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The Biggest Patent Rulings Of 2021

By **Ryan Davis**

Law360 (December 13, 2021, 6:51 PM EST) -- The U.S. Supreme Court preserved America Invents Act reviews by creating a new review process, and narrowed application of a rule that could allow more inventors to challenge their own patents. Here's a look back at the biggest patent cases of the year.

U.S. v. Arthrex

The U.S. Supreme Court in June rejected the latest constitutional challenge seeking to dismantle the Patent Trial and Appeal Board, opting instead to give the board more oversight by the patent office director. The most high-profile patent case of the year is therefore expected to have minimal practical impact, attorneys say.

The justices held that PTAB judges are unconstitutionally appointed, but that giving the director of the U.S. Patent and Trademark Office the power to review the board's decisions solves the problem. All but one of the requests for review have so far been denied, so this new wrinkle in America Invents Act cases may just maintain the status quo.

"Everybody had been concerned about whether the Supreme Court would find that the administrative judges were unconstitutional, since that would completely destroy the whole system, which didn't happen," said Lauren Katzenellenbogen of Knobbe Martens.

She added that while "it ended up not being much of a change at all, in my opinion," the decision was still "probably the most significant" of the year, given what was at stake. The high court previously ruled against a constitutional challenge to the PTAB in 2018.

It remains to be seen whether litigants and attorneys will continue taking up the opportunity afforded by the high court to ask the director to review the board's inter partes review findings, since the odds of success appear remote.

"I think that people will stop filing them," said Glenn Forbis of Harness Dickey & Pierce PLC. "If I were a patent owner that just lost an IPR, I wouldn't want to go that route: It delays everything. I'd rather just get on to a Federal Circuit appeal."

There's no way of knowing how long the director will take to consider review requests, particularly if the office becomes inundated with them. Forbis noted that it often takes many months for the PTAB itself to rule on rehearing requests, so many litigants may feel that skipping director review and filing an appeal

is a better choice, unless the board clearly violated a rule.

The cost of filing a review request is minimal, so it may still be worth a shot, although a sense of "why bother?" is settling in among litigants, said Jason Fowler of Covington & Burling LLP.

Yet he pointed out that all the denials of review so far have been by the USPTO's interim director Drew Hirshfeld. So the patent world will thus keep an eye on how the **new director nominee**, Kathi Vidal of Winston & Strawn LLP, handles review requests if she's confirmed by the Senate.

"We'll find out the new director's proclivities before long, and people will develop a view as to whether she's more or less pro-patent than what we've seen in the last few years," Fowler said. On the whole, however, "I do feel like Arthrex has been largely a nothingburger," he added.

The case is U.S. v. Arthrex, case number 19-1434, in the U.S. Supreme Court.

Minerva v. Hologic

In the year's other Supreme Court patent decision, the justices in June rejected calls to eliminate a rule barring inventors from challenging their own patents, but restricted when it can be applied, which may allow for more patent attacks.

The case involved the doctrine of assignor estoppel, which prevents those who assign patents to others from later arguing that they are invalid. The high court said the concept is rooted in fairness, but has been applied too expansively, and imposed new limits that "give assignors more latitude to challenge a patent," Katzenellenbogen said.

"That was certainly a very significant case," said Brian Landry of Saul Ewing Arnstein & Lehr LLP. "Although it maintained assignor estoppel within patent law, it seems to have introduced a number of exceptions that very well may reduce its potency as a weapon in patent litigation."

The rule will likely still prevent inventors who sell a company they've created from later arguing patents they sold for valuable consideration are worthless. But the decision should allow inventors who are required to assign all their patents to their employer to later make invalidity challenges, Forbis said.

That may still be a difficult case to make to a jury, "but it's an available defense," he said. "So I think that has a material effect on how people behave going forward."

The case is Minerva Surgical Inc. v. Hologic Inc., case number 20-440, in the Supreme Court of the United States.

Juno v. Kite

The Federal Circuit put a spotlight on antibody patents with this August ruling that wiped out a $1.1 billion judgment won by Bristol Myers Squibb's unit Juno Therapeutics against Gilead's Kite. The finding that the patent on the immunotherapy cancer drug Yescarta lacked an adequate written description may spur more challenges to antibody patents.

"As a litigator in this field, I now look at life and say, antibody claims will certainly be attacked more frequently in litigation," said Michael Abernathy of Morgan Lewis & Bockius LLP.

The appeals court held that the written description did not sufficiently demonstrate the full scope of the invention claimed, so future patent applicants may need to load up patent specifications with more experimental examples, Abernathy said.

Juno asked the full court to review the ruling in October, saying it set a standard that is "essentially impossible to meet" and will "devastate" the drug industry, a position backed by several major hospitals.

"I think that's an exaggeration, but it's emblematic of how people in the industry are thinking about this," Fowler said.

In another antibody patent case raising similar concerns for the drug industry, the Federal Circuit ruled in February that Amgen patents covering its cholesterol medication Repatha don't enable someone to make the invention. Amgen appealed to the Supreme Court in November.

The case is Juno Therapeutics Inc. et al. v. Kite Pharma Inc., case number 20-1758, in the U.S. Court of Appeals for the Federal Circuit.

Patent Eligibility

As it has been every year for the past decade, patent eligibility was a hot topic in 2021, with decisions that both put more inventions potentially at risk of invalidation and possibly provided ways to push back against eligibility challenges.

In Yu v. Apple in June, the Federal Circuit held that a digital camera patent is invalid for claiming only abstract ideas about enhancing photos. That finding sparked concern that eligibility challenges under Section 101 of the Patent Act may spread even further beyond software patents to other physical objects, which the inventors highlighted in their November Supreme Court cert petition.

"What makes everyone nervous is what looks like a trend towards expansion of the 101 law to more things that are tangible and you can put your hands on," Forbis said. He added that "I think it's getting out of control," because eligibility cases are always difficult to predict, and "it's getting even more unpredictable given these types of decisions."

An October eligibility ruling known as CosmoKey v. Duo Security provided a small measure of hope for patent owners. The Federal Circuit held that an authentication patent was patent-eligible because it claimed an inventive concept, without considering whether it covered an abstract idea.

"There's been a lot of cases recently finding claims like that invalid, so it was interesting to have one finding that it was valid under Section 101," Katzenellenbogen said. The ruling showed that when a software patent is specific enough, "there is a possibility of it being eligible, so that was encouraging," she added.

The cases are Yu v. Apple Inc., case number 20-1760, and CosmoKey Solutions GmbH & Co. v. Duo Security LLC, case number 20-2043, both in the U.S. Court of Appeals for the Federal Circuit.

Other Cases Of Note

In re: Surgisil

In this October ruling, the Federal Circuit reversed a PTAB ruling that a Surgisil design patent on a lip injection alternative device was anticipated by an art tool, ruling that the two devices are from completely different industries. The USPTO has long said it doesn't matter if a prior art reference was from a different field, so "this is going to make it easier to obtain design patents for sure," Fowler said.

The case is In re: SurgiSil LLP, case number 20-1940, in the U.S. Court of Appeals for the Federal Circuit.

SRI v. Cisco

In a September ruling that revived a $57 million judgment against Cisco, the Federal Circuit explained that the standard for securing enhanced damages in a patent case is higher than for a finding of willful infringement, which is often a factor in such awards. Cisco is seeking en banc rehearing.

The case is SRI International Inc. v. Cisco Systems Inc., case number 20-1685, in the U.S. Court of Appeals for the Federal Circuit.

Hyatt v. Hirshfeld

The Federal Circuit **in June** breathed new life into the doctrine of prosecution laches, which renders patents unenforceable when the inventor delays the application process. The potential power of the rule became clear weeks later when a Texas judge used it to **wipe out** a $308 million infringement verdict against Apple.

The cases are Hyatt v. Hirshfeld, case number 18-2390, in the U.S. Court of Appeals for the Federal Circuit, and Personalized Media Communications LLC v. Apple Inc., case number 2:15-cv-01366, in the U.S. District Court for the Eastern District of Texas.

--Editing by Alyssa Miller and Ellen Johnson.
