Bloomberg Law

Two Patent Issues Teed Up for Federal Circuit Rulings in 2022

Perry Cooper
January 3, 2022
[Link]

- Court could clarify written description, IPR estoppel
- New judge ready to go on sticky patent issues if confirmed

The Federal Circuit is poised to provide guidance in the coming year on two patent law issues that have befuddled district courts: written description and the scope of inter partes review estoppel.

More companies accused of infringement are challenging patents for lack of written description, the requirement that a patent provide a precise definition of what is claimed to establish that the inventor possesses the invention.

Accused infringers are also running up against what patent defenses they can raise in district court infringement litigation if they challenged the patent at the Patent Trial and Appeal Board. IPR estoppel blocks challengers from raising in district court any ground that was raised, or reasonably could have been raised, at the board.

Both issues have been percolating through the district courts and causing confusion, attorneys say. That sets them up well for the U.S. Court of Appeals for the Federal Circuit, the nation's top patent court, to step in and provide some clarity for trial courts and litigants.

The appeal court could be well-positioned to rule on the issues if Judge Leonard Stark, currently sitting on a busy patent jurisdiction in Delaware, is confirmed to join the bench.

Stark "has dealt with both routinely over the years and brings a very thoughtful, intelligent, practical point of view and analysis to those kinds of decisions," Christina Ondrick, a McKool Smith principal in Washington, said.

Written Description

Written description challenges come up most frequently in pharmaceutical cases. For example, the Federal Circuit recently found Biogen Inc.'s patent on the multiple sclerosis drug Tecfidera was invalid for lack of written description because the patent didn't show the company possessed the claimed therapeutically effective dose to treat MS when it filed its application.

Written description and other defenses under Section 112 of the Patent Act were afterthoughts a decade ago, Schiff Hardin LLP partner Imron T. Aly in Chicago said. But they are "starting to get traction" as courts cite them more often, he said.

Even if more cases come before the Federal Circuit, Aly isn't confident the court's rulings will provide the clarity practitioners hope for. The cases are so fact-specific that "it's hard to get a bright-line rule," he said.

Courtland C. Merrill, partner at Saul Ewing Arnstein & Lehr in Minneapolis, said he's also watching the issue because he has a few cases that involve written description.

"It's hard to chart where they are headed," Merrill said. "It seems to me like they are trending towards restricting patents under it rather than allowing them." He added that clarity from the Federal Circuit would be useful.

Bridget Smith, partner at Lowenstein & Weatherwax LLP in Los Angeles, said something needs to change. “There’s no real overarching rule that is coalescing” on written description law, Smith said.

IPR Estoppel

The IPR estoppel issue has been building for the last decade, since the America Invents Act created inter partes review, because of how long parallel district court litigation takes, Laura A. Lydigsen, a partner in Crowell & Moring LLP’s Chicago office, said. “It’s primetime” for questions about estoppel to reach the Federal Circuit, she said.

Trial courts are deciding what it means to have a defense that reasonably could have been raised in IPR, and cases have come out all over the board. Often parties settle, which means estoppel questions don’t make it before the appeals court, Lydigsen said.

Ropes & Gray LLP partner Scott A. McKeown in Washington said one of the surprises for patent owners hoping to rely on IPR estoppel is that proving it at the district court becomes their problem. “It’s more of a burden than most people had bargained for,” he said.

It comes up most often when an IPR petitioner used a product manual to invalidate a patent at the PTAB—where only patents and printed publications can be used as evidence—and then tries to present the actual product at the trial court to avoid being barred from using the same evidence, he said.

“I think that needs to get to the Federal Circuit to be sorted out because you have some district saying, ‘Well, you couldn’t have raised it, therefore, it’s fair game,’ and then you have other judges saying, ‘Well, maybe you need to show that there’s some difference in the evidence here,’” McKeown said.

The potential for estoppel problems could lead accused infringers to decide against filing IPRs, Aly said. Without more decisions, it’s hard to predict what the range of estoppel is going to be, he said.

New Judge?

Michael Hawes, partner at Baker Botts LLP in Houston, said Stark is uniquely positioned to hit the ground running on these and other tricky patent law issues if he’s confirmed to fill the seat Judge Kathleen M. O’Malley will vacate in March.

“He’s spent 11 years at one of the busiest patent courts in the country,” Hawes said, referring to the U.S. District Court for the District of Delaware. “We know he’s going to get up to speed very quickly.”

Ondrick said Stark will know from his time on the bench the kind of clear guidance district court judges need to apply Federal Circuit law.

“I think Judge Stark can approach the bench understanding that it would be helpful for district courts to have more guidance” in these areas, she said.