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INTELLECTUAL PROPERTY LITIGATION NEWSLETTER

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Case Highlights

District Court Has Inherent Power to Impose Sanctions in Addition to Section 285 Attorneys' Fees and Costs

PS Products Inc. v. Panther Trading Co., No. 2023-1665 (Fed. Cir. Dec. 6, 2024) (Judge Moore joined by Judges Stoll and Cunningham) (appeal from E.D. Ark.).

The plaintiff appealed the district court's order imposing deterrence sanctions of $25,000 in addition to awarding attorneys' fees and costs under 35 U.S.C. § 285 for bringing a frivolous lawsuit. In affirming the district court's order, the Federal Circuit held that "the district court can impose sanctions under its inherent power in addition to awarding attorney fees and costs under § 285." The Federal Circuit, however, denied the defendant's requests for attorneys' fees and costs for defending the appeal because the appeal was not frivolous. Although the appeal arguments about the inherent power were without merit, "it has not previously been decided by this court."

Lead-Compound Analysis Is Not Always Required to Determine Obviousness

Cytiva Bioprocess R&D AB v. JSR Corp., No. 2023-2074 (Fed. Cir. Dec. 4, 2024) (Judge Prost joined by Judges Taranto and Hughes) (appeal from PTAB).

The Federal Circuit clarified that a lead-compound analysis is not *always* required in determining obviousness for new compounds. The lead-compound analysis is an "ordinary or generally applicable test" to assist the courts in assessing "whether a chemist of ordinary skill would have selected the asserted prior art compounds as lead compounds, or starting points, for further development efforts." Emphasizing that the obviousness inquiry is a "flexible one that eschews rigid and formalistic rules," the Federal Circuit held that a "lead-compound analysis is not required where the prior-art references expressly suggest the proposed modification."

Other Notable Cases

Preliminary Injunction Issued Against Oakland from Using the Name "San Francisco Bay Oakland International Airport"

City and County of San Francisco v. City of Oakland, No. 3:24-cv-02311 (N.D. Cal. Nov. 12, 2024) (Magistrate Judge Hixson).

In a trademark infringement battle between San Francisco and Oakland, a federal court issued a preliminary injunction against Oakland from using its new name for the Oakland International Airport, "San Francisco Bay Oakland International Airport." The court concluded that San Francisco will likely prevail on its claim for affiliation, connection, or association confusion with its mark, "San Francisco International Airport." San Francisco also showed that it will suffer irreparable harm because without the injunction, Oakland's use of the new name would damage the goodwill and value of San Francisco's mark as well as deprive San Francisco of control over its mark. Notably, San Francisco made substantial investments in the airport's infrastructure and facilities to make the airport one of the busiest and routinely top-ranked in the nation. On the other hand, Oakland airport is much smaller and its customer satisfaction rating is worse.

Expert Cannot Rely Solely on Inadmissible Hearsay to Show That a Document Was a "Printed Publication"

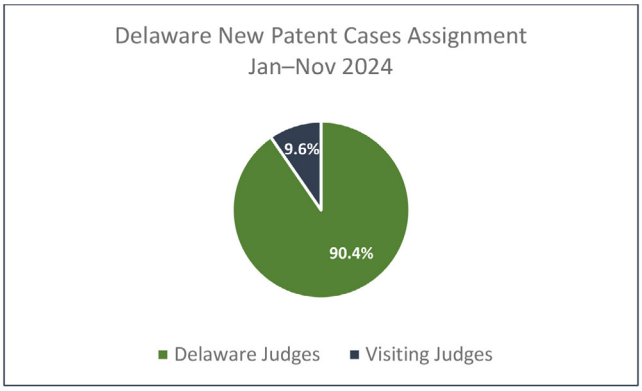
Geomatrix Systems LLC v. Eljen Corp., No. 3:20-cv-01900 (D. Conn. Nov. 12, 2024) (Judge Nagala).

To show that a document was a "printed publication," the defendant's expert relied solely on his conversation with the author of the document "for the proposition that the paper was presented and freely distributed in 1988." That conversation, however, is inadmissible hearsay. Although it is true that "an expert may rely on inadmissible data in forming an opinion if experts in the particular field would reasonably rely on that kind of data in forming an opinion on a subject," an expert's reliance on such data "does not make admissible otherwise inadmissible evidence." Here, the defendant "cannot seek to admit [the author's] out-of-court statements for their truth through [the expert], simply because [the expert] is its expert witness."

IP Litigation Trend

From January to November of this year, 9.6% of new patent cases filed in the District of Delaware were assigned to visiting judges: Judges J. Campbell Barker (E.D. Tex.), Joseph Bataillon (D. Neb.), Jennifer Choe-Groves (ITC), Mitchell S. Goldberg (E.D. Pa.), and John F. Murphy (E.D. Pa.).

Source: Docket Navigator



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