

# PUBLICATION

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## A Baker's Dozen of Patent Law Developments for 2024

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The world of intellectual property law is always changing, and it can be difficult to keep up. Here are 13 developments in patent law so far in 2024 to help you stay in the know.

### 1. CAFC overrules a decades-old test for obviousness of design patents.

On May 21, the Court of Appeals for the Federal Circuit (CAFC) overruled the longstanding *Rosen-Durling* test, finding it "too rigid." By adopting the more flexible *Graham* approach, the decision will likely increase challenges to design patents on obviousness grounds. Proponents suggest the change will decrease design patent monopolies, increase competition, and decrease prices for consumers. Critics, however, express concern over the impending uncertainty brought about by the decision.

### 2. Patentability of artificial intelligence (AI)-assisted inventions.

As AI continues to develop and improve, questions often arise regarding inventorship and ownership of intellectual property created by, or with the aid of, AI. In an attempt to answer some of these questions, the USPTO offered guidance on February 13. The USPTO reasoned that patents function to reward human ingenuity, and for that reason, the inventorship analysis should "focus on human contributions." Thus, while AI-assisted inventions are not categorically unpatentable, a human must have "provided a significant contribution to the invention."

### 3. USPTO admits design patent practitioners under the design patent bar.

The USPTO created a new designation to admit practitioners who do not have the technical background required to sit for the patent bar. These "design patent attorneys" or "design patent agents" may instead have a design-based degree, in areas such as industrial design, product design, architecture, and graphic design. The change is aimed at encouraging broader participation in the design patenting process by welcoming the knowledge and skills of individuals educated in design.

### 4. Concerns over USPTO partiality caused by Patent Examiner Reddit thread.

The objectivity of the USPTO came under internal and external scrutiny following a Reddit post from an anonymous individual claiming to be a patent examiner. The self-declared examiner sought advice on how to approach examining a patent they opposed due to personal reasons (in this case, Israeli military technology). Another self-declared examiner responded, urging the USPTO to reject the application and claimed to have rejected applications when faced with similar situations. The USPTO Director Kathi Vidal issued a statement assuring that the Office takes allegations of partiality seriously and is investigating the matter.

### 5. Pfizer sued by GSK for patent infringement relating to COVID-19 vaccine.

GlaxoSmithKline (GSK) alleges that Pfizer infringed five patents related to messenger RNA (mRNA) vaccine technology filed more than a decade before the COVID-19 pandemic. The technology claims to teach the body's immune system, through the use of mRNA, to create antibodies without introducing the virus itself. The complaint alleges that Pfizer, in their development of the COVID-19 vaccine, infringed GSK's patented technology. Pfizer has indicated that they are confident in their IP surrounding the vaccine and intend to "vigorously defend" against GSK's claims.

## **6. USPTO to increase fees in an attempt to shape patent prosecution.**

The USPTO has proposed increasing fees by approximately five percent for fiscal year 2025 to further their 2022-2026 Strategic Plan. The Office is also targeting more fee increases aimed at shaping patent prosecution to encourage compact applications and smaller patent families. The most notable change is the addition of a \$2,200 surcharge for filing a continuation application more than five years after the earliest priority date (which becomes a \$3,500 surcharge if filed more than eight years after). One aim of this increase is to encourage timely prosecution.

## **7. D.C. Court dismisses Judge Pauline Newman's lawsuit challenging suspension.**

Judge Pauline Newman of the Court of Appeals for the Federal Circuit, at 97 years old, received a one-year suspension starting in September of 2023. The suspension is due to the judge's refusal to submit to psychological and medical testing following allegations of declining mental acuity, allegedly presented through "memory loss, confusion, paranoia, and angry rants." In February of 2024, the national panel that reviews judicial misconduct cases refused to review the judge's suspension, reasoning that Newman did not have good cause for refusing to cooperate with the court's investigation. Newman challenged the suspension in federal court, but a D.C. federal judge dismissed Newman's lawsuit on July 9th.

## **8. Effect of *Amgen v. Sanofi* one year later.**

Last May, the Supreme Court decided *Amgen v. Sanofi*, a patent case revolving around "enablement." Stated briefly, "enablement" requires a patent specification to *enable* persons of ordinary skill in the art to make and use the invention without undue experimentation. In the decision, however, there was no mention of or citation to the predominant precedent at the time, *Wands*, which left some uncertain of the status of *Wands*. However, the USPTO released a statement in January instructing patent examiners to continue to use the *Wands*' factors to assess enablement, thus indicating that *Amgen* has not displaced *Wands*.

## **9. Indemnity agreement bars petition by indemnitor.**

The Patent Trial and Appeal Board (PTAB) denied the institution of a petition for *inter partes* review (IPR) due to the timing of the petition. Signify Holdings B.V. (Signify), holding a patent related to lighting technology, filed suit against a seller of allegedly infringing lighting products, Menard Inc. (Menard), in August of 2022. In October of 2023, Luminex International Co., Ltd (Luminex) attempted to challenge the validity of the patent at issue in the litigation by filing a petition for IPR. Notably, the institution of an IPR is barred if the petition is filed more than one year after the date on which the petitioner or a real party in interest is served with a complaint alleging infringement of the patent. Here, the PTAB denied the institution of the petition for IPR, finding that Menard was a real party in interest due in part to a contractual relationship between Luminex and Menard where Luminex is required to indemnify Menard.

## **10. USPTO proposes changes to terminal disclaimer practice.**

In May, the USPTO released a Notice of Proposed Rulemaking which indicated plans to significantly change terminal disclaimers. A terminal disclaimer is often filed in response to a non-statutory double patenting rejection whereby the Office indicates two patents claim similar subject matter. In a terminal disclaimer, the patent owner dedicates a portion of the patent's term to the public such that the terms of the related patents end on a common date. In the newly proposed rule, any terminally disclaimed patent will be unenforceable if even a single claim of the reference patent is deemed invalid. Thus, a challenger could invalidate several patents by targeting a single patent, thereby decreasing costs. Though it is not yet clear whether this rule will be promulgated, or if it can withstand judicial scrutiny, its passage would cause many to think twice about filing terminal disclaimers to overcome double patenting rejections.

## **11. Pending legislation: the PREVAIL Act.**

The PREVAIL Act is aimed at changing PTAB practice in a handful of important ways, including IPR practice. Currently, anyone other than the patent owner can file an IPR even though a case or controversy does not

exist between the petitioner and the patent owner. Under the Act, however, only those sued or threatened with a lawsuit would have standing to petition for IPR. The Act additionally increases the standard of proof for those seeking to prove patent invalidity from a "preponderance of the evidence" standard to a "clear and convincing evidence" standard.

## **12. Developments in the Chinese patent system.**

China's patent system has consistently outpaced the USPTO in patents granted (their 798,347 to our 323,410 in 2022), and it continues to grow. Last December, China further refined and optimized its existing system through the Fourth Amendment to its Patent Law, which took effect on January 20 of this year. This Amendment included a handful of notable changes, including the implementation of Patent Term Adjustments and Patent Term Extensions in instances of unreasonable delays during examination. Additionally, the Amendment allows examiners to reject applications if it appears that the applicant did not act in good faith. These changes, along with several others not mentioned here, appear to be aimed at increasing the quality, efficiency, and strength of the growing Chinese patent system.

## **13. Amazon loses \$525 million patent infringement verdict.**

Back in April, a jury awarded a \$525 million verdict to Kove IO, Inc. (Kove) setting the bar for the largest patent damages award of 2024 thus far. The jury found that Amazon Web Services, Inc. (AWS) had infringed three of Kove's patents drawn to cloud storage technology. The technology allegedly enables "hyper-scalable cloud storage" and offers scalability improvements over conventional data storage systems. AWS has moved for judgment of non-infringement as a matter of law and has requested a new trial.

Baker Donelson's team of dedicated intellectual property attorneys stands ready to assist with any questions or challenges arising from the recent developments highlighted in this article. Should you wish to discuss further, please contact [Edward D. Lanquist](#), [Wesley M. Barbee](#), or any member of Baker Donelson's [Intellectual Property Group](#).

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