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IP UPDATES

MARCH 28, 2025

USPTO UPDATE



President Donald Trump Nominates John Squires to be the Next Director of the USPTO

BY SAMEER GOKHALE

The President Donald Trump nominated John Squires to be the next Director of the U.S. Patent and Trademark Office (USPTO). The nomination was transmitted to the Senate on March 10th and referred to the U.S. Senate Judiciary Committee.

Squires is the current Chair of the Emerging Companies and IP practice at Dilworth Paxson and former Chief IP Counsel at Goldman Sachs. Squires also was a partner with Gibson Dunn & Crutcher LLP in New York and with Perkins Coie before that.

Squires has worked in both patent litigation and prosecution and has extensive experience on FinTech (financial technology) while also having a degree in chemistry.

USPTO Issues Guidance on PTAB Discretionary Denials

BY SAMEER GOKHALE

On March 24, 2025, USPTO Chief Administrative Patent Judge Scott Boalick issued a memorandum providing guidance on the application of discretionary denials. On February 28, 2025, the USPTO announced that it was rescinding a 2022 memorandum on discretionary denials of post-grant proceedings by the Patent Trial and Appeal Board (PTAB). The 2022 memorandum narrowed the use of discretionary denials based on parallel district court litigation, specifying instances where discretionary denials would not be issued. The new March memorandum explains, among other things, that by rescinding the 2022 memorandum, USPTO is restoring policy to the guidance in place before the 2022 memorandum, which includes applying the “*Fintiv* factors” from the case of *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020).

A copy of the Guidance can be found [here](#).

CAFC UPDATE

[US Synthetic Corp. v. International Trade Commission: Safeguarding Structure and Property Limitations in Composition-of-Matter Claims](#)

BY DAVID INGLEFIELD

On February 13, the U.S. Court of Appeals for the Federal Circuit (CAFC) reversed the decision of the International Trade Commission (ITC) in *US Synthetic Corp. v. International Trade Commission*, issuing a precedential decision regarding subject matter eligibility important to the pharmaceutical and other life science industries. The ITC had previously ruled that US Synthetic's composition of matter claims reciting measured properties of a composition were directed to a patent-ineligible abstract idea under 35 U.S.C. § 101. The CAFC found that the claims were indeed related to concrete structures, not patent-ineligible abstract ideas, and affirmed the lower court's finding regarding enablement.

Read more about the decision in our Life Sciences Blog [here](#).



[Is the Federal Circuit Use of Rule 36 Affirmances at Risk?](#)

BY RICHARD KELLY

Converter Manufacturing, LLC (CM) has filed a certiorari petition from the Federal Circuit's decision in its appeal from the PTAB's decision in *Tekni-Plex v. Converter Manufacturing, LLC*, IPR2021-00916, October 20, 2022, where the PTAB placed the burden of proof on CM to prove that references Petitioner relied upon were non-enabled in violation of *Seymour v. Osborne*, 11 Wall 516 (1870). The PTAB relied on an ex parte decision for the presumption that prior art is enabling. See *In re Antor Media Corp.*, 689 F.3d 1282, 1287-88 (Fed. Cir. 2012) and *In re Morsa*, 713 3d 104, 110 (Fed. Cir. 1316 2013). The PTAB also cited *Impax Labs., Inc. v. Aventis Pharms., Inc.* 545.3d 1312, 1316, but the issue of presumption was not raised in that case.

However, the citation of ex parte cases is not appropriate as there is no presumption of validity as in inter parte cases and the USPTO does not have the facilities to explore the issue, so the assignment of burden to the applicant was appropriate. In inter parte cases, the opposing party asserting the reference is in a position to establish enablement. The reference is being proffered by an opposing party asserting invalidity and the opposing party bears the burden of persuasion that the reference is enabling if enablement is challenged. Here the burden was improperly placed on the patentee.

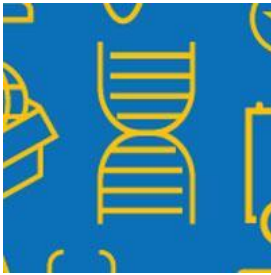
The case calls into question the Federal Circuit's use of Rule 36 affirmances which denies the reviewing court of the benefit of its analysis of the lower tribunal's opinion. Here the PTAB ignored the difference between ex parte and inter parte proceedings in relying on an ex parte presumption where no presumption of validity exists, unlike in inter parte matters. This is the perfect case for a review of the Federal Circuit's use of Rule 36 affirmances.

LIFE SCIENCES NEWS

[The ITC - Lost in Patent Eligibility](#)

BY RICHARD KELLY

The International Trade Commission (ITC) decided that the claims in U.S. Patent No. 10,508,502 were directed to patent ineligible subject matter as being abstract. Claims 1 and 2 of the '502 patent are exemplary:



1. A polycrystalline diamond compact, comprising:

a polycrystalline diamond table, at least an unleached portion of the polycrystalline diamond table including:

a plurality of diamond grains bonded together via diamond-to-diamond bonding to define interstitial regions, the plurality of diamond grains exhibiting an average grain size of about 50 μm or less; and a catalyst including cobalt, the catalyst occupying at least a portion of the interstitial regions;

wherein the unleached portion of the polycrystalline diamond table exhibits a coercivity of about 115 Oe to about 250 Oe;

wherein the unleached portion of the polycrystalline diamond table exhibits a specific permeability less than about 0.10 $\text{G}\cdot\text{cm}^3/\text{g}\cdot\text{Oe}$; and

a substrate bonded to the polycrystalline diamond table along an interfacial surface, the interfacial surface exhibiting a substantially planar topography;

wherein a lateral dimension of the polycrystalline diamond table is about 0.8 cm to about 1.9 cm.

2. The polycrystalline diamond compact of claim 1 wherein the unleached portion of the polycrystalline diamond table exhibits a specific magnetic saturation of about 15 $\text{G}\cdot\text{cm}^3/\text{g}$ or less.

The Administrative Law Judge (ALJ) and the Commission found the claims to be abstract because of certain "side effects," including the various "magnetic parameters." (See Initial Determination, 2022 WL 897722, at *71). The ALJ acknowledged that the structural and design features are not problematic under *Alice* but determined that the recited magnetic properties, in the ALJ's view, are merely unintended "results or effects [of the manufacturing process] and thus abstract." (Id. at *71, *73). The ALJ recognized that "[t]here may be some causal connection between grain size, catalyst concentration, and other, unspecified design and fabrication choices, on the one hand, and . . . magnetic behavior, on the other hand." (Id. at *71). However, the ALJ reasoned that the "causal connection is so loose and generalized that the claimed limitations appear to be little more than side effects." (Id.) At *Alice* step two, the ALJ determined that the claims lack an inventive concept and are therefore patent ineligible under 35 U.S.C. §101. (Id. at *74-76. Inv. No. 337-TA-1236).

The ALJ and Commission ignored the data in the '502 patent that claimed structures exhibited less cracking than structures where the interfacial surface area was larger than the claimed structures. This difference flowed from the claimed structure. The Commission relies on the specification's use of "may" to support its position that the disclosed correlation between the structural and magnetic properties is too weak and equivocal. See Appellee's Br. 34 ("The '502 patent specification teaches that the magnetic side effects may be indicative of a stronger PDC with enhanced diamond bonding because the effects *may* correlate with unclaimed, physical characteristics such as lower metal content or particular grain microstructures."); see, e.g., '502 patent col. 4 l. 61 — col. 5 l. 7). The Commission ignored the broader context of the patent. (See *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (explaining that for claim construction a disputed term must be read "in the context of the entire patent, including the specification."); *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 132 ("The meaning—or ambiguity—of certain words or phrases may only become evident when placed in context.")).

The problem with the Commission's decision was that it required more precision in the specification which is irrelevant to the abstract idea issue. The '502 patent taught a specific structure and demonstrated that it offered a property, reduced cracking on brazing, which was an

improvement over the prior art structures. That the specification did not describe the resulting structure in more detail was irrelevant; it demonstrated the difference by the difference in properties. There was no attempt to preempt or prevent others from making further improvements as in the '502 patent.

AI UPDATE

Federal Appeals Court Finds that Generative AI Art Requires Human Input for Copyright Protection

BY SAMEER GOKHALE

On March 18th, a federal appeals court in Washington, D.C., affirmed that a work of art generated by artificial intelligence (AI) without human input cannot be copyrighted under U.S. law.



The U.S. Court of Appeals for the District of Columbia Circuit agreed with the U.S. Copyright Office that an image created by Stephen Thaler's AI system "DABUS" was not entitled to copyright protection, and that only works with human authors can be copyrighted.

In this case, Dr. Stephen Thaler created a generative (AI) named the "Creativity Machine." The Creativity Machine made a picture for which Dr. Thaler submitted a copyright registration application to the U.S. Copyright Office. On the application, the Creativity Machine was listed as the work's sole author and Dr. Thaler was listed as the work's owner.

The Copyright Office denied the application based on its established human-authorship requirement. This policy requires work to be authored in the first instance by a human being to be eligible for copyright registration. The Court affirmed the denial of the application by both the U.S. Copyright Office and a previous district court decision.

A copy of the decision can be found [here](#).

JPO UPDATE



JPO's Status Report

BY SAMEER GOKHALE

The Japan Patent Office issued a "JPO Status Report" that aims to promptly convey the JPO's statistical information and results of its policies to the public. The report provides descriptions in Japanese and English together so as to serve as a tool in conveying information to other countries. The report covers trends in IP in Japan and worldwide. The report further covers policy outcomes related to examinations, trials and appeals, international initiatives, and support measures, and law amendments.

A copy of the report can be found [here](#).

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