



# The Intellectual Property Strategist®

An **ALM** Publication

MARCH 2024

## IP News

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### **Federal Circuit: ITC Did Not Err In Finding Violation of Section 337**

On Jan. 19, 2024, a Federal Circuit panel of Judges Dyk, Hughes, and Stoll found in an opinion authored by Judge Hughes that the International Trade Commission did not err in affirming the administrative law judge's finding that Roku, Inc. violated 19 U.S.C. §1337 (Section 337). *Roku, Inc., v. ITC*, Case No. 22-1386. The case was initiated when Universal Electronics Inc. filed a complaint with the ITC alleging that Roku imported TV products that infringed Universal's U.S. Patent No. 10,593,196 (the '196 patent). The Commission upheld the administrative law judge's finding that Roku violated Section 337 by importing infringing TV products, specifically finding that: 1) Universal had ownership rights over the '196 patent; 2) Universal satisfied the economic prong of the domestic industry requirement under Section 337; and 3) Roku failed to show that the '196 was obvious. Slip Op. at 1. The Federal Circuit reviewed these three findings.

First, the Federal Circuit affirmed the Commission's finding that an agreement made in 2012 conveyed rights to the '196 patent to Universal. *Id.* at 10. This finding was not challenged by Roku. *Id.*

Second, the Federal Circuit affirmed that Universal met the domestic industry requirement of Section 337. In order to satisfy the economic prong of the domestic industry requirement of Section 337, a complainant must show they have an economic domestic industry under one of 19 U.S.C. §1337(a)(3)(A)–(C). Universal asserted economic domestic industry under paragraph (C), which states there is an industry in the United States if there is substantial investment in the intellectual property at issue. Universal asserted that it satisfied this requirement through research and development of its technology “Quickset,” which they alleged practiced the ’196 patent. *Id.* at 5. The ’196 patent claims a device that connects different types of media devices, such as a DVD player and a television. The Commission affirmed the administrative judge’s finding that because QuickSet involves software that results in practicing ’196 patent and because Universal’s R&D in QuickSet was directed to enabling it to practice the ’196 patent, Universal satisfied the domestic industry requirement. *Id.* at 11. The Federal Circuit affirmed this finding. *Id.*

Finally, Roku challenged the Commission’s finding that Roku failed to prove that the ’196 patent was obvious. *Id.* at 12. But the Federal Circuit rejected this challenge because no prior disclosed the patent’s limitation of allowing for a choice between different second media devices. *Id.* Roku also argued that the Commission erred in relying on certain news articles to find that secondary considerations weighed in favor of non-obviousness. *Id.* at 13. Roku argued that relying on the articles was error because the articles discussed other features in addition to Quickset. *Id.* The Federal Circuit rejected this argument on the grounds that there was still sufficient evidence that secondary considerations weighed in favor of non-obvious. *Id.* Thus, the Federal Circuit rejected all challenges to the Commission’s finding that Roku violated Section 337.

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## **Federal Circuit: PTAB Did Not Err In Claim Construction and Finding Certain Claims Obvious**

On Jan. 9, 2024, a Federal Circuit panel of Judges Prost, Taranto, and Hughes affirmed a decision by the Patent Trial and Appeal Board to invalidate and uphold certain claims of U.S. Patent No. 7,767,441 (the ’441 patent), which is owned by Personal Genomics Taiwan, Inc. (PGI). *Pacific Biosciences of California, Inc., v. Personal Genomics Taiwan, Inc.*, Case Nos. 2022-1410, 2022-1554. Judge Taranto wrote the unanimous opinion.

Pacific Biosciences of California, Inc. (PacBio) filed two petitions with the USPTO's Patent Trial and Appeal Board (the Board) seeking *inter partes* review of several claims of the '441 patent. Slip. Op. at 2. The Board invalidated some of the claims while upholding others. *Id.* Both parties appealed. The central claim language at issue was "identifying a single biomolecule." PacBio challenged the Board's construction of the limitation "identifying a single biomolecule" and the finding that some prior did not disclose the limitation even given the Board's construction, while PGI challenged the Board's finding that other prior art taught "identifying a single biomolecule" given the Board's construction. *Id.*

The '441 patent discloses an "apparatus for identifying a single biomolecule[.]" The Board interpreted "identifying a single biomolecule" as meaning the capability of the apparatus to characterize a biomolecule by examining that biomolecule alone, "with no copies created to form an ensemble for examination." *Id.* at 5. PacBio, by contrast, argued for a construction that would encompass an apparatus, "though not capable of characterizing a biomolecule by examining it alone, had the capability to characterize a biomolecule by making copies, examining the resulting ensemble, and inferring the identity of the starter biomolecule." *Id.*. The Federal Circuit, reviewing claim construction *de novo*, relied on the ordinary meaning of "single." *Id.* at 7. It agreed with the Board that the meaning of "identifying a single biomolecule" in context was consistent with PGI's narrower asserted interpretation. The Federal Circuit first noted that the word "single" would be meaningless if it did not suggest this narrower interpretation. *Id.* The Federal Circuit then relied on the specification to support this interpretation. It noted that the examples that involved identifying a single biomolecule depicted examining one biomolecule rather than an ensemble. *Id.* at 8. Thus, the Federal Circuit affirmed the Board's construction. *Id.* at 9.

The Federal Circuit also affirmed the Board's findings that one of PGI's asserted prior art references, Hassibi, did not disclose "identifying a single biomolecule," while another reference, Choumane, did disclose the aforementioned limitation, given the Board's affirmed construction. The Federal Circuit held that Hassibi's description of "a sensitivity of detection as low as 0.1 attomoles," which equates to a minimum-detection limit of greater than 60,000 molecules, was substantial evidence that Hassibi did not disclose identifying a single biomolecule. *Id.* at 10.

With respect to Choumane, the Federal Circuit determined that there was substantial evidence to support the Board's finding that Choumane disclosed "identifying a single biomolecule." Choumane disclosed an invention that

included “very small openings” “for the detection and observation of individual chromophores.” *Id.* at 11. This was substantial evidence that Choumane disclosed the limitation at issue because an individual chromophore may identify a single biomolecule. *Id.* PGI challenged this reasoning with its expert, who calculated based on Choumane’s disclosures that it did not disclose a sensitivity of less than 78 biomolecules. The Federal Circuit stated that while such a calculation is not improper as a matter of law because it was based on express disclosures, the Board was free to reject the calculation’s conclusion. *Id.* at 11. Choumane also stated it improved sensitivity over the prior art by “several tens of times.” *Id.* at 12. PacBio’s expert stated that Choumane improved sensitivity over the prior art by 400 times, while PGI’s expert stated it did so by only 40 times. *Id.* The Federal Circuit held that so long as the Board’s interpretation of the prior art was reasonable, the Federal Circuit does not reweigh the evidence. *Id.* Here, the fact that Choumane stated it detected “individual chromophores” was found to be sufficient evidence to conclude that it disclosed “identifying a single biomolecule” under the Board’s construction. Thus, the Federal Circuit upheld the finding that despite the narrower construction of “identifying a single biomolecule,” Choumane disclosed the limitation. Therefore, the Federal Circuit upheld the Board’s finding that certain claims of the ’441 patent were obvious. *Id.*

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