5 Patent Cases To Watch In The Second Half Of 2021

By Dani Kass

Law360 (July 7, 2021, 5:05 PM EDT) -- The U.S. Supreme Court will be deciding later this year whether to take up a highly controversial patent eligibility case, while a California federal court mulls whether discretionary denial precedent at the Patent Trial and Appeal Board is legal. Here are five cases in patent attorneys' sights for the rest of the year.

American Axle v. Neapco

The justices are in the process of deciding whether to take up a patent eligibility case that has caused a bitter 6-6 division at the Federal Circuit.

American Axle's petition is challenging the Federal Circuit's invalidation of its drive shaft patent, saying there's no way its mechanical invention can be reduced to a natural law under Section 101, as the circuit court held. In May, the justices asked for the solicitor general's take.

"The fact that you had the Supreme Court ask for the government's brief, that's a very significant expression of interest in that case," said Haynes and Boone LLP partner Joseph Matal, a former acting director of the United States Patent and Trademark Office.

The justices have read endless petitions about patent eligibility in recent years, and in 2019 the solicitor general even encouraged the court to take up a diagnostics patent case called Athena, which the court ultimately declined to do.

Perkins Coie LLP partner Nathan Kelley, the USPTO's former solicitor, noted that the court's lineup has changed since then.

"You only need four justices to vote in favor of cert," Kelley said. "You don't know what the vote was on Athena, you don't know how close it was. Just one different justice could change it."

Kelley noted that this could be the first glimpse into how the Biden administration will be approaching patent eligibility.

But beyond the intrigue of seeing what the solicitor general has to say, the deep division at the Federal Circuit and the nature of American Axle's patent mean this petition has a good chance of getting taken up, said Neal Gerber & Eisenberg LLP partner Emer Simic.

"It gets at the bedrock of what does Section 101 apply to or not apply to," Simic said. "If we're talking about concrete mechanical processes, can we say those types of inventions don't meet the standard for patent eligibility under Section 101?"

The case is American Axle & Manufacturing Inc. v. Neapco Holdings LLC, case number 20-891, in the Supreme Court of the United States.

Apple v. Iancu

The USPTO's most controversial move under its previous director, Andrei Iancu, is under scrutiny in California. A California federal judge is reviewing two pieces of Patent Trial and Appeal Board precedent called NHK and Fintiv that allow administrative patent judges to decline patent challenges based on the status of co-pending patent litigation.

"It's a big deal," Haynes and Boone's Matal said.

The suit filed by Apple Inc., Google LLC, Cisco Systems Inc. and Intel Corp. — and later joined by Edwards Lifesciences — claims the NHK-Fintiv precedent runs contrary to the America Invents Act and was implemented in violation of the Administrative Procedure Act. In part, the companies claim that the rule's "vague factors lead to speculative, unpredictable, and unfair outcomes."

"Every large company that files a lot of inter partes review petitions has been extremely frustrated with how the PTAB has been increasingly exercising its discretion that it says it has to deny petitions," Perkins Coie's Kelley said. "They don't have a bright line rule. It's very hard to predict."

U.S. District Judge Edward J. Davila held a hearing over the dispute in March, during which he seemed to be leaning toward the tech companies.

In parallel, the nonprofit group U.S. Inventor and others are also challenging how NHK and Fintiv were implemented, although they're hoping for the discretionary denial policies to go through notice and comment rulemaking, rather than be shut down altogether.

But Neal Gerber's Simic noted that the dispute could end up moot if whoever the next USPTO director is either de-designates NHK and Fintiv as precedential or issues formal rulemaking.

The case is Apple Inc. et al. v. Iancu, case number 5:20-cv-06128, in the U.S. District Court for the Northern District of California.

VLSI v. Intel

VLSI Technology LLC and Intel Corp. are squaring off at trial three times this year over chip technology in the Western District of Texas. The first trial ended in March with a massive $2 billion infringement verdict against Intel, while the second in April cleared Intel completely. The third trial is set for December.

While some eyes are on that third trial, attorneys mainly want to know whether one of the largest patent verdicts ever is going to hold up. They're intrigued to know both what U.S. District Judge Alan Albright — who has only held a handful of patent trials but oversees about 25% of the country's new patent cases — and the Federal Circuit will do.

McKool Smith PC principal Blair Jacobs noted that historically, the Federal Circuit hasn't let such large verdicts hold up.

"If we were to get a significant verdict like VLSI that survived an appeal on damages, that would be really, really meaningful to the patent community, in that it would probably increase the number of filings, and perhaps allow a bit more of a framework for plaintiffs looking to maximize damages but not risk reversal on appeal," Jacobs said.

The cases are VLSI Technology LLC v. Intel Corp., case numbers 6:21-cv-00057, 6:19-cv-00254 and 1:19-cv-00977 in the U.S. District Court for the Western District of Texas.

Amgen v. Sanofi

Amgen is expected to file a Supreme Court petition challenging the Federal Circuit's decision to invalidate claims of two patents covering its cholesterol medication Repatha.

The February ruling held that Amgen's patents — covering a genus of antibodies — couldn't meet the Patent Act's Section 112 enablement requirements, meaning a person skilled in the art would be able to successfully recreate the invention. The decision drew criticism that the court is defining antibody-based science in a way that doesn't mesh with how scientists view it, which could put existing patents for top-dollar biologics on the road to invalidation.

The Federal Circuit denied en banc rehearing, with the panel adding a note targeting that criticism.

"It seems to them that the sky is falling," the judges wrote. "But enablement is part of our law, and for good reason."

Finnegan Henderson Farabow Garrett & Dunner LLP partner Cora Holt said the case is "emblematic" of 112 issues that have come up again and again.

"We've seen the Federal Circuit over last couple of years finding genus claims invalid over enablement and written description," she said. "These issues keep coming to the fore, and it remains a hot button topic for pharmaceutical and life sciences patents where you have claims written in the form of genus claims."

The case is Amgen Inc. v. Sanofi, case number 20-1074, in the U.S. Court of Appeals for the Federal Circuit.

GlaxoSmithKline v. Teva

Those in the pharmaceutical patent world are also awaiting a panel's rehearing decision in a case over so-called skinny labels, which allow generic-drug makers to sell versions of drugs that still have some patent protection by carving out those protected indications from their labels.

When the Federal Circuit issued its 2-1 decision holding Teva liable for inducing

infringement of a patent covering GlaxoSmithKline's heart disease drug Coreg, it drew outrage from the generics industry. Critics say the panel majority had punished Teva for following the carve-out process explicitly allowed under the Hatch-Waxman Act and blew up a "routine" practice.

The panel agreed to rehear the case and the February arguments seemed tailored on the individual facts of the case, as opposed to broader questions of patent law.

"It's been held up as a death knell for the idea of skinny labeling, but the reargument indicates the opinion may be coming out a bit more narrowly and perhaps avoiding some of the issues the generics and amici are concerned with," Finnegan's Holt said.

The case is GlaxoSmithKline LLC v. Teva Pharmaceuticals USA Inc., case number 18-1976, in the U.S. Court of Appeals for the Federal Circuit.

--Editing by Kelly Duncan and Emily Kokoll.