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WHITE PAPER

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Key Patent Decisions of 2019

In another noteworthy year for patent law, the U.S. Supreme Court and the Federal Circuit issued several decisions that altered the patent landscape, including three Supreme Court decisions. The topics of the key cases included whether “secret sales” qualify as prior art, standing to appeal an inter partes review (“IPR”) decision, whether federal agencies can petition for IPR, sovereign immunity, and whether the U.S. Patent and Trademark Office (“PTO”) can recover attorneys’ fees.

This *White Paper* summarizes and explains some of the most significant patent law decisions of 2019. Each of these decisions has meaningful implications for patent owners, defendants, and patent practitioners alike.

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SUPREME COURT RULES THAT SECRET SALES ARE PRIOR ART

Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc., 139 S. Ct. 628 (2019)

The Supreme Court in *Helsinn* unanimously ruled that “secret” sales of ready-for-patenting products qualify as prior art under the on-sale bar of 35 U.S.C § 102(b), as amended by the America Invents Act (“AIA”).¹

In 2011, Helsinn sued Teva, who sought to market generic versions of Helsinn’s patented intravenous solution for treating chemotherapy-induced nausea.² After the New Jersey district court found the patents infringed and not invalid, the Federal Circuit reversed, and certiorari was granted.³

The issue presented to the Supreme Court concerned Helsinn’s conduct before obtaining patent protection for its “palonosetron” product. While Helsinn was developing palonosetron, it entered into two agreements with a third-party company, MGI Pharma Inc. (“MGI”),⁴ a pharmaceutical company that markets and distributes drugs in the United States.⁵ Helsinn granted MGI the right to distribute, promote, market, and sell a 0.25 mg dose of palonosetron, while also requiring MGI to keep confidential any proprietary information received under the agreements.⁶ Nearly two years after the agreements were signed, in 2003, Helsinn filed a provisional patent covering palonosetron.⁷ Ten years after that, Helsinn filed a continuation patent covering the 0.25 mg dose.⁸ Critically, Helsinn’s continuation patent was governed by the provisions of the AIA.

During litigation, Teva challenged the patent’s validity on the grounds that the 0.25 mg dose was “on sale” more than a year before Helsinn filed its provisional application. The district court rejected this argument, holding that an invention is not “on sale” unless the sale or offer made the invention available to the public.⁹ Because the agreements contained confidentiality provisions, the court held that palonosetron was not available to the public, and the patent was therefore not invalid under the on-sale bar provision of the Patent Act, as amended by the AIA.

The Supreme Court affirmed the Federal Circuit’s decision reversing the district court, holding that the AIA had not altered the historic understanding of the on-sale bar as focused not on disclosure, but upon commercialization. Relying on *Pfaff*

v. Wells Electronics, Inc., 525 U.S. 55 (1998), Justice Thomas stated that “our precedents suggest that a sale or offer of sale need not make an invention available to the public”¹⁰ In *Pfaff*, the Supreme Court found that an offer for sale under pre-AIA § 102 invalidates patent rights “without regard to whether the offer discloses each detail of the invention.”¹¹ Given the settled precedent of the meaning of “on sale,” Justice Thomas explained that there was a presumption “that when Congress reenacted the same language in the AIA, it adopted the earlier judicial construction of that phrase.”¹² The Court also found that the addition of the phrase “or otherwise available to the public” in the AIA was “simply not enough of a change for us to conclude that Congress intended to alter the meaning of the reenacted term of ‘on sale.’”¹³

The *Helsinn* decision, issued just seven weeks after oral argument, serves as a warning to patentees that pre-filing commercial activities involving an unpatented product—whether secret or not—could cause forfeiture of patent rights.

MORE UNCERTAINTY ON § 101 PATENT ELIGIBILITY FROM THE FEDERAL CIRCUIT

Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC, 915 F.3d 743 (Fed. Cir. 2019)

A divided Federal Circuit in *Athena Diagnostics* found Athena’s medical methods for diagnosing an autoimmune disease ineligible for a patent under 35 U.S.C. § 101. The 2–1 decision affirmed a 2017 ruling from the District of Massachusetts holding that Athena’s claims were directed toward laws of nature and lacked an inventive concept.¹⁴

Athena’s patent concerns a method of diagnosing myasthenia gravis (“MG”), a disorder that causes muscle weakness. The inventors discovered an association between MG and autoantibodies attached to a membrane protein called MuSK that could be used to identify and diagnose MG.¹⁵ The inventors accordingly claimed methods of diagnosing neurological disorders by detecting autoantibodies that bind to MuSK.¹⁶ After Mayo Collaborative Services developed two competing tests, Athena sued for patent infringement.¹⁷

In reaching its decision, the Federal Circuit applied the Supreme Court’s two-part test in *Mayo v. Prometheus*.¹⁸ Step one asks whether the claims are “directed to” a law of nature.

If so, *Mayo* directs courts, as step two, to determine “whether the limitations of the claim apart from the law of nature, considered individually and as an ordered combination, transform the nature of the claim into a patent-eligible application.”¹⁹ To transform the claim, “the additional limitations must ‘ensure that the patent in practice amounts to significantly more than a patent upon the natural law itself.’”²⁰

Applying step one, the majority found that Athena’s claims were directed to the natural correlation between certain auto-antibodies and the presence of a disease. Finding the claims “involve both the discovery of a natural law and certain concrete steps to observe its operation,” the court found “this correlation exists in nature apart from any human action ... thus [there] can be no dispute that it is an ineligible natural law.”²¹

As for step two, the court found the claims lacked a transformative inventive concept. The court stressed that the steps of detecting autoantibodies in a sample of bodily fluids could be performed in accordance with techniques known in the art.²² Because the claims applied “standard techniques in a standard way to observe a natural law,” the court concluded that the claims failed to provide an inventive concept.²³

Judge Newman dissented, arguing that the inventors were not “claiming the scientific fact of a newly described autoantibody” but rather “a new multi-step diagnostic method” incorporating a “man-made reaction sequence employing new components in a new combination to perform a new diagnostic procedure.”²⁴ She stressed that the patent claimed a “new and improved technique, for producing a tangible and useful result, [that] falls squarely outside t[he] categories of inventions that are directed to patent-ineligible concepts.”²⁵ She also warned that the majority’s decision “enlarge[s] the inconsistencies and exacerbate[s] the judge-made disincentives to development of new diagnostic methods.”²⁶

In July, the Federal Circuit denied *en banc* rehearing. Nonetheless, all 12 active Federal Circuit judges wrote, or joined in, an extensive series of concurrences or dissents from the denial of *en banc* rehearing, with several of the concurring judges urging the Supreme Court to clarify *Mayo*’s instructions on the exception to the patentability of laws of nature.²⁷

In the interim since those denials, the Solicitor General has suggested to the Court, in opposing two other petitions for

certiorari presenting Section 101 issues, that “the Court’s recent Section 101 decisions have fostered substantial uncertainty,” and the “confusion created by” those “precedents warrants review in an appropriate case.”²⁸ Practitioners eager for further clarity on § 101 patentability had been hoping for Supreme Court review, but, on January 13, 2020, the Supreme Court denied Athena’s petition for certiorari, along with petitions in several other § 101 cases.

THE FEDERAL CIRCUIT ADDRESSES CONSTITUTIONAL ISSUES RELATING TO IPR PROCEEDINGS

AVX Corporation v. Presidio Components, Inc., 923 F.3d 1357 (Fed. Cir. 2019)

The Federal Circuit in *AVX* examined the standing requirements for IPR for petitioners appealing upheld claims to the Federal Circuit.²⁹ The court found that where there is no *present* indication of a patent infringement suit, a petitioner has no Article III standing.

AVX Corporation filed an IPR in the PTO against *Presidio Components, Inc.*, a manufacturer and seller of ceramic capacitors.³⁰ *AVX* successfully instituted a review under 35 U.S.C. § 103 of whether *Presidio*’s patent covering single-layer ceramic capacitors was obvious. In 2017, the Patent Trial and Appeal Board (“PTAB”) found several of the challenged claims not invalid. *AVX* filed an appeal, thus presenting the Federal Circuit with the question of whether *AVX* has standing to appeal when there was no threat of litigation against it.

Unlike an agency-run IPR, which is not subject to the requirements of Article III, standing in a federal court requires a party to show: (i) an injury in fact; (ii) a causal connection between the injury and the conduct complained of; and (iii) a likelihood that the injury will be redressed by a favorable decision. An injury in fact is a legally protectable interest that is (a) concrete and particularized and (b) actual or imminent, not conjectural or hypothetical.³¹

AVX made two arguments in support of its Article III standing. First, *AVX* argued that it was injured by the PTAB’s decision because the rejected obviousness challenges could not be reviewed by a federal court in a later suit, due to IPR statutory estoppel provisions. Section 315(e) prohibits IPR

petitioners from re-raising in a later PTO proceeding or civil action grounds that were “raised or reasonably could have [been] raised.”³² The Federal Circuit disagreed. Citing *Phigenix, Inc. v. Immunogen, Inc.*, 845 F.3d 1168, 1171-72 (Fed. Cir. 2017), the court explained that it has “already rejected invocation of the estoppel provision as a sufficient basis for standing.”³³ Just as in *Phigenix*, the court reiterated that § 315(e) “does not constitute an injury in fact when, as here, the appellant is not engaged in any activity that would give rise to a possible infringement suit.”³⁴ Notably, the court addressed (but declined to decide) whether § 315(e) should be read to incorporate a “‘traditional preclusion principle’—that neither claim nor issue preclusion applies when appellate review of the decision with a potentially preclusive effect is unavailable.”³⁵

Second, AVX argued that the upheld claims caused injury by reducing AVX’s ability to compete with Presidio (i.e., “competitor standing”).³⁶ While acknowledging that competitor standing is an avenue for establishing Article III standing, the court found that in this case, “AVX has no present or nonspeculative interest in engaging in conduct even arguably covered by the patent claims at issue.”³⁷ The court explained that the government’s action of upholding patent claims does not cause harm to a party “just because it is a competitor in the same market” as the patentee.³⁸

While a patent could have a harmful competitive effect on a patent challenger, in this case, the court found AVX lacked any concrete plans to make or sell products that would create a risk of future injury.³⁹ AVX did not assert that it was developing or likely to develop a potentially infringing product. The court found that “[a]t this point, it is just speculation whether AVX will want to develop or sell a [device] that arguably falls within the upheld claims of the [] patent and so prompt Presidio to file suit.”⁴⁰ Consequently, the court declined to find an injury in fact establishing Article III standing and dismissed the appeal.⁴¹

This case serves as a warning to practitioners that the ability to appeal PTO decisions may be barred where the challenger lacks *imminent* plans to engage in infringing activity. It also serves as a reminder that administrative adjudications, which do not require adherence to the Constitution’s Article III requirements, do nonetheless implicate those rules when federal-court review of those administrative decisions is sought.

***Regents of the University of Minnesota v. LSI Corp.*, 926 F.3d 1327 (Fed. Cir. 2019)**

After considering questions of tribal sovereign immunity last year in *Saint Regis Mohawk Tribe v. Mylan Pharmaceuticals Inc.*,⁴² the Federal Circuit again entertained sovereign immunity arguments in 2019—this time involving state sovereign immunity. In *Regents of the University of Minnesota*, the court concluded that the University of Minnesota (“UMN”) was not immune from challenges to its patents via IPR by virtue of UMN’s status as an arm of the state of Minnesota.⁴³

The case originated when UMN sued LSI Corp. (and others) alleging infringement of patents relating to certain types of semiconductor computer chips.⁴⁴ In response, LSI petitioned for IPR “seeking a determination of unpatentability of the challenged claims on grounds of anticipation and obviousness.”⁴⁵

UMN filed a motion to dismiss the IPR proceedings based on state sovereign immunity.⁴⁶ Although the PTAB agreed with UMN that state sovereign immunity applied in IPR proceedings, it held that UMN had “waived its immunity by filing suit against petitioners in district court.”⁴⁷ UMN appealed the PTAB’s decision to the Federal Circuit.⁴⁸

Although the Federal Circuit had specifically declined to decide the issue of state sovereign immunity in *Saint Regis*, it determined that the logic of that case dictated a similar result for state sovereign immunity, holding that state sovereign immunity also is not applicable in IPR proceedings. First, the court noted that IPR proceedings are unlike common-law causes of action (for which state sovereign immunity would apply), because it is the PTO Director, “not the private party, who ultimately decides whether to proceed against the sovereign.”⁴⁹ Second, unlike an Article III court, the PTO may proceed with an IPR “even if the petitioner or patent owner elects not to participate during IPR.”⁵⁰ Third, although bearing some similarity to litigation, the procedures governing IPRs differ in many respects from litigation in federal district courts (including, e.g., the fact that the Federal Rules of Civil Procedure do not apply).⁵¹ Finally, the Federal Circuit bolstered its opinion by drawing upon the Supreme Court’s recent *Oil States* opinion, noting that the IPR determination of patent validity is a dispute over “public rights” between the government and patent owner, and it is therefore different from Article III litigation between private parties.⁵²

The court concluded by noting that “state and tribal sovereign immunity do not differ in a way that is material to the question of whether IPR proceedings are subject to state sovereign immunity. Thus, under the reasoning of the majority and concurrence in *Saint Regis*, we conclude that state sovereign immunity does not apply to IPR proceedings.”⁵³ The court also stated that, because it had determined that state sovereign immunity did not apply to IPR proceedings, it need not address whether UMN’s decision to initiate district court litigation had waived sovereign immunity.⁵⁴

The University asked the Supreme Court to review the Federal Circuit’s decision, but the Supreme Court denied review on January 13, 2020.⁵⁵ With the *Regents of the University of Minnesota* decision, practitioners should take note that sovereign immunity arguments are disfavored, if not a non-starter, before the PTAB.

***Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019)**

The Federal Circuit considered yet another issue at the intersection of IPRs and the Constitution in *Arthrex*.⁵⁶ The *Arthrex* litigation originated when the accused infringer (Smith & Nephew) filed a petition seeking IPR, which the PTAB granted, ultimately finding the claims unpatentable. On appeal, the patentee (*Arthrex*) challenged the constitutionality of the IPR proceedings, arguing that the administrative patent judges (“APJs”) “who presided over [the] *inter partes* review were not constitutionally appointed.”⁵⁷ Specifically, *Arthrex* argued that the “APJs were principal officers who must be, but were not, appointed by the President with the advice and consent of the Senate.”⁵⁸ The court agreed that the APJ structure violated the Constitution’s Appointments Clause, but preserved the structure by striking the statute’s removal protections so that APJs would be subject to removal “without cause.”

The court’s analysis noted that the work performed by APJs bore many similarities to other “principal” officers who must be appointed by the president. First, APJs have “substantial power to issue final decisions [on patentability] on behalf of the United States without any review by a presidentially-appointed officer.”⁵⁹ Second, APJs could not be removed at will but are subject to removal by the Director only for “misconduct [that] is likely to have an adverse impact on the agency’s performance of its functions.”⁶⁰ Finally, although the presidentially appointed director of the PTO did exercise significant oversight over the

APJs (via promulgation of regulations), the court determined that this factor alone could not outweigh the other hallmarks suggesting the APJs were “principal” officers.⁶¹ Because the APJs were “principal” officers who had not been appointed by the president upon the Senate’s advice and consent, the court determined that the “current structure of the [PTAB] violates the Appointments Clause.”⁶²

Having determined that the APJ structure violated the Appointments Clause, the court next considered whether the governing statutes could be remedied by “severing any problematic portions while leaving the remainder intact.”⁶³ The court concluded that the structure could be preserved (and would be constitutional) if the removal protections provided to the APJs were stricken from the applicable statute.⁶⁴ Thus, following severance, the APJs would be subject to removal “without cause.”⁶⁵ With this—which the court deemed the “narrowest revision” that accorded with Congress’s intent—the court determined that the statute would be constitutional.⁶⁶

The parties in *Arthrex* have asked the Federal Circuit to rehear the case *en banc*, and, in light of the number of post-*Arthrex* decisions trying to address the fallout from that decision as applied to pending cases, it would be unsurprising if the court decided to rehear the case *en banc*.

THE SUPREME COURT AND FEDERAL CIRCUIT PROVIDE STATUTORY GUIDANCE FOR AIA POST-ISSUANCE REVIEWS

***Return Mail, Inc. v. United States Postal Service*, 139 S. Ct. 1853 (2019)**

The Supreme Court in *Return Mail*⁶⁷ ruled by a 6–3 vote that the federal government is not a “person” able to request review under one of the administrative procedures provided in the AIA: (i) IPR; (ii) “post-grant review”; or (iii) “covered-business-method review.”

Return Mail arose out of litigation between Return Mail, Inc. (“Return Mail,” the patentee) and the United States Postal Service (“USPS,” the accused infringer) concerning a patent covering a “method for processing mail that is undeliverable.”⁶⁸ USPS requested a covered-business-method review (“CBM review”), which ultimately led to the cancellation of the claims.⁶⁹ On appeal, Return Mail argued that USPS (a federal government

agency) did not qualify as a “person” under the statute and was therefore ineligible to request review. The Federal Circuit disagreed, affirming the cancellation of the claims.

The Supreme Court’s analysis focused on the meaning of the term “person” within the relevant statute. Justice Sotomayor’s opinion for the Court began by noting that—in the absence of an express statutory definition—the Court would apply the “longstanding interpretive presumption that ‘person’ does not include the ‘sovereign,’ and thus excludes a federal agency like the Postal Service.”⁷⁰

Nevertheless, USPS offered several arguments for overcoming that presumption: (i) statutory context; (ii) the historic role of federal agencies in the patent system; and (iii) the statute’s allowance of government infringement liability. The Court rejected each of these arguments. First, although USPS noted that the Patent Act used the term “person” in other places to refer to the government, the Court identified several instances in which “person” plainly did *not* refer to the government, and thus there was “no clear trend” suggesting a well-understood definition.⁷¹ Second, the Court was likewise unpersuaded by USPS’s arguments regarding the historic role of the federal government in patent validity challenges, noting that the AIA’s provisions were “meaningfully different” from their predecessors.⁷² Finally, the Court rejected USPS’s argument regarding infringement liability by noting that, although the federal government could be liable for patent infringement, the government’s exposure to such liability is much lower than that of a typical infringer, and “it is reasonable for Congress to have treated them differently.”⁷³

The Court therefore held that “a federal agency is not a ‘person’ who may petition for post-issuance review under the AIA.”⁷⁴ Although the specific AIA provision under review concerned CBM review, the Court was clear that its opinion governed *all* “post-issuance review under the AIA.” Justice Breyer filed a dissenting opinion (joined by Justices Ginsburg and Kagan), arguing that the purpose, subject matter, legislative history, and longstanding interpretation supported a construction of “person” that includes government agencies.⁷⁵

Note: *Jones Day filed an amici curiae brief in this case on behalf of the CATO Institute and Professor Gregory Dolin, urging the position adopted by the majority. Justice Sotomayor cited*

the brief in questioning the government’s counsel at oral argument and relied on its analysis in her opinion for the Court.

Power Integrations, Inc. v. Semiconductor Components Industries, LLC, 926 F.3d 1306 (Fed. Cir. 2019)

In *Power Integrations*, the Federal Circuit considered whether the requirement that, for the PTAB to institute an IPR, a petitioner must have filed within a year of being served with an infringement complaint applied when the petitioner, after filing, merged with the alleged infringer.⁷⁶ The court held that it did.

In 2009, Power Integrations sued Fairchild Semiconductor (“Fairchild”), alleging infringement of U.S. Patent No. 6,212,079 (“’079 patent”).⁷⁷ Power Integrations eventually prevailed and, as of the time of the Federal Circuit’s decision in *Power Integrations*, the parties were still litigating over damages issues.⁷⁸

In 2015, while the litigation between Power Integrations and Fairchild was pending, ON Semiconductor (a third-party) filed a petition requesting IPR of the ’079 patent.⁷⁹ When it filed the petition, ON Semiconductor had been in talks with Fairchild to merge the two companies, and an agreement to merge was in place; however, the merger had not yet closed.⁸⁰ The merger between ON Semiconductor and Fairchild closed on September 19, 2016, and the PTAB instituted the IPR four days later, on September 23, 2016.

Based on the “privity” between ON Semiconductor and Fairchild—the latter of which had been sued for infringement of the ’079 patent beginning in 2009—Power Integrations argued that the IPR filed by ON Semiconductor should have been precluded by the one-year time bar for seeking IPR.⁸¹ ON Semiconductor argued, however, that the time bar should be evaluated only *at the time of filing*, and thus the time bar would not apply because the merger did not close until after the petition was filed.

The Federal Circuit agreed with Power Integrations, holding that the PTAB must consider privity relationships arising *after filing but before the petition is instituted*. Specifically, the court construed the time-bar statute—§ 315(b)—to “require[] consideration of privity and [real party in interest] RPI relationships arising after filing but before institution.”⁸² First and foremost, the court noted that § 315(b) “specifically precludes *institution*, not filing.”⁸³ Because the focus of the statute is on whether

institution should be denied, it is proper for the PTAB to consider privity and RPI relationships arising after filing but before institution. Moreover, the court noted, construing the statute in this way would prevent a scenario in which the PTAB, “when deciding whether to institute, [would] ignore the existence of RPIs or privies who would benefit from having an IPR instituted simply because they were not RPIs or privies when the petition was filed.”⁸⁴ In view of this construction, the Federal Circuit held that the IPR had been improperly instituted and remanded to the PTAB with instructions to dismiss the IPR.

Following the *Power Integrations* decision, patentees should take note of the potential implications for IPR filings when considering mergers or reorganizations.

PTO NOT ENTITLED TO ATTORNEYS’ FEES UNDER 35 U.S.C. § 145

Peter v. NantKwest, ___ S. Ct. ___, Case No. 18-801 (Dec. 11, 2019)

In *Peter v. NantKwest*, the Supreme Court considered whether the PTO could recover its attorneys’ fees as a matter of course for all litigation initiated under 35 U.S.C. § 145.⁸⁵ The Court held that it could not. Section 145 provides a mechanism for dissatisfied patent applicants to challenge the decisions of the PTO in federal district court in the Eastern District of Virginia. Unlike a direct appeal to the Federal Circuit (under 35 U.S.C. § 141), challenging a PTO decision under § 145 allows the applicant to present new evidence that was not before the PTO, which the district court must then review *de novo* alongside the prosecution record.⁸⁶ To take advantage of that approach, however, “the Patent Act requires applicants who avail themselves of § 145 to pay ‘[a]ll the expenses of the proceedings.’”⁸⁷

The case leading to *NantKwest* originated when the PTO prevailed in a § 145 action on summary judgment, and—“for the first time in the 170-year history of § 145”—requested reimbursement of the “pro rata salaries of PTO attorneys and a paralegal who worked on a case.”⁸⁸ After an *en banc* panel of the Federal Circuit reversed a three-judge panel that found for the PTO, the Supreme Court decided to address the issues.

Justice Sotomayor, writing for a unanimous Court, held that attorneys’ fees were not included within § 145’s “expenses.” First, the Court found that the “American Rule”—the presumption

that each party to litigation bears the cost of its own attorneys’ fees, regardless of the outcome—applied.⁸⁹ The PTO argued that the presumption applied only when considering “prevailing party statutes,” whereas § 145 required payment of the PTO’s expenses even if the applicant prevailed.⁹⁰ The Court disagreed. Most significantly, the Court noted that the PTO’s premise was incorrect—there was precedent for applying the American Rule to fee-shifting statutes for nonprevailing parties.⁹¹

Second, the Court found no reason to deviate from the American Rule in the case of § 145. Among other things, the Court traced the use of the term “expenses of the proceeding” to its Latin predecessor (*expensae litis*), which was well understood to include “a class of expenses in litigation to which attorney’s fees did not belong.”⁹² The Court also noted that in most instances where attorneys’ fees were made recoverable by statute as part of “expenses,” Congress specifically defined “expenses” to include “attorney’s fees.”⁹³ Finally, the Court pointed to the history of the Patent Act and the PTO’s longtime payment of its own attorneys’ fees as further evidence that the statutory term “expenses” did not include attorneys’ fees.

Following *NantKwest*, patent applicants and practitioners may once again be assured that a § 145 action in federal court will not require payment of the PTO’s attorneys’ fees, just as was the case for the first 170 years of the statute.

Note: *Jones Day* filed an amicus curiae brief in this case on behalf of the Intellectual Property Owners Association (“IPO”); the Court in its opinion adopted the IPO’s historical analysis of the statutory provision, and its equivalence to *expensae litis*.

CONCLUSION

The cases discussed in this *White Paper* address significant issues that will profoundly affect patent litigation in the years ahead. First, the Federal Circuit and the Supreme Court showed a continuing interest in questions related to the AIA, including whether federal agencies can initiate a post-grant proceeding (*Return Mail*), standing and sovereign immunity (*AVX*, *Regents of the University of Minnesota*, and *Power Integration*), and whether APJs are constitutionally appointed (*Anthrax*). Second, both courts addressed important prior art and § 101 issues (*Helsinn* and *Athena Diagnostics*). Finally, in *Peter v. NantKwest*, the Supreme Court declined to depart

from the “American Rule” and affirmed that the PTO is not entitled to recover attorneys’ fees for appeals of PTO decisions. Practitioners should take note of these important changes and clarifications, which will have implications in 2020 and for years to come.

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ENDNOTES

1 *Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.*, 139 S.Ct. 628 (2019).

2 *Id.* at 629.

3 *Id.* at 628.

4 *Id.* at 631.

5 *Id.*

6 *Id.*

7 *Id.*

8 *Id.*

9 *Id.* at 632.

10 *Id.* at 633.

11 *Id.* (citing *Pfaff*, 525 U.S. at 67).

12 *Id.* at 633-634.

13 *Id.* at 634.

14 *Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC*, 915 F.3d 743, 746 (2019).

15 *Id.* at 747.

16 *Id.*

17 *Id.* at 746.

18 *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012).

19 *Athena*, 915 F.3d at 749 (internal quotations omitted).

20 *Id.* (quoting *Mayo*, 566 U.S. at 73).

21 *Id.* at 750-51.

22 *Id.* at 753-54.

23 *Id.* at 754.

24 *Id.* at 759.

25 *Id.* at 757 (internal quotations omitted) (citing *Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1050 (Fed. Cir. 2016)).

26 *Id.* at 757.

27 See *Athena Diagnostics, Inc. v. Mayo Collaborative Servs., LLC*, 927 F.3d 1333 (Fed. Cir. 2019).

28 Pet. for Cert. at 8, *Hikma Pharms. USA Inc. v. Vanda Pharms. Inc.*, No. 18-1817 (U.S.) (Dec. 6, 2019).

29 *AVX Corporation v. Presidio Components, Inc.*, 923 F.3d 1357 (Fed. Cir. 2019).

30 *Id.* at 1359.

31 *Id.* at 1361.

32 35 U.S.C. § 315(e).

33 *Id.* at 1362.

34 *Id.* at 1362-63 (quoting *Phigenix*, 845 F.3d at 1175-76 (internal quotations and alterations omitted)).

35 *Id.* at 1363.

36 *Id.*

37 *Id.*

38 *Id.* at 1365.

39 *Id.*

40 *Id.* at 1366.

41 *Id.*

42 896 F.3d 1322 (Fed. Cir. 2018).

43 926 F.3d 1327 (Fed. Cir. 2019).

44 *Id.* at 1330.

45 *Id.*

46 *Id.*

47 *Id.*

48 *Id.*

49 *Id.* at 1339.

50 *Id.*

51 *Id.*

52 *Id.* at 1340.

- 53 *Id.* at 1341.
- 54 *Id.* at 1342.
- 55 Pet. for Cert., *Regents of the U. of Minn. v. LSI Corp.*, No. 19-337 (U.S.) (Sept. 12, 2019).
- 56 941 F.3d 1320 (Fed. Cir. 2019).
- 57 *Id.* at *3.
- 58 *Id.*
- 59 *Id.* at *5.
- 60 *Id.* at *7 (quoting 5 U.S.C. § 7513).
- 61 *Id.* at *6.
- 62 *Id.* at *8.
- 63 *Id.* at *8 (quoting *Free Enterprise Fund v. Public Company Accounting Oversight Board*, 561 U.S. 477, 508 (2010)).
- 64 *Id.*
- 65 *Id.*
- 66 *Id.* at *10.
- 67 139 S. Ct. 1853 (2019).
- 68 *Id.* at 1861.
- 69 *Id.*
- 70 *Id.* at 1861-62 (quoting *Vermont Agency of Natural Resources v. United States ex rel. Stevens*, 529 U.S. 765, 780-81 (2000)).
- 71 *Id.* at 1863-64.
- 72 *Id.* at 1865-66.
- 73 *Id.* at 1867.
- 74 *Id.*
- 75 *Id.* at 1872.
- 76 926 F.3d 1306 (Fed. Cir. 2019).
- 77 *Id.* at 1308.
- 78 *Id.*
- 79 *Id.* at 1309.
- 80 *Id.*
- 81 *Id.* at 1314.
- 82 *Id.*
- 83 *Id.*
- 84 *Id.* at 1316.
- 85 *Peter v. NantKwest*, No. 18-801, 589 U.S. _____, 2019 WL 6719083 (2019).
- 86 *Id.* at *2.
- 87 *Id.* (quoting 35 U.S.C. § 145).
- 88 *Id.*
- 89 *Id.*
- 90 *Id.* at *3.
- 91 *Id.*
- 92 *Id.* at *4.
- 93 *Id.*

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