

Chief Judge Prost: a defender of clarity in patent law

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JUNE 21, 2021

When the U.S. Court of Appeals for the Federal Circuit's Chief Judge Sharon Prost ended her tenure as chief last month, she left a strong legacy of seeking to advance and interpret the bounds of what is patentable, patent eligible, and enforceable subject matter.

As chief, Chief Judge Prost has participated in the most patent decisions of any of her colleagues over each of the past few years. Among these, she has been a commanding voice in high-profile opinions relating to pharmaceuticals and the life sciences industry.

Chief Judge Prost's history in serving as Senator Hatch's chief counsel on the Senate Judiciary Committee provided her with a sophisticated background in IP issues affecting the life sciences sector. She did so with strong efforts to build consensus at the Federal Circuit, by way of decreasing the court's dissent rate and the number of cases reheard en banc.

Chief Judge Prost's jurisprudence has influenced the way pharmaceutical and biotechnology companies think about patent strategies, including how they claim newly discovered life science technologies and improvements to existing technologies.

Many retrospectives have been written about Chief Judge Prost in recent months. Here, we present a theme of her jurisprudence, primarily through her dissents. While Chief Judge Prost authored close to 20 dissents during her tenure as Chief, we present six of her dissents that reflect her efforts to straighten out and simplify challenging patent law issues.

A long record of straightforward patent law standards

Judge Prost had emphasized the importance of clear and consistent legal standards years before becoming Chief Judge.

In *CLS Bank Int'l v. Alice Corp. Pty. Ltd.*, Judge Prost dissented from the majority decision, which was later vacated en banc. The original panel held that the asserted patent claims, which covered a computerized trading platform, were directed to patent eligible subject matter under 35 U.S.C. §101. *CLS Bank Int'l v. Alice Corp. Pty. Ltd.*, 685 F.3d 1341, 1356 (Fed. Cir. 2012), vacated on reh'g en banc, 484 F. App'x 559 (Fed. Cir. 2012).

In her dissent, Judge Prost faulted the majority for ignoring the clear legal standard established by the Supreme Court, stating that it had "creat[ed] an entirely new framework" that allowed courts to avoid §101 "whenever they so desire."

The Supreme Court ultimately agreed that the asserted claims were directed to a patent-ineligible abstract idea. See *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 226-27 (2014). This decision came down one month after Judge Prost began her tenure as Chief.

And so began her tenure to seek clarity in the law, amidst an oft-divided court.

Unpatentability of claims to natural phenomena

As with her dissent in *Alice*, Chief Judge Prost's dissent in *Vanda Pharmaceuticals Inc. v. West-Ward Pharmaceuticals International Ltd.* challenged the majority's application of the Supreme Court's patent-eligibility standard from *Mayo v. Prometheus*.

In 2018, the Federal Circuit upheld the patent-eligibility of a patent claiming a method of treating schizophrenia patients with an antipsychotic agent. *Vanda Pharm. Inc. v. West-Ward Pharm.*, 887 F.3d 1117. The Court held that *Mayo* did not apply because the claim in *Mayo* "was not a treatment claim," while the instant claims were "directed to a specific method of treatment for specific patients using a specific compound at specific doses to achieve a specific outcome."

In a forceful dissent, Chief Judge Prost suggested that the majority had departed from the clear meaning of *Mayo*.

Chief Judge Prost objected to the majority's reliance on a drug administration step to find the subject matter patent eligible. She suggested that under *Mayo*, the relevant question was whether this step added an inventive concept. And she found that the specific dosage described in this step "adds nothing inventive to the claims beyond the natural law."

Echoing her dissent in *CLS Bank v. Alice*, she criticized her colleagues' failure to recognize that the claims "do no more than simply direct the relevant audience to apply [a law of nature]."

Clarifying the law on induced infringement

Chief Judge Prost emphasized the importance of adhering to the plain and clear meaning of statutory language and judicial precedent in *Promega Corp. v. Life Technologies Corp.*

There, the Federal Circuit held that LifeTech had actively induced infringement of patents related to DNA amplification under 35 U.S.C. §§271(f)(1), by providing part of the accused devices to

a British subsidiary that produced the devices. After discussing dictionary definitions of the term “induce” and the legislative history of the statute, the panel majority concluded that “no third party is required” for active inducement. *Promega Corp. v. Life Techs. Corp.*, 774 F.3d 1338, 1351-53 (Fed. Cir. 2014).

Chief Judge Prost dissented from this holding. She emphasized that Supreme Court and Federal Circuit precedent were clear that “inducement liability requires a third party.” And she cited the Supreme Court’s “clear guidance” that courts should not create liability for inducement when Congress chose not to do so.

Clarifying PTAB procedures

Chief Judge Prost’s tenure as Chief aligned with the growth of the new post-grant patent procedures, including Inter Partes Reviews (IPRs) and Post-Grant Reviews (PGRs), before the Patent Trial and Appeal Board (PTAB). Until October 2018, the PTAB construed claims under their broadest reasonable interpretation, in contrast to the actual meaning standard espoused in *Phillips v. AWH Corp.* and used in district court.

A Federal Circuit panel upheld these disparate standards, holding that “Congress impliedly approved the existing rule of adopting the broadest reasonable construction” because it had been the U.S. Patent and Trademark Office (PTO’s) longtime standard. *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1277 (Fed. Cir. 2015), *aff’d sub nom. Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016).

Prior to its Supreme Court affirmance, however, the Federal Circuit denied an en banc appeal, from which Chief Judge Prost sharply dissented. She opined that the PTAB should apply the same standard in IPRs and PGRs as in district court, pointing to the parallels between those PTAB proceedings and “Congress’s intent in creating a completely new type of PTO proceeding — one bearing the efficiency and finality of district court adjudications of patent validity.” *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1297, 1300 (Fed. Cir. 2015) (en banc). Chief Judge Prost lamented that applying different standards could frustrate that purpose.

Notably, Chief Judge Prost’s view ultimately prevailed: the PTAB has since adopted the same *Phillips* standard that is applied by the district court for IPRs and PGRs. See 83 Fed. Reg. 51340.

Chief Judge Prost also dissented in *Nantkwest, Inc. v. Iancu*, when the Federal Circuit held that 35 U.S.C. §145, which requires applicants who appeal PTO decisions to pay “[a]ll the expenses of the proceedings,” excluded PTO attorney fees. *Nantkwest, Inc. v.*

Iancu, 898 F.3d 1177, 1187 (Fed. Cir. 2018) en banc, *aff’d sub nom. Peter v. Nantkwest, Inc.*, 140 S. Ct. 365 (2019).

Focusing on the statute’s plain language, Chief Judge Prost explained that the use of the word “all” in the statute referred to “all of the expenses . . . which includes the personnel expenses the PTO incurs in defending §145 actions.”

Clearing up ‘confusion’ over §102(b) public use bar

In another forceful dissent, Chief Judge Prost sought to clarify the §102(b) public use bar in *Barry v. Medtronic, Inc.*

In that case, the Federal Circuit held that asserted claims related to a spinal procedure were not invalid under the public-use bar because the claimed invention was not “ready for patenting” before the critical date and “there was no public use except for an experimental use.” *Barry v. Medtronic, Inc.* 914 F.3d 1310, 1321 (Fed. Cir. 2019).

The majority panel found that although the inventor had used the claimed invention in three surgeries before the critical date, it was not “known to work for its intended purpose” before then because the inventor did not know that the tool worked as intended until later appointments.

In her dissent, Chief Judge Prost lamented the Federal Circuit’s “confusing” prior case law on the concept of “intended purpose.” And she faulted the majority for “perpetuat[ing] the confusion.”

Chief Judge Prost then stated that determining an invention’s intended purpose required analyzing only the patent claims and specification. The panel majority had erred by looking well beyond the patent and relying on the inventor’s testimony about the correct way to perform the surgery. By doing so, Chief Judge Prost argued, the panel had “conceiv[ed] of a more exacting intended purpose” than the law required.

Conclusion

Chief Judge Prost’s seven-year term came to a close last month, and she is succeeded by Chief Judge Kimberly Moore. See Dan Bagatell, *Fed. Circ. Patent Decisions In 2020: An Empirical Review*, Law 360 (Jan. 11, 2021). It is the first time in the history of the court that one female Chief has passed the reins to another.

Judge Prost will remain an active member of the court and will no doubt continue to play an active role in advocating for and shaping clear and consistent standards in patent law.

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This piece was first published on Reuters Legal News and Westlaw Today on June, 21, 2021.