

INTELLECTUAL PROPERTY LITIGATION NEWSLETTER

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Case Highlights

A Jepson Claim Preamble Requires Written Description

In re Xencor Inc., No. 24-1870 (Fed. Cir. Mar. 13, 2025) (Judge Schroeder (sitting by designation), joined by Judges Hughes and Stark) (appeal from PTAB).

"In a Jepson claim, a patentee uses the preamble to recite 'elements or steps of the claimed invention which are conventional or known.'" The patent applicant argued that written description is required only for the improvement in a Jepson claim, and so written description for the preamble of the Jepson claim was not required. The Federal Circuit disagreed and held that "a Jepson claim preamble requires written description." The Jepson claim invention "is not only the claimed improvement, but the claimed improvement as applied to the prior art, so the inventor must provide written description sufficient to show possession of the claimed improvement to what was known in the prior art."

There Is No Use Limitation on "Significant Employment of Labor or Capital" Provision of the Economic Prong of the Domestic-Industry Requirement

Lashify Inc. v. International Trade Commission, No. 23-1245 (Fed. Cir. Mar. 5, 2025) (Judge Taranto, joined by Judges Prost and Chen) (appeal from ITC).

The Federal Circuit vacated the ITC's decision that the economic prong of the domestic-industry requirement was not met. In evaluating whether the "significant employment of labor or capital" provision under 19 U.S.C. § 1337(a)(3)(B) was established, the ITC excluded expenses relating to sales, marketing, warehousing, quality control, and distribution. The Federal Circuit held that this was an error because the provision is straightforward and "covers significant use of 'labor' and 'capital' without any limitation on the use within an enterprise to which those items are put, i.e., the enterprise function they serve." The Federal Circuit also disagreed with the ITC's argument that the legislative history indicates that Congress did not intend to include uses of labor or capital for certain enterprise functions. Therefore, the case was remanded for redetermination of satisfaction of the economic prong.

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Other Notable Cases

The Doctrine of Natural Expansion Cannot Be Used to Establish Priority of a Mark in Different Goods or Services

Dollar Financial Group Inc. v. Brittex Financial Inc., No. 23-1375 (Fed. Cir. Mar. 19, 2025) (Judge Hughes, joined by Judges Prost and Taranto) (appeal from TTAB).

The Federal Circuit affirmed the cancellation of the registrant's mark "MONEY MART" covering "pawn brokerage and pawn shops" services. Although MONEY MART was used for loan financing and check cashing businesses since the 1980s, the mark was used for pawn brokerage and pawn store services only since 2012. Other marks in the market—"MONEY MART PAWN" and "MONEY MART PAWN & JEWELRY"—were in use in connection with pawn services since 1993, which the Federal Circuit agreed had priority. The Federal Circuit also affirmed that the registrant cannot use the doctrine of natural expansion to establish priority because the doctrine is purely a defensive doctrine. "The zone of natural expansion cannot be used to establish priority in different goods or services, especially when such use could conflict with the prior use of another. We decline to expand the scope of the zone of natural expansion doctrine and affirm that the doctrine may only be used defensively to prevent junior users from registering similar marks on goods in a senior user's zone of natural expansion."

Section 101 Does Not Cover Lack of Inventorship

ThroughPuter Inc. v. Amazon Web Services Inc., No. 1:22-cv-01095 (W.D. Tex. Mar. 4, 2025) (Senior Judge Ezra).

The court rejected the defendant's argument that the "lack of inventorship" argument can be properly brought under 35 U.S.C. § 101. The court noted that the defendant was unable to "point to a single case in which a court has found a patent invalid under § 101 for 'lack of inventorship.'" The court found that it "remains bound to apply the law as it currently exists," and referred to the Federal Circuit's en banc decision in *Ariad Pharmaceuticals Inc. v. Eli Lilly & Co.*, 598 F.3d 1336 (Fed. Cir. 2020), which established that "the question of whether 'the inventor actually invented the invention claimed' may be assessed by an objective review of the priority applications for the patents-in-suit from the perspective of a skilled artisan." This review complies with the written description requirement of Section 112(a). Under this established precedent, the court found that the defendant failed to meet its heavy burden to demonstrate a lack of inventorship by clear and convincing evidence.

2024 by the Numbers

Trademark Practice

300+

More than 300 new trademark applications filed

275

Trademark administrative proceedings handled

1,020

Trademark clients under management

75

Active USDC trademark cases