

Five Key 2024 Federal Circuit Cases

Feb. 27, 2025

Ben Katzenellenbogen
Cheryl Burgess

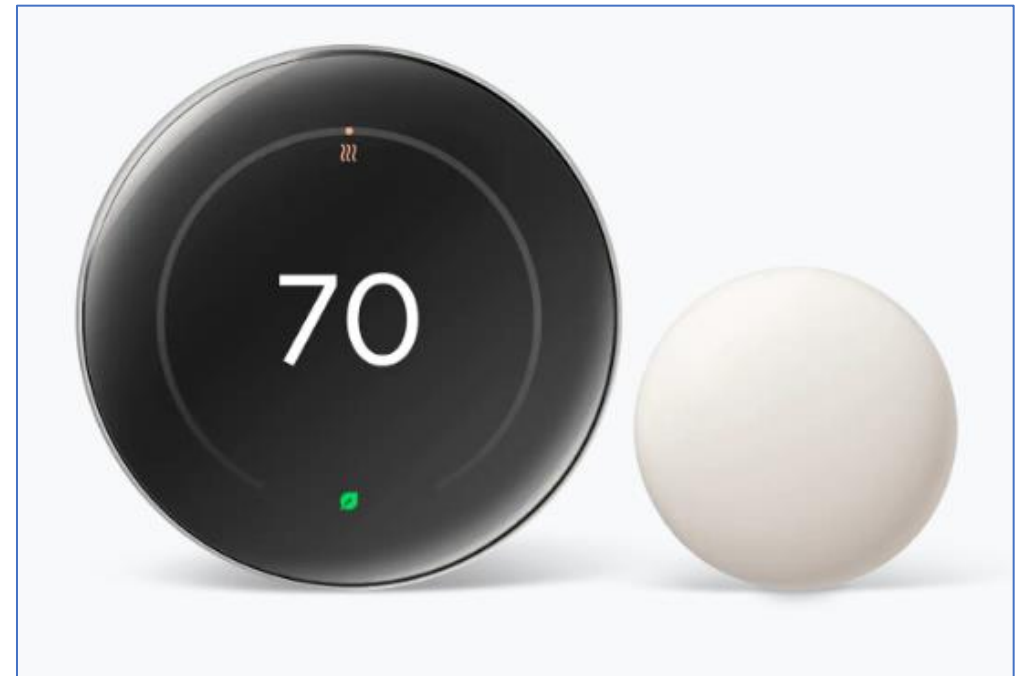
Patent Damages and Basis For Reasonable Royalty

EcoFactor, Inc. v. Google LLC, 104 F.4th 243 (Fed. Cir. 2024)

Plaintiff's damages expert proposed a royalty rate based on
Recital language in three license agreements;
Testimony from Plaintiff's CEO that the agreements used the rate.

Court denied motion to exclude the
damages opinions as unreliable.

Jury found infringement and awarded
damages of \$20M, which was far
less than the expert's proposed
damages applying the rate to
Defendant's sales.



Patent Damages and Basis For Reasonable Royalty

EcoFactor, Inc. v. Google LLC, 104 F.4th 243 (Fed. Cir. 2024)

Language at issue found in a whereas clause:

Licensee would pay EcoFactor a lump sum amount “set forth in this Agreement **based on what EcoFactor believes** is a reasonable royalty calculation of [\$X] **per-unit** for ... estimated past and [] projected future sales of products accused of infringement in the Litigation.”

Plaintiff relied on, but its expert did not discuss, an email chain with one licensee that stated the parties were applying the rate identified by EcoFactor.

One agreement includes a recital that “nothing in this clause should be interpreted as agreement by [Licensee] that [\$X] per unit is a reasonable royalty.”

Another agreement states in the body that the lump-sum payment “is not based upon sales and does not reflect or constitute a royalty.”

Patent Damages and Basis For Reasonable Royalty

EcoFactor, Inc. v. Google LLC, 104 F.4th 243 (Fed. Cir. 2024)

Issue: Did the district court abuse its discretion in denying a new trial on damages? [abuse its discretion in denying motion to exclude damages expert as unreliable and failing to properly apportion]?

Holding: No. There was substantial evidence that the licenses addressed sales on a per-unit basis. Weight given to (1) the provisions in the license and (2) the email with one licensee are questions for the jury. Degree of comparability of licenses is a factual issue best addressed by cross-examination, not exclusion.

Prost Dissent: The damages expert's royalty rate is pulled out of thin air, contradicted by the agreements themselves, and cannot be supported by an email he did not address.

Denial of Motion for New Damages Trial **Affirmed** Reyna, J. (2-1)

Patent Damages and Basis For Reasonable Royalty

EcoFactor, Inc. v. Google LLC, 104 F.4th 243 (Fed. Cir. 2024)

COMING SOON:

Federal Circuit granted rehearing *en banc*

Parties filed briefs addressing the D Ct's adherence to FRCP 702 and *Daubert* in allowing testimony from EcoFactor's damages expert assigning a per-unit royalty rate to the three licenses in evidence.

Amicus briefs from Samsung, New Civil Liberties Alliance, Michael Risch (vice dean & professor at Villanova University) and six patent and intellectual property trial attorneys

En banc hearing is scheduled for March 13, 2025

Design Patent Obviousness Is Same as Analysis for Utility Patents

LKQ Corp. v. GM Glob. Tech. Operations LLC, 102 F.4th 1280 (Fed. Cir. 2024)

Old Test:

“Thus there must be a reference, a something in existence, the design characteristics of which are basically the same as the claimed design in order to support a holding of obviousness.”

In re Rosen, 673 F.2d 388, 391 (C.C.P.A. 1982).

“[S]econdary references may only be used to modify the primary reference if they are ‘so related [to the primary reference] that the appearance of certain ornamental features in one would suggest the application of those features to the other.’”

Durling v. Spectrum Furniture Co., 101 F.3d 100, 103 (Fed. Cir. 1996) (quoting *In re Borden*, 90 F.3d 1570, 1575 (Fed. Cir. 1996)).

Design Patent Obviousness Is Same as Analysis for Utility Patents

LKQ Corp. v. GM Glob. Tech. Operations LLC, 102 F.4th 1280 (Fed. Cir. 2024)

Issue: Is the *Rosen* requirement that a primary reference be “basically the same” and *Durling* requirement that the second reference be “so related” the proper framework for evaluating design patent obviousness?

Holding: No. Courts must apply the same four-part obviousness test articulated for utility patents in *Graham*, as refined by *KSR*.

Lourie Concurrence: The *Rosen* and *Durling* tests were largely correct on the law, if too rigidly phrased.

Board Determination of Not Obvious **Vacated and Remanded**, Stoll, J. (*en banc*)

Using Prior Products to Invalidate a Patent

Weber, Inc. v. Provisur Techs., Inc., 92 F.4th 1059, 1065 (Fed. Cir. 2024)

Issue: Under what circumstances can a product manual can serve as a “printed publication”?

Holding: Operating manuals for patent challenger's food slicer were printed publications that could be considered as prior art in IPR proceeding.



The Difference Between Publicly Accessible and Not Publicly Accessible

Cordis

Two academic monographs describing an inventor's work on intravascular stents that were only distributed to a handful of university and hospital colleagues as well as two companies interested in commercializing the technology.

The record contained “clear evidence that such academic norms gave rise to an expectation that disclosures will remain confidential.”

Weber

“Weber's operating manuals were created for dissemination to the interested public to provide instructions about how to assemble, use, clean, and maintain Weber's slicer, as well as guidance for addressing malfunctions that users might encounter.”

Where “a publication's purpose is ‘dialogue with the intended audience,’ that purpose indicates public accessibility.”

The Difference Between A “Disclosure” And A “Public Disclosure” Of An Invention

35 U.S.C. § 102

(a) Novelty; Prior art. A person shall be entitled to a patent unless—

(1) the claimed invention was patented, described in a printed publication, or in public use, **on sale**, or otherwise available to the public before the effective filing date of the claimed invention; or

(2) the claimed invention was described in a patent ... [that] names another inventor and was effectively filed before the effective filing date of the claimed invention.

(b) Exceptions.

(1) [Disclosures under (a)(1) by the inventor less than one year before filing.]

(2) **Disclosures appearing in applications and patents.** A **disclosure** shall not be prior art to a claimed invention under subsection (a)(2) if—

(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been **publicly disclosed** by the inventor

The Difference Between A “Disclosure” And A “Public Disclosure” Of An Invention

Sanho Corp. v. Kaijet Tech. Int’l Ltd., Inc, 108 F.4th 1376 (Fed. Cir. 2024)

November 17, 2016 – Named inventor sells a product that embodied the claimed invention in a private non-confidential transaction.

December 13, 2016 – Third-party files patent application on same claimed invention (prior art).

April 27, 2017 – Inventor files patent application on the claimed invention.

The Difference Between A “Disclosure” And A “Public Disclosure” Of An Invention

Sanho Corp. v. Kaijet Tech. Int'l Ltd., Inc, 108 F.4th 1376 (Fed. Cir. 2024)

Issue: Does a private, but non-confidential, sale of an invention before a third-party files a patent application qualify as a “public disclosure” that can eliminate the third-party patent filing as prior art?

Holding: The Federal Circuit ruled that a private sale, even if non-confidential, does not qualify as a “public disclosure” under the AIA.

To eliminate intervening prior art, the patent applicant’s disclosure must make the invention reasonably available to the public. Private sales do not meet this standard.

The Difference Between A “Disclosure” And A “Public Disclosure” Of An Invention

Celanese Intn’l Corp. v. International Trade Commn., 111 F.4th 1338 (Fed. Cir. 2024)

Issue: Does a sale of a product made by a secret process more than one year before filing a patent constitute an invalidating “disclosure”?

Holding: Yes. Commercial exploitation of an invention more than one year before filing precludes patentability even where the invention remains secret from the public.

Seeking FDA Approval For Limited Uses Of Generic Drugs

Amarin Pharma, Inc. v. Hikma Pharms. USA Inc., 104 F.4th 1370 (Fed. Cir. 2024)

Not an ANDA case. FDA approved defendant's ANDA for an unpatented indication that carved out the “infringing” indication (“skinny label”).

District Court dismissed Plaintiff's induced infringement claim, finding that its allegations did not rise to the level of plausibly alleging an inducing *act*, regardless of *intent* to induce.

Label (1) removed a “limitation of use” regarding the infringing use and (2) included risk factors associated with the infringing indication.

Defendant promoted the branded product's approval for the infringing use and heavily advertised its product as a generic version of the approved product.

Seeking FDA Approval For Limited Uses Of Generic Drugs

Amarin Pharma, Inc. v. Hikma Pharms. USA Inc., 104 F.4th 1370 (Fed. Cir. 2024)

Issue: Do public statements made by the accused infringer referencing a drug with patented indications, in conjunction with a skinny label, plausibly support active inducement?

Holding: Yes. Allegations depend on what the label and public statements would communicate to a physician and the marketplace, which is a question of fact.

Dismissal **Reversed** Lourie, J. (3-0)

Seeking FDA Approval For Limited Uses Of Generic Drugs

Salix Pharms., Ltd. v. Norwich Pharms. Inc., 98 F.4th 1056, 1069 (Fed. Cir. 2024)

After district court entered judgment of infringement, defendant generic drug applicant amended its ANDA to remove the infringing indication.

Defendant moved to modify the judgment.

District court denied the request.

Seeking FDA Approval For Limited Uses Of Generic Drugs

Salix Pharms., Ltd. v. Norwich Pharms. Inc., 98 F.4th 1056, 1069 (Fed. Cir. 2024)

Issue: When can a generic drug applicant limit the uses for which it seeks FDA approval?

Holding: It depends.

Carving-out a patented indication post-judgment does not automatically negate infringement or entitle immediate market entry.

A court may reconsider an amended ANDA but need not do so; it is within the discretion of the court.

Questions?

Partner Profiles



Cheryl Burgess



Ben Katzenellenbogen

Knobbe Martens

Cheryl Burgess

cheryl.burgess@knobbe.com

(949) 721-2935

Ben Katzenellenbogen

ben.katzenellenbogen@knobbe.com

(949) 721-6374