



# IDEAS ON INTELLECTUAL PROPERTY LAW

YEAR END  
2022

**Typo spells the end of patent challenge**

**Silence isn't always golden**

*Patent specification doesn't adequately describe negative limitation*

*Computer Fraud and Abuse Act*

**"Scraping" public data probably doesn't violate CFAA**

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## Typo spells the end of patent challenge

**W**hat happens when a patent is challenged as being obvious based on a previous patent, but the earlier patent contains a typographical error? It depends on how obvious the error is. And you might be surprised by what counts as “obvious” for the U.S. Court of Appeals for the Federal Circuit, which hears all patent case appeals.

It recently found such a patent error obvious — even though the error wasn’t discovered until an expert conducted extensive analysis 20 years after the error was first published. The result: The earlier patent didn’t disclose the subsequent invention, and the later patent wasn’t invalidated in view of the prior, errant disclosure.

### THE BIG PICTURE

ImmerVision holds a patent related to capturing and displaying digital panoramic images. Panoramic lenses typically have linear image point distributions, meaning there’s a linear relationship between 1) the distance of an image point from the image center and 2) the corresponding angle of the object point to the image center. This allows for easy manipulation of the image but can also limit image quality.

The patented invention purports to improve resolution. It includes limitations requiring a panoramic lens with a specific nonlinear point distribution.

LG Electronics sought inter partes review (IPR) of the patent. Under IPR, the Patent Trial and Appeal Board (PTAB) can reconsider and cancel an already-issued patent based on certain types of “prior art” that made the claimed invention obvious and therefore unpatentable. In this case, the prior art was another patent, referred to as “Tada,” for wide-angle lens systems.

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Tada describes four embodiments of its systems that use lenses of different thicknesses, shapes and separation distances. These “prescriptions,” or sets of optical parameters, were laid out in various tables.

Based on the prescription that corresponded to the third embodiment of the Tada system, LG’s expert testified that it had the same nonlinear image point

distribution characteristics as those in ImmerVision's invention. Tada doesn't specifically state the image point distribution function, but the expert reconstructed the lens based on the prescription and found that the function wasn't linear.

When ImmerVision's expert attempted to replicate the opposing expert's process, he found that the prescription that the expert relied on was intended to correspond to a different embodiment. After extensive investigation, it became clear that the discrepancy was because of a cut-and-paste transcription error between the Japanese priority application and the Tada reference being relied on.

The PTAB found that the prescription was an obvious error that a person of ordinary skill in the relevant art would have recognized and corrected. Because the correct prescription didn't make the ImmerVision invention obvious, the board sided with ImmerVision. LG appealed the Board's decision.

### THE COURT'S FOCUS

The Federal Circuit applied the *Yale* standard for reviewing errors in prior art. Under the standard, where prior art includes an obvious error of a typographical or similar nature that would be apparent to one of ordinary skill in the relevant art — who would disregard the erroneous information as a misprint or

substitute the correct information — the errant subject matter cannot be said to disclose a later inventive feature. Thus, the prior art can't make a subsequent invention, which reflects the error, obvious.

The PTAB had identified several aspects of the prescription that LG's expert relied on that would have made the error apparent to one of ordinary skill — for example, duplicative information between that and another prescription. The court therefore found the PTAB's conclusion reasonable.

### MISSED SHOTS

The Federal Circuit rejected LG's argument that the error couldn't be obvious, as it took ImmerVision's expert 10 to 12 hours to uncover it. The court explained that the length of time and the manner in which the error is actually discovered doesn't "diminish that there is an obvious error." The *Yale* standard doesn't impose a temporal requirement for how soon the error would be recognized.

The court also dismissed LG's contention that the standard applies only to typographical errors, such as spelling mistakes. The distinction between a typographical error and a copy-and-paste error, it said, is a "distinction without a difference" that didn't warrant a different outcome. ▣

## THE DISSENT TAKES ANOTHER ANGLE

The U.S. Court of Appeals for the Federal Circuit's decision in *LG Electronics* (see main article) wasn't unanimous. While the dissenting judge agreed that the majority applied the proper standard, she didn't find that the error at issue was only typographical or "similar in nature."

The dissenting opinion focused on the fact that the error wasn't discovered until an expert witness conducted a dozen hours of experimentation and calculation. It wasn't noticed by prosecuting patent attorneys or the patent examiner, nor was it included in a certificate of corrections addressing typographical errors in the earlier patent. The Patent Trial and Appeal Board that instituted proceedings also failed to spot the error. Although it had been in publication for 20 years, the error was never corrected anywhere.

According to the dissenting judge, a typographical or similar error is apparent to the reader and can be conveniently ignored without undermining the content of the information. The error here, however, couldn't be deemed typographical or similar in nature.



# Silence isn't always golden

*Patent specification doesn't adequately describe negative limitation*

If at first you don't succeed, try again. The old bro-mide proved surprisingly meaningful for a pharmaceutical company challenging a competitor's patent on a treatment method.

The claim that the patent lacked an adequate written description of the method's "negative limitation" was initially rejected by a three-judge panel of the U.S. Court of Appeals for the Federal Circuit. But the tables turned when the company requested a rehearing before the panel after one judge retired and was replaced.

## ROUND 1

Novartis Pharmaceuticals holds a patent on a method for treating recurring-relapsing multiple sclerosis with fingolimod, sold under the brand name Gilenya. The method, as described in the patent's claims, doesn't require a so-called initial loading dose to reach therapeutic levels quickly.

The patent's specification, however, was silent on the subject of loading doses. A specification is intended to disclose the invention to skilled artisans in the relevant field.

Novartis sued HEC Pharm Company and HEC Pharm USA (together, HEC), alleging that HEC's

abbreviated new drug application for a generic version of Gilenya infringed the patent. The trial court found infringement, agreeing with expert testimony that, were a loading dose required, the patent would say that it should be administered "initially." The Federal Circuit affirmed that ruling.

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A negative limitation has an adequate written description, or disclosure, when the patent specification describes a reason to exclude the relevant element.

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But HEC requested a rehearing. At the rehearing, HEC maintained that the patent was invalid because its specification didn't provide an adequate written description of the invention's "negative limitation" — that is, the absence of a loading dose.

## ROUND 2

The opinion that resulted from the original appeal rejected HEC's "attempt to create a new heightened written description standard for negative limitations." The opinion for the rehearing, however, mirrored the dissent from the original appeal.

It found that disclosure is essential — it is the "quid pro quo" of the patent right to exclude. The court explained that a negative limitation has an adequate written description, or disclosure, when the patent specification describes a reason to exclude the relevant element. The specification could, for instance, include a statement identifying the disadvantages of using that element. Or it could include a discussion of alternatives that distinguishes the element.



The court allowed that a negative limitation needn't be recited in the specification in the exact language used in the patent claims. But the specification generally must include something that conveys to a skilled artisan that the inventor intends the exclusion.

Notably, the appellate court also conceded that the written description requirement could be satisfied despite a specification's silence in certain circumstances. For example, if a patentee can establish that a particular negative limitation would always be understood by skilled artisans as being necessarily excluded from a particular invention if the limitation isn't mentioned, the requirement would be met. The court emphasized, though, that testimony from a

skilled artisan about the possibilities or probabilities that the element would be excluded wouldn't constitute sufficient evidence of this.

Alas, this wasn't such a case. The Federal Circuit panel found no evidence here that a skilled artisan would understand silence regarding a loading dose to necessarily exclude a loading dose.

### THE ROUNDUP

It's important to note that the Federal Circuit made clear that it hasn't created a heightened standard for negative limitations. Rather, as with positive limitations, the hallmark of an adequate written description is disclosure. ▣

## *Computer Fraud and Abuse Act* "Scraping" public data probably doesn't violate CFAA

**T**he U.S. Court of Appeals for the Ninth Circuit has again determined that the automated "scraping" of an online networking platform's publicly available data probably doesn't violate the Computer Fraud and Abuse Act (CFAA). The U.S. Supreme Court had directed the appellate court to reconsider its earlier determination based on a subsequent high court ruling on the CFAA. But, in the end, the Ninth Circuit found that it was right all along.

### COMPANIES SCRAP OVER DATA

Scraping involves extracting data from a website and copying it into a structured format that facilitates data manipulation or analysis. The data analytics company hiQ Labs uses automated bots to scrape information from users' public LinkedIn profiles; the information is available for viewing by anyone with

Internet access. The company then applies a proprietary algorithm to the data to produce "people analytics," which it sells to business clients.

In 2017, LinkedIn sent hiQ a cease-and-desist letter, claiming that the scraping violated the CFAA. It also notified hiQ that LinkedIn had instituted technical measures to block hiQ from its data. The response from hiQ was to file a lawsuit seeking injunctive relief and a declaratory judgment that LinkedIn couldn't lawfully invoke the CFAA against it.

The trial court granted a preliminary injunction ordering LinkedIn to remove any barriers to hiQ's access to public profiles and to refrain from putting any measures in place that would block such access. Not surprisingly, LinkedIn appealed.



## PUBLIC ACCESS UNPLUGS CFAA DEFENSE

The appellate court didn't focus on resolving the legal dispute or addressing the various claims and defenses. Rather, it considered whether hiQ satisfied the requirements for a preliminary injunction by showing:

1. It was likely to win the underlying lawsuit,
2. It was likely to suffer irreparable harm in the absence of an injunction,
3. The balance of equities tipped in its favor, and
4. An injunction was in the public interest.

Courts take a “sliding scale” approach to these factors, meaning a stronger showing of one can offset a weaker showing of another.

In this case, the court devoted most of its review to the likelihood of success in the underlying lawsuit. Specifically, it reviewed whether LinkedIn's CFAA-based defense was likely to defeat hiQ's claim that LinkedIn intentionally and unlawfully interfered with hiQ's contracts with third parties. It found the other three factors all tipped in hiQ's favor.

LinkedIn contended that hiQ's state law interference allegation was preempted by the CFAA, which LinkedIn claimed hiQ violated. The CFAA generally prohibits intentionally accessing a computer *without authorization* to obtain information from any computer connected to the Internet.

The “pivotal question,” the court said, was whether hiQ's scraping of LinkedIn's data after receiving the

cease-and-desist letter was unauthorized. In making that determination, the court described the CFAA as anti-intrusion statute, rather than an anti-misappropriation statute. In light of this, it looked to whether the scraping was analogous to “breaking and entering.”

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When a computer network generally permits public access to its data, a user's accessing of that data likely won't qualify as unauthorized access under the CFAA.

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The Ninth Circuit concluded it wasn't — because the data hiQ scraped was available to the general public without any permission requirement. According to the court, the CFAA is violated when someone circumvents a computer's generally applicable rules regarding access permission (such as username and password requirements) to gain access to the computer. When a computer network generally permits public access to its data, as LinkedIn does, a user's accessing of that data likely won't qualify as unauthorized access under the CFAA.

## MAKING THE CONNECTION

The court's ruling is a clear sign to companies with publicly available information on their websites that the CFAA probably won't protect that data from third-party scraping. If they hope to invoke the protections of the CFAA, they'll need to add some type of permission requirements. ▣

# PTO makes genericness refusals for marks more likely

**T**he U.S. Patent and Trademark Office (PTO) recently issued Examination Guide 1-22, “Clarification of Examination Evidentiary Standard for Marks Refused as Generic.” In it, the PTO clarifies its previous position on the evidentiary burden when a trademark examining attorney seeks to refuse to register a mark in the Principal or Supplemental Register because the mark is generic. The guide sets forth a standard that diverges from longstanding practice.

## PTO REFUSES TO GO ALONG

Earlier PTO examination guidance stated that an examining attorney must have “clear evidence” to establish an initial case of genericness, which an applicant could then attempt to rebut. This contrasts with the evidentiary standard applied when a party opposes or petitions to cancel a registration on genericness grounds in a cancellation proceeding before the Trademark Trial and Appeal Board. In those proceedings, a preponderance of the evidence standard applies: the challenger must show there’s a greater than 50% chance that its claim of genericness is true.

This discrepancy, the PTO says, created confusion over whether the evidentiary standard for a third party to remove a presumptively valid registered mark from the register was lower than the standard to prevent a mark from being registered to begin with. The new guidance clarifies that an examining attorney needn’t satisfy a higher evidentiary standard to support the position that a mark is generic. Rather, the examining attorney must have only sufficient evidence to support a “reasonable predicate” (that is, reasonable basis) for finding the mark generic.

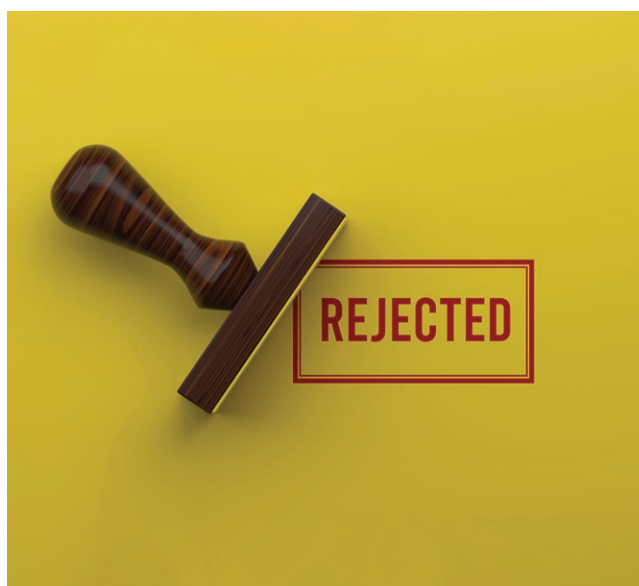
According to the PTO, the application of a “clear and convincing evidence” standard has no statutory

basis. It explains that the term “clear” in earlier guidance was intended to convey the ordinary meaning of the term, not an evidentiary burden.

A clear and convincing evidence burden, the PTO says, is inconsistent with the preponderance of the evidence burden the U.S. Court of Appeals for the Federal Circuit requires to prove claims that a registered mark is generic in a cancellation proceeding. It’s also inconsistent with the reasonable predicate evidentiary standard the court has applied to other types of substantive refusals in examinations.

## STAY TUNED

While the PTO has clarified its position on the proper evidentiary standard for examining attorneys’ genericness refusals, it remains to be seen how that position will affect future litigation over such refusals. Agency guidance doesn’t have the force of law, and courts could choose to continue to apply the clear evidence standard. ▣





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