument remains unchanged and there is still no evidence that Cooper either recognized or appreciated the critical nature of the internodal distance and communicated that key requirement to Goldfarb before Goldfarb reduced the invention to practice." *Id.* at 15-16 (quoting *Bard I*, 670 F.3d at 1182). Thus, the Court agreed with the district court that Gore's position was not susceptible to a reasonable conclusion that the '135 patent was invalid on inventorship grounds.

Accordingly, the Court affirmed the district court's determination of standing and its finding of willful infringement of the '135 patent.

In his concurring opinion, Judge Hughes wrote to question the appropriateness of the de novo standard. While he agreed that when the present evidence was reviewed de novo, Gore's defenses were not objectively reasonable, he stated that a more deferential standard would be consistent with the standards for reviewing mixed questions of law and fact, as suggested in the recent Supreme Court decisions in *Highmark Inc. v. Allcare Health Management Systems, Inc.*, 134 S. Ct. 1744 (2014), and *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014).

Judge Newman dissented and explained that "the question as it relates to willfulness is whether the defense of invalidity could reasonably be raised, not whether it eventually succeeded." Newman Dissent at 12. The flaws in the '135 patent and the manner in which it was obtained, according to Judge Newman, "provided sufficiently reasonable defenses to both validity and enforceability." *Id.* Further, Judge Newman found the doubling of the damages award untenable.

**Kumiko Kitaoka is a Law Clerk at Finnegan.*

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Federal Courts Do Not Have Jurisdiction over State Law Malpractice Claims When Issues of Patent Law Involved Are Not “Substantial”

Kelly S. Horn

Judges: Wallach (author), Chen, Hughes
[Appealed from S.D. Cal., Judge Houston]

In *NeuroRepair, Inc. v. Nath Law Group*, No. 13-1073 (Fed. Cir. Jan. 15, 2015), the Federal Circuit vacated the district court’s judgments regarding state law malpractice claims, finding that the district court lacked subject matter jurisdiction over the state law claims, and remanded to the district court with instructions to remand the case to California state court.

NeuroRepair, Inc. (“NeuroRepair”) initially retained Robert P. Cogan of The Nath Law Group (collectively “Nath”) to assist in prosecuting several patent applications. Over time, NeuroRepair became increasingly dissatisfied with what it considered to be slow progress and excessive legal fees. NeuroRepair subsequently requested that Mr. Cogan transfer the case files to another firm. NeuroRepair then filed suit against Nath, alleging various legal malpractice claims. Nath removed the case to federal district court on the ground that it was a “civil action relating to patents.” Slip op. at 3 (citation omitted). The district court entered judgment in Nath’s favor. NeuroRepair appealed, challenging the district court’s subject matter jurisdiction.

“[T]he resolution by federal courts of attorney malpractice claims that do not raise substantial issues of federal law would usurp the important role of state courts in regulating the practice of law within their boundaries.” Slip op. at 13.

On appeal, the Federal Circuit applied the four-part test set forth by the Supreme Court in *Gunn v. Minton*, 133 S. Ct. 1059 (2013), to determine whether NeuroRepair’s state law causes of action arose under federal patent law to confer jurisdiction on the district court. The Court held that they did not.

First, the Court considered whether NeuroRepair’s claims “necessarily raised” issues of federal patent law. Slip op. at 6. The Court observed that each of NeuroRepair’s causes of actions was “created by state, not federal, law” and stated that a patent law issue will necessarily be raised only if it is a necessary element of one of the well-pleaded claims in the complaint. *Id.* at 7. The Court then explained that NeuroRepair’s complaint “sets forth multiple bases in support of its allegation of professional negligence,” and, therefore, a court could grant relief without ever reaching a patent law issue. *Id.* Examining NeuroRepair’s remaining claims, the Court similarly determined that NeuroRepair could prevail “under alternate bases that do not necessarily implicate an issue of substantive patent law.” *Id.* at 8.

Second, the Court considered whether a patent law issue was “actually disputed,” as required by the second prong of the test. *Id.* The Court determined that the parties disputed “[w]hether the patent could have issued earlier and with broader claims.” *Id.*

Third, the Court determined that the patent issues involved were not “substantial” to the federal system to confer jurisdiction. *Id.* In reaching this conclusion, the Court considered three nonexclusive factors. Under the first factor, the Court determined that there was no pure issue of federal law that was dispositive in the case. Rejecting Nath’s arguments, the Court explained that the resolution of NeuroRepair’s claims likely turned on “the particular facts and circumstances of the prior art, timely responses to office actions, etc., rather than on the interpretation of federal law.” *Id.* at 9. The Court further explained that the federal law question was, “at most, . . . only one of several elements needed to prevail” on NeuroRepair’s claims. *Id.* at 10. Examining the second factor, the Court rejected Nath’s arguments that state court resolution of NeuroRepair’s claims would affect numerous other cases. The Court explained that the state court action would likely focus on whether the invention was patentable as initially claimed and “would neither affect the scope of any live patent nor require resolution of a novel issue of patent law.” *Id.* at 11. The Court concluded that it was “unclear how [the state court action] could control numerous other cases or impact the federal system as a whole.” *Id.* The Court then considered whether the government had a direct interest in the availability of a federal forum and held that it did not because the dispute was “between private parties and relates to alleged legal malpractice and other state law claims.” *Id.* at 12-13.

Fourth, the Federal Circuit determined that hearing NeuroRepair’s claims in federal court would “disrupt[] the federal-state balance approved by Congress” because “the resolution by federal courts of attorney malpractice claims that do not raise substantial issues of federal law would usurp the important role of state courts in regulating the practice of law within their boundaries.” *Id.* at 13.

Finally, the Court rejected Nath’s attempt to distinguish *Gunn* based on a distinction between alleged malpractice in the patent litigation context as opposed to the patent prosecution context, explaining that “*Gunn* made no such distinction.” *Id.* at 14.

Accordingly, the Court held that the district court did not have jurisdiction to hear NeuroRepair’s claims and vacated and remanded to the district court with instructions to remand to California state court.

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Federal Circuit Reverses TTAB's Refusal to Register Mark as Primarily Geographically Descriptive

Ellie Atkins

Judges: Prost, Linn (author), Hughes
[Appealed from TTAB]

In *In re Newbridge Cutlery Co.*, No. 13-1535 (Fed. Cir. Jan. 15, 2015), the Federal Circuit reversed the TTAB's decision to affirm the trademark examiner's refusal to register the NEWBRIDGE HOME mark as being primarily geographically descriptive.

The Newbridge Cutlery Company (the "applicant") is an Irish company headquartered in Newbridge, Ireland, that designs, manufactures, and sells housewares, kitchenware, and silverware under the NEWBRIDGE HOME mark. Applicant manufactures some, but not all, of its goods in Newbridge, Ireland, and its products are available for sale in the United States online and through certain retail outlets. Applicant relied on its International Registration to seek a trademark registration in the United States for NEWBRIDGE HOME covering silverware, jewelry, desk items, and kitchenware.

The trademark examiner refused registration, relying on 15 U.S.C. § 1052(e)(2) in finding the mark primarily geographically descriptive when applied to applicant's goods. The TTAB affirmed, concluding that Newbridge, Ireland, is a generally known geographic place and the relevant American public would associate applicant's goods with Newbridge, Ireland.

Subsections (e)(2) and (e)(3) of 15 U.S.C. § 1052 provide that "[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . . (e) [c]onsists of a mark which . . . (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them . . . [or] (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them." The Federal Circuit explained that "to refuse registration under either subsection the Trademark Examiner must show that: (1) 'the mark sought to be registered is the name of a place known generally to the public,' . . . and (2) 'the public would make a goods/place association, i.e., believe that the goods for which the mark is sought to be registered originate in that place.'" Slip op. at 9-10 (quoting *In re Societe Generale Des Eaux Minerales De Vittel S.A.*, 824 F.2d 957, 959 (Fed. Cir. 1987)). The Court further noted that "[t]o refuse registration of a mark as being primarily geographically descriptive, the PTO must also show that (3) 'the source of the goods is the geographic region named in the mark.'" *Id.* at 10 (quoting *In re Jacques Bernier, Inc.*, 894 F.2d 389, 391 (Fed. Cir. 1990)). Moreover, the Court observed that the PTO has held that a goods/place association can be presumed where "(1) a location is generally known; (2) the term's geographic significance is its primary significance; and (3) the goods do, in fact, originate from the named location." *Id.* at 11.

"Under the statute, it is clear that refusal to register extends under both

subsections (e)(2) and (e)(3) only to those marks for which the geographical meaning is perceived by the relevant public as the *primary* meaning and that the geographical significance of the mark is to be assessed as it is used *on or in connection with the goods.*” Slip op. at 8.

The Federal Circuit’s analysis focused primarily on whether Newbridge, Ireland, is a place known generally to the public. The TTAB concluded that Newbridge, Ireland, is a place known generally to the public because it is “(1) the second largest town in County Kildare and the seventeenth largest in the Republic of Ireland; (2) it is listed in the *Columbia Gazetteer of the World*; and (3) it appears on a number of websites” *Id.* at 12. Further, the PTO implied at oral argument that a location is generally known if the existence of the location can be reasonably found on the Internet.

The Federal Circuit disagreed, holding that the evidence as a whole suggested that Newbridge, Ireland, is not generally known; thus, to the relevant public, the mark NEWBRIDGE is not primarily geographically descriptive of the goods. The Court explained that there was no evidence to show the extent to which the relevant American consumer would be familiar with the locations listed in the gazetteer. Moreover, the Court found that the fact that Newbridge, Ireland, is mentioned on some Internet websites does not show that it is a generally known location, as the Internet contains enormous amounts of information. On this point, the Court stated: “[I]t is simply untenable that any information available on the internet should be considered known to the relevant public.” *Id.* at 14. The Court further noted that its finding that Newbridge, Ireland, is not generally known is supported by the fact that certain maps and atlases do not include it, and that “Newbridge” has other geographical and nongeographical meanings. Accordingly, the Court reversed and remanded the TTAB’s refusal to register the mark.

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Use of a Second Reference to Establish Inherency of the First Reference Must Make Clear That the Missing Characteristic Is “Necessarily Present” in the First Reference

Corinne Miller LaGosh

Judges: Lourie, Moore (author), Chen
[Appealed from Board]

In *In re Ives*, No. 14-1206 (Fed. Cir. Jan. 29, 2015), the Federal Circuit reversed the Board’s construction of the term “wireless” and its rejection of claims 1-5, as well as the Board’s rejections of claims 34-47, and remanded for further proceedings.

The patent application at issue, U.S. Patent Application No. 09/874,423 (“the ‘423 application”), is directed to a device for communicating digital camera image and video information over a network. The examiner rejected claim 1 and dependent claims 2-5 on the basis of obviousness over the combination of U.S. Patent Nos. 6,762,791 (“Schuetzle”); 6,223,190; and 7,173,651 (“Knowles”). The examiner also rejected claim 34 as anticipated by Knowles and claim 43 as obvious over Knowles in view of U.S. Patent No. 7,372,485. The Board affirmed the examiner’s rejections of all pending claims on the bases of either anticipation or obviousness. On appeal, the applicant only challenged the rejections of certain independent claims and the dependent claims that relied upon them.

“In particular, this press release indicates that the digital camera is capable of capturing digital still images and video clips and sending them as attachments to email messages. A second reference may be used to show that a feature is inherent in a first reference if the first reference is silent with regard to the inherent feature. See *Continental Can Co. USA, Inc. v. Monsanto Co.*, 948 F.2d 1264, 1268-69 (Fed. Cir. 1991). However, the evidence must make clear that the missing characteristic is ‘necessarily present’ in the first reference. *Id.*” Slip op. at 8 (citation omitted).

Turning first to the rejection of claims 1-5, the Federal Circuit held that the Board erred in concluding that Schuetzle’s removable memory card disclosed the ‘423 application’s claimed second wireless communication module. The Court explained that determining whether Schuetzle’s removable memory card was a wireless communication module turned on the construction of the term “wireless.” The Court found that the Board’s construction of the term “wireless” was inconsistent with the broadest reasonable interpretation in view of the ‘423 application’s specification because it included communications along metal contacts of the removable memory card and the computer system. The Court found that the construction of “wireless” was “straightforward” because the ‘423 application “expressly and unambiguously defines wireless: ‘[w]ireless refers to a communications, monitoring, or control system[]

in which electromagnetic or acoustic waves carry a signal through atmospheric space rather than along a wire.” Slip op. at 4 (alterations in original) (citation omitted). Because the ’423 application consistently referred to methods and devices that carry waves through atmospheric space, and the metal contacts of a removable memory card do not carry a signal through atmospheric space, the Court found that Schuetzle’s removable memory card was not a wireless communication module under the broadest reasonable interpretation of the ’423 application’s specification. The Court also discussed the PTO’s additional theory for why Schuetzle’s removable memory card disclosed the second wireless communications module, which the PTO advanced for the first time on appeal. The Court, however, would not consider the PTO’s argument because it was not previously articulated by the examiner or the Board. Thus, the Court reversed the PTO’s rejections of claims 1-5 of the ’423 application.

The Court next addressed claims 34-47 and found no error in the Board’s construction of the streaming video limitation but found that there was not substantial evidence supporting the Board’s determination that Knowles disclosed streaming video. The Court found that Knowles disclosed a system that sends a series of individual still images, which the Court stated did not meet the definition of “streaming” or “video.” Specifically, the Court stated that the ’423 application distinguished image transmission from video transmission and that “[t]hese distinctions in the specification and prior art support the common-sense conclusion that image transmission is not the same as video transmission.” *Id.* at 7. The Court further found that substantial evidence did not support the PTO’s finding that Knowles’s reference to the Sony Vaio C1 Picturebook disclosed the streaming video limitation. Particularly, the Court noted that the examiner did not rely on Knowles but instead relied on a second reference, a press release announcing the new Vaio notebook computer, which showed the characteristics of the Sony Vaio C1 Picturebook. The Court explained that “[a] second reference may be used to show that a feature is inherent in a first reference if the first reference is silent with regard to the inherent feature. However, the evidence must make clear that the missing characteristic is ‘necessarily present’ in the first reference.” *Id.* at 8 (quoting *Cont’l Can Co. USA, Inc. v. Monsanto Co.*, 948 F.2d 1264, 1268-69 (Fed. Cir. 1991)). The Court found, however, that the press release did not disclose that the Sony Vaio C1 Picturebook was capable of either “streaming video” or “continuous video transmission.” Slip op. at 8. Ultimately, the Court determined that the record did not reflect the examiner’s or the Board’s explanation as to how implementation of Knowles’s disclosed image transmission method on a Sony Vaio C1 Picturebook disclosed either “streaming video” or “continuous video transmission.” *Id.* at 8-9. Thus, the Court held that the Board erred in its finding that Knowles disclosed the streaming video limitation.

Accordingly, the Court reversed the rejections of claims 1-5 and 34-47, and remanded.

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Looking Ahead

On February 4, 2015, in *In re Cuozzo Speed Technologies, LLC*, No. 14-1301 (Fed. Cir. Feb. 4, 2015), the Federal Circuit upheld the final written decision of the Board in the first appeal of an inter partes review (“IPR”). In its opinion, the Court held that it lacked jurisdiction to review the Board’s decision to institute the IPR even after the Board’s final decision. The Court also held that claims in IPR proceedings should be construed under the broadest reasonable interpretation standard, the Board’s factual determinations on claim construction should be reviewed for substantial evidence, and the ultimate claim construction should be reviewed de novo under the Supreme Court’s recent decision in *Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831 (2015). The Court ultimately upheld the Board’s determination that the challenged claims directed to an interface for displaying speed limits and vehicle speeds were obvious. Stay tuned to read the full summary in the next edition of *Last Month at the Federal Circuit*.

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Spotlight Info

In *In re Newbridge Cutlery Co.*, No. 13-1535 (Fed. Cir. Jan. 15, 2015), the Federal Circuit reversed the TTAB's refusal to register the mark NEWBRIDGE HOME as being primarily geographically descriptive. The Court explained that to refuse registration of a mark for being primarily geographically descriptive, a trademark examiner must show that (1) "the mark sought to be registered is the name of a place known generally to the public"; (2) "the public would make a goods/place association, i.e., believe that the goods for which the mark is sought to be registered originate in that place"; and (3) "the source of the goods is the geographic region named in the mark." Slip op. at 9-10 (quoting *In re Societe Generale Des Eaux Minerales De Vittel S.A.*, 824 F.2d 957, 959 (Fed. Cir. 1987); *In re Jacques Bernier, Inc.*, 894 F.2d 389, 391 (Fed. Cir. 1990)). The Court found that the evidence as a whole suggested that Newbridge, Ireland—home of the headquarters of the applicant for the mark—is not generally known. Thus, to the relevant public, the mark is not primarily geographically descriptive of the goods. See this month's edition of *Last Month at the Federal Circuit* for a full summary of this decision.

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