

## Federal Circuit Review – Issue 296

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### 296-1. Federal Circuit Finds Pre-Invention Ideas Not Covered Under Employment IP Assignment Agreement

The United States Court of Appeals for the Federal Circuit recently affirmed a ruling by the United States International Trade Commission finding two employees’ pre-invention innovations did not constitute “intellectual property” for purposes of company assignment obligation. *See Bio-Rad Labs., Inc. v. ITC*, No. 2020-1785, 2021 U.S. App. LEXIS 12778 (Fed. Cir. Apr. 29, 2021) (Before Taranto, Chen, and Stoll, *Circuit Judges*) (Opinion for the Court, Taranto, *Circuit Judge*).

Dr. Ben Hindson and Dr. Serge Saxonov co-founded QuantaLife, a company in the gene sequencing technology industry. In 2011, Bio-Rad Laboratories, Inc. (Bio-Rad) acquired QuantaLife, and Hindson and Saxonov became Bio-Rad employees. While at both QuantaLife and Bio-Rad, Hindson and Saxonov signed agreements transferring intellectual property invention rights to each respective company. Specifically, the QuantaLife agreement included the following:

(a) Employee agrees to disclose promptly to the Company the full details of any and all ideas, processes, recipes, trademarks and service marks, works, inventions, discoveries, marketing and business ideas, and improvements or enhancements to any of the foregoing (IP), that Employee conceives, develops or creates alone or with the aid of others during the term of Employee’s employment with the Company....

(b) Employee shall assign to the Company, without further consideration, Employee’s entire right to any IP described in the preceding subsection, which shall be the sole and exclusive property of the Company whether or not patentable.

Similarly, the Bio-Rad agreement included the following:

All inventions (including new contributions, improvements, designs, developments, ideas, discoveries, copyrightable material, or trade secrets) which I may solely or jointly conceive, develop or reduce to practice during the period of my employment by Bio-Rad shall be assigned to Bio-Rad.

In April 2012, Hindson and Saxonov left Bio-Rad, and together formed the company 10X. By August 2012, 10X filed the first of several provisional patent applications which eventually issued as the three patents at issue in this case—U.S. Patent Nos. 9,689,024, 9,695,468, and 9,856,530. 10X then sued Bio-Rad for infringement of the three patents. Bio-Rad asserted that it co-owned the three patents because Hindson and Saxonov “conceived of the

ideas embodied in the patents while they were still employed by Bio-Rad (or its predecessor QuantaLife).” The United States International Trade Commission (Commission) rejected Bio-Rad’s defense, however, finding that Bio-Rad did not show the “inventive concept”—i.e., “the specific arrangement of elements claimed in the asserted patents”—was conceived before Hindson and Saxonov left Bio-Rad. The Commission found that the ideas Hindson and Saxonov worked on while at Bio-Rad were too “generic” and “did not include the specifics required by the 10X patent claims at issue.” The Commission thus ruled for 10X, and Bio-Rad appealed.

The Federal Circuit addressed the issue of whether Bio-Rad co-owned the three asserted patents—and thus, could not be an infringer under 35 U.S.C. § 262—based on the assignment provisions in the employment contracts signed by Hindson and Saxonov.

Bio-Rad first asserted that “if Drs. Hindson and Saxonov, when working at Bio-Rad (or its predecessor QuantaLife), had ideas that contributed to the post-employment inventions at issue, and if *those* contributions would make them co-inventors (regardless of post-employment contributions to the inventions), then the assignment provisions required assignment of their co-ownership interest to Bio-Rad.” Bio-Rad also asserted that Hindson and Saxonov “did in fact have such co-inventorship-qualifying ideas while employed at Bio-Rad (specifically, while working for QuantaLife).”

The Federal Circuit first indicated that the assignment provisions by their terms were governed by California Law, and thus subject to de novo review on appeal. *See Intell, Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1320 (Fed. Cir. 2017); *Semitool, Inc. v. Dynamic Micro Systems Semiconductor Equip. GmbH*, 444 F.3d 1337, 1341 (Fed. Cir. 2006).

With respect to Bio-Rad’s assertions, the Federal Circuit, agreeing with the Commission, found “that the assignment provisions do not apply to a signatory’s ideas developed during the employment (with Bio-Rad or QuantaLife) solely because the ideas ended up contributing to a post-employment patentable invention in a way that supports co-inventorship of that eventual invention.” The Federal Circuit explained that the agreements only enable the companies (Bio-Rad and QuantaLife) to reach a “right to any IP described in the...preceding (disclosure-duty) section [which] is limited to IP ‘that Employee conceives, develops or creates alone or with the aid of others *during the term of Employee’s employment with the Company*.’” Thus, the Federal Circuit held that the “most straightforward interpretation is that the assignment duty is limited to subject matter that itself could be protected as intellectual property *before* the termination of employment.”

In so holding, the Federal Circuit affirmed the Commission’s rejections of both Bio-Rad’s co-inventorship contention and its ownership defense.

*Companies specifically should take note that, depending on the language provided in an assignment provision of an employment contract, pre-invention innovations may not be subject to assignment obligation merely because those innovations later contribute to protectable intellectual property.*

## **296-2. Federal Circuit Affirms District Court’s Grant of Motion to Vacate for Fraud in Expert’s Prior Testimony**

The Federal Circuit recently affirmed a decision by the United States District Court for the Central District of

California setting aside a judgment and injunction pursuant to Federal Rule of Civil Procedure 60(b)(3) for fraud and misrepresentation by an opposing party. See *Cap Exp., LLC v. Zinus, Inc.*, No. 2020-2087, 2021 U.S. App. LEXIS 13322 (Fed. Cir. May 5, 2021) (Before Dyk, Bryson, and Hughes, *Circuit Judges*) (Opinion for the Court, Dyk, *Circuit Judge*).

Zinus, Inc. (Zinus) is the owner of U.S. Patent No. 8,931,123 (the ‘123 patent), which is directed to “an assembled mattress support” that “can be shipped in a compact state with all of its components compactly packed into the head board.” ‘123 patent, col. 1 ll. 49–51. On January 15, 2016, Cap Export, LLC (Cap Export) filed a declaratory judgment action against Zinus, alleging that claims of the ‘123 patent were invalid and not infringed. Zinus counterclaimed, alleging infringement of the ‘123 patent and unfair business practices under California state law. During the proceedings, Cap Export deposed Colin Lawrie, Zinus’s testifying technical expert, during which Lawrie denied knowledge of the existence of various prior art items. The District Court ultimately granted partial summary judgment that claims 1–3 of the ‘123 patent were not invalid. Based on the District Court’s ruling, the parties stipulated an entry of final judgment in favor of Zinus for infringement which included \$1.1 million in damages and a permanent injunction against Cap Export and Abraham Amouyal, the CEO of Cap Export.

Thereafter, Cap Export discovered evidence that Lawrie’s testimony during the deposition had been false. Cap Export learned of an unrelated case involving Zinus where evidence was provided that a Chinese company and a Malaysian company had allegedly sold beds having all of the components of the bed packed inside of the headboard before the filing date of the ‘123 patent. Cap Export sent company representatives to meet with the Malaysian company’s representatives and discovered a purchase invoice bearing Lawrie’s name for 405 beds having all of the components of the bed packed inside of the headboard. The purchase invoice was dated before the filing date of the ‘123 patent.

Within a year of the entry of final judgment and injunction, Cap Export and Amouyal filed a motion to vacate the judgment and injunction under Rule 60(b)(3), which provides grounds for relief for reason of “fraud..., misrepresentation, or misconduct by an opposing party.” Fed. R. Civ. P. 60(b)(3). The District Court granted the motion to set aside the judgment under Rule 60(b)(3) finding that the purchased Malaysian beds were functionally identical in design to the claims of the ‘123 patent and that Lawrie had misrepresented his knowledge of the prior art beds.

On appeal, Zinus argued that Cap Export failed to meet its burden of establishing by clear and convincing evidence that it was entitled to relieve under Rule 60(b)(3), focusing mainly on the fact that Cap Export failed to exercise due diligence and could have previously discovered emails relating to the Malaysian company’s shipments. Zinus supports this argument with the Ninth Circuit’s holding that “Federal Rule of Civil Procedure 60(b)(3) requires that fraud ... not be discoverable by due diligence before or during the proceedings.” *Casey v. Albertson’s Inc.*, 362 F.3d 1254, 1260 (9th Cir. 2004) (quoting *Pac. & Arctic Ry. & Navigation Co. v. United Transp. Union*, 952 F.2d 1144, 1148 (9th Cir. 1991)). Thus, the question the Federal Circuit considered on appeal is what constitutes due diligence in discovering fraud.

In reviewing Ninth Circuit law, the Federal Circuit concluded that the issue was not whether the conduct of Cap Export’s counsel fell below the standard of care for attorneys practicing patent litigation, but whether a reasonable company in Cap Export’s position should have had reason to suspect fraud and, if so, took reasonable steps to investigate the fraud. The Federal Circuit found no evidence in the record that there was reason for Cap Export to

suspect Lawrie's statements were fraudulent and therefore found no clear error in the District Court's determination that the Ninth Circuit's due diligence requirement was satisfied. Accordingly, the Federal Circuit affirmed the District Court's grant of motion to vacate the judgment under Rule 60(b)(3).

*"To prevail [under Rule 60(b)(3)], the moving party must prove by clear and convincing evidence that the verdict was obtained through fraud, misrepresentation, or other misconduct and the conduct complained of prevented the losing party from fully and fairly presenting the defense."* An expert witness's fraudulent testimony can provide grounds for vacating a judgement under Rule 60(b)(3).

### **296-3. Federal Circuit Affirms Patent Trial and Appeal Board Decision Partly Invalidating Uniloc Patent Claims and Holds that Apple Failed to Prove Certain Uniloc Claims Unpatentable**

The United States Court of Appeal for the Federal Circuit recently affirmed a Patent Trial and Appeal Board Decision finding claims 1-17 and 23-25 in U.S. Patent No. 8,539,552 (the '552 patent) to Uniloc 2017 LLC (Uniloc) invalid for obviousness and finding that Apple Inc. (Apple) had failed to show that claims 18-22 were invalid for obviousness. *Uniloc 2017 LLC v. Apple Inc.*, No. 2020-1403, 2021 U.S. App. LEXIS 13984 (Fed. Cir. May 12, 2021) (Before Prost, *Chief Judge*, Bryson and Reyna, *Circuit Judges*) (Opinion for the Court, Bryson, *Circuit Judge*).

In its appeal to the Federal Circuit, Uniloc alleged that the Board erred in finding that claims 1-17 of the '552 patent are obvious, and Apple cross-appealed the Board's finding that Apple failed to prove that claims 18-22 were obvious. The '552 patent relates to systems and methods to regulate the use of services such as caller-ID, call waiting, multi-line service, codec specification in a Voice over Internet Protocol (VoIP) environment. The '552 patent explains that network providers must maintain control over communication networks by employing enforcement mechanisms through which clients sending "signaling messages" for setting up their communications sessions are intercepted by an enforcement point between a sender and intended recipient to ensure that both the sender and recipient are authorized to use certain communication features. The '552 patent has five independent claims 1, 6, 18, 23, and 24, but only Claims 1 and 8 were at issue.

Claim 1 recites the following:

A method for controlling a plurality of services in packet-based networks, the method comprising:

*a network entity intercepting a signaling message associated with a call between a sender device of the message and an intended recipient device of the message, wherein the signaling message includes an indication of one type of the plurality of services which the signaling message is intended to invoke;*

*the network entity making a determination of whether either the sender device or the intended recipient device is authorized to invoke the type of service indicated in the signaling message based in part on a device profile maintained in part on a remote enforcement point, wherein the type of service comprises at least one of caller-ID, call waiting, multi-way calling, multi-line service, and codec specification; and*

*the network entity filtering the signaling message based on the determination such that the signaling message is transmitted to the intended recipient device if either the sender device or the intended recipient device is*

*authorized to invoke the type of service indicated in the signaling message.*

(Emphasis added). In an *inter partes* review filed by Apple, the Board found that claims 1-17 and 23-25 were obvious in view of U.S. Patent No. 6,324,279 (Kalmanek) but that Apple had failed to show that claims 18-22 were obvious in view of Kalmanek.

The Kalmanek patent discloses a system that allows for a calling party and a called party to exchange signaling messages through at least one “gate controller” that can authenticate the messages based on access to an authentication database and/or customer profile information. After authenticating the calling party, the system can authorize the calling party to use a service sought by the calling party. The types of services described in Kalmanek include caller-ID. Kalmanek further describes the calling party sends a “SETUP” message to the called party, and the “SETUP” message travels through an originating gate controller, a terminating gate controller, and finally to a called party. The called party responds with a “SETUPACK” message that passes through the terminating gate controller, the originating gate controller, before being passed to the calling party.

During the *inter partes* review, Uniloc asserted that the proper claim construction for the “intercepting” term of the claims required that the intended party not receive the message after it is intercepted. Apple asserted that “intercepting” should mean “the signaling message is received by a network entity located between the endpoints of the call.” The Board agreed with Apple’s claim construction, and held claims 1-17 and 23-25 unpatentable over Kalmanek because Kalmanek explicitly disclosed that the setup message is intended for the called device and *not* the gate controller, therefore the gate controller “intercepts” the message as it passes through to the called party.

Uniloc argued that the plain and ordinary meaning of the word intercepting excludes an entity that is intended from receiving a message from intercepting said message. Uniloc argued that because the gate controllers of Kalmanek are intended to receive the “SETUP” messages, they cannot intercept such a message. However, the Board was unpersuaded by Uniloc’s argument, finding that intrinsic evidence, such as the prosecution history of the ‘552 patent, showed that the intercepting party may be intentionally transmitted the message while in route to the ultimate intended party.

Claim 18 of the ‘552 patent requires similar steps as Claim 1, but additionally requires that the “filtering” step be performed for two services—caller-ID and codec specification. Apple incorporated by reference its arguments for Claim 1 for Claim 18, and because Apple failed to address “filtering” with respect to codec specification in its arguments for the invalidity of Claim 1, Apple failed to show that Claim 18 was invalid as obvious over Kalmanek. The Board continued by saying that even if Apple had properly addressed the codec specification filtering step in Claim 18, it would still have lost on the merits because Claim 18 further required that the determination step (determining whether to authorize the services) must occur in response to a single message, whereas Kalmanek required a second message to authorize codec specification.

On appeal to the Federal Circuit, the Federal Circuit affirmed the Board’s decision, finding that intrinsic evidence of the meaning of “intercepting” should control and thus claims 1-17 and 23-25 are obvious over Kalmanek. The Federal Circuit also rejected Apple’s cross-appeal, holding that Apple’s arguments were incorrect on the merits, and found no need to reach the procedural issue of whether Apple raised a viable invalidity theory with respect to Claim 18.

*Intrinsic evidence of the meaning of a patent claim term is given more weight than the plain and ordinary meaning of a term.*

#### **296-4. Federal Circuit Finds § 101 Ineligibility for Claims Directed at the Abstract Idea of Tailored Advertising**

The United States Court of Appeals for the Federal Circuit recently reversed a district court's denial of Alphonso Inc.'s motion to dismiss on ground that the asserted claims were directed to patent-ineligible subject matter under § 101. The Federal Circuit agreed with Alphonso and concluded that the claims were in fact patent ineligible. See *Free Stream Media Corp. v. Alphonso Inc.*, Nos. 2019-1506, 2019-2133, 2021 U.S. App. LEXIS 13837 (Fed. Cir. May 11, 2021) (Before Dyk, Reyna, and Hughes, *Circuit Judges*) (Opinion for the Court, Reyna, *Circuit Judge*).

Free Stream Media Corp. d/b/a/ Samba TV (Samba) is the owner of U.S. Patent No. 9,386,356 (the '356 patent) which "generally relates to a system providing a mobile phone user with targeted information (i.e., advertisements) that is deemed relevant to the user based on data gathered from the user's television." Samba asserted the patent against Alphonso Inc. (Alphonso). Alphonso moved to dismiss on grounds that the claims asserted were patent ineligible as directed towards an abstract idea of tailored advertising.

The district court treated claim 1 as representative:

1. A system comprising:

a television to generate a fingerprint data;

a relevancy-matching server to:

match primary data generated from the fingerprint data with targeted data, based on a relevancy factor, and

search a storage for the targeted data;

wherein the primary data is any one of a content identification data and a content identification history;

a mobile device capable of being associated with the television to:

process an embedded object,

constrain an executable environment in a security sandbox, and execute a sandboxed application in the executable environment; and

a content identification server to:

process the fingerprint data from the television, and

communicate the primary data from the fingerprint data to any of a number of devices with an access to an



identification data of at least one of the television and an automatic content identification service of the television.

The district court concluded that the claim was not directed towards an abstract idea. But the court also granted Alphonso's motion for summary judgement of non-infringement. Samba appealed the grant of summary judgment of non-infringement and the claim construction order. Alphonso cross-appealed the district court's denial of its motion to dismiss. The Federal Circuit focused its review on the court's denial of Alphonso's motion to dismiss on ground of patent-ineligible subject matter under § 101.

Under U.S. patent law, a patent may claim processes, machines, manufactures, and compositions. See 35 U.S.C. § 101. But there are exceptions. "Laws of nature, natural phenomena, and abstract ideas are not patentable." *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 216 (2014). *Alice* provides a two-step test to determine whether a patent claims ineligible subject matter. Step 1 involves determining whether the claims are directed to a patent-ineligible concept. *Id.* at 217. If the claims involve ineligible subject matter, courts then consider *Alice* Step 2. At Step 2 "the elements of each claim both individually and 'as an ordered combination' to determine whether the additional elements 'transform the nature of the claim' into a patent-eligible application." Courts at Step 2 analyze whether there is an "inventive concept" that takes the claim into the realm of patent eligibility. *Id.* at 217–19; see also *Elec. Power Grp., LLC v. Alstrom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016); *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016).

Looking first at *Alice* Step 1, the Federal Circuit explained that a relevant inquiry is "whether the claims in the[] patent[] focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery." *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016). Alphonso asserted that Samba "failed to identify any language in the '356 patent claims relating to overcoming the supposed communication barriers between a television and a mobile device. The Federal Circuit noted that "as 'reflected repeatedly in our cases,' a claim must 'ha[ve] the specificity required to transform [the] claim from one claiming only a result to one claiming a way of achieving it' to avoid ineligibility." A claim is therefore ineligible if it "fail[s] to recite a practical way of applying an underlying idea." Samba argued that the invention allows for communication between devices on the same network where such devices were previously unable to do so. But the claims only provided that this is achieved by piercing the mobile device's security sandbox. The Federal Circuit found that nothing in the claims or specification demonstrated an improvement to computer functionality. Even if the piercing of the security sandbox was an advancement, Samba failed to show how this was "something more than a mere use of a computer as a tool." The Federal Circuit noted that "the alleged technological improvement does nothing more than implement a computer to achieve the abstract idea of providing targeted advertising to the mobile device user." Therefore, the Court held that Samba's claims were directed to the abstract idea of targeted advertising and not directed toward a new computer functionality.

Because the claims were directed towards an abstract idea, the Federal Circuit then moved to *Alice* Step 2. Here, the Court looked to see whether the claims included some "inventive concept." The Court again rejected Samba's arguments and found there was nothing inventive disclosed in the claims. Noting that even if "bypassing of mobile device security mechanisms had not been done before, there is nothing inventive disclosed in the claims that permits communications that were previously not possible." The Court held that the "claims simply recite the use of generic features, as well as routine functions, to implement the underlying idea." Therefore, there was no "inventive concept" to transform the nature of the claims into a patent-eligible application.

The Federal Circuit also addressed Samba's appeal of the claim construction of the related U.S. Patent No. 9,026,668 (the '668 patent) also asserted by Samba. Specifically, at issue was the construction of the term "communication session." The district court construed "communication session" to mean a "period of time during which information is sent and received either directly or indirectly." Samba argued that the ordinary and customary meaning of the term includes just a one-way communication. The Federal Circuit disagreed and upheld the district court's claim construction finding that communication session requires bidirectional communication because "one-way" contradicts "session" and the specification depicts the term with a two-sided arrow.

The Federal Circuit therefore found that the claims of the '356 patent are directed towards patent-ineligible subject matter. Additionally, the Court upheld the lower court's claim construction of the '668 patent. In so holding, the Federal Circuit reversed the lower court's denial of Alphonso's motion to dismiss and upheld the lower court's claim construction.

*Claims directed towards targeted advertising may be patent ineligible as an abstract idea under § 101. Further, simply utilizing a combination of known computer devices and techniques to implement the idea of targeting advertising is unlikely to save eligibility under Alice Step 2.*

#### **296-5. Federal Circuit Affirms Jury Verdict that Opening Statements by Alleged Infringer Referencing COVID-19 Did Not Warrant New Trial**

The United States Court of Appeals for the Federal Circuit recently affirmed a jury verdict that Pacific Biosciences' patents directed to DNA sequencing using nanopore technology were invalid due to lack of enablement and a new trial was not warranted despite Oxford Nanopore Technologies noting to the jury that its alleged infringing products could help the fight against COVID-19. See *Pac. Biosciences of Cal., Inc. v. Oxford Nanopore Techs., Inc.*, No. 2020-2155, 2020-2156, 2021 U.S. App. LEXIS 13838 (Fed. Cir. May 11, 2021) (Before Lourie, Taranto, and Stoll, *Circuit Judges*) (Opinion for the Court, Taranto, *Circuit Judge*).

Pacific Biosciences of California, Inc. (PacBio) is the owner of U.S. Patent Nos. 9,546,400 (the '400 patent) and 9,772,323 (the '323 patent). The '400 patent and the '323 patent share a specification and are generally directed to methods for sequencing DNA using nanopore technology. In particular, the '400 patent and the '323 patent disclose a method including passing a strand of DNA through nanometer-sized holes in a substrate and characterizing the sequence of DNA based on changes in electrical current passing through the substrate.

In 2017, PacBio sued Oxford Nanopore Technologies, Inc. and Oxford Nanopore Technologies, Ltd. (collectively, Oxford) asserting that Oxford's products infringed both the '400 patent and the '323 patent. Prior to trial, the district court granted PacBio's motion in limine (MIL) to prohibit Oxford from presenting evidence regarding the potential consequences of the litigation, such as higher prices or delayed medical research. As the trial was commencing, the novel coronavirus SARS-CoV-2 pandemic (COVID-19) was just beginning. Accordingly, during opening statements, both parties referenced COVID-19 and the importance of DNA-sequencing methods to developing a vaccine. In particular, Oxford asserted that its alleged infringing products were critical to fighting the COVID-19 pandemic and potentially could help develop a vaccine and that, through this lawsuit, PacBio was attempting to prevent Oxford's products from entering the market. PacBio objected to Oxford's opening remarks asserting that these remarks violated the MIL and filed a motion for curative instructions. The district court agreed to give the curative instructions, and accordingly, instructed the jury to disregard Oxford's opening statements.



Notably, the district court told the jury that they were not being asked to exclude any products of Oxford from the market or prohibit any research work being conducted on Oxford products, and that they were merely being asked to award monetary damages to PacBio.

The case proceeded to trial and, ultimately, the jury held that all asserted claims of the '400 patent and the '323 patent were infringed by Oxford, but also that such claims were invalid for lack of enablement. Subsequently, PacBio filed a judgment as a matter of law on the enablement verdict. PacBio additionally moved for a new trial arguing that the evidence on the record was not sufficient to support the enablement verdict and that Oxford's opening statement remarks regarding COVID-19 improperly influenced the jury. The district court disagreed, and PacBio appealed to the Federal Circuit.

On appeal, the Federal Circuit first affirmed the district court's denial of PacBio's judgment as a matter of law on the enablement verdict explaining that the evidence, as a whole, supported such finding. The Federal Circuit noted that under 35 U.S.C. § 112, the requirement of enablement requires a patentee to teach the public how "to practice the full scope of the claimed invention." *AK Steel Corp. v. Sollac*, 344 F.3d 1234, 1244 (Fed. Cir. 2003). In support of enablement, PacBio relied on Oxford's expert testifying during cross-examination that a person having ordinary skill in the art would have been able to perform the claimed method in light of the prior art existing as of the priority date of the '400 and '323 patents. However, the Federal Circuit explained that the prior art in existence was directed specifically toward synthetic nucleic acids, and particularly DNA hairpins. Thus, it was reasonable for the jury to conclude that such expert's testimony merely indicates that a relevant testimony would have only been enabled for sequencing for biological DNA. Additionally, the Federal Circuit noted that PacBio provided no evidence of actual reduction to practice that would challenge Oxford's argument of lack of enablement, as PacBio had only constructive reduction to practice in the form of descriptions in patent applications. Accordingly, the Federal Circuit found that there was sufficient evidence for the jury to conclude that, prior to the priority date of the '400 and '323 patents, "relevant artisans did not know how to perform nanopore sequencing for more than a narrow range of the full scope of nucleic acids covered by the asserted claims."

The Federal Circuit additionally affirmed the district court's denial of a new trial based on the jury's verdict on enablement, noting that the evidence on the record was sufficient to support the verdict. Further, the Federal Circuit affirmed the district's court denial of a new trial based on Oxford's statements regarding COVID-19 indicating the potential ramifications if Oxford's products were excluded from the market on the fight against COVID-19. The Federal Circuit explained that a new trial is warranted "if the appellee made prejudicial remarks and that it is 'reasonably probable' that those prejudicial remarks influenced the jury's verdict." *Vectura Ltd. V. GlaxoSmithKline LLC*, 981 F.3d 1030, 1042 (Fed. Cir. 2020) (quoting *Draper v. Airco, Inc.*, 580 F.2d 91, 97 (3d Cir. 1978)). The Federal Circuit noted that both PacBio and Oxford made references to COVID-19 in the opening statements, and PacBio did not object when Oxford told PacBio the night before that it would mention COVID-19 in opening statements. Additionally, the Federal Circuit explained that the district court properly provided the curative instructions in light of the opening remarks and that Oxford did not make any other references to COVID-19 during the rest of the trial. Moreover, the Federal Circuit noted that the jury carefully deliberated, as indicated by the questions the jury asked the court. Accordingly, the Federal Circuit concluded that there was no evidence that the jury was inflamed or improperly influenced by Oxford's opening remarks, and thus, and thus, the district court did not abuse its discretion in denying PacBio's motion for a new trial.

*A new trial based on improper remarks is warranted when it is reasonably probable that such improper remarks*

*influenced the jury's verdict. When the improper remarks are made in isolation and the court issues procedural safeguards, including curative instructions, to ensure the parties act properly throughout the rest of the trial, it is reasonable to conclude that potentially prejudicial remarks did not taint the jury's decision.*

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