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## Prenatal testing patent tossed

*Federal Circuit invalidates San Diego company's method for fetal genetic testing*

By Kevin Lee

Ariosa Diagnostics Inc. and Natera Inc. won a decision Friday to invalidate a prenatal testing patent held by Sequenom Inc. after the U.S. Court of Appeals for the Federal Circuit affirmed a summary judgment ruling from the Northern District of California.

At the core of the lengthy courtroom battle was San Diego-based Sequenom's patented methods of noninvasively extracting and diagnosing cell-free fetal DNA (cffDNA) for fetal characteristics, such as gender, and genetic abnormalities.

A three-judge panel determined that Sequenom's claimed methods adhered too closely to a natural phenomenon, which is ineligible for patent protection under federal law. *Ariosa Diagnostics Inc. v. Sequenom Inc.*, 14-1139 (Fed. Cir. 2015).

In doing so, the appellate court relied on a string of recent U.S. Supreme Court rulings to uphold a decision from U.S. District Judge Susan Y. Illston in San Francisco. *Mayo Collaborative Services v. Prometheus Laboratories Inc.*, 132 S. Ct. 1289 (2012).

"Where claims of a method patent are directed to an application that starts and ends with a naturally occurring phenomenon, the patent fails to disclose patent eligible subject matter if the methods themselves are conventional, routine and well understood applications in the art," Federal Circuit Judge Jimmie V. Reyna wrote for the panel.

David I. Gindler, the Irell & Manella LLP partner who represented Ariosa at the district court and Federal Circuit, said the decision frees up scientists and researchers to conduct important life science research.

"I think this decision is a tremendous victory for innovations and innovators," Gindler said. "It makes clear that patents that try to monopolize a natural phenomenon are invalid."

Friday's ruling would likely end lawsuits against Ariosa and Natera unless Sequenom asked the full Federal Circuit to review the case or petitioned the U.S. Supreme Court.

Michael J. Malacek, a Kaye Scholer LLP partner and lead counsel for Sequenom, did not respond to a request for comment.

Ariosa is a San Jose-based company that was acquired by global life sciences conglomerate F. Hoffmann-La Roche Ltd., known commonly as Roche, earlier this year. Natera is a genetic testing company based in San Carlos.

William Paul Schuck, a partner at Bartko, Zankel, Bunzel & Miller who was lead counsel for Natera, said his client was "pleased with the outcome."

Richard L. Blaylock, a partner at Pillsbury Winthrop Shaw Pittman LLP, said the Federal Circuit decision allows biotechnology companies to research genetic sequences without being encumbered by possible litigation.

Monday, June 15, 2015

### Litigation

#### Plaintiff wins in hip implant trial

Wright Medical Technology Inc. was found liable Friday for a manufacturing defect that caused its device to crack after three years. This is the first of 1,200 cases decided regarding various alleged defects.

### Government

#### Justice hints concern over nominee to 2nd District court

Gov. Jerry Brown's pick of a young former Obama White House lawyer, Lamar W. Baker, to join the state appellate bench faces rumored opposition from a member of the commission that must vote to confirm him.

### Civil Rights

#### We're (still) watching you

Whatever recent privacy victories Americans have enjoyed, the overall message of late seems to be that, while we might be able to say what we like on the Internet, the government will still be watching. By **John W. Whitehead**

### Administrative/Regulatory

#### State's insurance agency announces new counsel

The California Department of Insurance announced Friday the appointment of John F. Finston as incoming general counsel. Finston takes the helm after three years as Deputy Commissioner for Corporate and Regulatory Affairs with the CDI.

### Firm Watch

#### On the Move

A weekly roundup of lateral attorney moves, law firm office openings and partner promotions from around California.

### Intellectual Property

#### Prenatal testing patent tossed

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### Litigation

#### US judge removed from case for sentencing error

"It's not necessarily desirable to have each discovery be patentable and controlled by a different entity," said Blaylock, who authored a brief on behalf of third-party Invitae Corp., a San Francisco genetic testing company. "Companies would be in the untenable position of tripping over scores and scores of patents."

Kevin E. Noonan, counsel for third party Biotechnology Industry Organization, said Friday's opinion favored companies with large resources over startup companies and universities.

Noonan added that researchers will rely less on patents and more on trade secret laws to protect their discoveries and inventions.

"The Supreme Court was trying very hard to limit over-patenting but the opposite has happened," Noonan said. "You will not have disclosure and the public will lose the benefit of that disclosure."

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For the third time in as many years, the 9th U.S. Circuit Court of Appeals has removed U.S. District Judge Otis D. Wright II of Los Angeles from a criminal case over sentencing problems.

**Law Practice**

**Magna milestone as Magna Carta turns 800**

Monday is the 800th anniversary of the signing of the Magna Carta in 1215. And August 24 will be the 800th anniversary of the date on which the Pope nullified it. By **Thomas M. Hall**

**Labor/Employment**

**We're failing workers falsely accused of misconduct**

Unfortunately, those falsely accused of workplace misconduct do not receive protections fundamental due process. By **William M. Crosby**

**Law Practice**

**Contempt proceedings a powerful enforcement tool**

However, seeing the proceedings through to the end may be tricky. By **Andrew M. Levad and Phillip H. Babich**

**Release me: beware broadly worded release provisions**

Two recent decisions reiterate the importance of drafting a settlement agreement release provision and exceptions to the release. By **Matthew R. Hicks**

**Labor/Employment**

**VIDEO: New state high court not looking good for employers**



The newly constituted state Supreme Court has given an unmistakable signal that it has moved to the legal left and is a pro-employee court. By **Timothy D. Reuben and Michael Hirota**

**Judicial Profile**

**William Sadler**

Superior Court Commissioner Los Angeles County (Central Arraignment Court)

**Government**

**Cuéllar leads language access push for courts**

Lack of affordable interpreters can turn a courthouse into a Tower of Babel where justice is jeopardized for litigants with weak English skills. A Judicial Council task force is trying to tackle an issue that lacks easy solutions.

