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Appellate & Constitutional Law and Intellectual Property Update

September 16, 2024

Federal Circuit Update

This edition of Gibson Dunn's Federal Circuit Update for August 2024 summarizes the current status of petitions pending before the Supreme Court and recent Federal Circuit decisions concerning obviousness-type double patenting, Article III standing, and attorneys' fees under Section 285.

Federal Circuit News

***Noteworthy Petitions for a Writ of Certiorari*:**
There were no new potentially impactful petitions filed before the Supreme Court in August 2024. We provide an update below of the petitions pending before the Supreme Court that were summarized in our July 2024 update:

- In ***United Therapeutics Corp. v. Liquidia Technologies, Inc.*** (US No. 23-1298), after the respondent waived its right to respond, a response was requested by the Court. The response brief was filed on August 27, 2024, and the reply brief was filed on September 10, 2024.
- In ***Chestek PLLC v. Vidal*** (US No. 23-1217), the response brief was filed on August 14, 2024, and the reply brief was filed on August 29, 2024. Five *amicus curiae* briefs had been filed.
- In ***Cellect LLC v. Vidal*** (US No. 23-1231), the response brief was filed on August 21, 2024, and the reply brief was filed on September 4, 2024. An additional *amicus curiae*

brief was also filed on August 21, 2024. A total of eight *amicus curiae* briefs have now been filed.

All three petitions will be considered during the Court's September 30, 2024 conference.

Other Federal Circuit News:

Release of Materials in Judicial Investigation. The Federal Circuit released additional materials in connection with the proceeding under the Judicial Conduct and Disability Act and the implementing Rules involving Judge Pauline Newman. The materials may be accessed here. In particular, the Judicial Council of the Federal Circuit has ordered that Judge Newman "not be permitted to hear or participate in any cases . . . for a period of one year beginning with the issuance of this Order."

Notice of Proposed Amendments to Federal Circuit Rules of Practice. The Federal Circuit has published proposed amendments to the Federal Circuit Rules of Practice available here. Here is a summary of some of the proposed amendments:

- Amending Rule 15 to extend the time to appeal from the Secretary of Veterans Affairs from 60 days to 6 years.
- Amending Rule 30 to require parties to add information in the submitted appendices designating how a document was designated at the reviewed tribunal (such as docket numbers).
- Combing Rule 35 regarding en banc rehearing with Rule 40 regarding panel rehearing.

Public comments must be received on or before October 4, 2024.

Upcoming Oral Argument Calendar

The list of upcoming arguments at the Federal Circuit is available on the court's website.

Key Case Summaries (August 2024)

Allergan USA, Inc. et al. v. MSN Laboratories Private Ltd. et al., No. 2024-1061 (Fed. Cir. Aug. 13, 2024): Allergan markets and sells eluxadoline tablets under the brand name Viberzi®. Allergan owns patents that cover the drug compound and composition. The first-filed application issued as the '356 patent and had a total patent term adjustment (PTA) of 467 days. Continuing applications were filed claiming the same priority date as the '356 patent, which issued as the '011 and '709 patents. The '011 and '709 patents did not receive any PTA, and each was therefore set to expire before the '356 patent. Defendant argued based on *In re Cellect, LLC*, 81 F.4th 1216 (Fed. Cir. 2023), that the '011 and '709 patents were obviousness-

type double patenting (ODP) references that rendered the '356 patent invalid. The district court agreed.

The Federal Circuit (Lourie, J., joined by Dyk and Reyna, JJ.) reversed. The Court held that a "first-filed, first-issued, later-expiring claim" cannot "be invalidated by a later-filed, later-issued, earlier-expiring reference claim having a common priority date." The Court explained that a contrary result would be "antithetical to the principles of ODP," which is "to prevent patentees from obtaining a second patent on a patentably indistinct invention to effectively extend the life of a first patent to that subject matter."

(Judge Dyk concurred on the ODP issue but dissented with respect to other issues addressed by the Court.)

A more detailed summary of this case may be found here.

Platinum Optics Technology Inc. v. Viavi Solutions Inc., No. 23-1227 (Fed. Cir. Aug. 16, 2024): Viavi sued Platinum Optics (PTOT) alleging infringement in two civil actions on a patent directed to optical filters including layers of hydrogenated silicon and sensor systems comprising such optical filters. PTOT then petitioned for *inter partes* review (IPR), and the Patent Trial and Appeal Board (Board) concluded that PTOT failed to prove that the challenged claims were unpatentable. PTOT challenges the Board's decision in this appeal. However, before the Board issued its final written decision, Viavi's patent infringement claims regarding the challenged patent were dismissed with prejudice in both district court cases.

The Federal Circuit (Cecchi, J. (district judge sitting by designation), joined by Moore, C.J., and Taranto, J.) dismissed the appeal for lack of standing. Although a party does not need Article III standing to appear before an agency, PTOT failed to show it had standing to seek judicial review of the agency's final action in federal court. In particular, the Court concluded that PTOT could not show that it had suffered an injury in fact, because it had not established there were concrete plans for future activity that created a substantial risk of infringement. The Court determined that a Viavi letter that stated Viavi did "not believe" PTOT could fulfill its supply agreements without infringing was mere speculation and insufficient to show a substantial risk of future infringement. Moreover, this letter was sent prior to the start of the district court cases, and the relevant claims had been dismissed with prejudice. The Court also determined that PTOT's declaration regarding the continued development of new bandpass filters failed to identify any concrete plans that would implicate the challenged patent.

Realtime Adaptive Streaming LLC v. Sling TV, LLC, No. 23-1035 (Fed. Cir. August 23, 2024): Realtime sued DISH and related Sling entities for infringing patents directed to digital data compression. Over the next six years, a series of events related to determinations of ineligibility or invalidity of the asserted patent and its related patents occurred in various forums, leading the district court to ultimately find the asserted claims of the asserted patent ineligible. While that determination of ineligibility was on appeal, the district court granted DISH's motion for attorneys' fees, highlighting six events that it considered "red flags," finding that "Realtime's dogged pursuit of the case notwithstanding those danger signals render[ed] this an exceptional case."

The Federal Circuit (Albright, J. (district judge sitting by designation), joined by Moore, C.J. and Lourie, J.) vacated and remanded. The Court determined that, although the district court did not err in giving weight to the decisions from two different district courts in determining that certain claims of a related patent were ineligible (one of the "red flags"), the district court erred in giving weight to the other five red flags. The Court determined that the district court erred in finding that the *Adaptive Streaming* decision from the Federal Circuit should have put Realtime on notice that its patent claims were meritless. The Court explained that *Adaptive Streaming* was about technology that was different from that claimed in the asserted patent. The Court also determined that the district court failed to explain why the final written decisions from the Board invalidating certain claims of a related patent and non-final office actions rejecting claims of the asserted patents were relevant to its decision to award attorneys' fees. The Court next explained that a notice letter DISH had sent to Realtime contained "no analysis sufficient to put the patentee on notice that its arguments regarding ineligibility are so meritless as to amount to an exceptional case." "Simply being on notice of adverse case law and the possibility that opposing counsel would pursue 285 fees does not amount to clear notice" that the claims in question were invalid and therefore did not support a finding of exceptionality. Finally, the Court held that the district court erred in finding that the opinions of DISH's expert regarding noninfringing alternatives should have put Realtime on notice that its arguments "were so without merit as to amount to an exceptional case."

The following Gibson Dunn lawyers assisted in preparing this update: Blaine Evanson, Kate Dominguez, Jaysen Chung, Audrey Yang, Vivian Lu, Julia Tabat, and Michelle Zhu.

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding developments at the Federal Circuit. Please contact the Gibson Dunn lawyer with whom you usually work, any leader or member of the firm's Appellate and Constitutional Law or Intellectual Property practice groups, or the following authors:

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