

# United States: Federal Circuit Hears Oral Argument: Can Unasserted Claims Of A Patent Be Invalidated Under Section 101?

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The Federal Circuit recently heard oral argument in *Ameranth, Inc. v. Domino's Pizza, LLC*, Nos. 2019-1141, -1144, in which the Court grappled with the issue of determining whether unasserted claims of a patent can be invalidated under Section 101.

In 2011, Ameranth filed patent infringement actions against several defendants, including Domino's, alleging infringement of two patents. In an amended complaint filed in 2013, Ameranth accused Domino's of infringing thirteen claims – specifically, claims 1, 3, 6-9, 11-13, and 15-18 – of a third patent, U.S. Patent No. 8,146,077 ("the '077 Patent"), which was directed to a system for generating and managing electronic menus. Domino's asserted a declaratory judgment counterclaim requesting a finding that the claims of the '077 Patent were invalid under 35 U.S.C. § 101. In the fall of 2017, as part of its case management procedures, the district judge issued an order requiring Ameranth to limit the number of claims that it was asserting against each defendant to five. Ameranth elected to proceed with claims 1, 6, 9, 13, and 17. Notably, Ameranth proceeded with a slightly different set of claims against another defendant, Pizza Hut.

The following year, Pizza Hut moved for summary judgment of invalidity of the '077 patent. After the motion had been fully briefed, Ameranth settled its claims with Pizza Hut. Domino's requested that it be allowed to step in as the movant for the summary judgment motion. The district court granted Domino's request and allowed Ameranth to file a supplemental opposition brief to address additional patent claims.

The district court granted Domino's summary judgment motion, declaring not just the five claims that were currently being asserted against Domino's invalid, but all thirteen claims that had initially been asserted against Domino's in the amended complaint, as well as three additional claims that had been asserted against Pizza Hut but not against Domino's.

On appeal, Ameranth argued not only that the district court's decision was improperly decided on the merits, but also that the district court lacked subject matter jurisdiction to declare invalid

any patent claims other than the five that were being asserted against Domino's at the time of the motion.

The oral argument focused almost exclusively on the jurisdictional issue. The panel – comprised of Judges Plager, Prost and Dyk – vigorously challenged Ameranth's contention that the eight claims that Ameranth had previously asserted against Domino's could not be found invalid. Judge Dyk posed the question, "Suppose you have a situation in which a patentee writes a letter to a claimed infringer saying, 'you've infringed six claims,' and then when the suit is brought they only assert three claims. There's no subject matter jurisdiction over the other three?" Ameranth's response that the district court would only have jurisdiction over the three claims that the patentee asserted in the suit was met with skepticism by the panel. As for the three claims that had only been asserted against Pizza Hut, after pointed questioning, Domino's counsel ultimately conceded that those three claims should not have been part of the district court's judgment.

Given that there are many federal district courts that routinely limit the number of patent claims that may be asserted against a given defendant, parties in patent infringement litigation should pay close attention to which patent claims could be the proper subject of a Section 101 invalidity motion. One strategy that a plaintiff who has narrowed the number of asserted claims during the course of the litigation could employ would be to execute a covenant not to sue the accused infringer on the claims that it has dropped. The covenant not to sue would deprive the accused infringer of declaratory judgment jurisdiction over the dropped claims, preserving the patentee's ability to assert those claims against other parties. Accused infringers who notice that a patentee has not executed such a covenant or otherwise formally withdrawn claims could take the opportunity to invalidate them, which potentially might place the party in a more favorable position in the proceedings or in settlement negotiations.